

# Acorn Capital Investment Fund Limited

ACN 167 595 897

## Appendix 4D - Half Year Report for the half year ended 31 December 2023

### Results for announcement to the market

	31 December	31 December	
	2023	2022	%
	\$'000	\$'000	Change
Revenue/(loss) from ordinary activities	984	5,334	(82)
Profit/(loss) from ordinary activities before tax attributable to members	231	4,482	(95)
Profit/(loss) from ordinary activities after tax attributable to members	241	3,185	(92)

Dividend Information	Cents per share	Franked amount per share	Tax rate for franking
2024 interim dividend	2.75	100%	30.0%

#### Interim Dividend Dates

Ex-dividend Date	02 May 2024
Record Date	03 May 2024
Payment Date	23 May 2024

#### Dividend Reinvestment Plan

ACQ has adopted a Dividend Reinvestment Plan (DRP) that will apply to this dividend.

The DRP has been lodged with ASX.

The DRP will be available for the FY24 Interim Dividend and all subsequent dividends unless notice is given of its suspension or termination.

	31 December 2023 \$/share	30 June 2023 \$/share
Net Tangible Asset Backing Per Share (Post Tax)	1.0712	1.1122

#### Reconciliation of Net Assets Per Share for Net Tangible Asset Reporting and Financial Reporting Purposes

	31 December 2023	30 June 2023
Net Tangible Asset Backing Per Share (Post Tax)	1.0712	1.1122

#### Permanent differences

Provision for transaction costs on disposal of the Portfolio	0.0010	0.0011
Adjustment to deferred tax liabilities	0.0003	0.0003
Net Tangible Assets Per Share in the Financial Report	1.0725	1.1136

This report is based on the Half Year Financial Report which has been subject to independent review by the Auditor, Ernst & Young. All the documents comprise the information required by the Listing Rule 4. 2A. This information should be read in conjunction with the 30 June 2023 Annual Report.

# **Acorn Capital Investment Fund Limited**

ACN 167 595 897

## **Interim financial report for the half-year ended 31 December 2023**

# Acorn Capital Investment Fund Limited

ACN 167 595 897

## Interim financial report for the half-year ended 31 December 2023

<b>CONTENTS</b>	<b>Page</b>
Corporate directory	2
Directors' report	3 - 4
Auditor's independence declaration	5
Condensed statement of comprehensive income	6
Condensed statement of financial position	7
Condensed statement of changes in equity	8
Condensed statement of cash flows	9
Notes to the financial statements	10
Directors' declaration	16
Auditor's review report on the half year financial report	17 - 18

This interim financial report does not include all the notes of the type normally included in a set of annual financial statements. Accordingly, this report is to be read in conjunction with the annual financial statements for the year ended 30 June 2023 and any public announcements made in respect of Acorn Capital Investment Fund Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001 and the ASX Listing Rule*.

This financial report covers Acorn Capital Investment Fund Limited as an individual entity.

The Investment Manager of Acorn Capital Investment Fund Limited is Acorn Capital Limited (ACN 082 694 532). The principal registered office in Australia of Acorn Capital Investment Fund Limited is C/- Acorn Capital Limited, Level 4, 2 Russell Street, Melbourne Victoria 3000.

## **CORPORATE DIRECTORY**

<b>Directors</b>	John Steven (Chairman and Non-Executive director) Judith Smith (Non-Executive director) David Trude (Non-Executive director) Robert Brown (Director)
<b>Company secretary</b>	Matthew Sheehan
<b>Principal registered office in Australia</b>	C/- Acorn Capital Limited, ACN 082 694 531 Level 4, 2 Russell Street, Melbourne Victoria 3000 Telephone: +61 3 9639 0522
<b>Investment Manager</b>	Acorn Capital Limited
<b>Share registry</b>	Computershare Investor Services Limited Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067 Telephone: 1300 850 505 (within Australia), +61 3 9415 4000 (international)
<b>Auditor</b>	Ernst & Young Level 23, 8 Exhibition Street, Melbourne Victoria 3000
<b>Legal adviser</b>	Minter Ellison Lawyers, Level 20, Collins Arch 447 Collins Street, Melbourne Victoria 3000
<b>Stock exchange</b>	Australian Securities Exchange ASX Code: ACQ
<b>Website</b>	<a href="http://www.ACQFund.com.au">www.ACQFund.com.au</a>

## Directors' report

The directors of Acorn Capital Investment Fund Limited (the "Company"), present their report together with the financial statements of the Company for the period from 1 July 2023 to 31 December 2023 (the "reporting period").

Acorn Capital Investment Fund Limited is a public company limited by shares which is incorporated in Australia and listed on the ASX (Australian Securities Exchange Ltd.).

### Directors

The following persons were directors of the Company during the half-year and up to the date of this report (unless otherwise stated):

John Steven (Chairman and Independent Non-Executive Director)	Appointed 6 March 2014
Judith Smith (Independent Non-Executive Director)	Appointed 6 March 2014
David Trude (Independent Non-Executive Director)	Appointed 6 March 2014
Robert Brown (Director)	Appointed 6 March 2014

### Principal activities

The principal activity of the Company is to invest in a portfolio of listed and unlisted microcap companies. The investment manager is Acorn Capital Limited (the Manager), an established boutique asset manager with a long track record of successfully investing in microcap companies.

### Review and results of operations

During the half-year, the Company continued to invest funds in accordance with its governing documents.

The most appropriate measure of the Company's financial performance is total comprehensive income/(loss). Total comprehensive income/(loss) for the half-year ended 31 December 2023 was \$240,877 (2022: \$3,184,496).

The Company's profit/(loss) before income tax for the half-year was \$230,829 (2022: \$4,481,587).

The profit/(loss) after income tax for the half-year was \$240,877 (2022: \$3,184,496).

Basic earnings/(loss) per share after income tax were 0.27 cents for the half-year (2022: 3.70 cents).

	For the half-year ended 31 December 2023	For the half-year ended 31 December 2022
	\$'000	\$'000
Profit before income tax expense	231	4,482
Income tax expense	<u>(10)</u>	<u>1,297</u>
Profit after income tax attributable to the owners of the Company	<u>241</u>	<u>3,185</u>
Equity	<u>94,670</u>	<u>100,256</u>

Net Tangible Asset Backing (NTA) per share	As at 31 December 2023 (non-IFRS)	
	For monthly NTA Reporting \$/share	For Financial Reporting \$/share
NTA per share before income tax (\$/share)	1.0250	1.0263
NTA after income tax excluding tax on unrealised gains (\$/share)	1.0631	1.0644
NTA per share after income tax (\$/share)	1.0712	1.0725

**Review and results of operations (continued)**

Net Tangible Asset Backing (NTA) per share	As at 31 December 2022 (non-IFRS)	
	For monthly NTA Reporting \$/share	For Financial Reporting \$/share
NTA per share before income tax (\$/share)	1.1574	1.1588
NTA after income tax excluding tax on unrealised gains (\$/share)	1.1906	1.1920
NTA per share after income tax (\$/share)	1.1574	1.1588

The NTA per ordinary share for monthly NTA reporting, as required by ASX Listing Rule 4.12, is calculated in accordance with the definition of "net tangible asset backing" contained in Chapter 19 of the ASX Listing Rules.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs during the half-year.

**Events occurring after end of the half-year**

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect:

- (a) the Company's operations in the future reporting period, or
- (b) the results of those operations in the future reporting period, or
- (c) the Company's state of affairs in the future reporting period.

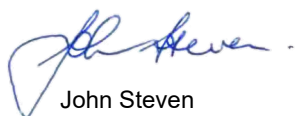
**Rounding of amounts**

The amounts contained in the financial report and Directors' Report have been rounded to the nearest thousand (where rounding is applicable) unless otherwise indicated, under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5 and forms part of this Directors' report.

The Directors' report is signed in accordance with a resolution of the Board of Directors.



John Steven  
Chairman and Non-Executive Director  
Melbourne  
26 February 2024



**Building a better  
working world**

Ernst & Young  
8 Exhibition Street  
Melbourne VIC 3000 Australia  
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000  
Fax: +61 3 8650 7777  
ey.com/au

## **Auditor's independence declaration to the directors of Acorn Capital Investment Fund Limited**

As lead auditor for the review of the half-year financial report of Acorn Capital Investment Fund Limited for the half-year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

*Ernst + Young*  
Ernst & Young

*Brett Kallio*

Brett Kallio  
Partner  
Melbourne  
26 February 2024

## Condensed statement of comprehensive income

For the half-year ended	Notes	31 December 2023 \$'000	31 December 2022 \$'000
<i>Revenue from ordinary activities</i>			
Interest income		289	16
Dividend/Distribution income		<u>350</u>	<u>312</u>
<b>Total revenue</b>		<b>639</b>	<b>328</b>
Net gains on financial instruments held at fair value through profit or loss		72	4,986
Other income		<u>273</u>	<u>20</u>
<b>Total income</b>		<b><u>984</u></b>	<b><u>5,334</u></b>
<b>Expenses</b>			
Management fees		444	504
Directors' fees		70	70
Auditor's remuneration		54	43
Brokerage expenses		51	45
Custody fees		25	48
Other expenses		<u>109</u>	<u>142</u>
<b>Total expenses</b>		<b>753</b>	<b>852</b>
<b>Profit/(loss) before income tax expense</b>		<b>231</b>	<b>4,482</b>
<b>Income tax expense/(benefit)</b>		<b><u>(10)</u></b>	<b><u>1,297</u></b>
<b>Profit/(loss) after the income tax for the half-year attributable to the owners of the Company</b>		<b><u>241</u></b>	<b><u>3,185</u></b>
Other comprehensive income for the half-year attributable to the owners of the Company		-	-
<b>Total comprehensive income/(loss) for the half-year attributable to the owners of the Company</b>		<b><u>241</u></b>	<b><u>3,185</u></b>
<b>Earning per share/(loss per share) for profit/(loss) after income tax attributable to the owners of the ordinary shares of the Company:</b>			
Basic		0.27	3.70
Diluted		0.27	3.70

The above condensed statement of comprehensive income should be read in conjunction with the accompanying notes.



**Condensed statement of financial position**

<b>As at</b>		<b>31 December 2023</b>	<b>30 June 2023</b>
	Notes	\$'000	\$'000
<b>Assets</b>			
Cash and cash equivalents		<b>1,376</b>	1,333
Receivables and Prepayments		<b>204</b>	593
Financial assets held at fair value through profit or loss	2	<b>89,777</b>	93,635
Deferred tax assets		<b>4,080</b>	4,070
<b>Total assets</b>		<b>95,437</b>	99,631
<b>Liabilities</b>			
Payables		<b>767</b>	2,357
<b>Total liabilities</b>		<b>767</b>	2,357
<b>Net assets</b>		<b>94,670</b>	97,274
<b>Equity</b>			
Contributed equity	3	<b>100,144</b>	99,277
Accumulated losses		<b>(31,756)</b>	(31,756)
Dividend reserve		<b>26,282</b>	29,753
<b>Total equity attributable to owners of the Company</b>		<b>94,670</b>	97,274

*The above condensed statement of financial position should be read in conjunction with the accompanying notes.*

## Condensed statement of changes in equity

For the half-year ended 31 December 2023	Contributed equity	Accumulated losses	Dividend reserve	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2023</b>	<b>99,277</b>	<b>(31,756)</b>	<b>29,753</b>	<b>97,274</b>
Profit/(loss) after income tax for the half-year attributable to the owners of the Company	-	-	241	241
<b>Total comprehensive income/(loss) for the reporting period attributable to the owners of the Company</b>	<b>99,277</b>	<b>(31,756)</b>	<b>29,994</b>	<b>97,515</b>
<b>Transactions with owners in their capacity as owners:</b>				
Dividends declared	-	-	(3,712)	(3,712)
Dividends reinvested	867	-	-	867
<b>Balance at 31 December 2023</b>	<b>100,144</b>	<b>(31,756)</b>	<b>26,282</b>	<b>94,670</b>

For the half-year ended 31 December 2022	Contributed equity	Accumulated losses	Dividend reserve	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2022	97,934	(31,756)	34,055	100,233
Profit/(loss) after income tax for the half-year attributable to the owners of the Company	-	-	3,185	3,185
Total comprehensive income for the reporting period attributable to the owners of the Company	97,934	(31,756)	37,240	103,418
<b>Transactions with owners in their capacity as owners:</b>				
Dividends declared	-	-	(3,658)	(3,658)
Dividends reinvested	496	-	-	496
Balance at 31 December 2022	98,430	(31,756)	33,582	100,256

*The above condensed statement of changes in equity should be read in conjunction with the accompanying notes.*

## Condensed statement of cash flows

For the half-year ended	31 December 2023 \$'000	31 December 2022 \$'000
<b><i>Cash flows from operating activities</i></b>		
Proceeds from sale of financial instruments held at fair value through profit or loss	30,371	24,776
Purchase of financial instruments held at fair value through profit or loss	(27,083)	(17,392)
Dividends / distribution income received	303	310
Custody fees paid	(24)	(88)
GST received	40	79
Other income received	146	49
Tax paid	-	(1,397)
Management fees paid	(503)	(651)
Performance fees paid	-	(496)
Brokerage expenses paid	(51)	(45)
Operating expenses paid	(310)	(580)
<b>Net cash inflow from operating activities</b>	<b>2,889</b>	<b>4,565</b>
<b><i>Cash flows from financing activities</i></b>		
Dividends paid	(2,846)	(3,162)
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(2,846)</b>	<b>(3,162)</b>
<b><i>Net increase/(decrease) in cash and cash equivalents</i></b>		
Cash and cash equivalents at the beginning of the reporting period	1,333	1,408
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>1,376</b>	<b>2,811</b>

The above condensed statement of cash flows should be read in conjunction with the accompanying notes.

## 1 Basis of preparation and accounting policies

### (a) Basis of preparation

This interim financial report for the half-year ended 31 December 2023 has been prepared in accordance with AASB 134 Interim Financial Reporting and *Corporations Act 2001*.

The Company is a for-profit entity for the purpose of preparing the financial statements. These general purpose financial statements are prepared on a historical-cost basis, except for financial assets and financial liabilities held at fair value through profit and loss (FVPL). The financial statements are presented in Australian Dollars (AUD).

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are generally expected to be recovered or settled within twelve months, except for investments in financial assets where the amount expected to be recovered within twelve months after the end of the reporting period cannot be reliably determined.

### (b) Statement of compliance

The financial report complies with Australian Accounting Standards applicable to interim reporting as issued by the Australian Accounting Standards Board ('AASB') and International Financial Reporting Standards ('IFRS') applicable to interim reporting as issued by the International Accounting Standards Board.

The half year financial report does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the most recent annual financial report of the Company.

### (c) Changes in accounting standards

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2023.

The company has not early adopted any standard, interpretation or amendment that been issued, but not yet effective. There are no new standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements that, in the opinion of the Board, would materially impact the Company.

### (d) Significant accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

The significant accounting policies have been consistently applied in the current financial period and the comparative period, unless otherwise stated. Where necessary, comparative information has been re-presented to be consistent with current period disclosures.

## 2 Financial assets and liabilities held at fair value through profit or loss

As at	31 December 2023	30 June 2023
	\$'000	\$'000
<b>Designated at fair value through profit or loss</b>		
Listed equities	64,307	65,023
Unlisted equities	25,138	25,254
Convertible notes	275	3,279
Warrants	57	79
Total designated at fair value through profit or loss	<u>89,777</u>	<u>93,635</u>
<b>Total financial assets and liabilities held at fair value through profit or loss</b>	<b>89,777</b>	<b>93,635</b>

### 3 Contributed equity and movements in total equity

As at	31 December 2023 \$'000	30 June 2023 \$'000	31 December 2023 No.'000	30 June 2023 No.'000
(a) Share capital				
Ordinary shares				
Fully paid	94,670	97,274	88,270	87,352
(b) Movements in shares on issue:				
Opening balance	97,274	100,233	87,352	86,062
Profit/(loss) after income tax for the reporting period attributable to the owners of the Company	241	3,033	-	-
Dividends declared	(3,712)	(7,335)	-	-
Distributions reinvested	867	1,343	918	1,290
Closing balance	94,670	97,274	88,270	87,352

#### (c) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

#### (d) Capital risk management

The Company's policy is to maintain an appropriate level of liquidity in the Company's shares.

To achieve this, the Board of Directors monitor monthly NTA results, investment performance, the Company's management expenses and share price movements.

### 4 Financial risk management

#### (a) Fair value hierarchy

The Company is required to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); quoted prices for similar securities in active and/or inactive markets; market-corroborated inputs; inputs that are developed based on available market data and reflect assumptions that markets would use when pricing similar securities.
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgement by the Company. The Company considers observable data to be the market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

## 4 Financial risk management (continued)

### (a) Fair value hierarchy (continued)

All fair value measurements disclosed are recurring fair value measurements.

The table below sets out the Company's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at the reporting date.

All fair value measurements disclosed are recurring fair value measurements. All other assets and liabilities are carried at a reasonable approximation of fair value.

As at 31 December 2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets held at fair value through profit or loss</b>				
Listed equities	64,307	-	-	64,307
Warrants	11	-	46	57
Unlisted equities	-	-	25,138	25,138
Convertible notes	-	-	275	275
<b>Total</b>	<b>64,318</b>	-	<b>25,459</b>	<b>89,777</b>
<b>As at 30 June 2023</b>				
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets held at fair value through profit or loss</b>				
Listed equities	65,023	-	-	65,023
Unlisted equities	-	-	25,254	25,254
Convertible notes	-	-	3,279	3,279
Warrants	11	-	68	79
<b>Total</b>	<b>65,034</b>	-	<b>28,601</b>	<b>93,635</b>

Financial assets held at fair value through profit or loss

Listed equities	65,023	-	-	65,023
Unlisted equities	-	-	25,254	25,254
Convertible notes	-	-	3,279	3,279
Warrants	11	-	68	79
<b>Total</b>	<b>65,034</b>	-	<b>28,601</b>	<b>93,635</b>

The pricing for the majority of the Company's investments is generally sourced from independent pricing sources, the Investment Manager or reliable brokers' quotes.

Investments whose values are based on quoted market prices in active markets, e.g. recognised stock exchanges and therefore classified within level 1, include active listed equities.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. The observable inputs include prices and/or those derived from prices. Investments classified within level 3 have significant unobservable inputs, as they are infrequently traded.

Level 2 investments could include those that are not traded in active markets and/or are subject to transfer restrictions.

Level 3 instruments could include debt instruments and certain private equity type investments of which valuations are not based on market inputs or securities valued using models and internal data. Level 3 investments may be adjusted to reflect illiquidity. Level 3 instruments also include those that have stale price, that is, where the pricing for a particular security has remained static for an extended period of time.

Level 3 investments are valued by the Investment Manager using a variety of valuation techniques, taking into consideration recent market transactions. These valuations are reassessed on a monthly basis by the Investment Manager, and approved by the Investment Valuation Committee, chaired by an ACQ Director. Management considers the appropriateness of the valuation inputs, methods and techniques used in the valuations. The valuation inputs are sourced from independent third party pricing sources without adjustment such as stock exchanges, pricing agencies and/or fund managers where available. Where the inputs are considered stale, unobservable, proprietary or from an inactive market, they are categorised as level 3.

Transfers between levels of fair value hierarchy are deemed to have occurred at the reporting date.

Transfers out of level 3 generally occur when an unlisted equity investment lists on a recognised stock exchange.

The following table presents the movement in level 3 instruments as at the reporting date by class of financial instrument.

#### 4 Financial risk management (continued)

##### (a) Fair value hierarchy (continued)

As at 31 December 2023	Opening balance	Purchases	Sales	Transfers into level 3	Transfers out of level 3	Gains/(losses) recognised in profit or loss	Closing balance
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Warrants	68	-	-	-	-	(22)	46
Unlisted equities	25,254	5,065	(5,239)	-	-	58	25,138
Convertible notes	3,279	-	(3,201)	-	-	197	275
<b>Total</b>	<b>28,601</b>	<b>5,065</b>	<b>(8,440)</b>	<b>-</b>	<b>-</b>	<b>233</b>	<b>25,459</b>

As at 30 June 2023	Opening balance	Purchases	Sales	Transfers into level 3	Transfers out of level 3	Gains/(losses) recognised in profit or loss	Closing balance
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Warrants	60	-	-	-	-	8	68
Unlisted equities	27,629	3,082	(3,585)	-	-	(1,872)	25,254
Convertible notes	2,333	924	-	-	-	22	3,279
<b>Total</b>	<b>30,022</b>	<b>4,006</b>	<b>(3,585)</b>	<b>-</b>	<b>-</b>	<b>(1,842)</b>	<b>28,601</b>

## 4 Financial risk management (continued)

### (b) Sensitivity analysis for unlisted investments

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy are the underlying enterprise values which determines share or unit price.

Sensitivity of the unobservable inputs are approximated by reference to the volatility of the relevant sector of the microcap index which the company predominately operates in. These represent the best observable approximation of factors which can influence the operating environment of the unlisted investments given the size and nature of the companies.

The following table sets out the sensitivity of Level 3 investments to movements in the relevant sector indices over the last 5 years.

#### Sensitivity Analysis as at 31 December 2023

Sector	Valuation Method	Fair Value Equities \$'000	Sector volatility (past 5 years)	Low \$'000	High \$'000
Communication Services	Relative Valuation	1,732	28.33%	(491)	491
Communication Services	3rd Party Transaction	545	28.33%	(154)	154
Consumer Discretionary	Relative Valuation	3,277	32.77%	(1,074)	1,074
Consumer Staples	3rd Party Transaction	591	15.73%	(93)	93
Financial ex-AREITs	Relative Valuation	100	24.70%	(25)	25
Financial ex-AREITs	3rd Party Transaction	3,797	24.70%	(938)	938
Health Care	3rd Party Transaction	2,744	26.16%	(718)	718
Industrials Capital Goods	Relative Valuation	1,262	26.57%	(335)	335
Industrials Capital Goods	3rd Party Transaction	881	26.57%	(234)	234
Industrials ex-capital goods	Relative Valuation	3,812	27.70%	(1,056)	1,056
Industrials ex-capital goods	3rd Party Transaction	3,397	27.70%	(941)	941
Information Technology	Relative Valuation	911	29.33%	(267)	267
Information Technology	3rd Party Transaction	516	29.33%	(151)	151
Materials Resources	Relative Valuation	1,573	28.27%	(445)	445
<b>Total</b>		<u>25,138</u>		<u>(6,922)</u>	<u>6,922</u>

Sector	Valuation Method	Fair Value Warrants \$'000	Sector volatility (past 5 years)	Low \$'000	High \$'000
Consumer Discretionary	Relative Valuation	40	32.77%	(13)	13
Industrials Capital Goods	Relative Valuation	6	26.57%	(2)	2
<b>Total</b>		<u>46</u>		<u>(15)</u>	<u>15</u>

Sector	Valuation Method	Fair Value C/Notes \$'000	Sector volatility (past 5 years)	Low \$'000	High \$'000
Industrials ex-capital goods	3rd Party Transaction	275	27.70%	(76)	76
<b>Total</b>		<u>275</u>		<u>(76)</u>	<u>76</u>



## 4 Financial risk management (continued)

### (b) Sensitivity analysis for unlisted investments (continued)

Sensitivity Analysis as at 30 June 2023					
Sector	Valuation Method	Fair Value Equities \$'000	Sector volatility (past 5 years)	Low \$'000	High \$'000
Communication Services	Relative Valuation	1,306	35.26 %	(461)	461
Communication Services	3rd Party Transaction	659	35.26 %	(233)	233
Consumer Discretionary	Relative Valuation	1,539	32.70 %	(503)	503
Consumer Discretionary	3rd Party Transaction	1,994	32.70 %	(652)	652
Consumer Staples	Relative Valuation	591	15.36 %	(91)	91
Financial ex-AREITs	Relative Valuation	2,788	24.62 %	(686)	686
Financial ex-AREITs	3rd Party Transaction	3,109	24.62 %	(765)	765
Health Care	3rd Party Transaction	1,074	25.78 %	(277)	277
Industrials Capital Goods	Relative Valuation	881	26.13 %	(230)	230
Industrials Capital Goods	3rd Party Transaction	1,493	26.13 %	(390)	390
Industrials ex-capital goods	Relative Valuation	1,392	27.08 %	(377)	377
Industrials ex-capital goods	3rd Party Transaction	4,214	27.08 %	(1,141)	1,141
Information Technology	Relative Valuation	207	29.13 %	(60)	60
Information Technology	3rd Party Transaction	2,537	29.13 %	(739)	739
Materials Resources	Relative Valuation	1,470	28.66 %	(421)	421
<b>Total</b>		<b>25,254</b>		<b>(7,026)</b>	<b>7,026</b>
Sector	Valuation Method	Fair Value Warrants \$'000	Sector volatility (past 5 years)	Low \$'000	High \$'000
Consumer Discretionary	Relative Valuation	57	32.70 %	(19)	19
Industrials Capital Goods	Relative Valuation	11	26.13 %	(3)	3
<b>Total</b>		<b>68</b>		<b>(22)</b>	<b>22</b>
Sector	Valuation Method	Fair Value C/Notes \$'000	Sector volatility (past 5 years)	Low \$'000	High \$'000
Health Care	3rd Party Transaction	2,804	25.78 %	(723)	723
Industrials ex-capital goods	3rd Party Transaction	475	27.08 %	(129)	129
<b>Total</b>		<b>3,279</b>		<b>(852)</b>	<b>852</b>

## 5 Events occurring after the reporting period

No significant events have occurred since the reporting period which would impact on the financial position of the Company disclosed in the statement of financial position as at 31 December 2023 or on the results and cash flows of the Company for the reporting period ended 31 December 2023 on that date.

## 6 Contingent assets and liabilities and commitments

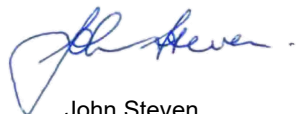
There are no outstanding contingent assets and liabilities or commitments as at 31 December 2023.

## **Directors' declaration**

In the Directors' opinion

- (a) The financial statements and notes set out on pages 3 to 15 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Company's financial position as at 31 December 2023 and of its performance, as represented by the results of its operations and cash flows, for the reporting period ended on that date; and
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

While the Company does not have any employees, the Directors have been given the declarations required by section 295A of the *Corporations Act 2001* by the relevant executives of Acorn Capital Limited in relation to the Company. This declaration is made in accordance with a resolution of the directors.



John Steven  
Chairman and Non-Executive Director  
Melbourne  
26 February 2024



**Building a better  
working world**

Ernst & Young  
8 Exhibition Street  
Melbourne VIC 3000 Australia  
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000  
Fax: +61 3 8650 7777  
ey.com/au

## **Independent auditor's review report to the members of Acorn Capital Investment Fund Limited**

### **Conclusion**

We have reviewed the accompanying half-year financial report of Acorn Capital Investment Fund Limited (the Company), which comprises the condensed statement of financial position as at 31 December 2023, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Company does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the Company's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### **Basis for conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### **Directors' responsibilities for the half-year financial report**

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibilities for the review of the half-year financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Ernst + Young*

Ernst & Young

*Brett Kallio*

Brett Kallio  
Partner  
Melbourne  
26 February 2024