

Market Metrics

Code	OZG.ASX
Share Price	16.5c
Net Tangible Assets Per Share	20.3c
Share Price Discount to NTA	-18.7%
Current Financial Year Target Dividend	0.5c
Yield on Target Dividend	3.0%

Quarterly Summary

The September quarter saw the Australian equity market post a modest gain of 1.0%. This return was driven by the payment of dividends rather than capital growth, with dividends accounting for approximately 1.3% of the gain, implying a small loss of 0.3% in capital value. The resources component was the highlight on the upside, rising 7.5%, with the telco sector a significant drag, falling 15.4%, as Telstra announced a dividend cut.

The September quarter also saw several economic releases that support our thesis that the Western Australian economy has bottomed. As examples, Employment Growth figures have returned to positive territory and trend State Final Demand is heading for stabilisation from earlier contraction. We are closely following Net Migration numbers, which should signal a confirmation of improved outlook for asset prices.

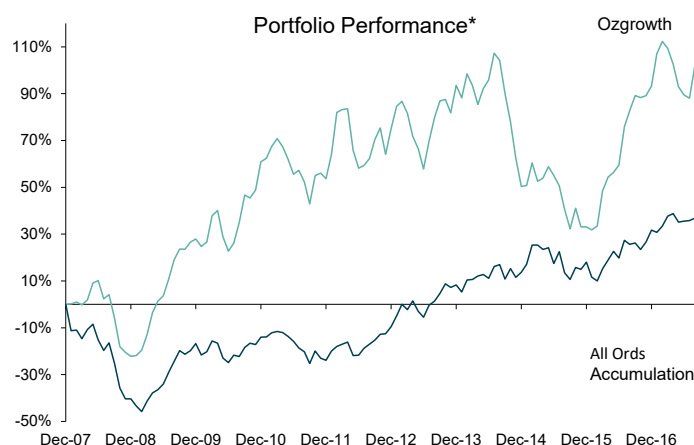
	Sep-17	Jun-17
NTA Before Tax	20.2c	18.4c
NTA Before Tax on Unrealised Gains	20.9c	19.4c
NTA After Tax	20.3c	19.0c
Share Price	16.5c	16.0c

In this environment, our portfolio had a very strong start to the financial year, rising 10.0% (before fees and taxes). Notable contributors to this gain were NRW Holdings Limited (up 86%) and Beach Energy Limited (up 45%). Both companies announced significant acquisitions during the period with associated capital raisings.

In terms of portfolio composition, our portfolio remained close to fully invested, with cash levels closing at 8% of assets. A notable new entry to our larger disclosed positions is Zenith Energy Limited, which recently listed via IPO. We subsequently increased our holding in this name.

Portfolio Summary

Cedar Woods Properties Limited	13%
Cooper Energy Limited	9%
Zenith Energy Limited	6%
Emerald Resources NL	5%
Australis Oil & Gas Limited	5%
NRW Holdings Limited	5%
MACA Limited	4%
Equatorial Resources Limited	4%
Finders Resources Limited	3%
Austal Limited	3%
Beach Energy Limited	3%
Programmed Maintenance Services Limited	3%
Seafarms Group Limited	2%
Sandfire Resources NL	2%
IMF Bentham Limited	2%
Other	20%
Cash	8%
Total	100%



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

Stock In Focus

NRW Holdings Limited (NWH.ASX)

NWH is a diversified services provider to Australia's resource and infrastructure sectors. Revenue and earnings are substantially sourced from civil earthworks and mining businesses. NWH has historically delivered solid cash returns primarily from successful execution of projects on behalf of major iron ore customers. The company's share price hit 10 year lows in early 2016 driven by significant losses, and subsequent balance sheet damage, caused by dispute over the company's last major boom time Pilbara project in FY2015. This event was compounded by a cyclical decline in resources sector activity.

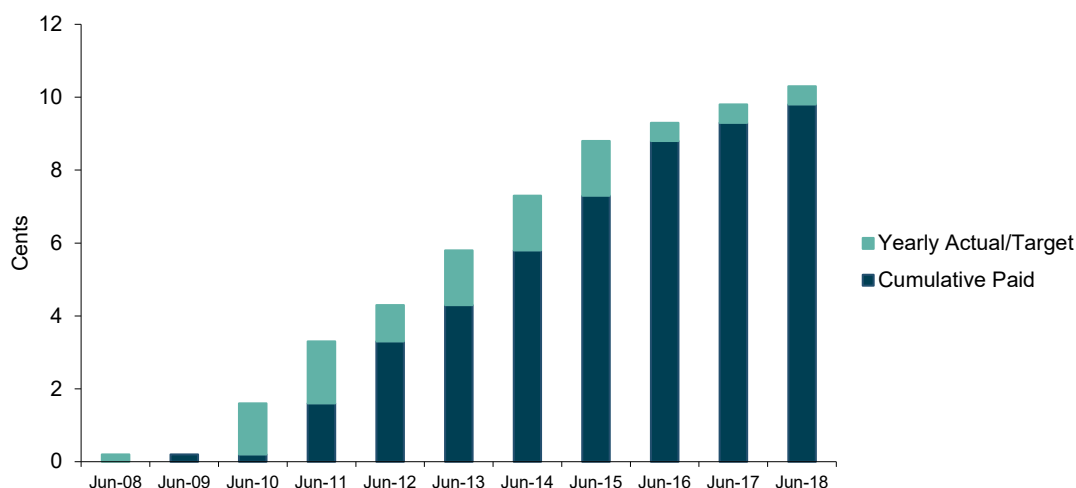
NWH at a Glance			
Last price \$1.20	FY17*	FY18*	FY19*
Revenue (\$ mil)	370	694	806
Earnings before interest, tax and depreciation (\$ mil)	59	103	120
Net Profit After Tax (\$ mil)	29	55	71
Enterprise Value to EBITDA (x)	8.9	5.0	4.4
Price Earnings Ratio (x)	13.6	8.0	6.1

*FY17 actual, FY18 and FY19 analyst estimates

We started building our current position in NWH in early 2016 having formed the view that the potential to build cash flows from cyclical lows would resolve the balance sheet issue over time. The prevailing share price also reflected an attractive entry point relative to the value of company's assets. Over the proceeding period NRW has reported: a return to annual profitability; numerous contract awards; two acquisitions; and, a significant reduction in debt leverage. This has seen NWH's share price increase fivefold with the company recently receiving strong market support following its acquisition of Golding Group Pty Ltd. This acquisition adds significant civil project delivery and management capability on the east coast of Australia.

We believe NWH is well placed to further benefit from a bounce in mining and civil activities driven by: replenishment tonne projects from iron ore majors; greenfield gold, lithium and coal projects; and, infrastructure spend. Risks, as always, relate to contract execution and project delays due to commodity price declines.

Dividend History



About Ozgrowth Limited

Ozgrowth Limited is a listed public company (ASX Code: OZG) that has been established to provide 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 (ASX Code: EZL).

Whilst the majority of investments will be sourced from the Australian equity market, the portfolio is intended to produce the desired returns regardless of the general direction of that market. Ozgrowth Limited will also consider unlisted investment opportunities as appropriate.

For more information on Ozgrowth Limited, please refer to our web site www.ozgrowth.com.au