

MONTHLY INVESTMENT REPORT & NTA UPDATE

AS AT 30 JUNE 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
\$1.23	\$1.25	\$1.18	\$1.035	14	\$0.5375	7.00%

Market Insight

For the month of June, the NCC Investment Portfolio returned +1.82%, underperforming the benchmark S&P/ASX Small Ordinaries Accumulation Index (XSOAI) which increased by +3.08%. The NCC Investment Portfolio has now returned +13.44% p.a. since inception in February 2013, significantly outperforming the XSOAI which has returned +7.58% p.a. over this time. Pleasingly FY21 was the strongest financial year in NCC's history with the investment portfolio recording a return of +48.34%. This result was outstanding from an absolute perspective but also very strong from a relative perspective with the benchmark finishing up +33.23% for the year. From a contribution perspective it was pleasing to see that a number of our core investments which we have held for many years contributing strongly to overall portfolio performance. As we have said for many years, often the last thing to change after the successful implementation of a proven business strategy is the share price and we feel FY21 proved this once again. Even with the strong FY21 performance it is also worth adding that a number of the NCC core investments didn't perform as expected and, in some cases, actually detracted from overall performance. These positions included BSA Limited (ASX: BSA) which is in the process of implementing a revised strategy to grow its earnings base, the execution of which has been delayed due to COVID-19 and subsequently delayed contract outcomes. BTC Health (ASX: BTC) remained very much under the radar as the management team refuses to overpay for acquisitions or in-licencing opportunities which may affect the share price in the short term, but over the longer-term this prudent strategy should prove very fruitful for investors (as we will expand on below). Finally, Wingara Ag. (ASX: WNR) was the only significant detractor to performance, after what can only be described as a year to forget. For the month of June there was just one significant development in the portfolio, which came from BTC and surprisingly occurred on the last day of the financial year.

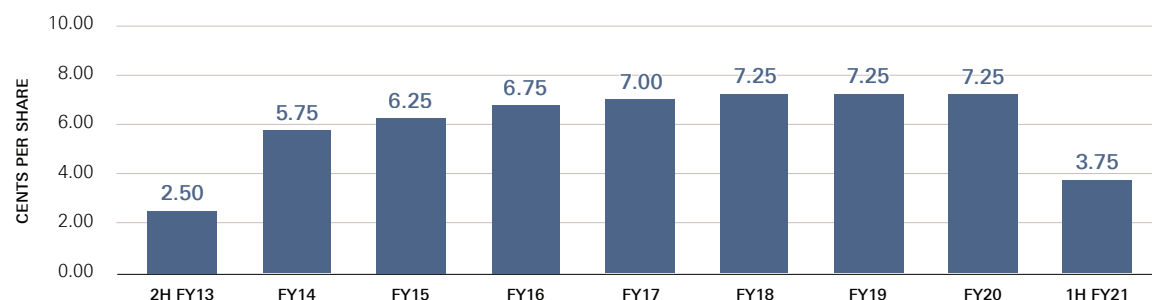
Investment Portfolio Performance Monthly and FY Returns*

	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%	+8.79%	+2.72%	+1.82%	+48.34%
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, interest, taxes, initial IPO commissions and all subsequent capital raising costs. Performance has not been grossed up for franking credits received by shareholders.

Fully Franked Dividend Profile (Cents Per Share)

NCC aims to deliver shareholders a sustainable growing stream of dividends, franked to the maximum extent possible.



Conviction. Long Term. Aligned

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Investment Beliefs



Value with Long Term Growth



Quality over Quantity



Invest for the Long Term



Performance v Liquidity Focus



Ignore the Index



Pure Exposure to Industrials



Environmental, Social and Governance (ESG)



Management Alignment



Constructive Engagement

Market Insight Continued

As mentioned above BTC went into trading halt on the last day of June and the following day announced that it had agreed terms to acquire the exclusive distribution rights of the Mannitol portfolio of Pharmaxis (ASX: PXS). Even though the total consideration for these assets is only small (\$2 million) we believe this is a highly strategic acquisition and may set BTC up for a transformational FY22. Firstly, these products generate revenue of ~\$1.50 million with gross margins of 45%. We believe that BTC will not need to increase their headcount to distribute these assets and hence the EBITDA margin will be significant, potentially enabling BTC to reach a breakeven position or better. Secondly this gives BTC a foothold in the pharmaceuticals sector where they currently do not have any exposure, a factor we believe is key for any larger acquisitions or in licencing opportunities, where they will need to instill confidence that they can execute effectively within the pharmaceuticals space. Finally, this is further confirmation that BTC can source deals internally and importantly execute on these from both a due diligence and a financing standpoint. Pleasingly, BTC also stated within their presentation materials that based on their unaudited financials, their revenue growth in FY21 should be circa +25% and looking forward they expect to grow at an organic revenue run rate in the mid-teens. We continue to believe that BTC has a significant amount of potential ahead and its unique offering and exposure to the healthcare industry will be closely followed by many. If FY22 is indeed the year when BTC can scale its current platform then we would expect it to be one of the strongest contributors to overall portfolio performance over the coming year.

Core Investment Portfolio Examples

 BSA ASX: BSA 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.	 Saunders International ASX: SND Saunders International was established in 1951 and provides construction, maintenance and remediation services to the energy, resources and infrastructure sectors. Clients include Sydney Water, Australian Government, Lend Lease and Rio Tinto.	 BTC Health ASX: BTC 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.
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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*	+1.82%	+48.34%	+9.22%	+10.15%	+13.44%	+186.33%
S&P/ASX Small Ordinaries Accumulation Index	+3.08%	+33.23%	+11.24%	+10.07%	+7.58%	+83.92%
Performance Relative to Benchmark	-1.26%	+15.11%	-2.02%	+0.08%	+5.86%	+102.41%

*Investment Portfolio Performance is post all operating expenses, before fees, interest, taxes, initial IPO and all subsequent capital raising costs. 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	\$134.8 million
Cash Weighting	1.14%
Standard Deviation of Returns (NCC)	16.25%
Standard Deviation of Returns (XSOAI)	16.41%
Downside Deviation (NCC)	11.03%
Downside Deviation (XSOAI)	10.25%
Shares on Issue	72,952,814
NCC Directors Shareholding (Ordinary Shares)	5,057,323

NAOS Asset Management Giving Back

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



Important Information: This material has been prepared by NAOS Asset Management Limited (ABN 23 107 624 126, AFSL 273529) (NAOS) as investment manager of the listed investment company referred to herein (Company). This material is provided for general information purposes only and must not be construed as investment advice. It does not take into account the investment objectives, financial situation or needs of any particular investor. Before making an investment decision, investors should consider obtaining professional investment advice that is tailored to their specific circumstances. Past performance is not necessarily indicative of future results and neither NAOS nor the Company guarantees the future performance of the Company, the amount or timing of any return from the Company, or that the investment objectives of the Company will be achieved. To the maximum extent permitted by law, NAOS and the Company disclaims all liability to any person relying on the information contained herein in relation to any loss or damage (including consequential loss or damage), however caused, which may be suffered directly or indirectly in respect of such information. This material must not be reproduced or disclosed, in whole or in part, without the prior written consent of NAOS.

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