

7 December 2020

Company Announcements Office
ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Subject: AGM - Update on increased estimated return - Sale and Distribution Proposal

On 12 and 20 November 2020, the Directors of Contrarian Value Fund (“the Company” or “CVF”) released a Notice of Annual General Meeting (“NOM”) and Supplementary Notice respectively which give Shareholders an opportunity to vote on a Sale and Distribution Proposal at the Annual General Meeting to be held on 15 December 2020 (“AGM”). The Directors wish to provide Shareholders with an update in relation to the expected return and associated costs of the Sale and Distribution Proposal.

Due to the CVF portfolio’s material uplift in value in November and the Directors having negotiated some reduced costs, if the Sale and Distribution Proposal is approved, **the Directors estimate that CVF will distribute approximately \$1.07 per share¹ to Shareholders prior to 31 January 2021** (assuming the equities in the portfolio do not materially decrease in value between now and the time when they are sold). More information, including an updated return sensitivity table is set out below.

The Directors would like to remind Shareholders that the deadline for receipt of valid proxy forms is 4.00pm AEDT, this Sunday 13 December 2020. Shareholders are urged to lodge valid proxies or vote online by that time.

The Directors unanimously RECOMMEND Shareholders who are seeking to unlock value and wanting liquidity to:

- **VOTE FOR Resolutions 1 to 6 at the AGM; and**
- **VOTE AGAINST Resolutions 7 to 10 at the AGM.**

Update on estimated return on Sale and Distribution Proposal

The associated costs of the Sale and Distribution Proposal were initially noted to be:

- Termination Fee \$1,340,000
- Estimated Brokerage Costs \$155,000
- Estimated Operational Costs \$265,000

These amounts totalled \$1,760,000, which represented a cost of approximately \$0.025 per share.

¹ Inclusive of franking credits of \$0.0368 per share

Since the release of the NOM and Supplementary Notice, the Directors have been able to successfully negotiate a reduction in some of the costs originally disclosed. As of 7 December 2020, the update to the aforementioned costs is as follows:

- Termination Fee \$1,100,000
- Estimated Brokerage Costs \$85,000
- Estimated Operational Costs \$265,000

These amounts total \$1,450,000, which now represents a cost of approximately \$0.021.

For the avoidance of doubt, the majority of the estimated operational costs will exist whether the Sale and Distribution Proposal is approved or not at the AGM. The Directors have included these amounts to ensure that the estimated final return for Shareholders is fully transparent.

Furthermore, given the significant uplift in the portfolio value over November, there has been a material increase in the expected return to Shareholders under the Sale and Distribution Proposal. The below is an update of the sensitivity table as provided in the NOM released on 12 November 2020.

Sensitivity Analysis on costs associated with the Sale and Distribution proposal										
% change in equities portfolio	-10.0%	-7.5%	-5.0%	-2.5%	30-Nov-20	2.5%	5.0%	7.5%	10.0%	
Cash including unsettled trades (\$000)	28,794	28,794	28,794	28,794	28,794	28,794	28,794	28,794	28,794	
Equities (\$000)	40,407	41,529	42,652	43,774	44,897	46,019	47,141	48,264	49,386	
Total Gross Asset Value (\$000)	69,201	70,324	71,446	72,569	73,691	74,813	75,936	77,058	78,181	
NTA per share (\$)	1.00	1.01	1.03	1.04	1.06	1.08	1.09	1.11	1.13	
Estimated Franking Credits available for distribution (\$)	2,560	2,560	2,560	2,560	2,560	2,560	2,560	2,560	2,560	
NTA per share including franking credits (\$)	1.03	1.05	1.07	1.08	1.10	1.11	1.13	1.15	1.16	
Less:										
Termination Fees (\$000)	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	
Estimated Brokerage Costs (\$000)	85	85	85	85	85	85	85	85	85	
Estimated Operational Cost* (\$000)	265	265	265	265	265	265	265	265	265	
Estimated Realisable Net Asset Value (\$000)	70,311	71,434	72,556	73,679	74,801	75,923	77,046	78,168	79,291	
Estimated Return per share including franking credits (\$)	1.01	1.03	1.04	1.06	1.08	1.09	1.11	1.13	1.14	
Last Share Price as at 30 Nov 2020	\$1.01									
Shares on Issue as at 30 Nov 2020 ('000)	69,471									

After recent detailed tax advice and calculations from the Company's tax advisers, the franking credits available for distribution have decreased slightly to the value shown above. This represents a reduction of \$0.0035 per share from the initial estimate.

The Directors note the recent strong portfolio performance and the cost saving measures only enhance their belief that the Sale and Distribution Proposal is the strategic option which will provide Shareholders with **the most certainty of value and liquidity, in a timely manner.**

If the Sale and Distribution Proposal is approved, **the Directors estimate that CVF can distribute approximately \$1.07 per share to Shareholders prior to 31 January 2021** (assuming the equities in the portfolio do not materially decrease in value between now and the time when they are sold).

The Directors urge Shareholders to:

- **VOTE FOR RESOLUTIONS 1 TO 6 at the AGM**

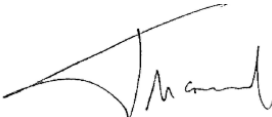
The Directors unanimously recommend Shareholders who are seeking to unlock value and wanting liquidity to vote FOR Resolutions 1 to 6.

Please note that for the Sale and Distribution Proposal to be passed - Resolutions 4, 5 and 6 are interdependent and each will only be approved if each of Resolutions 4, 5 and 6 is passed.

- **VOTE AGAINST THE ADDITIONAL RESOLUTIONS 7 TO 10 at the AGM**

The Directors unanimously recommend that Shareholders Vote AGAINST Resolutions 7 to 10 as they do not believe that these are in the best interests of the Company or its Shareholders.

On behalf of the Board of Contrarian Value Fund Limited,



Tom McDonald
Company Secretary