

14 July 2016

The Manager  
ASX Market Announcements  
Australian Securities Exchange  
Exchange Centre  
Level 4, 20 Bridge Street  
SYDNEY NSW 2000

### **Month End NTA and Shareholder Update**

The Directors of Arowana Australasian Value Opportunities Fund Limited (ASX: AWQ) are pleased to update investors on the Company's NTA per share, performance to 30 June and portfolio and market information for investors.

The attached 30 June monthly update incorporates the NTA per share information required under Listing Rule 4.12. This calculation has been made in accordance with the definition of net tangible asset backing in Chapter 19 of the Listing Rules and is subject to review by the Company's external auditor.

On behalf of the Board of AWQ,



Tom Bloomfield  
Company Secretary

#### **AROWANA AUSTRALASIAN VALUE OPPORTUNITIES FUND LIMITED**

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## Net performance

At 30 June 2016	1 Mth	3 Mths	6 Mths	1 year	Since Inception (5-Jan-15)
AAVOF (AWQ) Investment Portfolio*	(3.8)%	9.9%	13.1%	17.6%	18.7%
S&P/ASX 200 Accumulation Index	(2.5)%	3.9%	1.1%	0.6%	3.7%
(Under)/Outperformance	(1.3)%	6.0%	12.0%	17.0%	15.0%

\* Net return after all fees, costs and company tax and before providing for estimated tax on unrealised gains.

## Net Tangible Assets (NTA) per Share

	Basic NTA per share At 30 June 2016	Fully Diluted * NTA per share At 7 July 2016
NTA after tax and before estimated tax on unrealised gains	\$1.13	\$1.12
NTA after tax and after estimated tax on unrealised gains**	\$1.08	\$1.07

\* See 'Options and Placement' on following page for more on 30 June 2016 Options expiry and subsequent Share Placement.

\*\*The Company is required to estimate the tax that may arise should the entire portfolio be disposed of on the above date and show the result per share after deducting this theoretical provision. Any such tax would generate franking credits, whose value would not be lost but rather transferred to shareholders on payment of franked dividends

## About Arowana Australasian Value Opportunities Fund Limited (AAVOF)

AAVOF (ASX ticker: AWQ) offers investors an opportunity to gain exposure to a concentrated portfolio of securities built from a bottom up research process. Whilst the majority of the portfolio is built around Australian listed securities, AAVOF is able to invest in overseas listed securities and to hedge its portfolio.

The core objectives of the fund are to:

1. Generate superior returns over the medium to long term,
2. Provide shareholders a rising stream of dividends, and
3. Grow Net Tangible Assets per share

## MONTHLY UPDATE AND NET TANGIBLE ASSET REPORT

AS AT 30 JUNE 2016



Ordinary Shares	30-Jun-16	7-Jul-16*
ASX ticker <b>AWQ</b>		
Last Price	\$1.015	\$1.00
Number of shares on issue (see below re Options & Placement)	57,665,097	68,354,060
Pre-tax NTA per share	\$1.13	\$1.12
Market capitalisation	A\$58.5m	\$68.4m
Gross portfolio value	A\$66.3m	A\$77.3m
Estimated half year dividend**	\$0.03/share	\$0.03/share

\*\* All new shares issued will qualify for the Company's maiden dividend to be declared at the time financial results in respect of the year to 30 June 2016 are announced.

*Options & Placement	
All Options expired on 30 June 2016	
The Company undertook an underwritten placement of 7,200,000 shares on 30 June	
Additional shares issued as a result of this placement and the exercise of options up to 30 June 2016 and allotted on 7 July 2016	10,688,963

## Market Commentary

The S&P/ASX200 Index fell 2.7% in June. On a total return basis including dividends, the S&P/ASX200 accumulation index managed a positive performance of 0.6% for the financial year ended 30 June 2016. Ex the dividends the index was down for the financial year to the tune of 4.1%.

We are nearly 10 years on from the last peak of the S&P/ASX200 in the later part of 2007. Very broadly, the index has gone sideways to down since then.

Yet within this overall sideways move of the market, it is still possible to make money. Perhaps not by simply buying an index fund or a fund with very low tracking error. The opportunity is in active management – in stock picking and finding winners and losers.

Our recent mandate expansion, which will allow AAVOF to both invest in overseas securities and hedge its portfolio (including via the short sale of single stocks) is designed to capitalise on such opportunities.

## Portfolio Notes

Our biggest detractor during the month in performance terms was Infigen (IFN.AU) which fell 7%. We continue to think there is meaningful upside here. Our recent work on electricity pricing and production indicates that Infigen may have had an extremely strong June quarter for both production and pricing, with our best estimate being that revenue in Q4, 2016 was up ~50% year on year. We shall see when the company reports its production and revenue at the end of July.

The notable positive during the month was an offer by Elders to buy back its hybrids at \$95 each. We amassed a large position representing ~3% of the entire hybrid issue in 2015 and have now completely exited the position (although we do continue to hold Elders common shares which we believe represent excellent value).

During the month we began detailed research on a fallen angel stock which we believe unjustly trades at a significant discount to peers. If you've ever been skeet shooting, you'll know that you have to focus your aim on where the target is going, not where it is or has come from. Sometimes it's the same with stocks.

### AAVOF CORE OBJECTIVES



MONTHLY UPDATE AND  
NET TANGIBLE ASSET REPORT

AS AT 30 JUNE 2016



## AAVOF Asset Allocation

Asset class	A\$m	%**
Australian Equities	28.4	43%
AUD cash and equivalent	33.2	50%
USD cash and equivalent	4.7	7%
Australian Hybrids & Bonds	-	0%
International Equities	-	0%
Hedges	-	0%
Portfolio Value*	66.3	100%

\* Totals may not sum due to rounding

\*\* Percentage of gross portfolio value

## Top 5 Holdings

Ticker		%**
IFN	Infigen Energy	20%
SIV	Silverchef Limited	10%
USD	USD ETF	7%
ELD	Elders Limited	7%
TCH	Touchcorp Ltd	4%
Top 5 as % of Gross Portfolio		48%