

ACORN CAPITAL

ACORN CAPITAL INVESTMENT FUND LIMITED

MARCH 2017 QUARTER UPDATE

ASX : ACQ

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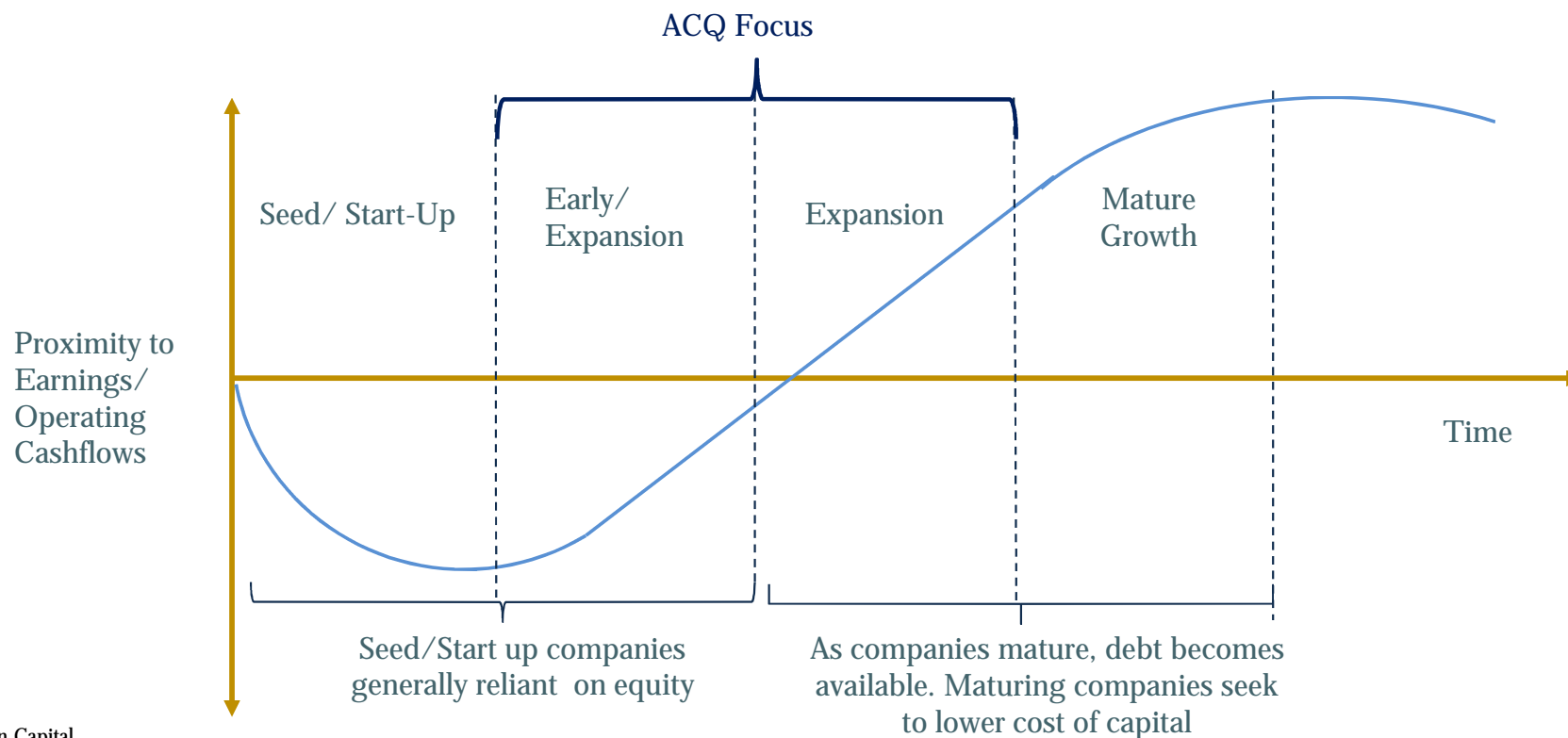
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ACQ gives investors access to listed and unlisted companies distinguished by their smaller size and stage of development through a single diversified portfolio



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



Key Highlights



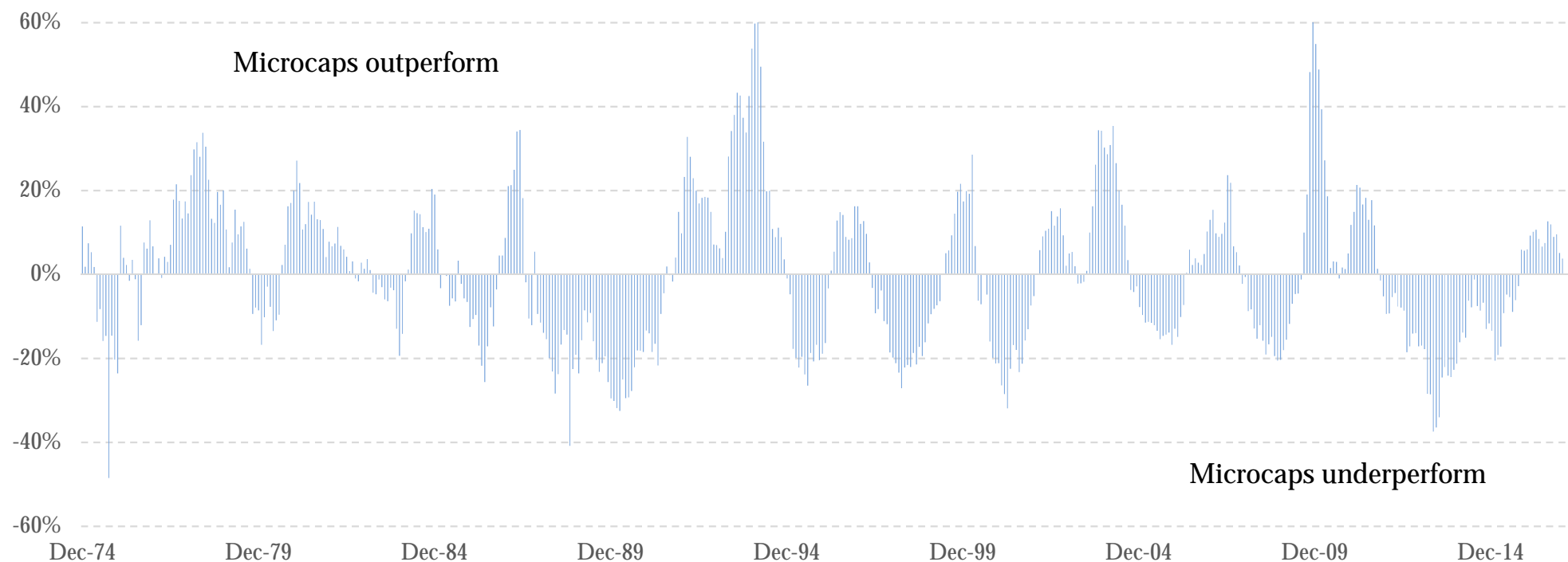
- ACQ Pre-Tax NTA as at 31 March 2017 was \$1.1363⁽¹⁾
- Investment portfolio returned -2.97%⁽²⁾ for the March 2017 quarter as compared to the S&P/Small Ordinaries Accumulation Index of +1.46%
- Fully franked interim dividend of 1.5 cents per share paid on 31 March 2017, taking the dividend paid in the last 12 months to 3.3 cents per share fully franked
- Acorn Capital estimates that the microcap sector is still showing a valuation advantage as compared to the broader market
- Invested in three further unlisted opportunities - Telix Pharmaceuticals, Moula and LifestylePanel Holdings

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.



Microcap Sector has delivered similar performance to the All Ordinaries Accumulation Index over the past 12 months to 31 March 2017, returning +20.2% vs +19.5%



Sector Observations



- Microcap Sector performed strongly during the March 2017 quarter producing a return of +3.17%⁽¹⁾
- Acorn Capital's analysis suggests that the smaller capitalisation securities (less than \$250 million) contributed disproportionately to the overall Microcap Sector return in the March 2017 quarter
- Utilities, Industrials – Capital Goods and Materials-Resources were the strongest performers in the Microcap Sector for the 12 months to 31 March 2017 returning +67.2%, +51.1% and +44.2% respectively⁽¹⁾

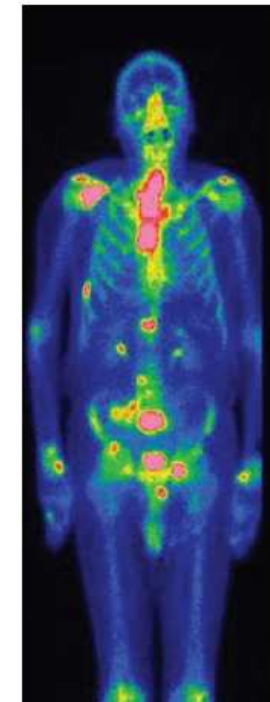
1. Acorn Capital / SIRCA Microcap Accumulation Index data is verified three months in arrears by SIRCA ('Securities Industry Research Centre of Asia-Pacific')



Telix is an Australian company focussed on theranostics, which is the use of targeted molecular diagnostic imaging and therapeutic agents for the diagnosis and treatment of cancers

Theranostics “See it Then Treat It”

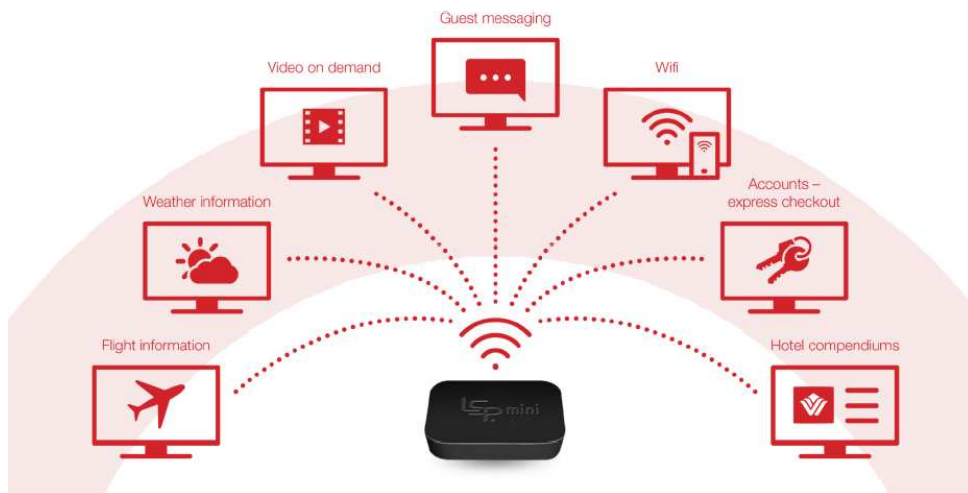
- Precise: Image the cancer to confirm presence/expression
- Personalised: Use the image to optimise dosage for the individual patient
- Optimised: Deliver the right dose for the patients extent of disease
- Effective: Imaging lets us know whether patient will respond to treatment in advance
- Follow-up: Response to therapy can be also accurately measured during imaging





LifestylePanel (LSP) has developed a unique technology that delivers superior guest entertainment services and wi-fi connectivity into accommodation facilities without the need for expensive re-cabling and capital expenditure

LSP Platform



Source: LSP, Acorn Capital

Technology Features

- Controlled content delivered remotely via smart software
- Services delivered through existing telecommunication infrastructure
- Integrated programs to enhance user experience
- Simple and fast installation
- Improved quality of existing free to air cable & TV
- Encrypted secure wifi and internet facilities



Moula has developed an innovative core lending platform providing unsecured lending to Small to Medium Enterprises

Moula Technology Platform

- Moula has developed an underwriting model, not only incorporating accounting data, but making it the primary source of decisioning
- Rather than be guided by bureau data, the primary use of accounting data:
 - facilitates an ability to gauge real business performance over a relevant period
 - Reduces the risk of “stacking” through balance sheet analysis.

Partners



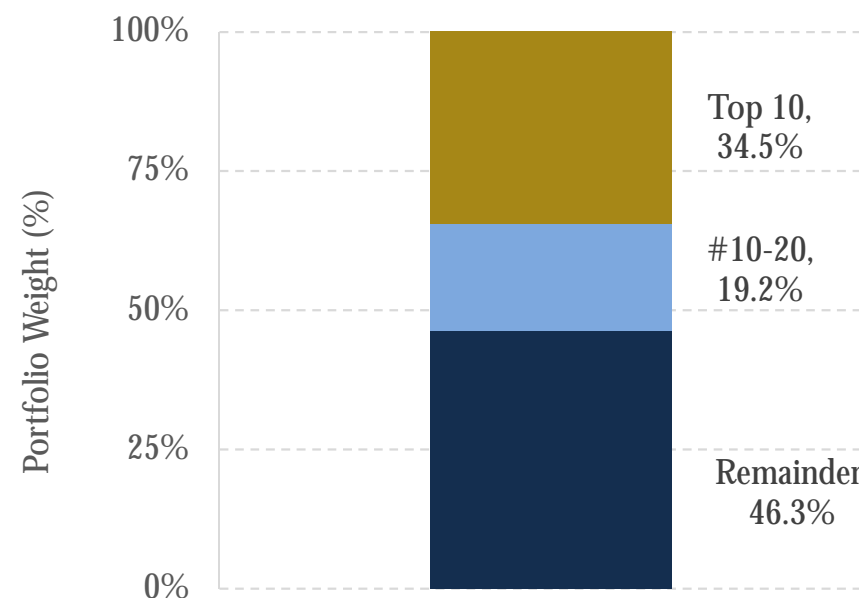


ACQ investment portfolio has 34.5% of FUM in top 10 investments

Top 10 Holdings

	% Gross Portfolio
1. Hub24	5.4%
2. Murray River Organics Group	5.1%
3. Genea (UL)	3.6%
4. MSL Solutions (UL)	3.6%
5. Carbon Revolution (UL)	3.3%
6. Fiducian Group	3.0%
7. Integrated Payment Technologies	2.8%
8. Innovative Asset Solutions Group (UL)	2.7%
9. Range International	2.5%
10. Lifestylepanel Holdings Ltd (UL)	2.5%
Top 10 Positions	34.5%

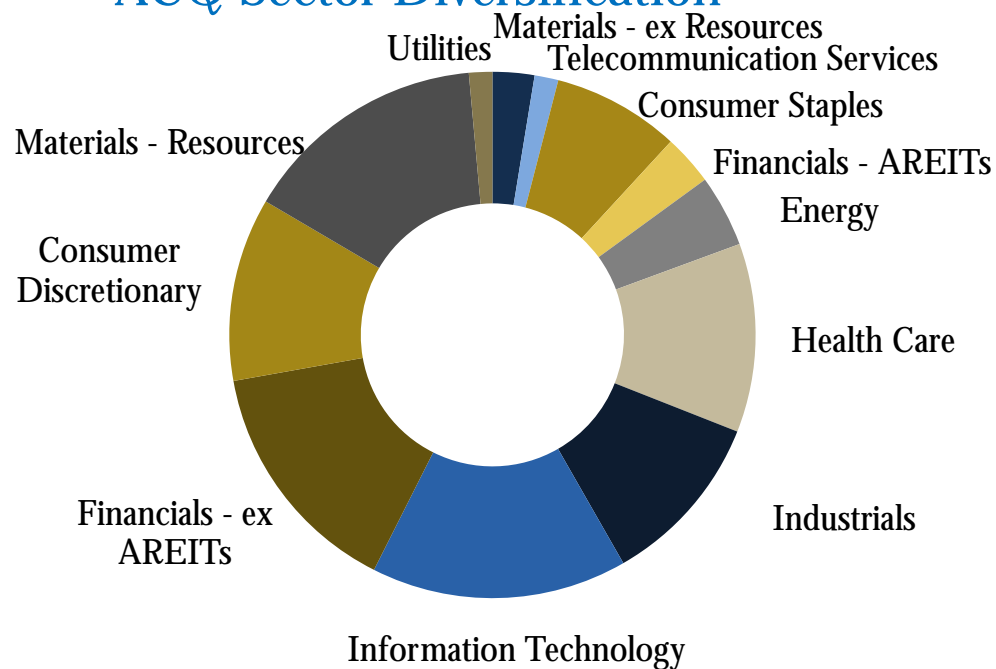
Distribution of holdings by weight



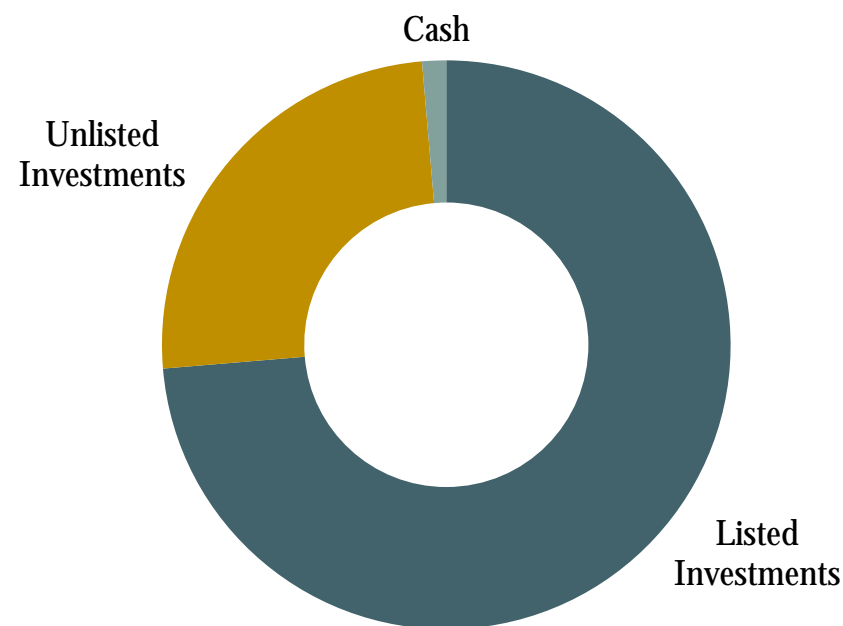


ACQ provides investors with a diversified exposure to Australian Emerging Growth Companies

ACQ Sector Diversification



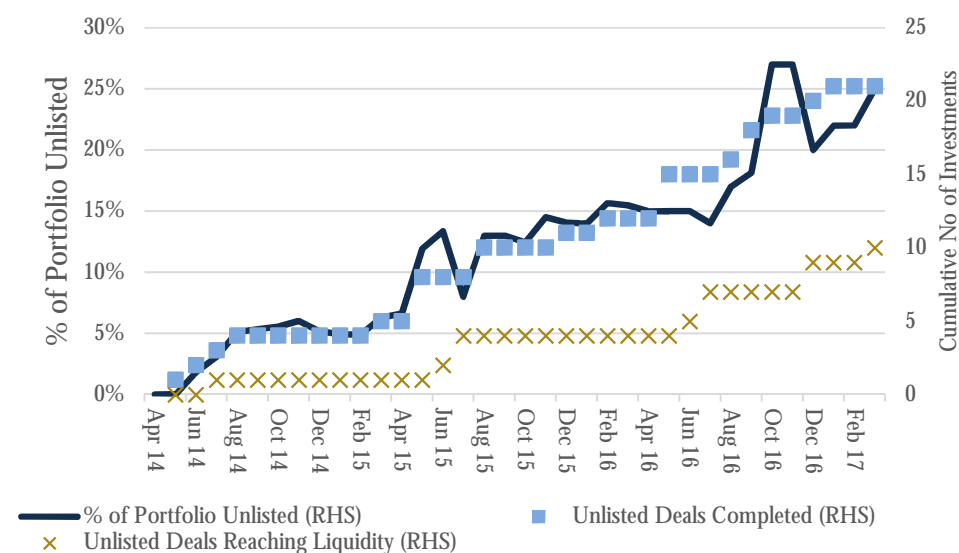
ACQ Portfolio Composition





ACQ has invested \$25.5m in 23 unlisted opportunities⁽¹⁾, 10 of which have reached liquidity events

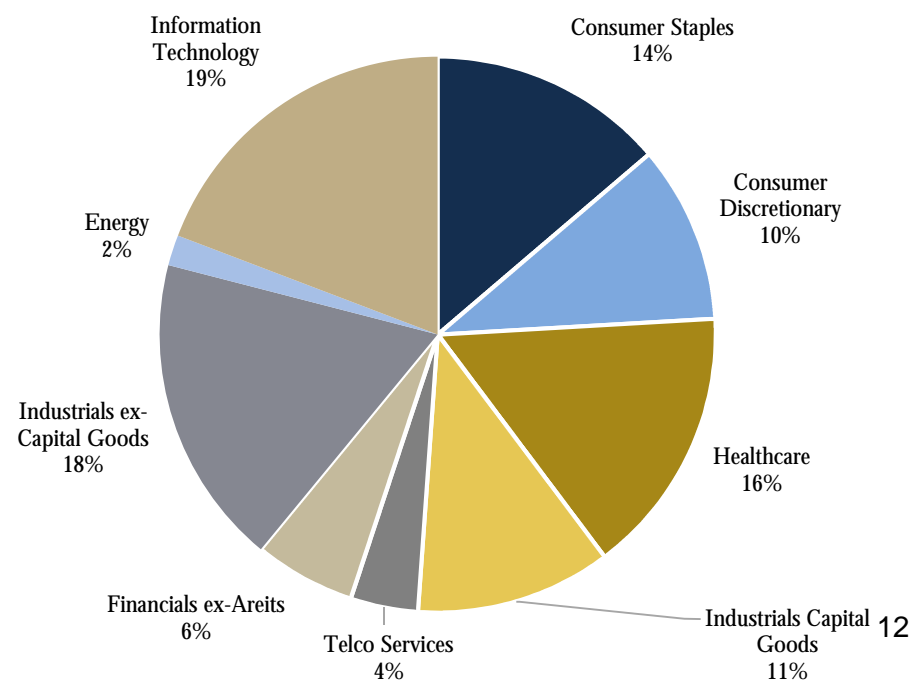
Unlisted Investment Rate



Source: Acorn Capital estimates as at 31 March 2017

1. Since ACQ listing on ASX in May 2014

Sector Composition of Unlisted Investments⁽¹⁾





ACQ has outperformed all relevant indices over the past 2 years

Periods to 31 March 2017	3 months	6 months	1 year	2 years p.a.	Since inception p.a. ²
ACQ ¹	-2.97%	-5.61%	+18.60%	+13.42%	+6.81%
Acorn Capital / SIRCA Microcap Acc. Index ³	+3.17%	+0.76%	+20.22%	+11.11%	+7.23%
S&P/ASX Small Ords Acc. Index	+1.46%	-1.03%	+13.67%	+8.58%	+7.09%
S&P/All Ords Accumulation Index	+4.50%	+9.11%	+19.49%	+4.82%	+7.31%



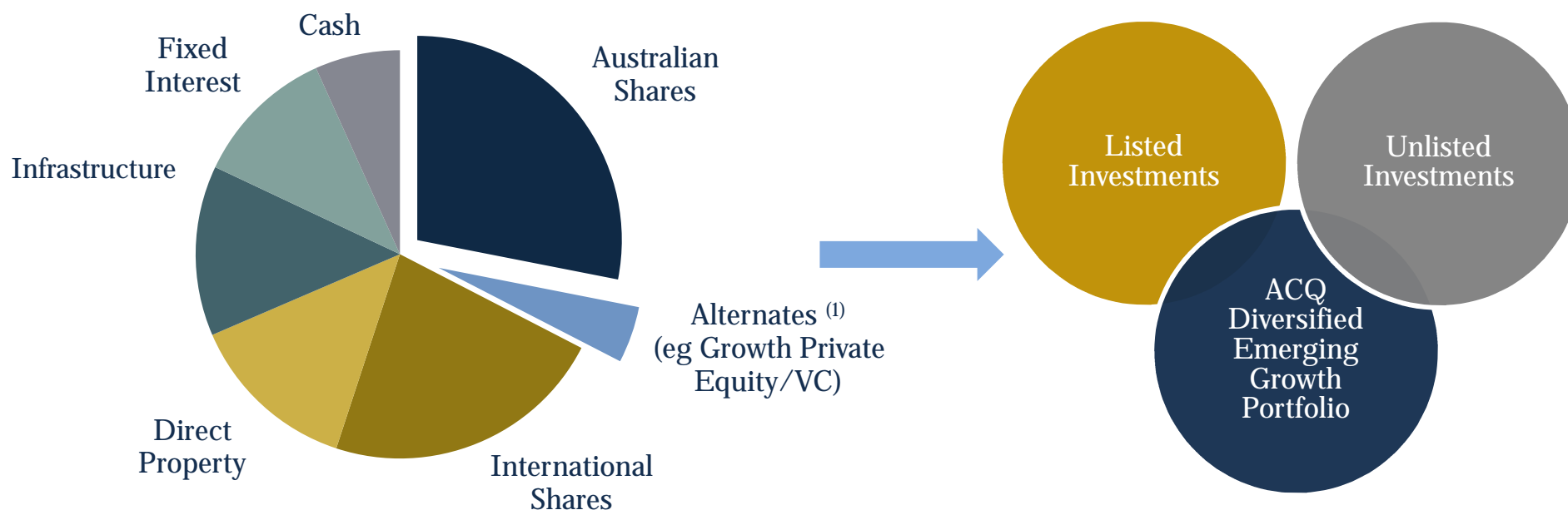
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2. Inception is 1 May 2014

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 a differentiated and efficient platform to allocate capital to small companies



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