Contrarian Value Fund Limited

ACN 602 250 644

Annual Report for the year ended 30 June 2019

AROWANA
CONTRARIAN VALUE FUND

Contrarian Value Fund Limited

ACN 602 250 644

Annual Report for the year ended 30 June 2019

Contents	Page
Corporate directory	3
Chairman's review	4
Investment Manager's review	8
Information about the Investment Manager	10
Corporate Governance statement	11
Directors' report	12
Auditor's independence declaration	22
Statement of Profit or Loss and Other Comprehensive Income	23
Statement of Financial Position	24
Statement of Changes in Equity	25
Statement of Cash Flows	27
Notes to the financial statements	28
Directors' declaration	53
Independent Auditor's report to the members of Contrarian Value Fund Limited	54
Additional information for listed companies	58

Corporate Directory

Corporate Directory

Directors	Kien Khan (Kent) Kwan (Independent Chairman) Victoria Guy (Independent Vice-Chairperson) Kevin Chin John Moore AO
Company Secretaries	Laura Newell Tom Bloomfield
Principal registered office in Australia	Level 11, 153 Walker Street North Sydney NSW 2060
Investment Manager	ACVF Management Pty Ltd Level 11, 153 Walker Street North Sydney NSW 2060
Share Registry	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000
Auditor	PKF Brisbane Audit Level 6, 10 Eagle Street Brisbane QLD 4000
Legal Adviser	Watson Mangioni Lawyers Pty Limited Level 13, 50 Carrington Street Sydney NSW 2000
Stock Exchange	Australian Securities Exchange CVF – Ordinary Shares
Website	www.contrarianvaluefund.com

Chairman's Review

Dear Fellow Shareholders,

On behalf of the Board of Directors, I hereby present to you the annual report of Contrarian Value Fund Limited (**the Company** or **CVF**) for the year ended 30 June 2019.

The Company was listed on the Australian Stock Exchange (ASX) in January 2015 as the Arowana Australasian Value Opportunities Fund (AAVOF) to provide Shareholders with exposure to the Manager's fundamental value-based investment strategy. The predecessor to AAVOF was initially founded by Kevin Chin in 2009, and I joined in 2012 as co-founder and co-manager. In the 5 years to 30 September 2014, an audited ungeared return of 142.6%[1] was achieved, representing outperformance of 73.6% over the S&P/ASX 200 Accumulation Index which delivered a 69.0% return over the same period.

In the 4 years since its IPO, CVF Shareholders who have held their shares have experienced a total return of 73.8%[2] (13.1% annualised) in the underlying portfolio since listing to 30 June 2019, outperforming the broader market, as measured by the S&P/ASX 200 Accumulation Index, by 25.8%. Furthermore in each year post IPO, the Company has delivered positive returns and delivered an annualised fully franked dividend yield of 6.9%.

Over the past financial year, the Company has delivered a portfolio return of 0.6% which is below the performance of the index and reflects a defensive positioning in light of valuation concerns. However, the Company has paid a fully franked dividend of 9.7%.

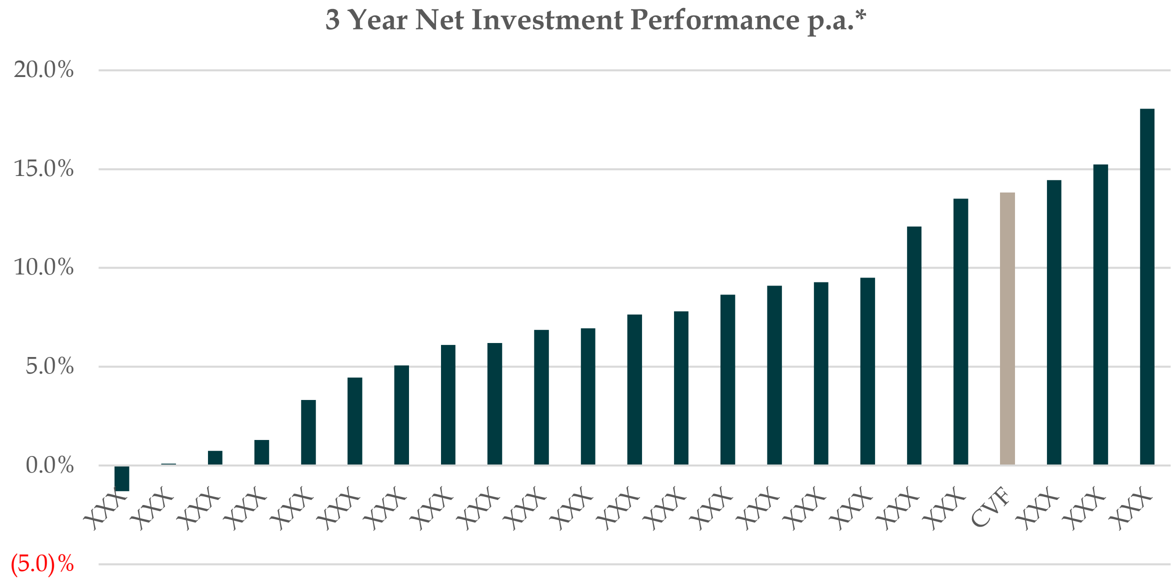
Financial Year	CVF Net Performance	ASX200 Accum Index
2015*	1.1%	2.4%
2016	17.8%	0.6%
2017	2.4%	14.1%
2018	41.7%	13.0%
2019	0.6%	11.5%
Compounded annual gain	**13.1%**	**9.3%**
Overall gain	**73.8%**	**48.0%**

**Returns are from January 2015-June 2019. CVF inception was 5 January 2015.*

[1] Returns are net of fees, pre-tax.

[2] CVF Monthly Update – net of all fees and expenses, pre-tax as at 30 June 2019. Past performance is not a reliable indicator of future performance.

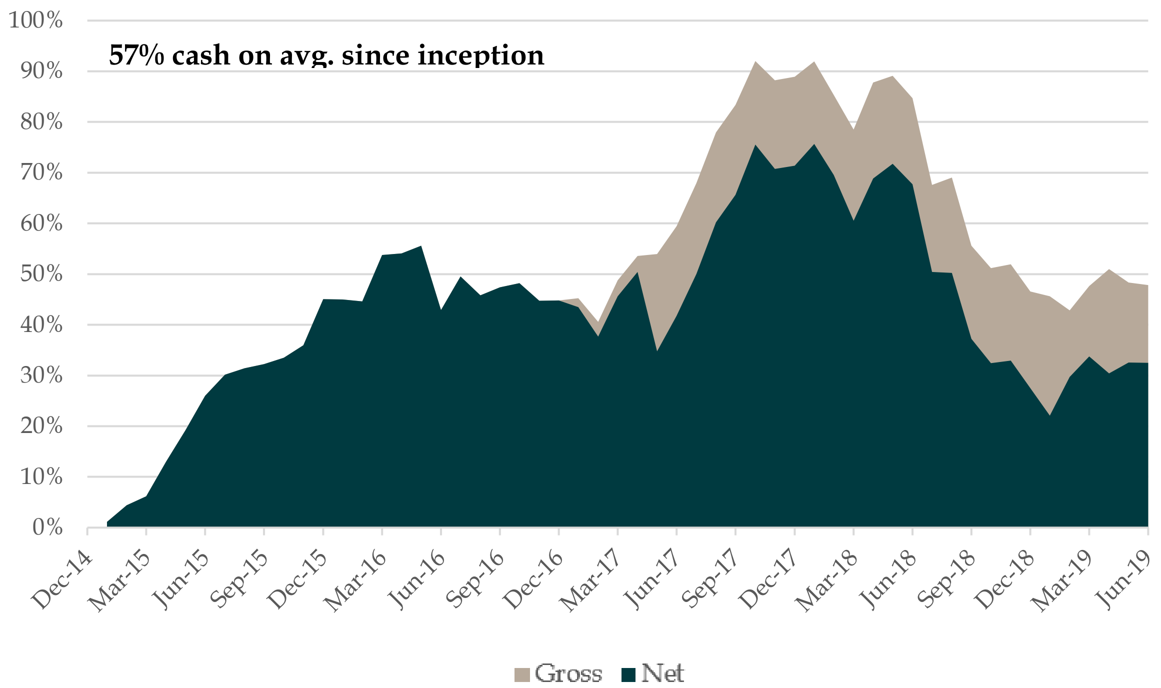
CVF's outperformance compares well to our listed peers who report returns on an after-fee basis over 3 years.



**Source: Company reports, Bloomberg & CVF analysis. Included are only the LICs that report 3 year net returns after fees. Performance data is 3 years to 31 August 2019. Timeframe was chosen due to the availability of comparable historical data from other LICs.*

Furthermore, this has been achieved with an average cash balance of 57% since listing and with no portfolio leverage (which many long/short listed equities funds typically use). Put simply, the concentrated number of positions that the Manager has invested in has done very well in aggregate.

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



Source: June 2019 CVF NTA announcement

This goes to the heart of the Manager's investment strategy's differentiation - the ability to hold sizeable cash positions. Being able to hold large amounts of cash allows the Manager to be patient. The Manager can wait for exceptional investment opportunities, rather than being forced into mediocre opportunities and/or attempt to partially or fully replicate a benchmark index simply to be fully invested. Cash also allows the Manager to protect capital in a downturn, whilst providing purchasing power at a market bottom.

The Company is concentrated in only the team's best ideas. The investment portfolio typically comprises of 10-20 holdings which have meaningful impact on portfolio performance. At the same time, this allows the investment team to understand its investee companies better.

A corollary of concentration though, is greater volatility in returns from year to year. A review of the investment returns over the last four financial years shows outperformance hasn't been linear. The Company has had two financial years of large outperformance and two years (including the last) of muted performance. Nothwithstanding this, the Company has delivered positive investment returns in each financial year since listing, and indeed in its 5 years beforehand in the predecessor unlisted vehicle.

A benefit of the Listed Investment Company (LIC) structure is that it has enabled the Company to smooth out this volatility for shareholders by paying recurring dividends (unlike a unit trust). Paying recurring dividends is a core objective for the Company and we are pleased to have achieved this to date. To that extent we had great pleasure in announcing a final fully franked dividend of 5.0 cents per share in addition to the interim fully franked dividend of 2.0 cents. When paid, the Company will have cumulatively paid out 33.1 cents of gross dividends since listing. As previously announced, the Board recognised in the current declining interest rate environment, there is an increasing requirement for sustainable and secure income yield for some shareholders. The Board will continue to evaluate opportunities to deliver this.

An idiosyncratic feature of LICs however is that at times the share price trades below the underlying Net Tangible Asset (NTA) value. This is unfortunately a common feature amongst LICs. The discount for CVF as at 31 August 2019 was 9.7%[3]; the average discount for all ASX LICs is 11.6%[3]. Since its IPO, CVF has traded at an average discount of (10.2)% versus (11.6)% for all LICs.

After a careful review of CVF's discount to NTA, the Company's free cash and the long-term impact of such a program for shareholders, the Board and Investment Manager have implemented a share buyback program. Since August 2019, the Company has bought back 1.1m shares and has announced an extension to the buyback program which allows for another 4.6m shares to be bought back.

Our Independent Directors are responsible for ensuring adherence to the high governance standards incorporated in both the Management Agreement and Corporate Governance Charter. I am pleased to say that the Independent Directors have affirmed their confidence in the governance policies and procedures being followed by the Investment Manager. Arowana achieved its B Corp certification in 2018 and in order to do so underwent a rigorous 15 month due diligence process by the non-profit Philadelphia headquartered B

[3] Source: Bloomberg. Data is as at 31 August 2019

Lab to review several key areas; one of which included governance, encompassing accountability, ethics and transparency. CVF is run judiciously as if it were our own money and in fact, the members of the board collectively are amongst the largest individual shareholders in CVF.

We thank our Shareholders for their continued investment in CVF and will continue to strive as a Board and investment team to remain disciplined and forensic in our investment approach with a goal of delivering absolute performance over the medium to long-term.

Kent Kwan
Independent Chairman

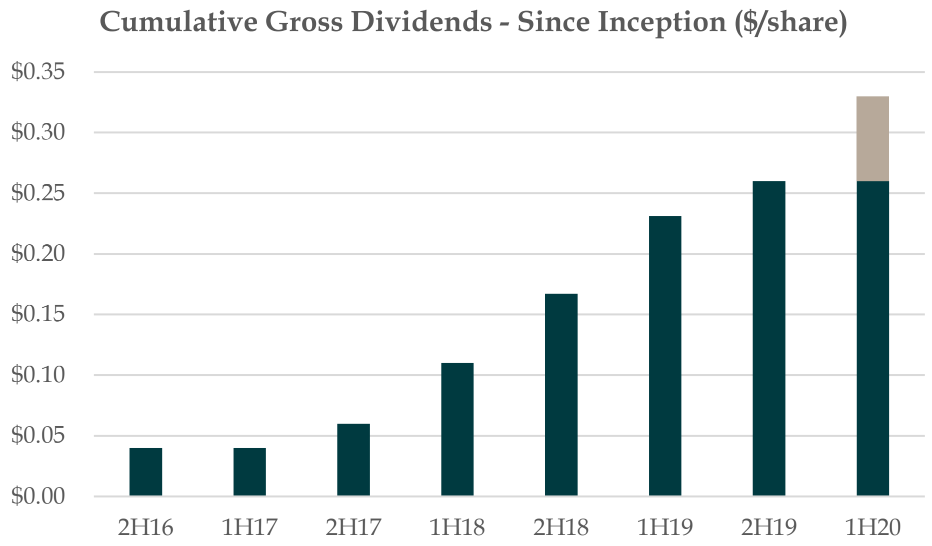
Investment Manager's Review

The year ended 30 June 2019 has been defined by the Company's defensive positioning, driving a flat earnings per share result of $0.01 compared to $0.30 for the previous year.

Net investment return, after all costs and fees, was 0.6%. Net Tangible Assets ("NTA") per share as at 30 June 2019 was $1.21.

The Company has declared a 5.0 cents per share fully franked dividend, payable on 19 November 2019. Taken with the interim fully franked interim dividend of 2.0 cents per share, this equates to a net cash yield of 6.9% and a fully franked yield of 9.9% based on CVF's share price of $1.01 as at 30 June 2019. A Dividend Reinvestment Plan was enacted which resulted in 375,655 shares being issued. The Company also conducted a buyback during the year buying 223,305 shares at an average price of $1.05 which was accretive to NTA/share.

Since inception in 2015, the Company has paid 26.0 cents per share in gross dividends (excluding the above declared dividend) to Shareholders whilst the NTA – which is net of dividends that have been paid - has increased by 21%.



Source: CVF reports and analysis

The main contributors to NTA over the financial year was *Afterpay Touch* (APT.AU), *Vocus Group* (VOC.AU) and *Domain Holdings Group* (DHG.AU), whilst the main detractors over the year have been *The Stars Group* (TSGI.CN), *Graftech International* (EAF.US) and *Emeco Holdings* (EHL.AU).

After a strong start to the financial year, the Company adopted a more defensive stance amidst rising macroeconomic and geopolitical risks, particularly in relation to the trade war between the United States and China. Stock markets globally have rallied strongly since January 2019, as central bankers have sought to stimulate the economy with lower interest rates.

However, our analysis suggested that this rally was not broad-based, and our concerns have been growing that markets were not appropriately discounting potentially damaging economic effects of a prolonged multi-year trade war (because it is not simply about trade, but more about technology and status as the world's number one superpower).

Our cash position together with rising markets has contributed to our relative underperformance over the last 12 months. Consistent with our history though, we have tended to take profits when the music is still playing, then sit patiently and wait for the music and dancing to stop, before looking to invest when undervalued opportunities emerge.

Since inception, the Company has held an average of 57% cash whilst generating an annualized return of 13.1% after fees, above the index of 9.3% - which by design is fully invested. Whilst holding a sizeable cash position in the short-term is uncomfortable given the low yields received, it provides us with significant optionality to deploy in a time of market distress which we believe will enable us to generate attractive future returns.

Kevin Chin
Interim Portfolio Manager

Information about the Investment Manager

ACVF Management Pty Ltd (ACN 602 230 375) (the **Manager**) is a wholly owned subsidiary of Arowana International Limited (**AWN**). AWN and the Company make available the services of the investment team and other personnel as required by the Manager.

The Manager has utilised its access to an experienced investment team, led by seasoned investment professionals that have worked together and invested with each other for more than a decade and abide by the same fundamental value philosophy to investing, in order to build and manage the Portfolio.

The investment philosophy employed by the Manager is the belief that active and ethical fundamental value-based management can outperform market returns as markets are often inefficient.

Corporate Governance Statement

Contrarian Value Fund Limited (the **Company**) is a listed investment company whose shares and options are traded on the Australian Securities Exchange (**ASX**). The Company has no employees and its day-to-day functions and investment activities are managed by ACVF Management Pty Ltd (**Manager**) in accordance with the Management Agreement dated 28 November 2014 (**Management Agreement**).

The Board is committed to operating effectively and in the best interests of shareholders. The Company has adopted a Corporate Governance Statement which reports against the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations and this can be accessed at www.contrarianvaluefund.com.

Directors' Report for the year ended 30 June 2019

The Directors of Contrarian Value Fund Limited (the **Company**), present their report together with the financial statements of the Company for the year ended 30 June 2019 ('**the reporting period**').

Contrarian Value Fund Limited is a company limited by shares and is incorporated in Australia. The Company is an "investment entity" under AASB 10 *Consolidated Financial Statements* , with the objective of investing in a portfolio of listed securities for the purpose of achieving long term capital growth. All investments are reported at fair value pursuant to Australian Accounting Standards.

Directors and Company Secretary

The following persons were non-executive directors of the Company during the reporting period and up to the date of this report: Kevin Chin (Director), John Moore AO (Independent Director), Victoria Guy (Independent Director), Gary Hui (Director) (resigned 22/11/2018) and Kien Khan (Kent) Kwan (Independent Chairman). The Joint Company Secretary's are Laura Newell and Tom Bloomfield.

Principal activities

The principal activity of the Company is to invest predominantly in a portfolio of listed securities. The investment manager is ACVF Management Pty Ltd (the **Manager**), a wholly owned subsidiary of Arowana International Limited.

Review and results of operations

During the reporting period, the Company continued investment of its funds in accordance with its governing documents.

The most appropriate measure of the Company's financial performance is Profit/(Loss) after income tax. Profit/(Loss) after income tax includes the profit after tax and after recognising fair value gain/(loss) on the Company's investments.

The Company's profit before income tax for the reporting period was $568,231 (2018: profit $29,572,653). The profit after income tax for the reporting period was $466,254 (2018: profit of $20,906,609), reflecting a profit on stocks selected and held in the portfolio over the period.

Refer to the Investment Manager's review for further information on the results of operations.

Basic earnings per share after income tax was 0.01 cents (2018: 30.20 cents)(refer to note 15).

	For the reporting period ended 30 June 2019
	$
Profit/(Loss) before income tax expense	568,231
Income tax expense	(101,977)
Profit after income tax attributable to the owners of the Company	466,254
Weighted average number of shares	70,247,854

Net Tangible Assets Backing (NTA) per share	As at 30 June 2019	
	Chapter 19 NTA reporting $/share	IFRS NTA Reporting $/share
NTA per share, before providing for estimated tax associated with unrealised portfolio positions ($/share)	1.2069	1.2087
NTA per share, after providing for estimated tax associated with unrealised portfolio positions ($/share)	1.1907	1.1925

The NTA per ordinary share for monthly NTA reporting as required by ASX Listing Rule 4.12 is calculated in accordance with the definitions in Chapter 19 of the ASX Listing Rules. Refer to note 20 for details on the Net Assets used to calculate the NTA per ordinary share.

Dividends (distributions)		Amount per security	Franked amount per security
Final Dividend, 2018, paid 5 October 2018		0.045	0.045
Cash	$ 2,266,785		
Dividend Reinvestment Plan	$ 868,463		
Interim Dividend – 2019, paid 02 May 2019		0.020	0.020
Cash	$ 1,040,428		
Dividend Reinvestment Plan	$ 367,848		
Final Dividend, 2019, payable 19 November 2019		0.050	0.050
Record date for determining entitlement to dividends			16 October 2019

Significant changes in state of affairs

There were no significant changes in the state of affairs during the reporting period.

Events occurring after the reporting period

On 19 August 2019 a dividend was declared of 5.0 cents per share (100% franked) payable on 19 November 2019.

Since 30 June 2019, the Company has bought back 1,100,000 shares for a total purchase price of $1,148,962. These shares were subsequently cancelled on 19 September 2019.

No other matters or circumstances have arisen since June 2019 that have significantly affected, or may significantly affect:

a) the Company's operations in future reporting periods; or

b) the results of those operations in future reporting period; or

c) the Company's state of affairs in future reporting periods.

Business strategies, prospects and likely developments

The Chairman's Review sets out information on the Company's business strategies.

The results of the Company's operations may be affected by a number of factors, including the performance of investment markets in which the Company invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Information in the Chairman's Letter and this Directors' Report is provided to enable shareholders to make an informed assessment about the business strategies and prospects for future financial years of the Company. Information that could give rise to likely material detriment to the Company, for example, information that is commercially sensitive, confidential or could give a third party a commercial advantage has not been included. Other than the information set out in the Chairman's Letter and this Directors' Report, information about other likely developments in the Company's operations and the expected results of these operations in future financial years has not been included.

Environmental regulations

The operations of the Company are not subject to any particular environmental regulations under a Commonwealth, State or Territory Law.

Information on directors and company secretaries

The following persons were Directors of the Company during the reporting period and up to the date of this report:

Name	Title	Appointment Date
Kevin Chin	Director	9 Oct 2014[4]
Gary Hui	Director	13 Nov 2014 (resigned 22 Nov2018)
Kien Khan (Kent) Kwan	Independent Chairman	9 Oct 2014[4]
John Moore AO	Independent Director	9 Oct 2014
Victoria Guy	Independent Vice-Chairman	13 Nov 2014
Tom Bloomfield	Joint Company Secretary	9 Oct 2014
Laura Newell	Joint Company Secretary	27 February 2018

Kevin Chin

Kevin is the Founder of CVF (and its predecessor AAVOF, which he established with his own capital in March 2009). He is also the Founder and Executive Chairman of Arowana, which comprises Arowana International Limited, Arowana Partners Group and Arowana Capital (where he was a co-founder).

[4] Mr Kevin Chin was Chairman of the Company from the beginning of the financial year to 26 February 2019. Mr Kent Kwan served as Independent Chairman from 26 February 2019 until the date of this report.

He has over 15 years' experience as a "hands on" strategic and operational leader in CEO, CFO and COO roles for listed and unlisted companies where he has taken a significant shareholding position.

Kevin has also had over 15 years of funds management experience encompassing private equity, listed equities, fund of funds and venture capital.

His prior professional experience includes working for the LFG, JPMorgan, Ord Minnett, Price Waterhouse and Deloitte. Kevin holds a Bachelor of Commerce degree from the University of New South Wales where he was one of the inaugural University Co-Op Scholars with the School of Banking and Finance. Kevin is a Fellow of FINSIA (Financial Services Institute of Australasia) where he also wrote curriculum and lectured for the FINSIA Masters Degree course, Advanced Industrial Equity Analysis. He is also a qualified Chartered Accountant.

Kevin brings to CVF a unique strategic and operational perspective to equities investing, given his experience in running, turning around and scaling up operating businesses.

Other current directorships in listed companies:

- Arowana International Limited
- VivoPower International PLC

Former directorships of listed companies in the last 3 years

None

Special responsibilities

Kevin is the Interim Portfolio Manager for CVF[5] and works with the investment team.

Interest in shares and options of the Company

Details of Kevin's interests in the Company are included later in this report.

Kien Khan (Kent) Kwan

Kent was an executive with Arowana International from 2012 to 2014 and now serves as the Independent Chairman of the Company.

Prior to joining Arowana, Kent worked for over 10 years in various funds management, investment banking and corporate advisory roles in Sydney, Perth and London including 6 years at J.P. Morgan and 2 years at Macquarie. He has extensive experience in listed equities fund management, equity capital markets and corporate finance in particular.

Of particular relevance, Kent was a listed equities portfolio manager at J.P. Morgan Asset Management with direct responsibility for over $1bn in funds under management. In this role, he helped enhance a big data research platform.

Kent holds a Bachelor of Commerce (majoring in Accounting and Finance) and a Bachelor of Laws from the University of Western Australia. Kent is not an executive of the Manager or of any other member of the Arowana group.

Other current directorships in listed companies:

None

Former directorships of listed companies in the last 3 years

None

Special responsibilities

[5] Appointed on 17 September 2018

Kent is the Independent Chairman of the Company. He regularly communicates with Kevin Chin and the investment team to observe and understand the overall investment strategy and process.

Interest in shares and options of the Company

Details of Kent's interests in the Company are included later in this report.

John Moore AO

John has been an Independent Director of CVF since its IPO. John was a member of the Brisbane Stock Exchange between 1962 and 1975.

John was also the former Federal Minister for Industry, Science and Tourism in 1996 and held that portfolio until 1998, also holding the position of Vice President of the Executive Council. In 1998, John assumed the role of Federal Minister for Defence and held that portfolio until his retirement from politics in 2001.

John holds a Bachelor of Commerce and Associate in Accountancy from the University of Queensland.

John has also held director or board memberships in a number of Australian companies, including Arowana International Limited, Brandt Limited (Australia), P.F.C.B. Limited and Agricultural Investments Limited, and was a board member of Merrill Lynch Australia and Citinational Australia.

Other current directorships in listed companies:

- Herencia Resources Limited

Former directorships of listed companies in the last 3 years

None

Special responsibilities

None

Interest in shares and options of the Company

Details of John's interests in the Company are included later in this report.

Victoria Guy

Victoria has been an Independent Director of CVF since its IPO. Victoria currently works as an Investment Specialist at AtlasTrend, a financial technology company.

Prior to this Victoria worked for the British Government as Programme Manager of the UK Research & Innovation Programme, the establishment of the UK's largest innovation and research funding body, sponsored by the Department for Business, Energy and Industrial Strategy.

Before temporarily relocating to the UK, Victoria was a Research Analyst with Ruminator Pty Ltd, a Melbourne based family office led by retired stockbroker and fund manager Peter Guy. Ruminator practices a rigorous value-based investment strategy. Victoria still maintains an advisory role within Ruminator.

Prior to joining Ruminator in 2012 Victoria was a management consultant with Deloitte specialising in Strategy and Operations.

Victoria holds a Masters of Commerce from The University of Sydney (Merit) where she majored in Finance. Prior to this Victoria received a Bachelor of Arts, Media & Communications from the University of Melbourne.

Other current directorships in listed companies:

None

Former directorships of listed companies in the last 3 years

None

Special responsibilities

Victoria is the Vice-Chairperson of the Company.

Interest in shares and options of the Company

Details of Victoria's interests in the Company are included later in this report.

Tom Bloomfield

Tom is an experienced Chartered Company Secretary and has acted for numerous ASX-listed and unlisted companies. He has experience working with and consulting to a range of international and domestic clients. Tom is currently General Manager of Corporate Secretarial Services at Boardroom Pty Limited. He was appointed Company Secretary on 9 October 2014.

Laura Newell

Laura is an experienced Chartered Company Secretary and acts for a small portfolio of ASX-listed and unlisted companies. She holds a degree with Honours in Law and Criminology and a Masters degree in Law and Corporate Governance. Laura is currently a Company Secretary at Boardroom Pty Limited. Prior to joining Boardroom, Laura was Assistant Company Secretary at a FTSE100 company. Laura was appointed Company Secretary on 27 February 2018.

Meetings of Directors

The number of meetings of the Company's Board of Directors held during the year ended 30 June 2019 and the numbers of meetings attended by each director were:

	Board Meetings	
	A	**B**
Kevin Chin	5	5
Gary Hui (resigned 22 November2018)	2	2
Kien Khan (Kent) Kwan	5	5
John Moore AO	5	5
Victoria Guy	5	5

A = number of meetings attended

B = number of meetings held during the time the director held office during the reporting period.

Indemnification and insurance of officers and auditors

The Company maintains directors' deeds of indemnity, insurance and access for each director. During the reporting period, the Company paid insurance premiums for liability incurred by a person as a director while acting in that capacity, except where the liability arises out of conduct involving lack of good faith. Due to confidentiality obligations and undertakings of the insurance policy, no further details in respect of the premium or the policy are disclosed.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important.

The directors are satisfied that the provision of non-audit services by the auditor or its network firms, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Manager to ensure they do not impact the impartiality and objectivity of the auditor, and;
- none of the services undermine the general principles relating to auditor independence as set out in APES 110: *Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or a decision making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

Details of the amounts paid or payable to the auditor (PKF Brisbane) or its network firms for non-audit services provided during the reporting period are set out below.

For the year ended 30 June	2019	2018
Non-audit services		
Taxation services – PKF(NS) Tax Pty Limited	4,500	9,063
Total remuneration for non-audit services	**4,500**	**9,063**

Fees paid to and interests held in the Company by the Manager or its associates

Fees paid to the Manager out of Company property during the reporting period are disclosed in note 17(d) to the financial statements. No fees were paid out of Company property to the directors of the Manager during the reporting period.

The number of interests in the Company held by the Manager or its associates as at the end of the reporting period are disclosed in note 17(e) to the financial statements.

Interests in the Company

The movements in shares on issue in the Company during the reporting period are disclosed in note 12 to the financial statements.

The value of the Company's assets and liabilities is disclosed in the statement of financial position and derived using the basis set out in note 2 to the financial statements.

The Company does not provide Shares or Options to the Directors as remuneration, however, the Directors have purchased interests in the Company and hold the following interests in the Company at the date of 30 September 2019:

Name	Ordinary Shares
Kevin Chin	2,000,002
Kien Khan (Kent) Kwan	200,000
John Moore AO	200,000
Victoria Guy	241,125

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 22.

Remuneration report (Audited)

There is no remuneration paid to executives by the Company as their services are provided pursuant to an agreement with the Manager as disclosed below. The Company has no employees other than non-executive directors and therefore does not have a remuneration policy for employees. Accordingly, this remuneration report outlines the remuneration policy and arrangements that are in place for Directors of the Company only.

For the reporting period ended 30 June 2019			Short-term employee benefits	Post-employment benefits	
Name	**Position**	**Appointment Date**	**Cash salary and fees**	**Superannuation**	**Total**
Kevin Chin	Director	9 Oct 2014	Nil	Nil	Nil
Gary Hui	Director	13 Nov 2014 (resigned 22/11/2018)	Nil	Nil	Nil
Kent Kwan	Independent Chairman	26 Feb 2019	$30,000	Nil	$30,000
John Moore AO	Independent Director	9 Oct 2014	$27,397	$2,603	$30,000
Victoria Guy	Independent Vice-Chairman	13 Nov 2014	$27,397	$2,603	$30,000

For the reporting period ended 30 June 2018			Short-term employee benefits	Post-employment benefits	
Name	**Position**	**Appointment Date**	**Cash salary and fees**	**Superannuation**	**Total**
Kevin Chin	Chairman	9 Oct 2014	Nil	Nil	Nil
Gary Hui	Director	13 Nov 2014	Nil	Nil	Nil
Kent Kwan	Independent Director	9 Oct 2014	$30,000	Nil	$30,000
John Moore AO	Independent Director	9 Oct 2014	$27,397	$2,603	$30,000
Victoria Guy	Independent Director	13 Nov 2014	$27,397	$2,603	$30,000

Remuneration policy

The Board of Directors' policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required, subject to the Board's approval.

Relationship between remuneration policy and the Company performance

Remuneration of the directors is not linked to the performance of the Company.

Remuneration arrangements

Under the terms of their appointment the Independent Directors receive the following amounts, inclusive of superannuation, for each full year of service as a Director:

- Kien Khan (Kent) Kwan – $30,000
- John Moore, AO – $30,000
- Victoria Guy – $30,000

Kevin Chin is a Director of the Company and the Manager. He is remunerated by the Manager and will not receive Directors' fees or any other direct form of remuneration from the Company for his services.

Gary Hui was a Director of the Company. He was remunerated by the Manager and did not receive Directors' fees or any other direct form of remuneration from the Company for his services.

Management agreement

The Company and the Manager have entered into the Management Agreement whereby, subject to the provisions set out below, the Company has exclusively appointed the Manager to invest and manage all of the assets of the Company (including any controlled entity of the Company) from time to time, for and on behalf of the Company, for an initial term of 10 years commencing on 28 November 2014.

At any time after the date on which the Company's securities first commence trading on ASX, the Manager may request that the Company call and arrange to hold a meeting of the Company's shareholders to consider and, if appropriate, approve a resolution renewing the term of the Management Agreement for a further period of 5 years, with such 5 year period to commence on the date of the resolution (such resolution being the Renewal Resolution). If the Renewal Resolution is approved by the Company's shareholders, the term of the Management Agreement will be automatically renewed such that the Management Agreement will continue until the date that is 5 years after the date of the relevant approved Renewal Resolution. Once a Renewal Resolution has been passed the Manager is not entitled to any further renewal of the term.

After the end of the 'Term' (defined in the Management Agreement as the initial 10-year term or any renewed term), the Management Agreement will continue until terminated in accordance with the Management Agreement.

End of Renumeration report

The directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

Kent Kwan
Independent Chairman

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF CONTRARIAN VALUE FUND LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

PKF

PKF BRISBANE AUDIT

SHAUN LINDEMANN
PARTNER

30 SEPTEMBER 2019
BRISBANE

Contrarian Value Fund Limited

For the year ended 30 June 2019

Statement of Profit or Loss and Other Comprehensive Income

For the reporting year ended 30 June		2019	2018
	Note	$	$
Revenue from ordinary activities			
Interest income		285,378	252,885
Dividend income	3	253,985	748,285
Other income		49,468	-
Net fair value gains/(losses) on financial assets held at fair value through profit or loss	6	771,431	34,642,652
Total revenue		**1,360,262**	**35,643,822**
Other gains/(expenses) - Gain/(Loss) on foreign exchange		1,240,945	147,854
Expenses			
Management fees	17(d)	(914,886)	(5,798,937)
Directors' fees	17(a)	(90,000)	(90,000)
Professional fees		(159,829)	(73,048)
Compliance and governance expenses		(203,964)	(183,726)
Other expenses		(664,297)	(73,312)
Total expenses		**(2,032,976)**	**(6,219,023)**
Profit/(loss) before income tax expense		568,231	29,572,653
Income tax expense	4(a)	(101,977)	(8,666,044)
Profit after income tax for the year attributable to the owners of the Company		**466,254**	**20,906,609**
Other comprehensive income for the year attributable to the owners of the Company		**-**	**-**
Total other comprehensive income for the year attributable to the owners of the Company		**466,254**	**20,906,609**
Earnings per share for profit after income tax attributable to the owners of the ordinary shares of the Company			
Basic (cents per share)	15	**0.01**	**30.20**
Diluted (cents per share)	15	**0.01**	**30.20**

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Statement of Financial Position

As at 30 June		2019	2018
Assets	Note	$	$
Current assets			
Cash and cash equivalents	7	58,025,527	32,456,373
Receivables	8	101,710	538,253
Total current assets		**58,127,237**	**32,994,626**
Non-current assets			
Financial assets held at fair value through profit or loss	9(a)	34,430,645	77,508,258
Total non-current assets		**34,430,645**	**77,508,258**
Total assets		**92,557,882**	**110,502,884**
Liabilities			
Current liabilities			
Payables	11	366,578	5,212,873
Financial liabilities held at fair value through profit or loss	9(b)	6,592,693	8,652,186
Income tax payable	4(d)	305,992	3,337,140
Total current liabilities		**7,265,263**	**17,202,199**
Non-current liabilities			
Deferred tax assets and liabilities – net	10	1,108,396	6,040,153
Total non-current liabilities		**1,108,396**	**6,040,153**
Total liabilities		**8,373,659**	**23,242,352**
Net assets		**84,184,223**	**87,260,532**
Equity			
Contributed equity	12	69,295,060	68,294,100
Retained profits		14,889,163	13,726,516
Dividend Distribution Reserve	13	-	5,239,916
Total equity		**84,184,223**	**87,260,532**

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

Contrarian Value Fund Limited

For the year ended 30 June 2019

Statement of Changes in Equity

	Note	Contributed equity	Retained profits	Dividend distribution reserve	Total equity
		$	$	$	$
Balance at 30 June 2017		**67,881,687**	**3,247,750**	**-**	**71,129,437**
Profit after tax for the year attributable to the owners of the Company		-	20,906,609	-	20,906,609
Other comprehensive income		-	-		-
Total comprehensive income for the year attributable to the owners of the Company		**-**	**20,906,609**	**-**	**20,906,609**
Transactions with owners in their capacity as owners:					
Transfer from retained earnings during the year	13	-	(8,000,000)	8,000,000	-
Contributed equity (DRP net of share buy-back)	12	412,413	-	-	412,413
Dividend paid	14	-	(2,427,843)	(2,760,084)	(5,187,927)
Balance at 30 June 2018		**68,294,100**	**13,726,516**	**5,239,916**	**87,260,532**
Profit/(loss) after tax for the year attributable to the owners of the Company		-	466,254	-	466,254
Other comprehensive income		-	-		-
Total comprehensive income for the year attributable to the owners of the Company		**-**	**466,254**	**-**	**466,254**
Transactions with owners in their capacity as owners:					

Contrarian Value Fund Limited

For the year ended 30 June 2019

		Contributed equity	Retained profits	Dividend distribution reserve	Total equity
Transfer of reserves to retained earnings	13	-	5,239,916	(5,239,916)	-
Contributed equity (net of transaction costs and taxes) (DRP net of share buyback)	12(d)	1,000,960	-	-	1,000,960
Dividend paid	14	-	(4,543,523)	-	(4,543,523)
Balance at 30 June 2019		**69,295,060**	**14,889,163**	**-**	**84,184,223**

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

Statement of Cash Flows

For the year ended 30 June		2019	2018
Cash flows from operating activities	**Note**	**$**	**$**
Proceeds from sale of financial assets held at fair value through profit or loss		61,056,286	61,958,255
Payments for purchase of financial assets held at fair value through profit or loss		(18,794,944)	(61,540,713)
Interest received		287,236	252,885
Dividends received		253,985	748,285
Other income received		49,470	-
Custody fees paid		(44,081)	(73,003)
Payment of other operating expenses		(6,872,297)	(1,342,394)
Income tax paid		(8,064,882)	(1,738,613)
Net cash (outflow) from operating activities	19(a)	**27,870,773**	**(1,735,298)**
Cash flows from financing activities			
On-market share buy-back		(235,351)	(1,032,242)
Proceeds from dividend reinvestment plan		1,236,310	1,444,423
Payment of dividend		(4,543,523)	(5,187,927)
Net cash outflow from financing activities		**(3,542,564)**	**(4,775,746)**
Net increase/(decrease) in cash and cash equivalents		*24,328,209*	*(6,511,044)*
Cash and cash equivalents at beginning of the period		32,456,373	38,819,563
Effect of foreign currency translation		1,240,945	147,854
Cash and cash equivalents at the end of the period	19(b)	**58,025,527**	**32,456,373**

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

1. General information

This report covers Contrarian Value Fund Limited (the **Company**) as an individual entity.

The Company was admitted to the official list of ASX Limited on 2 January 2015 and official quotation of the Company's securities commenced on 5 January 2015. The amount raised from the initial public offering is invested in listed securities and cash. ACVF Management Pty Ltd (**Manager**) is the Investment Manager of the Company. The Company has no employees other than non-executive directors.

The Company is incorporated and domiciled in Australia. The financial statements are presented in Australian currency.

This Annual Report was authorised for issue by the directors on 30th September 2019.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of this report are set out below.

a) Basis of preparation

This report has been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and the *Corporations Act 2001* in Australia.

The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Except for the cash flow information, the report has been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The statement of financial position presents assets and liabilities on the basis of current and non-current items.

Compliance with Australian Accounting Standards and International Financial Reporting Standards (IFRS)

This report of the Company complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

New and amended standards adopted by the Company

The below accounting standards and amendments are applicable for the first time in the current reporting period:

(i) AASB 9: Financial Instruments (and applicable amendments)

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The adoption of the amendment does not have a significant impact on the recognition, classification and measurement of the Company’s financial instruments as they are carried at fair value through profit or loss. The derecognition rules have not changed from the previous requirements, and the Company does not apply hedge accounting. AASB 9 introduces a new impairment model.

The Directors of the Company have made an assessment and determined that the standard does not have a significant impact on the recognition and measurement of the Company's financial instruments as they are held at fair value through profit and loss. The de-recognition rules have not been changed from previous requirements and the Company does not apply hedge accounting.

(ii) AASB 15: Revenue from Contracts with Customers

AASB 15 replaces AASB 118 Revenue which covers contracts for goods and services and AASB 111 Construction Contracts which covers construction contracts. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

b) Financial instruments

(i) Classification

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

The Company's investments are categorised as held at fair value through profit or loss.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Company's documented investment strategy. The Company's policy is for the Manager to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

The information on the fair value basis is provided internally to the Company's key management personnel. In addition, the designation of financial assets and financial liabilities at fair value through profit or loss will reduce any measurement or recognition inconsistencies and any accounting mismatch that would otherwise arise.

Assets and liabilities at amortised cost

This category includes short term receivables/payables that are measured at amortised cost.

(ii) Recognition/de-recognition

The Company recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired;
- The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' agreement; or
- The Company has transferred its rights to receive cash flows from the asset and either:
- Has transferred substantially all the risks and rewards of the asset; or
  a) Has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.
  b) A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

(iii) Measurement

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

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all financial assets and liabilities held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statement of profit or loss and other comprehensive income.

Fair value in an active market

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

A financial asset is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The Company's financial assets that are valued based on active markets generally include listed instruments, ranging from listed equity and/or debt securities to listed derivatives, where applicable.

Assets and liabilities at amortised cost

Assets and liabilities under this category are measured at amortised cost using the effective interest method.

A loss allowance for expected credit losses is recognised for trade and other receivables by assessing days past due and default rates.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

c) Short Selling

Short selling is undertaken as part of the investment strategy to benefit from falling securities prices. The Company engages in short selling by borrowing securities from a Broker in anticipation of a decline in the fair value of that security and providing collateral to that Broker. A gain, limited to the price at which the Company sold the security short, or a loss, unlimited in amount, will be recognised upon the termination of a short sale. The fair value of short sales is calculated at the 'ask' price on the reporting date.

d) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within current liabilities on the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Company's main income generating activity.

e) Revenue/income recognition

Interest income and interest expenses are recognised in the statement of comprehensive income for all financial instruments on an accrual basis. Other changes in fair value for such instruments are recorded in accordance with the policies described in note 2(b). Dividend income is recognised on the ex-dividend date.

Trust distributions are recognised on an entitlements basis.

(i) Net gains/(losses) on financial assets and financial liabilities held at fair value through profit or loss arising on a change in fair value are calculated as the difference between the fair value at the end of the reporting period and the fair value at the previous valuation point.
(ii) Net gains/(losses) do not include interest or dividend/distribution income. Realised and unrealised gains/(losses) are recognised in the profit or loss.

f) Expenses

All expenses are recognised in the profit or loss on an accruals basis when incurred.

g) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the Australian corporate income tax rate (30%) adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Company may incur withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax in the statement of comprehensive income.

Current and deferred tax balances are recognised in the statement of comprehensive income.

h) Contributed equity

Ordinary shares are classified as equity. Issued and paid up equity is recognised at the fair value of the consideration received by the Company.

Incremental costs directly attributable to the issue of new shares or options (that vest immediately) are shown in equity as a deduction, net of tax, from the proceeds.

If the entity reacquires its own equity instruments, for example as the result of a share buyback, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

i) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for bonus elements in ordinary shares issued during the period.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

j) Foreign currency translation

(i) Functional and presentation currency

Items included in the Company's report are measured using the currency of the primary economic environment in which it operates ("the functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Company is regulated. The Australian dollar is also the Company's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at reporting period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

The Company does not isolate that portion of unrealised gains or losses on securities and derivative financial instruments that are measured at fair value through profit or loss and which is due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included with the net gains or losses on financial instruments at fair value through profit or loss.

k) Receivables

Receivables may include such items as Reduced Input Tax Credits (RITC), amounts for dividends, interest and securities sold where settlement has not yet occurred. Dividends are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in note 2(e) above.

l) Payables

Payables include liabilities and accrued expenses owing by the Company which are unpaid as at the end of the reporting period.

Trade payables are recorded on trade date, and normally settled within two business days. Purchases of financial instruments that are unsettled at the end of each reporting period are included in payables.

m) Goods and Services Tax (GST)

Expenses of various services provided to the Company by third parties such as custodial services and investment management fees etc. are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the expense in the statement of comprehensive income.

Accounts payable and receivable are stated inclusive of the GST receivable and payable. The net amount of GST recoverable from, or payable to, the taxation authority is included in receivables or payables in the statement of financial position.

n) Operating segment information

The Company operates in Australia only and the principal activity is investment in listed securities.

o) Use of judgments and estimates

The preparation of the Company's report requires it to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities. 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. However, estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

p) New and amended standards adopted by the Company

A number of new or amended standards became applicable for the current reporting period, however, the Company did not have to make retrospective adjustments as a result of adopting these standards.

- AASB 9: *Financial Instruments* (effective 1 July 2018)

  AASB 9 contains requirements in relation to the classification, measurement and de-recognition of financial assets and liabilities, replacing the recognition and measurement requirements in AASB 139 *Financial instruments: Recognition and Measurement* . Under the new requirements the four current categories of financial assets are replaced with three measurement categories: fair value through profit or loss, fair value through other comprehensive income, and amortised cost. Financial assets can only be measured at amortised cost where very specific conditions are met.

AASB 9 introduces new hedge accounting requirements including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged, and disclosures.

There was no impact on the Company upon adoption of AASB 9 as the Company currently classifies financial assets and financial liabilities at fair value through profit or loss or amortised cost, and the Company does not apply hedge accounting.

AASB 9 also introduces a new impairment model. The Company's receivables include dividend and settlement of share trade. As the settlement period is short, the change in impairment rules did not have a material impact.

- AASB 15: *Revenue From Contracts With Customers* (effective 1 July 2018)

  AASB 15 superseded *AASB 18 Revenue* and *AASB 111 Construction Contracts* . Although AASB 15 is principles-based, it is a significant change from the current revenue requirements and will involve more judgements and estimates as revenue is recognised when control of a good or service transfers to a customer, or on satisfaction of performance obligations under contracts, which replaces the existing notion of risk and rewards.

  There was no impact on the Company upon the adoption of AASB 15 as the Company's revenue recognition of interest, dividend, investment gains/(losses) and foreign exchange gains/(losses) were unaffected as these items are excluded from the scope of AASB 15.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2019, and have not been early adopted in preparing these financial statements. None of these, including *AASB16 Leases* are expected to have a material effect on the financial statements of the Company.

q) Dividend Distribution Reserve

The dividend distribution reserve is made up of amounts transferred, at the discretion of the Board, from current and retained earnings that are preserved for future dividend payments.

3. Dividend income

For the year ended 30 June	2019	2018
	$	$
Dividends received	253,985	748,285

4. Income tax expense/(benefit)

For the year ended 30 June	2019	2018
	$	$
(a) Income tax expense/(benefit) recognised in profit or loss		
Current income tax expenses	5,042,989	3,341,009
Deferred tax expense/(benefit)	(4,941,012)	5,325,035
	101,977	8,666,044
(b) Income tax expense is attributable to		
Profit/(loss) from continuing operations	(101,977)	8,666,044
	(101,977)	8,666,044
(c) Deferred income tax expense/(benefit) included in the income tax expenses comprises:		
(Increase)/decrease in deferred tax assets	1,565,129	(1,327,832)
Increase /(decrease) in deferred tax liabilities	(6,506,141)	6,652,867
	(4,941,012)	5,325,035
(d) The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follow:		
Profit/(loss) from continuing operations before income tax expense	568,231	29,572,653
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2018: 30%)	170,469	8,871,796
Add:		
Tax effect of		
- Non-deductible expenditure	-	-
- Other assessable items	(49,316)	88,180
Less:		
Tax effect of		
- Other allowable items	-	-
- Under/(over) provision for income tax in prior year	(1,047)	-
Franking credits	(18,129)	(281,012)
Losses not previously recognised	-	-
Income tax attributable to entity	101,977	8,678,964
Effective rate of income tax	18%	29%
Current income Tax Expense	5,042,989	3,341,009

For the year ended 30 June	2019	2018
	$	$
Paid	4,736,997	3,869
Payable	305,992	3,337,140
	5,042,989	3,341,009

5. Auditor's remuneration

During the reporting period the following fees were paid or payable to PKF Brisbane Audit, or its network firms for:

For the year ended 30 June	2019	2018
	$	$
(a) Audit and other assurance services		
Audit and review of financial statements and other audit related work under the *Corporations Act 2001*	30,000	41,280
Total remuneration for audit and assurance services	30,000	41,280
(b) Other non-audit services		
Taxation services – PKF(NS) Tax Pty Limited	4,500	9,063
Total remuneration for other non-audit services	4,500	9,063
Total remuneration for PKF	**34,500**	**50,343**

6. Net gains/(losses) on financial instruments held at fair value through profit or loss

Net gains/(losses) recognised in relation to financial assets and financial liabilities held at fair value through profit or loss:

For the year ended 30 June	2019	2018
	$	$
Net fair value gains/(losses) on financial assets held at fair value through profit or loss	771,431	34,642,652

7. Cash and cash equivalents

As at 30 June	2019	2018
	$	$
Cash at bank - AUD account	41,256,000	9,433,427
Cash at bank - EUR account	841	-
Cash at bank - USD account	1,083,914	8,500,995
Cash at bank - CAD account	1,963,677	2,106,252
Cash at bank - JPY account	1,095	695,699
Cash at bank - collateral for borrowed securities (refer note 2(c))	13,720,000	11,720,000
Total Cash and cash equivalents	**58,025,527**	**32,456,373**

8. Receivables

As at 30 June	2019	2018
	$	$
Trade receivables	-	486,252
Accrued interest	3,142	5,000
Prepayments	72,492	38,975
GST claimable	26,076	8,026
	101,710	**538,253**

9. Financial assets and liabilities held at fair value through profit or loss

(a) Financial assets held at fair value through profit or loss

As at 30 June	2019	2018
	$	$
Designated at fair value through profit or loss		
Investment in listed securities at fair value through profit or loss	34,430,645	77,508,258

(b) Financial liabilities held at fair value through profit or loss

As at 30 June	2019	2018
	$	$
Designated at fair value through profit or loss		
Financial liabilities on borrowed securities held at fair value through profit or loss	6,592,693	8,652,186

The Company may engage in limited short selling of securities as outlined in note 2(c). An overview of the risk exposures relating to financial assets at fair value through profit or loss is included in note 16.

10. Deferred tax assets and liabilities – net

As at 30 June	2019	2018
	$	$
Deferred tax liabilities – net consist of:		
Deferred tax assets (a)	46,882	1,564,672
Deferred tax liabilities (b)	(1,155,278)	(7,604,825)
Deferred tax assets/(liabilities) - net	**(1,108,396)**	**(6,040,153)**

(a) Deferred tax assets

As at 30 June	2019	2018
	$	$
The balance comprises temporary differences attributable to:		
Capital raising cost	13,069	102,659
Other timing differences	33,813	1,462,013
Total deferred tax assets	46,882	1,564,672
Movements		
Opening balance	1,564,672	236,840
Charged to profit or loss	(1,565,129)	1,327,832
Under/(Over) provision	47,339	-
Closing balance at 30 June	**46,882**	**1,564,672**

(b) Deferred tax liabilities

As at 30 June	2019	2018
	$	$
The balance comprises temporary differences attributable to:		
Unrealised gain on financial assets held at fair value through profit or loss	1,155,278	7,604,825
Total deferred tax liabilities	**1,155,278**	**7,604,825**
Movements		
Opening balance	7,604,825	951,957
Charged to profit or loss	(6,506,141)	6,652,868
Under/(Over) provision	56,596	-
Closing balance at 30 June	**1,155,280**	**7,604,825**

11. Payables

As at 30 June	2019	2018
	$	$
Trade payables (note 16(e))	253,869	180,824
Accrued expenses	112,709	5,032,049
Total Payables	**366,578**	**5,212,873**

Trade payables are unsettled purchases of investments and are generally payable within two business days.

12. Contributed equity and movements in total equity

	As at 30 June	As at 30 June
	$	**No.**
(a) Contributed equity FY 2018		
Share capital - fully paid ordinary shares	69,340,103	69,672,141
Capital raising costs	(1,046,003)	-
Balance at 30 June 2018	**68,294,100**	**69,672,141**
(b) Movements in shares on issue FY 2018		
Opening balance – 1 July 2017	67,881,687	69,366,895
Dividend Reinvestment Plan	1,444,423	1,329,798
On-market share buy-back	(1,032,010)	(1,024,552)
Closing balance – 30 June 2018	**68,294,100**	**69,672,141**
(c) Contributed equity FY 2019		
Share capital - fully paid ordinary shares	70,341,063	70,566,275
Capital raising costs	(1,046,003)	-
Balance at 30 June 2019	**69,295,060**	**70,566,275**
(d) Movements in shares on issue FY 2019	**$**	**No.**
Opening balance – 1 July 2018	68,294,100	69,672,141
Dividend Reinvestment Plan	1,236,311	1,117,339
On-market share buy-back	(235,351)	(223,205)
Closing balance – 30 June 2019	**69,295,060**	**70,566,275**

(i) 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

(ii) 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 monitors monthly NTA results, investment performance, the Company's management expenses and share price movements.

13. Dividend distribution reserve

During the prior reporting period the Board established a dividend distribution reserve to set aside amounts from current and retained earnings that are preserved for future dividend payments. The movement back to retained earnings does not signal an intention to cease dividend payments, this is a reclassification by the Fund Administrator.

Dividend distribution reserve	2019	2018
	$	$
Opening balance	5,239,916	-
Transferred to retained earnings	(5,239,916)	-
Transferred from retained earnings	-	8,000,000
Dividends paid (interim)	-	(2,760,084)
	-	**5,239,916**

14. Dividends paid

For the year ended 30 June		2019	2018
		$	$
Final	- Cash paid 5 Oct '18 (2018: 29 Sep '17)	2,266,784	1,771,486
	- Dividend Reinvestment Plan 5 Oct '18 (2018: 29 Sep '17)	868,463	656,357
Interim	- Cash paid 2 May '19 (2018: 5 Apr '18)	1,040,428	1,972,018
	- Dividend Reinvestment Plan 2 May '19 (2018: 5 Apr '18)	367,848	788,066
Total dividend paid		**4,543,523**	**5,187,927**

15. Earnings per share

For the year ended 30 June	2019	2018
	$	$
(a) Earnings		
Profit after income tax attributable to the owners of the Company	466,254	20,906,609
Earnings used in calculating basic and diluted earnings per share	466,254	20,906,609
(b) Earnings per share		
Basic earnings per share (cents)	0.01	30.2
Diluted earnings per share (cents)	0.01	30.2
(c) Number of shares		
Weighted average number of shares used in the calculation of basic earnings per share	70,247,854	69,233,763

For the year ended 30 June	2019	2018
	$	$
Weighted average number of shares used in the calculation of diluted earnings per share	70,247,854	69,233,763

16. Financial risk management

(a) Objectives, strategies, policies and processes

The Company's activities may expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Company's overall risk management program focuses on ensuring compliance with the Company's governance and investment mandate and seeks to maximise the returns derived for the level of risk to which the Company is exposed. Financial risk management is carried out by the Manager under policies approved by the Board.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: price risk, foreign currency risk and interest rate risk. Market risk is managed via portfolio diversification and minimised through ensuring that all investment activities are undertaken in accordance with established mandates and investment strategies.

The market risk disclosures are prepared on the basis of the Company's direct investments and not on a look-through basis.

The sensitivity of the Company's total equity and profit/(loss) to price risk, foreign exchange risk and interest rate risk is measured by the reasonably possible movements approach. This approach is determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates and foreign exchange rates, historical correlation of the Company's investments with the relevant benchmarks and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Company invests. As a result, historic variations in the risk variables are not a definitive indicator of future variations in the risk variables.

The overall market exposures were as follows:

As at 30 June	2019	2018
	$	$
Financial Assets - securities at fair value through profit or loss*	34,430,645	77,508,258
Financial Liabilities – borrowed securities at fair value through profit or loss*	(6,592,693)	(8,652,186)
Cash and cash equivalents	58,025,527	32,456,373

* *Where securities have been borrowed in anticipation of a short sell and at the balance date that sale has not yet taken place, the liability for the borrowing and the asset held for sale are offset and excluded from the portfolio positions in the balance sheet. At 30 June 2019 securities totalling $6,592,693 (2018: $1,085,490) were borrowed and not sold.*

(i) Price risk

Price risk is the risk that the fair value or future cash flows of equities will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

Price risk exposure arises from the Company's investment portfolio. The investments are classified on the statement of financial position as held at fair value through profit or loss. All securities investments present a risk of loss of capital. Except for equities sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from equities sold short can be unlimited, however the Company's short selling activity is strictly managed and limited to 25% of the portfolio value.

The Manager mitigates this price risk through diversification and a careful selection of securities and other financial instruments within specified limits set by the Board.

The Company's overall market positions are monitored on a regular basis by the Company's Manager. This information is reported to the relevant parties on a regular basis and ultimately the Board.

At 30 June 2019, if the equity prices had increased/(decreased) by the percentage indicated below, with all other variables held constant, the total equity and profit/(loss) would have changed by the following amounts, approximately and respectively:

As at 30 June 2019	Increased by 10%	Decreased by 10%
	$	$
Increase/(decrease) in total equity (and profit/(loss) for the reporting period attributable to the owners of the Company)	2,783,795	(2,783,795)

(ii) Foreign exchange risk

The foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The summary of quantitative data about the Company's exposure to currency risk as at 30 June 2019, in AUD equivalent amounts, is set out below:

	EUR	USD	CAD	JPY
Cash	841	1,083,914	1,963,677	1,095
Securities	2,332,937	6,161,867	6,819,464	-
Liabilities	-	-	-	-
Net Assets	**2,333,778**	**7,245,781**	**8,783,141**	**1,095**

The following significant exchange rates applied during the current year ended 30 June 2019:

	Average rate	Reporting date spot rate
EUR/AUD	0.6270	0.6162
USD/AUD	0.7152	0.7018
CAD/AUD	0.9471	0.9170
JPY/AUD	79.46	75.61

(iii) Interest rate risk

There were no significant direct interest rate risks in the Company as at 30 June 2019.

The Company's cash and cash equivalent financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates. The risk is closely monitored and mitigated by adherence to strict portfolio strategies and guidelines set by the Board.

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk primarily arises from investments in debt securities. Other credit risk arises from cash and cash equivalents, and deposits with banks and other financial institutions.

With respect to credit risk arising from the financial assets of the Company, the Company's exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of these investments as disclosed in the statement of financial position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

Counterparty credit limits and the list of authorised brokers are reviewed by the relevant parties within the Company on a regular basis as deemed appropriate.

In accordance with the Company's policy, the Investment Manager monitors the Company's credit position on a regular basis. This information and the compliance with the Company's policy are reported to the relevant parties on a regular basis and ultimately the Board.

There were no significant credit risks in the Company as at 30 June 2019.

(d) Concentrations of risk

Concentrations of risk arise when a number of financial instruments are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic conditions. These similarities would cause the counterparties' liabilities to meet the contractual obligations to be similarly affected by certain changes in the risk variables.

The concentrations of risk are monitored by the Manager to ensure they are within acceptable limits by reducing the exposures or by other means as deemed appropriate.

Based on the concentrations of risk that are managed by industry sector and/or counterparty, the following investments can be analysed by the industry sector and/or counterparty:

As at 30 June	2019	2018
	$	$
Consumer discretionary	2,994,873	10,475,607
Consumer staples	3,476,601	9,558,351
Energy	2,592,000	388,371
Financials	-	348,000
Industrials	4,383,684	17,851,148
Information Technology	3,965,949	28,488,419
Others	10,424,845	1,746,175

(e) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. This risk is controlled through the Company's investment in financial instruments that under normal market conditions are readily convertible to cash. In addition, the Company maintains sufficient cash and cash equivalents to meet normal operating requirements.

The Company's investments include listed securities that are considered readily realisable, as they are listed on recognised stock exchanges.

In accordance with the Company's policy, the Manager monitors the Company's liquidity position on a regular basis. This information and the compliance with the Company's policy are reported to the relevant parties on a regular basis as deemed appropriate and ultimately the Board.

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

As at 30 June	Less than 1 month	1-3 months	3-12 months	More than 12 months
	$	$	$	$
Payables	253,869	-	-	-
Total financial liabilities – contractual cash flows	**253,869**	**-**	**-**	**-**

(f) Estimation of fair values of financial assets and liabilities

The carrying amounts of all the Company's financial assets and financial liabilities at the end of the reporting period approximated their fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company's accounting policy on fair value measurement is set out in note 2(b). The methods and assumptions used in the determination of the fair value of each class of financial instruments is also set out in note 2(b).

Note 2(o) outlines further the nature of management's judgments, estimates and assumptions that might have been used in the determination of the fair values of these financial instruments.

(g) 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 that 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.

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.

At 30 June	Level 1	Level 2	Level 3
	$	$	$
Financial assets held at fair value through profit or loss			
Listed equities	34,430,645	-	-
Total	34,430,645	-	-
Financial liabilities held at fair value through profit or loss			
Borrowed securities	6,592,693		
Total	6,592,693	-	-

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

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

Valuation technique

Listed investment in equity securities

When fair values of publicly traded equity securities are based on quoted market prices, or binding dealer price quotations, in an active market for identical assets without any adjustments, the instruments are included within Level 1 of the hierarchy. The Company values these investments at bid price for long positions and ask price for short positions. Disclosure for shares with restrictions will be classified as Level 3.

17. Related party transactions

(a) Key management personnel compensation

Any persons with responsibility for planning, directing and controlling the activities of the Company, directly or indirectly during the reporting period are considered key management personnel.

Further details of remuneration disclosures relating to key management personnel will be disclosed in the remuneration report (audited) in the Directors' Report, forming part of the Annual Report which will be finalised in September 2019.

At 30 June 2018	Short term benefits	Post-employment benefits	Total
	$	$	$
Directors	84,795	5,205	90,000

At 30 June 2019	Short term benefits	Post-employment benefits	Total
	$	$	$
Directors	84,795	5,205	90,000

(b) Other transactions with key management personnel or entities related to them

From time to time directors of Contrarian Value Fund Limited, or their director related entities, may purchase or sell the Company's securities through the Australian Securities Exchange in accordance with the Company's security trading policy.

No director has entered into a material contract with the Company since the last reporting date and there were no material contracts involving directors' interests subsisting at the reporting date.

(c) Loans transactions and balances

The Company has not made, guaranteed or secured, directly or indirectly any loans to key management personnel or their related entities during the reporting period.

(d) ACVF Management Pty Limited

The Company has entered into a management agreement with ACVF Management Pty Limited. Under the Management Agreement, ACVF Management Pty Limited receives monthly fees in connection with the provision of management services.

The management fee charged by ACVF Management Pty Ltd to the Company for the year ended 30 June 2019 was $914,886 (2018: $840,262) (exclusive of GST) pursuant to the management agreement. As at 30 June 2019, $72,177 (exclusive of GST) remains unpaid. As at 30 June 2019, there is nil performance fee payable to ACVF Management Pty Ltd (2018: $4,958,675).

(e) Related party equity security holdings

Parties related to the Company (including ACVF Management Pty Limited and its related parties), held securities in the Company as follows:

Securities in the Company as at 30 June 2019	Number of shares held opening	Number of shares held closing	Fair value of investment	Interest held	Dividends FY2019 paid/ payable by the Company
Shareholders	(units)	(units)	$	%	$
The Octagon Foundation Pty Ltd (a)	1,180,000	1,180,000	1,191,800	1.67	76,700
181 Foundation Group Pty Ltd (b)	820,000	820,000	828,200	1.16	53,300
Kevin Tser Fah Chin	2	2	2	-	-
Gary Hui (resigned 22/11/2018)	228,500	-	-	-	9,000
Alnilum Pty Limited (c)	150,000	150,000	151,500	0.21	9,750
K2 Horizon Pty Ltd (c)	50,000	50,000	50,500	0.07	3,250
Ralsten Pty Ltd (d)	200,000	200,000	202,000	0.28	13,000
Penseur Pty Ltd (e)	227,550	241,125	243,536	0.34	15,673
Total	**2,856,052**	**2,641,127**	**2,667,538**	**3.73**	**180,673**

(a) *Entity of which Mr Kevin Chin is one of five Directors and which acts as Trustee of The Octagon Foundation, a private ancillary fund which is a registered Australian charity and whose investment activities are governed by its internal investment policy. Mr Chin has no beneficial ownership of the Trustee or the Foundation.*

(b) *Entity related to Mr Kevin Chin*

(c) *Entity related to Mr Kent Kwan*

(d) *Entity related to Mr John Moore*

(e) *Entity related to Ms Victoria Guy*

18. Operating segment information

The Company operates only in the investment industry in Australia and has no reportable business or geographic segments.

19. Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

For the year ended 30 June	2019	2018
	$	$
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
Profit after income tax expense attributable to the owners of the Company	466,254	20,906,609
Unrealised foreign exchange(gain)/ loss	(1,240,945)	(147,854)
Unrealised (gain)/loss on financial assets and liabilities held at fair value through profit or loss	21,585,599	(22,176,222)
Net change in financial assets and liabilities held at fair value through profit or loss	19,991,819	(11,448,559)
Net change in receivables and other assets	(49,709)	(511,082)
Net change in deferred tax liabilities	(4,931,757)	5,325,035
Net change in payables and other liabilities	(7,950,488)	6,316,775
Net cash inflow/(outflow) from operating activities	**27,870,773**	**(1,735,298)**
(b) Components of cash and cash equivalents		
Cash as at the end of the year as shown in the statement of cash flows is reconciled to the statement of financial position as follows:		
Cash and cash equivalents	58,025,527	32,456,373
(c) Non-cash financing activities		
During the year, there were no non-cash investing and financing activities	-	-
(d) Changes in liabilities arising from financing activities		
During the year, there were no changes in liabilities arising from financing activities	-	-

20. Reconciliation of net tangible assets used in calculation of net tangible assets per ordinary share for ASX reporting

As at 30 June	2019	2018
	$	$
Net assets per financial statements	84,184,223	87,260,532
Less net position of deferred tax liabilities	(1,108,396)	(6,040,153)
Net tangible assets per financial statement	**85,292,619**	**93,300,685**
Expected costs to be incurred in realising proceeds of asset disposals (non-IFRS)	(126,305)	(164,280)
Net tangible assets before providing for estimated tax associated with unrealised portfolio position	**85,166,314**	**93,136,405**
Provision for estimated tax on unrealised gains (non -IFRS)	(1,141,384)	(7,617,064)
Net tangible assets for ASX reporting	**84,024,930**	**85,519,341**
Number of ordinary shares on issue at reporting date	**70,566,275**	**69,672,141**

	Chapter 19 NTA reporting	IFRS NTA reporting
	$	$
NTA per share, before providing for estimated tax associated with unrealised portfolio positions ($/share)	1.2069	1.2087
NTA per share, after providing for estimated tax associated with unrealised portfolio positions ($/share)	1.1907	1.1925

21. Events occurring after the reporting period

On 19 August 2019 a dividend was declared of 5.0 cents per share (100% franked) payable on 19 November 2019.

Since 30 June 2019, the Company has bought back 1,100,000 shares for a total purchase price of $1,148,962. These shares were subsequently cancelled on 19 September 2019.

22. Contingent assets and liabilities and commitments

Due to short selling activities undertaken (refer note 2(c)), the Company is exposed to a contingent fee. As part of the contractual agreement with the securities lender, if a dividend is declared on borrowed securities the Company is liable to repay the same amount of dividend to the securities lender. Therefore, the Company's final liability to the securities lender is contingent upon the declaration, or not, of dividends on borrowed securities.

Other than the above, there are no outstanding commitments and contingent assets as at 30 June 2019.

Contrarian Value Fund Limited
For the year ended 30 June 2019

Directors' Declaration

In the directors' opinion:

a) the financial statements and notes set out on pages 23 to 52 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 30 June 2019 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.

c) Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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 ACVF Management Pty Limited in relation to the Company.

This declaration is made in accordance with a resolution of the directors.

Kent Kwan

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CONTRARIAN VALUE FUND LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Contrarian Value Fund Limited (the company), which comprises the statement of financial position as at 30 June 2019 , the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the financial report of Contrarian Value Fund Limited is in accordance with the *Corporations Act 2001*, including:

a) Giving a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the year ended on that date; and

b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the company in accordance with 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* (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PKF Brisbane Audit
ABN 33 873 151 348

Level 6, 10 Eagle Street, Brisbane QLD 4000
GPO Box 1568, Brisbane QLD 4001
p +61 7 3839 9733
f +61 7 3832 1407

8 East Street, PO Box 862
Rockhampton QLD 4700
p +61 7 4927 2744
f +61 7 4927 4317

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. This matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For the matter below, our description of how our audit addressed the matter is provided in that context.

1. Valuation of Financial Assets and Liabilities

Why significant	How our audit addressed the key audit matter
As at 30 June 2019 the Company recorded financial assets held at fair value through profit or loss of $34,430,645 (2018: $77,508,258) representing 37% of total assets of the Company. The company has also recorded financial liabilities at fair value through profit and loss of $6,592,693 (2018: $8,652,186) representing 79% of total liabilities of the Company. As outlined in Note 2(c) and Note 9, the company has designated its investments in listed entities, and its liabilities for borrowed stocks (under short-selling arrangements) as financial assets and liabilities held at fair value through profit and loss, in accordance with AASB 9 *Financial Instruments*. Further disclosures regarding risk exposures relating to financial assets and liabilities at fair value through profit and loss are disclosed in Note 16. This designation is dependent on how the financial assets and liabilities are managed, and the carrying value relies on the availability of observable market data.	Our work included, but was not limited to, the following procedures: • Discussion with management and the directors to ensure that the designation of the financial assets and liabilities held at fair value through profit or loss is consistent with how the financial assets and liabilities are managed and in accordance with a documented risk management and investment strategy adopted by the Company; • Evaluating the appropriateness of the accounting treatment of revaluations of financial assets and liabilities for current/deferred tax and realised/unrealised gains or losses; • Testing, on a sample basis, the fair value measurement of the financial assets and liabilities at balance date by comparing the fair value to the quoted prices in active market; and • Assessing the appropriateness of the related disclosures in Note 2(c), Note 9 and Note 16 with the disclosures requirements of the Australian Accounting Standards.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the company's Annual Report, but does not include the financial report and our auditor's report thereon.

We have obtained all the Other Information prior to the date of this Auditor's Report which includes the Chairman's Review, Investment Manager Review, Information about the Investment Manager, Corporate Governance Statement, Directors' Report and Additional Information for Listed Companies.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities for the Financial Report

The Directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the Directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using a going concern basis of accounting unless the Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2019 . The Directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Contrarian Value Fund Limited for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

PKF

PKF BRISBANE AUDIT

SHAUN LINDEMANN
PARTNER

30 SEPTEMBER 2019
BRISBANE

Contrarian Value Fund Limited

For the year ended 30 June 2019

Additional information for Listed Companies

ASX Additional information

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 23 September 2019.

Substantial shareholders

The number of substantial shareholders and their associates are set out below:

Shareholders	Number of shares
HSBC Custody Nominees (Australia) Limited	3,624,829

Voting rights

Ordinary shares

On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options

No voting rights.

Distribution of equity security holders

There were no holders of less than a marketable parcel of ordinary shares. There are no securities subject to voluntary escrow.

Holdings Ranges	Number of Shareholders	Total Units	%
1-1,000	26	15,821	0.023
1,001–5,000	159	520,829	0.750
5,001–10,000	185	1,592,128	2.292
10,001-100,000	1,290	44,056,914	63.422
100,001 and over	78	23,280,583	33.514
Total	**1,738**	**69,466,275**	**100.000**

Contrarian Value Fund Limited
For the year ended 30 June 2019

Twenty largest shareholders

Shareholders	Ordinary shares Number	Ordinary shares %
HSBC Custody Nominees (Australia) Limited	3,624,829	5.22
Cogitator Pty Ltd	2,700,000	3.89
The Octagon Foundation Pty Ltd	1,180,000	1.70
Contemplator Pty Ltd	940,000	1.35
181 Foundation Group Pty	820,000	1.18
Ruminator Pty Ltd	566,222	0.82
Nandaroo Pty Limited	500,000	0.72
L Street Folk Pty Ltd	500,000	0.72
K Street Folk Pty Ltd	500,000	0.72
Leanganook Pty Ltd	500,000	0.72
Lares Holdings Ltd	492,463	0.71
OHJS Group Pty Limited	482,252	0.69
Struan Pty Ltd	400,000	0.58
Weltran Pty Ltd	300,000	0.43
Ward Guy Investments Pty Ltd	274,912	0.40
John Osborn Superannuation Pty Ltd	255,023	0.37
Mr William John Earle & Mrs Jane Christine Earle	250,000	0.36
Mr Robin Rowe & Ms Janet Matton	246,900	0.36
Dr Eldon Edward Ball & Dr Marilyn Crowl Ball	241,125	0.35
Penseur Pty Ltd	241,125	0.35

Securities exchange listing

The Company is listed on the Australian Securities Exchange.

ASX Code

CVF

On market Buy Back

On 24 August 2017 the Company announced an on-market buy-back of up to 10% of its issued ordinary shares.

Contrarian Value Fund Limited

For the year ended 30 June 2019

Transactions & Brokerage

The Company had a total of 123 transactions (37 purchases and 86 sales) in securities during the reporting period and has paid brokerage totalling $245,585.

Investments

At 30 June 2019 the Company held investment exposures to securities of the following issuers:

- Adelaide Brighton Limited
- Afterpay Touch Group Ltd
- Cooper Energy Limited
- Domain Holdings Australia Limited
- Domino's Pizza Limited
- Elders Limited
- Graftech International Ltd
- Grubhub Inc
- Harvey Norman Holdings Limited
- Invocare Limited
- REA Group Limited
- Scentre Group
- Stars Group Inc
- Village Roadshow Limited
- Vocus Group Limited
- Zooplus AG