

## Acorn Capital Investment Fund

### Key company details

- ASX Code: ACQ/ACQO
- Listing Date: 1 May 2014
- Shares on issue: 50,820,001
- Options on issue: 50,820,000

### Objective

The Objective is to create a diversified portfolio of listed microcap companies and then to invest opportunistically in unlisted entities that offer better relative value. The performance objective for ACQ is to outperform the S&P/ASX Small Ordinaries Accumulation Index over the medium to long term.

### Investment philosophy

The investment philosophy is based on a belief that there are pricing inefficiencies amongst microcap companies due to a lack of readily available external research conducted on such entities.

Acorn Capital believes that through a research driven investment process the pricing inefficiencies that exist in both listed microcaps and unlisted microcaps can be exploited to earn returns superior to those available in the broader market.

Unlisted microcap opportunities must be of better relative value on a risk-adjusted basis to displace existing listed portfolio investments in the corresponding sector.

### Strategy

- Research-driven stock selection
- Economic sector diversified
- Style agnostic
- Long term investor
- Create diversified portfolios to reduce volatility

### Company profile

Acorn Capital Investment Fund Limited provides investors with an opportunity to invest in a diversified portfolio of listed and unlisted microcap companies.

### Manager profile

Established in 1998 Acorn Capital is a specialist Australian microcap manager with approximately \$912 million under management.

### Net Tangible Asset Backing Per Ordinary Share (all figures unaudited)

NTA before any tax effect	\$0.8602
NTA after tax excluding tax liability on unrealised gains	\$0.8696
NTA after tax	\$0.8973

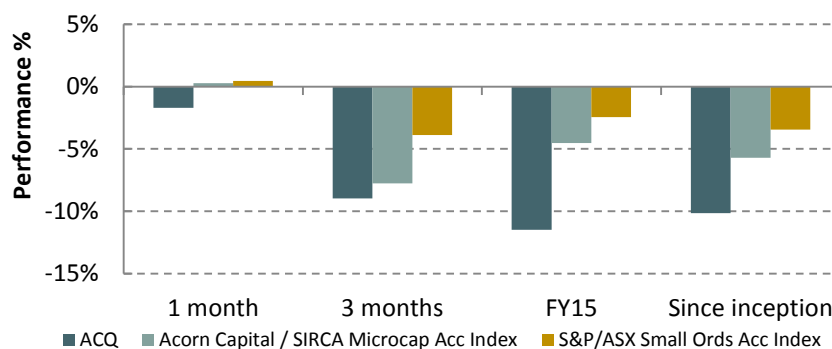
NTA does not include the impact of any exercise of the 50,820,000 outstanding ACQO options.

### Performance (December 2014) (all figures unaudited)

In December ACQ recorded performance of -1.71%<sup>1</sup>. The ACQ share price decreased from \$0.81 to \$0.73. The exchange traded options, ACQO last traded in December at \$0.003.

Period	1 month	3 months	FY15	Since inception <sup>2</sup>
ACQ <sup>1</sup>	-1.71%	-8.98%	-11.48%	-10.16%
Acorn Capital / SIRCA Microcap Acc Index <sup>3</sup>	0.29%	-7.77%	-4.52%	-5.71%
S&P/ASX Small Ords Acc Index ('Benchmark')	0.47%	-3.89%	-2.45%	-3.46%
Outperformance Relative to Benchmark	-2.18%	-5.09%	-9.03%	-6.70%

- Portfolio performance is post all operating expenses, excluding management fees, taxes and initial IPO and placement commissions. Performance has not been grossed up for franking credits received by shareholders
- 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')



### Contact Details

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Investment Fund Limited  
ACN 167 595 897

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Melbourne 3000 VIC Australia

### Website

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### Email

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### Telephone

+61 3 9639 0522

### Facsimile

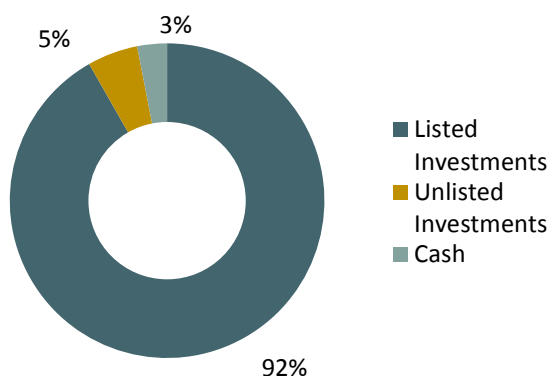
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## Month in Review

During this month Acorn Capital has had over 128 meetings with the management of microcap companies.

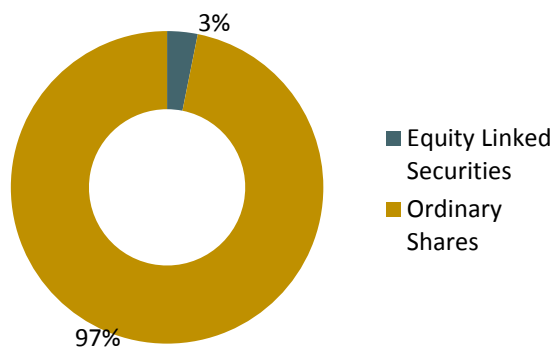
## Portfolio Profile

As at 31 December 2014 ACQ had 92%, 5% and 3% in listed investments, unlisted investments and cash, respectively.



## Investment Instrument

Unlisted investments can be classified by the type of investment instrument as follows:

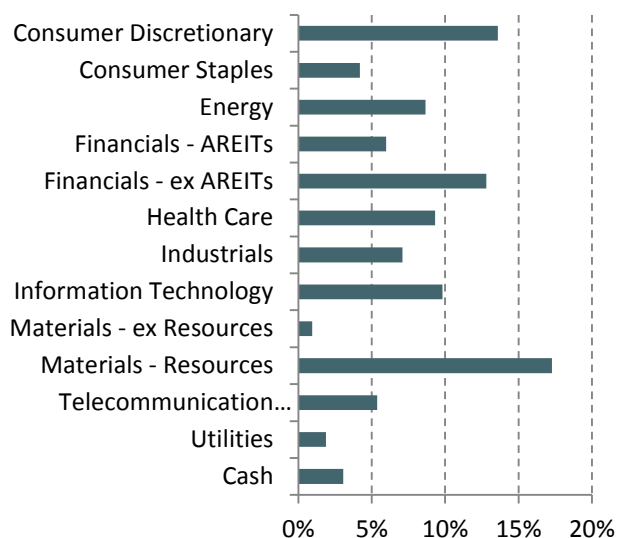


1. Equity Linked Securities include convertible debt, debt with attaching warrants, options or shares and such similar instruments

Listed and unlisted investments are revalued in accordance with policies adopted by the Board of ACQ.

## Industry Weight

As at 31 December 2014, the ACQ investment portfolio had the following industry weights:



## Top 10 Stocks

The ACQ Investment Portfolio held 86 stocks as at 31 December 2014. Top 10 largest stock holdings within the ACQ Investment Portfolio are:

Company	Portfolio Weight as at 31 December 2014
1. Servcorp	4.48%
2. amaysim	3.26%
3. Capitol Health	2.68%
4. Indophil Resources	2.48%
5. Generation Healthcare REIT	2.41%
6. IMF Bentham	2.39%
7. iProperty group	2.35%
8. eServglobal	2.16%
9. Amcom Telecommunications	2.11%
10. Shine Corporate	2.10%

## Further Information

Benchmark	S&P/ASX Small Ords Accumulation Index
ACQ Market Capitalisation (31 December 2014)	\$37.1 million
Options on issue	50,820,000
Exercise price of Options	\$1.00
Last date options can be exercised	24 October 2015

## Corporate Directory

### Directors

John Steven (Chairman)

David Trude

Judith Smith

Robert Brown

Barry Fairley

### Company Secretary

Matthew Sheehan

### Manager Investment Team

Robert Routley

David Ransom

Matthew Sheehan

Karina Bader

Tony Pearce

Kylie Molinaro

Robert Bruce

Cameron Petricevic

Xing Zhang

Ben Dalling

### Investment Manager

Acorn Capital Limited

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AFSL: 227605

Telephone: (03) 9639 0522

Facsimile: (03) 9369 0515

### Share Registry

Computershare Investor Services Pty Ltd

Yarra Falls, 452 Johnston Street

Abbotsford VIC 3067

Telephone: 1300 850 505

Facsimile: 03 9473 2500

### Auditor

Ernst & Young

Level 23, 8 Exhibition Street

Melbourne VIC 3000

### Registered Office

Level 12, 90 Collins Street

Melbourne VIC 3000

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