

## Acorn Capital Investment Fund

### Key company details

- ASX Code: ACQ/ACQO
- Listing Date: 1 May 2014
- Shares on issue: 50,820,001
- Options on issue: 50,820,000

### Objective

The Objective is to create a diversified portfolio of listed microcap companies and then to invest opportunistically in unlisted entities that offer better relative value. The performance objective for ACQ is to outperform the S&P/ASX Small Ordinaries Accumulation Index over the medium to long term.

### Investment philosophy

The investment philosophy is based on a belief that there are pricing inefficiencies amongst microcap companies due to a lack of readily available external research conducted on such entities.

Acorn Capital believes that through a research driven investment process the pricing inefficiencies that exist in both listed microcaps and unlisted microcaps can be exploited to earn returns superior to those available in the broader market.

Unlisted microcap opportunities must be of better relative value on a risk-adjusted basis to displace existing listed portfolio investments in the corresponding sector.

### Strategy

- Research-driven stock selection
- Economic sector diversified
- Style agnostic
- Long term investor
- Create diversified portfolios to reduce volatility

### Company profile

Acorn Capital Investment Fund Limited provides investors with an opportunity to invest in a diversified portfolio of listed and unlisted microcap companies.

### Manager profile

Established in 1998 Acorn Capital is a specialist Australian microcap manager with approximately \$895 million under management.

### Net Tangible Asset Backing Per Ordinary Share (all figures unaudited)

|   |          |
|---|----------|
| NTA before any tax effect                                 | \$0.8440 |
| NTA after tax excluding tax liability on unrealised gains | \$0.8519 |
| NTA after tax   | \$0.8860 |

NTA does not include the impact of any exercise of the 50,820,000 outstanding ACQO options.

### Performance (January 2015) (all figures unaudited)

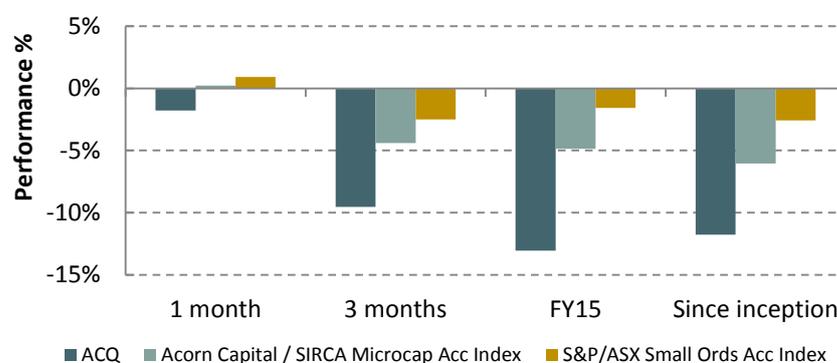
In January ACQ recorded performance of -1.79%<sup>1</sup>. The ACQ share price decreased from \$0.73 to \$0.72. The exchange traded options, ACQO last traded in January at \$0.003.

| Period  | 1 month | 3 months | FY15    | Since inception <sup>2</sup> |
|---|---------|----------|---------|------------------------------|
| ACQ <sup>1</sup>                                      | -1.79%  | -9.55%   | -13.07% | -11.78%                      |
| Acorn Capital / SIRCA Microcap Acc Index <sup>3</sup> | +0.23%  | -4.41%   | -4.85%  | -6.04%                       |
| S&P/ASX Small Ords Acc Index ('Benchmark')            | +0.91%  | -2.49%   | -1.57%  | -2.58%                       |
| Outperformance Relative to Benchmark                  | -2.70%  | -7.06%   | -11.51% | -9.19%                       |

1. Portfolio performance is post all operating expenses, excluding management fees, taxes and initial IPO and placement commissions. Performance has not been grossed up for franking credits received by shareholders

2. Inception is 1 May 2014

3. Acorn Capital / SIRCA Microcap Accumulation Index data is verified 3 months in arrears by SIRCA ('Securities Industry Research Centre of Asia-Pacific')



### Contact Details

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Investment Fund Limited  
ACN 167 595 897

### Address

Level 12, 90 Collins Street  
Melbourne 3000 VIC Australia

### Website

[acorncapital.com.au/acq.html](http://acorncapital.com.au/acq.html)

### Email

[info@acorncapital.com.au](mailto:info@acorncapital.com.au)

### Telephone

+61 3 9639 0522

### Facsimile

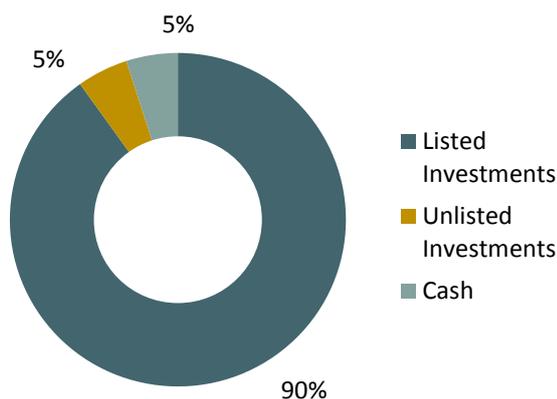
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## Month in Review

During this month Acorn Capital has had over 86 meetings with the management of microcap companies.

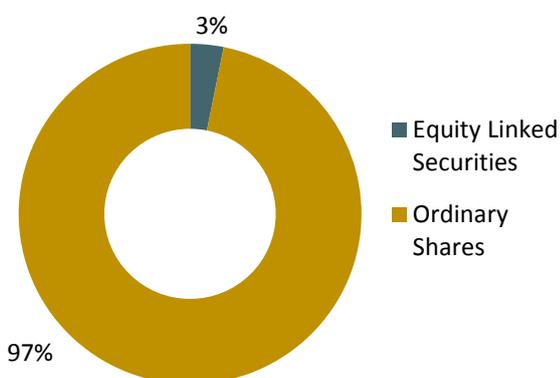
## Portfolio Profile

As at 31 January 2015 had 90%, 5% and 5% in listed investments, unlisted investments and cash, respectively.



## Investment Instrument

Unlisted investments can be classified by the type of investment instrument as follows:

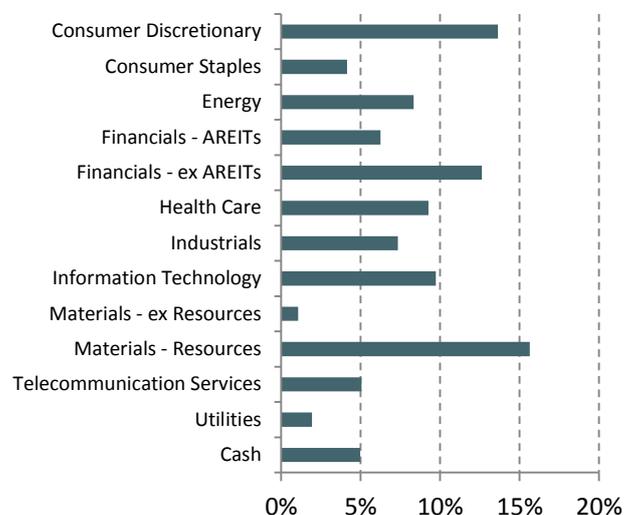


1. Equity Linked Securities include convertible debt, debt with attaching warrants, options or shares and such similar instruments

Listed and unlisted investments are revalued in accordance with policies adopted by the Board of ACQ.

## Industry Weight

As at 31 January 2015, the ACQ investment portfolio had the following industry weights:



## Top 10 Stocks

The ACQ Investment Portfolio held 86 stocks as at 31 January 2015. Top 10 largest stock holdings within the ACQ Investment Portfolio are:

| Company                  | Portfolio Weight as at 31 January 2015 |
|--------------------------|--|
| 1. Servcorp              | 4.19%                                  |
| 2. amaysim               | 2.99%                                  |
| 3. Capitol Health        | 2.78%                                  |
| 4. IMF Bentham           | 2.51%                                  |
| 5. Generation Healthcare | 2.49%                                  |
| 6. iProperty             | 2.44%                                  |
| 7. Amcom                 | 2.06%                                  |
| 8. Orbis Gold            | 2.01%                                  |
| 9. Shine Corporate       | 1.99%                                  |
| 10. ERM Power            | 1.94%                                  |

## Further Information

|   |                                       |
|---|---------------------------------------|
| Benchmark                                   | S&P/ASX Small Ords Accumulation Index |
| ACQ Market Capitalisation (31 January 2015) | \$36.6 million                        |
| Options on issue                            | 50,820,000                            |
| Exercise price of Options                   | \$1.00                                |
| Last date options can be exercised          | 24 October 2015                       |

## Corporate Directory

### Directors

John Steven (Chairman)  
David Trude  
Judith Smith  
Robert Brown  
Barry Fairley

### Company Secretary

Matthew Sheehan

### Manager Investment Team

|                 |                    |
|-----------------|--------------------|
| Robert Routley  | David Ransom       |
| Matthew Sheehan | Karina Bader       |
| Tony Pearce     | Kylie Molinaro     |
| Robert Bruce    | Cameron Petricevic |
| Xing Zhang      | Ben Dalling        |

### Investment Manager

Acorn Capital Limited  
Level 12, 90 Collins Street  
Melbourne VIC 3000  
AFSL: 227605  
Telephone: (03) 9639 0522  
Facsimile: (03) 9369 0515

### Share Registry

Computershare Investor Services Pty Ltd  
Yarra Falls, 452 Johnston Street  
Abbotsford VIC 3067  
Telephone: 1300 850 505  
Facsimile: 03 9473 2500

### Auditor

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

### Registered Office

Level 12, 90 Collins Street  
Melbourne VIC 3000  
Telephone: (03) 9639 0522  
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