

Contrarian Value Fund Limited

AGM Presentation

November 2018



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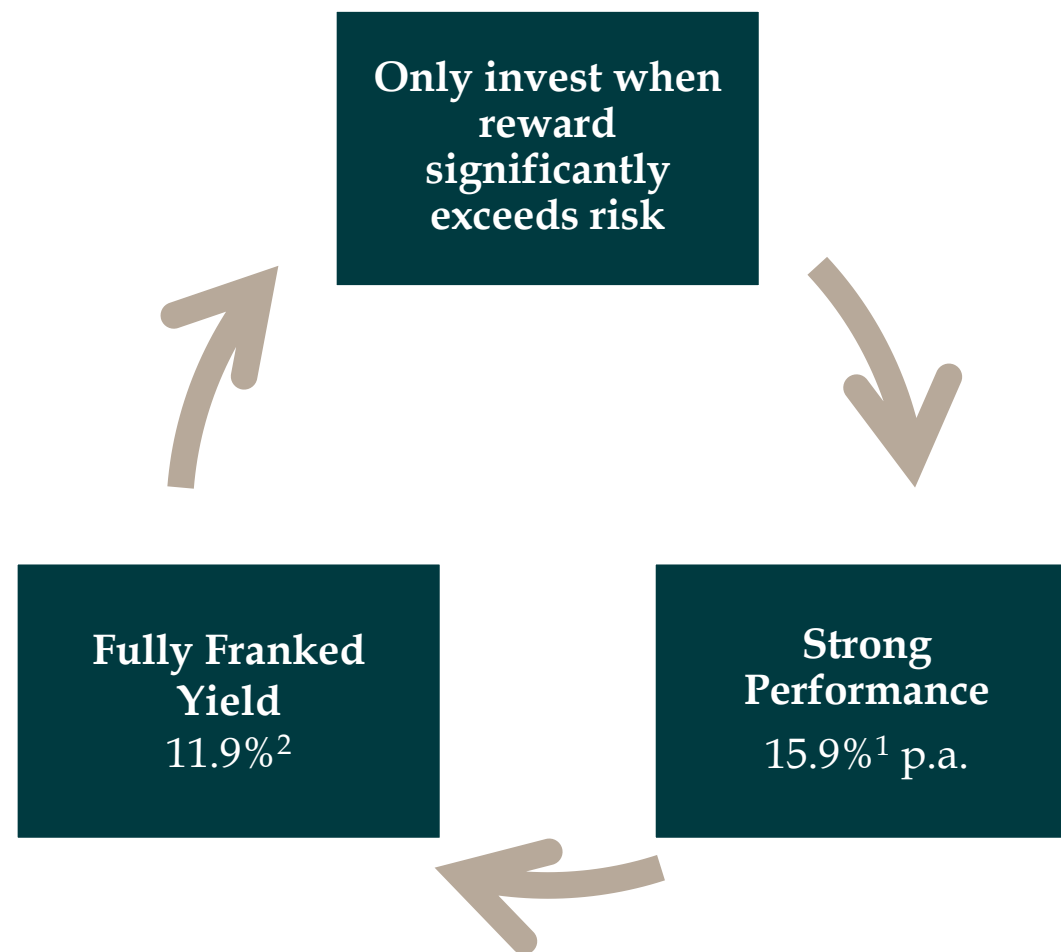
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Core Objectives

- **Capital preservation** is paramount
- Invest **only** when reward **significantly** exceeds risk
- **Concentrate** capital in situations with best upside asymmetry to **maximise** risk adjusted returns
- **Alignment**...board and affiliates represent ~10% of share register
- **Grow NTA and dividends**



¹ Returns quoted net of fees and expenses, pre tax, since inception (5 January 2015 – 31 October 2018)

² 8.5c fully franked dividend for FY18 (total interim and final) on \$1.02 CVF stock price

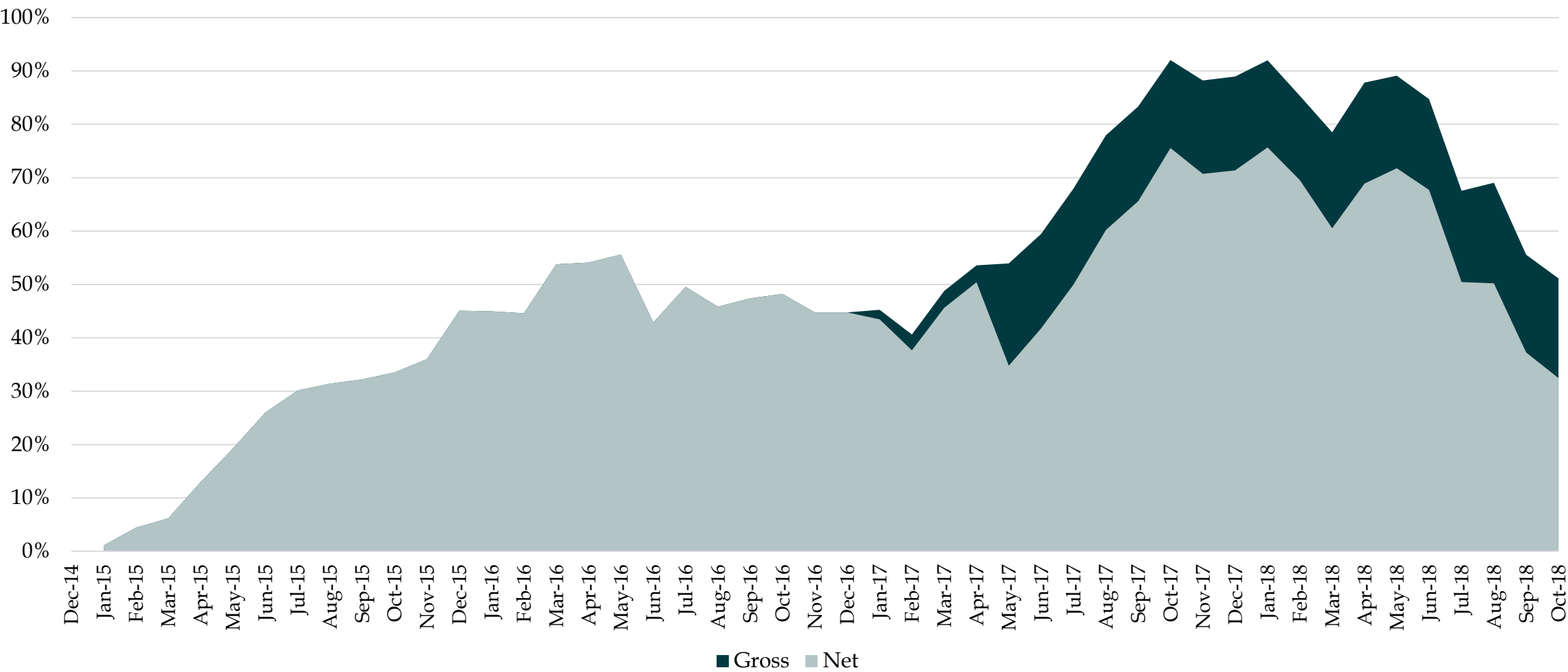
Performance and Correlation

	1 mth	3 mths	12 mths	3 yrs	Since inception (5 Jan 2015 – 31 Oct 2018)	
					Annualised	Cumulative
CVF Gross	(4.4%)	(2.8%)	32.0%	23.3%	20.1%	101.9%
S&P/ ASX200 Accumulation Index	(6.1%)	(5.9%)	2.9%	8.2%	6.5%	27.5%
Gross outperformance	1.7%	3.1%	29.1%	15.1%	13.6%	74.4%
CVF Net *	(5.0%)	(3.7%)	22.9%	18.3%	15.9%	76.0%
S&P/ ASX200 Accumulation Index	(6.1%)	(5.9%)	2.9%	8.2%	6.5%	27.5%
Net outperformance	1.1%	2.2%	20.0%	10.1%	9.4%	48.5%
Net outperformance multiple	n.m	n.m	7.9x	2.2x	2.4x	2.8x
Correlation to benchmark						31.1 %
Cash weighting as at 31 October 2018						67.6 %

* Net returns are post all costs and fees, pre tax

Portfolio Leverage

Gross & Net Portfolio Exposures



Investment Process

Idea Generation

- Proprietary screening techniques
- Input from an eclectic range of sources

Proprietary Data

- Identify areas of need
- Acquire proprietary data & monitor

Sizing & Implementation

- Risk asymmetry drives sizing: assess risk/reward payoff
- **Investment Committee review**

Hypothesis Testing

- Identify the market inefficiency
- Direct testing including of nulls
- **Develop counterfactual thesis**

Quantification

- Upside/downside detailed calc
- Position in cap structure

Monitor & Exit

- Monitor & update
- Guard against thesis drift
- Exit on risk asymmetry reversal

Mosaic Building

- Build sector knowledge
- Global perspective
- Industry maps; industry history

Framing

- Concise investment thesis
- Identify key risks to monitor
- Identify parallel opportunities

Debrief & Learning

- **Formal debrief methodology**
- Were errors preventable

Risk and Compliance

Cultural Focus

- Strict grants of authority
 - Third party custodian
 - Middle office trade confirmation approvals
 - Monitoring of portfolio concentration & correlations
 - 1 authorized trader only
 - Counterfactual assessment
 - Institutionalise debrief protocol
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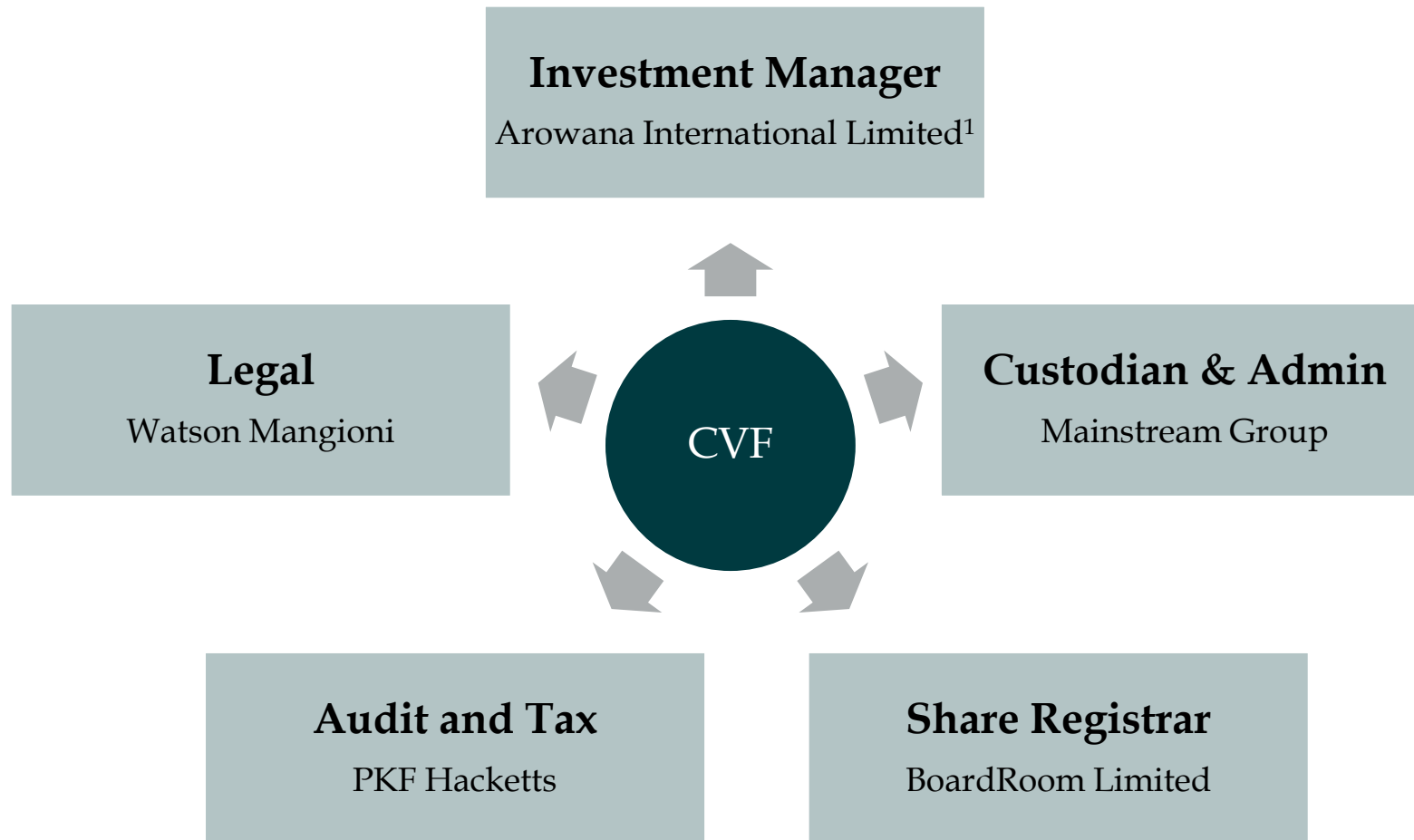
Hard Limits

- No portfolio leverage
 - No positions can be added to >15% of FUM
 - Overseas positions in aggregate cannot be added to >45% of FUM
 - Hedge positions in aggregate cannot be added to >25% of FUM
 - Minimum liquidity parameters
 - No unlisted pre IPO
 - No OTC (over the counter)
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Compliance

- B Corp alignment
 - Commitment to compliance best practice & higher B Corp standards
 - Increase focus on ESG (Environmental, Social & Governance)
 - Introduce more regular compliance training
 - Update corporate risk register (incorporating B Corp elements)
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CVF Support Structure



¹ Via ACVF Management Pty Limited, a wholly-owned subsidiary

Fund Summary

Name	Contrarian Value Fund (CVF)
Fund Style	Global, Absolute Return
Domicile	Australia
Manager	Arowana International Limited (via ACVF Management Pty Limited)
Functional Currency	Australian Dollar
Inception	Jan-15
Net return since inception*	76.0%
Management Fee	1%
Performance Fee	20%
Benchmark	S&P/ ASX 200 Accumulation Index
Hurdle	Where index is >0, 8% hurdle rate, Where index is <0, 0% hurdle rate
High watermark	Yes and indexed by hurdle rate
Auditor/Tax	PKF Hacketts
Administrator	Mainstream Group Holdings Limited
AFSL	Arowana Capital Pty Ltd License No. 307070
Website	https://arowanaco.com/arowana-cvf/
Contact	+61 2 8083 9800

*After all fees and expenses, pre tax

AROWANA CVF

The End

