

MONTHLY INVESTMENT REPORT & NTA UPDATE

AS AT 31 JULY 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
\$0.94	\$0.95	\$0.96	\$0.88	14	\$0.6125	8.52%

Market Insight

July provided some much relief for equity investors, especially those who have feared the worst over the previous 6 months. The benchmark S&P/ASX Small Ordinaries Accumulation Index (XSOAI) returned a staggering +11.43% after finishing the previous month down -13.09%. The businesses that had fared worst in the previous 6 months were the significant outperformers in July, with examples including BNPL stalwart Zip Co Ltd (ASX: ZIP), (up +158%), Kogan.com (ASX: KGN) (up +66%) and Temple & Webster (ASX: TPW) (up +59%). It is worth noting that even after July's performance all three of these companies share prices are still down by at least -47% for the calendar year to date. The NCC Investment Portfolio increased by +3.30% for the month, bringing the inception return to +10.26% p.a., significantly outperforming the XSOAI which has returned +5.45% p.a. over the same period. July was a predictably quiet month as many of the companies in the NCC investment portfolio are in a blackout period prior to releasing their full year results in August. The notable news flow items came from COG Financial Services (ASX: COG) which provided unaudited FY22 results ahead of guidance at the NPATA level, in addition to full-year dividend guidance. Wingara Ag (ASX: WNR) updated the market on a proposed transaction as well as releasing their quarterly cash flow and activities update.

Investment Portfolio Performance Monthly and FY Returns*

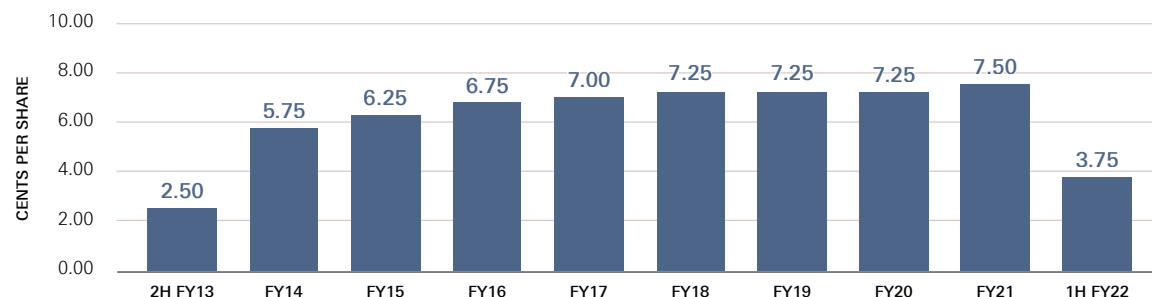
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY Total Return
FY23	+3.30%												+3.30%
FY22	+1.29%	+0.55%	-0.10%	+0.06%	+0.80%	+1.76%	-3.17%	-3.00%	+0.55%	+4.85%	-9.08%	-9.74%	-15.14%
FY21	+7.98%	-0.90%	+3.69%	+6.01%	+5.57%	+1.25%	+0.23%	+4.28%	-0.79%	+8.79%	+2.72%	+1.82%	+48.34%
FY20	+6.85%	+2.86%	+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.

COG released their unaudited FY22 results, reporting NPATA of \$25.0 million, in excess of their previously released guidance in May. In our view, this is an outstanding result and again reinforces the multiple organic and in-organic growth levers that COG has at its disposal. Based on feedback from the business post the release of their unaudited results, the demand for COG's services remains strong. This is despite the recent significant interest rate rises, and in our view is due to the significant amount of demand that remains within the economy in addition to the long lead times that remain for equipment orders to be

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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A
O
SInvestment
BeliefsValue with
Long Term GrowthQuality over
QuantityInvest for the
Long TermPerformance v
Liquidity Focus

Ignore the Index




Pure Exposure
to IndustrialsEnvironmental,
Social and
Governance (ESG)Management
AlignmentConstructive
Engagement

Market Insight Continued

fulfilled. Importantly, from a finance broking standpoint COG brokers do not book revenue until equipment has been financed and received by the customer, so given the significant backlog of unfulfilled orders COG should have excellent visibility over their short-term revenue pipeline. Management also stated that their insurance broking division continues to gain traction and further updates on this division will be provided to the market in due course.

WNR, which was suspended from trading for a few weeks, updated the market on a proposed transaction which had been reviewed by the ASX. WNR stated that it was considered unlikely that the ASX would provide approval to the proposed transaction and as such it proceeded no further. WNR also released their quarterly activities and cash flow report for Q1 FY23 which showed the business continues to achieve scale with hay sales volume of ~27,000 tonnes (up +36% on Q1 FY22), and the business generating positive operating cash flows of \$1.2 million. Importantly this quarterly result was achieved prior to the sale of the Austco Polar Cold Storage business which we believe is a drag on both profit and cash flow. The sale of the Austco business is ongoing and will result in WNR becoming a standalone hay processing business. WNR did not provide any greater detail around the aforementioned proposed transaction, but we would imagine that any transaction would be centered around WNR's hay operations due to their location and scale. As a standalone entity WNR would benefit significantly from further scale and diversification opportunities either within the hay space or similar fodder commodities.

Core Investment Portfolio Examples

 <p>COG Financial Services Ltd ASX: COG</p> <p>COG Financial Services Limited is Australia's leading aggregator of finance brokers and equipment-leasing services to small to medium-sized enterprises (SMEs). COG's two complementary business divisions of finance broking and aggregation, and lending and funds management, service the financial needs of the SME sector nationwide.</p>	 <p>Saunders International ASX: SND</p> <p>Saunders International Limited was established in 1951 and provides construction, maintenance and remediation services to the Energy, Resources and Infrastructure sectors. Clients include Sydney Water, the Australian Government, Lendlease, and Ampol.</p>	 <p>BTC Health ASX: BTC</p> <p>BTC health is a company focused on the distribution of world-class medical products and making them available to patients in Australia and New Zealand. Through its underlying companies, BTC invests in the acquisition, development and commercialisation of innovative medical products in the Australian and New Zealand hospital healthcare market. The company is currently building a group of high-growth businesses, which together deliver superior patient health outcomes.</p>
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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*	+3.30%	-13.45%	+6.57%	+3.23%	+7.53%	+10.26%	+151.02%
S&P/ASX Small Ordinaries Accumulation Index	+11.43%	-10.93%	+2.55%	+7.30%	+8.06%	+5.45%	+64.95%
Performance Relative to Benchmark	-8.13%	-2.52%	+4.02%	-4.07%	-0.53%	+4.81%	+86.07%

*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	\$137.5 million
Cash Weighting	0.20%
Standard Deviation of Returns (NCC)	16.21%
Standard Deviation of Returns (XSOAI)	17.10%
Downside Deviation (NCC)	11.14%
Downside Deviation (XSOAI)	10.88%
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	\$89.00

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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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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