

MONTHLY INVESTMENT REPORT & NTA UPDATE

AS AT 30 NOVEMBER 2020

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
\$1.07	\$1.08	\$1.07	\$1.02	10	\$0.50	7.11%

Market Insight

For the month of November, the NCC Investment Portfolio returned +5.57%, underperforming the benchmark S&P/ASX Small Ordinaries Accumulation Index (XSOAI) which increased by a staggering +10.27%. This brings the inception return of the investment portfolio to +11.92% p.a. or +139.66% on a total return basis, outperforming the benchmark XSOAI, which has increased by +6.38% p.a. or +61.60% over the same period. The strong market return for November was driven by two key events, namely the apparent victory of Joe Biden to become the next president of the United States, and potentially more importantly by the news that three vaccine candidates have shown very high levels of efficacy in late stage trials. Annual General Meeting (AGM) season continued with BTC Health (ASX: BTC) and Contango Asset Management (ASX: CGA) providing market updates in their AGM presentations. Finally, Big River Industries (ASX: BRI) announced that they have been successful in their application to the Bushfire Industry Recovery Package for a \$10 million grant.

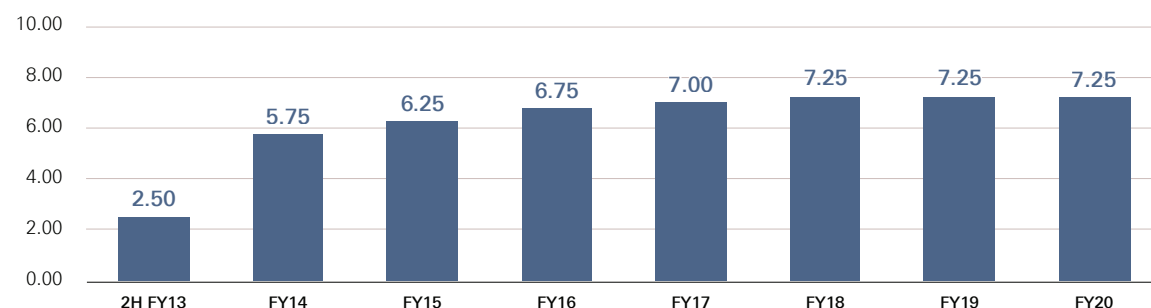
Investment Portfolio Performance Monthly and FY Returns*

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY Total Return
FY21	+7.98%	-0.90%	+3.69%	+6.01%	+5.57%								+24.16%
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, taxes and initial IPO and placement commissions. Performance has not been grossed up for franking credits received by shareholders.

BTC held their AGM at the end of November and released several key points in their presentation. Firstly, the trading update highlighted that YTD sales to end of October were up +8.2% over the PCP which we believe is an excellent outcome considering both the -5% price decrease applied to certain items in the prosthesis price list, and secondly the Victorian and New Zealand markets remaining somewhat closed due to COVID-19 restrictions. BTC also stated that they remain in discussions with several businesses that will enable them to continue to build scale and provide further product diversification. In terms of further growth, in our view a key opportunity for BTC over the short to medium-term is the in-licensing of medical devices that are not currently available in the ANZ region from overseas businesses. We also believe there is potential for BTC to acquire other medical device businesses from vendors who may be motivated to sell to BTC and retain a degree of independence and brand identity rather than folding into a much larger business.

Fully Franked Dividend Profile (Cents Per Share)



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

CGA also provided an update at their AGM, which pleasingly showed that funds under management (FUM) has continued on a strong growth trajectory. As of 10 November, FUM has reached \$831m, compared to the \$638m reported at 30 June 2020. As expected, this FUM growth has been driven by the increased range of WCM distributed products with growth seen across a number of newly launched funds such as the WCM International Small Cap Growth Fund as well as the currency hedged version of the WCM Quality Global Growth Fund. Based on the current rate of FUM inflows, coupled with the excellent performance of the WCM products we believe CGA could potentially reach over \$1bn in FUM by the end of FY21.

Finally, as mentioned above BRI have made a successful application in relation to a \$10 million grant from the Bushfire Industry Recovery Package. This grant will allow BRI to progressively close their manufacturing facility in Wagga Wagga and move this capability into their newer facility in Grafton. We believe this is an excellent outcome for BRI as it will reduce their exposure to more commodity type manufactured goods and allow them to continue to focus on their distribution model which is supported by smaller and more nimble manufacturing operations that specialise in higher value products. Once the site is closed, we believe there will be a significant reduction in working capital and further upside from land sale proceeds.

Core Investment Portfolio Examples

		
<p>BTC Health ASX: BTC</p>	<p>Saunders International ASX: SND</p>	<p>Experience Co ASX: EXP</p>
<p>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 and which will benefit from greater access to development capital.</p>	<p>Saunders International was established in 1951 and provides constructions, maintenance and remediation services to the energy, resources and infrastructure sectors. Clients include Sydney Water, Australian Government, Lend Lease and Rio Tinto.</p>	<p>Experience Co is the largest operator of tandem skydives within Australia and New Zealand with over 150,000 tandem jumps per year. EXP also operates a number of cruise and diving experiences in far north Queensland (Cairns and Port Douglas) that generally accommodate over 250,000 customers per year.</p>

Investment Portfolio Performance

	1 Month	1 Year	5 Years (p.a.)	7 Years (p.a.)	Inception (p.a.)	Inception (Total return)
NCC Investment Portfolio Performance	+5.57%	+9.37%	+9.75%	+8.69%	+11.92%	+139.66%
S&P/ASX Small Ordinaries Accumulation Index	+10.27%	+5.98%	+10.70%	+8.22%	+6.38%	+61.60%
Performance Relative to Benchmark	-4.70%	+3.39%	-0.95%	+0.47%	+5.54%	+78.06%

* 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 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	\$79.3 million
Cash Weighting	0.24%
Standard Deviation of Returns (NCC)	16.55%
Standard Deviation of Returns (XSOAI)	16.90%
Downside Deviation (NCC)	11.39%
Downside Deviation (XSOAI)	10.55%
Shares on Issue	62,004,897
NCC Directors Shareholding (Ordinary Shares)	4,347,703
NCC Options Closing Price (ASX: NCCOB)	\$0.06

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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