

25 August 2020


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

Subject: Appendix 4E, Annual Report & 1.5 Cent Quarterly Dividend

The Directors of Contrarian Value Fund Ltd (ASX: CVF) are pleased to announce the release of the Company's Annual Report and full year financial statements, including Appendix 4E and Appendix 4G disclosures, for the financial year ended 30 June 2020.

A fully franked dividend of 1.5 cents per share, will be payable to all shareholders on record on 9 September 2020 and will be paid on 30 September 2020. Full details are in the attached documents.

On behalf of the Board of Contrarian Value Fund Limited,



Tom McDonald
Company Secretary

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Contrarian Value Fund Limited (CVF)

ACN 602 250 644

Appendix 4E - Preliminary Final Report for the year ended 30 June 2020

Results for Announcement to the Market

				A\$
Revenue from ordinary activities	Down	<i>nmf</i>	to	(6,044,120)
Net profit for the period attributable to members	Down	<i>nmf</i>	to	(7,365,739)

nmf – no meaningful comparison

		Amount per security	Franked amount per security
Dividends (distributions)			
Final Dividend - 2019, paid 19 Nov 2019		0.050	0.050
Cash	\$2,878,016		
Dividend Reinvestment Plan	\$594,048		
Monthly Dividend - 2019, paid 16 Dec 2019		0.00458	0.00458
Cash	\$265,247		
Dividend Reinvestment Plan	\$52,794		
Monthly Dividend - 2020, paid 17 Jan 2020		0.00458	0.00458
Cash	\$259,773		
Dividend Reinvestment Plan	\$54,135		
Monthly Dividend - 2020, paid 18 Feb 2020		0.00458	0.00458
Cash	\$261,178		
Dividend Reinvestment Plan	\$52,970		
Monthly Dividend - 2020, paid 19 Mar 2020		0.00458	0.00458
Cash	\$262,636		
Dividend Reinvestment Plan	\$51,752		
Monthly Dividend - 2020, paid 20 Apr 2020		0.00458	0.00458
Cash	\$259,996		
Dividend Reinvestment Plan	\$54,643		
Monthly Dividend - 2020, paid 18 May 2020		0.005	0.005
Cash	\$275,893		
Dividend Reinvestment Plan	\$67,980		



Dividends (distributions)	Amount per security	Franked amount per security
Monthly Dividend - 2020, paid 16 Jun 2020	0.005	0.005
Cash	\$272,385	
Dividend Reinvestment Plan	\$71,944	
Monthly Dividend - 2020, paid 16 Jul 2020	0.005	0.005
Cash	\$267,862	
Dividend Reinvestment Plan	\$76,904	
Monthly Dividend - 2020, paid 17 Aug 2020	0.005	0.005
Cash	\$261,545	
Dividend Reinvestment Plan	\$83,704	
Quarterly Dividend - 2020, payable 30 Sep 2020	0.015	0.015
Record date for determining entitlement to dividends	9 Sep 2020	

Brief explanation necessary to enable the figures to be understood:

The revenue from ordinary activities represents dividends and interest earned as well as net realised and unrealised gains from the Company's portfolio of listed investments and cash, for the reporting period.

The net profit attributable to members is derived after deducting the cost of operating the business and providing for all applicable tax liabilities.

Earnings per ordinary fully paid share	Current Period	Previous Corresponding Period
Basic EPS	(0.11)	0.01
Diluted EPS	(0.11)	0.01

NTA backing	Current Period	Previous Corresponding Period
Net tangible asset backing per ordinary security	95.9 cents	120.7 cents



Additional information:

For additional information required under listing rule 4.3A, please refer to the attached Annual Report for the year ended 30 June 2020

Commentary on the Results for the Period:

For commentary on the results of Contrarian Value Fund Limited for the year ended 30 June 2020, please refer to the attached Annual Report, including the Chairman's Review and the Investment Manager's Review.

Audit/Review Status

This report is based on accounts that have been audited by PKF Brisbane Audit.

Attachments Forming Part of Appendix 4E

Attachment #	Details
1	Annual Report for the year ended 30 June 2020



Tom McDonald
Company Secretary



Contrarian Value Fund Limited

ACN 602 250 644

Annual Report for the year ended 30 June 2020



Contrarian Value Fund Limited

ACN 602 250 644

Annual Report for the year ended 30 June 2020

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Corporate Directory

Contrarian Value Fund Limited

For the year ended 30 June 2020

Corporate Directory

Corporate Directory

Directors	Kien Khan (Kent) Kwan (Independent Chairman) Victoria Guy (Independent Vice-Chairperson) Kevin Chin John Moore AO
Company Secretary	Tom McDonald
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,

I hope you are healthy and safe during these uncertain times.

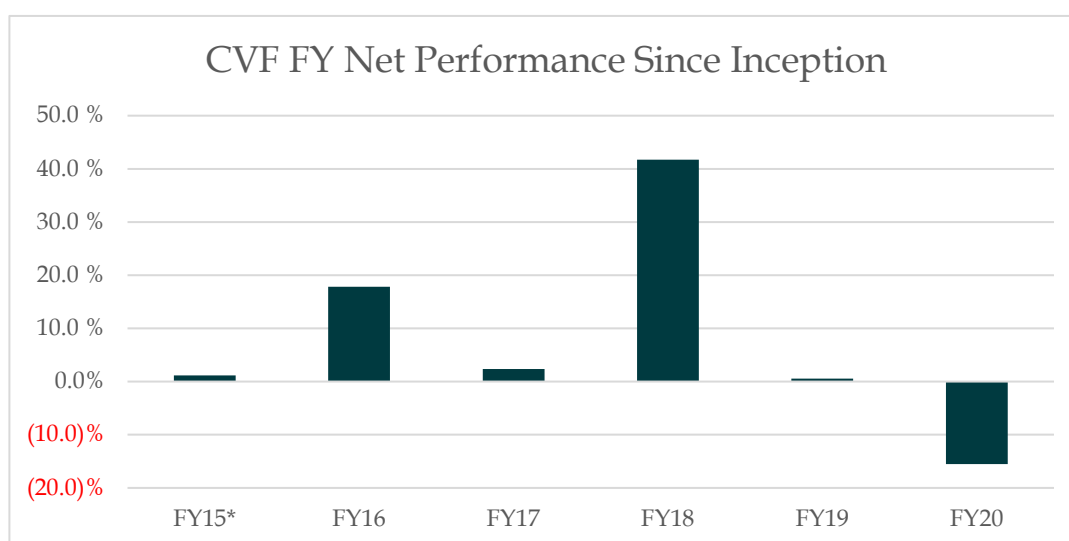
On behalf of the Board of Directors, I hereby present to you the Annual Report of Contrarian Value Fund Limited (**the Company** or **CVF**) for the year ended 30 June 2020.

Since the second half of the 2020 financial year, COVID-19 has resulted in a profound global health crisis and as with many other organisations, we have prioritised the wellbeing and safety of the CVF team. The Board of Directors understand the Manager enacted its business continuity plan during the early stages of COVID-19 to best protect the health of staff. This includes steps to enable remote working while continuing to support the wellbeing of staff.

Like many companies and industries, CVF has not been immune to the economic and stock market effects of this unprecedented health crisis. Over the past financial year, the Company has delivered a portfolio return of (13.6)% compared to the S&P/ASX 200 Accumulation Index of (7.7)%. However, the Company has paid a fully franked yield of 15% in FY20 based on the closing price of \$0.79 at 30 June 2020.

Despite COVID-19, the Board of Directors acknowledge the underperformance of CVF's investment portfolio against the benchmark index is disappointing. Nevertheless, the Board of Directors support the Manager's value based investment philosophy which takes a long term and patient approach to investing and abides by the value orientated investment mandate. Please refer to the Investment Manager's Report for details regarding the factors that contributed to investment performance for the past financial year and the investment outlook.

On a longer term basis since its IPO just over 5 years ago, CVF has delivered total returns of 50.2% (7.7% annualised) in the underlying portfolio to 30 June 2020, an outperformance of 12.5% versus the S&P/ASX 200 Accumulation Index. Furthermore, the Company has delivered an annualised fully franked dividend yield of 7.4% since IPO based on the closing price of \$0.79 at 30 June 2020.



*6 months ended 30 June 2015



The Investment Manager provides a detailed overview of its investment strategy and outlook given COVID-19 in the Investment Manager's Review.

As announced to the market during the financial year, the Independent Directors have been engaging in a detailed strategic review of CVF. The intention of the review is to provide Shareholders with an opportunity to vote on the future direction of the Company. At this stage, this intention remains unchanged while the Board of Directors await the outcome of an ATO ruling relating to the availability of franking credits in the event the Company is wound up.

We thank our Shareholders for their continued investment in CVF and patience as the Board of Directors continue to explore options to maximise the value of CVF.



Kent Kwan

Independent Chairman



Investment Manager's Review

The performance of the Arowana Contrarian Value Fund ("ACVF") for the year ended 30 June 2020 was disappointing.

Investment returns net of all costs and fees, was (13.6)% compared to the S&P/ASX200 Accumulation Index at (7.7)%.

The Company has declared a 1.5 cent per share fully franked dividend, payable on 30 September 2020. Taken with the total dividends declared in FY20 of 9.3 cents per share, this equates to a net cash yield of 13.7% and a fully franked yield of 19.5% based on ACVF's share price of \$0.79 as at 30 June 2020.

Since inception to 30 June 2020, ACVF has produced an annualized gross return of 11.0% and a net return after all costs and fees of 7.7%. The S&P/ASX 200, over that same period, has delivered an annualized net of fee return of 6.0%. We would also highlight that returns generated since inception were accomplished whilst holding an average cash level of 56.5%. Put another way, ACVF has out-performed the benchmark while only putting 43.5% of each investor's dollar at risk.

For the year, the portfolio saw its largest contributions to returns from Bellamy's, Pershing Square (PSH) and Autodesk (ADSK) whilst the greatest detractors came from our USD currency exposure, Carnival (CCL) and our portfolio hedge, ProShares Ultrashort S&P 500 (SDS).

In a year that will forever be marked by the Covid-19 global pandemic, our portfolio was hit particularly hard by lockdown measures imposed during the pandemic as well as the cost of portfolio hedging. Our travel and leisure exposure, comprised of Carnival (CCL), Village Roadshow (VRL) and Corporate Travel Management (CTD), collectively detracted 4.9% from portfolio performance for the year. Whilst it may have been exceedingly difficult to identify a global pandemic as a potential downside risk to our theses, we have continued to hold these positions on the main due to our view that travel and leisure activities, while suffering greatly now, are likely to return to some sense of normalcy in the coming years. Leisure activities, like cruising, movie-going and theme park visits may look different at first as capacity restrictions are slowly eased but we firmly believe that fundamentally we are social creatures who look to such activities as essential diversions that enable us to temporarily transport ourselves to faraway places where we can relax, unwind and recharge our batteries whilst also creating memorable experiences for us and our families.

One of the largest single costs to the portfolio during the year came from our hedging activity. As the pandemic was spreading rapidly around the world and the potential economic impact of a protracted lockdown appeared quite severe, we implemented a hedge that would have paid off significantly if markets had continued to decline. Instead there was a rapid and historic rally that erased a substantial portion of the equity markets CY20 decline through June. As a result, our hedge cost the portfolio almost 2%. As hedges are a form of insurance against steep market declines they will on average be a net cost to the portfolio. It is a cost for which we have limited appetite for a number of reasons. Firstly, our deep value approach with its intense focus on avoiding permanent capital losses embeds downside risk mitigation into every one of our investments. Secondly, we are keenly aware that shorting provides an adversely asymmetric risk/return profile as it offers limited upside but exposes an investor to theoretically unlimited downside bounded only by the euphoria of the market. Lastly, our large cash balance currently affords us substantial downside protection at no additional



expense. Thus, going forward we expect to engage in shorting quite opportunistically and only when, in our judgment, it is prudent to do so.

One final point on portfolio detractors revolves around currencies. Earlier this year, with the impact from the coronavirus increasingly pointing to a global recession, ending an unprecedented era of growth for the Aussie economy and with China trade tensions simmering at the surface, we thought a flight to 'quality' into the US dollar during this period of fear and uncertainty was a likely outcome. Thus, we decided to move a substantial portion of our cash holdings into US dollars. However, we have instead witnessed a surprising US dollar retracement while its equity markets set or approach new records. This ended up costing the portfolio circa 3.5% for the year. Generally speaking, we do not often engage in currency bets as our experience has informed us that except perhaps at extreme points in currency valuations, it is exceedingly difficult to accurately forecast currency movements consistently over time. Whilst we felt that the circumstances above indicated a favourable environment for the US dollar we are actively re-assessing our decision.

While we are not pleased with ACVF's performance over the past year, we are excited about the prospects for the current portfolio. We believe there is significant upside potential in our current collection of businesses and view our large cash pile as a rich resource to be utilized for neglected, mis-understood opportunities with significant upside potential and mitigated downside risk. With nearly 50% of the portfolio in cash we have a potent weapon at the ready to, as Warren Buffett advises, "be greedy when others are fearful".

As of 30 June 2020, the portfolio's gross and net exposure was 51%. We did not deploy nearly as much capital into the downturn as we would have liked but remain guardedly optimistic that the uncertainties brought on by the economic consequences of actions taken to contain the virus as well as a possible resurgence, will create attractive mis-pricings in the days ahead. As value investors we stand ever at the ready for volatility, for with it comes opportunity.

Market Observations

Given our fundamental, bottom-up approach to investing rather than expound on a macro based market outlook we will instead share our observations on risks we see evident at present in the markets and highlight what may be a once in a generation occurrence for value investors.

The speed of the recent equity market rally particularly in the US has brought markets to near or exceeding all-time highs but there is a pernicious risk present that has been exacerbated by the recent rally. At writing, the S&P500 is within 1% of an all-time high reached in February and the NASDAQ has thus far set 32 record highs this year.¹ Meanwhile, the top 10 stocks in the S&P 500 now comprise 29% of the index, the highest such weighting in 40 years.¹ As we noted in our May commentary, the Fab 5 of Amazon (AMZN), Apple (AAPL), Microsoft (MSFT), Facebook (FB) and Google (GOOG) collectively make up nearly 23% of the S&P 500 which is almost double the 13% average weighting of the 5 largest index members from 1980 to 2019.¹ This calls into question one of the primary benefits of passive investing, diversification, as it has been drastically eroded by the flood of assets into ETF's which has resulted in performance being driven by a handful of stocks. This leaves the US equity markets exceedingly vulnerable to dramatic downside volatility which one could easily envision leading to sizable index outflows negatively impacting all index constituents as ETF's are forced to sell their holdings en masse, indiscriminately.

Another risk we see comes as a direct result of government intervention to ensure liquidity and orderly markets in times of stress. We argue that fiscal stimulus at levels not seen since



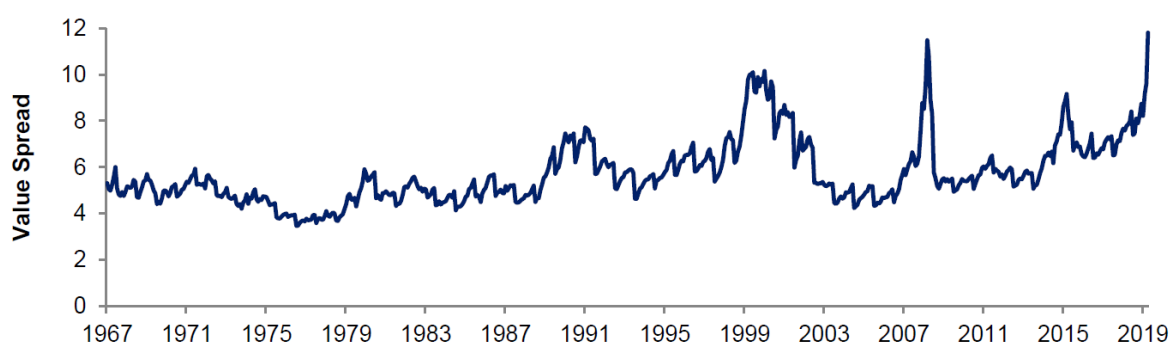
World War II and unprecedented central bank intervention have short circuited the market's role as an effective pricing mechanism. The Fed's decision in late March to backstop corporate debt and support some junk-rated borrowers has had a ripple effect on bond markets. Recently, Ball Corp., a company rated one notch below investment grade, issued 10-year bonds with a 2.875% coupon, the lowest coupon on record for a high yield bond maturing in more than 5 years.² Today, bonds in the top tier of high yield debt (those rated 1-3 tiers below investment grade) collectively have an effective yield of 3.8%.² By propping up potentially poor credits, the Fed's intervention has distorted the pricing of risk in the bond markets thus increasing the potential volume of marginal credits subject to default. In addition, massive government stimulus has also influenced equity market investors as they come to increasingly believe that central governments will simply spend whatever it takes to prop up economies and markets. But what if these measures are not enough? What if they do not come in sufficient size to satisfy investors? Even with massive stimulus spending we continue to see large retail bankruptcies growing in the US and thousands of small, local businesses shuttered permanently.

Value Investing: on the cusp of a resurgence?

Lastly, in our view, we may be on the cusp of one of the greatest rallies value investing has seen in decades. The under-performance of the value style over the last 7+ years, particularly in the US, has been well documented but evidence seems to indicate that we may be at an inflection point for a resurgence in the value style. Recent research done by AQR, a \$100+ billion, value oriented, quantitative manager, suggests that while we may not be at a bottom for value under-performance, we are likely far closer to the end than not.³ Firstly, we examine the spread between the most expensive US stocks and the cheapest on a price/book basis. As we see below, this spread is at an all-time high going back over 50 years, surpassing the levels pre-GFC and at the height of the Tech Bubble. Over time the median spread has averaged 5.4x while as of Q1-20 it is at almost 12x!

Figure 1

Price-to-Book Spread, Academic Style
December 31, 1967 – March 31, 2020



Source: AQR, CRSP, XPressFeed. Please see Appendix for more detail on data and assumptions. For illustrative purposes only and not representative of any portfolio that AQR currently manages. Hypothetical data has inherent limitations, some of which are disclosed in the Appendix.

Some may argue that Price/Book is no longer a relevant metric given that some of the most successful companies today are capital light and carry far higher levels of intangibles than in decades past. However, if we look at the same spread between most expensive stocks and cheapest on a trailing P/E basis we see that it too is presently at the 100th percentile over the last 50+ years.



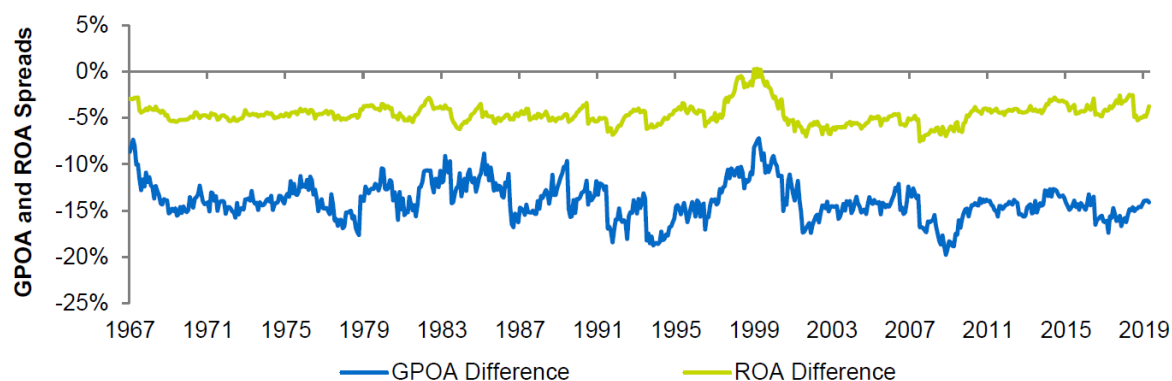
One may then argue that the metrics are skewed by the likes of Facebook, Apple, Netflix, Microsoft, Amazon and Google. However, even if we exclude tech, telecom and media stocks and examine the spread between most expensive and cheapest stocks for a composite of P/B, Price/Sales, Trailing P/E and Forecast P/E, the spread is at the 100th percentile of data going back to 1967.

Finally, we address the common refrain from many investors that value businesses classically defined are cheap because they deserve to be and that today's value companies are just lousier businesses than they have been historically. However, a review of the gross profitability and ROA of the cheapest companies on a P/B basis minus that of the most expensive reveals that this argument holds no weight. The median spread in gross profitability over the last 50+ years has been (14)% (27% for the cheap value stocks compared to 41% for the expensive stocks) and as of Q1-20 it stood right at the median of (14)%. For ROA, the median spread has been (5)%, while today it is at (4)%, so cheap stocks are at a relatively higher ROA than they have been historically.

Figure 10

Gross Profitability and Return-on-Assets Spreads, Equal-Weighted Top 1000 Stocks, Industry-Neutral, Price-to-Book Sort

December 31, 1967 – March 31, 2020



Source: AQR, CRSP, XPressFeed. Please see Appendix for more detail on data and assumptions. For illustrative purposes only and not representative of any portfolio that AQR currently manages. Hypothetical data has inherent limitations, some of which are disclosed in the Appendix.

With growth stocks generally at historically high valuations compared to value stocks the onset of a recession will likely expose the cyclicity of key growth sectors such as digital advertising and consumer discretionary spending, which are ultimately tied to economic growth, thus providing the catalyst for a significant re-rating of this critical driver of index returns.

In our view, the death of value investing has been greatly exaggerated. Fundamentally, value investors take advantage of behavioural biases which most investors exhibit to varying degrees. Herd behaviour, recency bias, a short-term focus and representativeness are a few examples of behavioural biases that we as value investors look to exploit. These fundamental human biases have not been eradicated nor are they likely to be in the near future.

The last time that value underperformed growth for such an extended period was arguably 1926-41 which, similar to the present Digital Age, was marked by a technological revolution brought on by mass production, autos and oil.⁴ In the ensuing 6+ decades value stocks would dramatically out-perform growth stocks by an average of 4-6% per annum.

While history doesn't repeat, it often rhymes.



Notes:

- 1) https://www.wsj.com/articles/techs-stock-market-takeover-reaches-new-heights-11596985224?st=03g3zk3r21rpjjh&reflink=article_email_share
- 2) <https://www.barrons.com/articles/fed-is-pushing-junk-bond-yields-ratings-below-3-51597096159?st=1tk6rvpzoiz15kl>
- 3) <https://www.aqr.com/Insights/Perspectives/Is-Systematic-Value-Investing-Dead>
- 4) <https://osam.com/Commentary/value-is-dead-long-live-value>



Information about the Investment Manager

ACVF Management Pty Ltd (ACN 602 230 375) (the **Manager**) is a wholly-owned subsidiary of AWN Holdings 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 <https://arowanaco.com/arowana-cvf/>.



Directors' Report for the year ended 30 June 2020

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 2020 ('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 Vice-Chairperson) and Kien Khan (Kent) Kwan (Independent Chairman). The company secretary is Tom McDonald.

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 AWN Holdings Limited.

Review and results of operations

COVID-19 has brought upon significant challenges for global equity markets. During the period the Manager increased its monitoring processes considering the heightened volatility being experienced. The Manager has continued to invest judiciously in accordance with its governing documents and is acutely aware of the on-going impact and uncertainty of COVID-19.

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 loss before income tax for the reporting period was (\$10,588,748) (2019: profit \$568,231). The loss after income tax for the reporting period was (\$7,365,739) (2019: profit of \$466,254), reflecting a loss 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 (0.11) cents (2019: 0.01 cents)(refer to note 15).



Directors' Report

Contrarian Value Fund Limited

For the year ended 30 June 2020

For the reporting period ended 30 June 2020

	\$
Profit/(Loss) before income tax expense	(10,588,748)
Income tax expense	3,223,009
Profit after income tax attributable to the owners of the Company	(7,365,739)
Weighted average number of shares	69,197,477

Net Tangible Assets Backing (NTA) per share

As at 30 June 2020

	Chapter 19 NTA reporting \$/share	IFRS NTA Reporting \$/share
NTA per share, before providing for estimated tax associated with unrealised portfolio positions (\$/share)	0.9593	0.9612
NTA per share, after providing for estimated tax associated with unrealised portfolio positions (\$/share)	0.9935	0.9955

NTA reporting 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.

		Amount per security	Franked amount per security
Dividends (distributions)			
Final Dividend - 2019, paid 19 Nov 2019		0.050	0.050
Cash	\$2,878,016		
Dividend Reinvestment Plan	\$594,048		
Monthly Dividend - 2019, paid 16 Dec 2019		0.00458	0.00458
Cash	\$265,247		
Dividend Reinvestment Plan	\$52,794		
Monthly Dividend - 2020, paid 17 Jan 2020		0.00458	0.00458
Cash	\$259,773		
Dividend Reinvestment Plan	\$54,135		
Monthly Dividend - 2020, paid 18 Feb 2020		0.00458	0.00458
Cash	\$261,178		
Dividend Reinvestment Plan	\$52,970		



Directors' Report

Contrarian Value Fund Limited

For the year ended 30 June 2020

Dividends (distributions)		Amount per security	Franked amount per security
Monthly Dividend - 2020, paid 19 Mar 2020		0.00458	0.00458
Cash	\$262,636		
Dividend Reinvestment Plan	\$51,752		
Monthly Dividend - 2020, paid 20 Apr 2020		0.00458	0.00458
Cash	\$259,996		
Dividend Reinvestment Plan	\$54,643		
Monthly Dividend - 2020, paid 18 May 2020		0.005	0.005
Cash	\$275,893		
Dividend Reinvestment Plan	\$67,980		
Monthly Dividend - 2020, paid 16 Jun 2020		0.005	0.005
Cash	\$272,385		
Dividend Reinvestment Plan	\$71,944		

At the date of this report the Company had declared two monthly dividends of \$0.005 per share (fully franked) for the months of May and June 2020. The monthly dividends were paid on 16 July 2020 and 17 August 2020 respectively.

Significant changes in state of affairs

Apart from the impacts of COVID-19 on financial markets, there were no other significant changes in the state of affairs during the reporting period.

Events occurring after the reporting period

On 2 July 2020 the Company announced the payments and dividends previously declared remain unaffected, the dividends relate to the period of May and June 2020, the payment of these dividends occurred on 16 July 2020 and 17 August 2020 respectively.

On 25 August 2020 a dividend was declared of 1.5 cents per share (100% franked) payable on 30 September 2020.

Apart from the uncertainty associated with the COVID-19 pandemic, there are no events that have arisen since 30 June 2020 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



Directors' Report

Contrarian Value Fund Limited

For the year ended 30 June 2020

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 environmental regulations under a Commonwealth, State or Territory Law.

Information on Directors and Company Secretary

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
Kien Khan (Kent) Kwan	Independent Chairman	9 Oct 2014
John Moore AO	Independent Director	9 Oct 2014
Victoria Guy	Independent Vice-Chairperson	13 Nov 2014
Tom Bloomfield	Joint Company Secretary	9 Oct 2014 (resigned 14 August 2020)
Laura Newell	Joint Company Secretary	27 February 2018 (resigned 14 August 2020)
Tom McDonald	Company Secretary	14 August 2020

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 AWN Holdings Limited, Arowana Partners Group and Arowana Capital (where he was a co-founder).

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 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



Directors' Report

Contrarian Value Fund Limited

For the year ended 30 June 2020

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

- AWN Holdings Limited
- VivoPower International PLC

Former directorships of listed companies in the last 3 years

None

Special responsibilities

Kevin is a Co-Portfolio Manager for CVF and works closely 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 AWN Holdings Limited 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 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 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

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 several Australian companies, including AWN Holdings 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

None

Former directorships of listed companies in the last 3 years

- Herencia Resources Limited

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.



Directors' Report

Contrarian Value Fund Limited

For the year ended 30 June 2020

Tom McDonald

Tom was appointed to the position of Company Secretary on 14 August 2020. With over 8 years' professional experience, Tom is a qualified Chartered Accountant and an Affiliate member of the Governance Institute of Australia. Following a cadetship with KPMG during university, Tom has held finance roles in both publicly listed and private businesses in Brisbane and Sydney.

Meetings of Directors

The number of meetings of the Company's Board of Directors held during the year ended 30 June 2020 and the numbers of meetings attended by each director were:

Board Meetings		
	A	B
Kevin Chin	13	14
Kien Khan (Kent) Kwan	14	14
John Moore AO	9	14
Victoria Guy	14	14

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 Audit) or its network firms for non-audit services provided during the reporting period are set out below.



Directors' Report

Contrarian Value Fund Limited

For the year ended 30 June 2020

For the year ended 30 June	2020	2019
Non-audit services		
Taxation services – PKF(NS) Tax Pty Limited	15,020	4,500
Total remuneration for non-audit services	15,020	4,500

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 17 August 2020:

Name	Ordinary Shares
Kevin Chin	2,205,679
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 23.

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.



Directors' Report

Contrarian Value Fund Limited

For the year ended 30 June 2020

For the reporting period ended 30 June 2020			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
Kent Kwan	Independent Chairman	9 Oct 2014	\$27,397	\$2,603	\$30,000
John Moore AO	Independent Director	9 Oct 2014	\$27,397	\$2,603	\$30,000
Victoria Guy	Independent Vice- Chairperson	13 Nov 2014	\$27,397	\$2,603	\$30,000

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
Kent Kwan	Independent Chairman	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 Vice- Chairperson	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



Directors' Report

Contrarian Value Fund Limited

For the year ended 30 June 2020

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.

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 Remuneration 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 2020, 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.

AKP

PKF BRISBANE AUDIT



LIAM MURPHY

PARTNER

AT BRISBANE, 25 AUGUST 2020

Statement of Profit or Loss and Other Comprehensive Income

Contrarian Value Fund Limited

For the year ended 30 June 2020

Statement of Profit or Loss and Other Comprehensive Income

For the reporting year ended 30 June		2020	2019
	Note	\$	\$
<i>Revenue from ordinary activities</i>			
Interest income		147,735	285,378
Dividend income	3	372,679	253,985
Other income		2,009	49,468
Net fair value gains/(losses) on financial assets held at fair value through profit or loss	6	(6,566,543)	771,431
Total revenue/(loss)		(6,044,120)	1,360,262
Other gains/(expenses) - Gain/(Loss) on foreign exchange		(2,169,838)	1,240,945
<i>Expenses</i>			
Management fees	17(d)	(798,004)	(914,886)
Directors' fees	17(a)	(90,000)	(90,000)
Professional fees		(413,950)	(159,829)
Compliance and governance expenses		(213,775)	(203,964)
Other expenses		(859,061)	(664,297)
Total expenses		(2,374,790)	(2,032,976)
Profit/(loss) before income tax expense		(10,588,748)	568,231
Income tax (expense)/benefit	4(a)	3,223,009	(101,977)
Profit/(loss) after income tax for the period attributable to the owners of the Company		(7,365,739)	466,254
Other comprehensive income for the period attributable to the owners of the Company		-	-
Total other comprehensive income for the period attributable to the owners of the Company		(7,365,739)	466,254
<i>Earnings per share for profit/(loss) after income tax attributable to the owners of the ordinary shares of the Company</i>			
Basic (cents per share)	15	(0.11)	0.01
Diluted (cents per share)	15	(0.11)	0.01

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		2020	2019
<i>Assets</i>	Note	\$	\$
<i>Current assets</i>			
Cash and cash equivalents	7	31,023,130	58,025,527
Receivables	8	1,144,428	101,710
Total current assets		32,167,558	58,127,237
<i>Non-current assets</i>			
Financial assets held at fair value through profit or loss	9(a)	33,987,398	34,430,645
Loan to ACVF Management Pty Ltd	9(b)	500,000	-
Total non-current assets		34,487,398	34,430,645
Total assets		66,654,956	92,557,882
<i>Liabilities</i>			
<i>Current liabilities</i>			
Payables	11	91,582	366,578
Dividend payables	14	690,015	-
Financial liabilities held at fair value through profit or loss	9(c)	-	6,592,693
Income tax payable/(asset)	4(d)	(406,153)	305,992
Total current liabilities		375,444	7,265,263
<i>Non-current liabilities</i>			
Deferred tax (assets) and liabilities - net	10	(2,361,633)	1,108,396
Total non-current liabilities		(2,361,633)	1,108,396
Total liabilities		(1,986,189)	8,373,659
Net assets		68,641,145	84,184,223
<i>Equity</i>			
Contributed equity	12	67,543,125	69,295,060
Retained profits		(10,156,349)	14,889,163
Dividend distribution reserve	13	11,254,369	-
Total equity		68,641,145	84,184,223

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



Statement of Changes in Equity

Contrarian Value Fund Limited

For the year ended 30 June 2020

Statement of Changes in Equity

		Contributed equity	Retained profits	Dividend distribution reserve	Total equity
	Note	\$	\$	\$	\$
Balance at 30 June 2018		68,294,100	13,726,516	5,239,916	87,260,532
Profit after tax for the reporting period 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:					
Transfer to retained earnings during the year	13	-	5,239,916	(5,239,916)	-
Contributed equity (net of transaction costs and taxes) (DRP net of share buyback)	12	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
Profit/(loss) after tax for the reporting period attributable to the owners of the Company		-	(7,365,739)	-	(7,365,739)
Other comprehensive income		-	-	-	-
Total comprehensive income for the reporting period attributable to the owners of the Company		-	(7,365,739)	-	(7,365,739)



Statement of Changes in Equity

Contrarian Value Fund Limited

For the year ended 30 June 2020

		Contributed equity	Retained profits	Dividend distribution reserve	Total equity
Transactions with owners in their capacity as owners:					
Transfer from retained earnings during the year	13		(13,575,761)	13,575,761	-
Contributed equity (net of transaction costs and taxes) (DRP net of share buyback)	12(d)	(1,751,935)	-	-	(1,751,935)
Dividend paid or payable	14	-	(4,104,012)	(2,321,392)	(6,425,404)
Balance at 30 June 2020		67,543,125	(10,156,349)	11,254,369	68,641,145

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



Statement of Cash Flows

Contrarian Value Fund Limited

For the year ended 30 June 2020

Statement of Cash Flows

For the year ended 30 June		2020	2019
<i>Cash flows from operating activities</i>	Note	\$	\$
Proceeds from sale of financial assets held at fair value through profit or loss		45,912,038	61,056,286
Payments for purchase of financial assets held at fair value through profit or loss		(60,256,383)	(18,794,944)
Interest received		150,146	287,236
Dividends received		353,779	253,985
Other income received		2,009	49,470
Custody fees paid		-	(44,081)
Payment of other operating expenses		(2,547,660)	(6,872,297)
Income tax paid		(959,165)	(8,064,882)
Net cash inflow (outflow) from operating activities	19(a)	(17,345,236)	27,870,773
<i>Cash flows from financing activities</i>			
On-market share buy-back	13	(2,752,203)	(235,351)
Proceeds from dividend reinvestment plan	13	1,000,268	1,236,310
Payment of dividend	14	(5,735,389)	(4,543,523)
Net cash outflow from financing activities		(7,487,324)	(3,542,564)
<i>Net increase/(decrease) in cash and cash equivalents</i>		(24,832,560)	24,328,209
Cash and cash equivalents at beginning of the period		58,025,527	32,456,373
Effect of foreign currency translation		(2,169,837)	1,240,945
Cash and cash equivalents at the end of the period	19(b)	31,023,130	58,025,527

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 25 August 2020.

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 financial statements have 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 based on 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 complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Impacts of COVID-19

The onset of the COVID-19 pandemic has had a substantial impact on equity capital markets with significant volatility in security prices as a result of economic uncertainty. Given the continuing and evolving impact of COVID-19 on global financial markets, this volatility is expected to continue in the near term.

The Company has given thorough consideration as to the impacts of COVID-19 and the underlying valuation of the portfolio. The Manager has conducted an in-depth systematic analysis of the portfolio's holdings to evaluate the underlying fundamentals of each in a post-COVID-19 environment.

Given the Company deals with listed securities which are valued on a mark-to-market basis, there is no estimation uncertainty in relation to the carrying value of the Company's portfolio as at 30 June 2020.

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.

Loans and receivables/payables

Loans and receivables/payables are non-derivative financial assets/liabilities with fixed or determinable payments that are not quoted in an active market. This category includes short term receivables/payables.

(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.

Loans and receivables/payables

Loans and receivables/payables are measured initially at fair value plus transaction costs.

Subsequently, loans are carried at amortised cost using the effective interest method, less impairment losses, if any. Short-term receivables/payables are carried at their initial fair values.

(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 occasionally 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. During the year ended 30 June 2020 the Company closed out all short positions.

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 and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates applicable to the Company. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction that at the time of the transaction did not affect either accounting or taxable profit or loss.

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 financial statements 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 financial statements 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.

Judgement has been exercised in considering the impacts that the COVID-19 pandemic has had, or may have, on the Company based on known information. This consideration extends to the recognition of receivables and payables, valuation of assets and impacts on investments. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at reporting date or subsequently as a result of the COVID-19 pandemic.

(i) Deferred Tax Asset

Deferred tax is calculated at the tax rate that is expected to apply in the period when the asset is realised or liability is settled. Deferred tax is credited in profit or loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account assumes that no adverse change will occur in income tax legislation and anticipates that there will be future taxable gains available against which the deferred tax assets can be utilised.

*p) New and amended standards adopted by the Company**(i) AASB 16 Leases*

AASB 16 *Leases*, issued in February 2016, includes significant changes for lease accounting, particularly for lessees. For lessees, almost all leases go on the statement of financial position as the distinction between operating and financing leases has been removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exemptions from this are short-term and low-value leases. The accounting for lessors has not significantly changed.

This standard is effective for annual reporting periods beginning on or after 1 January 2019. This standard has been considered and does not have a material impact on the Company's accounting policies nor the amounts recognised in the financial statements.

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	2020	2019
	\$	\$
Dividends received	372,679	253,985

4. Income tax expense/(benefit)

For the year ended 30 June	2020	2019
	\$	\$
(a) Income tax expense/(benefit) recognised in profit or loss		
Current income tax expenses	291,377	5,042,989
Deferred tax expense/(benefit)	(3,514,386)	(4,941,012)
	(3,223,009)	101,977

Notes to Financial Statements

Contrarian Value Fund Limited

For the year ended 30 June 2020

For the year ended 30 June	2020	2019
	\$	\$
(b) Income tax expense is attributable to		
Profit/(loss) from continuing operations	3,223,009	(101,977)
	3,223,009	(101,977)
(c) Deferred income tax expense/(benefit) included in the income tax expenses comprises:		
(Increase)/decrease in deferred tax assets	(3,527,454)	1,565,129
Increase/(decrease) in deferred tax liabilities	13,069	(6,506,141)
	(3,514,385)	(4,941,012)
(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	(10,588,748)	568,231
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2019: 30%)	(3,176,624)	170,469
Add:		
Tax effect of		
- Non-deductible expenditure	-	-
- Other assessable items	(10,843)	(49,316)
Less:		
Tax effect of		
- Other allowable items	-	-
- Under/(over) provision for income tax in prior year	22,546	(1,047)
Franking credits	(58,088)	(18,129)
Losses not previously recognised	-	-
Income tax attributable to entity	(3,223,009)	101,977
Effective rate of income tax	30%	18%
Current income tax expense	291,377	5,042,989
Paid	697,530	4,736,997
Payable	(406,153)	305,992
	291,377	5,042,989

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	2020	2019
	\$	\$
(a) Audit and other assurance services		
Audit and review of financial statements and other audit related work under the <i>Corporations Act 2001</i>	31,000	30,000
Total remuneration for audit and assurance services	31,000	30,000
(b) Other non-audit services		
Taxation services – PKF(NS) Tax Pty Limited	15,020	4,500
Total remuneration for other non-audit services	15,020	4,500
Total remuneration for PKF	46,020	34,500

6. Net fair value 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	2020	2019
	\$	\$
Net fair value gains/(losses) on financial assets held at fair value through profit or loss	(6,566,543)	771,431

7. Cash and cash equivalents

As at 30 June	2020	2019
	\$	\$
Cash at bank - AUD account	11,401,874	41,256,000
Cash at bank - CAD account	-	1,963,677
Cash at bank - EUR account	11,161	841
Cash at bank - GBP account	53,007	-
Cash at bank - JPY account	-	1,095
Cash at bank - SGD account	(68)	-
Cash at bank - USD account	19,557,156	1,083,914
Cash at bank - collateral for borrowed securities (refer note 2(c))	-	13,720,000
Total cash and cash equivalents	31,023,130	58,025,527

8. Receivables

As at 30 June	2020	2019
	\$	\$
Trade receivables	874,486	-
Dividends receivable	18,900	-
Accrued interest	731	3,142
Prepayments	185,215	72,492
GST claimable	65,096	26,076
Total receivables	1,144,428	101,710

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	2020	2019
	\$	\$
Designated at fair value through profit or loss		
Investment in listed securities at fair value through profit or loss	33,987,398	34,430,645

Notes to Financial Statements

Contrarian Value Fund Limited

For the year ended 30 June 2020

(b) Financial assets

As at 30 June	2020	2019
	\$	\$
Loan to ACVF Management Pty Ltd	500,000	-

The Manager loan is an unsecured loan advanced to ACVF Management Pty Ltd ("ACVFM"). ACVFM may use the loan for working capital purposes to the extent they relate to the on-going strategic review of the Fund. ACVFM will pay the interest on the loan every six months from the initial drawdown date (18 December 2019) at a rate of 5.5% per annum. The loan facility is capped at \$500,000 and is repayable in full on the 5th anniversary of the initial drawdown date. The facility was approved by the Board at its meeting on the 18th December 2019.

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

As at 30 June	2020	2019
	\$	\$
Designated at fair value through profit or loss		
Financial liabilities on borrowed securities held at fair value through profit or loss	-	6,592,693

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	2020	2019
	\$	\$
Deferred tax liabilities - net consist of:		
Deferred tax assets (a)	2,361,633	46,882
Deferred tax liabilities (b)	-	(1,155,278)
Deferred tax assets/(liabilities) - net	2,361,633	(1,108,396)

(a) Deferred tax assets

As at 30 June	2020	2019
	\$	\$
The balance comprises temporary differences attributable to:		
Capital raising cost	-	13,069
Other timing differences	2,361,633	33,813

Notes to Financial Statements

Contrarian Value Fund Limited

For the year ended 30 June 2020

As at 30 June	2020	2019
Total deferred tax assets	2,361,633	46,882
Movements		
Opening balance	46,882	1,564,672
Charged to profit or loss	3,527,454	(1,565,129)
Under/(Over) provision	(1,212,703)	47,339
Closing balance at 30 June	2,361,633	46,882

(b) Deferred tax liabilities

As at 30 June	2020	2019
	\$	\$
The balance comprises temporary differences attributable to:		
Unrealised gain on financial assets held at fair value through profit or loss	-	1,155,278
Total deferred tax liabilities	-	1,155,278
Movements		
Opening balance	1,155,280	7,604,825
Charged to profit or loss	(13,069)	(6,506,141)
Under/(Over) provision	(1,142,211)	56,596
Closing balance at 30 June	-	1,155,280

11. Payables

As at 30 June	2020	2019
	\$	\$
Trade payables (note 16(e))	-	253,869
Accrued expenses	91,582	112,709
Total payables	91,582	366,578

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 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
(b) Movements in shares on issue FY 2019		
Opening balance	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
(c) Contributed equity FY 2020		
Share capital - fully paid ordinary shares	67,588,167	68,953,308
Capital raising costs	(45,042)	-
Balance at 30 June 2020	67,543,125	68,953,308
(d) Movements in shares on issue FY 2020	\$	No.
Opening balance	69,295,060	70,566,275
Dividend reinvestment plan ¹	1,000,268	1,062,033
On-market share buy-back ²	(2,752,203)	(2,675,000)
Closing balance - 30 June 2020	67,543,125	68,953,308

¹ The company has established a dividend reinvestment plan under which holders of ordinary shares can elect to have all their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash. Shares are issued under the plan are based on the 10 day weighted average cost price beginning on the second trading day after the record date.

² On 24 August 2017 the Company announced an on-market buy-back of up to 10% of its issued capital. The buyback was subsequently extended for a further 12 months on 7 September 2018 and 20 August 2019. In the period between 1 July 2019 and 30 June 2020 the Company bought back 2,675,000 shares for a total cost of \$2,752,203 which equates to an average price of \$0.97 per share.

(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

The Board decided to transfer the retained earnings of the Company back into the dividend distribution reserve to preserve these funds for future dividend payments. Retained earnings were transferred on 1 January 2020, as such the dividends paid or payable amount reflects dividends which were declared post-1 January 2020.

Dividend distribution reserve	2020	2019
	\$	\$
Opening balance		5,239,916
Transferred to retained earnings	-	(5,239,916)
Transferred from retained earnings	13,575,761	-
Dividends paid or payable since 1 January 2020 ¹	(2,321,392)	-
Closing balance at 30 June	11,254,369	-

¹ Given the balance of retained earnings was moved on 1 January 2020, only the dividends declared after this date have been deducted from the dividend distribution reserve. This amount also includes the two dividends declared prior to 30 June 2020 but paid on 16 July 2020 and 17 August 2020.

14. Dividends paid

For the year ended 30 June	2020	2019
	\$	\$
Final		
- Cash paid 19 Nov '19 (2019: 5 Oct '18)	2,878,016	2,266,784
- Dividend Reinvestment Plan 19 Nov '19 (2019: 5 Oct '18)	594,048	868,463
Monthly		
- Cash paid 16 Dec '19	265,247	-
- Dividend Reinvestment Plan 16 Dec '19	52,794	-
Monthly		
- Cash paid 17 Jan '20	259,773	-
- Dividend Reinvestment Plan 17 Jan '20	54,135	-

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Contrarian Value Fund Limited

For the year ended 30 June 2020

For the year ended 30 June		2020	2019
		\$	\$
Monthly	- Cash paid 18 Feb '20	261,178	-
	- Dividend Reinvestment Plan 18 Feb '20	52,970	-
Monthly	- Cash paid 19 Mar '20	262,636	-
	- Dividend Reinvestment Plan 19 Mar '20	51,752	-
Monthly	- Cash paid 20 Apr '20	259,996	-
	- Dividend Reinvestment Plan 20 Apr '20	54,643	-
Monthly/	- Cash paid 18 May '20 (2 May '19)	275,893	1,040,428
(Interim)	- Dividend Reinvestment Plan 18 May '20 (2019: 2 May '19)	67,980	367,848
Monthly	- Cash paid 16 Jun '20	272,385	-
	- Dividend Reinvestment Plan 16 Jun '20	71,944	-
Total dividend paid		5,735,389	4,543,523
Monthly	- Dividend payable 16 July '20	344,766	-
Monthly	- Dividend payable 17 Aug '20	345,249	-
Total dividend payable		690,015	-
Total dividend paid or payable		6,425,404	4,543,523

15. Earnings per share

For the year ended 30 June		2020	2019
		\$	\$
(a) Earnings			
Profit after income tax attributable to the owners of the Company		(7,365,739)	466,254
Earnings used in calculating basic and diluted earnings per share		(7,365,739)	466,254
(b) Earnings per share			
Basic earnings per share (cents)		(0.11)	0.01
Diluted earnings per share (cents)		(0.11)	0.01
(c) Number of shares			
Weighted average number of shares used in the calculation of basic earnings per share		69,197,477	70,247,854
Weighted average number of shares used in the calculation of diluted earnings per share		69,197,477	70,247,854

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	2020	2019
	\$	\$
Financial Assets – securities at fair value through profit or loss*	34,487,398	34,430,645
Financial Liabilities – borrowed securities at fair value through profit or loss*	-	(6,592,693)
Cash and cash equivalents	31,023,130	58,025,527

* 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 2020 securities totalling \$0 (2019: \$6,592,693) 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 2020, 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 2020	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)	3,398,740	(3,398,740)

(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 2020, in AUD equivalent amounts, is set out below:

	EUR	GBP	SGD	USD
Cash	11,161	53,007	(68)	19,557,156
Receivables	-	-	-	878,505
Securities	4,066,342	7,496,551	1,273,152	13,452,309
Liabilities	-	-	-	-
Net Assets	4,077,503	7,549,558	1,273,084	33,887,970

The following significant exchange rates applied during the current year ended 30 June 2020:

	Average rate	Reporting date spot rate
EUR/AUD	0.6067	0.6130
GBP/AUD	0.5329	0.5572
SGD/AUD	0.9282	0.9605
USD/AUD	0.6716	0.6885

(iii) Interest rate risk

There were no significant direct interest rate risks in the Company as at 30 June 2020.

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 2020.

(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.

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Contrarian Value Fund Limited

For the year ended 30 June 2020

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	2020	2019
	\$	\$
Consumer discretionary	11,689,570	2,994,873
Consumer staples	1,273,152	3,476,601
Energy	-	2,592,000
Financials	12,262,891	-
Industrials	4,066,342	4,383,684
Information Technology	-	3,965,949
Others	4,695,443	10,424,845

(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	91,582	-	-	-
Total financial liabilities – contractual cash flows	91,582	-	-	-

(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 (by class) measured at fair value according to the fair value hierarchy at the reporting date.

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Contrarian Value Fund Limited

For the year ended 30 June 2020

At 30 June 2020	Level 1	Level 2	Level 3
	\$	\$	\$
Financial assets held at fair value through profit or loss			
Listed equities	33,987,398	-	-
Total	33,987,398	-	-

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.

For details of remuneration disclosures relating to key management personnel, refer to the table below and also the remuneration report (audited) in the directors' report.

At 30 June 2020	Short term benefits	Post-employment benefits	Total
	\$	\$	\$
Directors	82,191	7,809	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 Manager loan is an unsecured loan advanced to ACVF Management Pty Ltd ("ACVFM"). ACVFM may use the loan for working capital purposes to the extent they relate to the on-going strategic review of the Fund. ACVFM will pay the interest on the loan every six months from the initial drawdown date (18 December 2019) at a rate of 5.5% per annum. The loan facility is capped at \$500,000 and is repayable in full on the 5th anniversary of the initial drawdown date. The facility was approved by the Board at its meeting on the 18th December 2019.

(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 reporting period ended 30 June 2020 was \$798,004 (2019: \$914,886) (exclusive of GST) pursuant to the management agreement. As at 30 June 2020, \$55,973 (exclusive of GST) remains unpaid. As at 30 June 2020, there is nil performance fee payable to ACVF Management Pty Ltd (2019: \$nil).

(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:

Notes to Financial Statements

Contrarian Value Fund Limited

For the year ended 30 June 2020

Securities in the Company as at 30 June 2020	Number of shares held opening	Number of shares held closing	Fair value of investment	Interest held	Dividends FY2020 paid/ payable by the Company
Shareholders	(units)	(units)	\$	%	\$
The Octagon Foundation Pty Ltd (a)	1,180,000	852,822	844,294	1.24	79,227.16
181 Foundation Group Pty Ltd (b)	820,000	830,540	822,235	1.20	77,157.17
Kevin Tser Fah Chin	2	2	2	-	0.19
Alnilum Pty Limited (c)	150,000	150,000	148,500	0.22	13,935.00
K2 Horizon Pty Ltd (c)	50,000	50,000	49,500	0.07	4,645.00
Ralsten Pty Ltd (d)	200,000	200,000	198,000	0.29	18,580.00
Penseur Pty Ltd (e)	241,125	241,125	238,714	0.35	22,400.51
Total	2,641,127	2,324,489	2,301,244	3.36	215,945

(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	2020	2019
	\$	\$
(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	(7,365,739)	466,254
Unrealised foreign exchange (gain)/ loss	2,169,837	(1,240,945)
Unrealised (gain)/loss on financial assets and liabilities held at fair value through profit or loss	9,171,460	21,585,599
Net change in financial assets and liabilities held at fair value through profit or loss	(16,949,261)	19,991,819
Net change in receivables and other assets	(168,232)	(49,709)
Net change in deferred tax liabilities	(3,470,029)	(4,931,757)
Net change in payables and other liabilities	(733,272)	(7,950,488)
Net cash inflow/(outflow) from operating activities	(17,345,236)	27,870,773
(b) Components of cash and cash equivalents		
Cash as at the end of the reporting period as shown in the statement of cash flows is reconciled to the statement of financial position as follows:		
Cash and cash equivalents	31,023,130	58,025,527
(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

<i>As at 30 June</i>	2020	2019
	\$	\$
Net assets per financial statements	68,641,145	84,184,223
Adjustment for net deferred tax (asset)/liability	(2,361,633)	1,108,396
Net tangible assets per financial statement	66,279,512	85,292,619
Expected costs to be incurred in realising proceeds of asset disposals (non-IFRS)	(135,950)	(126,305)
Net tangible assets before providing for estimated tax associated with unrealised portfolio position	66,143,562	85,166,314
Provision for estimated tax on unrealised gains (non -IFRS)	2,361,633	(1,141,384)
Net tangible assets for ASX reporting	68,505,195	84,024,930
<i>Number of ordinary shares on issue at reporting date</i>	68,953,308	70,566,275

	Chapter 19 NTA reporting¹	IFRS NTA reporting¹
	\$/share	\$/share
	\$	\$
NTA per share, before providing for estimated tax associated with unrealised portfolio positions (\$/share)	0.9593	0.9612
NTA per share, after providing for estimated tax associated with unrealised portfolio positions (\$/share) ²	0.9935	0.9955

¹ NTA reporting is calculated in accordance with the definitions in Chapter 19 of the ASX Listing Rules. The difference between NTA reporting under Chapter 19 versus IFRS reporting relates to the inclusion of theoretical brokerage costs which are likely to be incurred in the instance the entire portfolio was disposed of.

² The Company is required to estimate the tax that may arise should the entire portfolio be disposed of on the above date and show the result per share after deducting this theoretical provision. Generally, any such tax would generate franking credits, whose value would not be lost but rather transferred to shareholders on payment of franked dividends. At the current time, this would not be the case as the fund has unrealised net losses on its holdings which would generate tax losses, these tax losses could be offset against future taxable profits.

21. Events occurring after the reporting period

On 2 July 2020 the Company announced that the payments and dividends previously declared remain unaffected, the dividends relate to the period of May and June 2020, the payment of these dividends occurred on 16 July 2020 and 17 August 2020 respectively.

On 25 August 2020 a dividend was declared of 1.5 cents per share (100% franked) payable on 30 September 2020.

Apart from the uncertainty associated with the COVID-19 pandemic, there are no events that have arisen since 30 June 2020 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.

22. Contingent assets and liabilities and commitments

As announced to the market during the financial year, the Independent Directors have been engaging in a detailed strategic review of the Company. The intention of the review is to provide Shareholders with an opportunity to vote on the future direction of the Company.

One option that will likely be presented to shareholders will be the termination of the Investment Management Agreement and a wind up of the Company. As at the date of this report, the intention remains unchanged while Directors monitor the impact of COVID-19 and await the outcome of an ATO ruling regarding the availability of franking credits in the event of a wind-up.

On 5 June 2020, the Company announced a Strategic Review Update, part of this update noted that legal advice received by the Independent Directors confirmed that, in the event of a wind-up, a termination fee would be payable to the Manager. At the time of signing, the quantum of any termination fee has not been negotiated and, in the first instance, is contingent upon a successful vote by shareholders to wind-up the Company.

The financial statements have been prepared on the going concern basis of accounting based on the declaration of Directors that they do not intend to liquidate the Company or to cease operations, nor do they believe that they have no realistic alternative but to do so. However, over the next 12 months it is expected that the Directors will present an option to wind-up the Company to shareholders. The Company's ability to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements is contingent upon the outcome of that meeting of shareholders.

No adjustments have been made relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should shareholders vote to wind up the company at a future meeting.

There are no outstanding commitments and contingent assets as at 30 June 2020.

Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 29 to 54 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 2020 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 Chairman

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 2020, 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 of the Company.

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 2020 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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* 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 entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

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. These matters are 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 these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

1. Valuation of Financial Assets

Why significant

As at 30 June 2020 the Company recorded financial assets held at fair value through profit or loss of \$33,987,398 (2019: \$34,430,645) representing 51% of total assets of the Company.

As outlined in Note 2(b) and Note 9, the Company has designated its investments in listed entities, as financial assets held at fair value through profit and loss, in accordance with AASB 9 Financial Instruments.

This designation is dependent on how the financial assets are managed, and the carrying value relies on the availability of observable market data.

Further disclosures regarding risk exposures relating to financial assets at fair value through profit and loss are disclosed in Note 16.

How our audit addressed the key audit matter

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 held at fair value through profit or loss is consistent with how the financial assets 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 for current/deferred tax and realised/unrealised gains or losses;
- Testing, on a sample basis, the fair value measurement of the financial assets 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(b), Note 9 and Note 16 with the disclosure requirements of the Australian Accounting Standards.

2. Deferred Tax Asset Recognition

Why significant

As disclosed in Note 10, the Company held significant deferred tax assets \$2,361,633 at 30 June 2020 (30 June 2019: net deferred tax liability of \$1,108,396).

The deferred tax asset balance arose largely in relation to unrealised fair value losses recognised this year on funds under management as a result of the volatility in the equity market due to COVID-19.

AASB 112 *Income Taxes* states that a deferred tax asset shall be recognised for unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

This area is a key audit matter due to the degree of judgement required in assessing management's estimates of future taxable profits to enable the assets to be realised.

How our audit addressed the key audit matter

Our procedures included, amongst others:

- Holding discussions with management to obtain an understanding of the policy applied for the recognition of deferred tax and assessment of taxable profitability of the Company in the near future;
- Evaluating management's forecast of future taxable income by assessing the key underlying assumptions such as future taxable income against historic performance and market trends;
- Assessing the competence and objectivity of management's tax expert used, to assist in the preparation of the valuation of the deferred tax asset;
- Checking the accuracy of input data and evaluating formulas and assumptions applied in the computation of the deferred tax asset;
- Utilising our internal taxation specialists to assist in this assessment of the determination of the tax bases; and
- Assessing the adequacy of the Company's disclosure in relation to the carrying value of deferred tax assets included in Note 2(o), Note 10 and Note 22.

Other Information

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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. We also

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- Obtain an understanding of internal control relevant to the audit 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 entity's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- 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 entity'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 entity to cease to continue as a going concern.

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the entity 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.

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, actions taken to eliminate threats or safeguards applied.

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 the 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

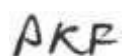
Opinion

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Contrarian Value Fund Limited for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.



PKF BRISBANE AUDIT



LIAM MURPHY
PARTNER

AT BRISBANE, 25 AUGUST 2020

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 17 August 2020.

Substantial shareholders

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

Shareholders	Number of shares
J P Morgan Nominees Australia Pty Limited	5,670,341

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	124	48,043	0.07%
1,001-5,000	192	612,223	0.89%
5,001-10,000	171	1,433,936	2.07%
10,001-100,000	1,016	35,731,740	51.67%
100,001 and over	80	31,327,587	45.30%
Total	1,583	69,153,529	100.00%

Additional Information for Listed Companies

Contrarian Value Fund Limited

For the year ended 30 June 2020

Twenty largest shareholders

Shareholders	Ordinary Number of Shares	Ordinary shares %
J P Morgan Nominees Australia Pty Ltd	5,670,341	8.20%
CS Third Nominees Pty Ltd	2,934,800	4.24%
Cogitator Pty Ltd	2,700,000	3.90%
HSBC Custody Nominees (Australia) Ltd	2,053,510	2.97%
181 Foundation Pty Ltd	1,342,171	1.94%
Contemplator Pty Ltd	940,000	1.36%
The Octagon Foundation Pty Ltd	863,506	1.25%
Noonbah Pty Ltd	600,000	0.87%
Ruminator Pty Ltd	566,222	0.82%
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%
OHJS Group Pty Ltd	491,271	0.71%
Perpetual Corporate Trust Ltd	444,363	0.64%
Finance Associates Pty Ltd	400,000	0.58%
Struan Pty Ltd	400,000	0.58%
BNP Paribas Nominees Pty Ltd	379,213	0.55%
Weltran Pty Ltd	300,000	0.43%
Ms Snezana Bowden	300,000	0.43%
John Osborn Superannuation Pty Ltd	281,460	0.40%
	22,166,857	32.03%

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.

Additional Information for Listed Companies

Contrarian Value Fund Limited

For the year ended 30 June 2020

Transactions & Brokerage

The Company had a total of 101 transactions (72 purchases and 29 sales) in securities during the reporting period and has paid brokerage totalling \$330,942.

Investments

At 30 June 2020 the Company held securities in the following companies:

- Corporate Travel Management
- Navigator Global Investments Limited
- Nine Entertainment Co Holdings
- Village Roadshow Limited
- Aena SME SA
- Haw Par Corp
- Bellway Plc
- Carnival Plc
- Persimmon Plc
- Taylor Wimpey Plc
- Alliancebernstein Holding LP
- Discovery Communications Inc - Series C
- Janus Henderson Group Plc
- Pershing Square Holdings Ltd