

### Market Metrics

<b>Code</b>	<b>WIC.ASX</b>
<b>Share Price</b>	<b>115.0c</b>
<b>NTA Pre-Unrealised Tax</b>	<b>128.3c</b>
<b>Share Price Discount to NTA</b>	<b>10.4%</b>
<b>Current Financial Year Target Dividend</b>	<b>6.0c</b>
<b>Yield on Target Dividend</b>	<b>5.2%</b>

### Quarterly Summary

The Australian equity market eked out a 1.9% gain over a quarter that was dominated by all things US. US equity markets soared ahead 7%+ as strong economic data continued to flow. The US currency also continued to strengthen following a very strong June quarter and the yield on US 10 year treasuries moved through the 3% barrier. Worries such as trade concerns, volatile commodity prices, declining housing prices and slowing credit growth weighed on the local market. Reporting season in Australia was relatively benign whilst economic growth surprised to the upside.

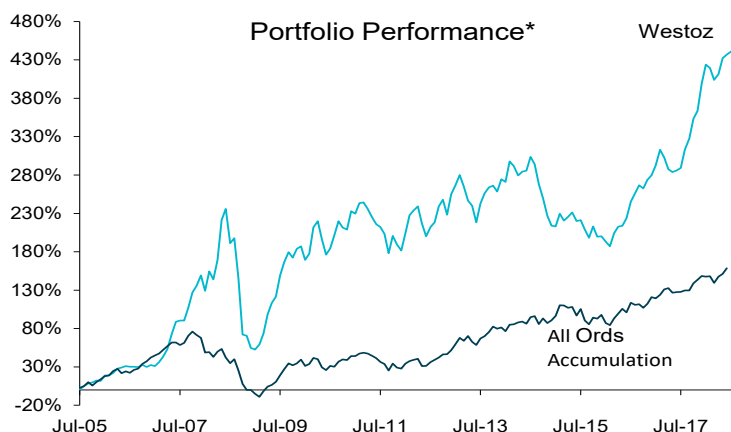
Cents	Sep-18	Jun-18
NTA Before Tax	130.0	128.2
NTA Before Tax on Unrealised Gains	128.3	126.6
NTA After Tax	124.3	122.5
Share Price	115.0	116.5

Our portfolio produced a return of 2.1% (before fees and taxes) for the quarter with positive contributions coming from Macmahon Holdings, Austal Ltd and NRW Holdings following strong full year results releases and positive outlook statements. Metal prices declined over the period on the back of trade tariff concerns and sustained US currency strength and we took the opportunity to enter or increase positions in established base metal and gold miners. The cash balance declined over the quarter from 31% to 11%.

Figures released during the period showed the WA Economy grew over the June quarter with State Final Demand now growing at its highest per annum level since the downturn commenced in 2013. Job vacancies in the State have increased markedly with skills shortages starting to spread in and outside of the mining industry but with State unemployment at 6.2% have not yet become widespread.

### Portfolio Summary

Australis Oil & Gas Limited	13%
Cedar Woods Properties Limited	9%
Finbar Group Limited	6%
Ausdrill Limited	6%
Macmahon Holdings Limited	5%
Cooper Energy Limited	5%
Evolution Mining Limited	5%
Mount Gibson Iron Limited	4%
Independence Group NL	4%
Southern Cross Electrical Engineering Ltd	4%
Austal Limited	3%
Regis Resources Limited	3%
Other	22%
Cash	11%
<b>Total</b>	<b>100%</b>



\* Portfolio performance represents the return on the company's gross investment portfolio before all fees, expenses and taxes.

## Stock In Focus

### Macmahon Holdings Limited (MAH.ASX)

A position in Macmahon Holdings Limited currently represents over 5% of portfolio assets having been built up over the last two years. We initially entered the register in mid-2016 for a combination of reasons including: balance sheet strength; attractive valuation; takeover potential; and, capacity for growth as turn in mining cycle gathered pace.

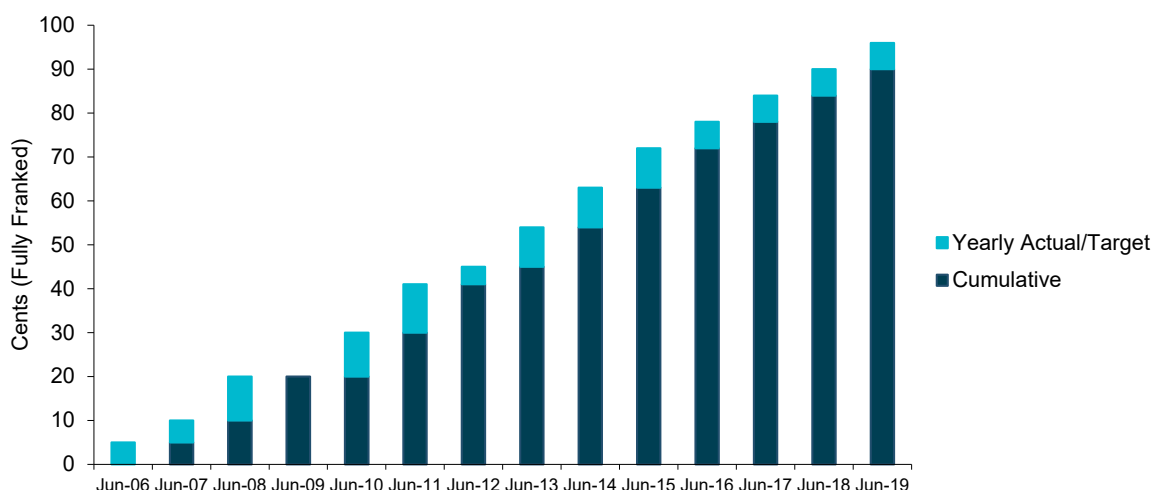
We have added to this position over time as MAH has put runs on the board with the market in terms of contract diversification, earnings growth and growing management credibility. We believe that delivery of 2018 results has been an important event in terms of re-establishing MAH as an investment proposition for the wider market.

We are currently excited about the potential growth in the MAH order book via organic expansion within the company's existing customer base. Backing this up is a strong net cash balance sheet, improving industry environment and a reasonable valuation.

MAH at a Glance			
Share Price \$0.26	FY18	FY19	FY20
Revenue (\$m)	\$710m	\$1015m	\$1135m
EBITDA (\$m)	\$112m	\$171m	\$191m
NPAT (\$m)	\$33m	\$57m	\$66m
Dividend Yield (%)	-	-	1.4%
EV:EBITDA (x)	5.0x	3.0x	2.7x
Price Earnings Ratio (x)	16.1x	9.7x	8.6x

Source: Factset Estimates

## Dividend History



## About Westoz Investment Company Limited

Westoz Investment Company Limited (ASX Code: WIC) was established in May 2005 with the aim of providing investors with an exposure to a portfolio of assets that are intended to show consistent positive returns.

The portfolio of assets is managed by Westoz Funds Management Pty Ltd, a 100% owned subsidiary of Euroz Limited.

The investment mandate is to identify undervalued companies listed on the Australian Stock Exchange and to invest to produce a positive return. Because of the geographic location of the manager, it is anticipated that the majority of situations identified will have a connection to Western Australia and will have a market capitalisation of less than \$1 billion.

For more information please refer to our website [www.westoz.com.au](http://www.westoz.com.au).