

ACORN CAPITAL

ACORN CAPITAL INVESTMENT FUND LIMITED

MARCH 2016 QUARTER INVESTOR UPDATE

ASX : ACQ

APRIL 2016

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Key Highlights

- ACQ Pre-Tax NTA for the financial year to 31 March 2016 increased +10.2%⁽¹⁾ versus +8.1% and -1.9% for the S&P/ASX Small Ordinaries and All Ordinaries Accumulation Indices respectively
- Best contributing sectors within the ACQ investment portfolio for the March 2016 Quarter were Resources, Information Technology and Energy
- Unlisted portfolio weight finished the quarter at approximately 15%
- During the quarter as a part of the ongoing share buy back ACQ purchased 422,699 shares at a VWAP of \$0.8038

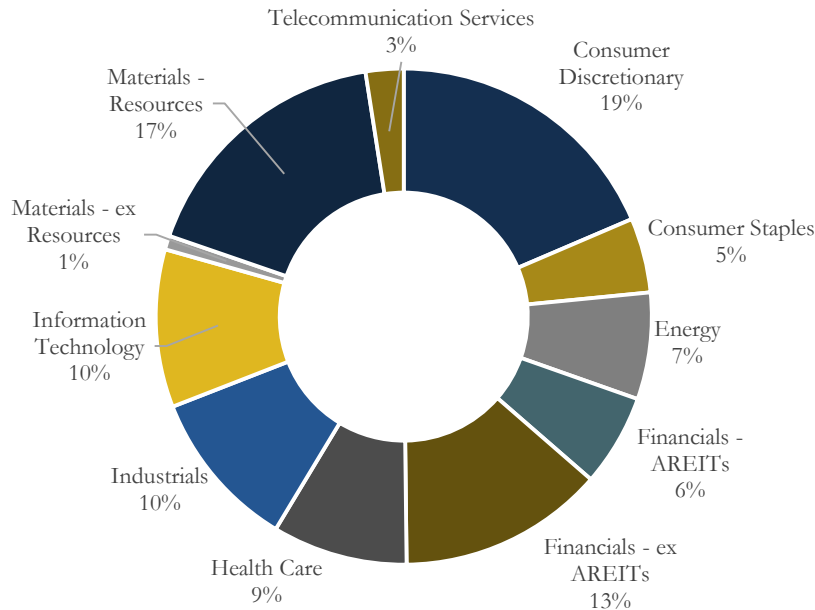
Source: Acorn Capital, as at 31 March 2016

1. Calculated per share on audited Pre-Tax NTA of \$0.8930 and unaudited Pre-Tax NTA of \$0.9838 as at 30 June 2015 and 31 March 2016 respectively

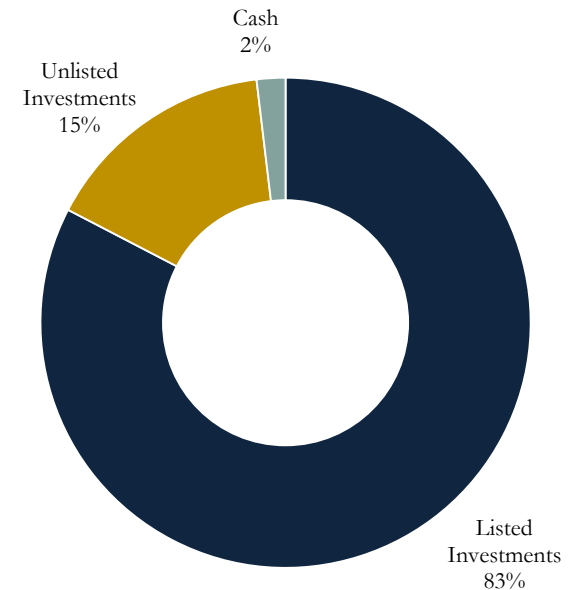


ACQ provides investors with a diversified exposure to Australian Emerging Growth Companies

ACQ Sector Diversification

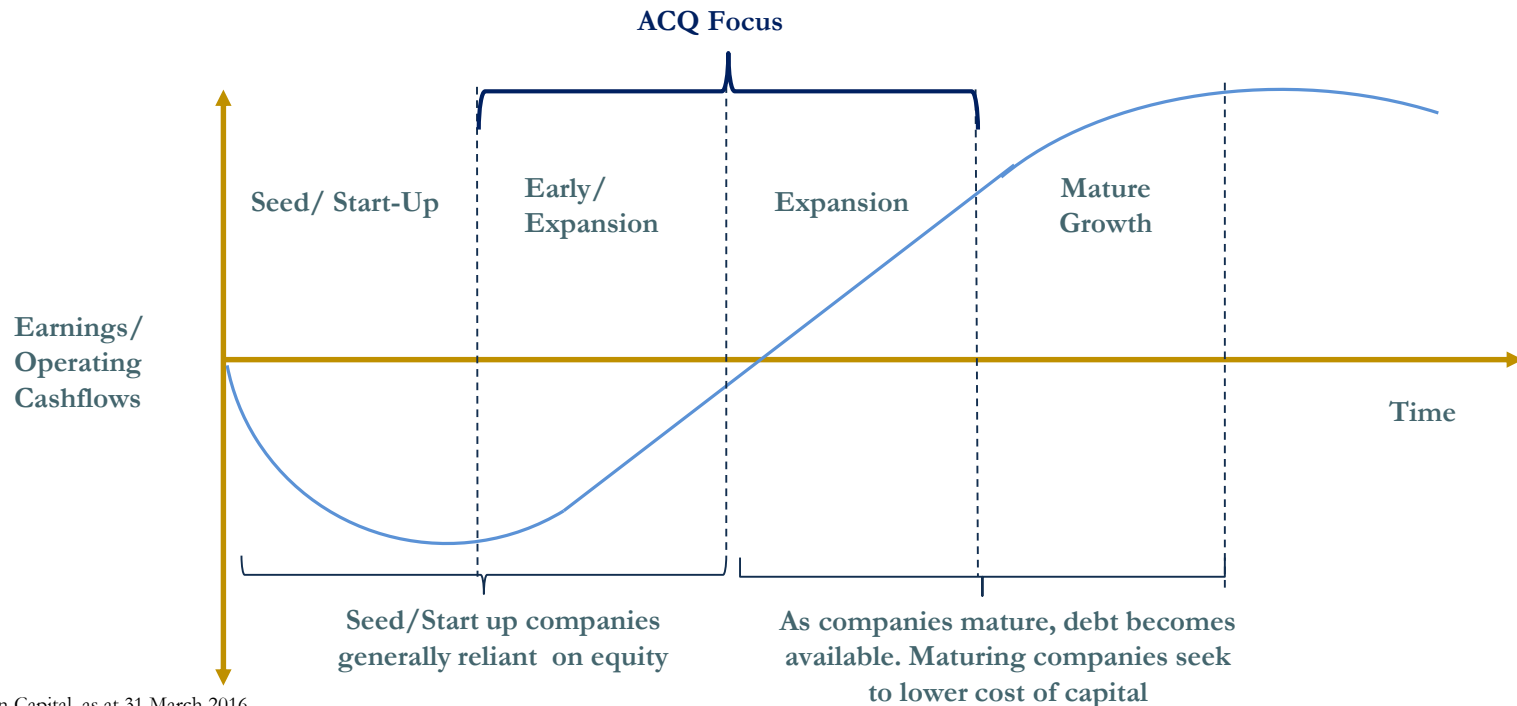


ACQ Portfolio Composition



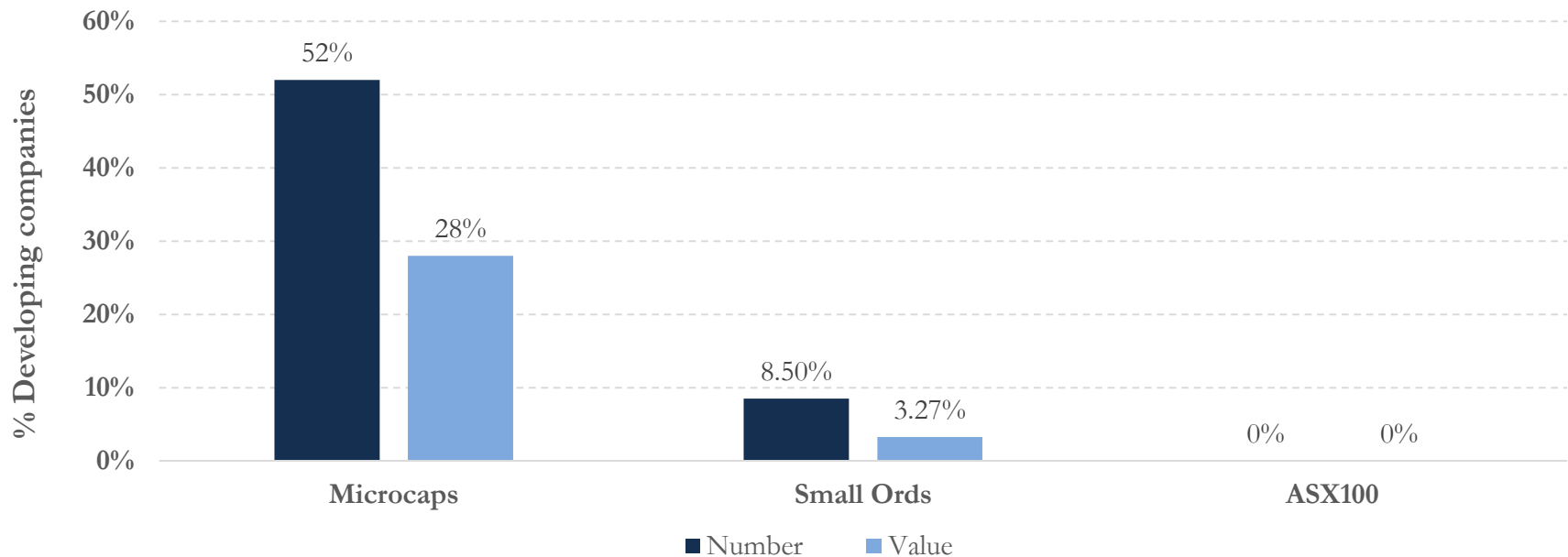


ACQ provides investors with access to innovation and entrepreneurialism through developing companies





Many Emerging Growth Companies or Microcaps⁽¹⁾ listed on the ASX are developing⁽²⁾ companies with no real exposure to banks



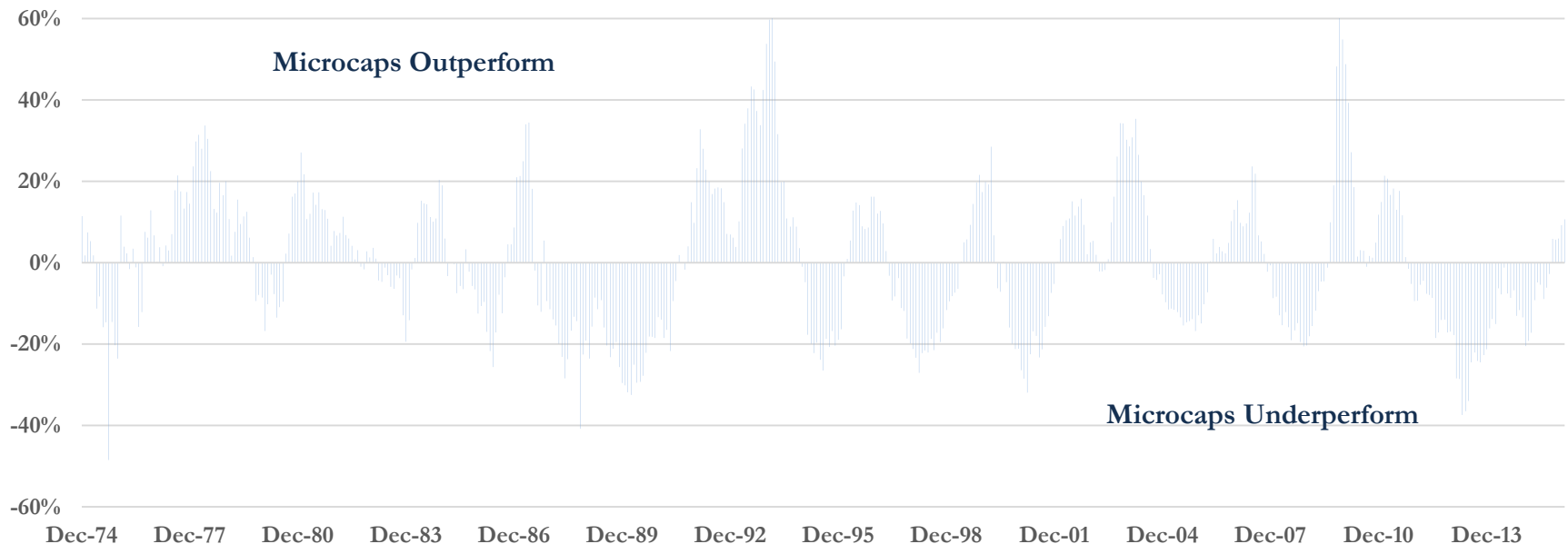
Source: Acorn Capital, as at 31 March 2016

(1) Defined by Acorn Capital as companies ex-ASX250

(2) Defined as having revenues less than 10% of their market capitalisation



Microcap Sector has materially outperformed the All Ordinaries Accumulation Index over the past 12 months, returning +2.60% versus -8.05%





Acorn Capital searches for attractively valued companies that have a sustainable advantage in a growing market

Current Positive Themes⁽¹⁾

Lithium/Energy Storage

Fintech

Online Marketplaces

Consumer Staples with Providence

Innovative Manufacture

Digital Outdoor Media

Tourism

Examples in Portfolio

Galaxy, Orocobre

HUB24, Class, Touchcorp

Redbubble

Murray River Organics, Mareterram

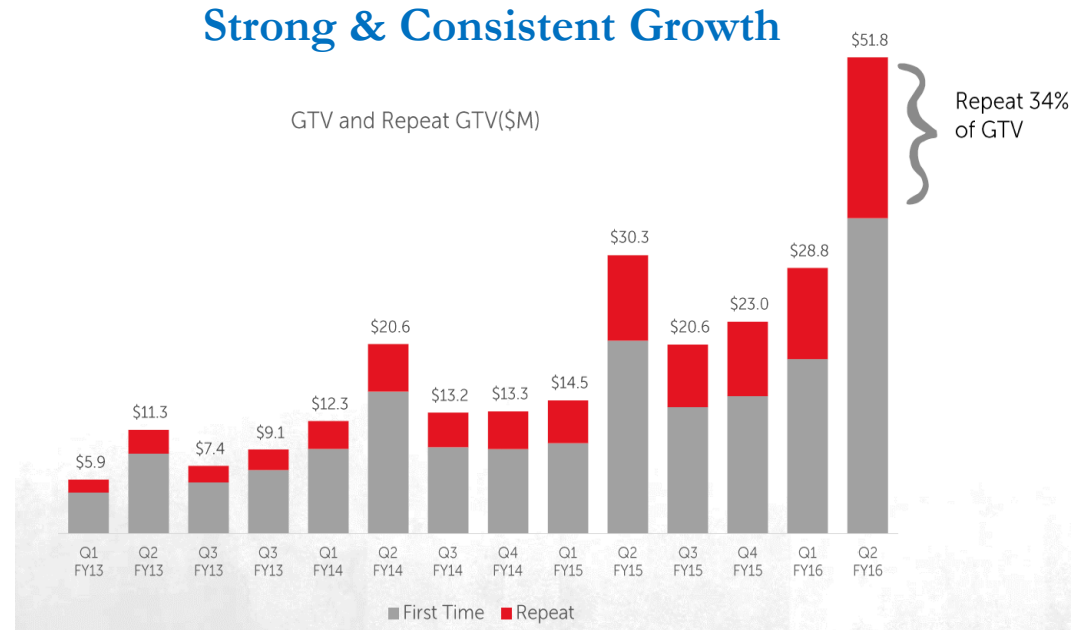
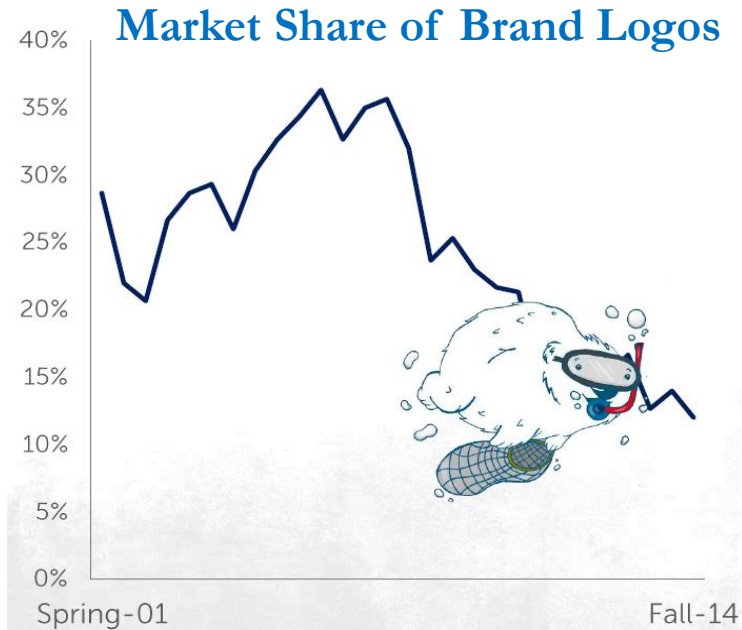
PWR, Genea, Carbon Revolution, Paftec

Ooh!, QMS

Sealink, Indoor Skydive



Redbubble marketplace growth is fuelled by the emergence of individualism in consumer behaviour and on-demand manufacturing



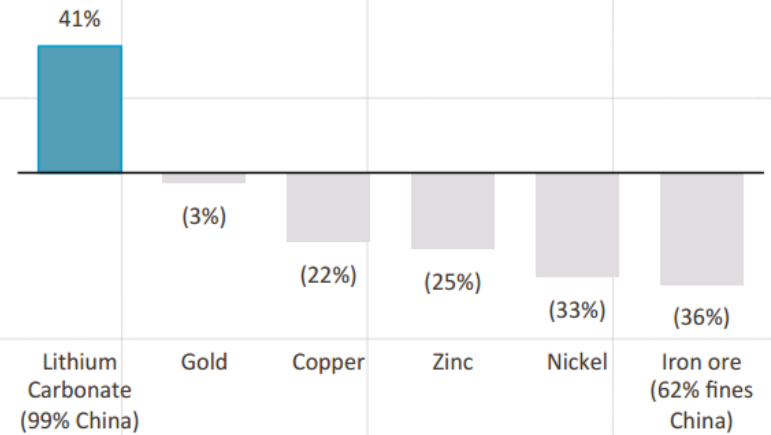


Lithium is being driven by electric vehicle production and energy storage batteries. Galaxy Resources is a key lithium exposure in the portfolio which has benefited from its ability to move into production quickly

Lithium Carbonate 99% China (RMB/t)



US\$ Commodity Price Performance (LTM)





ACQ portfolio has exposure to innovative manufacturing businesses supported by intellectual property





ACQ investment portfolio has increased in concentration as it has matured

Top 10 Holdings

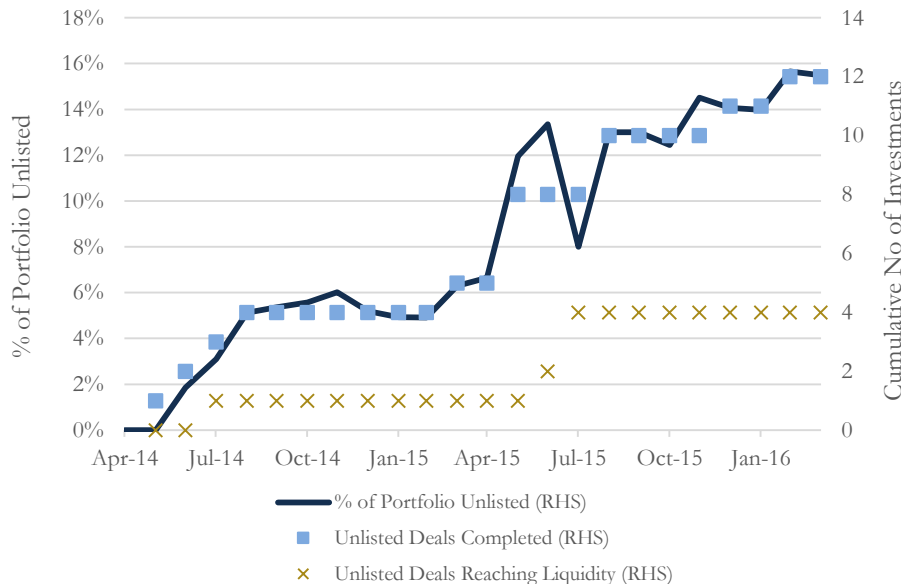
% of ACQ Gross Portfolio Assets as at 31 March 2016

1. RedBubble (UL)	5.94%
2. Hub24	5.39%
3. Servcorp	3.89%
4. Galaxy Resources	3.41%
5. Genea (UL)	3.20%
6. Orocobre	2.86%
7. Burson Group	2.61%
8. Generation Healthcare	2.10%
9. St Barbara	1.90%
10. Nick Scali	1.79%
Top 10 Positions	33.09%

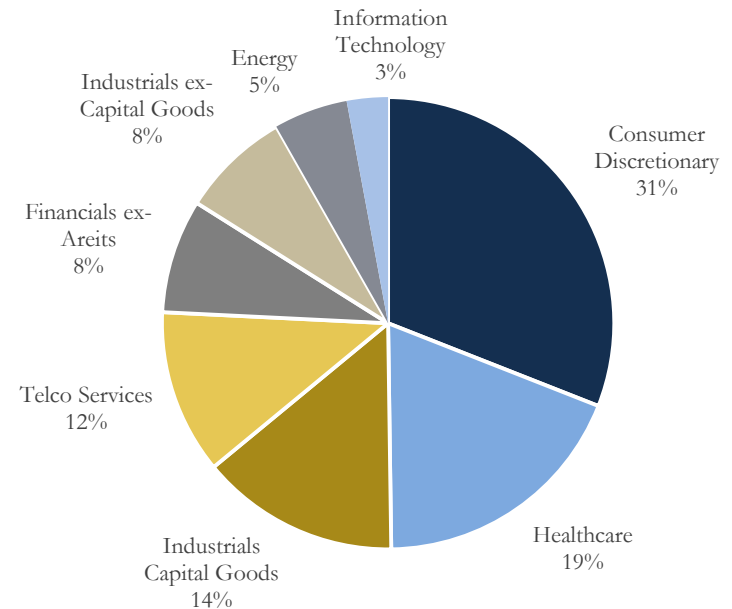


ACQ has invested \$9.30m in 12 unlisted opportunities⁽¹⁾, 4 of which have reached liquidity events

Unlisted Investment Rate



Sector Composition of Unlisted Investments

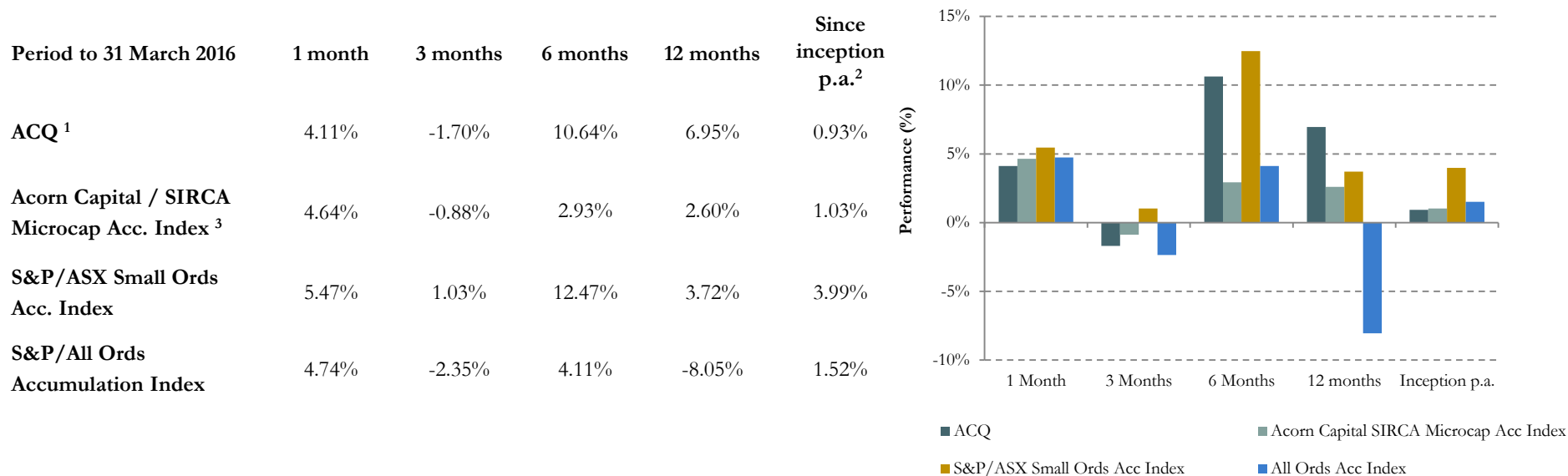


Source: Acorn Capital estimates as at 31 March 2016

(1) Since ACQ listing on ASX in May 2014



Over past 12 months ACQ has outperformed all relevant indices



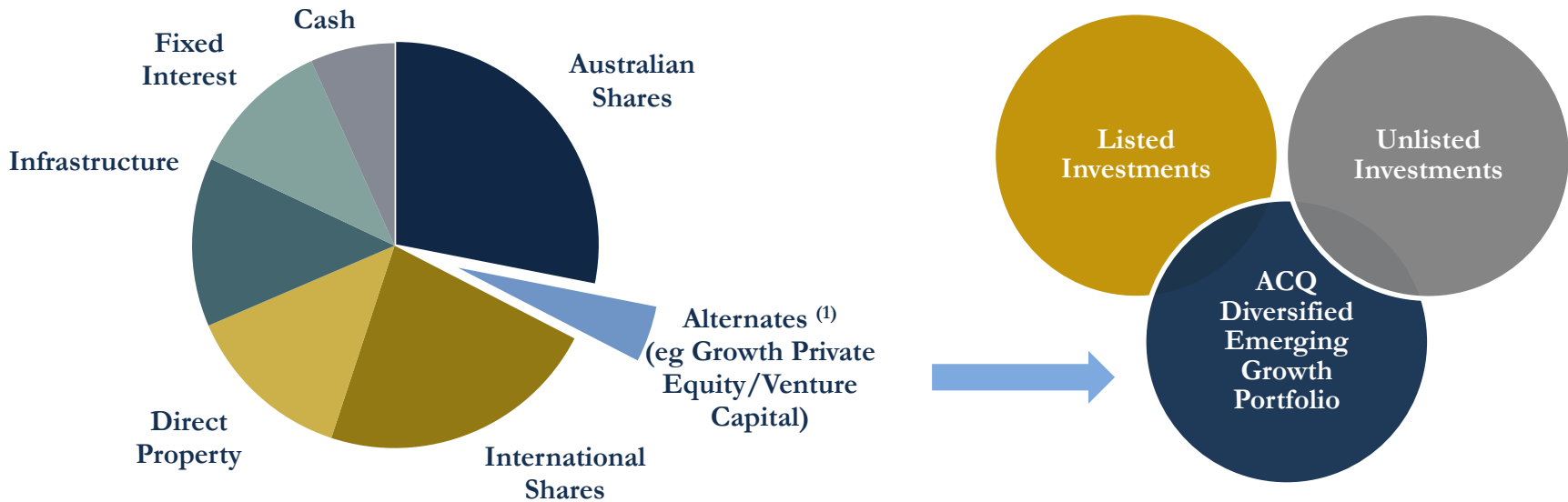
1. Portfolio performance is unaudited and post all operating expenses but before management fees, taxes and initial IPO and placement commissions. Performance has not been grossed up for franking credits received by shareholders. All figures are unaudited, and unlisted valuations are performed by Acorn Capital in accordance with ACQ Board approved policies.

2. Inception is 1 May 2014

3. Acorn Capital / SIRCA Microcap Accumulation Index data is verified 3 months in arrears by SIRCA ('Securities Industry Research Centre of Asia-Pacific')



ACQ provides long term investors an efficient platform to allocate capital to an alternate asset strategy



(1.) Acorn Capital illustration of Asset Allocations in a Diversified Portfolio