

## Acorn Capital Investment Fund

### Key company details

- ASX Code: ACQ
- Listing Date: 1 May 2014
- Shares on issue: 49,099,180

### 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	1.0800
NTA after tax excluding tax liability on unrealised gains	1.1022
NTA after tax	1.0575

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

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

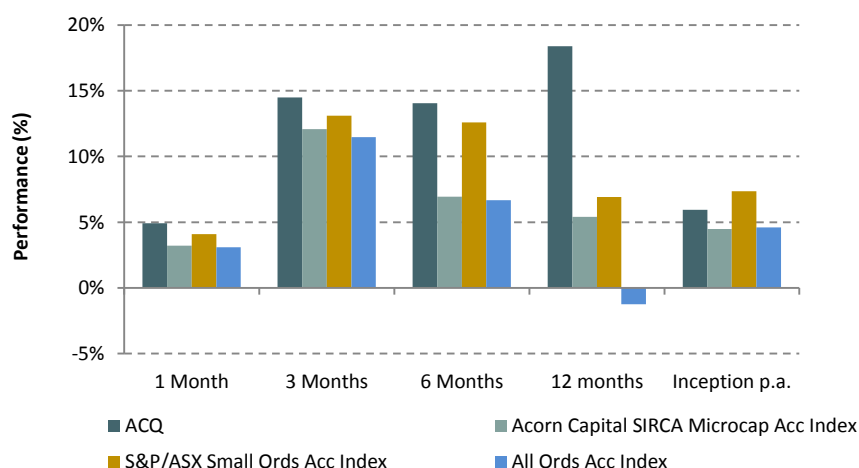
In May ACQ recorded performance of 4.88%<sup>1</sup>. The ACQ share price increased from \$0.880 to \$0.885.

Period	1 month	3 months	6 months	12 months	Since inception % p.a. <sup>2</sup>
ACQ <sup>1</sup>	4.88%	14.45%	14.00%	18.33%	5.91%
Acorn Capital / SIRCA Microcap Acc Index <sup>3</sup>	3.20%	12.09%	6.94%	5.40%	4.48%
S&P/ASX Small Ords Acc Index	4.09%	13.12%	12.60%	6.91%	7.35%
All Ords Acc Index	3.09%	11.47%	6.67%	-1.25%	4.60%

1. Portfolio performance is unaudited and calculated as the movement in NTA before tax effects. 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.

2. Inception is 1 May 2014

3. 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

### Address

Level 12, 90 Collins Street  
Melbourne 3000 VIC Australia

### Website

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### Email

info@acorncapital.com.au

### Telephone

+61 3 9639 0522

### Facsimile

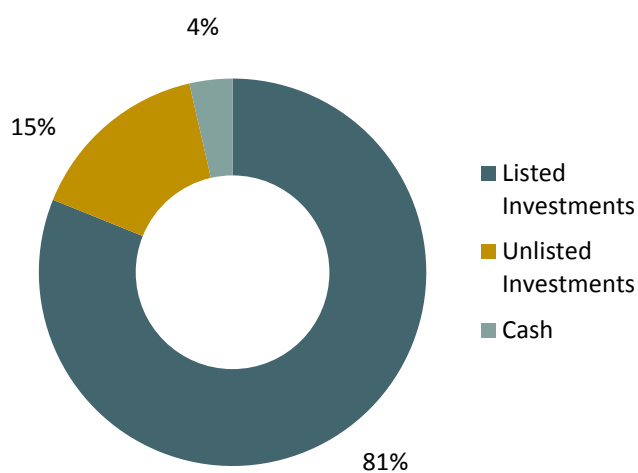
+61 3 9639 0515

## Month in Review

During this month ACQ experienced a number of changes in its unlisted portfolio. Redbubble listed on the ASX and ACQ also made three new unlisted investments. The unlisted portfolio is now at a total of 10 investments.

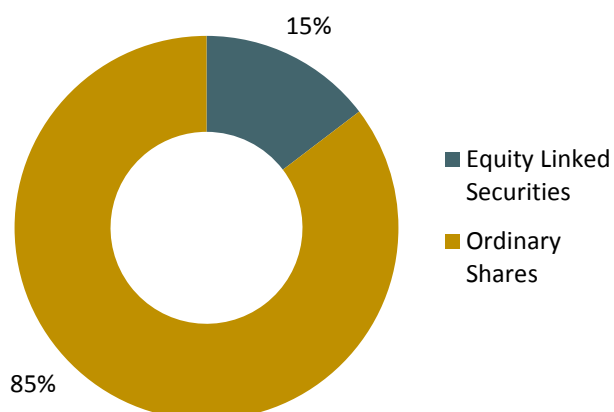
## Portfolio Profile

As at 31 May 2016 ACQ had 81%, 15% and 4% in listed investments, unlisted investments and cash, respectively.



## Investment Instrument

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

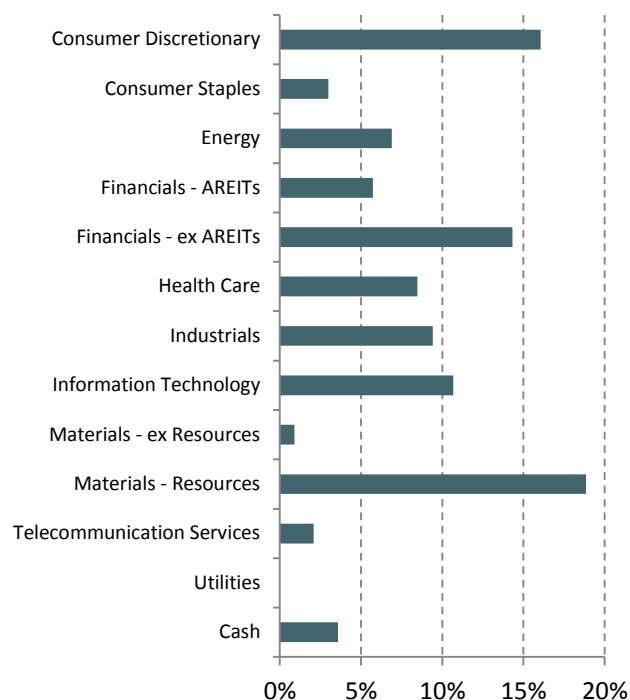


1. Equity Linked Securities include convertible debt, debt with attaching warrants, options or shares and such similar instruments

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

## Industry Weight

As at 31 May 2016, the ACQ investment portfolio had the following industry weights:



## Top 10 Stocks

The ACQ Investment Portfolio held 87 stocks as at 31 May 2016. Top 10 largest stock holdings within the ACQ Investment Portfolio are:

Company	Portfolio Weight as at 31 May 2016
1. Galaxy Resources	5.29%
2. Hub24	5.06%
3. Redbubble	4.81%
4. Orocobre	4.29%
5. Genea (UL)	3.95%
6. Servcorp	3.89%
7. Generation Healthcare	2.16%
8. Burson Group	2.14%
9. Fiducian Group	2.06%
10. Range International (UL)	2.03%
<b>Total</b>	<b>35.69%</b>

Note: (UL) = unlisted investment

## Further Information

Benchmark	S&P/ASX Small Ords Accumulation Index
ACQ Market Capitalisation (31 May 2016)	\$43.5 million



ACORN CAPITAL  
INVESTMENT FUND LIMITED

## 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	Ben Dalling
Robert Bruce	
Xing Zhang	

### Investment Manager

Acorn Capital Limited  
Level 12, 90 Collins Street  
Melbourne VIC 3000  
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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

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Melbourne VIC 3000  
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