

## Acorn Capital Investment Fund

### Key company details

- ASX Code: ACQ
- Listing Date: 1 May 2014
- Shares on issue: 48,935,277

### 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	1.2181
NTA after tax excluding tax liability on unrealised gains	1.2203
NTA after tax	1.1498

NTA includes the impact of shares cancelled under the buy-back.

NTA reflects the liability for the \$0.018 dividend per share payable on 21 October 2016.

### Performance (September 2016) (all figures unaudited)

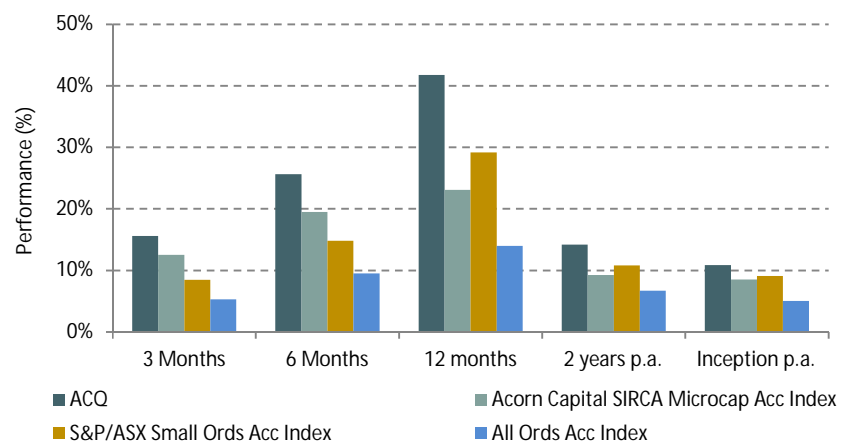
In September ACQ recorded performance of +4.85%<sup>1</sup> as compared to the S&P/Small Ordinaries Accumulation Index of +1.53%. The ACQ share price increased from \$1.02 to \$1.09.

Period	3 months	6 months	12 months	2 years % p.a.	Since inception % p.a. <sup>2</sup>
ACQ <sup>1</sup>	+15.57%	+25.65%	+41.75%	+14.19%	+10.89%
Acorn Capital / SIRCA Microcap Acc Index <sup>3</sup>	+12.52%	+19.48%	+23.11%	+9.27%	+8.51%
S&P/ASX Small Ords Acc Index	+8.50%	+14.84%	+29.16%	+10.83%	+9.08%
All Ords Acc Index	+5.30%	+9.51%	+14.01%	+6.69%	+5.03%

1. Portfolio performance is unaudited and calculated as the movement in NTA before tax effects, which is post all management fees, performance fees and operating costs. Performance includes dividends paid and payable but 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.

2. Inception is 1 May 2014

3. Acorn Capital / SIRCA Microcap Accumulation Index data is verified three months in arrears by SIRCA ('Securities Industry Research Centre of Asia-Pacific')



### Contact Details

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### Facsimile

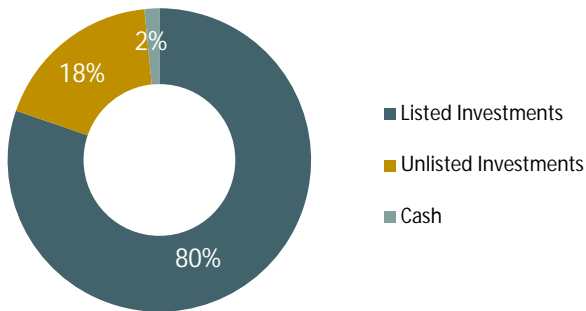
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## Month in Review

During this month ACQ made one new unlisted investment, Aroa Biosurgery ([www.aroabio.com](http://www.aroabio.com)). The unlisted portfolio is now at a total of ten investments.

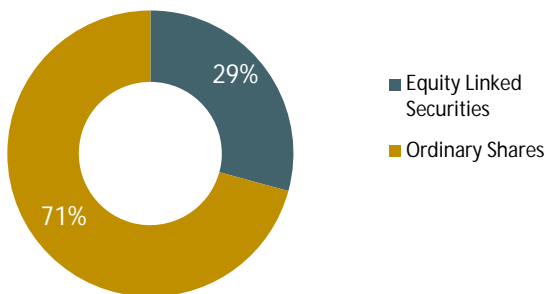
## Portfolio Profile

As at 30 September 2016 ACQ had 80%, 18% and 2% in listed investments, unlisted investments and cash, respectively.



## Investment Instrument

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

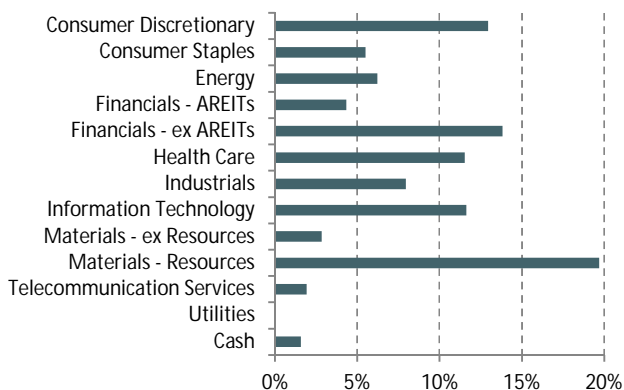


1. Equity Linked Securities include convertible debt, debt with attaching warrants, options or preference shares and such similar instruments

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

## Industry Weight

As at 30 September 2016, the ACQ investment portfolio had the following industry weights:



## Top 10 Stocks

The ACQ Investment Portfolio held 85 stocks as at 30 September 2016. Top 10 largest stock holdings within the ACQ Investment Portfolio are:

Company	Portfolio Weight as at 30 September 2016
1. Kidman Resources	6.0%
2. HUB24	5.8%
3. Murray River Organics (UL)	4.5%
4. Genea (UL)	3.7%
5. Redbubble	3.1%
6. Range International	2.8%
7. Orocobre	2.6%
8. Galaxy Resources	2.3%
9. Aroa Biosurgery (UL)	2.0%
10. Fiducian Group	2.0%
<b>Total</b>	<b>34.8%</b>

Note: (UL) = unlisted investment

## Dividend Intentions

ACQ intends to pay annual dividends targeting at least 3% of closing post-tax NTA for each financial year, franked to the highest extent possible without the Company incurring a liability. This intention is subject to ACQ having sufficient profit and cash flow to make such payments. From FY17 it is the intention to pay part of this dividend as an interim dividend.

On 30 August 2016 ACQ announced a maiden fully franked dividend of 1.5 cents per share and a special dividend of 0.3 cents per share for the 6 months ended 30 June 2016.

## Key Dividend Dates

Ex-Date	30 September 2016
Record Date	4 October 2016
Last election date for DRP	5 October 2016
Payment date	21 October 2016

## Further Information

Performance Benchmark	S&P/ASX Small Ords Accumulation Index
ACQ Market Capitalisation	\$53.3 million (30 September 2016)
Registered Office	Level 12, 90 Collins Street Melbourne VIC 3000 Telephone: (03) 9639 0522 Facsimile: (03) 9369 0515