

# Acorn Capital Investment Fund Limited

ACN 167 595 897

## Appendix 4D - Half Year Report for the half year ended 31 December 2024

### Results for announcement to the market

	31 December 2024 \$'000	31 December 2023 \$'000	Change %
Revenue/(loss) from ordinary activities	5,646	723	681
Profit/(loss) from ordinary activities before tax attributable to members	4,725	231	1,945
Profit/(loss) from ordinary activities after tax attributable to members	3,360	241	1,294

Dividend Information	Cents per share	Franked amount per share	Tax rate for franking
2025 interim dividend	2.75	20%	30%

### Interim Dividend Dates

Ex-dividend Date	5 May 2025
Record Date	6 May 2025
Payment Date	26 May 2025

### Dividend Reinvestment Plan

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

The DRP has been lodged with the ASX.

The DRP will be available for the FY25 Interim Dividend and all subsequent dividends unless notice is given of its suspension or termination.

	31 December 2024 \$/share	30 June 2024 \$/share
Net Tangible Asset Backing Per Share (post Tax)	1.0681	1.0587

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

	<b>31 December 2024 \$/Share</b>	<b>30 June 2024 \$/Share</b>
Net Tangible Asset Backing Per Share (Post Tax)	1.0681	1.0587
<b>Permanent differences</b>		
Provision for transaction costs on disposal of the Portfolio	0.0010	0.0010
Adjustment to deferred tax liabilities	0.0003	0.0003
<b>Net Tangible Assets Per Share in the Financial Report<sup>1</sup></b>	<b>1.0694</b>	<b>1.0600</b>

<sup>1</sup>Based on shares on issues of 89,302,917 (2023: 88,270,273).

This report is based on the Half Year Financial Report which has been subject to independent review by the Auditor, Ernst & Young.

All the documents comprise the information required by the Listing Rule 4. 2A.

This information should be read in conjunction with the 30 June 2024 Annual Report.

# **Acorn Capital Investment Fund Limited**

ACN 167 595 897

## **Interim Financial Report for the half-year ended 31 December 2024**

The registered office of the Company is Level 4, 2 Russell Street, Melbourne Victoria 3000

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This interim financial report does not include all the notes of the type normally included in a set of annual financial statements. Accordingly, this report is to be read in conjunction with the annual financial statements for the year ended 30 June 2024 and any public announcements made in respect of Acorn Capital Investment Fund Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX listing rule.

This financial report covers Acorn Capital Investment Fund Limited as an individual entity.

The Investment Manager of Acorn Capital Investment Fund Limited is Acorn Capital Limited (ACN 082 694 532). The principal registered office in Australia of Acorn Capital Investment Fund Limited is Level 4, 2 Russell Street, Melbourne Victoria 3000.

## 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 2024 to 31 December 2024 (the reporting period).

The Company is a public company limited by shares, is incorporated and domiciled in Australia and listed on the Australian Securities Exchange (ASX).

### Directors

The following persons held office as Directors of the Company during the period and up to the date of this report, unless otherwise stated:

John Steven	Chairman and Non-Executive Director	
Judith Smith	Non-Executive Director	(resigned 1 August 2024)
David Trude	Non-Executive Director	(resigned 1 August 2024)
Robert Brown	Director	
Clark Morgan	Non-Executive Director	(appointed 1 August 2024)
Maureen Baker	Non-Executive Director	(appointed 1 August 2024)

### Principal activities and significant changes in the state of affairs

The Investment Manager of the Company is Acorn Capital Limited (the Investment Manager).

The principal activity of the Company during the period was to invest in a portfolio of listed and unlisted microcap companies.

There were no significant changes in the nature of the Company's activities or to the state of affairs of the Company during the period.

### Operating and financial review

During the half-year, the Company continued to invest 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 half-year ended 31 December 2024 was \$3,360,054 (2023: \$240,877).

The Company's profit/(loss) before income tax for the half-year was \$4,724,914 (2023: \$230,829).

The profit/(loss) after income tax for the half-year was \$3,360,054 (2023: \$240,877).

Basic earnings/(loss) per share after income tax were 3.77 cents for the period (2023: 0.27 cents).

The results of the Company were as follows:

	<b>2024</b>	<b>2023</b>
<b>For the period ended 31 December</b>	<b>\$'000</b>	<b>\$'000</b>
Profit/(loss) after the income tax for the reporting period attributable to the owners of the Company	3,360	241

The NTA per ordinary share for monthly 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. The below disclosed information is a non IFRS disclosure.

## Directors' report (continued)

As at 31 December 2024	For monthly NTA Reporting \$/share	For Financial Reporting \$/share
NTA per share before income tax (\$/share)	1.0460	1.0447
NTA after income tax excluding tax on unrealised gains (\$/share)	1.0599	1.0586
NTA per share after income tax (\$/share)	1.0695	1.0681

As at 31 December 2023	For monthly NTA Reporting \$/share	For Financial Reporting \$/share
NTA per share before income tax (\$/share)	1.0250	1.0263
NTA after income tax excluding tax on unrealised gains (\$/share)	1.0631	1.0644
NTA per share after income tax (\$/share)	1.0712	1.0725

### Significant events after the balance date

At the date of this financial report, no matter or circumstance has arisen that has affected, or may significantly affect the Company's operations, the results of those operations or the Company's state of affairs in future financial years, which has not already been reflected in this report.

### Likely developments and expected results

At the time the Directors approved this report, they were not aware of any developments likely to have a significant effect upon the operations or the result of the Company in subsequent financial years, which have not been adequately dealt with in this report or in the financial report.

Further information on likely developments in the operations of the Company and the expected results of those operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Company.

### Environmental regulation and performance

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

### Rounding of amounts to the nearest thousand dollars

Unless otherwise stated, monetary amounts contained in this report and the financial report have been rounded to the nearest \$1,000 under the option available to the Company under *Australian Securities and Investments Commission (ASIC) Corporations Instrument 2016/191*.

### 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 8.

## **Directors' report (continued)**

### **Authorisation**

The Directors' Report is signed in accordance with a resolution of the Board of Directors.



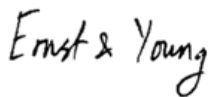
**John Steven**  
**Chairman and Non-Executive Director**

**Melbourne**  
**27 February 2025**

## Auditor's independence declaration to the directors of Acorn Capital Investment Fund Limited

As lead auditor for the review of the interim financial report of Acorn Capital Investment Fund Limited for the half-year ended 31 December 2024, 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 review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.



Ernst & Young



Luke Slater  
Partner  
27 February 2025



## Condensed statement of comprehensive income

For the period ended 31 December

	2024 \$'000	2023 \$'000
<b>Income</b>		
Interest income	36	289
Dividend/Distribution income	426	350
Net gains/(losses) on financial instruments at fair value through profit or loss	5,077	72
Net foreign exchange gains/(losses)	99	—
Other operating income	8	12
<b>Total income</b>	<b>5,646</b>	<b>723</b>
<b>Expenses</b>		
Management fees	458	444
Directors' fees	79	70
Auditor's remuneration	74	54
Brokerage expenses	61	51
Insurance	46	52
Share registry fees	35	16
ASX fees	23	40
Custody fees	37	25
Legal fees	37	1
Earn out consideration (write-back)/expense	(3)	(261)
Other expenses	74	—
<b>Total expenses</b>	<b>921</b>	<b>492</b>
<b>Profit/(loss) before income tax expense</b>	<b>4,725</b>	<b>231</b>
<b>Income tax expense/(benefit)</b>	<b>1,365</b>	<b>(10)</b>
<b>Profit/(loss) after the income tax for the reporting period attributable to the owners of the Company</b>	<b>3,360</b>	<b>241</b>
Other comprehensive income/(loss) for the reporting period attributable to the owners of the Company	—	—
<b>Total comprehensive income/(loss) for the reporting period attributable to the owners of the Company</b>	<b>3,360</b>	<b>241</b>
<b>Earnings per share/(loss per share) for profit/(loss) after income tax attributable to the owners of the ordinary shares of the Company:</b>		
Basic earnings per share (CPU)	3.77	0.27
Diluted earnings per share (CPU)	3.77	0.27

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

## Condensed statement of financial position

As at

	Notes	31 December 2024 \$'000	30 June 2024 \$'000
<b>Assets</b>			
Cash and cash equivalents		564	527
Receivables and Prepayments	2	162	221
Deferred tax assets		2,095	3,461
Financial assets at fair value through profit or loss	3	93,417	90,922
<b>Total assets</b>		<b>96,238</b>	<b>95,131</b>
<b>Liabilities</b>			
Payables	4	730	758
<b>Total liabilities</b>		<b>730</b>	<b>758</b>
<b>Net assets</b>		<b>95,508</b>	<b>94,373</b>
Contributed equity		100,973	100,750
Accumulated losses		(31,756)	(31,756)
Dividend reserve		26,291	25,379
<b>Total equity attributable to owners of the Company</b>		<b>95,508</b>	<b>94,373</b>

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

## Condensed statement of changes in equity

### For the period ended 31 December

For the reporting period ended 31 December 2024	Contributed equity \$'000	Accumulated losses \$'000	Dividend reserve \$'000	Total equity \$'000
<b>Balance at 1 July 2024</b>	<b>100,750</b>	<b>(31,756)</b>	<b>25,379</b>	<b>94,373</b>
Profit/(loss) after income tax for the reporting period attributable to the owners of the Company	—	—	3,360	3,360
Other comprehensive income	—	—	—	—
<b>Total comprehensive income/(loss) for the reporting period attributable to the owners of the Company</b>	<b>100,750</b>	<b>(31,756)</b>	<b>28,739</b>	<b>97,733</b>
<b>Transactions with owners in their capacity as owners:</b>				
Dividends declared	—	—	(2,448)	(2,448)
Dividends reinvested	223	—	—	223
<b>Balance at 31 December 2024</b>	<b>100,973</b>	<b>(31,756)</b>	<b>26,291</b>	<b>95,508</b>

For the reporting period ended 31 December 2023	Contributed equity \$'000	Accumulated losses \$'000	Dividend reserve \$'000	Total equity \$'000
<b>Balance at 1 July 2023</b>	<b>99,277</b>	<b>(31,756)</b>	<b>29,753</b>	<b>97,274</b>
Profit/(loss) after income tax for the reporting period attributable to the owners of the Company	—	—	241	241
Other comprehensive income	—	—	—	—
<b>Total comprehensive income/(loss) for the reporting period attributable to the owners of the Company</b>	<b>99,277</b>	<b>(31,756)</b>	<b>29,994</b>	<b>97,515</b>
<b>Transactions with owners in their capacity as owners:</b>				
Dividends declared	—	—	(3,712)	(3,712)
Dividends reinvested	867	—	—	867
<b>Balance at 31 December 2023</b>	<b>100,144</b>	<b>(31,756)</b>	<b>26,282</b>	<b>94,670</b>

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

## Condensed statement of cash flows

For the period ended 31 December

	2024 \$'000	2023 \$'000
<b>Cash flows from operating activities</b>		
Proceeds from sale of financial instruments at fair value through profit or loss	27,160	30,371
Purchase of financial instruments at fair value through profit or loss	(24,580)	(27,083)
Transaction costs on financial instruments held at fair value through profit or loss	(61)	(51)
Dividends/distribution income received	432	303
Interest received	40	137
Custody fees paid	(44)	(24)
Other income received	9	49
Management fees paid	(417)	(503)
Operating expenses paid	(282)	(310)
<b>Net cash inflows/(outflows) from operating activities</b>	<b>2,257</b>	<b>2,889</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(2,226)	(2,846)
<b>Net cash inflows/(outflows) from financing activities</b>	<b>(2,226)</b>	<b>(2,846)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>31</b>	<b>43</b>
Cash and cash equivalents at the beginning of the period	527	1,333
Effects of exchange rate changes on cash and cash equivalents	6	—
<b>Cash and cash equivalents at the end of the period</b>	<b>564</b>	<b>1,376</b>
<b>Non-cash operating and financing activities</b>		
Issues of units under the distribution reinvestment plan	223	867

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

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# Notes to the financial statements

## 1. Basis of preparation and overarching material accounting policies

This interim financial report for the half-year ended 31 December 2024 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

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

The financial report of the Company for the period ended 31 December 2024 was authorised for issue in accordance with a resolution of the Directors on 27 February 2025. The Directors of the Company have the power to amend and reissue the financial statements. The Company is incorporated and domiciled in Australia.

### 1.1. Basis of preparation

#### Basis of preparation

The accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

The interim financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). Furthermore, the financial statements have been prepared on a going concern basis as the Company is expected to generate sufficient funds to enable it to pay its debts as and when they fall due.

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

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 expected to be recovered or settled within twelve months, except for financial assets and liabilities at fair value through profit or loss. The amounts expected to be recovered or settled beyond twelve months after the end of each reporting period cannot be reliably determined.

Unless stated otherwise, the financial report is presented in Australian dollars and has been prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated.

#### Statement of compliance

The interim financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

#### Foreign currency

Both the presentation currency and the functional currency of the Company are Australian dollars.

Transactions in foreign currency are translated into the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into Australian dollars at the foreign exchange rate ruling at the statement of financial position date.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the historical exchange rate as at the date of the transaction.

Non-monetary items measured at fair value in a foreign currency are translated to the functional currency using the exchange rate ruling at the date when the fair value was determined.

# 1. Basis of preparation and overarching material accounting policies (continued)

## Comparatives

Where necessary, comparative figures have been reclassified to conform to any changes in presentation made in this financial report. Reclassifications have been recorded in the statement of cash flows to recognise interest income received as a standalone line item, as well as Goods and Services Tax (GST) received being reclassified to other income for increased comparability to amounts shown for the period ended 31 December 2024. Reclassifications on the statement of comprehensive income from other expenses to standalone line items include ASX fees, legal fees, share registry fees and insurance expenses as standalone amounts.

## Rounding of amounts

Unless otherwise stated, monetary amounts contained in this report and the Directors' report have been rounded to the nearest \$1,000 under the option available to the Company under *Australian Securities and Investments Commission (ASIC) Corporations Instrument 2016/191*.

## 1.2. Summary of material accounting policies

The material accounting policies applied in these interim financial statements are consistent with those applied in the Company's financial statements as at and for the year ended 30 June 2024 other than where disclosed and with the exception of changes in accounting policies required following the adoption of new accounting standards on 1 July 2024.

### i. New and amended standards adopted by the Company

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2024 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

### ii. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2025 and have not been early adopted in preparing these condensed financial statements of the Company.

## 2. Receivables

Receivables may include GST Reduced Input Tax Credit (RITC), interest, dividends, trust distributions and other income accrued and unsettled trade purchases. They are recognised when the right to receive payment is established and are generally recovered within 30 days. The Company measures expected credit losses on a 12-month basis. Given the nature of the Company's receivables and the limited exposure of the Company to credit risk, no material expected credit losses have been recognised.

All receivables are considered current.

As at	31 December 2024 \$'000	30 June 2024 \$'000
Distributions receivable	80	86
GST claimable	21	45
Interest receivable	3	7
Prepaid expenses	58	83
<b>Total receivables</b>	<b>162</b>	<b>221</b>

### 3. Financial assets at fair value through profit or loss

As at	31 December 2024 \$'000	30 June 2024 \$'000
<b>Derivatives</b>		
Warrants	204	63
<b>Total derivatives</b>	<b>204</b>	<b>63</b>
<b>Equity securities</b>		
Listed equities	65,322	62,083
Unlisted equities	27,059	28,159
<b>Total equity securities</b>	<b>92,381</b>	<b>90,242</b>
<b>Debt securities</b>		
Convertible notes	832	617
<b>Total debt securities</b>	<b>832</b>	<b>617</b>
<b>Total financial assets at fair value through profit or loss</b>	<b>93,417</b>	<b>90,922</b>

An overview of the risk exposures and fair value measurements relating to financial assets at fair value through profit or loss is included in note 6.

### 4. Payables

Payables represent unsecured non-derivative, non-interest-bearing financial liabilities in respect of goods and services provided to the Company prior to the end of the period. Payables may include accrued expenses and unsettled purchases of financial instruments which are unpaid by the Company at the reporting date. Amounts are generally paid within 30 days.

Amounts payable to related entities have no fixed repayment term and are non-interest-bearing.

All payables are considered current.

As at	31 December 2024 \$'000	30 June 2024 \$'000
Management Fees Payable	504	463
Outstanding trade settlements	7	104
Earn Out payable*	63	65
Accrued expenses payable	156	126
<b>Total payables</b>	<b>730</b>	<b>758</b>

\*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 Acorn Capital Investment Fund Limited 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 \$62,812 (30 June 2024: \$65,470).



## 5. Contributed equity and movements in total equity

As at	31 December 2024 No. '000	30 June 2024 No. '000
<b>Share capital</b>		
Fully paid ordinary shares	89,303	89,034
<b>Movements in shares on issue:</b>		
Opening balance	89,034	87,352
Dividends reinvested	269	1,682
<b>Closing balance</b>	<b>89,303</b>	<b>89,034</b>

### 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 the shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company. Ordinary shares in the Company do not have a par value attached to them.

### 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 net tangible asset (NTA) results, investment performance, the Company's management expenses and share price movements.

## 6. Fair value measurement

The Company is required to classify fair value measurements using 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 market 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.

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.

## 6. Fair value measurement (continued)

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

<b>As at 31 December 2024</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
Financial assets held at fair value through profit and loss				
Listed equities	65,322	—	—	<b>65,322</b>
Unlisted equities	—	—	27,059	<b>27,059</b>
Convertible notes	—	—	832	<b>832</b>
Warrants	158	—	46	<b>204</b>
<b>Total</b>	<b>65,480</b>	<b>—</b>	<b>27,937</b>	<b>93,417</b>

<b>As at 30 June 2024</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
Financial assets held at fair value through profit or loss				
Listed equities	62,083	—	—	<b>62,083</b>
Unlisted equities	—	—	28,159	<b>28,159</b>
Convertible notes	—	—	617	<b>617</b>
Warrants	—	—	63	<b>63</b>
<b>Total</b>	<b>62,083</b>	<b>—</b>	<b>28,839</b>	<b>90,922</b>

The pricing for the Company's Level 1 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 include relative valuation metrics, liquidation values, recent third party sales and independent valuations. Valuations adopted that are not based on an arms length transaction are classified as Relative Valuation in the sensitivity analysis presented. 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.

## 6. Fair value measurement (continued)

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

As at 31 December 2024	Opening Balance \$'000	Purchases \$'000	Sales \$'000	Transfers into level 3 \$'000	Transfers out of level 3 \$'000	Gains/ (losses) recognised in profit or loss \$'000	Closing balance \$'000
Unlisted equities	28,159	—	(2,155)	—	—	1,055	27,059
Convertible notes	617	207	—	—	—	8	832
Warrants	63	—	—	—	—	(17)	46
<b>Total</b>	<b>28,839</b>	<b>207</b>	<b>(2,155)</b>	<b>—</b>	<b>—</b>	<b>1,046</b>	<b>27,937</b>

As at 30 June 2024	Opening Balance \$'000	Purchases \$'000	Sales \$'000	Transfers into level 3 \$'000	Transfers out of level 3 \$'000	Gains/ (losses) recognised in profit or loss \$'000	Closing balance \$'000
Unlisted equities	25,254	5,065	(5,240)	—	—	3,080	28,159
Convertible notes	3,279	463	(3,319)	—	—	194	617
Warrants	68	—	—	—	—	(5)	63
<b>Total</b>	<b>28,601</b>	<b>5,528</b>	<b>(8,559)</b>	<b>—</b>	<b>—</b>	<b>3,269</b>	<b>28,839</b>

### Sensitivity analysis

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 prices.

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

## 6. Fair value measurement (continued)

As at 31 December 2024

Sector	Valuation method	Fair Value (\$'000)	Sector Volatility (past 5 years)	Sensitivity - Low (\$'000)	Sensitivity - High (\$'000)
Communication Services	Relative Valuation	1,815	28.90 %	(525)	525
Communication Services	3rd Party Transaction	545	28.90 %	(158)	158
Consumer Discretionary	3rd Party Transaction	2,009	32.78 %	(659)	659
Consumer Staples	3rd Party Transaction	591	15.60 %	(92)	92
Financial ex-AREITs	Relative Valuation	2,566	24.50 %	(629)	629
Financial ex-AREITs	3rd Party Transaction	2,174	24.50 %	(533)	533
Health Care	Relative Valuation	1,191	25.35 %	(302)	302
Health Care	3rd Party Transaction	1,068	25.35 %	(271)	271
Industrials Capital Goods	3rd Party Transaction	2,511	26.65 %	(669)	669
Industrials ex-capital goods	Relative Valuation	2,891	26.50 %	(766)	766
Industrials ex-capital goods	3rd Party Transaction	8,050	26.50 %	(2,133)	2,133
Information Technology	Relative Valuation	1,648	30.33 %	(500)	500
<b>Total</b>		<b>27,059</b>		<b>(7,237)</b>	<b>7,237</b>
Consumer Discretionary	3rd Party Transaction	3	32.78 %	(1)	1
Industrials Capital Goods	Relative Valuation	43	26.65 %	(12)	12
<b>Total</b>		<b>46</b>		<b>(13)</b>	<b>13</b>
Health Care	3rd Party Transaction	417	25.35 %	(106)	106
Industrials Capital Goods	3rd Party Transaction	140	26.65 %	(37)	37
Industrials ex-capital goods	3rd Party Transaction	275	26.50 %	(73)	73
<b>Total</b>		<b>832</b>		<b>(216)</b>	<b>216</b>

## 6. Fair value measurement (continued)

As at 30 June 2024

Sector	Valuation method	Fair Value (\$'000)	Sector Volatility (past 5 years)	Sensitivity - Low (\$'000)	Sensitivity - High (\$'000)
Communication Services	Relative Valuation	1,855	29.04 %	(539)	539
Communication Services	3rd Party Transaction	545	29.04 %	(158)	158
Consumer Discretionary	3rd Party Transaction	3,277	32.93 %	(1,079)	1,079
Consumer Staples	3rd Party Transaction	591	15.55 %	(92)	92
Financial ex-AREITs	Relative Valuation	2,580	24.77 %	(639)	639
Financial ex-AREITs	3rd Party Transaction	2,189	24.77 %	(542)	542
Health Care	3rd Party Transaction	2,349	25.83 %	(607)	607
Industrials Capital Goods	3rd Party Transaction	2,393	26.72 %	(640)	640
Industrials ex-capital goods	Relative Valuation	6,051	27.55 %	(1,667)	1,667
Industrials ex-capital goods	3rd Party Transaction	2,619	27.55 %	(721)	721
Information Technology	Relative Valuation	1,534	29.80 %	(457)	457
Materials Resources	Relative valuation	2,176	30.35 %	(662)	662
<b>Total</b>		<b>28,159</b>		<b>(7,803)</b>	<b>7,803</b>
Consumer Discretionary	Relative Valuation	39	32.93 %	(13)	13
Industrials Capital Goods	Relative Valuation	24	26.72 %	(6)	6
<b>Total</b>		<b>63</b>		<b>(19)</b>	<b>19</b>
Health Care	3rd Party Transaction	213	25.83 %	(55)	55
Industrials Capital Goods	3rd Party Transaction	129	26.72 %	(35)	35
Industrials ex-capital goods	3rd Party Transaction	275	27.55 %	(76)	76
<b>Total</b>		<b>617</b>		<b>(166)</b>	<b>166</b>

## 7. Events occurring after the reporting period

No significant events have occurred since the reporting date which would impact on the financial position of the Company as at 31 December 2024 or on the results and cash flows of the Company for the period ended on that date.

## 8. Contingent assets and liabilities and commitments

At balance date, the Company has no contingent assets, liabilities or commitments (30 June 2024: Nil).

## Directors' declaration

In the opinion of the Directors:

- a. the financial statements and notes set out on pages 9 to 21 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 31 December 2024 and of its performance for the financial period ended on that date;
- 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 1.1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.
- d. The Directors have been given by the Chief Executive Officer and Chief Financial Officer of the Investment Manager the declarations for period ended 31 December 2024 required by Section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of Directors.

On behalf of the Board of Acorn Capital Investment Fund Limited.



**John Steven**  
**Chairman and Non-Executive Director**

**Melbourne**  
**27 February 2025**



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Ernst & Young  
8 Exhibition Street  
Melbourne VIC 3000 Australia  
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000  
Fax: +61 3 8650 7777  
ey.com/au

## **Independent auditor's review report to the members of Acorn Capital Investment Fund Limited**

### **Conclusion**

We have reviewed the accompanying condensed interim financial report of Acorn Capital Investment Fund Limited (the Company), which comprises the condensed statement of financial position as at 31 December 2024, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of the Company does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the Company's financial position as at 31 December 2024 and of its financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### **Basis for conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the interim 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### **Directors' responsibilities for the interim financial report**

The directors of the Company are responsible for the preparation of the interim 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 interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibilities for the review of the interim financial report**

Our responsibility is to express a conclusion on the interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



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A review of a interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Ernst & Young*

Ernst & Young

*Luke Slater*

Luke Slater  
Partner  
27 February 2025



## Directory

### **Legal Advisor**

Minter Ellison Lawyers,  
Level 20, Collins Arch  
447 Collins Street, Melbourne Victoria 3000

### **Registered office and principal place of business**

C/- Acorn Capital Limited, ACN 082 694 531  
Level 4, 2 Russell Street, Melbourne Victoria 3000

### **Share Registry**

Computershare Investor Services Limited  
Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067

### **Auditor**

Ernst & Young  
Level 23, 8 Exhibition Street, Melbourne Victoria 3000

### **Investment Manager**

Acorn Capital Limited  
Level 4, 2 Russell Street, Melbourne Victoria 3000