

# ACORN CAPITAL INVESTMENT FUND

INVESTMENT UPDATE  
FEBRUARY 2025



## Acorn Capital Investment Fund Limited ACN 167 595 897

### Net Tangible Asset Per Ordinary Share

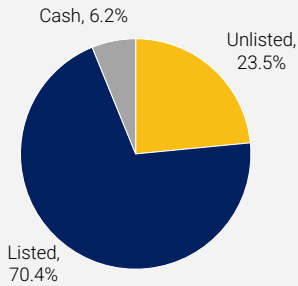
as at 28 February 2025 (all figures unaudited)

|  |        |
|--|--------|
| NTA before all taxes                                 | 1.0413 |
| NTA after taxes and before taxes on unrealised gains | 1.0503 |
| NTA after taxes including taxes on unrealised gains  | 1.0656 |

|                  |                                   |
|------------------|-----------------------------------|
| ASX Code         | ACQ                               |
| Date of Listing  | 1 May 2014                        |
| Shares on Issue  | 89,302,917                        |
| Share Price      | \$0.785                           |
| Market Cap \$m   | \$70.1m                           |
| Number of Stocks | 76                                |
| Dividends        | 5.5c <sup>^</sup> (fully franked) |
| Dividend Yield   | 7.0%*                             |

<sup>^</sup> Ordinary over the past 12 months  
\* Implied on share price

### Investment Split



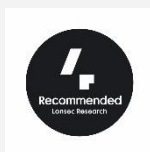
### Top 10 Stocks as at 28 February 2025

| Company                          | Weight       |
|----------------------------------|--------------|
| Meeka Metals Limited             | 3.1%         |
| Fremantle Commercial Diving (UL) | 3.1%         |
| Elenium Automation (UL)          | 3.0%         |
| Pantoro Limited                  | 2.9%         |
| Aroa Biosurgery Limited          | 2.9%         |
| Superloop Limited                | 2.7%         |
| Marketplacer (UL)                | 2.3%         |
| MX51 Group (UL)                  | 2.3%         |
| Eroad Limited                    | 2.2%         |
| Vault Minerals Limited           | 2.1%         |
| <b>Total</b>                     | <b>26.5%</b> |

UL = Unlisted investment

### Ratings\*

Lonsec "Recommended"



### Performance as at 28 February 2025 (all figures unaudited)

|   | 1 month % | 3 month % | 1 year % | 3 years % p.a. | 5 years % p.a. | Since incept. % p.a. |
|---|-----------|-----------|----------|----------------|----------------|----------------------|
| ACQ <sup>1</sup>                          | -2.0      | -2.1      | 15.7     | -3.7           | 7.2            | 7.7                  |
| S&P/ASX Small Ords Acc Index <sup>2</sup> | -2.8      | -1.5      | 7.3      | 2.1            | 5.6            | 6.6                  |

<sup>1</sup> 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. <sup>2</sup> 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

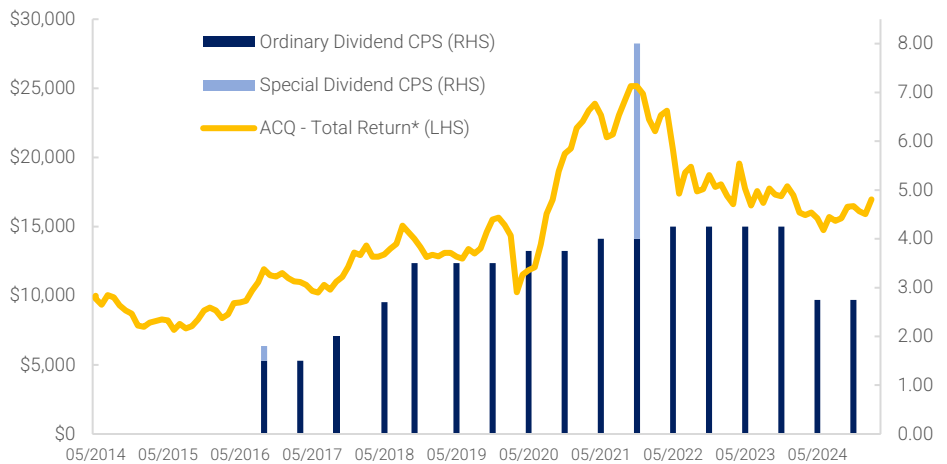
"The S&P/ASX Small Ordinaries Accumulation Index declined by 2.8% over the month, slightly outperforming the large-cap ASX100 index which fell by 3.9%. The most significant sector declines were observed in Energy (-13.4%), Health Care (-6.9%), and Information Technology (-5.5%). Communication services emerged as the sole sector to deliver a gain for the month.

Noteworthy contributors to the portfolio included MA Financial (+25.8%), driven by a FY24 result that met consensus, showcasing improved performance across various areas. Positive management outlook and reduced future investment requirements further buoyed investor sentiment. Predictive Discovery also made substantial gains of 32.6%, on M&A potential after two large mining companies made a placement at a premium to the recent trading price.

Conversely, notable detractors included Petratherm (-30.4%) after a robust three-month upswing, potentially exacerbated by market anticipation of an upcoming capital raise. Opthea saw a decrease of 14.7% following a solid but not spectacular quarterly update and the announcement of a USD15m venture debt package aimed at supporting growth initiatives. On the positive side the funding removes an overhang but on the negative side we are cautious on cash burning companies utilising debt to fund their growth. We will be watching very closely for evidence of an acceleration in sales to mitigate the increased financial risk."

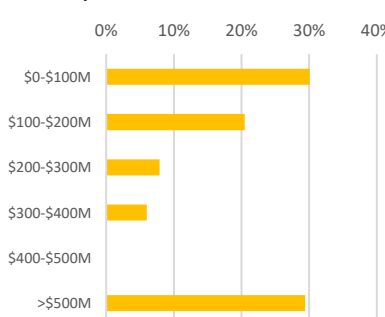
### ACQ Investment Manager – Acorn Capital Limited

#### Growth \$10K

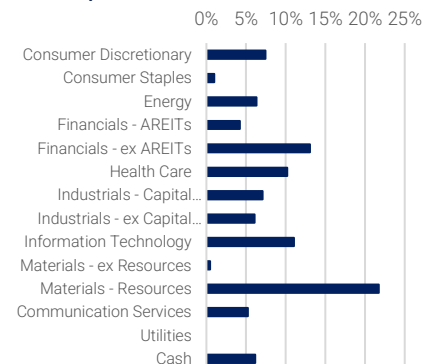


\*Total shareholder return assuming dividends reinvested, includes special dividends

#### Market Cap Bands



#### Sector Exposures



**Expanded Performance** as at 28 February 2025 (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)                | -1.6  | -1.2  | 17.9   | -2.7         | 10.0         | 10.4               |
| S&P/ASX Small Ords Acc Index <sup>3</sup>              | -2.8  | -1.5  | 7.3    | 2.1          | 5.6          | 6.6                |
| Acorn Capital / SIRCA Microcap Acc. Index <sup>2</sup> | -2.2  | 1.2   | 13.0   | -1.5         | 8.8          | 6.9                |

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

**Indices Characteristics<sup>4</sup>**

|   | 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)                          | 267,434                            | 169,970                                   |
| Median Market Cap (\$M)                         | 1,060                              | 25  |
| Exposure to Developing Companies <sup>4,5</sup> | 18.2%                              | 55.2%                                     |
| Crossover of holdings in ACQ <sup>4,6</sup>     | 22%                                | 58%                                       |

<sup>4</sup>As at 31 Dec 24 <sup>5</sup> Number of stocks, developing companies defined as those with revenues <10 of their market cap <sup>6</sup> 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.

