

#### 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)	FULLY FRANKED DIVIDEND YIELD
\$1.08	\$1.08	\$1.09	\$1.08	0.00%	6.71%

#### MARKET INSIGHT

For the month of January, the Investment Portfolio returned -0.24%, underperforming the benchmark Small Ordinaries Accumulation Index (XSOAI) which rallied sharply to finish up +5.56%. This brings the inception return over the past 5 years and 11 months to +12.18% p.a. or +97.62% in nominal terms, outperforming the XSOAI which has increased by +4.83% p.a. or +32.26%. With a concentrated portfolio of 9 microcap investments with current market capitalisations of generally under \$150 million, the NCC portfolio was again a victim of little news flow in its respective investments together with a general flight to liquidity which leads to larger and more liquid equities rallying first and foremost.

In regard to news flow there was little stock specific news ahead of reporting season in February, though there were updates from Saunders International (ASX: SND) and Consolidated Operations Group (ASX: COG). Firstly, SND released guidance for the first half of FY2019 stating that they expect revenue to be in the order of \$27 million, leading to an EBITDA result of between breakeven and \$0.50 million. Once again, the result was affected by an underperforming contract which should have been contained within the FY2018 result. However, when adjusting the result for the impact of this, along with what was shaping up to be a quiet period for the storage tank construction business, we believe that this is a result that sets SND up for a much stronger FY2019 full year. The balance sheet remains strong with almost \$13 million in net cash and no bank debt, and the business was also able to win two sizeable contracts - one within the infrastructure space and the other in storage tank maintenance. We believe the true underlying EBITDA margin for the 1H result could be circa 5-6%, with efficiency and productivity gains now starting to take effect at a time when the revenue backdrop for SND is significantly improving. With a market capitalisation of just \$40 million we believe it will not be long before SND gains more investor attention for the right reasons.

COG announced a significant management and board restructure, the most notable point being that Patrick Tuttle will move to Chairman of COG. We view this favourably, as Mr Tuttle was the former Managing Director of Pepper Group for many years, until it was acquired by the global private equity firm Kohlberg Kravis Roberts (KKR). Secondly, Executive Director Andrew Bennett will move to full time CEO, replacing the current CEO and founder of COG Cameron McCullagh, who will remain as an Executive Director but with a full time focus on COG's finance broking operations. We believe these changes are a significant step in the right direction as it provides COG with a proven and experienced Chairman who has operated in the non-bank finance industry, and secondly it provides COG with a CEO with an excellent track record who can focus on the key long-term strategic initiatives and capital allocation decisions. Finally, it provides the COG broking arm with a leader who can focus on maximising the value of the \$4.2 billion in net asset finance that is written through COG, whilst continuing to improve the experience for all COG brokers.

#### INVESTMENT PORTFOLIO PERFORMANCE

	1 MONTH	1 YEAR	3 YEARS (P.A.)	5 YEARS (P.A.)	INCEPTION (P.A.)	INCEPTION (NOM.)
NCC Investment Portfolio Performance*	-0.24%	-14.47%	+9.08%	+7.90%	+12.18%	+97.62%
S&P/ASX Small Ordinaries Accumulation Index	+5.56%	-3.06%	+11.33%	+7.37%	+4.83%	+32.26%
<b>Outperformance Relative to Benchmark</b>	<b>-5.80%</b>	<b>-11.41%</b>	<b>-2.25%</b>	<b>+0.53%</b>	<b>+7.35%</b>	<b>+65.36%</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



QUALITY OVER QUANTITY



INVEST FOR THE LONG TERM



PERFORMANCE V LIQUIDITY FOCUS



IGNORE THE INDEX



PURE EXPOSURE TO INDUSTRIALS



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

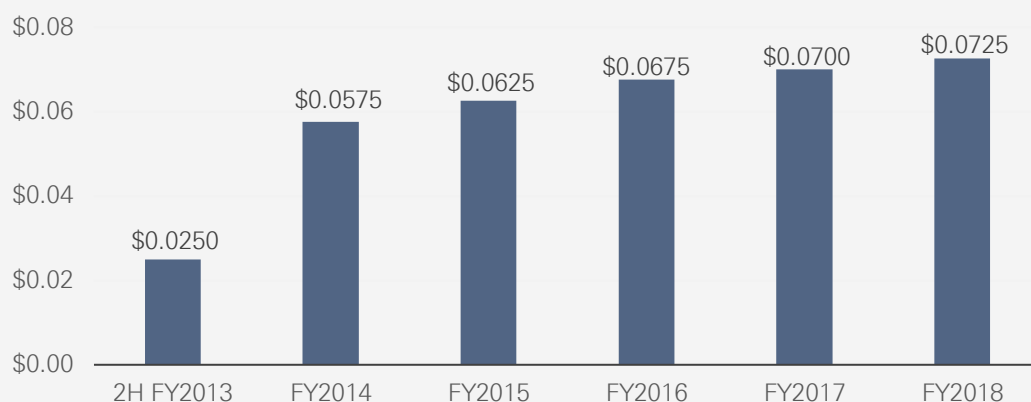


MANAGEMENT ALIGNMENT



## FULLY FRANKED DIVIDEND PROFILE (CENTS PER SHARE)

NCC aims to deliver shareholders a sustainable growing stream of fully franked dividends.



## 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)	+20.17%
Calliden Group Limited (ASX: CIX)	+13.86%
Capitol Health Limited (ASX: CAJ)	+13.48%
Consolidated Operations Group Limited (ASX: COG)	+10.84%
Careers Multilist Limited (ASX: CGR)	+9.81%

## KEY METRICS – SUMMARY DATA

Weighted Average Market Capitalisation of the Investments	\$85.5 million
Number of Holdings	9 Long Positions
Cash Weighting	0.22%
Standard Deviation of Returns (NCC)	11.18%
Standard Deviation of Returns (XSOAI)	13.32%
Downside Deviation (NCC)	5.49%
Downside Deviation (XSOAI)	7.48%
Percentage of Positive Months (NCC)	65%
Percentage of Positive Months (XSOAI)	56%
Shares on Issue	59,905,339
NCC Directors Shareholding (Ordinary Shares)	4,000,375

## INVESTMENT PORTFOLIO PERFORMANCE MONTHLY RETURNS\*

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
FY19	-2.42%	+3.94%	+2.88%	-6.09%	-6.12%	-2.92%	-0.24%					
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%
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%
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%
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%
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%
FY13								+0.03%	+3.81%	+3.03%	+4.48%	-0.99%

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NAOS

## OUR TEAM

Chairman  
David Rickards (Independent)

Directors  
Warwick Evans  
Sebastian Evans  
Sarah Williams (Independent)

Company Secretary/  
Senior Legal Counsel  
Rajiv Sharma

Chief Investment Officer  
Sebastian Evans

Portfolio Managers  
Robert Miller  
Ben Rundle

Investment Analyst  
Rachel Folder

Chief Financial/  
Operating Officer  
Richard Preedy

Business Development  
Manager  
Julia Stanistreet

Distribution &  
Sales Manager  
Scott Hildebrand

## ENQUIRIES

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