

ASX ANNOUNCEMENT

Company Announcements Officer
Australian Securities Exchange

ACORN CAPITAL INVESTMENT FUND LIMITED (ASX:ACQ) **ACQ Short Term Recurring Option (ASTRO) Program**

1 August 2019

Acorn Capital Investment Fund Limited (ASX: ACQ) today announces the launch of the second tranche of ASTRO, its Option issuance scheme, subject to and in accordance with the terms of ACQ's prospectus dated 31 July 2019 ("Prospectus")¹.

This continues the ASTRO programme that was launched in December 2018. Under ASTRO, on a semi-annual basis, likely post the payment of the interim and final dividend in a year (each such date being a "Decision Date"), the ACQ Board, in its discretion, will make a decision whether to issue on a pro rata basis to Eligible Shareholders a series of Options and the details of such series. If it exercises its discretion to issue Options under ASTRO, it is intended that:

- no consideration will be payable by Eligible Shareholders for (and ACQ will not raise any money from) the issue or grant of any Options;
- the Options will not be quoted on any financial market but will be transferable;
- the ACQ Board will have regard to the prevailing pre-tax Net Tangible Assets of the ACQ investment portfolio in determining the appropriate Exercise Price at each Decision Date; and
- Options will typically be issued following the payment of the then most recent ACQ dividend and will expire prior to the 'ex'-date for ACQ Shares on the next subsequent dividend.

The ACQ Board considers that ASTRO has the potential to help increase the size of ACQ. The ACQ Board is supportive of the increase in the size of ACQ's investment portfolio to a more strategically optimal level of at least \$150 million in market capitalisation. Growing ACQ, is expected to result in an enlarged investment portfolio while maintaining diversification. Based on its experience, Acorn Capital believes that there is currently limited capital available to emerging Australian companies thereby creating a more attractive investible universe for ACQ. The ACQ Board also believes investors should benefit from ACQ's forecast increased liquidity and lower fixed costs as a percentage of its market capitalisation.

Noting that no consideration is payable for the issue or grant of any of the Options under the Offer (and that the Options issued under the Offer will not be quoted but are transferable), details of the Offer are as follows:

Option Entitlement in respect of the Offer	1 Option for every 3 ACQ Shares owned on the Option Record Date
Exercise Price in respect of the Offer	\$1.23 per Option
Lodgement of Prospectus with ASIC and ASX in respect of the Initial Offer	31 July 2019

¹ Unless otherwise defined, capitalised terms used in this document have the meaning given to them in the Prospectus. This document is the 'Announcement' for the purposes of the Offer.

ACQ Shares quoted on an “ex” Option Entitlement basis in respect of the Offer	12 August 2019
Option Record Date in respect of the Offer	7.00pm (Melbourne time) on 13 August 2019
Option Issue Date in respect of the Offer	20 August 2019
Prospectus and Entitlement Statement distributed to Eligible Shareholders in respect of the Initial Offer	23 August 2019
Option Expiry Date in respect of the Offer	5.00pm (Melbourne time) on 11 November 2019

Before deciding to invest in the Company by exercising Options, Eligible Shareholders should read the entire Prospectus.

For Shareholder enquiries please contact Robert Routley or Matthew Sheehan, the CEO and Company Secretary of ACQ’s investment manager, Acorn Capital Limited, on (03) 9639 0522.

For more information please visit the website www.ACQfund.com.au