

MONTHLY INVESTMENT REPORT & NTA UPDATE

AS AT 30 APRIL 2022

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
\$1.17	\$1.19	\$1.14	\$1.030	13	\$0.6125	7.28%

Market Insight

For the month of April, the NCC investment portfolio increased by +4.85%, outperforming the benchmark S&P/ASX Small Ordinaries Accumulation Index (XSOAI) which decreased by -1.50%. The investment portfolio has now returned +12.56% p.a. since inception in February 2013, significantly outperforming the XSOAI which has returned +6.82% p.a. over this time. It was a busy month for the investment portfolio with a number of positive events occurring which we will expand on below. The only major detractor for the month was Contango Asset Management (ASX: CGA) which has seen their funds under management fall by ~25% due to their exposure to international growth stocks via WCM Investment Management.

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%	-0.10%	+0.06%	+0.80%	+1.76%	-3.17%	-3.00%	+0.55%	+4.85%			+3.41%
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%

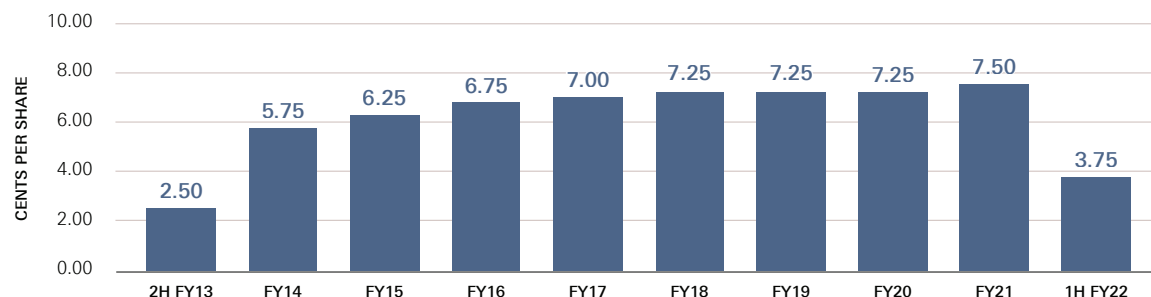
*Investment Portfolio Performance is post all operating expenses, before fees, interest, taxes, initial IPO commissions and all subsequent capital raising costs. Performance has not been grossed up for franking credits received by shareholders.

Future First Technologies (ASX: FFT) announced Adrian Rudman as their new CEO. Adrian was formerly an executive at Objective Corporation (ASX: OCL) which as some shareholders may know has been held across NAOS portfolios over a number of years. Adrian was at OCL for ~20 years and had a variety of roles focusing on sales and marketing as well as business development. FFT is currently a small business, but we believe the recruitment of someone with Adrian's calibre highlights the potential that FFT has over the longer term.

COG Financial Services (ASX: COG) released their Q3 FY22 trading update. Pleasingly the growth generated in previous quarters shows no signs of abating and if anything, it looks to have accelerated with NPATA increasing +49% on the previous corresponding period. Clearly, this has been assisted by some small acquisitions, but we believe the organic growth in the business continues to be driven by growth in finance broking volumes, traction in insurance broking as well as increased scale in the funds management business. Pleasingly, the COG model remains capital light which in our view should translate into a very strong cash result for FY22.

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

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

BSA Limited (ASX: BSA) started its journey to restoring shareholder value in April. The former CEO and Chairman who oversaw the operational issues that led to the weak balance sheet have now exited the business, and a capital raising has subsequently been completed to repair the balance sheet. Management stated that revenue for 2H FY22 will increase to \$240-\$260 million with essentially a breakeven EBITDA forecast for the half-year. It will be a long journey until the business can create sustainable returns for shareholders but there remains a large revenue base of ~\$500 million p.a. as well as a customer base that includes Telstra, NBN Co, and Aldi. If the BSA board can recruit a high-quality CEO and execute on the stated efficiency initiatives, then this will go a long way towards achieving the desired margins that a business like this should be able to generate.

Finally, BTC Health (ASX: BTC) announced that the Department of Health (DOH) has proposed price changes to all medical devices listed on the Prostheses List, which essentially reduces prices for a number of medical devices on the list. BTC have stated that some of these changes apply to medical devices that BTC distributes, but in their opinion the methodology used is not consistent and therefore the changes should not apply. BTC have engaged with the DOH to clarify whether or not the methodology is correct and does apply. Pleasingly in early May, BTC announced that they have received confirmation from the DOH that the price changes proposed to the wider industry would not apply to BTC as their current pricing structure is already in line with the proposed amendments. Thankfully this will mean there is no substantial change to the revenue or margin profile of BTC going forward.

Core Investment Portfolio Examples



COG Financial Services Ltd
ASX: COG

COG Financial Services Limited is Australia's leading finance broker aggregator and equipment leasing business for small to medium-sized enterprises (SMEs). COG has two complementary business divisions, Finance Broker & Aggregation and Lending.



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.

Investment Portfolio Performance

	1 Month	1 Year	3 Years (p.a.)	5 Years (p.a.)	7 Years (p.a.)	Inception (p.a.)	Inception (Total return)
NCC Investment Portfolio Performance*	+4.85%	+8.15%	+14.64%	+7.66%	+10.13%	+12.56%	+196.08%
S&P/ASX Small Ordinaries Accumulation Index	-1.50%	+2.91%	+7.63%	+9.62%	+9.03%	+6.82%	+83.14%
Performance Relative to Benchmark	+6.35%	+5.24%	+7.01%	-1.96%	+1.10%	+5.74%	+112.94%

*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	\$172.1 million
Cash Weighting	0.64%
Standard Deviation of Returns (NCC)	15.68%
Standard Deviation of Returns (XSOAI)	16.15%
Downside Deviation (NCC)	10.60%
Downside Deviation (XSOAI)	10.16%
Shares on Issue	72,952,814
NCC Directors Shareholding (Ordinary Shares)	5,332,207
NCC convertible notes on issue (ASX: NCCGA)	230,000
NCC convertible note price	\$97.00

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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