

MONTHLY INVESTMENT REPORT & NTA UPDATE

AS AT 30 SEPTEMBER 2021

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
\$1.25	\$1.26	\$1.20	\$1.13	11	\$0.575	6.64%

The above NTA figures are inclusive of the 3.75 cents per share fully franked FY21 final dividend, which went ex-dividend on 5 October 2021 and has a payment date of 25 October 2021.

Market Insight

For the month of September, the NCC Investment Portfolio decreased by -0.10%, outperforming the benchmark S&P/ASX Small Ordinaries Accumulation Index (XSOAI) which decreased by -2.14%. The NCC Investment Portfolio has now returned +13.25% p.a. since inception in February 2013, significantly outperforming the XSOAI which has returned +7.77% p.a. over this time. September was a highly eventful month with 4 of the NCC investments releasing significant announcements. Experience Co. (ASX: EXP) announced a large and highly strategic acquisition on the final day of the month, BTC Health provided a shareholder update which included both a financial update and detail around their M&A strategy, US Masters Residential Property Fund (ASX: URF) repaid a bridge loan and provided a fund update and finally Wingara Ag (ASX: WNR) provided a trading update and completed an equity raising.

Investment Portfolio Performance Monthly and FY Returns*

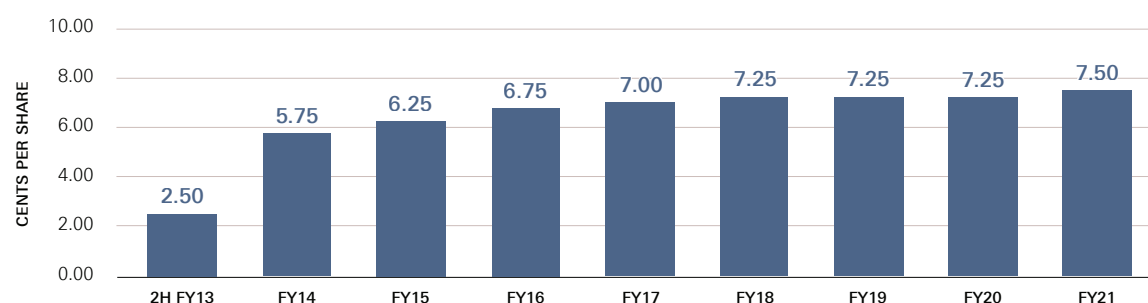
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY Total Return
FY22	+1.29%	+0.55%	-0.10%										+1.74%
FY21	+7.98%	-0.90%	+3.69%	+6.01%	+5.57%	+1.25%	+0.23%	+4.28%	-0.79%	+8.79%	+2.72%	+1.82%	+48.34%
FY20	+6.85%	+2.86%	+6.56%	-3.56%	-0.04%	+4.11%	+11.11%	-8.57%	-28.25%	+5.39%	+8.70%	+1.32%	-0.54%
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.

On the last day of the month EXP went into trading halt and announced that it had entered into a binding agreement to acquire Tree Adventure, Australia's leading operator of adventure experiences (predominantly tree top rope courses). The total consideration payable was ~\$47 million which over time should equate to an EBITDA multiple of 6 times. We view the acquisition as highly complementary and very strategic for a number of reasons. Firstly, the business is the industry leader by some distance and is also vertically integrated i.e., it can source sites, design and operate, and there is also significant scope to double the number of sites over time, thus potentially doubling the EBITDA. In addition, with over 400,000 visits a year this provides EXP with a significant client base to cross sell their existing skydiving and cruise products to. The acquisition was funded via a \$55 million capital raise which was clearly more than what was required and will arguably be dilutionary in the

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



Market Insight Continued




short term. However, if management can execute on this acquisition and the earnings quality of the existing business comes through over time, balance sheet flexibility will grow significantly and potentially allow EXP to continue to grow out their 2 new business pillars via further complementary M&A.

BTC provided a shareholder update which included some noteworthy items. Firstly, BTC has licensed a range of predominantly single use medical devices in anaesthesia and secured a sale and distribution agreement for Breg orthopaedic braces. Secondly BTC expects a step change in revenue and EBITDA in FY22 following the acquisition of Bronchitol and Ariodol. Finally, the company stated that they are actively pursuing larger scale acquisitions within the pharmaceutical and medical device space which would transform the BTC business, and we look forward to further updates on this front in due course.

URF repaid a high interest bridge loan after the completion of their strategic asset sales and debt reduction program and is now working towards being positive cash flow from operations in CY22 as well as looking at capital management initiatives and/or larger transactions. We believe that URF remains very much non-core for E&P Financial Group (ASX: EP1) and that the URF portfolio would be particularly appealing to a large US REIT due to the potential cost synergies that could be extracted given all URF operations are completed inhouse. We believe a sale of the entire portfolio is the optimal and most logical option for the responsible entity and would provide immediate value for all URF unitholders.

Finally, WNR provided a trading update as well as completing an equity raising which essentially funded the mistakes of previous management. Management has also stated that the blast freezing business is non-core and would initiate a sales process for this division.

Core Investment Portfolio Examples

 <p>BSA ASX: BSA</p> <p>BSA is a solutions focused technical services organisation. BSA assist clients in implementing their physical assets, needs and goals in the areas of Building Services, Infrastructure and Telecommunication. BSA clients include National Broadband Network (NBN), Aldi Supermarkets, Foxtel and the Fiona Stanley Hospital.</p>	 <p>Saunders International ASX: SND</p> <p>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.</p>	 <p>BTC Health ASX: BTC</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 which will benefit from greater access to development capital.</p>
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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*	-0.10%	+36.03%	+6.49%	+9.75%	+13.25%	+191.32%
S&P/ASX Small Ordinaries Accumulation Index	-2.14%	+30.41%	+10.18%	+10.36%	+7.77%	+90.24%
Performance Relative to Benchmark	+2.04%	+5.62%	-3.69%	-0.61%	+5.48%	+101.08%

*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	\$122.3 million
Cash Weighting	0.40%
Standard Deviation of Returns (NCC)	16.02%
Standard Deviation of Returns (XSOAI)	16.26%
Downside Deviation (NCC)	10.88%
Downside Deviation (XSOAI)	10.12%
Shares on Issue	72,952,814
NCC Directors Shareholding (Ordinary Shares)	5,187,123
NCC convertible notes on issue (ASX: NCCGA)	230,000
NCC convertible note price	\$101.49

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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