

ACORN CAPITAL INVESTMENT FUND

INVESTMENT UPDATE
JULY 2023



Acorn Capital Investment Fund Limited ACN 167 595 897

Net Tangible Asset Per Ordinary Share

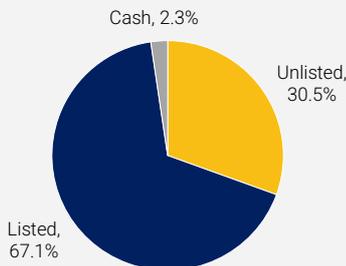
as at 31 July 2023 (all figures unaudited)

NTA before all taxes	1.0895
NTA after taxes and before taxes on unrealised gains	1.1269
NTA after taxes including taxes on unrealised gains	1.1289

ASX Code	ACQ
Date of Listing	1 May 2014
Shares on Issue	87,351,616
Share Price	\$1.01
Market Cap \$m	\$88.2m
Number of Stocks	81
Dividends	8.5c [^] (fully franked)
Dividend Yield	8.4%*

[^] Ordinary over the past 12 months
* Implied on share price

Investment Split



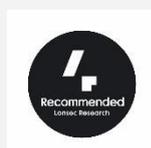
Top 10 Stocks as at 31 July 2023

Company	Weight %
Marketplacer (UL)	3.7%
Splend Holdings Ltd (UL)	3.5%
Impedimed Limited	3.4%
Ramelius Resources Limited	3.2%
Aroa Biosurgery Limited	3.1%
Leo Lithium Limited	2.8%
Moula Money Pty Ltd (UL)	2.4%
Nexted Group Limited	2.4%
MX51 Group (UL)	2.2%
Metals Acquisition LTD	2.2%
Total	28.9%

UL = Unlisted investment

Ratings*

Lonsec "Recommended"



Performance as at 31 July 2023 (all figures unaudited)

	1 mth %	3 mths %	1 year %	3 years % p.a.	5 years % p.a.	Since incept. % p.a.
ACQ ¹	2.3%	0.1%	0.1%	6.9%	6.2%	8.5%
S&P/ASX Small Ords Acc Index	3.5%	0.2%	0.8%	5.9%	3.2%	6.3%

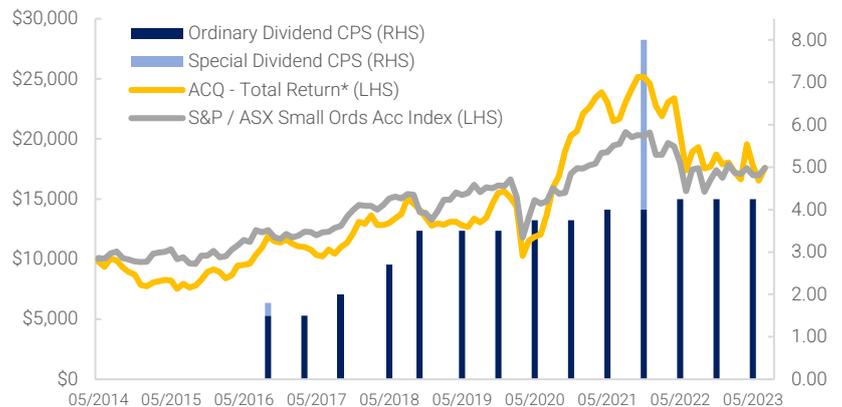
¹ Calculated as the movement in NTA before tax, post management fees, performance fees and operating costs. Includes dividends paid and payable but has not been grossed-up for franking credits received by shareholders. All figures are unaudited, and unlisted valuations are performed by Acorn Capital in accordance with ACQ Board approved policies.

Acorn Capital - Investment Update

"Australian markets started the new financial year confidently with a broad-based rally, as the RBA paused, and overseas leads were stronger. Investor confidence was also buoyed by the release of better-than-expected unemployment figures, while CPI remained below expectations. The Small Ords returned 3.5% for the month, outperforming the ASX 200 (+2.9%), following recent underperformance. All industries in the S&P/ASX Small Ordinaries Index, apart from Materials – ex Resources, had positive returns. The strongest sectors were Consumer Discretionary (+8.7%), Consumer Staples (+8.2%), and Information Technology (+7.1%). Resources declined by -1.7%."

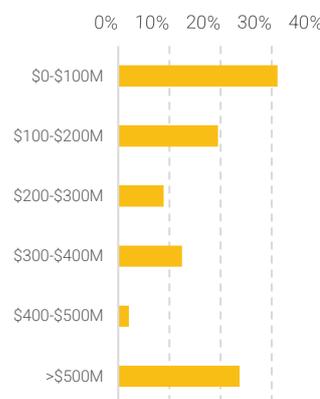
ACQ manager – Acorn Capital Limited

Growth \$10K

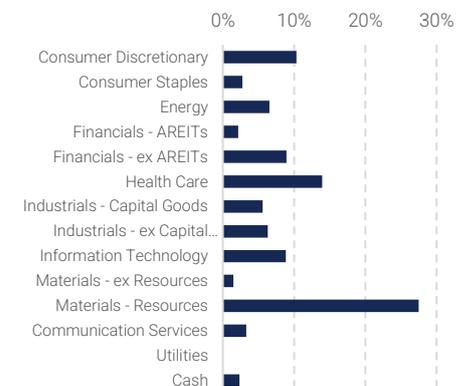


*Total shareholder return assuming dividends reinvested, includes special dividends

Market Cap Bands



Sector Exposures



ACQ Objective

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

Dividend Intention

Acorn Capital Investment Fund Limited intends to pay annual dividends targeting at least 5% of closing post-tax NTA for each financial year, franked to the highest extent possible and without the Company incurring a liability.

Where the Company accumulates franking credits that the Board determines are in excess to its requirements it is the intent to distribute those excess credits by way of special dividends. This is subject to the Company having sufficient profit and cash flow to make such payments

Investment Philosophy

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

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

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

Investment Strategy

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

Investment Manager profile

Acorn Capital was established in 1998 as a specialist investment manager in emerging Australian companies.

Acorn Capital distinguishes itself through its relatively large research and investment team with expertise across all industries as well as its provision of expansion capital to developing companies.

Through its strategies Acorn Capital can provide Investors with efficient off-index exposure to both public and private emerging companies.

*The rating issued 09/2022 is published by **Lonsec Research Pty Ltd** ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only, and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit lonsec.com.au for ratings information and to access the full report. © 2022 Lonsec. All rights reserved.

