



Dear Investor,

Equity markets were turbulent this week with ASX All Ordinaries declining -1.1% as a spike in global bond yields led to volatility across other asset classes. Defensive sectors outperformed with the Consumer Staples, and Healthcare sectors posting positive overall weekly returns as well as REITs.

Net tangible assets for both funds decreased over the week. The market appears to be spooked by the impact of COVID driven disruptions on contractor results and what this means for future profitability. This potentially somewhat myopic view has had a detrimental impact on the share prices of several holdings in Westoz Investment Company. Declining commodity prices also impacted funds NTAs.

In today's Westoz Weekly, we discuss: Westoz and Ozgrowth monthly updates; Finbar Group's half-year results (FRI.ASX); Karoon Energy's first half and outlook (KAR.ASX); Nickel Mines annual report (NIC.ASX); and, mining services contract wins.

Click on the blue numbers within the table below to access the NTA figures released to the ASX today.

	WIC.ASX	OZG.ASX
Pre Tax NTA	128.6c	27.0c
Share Price	115.0c	23.0c
Share Price Discount to NTA	10.5%	14.7%
Gross Dividend Yield	7.5%	3.7%

Westoz and Ozgrowth February Updates



February updates for Westoz Investment Company (WIC.ASX) and Ozgrowth (OZG.ASX) and have been released to the ASX and are now available. WIC and OZG portfolios decreased in February, with respective gross portfolio returns of -7.4% and -1.4%. Click on the images above to read the latest monthly releases.

Finbar Sales Gain Momentum



Apartment developer Finbar Group (FRI.ASX) has released its first-half 2021 results, marking the company's 25th year of profitability. FRI made \$4 million in net profit after tax and has announced a fully franked interim dividend of 2.0 cents per share. More importantly than profits, which vary according to building completion dates, monthly sales rates have returned to levels not seen since the peak of the Perth property market in 2014.

Complimenting this positive multi-residential market environment, Finbar has a \$469 million of construction developments in the pipeline including; last month's commencement of Civic Heart (South Perth); and, AT238 (East Perth) works to commence this month. We view the outlook as positive for Finbar with the re-opening of borders complimenting the already buoyant Perth property market. In time, we would expect the pick-up in owner occupier sales currently being witnessed will be augmented by the return of property investors.

Both Westoz and Ozgrowth have disclosed positions in Finbar Group.

Karoon Energy Update



Energy producer Karoon Energy (KAR.ASX) has released its first-half FY2021 (1H21) results and given an overview of the company's strategy and outlook. Production at KAR's flagship Baúna asset was reported in line with expectations with significant volumes of oil delivered at low operating costs. We continue to believe that KAR offers one of the best exposures to rising oil prices on the ASX given its 100% oil focus and multiple production growth opportunities. So far in FY2021 we have seen a 59% increase in crude oil prices drive a 90% return for KAR shares.

Westoz has a disclosed holding in Karoon Energy.

Nickel Mines Full Year Results



Nickel Mines (NIC.ASX) has reported a solid year of operations with significant increases in revenue and net profit, as well as ending the year with low debt and a strong cash position. NPAT generated of US\$153.7m enabled the Company to pay a fully franked dividend last month. NIC finished 2020 with robust financials including a strong cash position and low debt.

Hengjaya Nickel and Ranger Nickel projects reported strong operating performance with significant volumes of nickel produced and sold. The Company is one of the few pure-play nickel producers on the ASX and is has a positive outlook assisted by: recently increased ownership of Hengjaya and RKEF; further rises in nickel prices, and, and strong balance sheet. NIC looks likely to have another solid year of profits with a high chance of paying further dividends to shareholders.

Westoz has a disclosed holding in Nickel Mines.

Mining Services Contract Awards



Contracting group MACA (MLD.ASX) has announced the award of the Tampia Open Pit Mining Services contract for gold miner Ramelius Resources. The scope of works will include drilling and blasting services as well as utilising MACA's mining fleet for the load and haul of material. The contract is expected to generate \$95 million in revenue over a 28 month term commencing the further quarter of FY21, and will employ approximately 115 people. This increases MACA's work in hand position to \$3.4 billion.

Another contract win this week was for Macmahon Holdings (MAH.ASX) who were selected for Saint Barbara's underground project, Gwalia. The initial contract term will be for 5 years, with St Barbara having an option to extend for a further 3 year period. Macmahon estimates the contract will generate approximately \$500 million in revenue over the initial 5 year term. This significant win validates MAH and shows the Company can be competitive against larger peers.

We view the valuations in the mining services sector as attractive versus cashflow. Within the mining services sector, Westoz and Ozgrowth have disclosed holdings in: NRW holdings (NWH.ASX), Perenti Global (PRN.ASX); and, Duratec (DUR.ASX).

How To Become A Shareholder

Investors wishing to gain exposure to our investments can purchase shares in Westoz Investment Company Limited and Ozgrowth Limited through your investment platform, stockbroker or affiliated adviser. Shares trade on the ASX under the tickers WIC.ASX and OZG.ASX.

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Westoz Funds Management

Westoz Funds Management Pty Ltd is the appointed investment manager for two listed investment companies: Westoz Investment Company Limited (WIC.ASX); and, Ozgrowth Limited (OZG.ASX). Westoz Funds Management is a wholly owned subsidiary of Euroz Limited (EZL.ASX).

Net Tangible Assets

The NTA figures reported above are unaudited and are our estimate as at the close of business on the specified date. Further detail on NTAs can be found on our [website](#).

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