

Acorn Capital Investment Fund

Key company details

- ASX Code: ACQ
- Listing Date: 1 May 2014
- Shares on issue: 48,995,696

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 Ltd is a specialist Australian microcap manager.

Net Tangible Asset Backing Per Ordinary Share – 30 April 2017 (all figures unaudited)

| | |
|---|--------|
| NTA before any tax effect | 1.1009 |
| NTA after tax excluding tax liability on unrealised gains | 1.0735 |
| NTA after tax | 1.0616 |

NTA includes the impact of shares cancelled under the buy-back and shares issued under Dividend Reinvestment Plan

Performance (April 2017) (all figures unaudited)

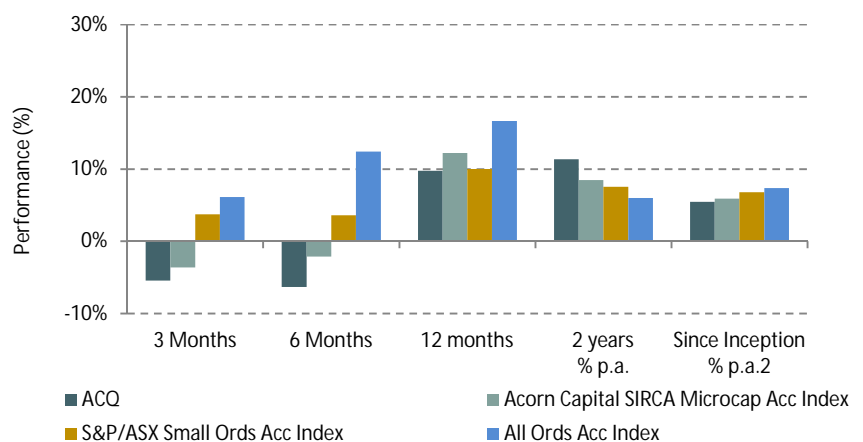
In April ACQ recorded performance of -3.12%¹ as compared to the S&P/Small Ordinaries Accumulation Index of -0.25%. The ACQ share price decreased from \$0.99 to \$0.97.

| Period | 3 Months | 6 Months | 12 months | 2 years % p.a. | Since Inception % p.a. ² |
|---|----------|----------|-----------|----------------|-------------------------------------|
| ACQ ¹ | -5.42% | -6.30% | +9.77% | +11.38% | +5.49% |
| Acorn Capital SIRCA Microcap Acc Index ³ | -3.63% | -2.11% | +12.25% | +8.49% | +5.89% |
| S&P/ASX Small Ords Acc Index | +3.75% | +3.62% | +10.04% | +7.56% | +6.80% |
| All Ords Acc Index | +6.13% | +12.41% | +16.65% | +6.01% | +7.38% |

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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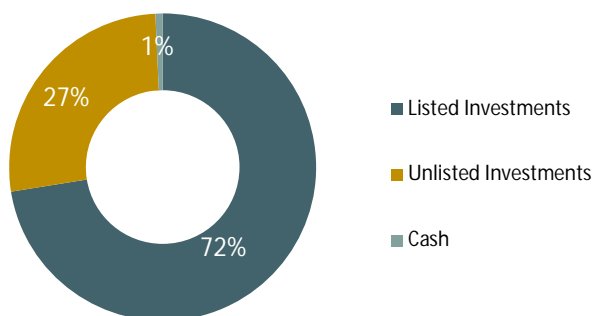
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Month in Review

There were no unlisted investments made or realised during the month. The unlisted portfolio remains at a total of thirteen investments.

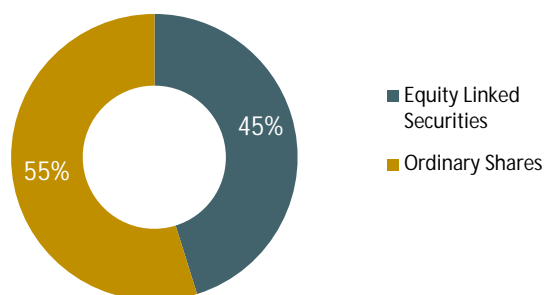
Portfolio Profile

As at 30 April 2017 ACQ had 72%, 27% and 1% in listed investments, unlisted investments and cash, respectively.



Investment Instrument

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

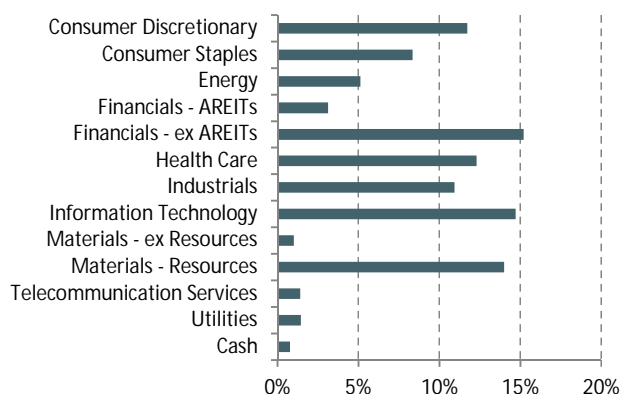


1. Equity Linked Securities include convertible debt, debt with attaching warrants, options or preference shares and such similar instruments

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

Industry Weight

As at 30 April 2017, the ACQ investment portfolio had the following industry weights:



Top 10 Stocks

The ACQ Investment Portfolio held 76 stocks as at 30 April 2017. Top 10 largest stock holdings within the ACQ Investment Portfolio are:

| Company | Portfolio Weight as at 30 April 2017 |
|--|--------------------------------------|
| 1. Hub24 Limited | 5.4% |
| 2. Murray River Organics Group Limited | 5.0% |
| 3. Genea Limited (UL) | 4.7% |
| 4. MSL Solutions Ltd (UL) | 3.7% |
| 5. Carbon Revolution Pty Ltd (UL) | 3.4% |
| 6. Fiducian Group Limited | 3.2% |
| 7. Innovative Asset Solutions Group Ltd (UL) | 2.8% |
| 8. Redbubble Limited | 2.8% |
| 9. Integrated Payment Technologies Limited | 2.6% |
| 10. Lifestylepanel Holdings Ltd (UL) | 2.6% |
| Total | 36.1% |

Note: (UL) = unlisted investment

Dividend

A 1.5 cents a share fully franked dividend was paid on 31 March 2017. This brings the total fully franked dividend paid since ACQ listed to 3.3 cents per share.

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.

Further Information

| | |
|---------------------------|---|
| Performance Benchmark | S&P/ASX Small Ords Accumulation Index |
| ACQ Market Capitalisation | \$47.5 million (30 April 2017) |
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