

ACORN CAPITAL INVESTMENT FUND

INVESTMENT UPDATE
SEPTEMBER 2024



Acorn Capital Investment Fund Limited ACN 167 595 897

Net Tangible Asset Per Ordinary Share

as at 30 September 2024 (all figures unaudited)

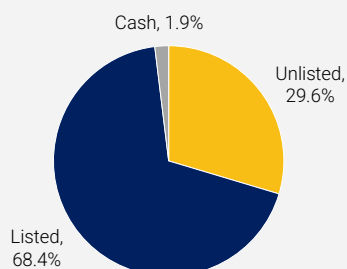
NTA before all taxes	1.0836
NTA after taxes and before taxes on unrealised gains	1.1015
NTA after taxes including taxes on unrealised gains	1.1038

ASX Code	ACQ
Date of Listing	1 May 2014
Shares on Issue	89,033,712
Share Price	\$0.83
Market Cap \$m	\$73.9m
Number of Stocks	78
Dividends	7.0c [^] (fully franked)
Dividend Yield	8.4%*

[^] Ordinary over the past 12 months

* Implied on share price

Investment Split



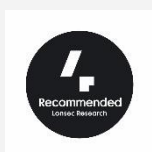
Top 10 Stocks as at 30 September 2024

Company	Weight
Splend Holdings Ltd (UL)	3.6%
Marketplacer (UL)	3.4%
Elenium Automation (UL)	3.0%
Fremantle Commercial Diving (UL)	2.6%
Clarity Pharmaceuticals Ltd	2.5%
Superloop Limited	2.5%
Aroa Biosurgery Limited	2.4%
MX51 Group (UL)	2.2%
Zip Co Limited.	2.2%
Metals Acquisition LTD	2.2%
Total	26.5%

UL = Unlisted investment

Ratings*

Lonsec "Recommended"



Performance as at 30 September 2024 (all figures unaudited)

	1 month %	3 month %	1 year %	3 years % p.a.	5 years % p.a.	Since incept. % p.a.
ACQ ¹	3.3	6.2	11.4	-5.3	6.0	8.2
S&P/ASX Small Ords Acc Index ²	5.1	6.5	18.8	-0.6	4.4	6.8

¹ Calculated as the movement in NTA before tax, post management fees, performance fees and operating costs. 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. ² The stated benchmark for the strategy. Please note that there is a difference in underlying investment universe and over shorter time periods, deviations in returns (both positive & negative) are expected. Please see page 2 for further details on benchmarks and investment universe.

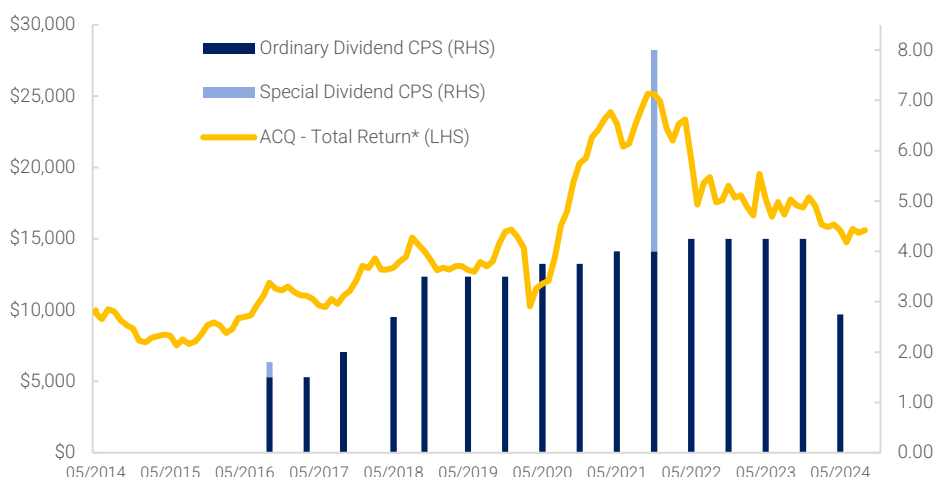
Acorn Capital - Investment Update

The S&P/ASX Small Ordinaries Accumulation Index rallied 5.1% in September, outperforming large and mid-caps. Every industry sector in the index rose over the month with the strongest returns coming from the Materials and Energy sectors following China announcing a range of stimulus measures, while Consumer Staples (+0.9%) and Communications Services (+2.4%) lagged.

Notable portfolio stock movements included Opthea (+37.3%), which achieved a milestone by completing its drug substance Process Performance Qualification (PPQ) campaign. Aic Mines (+26.5%) Extended their Jericho copper project. EnviroSuite (+75.6%) signed a collaboration agreement with Hitachi Construction Machinery, which also invested \$10m. NextEd Group (-35.3%) fell due to proposed federal government caps on new international students across vocational and higher education courses.

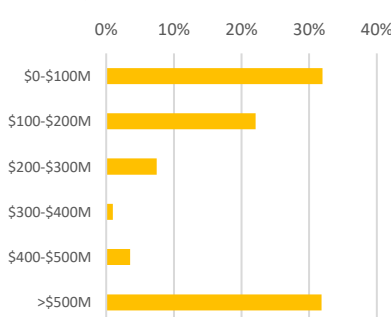
ACQ Investment Manager – Acorn Capital Limited

Growth \$10K

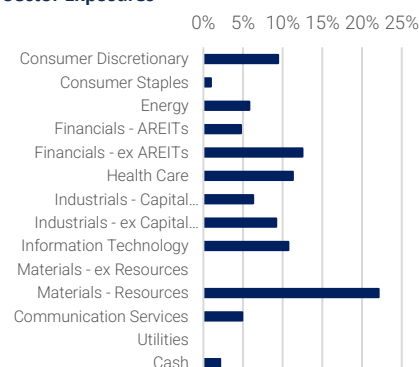


*Total shareholder return assuming dividends reinvested, includes special dividends

Market Cap Bands



Sector Exposures



Expanded Performance as at 30 September 2024 (all figures unaudited)

	1 mth	3 mth	1 year	3 years p.a.	5 years p.a.	Since incept. p.a.
ACQ (Pre fees, tax and operating costs)	3.4	6.2	12.4	-4.1	8.5	10.8
S&P/ASX Small Ords Acc Index ³	5.1	6.5	18.8	-0.6	4.4	6.8
Acorn Capital / SIRCA Microcap Acc. Index ²	5.9	7.4	16.2	-3.6	6.1	7.0

¹ Refer disclaimer page 1. ² Acorn Capital / SIRCA Microcap Accumulation Index data is verified 3 months in arrears by SIRCA ('Securities Industry Research Centre of Asia-Pacific'). ³ Source: Factset

Indices Characteristics⁴

	S&P/ASX Small Ordinaries Acc Index	Acorn Capital / SIRCA Microcap Acc. Index
Companies (by number)	200	>1500
Universe (by size)	ASX 101 – 300	ASX ex-250
Total Market Cap (\$M)	250,036	151,936
Median Market Cap (\$M)	1,333	27
Exposure to Developing Companies ^{4,5}	18.6	53.6
Crossover of holdings in ACQ ^{4,6}	27.8	76.3

⁴ As at 31 Dec 23 ⁵ Number of stocks, developing companies defined as those with revenues <10 of their market cap ⁶ the total portfolio weight of listed stocks (excludes unlisted and cash), included in the index.

ACQ Objective

The Objective is to create a diversified portfolio of listed microcap companies and then to invest opportunistically in unlisted entities that offer better relative value. The performance objective for ACQ is to outperform the S&P/ASX Small Ordinaries Accumulation Index over the medium to long term.

Dividend Intention

Acorn Capital Investment Fund Limited intends to pay annual dividends targeting at least 5 of closing post-tax NTA for each financial year, franked to the highest extent possible and without the Company incurring a liability.

Where the Company accumulates franking credits that the Board determines are in excess to its requirements it is the intent to distribute those excess credits by way of special dividends. This is subject to the Company having sufficient profit and cash flow to make such payments.

Investment Philosophy

The investment philosophy is based on a belief that there are pricing inefficiencies amongst emerging or microcap companies due to a lack of readily available external research conducted on such entities.

Acorn Capital believes that through a research driven investment process the pricing inefficiencies that exist in both listed microcaps and unlisted microcaps can be exploited to earn returns superior to those available in the broader market.

Unlisted microcap opportunities must be of better relative value on a risk-adjusted basis to displace existing listed portfolio investments in the corresponding sector.

Investment Strategy

- Research-driven stock selection
- Economic sector diversified
- Style agnostic
- Long term investor
- Create diversified portfolios to reduce volatility

Investment Manager profile

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.

Through its strategies Acorn Capital can provide Investors with efficient off-index exposure to both public and private emerging companies.

*The rating issued 10/2023 is 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. © 2024 Lonsec. All rights reserved.

