

#### **Disclaimer**



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### **Westoz Investment Company Update**



Positive start to FY2020 for investment portfolio

Pre-tax NTA +13% to \$1.276\*

WIC share price \$1.06\*, has lagged NTA increase

Solid reporting season, gold development companies performing

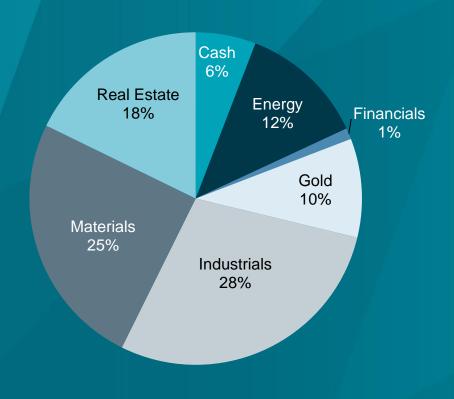
WA Economy - recent economic releases and indicators encouraging

West Australian project spend - healthy to strong outlook over short and medium term

# **Investment Portfolio**



		Aug 19
Cedar Woods Proper	ties	10%
Ausdrill Limited		8%
BHP Group Limited		8%
Macmahon Holdings		7%
Finbar Group		7%
Australis Oil & Gas		6%
Orecorp Ltd		6%
Western Areas		5%
Cooper Energy		5%
West African Resources		5%
Sandfire Resources NL		4%
NRW Holdings Limited		4%
Other		22%
Short Positions		-3%
Cash		6%



Source: WFM

#### **Dividends**



Paid 96c in fully franked dividends since inception

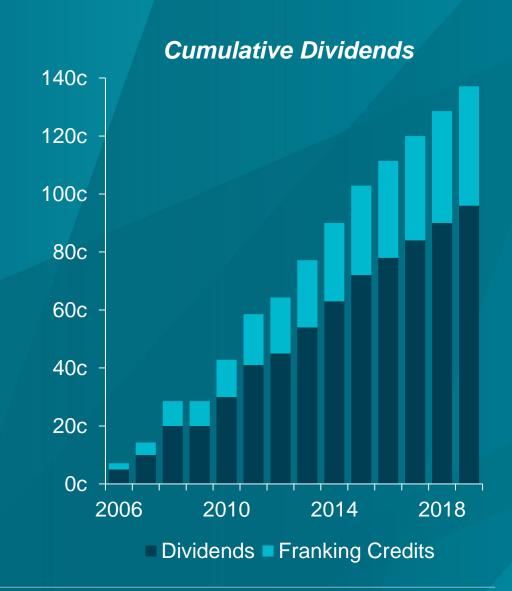
Consistent dividend of 6c fully franked for last four years

Board has declared a target dividend of 6c for FY2020

Healthy level of profit reserves and franking credits

Augmented by solid start to FY2020

Current gross yield of 8.1%



Source: WFM 5

### **West Australian Economy**



Returning to growth off a very low base

Significant project expenditure forecast over short and medium term

Population growth rebounding, still some way to go

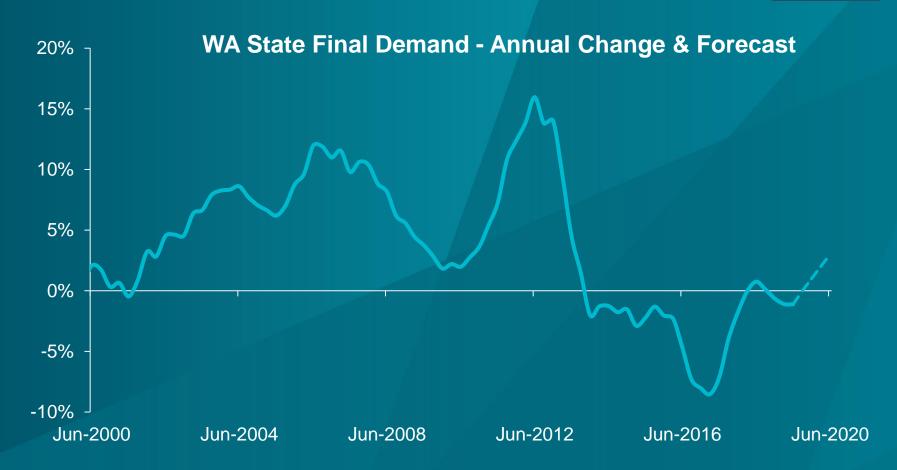
Other private capex to lift off recessionary levels

Business conditions & confidence above national average

Household expenditure weak but consumer confidence improving

### WA Economy – Growth Ahead



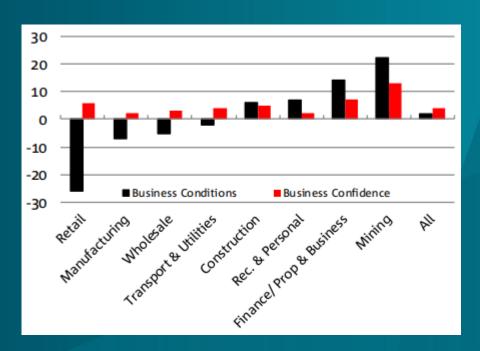


Quarter on quarter growth evident in latest release for June 2019 quarter Further growth is forecast, driven by increasing private capital spend

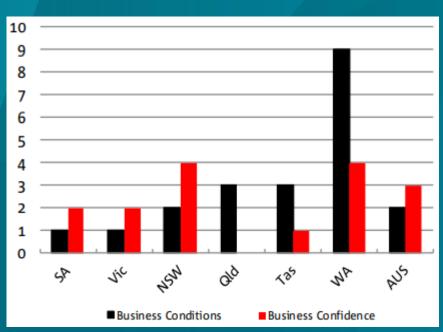
### **West Australian Business Confidence**



### **Business Conditions by Industry**



#### **Business Conditions by State**



West Australia leading nation in business conditions

Mining confidence and conditions higher than other major industries

### **Major Resource Projects Ahead**



2019 year of inflection for major resource project spend in WA

Large scale iron ore projects underway

FMG (\$5.5b Eliwana, Iron Bridge)

RIO (\$3.7b Koodaideri)

BHP (\$4.2b South Flank)

+\$13 billion in capex to 2022, creating 9,400 construction jobs and 2,600 operating jobs

Next wave: +\$50 billion of LNG capex under consideration

### **WA Economy – Population Growth**





Population growth lifted off lows, latest 1% annual growth versus low of 0.6% WA pre-boom average of 1.8%, Australian population growth currently 1.6%

#### **West Australian Consumer**



Short-term consumer confidence outlook at highest level in over 6 years

Retail sales have returned to positive annual growth

Unemployment rate has improved from 6.9% to 5.8%

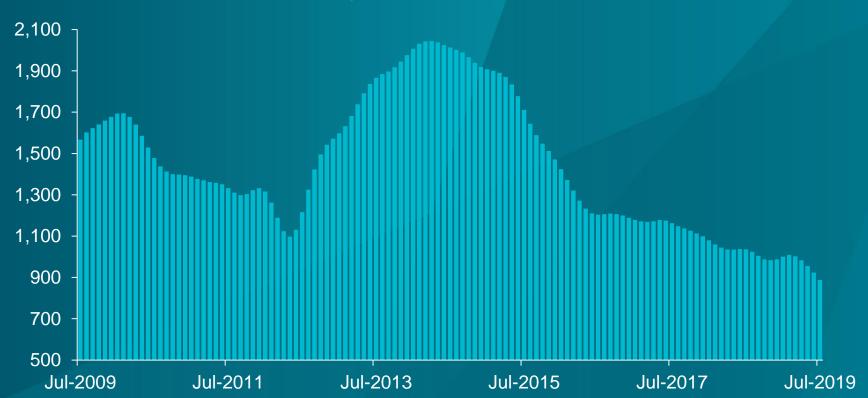
Consumers remain cautious on job prospects and cost of living



## **WA Economy – Housing Activity**



### **WA Monthly Private House Approvals**



Cycle will turn but no rebound evident yet, activity at 20-30 year lows

Anecdotally - enquiries increasing, sales yet to flow, improvement expected

Source: ABS 12

# **Opportunities**



Cyclical vs Growth

Small vs Large

Trade "war" impacted

WA property

Offshore gold vs onshore gold

WA resources construction

### **Westoz Investment Company Difference**



West Australian based and investment focused

\$168m of dividends and franking credits

Investment Manager aligned with investors

Consistent investment process and team

