



River Oak Capital

Annual Meeting

April 25, 2019

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Q1-2019 Results

- River Oak book value per share +30.7% vs OMXS30 incl. div. +12.5%
 - Price of share issue March 31: SEK 134.77 per share
(Price of share issue = 101% of book value SEK 133.43 per share)
 - Large drop in share prices in Q418 despite good business performance by our companies
- => Generally results in strong future returns (although normally not as strong as in Q119)

Q4-2018 Historical comparison

There have been 21 bear markets since 1929:

S&P 500 Forward performance after strongly negative quarter: (excl. 1930s Depression)

S&P 500 Bear Markets (defined by 20% Peak to Trough Decline): 1929 - Present					
Bear Market Period	NBER Recessions	Length of Recession (Months)	S&P Start	S&P End	% Change
Sep 2018 to Dec 2018			2941	2347	-20%
May 2011 to Oct 2011			1371	1075	-22%
Oct 2007 to Mar 2009	Dec 2007 to Jun 2009	18	1576	667	-58%
Mar 2000 to Oct 2002	Mar 2001 to Nov 2001	8	1553	769	-51%
Jul 1998 to Oct 1998			1191	923	-22%
Jul 1990 to Oct 1990	Jul 1990 to Mar 1991	8	370	295	-20%
Aug 1987 to Oct 1987			338	216	-36%
Nov 1980 to Aug 1982	Jul 1981 to Nov 1982	16	142	102	-28%
Sep 1976 to Mar 1978			109	86	-20%
Jan 1973 to Oct 1974	Nov 1973 to Mar 1975	16	122	61	-50%
Dec 1968 to May 1970	Dec 1969 to Nov 1970	11	109	69	-37%
Feb 1966 to Oct 1966			95	72	-24%
Dec 1961 to Jun 1962			73	51	-29%
Aug 1956 to Oct 1957	Aug 1957 to Apr 1958	8	50	39	-21%
Jun 1948 to Jun 1949	Nov 1948 to Oct 1949	11	17	14	-21%
May 1946 to May 1947			19	14	-28%
Nov 1938 to Apr 1942			14	7	-46%
Mar 1937 to Mar 1938	May 1937 to Jun 1938	13	19	9	-54%
Jul 1933 to Mar 1935			12	8	-34%
Sep 1932 to Feb 1933	Aug 1929 to Mar 1933	43	9	6	-41%
Sep 1929 to Jun 1932	Aug 1929 to Mar 1933	43	32	4	-86%
Average Without Recession					-29%
Average With Recession					-42%
Average All					-36%

Pension Partners
THE ADAC ROTATION MANAGER

@CharlieBilello

Source: [Charlie Bilello, Pension Partners](#)

S&P 500 Since 1940		Forward Performance		
Quarter Ending	Quarterly Performance	One Year	Three Years	Five Years
Sept 1974	-25.2%	38.13%	72.74%	117.46%
Dec 1987	-22.6%	16.81%	48.82%	108.97%
Dec 2008	-21.9%	26.46%	48.59%	128.19%
June 1962	-20.6%	31.16%	69.20%	94.84%
Sept 1946	-18.0%	6.45%	24.47%	115.41%
June 1970	-18.0%	41.87%	57.39%	56.30%
Sept 2002	-17.3%	0.26%	26.96%	66.32%
Averages	-20.5%	23.0%	49.7%	98.2%

Source: [Ben Carlson, A Wealth of Common Sense, awealthofcommonsense.com](#)

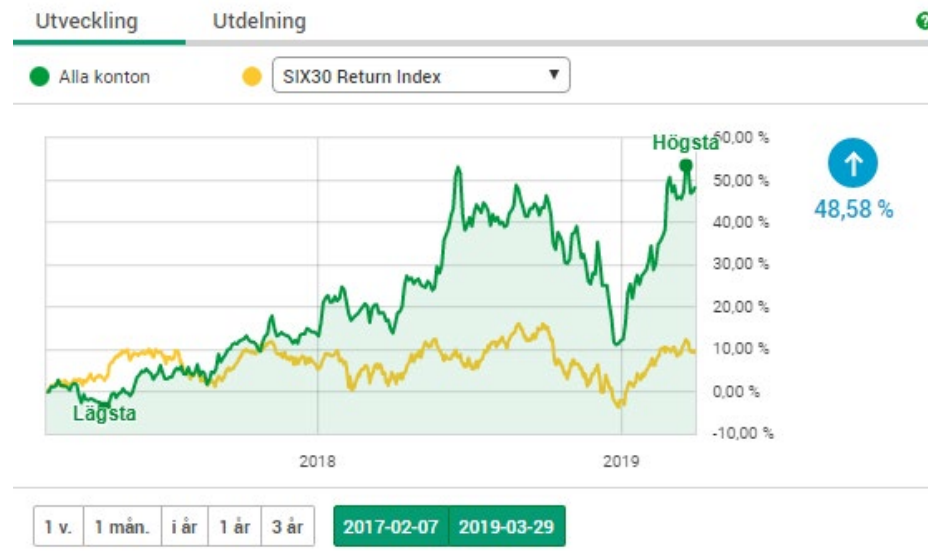
Q4-2018: -14.0%

December-2018: -9.2%

- Worst December month ever for S&P 500 except Dec-1931
- Largest monthly loss since Feb-2009

Results since start: Feb 7, 2017

- The most relevant evaluation of investment results is always to measure over the longest available time period.
- **Feb 7, 2017 – March 31, 2019:**
River Oak book value per share +33.4% vs OMXS30 incl. dividends +10.0%
(adjusted for startup costs our net result is +34.5%)



* River Oak gross investment return

- OMXS30 is not your only alternative to River Oak...

Comparison vs best funds and best investment company

Selection

Four of the most well renowned fund companies in Sweden: Didner & Gerge, Carnegie, Lannebo, Spiltan

Their respective best performing fund from Feb 7, 2017 – March 31, 2019:

1. Carnegie Indien +29.3%
2. Spiltan Aktiefond Dalarna +27.9%
3. Didner & Gerge Global +26.8%
4. Lannebo Småbolag +25.6%

Best listed investment company in Sweden from Feb 7, 2017 – March 31, 2019:

1. Latour +47.0%

Latour has done great over 35 years (Assa Abloy, Fagerhult, Securitas, Sweco, TOMRA etc.)
Controlled by one of my favorite business people in Sweden: Gustaf Douglas.

River Oak +33.4% (gross investment return: 48.6%)

The best performing funds and Latour were selected in hindsight. As investors we need to pick in advance.

Which one should you choose? Don't ask the barber if you need a haircut...

Latour book value SEK 83 billion

River Oak book value SEK 25 million



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Questions?

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