

ACORN CAPITAL

ACORN CAPITAL INVESTMENT FUND LIMITED

QUARTERLY UPDATE

ASX : ACQ

September 2016

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Key Highlights



- ACQ Pre-Tax NTA for September 2016 was \$1.2181⁽¹⁾
- Investment portfolio returned +15.57%⁽²⁾ for the September 2016 quarter as compared to the S&P/Small Ordinaries Accumulation Index of +8.50%
- Best contributing sectors within the ACQ investment portfolio for the September 2016 Quarter were Financials ex AREITs and Resources
- On 30 August 2016 ACQ announced a maiden dividend of \$0.015 and special dividend of \$0.003 per share (payable October 2016) and provided guidance on dividend intentions⁽³⁾
- Invested in two further unlisted opportunities (Aroa Biosurgery & bigtincan)

1. Unaudited

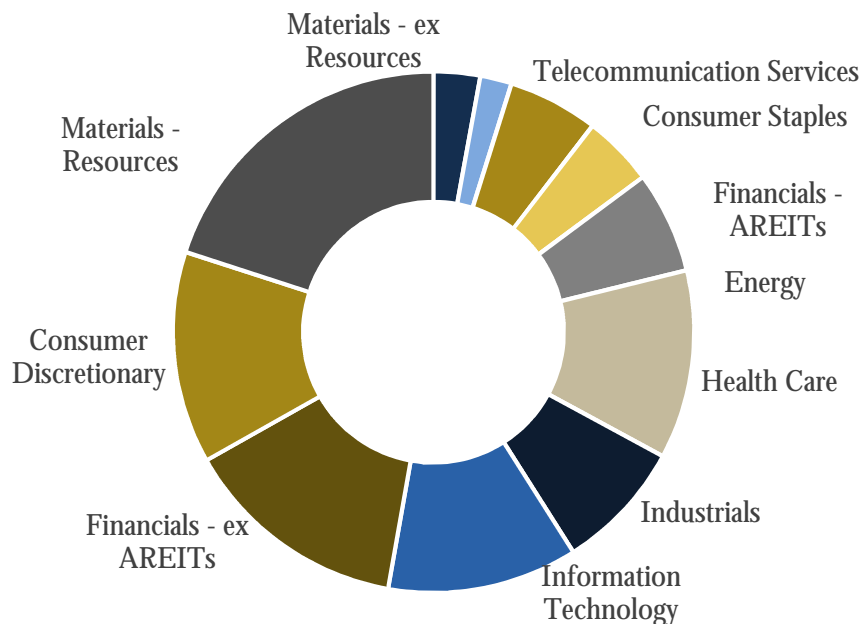
2. Portfolio performance is unaudited and calculated as the movement in NTA before tax effects, which is post all management fees, performance fees and operating costs. Performance includes dividends paid and payable but has not been grossed up for franking credits received by shareholders. All figures are unaudited, and unlisted valuations are performed by Acorn Capital in accordance with ACQ Board approved policies.

3. Refer ASX announcement on 30 August 2016

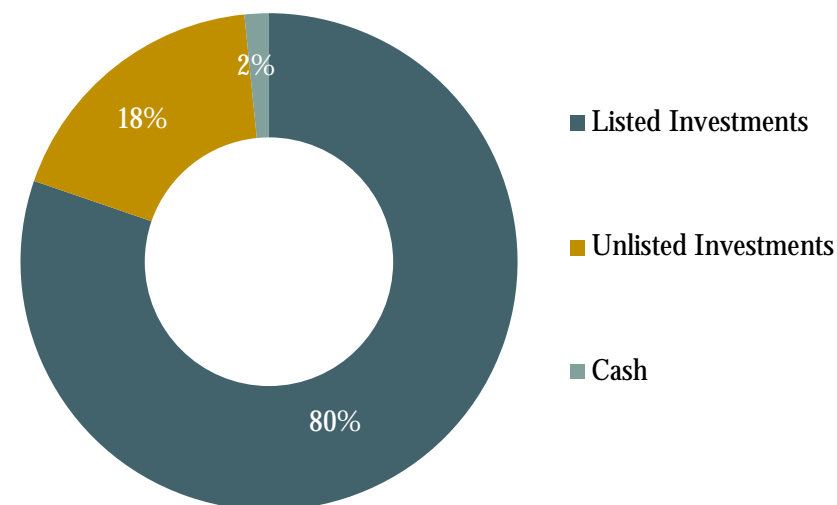


ACQ provides investors with a diversified exposure to Australian Emerging Growth Companies

ACQ Sector Diversification

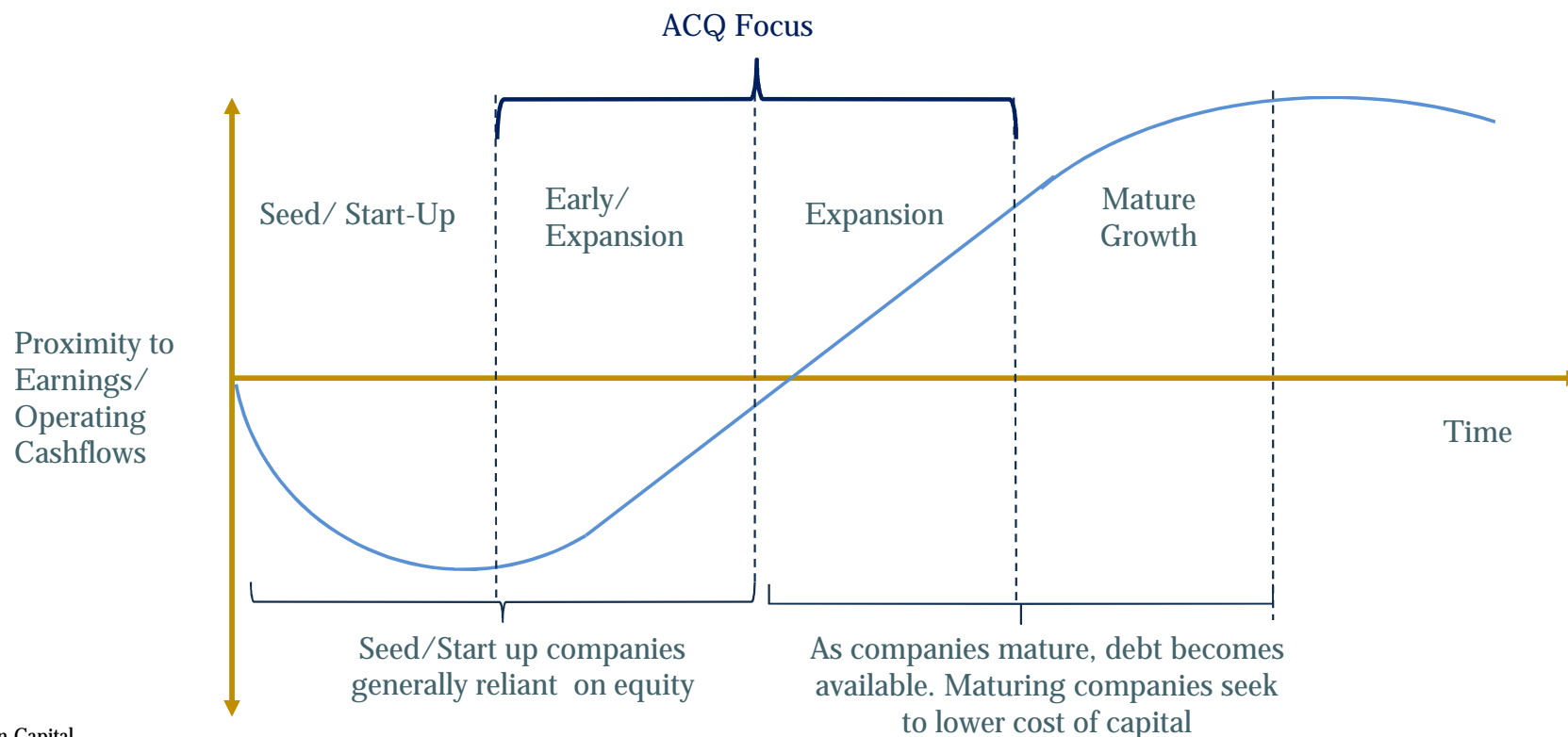


ACQ Portfolio Composition



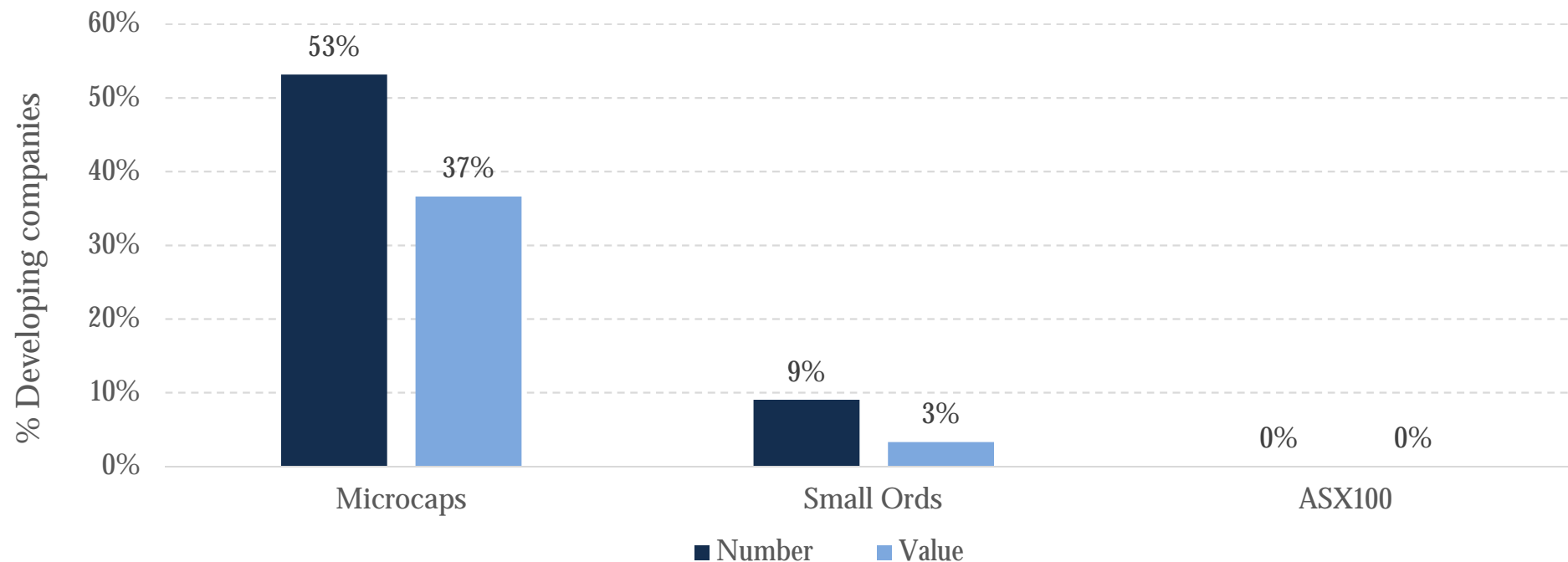


ACQ provides investors with access to innovation and entrepreneurialism through developing companies





Many Emerging Growth Companies or Microcaps⁽¹⁾ listed on the ASX are developing⁽²⁾ companies with insignificant bank exposure



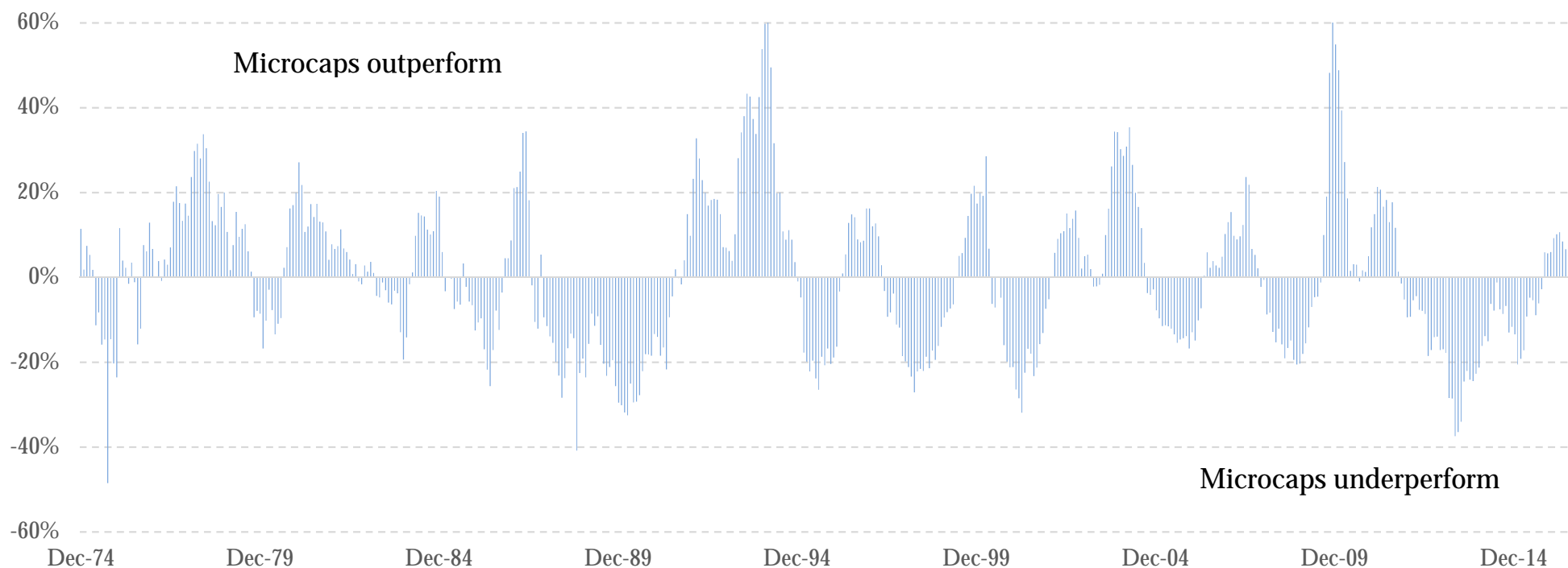
Source: Acorn Capital, as at 30 September 2016

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

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



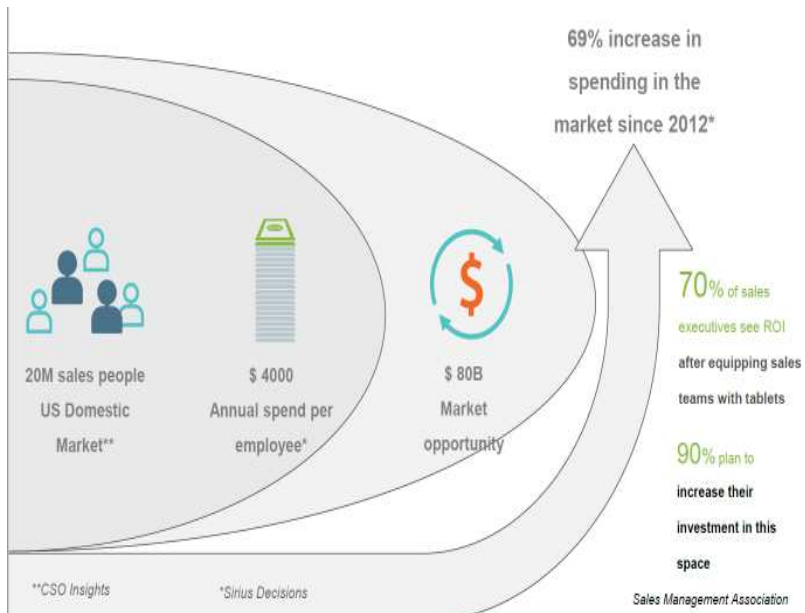
Microcap Sector has materially outperformed the All Ordinaries Accumulation Index over the past 12 months, returning +23.11% vs +14.01%



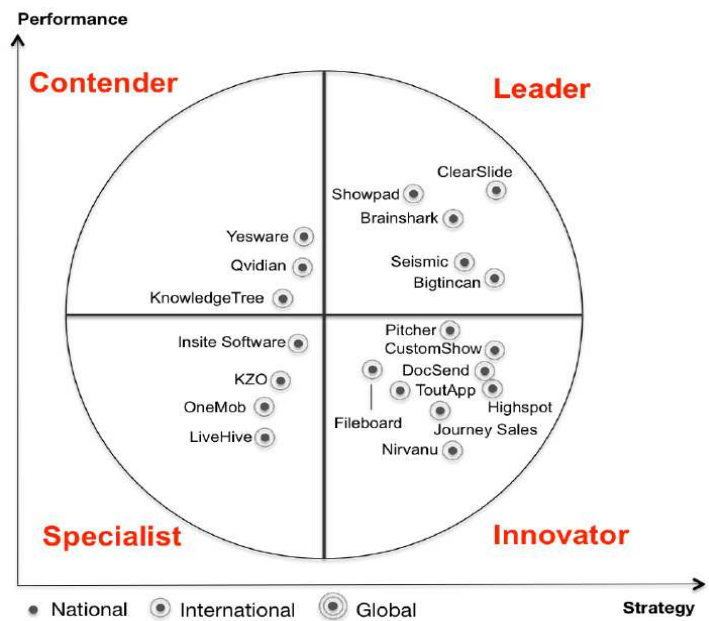


bigtincan is a mobile content enablement platform supporting the sales and service capability of an organisation. It facilitates collaboration, content provisioning and sharing across mobile technology platforms

Large & growing addressable market



Well positioned to serve mobile workforce

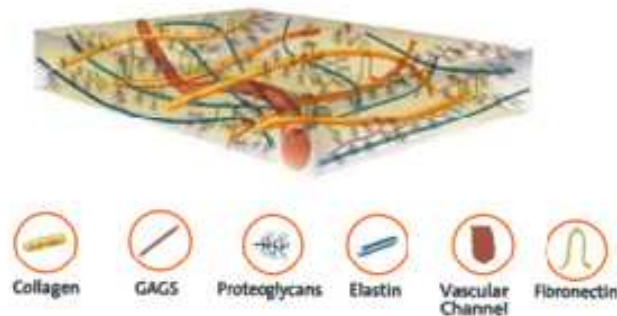


Source: bigtincan, Aragon Research Globe Inc, Acorn Capital

Aroa develops and manufactures high quality, simple to use regenerative tissue substitutes for soft tissue repair via its proprietary Endoform platform. Aroa is entering a period of rapid sales growth



Endoform™ retains authentic structure and signals of the Extra Cellular Matrix



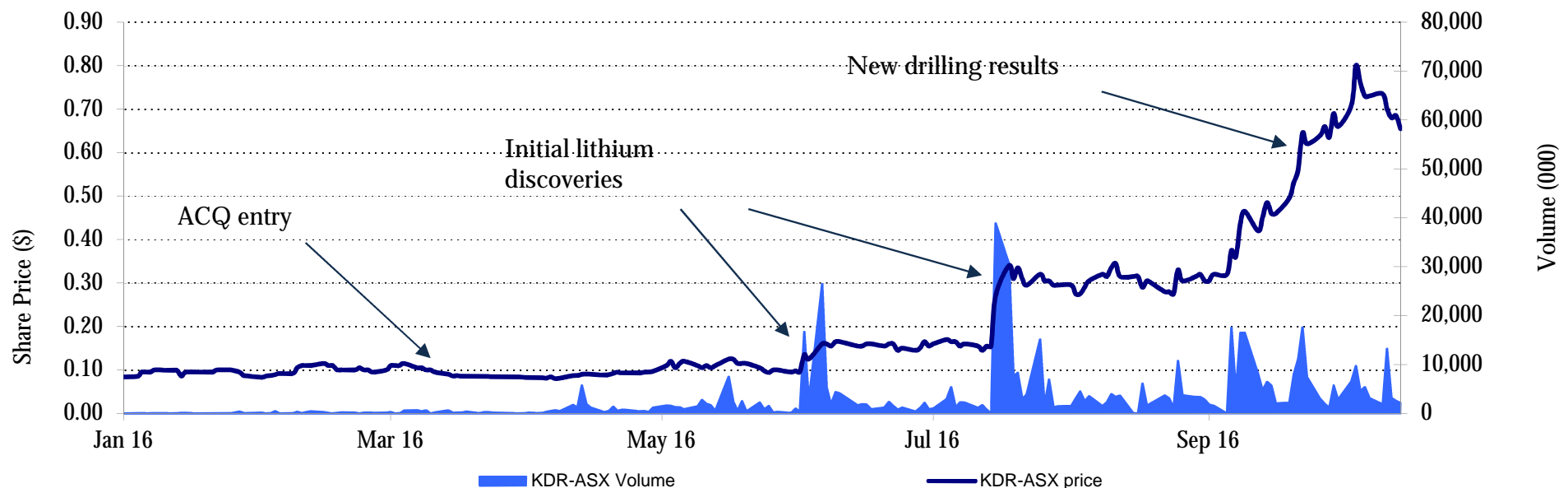
Aroa is set to disrupt the \$US600m ventral hernia market with innovative solutions





Kidman is a lithium and gold resources company, ACQ invested in March 2016 as part of its strategy to target high-quality advanced stage development projects that have the potential to quickly move into production

KDR share price and trading volumes



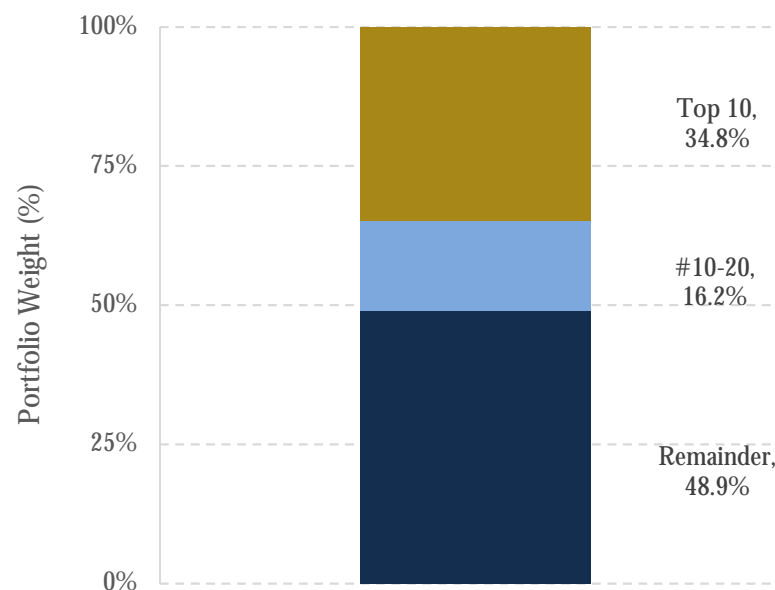


ACQ investment portfolio has 34.8% of FUM in top 10 investments

Top 10 Holdings

	% Gross Portfolio
1. Kidman Resources	6.0%
2. HUB24	5.8%
3. Murray River Organics (UL)	4.5%
4. Genea (UL)	3.7%
5. Redbubble	3.1%
6. Range International	2.8%
7. Orocobre	2.6%
8. Galaxy Resources	2.3%
9. Aroa Biosurgery (UL)	2.0%
10. Fiducian Group	2.0%
Top 10 Positions	34.8%

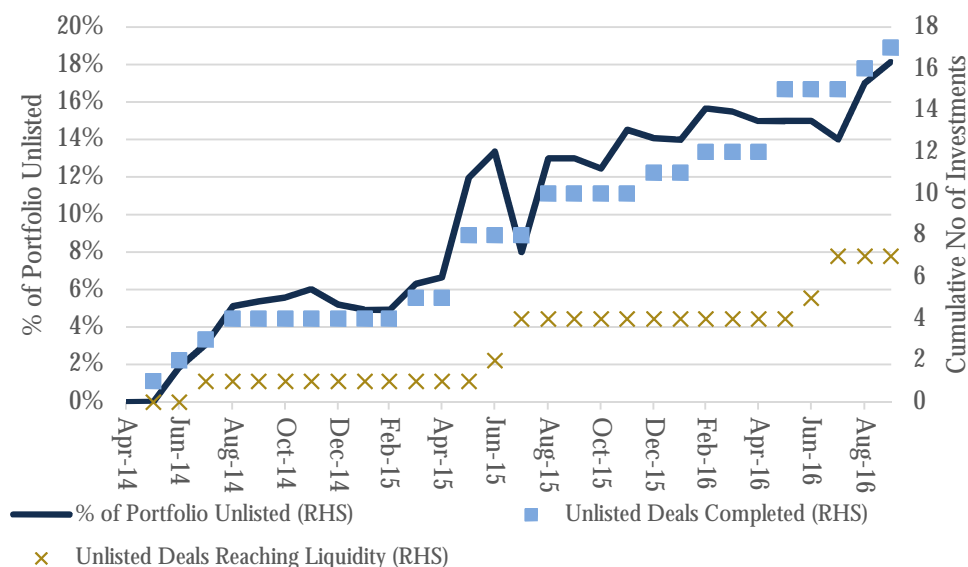
Distribution of holdings by weight



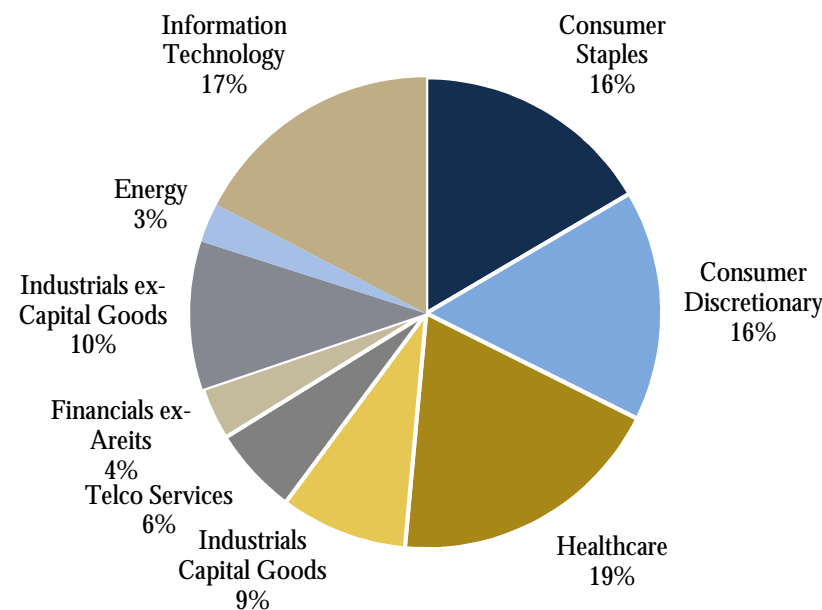


ACQ has invested \$16.6m in 17 unlisted opportunities⁽¹⁾, 7 of which have reached liquidity events

Unlisted Investment Rate



Sector Composition of Unlisted Investments⁽¹⁾



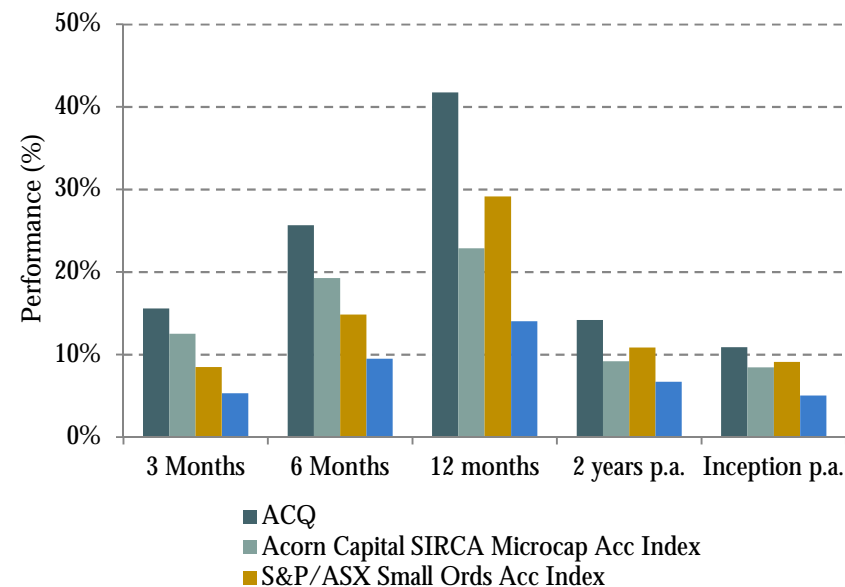
Source: Acorn Capital estimates as at 30 September 2016

1. Since ACQ listing on ASX in May 2014



ACQ investment portfolio has outperformed all relevant indices since inception

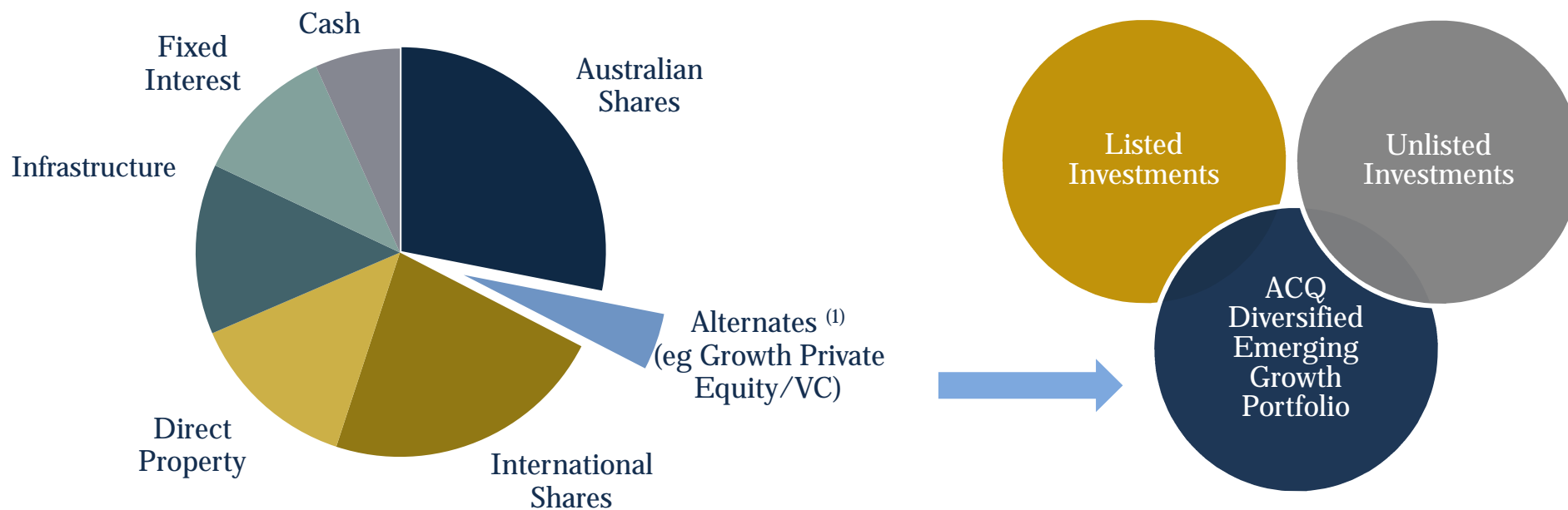
Periods to 30 September 2016	3 months	6 months	1 year	2 years p.a.	Since inception p.a. ²
ACQ ¹	15.57%	25.65%	41.75%	14.19%	10.89%
Acorn Capital / SIRCA Microcap Acc. Index ³	12.52%	19.48%	23.11%	9.27%	8.51%
S&P/ASX Small Ords Acc. Index	8.50%	14.84%	29.16%	10.83%	9.08%
S&P/All Ords Accumulation Index	5.30%	9.51%	14.01%	6.69%	5.03%



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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 growth strategy



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