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## Fellow Shareholder,

River Oak's book value per share increased by 50.1% in 2019. Our book value at December 31, 2019 was SEK 29.1 million, which is equivalent to SEK 153.29 per share.

Note that our book value per share numbers are reported after we have paid: i) the Swedish standard tax for investment accounts which has amounted to 0.4% to 0.5% per year in the past three years, and ii) taxes on dividends we received from foreign listed companies, while the OMXS30 including dividends numbers are reported without paying such taxes.

We paid a higher percentage in taxes in 2019 than we have done previously due to taxes on dividends we received from foreign listed companies.

	Investment return (pretax)	Change in book value per share	OMXS30 incl. div.	Difference
<b>2017 (from Feb 7)</b>	13.2%	<b>8.6%</b>	5.4%	3.2%
<b>2018</b>	0.0%	<b>(6.0)%</b>	(7.0)%	1.0%
<b>2019</b>	61.7%	<b>50.1%</b>	30.7%	19.4%
<b>Total gain</b>	83.0%	<b>53.3%</b>	28.1%	25.2%
<b>Compounded annual gain</b>	23.2%	<b>15.9%</b>	8.9%	7.0%

<sup>1</sup> Startup costs had a 0.8% negative impact on the 2017 Change in book value per share.

<sup>2</sup> The difference between our investment return and change in book value per share is comprised of taxes on our investments, salary-related taxes and operating costs.

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## Comments on our investment operation

Money is only money, but there is no way to hide it: We all became a fair amount richer in 2019. To put our results in a proper perspective, you should look at our 3-year result rather than our 1-year result. You will be even better informed if you look at the 7-year track record which includes the results of my family partnership from 2013-2016 which was operated identically to River Oak; you'll find it on page 2.

We will open our January capital raise today; you will receive documents for it shortly.

Our shareholder letter and annual report will be sent out in the coming months. Our Annual meeting will be held in Uppsala on May 9, 2020, after which you will have a chance to watch the Swedish Badminton Championship Team finals live and enjoy a swim and sauna at Fyrishov, so bring your whole family. I hope to see you there!

January 6, 2020



Daniel Glaser  
Chief Executive Officer

## Historical pretax returns

Feb 7, 2017 – December 31, 2019: River Oak Capital AB

Jan 1, 2013 – Feb 6, 2017: Zen Capital Family Partnership

	<b>Investment return (pretax)</b>	<b>Net return (pretax)</b>	<b>OMXS30 incl. div.</b>	<b>Difference</b>
<b>2013</b>	41.0%	<b>30.8%</b>	25.5%	5.3%
<b>2014</b>	45.0%	<b>33.8%</b>	14.0%	19.8%
<b>2015</b>	35.1%	<b>26.3%</b>	2.2%	24.1%
<b>2016</b>	20.5%	<b>15.4%</b>	9.4%	6.0%
<b>2017</b>	19.6%	<b>14.0%</b>	7.7%	6.3%
<b>2018</b>	0.0%	<b>(5.6)%</b>	(7.0)%	1.4%
<b>2019</b>	61.7%	<b>51.1%</b>	30.7%	20.3%
<b>Total gain</b>	543.6%	<b>314.3%</b>	109.2%	205.1%
<b>Compounded annual gain</b>	30.5%	<b>22.5%</b>	11.1%	11.4%

<sup>1</sup> Startup costs had a 0.8% negative impact on the 2017 Change in book value per share.

<sup>2</sup> The OMXS30 including dividends column has been slightly adjusted from previous letters. Previously we used the value at the close of the first trading day of the year to calculate the OMXS30 return instead of the value at the close of the last day of the preceding year, which is more correct.

### **Approximate currency effects on Investment return:**

2014 +7%, 2016 +2%, 2017 -10%; 2018 +5%, 2019 +3%, other years <1%.

River Oak does not in any way strive to foresee or profit from currency movements. We believe that any impact from currency movements on our results will be negligible over time.