



ACORN CAPITAL

ACORN CAPITAL INVESTMENT FUND LIMITED

JUNE 2018 QUARTER UPDATE

ASX : ACQ



INNOVATION



EFFICIENCY



GROWTH



DIVERSITY



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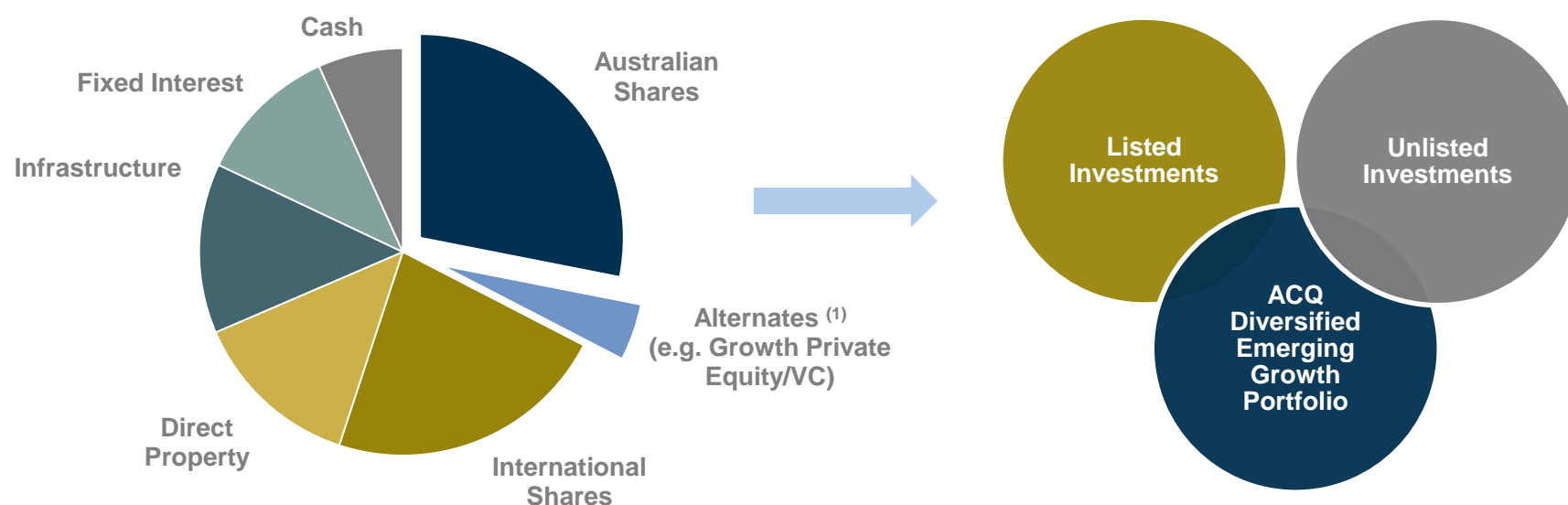
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ACQ gives investors access to listed and unlisted companies distinguished by their smaller size and stage of development through a single diversified portfolio



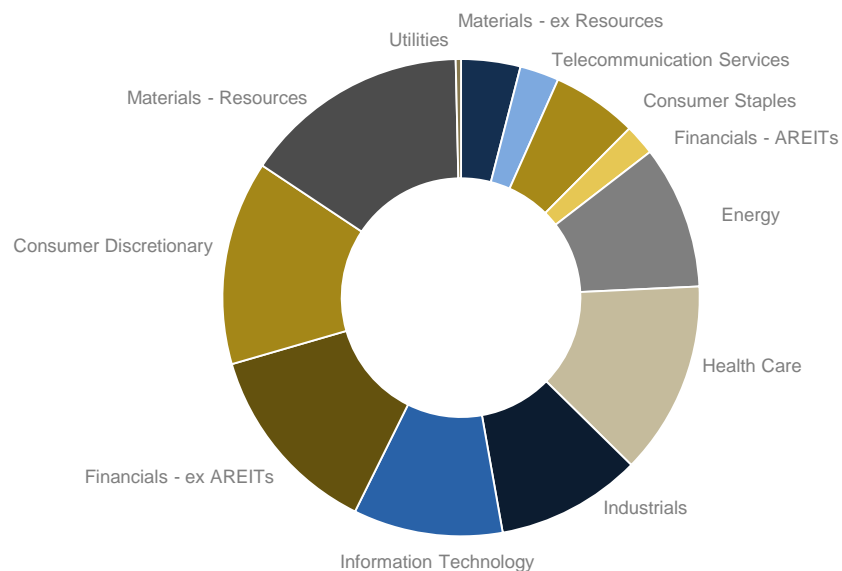
ACQ provides long term investors a differentiated and efficient platform to allocate capital to Emerging Companies



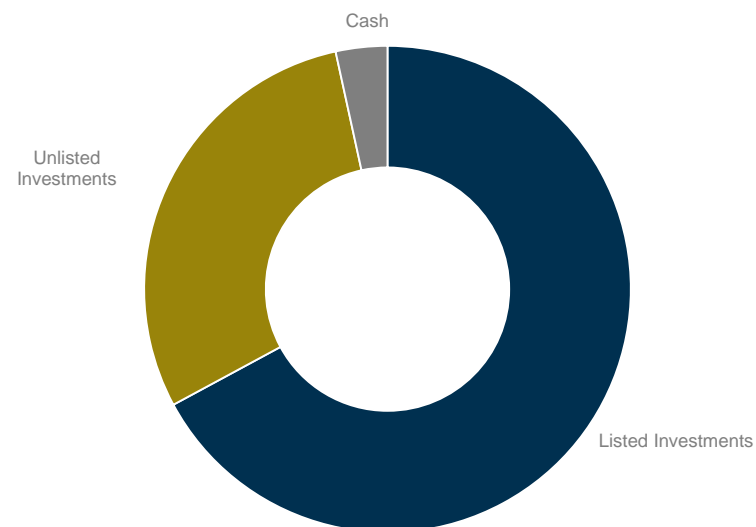


ACQ provides investors with a diversified exposure to Australian Emerging Companies

ACQ Sector Diversification

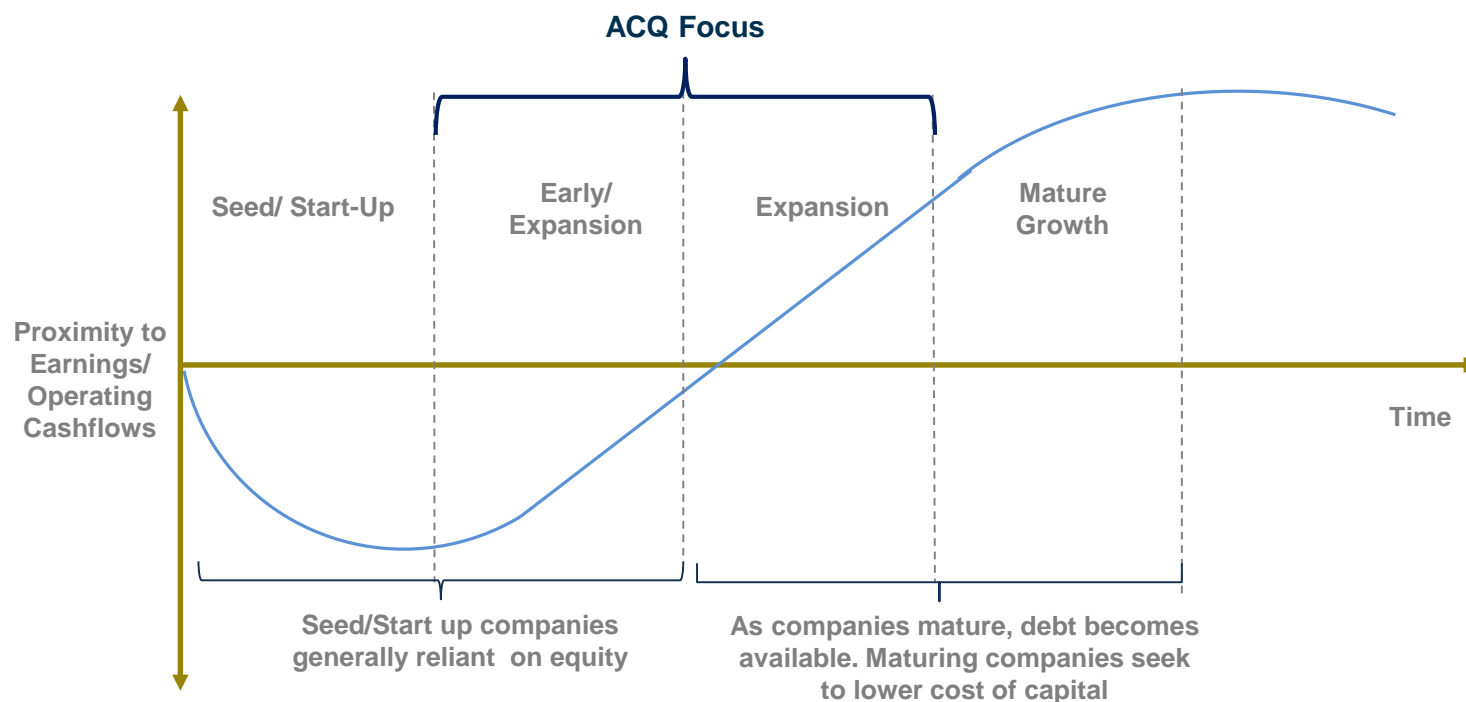


ACQ Portfolio Composition





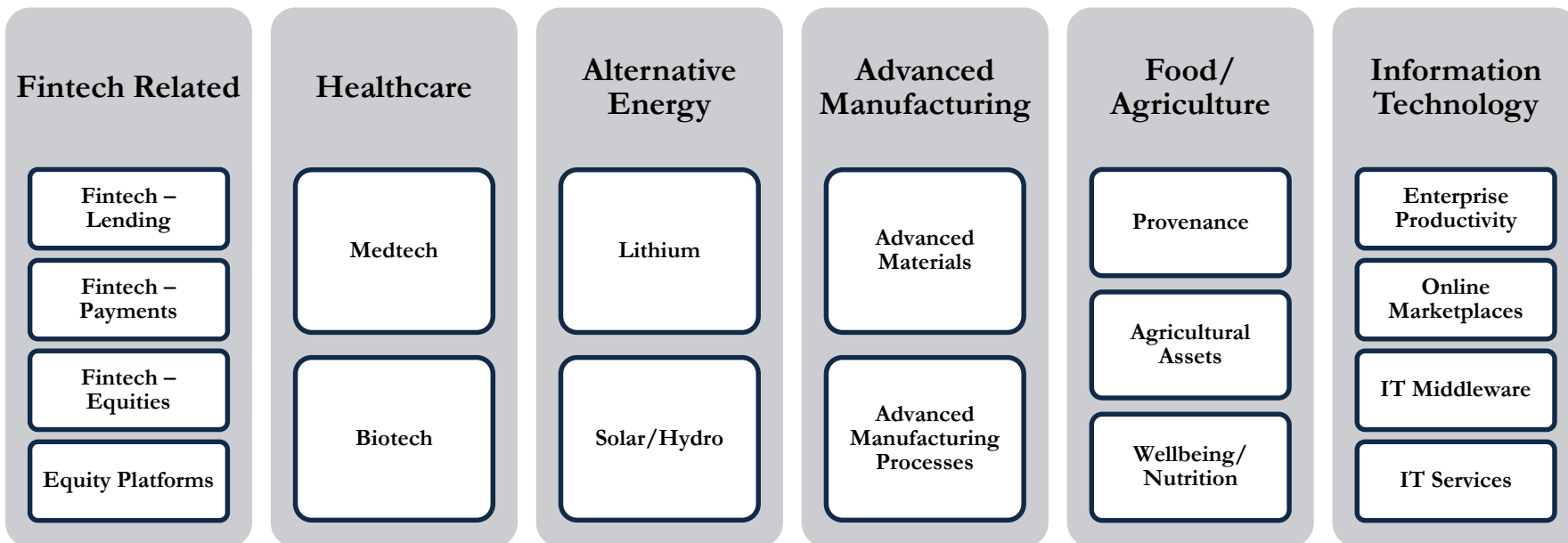
ACQ provides investors with access to innovation and entrepreneurialism in developing companies





ACQ gives investors exposure to thematics that are less prevalent in more mature companies

Example Thematic





Recent highlights

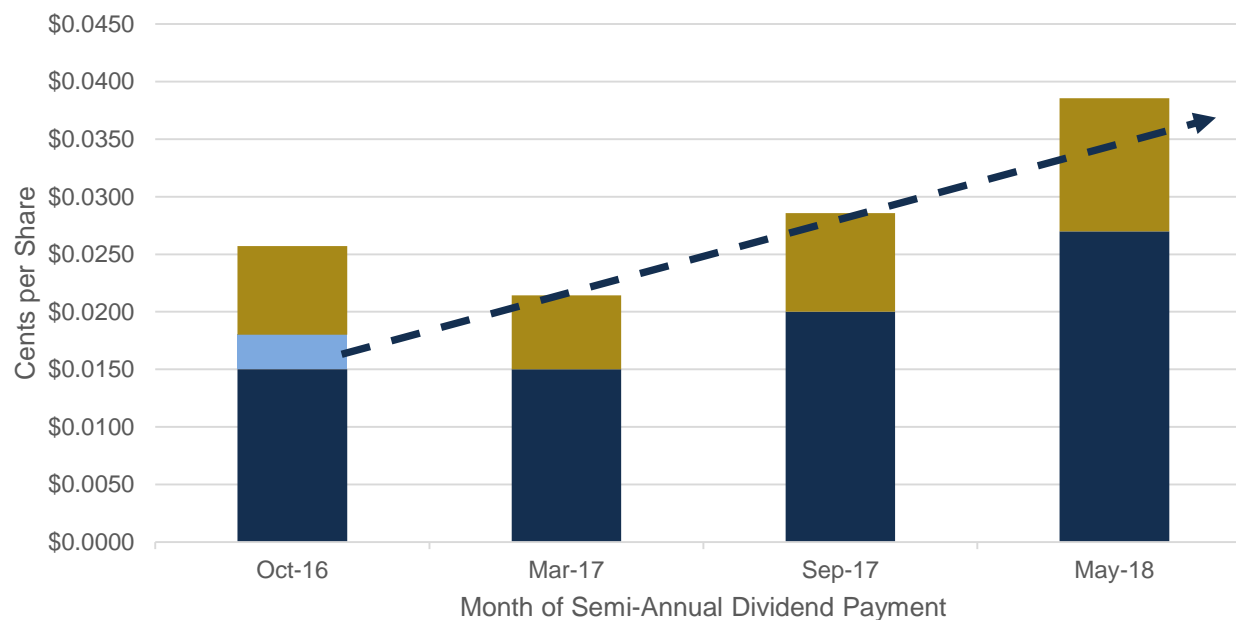
- For the financial year to 30 June 2018 the ACQ portfolio has returned +30.62%⁽¹⁾ as compared to the S&P/Small Ordinaries Accumulation Index of +24.25%
- Two new unlisted investments were completed, Alliance Mining Commodities (www.amcbauxite.com) and Whipsir (www.whispir.com)
- During the quarter the interim 2018 dividend of 2.7c per share fully franked was paid bringing the dividends paid in the past 12 months and since listing (1 May 2014) to 4.7c and 10.95c per share
- ACQ Pre-Tax and Post Tax NTA as at 30 June 2018 were \$1.3677 and \$1.2651 respectively⁽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 are unaudited, and unlisted valuations are performed by Acom Capital in accordance with ACQ Board approved policies.

2. Unaudited



Fully franked dividends have been growing since October 2016



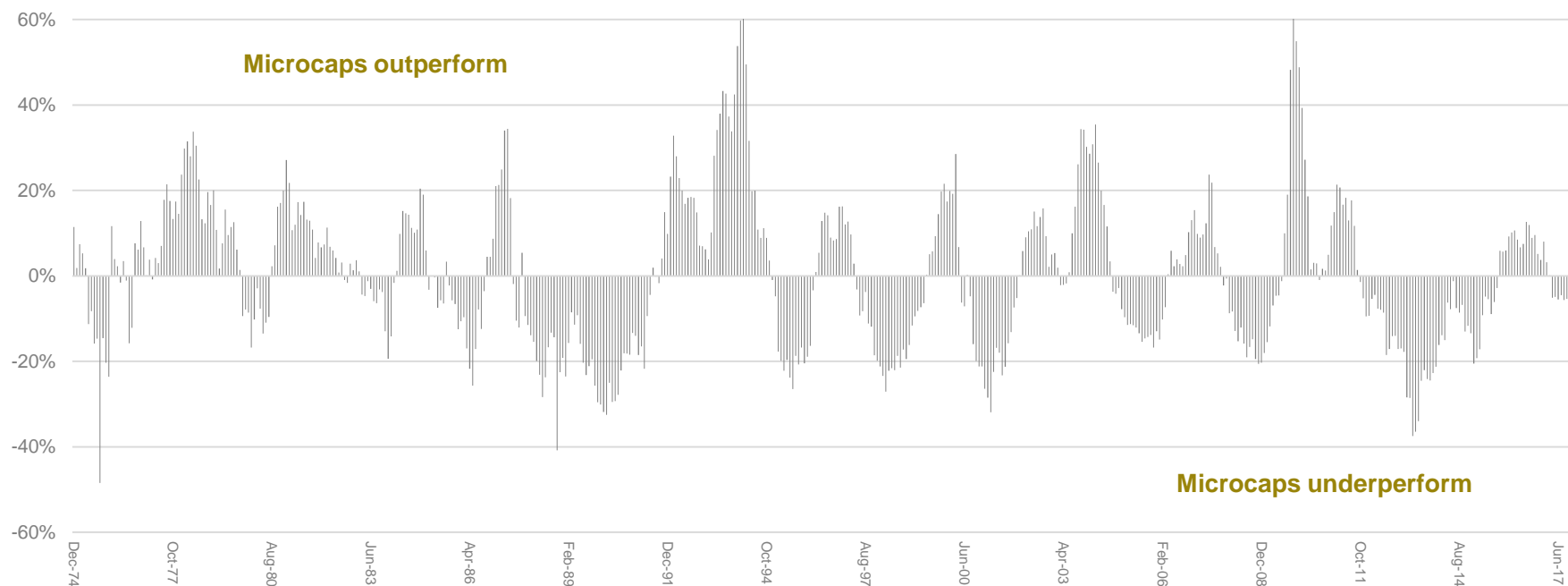
- +80% increase in semi-annual ordinary dividends over past 2 years
- ACQ's current dividend policy is to pay dividends equal to 5%⁽¹⁾ of the trailing 30 June post tax NTA (\$1.2651⁽²⁾) as at 30 June 2018) as they relate to dividend payments in the proceeding financial year

■ Ordinary Dividend Payment ■ Special Dividend ■ Value of Franking Credits

3



Microcap Sector has outperformed the
All Ordinaries Accumulation Index over the past 12 months to
30 June 2018, returning +18.00% vs +13.79%





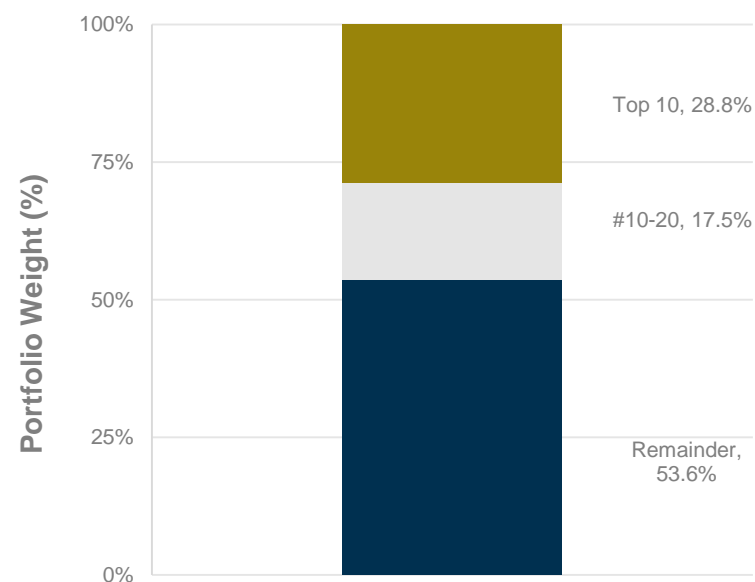
ACQ investment portfolio had 28.8% of FUM in top 10 investments

Top 10 Holdings

% Gross Portfolio

1.	Telix Pharmaceuticals Limited	4.4%
2.	Genea Limited (UL)	3.8%
3.	Calix Limited (UL)	3.4%
4.	Redhill Education Limited	3.2%
5.	Carbon Revolution Pty Ltd (UL)	2.5%
6.	Moula Money Pty Ltd (UL)	2.5%
7.	Redbubble Limited	2.4%
8.	Sundance Energy Australia Limited	2.4%
9.	Fiducian Group Limited	2.1%
10.	Innovative Asset Solutions Group Ltd (UL)	2.1%
Top 10 Positions		28.8%

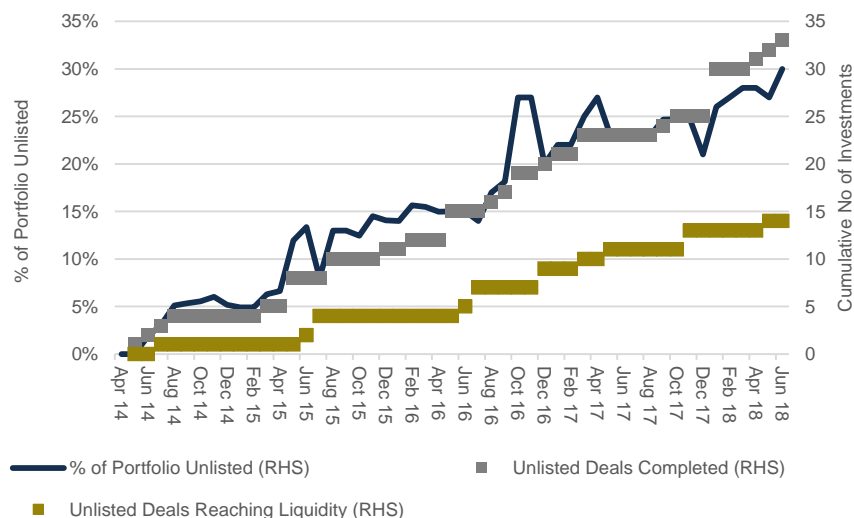
Distribution of holdings by weight



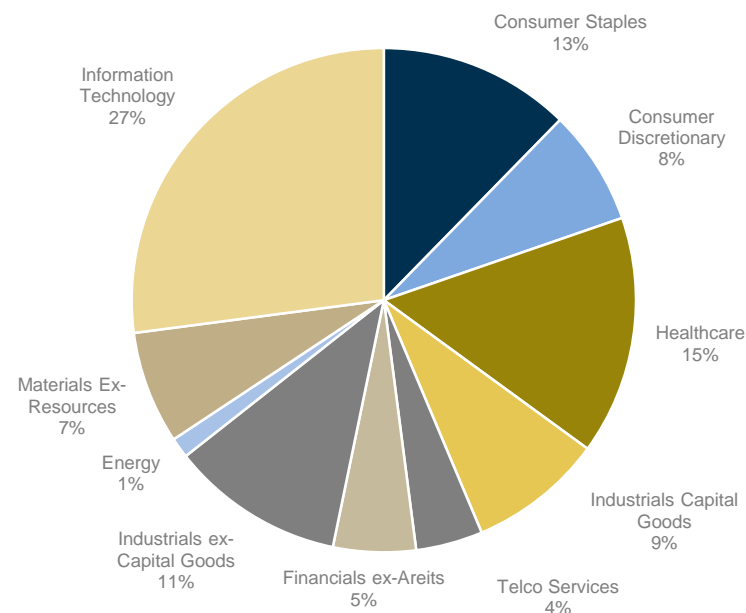


ACQ has invested \$35.8 m in 33 unlisted opportunities⁽¹⁾,
14 of which have reached liquidity events

Unlisted Investment Rate



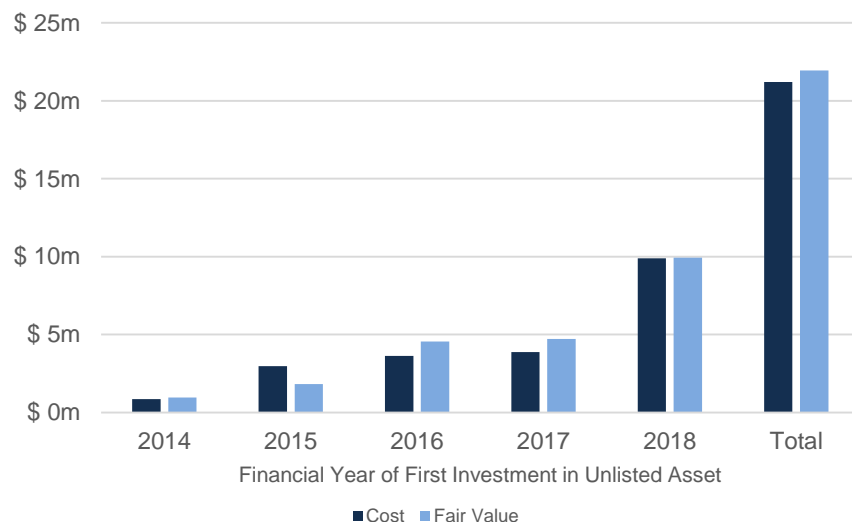
Sector Composition of Unlisted Investments⁽¹⁾





Acorn Capital has developed and tested its unlisted valuation processes over 10 years

For Unlisted Investments held as at 30 June 2018 a Comparison of Unlisted Investment Cost v Unaudited Fair Value by Financial Year Vintage of First Purchase⁽¹⁾



Key Observations with respect to Unlisted Valuations⁽¹⁾

- The chart demonstrates that overall portfolio returns have not been driven by unrealised gains on unlisted investments.
- 67% of all current unlisted investments were made in the past 2 financials years
- As at 30 June 2018 ACQ has a total of \$21.2m invested in 19 unlisted opportunities currently valued at \$21.4m representing approximately 30% of ACQ gross assets ⁽¹⁾
- Of the 14 unlisted investments that have reached a liquidity event the weighted average uplift is 47% (average 55%) as compared to the unlisted portfolio valuation immediately preceding the liquidity revaluation event



ACQ generated a portfolio return of 30.62%⁽¹⁾ and Total Shareholder Return of 30.11%⁽²⁾ for the 12 months to 30 June 2018

Portfolio Return for Periods to 30 June 2018	3 months	6 months	1 year	2 years p.a.	3 years p.a.	Since inception p.a. ³
ACQ ¹	+4.80%	+4.73%	+30.62%	+17.85%	+18.53%	+10.97% ⁴
Acorn Capital / SIRCA Microcap Acc. Index ⁵	+0.07%	-2.89%	+18.00%	+12.67%	+11.56%	+7.89%
S&P/ASX Small Ords Acc. Index	+7.67%	+4.67%	+24.25%	+15.31%	+15.01%	+10.43%
S&P/All Ords Accumulation Index	+8.03%	+4.04%	+13.73%	+13.42%	+9.48%	+7.95%

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 are performed by Acorn Capital in accordance with ACQ Board approved policies
2. Source: Factset, excludes any value of franking credits
3. Inception is 1 May 2014
4. Acorn Capital estimates that the unaudited pre- management & performance fee portfolio return post operating costs is 13.17% p.a. from Inception using last trade price for the valuation of listed securities.
5. Acorn Capital / SIRCA Microcap Accumulation Index data is verified 3 months in arrears by SIRCA ('Securities Industry Research Centre of Asia-Pacific')



Further Information

www.ACQfund.com.au