



Investor Presentation

July 2014

WESTOZ
INVESTMENT COMPANY LIMITED

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What are Listed Investment Companies?

- Pooled investment vehicles
- Assets managed along similar lines to traditional managed funds
- Investment focus varies by company, but most focused on domestic equities
- Closed end, so managers not subject to constraints of large cash flows
- Investors buy and sell their interest on market; price can vary from underlying value

Differences to a traditional managed fund:

- ☑ Shares freely tradeable on ASX
- ☑ Tax paid in the vehicle, franking credits available on dividends
- ☑ Company can manage dividend levels
- ☑ Manager can focus on generating return, rather than managing redemptions
- ☑ Potential to acquire underlying asset exposure at a discount to true value
- ☑ Increased transparency due to ASX reporting

- WIC is a specialist listed investment company
- Its portfolio is managed by Westoz Funds Management Pty Ltd
- The investment focus is to generate a consistent positive return over the medium term on its portfolio of assets
- The portfolio is focused on small to mid cap listed companies, generally with a connection to Western Australia
- It holds a concentrated portfolio of securities which may from time to time consist of large levels of cash
- It aims to benefit shareholders from share price appreciation based on growth in underlying asset values and consistent dividend payouts

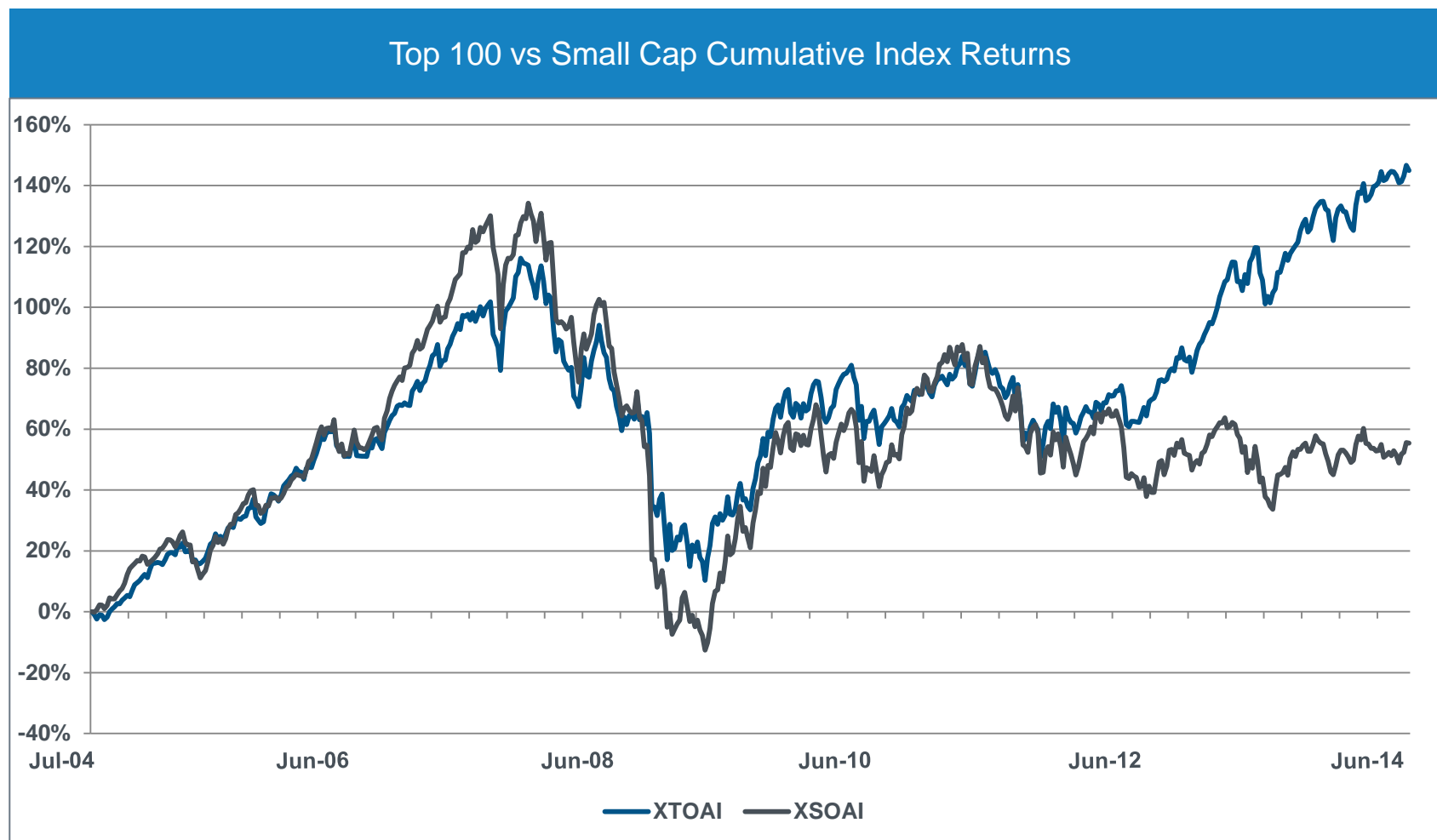
Company Details, 30 June 2014

Last Price	\$1.320
Last Net Assets Per Share	\$1.295
Shares on issue	128.1m
Options (\$1.30 strike, Aug 2015 expiry)	12.8m
Market Cap	\$169m
Net Asset Value	\$166m
<i>Premium to Net Asset Value</i>	2%

Shareholders

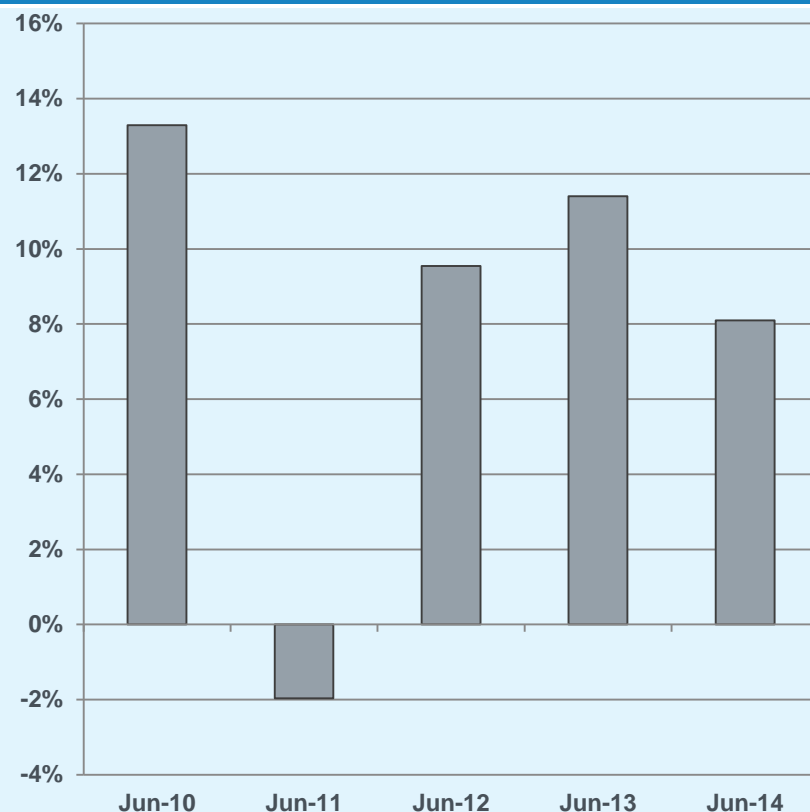
Euroz Limited	25%
Wilson Asset Management	8%
Geoffrey Brown	6%
Total number of shareholders	1357

The 2014 financial year saw a continuation of the underperformance of small versus large stocks...



- Underlying return on investment portfolio (before fees and taxes) of 21.2%
- Average annual portfolio return since inception of 16.2% p.a, well ahead of broader equity markets
- FY 2014 saw three major positions subject to takeover offers; AUT, AQA and CLO
- CWP and FRI were also a major positive contributors
- Cash levels moved from 51% at start of year to 20% at the close, with a further boost from acceptance of AQA takeover offer post 30 June.

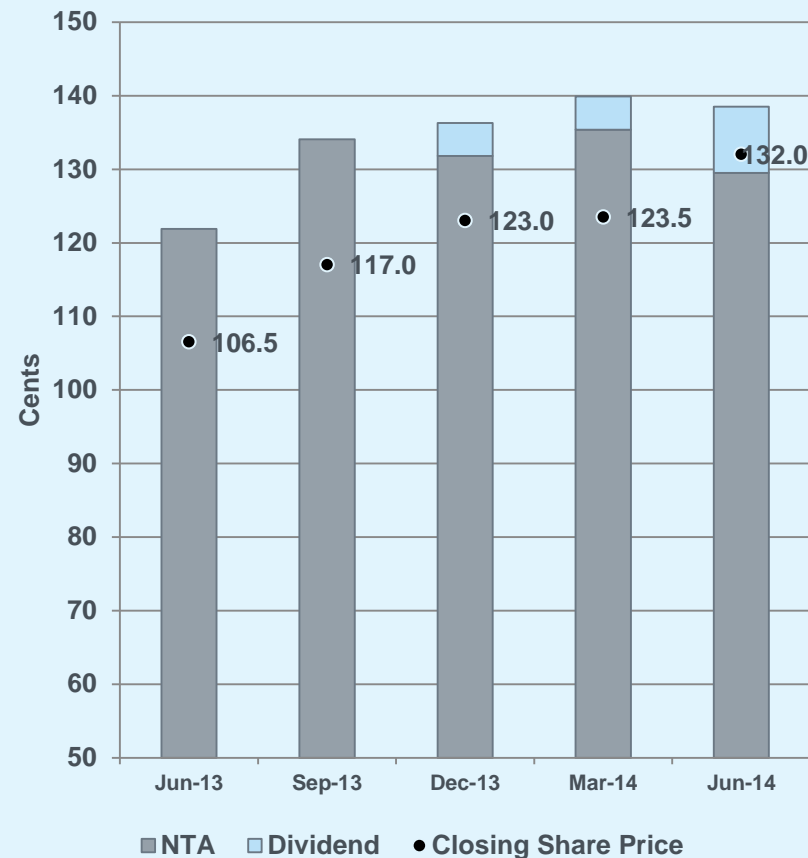
Annual Excess Return over Small Ords



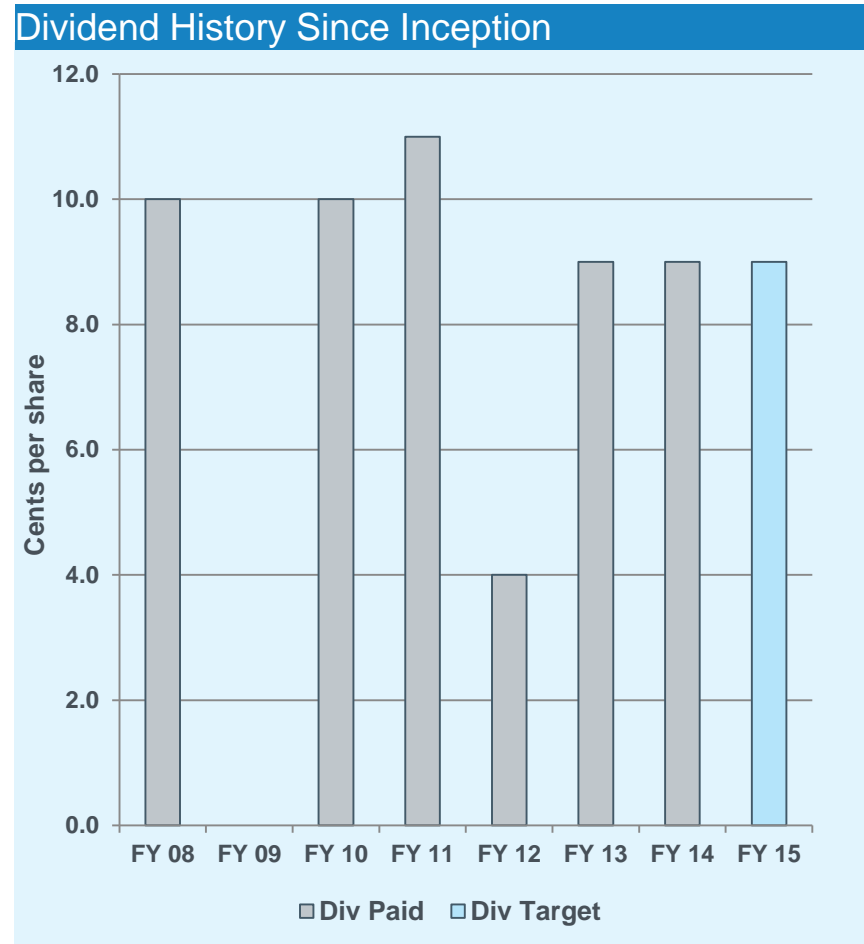
- Estimated and Unaudited profit after tax \$21.2 mil.
- Paid total of \$13.5 mil out in dividends
- Net assets at year end \$166 mil, up from \$156 mil at start
- On a per share basis, net assets after tax increased from 121.9 cents to 129.5 cents after allowance for 9.0 cents in dividends.
- Shareholder return of 34% (share price plus dividends paid)
- New additions to Board, with Steve Tucker and Dermot Woods joining. Jay Hughes appointed Chairman.

*All numbers are estimated and unaudited.

Quarterly After Tax NTA and Dividends



- Change to dividend policy:
 - Intend paying a consistent stream of dividends to investors
 - Will consider levels of realised profits, retained earnings and franking credits
 - Target 9.0 cents per share for FY 2015, represents **fully franked yield of 6.8%** on 30 June price
- Bonus Option Issue
 - 1 option to acquire a new share at 130 cents for every 10 held
 - Exercisable at any time prior to 31 August 2015.
- Introduction of DRP
 - DRP price of 2.5% discount to after tax NTA at 31 July

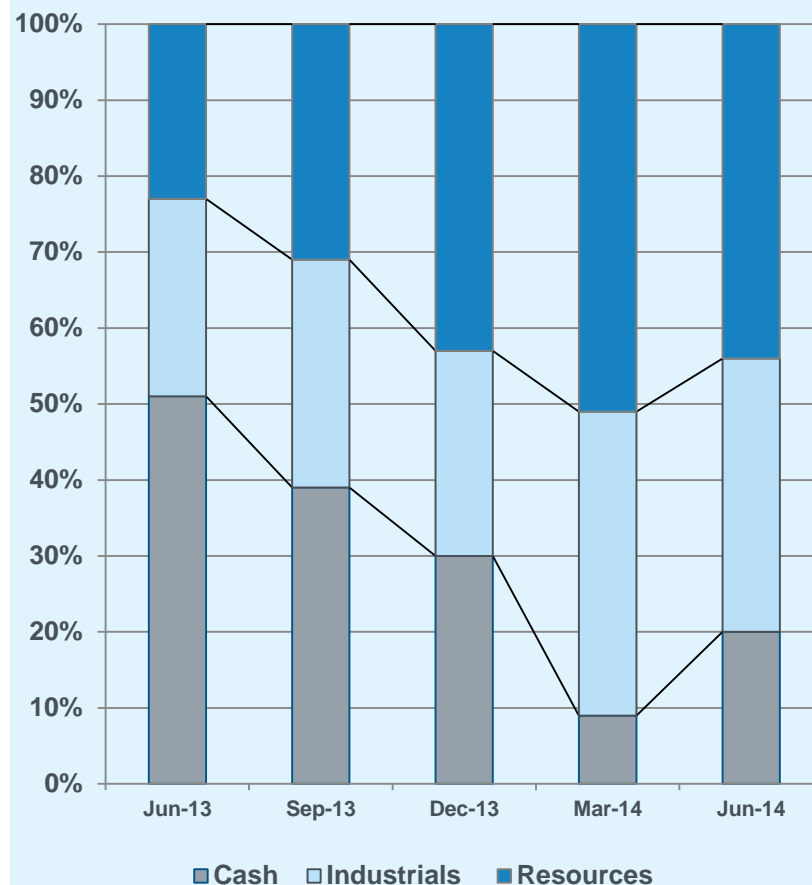


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Investment Portfolio, 30 June 2014

Aquila Resources Limited	12.0%
Finbar Group Limited	9.5%
Automotive Holdings Group Limited	9.4%
Cedar Woods Properties Limited	7.3%
Mount Gibson Iron Limited	7.2%
Medusa Mining Limited	7.1%
Sundance Energy Australia Limited	5.1%
Atlas Iron Limited	3.2%
Sandfire Resources NL	3.2%
Fleetwood Corporation Limited	2.6%
MACA Limited	2.5%
NRW Holdings Limited	2.0%
Teranga Gold Corporation	2.0%
Indophil Resources NL	1.5%
Mermaid Marine Australia Limited	1.5%
Aquarius Platinum Limited	1.2%
Other	3.1%
Cash	19.6%
TOTAL	100.0%

Portfolio by Segment



Investment Decision considerations

- Bottom up focus, decisions made on a stock by stock basis
- Quality of Management paramount
- Potential to generate cash from operations or assets
- Balance sheets appropriately structured for delivery of equity returns
- Valuation parameters, predominately price/earnings, dividend yield and discounted cash flows

Investment Environment

- Value has swung towards smaller companies following recent outperformance of larger stocks
- Coordinated global growth will be supportive for commodity prices
- Some appetite for risk emerging
- Chase for yield waning, green shoots for growth opportunities

Shareholder returns will be driven by three factors:

1. Portfolio Performance

- Return on underlying investment portfolio will remain the key driver of returns (up 16.2% p.a. since inception in May 2005)

2. Payout

- Stated intention is to pay a consistent stream of dividends
- Targeting 9.0 cent div in WIC in 2015 year; prospective yield (@\$1.30) circa 7%
- Dividend yield at higher end of peers

3. Price

- Shares currently trade at close to underlying asset value
- Continuation of investment performance and dividends will minimize any discount overtime



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