



## Annual General Meeting Update

11 November 2014

**OZGROWTH**  
LIMITED

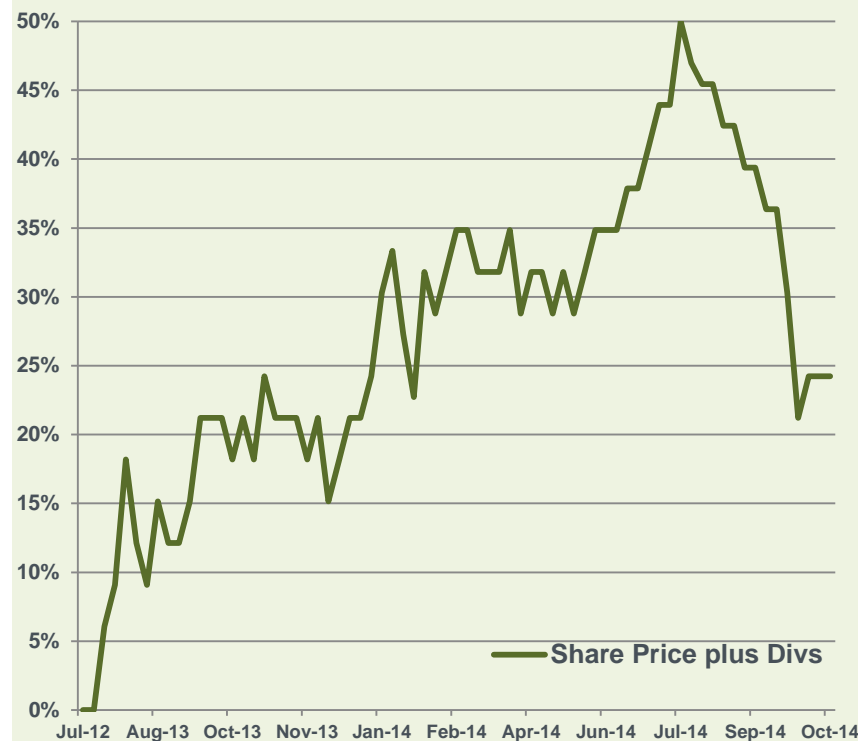
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OZG is a specialist investment company focused on generating a positive absolute return for investors through exposure to a concentrated investment portfolio of small cap to midcap West Australian focused companies.

## 2014 Financial Year

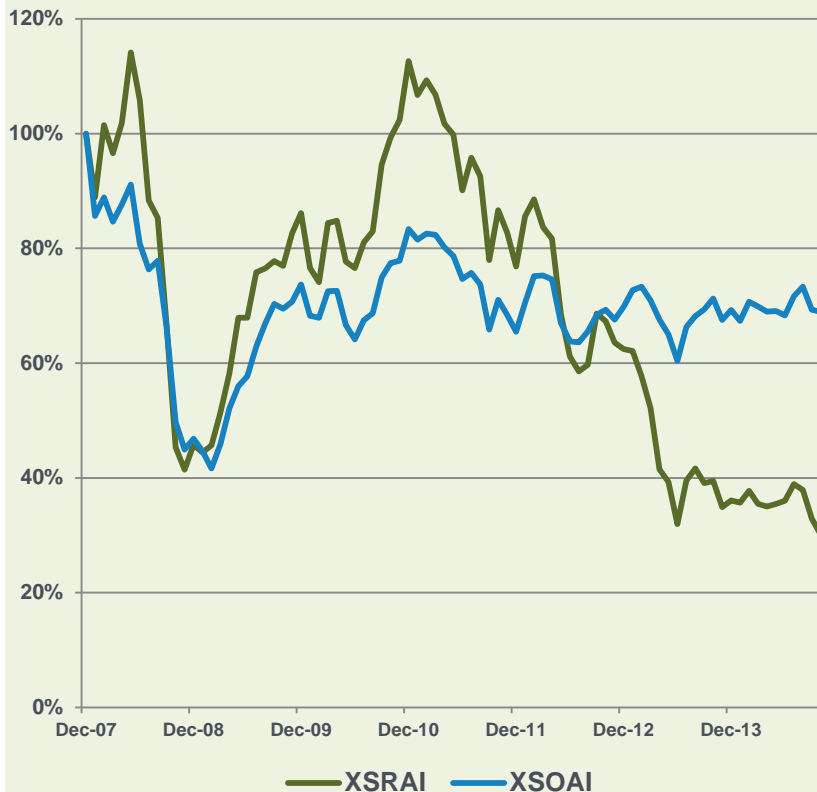
- Financial 2014 was a strong one for equity markets; the broad market index rose 17.6%
- Our investment portfolio showed a return of 24.1% over the period (before allowance for fees and taxes)
- This resulted in a net profit after tax of \$10.6 million for the 2014 financial year (3.0 cents per share)
- We met our targeted dividend payment of 1.5 cents per share (fully franked) for the year
- Return for shareholders in terms of price appreciation and dividend payments was strong, being up 34% over the twelve months to 30 June 2014
- Bonus options issued in July 2014

## Shareholder Return\* since 1 July 2013



\*Shareholder return shown as a percentage change from a base 1 July 2013. Shareholder return includes dividend payments.

## Small Resources and Small Ordinaries Since Listing

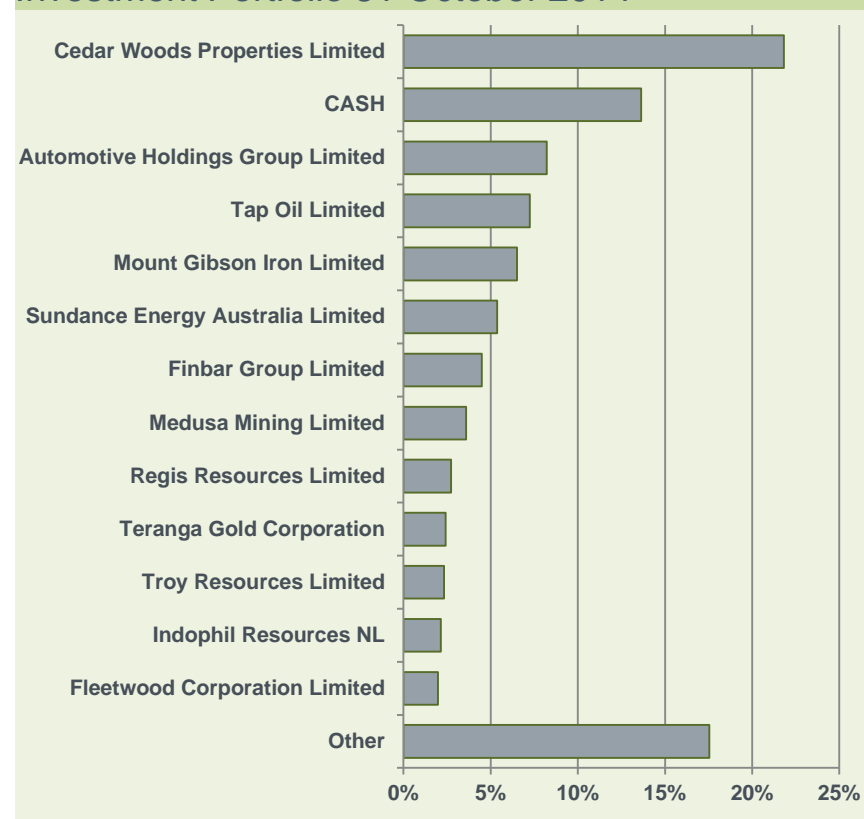


Source: ASX and IRESS

- Tough environment for West Australian related equities
- Resource stocks in eye of storm as global growth expectations outside of US are revised down
- Consequently, resource sector underperformance reaching extreme levels
- Vast majority of commodity prices now trading well into marginal cost curves and below incentive prices required for new projects
- Australian dollar finally cracked but largely ignored in resource stock price moves
- Consequently we are seeing value emerge in domestic based producers

- The start to the 2015 financial year has been challenging, investor sentiment towards resource related equities at decade lows
- Portfolio defensively positioned with cash and largest positions in non-resource related industrials
- In the four months to the end of October, the portfolio return (before fees and taxes) is -9.1%
- Net Assets per Share 21.1 cents at the end of October (after allowance for tax credit on unrealised losses)
- Aquila position disposed of in July

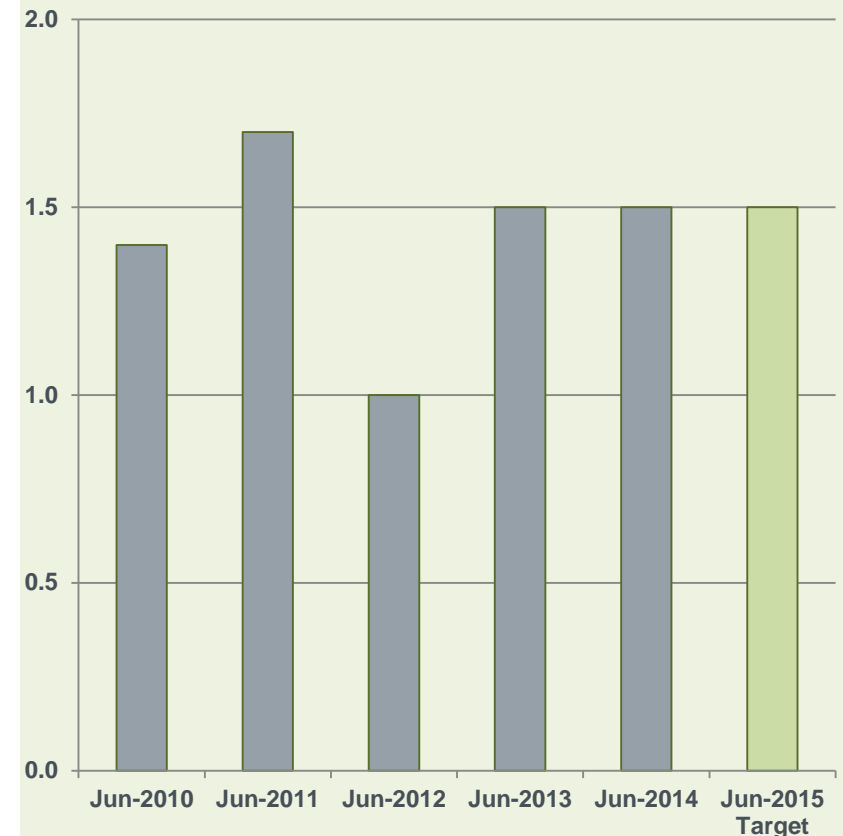
## Investment Portfolio 31 October 2014



# Dividend Targets

- Our target is to pay a consistent stream of dividends to investors.
- Dividend payments will be set after considering our level of realised net profits after tax, retained earnings and availability of franking credits.
- Franking account at 30 June 2014 covers fully franked dividend of approximately 1.4 cents per share
- 1.5 cent per share target remains in place for the current financial year.
- It is anticipated that dividend will be paid in equal amounts (0.75 cents each) in Feb 2015 and August 2015
- DRP has been introduced

Target Dividend and Capacity (cents per share)



# Outlook for Shareholder Returns

Shareholder returns will be driven by three factors:

## 1. Portfolio Performance

- Key driver that generates dividend capacity and growth in net assets

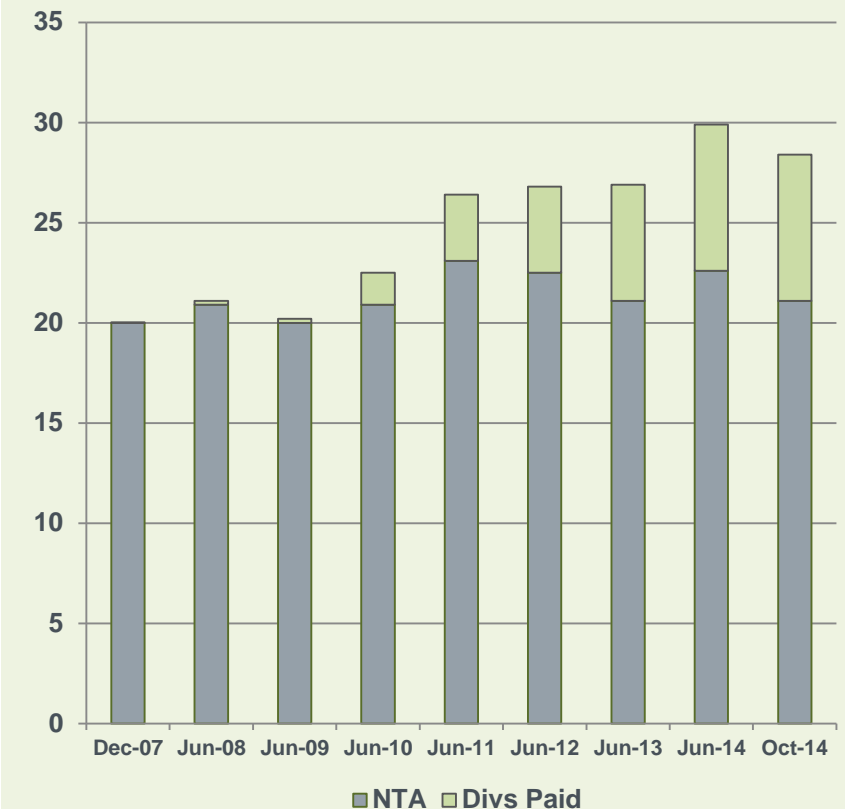
## 2. Dividend Payout

- Intention to pay a consistent stream of dividends
- Dividend payments are set after considering realised net profits after tax, retained earnings and franking credits.
- Targeting 1.5 cent div in current year (circa 8.5% yield at current market price)

## 3. Market Price

- Determined with reference to level of net assets per share
- Price to NTA gap has narrowed
- Continuation of investment performance and dividends will minimise gap overtime
- Continued focus on marketing

Net Assets and Dividends since Inception



\* Net Assets shown are on a per share basis and are calculated after all fees and taxes, including tax on unrealised gains.



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