

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.

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

| | |
|---|--------|
| NTA before any tax effect | 0.9127 |
| NTA after tax excluding tax liability on unrealised gains | 0.9214 |
| NTA after tax | 0.9342 |

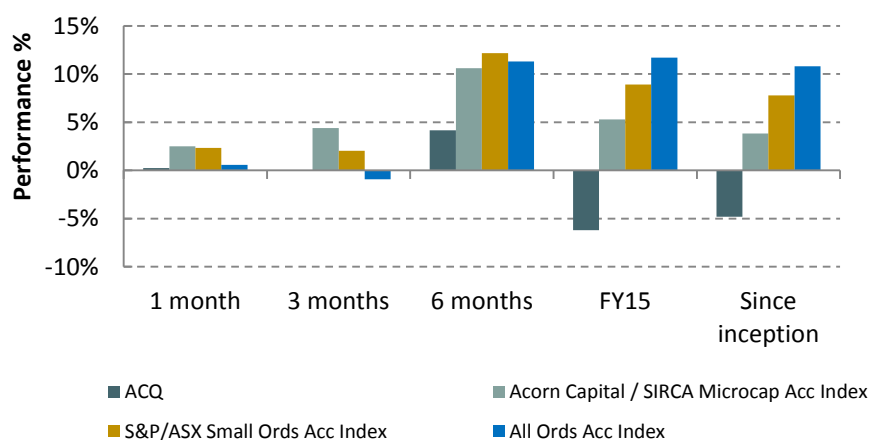
NTA does not include the impact of any exercise of the 50,820,000 outstanding ACQO options.

Performance (May 2015) (all figures unaudited)

In May ACQ recorded performance of 0.25%¹. The ACQ share price decreased from \$0.77 to \$0.765. The exchange traded options, ACQO last traded in May at \$0.001.

| Period | 1 month | 3 months | 6 months | FY15 | Since inception ² |
|---|---------|----------|----------|---------|------------------------------|
| ACQ ¹ | +0.25% | -0.03% | +4.15% | -6.21% | -4.81% |
| Acorn Capital / SIRCA Microcap Acc Index ³ | +2.49% | +4.39% | +10.62% | +5.29% | +3.84% |
| S&P/ASX Small Ords Acc Index | +2.35% | +2.03% | +12.16% | +8.90% | +7.78% |
| All Ords Acc Index | +0.58% | -0.93% | +11.32% | +11.70% | +10.80% |

- 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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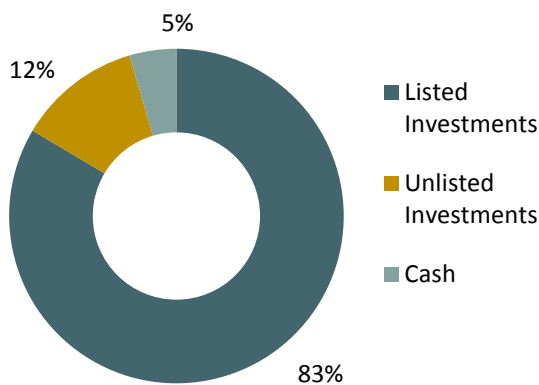
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Month in Review

During this month Acorn Capital has had over 121 meetings with the management of microcap companies. ACQ made three unlisted investments into Redbubble Limited, Carbon Revolution Pty Ltd and Mitula Group Limited. This takes the unlisted portfolio to a total of seven investments.

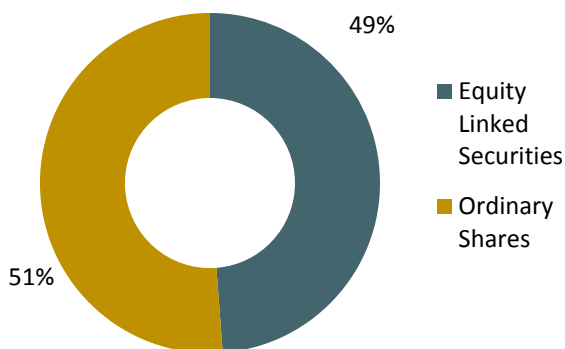
Portfolio Profile

As at 31 May 2015 ACQ had 83%, 12% and 5% in listed investments, unlisted investments and cash, respectively.



Investment Instrument

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

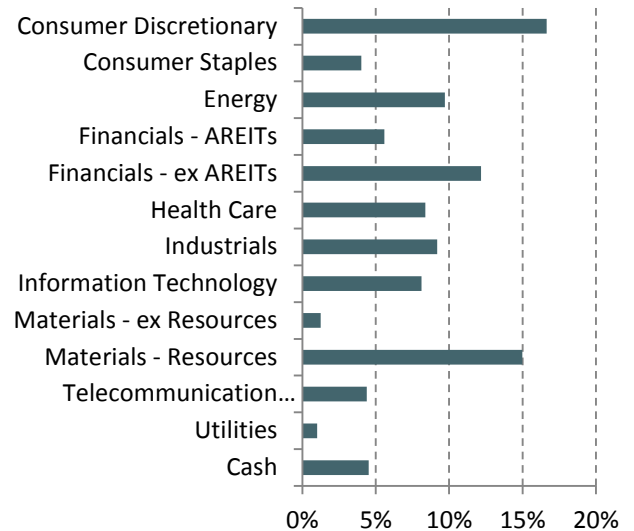


1. Equity Linked Securities include convertible debt, debt with attaching warrants, options or shares and such similar instruments

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

Industry Weight

As at 31 May 2015, the ACQ investment portfolio had the following industry weights:



Top 10 Stocks

The ACQ Investment Portfolio held 93 stocks as at 31 May 2015. Top 10 largest stock holdings within the ACQ Investment Portfolio are:

| Company | Portfolio Weight as at 31 May 2015 |
|--------------------------|------------------------------------|
| 1. Servcorp | 4.34% |
| 2. RedBubble | 4.03% |
| 3. Amaysim Australia | 3.58% |
| 4. Capitol Health | 2.22% |
| 5. Orocobre | 2.21% |
| 6. Nimble Money | 2.00% |
| 7. IMF Bentham | 1.93% |
| 8. Shine Corporate | 1.84% |
| 9. Generation Healthcare | 1.77% |
| 10. Metals X | 1.75% |

Further Information

| | |
|---|---------------------------------------|
| Benchmark | S&P/ASX Small Ords Accumulation Index |
| ACQ Market Capitalisation (31 May 2015) | \$38.9 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

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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

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