

ACORN CAPITAL EXPANSION PLATFORM II

FACTSHEET



Investment Objective and Strategy

Acorn Capital Expansion Platform II (ACEP II) is a wholesale offering that provides investors access to private early/expansion opportunities in innovative, emerging Australian companies via a tax effective structure. ACEP II is expected to consist of a high conviction portfolio of 15-20 investments that aims to generate attractive returns, targeting an IRR of greater than 20%, post fees. Subject to performance and realisation opportunities, the Fund aims to make distributions from the realisation of portfolio holdings corresponding to contributed capital within approximately 3 years from the first committed capital drawdown.

Why invest in ACEP II

- **Large and diverse investment universe** – Obtain access to an exciting Australian asset class distinguished by its stage of development and innovative characteristics.
- **Proven track record** – Strong track record of performance across both listed and unlisted companies since 2009.
- **Experienced team of industry specialists** – Co-invest with a team who have successfully leveraged the investment capabilities across listed and unlisted companies for more than 12 years.
- **Extensive networks** – Access to early/expansion venture opportunities originated through Acorn Capital's established and extensive industry network developed over 20+ years.
- **Multi Industry exposure** – Gain exposure to a diverse range of companies across sectors which may include Industrials, Consumer Discretionary, Healthcare, Materials and Telcos as well as IT and Fintech.
- **Tax advantaged investment structure** – Eligible investments completed in the Early Stage Venture Capital Limited Partnership are CGT and income tax free, and provide a 10% tax offset to investors, under certain conditions. These factors may result in tax effective returns for high-net-worth investors.
- **Portfolio Diversification** – High growth target return profile that is differentiated to listed equity returns.
- **Growth orientated** – Invest at the early/expansion stage of a company's development.

- **Alignment of investor interests** – Acorn Capital management and shareholders have committed more than \$10m to ACEP II. Carried interest is only paid to Acorn after investors receive their preferred return.
- **Application of ESG and UNSDG principles** – ESG and active stewardship are an integral element of the investment process.

Investment and Operations team

The Acorn Capital Investment Team have invested together for over 7 years with a combined 94 years of experience.



Paul Palumbo
HEALTHCARE
Years at Acorn: 14
Years in industry: 16



Rick Squire
MATERIALS
Years at Acorn: 5
Years in industry: 10



Robert Bruce
CONSUMER,
IT&T
Years at Acorn: 7
Years in industry: 24



Karina Bader
MATERIALS
Years at Acorn: 12
Years in industry: 12



Ben Dalling
INDUSTRIALS,
FINANCIALS,
UTILITIES
Years at Acorn: 7
Years in industry: 26



BRIAN GAN
INDUSTRIALS
Years at Acorn: 6
Years in industry: 6



Robert Routley
CEO
Years at Acorn: 14
Years in industry: 22



Matthew Sheehan
LEGAL COUNSEL
Years at Acorn: 12
Years in industry: 15



Kate Doherty
CFO
Years at Acorn: 9
Years in industry: 15



Kate McDermott
DISTRIBUTION
Years at Acorn: 1.5
Years in industry: 19

Proven Track Record

Since 2009 the Investment Team have identified unlisted investment opportunities and utilised their operational experience to assist companies' development to generate superior returns for investors.



Acorn Capital Emerging Growth Strategy

- 38.8% IRR on non-excluded Unlisted Investments ⁽³⁾

Acorn Capital Private Opportunities Fund LP ⁽¹⁾

- 27.4% Gross Fund IRR

Acorn Capital Expansion Platform ⁽²⁾

- 13.5% Gross Fund IRR ⁽⁴⁾⁽⁵⁾

All data based on Acorn Capital estimates, unaudited

- Registered Venture Capital Limited Partnership.
- Consisting of the Acorn Capital Expansion Fund, a registered ESVCLP, and the Acorn Capital Expansion Trust.
- IRR calculated to time of the liquidity excluding investments that have not reached a liquidity event. Where liquidity event is an IPO, it is calculated on the basis of the VWAP on the first day of ASX trade for the security.
- Investment period completed in June 2021.
- Approximately 1/4 of investments still recorded at cost.

Investment Philosophy

Significant innovation exists across all Australian industries. Innovative emerging companies often have limited access to capital and lack a capability to effectively deliver on the potential growth through their innovation. These resultant market inefficiencies provide potential for enhanced investment returns. Acorn Capital believes that investment in innovative companies at an early stage of development can deliver superior risk-adjusted returns to investors.

Acorn Capital, through its investment process, seeks to identify strong management teams with ambition and evidence of innovation in their product or service. Innovation can lead to a sustainable, large scale competitive advantage and may include one or several of the following:



About Acorn Capital

Acorn Capital was established in 1998 and is owned by its management and Australian Unity. The Acorn Capital team pride themselves on their investment track record and operational experience that have provided clients with solid investment returns over the last 23 years.

Key Fund Terms

Applications Open	September 2021
Investment Universe	Unlisted emerging Australian companies, Pre-IPOs, IPOs and listed microcaps
Investment Vehicles	Early Stage Venture Capital Limited Partnership and a Managed Investment Trust
Target Fund Size	Up to \$100 million
Minimum Investment	\$100,000
Management Fee	1.5% p.a. plus GST on committed capital
Carried Interest	20% of distributions after Preferred Return
Preferred Return	6.5% p.a.
Trust Distributions	Annual, subject to tests
Redemptions	No redemptions
Investor Eligibility	Wholesale investors only

For Further Information

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