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ACQ

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OFFER NOW OPEN

25 September 2020

Dear Shareholder

On 14 September 2020, Acorn Capital Investment Fund Limited (**ACQ** or the **Company**) announced a 1 for 4 non-renounceable entitlement offer (the **Entitlement Offer**) of new ACQ shares (**New Shares**) at an issue price of \$1.10 per New Share (**Offer Price**) to raise up to approximately \$14.7 million.

This means that you will be guaranteed an allocation of 1 New Share for every 4 ACQ shares that you held as at the record date of 7pm (AEST), Tuesday, 22 September 2020 (**Record Date**) if (and only if) application monies are received prior to the closing date of the Entitlement Offer, in accordance with the Offer Booklet and the personalised entitlement and acceptance form.

As a part of the Entitlement Offer shareholders are invited to apply for additional New Shares at the Offer Price (up to 400% of their entitlement) that are available from any shortfall to the Entitlement Offer if not all New Shares are taken up under the Entitlement Offer.

The Offer Price represents attractive discounts of 10.2% and 8.3% to ACQ's closing price on 11 September 2020 and its theoretical ex-rights price (TERP) respectively.

New Shares issued pursuant to the Entitlement Offer are eligible to receive the \$0.0375/share fully franked dividend declared by ACQ on 31 August 2020 and which is payable on 27 November 2020.

HOW TO ACCESS THE OFFER



ONLINE

The Offer Booklet and the BPAY payment details can be accessed via the Trust website:
<https://ACQoffer2020.thereachagency.com>



PAPER

Request a copy of the Offer Booklet and the Entitlement and Acceptance Form from Computershare
1300 850 505

The Offer will be open from Friday 25 September 2020 to 5pm (AEST) Tuesday 6 October 2020

Benefits to shareholders

The Entitlement Offer will deliver benefits to all shareholders. In addition to the attractive pricing, the Entitlement Offer provides an opportunity to increase ACQ's market relevance (inclusive of broker and research coverage) and provides its portfolio with additional liquidity to invest into both listed and unlisted investment opportunities.

Use of funds

The proceeds from the issuance of the New Shares will be invested in accordance with ACQ's disciplined and proven investment process. As at 31 August 2020, ACQ had delivered post fee investment returns on a 1 Year and Since Inception basis of 16.2%⁽¹⁾ p.a. and 10.5%⁽¹⁾ p.a. respectively. These figures represent an outperformance over the S&P/Small Ordinaries Accumulation Index of 14.1% p.a. and 3% p.a. respectively. ACQ's returns from its unlisted investments have been a key contributor to its investment performance over the past 12 months, with each of Aroa Biosurgery, Moula Money and CleanSpace Technologies delivering particular impacts.

ACQ's investment process has historically delivered an attractive dividend stream. To date ACQ has declared fully franked dividends of \$0.257/share. ACQ's share price as at 22 September 2020 of \$1.23 implies a dividend yield of 6.1%⁽²⁾ (excluding franking credits). As at 31 August 2020, ACQ has dividend reserves equivalent of \$0.42.5/ share.

As at 31 August 2020, 67%, 29% and 4% of the ACQ portfolio was held in listed investments, unlisted investments and cash, respectively and the pre tax net tangible assets of the Company were \$75.1 million. The additional liquidity from the Entitlement Offer will provide ACQ with an increased ability to take advantage of primary market opportunities in line with the ACQ investment strategy whilst maintaining optimal portfolio diversification.

ACQ's manager, Acorn Capital Limited, continues to see primary market investment opportunities in both listed and unlisted equities that provide attractive investment returns. Acorn Capital believes that structural shifts in the economy are providing investment opportunities for small, innovative and nimble companies which are exposed to key themes such as e-commerce, healthcare, precious metals (e.g. gold) and working from home.

Eligibility of the Entitlement Offer

The Entitlement Offer is available to all ACQ shareholders registered on the Record Date whose registered address is in Australia or New Zealand. The Entitlement Offer is not being extended to any ACQ shareholders with an address outside Australia or New Zealand.



Timetable

Event	Time
Opening Date for the Entitlement Offer	Friday, 25 September 2020
Closing Date for lodgement of Entitlement and Acceptance Forms and payment	5.00pm on Tuesday, 6 October 2020
Deferred settlement trading commences	Wednesday, 7 October 2020
ASX notified of under subscriptions (if any)	Friday, 9 October 2020
Allotment of New Shares under the Entitlement Offer	Tuesday, 13 October 2020
Dispatch of holding statements for New Shares	Wednesday, 14 October 2020
New Shares commence normal trading on ASX	Wednesday, 14 October 2020

More information

If you have any queries about the Entitlement Offer, please contact Computershare on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

We encourage you to read the Offer Booklet (and management presentation enclosed in it). Further details on the Entitlement Offer can be found at: <https://ACQoffer2020.thereachagency.com>

On behalf of the Board, I thank you for your continued support as a shareholder and I encourage you to consider this investment opportunity.

Yours sincerely

John Steven
Chairman

References/Footnotes

⁽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 Acorn Capital in accordance with ACQ Board approved policies. Past performance is not reliable indicator of future performance.

⁽²⁾ Based on the declared dividend of \$0.0375/share announced to shareholders on 31 August 2020.

Offer Booklet

Non-renounceable entitlement offer of 1 new share for every 4 existing shares at A\$1.10 per new share to raise up to approximately A\$14.7 million

The Entitlement Offer opens on Friday, 25 September 2020 and closes at 5.00pm (Melbourne time) on Tuesday, 6 October 2020 (unless extended)

This Offer Booklet is an important document and requires your immediate attention. It should be read in its entirety and before you decide whether to participate in the Entitlement Offer. If you have any questions about any part of the Offer Booklet you should consult your professional adviser.

This Offer Booklet may not be released to US wire services or distributed in the United States.

Authorised Intermediary

EL & C Baillieu Limited ACN 006 519 393

Acorn Capital Investment Fund Limited

ACN 167 595 897

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Important information

The information in this Offer Booklet is not a prospectus, product disclosure statement, disclosure document or other offering document under the Corporations Act (or any other law) and has not been lodged with ASIC.

The information in this Offer Booklet contains an offer of New Shares to Eligible Shareholders in Australia or New Zealand (and certain existing shareholders who are institutional or professional investors in any other jurisdictions as determined by Acorn Capital) and has been prepared in accordance with section 708AA of the Corporations Act as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*. Please refer to Section 1.1 of this Offer Booklet for Eligible Shareholder criteria.

Foreign Jurisdictions

This Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the New Shares, or otherwise permit a public offering of the New Shares, in any jurisdiction outside of Australia and New Zealand. This Offer Booklet and accompanying Entitlement and Acceptance Form may not be distributed outside Australia and New Zealand except as may be permitted under Section 1.12 and Section 6 of this Offer Booklet.

New Zealand

All offers of New Shares to Eligible Shareholders receiving the Offer in New Zealand will be made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (Exemption Notice)*. Therefore, the Company is not required to and will not register nor distribute a New Zealand product disclosure statement or other disclosure document under the *Financial Markets Conduct Act 2013 (New Zealand)*.

This document and any associated disclosure materials are being distributed in New Zealand only to those persons to whom the Offer may be extended under the Exemption Notice or those persons who qualify as wholesale investors under clause 3(2), 3(3)(a) or 3(3)(b)(iii) of Schedule 1 to the *Financial Markets Conduct Act 2013*. If you are not such a person, you should return or destroy this document and any associated disclosure materials. Any application form submitted by any person not entitled to participate will not be processed and no New Shares will be issued to them.

Future performance and forward-looking statements

This Offer Booklet may contain certain *forward looking statements*. The words *anticipate, believe, expect, project, forecast, estimate, likely, intend, should, could, may, target, plan, consider, foresee, aim, will* and other similar expressions are intended to identify forward looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward looking statements. Such forward looking statements are provided as a general guide only and are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company and which are based on change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

No Investment advice

This Offer Booklet is not financial product or investment advice nor a recommendation to acquire New Shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances.

The Company is not licensed to provide financial product advice in respect of New Shares or any other financial products. No cooling off period applies to the acquisition of the New Shares.

Risks

An investment in New Shares is subject to investment and other known and unknown risks, uncertainties and assumptions, many of which are beyond the control of the Company and the Board, including the risks described in the accompanying Investor Presentation, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements

expressed or implied by any forward looking statements in this Offer Booklet. Neither the Company, its officers, employees, agents, associates and advisers, nor any other person warrants or guarantees the future performance of the New Shares or any particular rate of return or the performance of the Company, nor does it guarantee the repayment of capital from the Company or any particular taxation treatment. In considering an investment in New Shares, investors should have regard to (among other things) the risks and disclaimers outlined in this Offer Booklet.

Past performance

Past performance information given in this Offer Booklet is provided for illustrative purposes only and should not be relied on as (and is not) an indication of future performance. The historical information in this Offer Booklet is, or is based on, information that has been released to the market. For further information, please see past announcements released to ASX.

No representations

The Authorised Intermediary (as defined below) and its representatives, and MinterEllison and its partners and employees, to the maximum extent permitted by law, expressly disclaim any responsibility or liability for the contents of this Offer Booklet.

Authorised intermediary

The issuer of this Offer Booklet is the Company. Offers of New Shares under this Offer Booklet will be made under an arrangement between the Company and EL & C Baillieu Limited ACN 006 519 393 (**Authorised Intermediary**), as a holder of an Australian Financial Services Licence, under section 911A(2)(b) of the Corporations Act. The Company has authorised the Authorised Intermediary to make offers to arrange for the issue of the New Shares under this Offer Booklet and the Company will only issue the New Shares in accordance with the offers and no others. Each Eligible Shareholder appoints the Company as its agent to receive on its behalf any Financial Services Guide or other notices (including any updates of those documents) (if any) that the Authorised Intermediary is required to give to the Eligible Shareholder under the Corporations Act in connection with the Entitlement Offer.

New Shares quoted on a deferred settlement basis

New Shares will be quoted on a deferred settlement from market open on Wednesday, 7 October 2020 and issued on Tuesday, 13 October 2020. It is the responsibility of eligible Shareholders to determine their allocation prior to trading in New Shares. The Company recommends that Shareholders should only sell up to the amount of New Shares applied for under their Entitlement and not trade any Additional New Shares applied for under the Top Up Facility as there is no assurance as to the level of allocations under the Top Up Facility. Shareholders who sell New Shares before they receive confirmation of their allotment will do so at their own risk.

Key offer terms

Key offer terms

Issue Price	A\$1.10 per New Share payable in full on Application
Entitlement	1 New Share for every 4 Existing Shares held on the Record Date
Discount to the theoretical ex rights price of A\$1.20 (using the last closing price before the announcement of the Entitlement Offer)	8.3%
Approximate number of New Shares to be issued under the Entitlement Offer (if fully subscribed)	13,405,761 million New Shares
Approximate amount to be raised under the Entitlement Offer (excluding expenses)	A\$14.7 million
Approximate number of Shares on issue following the Entitlement Offer (if fully subscribed)	67,028,803 Shares

This Offer Booklet is dated Friday, 25 September 2020. The following are key indicative dates relating to the Entitlement Offer.

Event	Time
*ASX announcement of the Entitlement Offer, lodgement of Appendix 3B and cleansing notice	Before commencement of trading on Monday, 14 September 2020
*Ex Date – date on which Shares commence trading without an entitlement to participate in the Entitlement Offer	Monday, 21 September 2020
*Record Date (7.00 pm Melbourne time) for entitlements to participate in Entitlement Offer	Tuesday, 22 September 2020
This Offer Booklet and Entitlement and Acceptance Forms dispatched to Eligible Shareholders and dispatch announced to ASX	Friday, 25 September 2020
Opening Date for the Entitlement Offer	Friday, 25 September 2020
Closing Date for lodgement of Entitlement and Acceptance Forms and payment	5.00pm on Tuesday, 6 October 2020
Deferred settlement trading commences	Wednesday, 7 October 2020
ASX notified of under subscriptions (if any)	Friday, 9 October 2020
Allotment of New Shares under the Entitlement Offer	Tuesday, 13 October 2020
Dispatch of holding statements for New Shares	Wednesday, 14 October 2020
New Shares commence normal trading on ASX	Wednesday, 14 October 2020

The above dates other than those marked with an asterisk (*) are indicative only and are subject to change. The Company reserves the right to amend this indicative timetable at any time and in particular, subject to the Corporations Act and ASX Listing Rules, to extend the latest date for receipt of Entitlement and Acceptance Forms, to accept late Entitlement and Acceptance Forms either generally or in particular cases, or to cancel the Entitlement Offer without prior notice.

Chairman's letter

Friday, 25 September 2020

Dear Shareholder

On behalf of the directors of Acorn Capital Investment Fund Limited (**Acorn Capital** or **Company**), I am pleased to invite you to participate in a non-renounceable entitlement offer to subscribe for 1 New Share for every 4 Existing Shares held at an Issue Price of A\$1.10 per New Share (**Entitlement Offer**).

The Entitlement Offer will raise approximately A\$14.7 million. The proceeds of the Entitlement Offer will be used to pay the costs associated with conducting the Entitlement Offer and invested in accordance with the Company's proven and disciplined investment process, which has outperformed its benchmark since inception¹.

New Shares issued under the Entitlement Offer will rank equally in all respects with existing Shares.

The Record Date for determining eligibility to participate in the Entitlement Offer is 7.00pm (Melbourne time) on Tuesday, 22 September 2020.

The Issue Price of A\$1.10 per New Share represents:

- a 10.2% discount to the closing price of Acorn Capital's shares (**Shares**) on ASX on 11 September 2020, which was the last full day Shares traded on ASX before the announcement of the Entitlement Offer; and
- a 9.74% discount to the 5 day VWAP to the closing price of the Shares on ASX on 11 September 2020.

Eligible Shareholders who accept their Entitlement in full will have the opportunity to apply for Additional New Shares in excess of their Entitlement (subject to scale back at the sole discretion of the Company) under a 'top up' facility (**Top Up Offer**). Please refer to Section 1.3 of this Offer Booklet for further details

Accompanying this Offer Booklet is your personalised Entitlement and Acceptance Form which contains details of your Entitlement. The closing date for the receipt of Entitlement and Acceptance Forms and Application Money is 5.00pm (Melbourne time) on Tuesday, 6 October 2020. To participate in the Entitlement Offer please ensure that, before this time, you have paid your Application Money by BPAY® in accordance with the instructions set out in the enclosed Entitlement and Acceptance Form and Required Actions section of this Offer Booklet.

If you do not wish to take up any of your Entitlement, you do not have to take any action.

For further information, I urge you to read the Investor Presentation which is included in this Offer Booklet and which contains a summary of some of the key risks associated with an investment in the Company.

Full details on the Entitlement Offer are set out in this Offer Booklet, which you should read carefully and in its entirety. Additionally, you can call our Share Registry for further information on 1 300 850 505 (within Australia) and +613 9415 4000 (outside Australia) between 8.30am and 5.00pm (Melbourne time) Monday to Friday.

Further details on the Entitlement Offer can be found at <https://ACQoffer2020.thereachagency.com>

On behalf of the Board, I thank you for your continued support as a shareholder and I encourage you to consider this investment opportunity.

Yours sincerely

John Steven
Chairman

¹ Past performance is not a reliable indicator of future performance.

Entitlement Offer

1. Details of the Entitlement Offer

1.1 The Entitlement Offer

The Entitlement Offer is non-renounceable. This means that Shareholders who do not take up their Entitlements by 5.00pm (Melbourne time) on the Closing Date of Tuesday, 6 October 2020, will not receive any payment or value for those Entitlements and their proportionate equity interest in the Company will be diluted.

Each Eligible Shareholder is entitled to subscribe for 1 New Share for every 4 Existing Shares held on the Record Date.

The number of New Shares to which you are entitled is shown on the accompanying personalised Entitlement and Acceptance Form. Fractional entitlements to New Shares have been rounded up to the nearest whole number of New Shares. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

New Shares issued under the Entitlement Offer will be fully paid and rank equally with existing Shares on issue, including with respect to entitlement to dividends. If you take no action you will not be allocated any New Shares and your Entitlement will lapse.

To qualify for the Entitlement Offer under this Offer Booklet, a Shareholder must:

- (a) be registered as a Shareholder at 7.00pm (Melbourne time) on the Record Date;
- (b) have an address in Australia or New Zealand other than certain institutional or sophisticated shareholders and investors in any other jurisdictions determined by the Directors, as recorded on the Company's share register as at the Record Date; and
- (c) be eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus, disclosure document, or any lodgement, filing, registration or qualification,

(Eligible Shareholder).

1.2 Purpose of the Entitlement Offer

The proceeds of the Entitlement Offer will be used to pay the costs associated with conducting the Entitlement Offer and invested in accordance with the Company's proven and disciplined investment process.

1.3 Top Up Offer

Eligible Shareholders who take up their Entitlement in full are also able to participate in a further offer of Additional New Shares, being the New Shares that have been initially offered to Eligible Shareholders under the Entitlement Offer and have not been taken up by them. Please note that New Shares in excess of Entitlements will only be allocated to Eligible Shareholders if and to the extent that the Company determines in its absolute discretion based on the Allocation Policy outlined below.

Any New Shares in excess of Entitlements will be limited by the Allocation Policy and also to the extent that there are sufficient New Shares from Eligible Shareholders who do not take up their full Entitlements.

Allocation Policy

The Allocation Policy is that each Eligible Shareholder who:

- (a) has fully taken up their Entitlement; and
- (b) subscribes for Additional New Shares under the Top Up Facility,

may be allocated that number of Additional New Shares which represents up to 400% of their Entitlement (**Additional New Share Cap**).

In addition, Eligible Shareholders should be aware that:

- (a) allocations of Additional New Shares are at the discretion of the Company and will be subject to the Additional New Share Cap;
- (b) the Company may scale back applications for Additional new Shares having regard to all relevant circumstances, including an Eligible Shareholder's underlying shareholding at the Record Date and in the event that an application for Additional New Shares is received from an Eligible Shareholder in excess of the Additional New Share Cap;
- (c) in the event of a scale back, the difference between the Application Money received, and the number of Additional New Shares allocated to you multiplied by the Issue Price will be refunded following allotment. No interest will be paid on any Application Money received and returned;
- (d) no New Shares or Additional New Shares will be issued to an Eligible Shareholder which would result in the relevant Shareholder having voting power in the Company in excess of 20% of the total issued share capital of the Company;
- (e) there is no guarantee that any Application for Additional New Shares under the Top Up Offer will be successful and the Directors reserve the right to issue any shortfall by way of the Top Up Offer or by other means and reserves the right to satisfy applications in the Top Up Facility at its sole and complete discretion, including by applying the pro rata scale-back mechanism; the Top Up Offer has the same Closing Date;
- (f) the Issue Price of Additional New Shares under the Top Up Offer is the same as the Issue Price, which is A\$1.10 per Additional New Share; and
- (g) the Company will not issue Additional New Shares under the Top Up Offer where to do so would be likely to result in a breach of its constitution, the Corporations Act or the ASX Listing Rules.

Note, Listing Rule 10.11 parties in relation to the Company are not entitled to participate in the Top Up Offer.

1.4 Shortfall Offer

To the extent that there remains any shortfall of Shares taken up by Eligible Shareholders including after the application of the Top Up Offer (**Residual Shortfall**), the Directors of the Company reserve the right to issue all or any of the New Shares comprising the Residual Shortfall at their discretion.

The Directors' allocation policy in respect of any Residual Shortfall is to encourage the introduction of new investors to the Company by placing the New Shares to wholesale and institutional investors.

The Residual Shortfall must be issued not later than 3 months after the Closing Date of the Entitlement Offer and the issue price of New Shares comprising the Residual Shortfall must not be less than the price at which New Shares are offered under the Entitlement Offer.

1.5 Underwriting

The Entitlement Offer, the Top Up Offer and any Shortfall Offer will not be underwritten.

1.6 Authorised Intermediary

No fee is payable by the Company to the Authorised Intermediary in connection with the Entitlement Offer, the Top Up Offer or any Shortfall Offer.

1.7 Issue of New Shares

New Shares under the Entitlement Offer and the Top Up Offer are expected to be issued on or around Tuesday, 13 October 2020 (subject to change at the discretion of the Company).

The Company reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or otherwise incorrect or if they fail to provide information to substantiate their claims.

1.8 ASX quotation

The Company will apply for quotation of New Shares issued under this Offer Booklet. If permission for quotation is not granted by ASX, the New Shares will not be issued and Application Money will be refunded (without interest) as soon as practicable.

New Shares will be quoted on a deferred settlement from market open on Wednesday, 7 October 2020 and issued on Tuesday, 13 October 2020. It is the responsibility of eligible shareholders to determine their allocation prior to trading in New Shares. The Company recommends that Shareholders should only sell up to the amount of New Shares applied for under their Entitlement and not trade any additional New Shares applied for under the Top Up Facility as there is no assurance as to the level of allocations under the Top Up Facility. Shareholders who sell New Shares before they receive confirmation of their allotment will do so at their own risk.

1.9 Application Money

Until New Shares are issued under the Entitlement Offer, the Company will hold the Application Money in one or more bank accounts in Australia. The account(s) will be established and kept solely for the purpose of depositing Application Money and retaining those funds for as long as required.

Any interest accrued on Application Money will be retained by the Company and will not be paid to the relevant Eligible Shareholder, including if the Entitlement Offer is cancelled or withdrawn.

1.10 Market prices for Shares on ASX

The lowest and highest market prices of Shares on ASX during the 3 months immediately preceding the announcement of the Entitlement Offer on Monday, 14 September 2020 were A\$0.87 and A\$1.23 respectively.

The Issue Price of A\$1.10 per New Share represents:

- (a) a 10.2% discount to the closing price of the Company's Shares on ASX on 11 September 2020, which was the last full day Shares traded on ASX before the announcement of the Entitlement Offer; and
- (b) a 9.74% discount to the 5 day VWAP to the closing price of the Shares on ASX on 11 September 2020.

1.11 Foreign Shareholders

The New Shares being offered under this Offer Booklet are being offered to Shareholders with a registered addresses in Australia and New Zealand.

The Entitlement Offer will not be offered to Non-Eligible Foreign Shareholders. The Company has determined that it is not economically viable and/or practicable for it to make offers to Non-Eligible Foreign Shareholders due to the cost of meeting compliance requirements with securities laws in each applicable jurisdiction in which Non-Eligible Foreign Shareholders reside. The Company reserves the right in its absolute discretion to offer the Entitlement Offer to a Shareholder with an address in the Company's share register outside Australia or New Zealand if the Company is satisfied that it is not precluded from lawfully issuing New Shares to that Shareholder either unconditionally or after compliance with conditions which the Directors in their sole discretion regard as acceptable.

For further details see the Foreign Jurisdictions Section 6 of this Offer Booklet.

1.12 Nominees and custodians

If the Company believes you hold Shares as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter.

The Company is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of existing Shares. Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary will need to assess whether the distribution of any documents relating to the Entitlement Offer (including this Offer Booklet) or the indirect participation in the Entitlement Offer by the beneficiary complies with applicable foreign laws.

Nominees and custodians may not distribute any part of this Offer Booklet, and may not permit any beneficial shareholder to participate in the Entitlement Offer, in any country outside Australia or New Zealand, without the consent of the Company, taking into consideration applicable securities laws.

Due to legal restrictions, nominees and custodians may not send copies of this Offer Booklet or any material relating to the Entitlement Offer or accept the Entitlement Offer in relation to any person in any other jurisdiction outside Australia, New Zealand.

1.13 Taxation implications

Shareholders should be aware that there may be taxation implications of participating in the Entitlement Offer and the Top Up Offer and subscribing for New Shares. These taxation consequences may vary depending on the individual circumstances of each Shareholder.

Please refer to Section 7 of this Offer Booklet for a general discussion of the Australian taxation consequences of the Entitlement Offer for Eligible Shareholders resident in Australia and who hold their Shares as capital assets.

Shareholders should consult their own professional taxation adviser to obtain advice in relation to the taxation laws and regulations applicable to their personal circumstances.

1.14 Risks

There are a number of risks associated with an investment in the Company which may affect its financial performance, financial position, cash flows and Share price. The key risk factors are set out in the 'Key risks' appendix of the Investor Presentation included in this Offer Booklet.

1.15 Regular reporting and disclosure

The Company is a disclosing entity for the purposes of the Corporations Act and is therefore subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the market. In particular, the Company has an obligation (subject to certain limited exceptions) to notify ASX once it is, or becomes, aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Company's securities. All announcements made by the Company are available from the 'Investors' section of the Company's website at <https://acqfund.com.au/investor-centre/asx-announcements/> or ASX's website www.asx.com.au.

Additionally the Company is also required to prepare and lodge with ASIC yearly and half yearly financial statements accompanied by a directors' statement and report and an audit review or report. These reports are released to ASX and published on the Company and ASX websites.

1.16 Rights and liabilities attaching to New Shares

New Shares issued under this Offer Booklet will be fully paid ordinary shares in the capital of the Company and will rank equally with all Existing Shares.

The rights and liabilities attaching to Shares are set out in the Company's constitution and are regulated by the Corporations Act, the general law, the ASX Listing Rules and the ASX Settlement Operating Rules. The constitution may only be varied by a special resolution which is a resolution passed by at least 75% of the votes cast by Shareholders present (and entitled to vote).

1.17 Disclaimer

No person is authorised to give any information or make any representation in connection with the Entitlement Offer described in this Offer Booklet, which is not contained in this Offer Booklet. Any information or representation not contained in this Offer Booklet may not be relied on as being authorised by the Company or Authorised Intermediary in connection with the Entitlement Offer.

1.18 Financial amounts

Money as expressed in this Offer Booklet is in Australian dollars (\$) or A\$) unless otherwise indicated. Any discrepancies between totals in tables and sums of components in tables in this Offer Booklet and between those figures and figures referred to in other parts of this document may be due to rounding.

1.19 Privacy

Chapter 2C of the Corporations Act requires information about you as a Shareholder (including your name, address and details of your Shares) to be included in the public register of the Company. Information is collected to administer your Shares. Your personal information may be disclosed to the Company. You can obtain access to your personal information by contacting the Share Registry at the address or telephone number listed in the corporate directory.

1.20 Governing Law

This Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Victoria, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

2. Required Actions

2.1 Eligible Shareholders

For details in relation to whether or not you are an Eligible Shareholder, see Section 1.1 of this Offer Booklet.

If you are an Eligible Shareholder you may either:

- (a) take up all of your Entitlement in accordance with this Offer Booklet;
- (b) unless you are a Listing Rule 10.11 party in relation to the Company, take up all of your Entitlement and also apply for that number of Additional New Shares in excess of your Entitlement which represents up to 400% of your Entitlement under the Top Up Offer;
- (c) take up some of your Entitlement, in which case the balance of your Entitlement will lapse and you will receive no value for your lapsed Entitlement; or
- (d) do nothing, in which case your Entitlement will lapse and you will receive no value for your lapsed Entitlement.

Before you decide whether to accept the Entitlement Offer, the Board recommends that Eligible Shareholders:

- (e) read this Offer Booklet in full; and
- (f) consider the risks associated with the Entitlement Offer, as summarised in the *Key Risks* section of the Investor Presentation included in this Offer Booklet, in light of your personal circumstances.

If you decide to participate in the Entitlement Offer, whether by taking up all or some of your Entitlement, you will need apply for New Shares and arrange payment for the New Shares by the methods described immediately below.

BPAY®

Make payment by BPAY® in accordance with the instructions in this Offer Booklet on the Entitlement and Acceptance Form.

By paying via BPAY®, you do not need to return the Entitlement and Acceptance Form to the Share Registry.

2.2 Payment

The Issue Price of A\$1.10 per New Share is payable on exercise of your Entitlement. For all Eligible Shareholders, payments must be received by 5.00pm (Melbourne time) on the Closing Date (or such other date as may be determined by the Company).

Shareholders should be aware of the time required to process payment by BPAY®.

Payment will only be accepted in Australian currency and must be (other than with the express consent of the Company) through the BPAY® facility according to the instructions set out on the Entitlement and Acceptance Form and in this Offer Booklet.

Cash will not be accepted. Receipts for payment will not be issued. If you provide insufficient funds to meet the Application Money due to take up all or part of your Entitlement, you may be taken by the Company to have applied for such lower number of New Shares as your cleared Application Money will pay or your Application may be rejected.

Any Excess Amount may be treated as an application to apply for Additional New Shares under the Top Up Offer to the value of your Excess Amount. Your application for the Additional New Shares may not be successful (wholly or partially). Any surplus Application Money received for more than your final allocation of any Additional New Shares will be refunded (only where the amount is A\$5.00 or greater). You are not entitled to any interest that accrues on any Application Money received or returned (wholly or partially).

Eligible Shareholders may pay through BPAY®

Eligible Shareholders with an Australian bank account may pay through BPAY®. Payment by BPAY® should be made in accordance with the instructions set out in the Entitlement and Acceptance Form using the reference number shown on that form and must be received by no later than 5.00pm (Melbourne time) the Closing Date (or such other date as may be determined by the Company). Applicants should be aware that their own financial institution may implement earlier cut off times with regard to electronic payment. Applicants should therefore take this into consideration when making payment. It is the responsibility of the Applicant to ensure that funds submitted through BPAY® are received by this time.

The reference number is used to identify your holding. If you have multiple holdings you will also have multiple reference numbers. You must use the reference number shown on each Entitlement and Acceptance Form to pay for each holding separately. If you pay by BPAY® and do not pay for your full Entitlement, your remaining Entitlements will lapse.

If you make your payment by BPAY® you do not need to return the Entitlement and Acceptance Form to the Share Registry.

Your BPAY® acceptance, once received cannot be withdrawn. No cooling off period applies.

2.3 Applying for additional shares under Top Up Offer

If you have applied for your full Entitlement and you are not a Listing Rule 10.11 party in relation to the Company, you may wish to apply for more New Shares than the number shown on your Entitlement and Acceptance Form under the Top Up Offer. To do this, if you are applying by BPAY® to take up your Entitlement in full and Additional New Shares, make a payment for more than your Entitlement. The Excess Amount will be taken to be an application for Additional New Shares under the Top Up Offer.

Applications for Additional New Shares under the Top Up Offer may be considered if and to the extent that not all Shareholders take up their full Entitlement. Applications for Additional New Shares under the Top Up Offer are capped at that number of Additional New Shares which represents 400% of an Eligible Shareholder's Entitlement. No Eligible Shareholder may receive any New Shares which would result in the relevant Shareholder having voting power in the Company in excess of 20% of the total issued share capital of the Company and any Application may be capped or scaled back at the sole and complete discretion of the Directors. The Directors reserve the right to issue any shortfall by way of the Top Up Offer or by other means. There is no guarantee that any Applications under the Top Up Offer will be successful.

2.4 Declining all or part of your Entitlement

If you decide not to take up all or part of your Entitlement, the Entitlements which are unexercised will lapse and may be taken up by other Eligible Shareholders under the Top Up Offer. Your Entitlement to participate in the Entitlement Offer is non-renounceable and cannot be traded on the ASX nor any other financial markets, nor can it be privately transferred. Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

If you decide not to participate in the Entitlement Offer, you do not need to fill out or return the accompanying Entitlement and Acceptance Form. Although you will continue to own the same number of Shares as you held prior to the Entitlement Offer, your percentage shareholding in the Company will be diluted by the issue of New Shares under the Entitlement Offer.

2.5 Non-Eligible Foreign Shareholders

If you are a Non-Eligible Foreign Shareholder, other than certain institutional shareholders and investors in foreign jurisdictions determined by the Directors, you may not take up any of, or do anything in relation to, your Entitlement under the Entitlement Offer. See Section 1.11 for further information in relation to foreign Shareholders who may be Eligible Shareholders.

2.6 Warranties made on acceptance of Entitlement Offer

By making a payment by BPAY®, you will be deemed to have acknowledged, represented and warranted that you, and each person on whose account you are acting, are an Eligible Shareholder or otherwise eligible to participate in the Entitlement Offer.

By making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that:

- (a) you are (or the person on whose account you are acting is) an Eligible Shareholder and are not otherwise a person to whom it would be illegal to make an offer of or issue of New Shares under the Entitlement Offer and under any applicable laws and regulations;
- (b) you are subscribing for or purchasing Entitlements or New Shares in an *offshore transaction* (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act;
- (c) you and each person on whose account you are acting have not and will not send any materials, or copies thereof, relating to the Entitlement Offer to any person in any other country outside Australia or New Zealand;
- (d) you acknowledge that you have read and understand this Offer Booklet and your Entitlement and Acceptance Form in their entirety;
- (e) you agree to be bound by the terms of the Entitlement Offer, the provisions of this Offer Booklet and the Company's constitution;
- (f) you authorise the Company to register you as the holder of New Shares allotted to you;
- (g) you declare that all details and statements in your Entitlement and Acceptance Form are complete and accurate;
- (h) you declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under your Entitlement and Acceptance Form and as described in this Offer Booklet;
- (i) you acknowledge that after the Company receives your payment of Application Money by BPAY®, you may not withdraw your application or funds provided except as allowed by law;
- (j) you agree to apply for and be issued up to the number of New Shares for which you have submitted payment of any Application Money by BPAY®, at the Issue Price;

- (k) you authorise the Company, Authorised Intermediary, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry on using the contact details set out in your Entitlement and Acceptance Form;
- (l) you declare that you were the registered holder at the Record Date of the Shares indicated on your Entitlement and Acceptance Form as being held by you on the Record Date;
- (m) you acknowledge that the information contained in this Offer Booklet and your Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (n) you acknowledge that this Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (o) you acknowledge the statement of risks in the *Key Risks* section of the Company's Investor Presentation included in this Offer Booklet and that investments in the Company are subject to risk;
- (p) you acknowledge that none of the Company, Authorised Intermediary, or their respective Related Bodies Corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- (q) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- (r) you authorise the Company to correct any errors in your Entitlement and Acceptance Form or other form provided by you;
- (s) you represent and warrant that the law of any place does not prohibit you from being given this Offer Booklet and your Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Entitlement Offer;
- (t) if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in regular transactions on the ASX or otherwise where neither you nor any person acting on your behalf know, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or is acting for the account or benefit of a person in the United States unless an available exemption applies; and
- (u) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are accepting the Entitlement Offer is resident in Australia or New Zealand as applicable, and you have not sent this Offer Document, the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person.

2.7 Refunds

Any Application Money received for more than your final allocation of New Shares will be refunded as soon as practicable after the Closing Date (except for where the amount is less than A\$5.00). No interest will be paid to applicants on any Application Money received or refunded.

2.8 Withdrawals

You cannot, in most circumstances, withdraw your application once it has been accepted. Cooling off rights do not apply to an investment in New Shares.

3. Investor Presentation

ACORN CAPITAL INVESTMENT FUND LTD

ENTITLEMENT OFFER & INVESTOR UPDATE SEPTEMBER 2020

ASX: ACQ



ACQ ENTITLEMENT OFFER & INVESTOR UPDATE



Disclaimer and Important Information

IMPORTANT NOTICE AND DISCLAIMER

The following notice and disclaimer applies to this investor presentation (**Presentation**) and you are therefore advised to read this carefully before reading or making any other use of this Presentation or any information contained in this Presentation. By accepting this Presentation you represent and warrant that you are entitled to receive the Presentation in accordance with the restrictions, and agree to be bound by the limitations, contained within it.

This Presentation is dated 14 September 2020 and has been prepared and authorised by Acorn Capital Investment Fund Limited ACN 167 595 897 (**ACQ** or the **Company**) in connection with the Company's proposed 1 for 4 pro rata non renounceable entitlement offer of new ACQ fully paid ordinary shares (**New Shares**) to eligible shareholders in Australia or New Zealand (and certain existing shareholders who are institutional or professional investors in any other jurisdictions as determined by ACQ) to be made under section 708AA of the Corporations Act 2001 (Ch) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73) (**Entitlement Offer**). The Entitlement Offer will not be underwritten by any party.

NO RECOMMENDATION, OFFER, INVITATION OR ADVICE

This Presentation is not a prospectus, product disclosure statement, financial product or investment advice or other offering document under Australian law (and will not be lodged with the Australian Securities and Investments Commission (**ASIC**)) or any other law. The purpose of this Presentation is to provide general information only and the contents of the Presentation do not purport to provide investment advice. Investors should make their own independent assessment of the information in this Presentation including the assumptions, uncertainties and contingencies which may affect ACQ's future operations and the values and the impact that future outcomes may have on ACQ and obtain their own independent advice from a qualified financial adviser having regard to their objectives, financial situation and needs before taking any action. The Presentation does not take into account the investment objectives, financial situation or particular needs of any person and should not be used as the basis for making investment, financial or other decisions. The information is selective and may not be complete or accurate for your particular purposes and should not be construed as a recommendation to invest in any particular investment or security, or fund/company offered by ACQ or Acorn Capital Limited (**Acorn Capital**). This Presentation should be read in conjunction with ACQ's other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au.

The Entitlement Offer will be made on the basis of the information contained in the offer booklet to be prepared for eligible shareholders of the Company in Australia and New Zealand (**Offer Booklet**), and made available following its lodgement with ASX. Any eligible shareholder in Australia or New Zealand who wishes to participate in the Entitlement Offer should consider the Offer Booklet before deciding whether to apply for New Shares under the Entitlement Offer. Anyone who wishes to apply for New Shares under the Entitlement Offer will need to apply in accordance with the instructions contained in the Offer Booklet and the entitlement and acceptance form.

DISCLAIMER

The information provided in the Presentation has been prepared in good faith and with reasonable care, and is believed to be accurate at the time of compilation, no representation or warranty, express or implied, is made as to the accuracy, adequacy or reliability of any statements, estimate, opinions or other information contained in the Presentation. Neither Acorn Capital, ACQ, nor its directors or employees make any representation or warranty as to the accuracy, reliability, timeliness or completeness of the information.

Acorn Capital and its officers, employees agents and advisers have not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this Presentation and none of them makes or purports to make any statement in this Presentation and there is no statement in this Presentation which is based on any statement by any of them. To the maximum extent permitted by law, ACQ, Acorn Capital and each of their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents:

- exclude and disclaim all liability (including, without limitation, for negligence) for any direct or indirect expenses, losses, damages or costs incurred as a result of participation in the Entitlement Offer or the information in this Presentation being inaccurate or incomplete in any way for any reason; and
- make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this Presentation and take no responsibility for any part of this Presentation.

Any recipients of this Presentation should independently satisfy themselves as to the accuracy of all information contained herein.

FORWARD LOOKING STATEMENTS

The information in this Presentation is subject to change without notice and ACQ is not obliged to update or correct it. This Presentation contains statements that constitute "forward-looking statements". The forward-looking statements in this Presentation include statements regarding ACQ's intent, belief or current expectations with respect to the timetable, conduct and outcome of the Entitlement Offer and the use of proceeds therefore, statements about the plans, objectives and strategies of the management of ACQ, statements about the industry and markets in which ACQ operates, statements about the future performance of ACQ's investments and its financial condition, indicative drivers, forecasted economic indicators and the outcome of the Entitlement Offer and the use of proceeds. Words such as "will", "may", "expect", "indicative", "intent", "seek", "would", "should", "could", "continue", "plan", "probability", "risk", "forecast", "likely", "estimate", "anticipate", "believe", "aim" or similar words are used to identify forward-looking statements.

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19. Any such statements, opinions and estimates in this Presentation speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this Presentation are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of ACQ, its officers, employees, agents and advisers, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Forward-looking statements may also assume the success of ACQ's investment strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond ACQ's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward looking statements may have been prepared or otherwise. Refer to the 'Risk factors' in slides 18 to 21 of this Presentation for a non-exhaustive summary of certain key business, offer and general risk factors that may affect ACQ.

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Disclaimer and Important Information (Continued)

FORWARD LOOKING STATEMENTS (Continued)

There can be no assurance that actual outcomes will not differ materially from these statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, the Australian and global economic environment and capital market conditions and other risk factors set out in this Presentation. Investors should consider the forward-looking statements contained in this Presentation in light of those risks and disclosures. The forward-looking statements are based on information available to ACQ as at the date of this Presentation. To the maximum extent permitted by law, responsibility for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise is disclaimed. ACQ disclaims any responsibility to update or revise any forward-looking statement to reflect any change in ACQ's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law.

JURISDICTION

The distribution of this Presentation including in jurisdictions outside Australia, may be restricted by law. Any person who receives this presentation must seek advice on and observe any such restrictions.

This Presentation may not be distributed or released in the United States. This Presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The New Shares to be offered and sold under the Entitlement Offer have not been, and will not be, registered under the U.S. Securities Act of 1933 (the **U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, to any person in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws.

Each institution that reviews the document that is in the United States, or that is acting for the account or benefit of a person in the United States, will be deemed to represent that each such institution or person is a "qualified institutional buyer" within the meaning of Rule 144A of the *Securities Act of 1933*, and to acknowledge and agree that it will not forward or deliver this document, electronically or otherwise, to any other person. No securities may be offered, sold or otherwise transferred except in compliance with the registration requirements of applicable securities laws or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws.

By accepting this Presentation you represent and warrant that you are entitled to receive such Presentation in accordance with the above restrictions and agree to be bound by the limitations contained herein.

The distribution of this Presentation (including an electronic copy) may be restricted by law in certain other countries. You should read the important information set out in the 'Foreign selling restrictions' below. Failure to comply with these restrictions may constitute a violation of applicable securities laws.

FOREIGN SELLING RESTRICTIONS – NEW ZEALAND

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMCA Act**). The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMCA Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016. Other than in the Entitlement Offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMCA Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMCA Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMCA Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMCA Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMCA Act.

MARKET AND INDUSTRY DATA

Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. None of ACQ, its representatives or advisers have independently verified any such market or industry data provided by third parties or industry or general publications.

PAST PERFORMANCE

Past performance and pro forma historical financial information in this Presentation is given for illustrative purposes only and should not be relied upon and is not an indication of future performance, including future share price information. Historical information in this Presentation relating to ACQ is information that has previously been released to the market. For further details on that historical information, please see past announcements released by the Company to the ASX.

Disclaimer and Important Information (Continued)

INVESTMENT RISK

An investment in ACQ securities is subject to investment and other known and unknown risks, including possible loss of income and principal invested, some of which are beyond the control of ACQ. ACQ does not guarantee any particular rate of return or the performance of ACQ securities nor does it guarantee the repayment of capital from the Company or any particular tax treatment. Recipients should read the 'Risk factors' in slides 18-21 of this Presentation for a non-exhaustive summary of the key risks that may affect ACQ and its financial and operating performance. All amounts are in Australian dollars unless otherwise indicated.

FINANCIAL INFORMATION AND REFERENCES TO ACQ

This Presentation may include certain historical financial information extracted from ACQ's audited financial statements with respect to net tangible assets of the Company for the year ended 30 June 2020 (collectively, the **Historical Financial Information**). The Historical Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information as required by the Australian Accounting Standards (**AAS**) and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. The Historical Financial Information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of ACQ's views on its future financial condition and/or performance. Investors should be aware that certain financial measures included in this Presentation are 'non-IFRS financial information' under ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial information' published by ASIC, and are not recognised under AAS or International Financial Reporting Standards (**IFRS**). Such non-IFRS financial information does not have a standardised meaning prescribed by AAS or IFRS. Therefore, the non-IFRS financial information may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Although ACQ believes these non-IFRS financial measures provide useful information to investors in measuring the financial performance and condition of ACQ's investments, investors are cautioned not to place undue reliance on any non-IFRS financial information included in this Presentation.

In this presentation references to 'ACQ', 'we', 'us' and 'our' are to ACQ, Acorn Capital and their controlled subsidiaries.

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

WITHDRAWAL AND COOLING-OFF

ACQ reserves the right to withdraw, or vary the timetable for any part of the Entitlement Offer without notice. Cooling off rights do not apply to the acquisition of New Shares.

Key facts at a glance as at 31 August 2020

Pre-tax NTA ⁽¹⁾	\$ 1.40	Gross portfolio return since inception ⁽²⁾⁽⁶⁾	+13.3%p.a.
Post-tax NTA ⁽¹⁾	\$ 1.31	S&P/Small Ordinaries Accumulation Index (Benchmark) since inception ⁽³⁾	+7.5%p.a.
ACQ share price	\$1.19	S&P/Emerging Companies Accumulation Index since inception ⁽³⁾	+9.4 %p.a.
2020 Interim + Final Dividend	7.5c	Number of Investments	78
Implied cash dividend yield (based on share price)	6.3% ⁽⁴⁾	Number of Unlisted Investments Current in Portfolio	21
% Franked ⁽⁵⁾	100%	% of Portfolio Unlisted	29% by value

Shares Outstanding 53.6m

1. Monthly Net Tangible Assets (NTA) is determined in accordance with ACQ valuation policies. The valuation of unlisted investments at the time of liquidity may be in-excess of the value recognised in the NTA as at 31 August 2020.
2. Acorn Capital estimates as at 31 August 2020, reported portfolio return since inception is +10.5% p.a. Refer 31 August Monthly investment update released to the ASX on 9 September 2020 for more information.
3. Inception is the date ACQ listed on the ASX which was 1 May 2014
4. Based on the ACQ share price as at 31 August 2020
5. Dividends paid are estimated to be franked at a rate of 26% (subject to availability of franking credits).
6. Past performance is not a reliable indicator of future performance

ACQ entitlement offer

Key dates⁽¹⁾

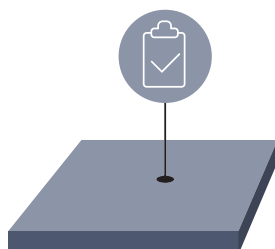
Announcement of Entitlement Offer	Monday, 14 September 2020
Ex-Date for Entitlement Offer	Monday, 21 September 2020
Record Date for Entitlement Offer	Tuesday 22 September 2020 (7.00pm AEST)
Entitlement Offer closes (5.00pm AEST)	Tuesday, 6 October 2020
New Shares under the Entitlement Offer quoted on a deferred settlement basis	Wednesday, 7 October 2020
Announcement of Entitlement Offer shortfall	Friday, 9 October 2020
Settlement of New Shares issued under the Entitlement Offer	Monday, 12 October 2020
Allotment of New Shares issued under the Entitlement Offer and despatch of holding statements	Tuesday, 13 October 2020
Trading of New Shares issued under the Entitlement Offer on a normal basis	Wednesday, 14 October 2020
Ex-Dividend Date	Thursday, 12 November 2020
Dividend Payment Date	Friday, 27 November 2020

The ACQ Board is pleased to offer shareholders the opportunity to increase their interest in the Company with the announcement of an entitlement offer where existing shareholders⁽²⁾ have the opportunity to acquire 1 new ordinary fully paid share in Acorn Capital Investment Fund at a price of \$1.10 per share for every 4 shares that they hold as at the Record Date for the Entitlement Offer.

Existing shareholders will also have the opportunity to apply for additional shares (up to 400% of their entitlement) that are available in the entitlement offer shortfall.

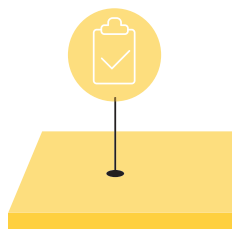
Shareholders who participate in the entitlement offer will be entitled to receive the fully franked final dividend of 3.75 cents per share on shares issued under the entitlement offer.

1. The above dates are subject to change and are indicative only. ACQ reserves the right to amend this indicative timetable subject to the Corporations Act and the Listing Rules
2. The number of shares available to an existing shareholders are calculated on the number of shares as at the Record Date for Entitlement Offer



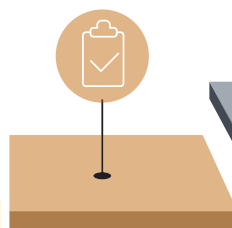
Proven strategy

- ACQ Investment strategy has outperformed its Benchmark since inception⁽¹⁾
- Strategy has delivered a return of +16.2%⁽²⁾ in 12 months to 31 August 2020 outperforming the S&P/Small Ordinaries Accumulation Index by +14.1%



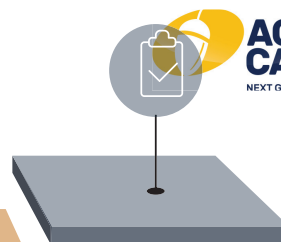
Attractive dividend yield

- 7.5 cents in fully franked dividends declared in past 12 months
- 3.75 cent 2020 final dividend declared and payable on 27 November 2020
- 42.5 cents per share in dividend reserves⁽³⁾
- ACQ has a policy of paying a dividend of at least 5% of the 30 June Post-Tax NTA⁽⁴⁾



Attractive market opportunity

- ACQ investment strategy has generated strong market returns
- Experience of recent attractive primary market investment opportunities
- 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

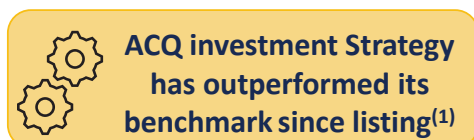


Benefits to all shareholders

- An opportunity to acquire shares in ACQ at a discount to prevailing share price⁽⁵⁾ and access to the final 2020 dividend
- Increased benefit of scale for the Company including: lower fixed costs as a percentage of total assets⁽⁴⁾; increased relevance to the market, improved prospect of broker and research coverage, interest from financial planners

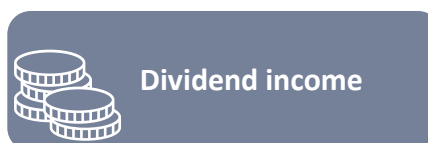
1. Date of listing 1 May 2014
2. Portfolio performance is unaudited and calculated as the movement in NTA before tax effects, which is post all management fees, performance fees and operating costs. Performance includes dividends paid and payable but has not been grossed up for franking credits received 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.
3. Estimated by Acorn Capital as at 30 June 2020
4. Refer ACQ ASX release dated 31 August 2020 for more information
5. As at 11 September 2020

ACQ investment strategy has demonstrated its ability to deliver positive investment outcomes



ACQ investment Strategy has outperformed its benchmark since listing⁽¹⁾

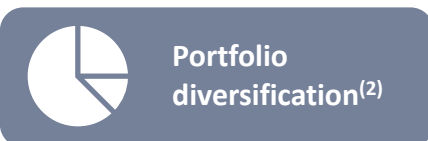
Investor outcomes



Dividend income



Capital growth

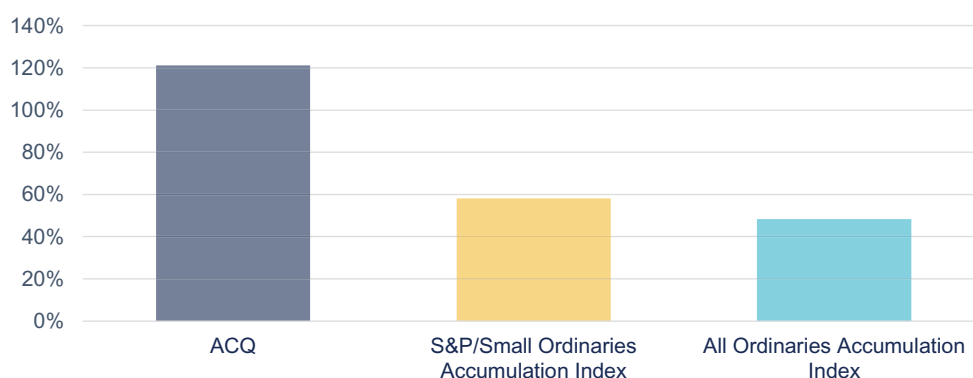


Portfolio diversification⁽²⁾

1. The ACQ gross portfolio return has outperformed the S&P/Small Ordinaries Accumulation Index by 5.8% 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

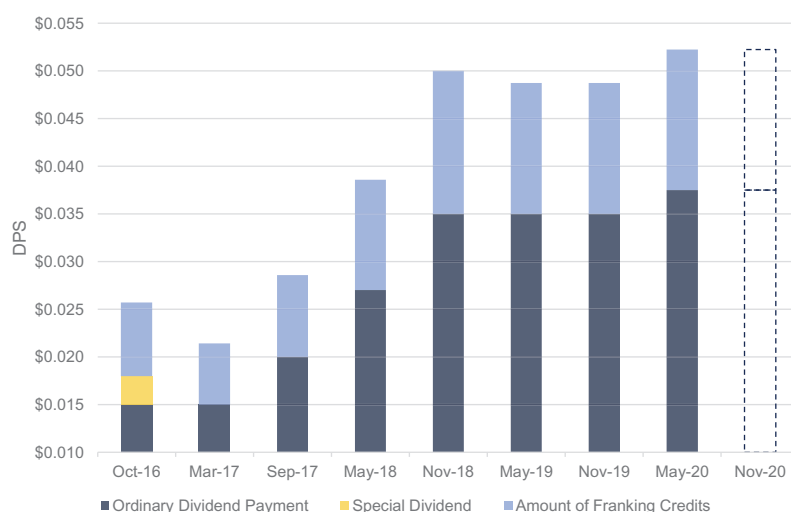
ACQ investment strategy has delivered investment returns⁽¹⁾ in excess of its benchmark⁽²⁾

Since inception⁽³⁾ cumulative gross return (including dividends) of ACQ investment strategy relative to market indices as at 31 August 2020



1. Unaudited calculated by Acorn Capital, based on performance returns before all fees and costs and using last trade price for listed securities in the portfolio. Past performance is not a reliable indicator of future performance.
2. S&P/Small Ordinaries Accumulation index
3. Inception is 1 May 2014

ACQ has declared and paid 25.7 cents per share in fully franked dividends since inception¹

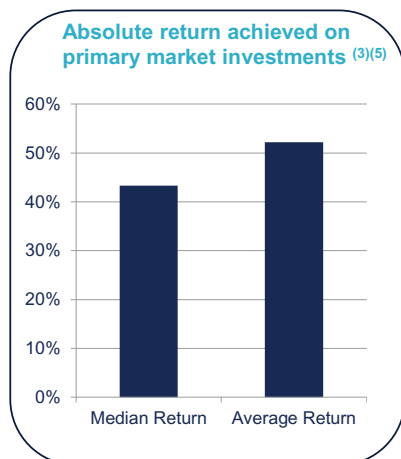


Dividend Reserves

42.5 cps ⁽²⁾
(\$22.8m) ⁽³⁾

1. ASX listing date 1 May 2014
2. Cents Per Share (CPS)
3. As at 30 June 2020

Experience of recent attractive primary⁽¹⁾ market investment opportunities⁽²⁾



85% positive return on all primary market transactions⁽³⁾⁽⁶⁾

+67% median return on IPOs⁽⁴⁾⁽⁶⁾

18% average discount on primary market investments⁽⁵⁾⁽⁶⁾

ACQ participates in offers that are only available to institutional and wholesale investors⁽⁷⁾

1. Primary investment refers to a situation where a company raises capital through the issuance of new securities
2. Recent is defined to be period from 31 March 2020 to 7 September 2020
3. Acorn Capital unaudited estimates based on 40 primary market observations for the period 31 March 2020 to 7 September 2020, calculated by comparing the issue price of the primary market to the last trade price as at 7 September 2020
4. Acorn Capital unaudited estimates based on 3 IPO events that its advised clients have participated in since 31 March 2020
5. Acorn Capital unaudited estimates based on 37 primary market observations for the period 31 March 2020 to 7 September 2020. Discount calculated as the difference between the security issue price and security last trade price on the issue date (the date on which those securities were available to trade). Median discount 13%
6. There is no assurance that historical returns are representative of future returns
7. That is investors to whom an offer of securities does not require disclosure by reason of section 708 of the Corporations Act 2001(Cth.)

Acorn Capital has built a private investment and management capability over the past 11 years

21 current unlisted investments representing 29% of ACQ portfolio

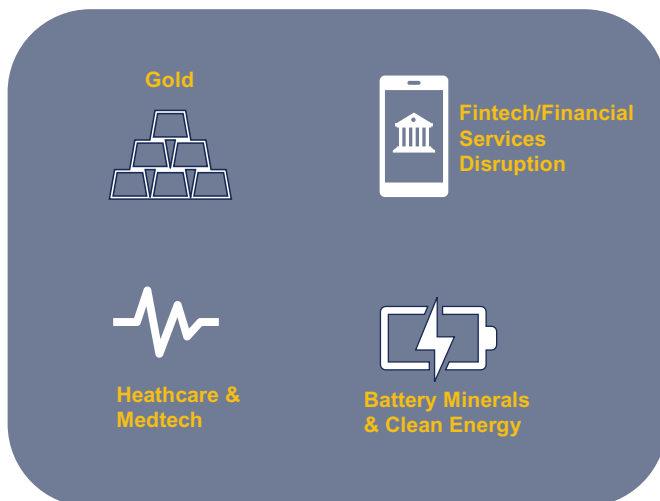
+57% weighted average valuation uplift on liquidity⁽¹⁾

Absolute return⁽²⁾ achieved on selected unlisted investments



1. Of the 21 unlisted investments that have reached a liquidity event as at 31 August 2020 the weighted average uplift is 58% (average 60%), compared to the unlisted portfolio valuation immediately preceding the liquidity revaluation event
2. Calculated as the absolute value of the profit on the investment at the time of liquidity event or the current portfolio value if still unlisted as a percentage of total capital invested. Where the liquidity event is a listing on a stock exchange the return is calculated as the VWAP on the day of listing and does not include the return beyond that date as a listed investment within the ACQ portfolio. Investors should consider the total portfolio return when evaluating the ACQ investment returns.
3. Investment is still unlisted as at 31 August

Acorn Capital is positioning ACQ's portfolio to capture value from changes in demand



Acorn Capital classifications



Access to investment opportunities, such as CleanSpace that are performing strongly in current economic environment

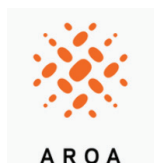


- CleanSpace has been an approved product since 2011 in A/NZ & Europe
- Patented breath responsive positive pressure system technology
- Frontline solution for respiratory protection of healthcare workers – explosive growth in the COVID-19 environment
- Strong customer engagement across Australian, Asian, European and US hospitals
- Upfront powered air respirator sales with recurring consumable products growing with installed base

CleanSpace®
+ HEALTHCARE

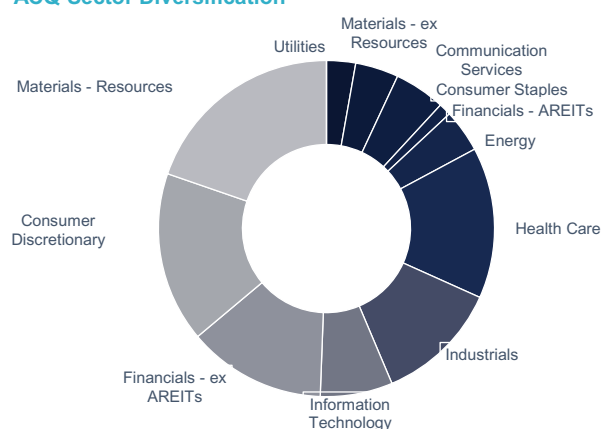


Top 10 largest investments in alphabetical order

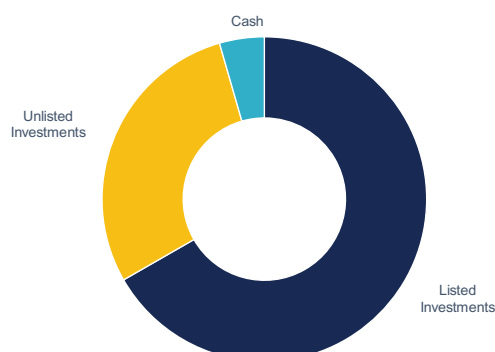


ACQ gives investors access to listed and unlisted companies distinguished by their smaller size and stage of development through a single diversified portfolio

ACQ Sector Diversification



ACQ Portfolio Composition



Source: Acorn Capital, as at 31 August 2020

Benefits to ACQ shareholders of entitlement offer

Increased
market
relevance

Attractive
pricing

Attractive
dividend
yield

Increased
scale

Use of Funds

The entitlement offer is an offer of up to 13,405,761 shares at a price per share of \$1.10. The funds raised under the offer will be deployed into the Company's investment strategy.

Capital structure following the entitlement offer assuming the maximum number of new shares are subscribed for under the offer

Shares on issue at the date of this Offer Booklet	53,623,042
New Shares to be issued under the Entitlement Offer (if fully subscribed)	13,405,761
Shares on issue after completion of the Entitlement Offer (if fully subscribed)	67,028,803

Important: Risks associated with Entitlement Offer

Risks to be Considered by Investors

This section describes the key business risks of investing in ACQ together with the risks relating to participation in the Entitlement Offer, which may affect the value of ACQ shares and ACQ's ability to operate as a going concern. It does not describe all the risks of an investment. Before investing in ACQ, you should be aware that an investment in ACQ has a number of risks, some of which are specific to ACQ and some of which relate to listed securities generally, and many of which are beyond the control of ACQ.

Investors should consult their own professional, financial, legal and tax advisers about those risks and the suitability of investing in light of their particular circumstances. Investors should also consider publicly available information on ACQ (including information available on the ASX website) before making an investment decision.

References to "ACQ" or "the Company" in the risks section of this Presentation include ACQ and its related bodies corporate (as defined in the Corporations Act), where the context requires.

Risk Associated with Shares Issued Under Entitlement Offer	<p>New Shares acquired under this Entitlement Offer referred to in this document are considered speculative because of the inherent risks associated with a listed investment company like ACQ. In addition, there are risks inherent in investing in the share market in general.</p> <p>The Directors have considered and identified the critical areas of risk associated with acquiring New Shares.</p> <p>This investment is regarded as highly speculative. Neither the Company nor any of its Directors nor any other party associated with the preparation of the Entitlement Offer guarantees that any specific objectives of the Company will be achieved or that any particular performance of the Company or of its Shares, including those offered by the Entitlement Offer, will be achieved.</p> <p>There are risks associated with an investment in Shares. The risks associated with an investment in New Shares include the risks associated with an investment in ACQ. The Company should not be seen as a predictable, low-risk investment. The Company's investments are principally in listed and unlisted microcap and other companies and the Company should therefore be viewed as having a significantly higher risk profile than cash assets.</p> <p>To reduce the impact of risk, it is important to obtain professional advice suited to your investment objectives, financial situation and particular needs. Shareholders should read the Entitlement Offer document in full and obtain professional advice if they require further information on material risks.</p>
Risks associated with Shares	<p>New Shares acquired under the Entitlement Offer entitle the Recipient to participate in an increase in the value of ACQ, by way of dividends that may be declared by ACQ in the future (refer to the ASX announcement dated 31 August 2020 for information on the Company's dividend policy) and in the assets of ACQ if it is wound up.</p> <p>ACQ, being a company listed on ASX, is subject to the market forces that influence the broad share market trends and the price of securities of individual companies. Recent global political and economic events, including the continuing threat of terrorism and the global financial climate, may cause share price fluctuations in the Australian share market and globally. Fluctuations in the price of the New Shares are therefore a key risk for Recipients.</p>
Company Specific Risks	
Reliance on the Investment Manager	<p>The success and profitability of the Company in part will largely depend on the ability of Acorn Capital Limited ACN 082 694 531, being the manager of the Company's investment portfolio (Portfolio and Investment Manager) to manage the Portfolio in a manner that complies with the Company's objectives, strategies, policies, guidelines and permitted investments set out in the Entitlement Offer. Even if the Company does not perform as expected, it may be difficult to remove the Investment Manager.</p> <p>The ability of the Investment Manager to continue to manage the Portfolio may be compromised by such events as the loss of its Australian Financial Services Licence (AFSL) or its non-compliance with conditions under its AFSL or the Corporations Act. If the Investment Manager ceases to manage the Portfolio or the management agreement between the Investment Manager and the Company dated 11 March 2014 (as varied) (Management Agreement) is terminated, the Company will need to identify and engage a suitably qualified and experienced investment manager to implement the investment strategy.</p>
Reliance on the Investment Manager	<p>The success and profitability of the Company in part will largely depend on the Investment Manager's ability to manage the Portfolio in a manner that complies with the Company's objectives, strategies, policies, guidelines and permitted investments set out in the Entitlement Offer. Even if the Company does not perform as expected, it may be difficult to remove the Investment Manager.</p> <p>The ability of the Investment Manager to continue to manage the Portfolio may be compromised by such events as the loss of its AFSL or its non-compliance with conditions under its AFSL or the Corporations Act. If the Investment Manager ceases to manage the Portfolio or the Management Agreement is terminated, the Company will need to identify and engage a suitably qualified and experienced investment manager to implement the investment strategy.</p>
Key Person Risk	<p>The staff of the Investment Manager consists of ten investment professionals. The Company is exposed to the risk that certain or all of these investment professionals cease to be involved with the Investment Manager.</p>
Investment Strategy Risk	<p>The success and profitability of the Company in part will depend upon the ability of the Investment Manager to invest in a Portfolio which will have the ability to generate a return for the Company. The past performance of portfolios managed by the Investment Manager is not a reliable guide to future performance of the Portfolio. There are risks inherent in investments in listed and unlisted microcap (and other) companies.</p>
Sector risk	<p>The Company invests in listed and unlisted microcap (and other) companies. Microcap companies are likely to be at an early stage of development and therefore possess limited financial profiles. They may face a high degree of business and financial risk. Such companies are highly reliant on external funding from capital providers including the Company. To the extent that such capital becomes difficult to access, the viability of such investee companies may be challenged. The liquidity of listed microcap companies is typically less than that of larger listed companies. There is a risk that the Investment Manager may be unable to easily convert the Portfolio to cash which may result in the Company incurring losses if cash is required within a particular timeframe.</p>

Important: Risks associated with Entitlement Offer (Continued)

Company Specific Risks (Continued)

Manager Risk	<p>The success and profitability of the Portfolio in part will depend upon the ability of the Investment Manager to make investments that increase in value over time and the retention of the Investment Manager as manager of the Portfolio (together with the retention of the Investment Manager's investment professionals). The following factors may affect the Investment Manager's performance:</p> <ol style="list-style-type: none"> 1. poor investment strategy and securities selection in that the Investment Manager may be unable to construct a Portfolio in accordance with the Company's investment strategy, strategy guidelines and permitted investments and even if it does so, there can be no guarantee that the investment strategy will be successful or that the Investment Manager will not make investment decisions that result in unprofitable outcomes; 2. changing conditions such as: <ol style="list-style-type: none"> i. negative changes in market sentiment to microcap companies or equities in general; and ii. changes in a specific sector of microcap companies which adversely affects such sector's financial and market performance, 3. may adversely affect the investment strategy and decisions; 4. loss of key clients and/or personnel; 5. market perception of the Investment Manager and its funds management business; 6. market and systemic risk; and 7. loss or imposition of restrictions on the Investment Manager's AFSL.
Unlisted Security Risk	<p>The Company's Portfolio includes a number of unlisted securities. In general there is less government regulation and supervision of transactions in the unlisted securities market than of transactions entered into in regulated financial markets. In addition, many of the protections afforded to participants on regulated financial markets may not be available in connection with unlisted securities. There is a risk that in unlisted investments undertaken by the Company, the direct counterparty of the Company will not perform its obligations under the transactions and that the Portfolio consequently suffers losses. In addition, there may be little or no liquidity in unlisted securities and it may be difficult to establish a robust market price for them. Many unlisted securities are relatively illiquid or have low trading volume. This could enhance the volatility of the price of the securities and/or make it difficult to sell the securities at a later date. The valuation of unlisted securities is more difficult to calculate than listed securities. Valuations may be misleading.</p>

Significant risks in investing in the Company

Market Risk	<p>Broad market risks include movement in domestic and international securities markets, movements in foreign exchange rates and interest rates, changes in taxation laws and other laws affecting investments and their value. The Portfolio will be exposed to market and liquidity risks. Certain events may have a negative effect on the price of all types of investments within a particular market. Microcap investments, particularly unlisted microcap investments, may be difficult or impossible to realise at a fair price. These events may include changes in economic, social, technological or political conditions, as well as market sentiment. Even in a strong share market, the Portfolio may underperform against the market indices.</p>
Impact of COVID-19	<p>There is continued uncertainty as to the ongoing impact of COVID-19 on the Australian economy and share markets including in relation to governmental action, work stoppages, university and school stoppages, lockdowns, quarantines, travel restrictions and the impact on the Australian economy and equity and debt capital markets. Any of these events and resulting market fluctuations may materially adversely impact ACQ's earnings or the market price of ACQ's ordinary shares, particularly considering that there is a real possibility that any of ACQ's microcap investments may face pressures if the unemployment rate increases in Australia or Australian economic conditions worsen. Such impacts of the pandemic on ACQ may materially and adversely impact the net tangible asset of the Portfolio.</p>
Acquisition activities	<p>From time to time ACQ evaluates acquisition opportunities. Any acquisition would lead to a change in ACQ's net tangible asset and could increase the volatility of its earnings. Integration of new investments into the Portfolio may be costly, may not generate expected earnings and may occupy a large amount of management's time. There is no guarantee that future potential acquisitions will be available on favourable terms or that they will be successfully integrated.</p>
Compensation Fee Structure Risk	<p>The Investment Manager is expected to receive compensation based on the performance of the Portfolio. Performance fee arrangements may create an incentive for the Investment Manager to make more speculative or higher risk investments than might otherwise be the case.</p>
Regulatory Risk	<p>All investments carry the risk that their value may be affected by changes in laws and regulations, especially taxation laws. Regulatory risk includes risk associated with variations in the taxation laws of Australia or other jurisdictions in which the Company holds investments. Future changes in taxation law may impact the future tax liabilities of ACQ or may affect taxation treatment of an investment in ACQ shares, or the holding or disposal of those shares. Tax liabilities are the responsibility of each individual shareholder.</p>
Interest Rate Risk	<p>Interest rate movements may adversely affect the value of the Company through their effect on the price of a security and the cost of borrowing.</p>
Liquidity Risk	<p>The Company is exposed to liquidity risk in relation to the investments within its Portfolio. If a security cannot be bought or sold quickly enough to minimise potential loss the Company may have difficulty satisfying commitments associated with financial instruments.</p>

Important: Risks associated with Entitlement Offer (Continued)

Risks Associated with Investments in Shares

Market Risk	<p>Share markets tend to move in cycles, and share prices may fluctuate and underperform other asset classes over extended periods of time. The value of the New Shares quoted on the ASX may rise or fall depending on a range of factors beyond the control of the Company. Shareholders of the Company are exposed to this risk both through their holding in New Shares as well as through the Company's Portfolio.</p>
Economic Risk	<p>Investment returns are influenced by numerous economic factors. These factors include changes in the economic conditions (e.g. changes in interest rates or economic growth), changes to legislative and political environment, as well as changes in investor sentiment.</p> <p>In addition, exogenous shocks, natural disasters and acts of terrorism and financial market turmoil (such as the global financial crisis) can (and sometimes do) add to equity market volatility as well as impact directly on individual entities. As a result, no guarantee can be given in respect of the future earnings of the Company or the earnings and capital appreciation of the Portfolio or appreciation of the Company's share price.</p>
Liquidity Risk	<p>The Company is a listed entity, therefore the ability to sell shares will be a function of the turnover of the shares at the time of sale. Turnover itself is a function of the size of the Company and also the cumulative investment intentions of all current and possible investors in the company at any one point in time.</p>
Discount to NTA	<p>The Company is listed on the ASX and shares may not trade in line with the underlying value of the Portfolio. Shares may trade at a discount or a premium to NTA.</p>
Time Frame for Investment	<p>Recipients are strongly advised to regard any investment in the Company as a medium-to-long term proposition for at least 7 years and to be aware that, as with any investment, substantial fluctuations in the value of their investment may occur over that period. Even if the investments made by the Company prove successful, they are unlikely to produce a realised return for a number of years.</p>
Risks associated with not taking up New Shares under the Entitlement Offer	<p>You should note that if you do not take up all or part of your Entitlement, then your percentage shareholding in ACQ will be diluted by not participating to the full extent in the Entitlement Offer. Investors may also have their investment diluted by future capital raisings by ACQ. ACQ may issue new securities in the future to finance acquisitions or pay down debt which may, under certain circumstances, dilute the value of an investor's interest. Before deciding whether to take up New Shares under the Entitlement Offer, you should seek independent advice.</p>
General Risks	
General Economic Climate	<p>Factors such as inflation, currency fluctuations, interest rates, legislative changes, political decisions and industrial disruption have an impact on operating costs. The Company's future income, asset values and Share price can be affected by these factors and, in particular, by the market price for any products or services that the Company may acquire or sell.</p>
Stock Market Conditions	<p>There are general risks associated with an investment in the share market. As such, the value of New Shares may rise above or fall below the offer price, depending on the financial position and performance of the Portfolio and other factors. Further, the market price of ACQ shares will fluctuate due to various factors, many of which are non-specific to ACQ, including:</p> <ul style="list-style-type: none"> • operating results of ACQ that may vary from expectations of securities analysts and investors; • recommendations by brokers and analysts; • general movements in Australian and international stock markets, including market volatility; • investor sentiment and the risk of contagion; • Australian and international general economic conditions, including changes in inflation rates, interest rates, exchange rates, commodity prices, employment levels and consumer demand; • changes in Australian and foreign government regulation and fiscal, monetary and regulatory policies; • global geo-political events and international hostilities, acts of terrorism and the response to COVID-19; • loss of key personnel and delays in replacement; • announcement of new technologies; and • future issues of ACQ securities. <p>In the future, these factors may cause ACQ shares to trade at a lower price.</p> <p>The share prices for many listed companies have in recent times been subject to wide fluctuations and high volatility, which in many cases may reflect a diverse range of non-company specific influences referred to above. In particular, the events relating to COVID-19 have recently resulted in significant market falls and volatility both in Australia and overseas, including in the prices of securities trading on the ASX.</p> <p>It is also possible that new risks may emerge as a result of domestic or foreign markets experiencing extreme stress, or existing risks (including the impacts of COVID-19) may evolve in ways that are not currently foreseeable. The equity capital markets have in the past and may in the future be subject to significant volatility.</p> <p>No assurances can be given that the New Shares will trade at or above the Offer Price. None of ACQ, its Board, the Authorised Intermediary, or any other person guarantees the market performance of the New Shares.</p>

Important: Risks associated with Entitlement Offer (Continued)

General Risks (Continued)

Government Policy Changes	Any material adverse changes in government policies or legislation of any countries in which it may operate may affect the viability and profitability of the Company.
Foreign Currency and Exchange Rate Fluctuations	<p>Revenue and expenditure of the Company may be domiciled in currencies other than Australian dollars and as such expose the Company to foreign exchange movements, which may have a positive or negative influence on the Australian dollar equivalent of such revenue and expenditure.</p> <p>The Company will appropriately monitor and assess such risks and may from time to time implement measures, such as foreign exchange currency hedging, to assist managing these risks. However, the implementation of such measures may not eliminate all such risks and the measures themselves may expose the Company to related risks.</p>
Speculative Nature of Investment	<p>The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares.</p> <p>Therefore, the New Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares.</p> <p>Potential investors should consider that the investment in the Company is speculative</p>

Further Information
www.ACQfund.com.au

4. Effect of the Entitlement Offer

4.1 Effect of the Entitlement Offer on capital structure

The capital structure of the Company assuming that the maximum number of New Shares are issued under the Entitlement Offer, will be as follows:

Shares	Number
Shares on issue as at Friday, 25 September 2020	53,623,042
New Shares offered under the Entitlement Offer as per this Offer Booklet (if fully subscribed)	13,405,761*
Total Shares on issue on close of the Entitlement Offer (if fully subscribed)	67,028,803*

*Note: Exact number of Shares issued under the Entitlement Offer depends on fractional Entitlements on the Record Date.

4.2 Financial effect of the Entitlement

Please see slide 17 of the Investor Presentation for the financial effect of the Entitlement Offer on the Company.

4.3 Impact on control

The potential effect that the Entitlement Offer will have on the control of the Company and the consequences of that effect, will depend on a number of factors, including Eligible Shareholders' interest in taking up their Entitlements. The Entitlement Offer is not expected to have a material impact on the control of the Company.

4.4 Directors and directors interests

All Directors currently intend to participate in whole or in part in the Entitlement Offer. Each Director reserves the right to not participate or to only participate in part. Note that the Directors cannot participate in the Top Up Offer.

As at 25 September 2020, the Directors have a relevant interest in the Company's securities as follows:

Director	Shares	Other securities
John Steven	75,000	-
Judith Smith	25,000	-
David Trude	30,000	-
Robert Brown	68,623	-
Barry Fairley	1,345,813	-

5. Risk factors

5.1 Introduction

The Company's operations are subject to a number of risks which may impact on its future performance and forecasts. Before subscribing for New Shares, Shareholders should carefully consider and evaluate the Company and its business and whether the New Shares are suitable to acquire having regard to their own investment objectives and financial circumstances and taking into consideration the material risk factors.

In particular, Shareholders should consider the risk factors outlined in the *Key Risks* section of the Investor Presentation included in this Offer Booklet, any of which could affect the operating and financial performance of the Company or the value of an investment in the Company. The risk factors set out in the *Key Risks* section of the Investor Presentation are not exhaustive.

You should consult your stockbroker, accountant, solicitor or other independent professional adviser to evaluate whether or not to participate in the Entitlement Offer. The Company will apply to ASX for the grant of official quotation of the New Shares. It is expected that New Shares proposed to be issued under the Entitlement Offer will commence trading on a deferred settlement basis on Wednesday, 7 October 2020. It is expected that normal trading on ASX will commence in relation to New Shares issued under the Entitlement Offer on Wednesday, 14 October 2020. The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law, including for negligence) to persons who trade New Shares before the New Shares are listed on the official list of ASX or before they receive their written confirmation of issue, whether on the basis of confirmation of the allocation provided by the Company, the Share Registry or Authorised Intermediary. ASX accepts no responsibility for any statement in this Offer Booklet.

5.2 New Zealand Shareholders

New Zealand Shareholders should also consider the taxation and currency risks associated with investing in New Shares.

6. Foreign jurisdictions

This Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the New Shares or otherwise permit the public offering of the New Shares in any jurisdiction outside of Australia or New Zealand.

Making your BPAY® payment will be taken by the Company to constitute a representation by you that there has been no breach of any such laws.

The distribution of this Offer Booklet (including an electronic copy) outside Australia and New Zealand may be restricted by law. If you come into possession of this Offer Booklet, you should observe such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Due to legal restrictions, nominees and custodians may not send copies of this Offer Booklet or any material relating to the Entitlement Offer or accept the Entitlement Offer in relation to any person in any other jurisdiction outside Australia or New Zealand except to beneficial Shareholders who are institutional or professional investors in certain foreign countries as the Company may otherwise permit in compliance with applicable law.

This Offer Booklet may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia and New Zealand except to the extent permitted below.

6.1 New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the *Financial Markets Conduct Act 2013* and *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016*.

This Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (New Zealand). This Offer Booklet is not a product disclosure statement or other disclosure document under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement or other disclosure document under New Zealand law is required to contain.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products. The offer of New Shares may involve a currency exchange risk as they will be quoted on the ASX in Australian dollars.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

7. Taxation

Taxation is only one of the matters that must be considered when making a decision whether or not to participate in the Entitlement Offer and subscribe for New Shares.

Set out below is a summary of the Australian taxation implications of participating in the Entitlement Offer for Eligible Shareholders who are residents of Australia for taxation purposes and who hold their Shares (and any New Shares acquired on exercise of their Entitlements) as capital assets.

This section does not consider the Australian taxation consequences for particular types of Eligible Shareholders, including those who:

- (a) hold their Shares as assets used in carrying on a business or who may carry on the business of share trading, banking or investment; or
- (b) hold their Shares through an employee share scheme or whose Shares are held as revenue assets or trading stock; or
- (c) may be subject to special taxation rules, such as insurance companies, partnerships, income tax exempt organisations, trusts (except where expressly stated), superannuation funds (except where expressly stated) or temporary residents; or
- (d) are tax residents of any jurisdiction other than Australia (including New Zealand).

The summary below is based on the law in effect as at the date of this Offer Booklet, is general in nature and should not be relied on by Eligible Shareholders as tax advice. Eligible Shareholders should seek specific advice applicable to their own particular circumstances from their own financial or tax advisers.

7.1 Australian Income tax

Issue of Entitlements

Subject to the qualifications noted above and assuming that the Eligible Shareholder continues to hold their Shares until the issue of the Entitlements, the issue of the Entitlements will not, of itself, result in any amount being included in the assessable income of an Eligible Shareholder on the basis that the Entitlements satisfy the requirements in section 59-40 of the *Income Tax Assessment Act 1997* (Cth) and will therefore be treated as non-assessable non-exempt income of the Eligible Shareholder.

Exercise of Entitlements and cost base of New Shares

Eligible Shareholders who exercise their Entitlements and subscribe for New Shares will acquire those Shares with a cost base and reduced cost base for CGT purposes equal to the Issue Price payable by them for those shares plus any non-deductible incidental costs they incur in acquiring them. Eligible Shareholders will not make any capital gain or loss, or derive assessable income, from exercising the Entitlements or subscribing for the New Shares.

Lapse of Entitlements

On the basis that no proceeds will be received by Eligible Shareholders who allow their Entitlements to lapse, no income tax consequences should arise for those Eligible Shareholders.

7.2 New Shares

Taxation of income for Eligible Shareholders

Eligible Shareholders who exercise their Entitlements will acquire New Shares. Any future dividends or other distributions made in respect of those New Shares will be subject to the same taxation treatment as dividends or other distributions made on any other Shares held in the same circumstances.

For Eligible Shareholders to be eligible for a tax offset in relation to any franking credits attached to a dividend paid by the Company on the New Shares, they will need to hold the New Shares at risk for at least 45 days, not counting the day of acquisition or disposal (referred to as the *holding period rule*). The holding period rule generally only needs to be satisfied once for the New Shares and will begin to apply (in respect of the New Shares) the day after the day on which the Eligible Shareholder acquires the New Shares. This rule does not apply if the Eligible Shareholder is an individual whose total franking credit entitlement for the year of income in which the dividend is received does not exceed A\$5,000.

Taxation of disposals for Eligible Shareholders

The disposal of New Shares will give rise to a CGT event for Eligible Shareholders. Eligible Shareholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the cost base or less than the reduced cost base of the New Shares. The cost base and reduced cost base will include the Issue Price payable by Eligible Shareholders for those shares plus any non-deductible incidental costs they incur in acquiring and disposing of the New Shares.

New Shares will be treated for the purposes of the CGT rules as having been acquired when the Eligible Shareholder exercised the Entitlement to subscribe for them. In order to benefit from the CGT discount that may be available to individuals, trusts and complying superannuation funds in respect of a disposal of the New Shares, the New Shares must have been held for at least 12 months before the disposal of the New Shares (calculated by excluding the date of acquisition and the date of disposal). The CGT discount for individuals and trusts is 50%. The CGT discount for complying superannuation funds is 33.33%. A company is not entitled to the CGT discount.

Capital losses may be offset against other capital gains in the same income year or, subject to the relevant loss recoupment rules, carried forward and offset against future capital gains. The trust loss provisions do not apply to capital losses.

Taxation of a return of capital by the Company

Where a return of capital is made by the Company, the cost base and reduced cost base of the Eligible Shareholder's New Shares for CGT purposes will be reduced by the amount of the return of capital. Any excess returned over the cost base may trigger a capital gain. In some circumstances, where the Eligible Shareholder disposes of their New Shares in the period between becoming entitled to the return of capital and its actual payment, the Eligible Shareholder will generally make a capital gain equal to the amount of the return of capital in addition to any capital gain that might arise on the disposal of the New Shares. The amount returned may also include a dividend component, or be deemed under taxation law to include a dividend component, which will be subject to tax as set out above.

7.3 Goods and Services Tax and Stamp Duty

No Australian GST or stamp duty is payable in respect of the issue or exercise of the Entitlement Offer, nor in respect of the acquisition of New Shares under the Entitlement Offer as set out in this Offer Booklet. Eligible Shareholders may be charged GST on costs (such as third party brokerage or advisor costs) in respect of the issue or exercise of the Entitlement Offer or the acquisition of New Shares, however may not be entitled to claim full input tax credits for the GST included in such costs. Eligible Shareholders should obtain independent advice in relation to the impact of GST on their individual circumstances.

Information availability

Eligible Shareholders in Australia and New Zealand can obtain a copy of this information during the period of the Entitlement Offer by calling the Share Registry on 1 300 850 505 (within Australia) and +613 9415 4000 (outside Australia) between 8.30am to 5.00pm (Melbourne time) Monday to Friday during the Entitlement Offer period. A replacement Entitlement and Acceptance Form can be requested by calling the Share Registry.

Glossary

Term	Definition
Authorised Intermediary	EL & C Baillieu Limited ACN 006 519 393.
Additional New Share	A New Share offered and issued under the Top Up Offer.
Applicant	An Eligible Shareholder who applies for New Shares (and if applicable, Additional New Shares) under this Offer Booklet.
Application	An application for a specified number of New Shares (and if applicable, Additional New Shares) by an Applicant under this Offer Booklet.
Application Money	Funds paid by BPAY®.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires.
ASX Listing Rules	The listing rules of ASX.
Board	The Directors acting as a board of the Company.
Business Day	A day on which both the ASX and major trading banks are open for trading in Sydney.
CGT	Capital Gains Tax.
Closing Date	The date on which the Entitlement Offer closes, expected to be 5.00pm (Melbourne time) on Tuesday, 6 October 2020.
Company or Acorn Capital	Acorn Capital Investment Fund Limited ACN 167 595 897.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Directors	The directors of the Company.
Eligible Shareholder	As defined in Section 1.1 of the Entitlement Offer overview section of this Offer Booklet.
Entitlement	The number of New Shares each Eligible Shareholder is offered under the Entitlement Offer as specified on their Entitlement and Acceptance Form.
Entitlement and Acceptance Form	The personalised form attached to or accompanying this Offer Booklet.
Entitlement Offer	The non-renounceable entitlement offer to Eligible Shareholders as at the Record Date to subscribe for 1 New Share for every 4 Existing Shares at the Issue Price.
Excess Amount	Any money in excess of the full amount of Application Money for an Eligible Shareholder's whole Entitlement.
Existing Shares	Shares on issue at the Record Date.
GST	Goods and Services Tax.
Investor Presentation	The investor presentation released to ASX on Monday, 14 September 2020 and included and forming part of this Offer Booklet.
Issue Price	The price payable for one New Share under this Offer Booklet being A\$1.10.

Term	Definition
Listing Rule 10.11 party	<p>A related party of the Company.</p> <p>A person who is, or was at any time in the 6 months before the issue of New Shares under this Offer Booklet, a substantial (30%+) holder in the Company.</p> <p>A person who is, or was at any time in the 6 months before the issue of New Shares under this Offer Booklet, a substantial (10%+) holder in the Company and who has nominated a director to the board of the Company pursuant to a relevant agreement which gives them a right or expectation to do so.</p> <p>An associate of any of the above.</p>
Melbourne time	The time in Melbourne, Australia.
New Share	A Share offered and issued under this Offer Booklet, the terms and conditions of which are set out in this Offer Booklet.
Non-Eligible Foreign Shareholder	A Shareholder with an address in the Company's share register outside Australia or New Zealand unless the Company is satisfied that it is not precluded from lawfully issuing New Shares to that Shareholder either unconditionally or after compliance with conditions which the Board in its sole discretion regards as acceptable and not unduly onerous.
Offer Booklet	This document which was given to ASX on Friday, 25 September 2020.
Offer Period	Friday, 25 September 2020 to Tuesday, 6 October 2020 or any other date as may be determined by the Company.
Opening Date	Friday, 25 September 2020.
Record Date	7.00pm (Melbourne time) on Tuesday, 22 September 2020.
Related Body Corporate	The meaning given to that term in section 50 of the Corporations Act.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	A holder of at least one Share as recorded on the Company's share register.
Share Registry	Computershare Investor Services Pty Limited.
Shortfall	New Shares offered under the Entitlement Offer for which valid Applications have not been received from Eligible Shareholders under their Entitlement on or before the Closing Date.
Subsidiary	Has the meaning given to that term in the Corporations Act.
Top Up Offer	The offer described in Section 1.3 of this Offer Booklet.
Timetable	The Entitlement Offer timetable.
US Securities Act	US Securities Act of 1933, as amended.

Corporate Directory

DIRECTORS

John Steven

Judith Smith

David Trude

Robert Brown

Barry Fairley

REGISTERED OFFICE

Level 12, 90 Collins Street

Melbourne VIC 3000

SHARE REGISTRY

Computershare Investor Services Pty Limited

Yarra Falls

452 Johnston Street

Abbotsford VIC 3067

COMPANY SECRETARY

Matthew Sheehan

LAWYERS

MinterEllison

Level 23, Rialto Towers

525 Collins Street

Melbourne VIC 3000

AUDITOR

Ernst & Young

Level 23, 8 Exhibition Street

Melbourne VIC 3000

For all enquiries:**Phone:**

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Web:

www.investorcentre.com/contact

Make your payment:

See overleaf for details of the Offer and how to make your payment

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Entitlement Offer — Entitlement and Acceptance Form

Your payment must be received by 5:00pm (AEDT) Tuesday, 6 October 2020

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Step 1: Registration Name & Offer Details

Details of the shareholding and entitlements for this Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

You can apply to accept either all or part of your Entitlement. If you accept your full Entitlement, you can also apply for additional New Shares in excess of your Entitlement, up to a maximum of 400% of your Entitlement. Enter the number of New Shares you wish to apply for and the amount of payment for those New Shares.

By making your payment you confirm that you agree to all of the terms and conditions as detailed in the Offer Booklet dated 25 September 2020.

Choose one of the payment methods shown below.

BPAY®: See overleaf. Do not return the payment slip with BPAY payment.

By Mail: Complete the reverse side of the payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "**Acorn Capital Investment Fund Limited**" and cross "**Not Negotiable**". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.


Entering your contact details is not compulsory, but will assist us if we need to contact you.

Turn over for details of the Offer →

Entitlement and Acceptance Form

STEP 1

Registration Name & Offer Details

 For your security keep your SRN/HIN confidential.

Registration Name:

Entitlement No:

Offer Details:

Existing Shares entitled to participate as at 7.00PM (AEST) Tuesday, 22 September 2020 :

Entitlement to New Shares on a 1 for 4 basis:

Amount payable on full acceptance at \$1.10 per New Share:

*Maximum additional New Shares for which you may apply under the Top Up Facility (400% of your Entitlement)

Amount payable on full acceptance of Entitlement and application for the maximum number of additional New Shares


*You may only apply for additional New Shares under the Top Up Facility if you have applied for 100% of your Entitlement

STEP 2

Make Your Payment by 5:00pm (AEDT) Tuesday, 6 October 2020


To avoid postal delay make your payment via **BPAY** either online or by phone with your bank using the payment details below.

BPAY

	Billers Code: 334516
	Ref No:

Contact your financial institution to make your payment from your cheque or savings account.

Cheque, bank draft or money order

 Make your cheque, bank draft or money order payable to "**Acorn Capital Investment Fund Limited**" and cross "**Not Negotiable**".
Return your payment with the below payment slip to:
Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

BPAY

Neither Computershare Investor Services Pty Limited (CIS) nor Acorn Capital Investment Fund Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time. Eligible Shareholders should use the customer reference number shown on this Application Form when making a BPAY payment.

MAIL

Neither CIS nor Acorn Capital Investment Fund Limited accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

Privacy Notice

The personal information you provide on this form is collected by CIS, as registrar for the securities issuers (the **issuer**), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at www.computershare.com/au/privacy-policies.

Detach here

Acorn Capital Investment Fund Limited Acceptance Payment Details

Entitlement taken up:

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Enter the number of Top Up Facility New Shares applied for (if any) up to a maximum of 400% of your Entitlement:

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Amount enclosed at \$1.10 per New Share:

A\$

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Entitlement No:



BPAY is the most efficient and secure form of payment. Your **BPAY** payment details are shown above.

Contact & Cheque Details

Contact
Name

Daytime
Telephone

Drawer

Cheque Number

BSB Number

Account Number

Amount of Cheque

				A\$
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ACQ

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

25 September 2020

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Dear Shareholder

Acorn Capital Investment Fund Limited Entitlement Offer – Notification to ineligible shareholders

On Monday, 14 September 2020, Acorn Capital Investment Fund Limited ACN 167 595 897 (ASX: ACQ) (**ACQ**) announced a non-renounceable pro rata entitlement offer to eligible shareholders of FXL to subscribe for 1 new fully paid ordinary share in ACQ (**New Share**) for every 4 existing fully paid ordinary shares in ACQ (**Share**) held as at 7.00 pm (Sydney, Australia time) on the record date (being, Tuesday, 22 September 2020) (**Record Date**) (**Entitlement**) at an issue price of \$1.10 per New Share (**Issue Price**) to raise up to \$14.7 million (**Entitlement Offer**). The Entitlement Offer will not be underwritten.

The Offer is being made by ACQ in accordance with section 708AA of the *Corporations Act 2001* (**Corporations Act**) as modified by the Australian Securities and Investments Commission Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73).

Documents relating to the Entitlement Offer were lodged with the Australian Securities Exchange (**ASX**) today and are being mailed to Eligible Shareholders.

This letter has been sent to you to inform you about the Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. **You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Offer that you should be aware of.**

Details of the Entitlement Offer

The Entitlement Offer is being made to Eligible Shareholders on the basis of 1 New Share for every 4 existing Shares held at 7.00 pm (Sydney, Australia time) on the Record Date, being Tuesday, 22 September 2020.

Eligibility criteria

ACQ has determined, pursuant to section 9A(3) of the Corporations Act and Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to make offers to ACQ shareholders in all countries in connection with the Entitlement Offer. Accordingly, in compliance with section 9A(3) of the Corporations Act and ASX Listing Rule 7.7.1(b), ACQ wishes to inform you that it will not be extending the Entitlement Offer to you and you will not be able to subscribe for New Shares under the Entitlement Offer.

Shareholders who are eligible to participate in the Entitlement Offer (**Eligible Shareholders**) are those shareholders of ACQ who:

- (a) are registered as a holder of Shares as at the Record Date, being 7.00pm (Melbourne, Australia time)

on Tuesday, 22 September 2020;

- (b) have a registered address on ACQ's share register that is in Australia or New Zealand;
- (c) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such shareholders hold securities in ACQ for the account or benefit of such persons in the United States); and
- (d) other than those holders of Shares who have an address in Australia or New Zealand on ACQ's share register, are eligible under all applicable laws to receive an offer under the Entitlement Offer without a prospectus, disclosure document, product disclosure statement or any lodgement, filing, registration or qualification.

Shareholders who are not Eligible Shareholders are ineligible shareholders and are consequently unable to participate in the Entitlement Offer.

Non-renounceable offer

As the Entitlement Offer is non-renounceable, entitlements in respect of the New Shares you would have been entitled to if you were an Eligible Shareholder will lapse and you will not receive any payment or value for your entitlements in respect of any New Shares that would have been offered to you if you had been eligible. New Shares equivalent to the number of New Shares you would have been entitled to if you were an Eligible Shareholder may be allocated to other Eligible Shareholders who subscribe for New Shares in excess of their entitlement under the Entitlement Offer.

Further information

If you have any questions in relation to any of the above matters, please contact the Matthew Sheehan, Company Secretary.

On behalf of the Board and management of ACQ, thank you for your continued interest in ACQ.

Yours sincerely

Matthew Sheehan
Company Secretary
Acorn Capital Investment Fund Limited

This letter is not a prospectus or offering document under Australian law or under any other law. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia and New Zealand. This letter is for information purposes only and does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any New Shares in ACQ.

This notice does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither the entitlements nor the New Shares have been or will be registered under the U.S. Securities Act of 1933 (the **Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be taken up by, and the New Shares may not be offered or sold in the United States or to any person acting for the account or benefit of a person in the United States unless they are registered under the Securities Act or unless they are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable U.S. state securities laws. The New Shares to be offered and sold in the Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Regulation S under the Securities Act) in reliance on Regulation S under the Securities Act.

The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.