



ACORN CAPITAL

ACORN CAPITAL INVESTMENT FUND LIMITED

MARCH QUARTER 2019

ASX : ACQ



INNOVATION



EFFICIENCY



GROWTH



DIVERSITY



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Key facts at a glance as at 31 March 2019

Pre-tax NTA	\$1.2493	Gross portfolio return since inception ⁽¹⁾	+10.9%p.a.
Post-tax NTA	\$1.1987	S&P/Small Ordinaries Accumulation Index since inception ⁽²⁾	+8.4% p.a.
ACQ share price	\$1.09	S&P/Emerging Companies Accumulation Index since inception ⁽²⁾	+6.8% p.a.
Final 2018 Dividend + Interim 2019 Dividend	7.0c	Number of Investments	83
Implied cash dividend yield (based on share price)	6.5% ⁽³⁾	Number of Unlisted Investments Current in Portfolio	21
% Franked ⁽⁴⁾	100%	% of Portfolio Unlisted	32%
Shares Outstanding	52.9m		

(1) Acorn Capital estimates as at 30 March 2019, reported portfolio return since inception is 8.39%

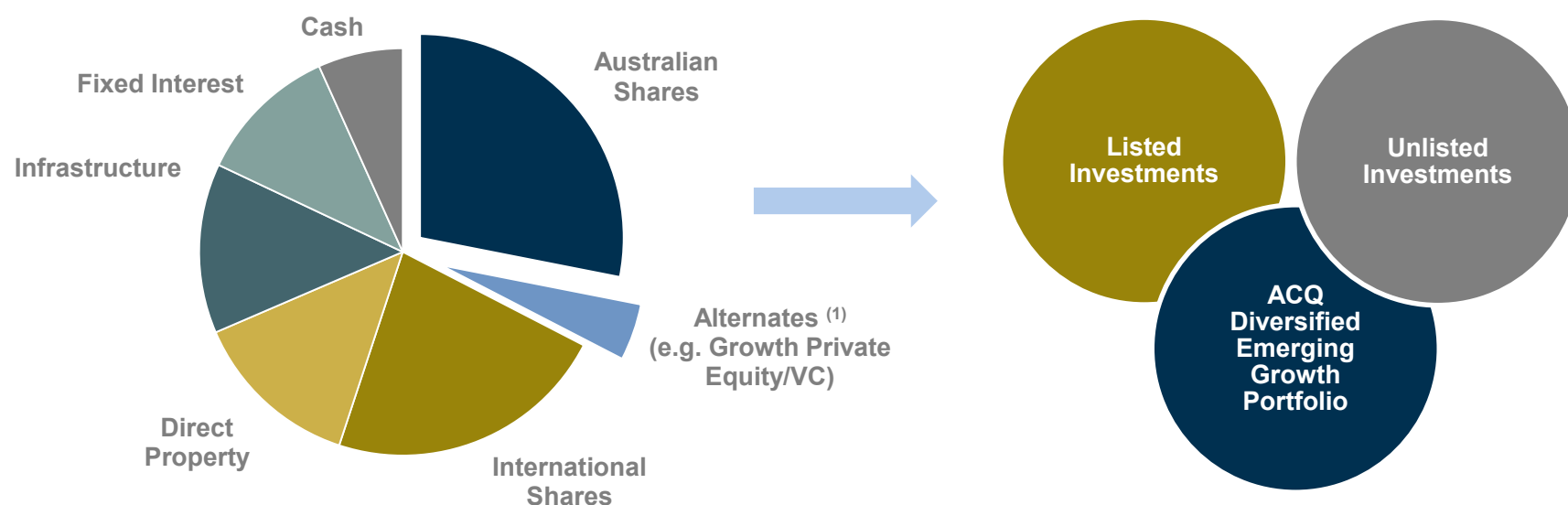
(2) Inception is 1 May 2014

(3) Based on the ACQ share price as at 31 March 2019

(4) Dividends paid that relate to the 2019 financial year are anticipated to be franked at a rate of 27.5%

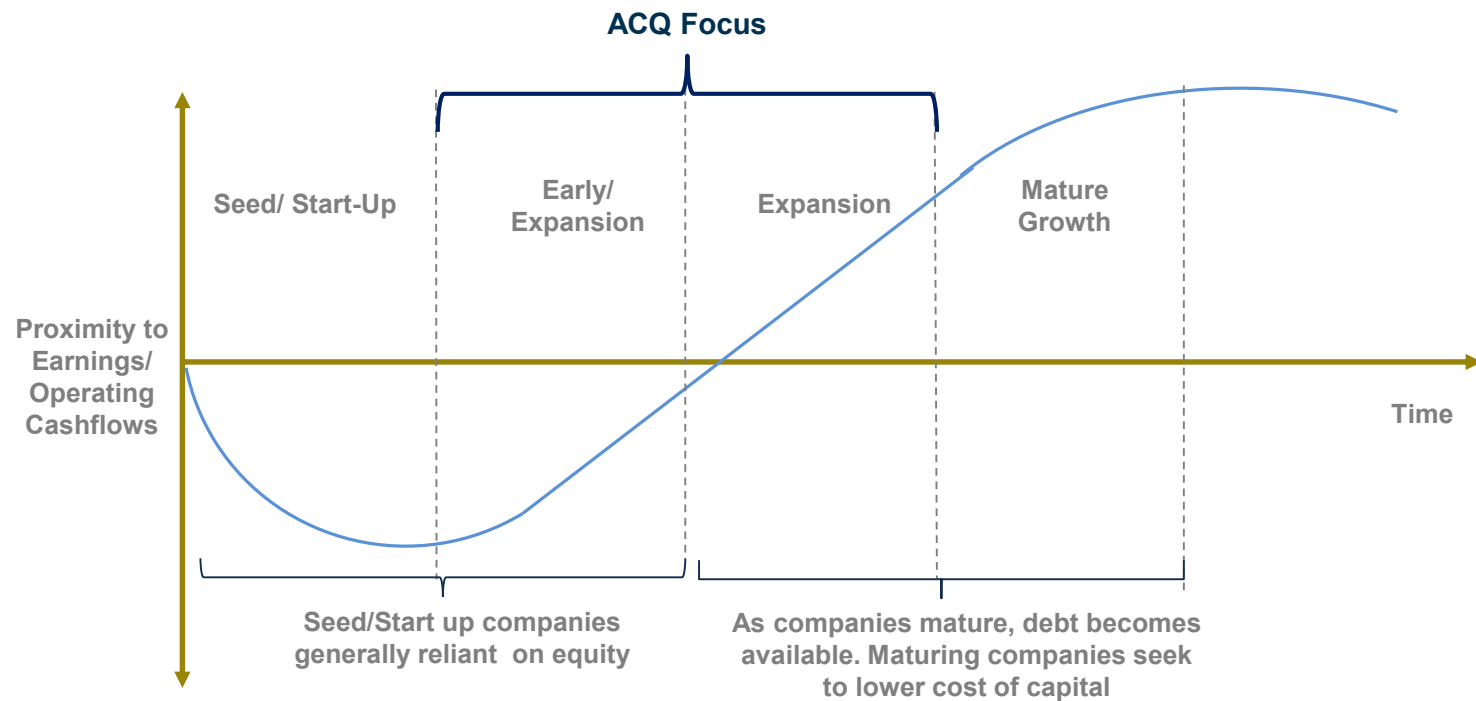


ACQ provides long term investors a differentiated and efficient platform to allocate capital to Emerging Companies





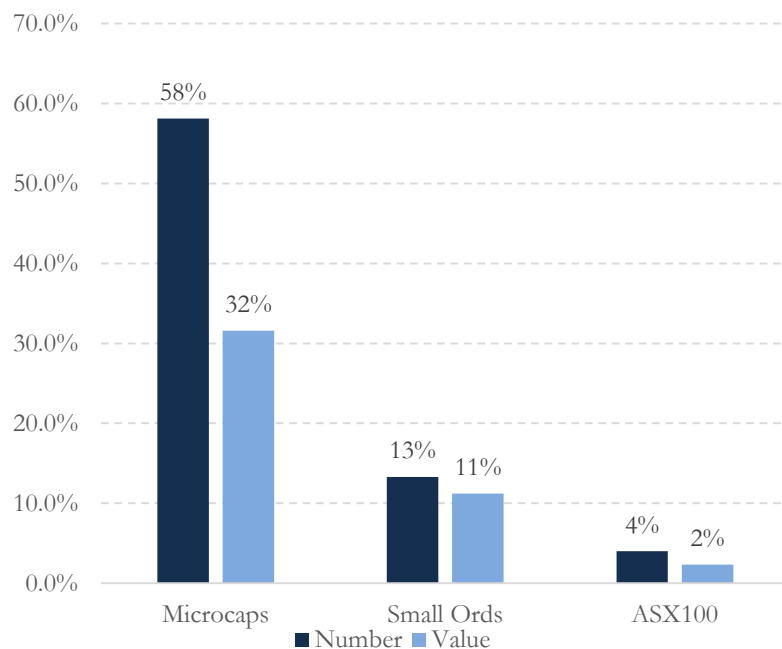
ACQ provides investors with access to innovation and entrepreneurialism in developing companies



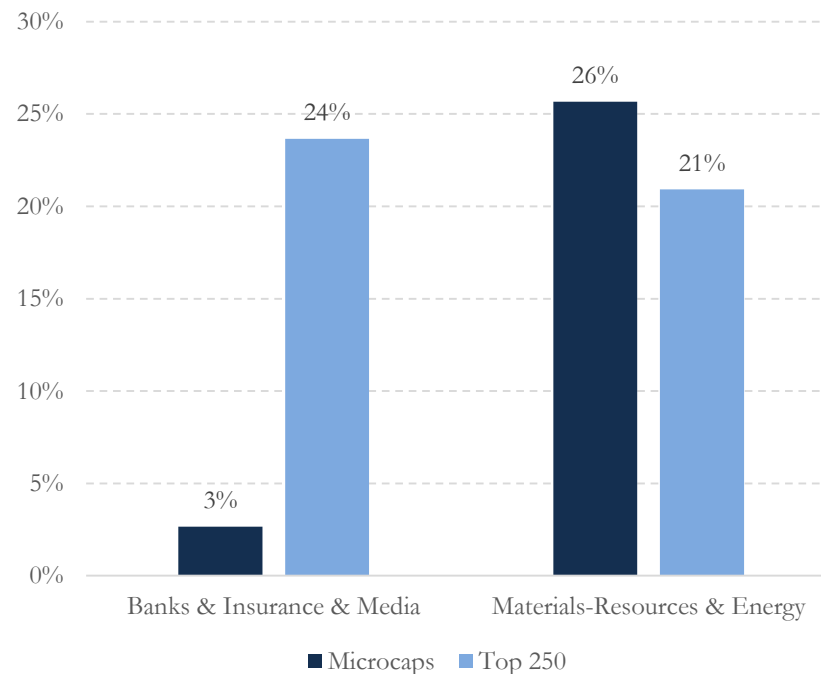


ACQ investment universe is compositionally different to that of larger capitalisation securities

Percentage of Developing ⁽¹⁾ ⁽²⁾ Companies



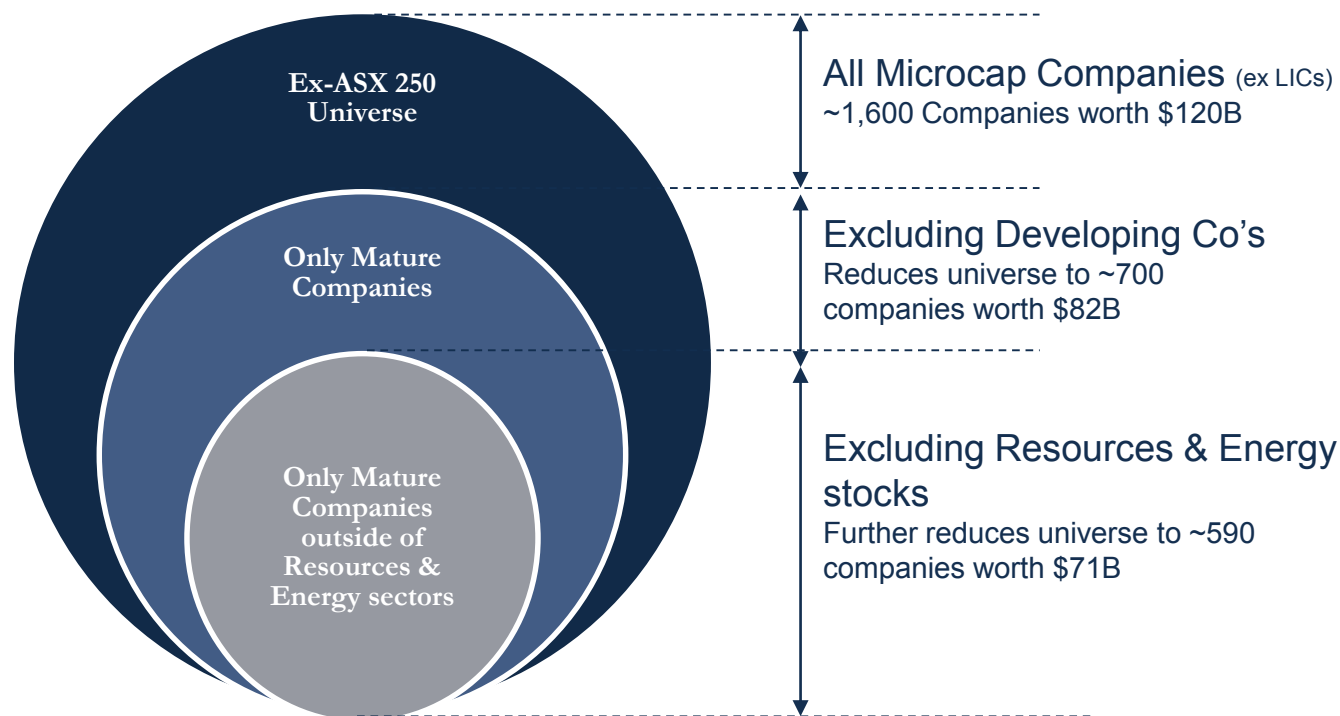
Industry Sector Exposure Comparison ⁽¹⁾





Acorn Capital seeks to identify the best available investment opportunities within industries in both public and private markets in either mature or developing companies

- Investing in the Listed Emerging Company or Microcap universe requires a distinct capability in developing ⁽¹⁾ companies and the Resources & Energy sector
- Excluding these opportunities significantly reduces the investible universe





Underlying Portfolio Thematic Exposures

Top 5 Thematics/Sectors*

Advanced Materials

Fintech

Biotech

Telco

Gold

(1) Acorn Capital estimate based on aggregate portfolio percentage weight



Recent highlights

- For the quarter to 31 March 2019 the ACQ portfolio underperformed the S&P/Small Ordinaries Accumulation Index by 4.97%, returning +7.62%⁽¹⁾ and 12.59% respectively
- Declared 3.5c fully franked dividend (@27.5%), ex-dividend 2 May 2019 and payable 21 May 2019
- In April 2019, completed a further new unlisted investment in Camplify(www.camplify.com.au) Australia's largest caravan and motorhome hire and peer-to-peer sharing community

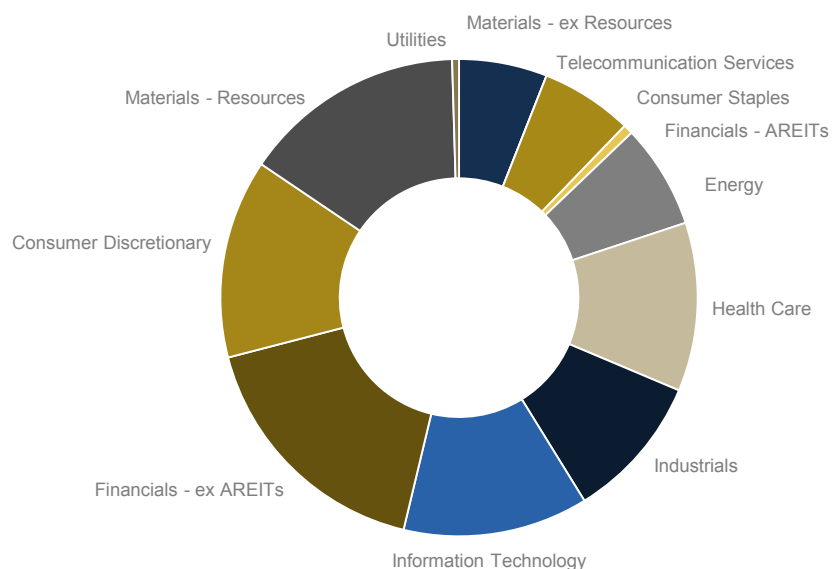
1. Portfolio performance is unaudited and calculated as the movement in NTA before tax effects, which is post all management fees, performance fees and operating costs. Performance includes dividends paid and payable but has not been grossed up for franking credits received by shareholders. All figures are unaudited, and unlisted valuations are performed by Acorn Capital in accordance with ACQ Board approved policies.

2. Refer ACQ ASX announcement dated 18 February 2019 for more information

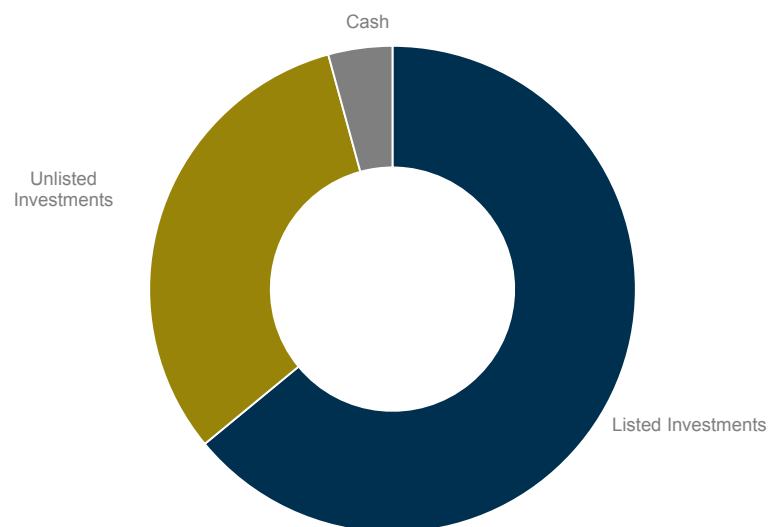


ACQ provides investors with a diversified exposure to Australian Emerging Companies

ACQ Sector Diversification

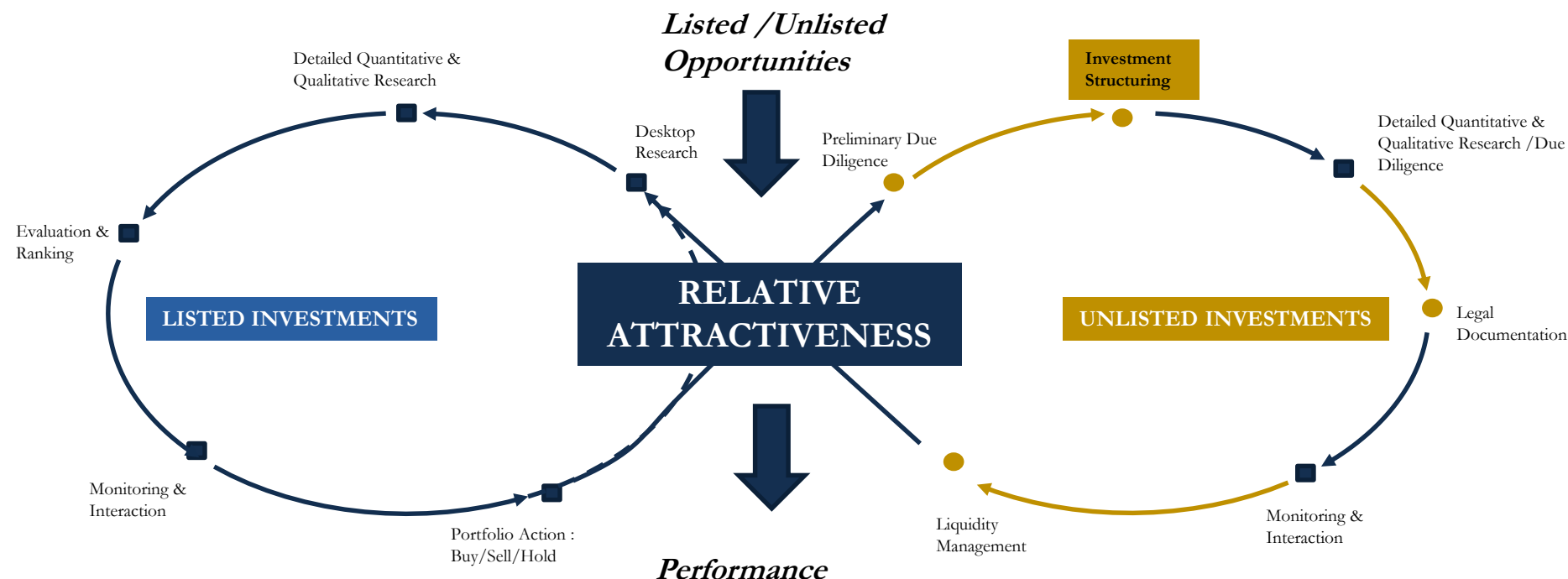


ACQ Portfolio Composition





The underlying investment process is to transition into unlisted assets only where they are relatively more attractive, accordingly no fixed weight in unlisted assets





ACQ invested in Camplify, a market place connecting owners of underutilised RVs with customers

- Camplify was launched in 2015 to provide RV owners a potential income stream that is insurance protected to RV owners for the period in which their RV is unused.
- The business model generates revenue from commissions on rentals that are up to 30% cheaper than commercial hires, premium memberships, and a recently launched damage liability waiver option.
- The network effect is taking hold in Australia, expanded in UK in 2018 and recently launched in NZ.

Camplify Services for owners & Hirers



Large addressable market

 **583,770**
CARAVANS

REGISTERED AT 31 JANUARY 2017

 **5.2%**
GROWTH

STEADY GROWTH OF 5.2% FROM 2016.
29.0% GROWTH OF CARAVAN AND CAMPERVAN
REGISTRATIONS SINCE 2012

63,549 
CAMPERVANS

REGISTERED AT 31 JANUARY 2017

17.7 
YEARS

THE AVERAGE AGE OF CAMPERVANS IN AUSTRALIA



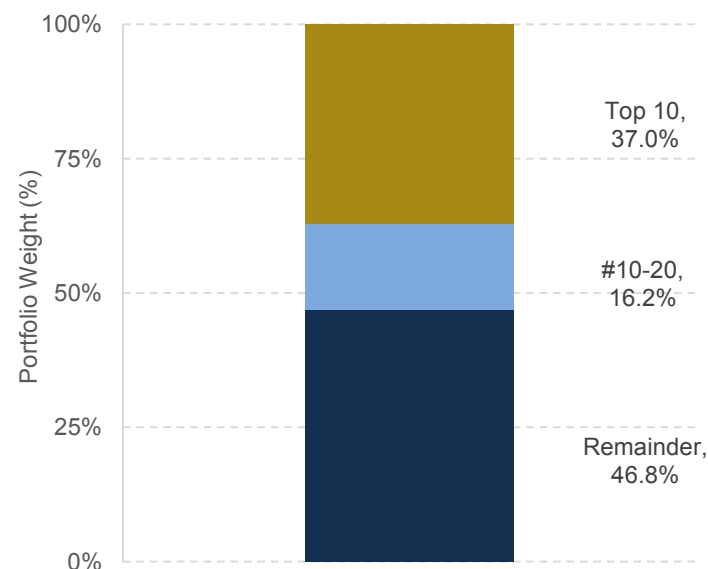
ACQ investment portfolio had 37% of FUM in top 10 investments

Top 10 Holdings

% Gross Portfolio

1.	Telix Pharmaceuticals Ltd	6.3%
2.	Moula Money Pty Ltd (UL)	5.7%
3.	Calix Ltd	5.6%
4.	Redhill Education Ltd	3.3%
5.	Carbon Revolution Ltd (UL)	2.9%
6.	Lifestylepanel Holdings Ltd(UL)	2.9%
7.	Shine Corporate Ltd	2.8%
8.	Redbubble Ltd	2.8%
9.	Zip Co Ltd	2.5%
10.	Innovative Asset Solutions Group Ltd (UL)	2.4%
Top 10 Positions		37.0%

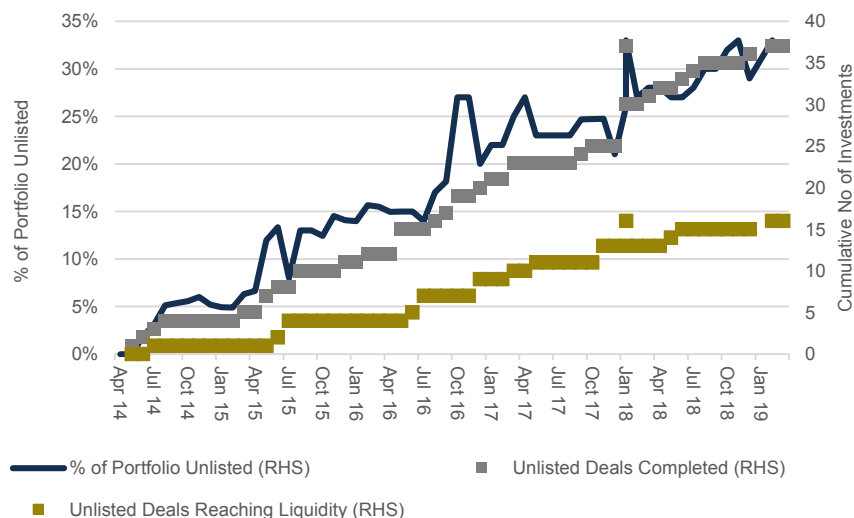
Distribution of holdings by weight



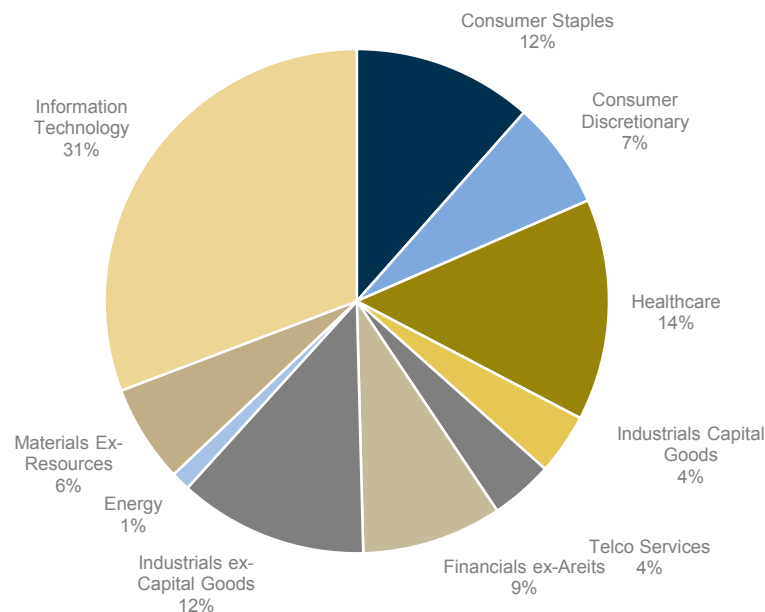


ACQ has invested in 37 unlisted opportunities⁽¹⁾, 17 of which have reached liquidity events

Unlisted Investment Rate



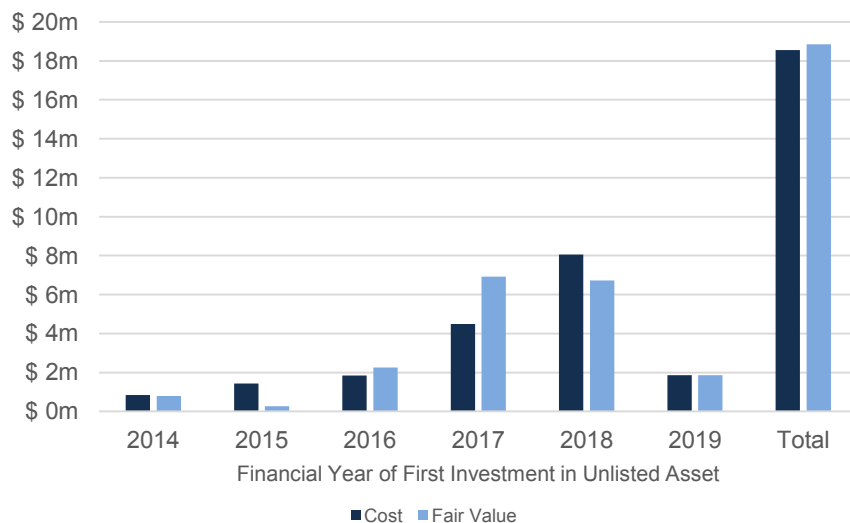
Sector Composition of Unlisted Investments⁽¹⁾





Acorn Capital has developed and tested its unlisted valuation processes over 10 years

For Unlisted Investments held as at 31 March 2019 a Comparison of Unlisted Investment Cost v Unaudited Fair Value by Financial Year Vintage of First Purchase⁽¹⁾

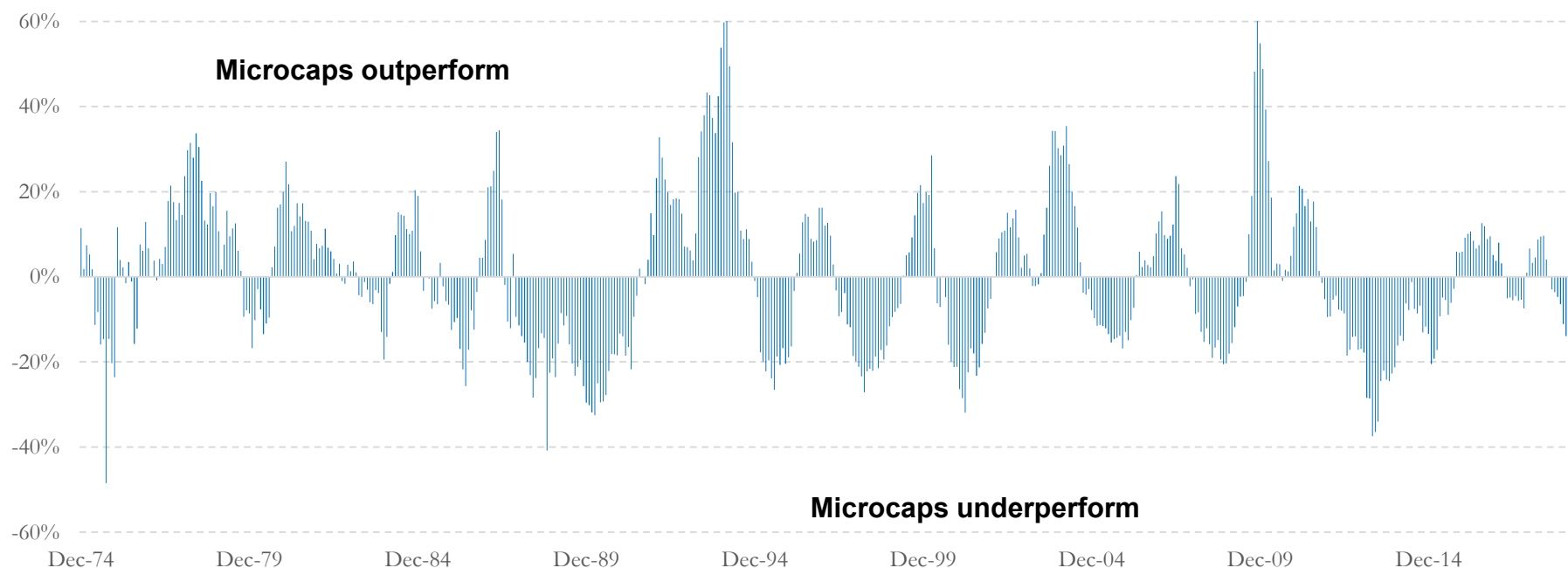


Key Observations with respect to Unlisted Valuations⁽¹⁾

- 78% of all current unlisted investments were made since 30 June 2016
- As at 31 March 2019 ACQ has a total of \$18.6m invested in 21 unlisted opportunities currently valued at \$18.8m representing approximately 32% of ACQ gross assets ⁽¹⁾
- Of the 17 unlisted investments that have reached a liquidity event the weighted average uplift is 41% (average 50%) as compared to the unlisted portfolio valuation immediately preceding the liquidity revaluation event



The Microcap Sector has underperformed relative to the All Ordinaries by 16.5% in the 12 months to 31 March 2019





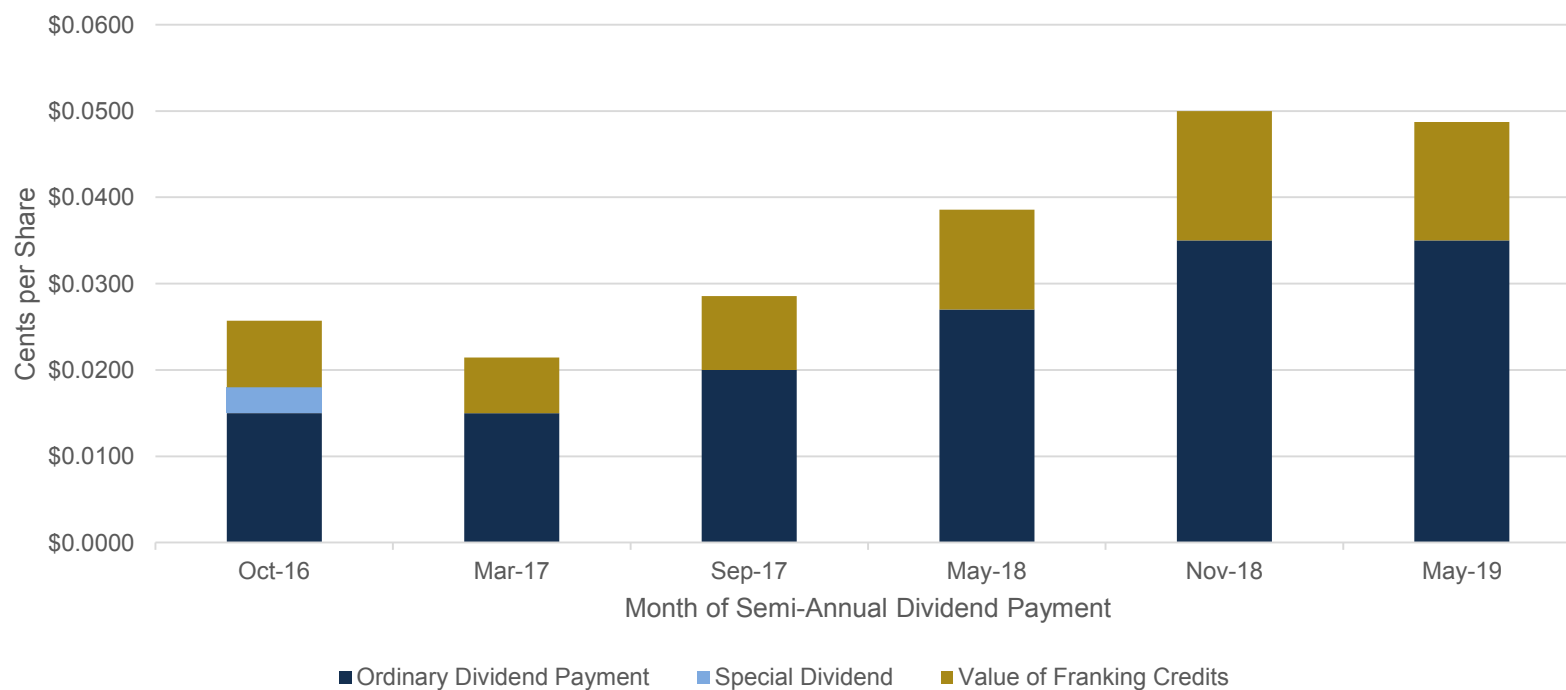
ACQ generated a reported portfolio return of +7.62%⁽¹⁾ for the 3 months to 31 March 2019

Portfolio Return for Periods to 31 March 2019	3 months	6 months	1 year	2 years p.a.	3 years p.a.	Since inception p.a. ³
ACQ ¹	+7.62%	-5.64%	+0.95%	+10.74%	+13.30%	+8.39% ⁽⁴⁾
Acorn Capital / SIRCA Microcap Acc. Index ⁵	+7.66%	-6.83%	-5.26%	+3.20%	+8.40%	5.46%
S&P/ASX Small Ords Acc. Index ²	+12.59%	-2.83%	+5.78%	+10.29%	+11.40%	+8.38%
S&P/ASX Emerging Companies Acc. Index ²	+12.30%	-6.10%	-8.40%	+3.70%	+8.04%	+6.80%
S&P/All Ords Accumulation Index ²	+11.06%	+1.09%	+11.25%	+7.38%	+11.27%	7.34%

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 include unlisted valuations are performed by Acorn Capital in accordance with ACQ Board approved policies
2. Source: Factset
3. Inception is 1 May 2014
4. Acorn Capital estimates that the unaudited pre- management & performance fee portfolio return post operating costs is 10.9% p.a. from Inception using last trade price for the valuation of listed securities.
5. Acorn Capital / SIRCA Microcap Accumulation Index data is verified 3 months in arrears by SIRCA ('Securities Industry Research Centre of Asia-Pacific')



Dividends have been growing as the underlying investment portfolio has matured





ACQ gives investors access to listed and unlisted companies distinguished by their smaller size and stage of development through a single diversified portfolio



Further Information

www.ACQfund.com.au