



**AROWANA AUSTRALASIAN VALUE
OPPORTUNITIES FUND LIMITED**

(“AWQ”)

Investor Presentation

November 2016

DISCLAIMER

The information contained in this Presentation or subsequently provided to the recipient whether orally or in writing by, or on behalf of Arowana Australasian Value Opportunities Fund Limited (AWQ) or any of its directors, officers, employees, agents, representatives and advisers (the Parties) is provided to the recipient on the terms and conditions set out in this notice.

The information contained in this Presentation has been furnished by the Parties and other sources deemed reliable but no assurance can be given by the Parties as to the accuracy or completeness of this information.

To the full extent permitted by law:

(a) no representation or warranty (express or implied) is given; and

(b) no responsibility or liability (including in negligence) is accepted,

by the Parties as to the truth, accuracy or completeness of any statement, opinion, forecast, information or other matter (whether express or implied) contained in this Presentation or as to any other matter concerning them.

To the full extent permitted by law, no responsibility or liability (including in negligence) is accepted by the Parties:

(a) for or in connection with any act or omission, directly or indirectly in reliance upon; and

(b) for any cost, expense, loss or other liability, directly or indirectly, arising from, or in connection with, any omission from or defects in, or any failure to correct any information, in this Presentation or any other communication (oral or written) about or concerning them.

The delivery of this Presentation does not under any circumstances imply that the affairs or prospects of AWQ or any information have been fully or correctly stated in this Presentation or have not changed since the date at which the information is expressed to be applicable. Except as required by law and the ASX listing rules, no responsibility or liability (including in negligence) is assumed by the Parties for updating any such information or to inform the recipient of any new information of which the Parties may become aware.

Notwithstanding the above, no condition, warranty or right is excluded if its exclusion would contravene the Competition and Consumer Act 2010 or any other applicable law or cause an exclusion to be void.

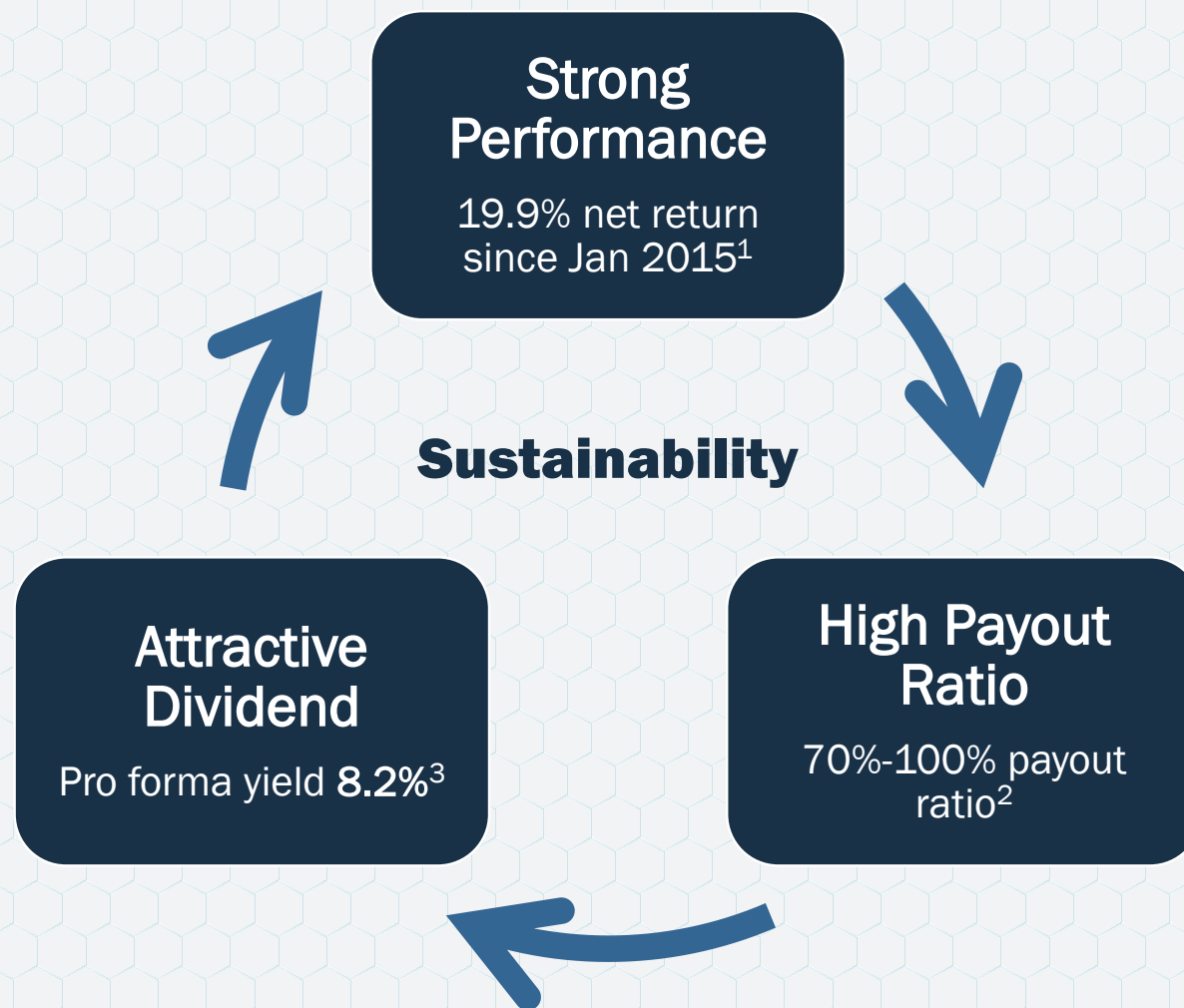
The provision of this Presentation is not and should not be considered as a recommendation in relation to an investment in AWQ or that an investment in AWQ is a suitable investment for the recipient. The information in this presentation is general only, and has been prepared without taking into account your particular circumstances and needs. Before acting on any information from this presentation you should assess or seek advice on whether it is appropriate for your needs, financial situation and investment objectives.

References to 'normalised' information are to non-IFRS financial information.

Non-IFRS financial information has not been subject to audit or review.



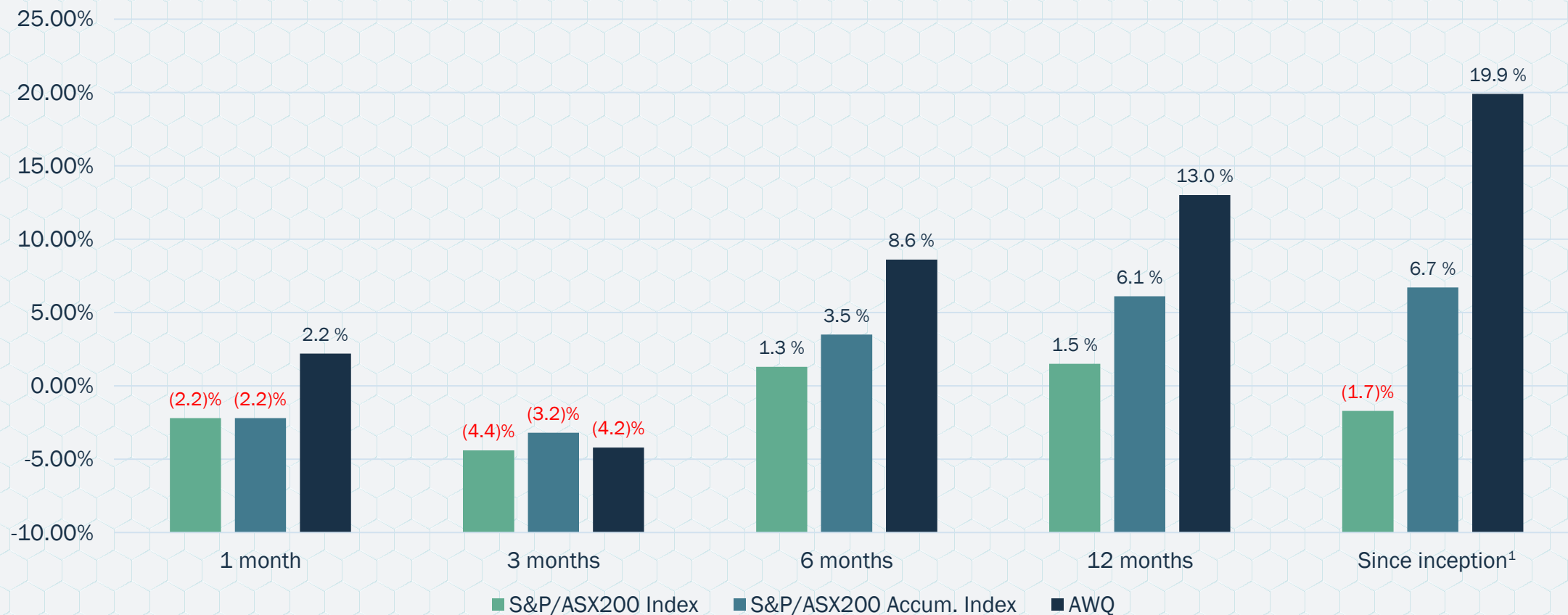
AWQ: OUR CORE OBJECTIVES



1. As at 31 October 2016; net return **after** all fees and other costs and before providing for estimated tax on unrealised gains. Many LIC managers quote returns before fees which may grossly overstate returns over long periods of time
2. Policy of distributing 70%-100% of post tax income as dividends
3. Annualised yield based off 4 cent per share dividend for half year ending 30 June 2016, projected 4c/share for half year 31 December 2016 and stock price of \$0.97 as at 4 November 2016



AWQ: OUR PERFORMANCE (TO 31 OCTOBER 2016)



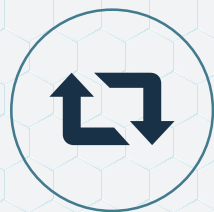
1. Returns are post fees & company taxes and pre taxes on unrealized gains. Fund inception 5 January 2015



AWQ: OUR ADVANTAGES



Deep research
methodology



Absolute return
mindset



Concentrated
portfolio



Global
perspective



Highly
experienced
team



Accountability



Transparency



Communication



Consistency



High dividend
yield



AWQ: OUR INVESTMENT TEAM



Gary Hui

Lead Analyst/ Chief Investment Officer

- ◆ CIO since inception of AWQ
- ◆ 7 years Indus Capital (Asian / global hedge fund)
- ◆ 8 years J.P. Morgan (Proprietary Trading, ECM and M&A)
- ◆ 5 years Deloitte (corporate finance, audit)



Conor Byrne

Chief Financial & Operating Officer

- ◆ CFOO since inception of AWQ
- ◆ 8 years as COO of Investors Mutual
- ◆ 9 years Treasury Group Investment Services



Ben Wolrige

Analyst

- ◆ Analyst since May 2015
- ◆ 3 years Corality Financial Group (specialist infrastructure modeling)
- ◆ 2 years VGI Partners (global hedge fund)



Benn Lim

Director, Head of Retail Distribution

- ◆ IR & Bus. Dev. AWQ & AWN
- ◆ 9 years Financial Adviser at UBS WM
- ◆ 5 years Financial Adviser at Commonwealth Private



Elizabeth Hickey

Office & Quality Assurance Manager

- ◆ 15+ years administrative experience
- ◆ 8 years specifically focused on business support within the financial sector

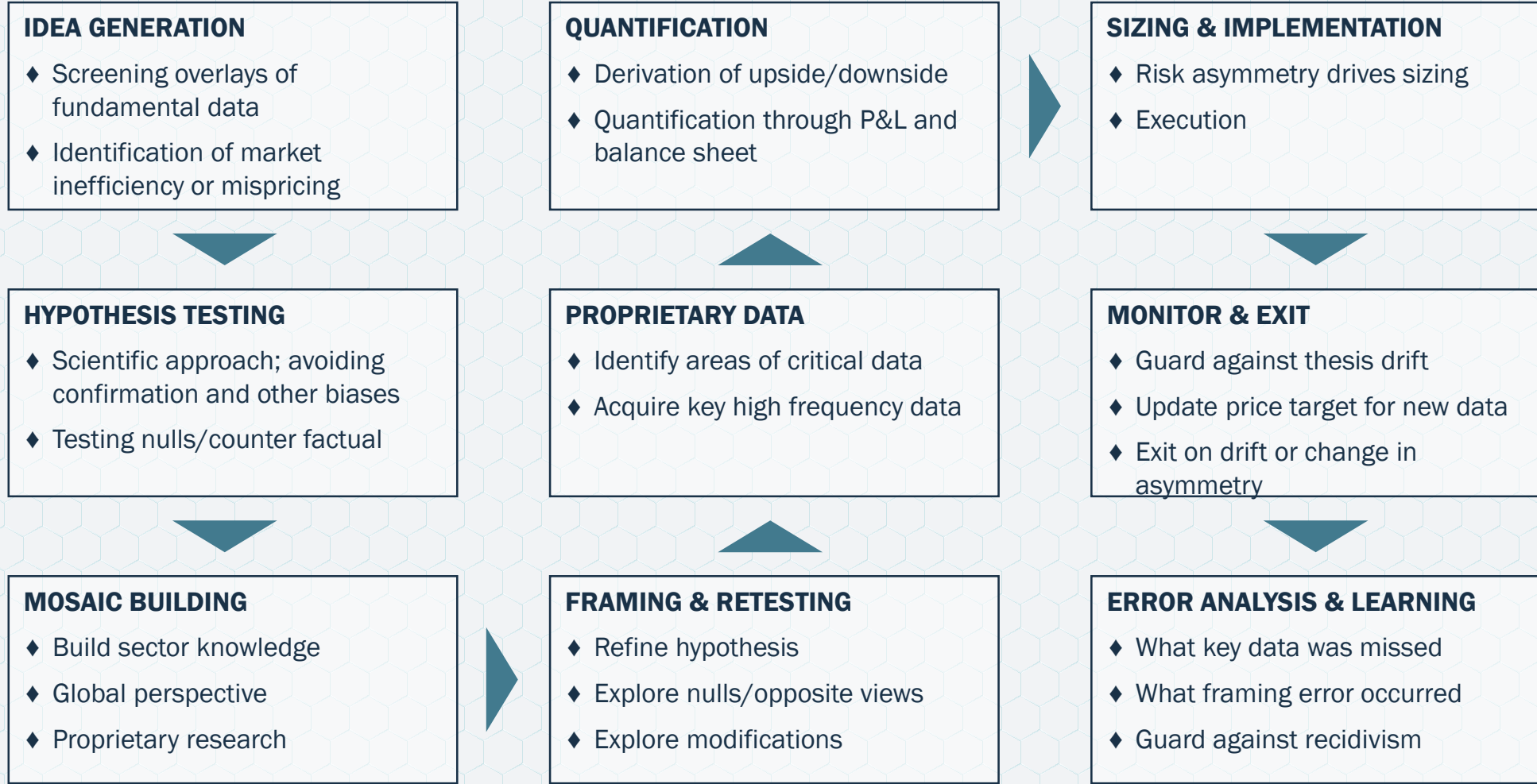


AWQ: THEMATIC INVESTING

- ◆ Great investment themes have fundamental underpinnings...
 - ◆ ...and as such tend to have an inexorable quality about them
 - ◆ “stronger for longer”
- ◆ A great investment theme is not enough
- ◆ The trick is to find sweet spots in an investment theme...
 - ◆ ...be it points in an industry chain where rent can be extracted...
 - ◆ ...or specific companies that have experienced self inflicted wounds and are now recovering...
 - ◆ ...or simply under priced quality



AWQ: THEMATIC INVESTING OVERLAID WITH A DATA DRIVEN INVESTMENT PROCESS



NO VIEWS – ONLY DATA!



PORTFOLIO AT 31 OCTOBER 2016

AAVOF Asset Allocation

Asset class	A\$m	%**
Australian Equities	33.7	46%
AUD cash and equivalent	32.8	44%
USD cash and equivalent	1.0	1%
Australian Hybrids & Bonds	-	0%
International Equities	6.5	9%
Hedges	-	0%
Portfolio value*	73.9	100%

* Total may not sum due to rounding

** Percentage of gross portfolio value

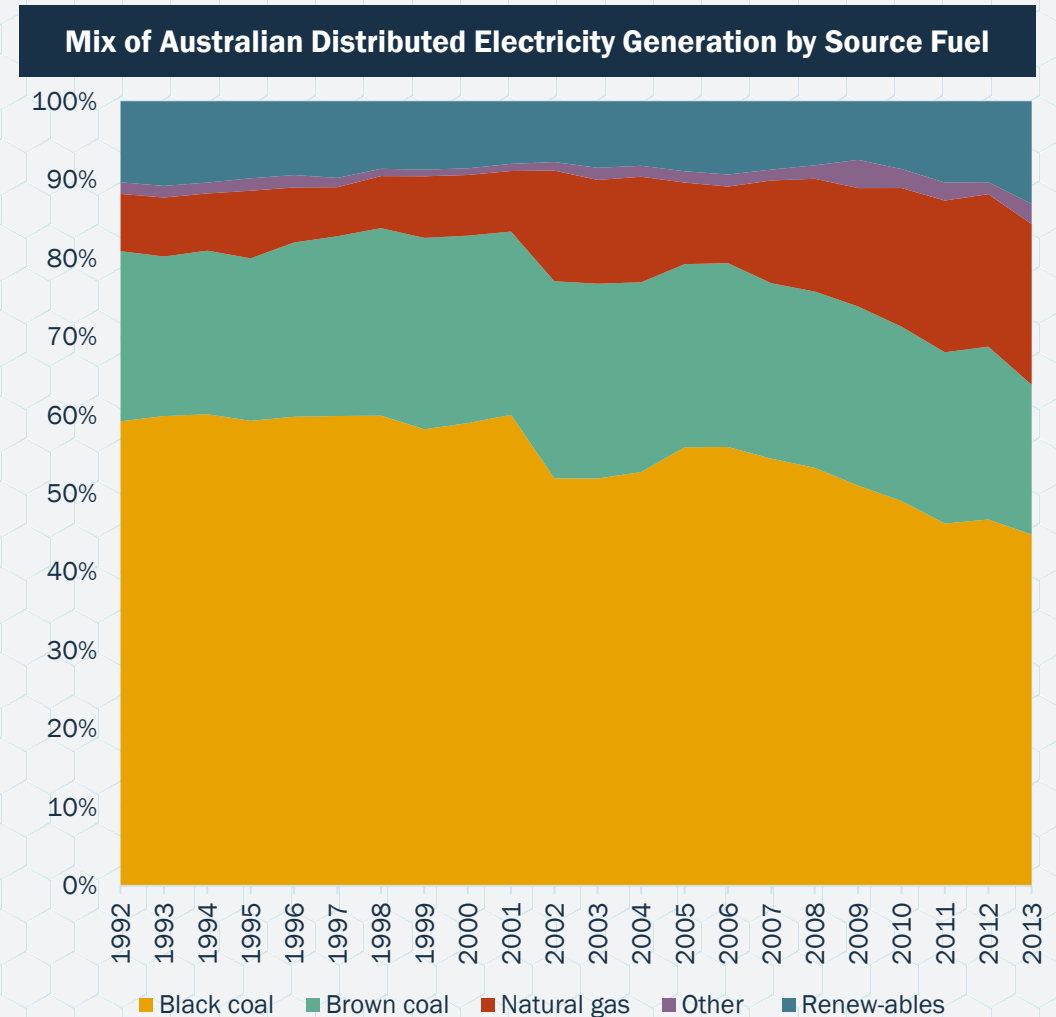
Top 5 Holdings

Ticker		%**
IFN	Infigen Energy	17%
SIV	Silver Chef Limited	10%
HLF.US	Herbalife Limited	9%
USD	USD ETF	6%
ELD	Elders Limited	6%
Top 5 as a % of gross portfolio		48%



THEME: RENEWABLE ENERGY

- ◆ Renewable energy is as much a *technology* as it is an energy source
- ◆ Technology is inherently deflationary, meaning costs fall, making it cheaper *every year*
- ◆ Renewable energy penetration is *very low*
- ◆ Renewable installed capacity growth is *very high*
- ◆ In many places now, renewable energy is cheaper than fossil fuel. Every year, the number of locations this applies to *increases*
- ◆ Electricity Generation Major Projects Report (BREE, November 2014): “Renewable technologies make up the entirety of the proposed major generation projects that are either under construction or received final investment decision”



Source: Bureau of Resources and Energy Economics (Australia)



EXPRESSION OF THEME: INFIGEN ENERGY



- ◆ We made Infigen our largest position ever when we acquired it
 - 13% of portfolio at cost
 - Cost was \$0.45/share
 - Classic example of “recovery”
- ◆ Limited analyst coverage
- ◆ Trading below replacement cost
- ◆ Revenues growing strongly
- ◆ Debt level was very large...which kept many away
- ◆ Cash flow is exceptionally strong!
- ◆ Debt is falling very fast
- ◆ We think Infigen re-rates, given how cheap it is, when debt is finally refinanced

Infigen Energy overview

Ticker	IFN
Price ¹	A\$0.92
Mkt cap ¹	A\$718m
Enterprise Value ¹	A\$1,313m
EV/EBITDA (FY17F) ²	9.9x
Free Cashflow/Mkt Cap (FY17F) ²	11.3%
AWQ position size ³	17%

1. As at 4 November 2016

2. Based on available Bloomberg consensus forecast

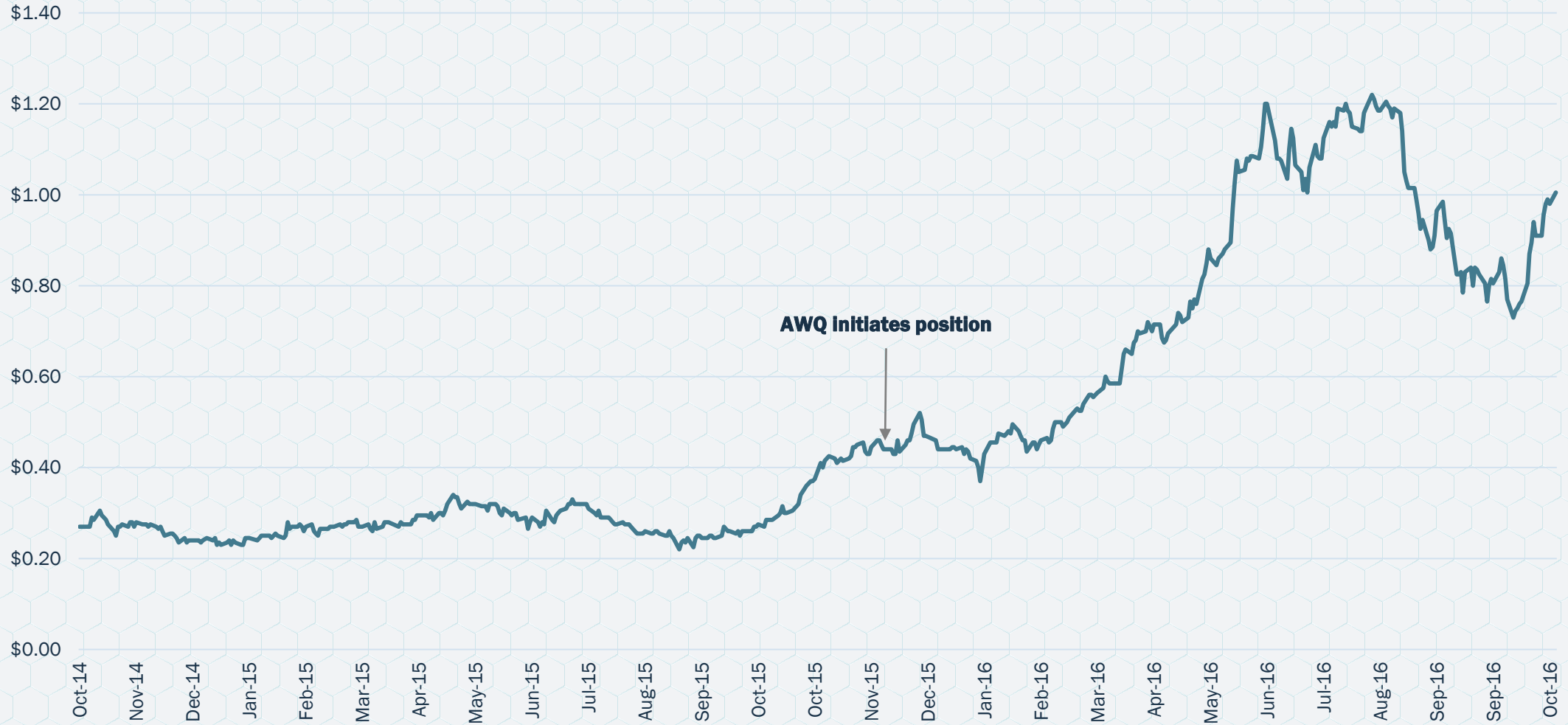
3. As at 31 October 2016



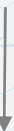
INFIGEN ENERGY



IFN Share Price (AUD)



AWQ Initiates position



Source: Bloomberg



THEME: FINANCIAL INCLUSION

- ◆ In the early 1980s, prior to financial deregulation it was difficult to get a mortgage
- ◆ Subsequent to deregulation of Australia's financial sector, credit growth and bank profits boomed as large unmet demand was finally able to access financing capacity
- ◆ We have seen this movie play out many times: PayPal, Klarna, Visa, Mastercard, Indonesian banks, Australian banks...
- ◆ Whenever a clever business model is able to provide financial capacity to an underserved segment there is the potential for large profits...*provided* the credit costs of doing so can be controlled



EXPRESSION OF THEME: SILVER CHEF



- ◆ High growth specialty finance business
- ◆ Unique business model and customer value proposition
 - Strong revenue growth
 - Low residual loss experience
 - Low “through the cycle” credit costs
- ◆ Strong recent financial results
- ◆ Foreign operations (New Zealand and Canada) growing strongly and profitably
- ◆ International growth potential not reflected in valuation
- ◆ Global potential...“Compounder”...example of underpriced quality

Silver Chef overview

Ticker	SIV
Price ¹	A\$10.83
Mkt cap ¹	A\$390m
P/E (FY17F) ²	15.2x
RoE (FY17F) ²	18.4%
Yield (FY17F) ²	4.0%
AWQ position size ³	10%

1. As at 4 November 2016

2. Based on available Bloomberg consensus forecasts

3. As at 31 October 2016



SILVER CHEF

SIV Share Price (AUD)



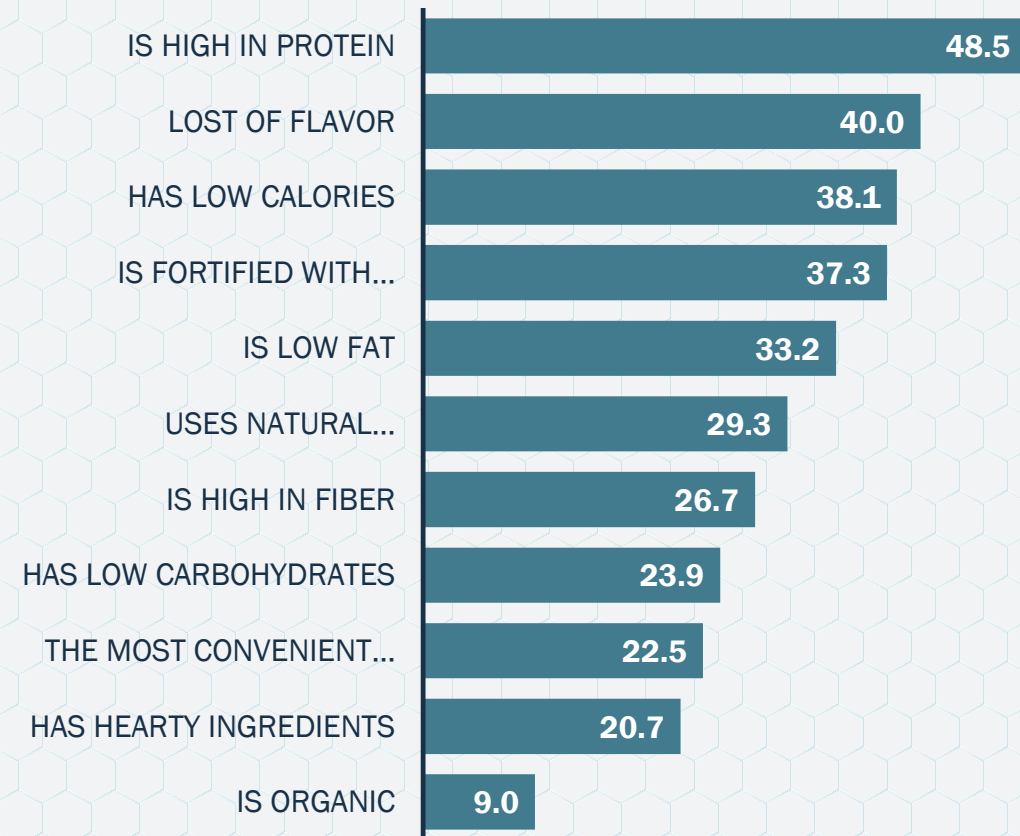
Source: Bloomberg



THEME: HEALTHY LIFESTYLE

- ◆ There is a global move to “healthy lifestyle”
- ◆ Soda or soft drink volumes under pressure
- ◆ Blender, smoothie and juice sales booming
- ◆ more than half of U.S. households (55%) are watching their diet; 66% do so for general health reasons; 55%, to lose weight (US Institute of Food Technologists)

Health & Wellness Moments (%)



Source: Insights Now 2014 Meal Replacement Study



EXPRESSION OF THEME: HERBALIFE



- ◆ Herbalife makes the #1 selling protein powder globally
- ◆ Limited research coverage
- ◆ Multi-level Marketing company – similar to Avon, Tupperware and Amway. The salesforce is externalised
- ◆ Earnings are growing strongly on a constant currency basis, driven by strong industry tailwinds
- ◆ **Lazy balance sheet**; a large stock buyback is a logical possibility given HLF have a history of returning all free cash flow to shareholders
- ◆ Large buyback could drive a “short squeeze”
- ◆ Activist investor Carl Icahn is largest shareholder

Herbalife overview

Ticker	HLF.US
Price ¹	US\$54.96
Mkt cap ¹	A\$5,114m
P/E (FY17F) ²	11.1x
EV/EBITDA (FY17F) ²	7.6x
Position Size ³	9%

1. As at 4 November 2016

2. Based on available Bloomberg consensus forecasts

3. As at 31 October 2016



HERBALIFE

HLF Share Price (USD)



Source: Bloomberg



THEME: SELF HELP

- ◆ Sometimes a great business falls on tough times due to bad decisions taken many years prior
- ◆ So it was with Elders when market capitalisation fell from over \$2bn in 2007 to under \$30m in 2013
- ◆ Great businesses don't die...they just emerge under different management or ownership
- ◆ When Elders management changed and adopted a self help plan in 2014, a large investment opportunity was created
- ◆ At inception, Elders common shares and Elders hybrid securities were AWQ's largest positions



STOCK UPDATE: ELDERS SHARES (“COMMON”)



- ◆ Cyclical and structural recovery story
- ◆ Ongoing structural earnings growth from the Company's 8 point recovery plan
- ◆ Ongoing cyclical growth from key markets
- ◆ Very strong cashflow which we think can support a healthy dividend

Elders overview

Ticker	ELD
Price ¹	A\$3.82
Mkt cap ¹	A\$435m
P/E (FY17F) ²	9.6x
RoE (FY17F) ²	27.0%
Yield (FY17F) ²	2.9%
AAVOF position size ³	6%

1. As at 4 November 2016

2. Based on available Bloomberg consensus forecasts

3. As at 31 October 2016



STOCK UPDATE: ELDERS



ELD Share Price (AUD)



AWQ initiates position



Source: Bloomberg



A FUTURE THEME: AUTO FLEET CHURN FROM GASOLINE TO ELECTRIC

- ◆ Battery Electric Vehicles (“BEV”) are now typically 5x-10x cheaper to run than gasoline powered cars
 - ◆ This is a staggering cost advantage
 - ◆ BEVs have fewer moving parts, so are easier to maintain
 - ◆ BEVs have much better driving characteristics; faster acceleration to name but one
- ◆ The two remaining constraints on replacement of gasoline powered cars with BEV are:
 - ◆ Range anxiety. Is 250 miles far enough and how do I refuel?
 - ◆ Cost. BEVs are expensive relatively...with the largest cost component being the battery!
- ◆ One and the same problem
 - ◆ As energy density is increasing, battery size and cost is falling
 - ◆ As production is increasing, battery cost is falling rapidly
 - ◆ Recharge infrastructure is nascent, yet growing very quickly
- ◆ We think in many markets, the majority of auto fleet will churn from gasoline to BEV and that this is now inexorable



AWQ RESEARCH: BEV (BATTERY ELECTRIC VEHICLES) 5X – 10X¹ CHEAPER THAN YOUR GAS GUZZLER

BEV (BATTERY ELECTRIC VEHICLE)

RUNNING COSTS (AUSTRALIA)

Charging efficiency	A	%	85.0
Electricity price	B	\$/kWh	\$0.10
Usage	C	kWh/km	0.19
Kilometres per annum	D	km/year	13,800
Annual fuel cost		\$	\$312.68

Annual electricity consumption	G	kWh/year	3,007
Fuel cost difference ICE TO BEV	X		4.9 x

ICE (INTERNAL COMBUSTION ENGINE)

RUNNING COSTS (AUSTRALIA)

Gasoline cost	E	\$/litre	\$1.02
Usage	F	km/litre	9.17
Kilometres per annum	D	km/year	13,800
Annual fuel cost		\$	\$1,534.28

A 1. Range of markets studied; depends on electricity cost, gasoline cost and comparative vehicles per Tesla website

B Origin Energy off peak. originenergy.com.au/content/dam/origin/residential/docs/energy-price-fact-sheets/nsw/NSW_Electricity_Residential_AusGrid_Origin%20Supply.PDF

C Per Tesla website, converted from 0.30 kWh/mile, at 1.62 km per mile

D ABS survey 9208.0 - Survey of Motor Vehicle Use, Australia, 12 months ended 31 October 2014

E NRMA. www.mynrma.com.au/motoring-services/petrol-watch/fuel-prices.htm

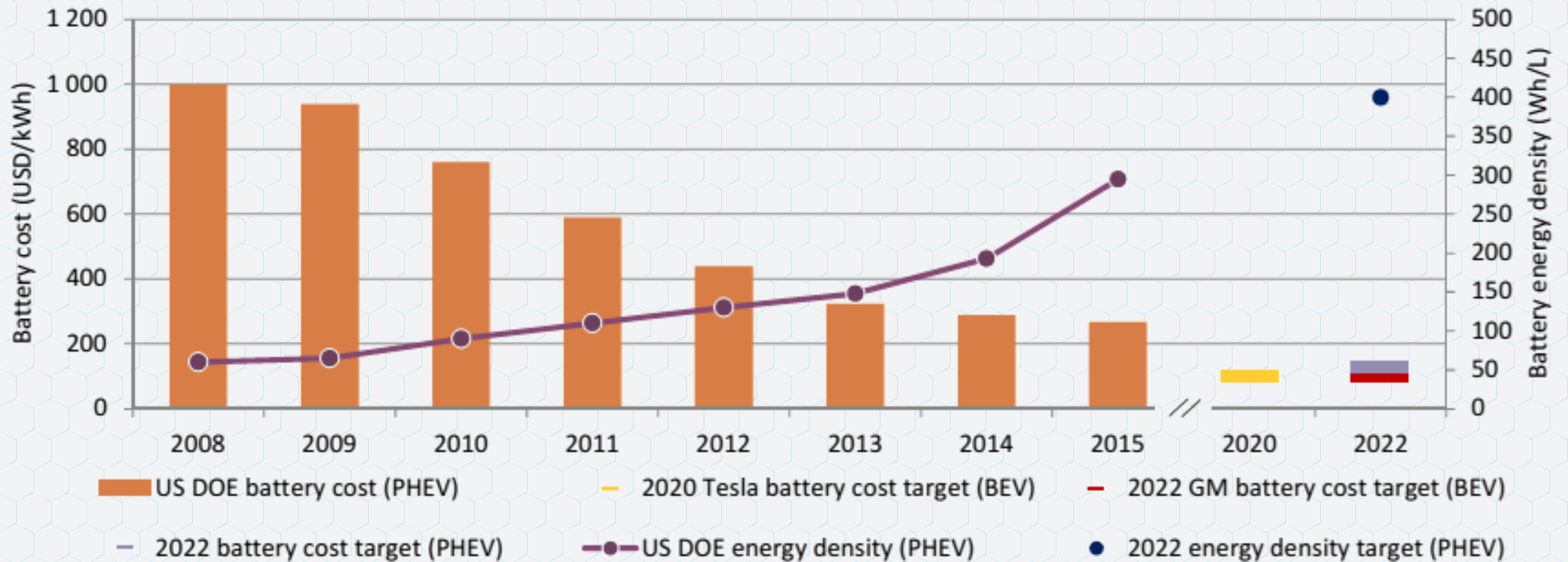
F Assumes a Toyota Camry. <http://www.toyota.com.au/compare-models/specifications?vehicleId=3,6>

G Average annual Australian household electricity consumption is 6,635 kWh per annum per ACIL Allen Electricity Benchmarks Report 2015



THE BEV BATTERY IS BOTH THE LARGEST COST AND LARGEST RANGE CONSTRAINT...BUT THE PROBLEM IS GETTING SOLVED

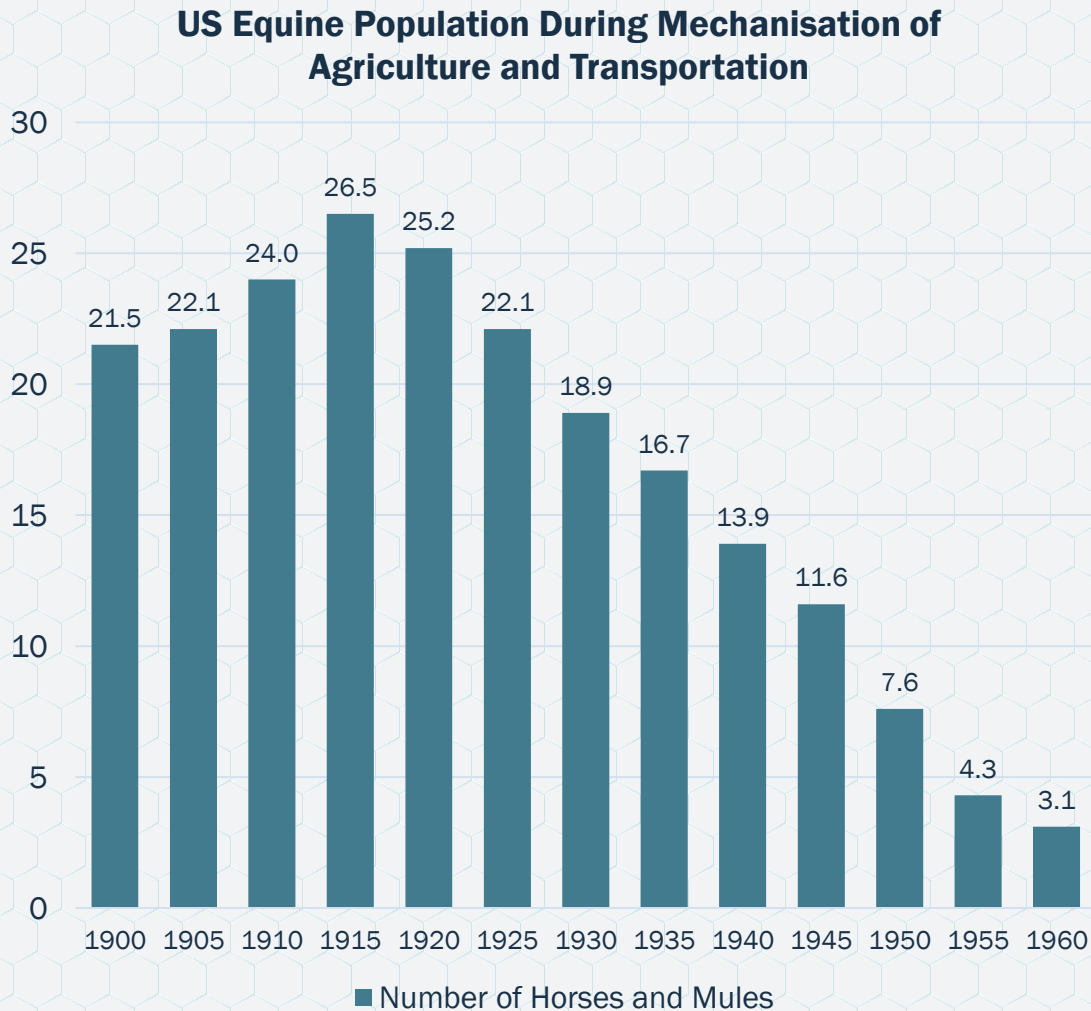
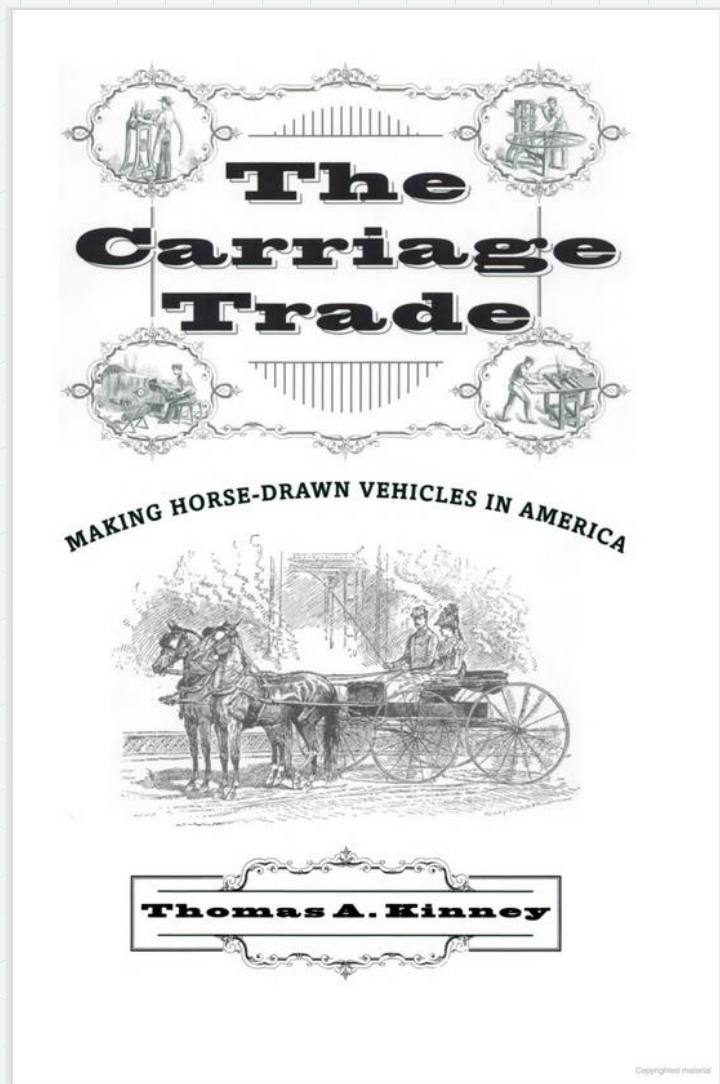
Figure 2 • Evolution of battery energy density and cost



Source: International Energy Agency: Global EV Outlook 2016



THE HISTORICAL ANALOGUE – HORSES WERE REPLACED BY PETROLEUM POWERED VEHICLES



Source: "Horses and Horsemanship", Ensinger 1969