

ACORN CAPITAL MICRO OPPORTUNITIES FUND



FACTSHEET

Fund snapshot

Asset Allocation	Listed investments 80-100% Unlisted investments 0-10% Cash 0-20%
Stage of Development Allocation	Seed / start up 0%-5% Early 10%-40% Expansion 40%-70% Mature 10%-20%
Sector limits	-Minimum of 5 sectors -Maximum of 20% of the fund's net assets allowable in any one sector
Market Capitalisation	Company must be less than \$500 million at the time of initial purchase
Stock numbers	50 - 70
Liquidity	Daily
Investment timeframe	5+ years
Distributions	Semi - annually
Capacity	\$100m (soft) \$150m (hard)
Benchmark	S&P ASX Emerging Companies Accumulation Index
Management fee	0.90%
Performance fee	20% of returns in excess of the benchmark
Minimum investment	\$50,000
SIV compliant	Yes
APIR	ACQ4764AU

Objectives

The fund aims to:

- Outperform the S&P ASX Emerging Companies Accumulation Index (the benchmark) over rolling 3-year periods
- Generate its returns with lower volatility than the benchmark

Team



Paul Palumbo – Portfolio Manager

- 17 years industry experience, joined Acorn Capital in 2007
- Sector lead for Healthcare and Biotechnology
- Prior career at PwC and IBM Business Consulting



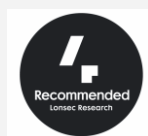
Robert Bruce – Portfolio Manager

- 24 years industry experience, joined Acorn Capital in 2014
- Sector lead for the Consumer and IT sectors
- Prior career at CLSA, UBS Warburg, Kaplan Funds Management and Westpac Institutional Bank

Supported by the Acorn Capital Investment Team, who, combined has over 150+ years of investment experience.

Ratings*

Lonsec "Recommended"



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Strategy

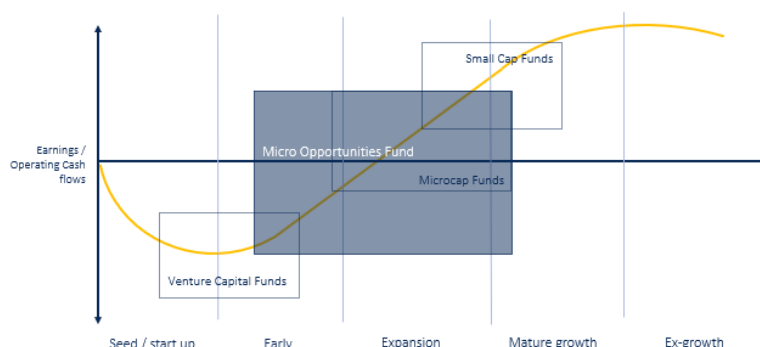
Acorn Capital seeks companies displaying sustainable competitive advantages and investment risks that are commensurate with their return potential. These advantages are usually underpinned by innovation and come in many forms; a technology, a drug, a business process, intellectual property, a brand, or being first to market. Investment risks vary considerably by both industry and by stage of company development; Start Up, Early, Expansion, or Mature Growth stage.

Process

Acorn Capital creates a diversified portfolio, believing opportunity can be found across all industries and stages of a company's development. To capture this return, and to manage portfolio risk through diversification, Acorn's Capital's large team of industry specialists, analysis and scour the full investment universe. This includes sectors and the stages of a company's development that many other managers may find difficult to assess, such as biotech, resources, and early-stage companies.

A resulting short list then undergoes an extensive due diligence process, with research to establish each company's true sustainable competitive advantage, and its upside potential and downside risk. Ultimately, a well-diversified portfolio of 50 - 70 stocks is constructed, taking into account each stock's potential return and risk, its sector and stage of development, as well as each analyst's level of conviction in that stock relative to all other investment opportunities in their sector.

Our Focus



Key benefits

Investors in the Acorn Capital Micro Opportunities Fund receive:

- **A diversified portfolio of Australian microcap companies**
Acorn Capital construct microcap portfolios from the full universe of ASX sectors (Materials, Health Care, IT, Consumer Discretionary, Consumer Staples, Industrials, Resources, Energy, Communication Services, Financials), from early to the mature stage of a company's development, across both listed and unlisted opportunities.
- **Investment management by Australia's most experienced microcap fund manager**
Acorn Capital is a pioneer of microcap investing and are Australia's longest running specialist microcap fund manager.
- **Strong fee alignment and capacity management**
 - A performance fee will only be paid if the fund's returns are above both the benchmark and 0%.
 - The fund will hard close at \$150m, thereby preserving and optimising return potential for existing investors.



About Acorn Capital

Acorn Capital was established in 1998 as a specialist investment manager in emerging Australian companies. Acorn Capital distinguishes itself through its relatively large research and investment team with expertise across all industries as well as its provision of expansion capital to developing companies.

For Further Information

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* The rating issued 09/2022 (APIR ACQ4764AU) are published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only, and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit lonsec.com.au for ratings information and to access the full report. © 2022 Lonsec. All rights reserved.

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