

ACORN CAPITAL

ACORN CAPITAL INVESTMENT FUND LIMITED

QUARTERLY INVESTOR UPDATE

ASX : ACQ

JUNE 2016

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Key Highlights

- ACQ Pre-Tax NTA for the financial year to 30 June 2016 increased +19.8%⁽¹⁾ which compares the to the Acorn Capital/SIRCA Microcap Benchmark of +9.5%
- Best contributing sectors within the ACQ investment portfolio for the June 2016 Quarter were Resources, Materials ex-Resources and Healthcare
- Unlisted portfolio weight finished the quarter at approximately 15%

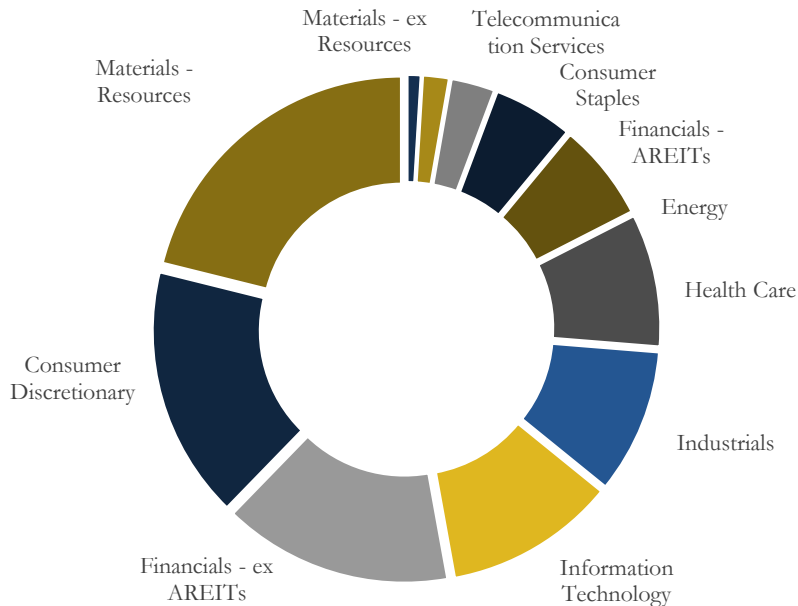
Source: Acorn Capital, as at 30 June 2016

1. Calculated per share on audited Pre-Tax NTA of \$0.8930 and unaudited Pre-Tax NTA of \$1.0695 as at 30 June 2015 and 30 June 2016 respectively

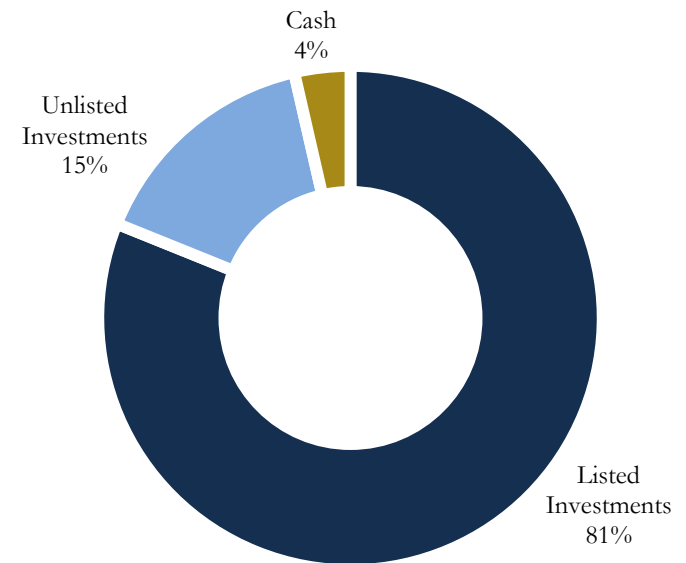


ACQ provides investors with a diversified exposure to Australian Emerging Growth Companies

ACQ Sector Diversification

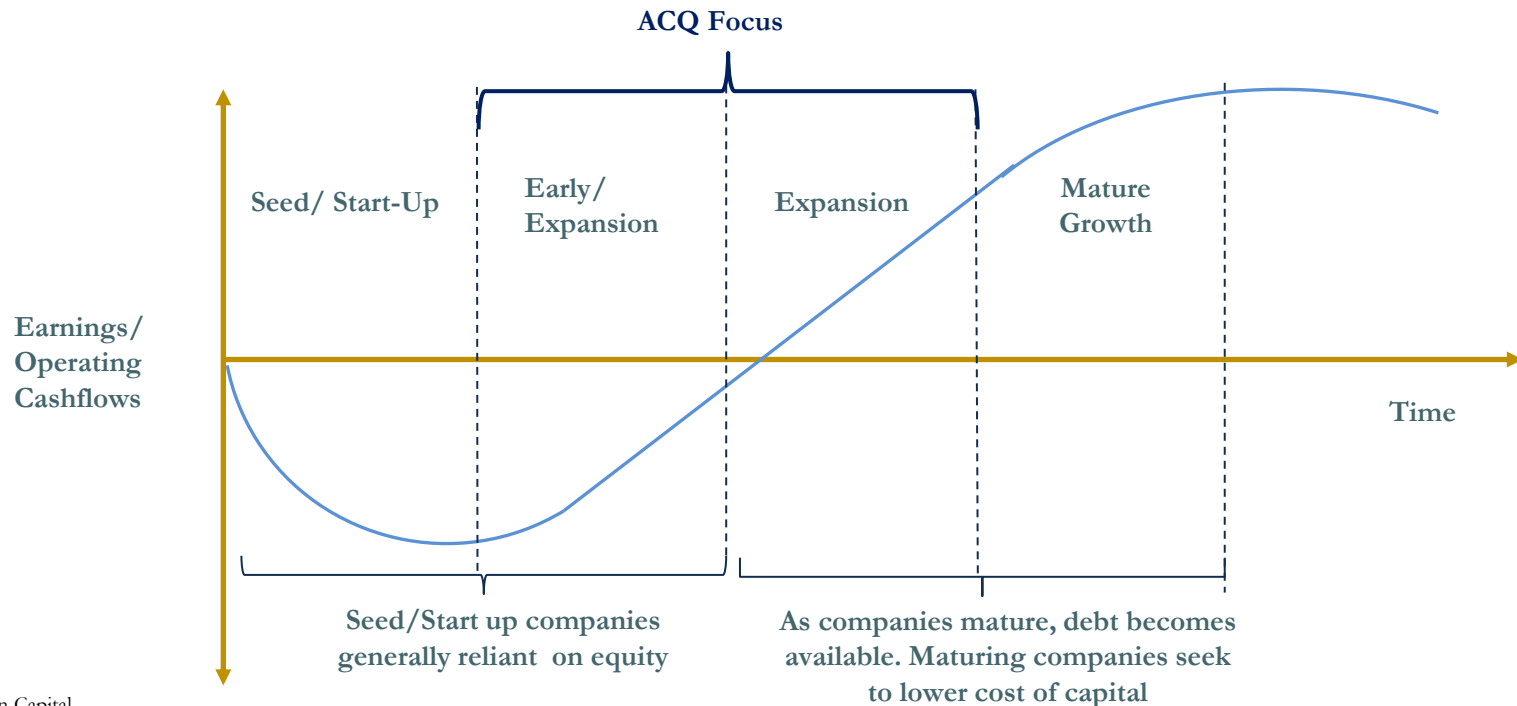


ACQ Portfolio Composition



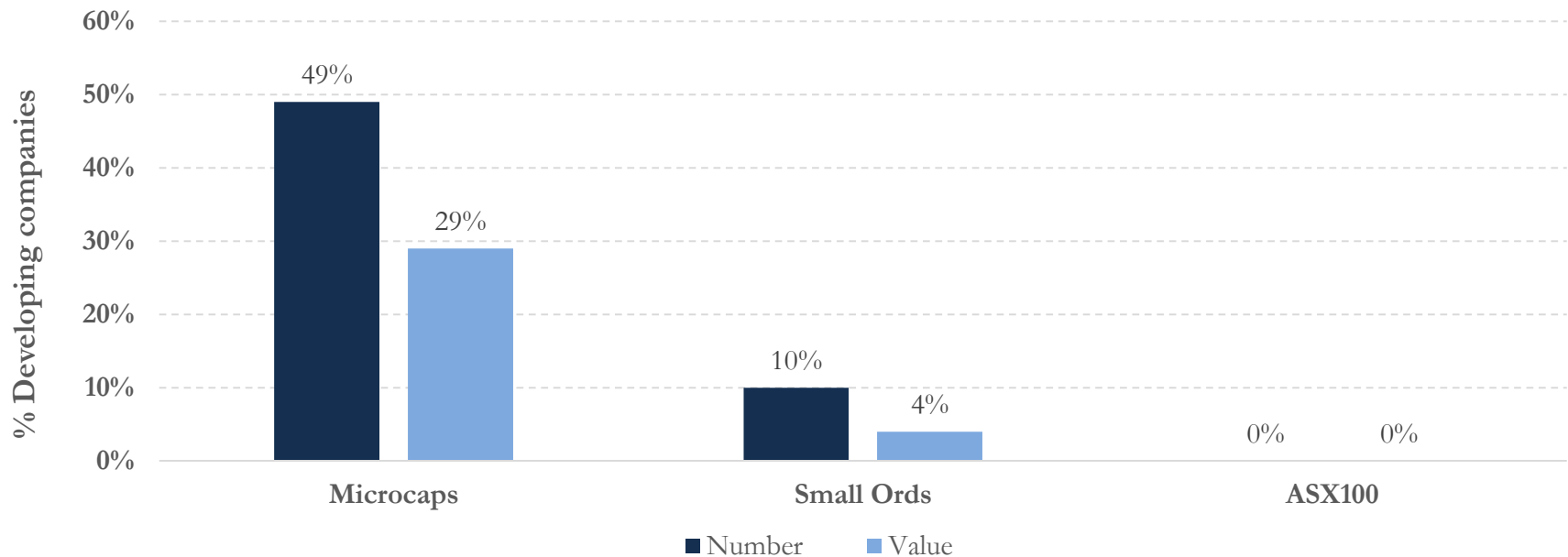


ACQ provides investors with access to innovation and entrepreneurialism through developing companies





Many Emerging Growth Companies or Microcaps⁽¹⁾ listed on the ASX are developing⁽²⁾ companies with insignificant bank exposure



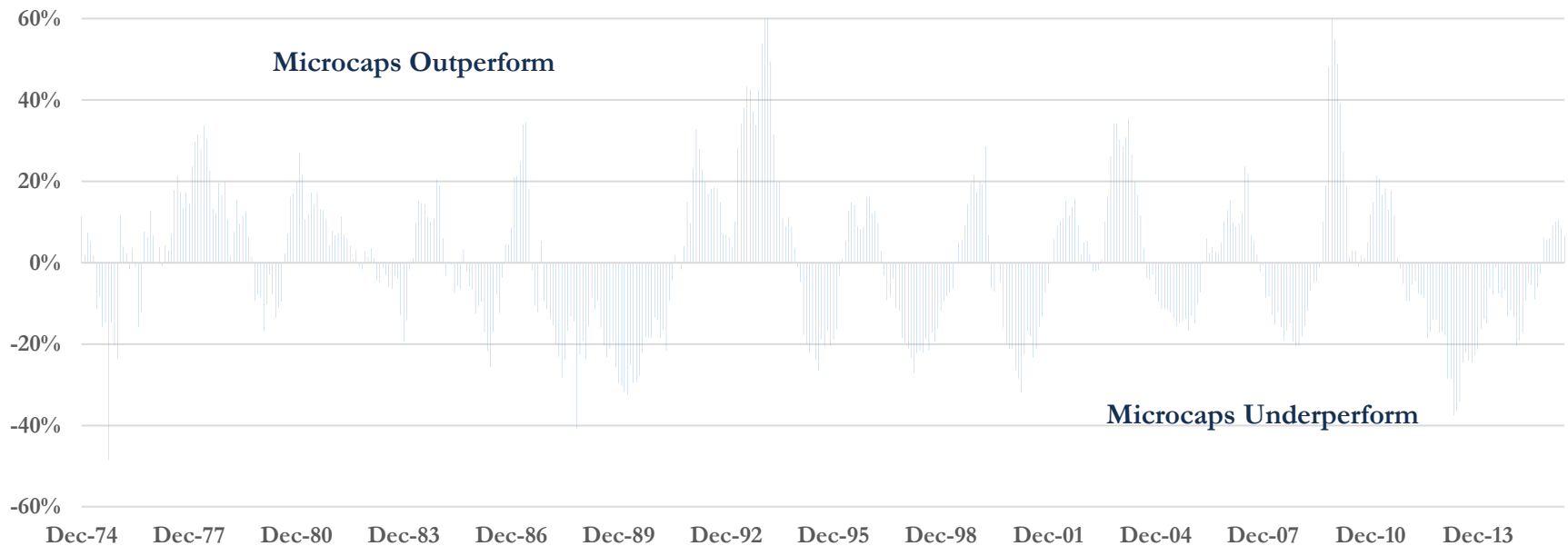
Source: Acorn Capital, as at 30 June 2016

(1) Defined by Acorn Capital as companies ex-ASX250

(2) Defined as having revenues less than 10% of their market capitalisation



Microcap Sector has materially outperformed the All Ordinaries Accumulation Index over the past 12 months, returning +9.5% versus +2.0%





Acorn Capital searches for attractively valued companies that have a sustainable advantage in a growing market

Current Positive Themes⁽¹⁾

Lithium/Energy Storage

Fintech

Online Marketplaces

Consumer Staples with Providence

Innovative Manufacture

Digital Outdoor Media

Tourism

Examples in Portfolio

Galaxy, Orocobre, Kidman

HUB24, Class, Touchcorp, InPaytech

Redbubble

Murray River Organics, Mareterram

PWR, Genea, Carbon Revolution, Paftec

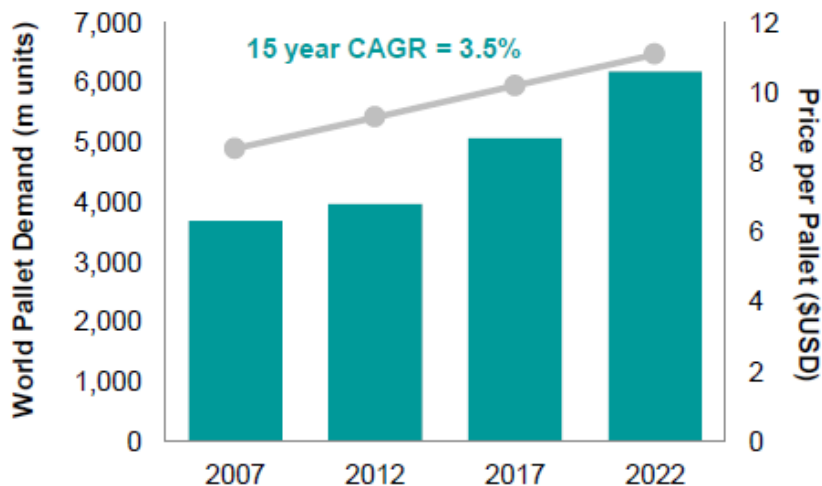
Ooh!, QMS

Sealink, HelloWorld, Indoor Skydive



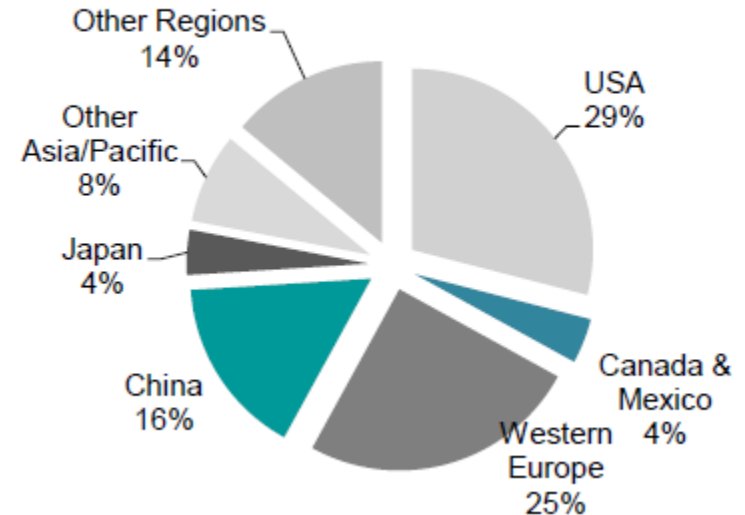
Range International produces a recycled plastic pallet that is durable, light, environmentally friendly and less expensive than alternatives and has potential to disrupt the pallet market

Strong & Consistent Demand



Large and addressable market

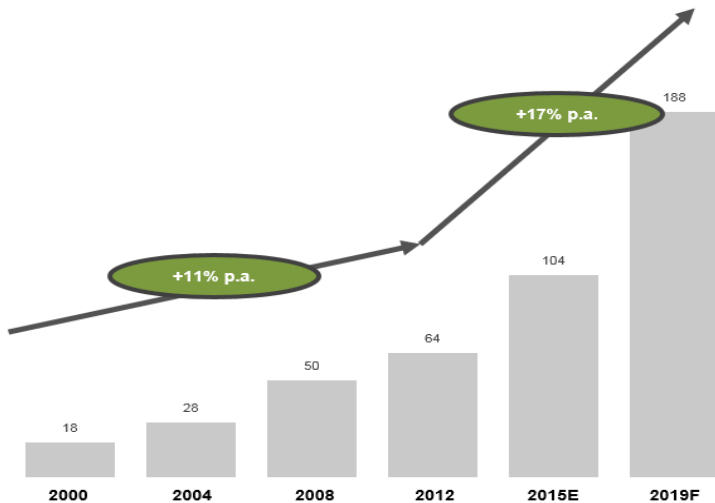
World Pallet Demand by Region (4 billion units)



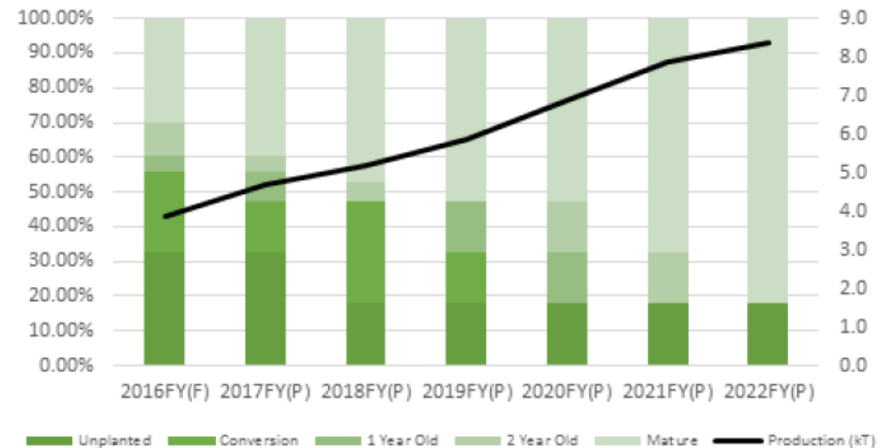


Murray River Organics is Australia's largest integrated organic dried fruit producer, catering to accelerating growth in global demand for providence, safety & health

Accelerating Global Organic Food Demand (US\$bn)

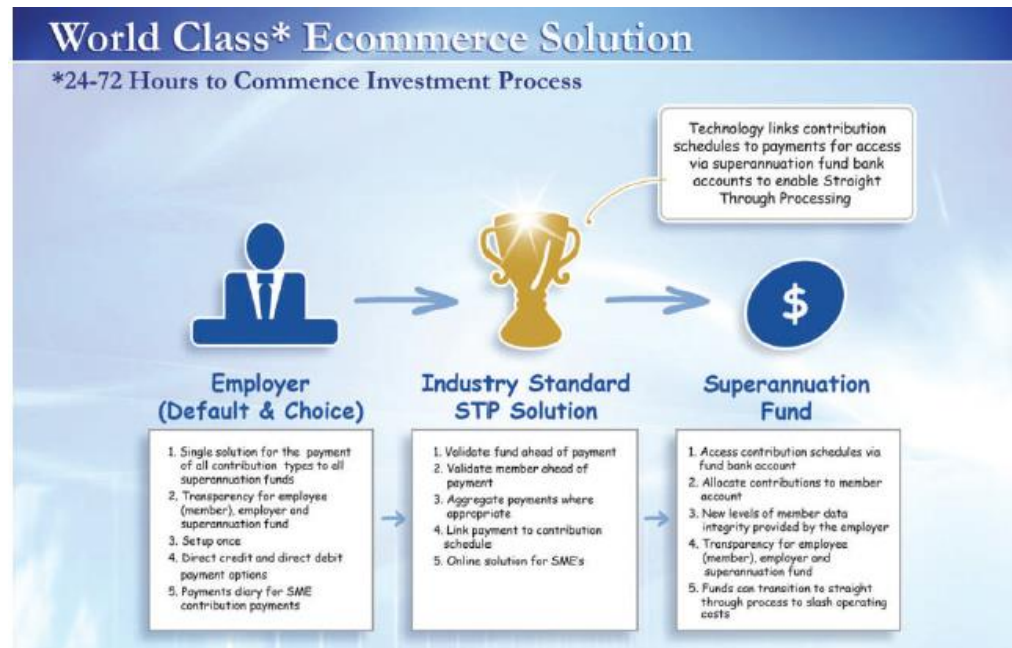


Supplied by MRO's increasingly productive portfolio



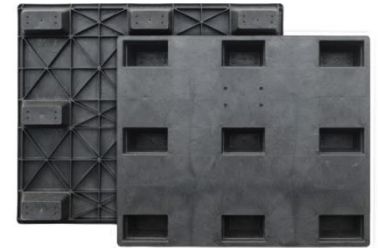


InPayTech's Clicksuper is a single, secure solution for payment of all contribution types to super funds required by SuperStream and positioned for the ATO's Single Touch Payroll





ACQ unlisted portfolio has exposure to a number of innovative manufacturing businesses supported by intellectual property





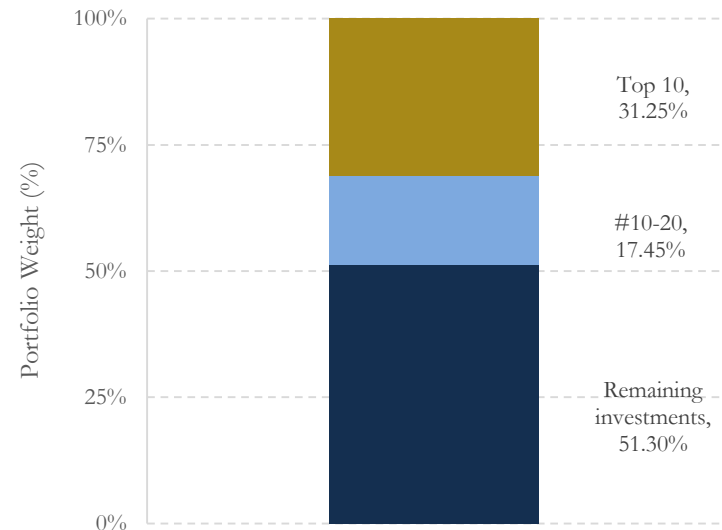
Representative investment portfolio has 31% of FUM in top 10 investments

Top 10 Holdings

% Gross Portfolio

1) Hub24	4.64%
2) Orocobre	4.37%
3) Redbubble	4.07%
4) Genea (UL)	3.71%
5) Galaxy Resources	2.99%
6) Servcorp	2.82%
7) General Mining Corporation	2.45%
8) Perseus Mining	2.22%
9) Class	2.06%
10) Burson Group	1.93%
Top 10 Positions	31.25%

Distribution of holdings by weight





Resources was the best performing portfolio sector reflected by positions in Galaxy Resources, Orocobre and St Barbara

Top 5 and Bottom 5 Contributors to ACQ Portfolio Return for FY2016

Top 5 Contributors

1. Galaxy Resources
2. HUB24
3. Orocobre
4. St Barbara
5. Bellamy's

Portfolio Sector Classification

- Materials - Resources
Financials ex-AREITs
Materials - Resources
Materials - Resources
Consumer Staples

Bottom 5 Contributors

1. Sundance Energy
2. eServGlobal
3. OM Holdings
4. Nimble Money
5. Simonds Group

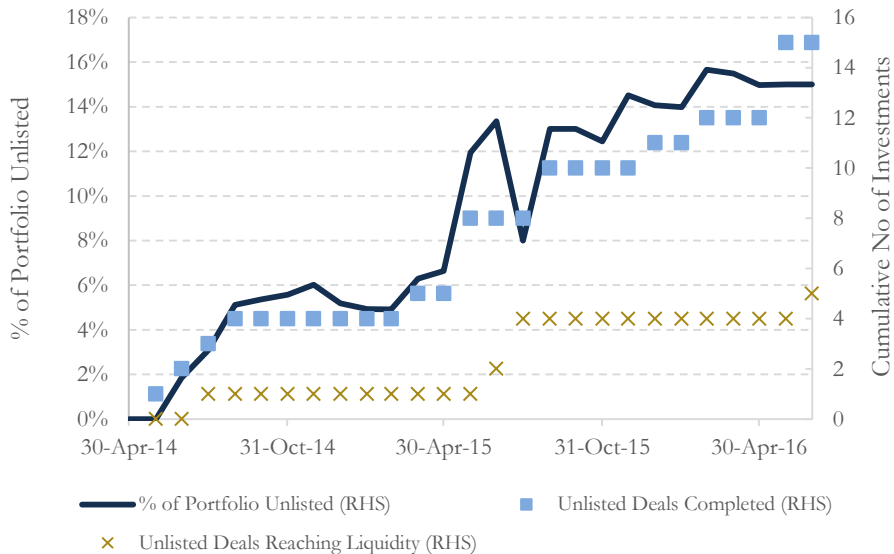
Portfolio Sector Classification

- Energy
Information Technology
Materials – Resources
Financials ex-AREITs
Consumer Discretionary

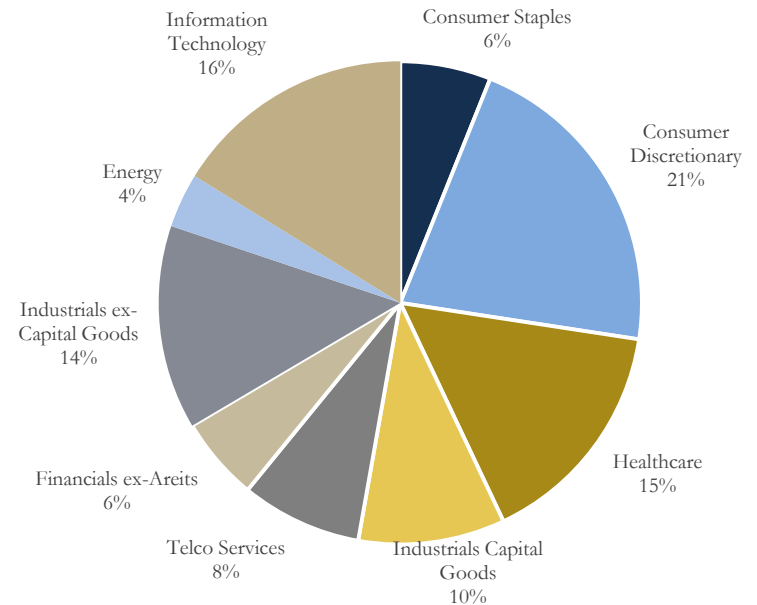


ACQ has invested \$12.2m in 15 unlisted opportunities⁽¹⁾, 5 of which have reached liquidity events with a further 2 in July 2016⁽²⁾

Unlisted Investment Rate



Sector Composition of Unlisted Investments



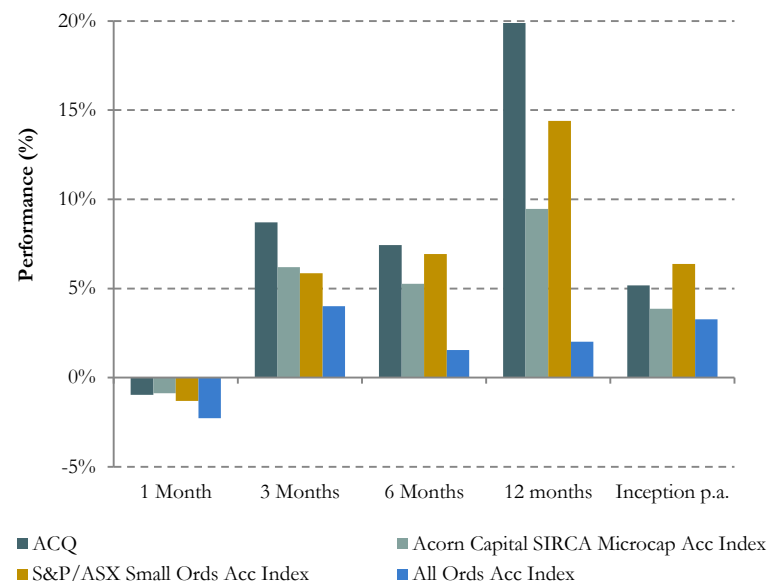
Source: Acorn Capital estimates as at 30 June 2016

(1) Since ACQ listing on ASX in May 2014, (2) Range International 22 July 2016 and Australis Oil & Gas 25 July 2016



Over past 12 months ACQ has outperformed all relevant indices

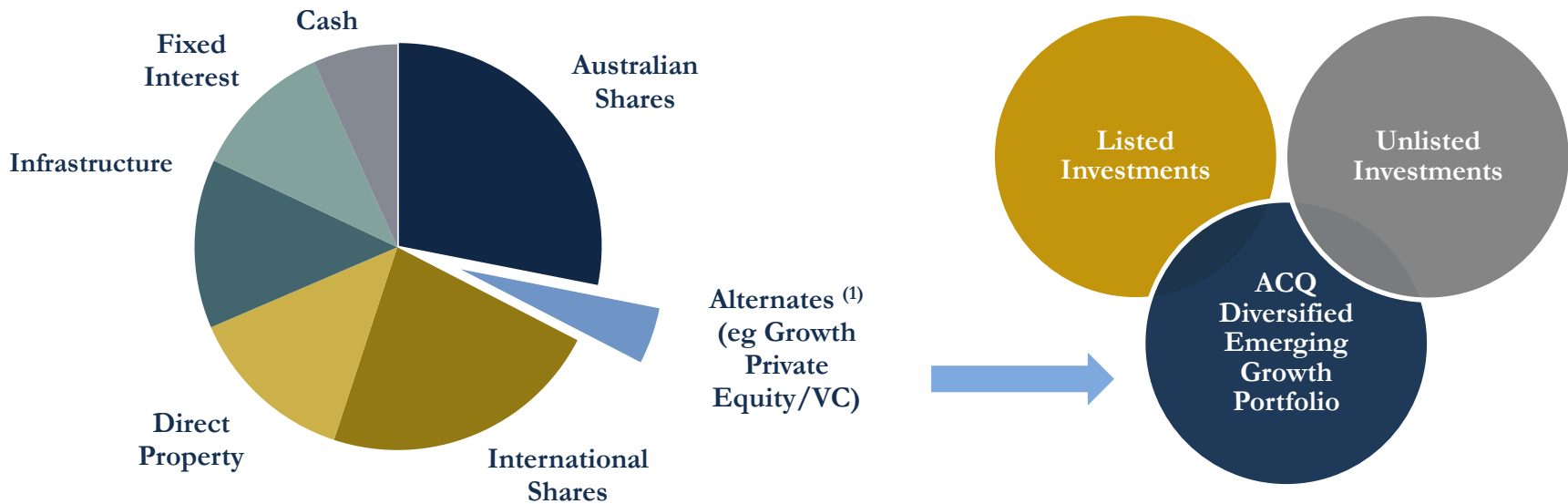
Period to 30 June 2016	1 month	3 months	6 months	12 months	Since inception p.a. ²
ACQ ¹	-0.97%	8.71%	7.43%	19.89%	5.17%
Acorn Capital / SIRCA Microcap Acc. Index ³	-0.87%	6.19%	5.26%	9.45%	3.86%
S&P/ASX Small Ords Acc. Index	-1.31%	5.85%	6.94%	14.40%	6.37%
S&P/All Ords Accumulation Index	-2.28%	4.00%	1.55%	2.01%	3.26%



- Portfolio performance is unaudited and post all operating expenses but before management fees, taxes and initial IPO and placement commissions. Performance has not been grossed up for franking credits received by shareholders. All figures are unaudited, and unlisted valuations are performed by Acorn Capital in accordance with ACQ Board approved policies.
- Inception is 1 May 2014
- Acorn Capital / SIRCA Microcap Accumulation Index data is verified 3 months in arrears by SIRCA ('Securities Industry Research Centre of Asia-Pacific')



ACQ provides long term investors an efficient platform to allocate capital to an alternate growth strategy



(1.) Acorn Capital illustration of Asset Allocations in a Diversified Portfolio