

MONTHLY INVESTMENT REPORT & NTA UPDATE

AS AT 31 MARCH 2021

Net Tangible Asset Value Breakdown

Pre Tax NTA*	Post Tax & Pre Unrealised Gains Tax NTA	Post Tax NTA	Share Price	Number of Holdings	Cumulative Fully Franked Dividends	Fully Franked Dividend Yield
\$1.07	\$1.07	\$1.06	\$1.11	15	\$0.5375	6.53%

The above NTA figures are exclusive of the 3.75 cents per share fully franked 1H FY21 dividend, which had an ex-dividend date of 29 March 2021 and a payment date of 23 April 2021.

Market Insight

For the month of March, the NCC Investment Portfolio returned -0.79%, slightly underperforming the benchmark S&P/ASX Small Ordinaries Accumulation Index (XSOAI) which increased by +0.79%. The NCC Investment Portfolio has now returned +12.08% p.a. since inception in February 2013, significantly outperforming the XSOAI which has returned +6.74% p.a. over this time. March was an uneventful month for the portfolio with none of the investments releasing any meaningful announcements. From a contribution perspective the main positive contributors were Saunders International (ASX: SND), COG Financial Services (ASX: COG) and Contango Asset Management (ASX: CGA). Unfortunately, these gains were offset by Experience Co (ASX: EXP), which fell on no specific news, although one could argue the slow rollout of COVID-19 vaccines is not helping investor sentiment; and Wingara Ag (ASX: WNR) which is still suffering from the fallout associated with poor capital management decisions, governance issues and a vacant CEO position.

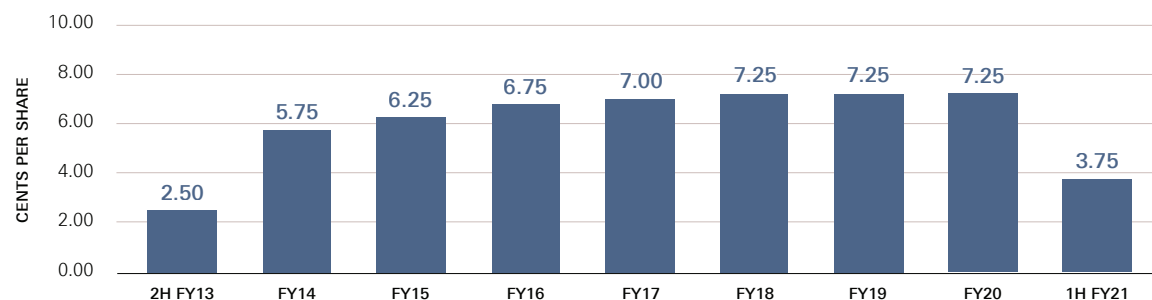
Investment Portfolio Performance Monthly and FY Returns*

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY Total Return
FY21	+7.98%	-0.90%	+3.69%	+6.01%	+5.57%	+1.25%	+0.23%	+4.28%	-0.79%				+30.37%
FY20	+6.85%	+2.86%	+6.56%	-3.56%	-0.04%	+4.11%	+11.11%	-8.57%	-28.25%	+5.39%	+8.70%	+1.32%	-0.54%
FY19	-2.42%	+3.94%	+2.88%	-6.09%	-6.12%	-2.92%	-0.24%	+4.96%	-1.80%	-3.54%	-1.43%	+0.20%	-12.51%
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%	+7.13%
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%	+12.39%
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%	+24.77%
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%	+1.43%
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%	+31.54%
FY13								+0.03%	+3.81%	+3.03%	+4.48%	-0.99%	+10.67%

*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.

Two new positions were entered into the portfolio during the month which we believe will build into core holdings if value and liquidity permits. Interestingly both investments are discount to net tangible asset plays, which may be somewhat unexpected to most of our investors given the market we are presently in. What has been clear over the past 3-6 months with the rotation between so-called value and growth stocks, is that several opportunities have presented themselves in both the value and growth category. These opportunities generally arise due to one or more of the following variables applying to them; lack of liquidity, poorly understood structures (trusts etc), niche markets and/or an overly complex corporate history. As a result of these variables, we believe we have sourced two businesses that are going through a

Fully Franked Dividend Profile (Cents Per Share)



Conviction. Long Term. Aligned





Market Insight Continued

period of simplification, operate in a segment of the property sector which is simple and transparent, and finally have implemented a capital management strategy that is focused on maximising shareholder returns. In Australia we have seen prices of detached dwellings in both regional and city locations rise sharply, although this is not just a domestic phenomenon. In the US, the most recent reading of the S&P CoreLogic Case-Shiller National Home Price Index has seen home prices rise at their fastest pace in 15 years, with supply of existing homes at close to record lows. We will elaborate further on both holdings as they become larger positions within the portfolio.

Looking forward to the final 3 months of the financial year which traditionally has low news flow, we believe a number of key events may occur across some of the core NCC investments. Regarding WNR, the next few months will be critical with the search for a CEO hopefully reaching a conclusion, along with an update on the current inventory write-down issues, and the implementation of a more focused and measurable strategy together with capital management goals. For SND we are keen to see an update regarding the two outstanding tenders with Defence as well as progress on both the national fuel storage program and regional bridges replacement program. Finally, for Experience Co. (ASX: EXP), a sustained period of open interstate borders and even a travel bubble with NZ together with some progress on the M&A strategy would be a fantastic outcome for a business that has now essentially gone through a 24-month restructuring period against the backdrop of COVID-19.

Core Investment Portfolio Examples

 <p>BSA ASX: BSA</p> <p>BSA is a solutions focused technical services organisation. BSA assist clients in implementing their physical assets, needs and goals in the areas of Building Services, Infrastructure and Telecommunication. BSA clients include National Broadband Network (NBN), Aldi Supermarkets, Foxtel and the Fiona Stanley Hospital.</p>	 <p>Saunders International ASX: SND</p> <p>Saunders International was established in 1951 and provides constructions, maintenance and remediation services to the energy, resources and infrastructure sectors. Clients include Sydney Water, Australian Government, Lend Lease and Rio Tinto.</p>	 <p>BTC Health ASX: BTC</p> <p>BTC Health is a founder led high growth distributor of niche high quality medical devices in Australia and New Zealand. The company's strategy is to make active investments in businesses that acquire, develop and commercialize product opportunities in the healthcare space which will benefit from greater access to development capital.</p>
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Investment Portfolio Performance

	1 Month	1 Year	5 Years (p.a.)	7 Years (p.a.)	Inception (p.a.)	Inception (Total return)
NCC Investment Portfolio Performance*	-0.79%	+51.33%	+9.17%	+8.26%	+12.08%	+151.65%
S&P/ASX Small Ordinaries Accumulation Index	+0.79%	+52.15%	+10.69%	+8.44%	+6.74%	+69.52%
Performance Relative to Benchmark	-1.58%	-0.82%	-1.52%	-0.18%	+5.34%	+82.13%

*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 Total Return) includes part performance for the month of February 2013. Returns compounded for periods greater than 12 months.

Key Metrics – Summary Data

Weighted Average Market Capitalisation of the Investments	\$153.5 million
Cash Weighting	8.3%
Standard Deviation of Returns (NCC)	16.26%
Standard Deviation of Returns (XSOAI)	16.57%
Downside Deviation (NCC)	11.18%
Downside Deviation (XSOAI)	10.37%
Shares on Issue	70,129,784
NCC Directors Shareholding (Ordinary Shares)	4,912,706
NCC Options Closing Price (ASX: NCCOB)	\$0.070
NCC Options on Issue	5,000,488

NAOS Asset Management Giving Back

NAOS Asset Management Limited, the Investment Manager, donates approximately 1% of all management fees to the following charities.

			
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