

# Monthly NTA statement

May 2014



ACORN CAPITAL

INVESTMENT FUND LIMITED

## Acorn Capital Investment Fund ('ACIF')

### 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 ACIF 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 \$1.1 billion under management.

### Net Tangible Asset Backing Per Ordinary Share

(all figures unaudited)

NTA before any tax effect	\$0.9719
NTA after tax excluding tax liability on unrealised gains	\$0.9786
NTA after tax	\$0.9754

NTA does not include dilution from 50,820,000 outstanding ACQO options.

### Performance (May 2014)

(all figures unaudited)

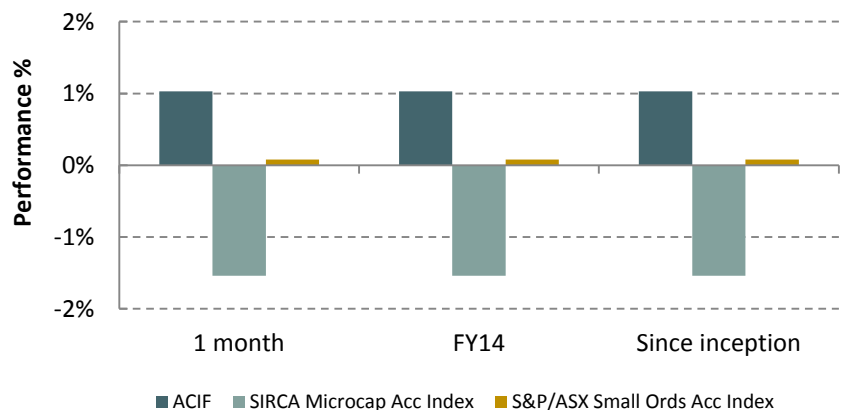
In May the company recorded performance<sup>1</sup> of 1.03% and the ACQ share price decreased from \$1.00 to \$0.91. The exchange traded options, ACQO last traded in May at \$0.032.

Period	1 month	FY14	Since inception <sup>2</sup>
ACIF <sup>1</sup>	+1.03%	+1.03%	+1.03%
SIRCA Microcap Acc Index <sup>3</sup>	-1.54%	-1.54%	-1.54%
S&P/ASX Small Ords Acc Index ('Benchmark')	+0.08%	+0.08%	+0.08%
Outperformance Relative to Benchmark	+0.95%	+0.95%	+0.95%

1. 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.

2. Inception is 1 May 2014

3. SIRCA Microcap Acc Index data is verified 3 months in arrears by SIRCA ('Securities Industry Research Centre of Asia-Pacific')



### Contact Details

Acorn Capital  
Investment Fund Limited  
ACN 167 595 897

Address  
Level 12, 90 Collins Street  
Melbourne 3000 VIC Australia

Website  
acorncapital.com.au  
Email  
info@acorncapital.com.au

Telephone  
+61 3 9639 0522  
Facsimile  
+61 3 9639 0515

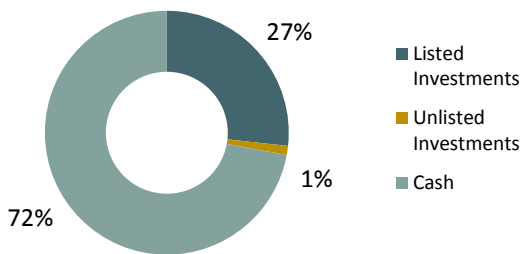


### Month in Review

During this month, the fund made 45 individual investments with weights ranging from approximately 0.02% to 2.76% of Gross Portfolio Value. Acorn Capital had direct contact with over 150 listed and unlisted microcap companies. ACIF also made its first unlisted investment into Nimble Money Limited.

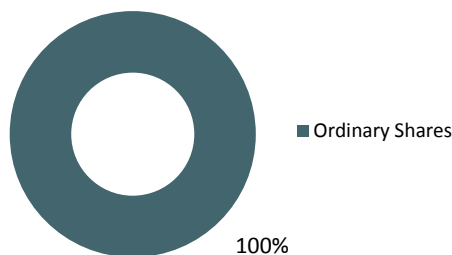
### Portfolio profile

ACIF had 27%, 1% and 72% in listed investments, unlisted investments and cash, respectively.



### Investment Instrument

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

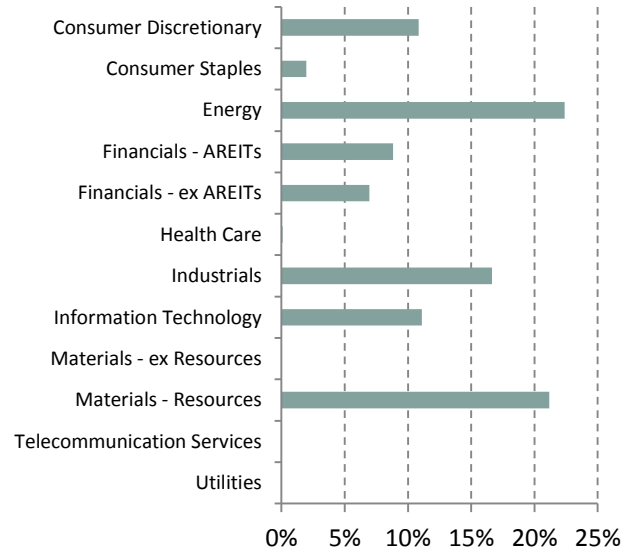


Unlisted investments are recorded in the portfolio at director's valuations.

### Industry weight

The ACIF Investment Portfolio is still in the process of being constructed, once completed it will be diversified across industries.

Presently the top three industry exposures are Energy, Materials-Resources and Consumer Discretionary.



### Top 10 Stocks

The ACIF Investment Portfolio held 45 securities as at 31 May 2014. Top 10 largest stock holdings within the ACQ Investment Portfolio are:

1. Sundance Energy
2. EServe Global
3. iBuy Group
4. Tiger Resources
5. Base Resources
6. Mint Wireless
7. Nimble Money
8. Carindale Property Trust
9. Horizon Oil
10. Affinity Education

### Further information

Benchmark	S&P/ASX Small Ords. Accum. Index
ACQ Market Capitalisation (31 May 2014)	\$46.246 million
Options on issue	50,820,000
Exercise price of Options	\$1.00
Last date options can be exercised	24 October 2015

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#### Website

acorncapital.com.au

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#### Facsimile

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## Corporate Directory

### Directors

John Steven (Chairman)  
David Trude  
Judith Smith  
Robert Brown  
Barry Fairley

### Share Registry

Computershare Investor Services Pty Ltd  
Yarra Falls, 452 Johnston Street  
Abbotsford VIC 3067  
Telephone: 1300 850 505  
Facsimile: 03 9473 2500

### Company Secretary

Matthew Sheehan

### Auditor

Ernst & Young  
Level 23, 8 Exhibition Street  
Melbourne VIC 3000

### Investment Team

Robert Routley	David Ransom
Matthew Sheehan	Karina Bader
Tony Pearce	Kylie Molinaro
Robert Bruce	Cameron Petricevic
Xing Zhang	Ben Dalling

### Registered Office

Level 12, 90 Collins Street  
Melbourne VIC 3000  
Telephone: (03) 9639 0522  
Facsimile: (03) 9369 0515

### Investment Manager

Acorn Capital Limited  
Level 12, 90 Collins Street  
Melbourne VIC 3000  
AFSL: 227605  
Telephone: (03) 9639 0522  
Facsimile: (03) 9369 0515

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