

Acorn Capital Investment Fund Limited

ACN 167 595 897

Appendix 4E

ASX Preliminary final statements for the reporting period ended 30 June 2023

Results for announcement to the market

The results in this preliminary final report are for the period from 1 July 2022 to 30 June 2023. Comparative results are for the period from 1 July 2021 to 30 June 2022.

| | 30 June | 30 June | |
|---|---------|----------|--------|
| | 2023 | 2022 | % |
| | \$'000 | \$'000 | Change |
| Revenue/(loss) from ordinary activities | 5,761 | (21,595) | 127 |
| Profit/(loss) from ordinary activities before tax attributable to members | 4,114 | (24,722) | 117 |
| Profit/(loss) from ordinary activities after tax attributable to members | 3,033 | (16,988) | 118 |

Dividend Information

| | Cents per share | Franked amount per share | Tax rate for franking |
|-----------------------|-----------------|--------------------------|-----------------------|
| 2023 interim dividend | 4.25 | 100% | 30.0% |
| 2023 final dividend | 4.25 | 100% | 30.0% |

Final Dividend Dates

| | |
|------------------|------------------|
| Ex-dividend Date | 09 November 2023 |
| Record Date | 10 November 2023 |
| Payment Date | 27 November 2023 |

Dividend Reinvestment Plan

ACQ has adopted a Dividend Reinvestment Plan (DRP) that will apply to this dividend.

The DRP has been lodged with ASX.

The DRP will be available for the FY23 Final Dividend and all subsequent dividends unless notice is given of its suspension or termination.

| | 30 June 2023 \$/share | 30 June 2022 \$/share |
|---|-----------------------------|-----------------------------|
| Net Tangible Asset Backing Per Share (Post Tax) | 1.1122 | 1.1647 |

Reconciliation of Net Assets Per Share for Net Tangible Asset Reporting and Financial Reporting Purposes

| | 30 June 2023 | 30 June 2022 |
|---|-----------------|-----------------|
| Net Tangible Asset Backing Per Share (Post Tax) | 1.1122 | 1.1647 |

Permanent differences

| | | |
|--|---------------|---------------|
| Provision for transaction costs on disposal of the Portfolio | 0.0011 | 0.0011 |
| Adjustment to deferred tax liabilities | 0.0003 | 0.0003 |
| Net Tangible Assets Per Share in the Financial Report | 1.1136 | 1.1633 |

Significant Features of Operating Performance

During the reporting period, Acorn Capital Investment Fund Limited (the Company or ACQ) continued to invest funds in accordance with its governing documents.

The most appropriate measure of the Company's financial performance is total comprehensive income/(loss). Total comprehensive income/(loss) for the reporting period ended 30 June 2023 was \$3,032,448 (2022: \$(16,987,543)). Total comprehensive income/(loss) includes the profit after tax and both realised and unrealised gains/(losses) on the Company's investments.

The Company's profit/(loss) before income tax for the reporting period was \$4,113,819 (2022: \$(24,721,682)).

The profit/(loss) after income tax for the reporting period was \$3,032,448 (2022: \$(16,987,543)).

Basic earnings/(loss) per share after income tax was 3.51 cents (2022: (21.61)) for the reporting period.

Significant Impacts on Future Performance

The results of the Company's operations may be affected by a number of factors, including the performance of investment markets in which the Company invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity & Notes to the Accounts

Refer to following 2023 Annual Report.

Audit

This report has been based on accounts which have been audited by the Company's auditors.



ACORN CAPITAL INVESTMENT FUND LTD

2023 ANNUAL REPORT

for the period ending 30 June 2023

Acorn Capital Investment Fund Limited

ACN 167 595 897

Annual financial report for the year ended 30 June 2023

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CORPORATE DIRECTORY

| | |
|---|--|
| Directors | John Steven (Chairman and Non-Executive director) Judith Smith (Non-Executive director) David Trude (Non-Executive director) Robert Brown (Director) |
| Company secretary | Matthew Sheehan |
| Principal registered office in Australia | C/- Acorn Capital Limited, ACN 082 694 531 Level 4, 2 Russell Street, Melbourne Victoria 3000 Telephone: +61 3 9639 0522 |
| Investment Manager | Acorn Capital Limited |
| Share registry | Computershare Investor Services Limited Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067 Telephone: 1300 850 505 (within Australia), +61 3 9415 4000 (international) |
| Auditor | Ernst & Young Level 23, 8 Exhibition Street, Melbourne Victoria 3000 |
| Legal adviser | Minter Ellison Lawyers, Level 20, Collins Arch 447 Collins Street, Melbourne Victoria 3000 |
| Stock exchange | Australian Securities Exchange ASX Code: ACQ |
| Website | www.ACQFund.com.au |

CHAIRMAN'S REVIEW



Dear Shareholder

ACORN CAPITAL INVESTMENT FUND LIMITED (the "Company")
ACORN CAPITAL LIMITED (the "Manager")

In the year to 30 June 2023, the Company has continued to invest in accordance with its objective and has a portfolio of listed and unlisted emerging, or microcap, companies (being those companies smaller than the ASX-250th largest company by market capitalisation) which it is hoped will provide shareholders with the opportunity for long term capital appreciation. Since inception (May-2014), the Company has performed strongly generating an 8.3%pa. return, versus the benchmark of 6.0%pa.

For the year to 30 June 2023, the ACQ portfolio has returned 4.1%¹, where portfolio performance is 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. Over the same period, the S&P/Small Ordinaries Accumulation Index has returned 8.4% meaning ACQ underperformed during the financial year. The underperformance during the year was mainly driven by the stock selection within the Financial, Materials and Industrials sectors, marginally offset by positive contributions from the Health Care and Resources sectors. Whilst this underperformance is a disappointing result over the short-term, the Investment Manager believes that the investment strategy in place, should deliver superior long-term returns, as it has in the past.

The pre-tax Net Tangible Assets of the Company as of 30 June 2023 was \$1.0670 per share, while its post-tax NTA was \$1.1136 per share (refer to note 18). The Company paid fully franked dividends to the value of \$0.085 per share over the past 12 months. Importantly, as of 30 June 2023 the Company has \$29.7 million in reserves available for the payment of dividends in the future.

The Board believes that the ability of the Company's portfolio to outperform relative to the broader Australian listed equities market reflects the disciplined implementation of the investment strategy to achieve diversification by industry and stock number. A distinguishing feature of the Company's investment strategy continues to be its holdings in unlisted investments.

The investment strategy deployed by the Company aims to deliver investors returns through both capital growth and income through a proven approach to stock selection and portfolio construction developed and deployed by the Manager over more than 20 years. ACQ has historically demonstrated its ability to offer investors a steady and attractive fully franked stream of dividends (the cash dividend yield is 8.4% as of 31 July 2023²)

On behalf of the Board, I would like to thank you for your support of the Company. Your Directors and the Manager are committed to continuing the success of the Company.

John Steven
Chairman
24 August 2023

¹ Calculated as the movement in NTA before tax, post management fees, performance fees and operating costs. 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 to ACQ Monthly Investment Update released to the ASX on 14 August 2023.

INVESTMENT MANAGER'S REVIEW



SUMMARY OF RESULTS

As illustrated in Table 1, the Company has returned a net¹ portfolio return of 8.3% p.a. since its inception on 1 May 2014. Over the same period the S&P/ASX Small Ordinaries Accumulation Index has returned +6.0% p.a..

Table 1. Performance of ACQ and relevant Indices

| To 30 June 2023 | FY2023 % | Since Inception ² % p.a. |
|--|-------------|--|
| Company Performance ¹ | 4.1 | 8.3 |
| S&P/ASX Small Ordinaries Acc. Index ⁴ | 8.4 | 6.0 |
| Alternate market indices | | |
| Acorn Capital/SIRCA Microcap Acc. Index ³ | 2.1 | 6.4 |
| S&P/ASX Emerging Companies Acc. Index ⁴ | 7.4 | 9.4 |

¹ Calculated as the movement in NTA before tax, post management fees, performance fees and operating costs. 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 Portfolio performance is unaudited and calculated as the movement in portfolio value (using last traded price for listed securities) before tax effects and 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 3 months in arrears by SIRCA

⁴ Source: Factset

SMALL ORDS PERFORMANCE

Table 2 dissects the performance of each of the Small Ords industry sub-sectors. The best performing individual sectors for the 2023 financial year were Healthcare (+29.1%), Industrials – ex Capital Goods (+23.6%), and Industrials – Capital Goods (+16.8%). The worst performing sectors were Consumer Staples (-9.1%), Financials – AREITs (+0.1%) and Materials – Resources (+3.8%).

Table 2. Small Ords Index Sector Returns in the Financial Year to 30 June 2023

| FY2023 | Small Ords Index Sector Return % | Average Index Weight % |
|--------------------------------|-------------------------------------|---------------------------|
| Communication Services | 6.3 | 5.2 |
| Consumer Discretionary | 10.3 | 13.0 |
| Consumer Staples | -9.1 | 4.6 |
| Energy | 11.4 | 6.3 |
| Financials - AREITs | 0.1 | 13.1 |
| Financials - ex AREITs | 10.9 | 12.2 |
| Health Care | 29.1 | 6.7 |
| Industrials - Capital Goods | 16.8 | 5.8 |
| Industrials - ex Capital Goods | 23.6 | 3.3 |
| Information Technology | 8.5 | 6.9 |
| Materials - ex Resources | 16.5 | 4.9 |
| Materials - Resources | 3.8 | 17.9 |
| Utilities | - | - |
| Total | 8.4 | 100.0 |

Source: S&P/Acorn Capital

PERFORMANCE OF THE COMPANY

The 2023 financial year has resulted in the portfolio underperforming the S&P/ASX Small Ordinaries Accumulation Index by 4.3% after all fees. The portfolio benefited from strong returns in the following sectors: Health Care (+50.3), Materials Resources (+14.7%) and Consumer Discretionary (+11.7%). The portfolio sectors that underperformed included: Material ex-Resources (-33.7%), Communication Services(-23.6%) and Consumer Staples (-12.9%).

FEATURES OF THE COMPANY

The focus of the Company is on listed and unlisted Emerging Companies or microcaps. This segment of the Australian investment market is generally under-researched and under-represented in investor portfolios. The Company gives investors exposure to companies that have the potential to provide substantial capital appreciation over the long term. An investment in the Company provides capital to developing companies and provides exposure to Australia's entrepreneurs and the next generation of corporate success stories. A distinguishing feature of the investment strategy deployed by the Company is its ability to invest in unlisted securities.

COMPANY PORTFOLIO – COMPOSITION

As illustrated in Figures 2 and 3 below, the portfolio of the Company is diversified across all microcap sectors. The portfolio held 83 stocks as at 30 June 2023 with unlisted investments representing approximately 28.8% of gross portfolio assets.

Fig 2. Composition of Gross Portfolio Assets

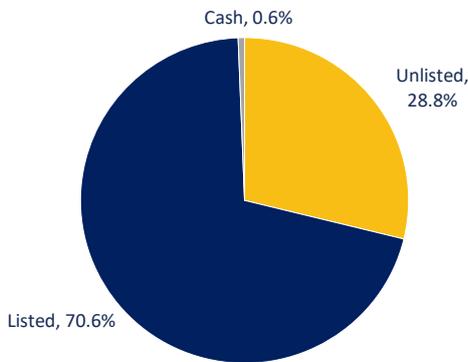
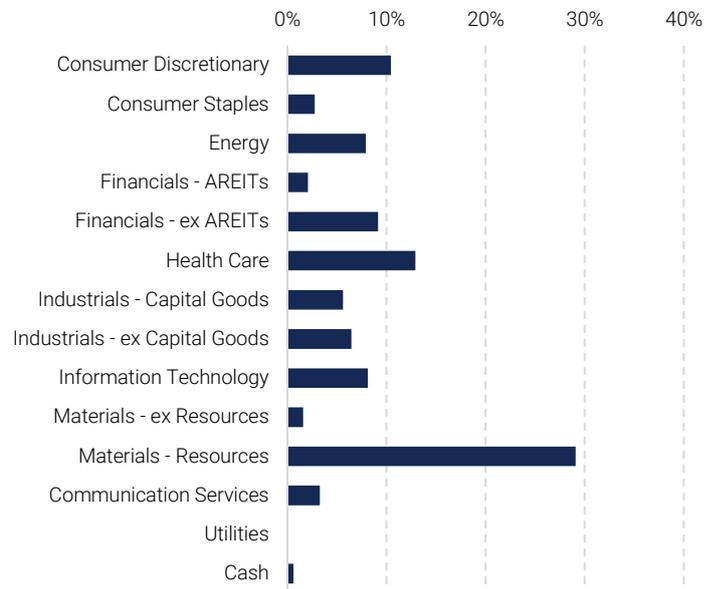


Fig 3. Sector Weights



Source: Acorn Capital as at 30 June 2023

COMPANY PORTFOLIO – TOP 10 HOLDINGS

At 30 June 2023, the 10 largest stock holdings account for approximately 29.3% of the Company's portfolio.

| Stock | Portfolio Weight % |
|----------------------------|--------------------|
| Marketplacer (UL) | 3.8 |
| Splend Holdings Ltd (UL) | 3.6 |
| Ramelius Resources Limited | 3.3 |
| Aroa Biosurgery Limited | 3.2 |
| Impedimed Limited | 3.1 |

Source: Acorn Capital as at 30 June 2023 (UL – Unlisted)

| Stock | Portfolio Weight % |
|--------------------------|--------------------|
| Nexted Group Limited | 2.7 |
| Leo Lithium Limited | 2.7 |
| Moula Money Pty Ltd (UL) | 2.5 |
| MX51 Group (UL) | 2.3 |
| Metals Acquisition LTD | 2.2 |

I would like to take this opportunity to thank you for your support.

Robert Routley
 Chief Executive Officer
 Acorn Capital Limited

INFORMATION ABOUT THE INVESTMENT MANAGER

The manager of Acorn Capital Investment Fund Limited (the Company) is Acorn Capital Limited. The Manager is a Melbourne based boutique investment manager that is majority-owned by its employees and directors and was established in 1998. The Manager has a long track record of investing in microcap equities for institutional investors. The Manager's investment philosophy is based on the belief that there are pricing inefficiencies amongst microcap companies due to them being a large and diverse group with minimal external research readily available on such entities. Further information about the Manager can be found at www.acorncapital.com.au.

CORPORATE GOVERNANCE STATEMENT

Acorn Capital Investment Fund Limited (the **Company**) is a listed investment company whose shares are traded on the Australian Securities Exchange (**ASX**). The Company has no employees and its day-to-day functions and investment activities are managed by Acorn Capital Limited (the **Manager**) in accordance with the Management Agreement dated 11 March 2014 as amended (**Management Agreement**).

The Board is committed to operating effectively and in the best interests of shareholders. This Corporate Governance Statement reports against the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition) (**ASX Recommendations**). To the extent they are relevant to the Company, the ASX Recommendations have been adopted by the Company. Where, after due consideration, the Company's corporate governance practices depart from an ASX Recommendation, this Corporate Governance Statement sets out the reasons for the departure.

The ASX Recommendations provide that a number of its recommendations may require modification, or may not apply to externally managed listed entities.

The Company is externally managed by the Manager and therefore Recommendations 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 2.1, 2.2, 2.4, 2.5, 2.6, 8.1, 8.2, 8.3, 9.1, 9.2 and 9.3 are not applicable to the Company.

This Corporate Governance Statement was approved by the Board of the Company on 24 August 2023 and the information contained in it is current as at that date, unless stated otherwise.

More information on the Company's governance practices, including Board profiles, Board and Committee charters and key governance policies, can be found in the corporate governance section of our website.

Alternative Principle 1: Lay solid foundations for management and oversight

The primary role of the Board is to act in the best interests of the Company as a whole and the Board is accountable to shareholders for the overall direction, management and corporate governance of the Company. This involves monitoring the decisions and actions of the Manager which is responsible for the day-to-day management and investment activities of the Company in accordance with the Management Agreement. The Board has also established an Audit Committee to assist the Board in carrying out its responsibilities. The Audit Committee is discussed in further detail in Principle 4 below.

The Board has formalised its roles and responsibilities and guidelines for determining Director independence in the Board Charter. A copy of the Board Charter is available on the Company's website.

The Board believes that the Company is fully compliant with the alternate requirements under Principle 1 and its recommendations.

Principle 2: Structure the Board to add value

The Board currently comprises five Directors, three of whom are considered by the Board to be independent: John Steven (Chairman), Judith Smith and David Trude. Details of the background, experience and professional skills of each Director, as well as the period that each Director has held office, are set out in the Directors' Report. The Company's website also sets out the skills of each individual director. The Board regularly reviews the skills of the directors to ensure that the Company continues to maintain the skills needed to address existing and emerging business and governance issues relevant to it.

The Board believes that the Company is fully compliant with its requirements under Principle 2.3 and its recommendations.

Principle 3: Instil a culture of acting lawfully, ethically and responsibly

The Company is externally managed by the Manager and has no employees. The Company has been established to provide security holders with access to a diversified portfolio of Australian emerging companies which, over a rolling 7 – 10 year basis outperforms its benchmark, the S&P/ASX Small Ordinaries Accumulation Index.

The Board has adopted a Code of Conduct for Directors, a copy of which can be found on the Company's website. The Company requires all of its Directors to comply with the standards of behaviour and business ethics in accordance with the law and the Code of Conduct. These include acting honestly and with integrity and fairness in all dealings with others and each other, managing conflicts of interest, complying with the laws that govern the Company's business and its operations and acting ethically in their approach to business decisions.

The Manager has also adopted a code of conduct which applies to its employees and directors.

As the Company has no employees and management of the Company has been outsourced to the Manager, it has adopted the Manager's whistleblower and anti-bribery policies.

The Board believes that the Company is fully compliant with its requirements under Principle 3 and its recommendations.

Principle 4: Safeguard integrity in corporate reporting

The Board has established an Audit Committee to assist the Board to implement controls designed to safeguard the Company's interests and the integrity of its reporting. The Audit Committee comprises the three independent non-executive Directors, Judith Smith (Chairperson), John Steven and David Trude. The chairperson is not the chairman of the Board. For more information regarding the qualifications and experience of the members of the Audit Committee please refer to the Directors' Report.

The Audit Committee met two times during the reporting period. For more information on the Audit Committee's meetings and attendances, please refer to the Directors' Report.

The Audit Committee Charter, being the charter under which the Audit Committee operates can be found on the Company's website.

The objectives of the Audit Committee are to:

- help the Board achieve its objective in relation to financial reporting, the application of accounting policies, legal and regulatory compliance and internal control and risk management systems;
- maintain and improve the quality, credibility and objectivity of the financial accountability process;
- promote a culture of compliance;
- ensure effective communications between the Board and compliance representatives of the Manager;
- provide a forum for communication between the Board and senior financial and compliance representatives of the Manager;
- ensure effective internal and external audit functions and communications between the Board and auditors; and
- ensure compliance strategies and compliance functions are effective.

The responsibilities of the Audit Committee include:

- external financial reporting;
- risk management and internal compliance and control systems;
- assessing and monitoring key financial risk;
- assessing and monitoring legal and regulatory risk;
- disclosure and reporting;
- overseeing the internal audit function and the engagement of the external auditor.

The Board has received a written declaration from the relevant executives of the Manager who perform the function of Managing Director and Chief Financial Officer respectively that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Company's independent external auditor is Ernst & Young. The external auditor attends the Company's Annual General Meeting and is available to answer questions from shareholders in relation to the conduct of the audit, the auditors' report and the preparation of the financial statements. The external auditor also attends other meetings where relevant items are on the Committee's agenda.

The Company has adopted the Continuous Disclosure Policy (as discussed below). As part of the continuous disclosure process a verification process is undertaken in relation to all material released to ASX including non-audited periodic reports.

The Board believes that the Company is fully compliant with its requirements under Principle 4 and its recommendations.

Principle 5: Make timely and balanced disclosure

The Company is committed to complying with its continuous disclosure obligations under the *Corporations Act 2001* and the ASX Listing Rules.

The Board has adopted a Continuous Disclosure Policy, the objectives of which are to:

- ensure the Company immediately discloses all price-sensitive information to ASX in accordance with the ASX Listing Rules

and the Corporations Act;

- ensure the Company's officers are aware of the Company's continuous disclosure obligations; and
- establish procedures for the collection and assessment of potentially price-sensitive information and (if necessary) release information determined to be price-sensitive to ASX, as well as responding to any queries from ASX.

Under the Management Agreement the Manager has also agreed to assist the Company to comply with its continuous disclosure obligations by providing information and drafting ASX announcements for approval by the Board or its delegate. The Company has established a Disclosure Committee comprising members of the Board and representatives of the Manager.

The Company's Continuous Disclosure Policy, which can be found on the Company's website, also sets out the procedures which must be followed in relation to releasing announcements to the market and discussions with analysts, the media or shareholders.

Copies of material market announcements are promptly provided to directors following their release.

All presentations that are made to security holders or advisory groups are made only to wholesale investors and are first released to ASX.

The Board believes that the Company is fully compliant with its requirements under Principle 5 and its recommendations.

Principle 6: Respect the rights of shareholders

The Board has adopted the Shareholder Communications Policy, a copy of which can be found on the Company's website. The purpose of the Shareholder Communications Policy is to promote effective communication with shareholders and encourage effective participation at general meetings of the Company.

The Company's primary communication portals for shareholders are its website, Annual Report, Annual General Meeting, Half-Yearly Report, Monthly Net Tangible Asset reports and other periodic correspondence regarding matters impacting shareholders. In conjunction with these, the Company has regular investor relations meetings, which are all included in the Investor Relations Program.

The Company Secretary oversees and coordinates the distribution of all information by the Company to shareholders and regulators under the direction of the Board.

All shareholders have the opportunity to attend the Annual General Meeting and ask questions to the Board.

During the Company's engagements with shareholders, such shareholders are provided the opportunity to meet with representatives of the Board or management, to learn more about the Company's activities and provide an opportunity to ask questions regarding the Company's activities. Such processes are intended to continue in the context of virtual rather than just physical meetings.

Shareholders are entitled to make and receive communications to and from the Company electronically as per the Shareholder Communications Policy.

The Board believes that the Company is fully compliant with its requirements under Principle 6 and its recommendations.

Principle 7: Recognise and manage risk

The Audit Committee oversees the risk management framework for the Company. For details regarding the Audit Committee please refer above to the coverage under Principle 4.

The Board, through the Audit Committee, is responsible for ensuring:

- the oversight and management of material business risks to the Company;
- that there are effective systems in place to identify, assess, monitor and manage the risks of the Company and to identify material changes to the Company's risk profile; and
- there are arrangements in place to adequately monitor compliance with laws and regulations applicable to the Company.

The Manager has implemented the risk management framework for the Company. This risk management framework identifies the key risks confronted by the Manager and the Company and the procedures required to offset them. Key risks identified include:

- operational and investment risk; and
- liquidity risk.

The risk management framework is subject to annual review by the Audit Committee to ensure that the risks identified and the controls implemented remain appropriate and that the Company's risk management framework continues to be sound. A review of the Company's risk management framework was conducted during the reporting period.

The Company does not have an internal audit function. The internal audit function is undertaken by an external audit provider on the Company's behalf. The Audit Committee is responsible for overseeing the scope of the internal audit, monitoring the progress of the internal audit work programme and considering the implications of and responsiveness to the internal audit findings for the control environment and reviewing the internal audit team's reports.

Poor market conditions (and more specifically the potential for underperformance by the Company) have been identified as an economic sustainability risk that has the potential to materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term. This risk is addressed and managed within the Company's investment strategy and through the Company's ability to diversify across sectors and in both listed and unlisted securities.

The Company does not consider that it has material exposure to environmental or social risks.

The Board believes that the Company is fully compliant with its requirements under Principle 7 and its recommendations.

Alternative Principle 8: Remunerate fairly and responsibly

The Company has no employees. The management of the Company is performed by the Manager who is entitled under the Management Agreement to be paid management and performance fees. The Company pays the Manager a management fee of 0.95% p.a. (plus GST) of the net asset value of the investment portfolio. The management fee is calculated and accrued each month and paid semi-annually in arrears.

In addition, the Manager will be entitled to receive a performance fee from the Company equal to 20% (plus GST) of the investment portfolio's outperformance of the S&P/ASX Small Ordinaries Accumulation Index, which is calculated and accrued monthly on a pre-tax basis and, where tests are satisfied, any positive performance fee amounts that are in excess of the minimum performance fee account balance (as defined in the Management Agreement) are paid annually.

Further details of the fees paid to the Manager for the reporting period are set out in the Financial Statements of the Company in Note 15.

The Board believes that the Company is fully compliant with the alternate requirements under Principle 8 and its recommendations.

Recommendations 8.1 – 8.3 are not applicable to the Company.

Principle 9: Additional recommendations

Recommendations 9.1 – 9.3 are not applicable to the Company.

Directors' report

The directors of Acorn Capital Investment Fund Limited (the "Company"), present their report together with the financial statements of the Company for the period from 1 July 2022 to 30 June 2023 (the "reporting period").

Acorn Capital Investment Fund Limited is a public company limited by shares, is incorporated in Australia and listed on the ASX.

Directors

The following persons were directors of the Company during the year and up to the date of this report (unless otherwise stated):

| | |
|---|------------------------|
| John Steven (Chairman and Independent Non-Executive Director) | Appointed 6 March 2014 |
| Judith Smith (Independent Non-Executive Director) | Appointed 6 March 2014 |
| David Trude (Independent Non-Executive Director) | Appointed 6 March 2014 |
| Robert Brown (Director) | Appointed 6 March 2014 |

Principal activities

The principal activity of the Company is to invest in a portfolio of listed and unlisted microcap companies. The investment manager is Acorn Capital Limited (the Manager), an established boutique asset manager with a long track record of successfully investing in microcap companies.

Review and results of operations

During the reporting period, the Company continued to invest funds in accordance with its governing documents.

The most appropriate measure of the Company's financial performance is total comprehensive income/(loss). Total comprehensive income/(loss) for the reporting period ended 30 June 2023 was \$3,032,448 (2022: \$(16,987,543)).

The Company's profit/(loss) before income tax for the reporting period was \$4,113,819 (2022: \$(24,721,682)).

The profit/(loss) after income tax for the reporting period was \$3,032,448 (2022: \$(16,987,543)).

Basic earnings/(loss) per share after income tax were 3.51 cents for the reporting period (2022: (21.61) cents).

| Net Tangible Asset Backing (NTA) per share | As at 30 June 2023 (non-IFRS) | |
|---|------------------------------------|----------------------------------|
| | For monthly NTA Reporting \$/share | For Financial Reporting \$/share |
| NTA per share before income tax (\$/share) | 1.0656 | 1.0670 |
| NTA after income tax excluding tax on unrealised gains (\$/share) | 1.1006 | 1.1020 |
| NTA per share after income tax (\$/share) | 1.1122 | 1.1136 |

| Net Tangible Asset Backing (NTA) per share | As at 30 June 2022 (non-IFRS) | |
|---|------------------------------------|----------------------------------|
| | For monthly NTA Reporting \$/share | For Financial Reporting \$/share |
| NTA per share before income tax (\$/share) | 1.1808 | 1.1793 |
| NTA after income tax excluding tax on unrealised gains (\$/share) | 1.1813 | 1.1799 |
| NTA per share after income tax (\$/share) | 1.1647 | 1.1633 |

The NTA per ordinary share for monthly NTA reporting, as required by ASX Listing Rule 4.12, is calculated in accordance with the definition of "net tangible asset backing" contained in Chapter 19 of the ASX Listing Rules.

For further details on the reconciliation of net tangible assets used in calculation of net tangible assets per ordinary share for ASX reporting, refer to Note 18.

| Dividends | cents per share | \$'000 |
|---|------------------------|---------------|
| 2023 Interim Dividend (ordinary shares) paid 22 May 2023 | 4.25 | 3,677 |
| 2023 Final Dividend (ordinary shares) payable on 27 November 2023 | <u>4.25</u> | <u>3,712</u> |

Significant changes in the state of affairs

There were no significant changes in the state of affairs during the reporting period.

Events occurring after end of the year

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect:

- (a) the Company's operations in the future reporting period, or
- (b) the results of those operations in the future reporting period, or
- (c) the Company's state of affairs in the future reporting period.

Business strategies, prospects and likely developments

The Chairman's Review and Investment Manager's Review set out information on the Company's operations, financial position and business strategies.

The results of the Company's operations and prospects for financial years may be affected by a number of factors, including the performance of investment markets in which the Company invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Information in the Chairman's Review and Investment Manager's Review and this Directors' Report is provided to enable shareholders to make an informed assessment about the business, strategies and prospects for future financial years of the Company. Information that could give rise to likely material detriment to the Company, for example, information that is commercially sensitive, confidential or could give a third party a commercial advantage has not been included. Other than the information set out in the Chairman's and Investment Manager's Review and this Directors' Report, information about other likely developments in the Company's operations and the expected results of these operations in future financial years has not been included.

Environmental regulations

The operations of the Company are not subject to any particular environmental regulations under a Commonwealth, State or Territory Law.

Information on Directors

The following persons were Directors of the Company during the financial year and up to the date of this report:

John Steven (Chairman and Independent Non-Executive Director)

John Steven is a senior partner of the National Capital Markets and Business Unit and Transactions Solutions team of Minter Ellison and until recently was a member of the firm's Executive Leadership Team and Board. He practices in the corporate and capital markets area, particularly public and private mergers and acquisitions, equity capital markets and government projects. He also has an extensive corporate governance practice. John is on the Advisory Board of various not for profit organisations. He was previously a Board Member of the Monash University Law Foundation. He holds a Bachelor of Laws (with Honours), a Bachelor of Economics and a Diploma of Commercial Law from Monash University.

Other current Directorships

Nil

Former Directorships in the last 3 years

Nil

Special responsibilities

John is the Chairman of the Board. John is also a member of the Audit Committee.

Interests in shares of the Company

Details of John's interests in the Company are included on page 18 of this report.

Judith Smith (Independent Non-Executive Director)

Prior to undertaking non-executive roles Judith was formerly the Head of Private Equity at IFM Investors and Chair of the IFM Risk Committee. At IFM Judith managed a multi-billion private equity portfolio of domestic and global investments. Prior to her role at IFM, Judith held various investment management roles. Judith holds a Master of Applied Finance from the University of Melbourne and a Bachelor of Economics (with Honours) from Monash University. She is a Fellow of the Financial Services Institute of Australasia and Graduate member of the Australian Institute of Company Directors. Judith is a director of Funds SA and Universal Biosensors Inc. and committee member with the South Australian Venture Capital Fund and Breast Cancer Trials.

Other current Directorships

Funds SA, Universal Biosensors Inc.

Former Directorships in the last 3 years

Scale investors, LUCRF.

Special responsibilities

Judith is chair of the Audit Committee.

Information on Directors (continued)

Interests in shares of the Company

Details of Judith's interests in the Company are included on page 17 of this report.

David Trude (Independent Non-Executive Director)

David is a senior banking executive with over 40 years' experience in a variety of financial services roles in the banking and securities industry. He is Chairman of Waterford Retirement Village and Hansen Technologies Limited. He was also formerly Managing Director, Australian Chief Executive Officer/Country Manager of Credit Suisse Australia Ltd. He was a former panel member of the ASX Disciplinary Tribunal and Director of the Stockbrokers Association of Australia.

David holds a Bachelor of Commerce from the University of Queensland and is a Master Stockbroker of the Stockbrokers and Financial Advisers Association of Australia and Member of the Australian Institute of Company Directors.

Other current Directorships

David is Chairman of Hansen Technologies Limited.

Former Directorships in the last 3 years

Chairman of E.L.&C. Baillieu. Member of the Board of Cboe Australia Pty Ltd. Director of MSL Solutions Pty Ltd.

Special responsibilities

David is a member of the Audit Committee.

Interests in shares of the Company

Details of David's interests in the Company are included on page 17 of this report.

Robert Brown (Director)

Robert Brown is an emeritus professor of Finance in the Department of Finance, University of Melbourne, where his research focused on security market behaviour. He holds a Bachelor of Economics (with Honours) and Master of Economics from the University of Sydney and a Graduate Diploma in Accounting from Victoria College. He is a fellow of CPA Australia and a senior fellow of the Financial Services Institute of Australasia.

Other current Directorships

Nil

Former Directorships in the last 3 years

Acorn Capital Ltd, Australian Microcap Investments Pty Ltd, Acorn Capital GP Pty Ltd.

Special responsibilities

Nil

Interests in shares of the Company

Details of Robert's interests in the Company are included on page 17 of this report.

Company secretary

Matthew Sheehan

Matthew Sheehan is an Investment Director with the Manager, responsible for the origination, assessment and ongoing management of unlisted investments, with a particular focus on the structuring and documentation of unlisted investments. He is also the Legal Counsel and Company Secretary of the Manager.

Matthew began his career as a private practice lawyer and worked at firms in Melbourne, New York and London. Prior to joining the Manager in April 2009, Matthew worked at Macquarie Group as the General Counsel and Company Secretary of Macquarie Communications Infrastructure Group and Macquarie Specialised Asset Management Limited.

Matthew holds a Bachelor of Economics (with Honours) from Monash University as well as a Bachelor of Laws (with Honours) and Master of Applied Finance from the University of Melbourne.

Meeting of Directors

The numbers of meetings of the Company's Board of Directors held during the reporting period ended 30 June 2023, and the number of meetings attended by each Director were:

Acorn Capital Investment Fund Limited
Directors' report
For the reporting period ended 30 June 2023
(continued)

| | Board Meetings Attended | Board Meetings Held |
|--------------|--|--|
| John Steven | 9 | 9 |
| Judith Smith | 6 | 9 |
| David Trude | 8 | 9 |
| Robert Brown | 9 | 9 |
| | Audit Committee Meetings Attended | Audit Committee Meetings Held |
| John Steven | 2 | 2 |
| Judith Smith | 2 | 2 |
| David Trude | 2 | 2 |

Indemnification and insurance of Directors and officers

In accordance with the Company's Constitution, the Company indemnifies every person who is or has been an officer of the Company against any liability (other than for legal costs) incurred by that person as an officer of the Company (including liabilities incurred by the officer as a Director or secretary of a subsidiary of the Company where the Company requested the officer to accept that appointment), to the extent permitted by law and subject to the restrictions in section 199A of the *Corporations Act 2001* and any other applicable law.

The Company has also entered into deeds of indemnity, insurance and access with each Director. During the reporting period, the Company paid insurance premiums for liability incurred by a person as a Director while acting in that capacity, except where the liability arises out of conduct involving lack of good faith. Due to confidentiality obligations and undertakings of the insurance policy, no further details in respect of the premium or the policy can be disclosed.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important.

During the year there were no additional engagements conducted by the auditor.

Details of the amounts paid or payable to the auditor (Ernst & Young) for audit services provided during the reporting period are set out below.

| For the reporting period ended | 30 June 2023 | 30 June 2022 |
|--|---------------------|---------------------|
| | \$ | \$ |
| Audit services | | |
| Audit and review of financial statements and other audit work under the <i>Corporations Act 2001</i> | <u>87,631</u> | <u>80,600</u> |
| Total remuneration for audit services | 87,631 | 80,600 |

Fees paid to and interests held in the Company by the Manager or its associates

Fees paid to the Manager out of Company property during the reporting period are disclosed in Note 15 of the financial statements.

No fees were paid out of Company property to the Directors of the Manager during the reporting period.

The number of interests in the Company held by the Manager or its associates as at the end of the reporting period are disclosed in Note 15 of the financial statements.

| Name | Ordinary Shares |
|--------------|------------------------|
| John Steven | 117,188 |
| Judith Smith | 112,614 |
| David Trude | 46,875 |
| Robert Brown | 97,979 |

Rounding of amounts

The amounts contained in the financial report and Directors' Report have been rounded to the nearest thousand (where rounding is applicable) unless otherwise indicated, under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 18 and forms part of this Directors' report.

Remuneration report (Audited)

This report details the remuneration policy and outcomes for key management personnel ("KMP") of the Company (as defined in AASB 124 *Related Party Disclosures*) for the year ended 30 June 2023. This remuneration report forms part of the Directors' Report and has been audited in accordance with the Corporations Act.

There is no remuneration paid to executives by the Company as their services are provided pursuant to an agreement with the Manager as disclosed below. The Company has no employees (only Directors) and therefore does not have a remuneration policy for employees. Accordingly, the Directors of the Company are the only members of KMP and this remuneration report outlines the remuneration policy and arrangements that are in place for Directors only.

The Investment Manager has been compensated with \$972,083 (2022: \$1,242,903) for management fees and \$ Nil (2022: \$ 462,321) for performance fees.

Remuneration policy

The Board of Directors' policy is to remunerate Directors at market rates for time, commitment and responsibilities. The Board determines payments to the Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required, subject to the Board's approval. No remuneration consultants were engaged during the reporting period and no remuneration recommendation was made.

Relationship between remuneration policy and the Company performance

Remuneration of the Directors is not linked to the performance of the Company. The Directors are remunerated with set fees and do not receive any performance based pay. This enables the Directors to maintain independence and impartiality when making decisions affecting the future direction of the Company.

Remuneration arrangements

The Directors received the following annual Director fees (inclusive of superannuation):

| | |
|--------------|----------|
| John Steven | \$60,000 |
| Judith Smith | \$40,000 |
| David Trude | \$40,000 |
| Robert Brown | Nil |

Remuneration details for the reporting period ended 30 June 2023

The Directors do not receive any benefits or remuneration other than Directors' fees and statutory superannuation.

Details of the remuneration of the Directors, the KMP of the Company are set out in the following tables:

| Name | Period | Short-term benefits Cash salary and fees | Post-employment benefits Superannuation | Total |
|--------------|-------------|---|---|----------------|
| | | \$ | \$ | \$ |
| John Steven | FY23 | 54,299 | 5,701 | 60,000 |
| | FY22 | 54,545 | 5,455 | 60,000 |
| Judith Smith | FY23 | 36,199 | 3,801 | 40,000 |
| | FY22 | 36,364 | 3,636 | 40,000 |
| David Trude | FY23 | 36,199 | 3,801 | 40,000 |
| | FY22 | 36,364 | 3,636 | 40,000 |
| Robert Brown | FY23 | - | - | - |
| | FY22 | 22,727 | 2,273 | 25,000 |
| Total | FY23 | 126,697 | 13,303 | 140,000 |
| | FY22 | 150,000 | 15,000 | 165,000 |

Director equity interests

The following table summarises the movements in the shareholdings of Directors (including their related parties) during the reporting period.

| Name | Ordinary Shares held at start of the reporting period | Other net change | Ordinary Shares held at end of the reporting period |
|--------------|---|------------------|---|
| John Steven | 117,188 | - | 117,188 |
| Judith Smith | 112,614 | - | 112,614 |
| David Trude | 46,875 | - | 46,875 |
| Robert Brown | 93,152 | 1,827 | 94,979 |

Other transactions with key management personnel or entities related to them

No Director or their related parties have entered into a material contract with the Company since the last reporting date.

Loans transactions and balances

The Company has not made, guaranteed or secured, directly or indirectly any loans to the Directors or their related parties during the reporting period.

The Directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.



John Steven
Chairman and Non-Executive Director
Melbourne
24 August 2023



**Building a better
working world**

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Auditor's Independence Declaration to the Directors of Acorn Capital Investment Fund Limited

As lead auditor for the audit of the financial report of Acorn Capital Investment Fund Limited for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'Ernst + Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Brett Kallio'.

Brett Kallio
Partner
Melbourne
24 August 2023

Statement of profit or loss and other comprehensive income

| For the reporting period ended | | 30 June 2023 \$'000 | 30 June 2022 \$'000 |
|--|-------|---------------------------|---------------------------|
| | Notes | | |
| <i>Revenue from ordinary activities</i> | | | |
| Interest income | | 69 | 1 |
| Dividend/Distribution income | 3 | <u>537</u> | <u>566</u> |
| Total revenue | | 606 | 567 |
| Net gains/(losses) on financial instruments held at fair value through profit or loss | 4 | 5,110 | (22,167) |
| Other income | | <u>45</u> | <u>5</u> |
| Total income/(loss) | | <u>5,761</u> | <u>(21,595)</u> |
| Expenses | | | |
| Management fees | 15 | 972 | 1,243 |
| Directors' fees | 15 | 140 | 198 |
| Performance fees | 15 | - | 462 |
| Auditor's remuneration | 5 | 88 | 81 |
| Brokerage expenses | | 112 | 213 |
| Insurance | | 99 | 88 |
| Share registry fees | | 38 | 66 |
| ASX fees | | 78 | 52 |
| Legal fees | | 13 | 7 |
| Custody fees | | 76 | 42 |
| Earn Out Consideration | | (39) | 593 |
| Other expenses | | <u>70</u> | <u>82</u> |
| Total expenses | | 1,647 | 3,127 |
| Profit/(loss) before income tax expense | | 4,114 | (24,722) |
| Income tax expense/(benefit) | 6 | <u>1,081</u> | <u>(7,734)</u> |
| Profit/(loss) after the income tax for the reporting period attributable to the owners of the Company | | <u>3,033</u> | <u>(16,988)</u> |
| Other comprehensive income for the reporting period attributable to the owners of the Company | | - | - |
| Total comprehensive income/(loss) for the reporting period attributable to the owners of the Company | | <u>3,033</u> | <u>(16,988)</u> |
| Earning per share/(loss per share) for profit/(loss) after income tax attributable to the owners of the ordinary shares of the Company: | | | |
| Basic | 13 | 3.51 | (21.61) |
| Diluted | 13 | 3.51 | (21.61) |

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

| As at | | 30 June 2023 | 30 June 2022 |
|--|-------|-----------------|-----------------|
| | Notes | \$'000 | \$'000 |
| Assets | | | |
| Cash and cash equivalents | 7 | 1,333 | 1,408 |
| Receivables and Prepayments | 8 | 593 | 212 |
| Financial assets held at fair value through profit or loss | 9 | 93,635 | 97,276 |
| Deferred tax assets | 11 | 4,070 | 5,151 |
| Total assets | | 99,631 | 104,047 |
| Liabilities | | | |
| Payables | 10 | 2,357 | 2,430 |
| Provision for current income tax | | - | 1,384 |
| Total liabilities | | 2,357 | 3,814 |
| Net assets | | 97,274 | 100,233 |
| Equity | | | |
| Contributed equity | 12 | 99,277 | 97,934 |
| Accumulated losses | | (31,756) | (31,756) |
| Dividend reserve | | 29,753 | 34,055 |
| Total equity attributable to owners of the Company | | 97,274 | 100,233 |

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

| For the reporting period ended 30 June 2023 | Contributed equity | Accumulated losses | Dividend reserve | Total equity |
|---|-----------------------|-----------------------|---------------------|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at 1 July 2022 | 97,934 | (31,756) | 34,055 | 100,233 |
| Profit/(loss) after income tax for the reporting period attributable to the owners of the Company | - | - | 3,033 | 3,033 |
| Total comprehensive income/(loss) for the reporting period attributable to the owners of the Company | 97,934 | (31,756) | 37,088 | 103,266 |
| Transactions with owners in their capacity as owners: | | | | |
| Dividends declared | - | - | (7,335) | (7,335) |
| Dividends reinvested | 1,343 | - | - | 1,343 |
| Balance at 30 June 2023 | 99,277 | (31,756) | 29,753 | 97,274 |

| For the reporting period ended 30 June 2022 | Contributed equity | Accumulated losses | Dividend reserve | Total equity |
|---|-----------------------|-----------------------|---------------------|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at 1 July 2021 | 68,750 | (14,768) | 44,451 | 98,433 |
| Contributed equity | 27,058 | | | 27,058 |
| Cost of Entitlement Offer | (162) | - | - | (162) |
| Profit/(loss) after income tax for the reporting period attributable to the owners of the Company | - | (16,988) | - | (16,988) |
| Total comprehensive income for the reporting period attributable to the owners of the Company | 95,646 | (31,756) | 44,451 | 108,341 |
| Transactions with owners in their capacity as owners: | | | | |
| Dividends declared | - | - | (10,396) | (10,396) |
| Dividends reinvested | 2,288 | - | - | 2,288 |
| Balance at 30 June 2022 | 97,934 | (31,756) | 34,055 | 100,233 |

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

| For the reporting period ended | | 30 June 2023 | 30 June 2022 |
|---|---------|-----------------|-----------------|
| | Notes | \$'000 | \$'000 |
| <i>Cash flows from operating activities</i> | | | |
| Proceeds from sale of financial instruments held at fair value through profit or loss | | 50,330 | 64,416 |
| Purchase of financial instruments held at fair value through profit or loss | | (40,982) | (78,609) |
| Transaction costs on financial instruments held at fair value through profit or loss | | (112) | (213) |
| Dividends / distribution income received | | 536 | 527 |
| Custody fees paid | | (123) | (24) |
| Other income received | | 237 | 5 |
| Tax paid | | (1,384) | (8,290) |
| Operating expenses paid | | <u>(2,585)</u> | <u>(4,758)</u> |
| Net cash inflow/(outflow) from operating activities | 17(a) | <u>5,917</u> | <u>(26,946)</u> |
| <i>Cash flows from financing activities</i> | | | |
| Proceeds from shares issued under Entitlement Offer | | - | 27,058 |
| Transaction costs associated with Entitlement Offer | | - | (162) |
| Dividends paid | | <u>(5,992)</u> | <u>(8,108)</u> |
| Net cash (outflow)/inflow from financing activities | | <u>(5,992)</u> | 18,788 |
| <i>Net increase/(decrease) in cash and cash equivalents</i> | | | |
| Cash and cash equivalents at the beginning of the reporting period | | <u>1,408</u> | <u>9,566</u> |
| Cash and cash equivalents at the end of the reporting period | 7,17(b) | <u>1,333</u> | <u>1,408</u> |

The above statement of cash flows should be read in conjunction with the accompanying notes.

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1 General information

These financial statements cover Acorn Capital Investment Fund Limited (the **Company**) as an individual entity.

Acorn Capital Limited (**Manager**) is the Investment Manager of the Company. The Company has no employees (only Directors).

The Company is incorporated and domiciled in Australia.

The financial statements are presented in Australian dollars.

The financial statements are for the period from 1 July 2022 to 30 June 2023 (the **reporting period**).

The financial statements were authorised for issue by the Directors on 24 August 2023. The Directors of the Company have the power to amend and reissue the financial statements.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001 in Australia.

The financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The Company is a for-profit entity for the purposes of preparing the financial statements.

The financial statements have been prepared on a historical-cost basis, except for financial assets and financial liabilities held at fair value through profit or loss (FVPL).

The Company is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission ("ASIC"), relating to the "rounding off" of amounts in the financial statements. The financial statements are presented in Australian dollars, which is the functional currency of the Company, and all values are rounded to the nearest thousand dollars (\$000) in accordance with the ASIC Corporations Instrument, except where otherwise indicated.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are generally expected to be recovered or settled within twelve months, except for investments in financial assets where the amount expected to be recovered within twelve months after the end of the reporting period cannot be reliably determined.

(b) Financial instruments

Classification

In accordance with AASB 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- (a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- (b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or
- (c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

Financial assets

The Company classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company includes in this category short-term trade receivables including accrued income and other receivables.

Financial assets measured at fair value through profit or loss (FVPL)

A financial asset is measured at fair value through profit or loss if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- (c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Company includes in this category:

- *Debt instruments*. These include investments that are held under a business model to manage them on a fair value basis for investment income and fair value gains.
- *Instruments held for trading*. This category includes equity instruments and debt instruments which are acquired principally for the purpose of generating a profit from short-term fluctuations in price.

Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Company includes in this category short-term payables, such as accrued operating expenses and unsettled trades.

(i) Recognition

The Company recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(ii) Initial measurement

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss. Financial assets and liabilities (other than those classified as at FVPL) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

2 Summary of significant accounting policies (continued)

(iii) Subsequent measurement

After initial measurement, the Company measures financial instruments which are classified as at FVPL, at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets and liabilities at FVPL in the statement of comprehensive income. Interest and dividends earned or paid on these instruments are recorded separately in interest revenue and dividend revenue in the statement of comprehensive income.

Debt instruments, other than those classified as at FVPL, are measured at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the debt instruments are derecognised or impaired, as well as through the amortisation process.

Financial liabilities, other than those classified as at FVPL, are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

The effective interest method (EIR) is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating and recognising the interest income or interest expense in profit or loss over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instruments, but does not consider expected credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(iv) Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Company has:

- (a) Transferred substantially all of the risks and rewards of the asset; or
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

(c) Impairment of financial assets

The Company holds only trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under AASB 9 to all its trade receivables. Therefore the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

(d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is generally not the case with master netting agreements unless one party to the agreement defaults and the related assets and liabilities are presented gross in the statement of financial position.

2 Summary of significant accounting policies (continued)

(e) Fair Value measurement

The Company measures its investments in financial instruments, such as equity instruments, convertible notes and derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions, adjusted as necessary, and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

For assets and liabilities that are measured at fair value on a recurring basis, the Company identifies transfers between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole), and deems transfers to have occurred at the end of each reporting period.

(f) Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the Company operates. The majority of the Company's returns are Australian dollar-based, the capital is raised in Australian dollars, the performance is evaluated and its liquidity is managed Australian dollars. Therefore, the Company concludes that the Australian dollar is its functional currency.

The Company's presentation currency is also the Australian dollar.

(g) Foreign currency translations

Foreign currency transactions during the period, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Foreign currency transaction gains and losses on financial instruments classified as at FVPL are included in profit or loss in the statement of comprehensive income as part of the 'net gain or loss on financial assets and liabilities at fair value through profit or loss'.

(h) Amounts due to and from brokers

Amounts due to brokers are payables for securities purchased (in a regular way transaction) that have been contracted for, but not yet delivered, on the reporting date. Refer to the accounting policy for financial liabilities, other than those classified as at FVPL, for recognition and measurement.

Amounts due from brokers are receivables for securities sold (in a regular way transaction) that have been contracted for, but not yet delivered, on the reporting date. Refer to the accounting policy for loans and receivables for recognition and measurement.

2 Summary of significant accounting policies (continued)

(i) Share capital

Ordinary shares are classified as equity. Issued and paid up equity is recognised at the fair value of the consideration received by the Company. Incremental costs directly attributable to the issue of new shares or options (that vest immediately) are shown in equity as a deduction from the proceeds.

If the entity reacquires its own equity instruments, for example as the result of a share buy back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs is recognised directly in equity.

The authorised share capital of the is fully paid and listed on the Australian Securities Exchange. The Company's capital is represented by these shares.

(j) Dividends to shareholders

Dividends are at the discretion of the Company. A dividend to the Company's shareholders is accounted for as a deduction from the dividend reserve. Dividends are recognised as a liability in the period in which it is irrevocably declared by the Board of Directors.

The Company has a dividend reserve for the purpose of reserving profits to allow the Company to declare dividends. Profit for the six-month period is added to the Dividend Reserve at 31 December and 30 June each year and dividends paid are deducted from the reserve on the payment date. Losses recorded for the six-month period at 31 December and 30 June each year are transferred to the Accumulated Losses Reserve.

Dividends are declared by the Board of Directors in accordance with the *Corporations Act 2001* section 254T.

The Company has a dividend reinvestment program (DRP) which applies to dividends, details of which are on the company website.

(k) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and short-term deposits held under the custody of BNP Paribas that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of three months or less.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts when applicable.

(l) Receivables

Receivables may include such items as Reduced Input Tax Credits (RITC), amounts for dividends, interest and securities sold where settlement has not yet occurred. Dividends are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in Note 2(c) above.

(m) Payables

Payables include liabilities and accrued expenses owing by the Company which are unpaid as at the end of the period. Trades are recorded on trade date and normally settled within two business days. Purchases of financial instruments that are unsettled at the end of each year are included in payables.

(n) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the reporting period.

Diluted earnings per share

Diluted earnings per share adjusts the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

2 Summary of significant accounting policies (continued)

(o) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the Australian corporate income tax rate adjusted for changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates applicable to the Company. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction that at the time of the transaction did not affect either accounting or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Company may incur withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the statement of comprehensive income.

Income tax expense or benefit is recognised in the statement of comprehensive income.

Current and deferred tax balances are recognised in the statement of financial position.

(p) Revenue

Interest revenue

Interest revenue recognised in the statement of comprehensive income for all interest-bearing financial instruments on an accruals basis when the amount can be reliably measured and receipt is probable.

Dividend revenue

Dividend revenue is recognised on the date when the Company's right to receive the payment is established.

Dividend revenue is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the statement of comprehensive income.

(q) Net gain or loss on financial assets and liabilities at fair value through profit or loss

Net gains or losses on financial assets and liabilities at FVPL are changes in the fair value of financial assets and liabilities held for trading or designated upon initial recognition as at FVPL and exclude interest and dividend income and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of the prior period's unrealised gains and losses for financial instruments which were realised in the reporting period. Realised gains and losses on disposals of financial instruments classified as at FVPL are calculated using the average cost method. They represent the difference between an instrument's initial carrying amount and disposal amount.

(r) Expenses

Expenses are recognised on an accrual basis.

2 Summary of significant accounting policies (continued)

(s) Goods and Services Tax (GST)

Expenses relating to various services provided to the Company by third parties such as custodial services and investment management fees etc. are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case, it is recognised as part of the related expense or cost item.

Accounts payable and receivable are stated inclusive of the GST receivable and payable. The net amount of GST recoverable from, or payable to, the taxation authority is included in receivables or payables in the statement of financial position.

(t) Operating Segment Information

The Company operates in Australia only and the principal activity is investment. For details, refer to Note 16 on page 48.

(u) Changes in accounting policies and disclosures

New and amended standards and interpretations

The Company has not early adopted any standard, interpretation or amendment that been issued, but not yet effective. There are no new standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements that, in the opinion of the Board, would materially impact the Company.

(v) Significant accounting judgements, estimates and assumptions

Judgements

The preparation of the Company's financial statements requires it to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. However, estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company's financial instruments are valued primarily based on the prices provided by independent pricing services. When the fair values of the reported financial instruments cannot be derived from active markets, they are determined using prices obtained from inactive or unquoted markets and/or other valuation techniques. The inputs to these valuation techniques (if applicable) are taken from observable markets to the extent practicable. Where observable inputs are not available, the inputs may be estimated based on a degree of judgments and assumptions in establishing fair values.

Where appropriate, the outcomes of the valuation techniques that are used in establishing fair values are validated using prices from observable current market transactions for similar instruments (without modification or repackaging) or based on relevant available observable market data.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

In addition, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates and judgments. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For certain other financial instruments, including amounts due from/to brokers, accounts payable and accounts receivable, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

2 Summary of significant accounting policies (continued)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

As at 30 June 2023, the Company has measured investment securities at their fair value through profit or loss. Listed securities are valued based on unadjusted observable market prices.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Fair value

For fair value of financial instruments, please refer to Note 14(f).

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and changes in tax laws on foreign withholding tax. Differences arising between the actual investment income and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax expense already recorded. As the Company assesses the probability for litigation and subsequent cash outflow with respect to taxes as remote, no contingent liability has been recognised.

3 Dividend/Distribution income

| For the reporting period ended | 30 June 2023 \$'000 | 30 June 2022 \$'000 |
|--------------------------------|---------------------------|---------------------------|
| Dividends | 413 | 506 |
| Trust Distributions | 124 | 60 |
| | 537 | 566 |

4 Net gains/(losses) on financial instruments held at fair value through profit or loss

| For the reporting period ended | 30 June 2023 \$'000 | 30 June 2022 \$'000 |
|--|---------------------------|---------------------------|
| Net unrealised (loss)/gain on financial assets and liabilities designated at fair value through profit or loss | 12,795 | (39,782) |
| Net realised gain on financial assets designated at fair value through profit or loss | (7,685) | 17,615 |
| Total net gains/(losses) on financial instruments held at fair value through profit or loss | 5,110 | (22,167) |

5 Auditor's remuneration

During the reporting period the following fees were paid or payable for services provided by the auditor to the Company, its related parties and non-related audit firms:

| For the reporting period ended | 30 June 2023 | 30 June 2022 |
|---|-----------------|-----------------|
| | \$ | \$ |
| (a) Audit services | | |
| Audit and review of financial statements and other audit work under the Corporations Act 2001 | <u>87,631</u> | <u>80,600</u> |
| Total remuneration for audit services | 87,631 | 80,600 |
| Total auditor's remuneration | 87,631 | 80,600 |

6 Income tax expense

| For the reporting period ended | 30 June 2023 | 30 June 2022 |
|---|-----------------|-----------------|
| | \$'000 | \$'000 |
| (a) Income tax expense recognised in profit or loss | | |
| Current income tax (benefit)/expense | - | 3,933 |
| Deferred tax expenses/(benefit) | <u>1,081</u> | <u>(11,667)</u> |
| | 1,081 | (7,734) |
| Deferred income tax expense included in tax expense comprises: | | |
| (Increase)/decrease in deferred tax assets due to changes in unrealised portfolio gains | 1,081 | (11,667) |
| Increase in deferred tax liabilities due to changes in unrealised portfolio gains | - | - |
| | <u>1,081</u> | <u>(11,667)</u> |
| (b) Numerical reconciliation of tax expense to prima facie tax payable | | |
| Profit/(loss) before income tax (benefit)/expense | 4,114 | (24,722) |
| Tax at the Australian tax rate of 30.0% (2022: 30.0%) | 1,234 | (7,417) |
| Tax effect of amounts which are assessable (not deductible) in calculating taxable income | (164) | (112) |
| Other adjustments | <u>10</u> | <u>(205)</u> |
| Income tax expense/(benefit) | 1,081 | (7,734) |
| (c) Tax losses | | |
| Unused income tax losses for which no deferred tax asset has been recognised | - | - |
| (d) Unrecognised temporary differences | | |
| Temporary differences for which deferred tax liabilities have not been recognised | - | - |
| Unrecognised deferred tax liabilities relating to the above temporary differences | - | - |

7 Cash and cash equivalents

| As at | 30 June 2023 | 30 June 2022 |
|---------------------------|-----------------|-----------------|
| | \$'000 | \$'000 |
| Cash and cash equivalents | <u>1,333</u> | <u>1,408</u> |
| | 1,333 | 1,408 |

8 Receivables

| As at | 30 June 2023 | 30 June 2022 |
|--------------------------|-----------------|-----------------|
| | \$'000 | \$'000 |
| Distributions receivable | 40 | 39 |
| Interest receivable | 2 | 1 |
| Trade receivables | 420 | - |
| GST claimable | 45 | 90 |
| Prepaid expenses | <u>86</u> | <u>82</u> |
| Total receivables | <u>593</u> | <u>212</u> |

Trade receivables are unsettled sales of investments and are generally receivable within two business days.

9 Financial assets and liabilities held at fair value through profit or loss

| As at | 30 June 2023 | 30 June 2022 |
|---|-----------------|-----------------|
| | \$'000 | \$'000 |
| Designated at fair value through profit or loss | | |
| Listed equities | 65,023 | 67,254 |
| Unlisted equities | 25,254 | 27,629 |
| Convertible notes | 3,279 | 2,333 |
| Warrants | <u>79</u> | <u>60</u> |
| Total designated at fair value through profit or loss | <u>93,635</u> | <u>97,276</u> |
| Total financial assets and liabilities held at fair value through profit or loss | 93,635 | 97,276 |

An overview of the risk exposures relating to financial assets and liabilities held at fair value through profit or loss is included in Note 14

Warrants are an option to purchase additional securities from the issuer at a specified price during a specified period.

10 Payables

| As at | 30 June 2023 | 30 June 2022 |
|---------------------------------|-----------------|-----------------|
| | \$'000 | \$'000 |
| Outstanding settlements payable | 1,203 | 180 |
| Earn Out payable* | 567 | 902 |
| Management fees payable | 503 | 651 |
| Performance fees payable | - | 496 |
| Accrued expenses payable | <u>84</u> | <u>201</u> |
| Total payables | <u>2,357</u> | <u>2,430</u> |

* On 14 December 2017, the Company purchased a portfolio of securities (refer to ASX announcement on 14 December 2017 for full details). Upon the liquidation of the portfolio for cash, and subject to ACQ generating a return above a pre-agreed threshold, 30% of cash receipts from such sale of the portfolio are payable. This amount will be paid at the election of ACQ, in either cash or ACQ shares, at the same post-tax NTA as the shares comprising the initial consideration payment were issued. The liability related to the earn-out as at balance date is \$567,281.30 (2022: \$902,630.68).

11 Deferred tax assets/(liabilities)

| As at | 30 June 2023 \$'000 | 30 June 2022 \$'000 |
|---|---------------------------|---------------------------|
| The balance comprises temporary differences attributable to: | | |
| Amount recognised in profit or loss | | |
| Tax losses | - | - |
| Unclaimed incorporation expenses carried forward | (34) | 36 |
| Other deferred tax assets/(liabilities) - unrealised portfolio gains | <u>(1,047)</u> | <u>11,701</u> |
| Total deferred tax assets/(liabilities) | (1,081) | 11,737 |
| Effect of change in tax rate | <u>-</u> | <u>-</u> |
| Net deferred tax assets/(liabilities) | (1,081) | 11,737 |
| Movements | | |
| Opening balance | 5,151 | (6,586) |
| Credited/(charged) to profit or loss | <u>(1,081)</u> | <u>11,737</u> |
| Closing balance at 30 June | 4,070 | 5,151 |
| Gross up for deferred tax liabilities netted off | <u>-</u> | <u>-</u> |
| Gross deferred tax assets/(liabilities) | 4,070 | 5,151 |
| Deferred tax assets/(liabilities) to be settled after more than 12 months | 4,005 | 5,064 |
| Deferred tax assets/(liabilities) to be settled within 12 months | <u>65</u> | <u>87</u> |
| | 4,070 | 5,151 |

12 Contributed equity and movements in total equity

| As at | 30 June 2023 No.'000 | 30 June 2022 No.'000 |
|-----------------------------------|----------------------------|----------------------------|
| (a) Share capital | | |
| Ordinary shares | | |
| Fully paid | 87,352 | 86,062 |
| (b) Movements in shares on issue: | | |
| Opening balance | 86,062 | 67,649 |
| Equity issued | - | 16,913 |
| Distributions reinvested | 1,290 | 1,500 |
| Closing balance | 87,352 | 86,062 |

(c) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(d) Shares issued under Entitlement Offer

On 3 November 2021, ACQ announced a 1 for 4 non-renounceable entitlement offer of new ACQ shares at \$1.60 per new share. New shares issued under the Entitlement Offer commenced trading on 18 November 2021. Refer ASX announcements dated 3 November 2021 and 18 November 2021 for further information.

(e) Capital risk management

The Company's policy is to maintain an appropriate level of liquidity in the Company's shares.

To achieve this, the Board of Directors monitor monthly NTA results, investment performance, the Company's management expenses and share price movements.

13 Earnings per share

| For the period ending | 30 June 2023 \$'000 | 30 June 2022 \$'000 |
|---|---------------------------|---------------------------|
| (a) Earnings/(loss) | | |
| Profit/(loss) after income tax attributable to the owners of the Company (\$'000) | 3,033 | (16,988) |
| Earnings/(loss) used in calculating basic and diluted earnings per share (\$'000) | 3,033 | (16,988) |
| (b) Earnings/(loss) per share | | |
| Basic earnings/(loss) per share (cents) | 3.51 | (21.61) |
| Diluted earnings/(loss) per share (cents) | 3.51 | (21.61) |
| (c) Number of shares | | |
| Weighted average number of shares used in the calculation of basic earnings per share | 86,426,521 | 78,622,255 |
| Weighted average number of shares used in the calculation of diluted earnings per share | 86,426,521 | 78,622,255 |

14 Financial risk management

(a) Objectives, strategies, policies and processes

The Company's activities may expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Company's overall risk management program focuses on ensuring compliance with the Company's disclosure documents and seeks to maximise the returns derived for the level of risk to which the Company is exposed. Financial risk management is carried out by the Manager under policies approved by the Board.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: price risk, foreign currency risk and interest rate risk. Market risk is managed via portfolio diversification, and minimised through ensuring that all investment activities are undertaken in accordance with established mandates and investment strategies.

The market risk disclosures are prepared on the basis of the Company's direct investments and not on a look-through basis.

The sensitivity of the Company's total equity and profit/(loss) to price risk, foreign exchange risk and interest rate risk is measured by the reasonably possible movements approach. This approach is determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates and foreign exchange rates, historical correlation of the Company's investments with the relevant benchmarks and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Company invests. As a result, historic variations in the risk variables are not a definitive indicator of future variations in the risk variables.

At 30 June 2023, the overall market exposures were as follows:

| As at | 30 June 2023 \$'000 | 30 June 2022 \$'000 |
|--|---------------------------|---------------------------|
| Securities at fair value through profit or loss | 93,635 | 97,276 |
| | 93,635 | 97,276 |

(i) Price risk

Price risk is the risk that the fair value or future cash flows of equities will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

Price risk exposure arises from the Company's investment portfolio. The investments are classified on the statement of financial position as held at fair value through profit or loss. All securities investments present a risk of loss of capital. Except for equities sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from equities sold short can be unlimited, however the Company does not engage in short selling.

The Manager mitigates this price risk through diversification and a careful selection of securities and other financial instruments within specified limits set by the Board.

The Company's overall market positions are monitored on a regular basis by the Company's Manager. This information is reported to the relevant parties on a regular basis and ultimately the Board.

At 30 June 2023, if the equity prices had increased/(decreased) by the percentage indicated below, with all other variables held constant, the total equity and profit/(loss) would have changed by the following amounts, approximately and respectively:

| As at | 30 June 2023 Increased by 10% \$'000 | 30 June 2023 Decreased by 10% \$'000 | 30 June 2022 Increased by 10% \$'000 | 30 June 2022 Decreased by 10% \$'000 |
|---|--|--|--|--|
| Increase/(decrease) in total equity (and profit/(loss) for the reporting period attributable to the owners of the Company) | 9,364 | (9,364) | 9,728 | (9,728) |

14 Financial risk management (continued)

(b) Market risk (continued)

(ii) Foreign exchange risk

The foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company holds assets denominated in currencies other than the Australian dollar, the functional currency. It is therefore exposed to foreign exchange risk, as the value of the future cash flows of the securities denominated in other currencies will fluctuate due to changes in exchange rates. The risk is measured using sensitivity analysis.

In accordance with the Company's policy, the Investment Manager monitors the Company's currency position on a regular basis. This information and the compliance with the Company's policy are reported to the relevant parties on a regular basis as deemed appropriate and ultimately to the Board.

The foreign exchange risk disclosures have been prepared on the basis of the Company's direct investments and not on a look through basis for investments held indirectly through unit trusts.

When the Investment Manager formulates a view on the future direction of foreign exchange rates and the potential impact on the Company, the Investment Manager factors that into its portfolio allocation decisions. While the Company has direct exposure to foreign exchange rate changes on the price of non-Australian dollar denominated securities, it may also be indirectly affected for example, by the impact of foreign exchange rate changes on the earnings of certain entities in which the Company invests, even if those entities' securities are denominated in Australian dollars. For that reason, the sensitivity analysis may not necessarily indicate the total effect on total equity and profit/(loss) of future movements in foreign exchange rates.

At 30 June 2023, had the Australian dollar weakened/strengthened as illustrated below against the various currencies to which the Company is exposed, with all other variables held constant, the total equity and profit/(loss) would have changed by the following amounts, approximately and respectively:

| | AUD Weakened | | AUD Strengthened | |
|------------------------------|---------------------|--------|-------------------------|--------|
| | 2023 | 2022 | 2023 | 2022 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| AUD/USD 2023 10% (2022: 10%) | 467 | 205 | (467) | (205) |
| AUD/NZD 2023 10% (2022: 10%) | 152 | 130 | (152) | (130) |

(iii) Interest rate risk

There was no significant direct interest rate risks in the Company as at 30 June 2023 (2022: Nil).

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk primarily arises from investments in debt securities. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions, tax instalments and other receivables.

With respect to credit risk arising from the financial assets of the Company, the Company's exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of these investments as disclosed in the statement of financial position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

Counterparty credit limits and the list of authorised brokers are reviewed by the relevant parties within the Company on a regular basis as deemed appropriate.

In accordance with the Company's policy, the Investment Manager monitors the Company's credit position on a regular basis. This information and the compliance with the Company's policy are reported to the relevant parties on a regular basis and ultimately the Board.

14 Financial risk management (continued)

(d) Concentrations of risk

Concentrations of risk arise when a number of financial instruments are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic conditions. These similarities would cause the counterparties' liabilities to meet the contractual obligations to be similarly affected by certain changes in the risk variables.

The concentrations of risk are monitored by the Manager to ensure they are within acceptable limits by reducing the exposures or by other means as deemed appropriate.

Concentrations of risk are managed by industry sector for equity instruments and by counterparty for debt instruments.

Based on the concentrations of risk that are managed by industry sector, the following investments can be analysed by the industry sector as at 30 June 2023 and 30 June 2022:

| As at | 30 June 2023 \$'000 | 30 June 2023 % | 30 June 2022 \$'000 | 30 June 2022 % |
|------------------------|------------------------|-------------------|------------------------|-------------------|
| Materials | 28,833 | 30.79 | 24,241 | 24.92 |
| Financials | 10,692 | 11.42 | 14,804 | 15.22 |
| Consumer Discretionary | 9,824 | 10.49 | 11,772 | 12.10 |
| Information Technology | 7,644 | 8.16 | 6,071 | 6.24 |
| Industrials | 11,358 | 12.13 | 12,022 | 12.36 |
| Health Care | 12,166 | 12.99 | 10,342 | 10.63 |
| Energy | 7,460 | 7.97 | 10,582 | 10.88 |
| Consumer Staples | 2,581 | 2.76 | 4,092 | 4.21 |
| Communication Services | 3,077 | 3.29 | 3,350 | 3.44 |
| Total | 93,635 | 100 | 97,276 | 100 |

(e) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. This risk is controlled through the Company's investment in financial instruments that under normal market conditions are readily convertible to cash. In addition, the Company maintains sufficient cash and cash equivalents to meet normal operating requirements.

The Company's investments include listed securities that are considered readily realisable, as they are listed on recognised stock exchanges.

The Company may invest in unlisted equities that expose the Company to the risk that the Company may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

In accordance with the Company's policy, the Manager monitors the Company's liquidity position on a regular basis. This information and the compliance with the Company's policy are reported to the relevant parties on a regular basis as deemed appropriate and ultimately to the Board.

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

| | Less than 1 month \$'000 | 1-3 months \$'000 | 3-12 months \$'000 | More than 12 months \$'000 |
|------------------------------------|--------------------------------|----------------------|-----------------------|----------------------------------|
| As at June 2023 | | | | |
| Financial liabilities: | | | | |
| Earn Out payable | - | - | - | 567 |
| Accrued expenses payable | - | 84 | - | - |
| Management fees payable | - | 503 | - | - |
| Performance fees payable | - | - | - | - |
| Outstanding settlements payable | 1,203 | - | - | - |
| Total financial liabilities | 1,203 | 587 | - | 567 |

14 Financial risk management (continued)

(e) Liquidity risk (continued)

| | Less than 1 month \$'000 | 1-3 months \$'000 | 3-12 months \$'000 | More than 12 months \$'000 |
|---------------------------------|--------------------------------|----------------------|-----------------------|----------------------------------|
| As at June 2022 | | | | |
| Financial liabilities: | | | | |
| Earn Out payable | - | 295 | - | 607 |
| Accrued expenses payable | - | 201 | - | - |
| Management fees payable | - | 651 | - | - |
| Performance fees payable | - | 496 | - | - |
| Outstanding settlements payable | <u>180</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total financial liabilities | 180 | 1,643 | - | 607 |

(f) Estimation of fair values of financial assets and liabilities

The carrying amounts of all the Company's financial assets and financial liabilities at the end of the reporting period approximated their fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company's accounting policy on fair value measurement is set out in Note 2(e). The methods and assumptions used in the determination of the fair value of each class of financial instruments is also set out in Note 2(e).

Note 2(v) outlines further the nature of management's judgments, estimates and assumptions that might have been used in the determination of the fair values of these financial instruments.

(g) Fair value hierarchy

The Company is required to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); quoted prices for similar securities in active and/or inactive markets; market-corroborated inputs; inputs that are developed based on available market data and reflect assumptions that markets would use when pricing similar securities.
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgement by the Company. The Company considers observable data to be the market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

All fair value measurements disclosed are recurring fair value measurements.

14 Financial risk management (continued)

(g) Fair value hierarchy (continued)

The table below sets out the Company's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at the reporting date.

All fair value measurements disclosed are recurring fair value measurements. All other assets and liabilities are carried at a reasonable approximation of fair value.

| As at 30 June 2023 | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | Total \$'000 |
|---|-------------------|-------------------|-------------------|-----------------|
| Financial assets held at fair value through profit or loss | | | | |
| Listed equities | 65,023 | - | - | 65,023 |
| Warrants | 11 | - | 68 | 79 |
| Unlisted equities | - | - | 25,254 | 25,254 |
| Convertible notes | - | - | 3,279 | 3,279 |
| Total | 65,034 | - | 28,601 | 93,635 |

| As at 30 June 2022 | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | Total \$'000 |
|---|-------------------|-------------------|-------------------|-----------------|
| Financial assets held at fair value through profit or loss | | | | |
| Listed equities | 67,254 | - | - | 67,254 |
| Unlisted equities | - | - | 27,629 | 27,629 |
| Convertible notes | - | - | 2,333 | 2,333 |
| Warrants | - | - | 60 | 60 |
| Total | 67,254 | - | 30,022 | 97,276 |

The pricing for the majority of the Company's investments is generally sourced from independent pricing sources, the Investment Manager or reliable brokers' quotes.

Investments whose values are based on quoted market prices in active markets, e.g. recognised stock exchanges and therefore classified within level 1, include active listed equities.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. The observable inputs include prices and/or those derived from prices. Investments classified within level 3 have significant unobservable inputs, as they are infrequently traded.

Level 2 investments could include those that are not traded in active markets and/or are subject to transfer restrictions.

Level 3 instruments could include debt instruments and certain private equity type investments of which valuations are not based on market inputs or securities valued using models and internal data. Level 3 investments may be adjusted to reflect illiquidity. Level 3 instruments also include those that have stale price, that is, where the pricing for a particular security has remained static for an extended period of time.

Level 3 investments are valued by the Investment Manager using a variety of valuation techniques, taking into consideration recent market transactions. These valuations are reassessed on a monthly basis by the Investment Manager, and approved by the Investment Valuation Committee, chaired by an ACQ Director. Management considers the appropriateness of the valuation inputs, methods and techniques used in the valuations. The valuation inputs are sourced from independent third party pricing sources without adjustment such as stock exchanges, pricing agencies and/or fund managers where available. Where the inputs are considered stale, unobservable, proprietary or from an inactive market, they are categorised as level 3.

Transfers between levels of fair value hierarchy are deemed to have occurred at the reporting date.

Transfers out of level 3 generally occur when an unlisted equity investment lists on a recognised stock exchange.

The following table presents the movement in level 3 instruments as at the reporting date by class of financial instrument.

14 Financial risk management (continued)

(g) Fair value hierarchy (continued)

| As at 30 June 2023 | Opening balance | Purchases | Sales | Transfers into level 3 | Transfers out of level 3 | Gains/(losses) recognised in profit or loss | Closing balance |
|--------------------|-----------------|--------------|----------------|------------------------|--------------------------|---|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Unlisted equities | 27,629 | 3,082 | (3,585) | - | - | (1,872) | 25,254 |
| Convertible notes | 2,333 | 924 | - | - | - | 22 | 3,279 |
| Warrants | 60 | - | - | - | - | 8 | 68 |
| Total | 30,022 | 4,006 | (3,585) | - | - | (1,842) | 28,601 |

| As at 30 June 2022 | Opening balance | Purchases | Sales | Transfers into level 3 | Transfers out of level 3 | Gains/(losses) recognised in profit or loss | Closing balance |
|--------------------|-----------------|---------------|----------------|------------------------|--------------------------|---|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Unlisted equities | 23,135 | 13,053 | - | - | (4,261) | (4,298) | 27,629 |
| Convertible notes | 1,100 | 2,421 | (1,100) | - | - | (88) | 2,333 |
| Warrants | 97 | - | - | - | - | (37) | 60 |
| Total | 24,332 | 15,474 | (1,100) | - | (4,261) | (4,423) | 30,022 |

14 Financial risk management (continued)

(h) Sensitivity analysis for unlisted investments

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy are the underlying enterprise values which determines share or unit price.

Sensitivity of the unobservable inputs are approximated by reference to the volatility of the relevant sector of the microcap index which the company predominately operates in. These represent the best observable approximation of factors which can influence the operating environment of the unlisted investments given the size and nature of the companies.

The following table sets out the sensitivity of Level 3 investments to movements in the relevant sector indices over the last 5 years.

| Sensitivity Analysis as at 30 June 2023 | | | | | |
|--|-------------------------|---------------------------------------|---|-------------------|--------------------|
| Sector | Valuation Method | Fair Value Equities \$'000 | Sector volatility (past 5 years) | Low \$'000 | High \$'000 |
| Communication Services | Relative Valuation | 1,306 | 35.26% | (461) | 461 |
| Communication Services | 3rd Party Transaction | 659 | 35.26% | (233) | 233 |
| Consumer Discretionary | Relative Valuation | 1,539 | 32.70% | (503) | 503 |
| Consumer Discretionary | 3rd Party Transaction | 1,994 | 32.70% | (652) | 652 |
| Consumer Staples | Relative Valuation | 591 | 15.36% | (91) | 91 |
| Financial ex-AREITs | Relative Valuation | 2,788 | 24.62% | (686) | 686 |
| Financial ex-AREITs | 3rd Party Transaction | 3,109 | 24.62% | (765) | 765 |
| Health Care | 3rd Party Transaction | 1,074 | 25.78% | (277) | 277 |
| Industrials Capital Goods | Relative Valuation | 881 | 26.13% | (230) | 230 |
| Industrials Capital Goods | 3rd Party Transaction | 1,493 | 26.13% | (390) | 390 |
| Industrials ex-capital goods | Relative Valuation | 1,392 | 27.08% | (377) | 377 |
| Industrials ex-capital goods | 3rd Party Transaction | 4,214 | 27.08% | (1,141) | 1,141 |
| Information Technology | Relative Valuation | 207 | 29.13% | (60) | 60 |
| Information Technology | 3rd Party Transaction | 2,537 | 29.13% | (739) | 739 |
| Materials Resources | Relative Valuation | 1,470 | 28.66% | (421) | 421 |
| Total | | <u>25,254</u> | | <u>(7,026)</u> | <u>7,026</u> |
| Sector | Valuation Method | Fair Value Warrants \$'000 | Sector volatility (past 5 years) | Low \$'000 | High \$'000 |
| Consumer Discretionary | Relative Valuation | 57 | 32.70% | (19) | 19 |
| Industrials Capital Goods | Relative Valuation | 11 | 26.13% | (3) | 3 |
| Total | | <u>68</u> | | <u>(21)</u> | <u>21</u> |
| Sector | Valuation Method | Fair Value C/Notes \$'000 | Sector volatility (past 5 years) | Low \$'000 | High \$'000 |
| Health Care | 3rd Party Transaction | 2,804 | 25.78% | (723) | 723 |
| Industrials ex-capital goods | 3rd Party Transaction | 475 | 27.08% | (129) | 129 |
| Total | | <u>3,279</u> | | <u>(852)</u> | <u>852</u> |

14 Financial risk management (continued)

(h) Sensitivity analysis for unlisted investments (continued)

| Sensitivity Analysis as at 30 June 2022 | | | | | |
|---|-----------------------|-------------------------------|-------------------------------------|----------------|--------------|
| Sector | Valuation Method | Fair Value Equities \$'000 | Sector volatility (past 5 years) | Low \$'000 | High \$'000 |
| Communication Services | Relative Valuation | 881 | 34.17 % | (301) | 301 |
| Communication Services | 3rd Party Transaction | 323 | 34.17 % | (110) | 110 |
| Consumer Discretionary | Relative Valuation | 1,335 | 30.97 % | (414) | 414 |
| Consumer Discretionary | 3rd Party Transaction | 2,591 | 30.97 % | (802) | 802 |
| Consumer Staples | Relative Valuation | 1,785 | 15.71 % | (280) | 280 |
| Financial ex-AREITs | Relative Valuation | 4,390 | 22.74 % | (998) | 998 |
| Health Care | 3rd Party Transaction | 3,942 | 24.45 % | (964) | 964 |
| Industrials Capital Goods | Relative Valuation | 2,213 | 25.04 % | (554) | 554 |
| Industrials ex-capital goods | Relative Valuation | 4,266 | 22.33 % | (953) | 953 |
| Industrials ex-capital goods | 3rd Party Transaction | 2,955 | 22.33 % | (660) | 660 |
| Information Technology | 3rd Party Transaction | 870 | 26.70 % | (232) | 232 |
| Materials Resources | 3rd Party Transaction | <u>2,078</u> | <u>27.64 %</u> | <u>(574)</u> | <u>574</u> |
| Total | | <u>27,629</u> | | <u>(6,842)</u> | <u>6,842</u> |
| Sector | Valuation Method | Fair Value Warrants \$'000 | Sector volatility (past 5 years) | Low \$'000 | High \$'000 |
| Health Care | Relative Valuation | <u>60</u> | <u>24.45 %</u> | <u>(15)</u> | <u>15</u> |
| Total | | <u>60</u> | | <u>(15)</u> | <u>15</u> |
| Sector | Valuation Method | Fair Value C/Notes \$'000 | Sector volatility (past 5 years) | Low \$'000 | High \$'000 |
| Communication Services | 3rd Party Transaction | 838 | 34.17 % | (286) | 286 |
| Financial ex-AREITs | 3rd Party Transaction | 200 | 22.74 % | (45) | 45 |
| Health Care | 3rd Party Transaction | <u>1,295</u> | <u>24.45 %</u> | <u>(317)</u> | <u>317</u> |
| Total | | <u>2,333</u> | | <u>(648)</u> | <u>648</u> |

15 Related party transactions

(a) Key management personnel compensation

Any persons with responsibility for planning, directing and controlling the activities of the Company, directly or indirectly during the reporting period are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to the table below and also the remuneration report (audited) in the Directors' report.

| 2023 | Short-term benefits | Post-employment benefits | Total |
|------------------|---------------------|--------------------------|----------------|
| Directors | \$ | \$ | \$ |
| John Steven | 54,299 | 5,701 | 60,000 |
| Judith Smith | 36,199 | 3,801 | 40,000 |
| David Trude | 36,199 | 3,801 | 40,000 |
| Total | 126,697 | 13,303 | 140,000 |

| 2022 | Short-term benefits | Post-employment benefits | Total |
|--------------------------------------|---------------------|--------------------------|----------------|
| Directors | \$ | \$ | \$ |
| John Steven | 54,545 | 5,455 | 60,000 |
| Judith Smith | 36,364 | 3,636 | 40,000 |
| David Trude | 36,364 | 3,636 | 40,000 |
| Robert Brown | 22,727 | 2,273 | 25,000 |
| Barry Fairley (Ceased 27 April 2022) | 29,987 | 2,999 | 32,986 |
| Total | 179,987 | 17,999 | 197,986 |

(b) Other transactions with key management personnel or entities related to them

From time to time Directors of the Company, or their related entities, may purchase or sell the Company's securities through the Australian Securities Exchange in accordance with the Company's security trading policy.

No Director has entered into a material contract with the Company since the last reporting date and there were no material contracts involving Directors' interests subsisting at the reporting date.

(c) Loans transactions and balances

The Company has not made, guaranteed or secured, directly or indirectly any loans to key management personnel or their related entities during the reporting period.

(d) Acorn Capital Limited

Management agreement

The Company and the Manager have entered into the Management Agreement whereby, subject to the provisions set out below, the Company has exclusively appointed the Manager to invest and manage all of the assets of the Company (including any controlled entity of the Company) from time to time, for and on behalf of the Company. An initial term of 5 years was entered into on 5 May 2014, which has been extended for an additional years 7 years commencing 16 November 2018.

15 Related party transactions (continued)

Management fees

The management of the Company is performed by the Manager who is entitled to be paid management and performance fees. The Company pays the Manager a management fee of 0.95% p.a (plus GST) of the net asset value of the investment portfolio. The management fee is calculated and accrued each month and paid semi-annually in arrears.

In addition, the Manager will be entitled to receive a performance fee from the Company equal to 20% (plus GST) of the investment portfolio's outperformance of the S&P/ASX Small Ordinaries Accumulation Index, which is calculated and accrued monthly on a pretax basis and, where tests are satisfied, any positive performance fee amounts that are in excess of the minimum performance fee account balance (as defined in the Management Agreement) are paid annually.

The management fee paid and payable by the Company for the reporting period ended 30 June 2023 to the Manager was \$972,083 (2022: \$1,243,149). Of this amount, all was payable to the Manager, as the Investment Manager, pursuant to the management agreement. At 30 June 2023, of the total 2023 fee, \$502,604 (inc GST) (2022: \$651,265) remains payable by the Company.

The performance fee paid and payable by the Company for the reporting period ended 30 June 2023 to the Manager was \$Nil (2022: \$462,321). Of this amount, all was payable to the Manager, as the Investment Manager, pursuant to the management agreement. At 30 June 2023, \$Nil (inc GST) (2022: \$496,150) remains payable by the Company.

(e) Related party equity shareholdings

The Australian Unity Group is a joint venture partner of the Investment Manager, Acorn Capital Limited.

Parties related to the Company (including the Manager and its related parties), held shares in the Company as follows:

| Shares in the company as at 30 June 2023 | No. of shares held 1 July 2022 | No. of shares held 30 June 2023 | Fair value of investment | Interest held |
|--|--------------------------------------|---------------------------------------|-----------------------------|---------------|
| | Shares | Shares | \$ | % |
| Acorn Capital Ltd | 177,104 | 191,726 | 182,140 | 0.22 |
| AU Health Ltd | 4,937,324 | 4,937,324 | 4,690,458 | 5.65 |
| Directors of Acorn Capital Investment Fund Ltd | 369,829 | 371,656 | 353,073 | 0.43 |
| Directors / staff of Acorn Capital Limited | 2,795,474 | 2,432,291 | 2,310,676 | 2.78 |
| AU Lifeplan Funeral Fund No.2 (Taxable) | 1,010,867 | 1,010,867 | 960,324 | 1.16 |
| AU Lifeplan Funeral Fund No.2 (Non-Taxable) | 982,199 | 982,199 | 933,089 | 1.12 |
| AU Capital Guaranteed Funeral Bond (Taxable) | 527,543 | 527,543 | 501,166 | 0.60 |
| AU Capital Guaranteed Funeral Bond (Non-taxable) | 359,064 | 359,064 | 341,111 | 0.41 |
| AU Capital Secure Funeral Bond | 233,029 | 233,029 | 221,378 | 0.27 |
| Total | 11,392,433 | 11,045,699 | 10,493,415 | 12.64 |

| Shares in the company as at 30 June 2022 | No. of shares held 1 July 2021 | No. of shares held 30 June 2022 | Fair value of investment | Interest held |
|--|--------------------------------------|---------------------------------------|-----------------------------|---------------|
| | Shares | Shares | \$ | % |
| Acorn Capital Ltd | 101,175 | 177,104 | 191,272 | 0.21 |
| AU Health Ltd | 2,820,574 | 4,937,324 | 5,332,310 | 5.74 |
| Directors of Acorn Capital Investment Fund Ltd | 1,443,693 | 369,829 | 399,415 | 0.43 |
| Directors / staff of Acorn Capital Limited | 1,476,499 | 2,795,474 | 3,019,112 | 3.25 |
| AU Lifeplan Funeral Fund No.2 (Taxable) | 747,665 | 1,010,867 | 1,091,736 | 1.17 |
| AU Lifeplan Funeral Fund No.2 (Non-Taxable) | 726,462 | 982,199 | 1,060,775 | 1.14 |
| AU Capital Guaranteed Funeral Bond (Taxable) | 390,186 | 527,543 | 569,746 | 0.61 |
| AU Capital Guaranteed Funeral Bond (Non-taxable) | 265,575 | 359,064 | 387,789 | 0.42 |
| AU Capital Secure Funeral Bond | 172,356 | 233,029 | 251,671 | 0.27 |
| Total | 8,144,185 | 11,392,433 | 12,303,826 | 13.24 |

16 Operating segment information

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources, is the Company's Board. The Company has outsourced the investment management of the portfolio to Acorn Capital Limited, the Investment Manager of the Company. The Company operates only in the investment industry in Australia and has no reportable business or geographic segments.

The Company is managed as a whole and is considered to have a single operating segment. There is no further division of the Company or internal segment reporting used by the chief operating decision-maker and the Directors when making strategic, investment or resource allocation decisions.

The internal reporting provided to management is prepared on a consistent basis with the measurement and recognition principles of Australian Accounting Standards. There were no changes in the reportable segments during the reporting period.

The Company is domiciled in Australia and derives its revenue entirely from an Australian investment portfolio, through the receipt of dividends, distributions, interest and other income.

The Company's assets have sufficient nexus with Australia or are listed on the Australian Securities Exchange.

Details of these assets are disclosed in Note 9 and Note 14 above.

17 Reconciliation of profit to net cash inflow/(outflow) from operating activities

| | 2023 | 2022 |
|--|-----------------|----------|
| | \$'000 | \$'000 |
| (a) Reconciliation of profit to net cash inflow/(outflow) from operating activities | | |
| Profit/(loss) after income tax expense attributable to the owners of the Company | 3,033 | (16,988) |
| Proceeds from sale of financial instruments held at fair value through profit or loss | 50,330 | 64,416 |
| Purchase of financial instruments held at fair value through profit or loss | (40,982) | (78,609) |
| Net gains/(losses) on financial instruments held at fair value through profit or loss | (5,110) | 22,167 |
| Net change in receivables and other assets | 45 | 143 |
| Net change in payables and other liabilities | (1,096) | (1,697) |
| Increase/(decrease) in provision for current income tax | (1,384) | (4,641) |
| Net change in deferred tax assets/(deferred tax liabilities) | 1,081 | (11,737) |
| Net cash inflow/(outflow) from operating activities | 5,917 | (26,946) |

(b) Components of cash and cash equivalents

Cash as at the end of the year as shown in the statement of cash flows is reconciled to the statement of financial position as follows:

| | | |
|------|--------------|--------------|
| Cash | <u>1,333</u> | <u>1,408</u> |
|------|--------------|--------------|

18 Reconciliation of net tangible assets used in calculation of net tangible assets per ordinary share for ASX reporting (non-IFRS)

| For the reporting period ended | 30 June 2023 \$'000 | 30 June 2022 \$'000 |
|---|---------------------------|---------------------------|
| Net assets per financial statements | 97,274 | 100,233 |
| Provision for expected costs to be incurred in realising proceeds of asset disposals (non-IFRS) | (94) | (97) |
| Tax adjustment on expected costs to be incurred in realising proceeds of asset disposals (non-IFRS) | (28) | (29) |
| Net tangible assets for ASX reporting | 97,152 | 100,107 |
| Number of ordinary shares on issue at reporting date | 87,351,616 | 86,061,853 |

| Net Tangible Asset Backing (NTA) per share | As at 30 June 2023 (non-IFRS) | |
|---|--|--|
| | For monthly NTA Reporting \$/share | For Financial Reporting \$/share |
| NTA per share before income tax (\$/share) | 1.0656 | 1.0670 |
| NTA after income tax excluding tax on unrealised gains (\$/share) | 1.1006 | 1.1020 |
| NTA per share after income tax (\$/share) | 1.1122 | 1.1136 |

| Net Tangible Asset Backing (NTA) per share | As at 30 June 2022 (non-IFRS) | |
|---|--|--|
| | For monthly NTA Reporting \$/share | For Financial Reporting \$/share |
| NTA per share before income tax (\$/share) | 1.1808 | 1.1793 |
| NTA after income tax excluding tax on unrealised gains (\$/share) | 1.1813 | 1.1799 |
| NTA per share after income tax (\$/share) | 1.1647 | 1.1633 |

19 Dividends declared

| Dividends declared in respect of the Financial Year Ending | 30 June 2023 \$'000 | 30 June 2022 \$'000 |
|--|---------------------------|---------------------------|
| Interim Dividend for the Financial Year | 3,677 | 3,631 |
| Final Dividend for the Financial Year | 3,712 | 3,658 |
| Total Dividend Declared in respect to the financial year | 7,389 | 7,289 |

Dividends Declared

For the year ended 30 June 2023, a final dividend 4.25c per share was proposed and approved on the date of this financial report. Based on the number of issued shares as at 31 July 2023 (87,351,616 shares), this represents a total dividend of \$3,712,443. The final value of the dividend will be based on the issued shares as at 10 November 2023, being the record date. The Dividend Reinvestment Plan (DRP) was active and available to the shareholders, a total of \$847,154 was reinvested from the Interim Dividend.

Franking credit balance

The amount of franking credits available as at 30 June 2023: \$3,038,556 (2022: \$4,635,068).

20 Events occurring after the reporting period

No significant events have occurred since the reporting period which would impact on the financial position of the Company disclosed in the statement of financial position as at 30 June 2023 or on the results and cash flows of the Company for the reporting period ended 30 June 2023 on that date.

21 Contingent assets and liabilities and commitments

There are no outstanding contingent assets and liabilities or commitments as at 30 June 2023 (2022: Nil).

Directors' declaration

In the Directors' opinion

- (a) The financial statements and notes set out on pages 11 to 48 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance, as represented by the results of its operations and cash flows, for the reporting period ended on that date; and
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

While the Company does not have any employees, the Directors have been given the declarations required by section 295A of the *Corporations Act 2001* by the relevant executives of Acorn Capital Limited in relation to the Company. This declaration is made in accordance with a resolution of the directors.



John Steven
Chairman and Non-Executive Director
Melbourne
24 August 2023



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working world**

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Independent Auditor's Report to the Members of Acorn Capital Investment Fund Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Acorn Capital Investment Fund Limited ("the Company"), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial report.

1. Existence and Valuation of the Investment Portfolio

Why significant

The Company's investment portfolio at 30 June 2023 consists of both listed and unlisted securities.

Listed investments (\$65,034,000) and unlisted investments (\$28,601,000) together represent 96% of total assets.

As detailed in the Company's accounting policy, disclosed in Note 2(e) of the financial report, listed and unlisted investments are recognised at fair value through profit or loss in accordance with Australian Accounting Standards. Unlisted investments are classified as "level three" investments in accordance with Australian Accounting Standard - AASB 13 *Fair Value Measurement*.

For listed investments fair value is based on quoted prices in active markets at reporting date. For unlisted investments, the Company prepares valuations to determine the appropriateness of fair value, or by reference to recent transactions. The valuation of unlisted investments involves significant judgment as there are no observable market inputs for valuation.

The existence and valuation of the investment portfolio was considered a key audit matter due to the size of the investment portfolio and the significant judgement involved in valuing unlisted investments.

How our audit addressed the key audit matter

Our audit procedures for listed investments included the following:

- ▶ Obtained and inspected the assurance report over the control environment at the Company's custodian.
- ▶ Obtained independent confirmation from the Company's custodian of securities held in each investment.
- ▶ Agreed all listed investment prices to independent market pricing sources.

For unlisted investments, for a sample, our audit procedures included the following:

- ▶ Assessed the valuations performed by the Company.
- ▶ Agreed the number of securities held in each investment to custodial records and independent sources.
- ▶ Involved our valuation specialists to assess the valuation methodology and key assumptions used in the valuation of the underlying investments including discount rates and other key assumptions, including, where applicable, evidence of recent transactions.

We assessed the adequacy of disclosures in Note 14 of the financial report.

2. Management and Performance Fees

| Why significant | How our audit addressed the key audit matter |
|--|---|
| <p>As at 30 June 2023 management fees and performance fees paid to the Manager, Acorn Capital Limited totalled \$972,000 and Nil respectively which represented 59% of total expenses and are the most significant operating expenses for the Company.</p> <p>The Company's accounting policy for management fees and performance fees is disclosed in Note 15 of the financial report. Performance fees are recognised in the financial report if the performance hurdles for the Company have been met in accordance with the terms of the relevant management agreement.</p> <p>Given the quantum and complexity of the calculation of the management fees and performance fees this was considered a key audit matter.</p> | <p>We recalculated management fees and performance fees in accordance with the relevant service arrangements, including agreeing the fee rates to the calculations.</p> <p>We assessed the performance fee calculation, including testing the inputs into the calculation model and assessed whether the calculation was in accordance with the relevant management agreement.</p> <p>We also assessed whether the criteria for the accrual of a performance fee liability were met at 30 June 2023.</p> <p>We assessed the adequacy of the disclosures in Note 15 of the financial report.</p> |

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information in the Company's Annual Report for the year ended 30 June 2023, but does not include the financial report and our auditor's reports thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company and Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

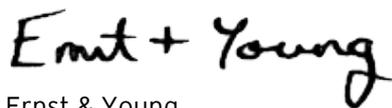
Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 18 of the Directors' Report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Acorn Capital Investment Fund Limited for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Ernst & Young



Brett Kallio

Partner

Melbourne

24 August 2023

Additional information for listed companies

ASX Additional information

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report is set out below. This information is current as at 30 July 2023.

Substantial shareholders

The substantial shareholders as at 30 July 2023 are set out below:

| Shareholders | Number of shares |
|---|------------------|
| Australian Unity Funds Management Limited | 7,442,521 |

Voting rights

Ordinary shares

On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Distribution of equity security holders – at 30 July 2023

| Range | Total holders | Units | % of Issued Capital |
|------------------|---------------|-------------------|---------------------|
| 1 - 1,000 | 230 | 116,593 | 0.13 |
| 1,001 - 5,000 | 372 | 1,081,330 | 1.24 |
| 5,001 - 10,000 | 321 | 2,532,851 | 2.90 |
| 10,001 - 100,000 | 1,050 | 35,205,752 | 40.30 |
| 100,001 Over | 150 | 48,415,090 | 55.43 |
| Total | 2,123 | 87,351,616 | 100.00 |

Non Marketable Parcels

There were 107 holders of less than a marketable parcel of ordinary shares (based on the closing market price on 30 July 2023).

There are no securities subject to voluntary escrow.

Acorn Capital Investment Fund Limited
Additional information for listed companies
For the reporting period ended 30 June 2023
(continued)

Twenty largest shareholders – at 30 July 2023

| | Ordinary shares | % |
|---|----------------------------|----------|
| BNP PARIBAS NOMS PTY LTD <DRP> | 8,387,210 | 9.60 |
| CHARLES & CORNELIA GOODE FOUNDATION PTY LTD <CCG FOUNDATION A/C> | 2,674,444 | 3.06 |
| J P MORGAN NOMINEES AUSTRALIA PTY LIMITED | 2,027,180 | 2.32 |
| BRIXTON CAPITAL PTY LTD | 1,648,644 | 1.89 |
| LONCETA PTY LTD <HANCOCK SUPER FUND A/C> | 1,430,000 | 1.64 |
| BETA GAMMA PTY LTD <WALSH STREET SUPER FUND A/C> | 1,321,346 | 1.51 |
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2 | 1,075,543 | 1.23 |
| HALCYCON PTY LTD | 860,000 | 0.98 |
| KING NOMINEES (VIC) PTY LTD <KING FAMILY A/C> | 815,204 | 0.93 |
| MATIMO PTY LTD <MATIMO A/C> | 764,471 | 0.88 |
| BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C> | 734,947 | 0.84 |
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 662,238 | 0.76 |
| FORTY FIFTH DECBARB PTY LTD <MARTIN E RYAN SUPER FUND AC> | 647,529 | 0.74 |
| THE ATHENAEUM CLUB | 594,208 | 0.68 |
| B & M LAWS SUPER FUND PTY LTD <B & M LAWS SUPER FUND A/C> | 550,000 | 0.63 |
| MR MATTHEW CURZON ALLEN & MRS ELIZABETH JANE ALLEN <ALLEN SUPER FUND A/C> | 544,307 | 0.62 |
| REDBROOK NOMINEES PTY LTD | 523,162 | 0.60 |
| DAVID OGG & ASSOCIATES PTY LTD <DAVID L OGG S/F NO 1 A/C> | 517,054 | 0.59 |
| XAVIER COLLEGE FOUNDATION LIMITED | 480,523 | 0.55 |
| JJ OPPERMAN SUPERANNUATION PTY LIMITED <OPPERMAN SUPER FUND A/C> | 416,591 | 0.48 |

Securities exchange listing

The Company is listed on the Australian Securities Exchange.

ASX Code

ACQ

Transactions & Brokerage

The Company had a total of 1,108 transactions in securities during the reporting period and has paid brokerage totaling \$197,626 (inc GST).

Investments

At 30 June 2023 the Company held the following

Investments

| | |
|-----------------------------|---------------------------|
| Aic Mines | Lion Bay Capital |
| Ai-Media Technologies | Liquid Instruments |
| Ama Group | Lunnon Metals |
| Apprise Risk Solutions | Maggie Beer Holdings |
| Aroa Biosurgery | Marketplacer |
| Aus Bio | MeandU Australia Holdings |
| Australian Rare Earths | Metals Acquisition |
| Author-IT Holdings | Meteoric Resources |
| Autosports Group | Micro-X |
| Azure Minerals | Moula Money |
| Bellevue Gold | MX51 Group |
| Bigtan Holdings | Nexted Group |
| Boss Energy | Nimble Money |
| Calix | Ofx Group |
| Camplify Holdings | Orecorp |
| Carindale Property Trust | Pacgold |
| Carnarvon Energy | Padua Financial Group |
| Clarity Pharmaceuticals | Pantoro |
| Cleanspace Holdings | Patriot Battery Metals |
| Cluey | Petratherm |
| Comet Ridge | Praemium |
| Complexica | Probiotec |
| Conflux Technology | Ramelius Resources |
| Control Bionics | Red 5 |
| Cooper Energy | RedEye Apps |
| CurveBeam AI | Resolute Mining |
| Cygnus Metals | Salt Lake Potash |
| Department 13 International | Sequoia Financial Group |
| Dexus Industria Reit. | Splend Holdings |
| E2 Metals | Srg Global |
| Elenium Automation | Stanmore Resources |
| Envirosuite | Superloop |
| Experience Co | Symbio Holdings |
| Field Solutions Holdings | Taxi Apps |
| Fremantle Commercial Diving | Telix Pharmaceuticals |
| Fremantle Octopus | Thinextra |
| Gentrack Group | Titomic |
| ImmVirX | Todd River Resources |
| Impedimed | Unico Silver |
| Ingogo | Vintage Energy |
| Janison Education Group | Warriedar Resources |
| Jayride Group | Winsome Resources |
| Jervois Global | |
| Karoon Energy | |
| Koumbia Bauxite Investments | |
| Leda Group Holding | |
| Leo Lithium | |
| Lifestylepanel Holdings | |

IMPORTANT INFORMATION

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