

#### NET TANGIBLE ASSET VALUE BREAKDOWN

PRE TAX NTA	POST TAX & PRE UNREALISED GAINS TAX NTA	POST TAX NTA	SHARE PRICE	PREMIUM/ (DISCOUNT) TO NTA (PRE TAX)	HISTORICAL FULLY FRANKED DIVIDEND YIELD
\$1.23*	\$1.23	\$1.21	\$1.23	0.00%	5.89%

\*The NTA before tax is after the provision for tax of \$1.02m (1.7cps) for the 2018 financial year.

#### MARKET INSIGHT

The NCC Investment Portfolio produced a return of -2.42% for the month of July, compared to the Benchmark S&P/ASX Small Ordinaries Accumulation Index ('XSOAI') which fell by -1.01%. This brings the portfolio performance since inception of 5 years and 5 months to +117.34% vs. the XSOAI which has returned +42.15%. July provided very little news flow for any of the NCC investments, aside from Consolidated Operations Group (ASX: COG). The negative performance of the portfolio in July was driven by three main detractors, all of which fell by approximately 10% on very low trading volumes and no company announcements. These three positions were BSA Limited (ASX: BSA), Wingara Ag (ASX: WNR) and Saunders International (ASX: SND).

The only notable release in July came from COG, which released a business update. This update provided clarity around the growth of originations in the leasing business which rose 38% YOY to \$59 million, and guidance of \$70 million in leasing originations was given for FY2019. It is pleasing to see such strong growth in lease originations, but the most important factor from our valuation perspective will be the quality of the leases written and any change in the write-off rate in the FY2018 results, which will be released in August. COG also announced that they will exercise their call option and move to 100% ownership of Consolidated Finance Group (CFG), a membership based broking aggregation business which is the largest of its type in Australia. Pleasingly when reviewing the deal metrics, CFG has grown at a reasonable rate since it was first acquired 18 months ago.

Although reporting season has only just begun, there have been a number of businesses providing notable updates which may give a slight readthrough into how the rest of reporting season could unfold. There have been two distinct groups to date; the first being the likes of ALS Limited (ASX: ALO), Credit Corp (ASX: CCP) and GUD (ASX: GUD), all of which slightly exceeded market expectations by moderate margins. The second group, which so far is made up of RCR Tomlinson (ASX: RCR) and Nufarm (ASX: NUF), have provided the market with significant negative surprises which is even more disconcerting as these updates were provided after the end of the financial year. Surprisingly, there have been few companies that have provided results in line with market expectations at this early stage of reporting season.

#### INVESTMENT PORTFOLIO PERFORMANCE

	1 MONTH	1 YEAR	3 YEARS (P.A.)	4 YEARS (P.A.)	5 YEARS (P.A.)	INCEPTION (P.A.)	INCEPTION (NOM.)
NCC Investment Portfolio Performance*	-2.42%	+1.48%	+12.90%	+9.91%	+12.46%	+15.39%	+117.34%
S&P/ASX Small Ordinaries Accumulation Index	-1.01%	+22.58%	+14.03%	+9.57%	+9.27%	+6.70%	+42.15%
<b>Outperformance Relative to Benchmark</b>	<b>-1.41%</b>	<b>-21.10%</b>	<b>-1.13%</b>	<b>+0.34%</b>	<b>+3.19%</b>	<b>+8.69%</b>	<b>+75.19%</b>

\*Investment Portfolio Performance is post all operating expenses, before fees, taxes and initial IPO and placement commissions. Performance has not been grossed up for franking credits received by shareholders. Since inception (p.a. and nom.) includes part performance for the month of February 2013. Returns compounded for periods greater than 12 months.

#### INVESTMENT BELIEFS

VALUE WITH LONG TERM GROWTH 

SUSTAINABLE GROWING DIVIDEND STREAM 

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 

## HISTORICAL FULLY FRANKED DIVIDEND PROFILE (CENTS PER SHARE)



## STOCK CONTRIBUTION ANALYSIS

The table below lists the top 5 positive stock contributors to the investment portfolio since inception.

TOP 5 POSITIVE CONTRIBUTORS	CONTRIBUTION TO RETURN (%NAV)
BSA Limited (ASX: BSA)	+23.46%
Calliden Group Limited (ASX: CIX)	+15.51%
Capitol Health Limited (ASX: CAJ)	+15.08%
CML Group Limited (ASX: CGR)	+13.85%
Consolidated Operations Group Limited (ASX: COG)	+12.74%

## KEY METRICS – SUMMARY DATA

Weighted Average Market Capitalisation of the Investments	\$90.6 million
Number of Holdings	10 Long Positions
Cash Weighting	0.59%
Standard Deviation of Returns (NCC)	10.55%
Standard Deviation of Returns (XSOAI)	12.85%
Downside Deviation (NCC)	4.61%
Downside Deviation (XSOAI)	6.76%
Percentage of Positive Months (NCC)	68%
Percentage of Positive Months (XSOAI)	58%
Shares on Issue	59,673,562
NCC Directors Shareholding (Ordinary Shares)	3,952,180

NAOS

### OUR TEAM

Chairman  
David Rickards (Independent)

Directors  
Warwick Evans  
Sebastian Evans

Company Secretary/Senior  
Legal Counsel  
Rajiv Sharma

Chief Investment Officer  
Sebastian Evans

Portfolio Managers  
Robert Miller  
Ben Rundle

Investment Analysts  
Rachel Folder  
Chadd Knights

Chief Financial/Operating  
Officer  
Richard Preedy

Business Development  
Manager  
Julia Stanistreet

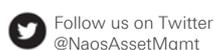
Communications  
& Marketing  
Megan Walker

Distribution &  
Sales Manager  
Scott Hildebrand

### ENQUIRIES

Telephone: (02) 9002 1576  
Email: [enquiries@naos.com.au](mailto:enquiries@naos.com.au)

[www.naos.com.au](http://www.naos.com.au)



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