

Acorn Capital Investment Fund Limited

ACN 167 595 897

Appendix 4E

ASX Preliminary final statements for the reporting period ended 30 June 2019

Results for announcement to the market

The results in this preliminary final report are for the period from 1 July 2018 to 30 June 2019. Comparative results are for the period from 1 July 2017 to 30 June 2018.

	2019	2018	%
	\$'000	\$'000	Change
Revenue from ordinary activities	(120)	18,383	(101)%
Profit from ordinary activities before tax attributable to members	(1,388)	16,758	(108)%
Profit from ordinary activities after tax attributable to members	(567)	11,902	(105)%

Dividend Information

	Cents per share	Franked amount per share	Tax rate for franking
2019 interim dividend	3.50	100%	27.5%
2019 final dividend	3.50	100%	27.5%

Final Dividend Dates

Ex-dividend Date	14 November 2019
Record Date	15 November 2019
Payment Date	29 November 2019

Dividend Reinvestment Plan

ACQ has adopted a Dividend Reinvestment Plan (DRP) that will apply to this dividend.

The DRP has been lodged with ASX.

The DRP will be available for the FY19 Final Dividend and all subsequent dividends unless notice is given of its suspension or termination.

	30 June 2019	30 June 2018
Net Tangible Asset Backing Per Share (Post Tax)	1.1786	1.2619

Reconciliation of Net Assets Per Share for Net Tangible Asset Reporting and Financial Reporting Purposes

	30 June 2019	30 June 2018
Net Tangible Asset Backing Per Share (Post Tax)	1.1786	1.2619

Permanent differences

Provision for transaction costs on disposal of the Portfolio	0.0012	0.0014
Adjustment to deferred tax liabilities	0.0003	0.0004
Net Tangible Assets Per Share in the Financial Report	1.1801	1.2636

Significant Features of Operating Performance

During the reporting period, Acorn Capital Investment Fund Limited (the Company) continued to invest funds in accordance with its governing documents.

The most appropriate measure of the Company's financial performance is total comprehensive income/(loss). Total comprehensive income/(loss) for the reporting period ended 30 June 2019 was \$(566,686) (2018: \$11,901,270). Total comprehensive income/(loss) includes the profit after tax and both realised and unrealised gains/(losses) on the Company's investments.

The Company's profit/(loss) before income tax for the reporting period was \$(1,387,432) (2018: \$16,757,714).

The profit/(loss) after income tax for the reporting period was \$(566,686) (2018: \$11,901,270).

Basic earnings/(loss) per share after income tax was (1.07) cents (2018: 23.60) for the reporting period.

Significant Impacts on Future Performance

The results of the Company's operations may be affected by a number of factors, including the performance of investment markets in which the Company invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity & Notes to the Accounts

Refer to following 2019 Annual Report.

Audit

This report has been based on accounts which have been audited by the Company's auditors.



ACORN CAPITAL INVESTMENT FUND LTD

2019 ANNUAL REPORT

for the period ending 30 June 2019

Acorn Capital Investment Fund Limited

ACN 167 595 897

Annual financial report for the year ended 30 June 2019

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CORPORATE DIRECTORY

Directors	John Steven (Chairman and Non-Executive director) Judith Smith (Non-Executive director) David Trude (Non-Executive director) Robert Brown (Director) Barry Fairley (Director)
Company secretary	Matthew Sheehan
Principal registered office in Australia	C/- Acorn Capital Limited, ACN 082 694 531 Level 12, 90 Collins Street, Melbourne Victoria 3000 Telephone: +61 3 9639 0522
Investment Manager	Acorn Capital Limited
Share registry	Computershare Investor Services Limited Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067 Telephone: 1300 850 505 (within Australia), +61 3 9415 4000 (international)
Auditor	Ernst & Young Level 23, 8 Exhibition Street, Melbourne Victoria 3000
Legal adviser	Minter Ellison Lawyers, Rialto Towers, 525 Collins Street, Melbourne Victoria 3000
Stock exchange	Australian Securities Exchange ASX Code: ACQ
Website	www.ACQFund.com.au

CHAIRMAN'S REVIEW



Dear Shareholder

ACORN CAPITAL INVESTMENT FUND LIMITED (the "Company")
ACORN CAPITAL LIMITED (the "Manager")

In the year to 30 June 2019, the Company has continued to invest in accordance with its objective and has a portfolio of listed and unlisted emerging, or microcap, companies (being those companies smaller than the ASX-250th largest company by market capitalisation) which it is hoped will provide shareholders with the opportunity for long term capital appreciation. For the year to 30 June 2019, the ACQ portfolio has returned -2.33%¹, where portfolio performance is 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. Over the same period, the S&P/Small Ordinaries Accumulation Index has returned +1.92%.

The pre-tax Net Tangible Assets of the Company as at 30 June 2019 was \$1.2211 per share, while its post-tax NTA was \$1.1801 per share (refer to note 18). The Company paid fully franked dividends to the value of 7c per share over the past 12 months and has paid fully franked dividends of 15c per share since listing.

The best performing sectors in the portfolio for the period were Healthcare, Financials and Materials – ex Resources whilst the poorest performing sectors were Consumer Staples, Consumer Discretionary and Industrials – ex Capital Goods. The Company invests across a broad range of economic sectors, in both listed and unlisted opportunities, and provides shareholders with exposure to the innovation and growth characteristics of emerging Australian businesses.

The Company's Board is supportive of the increase in the size of the Company's portfolio and has set \$150 million in market capitalization as the strategically optimal level. The Company's Board believes that shareholders should benefit from such growth through increased liquidity and lower fixed costs as a percentage of the Company's market capitalization. In support of this goal, the Company launched the ACQ Short Term Recurring Option (or ASTRO) program in December 2018. Under ASTRO, the Company's Board will, on a semi-annual basis, decide whether to issue options to shareholders. The ASTRO program was repeated in August 2019.

I would like to thank you for your support of the Company. Your Directors and the Manager are committed to continuing the success of the Company.

John Steven
Chairman
26 August 2019

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 approved policies.

INVESTMENT MANAGER'S REVIEW



SUMMARY OF RESULTS

As illustrated in Table 1, the Company has returned a net¹ and gross² portfolio return of +8.26% p.a and +10.82% p.a. respectively since its inception on 1 May 2014. Over the same period the Acorn Capital/SIRCA Microcap Accumulation Index and the S&P/ASX Small Ordinaries Accumulation Index have returned +6.02% p.a. and +8.73% p.a. respectively.

Table 1. Performance of ACQ and relevant Indices

To 30 June 2019	FY2019	Since Inception ³
Company Performance ¹	-2.33%	+8.26% p.a.
S&P/ASX Small Ordinaries Acc. Index	+1.92%	+8.73% p.a.
Acorn Capital/SIRCA Microcap Acc. Index ⁴	-1.23%	+6.02% p.a.
S&P/ASX Emerging Companies Acc. Index	-2.89%	+7.69% p.a.
S&P/ASX All Ordinaries Acc. Index	+3.75%	+8.54% p.a.

¹Portfolio performance is unaudited and calculated as the movement in NTA before tax effects but 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.

²Portfolio performance is unaudited and calculated as the movement in portfolio value (using last traded price for listed securities) before tax effects and 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.

³ Inception is 1 May 2014

⁴ Acorn Capital/SIRCA Microcap Accumulation Index data is verified 3 months in arrears by SIRCA

SMALL ORDS PERFORMANCE

Table 2 breaks out the performance of each Small Ords industry sub-sector and demonstrates that the best performing individual sectors for the 2019 financial year were IT (+45.1%), Industrials – ex Capital Goods (+16.8%) and AREITS (+16.3%). The worst performing sectors were Materials – ex Resources (-24.4%), Consumer Staples (-21.4%) and Materials - Resources (-17.1%).

Table 2. Small Ords Index Sector Returns in the Financial Year to 30 June 2019

FY2019	Small Ords Index Sector Return (%)	Average Index Weight (%)
Communication Services	-9.3%	7.0%
Consumer Discretionary	11.2%	13.7%
Consumer Staples	-21.4%	8.3%
Energy	-1.5%	6.8%
Financials - AREITS	16.3%	10.2%
Financials - ex AREITS	0.2%	10.4%
Health Care	14.3%	6.6%
Industrials - Capital Goods	6.6%	5.5%
Industrials - ex Capital Goods	16.8%	3.0%
Information Technology	45.1%	10.4%
Materials - ex Resources	-24.4%	3.4%
Materials - Resources	-17.1%	14.3%
Utilities	-7.8%	0.4%
Total	1.9%	100.0%

*rounded

Source: S&P/Acorn Capital

PERFORMANCE OF THE COMPANY

The 2019 financial year has resulted in the portfolio under performing the S&P/ASX Small Ordinaries Accumulation Index by 4.25% after all fees.

The portfolio benefited from strong returns in the following sectors: Healthcare (Telix Pharmaceuticals, Genea), Financials (Zip Money, Moola Money) and Materials ex Resources (Calix).

The portfolio experienced modest returns in the following sectors: Consumer Discretionary (Redbubble, Redhill Education and Shine Corporate) and Consumer Staples (Longtable Group).

FEATURES OF THE COMPANY

The focus of the Company is on listed and unlisted Emerging Companies or microcaps. This segment of the Australian investment market is generally under-researched and under-represented in investor portfolios. The Company gives investors exposure to companies that have the potential to provide substantial capital appreciation over the long term. An investment in the Company provides capital to developing companies and provides exposure to Australia's entrepreneurs and the next generation of corporate success stories. A distinguishing feature of the investment strategy deployed by the Company is its ability to invest in unlisted securities. Since inception through to 30 June 2019, the Company has invested approximately \$39.6 million in 38 unlisted investments of which 18 have reached a liquidity event.

COMPANY PORTFOLIO – COMPOSITION

As illustrated in Figures 2 and 3 below, the portfolio of the Company is diversified across all microcap sectors. The portfolio held 81 stocks as at 30 June 2019 with unlisted investments representing approximately 28% of gross portfolio assets.

Fig 2. Composition of Gross Portfolio Assets

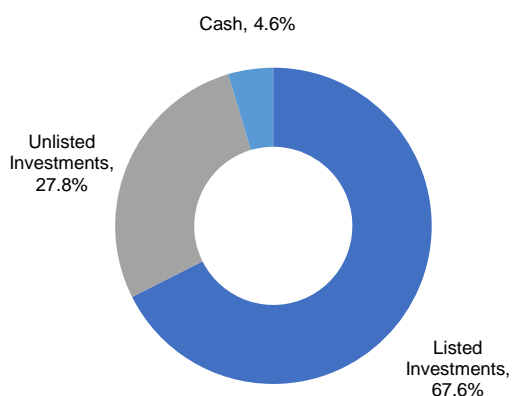
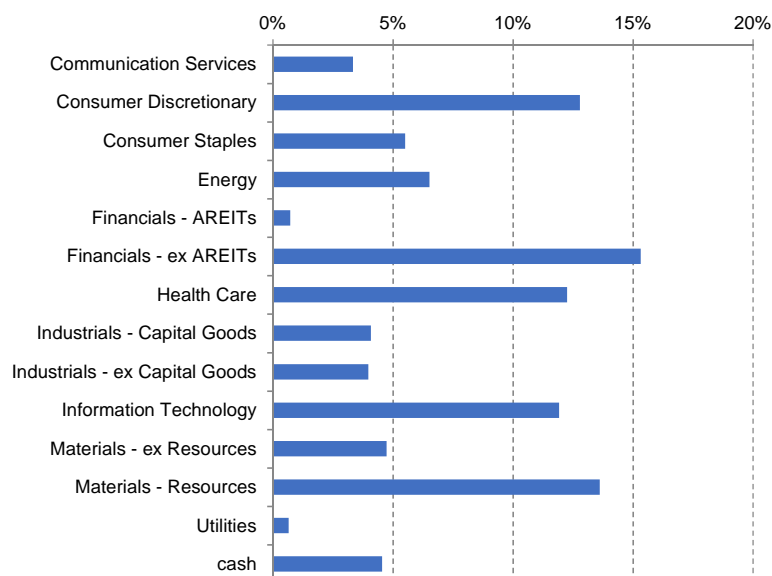


Fig 3. Sector Weights



Source: Acorn Capital as at 30 June 2019

COMPANY PORTFOLIO – TOP 10 HOLDINGS

At 30 June 2019, the 10 and 20 largest stock holdings account for approximately 28.8% and 46.0% of the Company's portfolio respectively. The weighted average market capitalisation of the Company's listed investments is approximately \$296.4 million.

Table 4. Portfolio Top 10 Holdings

Stock	Portfolio Weight %
1. Telix Pharmaceuticals Limited	9.0%
2. Moula Money Pty Ltd (UL)	6.2%
3. Calix Limited	4.9%
4. Carbon Revolution Pty Ltd (UL)	3.6%
5. Shine Corporate Ltd	3.4%
6. Redhill Education Limited	3.1%
7. Lifestylepanel Holdings (UL)	2.9%
8. Zip Co Limited	2.6%
9. Innovative Asset Solutions Group Ltd (UL)	2.4%
10. Redbubble Limited	2.3%
Total	40.3%

Source: Acorn Capital as at 30 June 2019
(UL) Unlisted

I would like to take this opportunity to thank you for your support.



Robert Routley
Chief Executive Officer
Acorn Capital Limited

INFORMATION ABOUT THE INVESTMENT MANAGER

The manager of Acorn Capital Investment Fund Limited (the Company) is Acorn Capital Limited. The Manager is a Melbourne based boutique investment manager that is majority-owned by its employees and directors and was established in 1998. The Manager has a long track record of investing in microcap equities for institutional investors. The Manager's investment philosophy is based on the belief that there are pricing inefficiencies amongst microcap companies due to them being a large and diverse group with minimal external research readily available on such entities. Further information about the Manager can be found at www.acorncapital.com.au.

CORPORATE GOVERNANCE STATEMENT

Acorn Capital Investment Fund Limited (the **Company**) is a listed investment company whose shares are traded on the Australian Securities Exchange (**ASX**). The Company has no employees and its day-to-day functions and investment activities are managed by Acorn Capital Limited (the **Manager**) in accordance with the Management Agreement dated 11 March 2014 (**Management Agreement**).

The Board is committed to operating effectively and in the best interests of shareholders. This Corporate Governance Statement reports against the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd Edition) (ASX Recommendations). To the extent they are relevant to the Company, the ASX Recommendations have been adopted by the Company. Where, after due consideration, the Company's corporate governance practices depart from an ASX Recommendation, this Corporate Governance Statement sets out the reasons for the departure.

The ASX Recommendations provide that a number of its recommendations may require modification, or may not apply to externally managed listed entities.

The Company is externally managed by the Manager and therefore Recommendations 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 2.1, 2.2, 2.4, 2.5, 2.6, 8.1, 8.2 and 8.3 are not applicable to the Company.

This Corporate Governance Statement was approved by the Board of the Company on 26 August 2019 and the information contained in it is current as at that date, unless stated otherwise.

More information on the Company's governance practices, including Board profiles, Board and Committee charters and key governance policies, can be found in the corporate governance section of our website.

Alternative Principle 1: Lay solid foundations for management and oversight

The primary role of the Board is to act in the best interests of the Company as a whole and the Board is accountable to shareholders for the overall direction, management and corporate governance of the Company. This involves monitoring the decisions and actions of the Manager who is responsible for the day-to-day management and investment activities of the Company in accordance with the Management Agreement. The Board has also established an Audit Committee to assist the Board in carrying out its responsibilities. The Audit Committee is discussed in further detail in Principle 4 below.

The Board has formalised its roles and responsibilities and guidelines for determining Director independence in the Board Charter. A copy of the Board Charter is available on the Company's website.

The Board believes that the Company is fully compliant with the alternate requirements under Principle 1 and its recommendations.

Principle 2: Structure the Board to add value

The Board currently comprises five Directors, three of whom are considered by the Board to be independent: John Steven (Chairman), Judith Smith and David Trude. Details of the background, experience and professional skills of each Director, as well as the period that each Director has held office, are set out in the Directors' Report.

The Board believes that the Company is fully compliant with its requirements under Principle 2 and its recommendations.

Principle 3: Act ethically and responsibly

The Board has adopted a Code of Conduct for Directors a copy of which can be found on the Company's website. The Company requires all of its Directors to comply with the standards of behaviour and business ethics in accordance with the law and the Code of Conduct. These include acting honestly and with integrity and fairness in all dealings with others and each other, managing conflicts of interest, complying with the laws that govern the Company's business and its operations and acting ethically in their approach to business decisions.

The Manager has also adopted a code of conduct which applies to its employees and directors.

The Board believes that the Company is fully compliant with its requirements under Principle 3 and its recommendations.

Principle 4: Safeguard integrity in corporate reporting

The Board has established an Audit Committee to assist the Board to implement controls designed to safeguard the Company's interests and the integrity of its reporting. The Audit Committee comprises the three independent non-executive Directors, Judith Smith (Chairperson), John Steven and David Trude. The chairperson is not the chairman of the Board. For more information regarding the qualifications and experience of the members of the Audit Committee please refer to the Directors' Report.

The Audit Committee met four times during the reporting period. For more information on the Audit Committee's meetings and attendances please refer to the Director's Report.

The Audit Committee Charter, being the charter under which the Audit Committee operates can be found on the Company's website.

The objectives of the Audit Committee are to:

- help the Board achieve its objective in relation to financial reporting, the application of accounting policies, legal and regulatory compliance and internal control and risk management systems;
- maintain and improve the quality, credibility and objectivity of the financial accountability process;
- promote a culture of compliance;
- ensure effective communications between the Board and compliance representatives of the Manager;
- provide a forum for communication between the Board and senior financial and compliance representatives of the Manager;
- ensure effective internal and external audit functions and communications between the Board and auditors; and
- ensure compliance strategies and compliance functions are effective.

The responsibilities of the Audit Committee include:

- external financial reporting;
- risk management and internal compliance and control systems;
- assessing and monitoring key financial risk;
- assessing and monitoring legal and regulatory risk;
- disclosure and reporting;
- overseeing the internal audit function and the engagement of the external auditor.

The Board has received a written declaration from the relevant executives of the Manager who perform the function of Managing Director and Chief Financial Officer respectively that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Company's independent external auditor is Ernst & Young. The external auditor attends the Company's Annual General Meeting and is available to answer questions from shareholders in relation to the conduct of the audit, the auditors' report and the preparation of the financial statements. The external auditor also attends other meetings where relevant items are on the Committee's agenda.

The Board believes that the Company is fully compliant with its requirements under Principle 4 and its recommendations.

Principle 5: Make timely and balanced disclosure

The Company is committed to complying with its continuous disclosure obligations under the Corporations Act 2001 and the ASX Listing Rules.

The Board has adopted a Continuous Disclosure Policy, the objectives of which are to:

- ensure the Company immediately discloses all price-sensitive information to ASX in accordance with the ASX Listing Rules and the Corporations Act
- ensure the Company's officers are aware of the Company's continuous disclosure obligations; and
- establish procedures for the collection and assessment of potentially price-sensitive information and (if necessary) release information determined to be price-sensitive to ASX, as well as responding to any queries from ASX.

Under the Management Agreement the Manager has also agreed to assist the Company to comply with its continuous disclosure obligations by providing information and drafting ASX announcements for approval by the Board or its delegate. The Company has established a Disclosure Committee comprising members of the Board and representatives of the Manager.

The Company's Continuous Disclosure Policy, which can be found on the Company's website, also sets out the procedures which must be followed in relation to releasing announcements to the market and discussions with analysts, the media or shareholders.

The Board believes that the Company is fully compliant with its requirements under Principle 5 and its recommendations.

Principle 6: Respect the rights of shareholders

The Board has adopted the Shareholder Communications Policy, a copy of which can be found on the Company's website. The purpose of the Shareholder Communications Policy is to promote effective communication with shareholders and encourage effective

participations at general meetings of the Company.

The Company's primary communication portals for shareholders are its website, Annual Report, Annual General Meeting, Half-Yearly Report, Monthly Net Tangible Asset reports and other periodic correspondence regarding matters impacting shareholders. In conjunction with these, the Company has regular investor relations meetings, which are all included in the Investor Relations Program.

The Company Secretary oversees and coordinates the distribution of all information by the Company to shareholders and regulators under the direction of the Board.

All shareholders have the opportunity to attend the Annual General Meeting and ask questions of the Board.

During the Company's engagements with shareholders, such shareholders are provided the opportunity to meet with representatives of the Board or management, to learn more about the Company's activities and provide an opportunity to ask questions regarding the Company's activities.

Shareholders are entitled to make and receive communication to and from the Company electronically as per the Shareholder Communications Policy.

The Board believes that the Company is fully compliant with its requirements under Principle 6 and its recommendations.

Principle 7: Recognise and manage risk

The Audit Committee oversees the risk management framework for the Company. For details regarding the Audit Committee please refer above to the coverage under Principle 4.

The Board, through the Audit Committee, is responsible for ensuring:

- the oversight and management of material business risks to the Company;
- that there are effective systems in place to identify, assess, monitor and manage the risks of the Company and to identify material changes to the Company's risk profile; and
- there are arrangements in place to adequately monitor compliance with laws and regulations applicable to the Company.

The Manager has implemented the risk management framework for the Company. This risk management framework identifies the key risks confronted by the Manager and the Company and the procedures required to offset them. Key risks identified include:

- operational and investment risk; and
- liquidity risk

The risk management framework is subject to annual review by the Audit Committee to ensure that the risks identified and the controls implemented remain appropriate and that the Company's risk management framework continues to be sound. A review of the Company's risk management framework was conducted during the reporting period.

The Company does not have an internal audit function. The internal audit function is undertaken by an external audit provider on the Company's behalf. The Audit Committee is responsible for overseeing the scope of the internal audit, monitoring the progress of the internal audit work programme and considering the implications of and responsiveness to the internal audit findings for the control environment and reviewing the internal audit team's reports.

Poor market conditions (and more specifically the potential for underperformance by the Company) have been identified as an economic sustainability risk that has the potential to materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term. This risk is addressed and managed within the Company's investment strategy and through the Company's ability to diversify across sectors and in both listed and unlisted securities.

The Board believes that the Company is fully compliant with its requirements under Principle 7 and its recommendations.

Alternative Principle 8: Remunerate fairly and responsibly

Recommendations 8.1 – 8.3 are not applicable to the Company due to its being an externally managed listed entity.

The Company has no employees. The management of the Company is performed by the Manager who is entitled to be paid management and performance fees. The Company pays the Manager a management fee of 0.95% p.a. (plus GST) of the net asset value of the investment portfolio. The management fee is calculated and accrued each month and paid semi-annually in arrears.

In addition, the Manager will be entitled to receive a performance fee from the Company equal to 20% (plus GST) of the investment portfolio's outperformance of the S&P/ASX Small Ordinaries Accumulation Index, which is calculated and accrued monthly on a pre-tax basis and, where tests are satisfied, any positive performance fee amounts that are in excess of the minimum performance fee account balance (as defined in the Management Agreement) are paid annually.

Acorn Capital Investment Fund Limited
Corporate Governance Statement
For the reporting period ended 30 June 2019

Further details of the fees paid to the Manager for the reporting period are set out in the Financial Statements of the Company in note 15.

The Board believes that the Company is fully compliant with the alternate requirements under Principle 8 and its recommendations.

Directors' report

The directors of Acorn Capital Investment Fund Limited (the **Company**), present their report together with the financial statements of the Company for the period from 1 July 2018 to 30 June 2019.

Acorn Capital Investment Fund Limited is a public company limited by shares, is incorporated in Australia and listed on the ASX.

Directors

The following persons were directors of the Company during the year and up to the date of this report (unless otherwise stated):

John Steven (Chairman and Independent Non-Executive Director)
 Judith Smith (Independent Non-Executive Director)
 David Trude (Independent Non-Executive Director)
 Robert Brown (Director)
 Barry Fairley (Director)

Principal activities

The principal activity of the Company is to invest in a portfolio of listed and unlisted microcap companies. The investment manager is Acorn Capital Limited (the Manager), an established boutique asset manager with a long track record of successfully investing in microcap companies.

Review and results of operations

During the reporting period, the Company continued to invest funds in accordance with its governing documents.

The most appropriate measure of the Company's financial performance is total comprehensive (loss)/income. Total comprehensive (loss)/income for the reporting period ended 30 June 2019 was \$(566,686) (2018: \$11,901,270). Total comprehensive (loss)/income includes the (loss)/profit after tax and both realised and unrealised gains/(losses) on the Company's investments.

The Company's profit/(loss) before income tax for the reporting period was \$(1,387,432) (2018: \$16,757,714).

The profit/(loss) after income tax for the reporting period was \$(566,686) (2018: \$11,902,353).

Basic earnings/(loss) per share after income tax were (1.07) cents for the reporting period (2018: 23.60 cents).

	For the reporting period ended 30 June 2019	For the reporting period ended 30 June 2018
	\$'000	\$'000
(Loss)/Profit before income tax expense	(1,388)	16,758
Income tax (benefit)/expense	<u>(821)</u>	<u>4,856</u>
(Loss)/Profit after income tax attributable to the owners of the Company	<u>(567)</u>	<u>11,902</u>
Equity	<u>62,591</u>	<u>66,608</u>

Net Tangible Asset Backing (NTA) per share	As at 30 June 2019 (non-IFRS)	
	For monthly NTA Reporting \$/share	For Financial Reporting \$/share
NTA per share before income tax (\$/share)	1.2196	1.2211
NTA after income tax excluding tax on unrealised gains (\$/share)	1.2027	1.2042
NTA per share after income tax (\$/share)	1.1786	1.1801

Review and results of operations (continued)

Net Tangible Asset Backing (NTA) per share	As at 30 June 2018 (non-IFRS)	
	For monthly NTA Reporting \$/share	For Financial Reporting \$/share
NTA per share before income tax (\$/share)	1.3508	1.3525
NTA after income tax excluding tax on unrealised gains (\$/share)	1.3210	1.3228
NTA per share after income tax (\$/share)	1.2619	1.2636

The NTA per ordinary share for monthly NTA reporting as required by ASX Listing Rule 4.12 is calculated in accordance with the ASX Listing Rule 4.19. Refer to Note 18 for details on the Net Assets used to calculate the NTA per ordinary share.

Dividends

	cents per share	\$'000
2019 Interim Dividend (ordinary shares) paid 21 May 2019	3.50	1,851
2019 Final Dividend (ordinary shares) payable on 29 November 2019	3.50	1,856
	7.00	3,707

Significant changes in the state of affairs

There were no significant changes in the state of affairs during the reporting period.

Events occurring after end of the year

ASTRO Program

ACQ announced the second tranche of ASTRO, its short term recurring option program, in accordance with the prospectus dated 31 July 2019.

Key Details

Basis of issuance: 1 option for every 3 ACQ shares owned

Exercise price: \$1.23

Lodgement of prospectus with ASIC and ASX: 31 July 2019

ACQ shares quoted on an "ex" option entitlement basis: 12 August 2019

Option record date: 13 August 2019

Issue date of options: 20 August 2019

Prospectus and entitlement statement distributed: 23 August 2019

Option expiration date in respect of the Initial Offer: 5:00pm (Melbourne time) on 11 November 2019

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect:

- (a) the Company's operations in the future reporting periods, or
- (b) the results of those operations in the future reporting periods, or
- (c) the Company's state of affairs in the future reporting periods.

Business strategies, prospects and likely developments

The Chairman's Review and Investment Manager's Review set out information on the Company's operations, financial position and business strategies.

The results of the Company's operations and prospects for financial years may be affected by a number of factors, including the performance of investment markets in which the Company invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Information in the Chairman's Review and Investment Manager's Review and this Directors' Report is provided to enable shareholders to make an informed assessment about the business, strategies and prospects for future financial years of the Company. Information that could give rise to likely material detriment to the Company, for example, information that is commercially sensitive, confidential or could give a third party a commercial advantage has not been included. Other than the

information set out in the Chairman's and Investment Manager's Review and this Directors' Report, information about other likely developments in the Company's operations and the expected results of these operations in future financial years has not been included.

Environmental regulations

The operations of the Company are not subject to any particular environmental regulations under a Commonwealth, State or Territory Law.

Information on Directors

The following persons were Directors of the Company during the financial year and up to the date of this report:

Name	Title	Appointment date
John Steven	Chairman and Independent Non-Executive Director	6 March 2014
Judith Smith	Independent Non-Executive Director	6 March 2014
David Trude	Independent Non-Executive Director	6 March 2014
Robert Brown	Director	6 March 2014
Barry Fairley	Director	10 February 2014

John Steven (Chairman and Independent Non-Executive Director)

John Steven is a senior partner of the National Capital Markets and Commercial Business Unit of Minter Ellison and until recently was a member of the firm's Executive Leadership Team and Board. He practises in the corporate and capital markets area, particularly public and private mergers and acquisitions, capital raisings and government projects. He also has an extensive general corporate practice. John is on the Advisory Board of various not for profit organisations. He was previously a Board Member of the Monash University Law Foundation. He holds a Bachelor of Laws (with Honours), a Bachelor of Economics and a Diploma of Commercial Law from Monash University.

Other current Directorships

Nil

Former Directorships in the last 3 years

Nil

Special responsibilities

John is the Chairman of the Board. John is also a member of the Audit Committee.

Interests in shares of the Company

Details of John's interests in the Company are included on page 19 of this report.

Judith Smith (Independent Non-Executive Director)

Prior to undertaking non executive roles Judith was formerly the Head of Private Equity at IFM Investors and Chair of the IFM Risk Committee. Judith was also a member of the IFM Investment Committee, a role she has retained following her retirement from the firm. At IFM Judith managed a multi-billion private equity portfolio of domestic and global investments. Prior to her role at IFM, Judith held various investment management roles. Judith holds a Master of Applied Finance from the University of Melbourne and a Bachelor of Economics (with Honours) from Monash University. She is a Fellow of the Financial Services Institute of Australasia and Graduate member of the Australian Institute of Company Directors. Judith is a director of LUCRF, Scale Investors, Funds SA and Universal Bisensors Inc. and holds committee roles at IFM and the South Australian Venture Capital Fund.

Other current Directorships

LUCRF, Scale Investors, Funds SA, Universal Bisensors Inc.

Former Directorships in the last 3 years

Nil

Special responsibilities

Judith is chair of the Audit Committee.

Interests in shares of the Company

Details of Judith's interests in the Company are included on page 19 of this report.

Information on Directors (continued)

David Trude (Independent Non-Executive Director)

David is a senior banking executive with over 40 years' experience in a variety of financial services roles in the banking and securities industry. He is Chairman of E.L. & C. Baillieu, a position he has held since 2010 and has been a Member of the Board since 2007. David was formerly Managing Director, Australian Chief Executive Officer/Country Manager of Credit Suisse Australia Ltd. He is Chairman of Waterford Retirement Village, Hansen Technologies Limited and is a member of the board of Chi-X Australia Pty Ltd and MSL Solutions Ltd. He is a former panel member of the ASX Disciplinary Tribunal and Director of the Stockbrokers Association of Australia.

David holds a Bachelor of Commerce from the University of Queensland and is a Master Stockbroker of the Stockbrokers and Financial Advisers Association of Australia and Member of the Australian Institute of Company Directors.

Other current Directorships

David is Chairman of Hansen Technologies Limited and a Director of MSL Solutions Ltd.

Former Directorships in the last 3 years

Nil

Special responsibilities

David is a member of the Audit Committee.

Interests in shares of the Company

Details of David's interests in the Company are included on page 19 of this report.

Robert Brown (Director)

Robert Brown is an independent Director of the Manager and is Chairman of its subsidiary Australian Microcap Investments Pty Ltd. He is an emeritus professor of Finance in the Department of Finance, University of Melbourne, where his research has focused on security market behaviour. He holds a Bachelor of Economics (with Honours) and Master of Economics from the University of Sydney and a Graduate Diploma in Accounting from Victoria College. He is a fellow of CPA Australia, a senior fellow of the Financial Services Institute of Australasia.

Other current Directorships

Acorn Capital Ltd, Australian Microcap Investments Pty Ltd, Acorn Capital GP Pty Ltd.

Former Directorships in the last 3 years

Nil

Special responsibilities

Nil

Interests in shares of the Company

Details of Robert's interests in the Company are included on page 19 of this report.

Barry Fairley (Director)

Barry Fairley is a director of the Manager and its former Managing Director. In that capacity he was responsible for the strategic direction and management of the Manager. Barry founded the Manager in 1998 and has more than 40 years of investment experience.

Prior to forming the Manager, Barry was the Managing Director at Triako Resources Limited. During his 15 years at Triako Resources, Barry was responsible for the company's strategic direction and management, including the acquisition and financing of major projects. Barry also served as a Partner/Director at McIntosh Securities Limited. Barry began his career at Colonial Mutual Life where he was a Financial Analyst.

Barry holds a Diploma in Mining Engineering.

Other current Directorships

Acorn Capital Ltd, Australian Microcap Investments Pty Ltd, Acorn Capital GP Pty Ltd.

Former Directorships in the last 3 years

Nil

Special responsibilities

Nil

Information on Directors (continued)

Interests in shares of the Company

Details of Barry's interests in the Company are included on page 19 of this report.

Company secretary

Matthew Sheehan

Matthew Sheehan is an Investment Director with the Manager, responsible for the origination, assessment and ongoing management of unlisted investments, with a particular focus on the structuring and documentation of unlisted investments. He is also the Legal Counsel and Company Secretary of the Manager.

Matthew began his career as a private practice lawyer and worked at firms in Melbourne, New York and London. Prior to joining the Manager in April 2009, Matthew worked at Macquarie Group as the General Counsel and Company Secretary of Macquarie Communications Infrastructure Group and Macquarie Specialised Asset Management Limited.

Matthew holds a Bachelor of Economics (with Honours) from Monash University as well as a Bachelor of Laws (with Honours) and Master of Applied Finance from the University of Melbourne.

Meeting of Directors

The numbers of meetings of the Company's Board of Directors held during the reporting period ended 30 June 2019, and the numbers of meetings attended by each Director were:

	Board Meetings Attended	Board Meetings Held
John Steven	8	8
Judith Smith	8	8
David Trude	7	8
Robert Brown	8	8
Barry Fairley	6	8

	Audit Committee Meetings Attended	Audit Committee Meetings Held
John Steven	3	3
Judith Smith	3	3
David Trude	3	3

Indemnification and insurance of officers and auditors

In accordance with the Company's Constitution, the Company indemnifies every person who is or has been an officer of the Company against any liability (other than for legal costs) incurred by that person as an officer of the Company (including liabilities incurred by the officer as a Director or secretary of a subsidiary of the Company where the Company requested the officer to accept that appointment), to the extent permitted by law and subject to the restrictions in section 199A of the *Corporations Act 2001* and any other applicable law.

The Company has also entered into deeds of indemnity, insurance and access with each Director. During the reporting period, the Company paid insurance premiums for liability incurred by a person as a Director while acting in that capacity, except where the liability arises out of conduct involving lack of good faith. Due to confidentiality obligations and undertakings of the insurance policy, no further details in respect of the premium or the policy can be disclosed.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important.

During the year there were no additional engagements conducted by the auditor.

Details of the amounts paid or payable to the auditor (Ernst & Young) for audit services provided during the reporting period are set out below.

For the reporting period ended	30 June 2019	30 June 2018
	\$	\$
Audit services		
Audit and review of financial statements and other audit work under the <i>Corporations Act 2001</i>	<u>53,141</u>	<u>50,932</u>
Total remuneration for audit services	53,141	50,932

Fees paid to and interests held in the Company by the Manager or its associates

Fees paid to the Manager out of Company property during the reporting period are disclosed in Note 15 of the financial statements.

No fees were paid out of Company property to the Directors of the Manager during the reporting period.

The number of interests in the Company held by the Manager or its associates as at the end of the reporting period are disclosed in Note 15 of the financial statements.

Name	Ordinary Shares
John Steven	75,000
Judith Smith	25,000
David Trude	30,000
Robert Brown	56,997
Barry Fairley	1,353,313

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with that Class Order unless otherwise indicated.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 20 and forms part of this Directors' report.

Remuneration report (Audited)

This report details the remuneration policy and outcomes for key management personnel ("KMP") of the Company (as defined in AASB 124 Related Party Disclosures) for the year ended 30 June 2019. This remuneration report forms part of the Directors' Report and has been audited in accordance with the Corporations Act.

There is no remuneration paid to executives by the Company as their services are provided pursuant to an agreement with the Manager as disclosed below. The Company has no employees (only Non-Executive Directors) and therefore does not have a remuneration policy for employees. Accordingly, the Non-Executive Directors of the Company are the only members of KMP and this remuneration report outlines the remuneration policy and arrangements that are in place for Non-Executive Directors only. All Non-Executive Directors held their positions for the entire reporting period.

Remuneration policy

The Board of Directors' policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required, subject to the Board's approval. No remuneration consultants were engaged during the reporting period and no remuneration recommendation was made.

Relationship between remuneration policy and the Company performance

Remuneration of the Directors is not linked to the performance of the Company. The Non-Executive Directors are remunerated with set fees and do not receive any performance based pay. This enables the Directors to maintain independence and impartiality when making decisions affecting the future direction of the Company.

Remuneration arrangements

The Independent Non-Executive Directors receive the following annual Director fees (inclusive of superannuation):

John Steven	\$60,000
Judith Smith	\$40,000
David Trude	\$40,000

Barry Fairley and Robert Brown are Directors of the Company and the Manager. They are remunerated by the Manager and do not receive Directors' fees or any other direct form of remuneration from the Company for their services.

Remuneration details for the reporting period ended 30 June 2019

The Directors do not receive any benefits or remuneration other than Directors' fees and statutory superannuation.

Details of the remuneration of the Directors, the KMP of the Company are set out in the following tables:

Name	Period	Short-term benefits Cash salary and fees	Post-employment benefits Superannuation	Total
		\$	\$	\$
John Steven	FY19	54,795	5,205	60,000
	FY18	54,795	5,205	60,000
Judith Smith	FY19	36,530	3,470	40,000
	FY18	36,530	3,470	40,000
David Trude	FY19	36,530	3,470	40,000
	FY18	36,530	3,470	40,000
Robert Brown	FY19	-	-	-
	FY18	-	-	-
Barry Fairley	FY19	-	-	-
	FY18	-	-	-
Total	FY19	127,855	12,145	140,000
	FY18	127,855	12,145	140,000

Director equity interests

The following table summarises the movements in the shareholdings of Non-Executive Directors (including their related parties) during the reporting period.

Name	Ordinary Shares held at start of the reporting period	Other net change	Ordinary Shares held at end of the reporting period
John Steven	Nil	75,000	75,000
Judith Smith	25,000	-	25,000
David Trude	30,000	-	30,000
Robert Brown	56,271	726	56,997
Barry Fairley	1,353,313	-	1,353,313

Other transactions with key management personnel or entities related to them

No Director or their related parties have entered into a material contract with the Company since the last reporting date.

Loans transactions and balances

The Company has not made, guaranteed or secured, directly or indirectly any loans to the Directors or their related parties during the reporting period.

The Directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

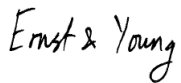


John Steven
Chairman and Non-Executive Director
Melbourne
26 August 2019

Auditor's Independence Declaration to the Directors of Acorn Capital Investment Fund Limited

As lead auditor for the audit of the financial report of Acorn Capital Investment Fund Limited for the financial year ended 30 June 2019, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



Ernst & Young



Luke Slater
Partner
Melbourne
26 August 2019

Statement of comprehensive income

For the reporting period ended		30 June 2019 \$'000	30 June 2018 \$'000
	Notes		
<i>Revenue from ordinary activities</i>			
Interest income		444	124
Dividend/Distribution income	3	475	389
Total revenue		919	513
Net (losses)/gains on financial instruments held at fair value through profit or loss	4	(1,040)	17,860
Other income		1	10
Total income/(loss)		(120)	18,383
Expenses			
Management fees	15	658	646
Directors' fees	15	140	140
Performance fees	15	-	299
Auditor's remuneration	5	53	51
Brokerage expenses		92	129
Insurance		60	54
Share registry fees		61	68
ASX fees		40	42
Legal fees		36	79
Custody fees		30	34
Other expenses		98	83
Total expenses		1,268	1,625
(Loss)/Profit before income tax (benefit) expense		(1,388)	16,758
Income tax (benefit)/expense	6	(821)	4,856
(Loss)/profit after income tax for the reporting period attributable to the owners of the Company		(567)	11,902
Other comprehensive income for the reporting period attributable to the owners of the Company		-	-
Total comprehensive (loss)/income for the reporting period		(567)	11,902
Earnings per share for (loss)/profit after income tax attributable to the owners of the ordinary shares of the Company:			
Basic	13	(1.07)	23.60
Diluted	13	(0.99)	23.60

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

As at		30 June 2019	30 June 2018
	Notes	\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents	7	2,767	1,914
Receivables and Prepayments	8	892	929
Financial assets held at fair value through profit or loss	9	62,069	71,208
Total current assets		65,728	74,051
Total assets		65,728	74,051
Liabilities			
Current liabilities			
Payables	10	961	2,757
Provision for current income tax		922	901
Total current liabilities		1,883	3,658
Non- current liabilities			
Deferred tax liability	11	1,254	3,785
Total non-current liabilities		1,254	3,785
Total liabilities		3,137	7,443
Net assets		62,591	66,608
Equity			
Contributed equity	12	52,730	52,484
Accumulated losses		(9,297)	(4,680)
Dividend reserve		19,158	18,804
Total equity attributable to owners of the Company		62,591	66,608

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the reporting period ended 30 June 2019	Contributed equity	Retained profits/ Accumulated losses	Dividend reserve	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2018	52,484	(4,680)	18,804	66,608
Contributed equity	42	-	-	42
Expenses associated with Option issue	(105)	-	-	(105)
(Loss)/profit after income tax for the reporting period attributable to the owners of the Company	-	(4,617)	4,050	(567)
Total comprehensive income for the reporting period attributable to the owners of the Company	52,421	(9,297)	22,854	65,978
Transactions with owners in their capacity as owners:				
Dividends paid	-	-	(3,696)	(3,696)
Dividends reinvested	309	-	-	309
Balance at 30 June 2019	52,730	(9,297)	19,158	62,591

For the reporting period ended 30 June 2018	Contributed equity	Retained profits/ Accumulated losses	Dividend reserve	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2017	47,563	(4,680)	9,291	52,174
Contributed equity	4,986	-	-	4,986
(Loss)/profit after income tax for the reporting period attributable to the owners of the Company	-	-	11,902	11,902
Total comprehensive income for the reporting period attributable to the owners of the Company	52,549	(4,680)	21,193	69,062
Transactions with owners in their capacity as owners:				
Share buy back	(292)	-	-	(292)
Dividends paid	-	-	(2,389)	(2,389)
Dividends reinvested	227	-	-	227
Balance at 30 June 2018	52,484	(4,680)	18,804	66,608

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the reporting period ended		30 June 2019 \$'000	30 June 2018 \$'000
	Notes		
Cash flows from operating activities			
Proceeds from sale of financial instruments held at fair value through profit or loss		32,155	42,218
Purchase of financial instruments held at fair value through profit or loss		(23,258)	(36,005)
Deferred consideration paid		(1,712)	-
Transaction costs on financial instruments held at fair value through profit or loss		(98)	(129)
Dividends / distribution income received		374	403
Interest received		50	123
Custody fees paid		(39)	(33)
Other income received		1	17
Income Tax paid		(1,684)	(1,878)
Operating expenses paid		<u>(1,486)</u>	<u>(1,001)</u>
Net cash inflow from operating activities	17(a)	<u>4,303</u>	<u>3,715</u>
Cash flows from financing activities			
Share buyback		-	(292)
Options exercised		42	-
Transaction costs associated with options issue		(105)	-
Dividends paid		<u>(3,387)</u>	<u>(2,162)</u>
Net cash outflow from financing activities		<u>(3,450)</u>	<u>(2,454)</u>
Net increase in cash and cash equivalents		853	1,261
Cash and cash equivalents at the beginning of the reporting periods		<u>1,914</u>	<u>653</u>
Cash and cash equivalents at the end of the reporting periods	7,17(b)	<u>2,767</u>	<u>1,914</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

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1 General information

These financial statements cover Acorn Capital Investment Fund Limited ("the Company") as an individual entity.

Acorn Capital Limited (**Manager**) is the Investment Manager of the Company. The Company has no employees (only Non-Executive Directors).

The Company is incorporated and domiciled in Australia.

The financial statements are presented in Australian dollars.

The financial statements are for the period from 1 July 2018 to 30 June 2019 (the **reporting period**).

The financial statements were authorised for issue by the Directors on 26 August 2019. The Directors of the Company have the power to amend and reissue the financial statements.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001 in Australia.

The financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The Company is a for-profit entity for the purposes of preparing the financial statements.

The financial statements have been prepared on a historical-cost basis, except for financial assets and financial liabilities held at fair value through profit or loss (FVPL).

The Company is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission ("ASIC"), relating to the "rounding off" of amounts in the financial statements. The financial statements are presented in Australian dollars, which is the functional currency of the Company, and all values are rounded to the nearest thousand dollars (\$000) in accordance with the ASIC Class Order, except where otherwise indicated.

The Company presents its statement of financial position based on current and non-current items classifications. Current assets and liabilities are defined as those which are expected to be settled within 12 months from balance date while non-assets and liabilities are expected to be settled after 12 months from balance date.

(b) Financial instruments

In the current period the Company has adopted AASB 9 Financial Instruments. See note 2(u) for an explanation of the impact. Comparative figures for the year ended 30 June 2018 have not been restated. Therefore, financial instruments in the comparative period are still accounted for in accordance with AASB 139 Financial Instruments: Recognition and Measurement.

Classification - Policy effective from 1 July 2018 (AASB 9)

In accordance with AASB 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- (a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- (b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or
- (c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

Financial assets

The Company classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company includes in this category short-term non-financing receivables including, accrued income and other receivables.

Financial assets measured at fair value through profit or loss (FVPL)

A financial asset is measured at fair value through profit or loss if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- (c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Company includes in this category:

- *Debt instruments.* These include investments that are held under a business model to manage them on a fair value basis for investment income and fair value gains.
- Instruments held for trading. This category includes equity instruments and debt instruments which are acquired principally for the purpose of generating a profit from short-term fluctuations in price.

Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Company includes in this category short-term payables, such as accrued operating expenses and unsettled trades.

(i) Classification - Policy effective before 1 July 2018 (AASB 139)

The Company classifies its financial assets and financial liabilities at initial recognition into the following categories, in accordance with AASB 139.

Financial assets and liabilities at FVPL

The category of financial assets and liabilities includes financial assets and liabilities held for trading: financial assets are classified as held for trading if they are acquired for the purpose of selling and/or repurchasing in the near term. This category includes equity instruments, debt instruments and derivatives. These assets are acquired principally for the purpose of generating a profit from short-term fluctuations in price. The Company does not apply hedge accounting.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company includes in this category short-term receivables.

Other financial liabilities

This category includes all financial liabilities, other than those classified as at FVPL. The Company includes in this category other short-term payables.

(ii) Recognition

The Company recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(iii) Initial measurement

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss. Financial assets and liabilities (other than those classified as at FVPL) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

2 Summary of significant accounting policies (continued)

(iv) Subsequent measurement

After initial measurement, the Company measures financial instruments which are classified as at FVPL, at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets and liabilities at FVPL in the statement of comprehensive income. Interest and dividends earned or paid on these instruments are recorded separately in interest revenue and dividend revenue in the statement of comprehensive income.

Debt instruments, other than those classified as at FVPL, are measured at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the debt instruments are derecognised or impaired, as well as through the amortisation process.

Financial liabilities, other than those classified as at FVPL, are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

The effective interest method (EIR) is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating and recognising the interest income or interest expense in profit or loss over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instruments, but does not consider expected credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(v) Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Company has:

- (a) Transferred substantially all of the risks and rewards of the asset; or
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

2 Summary of significant accounting policies (continued)

(c) Impairment of financial assets

Policy effective from 1 July 2018 (AASB 9)

The Company holds only trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under AASB 9 to all its trade receivables. Therefore the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

Policy effective before 1 July 2018 (AASB 139)

The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtor, or a group of debtors, is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and, where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future ECLs that have not yet been incurred) discounted using the asset's original EIR. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss as credit loss expense.

Impaired debts, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If a previous write-off is later recovered, the recovery is credited to the credit loss expense.

Interest revenue on impaired financial assets is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is generally not the case with master netting agreements unless one party to the agreement defaults and the related assets and liabilities are presented gross in the statement of financial position.

2 Summary of significant accounting policies (continued)

(e) Fair Value measurement

The Company measures its investments in financial instruments, such as equity instruments, convertible notes and derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions, adjusted as necessary, and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

For assets and liabilities that are measured at fair value on a recurring basis, the Company identifies transfers between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole), and deems transfers to have occurred at the end of each reporting period.

(f) Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the Company operates. The majority of the Company's returns are Australian dollar-based, the capital is raised in Australian dollars, the performance is evaluated and its liquidity is managed Australian dollars. Therefore, the Company concludes that the Australian dollar is its functional currency.

The Company's presentation currency is also the Australian dollar.

(g) Foreign currency translations

Foreign currency transactions during the period, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Foreign currency transaction gains and losses on financial instruments classified as at FVPL are included in profit or loss in the statement of comprehensive income as part of the 'net gain or loss on financial assets and liabilities at fair value through profit or loss'.

(h) Amounts due to and from brokers

Amounts due to brokers are payables for securities purchased (in a regular way transaction) that have been contracted for, but not yet delivered, on the reporting date. Refer to the accounting policy for financial liabilities, other than those classified as at FVPL, for recognition and measurement.

Amounts due from brokers are receivables for securities sold (in a regular way transaction) that have been contracted for, but not yet delivered, on the reporting date. Refer to the accounting policy for loans and receivables for recognition and measurement.

2 Summary of significant accounting policies (continued)

(i) Share capital

Ordinary shares are classified as equity. Issued and paid up equity is recognised at the fair value of the consideration received by the Company. Incremental costs directly attributable to the issue of new shares or options (that vest immediately) are shown in equity as a deduction from the proceeds.

If the entity reacquires its own equity instruments, for example as the result of a share buy back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs is recognised directly in equity.

The authorised share capital of the is fully paid and listed on the Australian Stock Exchange. The Company's capital is represented by these shares.

(j) Dividends to shareholders

Dividends are at the discretion of the Company. A dividend to the Company's shareholders is accounted for as a deduction from the dividend reserve. Dividends are recognised as a liability in the period in which it is irrevocably declared by the Board of Directors.

The Company has a dividend reserve for the purpose of reserving profits to allow the Company to declare dividends. Profit for the six-month period is added to the Dividend Reserve at 31 December and 30 June each year and dividends paid are deducted from the reserve on the payment date.

Dividends are declared by the Board of Directors in accordance with the Corporations Act 2001 section 254T.

The Company has a dividend reinvestment program ("DRP") which applies to dividends, details of which are on the company website.

(k) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and short-term deposits in banks that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of three months or less.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts when applicable.

(l) Receivables

Receivables may include such items as Reduced Input Tax Credits (RITC), amounts for dividends, interest and securities sold where settlement has not yet occurred. Dividends are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in Note 2(d) above.

(m) Payables

Payables include liabilities and accrued expenses owing by the Company which are unpaid as at the end of the period.

Trades are recorded on trade date and normally settled within two business days. Purchases of financial instruments that are unsettled at the end of each year are included in payables.

(n) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the reporting period.

Diluted earnings per share

Diluted earnings per share adjusts the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

2 Summary of significant accounting policies (continued)

(o) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the Australian corporate income tax rate (27.5%) adjusted for changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates applicable to the Company. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction that at the time of the transaction did not affect either accounting or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Company may incur withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the statement of comprehensive income.

Income tax expense or revenue is recognised in the statement of comprehensive income.

Current and deferred tax balances are recognised in the statement of financial position.

(p) Revenue

Interest revenue

Interest revenue recognised in the statement of comprehensive income for all interest-bearing financial instruments on an accruals basis when the amount can be reliably measured and receipt is probable.

Dividend revenue

Dividend revenue is recognised on the date when the Company's right to receive the payment is established.

Dividend revenue is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the statement of comprehensive income.

(q) Net gain or loss on financial assets and liabilities at fair value through profit or loss

Net gains or losses on financial assets and liabilities at FVPL are changes in the fair value of financial assets and liabilities held for trading or designated upon initial recognition as at FVPL and exclude interest and dividend income and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of the prior period's unrealised gains and losses for financial instruments which were realised in the reporting period. Realised gains and losses on disposals of financial instruments classified as at FVPL are calculated using the average cost method. They represent the difference between an instrument's initial carrying amount and disposal amount.

(r) Expenses

Expenses are recognised on an accrual basis.

2 Summary of significant accounting policies (continued)

(s) Goods and Services Tax (GST)

Expenses relating to various services provided to the Company by third parties such as custodial services and investment management fees etc. are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case, it is recognised as part of the related expense or cost item.

Accounts payable and receivable are stated inclusive of the GST receivable and payable. The net amount of GST recoverable from, or payable to, the taxation authority is included in receivables or payables in the statement of financial position.

(t) Operating Segment Information

The Company operates in Australia only and the principal activity is investment.

(u) Changes in accounting policies and disclosures

New and amended standards and interpretations

The Company applied, for the first time, certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2018.

The nature and the impact of each new standard and amendment is described below:

AASB 9 Financial Instruments

The Company adopted AASB 9 *Financial Instruments* on its effective date from 1 July 2018. AASB 9 replaces AASB 139 *Financial Instruments: Recognition and Measurement* and introduces new requirements for classification and measurement, impairment and hedge accounting. AASB 9 is not applicable to items that have already been derecognised at 1 July 2018, the date of initial application.

(a) Classification and measurement

The Company has assessed the classification of financial instruments as at the date of initial application and has applied such classification from 1 July 2018. Based on that assessment:

- All financial assets previously held at fair value continue to be measured at fair value.
- Debt instruments and equity instruments are acquired for the purpose of generating short-term profit. Therefore, they meet the held-for-trading criteria and are required to be measured at FVPL.
- Financial Assets previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. Thus, such instruments can continue to be recognised as amortised cost under AASB 9.
- The classification of financial liabilities under AASB 9 remains broadly the same as under AASB 139. The main impact on measurement from the classification of liabilities under AASB 9 relates to the element of gains or losses for financial liabilities designated as at FVPL attributable to changes in credit risk. AASB 9 requires that such element be recognised in other comprehensive income (OCI), unless this treatment creates or enlarges an accounting mismatch in profit or loss, in which case, all gains and losses on that liability (including the effects of changes in credit risk) should be presented in profit or loss. The Company has not designated any financial liabilities at FVPL. Therefore, this requirement has not had an impact on the Company.

(b) Impairment

AASB 9 requires the Company to record ECLs on all of its debt securities, loans and other receivables measured at amortised cost, either on a 12-month or lifetime basis. Given the limited exposure of the Company to credit risk, this amendment has not had a material impact on the financial statements. The Company only holds trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and therefore has adopted an approach similar to the simplified approach to ECLs.

(c) Hedge accounting

The Company has not applied hedge accounting under AASB 139 nor will it apply hedge accounting under AASB 9.

2 Summary of significant accounting policies (continued)

Impact of adoption of AASB 9

The classification and measurement requirements of AASB 9 have been adopted retrospectively as of the date of initial application on 1 July 2018, however, the Company has chosen to take advantage of the option not to restate comparatives. Therefore, the 2018 figures are presented and measured under AASB 139. The following table shows the original measurement categories in accordance with AASB 139 and the new measurement categories under AASB 9 for the Company's financial assets and financial liabilities as at 1 July 2018.

Financial asset				
1 July 2018	AASB 139 Classification	AASB 139 Measurement (\$'000)	AASB 9 Classification	AASB 9 Measurement (\$'000)
Financial assets held at fair value through profit or loss	Held for trading at FVPL	71,208	FVPL	71,208
Trade and other receivables	Loans and receivables	929	Amortised cost	929
Cash and cash equivalents	Loans and receivables	1,914	Amortised cost	1,914

Financial liabilities				
1 July 2018	AASB 139 Classification	AASB 139 Measurement (\$'000)	AASB 9 Classification	AASB 9 Measurement (\$'000)
Trade and other payables	Other financial liabilities	2,757	Amortised Cost	2,757
Provision for current income tax	Other financial liabilities	901	Amortised cost	901
Deferred tax liability	Other financial liabilities	3,785	Amortised cost	3,785

In line with the characteristics of the Company's financial instruments as well as its approach to their management, the Company neither revoked nor made any new designations on the date of initial application. AASB 9 has not resulted in changes in the carrying amount of the Company's financial instruments due to changes in measurement categories. All financial assets that were classified as FVPL under AASB 139 are still classified as FVPL under AASB 9. All financial assets that were classified as loans and receivables and measured at amortised cost continue to be.

In addition, the application of the ECL model under AASB 9 has not changed the carrying amounts of the Company's amortised cost financial assets.

The carrying amounts of amortised cost instruments continued to materially approximate these instruments' fair values on the date of transition after transitioning to AASB 9.

AASB 15 Revenue from contracts with customers

The Company adopted AASB 15 Revenue from contracts with customers on its effective date of 1 July 2018. AASB 15 replaces AASB 118 Revenue and establishes a five-step model to account for revenue arising from contracts with customers. In addition, guidance on interest and dividend income have been moved from AASB 118 to AASB 9 without significant changes to the requirements. Therefore, there was no impact of adopting AASB 15 for the Company.

2 Summary of significant accounting policies (continued)

(v) Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

The preparation of the Company's financial statements requires it to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. However, estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company's financial instruments are valued primarily based on the prices provided by independent pricing services. When the fair values of the reported financial instruments cannot be derived from active markets, they are determined using prices obtained from inactive or unquoted markets and/or other valuation techniques. The inputs to these valuation techniques (if applicable) are taken from observable markets to the extent practicable. Where observable inputs are not available, the inputs may be estimated based on a degree of judgments and assumptions in establishing fair values.

Where appropriate, the outcomes of the valuation techniques that are used in establishing fair values are validated using prices from observable current market transactions for similar instruments (without modification or repackaging) or based on relevant available observable market data.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

In addition, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates and judgments. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For certain other financial instruments, including amounts due from/to brokers, accounts payable and accounts receivable, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Fair value

For fair value of financial instruments, please refer to Note 14(f).

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and changes in tax laws on foreign withholding tax. Differences arising between the actual investment income and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax expense already recorded. As the Company assesses the probability for litigation and subsequent cash outflow with respect to taxes as remote, no contingent liability has been recognised.

2 Summary of significant accounting policies (continued)

(w) Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below, except for those standards which, in the opinion of the Board, will clearly not impact the Company. The Company intends to adopt these standards, if applicable, when they become effective.

AASB Interpretation 23 Uncertainty over Income Tax Treatment

AASB Interpretation 23 Uncertainty over Income Tax Treatment The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112 and does not apply to taxes or levies outside the scope of AASB 112, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. The Company will apply the interpretation from 1 July 2019. As at the date of this report, the expected impact of the application of the Interpretation on the Company's financial statements is not known.

AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle

AASB 112 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. When an entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

3 Dividend/Distribution income

For the reporting period ended	30 June 2019 \$'000	30 June 2018 \$'000
Dividends	475	355
Trust Distributions	-	34
	475	389

4 Net gains/(losses) on financial instruments held at fair value through profit or loss

For the reporting period ended	30 June 2019	30 June 2018
	\$'000	\$'000
Net unrealised gain/(loss) on financial assets designated at fair value through profit or loss	(8,345)	10,397
Net realised gain on financial assets designated at fair value through profit or loss	<u>7,305</u>	<u>7,463</u>
Total net gains/(losses) on financial instruments held at fair value through profit or loss	(1,040)	17,860

5 Auditor's remuneration

During the reporting period the following fees were paid or payable for services provided by the auditor to the Company, its related parties and non-related audit firms:

For the reporting period ended	30 June 2019	30 June 2018
	\$	\$
(a) Audit services		
Audit and review of financial statements and other audit work under the Corporations Act 2001	<u>53,141</u>	<u>50,932</u>
Total remuneration for audit services	53,141	50,932
Total auditor's remuneration	53,141	50,932

6 Income tax expense

For the reporting period ended	30 June 2019	30 June 2018
	\$'000	\$'000
(a) Income tax expense recognised in profit or loss		
Current income tax expenses	1,710	1,753
Deferred tax (benefit)/expense	<u>(2,531)</u>	<u>3,103</u>
	(821)	4,856
Deferred income tax expense included in tax expense comprises:		
Decrease in deferred tax assets	-	-
(Decrease)/increase in deferred tax liabilities due to changes in unrealised portfolio gains	<u>(2,531)</u>	<u>3,103</u>
	(2,531)	3,103
(b) Numerical reconciliation of tax expense to prima facie tax payable		
Profit before income tax expense	(1,388)	16,758
Tax at the Australian tax rate of 27.5% (2018: 30%)	<u>(382)</u>	<u>5,027</u>
Tax effect of amounts which are assessable (not deductible) in calculating taxable income	<u>(123)</u>	<u>(158)</u>
Income tax expense	(821)	4,856
Imputation tax credit and other tax offsets	(114)	(138)
Change in company tax rate	(316)	-
Other	<u>(9)</u>	<u>(20)</u>
	(439)	(158)
(c) Tax losses		
Unused income tax losses for which no deferred tax asset has been recognised	-	-
(d) Unrecognised temporary differences		
Temporary differences for which deferred tax liabilities have not been recognised	-	-
Unrecognised deferred tax liabilities relating to the above temporary differences	-	-

(e) Taxation of financial arrangements (TOFA)

The TOFA legislation provides a comprehensive framework for taxing 'financial arrangements' which alters both the character and the timing of income and deductions for taxation purposes. The TOFA tax methods applied are the 'default' method, that is, the compounding accrual method for interest bearing financial arrangements and the 'realisation' method for non-interest bearing financial arrangements.

7 Cash and cash equivalents

As at	30 June 2019 \$'000	30 June 2018 \$'000
Cash at bank	2,767	1,914
	2,767	1,914

8 Receivables

As at	30 June 2019 \$'000	30 June 2018 \$'000
Distributions receivable	-	8
Interest receivable	1	2
Trade receivables	821	844
GST claimable	15	27
Prepaid expenses	55	48
Total receivables	892	929

Trade receivables are unsettled sales of investments and are generally receivable within two business days.

9 Financial assets held at fair value through profit or loss

As at	30 June 2019 \$'000	30 June 2018 \$'000
Designated at fair value through profit or loss		
Listed equities	43,714	49,082
Listed property trusts	-	717
Unlisted equities	16,266	17,293
Convertible notes	2,089	4,116
Total designated at fair value through profit or loss	62,069	71,208
Total financial assets held at fair value through profit or loss	62,069	71,208

An overview of the risk exposures relating to financial assets held at fair value through profit or loss is included in Note 14.

10 Payables

As at	30 June 2019 \$'000	30 June 2018 \$'000
Outstanding settlements payable	567	272
Deferred consideration*	-	1,712
Management fees payable	344	376
Performance fees payable	-	320
Accrued expenses payable	50	77
Total payables	961	2,757

* Deferred consideration is in relation to the asset purchase from Washington H Soul Pattinson & Company Limited (refer ASX announcement 14 December 2017).

11 Deferred tax assets/(liabilities)

As at	30 June 2019 \$'000	30 June 2018 \$'000
The balance comprises temporary differences attributable to:		
Amount recognised in profit or loss		
Tax losses	-	-
Unclaimed incorporation expenses carried forward	24	-
Other deferred tax assets/(liabilities) - unrealised portfolio gains	(1,278)	(3,785)
Total deferred tax assets/(liabilities)	(1,254)	(3,785)
Set off of deferred tax liabilities pursuant to set-off provisions	-	-
Net deferred tax assets/(liabilities)	(1,254)	(3,785)
Movements		
Opening balance	(3,785)	(682)
Credited/(charged) to profit or loss	2,531	(3,103)
Closing balance at 30 June	(1,254)	(3,785)
Gross up for deferred tax liabilities netted off	-	-
Gross deferred tax assets/(liabilities)	(1,254)	(3,785)
Deferred tax assets/(liabilities) to be settled after more than 12 months	(1,254)	(3,785)
Deferred tax assets/(liabilities) to be settled within 12 months	-	-
	(1,254)	(3,785)

12 Contributed equity and movements in total equity

As at	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 No.'000	30 June 2018 No.'000
(a) Share capital				
Ordinary shares				
Fully paid	66,959	66,608	53,038	52,711
(b) Movements in shares on issue:				
Opening balance	66,608	61,103	52,711	48,758
Share buy back	-	292	-	(294)
Equity issued	42	4,986	35	4,026
Distributions reinvested	309	227	292	221
Closing balance	66,959	66,608	53,038	52,711

(c) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(d) Capital risk management

The Company's policy is to maintain an appropriate level of liquidity in the Company's shares.

To achieve this, the Board of Directors monitor monthly NTA results, investment performance, the Company's management expenses and share price movements.

13 Earnings per share

For the period ending	30 June 2019 \$'000	30 June 2018 \$'000
(a) Earnings/(loss)		
Profit/(loss) after income tax attributable to the owners of the Company (\$'000)	(567)	11,902
Earnings/(loss) used in calculating basic and diluted earnings per share (\$'000)	(567)	11,902
(b) Earnings/(loss) per share		
Basic earnings per share (cents)	(1.07)	23.60
Diluted earnings per share (cents)	(0.99)	23.60
(c) Number of shares		
Weighted average number of shares used in the calculation of basic earnings per share	52,827,744	50,436,660
Weighted average number of shares used in the calculation of diluted earnings per share	57,588,603	50,436,660

14 Financial risk management

(a) Objectives, strategies, policies and processes

The Company's activities may expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Company's overall risk management program focuses on ensuring compliance with the Company's disclosure documents and seeks to maximise the returns derived for the level of risk to which the Company is exposed. Financial risk management is carried out by the Manager under policies approved by the Board.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: price risk, foreign currency risk and interest rate risk. Market risk is managed via portfolio diversification, and minimised through ensuring that all investment activities are undertaken in accordance with established mandates and investment strategies.

The market risk disclosures are prepared on the basis of the Company's direct investments and not on a look-through basis.

The sensitivity of the Company's total equity and profit/(loss) to price risk, foreign exchange risk and interest rate risk is measured by the reasonably possible movements approach. This approach is determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates and foreign exchange rates, historical correlation of the Company's investments with the relevant benchmarks and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Company invests. As a result, historic variations in the risk variables are not a definitive indicator of future variations in the risk variables.

At 30 June 2019, the overall market exposures were as follows:

As at	30 June 2019 \$'000	30 June 2018 \$'000
Securities at fair value through profit or loss	62,069	71,208
	62,069	71,208

(i) Price risk

Price risk is the risk that the fair value or future cash flows of equities will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

Price risk exposure arises from the Company's investment portfolio. The investments are classified on the statement of financial position as held at fair value through profit or loss. All securities investments present a risk of loss of capital. Except for equities sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from equities sold short can be unlimited, however the Company does not engage in short selling.

The Manager mitigates this price risk through diversification and a careful selection of securities and other financial instruments within specified limits set by the Board.

The Company's overall market positions are monitored on a regular basis by the Company's Manager. This information is reported to the relevant parties on a regular basis and ultimately the Board.

At 30 June 2019, if the equity prices had increased/(decreased) by the percentage indicated below, with all other variables held constant, the total equity and profit/(loss) would have changed by the following amounts, approximately and respectively:

As at	30 June 2019 Increased by 10% \$'000	30 June 2019 Decreased by 10% \$'000	30 June 2018 Increased by 10% \$'000	30 June 2018 Decreased by 10% \$'000
Increase/(decrease) in total equity (and profit/(loss) for the reporting period attributable to the owners of the Company)	6,207	(6,207)	7,121	(7,121)

14 Financial risk management (continued)

(b) Market risk (continued)

(ii) Foreign exchange risk

The foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company holds assets denominated in currencies other than the Australian dollar, the functional currency. It is therefore exposed to foreign exchange risk, as the value of the future cash flows of the securities denominated in other currencies will fluctuate due to changes in exchange rates. The risk is measured using sensitivity analysis.

In accordance with the Company's policy, the Investment Manager monitors the Company's currency position on a regular basis. This information and the compliance with the Company's policy are reported to the relevant parties on a regular basis as deemed appropriate and ultimately to the Board.

The foreign exchange risk disclosures have been prepared on the basis of the Company's direct investments and not on a look through basis for investments held indirectly through unit trusts.

When the Investment Manager formulates a view on the future direction of foreign exchange rates and the potential impact on the Company, the Investment Manager factors that into its portfolio allocation decisions. While the Company has direct exposure to foreign exchange rate changes on the price of non-Australian dollar denominated securities, it may also be indirectly affected for example, by the impact of foreign exchange rate changes on the earnings of certain entities in which the Company invests, even if those entities' securities are denominated in Australian dollars. For that reason, the sensitivity analysis may not necessarily indicate the total effect on total equity and profit/(loss) of future movements in foreign exchange rates.

At 30 June 2019, had the Australian dollar weakened/strengthened as illustrated below against the various currencies to which the Company is exposed, with all other variables held constant, the total equity and profit/(loss) would have changed by the following amounts, approximately and respectively:

	AUD Weakened		AUD Strengthened	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
AUD/GBP 2019 10% (2018: 10%)	8	93	(8)	(93)
AUD/USD 2019 10% (2018: 10%)	63	120	(63)	(120)

(iii) Interest rate risk

There was no significant direct interest rate risks in the Company as at 30 June 2019 (2018: Nil).

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk primarily arises from investments in debt securities. Other credit risk arises from cash and cash equivalents, and deposits with banks and other financial institutions and receivables.

With respect to credit risk arising from the financial assets of the Company, the Company's exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of these investments as disclosed in the statement of financial position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

Counterparty credit limits and the list of authorised brokers are reviewed by the relevant parties within the Company on a regular basis as deemed appropriate.

In accordance with the Company's policy, the Investment Manager monitors the Company's credit position on a regular basis. This information and the compliance with the Company's policy are reported to the relevant parties on a regular basis and ultimately the Board.

14 Financial risk management (continued)

(d) Concentrations of risk

Concentrations of risk arise when a number of financial instruments are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic conditions. These similarities would cause the counterparties' liabilities to meet the contractual obligations to be similarly affected by certain changes in the risk variables.

The concentrations of risk are monitored by the Manager to ensure they are within acceptable limits by reducing the exposures or by other means as deemed appropriate.

Concentrations of risk are managed by industry sector for equity instruments and by counterparty for debt instruments.

Based on the concentrations of risk that are managed by industry sector, the following investments can be analysed by the industry sector as at 30 June 2019 and 30 June 2018:

As at	30 June 2019 \$'000	30 June 2019 %	30 June 2018 \$'000	30 June 2018 %
Materials	11,954	19.28	13,498	18.96
Financials	9,974	16.09	10,771	15.13
Consumer Discretionary	8,664	13.97	9,725	13.66
Information Technology	7,709	12.43	8,091	11.36
Industrials	5,326	8.59	6,923	9.72
Health Care	7,998	12.90	9,197	12.92
Energy	4,220	6.81	6,826	9.59
Consumer Staples	3,592	5.79	4,062	5.70
Communication Services	2,204	3.56	1,862	2.61
Utilities	428	0.69	253	0.36
Total	62,069	100	71,208	100

14 Financial risk management (continued)

(e) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. This risk is controlled through the Company's investment in financial instruments that under normal market conditions are readily convertible to cash. In addition, the Company maintains sufficient cash and cash equivalents to meet normal operating requirements.

The Company's investments include listed securities that are considered readily realisable, as they are listed on recognised stock exchanges.

The Company may invest in unlisted equities that expose the Company to the risk that the Company may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

In accordance with the Company's policy, the Manager monitors the Company's liquidity position on a regular basis. This information and the compliance with the Company's policy are reported to the relevant parties on a regular basis as deemed appropriate and ultimately to the Board.

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month \$'000	1-3 months \$'000	3-12 months \$'000	More than 12 months \$'000
As at June 2019				
Financial liabilities:				
Accrued expenses payable	-	50	-	-
Management fees payable	-	344	-	-
Performance fees payable	-	-	-	-
Outstanding settlements payable	567	-	-	-
Total financial liabilities	567	394	-	-

	Less than 1 month \$'000	1-3 months \$'000	3-12 months \$'000	More than 12 months \$'000
As at June 2018				
Financial liabilities:				
Deferred Consideration	-	1,712	-	-
Accrued expenses payable	77	-	-	-
Management fees payable	-	376	-	-
Performance fees payable	-	320	-	-
Outstanding settlements payable	272	-	-	-
Total financial liabilities	349	2,408	-	-

14 Financial risk management (continued)

(f) Estimation of fair values of financial assets and liabilities

The carrying amounts of all the Company's financial assets and financial liabilities at the end of the reporting period approximated their fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company's accounting policy on fair value measurement is set out in Note 2(e). The methods and assumptions used in the determination of the fair value of each class of financial instruments is also set out in Note 2(e).

Note 2(v) outlines further the nature of management's judgments, estimates and assumptions that might have been used in the determination of the fair values of these financial instruments.

(g) Fair value hierarchy

The Company is required to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); quoted prices for similar securities in active and/or inactive markets; market-corroborated inputs; inputs that are developed based on available market data and reflect assumptions that markets would use when pricing similar securities.
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgement by the Company. The Company considers observable data to be the market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

All fair value measurements disclosed are recurring fair value measurements.

The table below sets out the Company's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at the reporting date.

All fair value measurements disclosed are recurring fair value measurements. All other assets and liabilities are carried at a reasonable approximation of fair value.

As at 30 June 2019	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets held at fair value through profit or loss				
Listed equities	43,714	-	-	43,714
Unlisted equities	-	-	16,266	16,266
Convertible notes	-	-	2,089	2,089
Total	43,714	-	18,355	62,069
As at 30 June 2018	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets held at fair value through profit or loss				
Listed equities	49,082	-	-	49,082
Listed property trusts	717	-	-	717
Unlisted equities	-	-	17,293	17,293
Convertible notes	-	-	4,116	4,116
Total	49,799	-	21,409	71,208

14 Financial risk management (continued)

(g) Fair value hierarchy (continued)

The pricing for the majority of the Company's investments is generally sourced from independent pricing sources, the relevant Investment Manager or reliable brokers' quotes.

Investments whose values are based on quoted market prices in active markets, e.g. recognised stock exchanges and therefore classified within level 1, include active listed equities.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. The observable inputs include prices and/or those derived from prices. Investments classified within level 3 have significant unobservable inputs, as they are infrequently traded.

Level 2 investments could include those that are not traded in active markets and/or are subject to transfer restrictions.

Level 3 instruments could include debt instruments and certain private equity type investments of which valuations are not based on market inputs or securities valued using models and internal data. Level 3 investments may be adjusted to reflect illiquidity and/or restrictions. Level 3 instruments also include those that have stale price, that is, where the pricing for a particular security has remained static for an extended period of time.

Level 3 valuations are reviewed monthly by the relevant management. Management considers the appropriateness of the valuation inputs, methods and techniques used in the valuations. The valuation inputs are sourced from independent third party pricing sources without adjustment such as stock exchanges, pricing agencies and/or fund managers where available. Where the inputs are considered stale, unobservable, proprietary or from an inactive market, they are categorised as level 3.

Transfers between levels of fair value hierarchy are deemed to have occurred at the reporting date.

Transfers out of level 3 generally occur when an unlisted equity investment lists on a recognised stock exchange.

The following table presents the movement in level 3 instruments as at the reporting date by class of financial instrument.

As at 30 June 2019	Opening balance	Purchases	Sales	Transfers into level 3	Transfers out of level 3	Gains/(losses) recognised in profit or loss	Closing balance
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Unlisted equities	17,293	3,283	(3,238)	-	(3,385)	2,313	16,266
Convertible notes	4,116	2,560	-	-	(1,805)	(2,782)	2,089
Total	21,409	5,843	(3,238)	-	(5,190)	(469)	18,355

As at 30 June 2018	Opening balance	Purchases	Sales	Transfers into level 3	Transfers out of level 3	Gains/(losses) recognised in profit or loss	Closing balance
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Unlisted equities	8,319	9,706	-	-	(1,637)	905	17,293
Convertible notes	4,133	1,233	(1,250)	-	-	-	4,116
Total	12,452	10,939	(1,250)	-	(1,637)	905	21,409

14 Financial risk management (continued)

(h) Sensitivity analysis for unlisted investments

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy are the underlying enterprise values which determines share or unit price.

Sensitivity of the unobservable inputs are approximated by reference to the volatility of the relevant sector of the microcap index which the company predominately operates in. These represent the best observable approximation of factors which can influence the operating environment of the unlisted investments given the size and nature of the companies.

The following table sets out the sensitivity of Level 3 investments to movements in the relevant sector indices over the last 5 years.

Sensitivity Analysis as at 30 June 2019					
Sector	Valuation Method	Fair Value Equities \$	Sector volatility (past 5 years)	Low \$	High \$
Consumer Staples	Relative Valuation	718,525	13.74%	(98,725)	98,725
Communication Services	3rd Party Transaction	389,108	28.58%	(111,207)	111,207
Consumer Discretionary	3rd Party Transaction	466,997	12.89%	(60,196)	60,196
Health Care	3rd Party Transaction	2,386,380	15.45%	(368,696)	368,696
Industrials Capital Goods	3rd Party Transaction	2,303,391	16.61%	(382,593)	382,593
Financials ex-AREITs	Relative Valuation	4,477,767	9.77%	(437,478)	437,478
Financials ex-AREITs	3rd Party Transaction	1,287,323	9.77%	(125,771)	125,771
Industrials ex Capital Goods	3rd Party Transaction	2,394,480	13.41%	(321,100)	321,100
Information Technology	3rd Party Transaction	1,341,929	14.81%	(198,740)	198,740
Materials Resources	3rd Party Transaction	499,904	20.95%	(104,730)	104,730
Total		<u>16,265,804</u>		<u>(2,209,236)</u>	<u>2,209,236</u>
Sector	Valuation Method	Fair Value C/Notes \$'000	Sector volatility (past 5 years)	Low \$'000	High \$'000
Industrials Capital Goods	3rd Party Transaction	500,000	16.61%	(83,050)	83,050
Industrials ex Capital Goods	3rd Party Transaction	1,500,000	13.41%	(201,150)	201,150
Information Technology	3rd Party Transaction	88,760	14.81%	(13,145)	13,145
Total		<u>2,088,760</u>		<u>(297,345)</u>	<u>297,345</u>
Sensitivity Analysis as at 30 June 2018					
Sector	Valuation Method	Fair Value Equities \$	Sector volatility (past 5 years)	Low \$	High \$
Financials ex-AREITs	Relative Valuation	2,773,438	10.24%	(284,000)	284,000
Industrials Capital Goods	3rd Party Transaction	1,821,000	19.05%	(346,901)	346,901
Health Care	3rd Party Transaction	5,716,466	17.89%	(1,022,656)	1,022,656
Consumer Staples	3rd Party Transaction	831,019	13.90%	(115,512)	115,512
Information Technology	Relative Valuation	2,940,683	14.98%	(440,514)	440,514
Materials ex-Resources	3rd Party Transaction	2,493,898	20.05%	(500,027)	500,027
Materials Resources	3rd Party Transaction	713,233	23.42%	(167,039)	167,039
Total		<u>17,289,737</u>		<u>(2,876,649)</u>	<u>2,876,649</u>
Sector	Valuation Method	Fair Value C/Notes \$'000	Sector volatility (past 5 years)	Low \$'000	High \$'000
Industrials ex Capital Goods	3rd Party Transaction	3,507,500	12.99%	(455,722)	455,722
Information Technology	3rd Party Transaction	608,413	14.98%	(91,140)	91,140
Total		<u>4,115,913</u>		<u>(546,862)</u>	<u>546,862</u>

15 Related party transactions

(a) Key management personnel compensation

Any persons with responsibility for planning, directing and controlling the activities of the Company, directly or indirectly during the reporting period are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to the table below and also the remuneration report (audited) in the Directors' report.

2019	Short-term benefits	Post-employment benefits	Total
Directors	\$	\$	\$
John Steven	54,795	5,205	60,000
Judith Smith	36,530	3,470	40,000
David Trude	36,530	3,470	40,000
Total	127,855	12,145	140,000

2018	Short-term benefits	Post-employment benefits	Total
Directors	\$	\$	\$
John Steven	54,795	5,205	60,000
Judith Smith	36,530	3,470	40,000
David Trude	36,530	3,470	40,000
Total	127,855	12,145	140,000

(b) Other transactions with key management personnel or entities related to them

From time to time Directors of the Company, or their related entities, may purchase or sell the Company's securities through the Australian Securities Exchange in accordance with the Company's security trading policy.

No Director has entered into a material contract with the Company since the last reporting date and there were no material contracts involving Directors' interests subsisting at the reporting date.

(c) Loans transactions and balances

The Company has not made, guaranteed or secured, directly or indirectly any loans to key management personnel or their related entities during the reporting period.

(d) Acorn Capital Limited

Management agreement

The Company and the Manager have entered into the Management Agreement whereby, subject to the provisions set out below, the Company has exclusively appointed the Manager to invest and manage all of the assets of the Company (including any controlled entity of the Company) from time to time, for and on behalf of the Company. An initial term of 5 years was entered into on 5 May 2014, which has been extended for an additional years 7 years commencing 16 November 2018.

Management fees

Under the Management Agreement, the Manager receives semi-annual fees in connection with the provision of management services.

The management fee paid and payable by the Company for the reporting period ended 30 June 2019 to the Manager was \$658,102 (2018: \$646,230). Of this amount, all was payable to the Manager, as the Investment Manager, pursuant to the management agreement. At 30 June 2019, of the total 2019 fee, \$343,661 (inc GST) (2018: \$376,032) remains payable by the Company.

The performance fee paid and payable by the Company for the reporting period ended 30 June 2019 to the Manager was \$Nil (2018: \$298,582). Of this amount, all was payable to the Manager, as the Investment Manager, pursuant to the management agreement. At 30 June 2019, \$Nil (2018: \$320,429) remains payable by the Company.

(e) Related party equity shareholdings

Parties related to the Company (including the Manager and its related parties), held units in the Company as follows:

15 Related party transactions (continued)

Units in the company as at 30 June 2019	No. of units held opening	No. of units held closing	Fair value of investment	Interest held
	Units	Units	\$	%
Acorn Capital Ltd	83,580	89,192	107,030	0.17
Australian Unity Balanced Growth Portfolio	1,212,750	1,050,000	1,260,000	1.98
AU Health Ltd	2,521,553	2,183,163	2,619,796	4.12
Directors of Acorn Capital Investment Fund Ltd	1,464,584	1,540,310	1,848,372	2.90
Directors / staff of Acorn Capital Limited	1,250,165	1,209,173	1,451,008	2.28
AU Lifeplan Funeral Fund No.2 (Taxable)	415,800	330,000	396,000	0.62
AU Lifeplan Funeral Fund No.2 (Non-taxable)	-	360,000	432,000	0.68
AU Capital Guaranteed Funeral Bond (Taxable)	213,675	185,000	222,000	0.35
AU Capital Guaranteed Funeral Bond (Non-taxable)	150,150	130,000	156,000	0.25
AU Capital Secure Funeral Bond	100,485	87,000	104,400	0.16
Total	7,412,742	7,163,838	8,596,606	13.51

Units in the company as at 30 June 2018	No. of units held opening	No. of units held closing	Fair value of investment	Interest held
	Units	Units	\$	%
Acorn Capital Ltd	79,836	83,580	96,117	0.16
Australian Unity Balanced Growth Portfolio	1,050,000	1,212,750	1,394,663	2.30
AU Health Ltd	2,183,163	2,521,553	2,899,786	4.78
Directors of Acorn Capital Investment Fund Ltd	1,464,100	1,464,584	1,684,272	2.78
Directors / staff of Acorn Capital Limited	1,254,715	1,250,165	1,437,690	2.37
AU Grand United Corporate Health Limited*	765,000	-	-	-
AU Lifeplan Funeral Fund No.2	690,000	415,800	478,170	0.79
AU Capital Guaranteed Funeral Bond (Taxable)	185,000	213,675	245,726	0.41
AU Capital Guaranteed Funeral Bond (Non-taxable)	130,000	150,150	172,673	0.28
AU Capital Secure Funeral Bond	87,000	100,485	115,558	0.19
Total	7,888,814	7,412,742	8,524,655	14.06

* AU Grand United Corporate Health Limited is no longer considered a related party.

16 Operating segment information

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources, is the Company's Board. The Company has outsourced the investment management of the portfolio to Acorn Capital Limited, the Investment Manager of the Company. The Company operates only in the investment industry in Australia and has no reportable business or geographic segments.

The Company is managed as a whole and is considered to have a single operating segment. There is no further division of the Company or internal segment reporting used by the chief operating decision-maker and the Directors when making strategic, investment or resource allocation decisions.

The internal reporting provided to management is prepared on a consistent basis with the measurement and recognition principles of Australian Accounting Standards. There were no changes in the reportable segments during the reporting period.

The Company is domiciled in Australia and derives its revenue entirely from an Australian investment portfolio, through the receipt of dividends, distributions, interest and other income.

The Company's assets have sufficient nexus with Australia or are listed on the Australian Securities Exchange.

Details of these assets are disclosed in Note 9 above.

17 Reconciliation of profit to net cash inflow/(outflow) from operating activities

	2019 \$'000	2018 \$'000
(a) Reconciliation of profit to net cash inflow/(outflow) from operating activities		
Profit after income tax expense attributable to the owners of the Company	(567)	11,902
Proceeds from sale of financial instruments held at fair value through profit or loss	32,155	42,218
Purchase of financial instruments held at fair value through profit or loss	(23,258)	(36,005)
Net gains/(losses) on financial instruments held at fair value through profit or loss	1,040	(17,860)
Deferred consideration paid	(1,712)	-
Net change in receivables and other assets	14	36
Net change in payables and other liabilities	(379)	445
(Increase)/decrease in provision for current income tax	21	(124)
Net change in deferred tax assets/(deferred tax liabilities)	(2,531)	3,103
Interest and dividends paid in-specie	(501)	-
Transaction costs associated with option issue	21	-
Net cash inflow/(outflow) from operating activities	4,303	3,715

(b) Components of cash and cash equivalents

Cash as at the end of the year as shown in the statement of cash flows is reconciled to the statement of financial position as follows:

Cash and cash equivalents	2,767	1,914
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18 Reconciliation of net tangible assets used in calculation of net tangible assets per ordinary share for ASX reporting (non-IFRS)

For the reporting period ended	30 June 2019 \$'000	30 June 2018 \$'000
Net assets per financial statements	62,591	66,608
Provision for expected costs to be incurred in realising proceeds of asset disposals (non-IFRS)	(62)	(71)
Tax adjustment on expected costs to be incurred in realising proceeds of asset disposals (non-IFRS)	(17)	(21)
Net tangible assets for ASX reporting	62,512	66,516
Number of ordinary shares on issue at reporting date	53,038,441	52,711,408
Net Tangible Asset Backing (NTA) per share	As at 30 June 2019 (non-IFRS) For monthly NTA Reporting \$/share	For Financial Reporting \$/share
NTA per share before income tax (\$/share)	1.2196	1.2211
NTA after income tax excluding tax on unrealised gains (\$/share)	1.2027	1.2042
NTA per share after income tax (\$/share)	1.1786	1.1801

18 Reconciliation of net tangible assets used in calculation of net tangible assets per ordinary share for ASX reporting (non-IFRS) (continued)

Net Tangible Asset Backing (NTA) per share	As at 30 June 2018 (non-IFRS)	
	For monthly NTA Reporting \$/share	For Financial Reporting \$/share
NTA per share before income tax (\$/share)	1.3508	1.3525
NTA after income tax excluding tax on unrealised gains (\$/share)	1.3210	1.3228
NTA per share after income tax (\$/share)	1.2619	1.2636

19 Dividends declared

	30 June 2019	30 June 2018
Dividends declared in respect of the Financial Year Ending	\$'000	\$'000
Interim Dividend for the Financial Year	1,851	1,420
Final Dividend for the Financial Year	<u>1,856</u>	<u>1,845</u>
Total Dividend Declared in respect to the financial year	3,707	3,265

Dividends Declared

For the year ended 30 June 2019, a final dividend 3.50c per share was proposed and approved on the date of this financial report. Based on the number of issued shares as at 31 July 2019 (53,038,441 shares), this represents a total dividend of \$1,856,345. The final value of the dividend will be based on the issued shares as at 15 November 2019, being the record date.

Franking credit balance

The amount of franking credits available as at 30 June 2019: \$1,230,437 (2018: \$1,059,795).

20 Events occurring after the reporting period

ASTRO Program

ACQ announced the second tranche of ASTRO, its short term recurring option program, in accordance with the prospectus dated 31 July 2019.

Key Details

Basis of issuance: 1 option for every 3 ACQ shares owned

Exercise price: \$1.23

Lodgement of prospectus with ASIC and ASX: 31 July 2019

ACQ shares quoted on an "ex" option entitlement basis: 12 August 2019

Option record date: 13 August 2019

Issue date of options: 20 August 2019

Prospectus and entitlement statement distributed: 23 August 2019

Option expiration date in respect of the Initial Offer: 5:00pm (Melbourne time) on 11 November 2019

Other than the proposed dividends described in Note 19, no significant events have occurred since the reporting period which would impact on the financial position of the Company disclosed in the statement of financial position as at 30 June 2019 or on the results and cash flows of the Company for the reporting period ended 30 June 2019 on that date.

21 Contingent assets and liabilities and commitments

There are no outstanding contingent assets and liabilities or commitments as at 30 June 2019 and June 2018.

Directors' declaration

In the Directors' opinion

- (a) The financial statements and notes set out on pages 12 to 52 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its performance, as represented by the results of its operations and cash flows, for the reporting period ended on that date; and
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

While the Company does not have any employees, the Directors have been given the declarations required by section 295A of the *Corporations Act 2001* by the relevant executives of Acorn Capital Limited in relation to the Company. This declaration is made in accordance with a resolution of the directors.



John Steven
Chairman and Non-Executive Director
Melbourne
26 August 2019

Independent Auditor's Report to the Members of Acorn Capital Investment Fund Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Acorn Capital Investment Fund Limited ("the Company"), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration of the Company.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial report.

Key audit matter	How our audit addressed the key audit matter
<i>Existence and valuation of the Investment Portfolio</i>	
<p>The Company's investment portfolio at 30 June 2019 consists of both listed and unlisted microcap company securities.</p> <p>Whilst there is no significant judgment involved in the valuation of listed securities, investments (\$62m) represent a key measure of the Company's performance and represent 93% of total assets.</p> <p>The valuation of unlisted securities involves significant judgment as there are no observable market inputs for valuation. These investments are classified as "level three" securities in accordance with Australian Accounting Standard - AASB 13 <i>Fair Value Measurement</i>.</p> <p>The Company prepares valuations to determine the appropriateness of fair value, as explained in note 2(e) of the financial report. Due to the significant judgment involved, we considered this to be a key audit matter.</p>	<p>Our audit procedures for listed investments, included the following:</p> <ul style="list-style-type: none"> ▶ Obtained and inspected the assurance report over the control environment at the Company's custodian. ▶ Agreed the number of securities held in each investment to custodial records. ▶ Agreed all listed investment prices to independent market pricing sources. <p>For unlisted investments where there were no acquisitions or third-party transactions within the financial period, our audit procedures included the following:</p> <ul style="list-style-type: none"> ▶ Examined the valuations performed by the Company. ▶ Agreed the number of securities held in each investment to custodial records and independent sources. ▶ Involved our valuation specialists to assess the valuation methodology and key assumptions used in the valuation of the underlying investments including discount rates and multiples.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information in the Company's Annual Report for the year ended 30 June 2019, but does not include the financial report and our auditor's reports thereon, with the exception of the Remuneration Report and our related assurance opinion.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

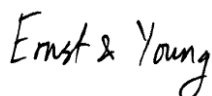
Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 18 to 19 of the Directors' Report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Acorn Capital Investment Fund Limited for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Ernst & Young



Luke Slater
Partner
Melbourne
26 August 2019

Additional information for listed companies

ASX Additional information

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report is set out below. This information is current as at 31 July 2019.

Substantial shareholders

The substantial shareholders as at 31 July 2019 are set out below:

Shareholders	Number of shares
Australian Unity Funds Management Limited	4,614,413
Washington H Soul Pattinson & Company Limited (WHSP)	4,295,268
Brickworks Limited (42.72% shareholder of WHSP) - see NOTE	4,025,932
Managed Accounts Limited	2,469,347

Note

The relevant interest that Brickworks Limited (Brickworks) holds in Acorn Capital Investment Fund Limited (Company) arises by virtue of the operation of the provisions of section 608(3)(a) of the Corporations Act. That section provides that a person will be deemed to hold a relevant interest in any securities that a body corporate has a relevant interest in where the person's voting power in that body corporate is above 20%. Brickworks has voting power in Washington H. Soul Pattinson and Company Limited (WHSP) of 42.72%. As such, Brickworks is deemed to have a relevant interest in securities of the Company that WHSP has a relevant interest in. Brickworks has had voting power in WHSP above 20% since 1972. For further details of the relevant interest of WHSP in the Company see the Notices of Substantial Shareholder lodged by WHSP.

Voting rights

Ordinary shares

On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Distribution of equity security holders – at 31 July 2019

Range	Total holders	Units	% of Issued Capital
1 - 1,000	114	59,385	0.11
1,001 - 5,000	250	794,325	1.50
5,001 - 10,000	240	2,055,094	3.87
10,001 - 100,000	662	20,715,877	39.06
100,001 - 9,999,999,999	64	29,413,760	55.46
Total	1,330	53,038,441	100.00

Non Marketable Parcels

There were 44 holders of less than a marketable parcel of ordinary shares (based on the closing market price on 31 July 2019).

There are no securities subject to voluntary escrow.

Twenty largest shareholders – at 31 July 2019

	Ordinary shares	%
BNP PARIBAS NOMS PTY LTD <DRP>	5,090,463	9.60
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,295,268	8.10
WASHINGTON H SOUL PATTINSON & COMPANY LIMITED	4,025,932	7.59
MR BARRY GEORGE FAIRLEY	1,028,313	1.94
CHARLES & CORNELIA GOODE FOUNDATION PTY LTD <CCG FOUNDATION A/C>	1,020,763	1.92
BETA GAMMA PTY LTD <WALSH STREET SUPER FUND A/C>	1,000,000	1.89
HALCYCON PTY LTD	860,000	1.62
LONCETA PTY LTD <HANCOCK SUPER FUND A/C>	565,500	1.07
KING NOMINEES (VIC) PTY LTD <KING FAMILY A/C>	521,730	0.98
KERWAY INVESTMENTS PTY LTD	486,549	0.92
MR BARRIE ERNEST LAWS + MRS MERRILYN FRANCES LAWS <B & M LAWS SUPER FUND A/C>	421,000	0.79
FORTY FIFTH DECBARB PTY LTD <ME RYAN SUPER FUND A/C>	418,438	0.79
WIFAM INVESTMENTS PTY LTD <WISCHER FAMILY S/F A/C>	400,000	0.75
MATIMO PTY LTD <MATIMO A/C>	394,708	0.74
THE ATHENAEUM CLUB	360,413	0.68
MR MATTHEW CURZON ALLEN + MRS ELIZABETH JANE ALLEN <ALLEN SUPER FUND A/C>	360,000	0.68
YALATA PTY LTD <CHAOS SETTLEMENT A/C>	314,239	0.59
REDBROOK NOMINEES PTY LTD	300,000	0.57
XAVIER COLLEGE FOUNDATION LIMITED	285,000	0.54
DAVID OGG & ASSOCIATES PTY LTD <DAVID L OGG S/F NO 1 A/C>	260,000	0.49

Securities exchange listing

The Company is listed on the Australian Securities Exchange.

ASX Code

ACQ

Transactions & Brokerage

The Company had a total of 988 transactions in securities during the reporting period and has paid brokerage totalling \$104,718 (inc GST).

Investments

At 30 June 2019 the Company held the following

Investments

Aeris Resources	Maestrano
Alacer Gold	Megaport
Alliance Mining	Metals X
Ama Group	Mod Resources
Aroa Biosurgery	Moula Money
Audinate Group	National Tyre & Wheel
Aus Bio	New Century Resources
Bigtincan Holdings	Nimble Money
Bluechiip	Ocean Grown Abalone
Boss Resources	Peel Mining
Calix	Perseus Mining
Camplify Co (Australia)	Pivotal Systems Corporation
Carbon Revolution	Powerwrap
Carnarvon Petroleum	Prodigy Gold
Cashwerkz	Red 5
CleanSapce Holdings	Red River Resources
Clover Corporation	Redbubble
CN Partners	Redhill Education
Comet Ridge	Revasum
Cooper Energy	Rex Minerals
Data#3	Ridley Corporation
Department 13 International	Selfwealth
Electro Optic Systems Holdings	Shine Corporate
Elenium Automation	Stanmore Coal
Eml Payments	SUB161
Eservglobal	Sundance Energy Australia
Flare HR	Sunstone Metals
Fremantle Octopus	Tasfoods
Galaxy Resources	Taxi Apps
Gale Pacific	Telix Pharmaceuticals
Genea	The Citadel Group
Genea Biocells	Thinxtra
Genex Power	Vintage Energy
Golden Rim Resources	Western Areas
Hansen Technologies	Westgold Resources
Helloworld Travel	Whispir
Indoor Skydive Australia Group	Zip Co
Ingogo	
Innovative Asset Solutions Group	
Janison Education Group	
Kidman Resources	
Lifestyle Communities	
Lifestylepanel Holdings Class A	
Longtable Group	