

1 April 2019

The Manager
NSX Market Announcements

Investment Update – Quarterly Report to 31 March 2019

The Board provides the following unaudited investment update.

Company	Value	% Of Portfolio
Horizon Oil Ltd (HZN)	\$1,100,000	37.20%
NGE Capital Ltd (NGE)	\$656,063	22.18%
Gowing Bros Ltd (GOW)	\$428,400	14.49%
APN Regional Property Fund (APR)	\$406,110*	13.73%
Jameson Resources Ltd (JAL)	\$166,500	5.63%
Other Securities	\$21,736	0.74%
Cash	\$178,434	6.03%
Total	\$2,957,243	100%

*APN Regional Property – as disclosed in the Interim Report we have tendered our units into the withdrawal offer. If the withdrawal offer is seen through to completion, proceeds are estimated to be \$475,656.

HZN – We have added to our position in Horizon Oil since 31 December 2018. The diluted enterprise value of HZN is a low multiple of free cash flow generated by the oil business, in our view providing a “free ride” on PNG. We like management’s focus on debt reduction.

NGE – We have added to our position in NGE Capital since 31 December 2018. The Board of NGE has done a great job growing NTA per share and has constructed an interesting portfolio of concentrated positions. The discount to NTA has been tightening and we believe this will continue.

GOW – We have slightly reduced our position in Gowing Bros since 31 December 2018 to fund other purchases. We continue to like the GOW story and hold for a potential corporate reorganisation. We note the following comment from Managing Director John Gowing in the 2018 Annual Report regarding the finance facility; *“Another key aspect of the new facility is that it allows us to move all our shopping centres into individual trusts and out of the existing company ownership structure. This will provide more flexibility in the future, in the event of introducing capital partners or undertaking corporate reorganisations, to potentially streamline shopping centre cash flow to shareholders”*.

JAL – Is a new position. We believe there is potential for corporate action, with either Bathurst Resources Ltd (JALs JV partner) given the market capitalisation of JAL vs the price BRL is paying for a 50% interest or Teck Resources which has a considerable presence in Elk Valley with 5 steel making coal operations.

Unaudited Pre-tax NTA per share:	15.60c
Unaudited Post-tax NTA per share:	15.60c

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