

Market Metrics

Code	WIC.ASX
Share Price	99.5c
Net Tangible Assets Per Share	\$1.133
Share Price Discount to NTA	-12.2%
Current Financial Year Target Dividend	6.0c
Yield on Target Dividend	6.0%

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 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.

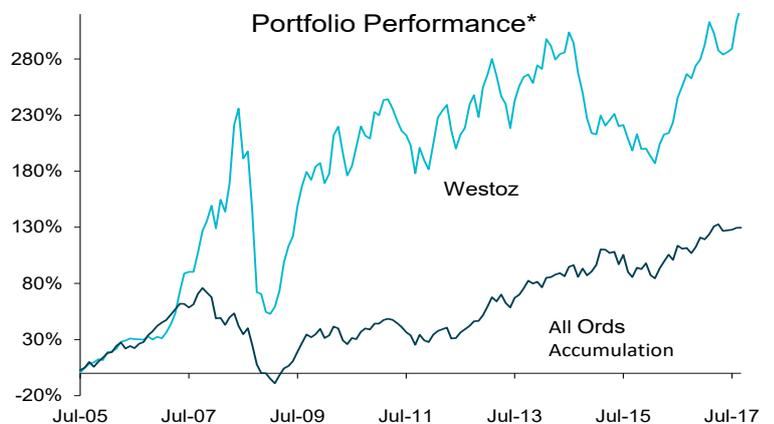
In this environment, our portfolio had a very strong start to the financial year, rising 10.8% (before fees and taxes). Notable contributors to this gain were NRW Holdings Limited (up 86%) and Beach Energy Limited (up 45%). Both companies announced significant acquisitions during the period with associated capital raisings.

In terms of portfolio composition, we reduced our cash level to 16%, down from 24%. This cash was in part directed to several capital raisings during the period in our existing portfolio holdings.

	Sep-17	Jun-17
NTA Before Tax	112.8c	102.3c
NTA Before Tax on Unrealised Gains	116.8c	107.1c
NTA After Tax	113.3c	105.6c
Share Price	99.5c	96.0c

Portfolio Summary

NRW Holdings Limited	11%
Cedar Woods Properties Limited	9%
Cooper Energy Limited	7%
Australis Oil & Gas Limited	6%
Austal Limited	6%
Sandfire Resources NL	5%
Western Areas Limited	5%
Beach Energy Limited	4%
Finbar Group Limited	4%
Mount Gibson Iron Limited	4%
Woodside Petroleum Limited	4%
Macmahon Holdings Limited	3%
IMF Bentham Limited	3%
Other	18%
Short Positions	-5%
Cash	16%
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.

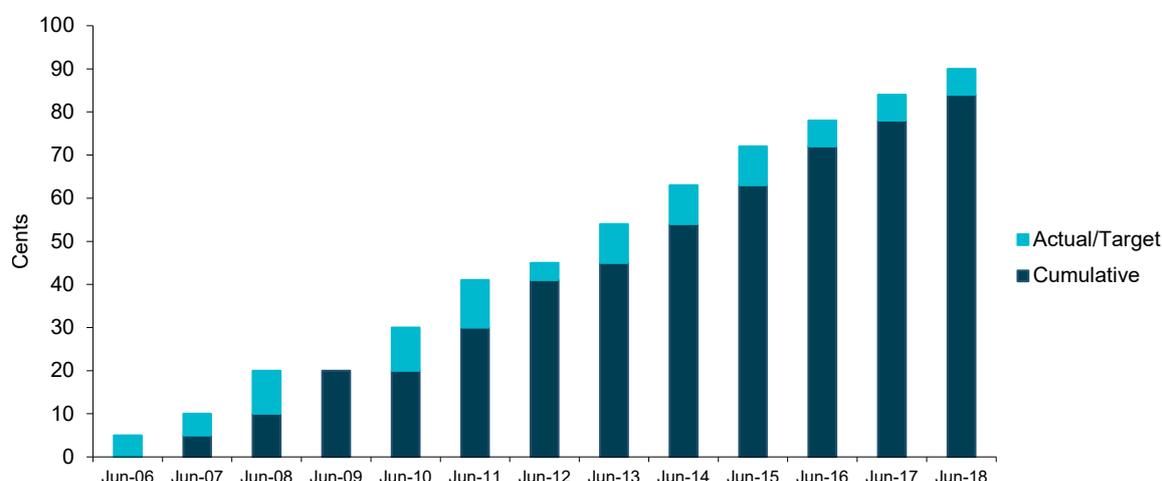
NWH at a Glance			
Last Price \$1.20	FY17*	FY18*	FY19*
Revenue (\$ mil)	370	694	806
Earnings before interest, tax and depreciation (\$ mil)	59	103	120
Net Profit After Tax (\$ mil)	29	55	71
Enterprise Value to EBITDA (x)	8.9	5.0	4.4
Price Earnings Ratio (x)	13.6	8.0	6.1

*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 preceding 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 Westoz Investment Company Limited

Westoz Investment Company Limited 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.