

NET TANGIBLE ASSET VALUE BREAKDOWN

PRE TAX NTA	POST TAX & PRE UNREALISED GAINS TAX NTA	POST TAX NTA	SHARE PRICE	PREMIUM/ (DISCOUNT) TO NTA (PRE TAX)	FULLY FRANKED DIVIDEND YIELD
\$1.08	\$1.09	\$1.10	\$1.10	1.85%	6.59%

MARKET INSIGHT

For the month of December, the Investment Portfolio returned -2.92%, outperforming the benchmark Small Ordinaries Accumulation Index (XSOAI) which fell by -4.18%. This brings the inception return over the past 5 years and 11 months to +12.41% p.a. or +98.10% in nominal terms, outperforming the XSOAI which has increased by +3.93% p.a. or +25.29%. December 2018 represented the worst quarter of performance for the XSOAI in 5 years and the worst quarter for small cap industrial companies since 2008. The poor performance in CY2018 from both the benchmark index and the NCC portfolio has been driven somewhat by negative earnings surprises, which from an NCC perspective included Saunders International (ASX: SND) and BSA Limited (ASX: BSA), but in the main the decrease in share prices has been driven by a sharp deterioration in valuation multiples. Fundamentally, the market is not prepared to pay the same price for the same business as it may have been just 6 or 12 months ago. Investor confidence drives share prices over the short-term, and rising risk-free rates in the US, credit constraints in Australia, and global trade wars have clearly all weighed on investor confidence.

Many investors will highlight the downgrades over the past year and the subsequent stock price falls as a clear reflection of investor confidence. We believe it is more telling to look at certain stocks which upgraded throughout CY2018 and yet provided negligible share price appreciation. Examples include CML Group (ASX: CGR), which provided 2 upgrades over the course of the year, yet the total share price return for 2018 was just over +7%. Cleanaway Waste Management (ASX: CWY) also upgraded in CY2018, yet the total return was also just over +7%. This uncertain environment has resulted in investors reducing their exposure to equities, which is often most keenly felt in small caps. This was certainly the case in December, where the ASX-100 Accumulation Index rose by +0.27%, compared to the XSOAI performance of -4.18%. We believe this presents an attractive entry point going forward with regard to small cap valuations.

Turning to CY2019 we are cautiously optimistic about both the short and long-term valuation potential in the core positions within the investment portfolio. Valuations are ultimately driven by earnings growth and we believe holdings such as Eneo Group (ASX: EGG), Consolidated Operations Group (ASX: COG), CML Group (ASX: CGR) and Wingara Ag (ASX: WNR) will all grow their earnings in the short-term. Valuation multiples can be influenced by sentiment and subjectivity in the short to medium term, but if management teams remain focused on executing on their strategic goals to deliver solid cash flow generating businesses, coupled with maintaining strong balance sheets, this should result in earnings growth over the long term, and naturally lead to a multiple re-rate by the market. Valuation re-ratings can be in the range of 20% - 40%, excluding the effect of any earnings growth. Timing can be impossible to predict, but starting the year from a lower multiple base together with good momentum in many of our holdings, may potentially set the NCC portfolio up for a much stronger performance in 2019.

INVESTMENT PORTFOLIO PERFORMANCE

	1 MONTH	1 YEAR	3 YEARS (P.A.)	4 YEARS (P.A.)	5 YEARS (P.A.)	INCEPTION (P.A.)	INCEPTION (NOM.)
NCC Investment Portfolio Performance*	-2.92%	-14.92%	+7.97%	+7.23%	+8.97%	+12.41%	+98.10%
S&P/ASX Small Ordinaries Accumulation Index	-4.18%	-8.67%	+7.45%	+8.12%	+5.62%	+3.93%	+25.29%
Outperformance Relative to Benchmark	+1.26%	-6.25%	+0.52%	-0.89%	+3.35%	+8.48%	+72.81%

*Investment Portfolio Performance is post all operating expenses, before fees, taxes and initial IPO and placement commissions. Performance has not been grossed up for franking credits received by shareholders. Since inception (p.a. and nom.) includes part performance for the month of February 2013. Returns compounded for periods greater than 12 months.

INVESTMENT BELIEFS

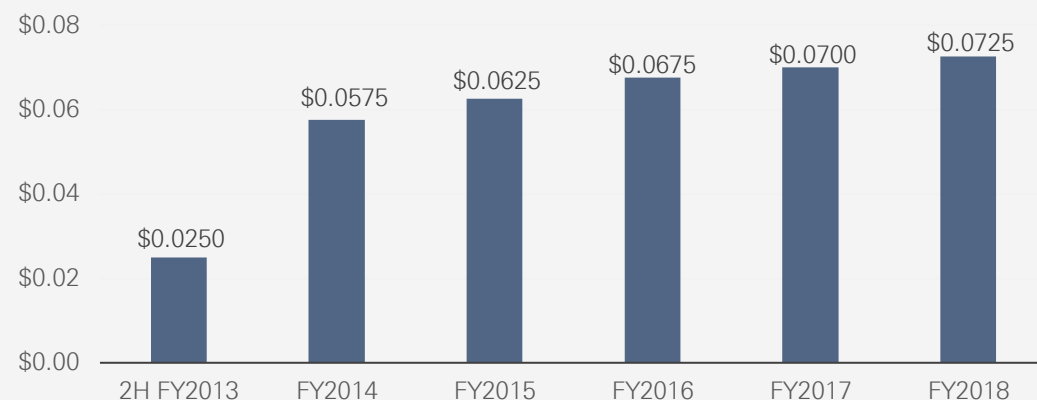
VALUE WITH LONG
TERM GROWTHQUALITY OVER
QUANTITYINVEST FOR THE
LONG TERMPERFORMANCE V
LIQUIDITY FOCUS

IGNORE THE INDEX

PURE EXPOSURE TO
INDUSTRIALSENVIRONMENTAL,
SOCIAL AND
GOVERNANCE (ESG)MANAGEMENT
ALIGNMENT

FULLY FRANKED DIVIDEND PROFILE (CENTS PER SHARE)

NCC aims to deliver shareholders a sustainable growing stream of fully franked dividends.



STOCK CONTRIBUTION ANALYSIS

The table below lists the top 5 positive stock contributors to the investment portfolio since inception.

TOP 5 POSITIVE CONTRIBUTORS	CONTRIBUTION TO RETURN (%NAV)
BSA Limited (ASX: BSA)	+20.44%
Calliden Group Limited (ASX: CIX)	+13.90%
Capitol Health Limited (ASX: CAJ)	+13.51%
Consolidated Operations Group Limited (ASX: COG)	+11.97%
Lindsay Australia Limited (ASX: LAU)	+8.97%

KEY METRICS – SUMMARY DATA

Weighted Average Market Capitalisation of the Investments	\$83.6 million
Number of Holdings	9 Long Positions
Cash Weighting	0.00%
Standard Deviation of Returns (NCC)	11.25%
Standard Deviation of Returns (XSOAI)	13.24%
Downside Deviation (NCC)	5.53%
Downside Deviation (XSOAI)	7.51%
Percentage of Positive Months (NCC)	66%
Percentage of Positive Months (XSOAI)	56%
Shares on Issue	59,905,339
NCC Directors Shareholding (Ordinary Shares)	4,000,375

INVESTMENT PORTFOLIO PERFORMANCE MONTHLY RETURNS*

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
FY19	-2.42%	+3.94%	+2.88%	-6.09%	-6.12%	-2.92%						
FY18	+3.43%	+4.94%	-1.24%	+2.32%	+2.39%	+0.14%	-0.77%	-1.52%	+0.43%	-1.49%	-1.89%	+0.44%
FY17	+4.63%	+6.48%	+3.65%	-0.49%	-0.45%	+1.92%	+0.08%	-1.93%	+0.82%	-3.69%	+0.70%	+0.44%
FY16	+2.28%	-5.77%	+0.86%	+3.72%	+1.10%	+4.56%	-3.26%	+4.96%	+1.57%	+4.67%	+5.31%	+2.97%
FY15	+2.30%	+3.58%	-1.51%	-2.39%	+0.58%	+0.46%	+0.58%	+2.81%	-2.59%	-0.18%	+2.37%	-4.27%
FY14	+9.19%	+7.64%	+2.80%	+5.11%	-4.84%	-3.57%	+4.76%	+3.87%	+2.91%	-0.70%	+0.85%	+0.67%
FY13								+0.03%	+3.81%	+3.03%	+4.48%	-0.99%

*Investment Portfolio Performance is post all operating expenses, before fees, taxes and initial IPO and placement commissions. Performance has not been grossed up for franking credits received by shareholders.

NAOS

OUR TEAM

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David Rickards (Independent)

Directors
Warwick Evans
Sebastian Evans

Company Secretary/
Senior Legal Counsel
Rajiv Sharma

Chief Investment Officer
Sebastian Evans

Portfolio Managers
Robert Miller
Ben Rundle

Investment Analyst
Rachel Folder

Chief Financial/
Operating Officer
Richard Preedy

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Important Information:

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