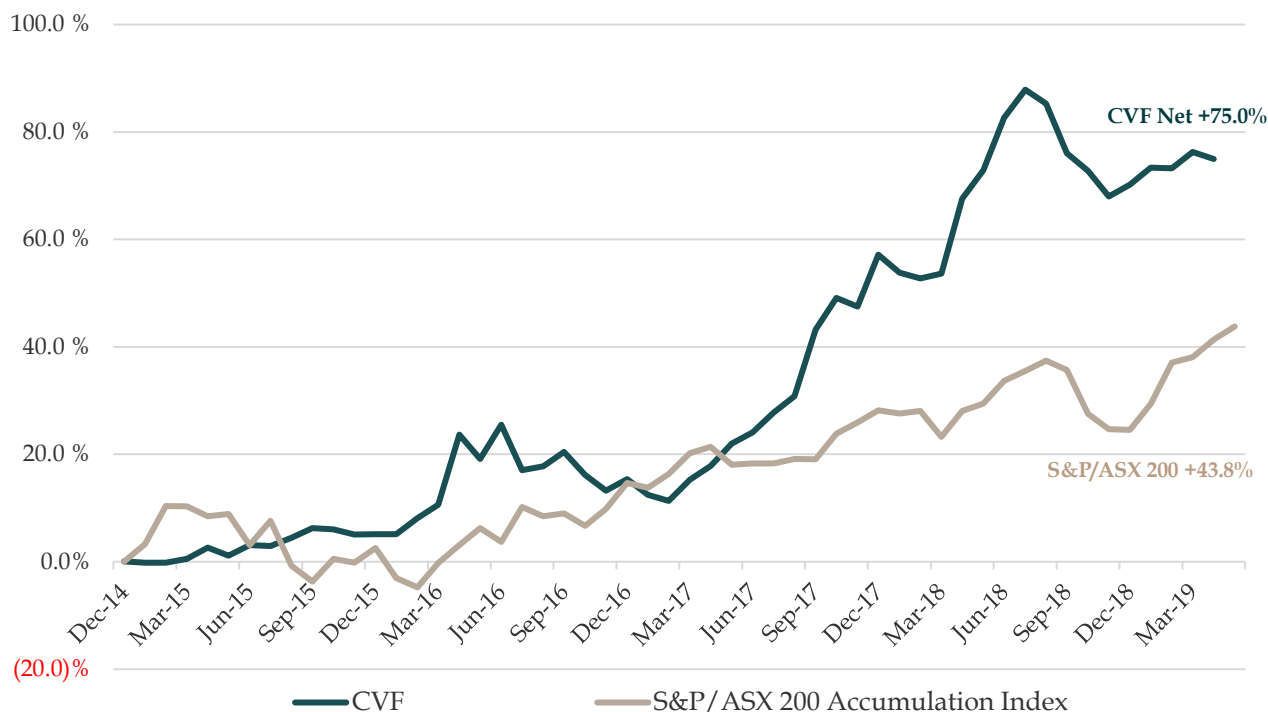


Fund Performance

CVF Cumulative Net Performance vs Index - Since Inception



At 31 May 2019	Since inception (5 Jan 2015)					
	1 mth	1 yr	2 yr p.a	3 yr p.a	Annualised	Cumulative
Arowana CVF Gross performance	(0.6)%	6.6 %	27.2 %	16.7 %	17.2 %	101.6 %
S&P/ASX200 Accumulation Index	1.7 %	11.1 %	10.4 %	10.6 %	8.6 %	43.8 %
Gross outperformance	(2.3)%	(4.5)%	16.8 %	6.1 %	8.6 %	57.8 %
Arowana CVF Net performance*	(0.7)%	4.4 %	21.9 %	12.3 %	13.5 %	75.0 %
S&P/ASX200 Accumulation Index	1.7 %	11.1 %	10.4 %	10.6 %	8.6 %	43.8 %
Net outperformance	(2.4)%	(6.7)%	11.5 %	1.7 %	4.9 %	31.2 %

* Net of all fees and expenses, pre-tax

Net Tangible Assets (NTA) per Share

At 31 May 2019	\$
NTA pre-tax on unrealised gains	1.21
NTA after tax on unrealised gains ¹	1.19

1. 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.

Top 5 Holdings (% of Gross Portfolio Value)

Ticker		%
TSGI.CN	STARS GROUP INC	8%
DHG	DOMAIN HOLDINGS LTD	6%
VRL	VILLAGE ROADSHOW LIMITED	6%
EAF.US	GRAFTECH INTERNATIONAL LTD	4%
APT	AFTERPAY TOUCH GROUP	4%
Top 5 as % of Gross Portfolio		28%



Monthly Newsletter

In May, the Fund recorded -0.7% performance, net of all costs and fees. The main contributors to performance over the month were *Domain Holdings* (DHG.AU) and *Vocus Group* (VOC.AU). The biggest detractor was *Stars Group* (TSGI.CN). NTA per share was \$1.21 as at 31 May 2019. Not reflected in the NTA, is \$0.08 per share worth of unused franking credits. The NTA is also net of \$0.01 per share tax payable on realised gains which will generate franking credits when paid.

During the month we sold our remaining position in *Bellamy's Australia* (BAL.AU). In February, the company announced a new product that would include Omega 3 whilst running down inventory in the old product. The initial market reaction was favourable, given the sound long-term rationale of the investment and the potential for near-term earnings to benefit from the initial selling to distributors.

However, as many parents will attest to their chagrin, it is not unusual for infants to reject new milk formulas – even if the differences in ingredients are minor. Thus, whilst Bellamy's will likely add many new end-customers due to the new ingredient over time, the company will also lose many *current* loyal end-customers – which our industry checks have substantiated. This, coupled with the regulatory environment in China worsening, means that we will watch from the sidelines and wait for another opportunity once the risk/return profile becomes more favourable.

We also significantly reduced our holdings in *Vocus Group* (VOC.AU) during the month when the company received a non-binding bid for \$5.25/share given the change in risk/return profile post the bid, realising an ~70% gain on this position.

The Stars Group (TSGI.CN) announced a media deal with Fox Sports in the US – where a recent U.S. Supreme Court ruling has paved the way for states to legislate online gambling after previously being outlawed nationwide. TSGI have a similar relationship in the UK with Sky, giving the company a competitive advantage, which has driven significant market share gains over a short period of time. TSGI also released results during the month which came in below expectations due largely to a low net win margin on sports betting driven by unfavourable sporting results which fluctuate from quarter to quarter.

In June, *Village Roadshow Limited* (VRL.AU) released a strategy presentation and trading update showing the theme park turnaround is on track and the cinema division performing solidly which is likely to lead to a reinstatement of dividends. However, this was overshadowed by poor trading at VRL's non-core businesses and increases in capital expenditure. Pleasingly though, management flagged that divestment of non-core assets is being reviewed, which if completed, will help unlock significant shareholder value.

Afterpay Touch (APT.AU) also announced a capital raise in June to accelerate its expansion into the U.S. The following day, APT announced AUSTRAC had requested an external auditor to review its compliance with Anti-Money Laundering and Counter-Terrorism Financing Laws (AML/CTF). We suspect this is in response to the rising incidence online of transaction laundering.

The case study of Paypal Australia (2009) appears analogous to APT's situation whereby Paypal agreed to undergo an enforceable undertaking to strengthen its existing systems and controls. At worst, APT may have to pay a fine like CBA (2018) and Tabcorp (2017) which equated to ~3% of each company's annual revenue. For APT this would be a fine of ~\$8m. Given the announcement wiped off almost \$1bn of APT's market cap, we think the market has over-reacted.

Discount to NTA/Capital Management

As mentioned in earlier reports, the Company believes that continued trading of its shares at a material discount to the underlying net asset value (which is unfortunately common amongst



listed investment companies) may provide an opportunity to increase shareholder value through the operation of an on-market share buy-back. Accordingly, the Company approved an on-market buy-back that commenced from 1 May 2019. We will continue to repurchase the company's shares whenever we believe it is beneficial for shareholders.

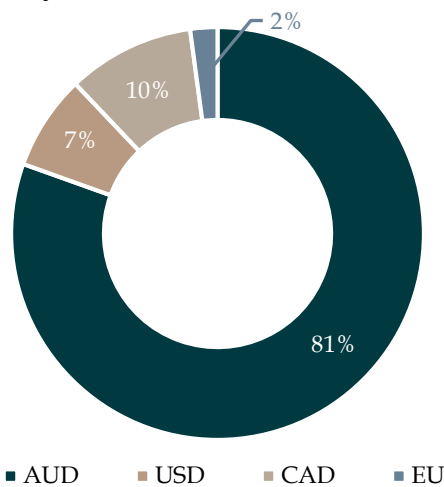


Fund Information

ASX ticker	CVF	INVESTMENT PERFORMANCE (Pre-tax, net of all costs)					
Net Month's performance	(0.7)%	2015	2016	2017	2018	2019	
Last price (at 31 May 2019)	\$1.02	Jan	0.1%	0.0%	1.9%	6.5%	1.3%
Pre-tax NTA	\$1.21	Feb	(0.3)%	0.0%	(2.6)%	(2.1)%	1.8%
Premium/(Discount) to pre-tax NTA	(15.7)%	Mar	0.0%	2.9%	(1.0)%	(0.7)%	(0.1)%
Fund AUM	A\$86.4m	Apr	0.7%	2.3%	3.5%	0.6%	1.7%
Market capitalisation	A\$72.0m	May	2.1%	11.8%	2.2%	9.1%	(0.7)%
Shares on issue	70,577,915	Jun	(1.4)%	(3.6)%	3.5%	3.2%	
Current franked dividend yield	9.1%	Jul	2.0%	5.3%	1.7%	5.6%	
Franking account balance	A\$5.8m	Aug	(0.2)%	(6.8)%	3.0%	2.9%	
Gross/Net equities exposure	48% / 33%	Sep	1.5%	0.6%	2.4%	(1.4)%	
Cash weighting	67%	Oct	1.7%	2.3%	9.5%	(5.0)%	
Geographic mandate (Equities)	Global (45% ex Aust)	Nov	(0.2)%	(3.5)%	4.1%	(2.0)%	
Fund Inception	5-Jan-15	Dec	(0.9)%	(2.5)%	(1.1)%	(2.8)%	
		Total	5.1%	7.7%	30.3%	13.9%	4.2%

Portfolio Information

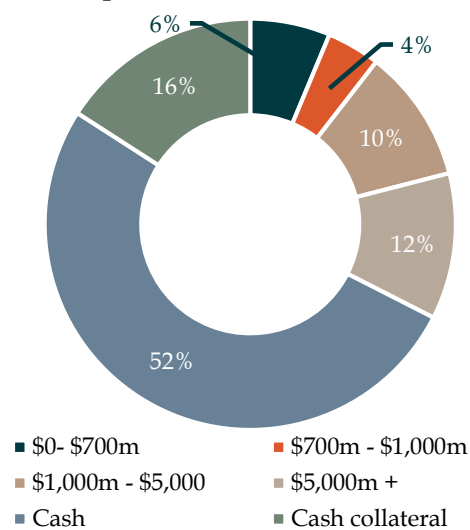
Currency Mix*



■ AUD ■ USD ■ CAD ■ EU

*Currency mix includes cash and equities

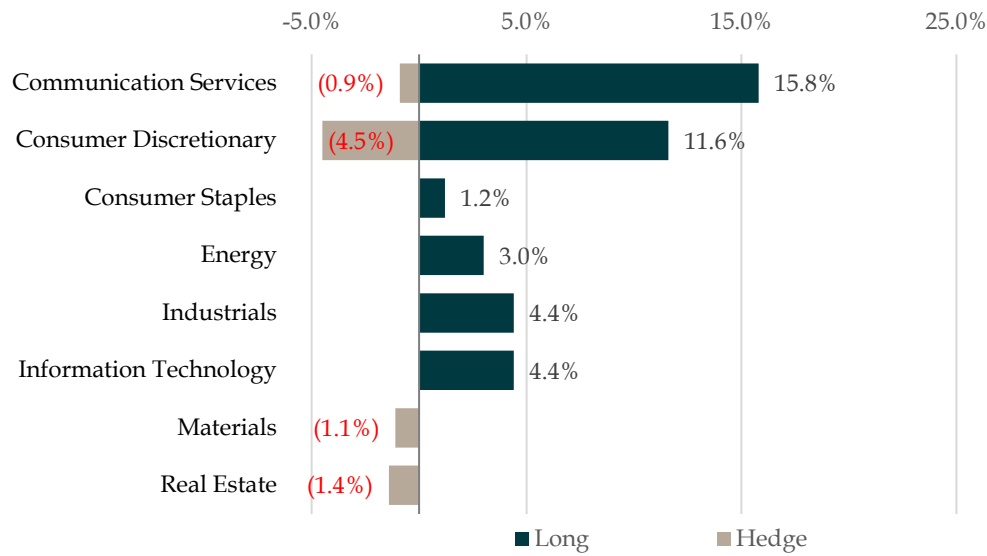
Market Cap Mix



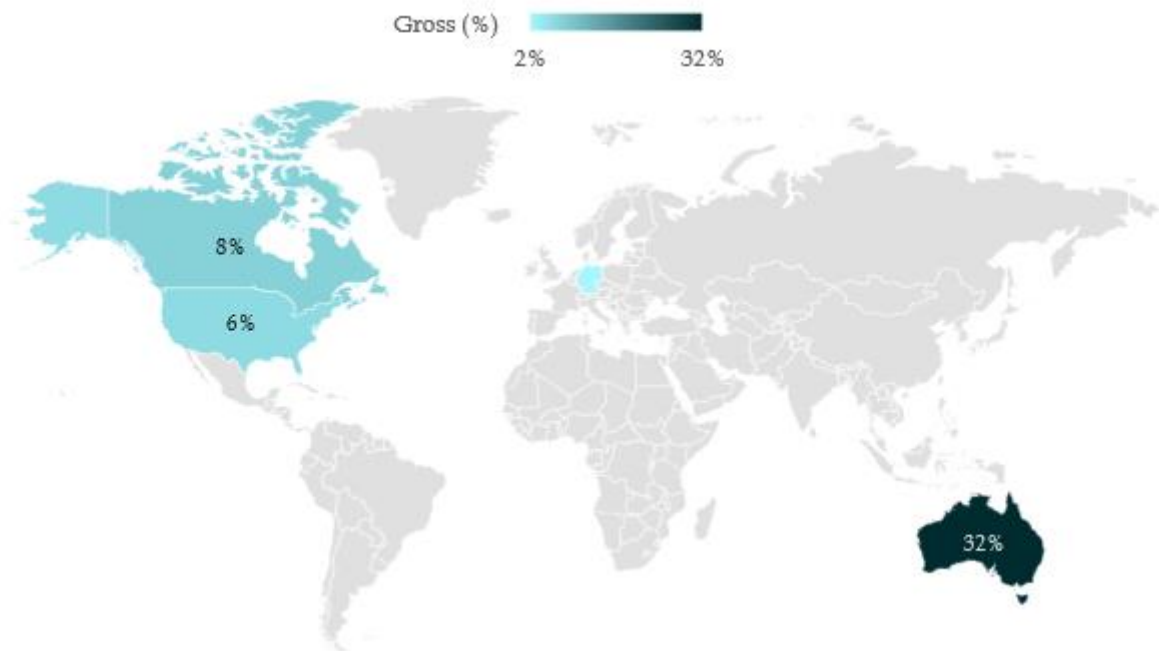
■ \$0 - \$700m ■ \$700m - \$1,000m
 ■ \$1,000m - \$5,000 ■ \$5,000m +
 ■ Cash ■ Cash collateral



Exposure by Sector



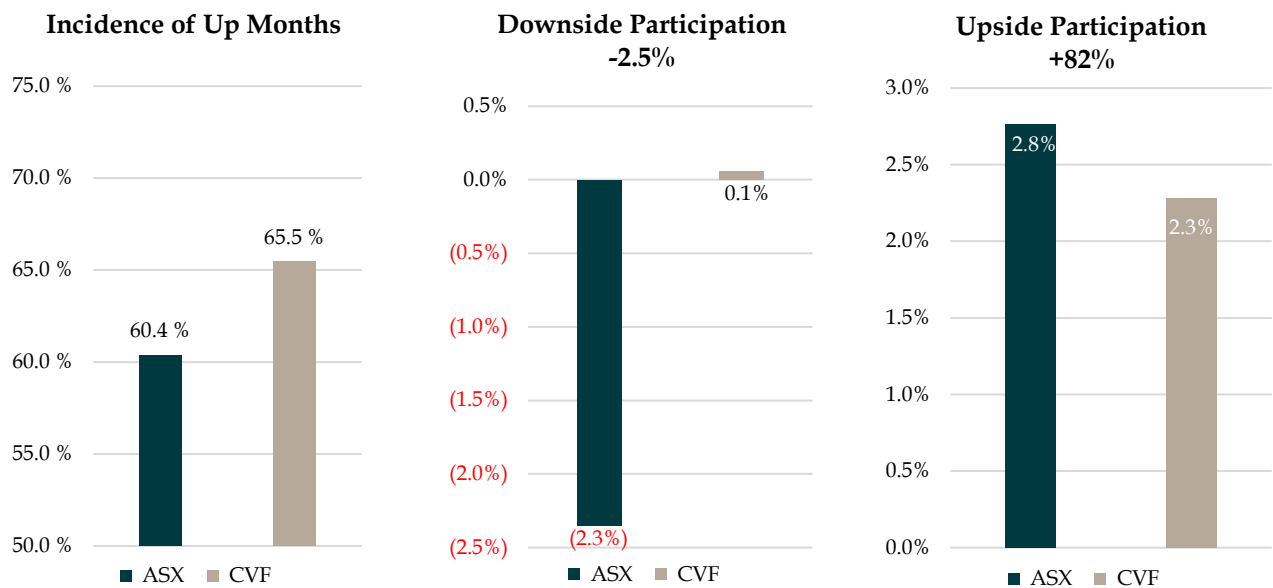
Equities Exposure by Country



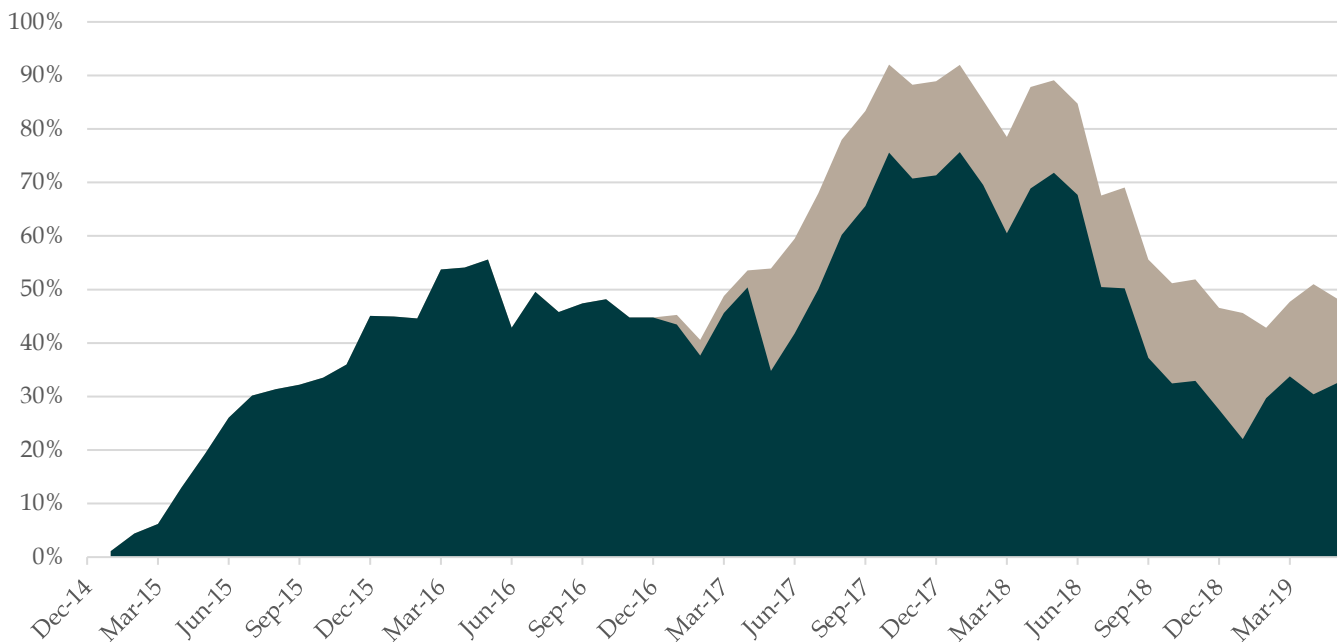
Country	Long	Hedge	Gross	Net
Australia	24.4%	(7.9%)	32.3%	16.5%
United States of America	6.2%	-	6.2%	6.2%
Canada	7.7%	-	7.7%	7.7%
Germany	2.1%	-	2.1%	2.1%
Total	40.4%	(7.9%)	48.3%	32.5%



Uncorrelated Returns: More positive months and negative correlation in months when market is down



Gross & Net Portfolio Exposures - Outperformance achieved with no portfolio leverage



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