

ACORN CAPITAL INVESTMENT FUND LTD

SEPTEMBER 2020 QUARTER

ASX: ACQ



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ACQ investment strategy has demonstrated its ability to deliver positive investment outcomes



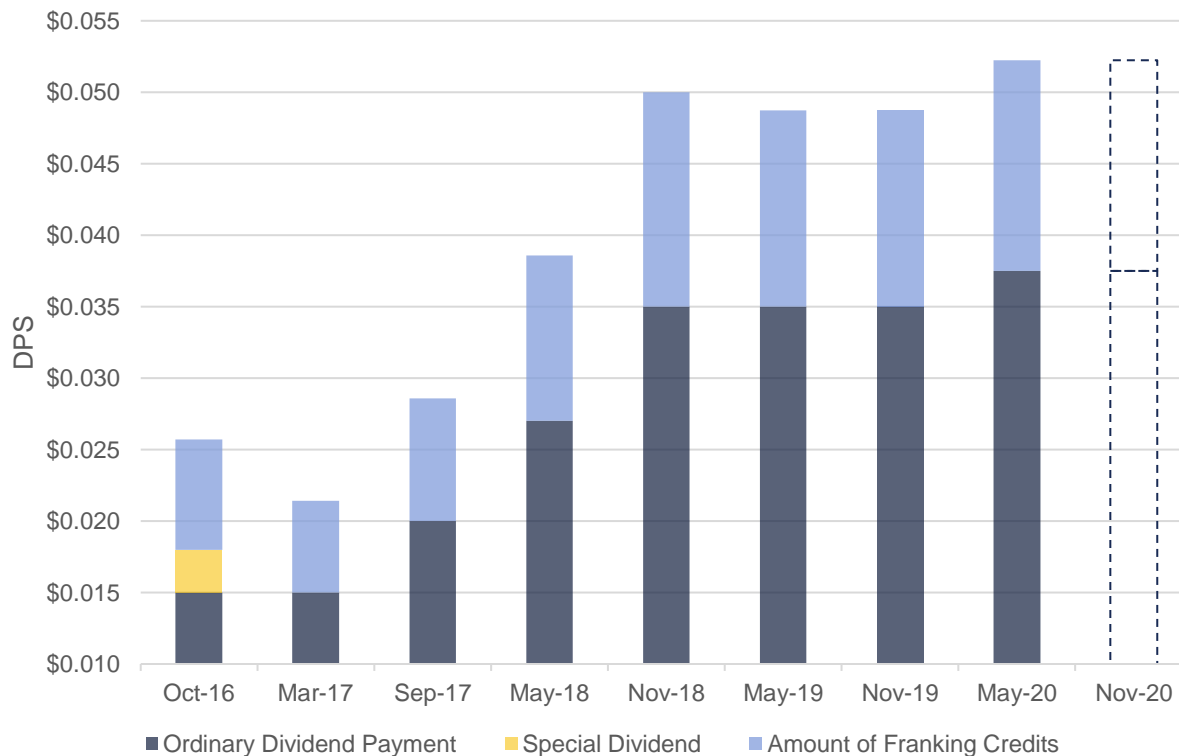
1. The ACQ gross portfolio return has outperformed the S&P/Small Ordinaries Accumulation Index by 7.3% p.a. since ACQ listed on the ASX on 1 May 2014. Past performance is not a reliable indicator of future performance
2. Acorn Capital believes that the ACQ investment strategy should provide diversification benefits to an already diversified investment portfolio

Key facts at a glance as at 30 September 2020

Pre-tax NTA	\$ 1.4714	Gross portfolio return since inception ⁽¹⁾	+14.2%p.a.
Post-tax NTA	\$ 1.3616	S&P/Small Ordinaries Accumulation Index (Benchmark) since inception ⁽²⁾	+6.9%p.a.
ACQ share price	\$1.23	S&P/Emerging Companies Accumulation Index since inception ⁽²⁾	+9.1%p.a.
2020 Interim + Final Dividend	7.5c	Number of Investments	81
Implied cash dividend yield (based on share price)	6.1% ⁽³⁾	Number of Unlisted Investments Current in Portfolio	22
% Franked ⁽⁴⁾	100%	% of Portfolio Unlisted	32% by value
Shares Outstanding	53.6m (67.0m post entitlement offer)		

1. Acorn Capital estimates as at 30 September 2020, reported portfolio return since inception is +11.2% p.a. Refer 30 September Monthly investment update for more information.
2. Inception is the date ACQ listed on the ASX which was 1 May 2014
3. Based on the ACQ share price as at 30 September 2020 of \$1.23
4. Dividends paid are estimated to be franked at a rate of 26% (subject to availability of franking credits)

ACQ has declared and paid 25.7 cents per share in fully franked dividends since inception¹



Dividend Reserves

34 cps ⁽²⁾
 (\$22.8m) ⁽³⁾

1. ASX listing date 1 May 2014
2. Cents Per Share (CPS) based on 67.0m shares outstanding as at 26 October 2020
3. As at 30 June 2020

Recent Highlights

- ACQ portfolio net performance of +25.1% in September 2020 quarter
- Healthcare, Industrial ex-Capital Goods and IT all generated >50% returns
- A fully franked final 2020 dividend of \$0.0375 per share was declared
- On 14 Sep 2020 ACQ announced a 1 for 4 entitlement offer that was over subscribed. Shares issued on 13 October 2020
- ACQ portfolio return of +16.4%⁽¹⁾ for 12-months ending 30 September 2020 - +19.7% above its Benchmark (Small Ords Accumulation Index) of -3.3%
- During 3Q, Aroa Biosurgery successfully listed on the ASX, and on 23 October, ACQ's largest holding, CleanSpace, also listed. Both at a significant premia to their IPO prices
- ACQ has outperformed its Benchmark (Small Ords Accumulation index) over 1, 2, 3, 5 years and since inception^{(2) (3)}

(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.

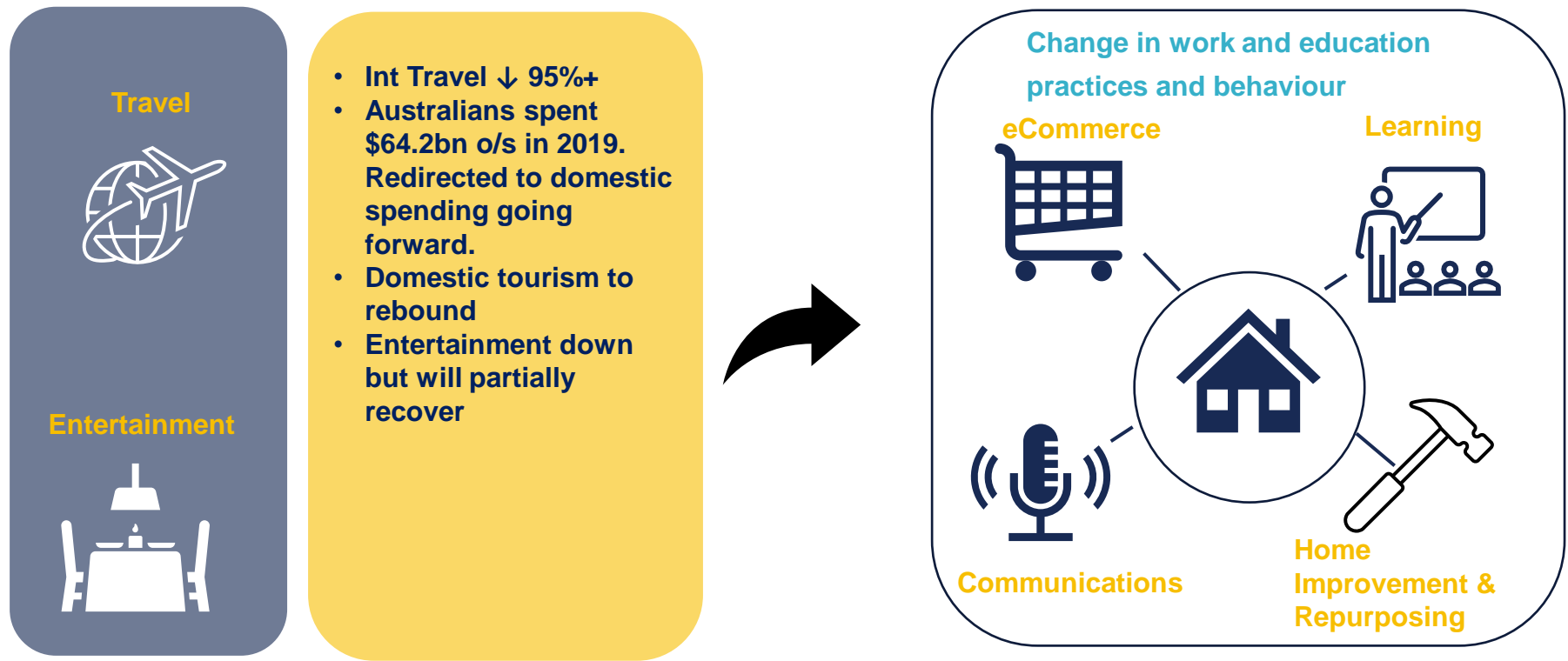
(2) 1 May 2014

(3) Refer detailed performance information in this presentation

ACQ entitlement offer

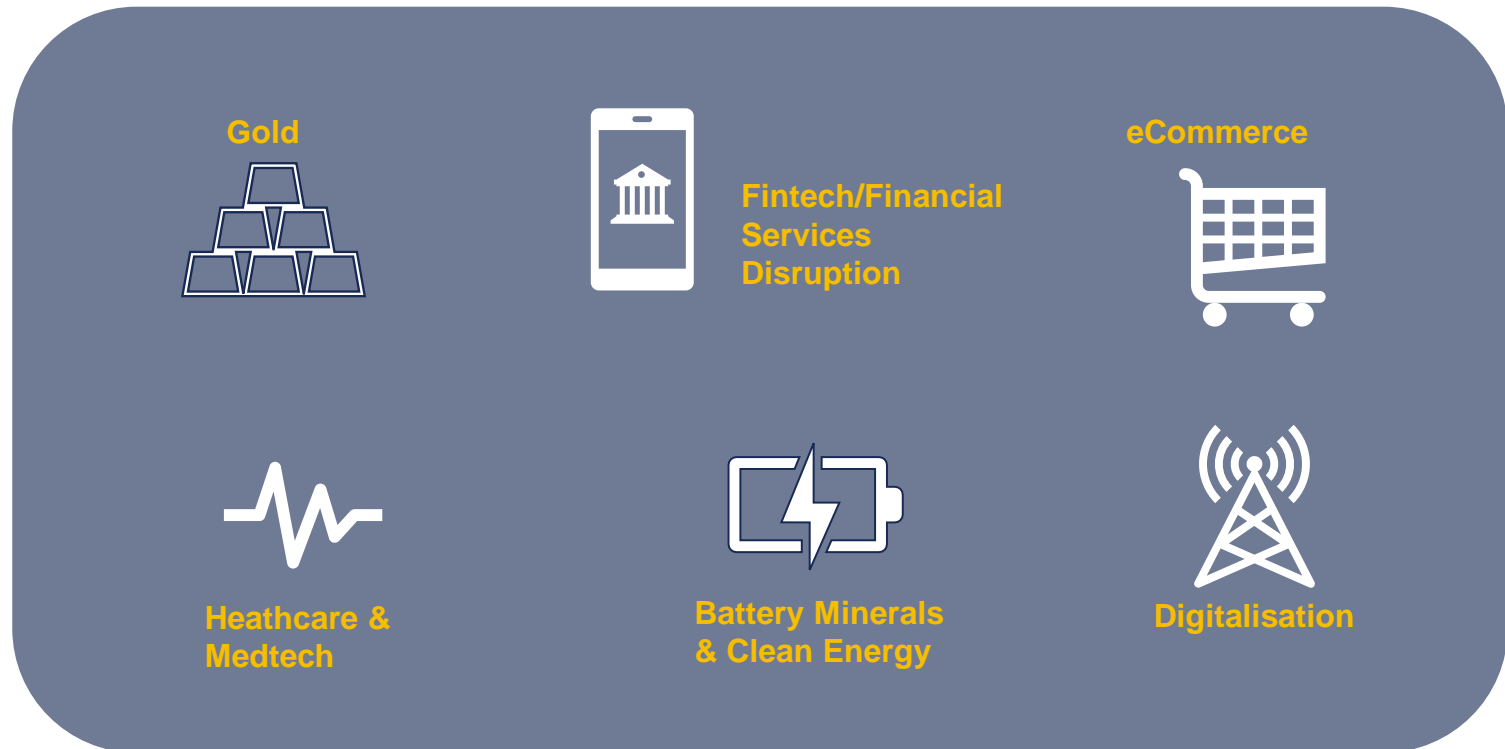
- On 14 September, ACQ announced an entitlement offer providing an opportunity to acquire 1 new ordinary fully paid share at a price of \$1.10/share for every 4 shares held. New shares issued are entitled to the \$0.0375/share fully franked final dividend, payable 27 November.
- Shareholders also given the opportunity to apply for additional shares that were available in the event of a shortfall.
- The offer was strongly supported with over 900 (>60% by number) participating and \$24.3m in total applications (inclusive of \$11.1m in entitlement applications) for the \$14.7m entitlement offer.
- New shares issued on 13 October.
- Additional capital allows ACQ to optimise the portfolio and deploy capital into ongoing attractive investment opportunities in listed and unlisted markets.

Acorn Capital is positioning ACQ's portfolio to capture value from changes in demand & spending



Acorn Capital classifications

Acorn Capital is investing in structural growth industries and innovative companies



Acorn Capital classifications

Acorn Capital has built a private investment and management capability over the past 11 years

**22 current
unlisted
investments
representing 32%
of ACQ portfolio**

**+57% weighted
average valuation
uplift on liquidity⁽¹⁾**

**Absolute return ⁽²⁾ achieved on
selected unlisted investments**



+228%



Moula +198%⁽³⁾



CleanSpace[®] +1750%⁽³⁾



+116%



+369%



REDBUBBLE +88%

1. Of the 21 unlisted investments that have reached a liquidity event as at 30 September 2020 the weighted average uplift is 57% (average 60%), compared to the unlisted portfolio valuation immediately preceding the liquidity revaluation event
2. Calculated as the absolute value of the profit on the investment at the time of liquidity event or the current portfolio value if still unlisted as a percentage of total capital invested. Where the liquidity event is a listing on a stock exchange the return is calculated as the VWAP on the day of listing and does not include the return beyond that date as a listed investment within the ACQ portfolio. Investors should consider the total portfolio return when evaluating the ACQ investment returns.
3. Investment was unlisted as at 30 September but listed on 23 October 2020

Access to investment opportunities, such as CleanSpace that are performing strongly in current economic environment

- CleanSpace has been an approved product since 2011 in A/NZ & Europe
- Patented breath responsive positive pressure system technology
- Frontline solution for respiratory protection of healthcare workers – explosive growth in the COVID-19 environment
- Strong customer engagement across Australian, Asian, European and US hospitals
- Upfront powered air respirator sales with recurring consumable products growing with installed base
- Successful IPO on 23 October 2020

CleanSpace[®]
+ HEALTHCARE

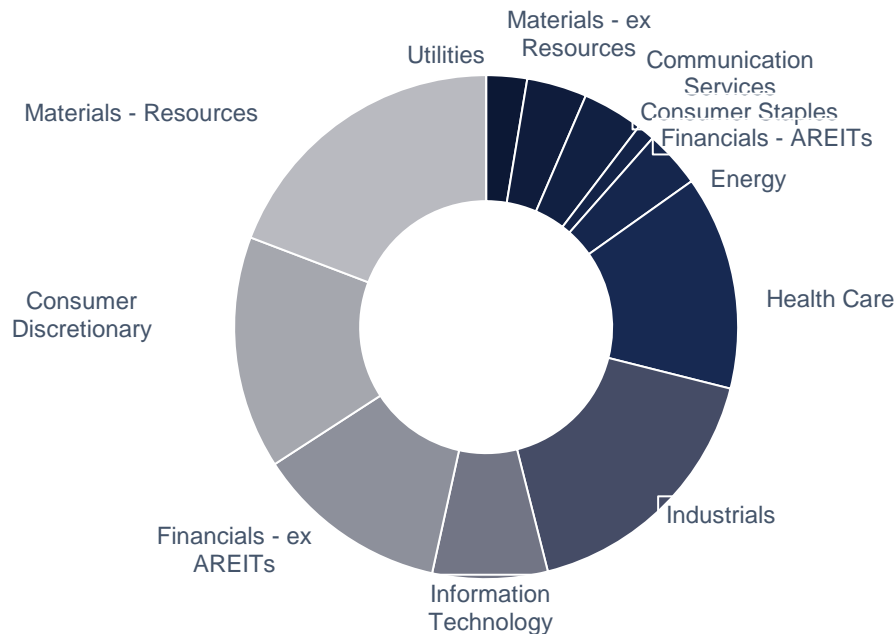


Top 10 largest investments in alphabetical order

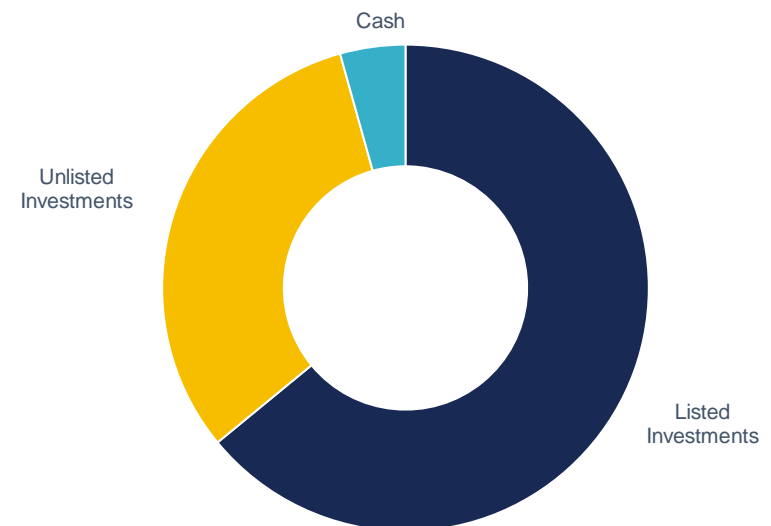


ACQ gives investors access to listed and unlisted companies distinguished by their smaller size and stage of development through a single diversified portfolio

ACQ Sector Diversification



ACQ Portfolio Composition



Source: Acorn Capital, as at 31 August 2020

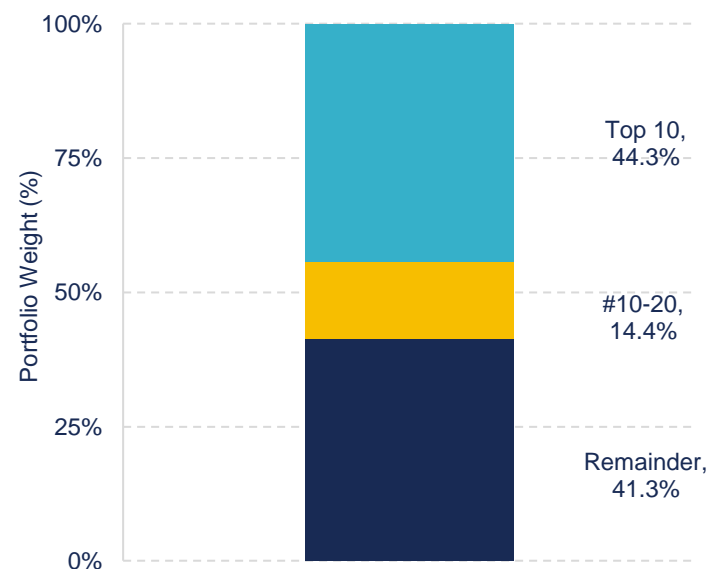
ACQ investment portfolio had 44.3% of FUM in top 10 investments

Top 10 Holdings

% Gross Portfolio

1. CleanSpace Holdings (UL)	8.2%
2. Moula Money Pty Ltd (UL)	7.4%
3. Aroa Biosurgery Limited	5.8%
4. Telix Pharmaceuticals Limited	5.5%
5. Redbubble Limited	4.7%
6. Shine Justice Ltd	3.0%
7. Carbon Revolution Limited	2.6%
8. Calix Limited	2.5%
9. Innovative Asset Solutions Group (UL)	2.4%
10. Flare HR Pty Ltd (UL)	2.2%
Total	44.3%

Distribution of holdings by weight

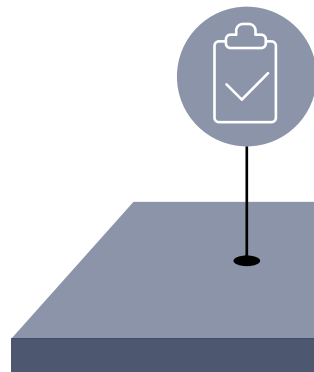


Source: Acorn Capital, as at 30 June 2020
 (1) Since ACQ listing on ASX in May 2014

ACQ generated a reported portfolio return of +25.1%¹ for the 3 months to 30 September 2020

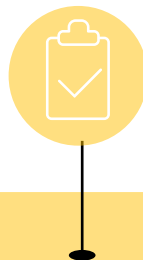
Portfolio Return for Periods to 30 June 2020	3 months	6 months	1 year	2 years p.a.	3 years p.a.	5 years p.a.	Since inception p.a. ⁴
ACQ (Post Fees & Op Costs) ¹	+25.1%	+62.4%	+16.4%	+11.6%	+17.1%	+16.8%	+11.2%
Acorn Capital / SIRCA Microcap Acc. Index ³	+18.8%	+63.1%	+7.2%	+7.3%	+8.5%	+10.1%	+7.6%
S&P/ASX Small Ords Acc. Index ⁵	+5.7%	+30.9%	-3.3%	+0.2%	+6.5%	+10.0%	+6.9%
S&P/All Ords Accumulation Index ²	+1.1%	+19.0%	-8.8%	+1.1%	+5.5%	+7.7%	+5.8%

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- (2) Calculated by Acorn Capital, based before all fees and costs and using last trade price for portfolio.
- (3) Acorn Capital / SIRCA Microcap Accumulation Index data is verified 3 months in arrears by SIRCA ('Securities Industry Research Centre of Asia-Pacific')
- (4) Inception is 1 May 2014
- (5) Source: Factset



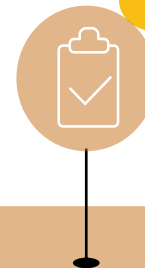
Proven strategy

- ACQ's investment strategy has outperformed its Benchmark since inception
- Strategy has delivered a return of +16.4%⁽¹⁾ in LTM to 30 September 2020 outperforming the S&P/Small Ordinaries Accumulation Index by +19.7%



Attractive dividend yield

- 7.5 cents in fully franked dividends declared in past 12 months
- 3.75 cent 2020 final dividend declared and payable on 27 November 2020
- 34 cents per share in dividend reserves⁽²⁾
- ACQ has a policy of paying a dividend of at least 5% of the 30 June Post-Tax NTA⁽³⁾



Unique portfolio & Attractive returns

- ACQ provides investors with a unique emerging company portfolio, that is difficult to replicate
- Risk managed through bottom up stock selection and diversification – industry & stage of development
- Through ACQ's investment activities retail investors in ACQ have access to institutional placements
- Acorn Capital continues to see attractive unlisted investments for deployment of ACQ capital

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2. Estimated by Acorn Capital as at 30 June 2020 and 67.0m shares at 14th October.
3. Refer ACQ ASX release dated 31 August 2020 for more information

Further Information
www.ACQfund.com.au