

Market Metrics

Code	WIC.ASX
Share Price	102.0c
NTA Pre-Unrealised Tax	106.4c*
Share Price Discount to NTA	4.1%
Current Financial Year Target Dividend	6.0c
Yield on Target Dividend	5.9%

Quarterly Summary

The December quarter was a particularly difficult one for local and overseas equity markets. The All Ordinaries Accumulation Index declined 9.0%, while smaller stocks felt more of the pain with the Small Ordinaries Index off 13.7%. Much like the September quarter, this quarter was dominated by news from the US with rising interest rates, US/China trade tensions and possible peaking economic growth all factors driving the 'risk off' sentiment. Commodity markets were particularly impacted by global trade concerns with oil off 35% and a number of base metals trading down between 1% and 15%. The gold price benefitted from the metal's safe haven status and increased 7%.

Cents	Dec-18*	Sep-18
NTA Before Tax	107.1	130.0
NTA Before Tax on Unrealised Amount	106.4	128.3
NTA After Tax	108.5	124.3
Share Price	102.0	115.0

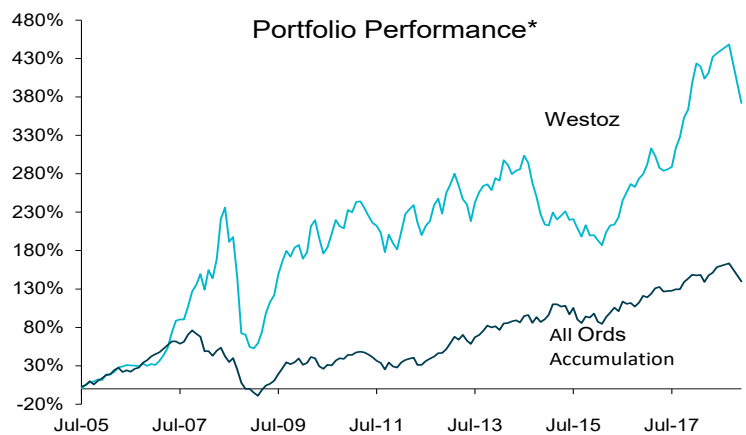
* December 2018 NTA's are after allowance for a 3.0 cent per share dividend liability. Shares are currently trading with entitlement to this dividend.

The Westoz portfolio declined 13.9% (excluding fees and taxes) over the quarter, largely impacted by the commodity price movements which saw price retracement in energy and industrials positions, while our gold exposures generally showed small gains. Cash levels increased from 11% to 17%, leaving us well placed to take advantage of buying opportunities current market volatility is likely to provide.

Amongst this declining macro environment, WA continues to show signs of improvement with new large scale mine capital expenditure occurring within the State and renewed growth in full time employment. In addition, the WA State Government recently announced an earlier than expected return to the black with a budget surplus now forecast for FY2020.

Portfolio Summary

Cedar Woods Properties Limited	9%
Australis Oil & Gas Limited	9%
Finbar Group Limited	6%
Independence Group NL	5%
Ausdrill Limited	5%
Macmahon Holdings Limited	5%
Cooper Energy Limited	5%
Mount Gibson Iron Limited	5%
Southern Cross Electrical Engineering Ltd	4%
Evolution Mining Limited	4%
West African Resources Limited	3%
OreCorp Limited	3%
Other	20%
Cash	17%
Total	100%



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

Stock In Focus

Independence Group (IGO.ASX)

A holding in Independence Group has been accumulated in the portfolio over several months as the stock has traded back on base metal price weakness. Independence has two main assets which are located in Western Australia: 30% of the Tropicana gold project joint venture; and, 100% of the Nova nickel mine. The company also has a very sound balance sheet having recently moved to net cash position.

Tropicana is a very solid gold operation run by AngloGold

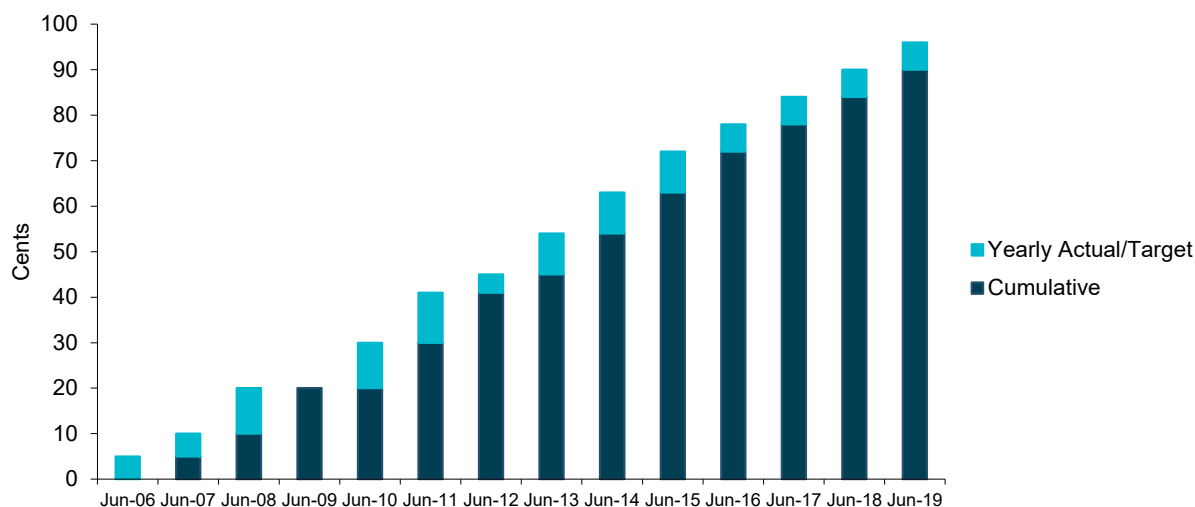
Ashanti but we consider the main catalyst for the share price is offered by the Nova nickel operation. We believe the price of nickel is likely to increase over the medium term to incentivise the supply required to satisfy demand growth which will be spurred on by growing use of electrical vehicles.

Over the shorter term the Nova operation offers excellent exploration potential and significant growth in free cash flow as the capital intensive phase of the current operation has come to an end. IGO is also conducting a feasibility study to assess the potential for a nickel sulphate processing facility which could add significant value to the project through higher realised prices per unit of nickel. In the even shorter term IGO offers leverage to any rebound in the nickel price which is currently some 30% below mid-year highs.

IGO at a Glance			
Share price \$3.82	FY18	FY19	FY20
Revenue (\$m)	\$781m	\$764m	\$825m
EBITDA (\$m)	\$339m	\$405m	\$464m
NPAT (\$m)	\$53m	\$127m	\$177m
Dividend Yield (%)	0.8%	1.8%	2.9%
EV:EBITDA (x)	8.6x	5.4x	4.7x
Price Earnings Ratio (x)	55.3x	17.6x	12.2x

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.