

## 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	1.2162
NTA after tax excluding tax liability on unrealised gains	1.2378
NTA after tax	1.1714

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

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

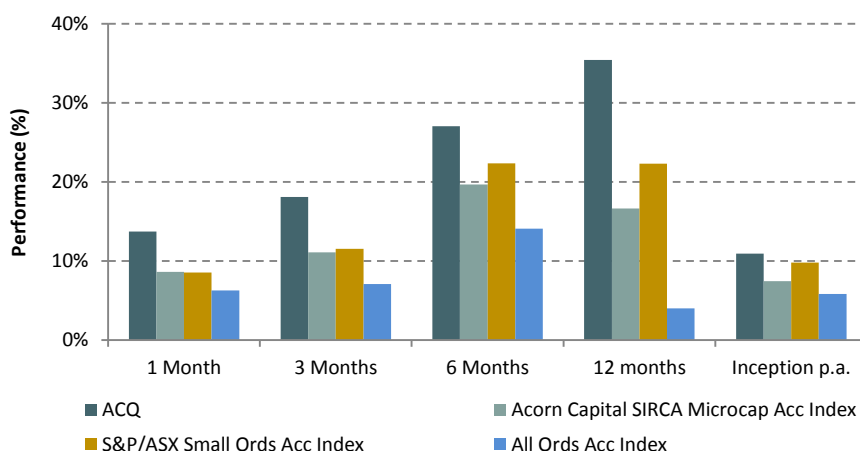
In July ACQ recorded performance of 13.72%<sup>1</sup>. The ACQ share price increased from \$0.895 to \$0.965.

Period	1 month	3 months	6 months	12 months	Since inception % p.a. <sup>2</sup>
ACQ <sup>1</sup>	13.72%	18.11%	27.05%	35.42%	10.94%
Acorn Capital / SIRCA Microcap Acc Index <sup>3</sup>	8.61%	11.11%	19.67%	16.64%	7.44%
S&P/ASX Small Ords Acc Index	8.57%	11.52%	22.34%	22.29%	9.82%
All Ords Acc Index	6.29%	7.07%	14.08%	4.02%	5.85%

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 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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Investment Fund Limited  
ACN 167 595 897

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Melbourne 3000 VIC Australia

### Website

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### Telephone

+61 3 9639 0522

### Facsimile

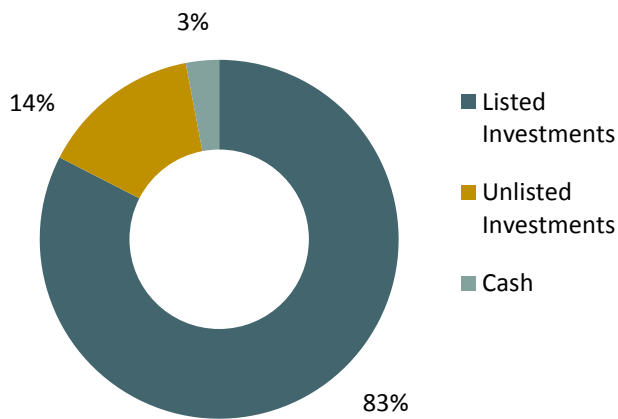
+61 3 9639 0515

## Month in Review

During this month ACQ experienced a few changes in its unlisted portfolio. Range International and Australis Oil & Gas both listed on the ASX. ACQ also increased its investment in Murray River Organics. The unlisted portfolio is now at a total of eight investments.

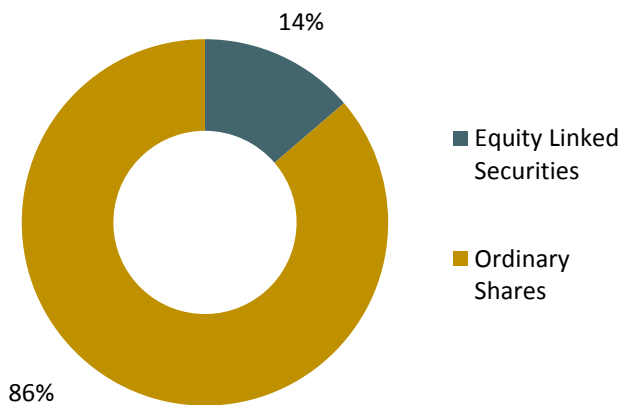
## Portfolio Profile

As at 31 July 2016 ACQ had 83%, 14% and 3% in listed investments, unlisted investments and cash, respectively.



## Investment Instrument

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

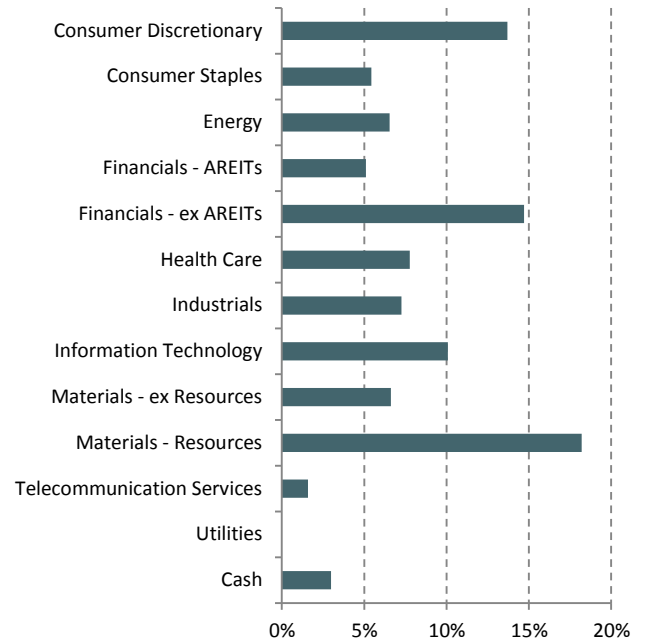


1. Equity Linked Securities include convertible debt, debt with attaching warrants, options or shares and such similar instruments

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

## Industry Weight

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



## Top 10 Stocks

The ACQ Investment Portfolio held 88 stocks as at 31 July 2016. Top 10 largest stock holdings within the ACQ Investment Portfolio are:

Company	Portfolio Weight as at 31 July 2016
1. Range International	6.44%
2. HUB24	5.00%
3. Murray River Organics (UL)	4.82%
4. Galaxy Resources	4.32%
5. Redbubble	3.87%
6. Genea (UL)	3.57%
7. Orocobre	3.07%
8. Kidman Resources	2.30%
9. Servcorp	2.07%
10. Fiducian Group	1.75%
<b>Total</b>	<b>37.22%</b>

Note: (UL) = unlisted investment

## Further Information

Benchmark	S&P/ASX Small Ords Accumulation Index
ACQ Market Capitalisation (31 July 2016)	\$47.2 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

Rick Squire

Matthew Sheehan

Karina Bader

Tony Pearce

Robert Bruce

Xing Zhang

Ben Dalling

Brian Gan

### Investment Manager

Acorn Capital Limited

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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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