

MONTHLY INVESTMENT REPORT & NTA UPDATE

AS AT 31 OCTOBER 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
\$1.67	\$1.65	\$1.50	\$1.22	8	\$0.3485	4.88%

The above NTA figures are inclusive of the 1.60 cents per share fully franked Q1 FY22 dividend, which has an ex-dividend date of 10 November 2021 and a payment date of 30 November 2021.

Market Insight

The month of October saw the NAC Investment Portfolio increase by +4.21%, outperforming the benchmark S&P/ASX 300 Industrials Accumulation Index (XKIAI) which increased by +0.21% as well as its smaller counterpart the S&P/ASX Small Ordinaries Accumulation Index which increased by +0.92%. This brings portfolio performance since inception to +18.10% p.a., outperforming the benchmark index which has returned +8.83% p.a. over the same period. In keeping with the previous months events, October proved to be another eventful month across the NAC portfolio. The key event was from Over The Wire Holdings (ASX: OTW) which announced that they had received a non-binding indicative proposal from Aussie Broadband (ASX: ABB) to acquire all of the shares in OTW for a total consideration of \$5.75 per share. Urbanise.com (ASX: UBN) released their quarterly activities report which provided greater insight into the growth prospects and execution capability of the business.

Investment Portfolio Performance Monthly and FY Returns*

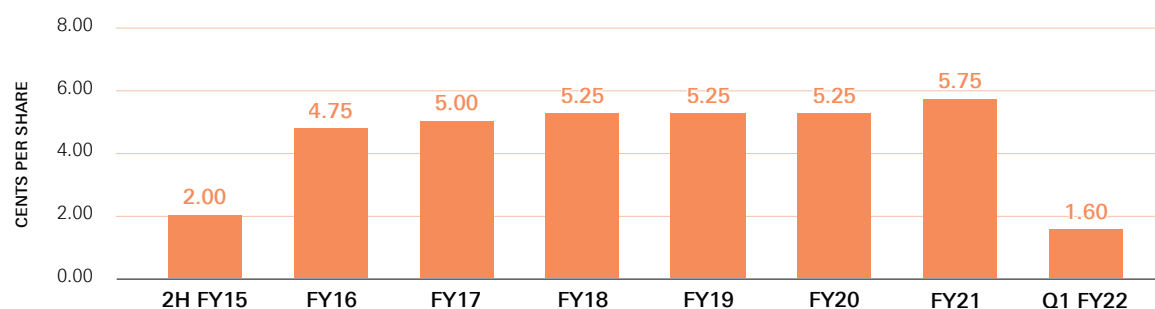
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY Total Return
FY22	-4.12%	+1.05%	+7.06%	+4.21%									+8.09%
FY21	+5.04%	+11.43%	+3.96%	+5.24%	+5.41%	-5.38%	-2.24%	+10.04%	+2.57%	+4.55%	+4.27%	+6.33%	+63.36%
FY20	+0.50%	+8.14%	+6.58%	+1.99%	+0.98%	+0.87%	+2.31%	-13.80%	-22.22%	+8.81%	+18.84%	+4.15%	+11.16%
FY19	+0.24%	+6.23%	-1.46%	-10.41%	+1.93%	-4.57%	+5.20%	+0.10%	-0.10%	+3.65%	-4.74%	+2.29%	-2.86%
FY18	-0.54%	+0.76%	+1.22%	+2.28%	+6.69%	+3.18%	-0.27%	-1.99%	+0.23%	-2.05%	+0.85%	-0.25%	+10.25%
FY17	+3.81%	+5.01%	+3.84%	-0.22%	-0.63%	-1.98%	+0.35%	-2.56%	+1.48%	-2.78%	-0.11%	+0.65%	+6.69%
FY16	+0.31%	-1.35%	+1.98%	+3.38%	+3.63%	+7.93%	-2.39%	-1.02%	+5.97%	+4.48%	+4.83%	-0.51%	+30.16%
FY15					+0.54%	-1.66%	+2.77%	+0.88%	+2.73%	+0.43%	+4.87%	-1.54%	+9.21%

*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.

OTW announced that they have received a non-binding indicative offer from ABB to acquire all OTW shares for a total consideration of \$5.75 per share consisting of a combination of cash and ABB scrip. This process is still preliminary in nature and incomplete and OTW expect the process to be finalised by the end of November. We believe that by combining the two businesses there will be significant revenue and cost synergies but more importantly it will create a true competitor to the likes of Vocus, Optus and Telstra in regard to their SME and enterprise offerings. As ABB have been at pains to articulate, their next leg of growth will be predominantly from these types of customers, and they have already started to build out their product and service offerings. In our view, by acquiring OTW this accelerates their strategy by 2-3 years and gives them access to a customer base which includes the likes of Brisbane City Council, Eagers Automotive (ASX: APE) and Nova Radio. Time will tell whether the deal goes ahead but we think there are significant merits of being a shareholder in the combined entity and this is before factoring in other "soft" considerations such as the significant free cash flow generation and potential inclusion in the ASX 200.

Fully Franked Dividend Profile (Cents Per Share)

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



Conviction. Long Term. Aligned

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

UBN released their quarterly activities report for Q1 FY22. Pleasingly top line revenue increased by +15% on the previous corresponding period, and licence fee revenue outpaced this figure, growing at +29%, albeit off a small base. Interestingly the implementation process with Tier-1 property owner and facilities management firm Nakheel has been finalised which has led to UBN moving from implementation fees to licence fees. This is of interest to us as this implementation timeline was significantly shorter than that of fellow Tier-1 client PICA, which hopefully bodes well for recently signed Tier-1 client Colliers International (Australian division) and can serve as a good case study for prospective clients. If UBN can continue to improve on its implementation approach then this will lead to shorter implementation times, a reduction in revenue backlog and faster growth in licence fees over time. Looking forward it is critical that the recent spend on marketing and business development translates into a solid business development pipeline and more critically new client wins in Q2 and Q3 of FY22. Unfortunately, the disclosure provided by management and the board on key KPIs such as new client names, churn statistics and client revenue metrics are minimal. We believe this is partly due to the business transitioning out of a period of being a 'turnaround' and partly due to the lack of proven SaaS experience & leadership at UBN. We believe improvements in this area are crucial not only to allow the wider market to appreciate the quality of the UBN business, but also to take advantage of the current opportunity and scale UBN into a best of breed enterprise software company across global operations.

Core Investment Portfolio Examples



Gentrack Group Limited
ASX: GTK

Gentrack provides leading utilities across the world with innovative cleantech solutions. Working with some of the world's biggest energy and water companies, as well as innovative challenger brands, they help companies reshape what it means to be a utilities business.



Over The Wire
ASX: OTW

Over The Wire is a founder led B2B provider for IT & telecommunication systems. OTW's purpose is to simplify technology to empower business through service offerings such as a national voice network, public cloud, PaaS/ IaaS, cyber security services and on demand cloud connectivity.



Urbanise.com Limited
ASX: UBN

Urbanise.com Limited is a SaaS business, headquartered in Australia, offering solutions for facilities and strata managers. Their cloud platforms are transformative for users by improving customer service, reducing operational costs, providing key analytics and enabling new revenue streams.

Investment Portfolio Performance

	1 Month	1 Year	3 Years (p.a.)	5 Years (p.a.)	6 Years (p.a.)	Inception (p.a.)	Inception (Total return)
NAC Investment Portfolio Performance*	+4.21%	+37.89%	+26.58%	+14.71%	+18.71%	+18.10%	+218.83%
S&P/ASX 300 Industrials Accumulation Index	+0.21%	+30.60%	+12.65%	+10.46%	+9.48%	+8.83%	+80.28%
Outperformance Relative to Benchmark	+4.00%	+7.29%	+13.93%	+4.25%	+9.23%	+9.27%	+138.55%

*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. Since inception (P.A. and Total Return) includes part performance for the month of November 2014. Returns compounded for periods greater than 12 months.

Key Metrics – Summary Data

Weighted Average Market Capitalisation of the Investments	\$220.7 million
Cash Weighting	3.34%
Standard Deviation of Returns (NAC)	17.76%
Standard Deviation of Returns (XKIAI)	14.18%
Downside Deviation (NAC)	10.90%
Downside Deviation (XKIAI)	9.63%
Shares on Issue	45,523,916
NAC Directors Shareholding (Ordinary Shares)	8,141,555
NAC Options Closing Price (ASX: NACOA)	\$0.195
NAC Options on Issue	21,267,543
NAC Convertible Notes Closing Price (ASX: NACGA)	\$106.00
NAC Convertible Notes on Issue	175,000
Fully Diluted pre-tax NTA	\$1.40
Fully Diluted post-tax NTA	\$1.31

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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