

ACORN CAPITAL INVESTMENT FUND LTD

INVESTOR UPDATE DECEMBER 2021

ASX: ACQ



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Key facts at a glance as at 31 December 2021

Pre-tax NTA	\$ 1.64	Gross portfolio return since inception ⁽¹⁾	+17.6%p.a.
Post-tax NTA	\$ 1.52	S&P/Small Ordinaries Accumulation Index (Benchmark) since inception ⁽²⁾	+9.8%p.a.
ACQ share price	\$1.58	Number of Investments	94
Ordinary Dividends (FY21 interim and FY21 final)	8.0c	Number of Unlisted Investments Current in Portfolio	18
Special Dividend Paid FY21	4.0c	% of Portfolio Unlisted	19% by value
Implied cash dividend yield (based on share price)	5.1% ⁽³⁾	Shares on Issue	85.4m
% Franking on Dividends	100%		

1. Gross portfolio return (portfolio return pre-fees and costs) is based on Acorn Capital estimates as at 31 December 2021, reported portfolio return since inception is +14.2% p.a. Refer 31 December 2021 Monthly investment update for more information.
2. Inception is the date ACQ listed on the ASX which was 1 May 2014
3. Based on the ACQ share price as at 31 December 2021 of \$1.58 and FY21 Ordinary dividends paid of 8.0c

December 2021 quarterly highlights

PAYMENT OF FINAL
FY21 AND SPECIAL
FULLY FRANKED
DIVIDEND⁽¹⁾

8cps

NTA BEFORE TAX
AS AT 31
DECEMBER 2021

\$1.64

Per share after
payment of final and
special dividend

DECEMBER 2021
QUARTERLY
PERFORMANCE⁽²⁾

+2.9%

Compared to the
S&P/ASX Small
Ordinaries Acc Index
of +2.0%

SUCCESSFUL
COMPLETION OF
ENTITLEMENT OFFER
WITH A TOTAL
AMOUNT RAISED OF

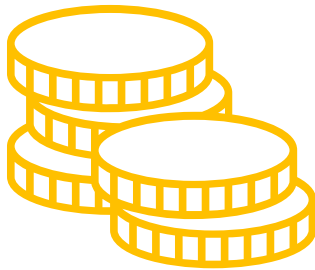
\$27.1m

Offer was 43%⁽³⁾ over
subscribed

1. \$0.04 per share final ordinary dividend declared on 27 August 2021 and \$0.04 per share special dividend announced on 20 October 2021. Both fully franked and both paid on 29 November 2021
2. 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.
3. Refer ACQ ASX announcement dated 17 November 2021 for more information

ACQ's investment strategy has demonstrated its ability to deliver positive investment outcomes⁽¹⁾

1. Dividend income



2. Capital growth



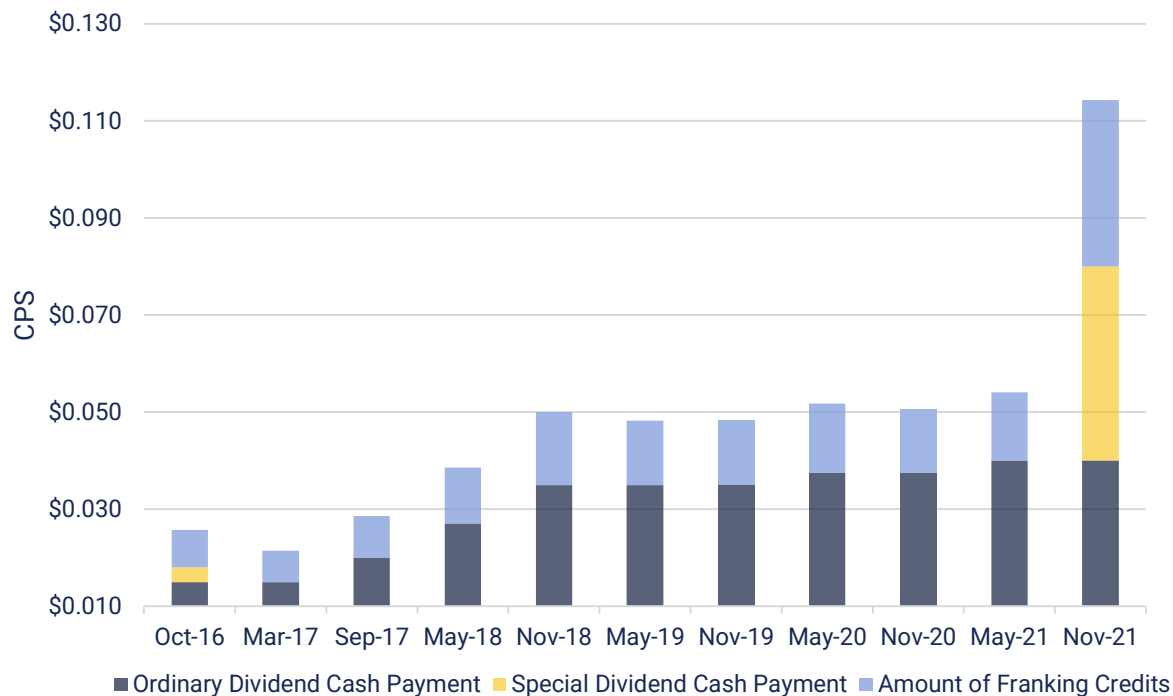
3. Portfolio diversification⁽²⁾



1. As at 31 December 2021 the ACQ gross portfolio return has outperformed the S&P/Small Ordinaries Accumulation Index by 7.8% p. a. since ACQ listed on the ASX on 1 May 2014. Past performance is not a reliable indicator of future performance
2. Acorn Capital believes that the ACQ investment strategy should provide diversification benefits to an already diversified investment portfolio

Income

Since listing⁽¹⁾ ACQ has paid fully franked dividends of \$0.38 per share (\$0.53 per share grossed up for franking credits) by 29 November 2021



ACQ Dividend Policy

“Acorn Capital Investment Fund Limited intends to pay annual dividends targeting at least 5% of closing post-tax NTA for each financial year, franked to the highest extent possible and without the Company incurring a liability. Where the Company accumulates franking credits that the Board determines are in excess to its requirements it is the intent to distribute those excess credits by way of special dividends. This is subject to the Company having sufficient profit and cash flow to make such payments.”

1. ASX listing date 1 May 2014

ACQ has outperformed its Benchmark (ASX/Small Ords Acc Index) over all time periods since inception⁽¹⁾⁽²⁾⁽³⁾

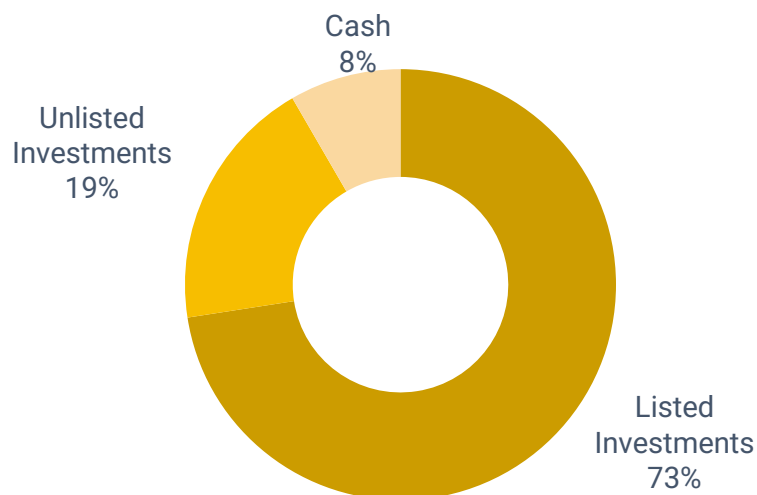
Portfolio Return for Periods to	3 Months	6 months	1 year	2 years p.a.	3 years p.a.	5 years p.a.	Since inception p.a. ³
ACQ (Post Fees & Op Costs) ¹	+2.9%	+11.6%	+18.1%	+25.0%	+25.5%	+17.3%	+14.2%
Acorn Capital / SIRCA Microcap Acc. Index ²	+5.0%	+12.3%	+23.9%	+25.2%	+24.7%	+14.6%	+11.8%
S&P/ASX Small Ords Acc. Index ⁴	+2.0%	+5.5%	+16.9%	+13.0%	+15.7%	+11.2%	+9.8%
S&P/Emerging Companies Index ⁴	+8.3%	+28.6%	+43.8%	+35.2%	+33.7%	+17.6%	+15.2%

- (1) Portfolio performance is unaudited and calculated as the movement in NTA before tax effects, which is post all management fees, performance fees and operating costs. Performance includes dividends paid and payable but has not been grossed up for franking credits received by shareholders. All figures include unlisted valuations that are performed by Acorn Capital in accordance with ACQ Board approved policies
- (2) Acorn Capital / SIRCA Microcap Accumulation Index data is verified 3 months in arrears by SIRCA ('Securities Industry Research Centre of Asia-Pacific')
- (3) Inception is 1 May 2014
- (4) Source: Factset

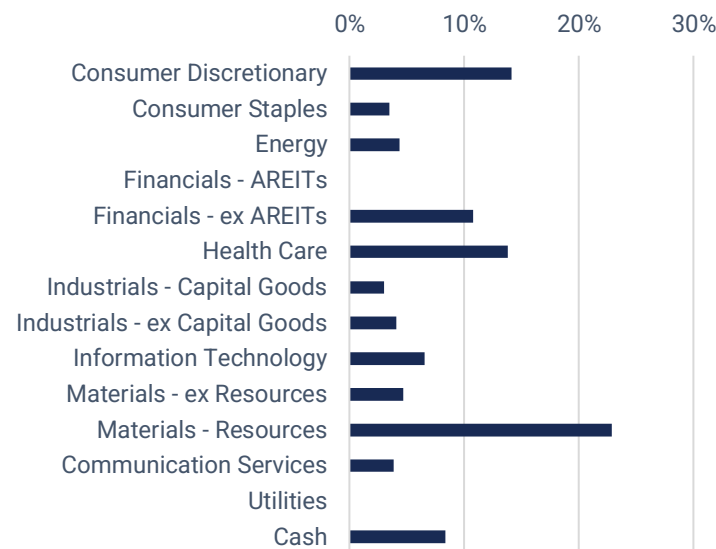
Portfolio overview

ACQ PORTFOLIO COMPOSITION⁽¹⁾

(94 investments, 18 unlisted)⁽¹⁾⁽²⁾



SECTOR WEIGHTS⁽¹⁾

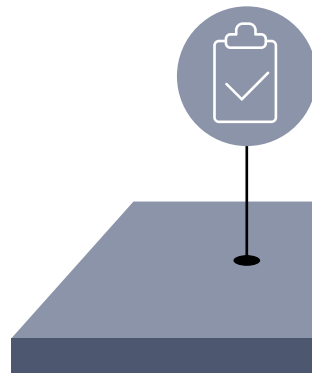


TOP 10 INVESTMENTS (in alphabetical order)⁽¹⁾

Australian Rare Earths
Aroa Biosurgery
Calix
Elenium Automation (UL)
Marketplacer (UL)

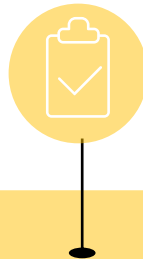
Moula Money (UL)
Sandfire Resources
Syrah Resources
Shine Justice
Telix Pharmaceuticals

1. Acorn Capital, as at 31 December 2021
2. Stock numbers consolidate positions where multiple securities are held and excludes positions with nil value
UL = Unlisted



Proven strategy

- ACQ's investment strategy has outperformed its Benchmark since inception
- Strategy has outperformed its Benchmark over the long term post fees and costs ⁽¹⁾



Attractive dividend yield

- 8.0 cents in fully franked ordinary dividends declared in past 12 months plus a 4.0 cents in special fully franked dividends
- ACQ has a policy of paying a dividend of at least 5% of the 30 June Post-Tax NTA and distributing excess franking credits by way of special dividend⁽²⁾



Unique portfolio & Attractive returns

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

1. Portfolio performance is unaudited and calculated as the movement in NTA before tax effects, which is post all management fees, performance fees and operating costs. Performance includes dividends paid and payable but has not been grossed up for franking credits received by shareholders. All figures include unlisted valuations performed by Acorn Capital in accordance with ACQ Board approved policies. Assumes re-investment of dividends. Past performance is not a reliable indicator of future performance.

2. Refer ACQ ASX release dated 20 October 2021 and page 6 of this presentation for more information

Further Information

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