

MONTHLY INVESTMENT REPORT & NTA UPDATE

AS AT 31 AUGUST 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
\$1.26	\$1.27	\$1.21	\$1.15	10	\$0.575	6.52%

The above NTA figures are inclusive of the 3.75 cents per share fully franked FY21 final dividend, which has an ex-dividend date of 5 October 2021 and a payment date of 25 October 2021.

Market Insight

For the month of August, the NCC Investment Portfolio returned +0.55%, compared to the benchmark S&P/ASX Small Ordinaries Accumulation Index (XSOAI) which had an exceptionally strong month, returning +4.98%. The NCC Investment Portfolio has now returned +13.40% p.a. since inception in February 2013, significantly outperforming the XSOAI which has returned +8.13% p.a. over this time. As most would be aware August was a highly eventful month with all but one of the NCC holdings reporting either their full year or half year earnings. Although we would have preferred the August performance to be stronger the majority of the results were as we expected, and we firmly believe that most, if not all of our core investments, are setting their respective businesses up in expectation of growth in FY22 and more significant growth in FY23 as the domestic economy hopefully enters a period of more normalised trading conditions. From a contribution perspective no single investment delivered either a positive or negative contribution of greater than 1% to monthly performance highlighting the lack of price volatility in August across the investment portfolio.

Investment Portfolio Performance Monthly and FY Returns*

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY Total Return
FY22	+1.29%	+0.55%											+1.85%
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%

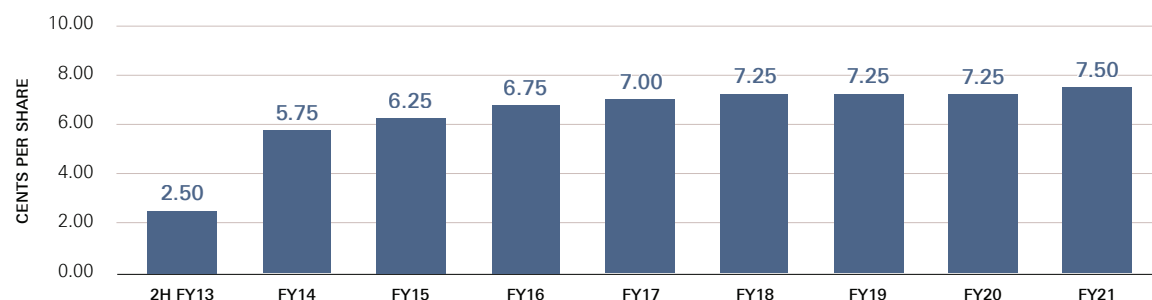
*Investment Portfolio Performance is post all operating expenses, before fees, interest, taxes, initial IPO commissions and all subsequent capital raising costs.

Performance has not been grossed up for franking credits received by shareholders.

Experience Co. (ASX: EXP), the provider of adventure experiences within Australia and New Zealand, posted a solid FY21 result in line with our expectations and pleasingly reported a stellar balance sheet position considering that FY21 was a year filled with numerous state-wide lockdowns. Significant transparency was provided around the number of customers who either completed a skydive or a great barrier reef experience. We believe this data shows that once the state-wide lockdowns ease and domestic travel returns there is clear ability for volumes to return to 70-80% of pre-COVID levels without any international travel. Interestingly when analysing the average ticket price of each division, there was no evidence of any

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



Market Insight Continued

price discounting and if anything, prices showed evidence of increasing and margins expanding. We continue to believe that EXP is one of the best domestic tourism plays listed on the ASX and that the profitability of the business will surprise many over the next few years.

BSA Limited (ASX: BSA) produced a result consistent with what we have seen for a number of years, in that it was a credible underlying result, particularly in a trying business environment, but it was masked by numerous one-off costs. There was plenty of commentary provided regarding laying the foundations for the future and as underlying margins increased in FY21 this may prove accurate. The lack of any meaningful comments on capital management as well as a lack of tangible progress around M&A was disappointing as we firmly believe that BSA has a sound foundation to build on which could lead to significant compounding returns for shareholders over time, and we are hopeful this potential begins to be realised in FY22. Interestingly, management confirmed they were on track to hit their FY24 targets of \$750 million revenue and increased EBITDA margins of 6-8%.

Finally, Saunders International (ASX: SND) completed a year in which they doubled the earnings guidance given earlier in the year. Clearly COVID-19 has started to affect SND, particularly as it has numerous live projects across the country at any one time which has led to deferred revenue and a quieter period of large new contracts. Despite the challenges caused by the current state-wide lockdowns, SND enters FY22 with over \$23 million in cash on hand and much improved people resources and capabilities, along with the potential to secure some of the largest contracts in the company's 70-year history as evidenced by its record live tender pipeline of \$803 million.

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 construction, 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*	+0.55%	+41.19%	+7.28%	+9.52%	+13.40%	+191.62%
S&P/ASX Small Ordinaries Accumulation Index	+4.98%	+29.51%	+10.99%	+9.82%	+8.13%	+94.40%
Performance Relative to Benchmark	-4.43%	+11.68%	-3.71%	-0.30%	+5.27%	+97.22%

*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	\$126.6 million
Cash Weighting	0.13%
Standard Deviation of Returns (NCC)	16.09%
Standard Deviation of Returns (XSOAI)	16.31%
Downside Deviation (NCC)	10.93%
Downside Deviation (XSOAI)	10.17%
Shares on Issue	72,952,814
NCC Directors Shareholding (Ordinary Shares)	5,176,623
NCC convertible notes on issue (ASX: NCCGA)	230,000
NCC convertible note price	\$102.73

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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