

MONTHLY INVESTMENT REPORT & NTA UPDATE

AS AT 31 MAY 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
\$1.21	\$1.23	\$1.17	\$1.02	15	\$0.5375	7.12%

Market Insight

For the month of May, the NCC Investment Portfolio returned +2.72%, outperforming the benchmark S&P/ASX Small Ordinaries Accumulation Index (XSOAI) which increased by +0.27%. The NCC Investment Portfolio has now returned +13.34% p.a. since inception in February 2013, significantly outperforming the XSOAI which has returned +7.26% p.a. over this time. The major positive contributors to performance for the month were Big River Industries (ASX: BRI), COG Financial Services (ASX: COG) and Objective Corporation (ASX: OCL), which posted monthly gains of +27%, +13% and +15% respectively. The two major detractors to performance were BTC Health (ASX: BTC) and Contango Asset Management (ASX: CGA), which fell despite no news flow during the month. Notable events that occurred in the month related to Saunders International (ASX: SND), which announced a number of new project wins, BTC released its quarterly activities report late in April, and Wingara Ag (ASX: WNR) released their full year FY21 results, as they have a March year-end.

Investment Portfolio Performance Monthly and FY Returns*

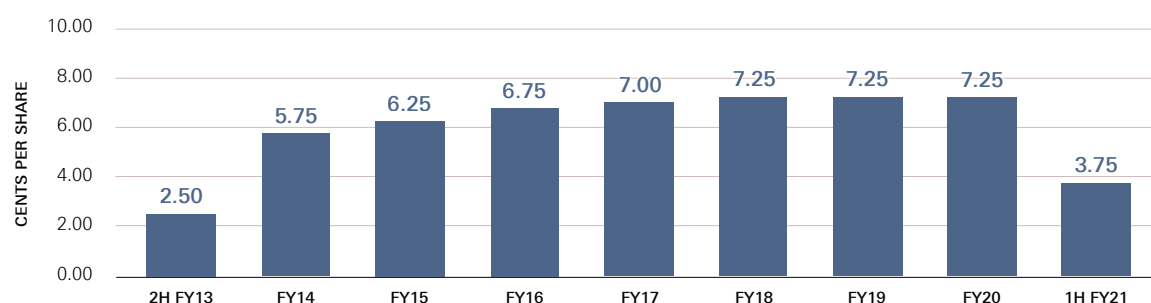
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY Total Return
FY21	+7.98%	-0.90%	+3.69%	+6.01%	+5.57%	+1.25%	+0.23%	+4.28%	-0.79%	8.79%	+2.72%		+45.69%
FY20	+6.85%	+2.86%	+6.56%	-3.56%	-0.04%	+4.11%	+11.11%	-8.57%	-28.25%	+5.39%	+8.70%	+1.32%	-0.54%
FY19	-2.42%	+3.94%	+2.88%	-6.09%	-6.12%	-2.92%	-0.24%	+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.

SND continued its recent momentum, announcing a further \$11 million of infrastructure project wins as well as reaching preferred status in \$8 million of projects with final terms being negotiated. What was surprising about the release was that all these wins related to infrastructure projects with none relating to fuel storage opportunities; as an example SND will be designing and constructing six bridges across three NSW Local Government Authorities. This highlights how the management team has transitioned SND from a purely fuel storage and maintenance focused business to one with far more diversified revenue streams and a greater exposure to low risk clients such as local councils, state governments and defence. Looking forward we believe that 2H CY21 will be catalyst rich for SND, beginning with guidance for the FY21 result which has historically been released in late July / early August. Following this we will be expecting the outcomes of the Federal Government program to increase domestic diesel storage capability to be known and the subsequent building

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

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

contracts awarded, and then finally later in the year the potential for much larger tenders to be awarded in relation to ongoing maintenance and proactive work of government owned fuel storage systems.

BTC released a quarterly report and activities update for Q3 FY21 in late April. The business continues to grow with organic revenue growth +13% over PCP or +18% when taking into account the prosthesis pricing changes that occurred in FY21. As we have mentioned previously BTC continues to be subscale but at the same time it must continue to prove that it has the capability and processes to grow organically and win the trust of potential partners and vendors. It is also worth noting some comments from Sigma Healthcare (ASX: SIG) from their AGM and in the press, focusing on the medical device distribution sector and trying to grow their presence there. As some would know SIG is a 10% shareholder in BTC after they participated in a capital raising to fund BTC's most recent acquisition.

Finally, it was refreshing to see WNR release their FY21 accounts and put an end to what can only be described as one of the most turbulent financial years for any NAOS investment. WNR now has a new CEO together with a strong focus on its core capability in hay processing. With the strategic review underway for the poorly performing Austco Polar business, we are hopeful this is the last roadblock that needs resolving before the WNR business is set up to restore shareholder value.

Core Investment Portfolio Examples



BSA
ASX: BSA

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.



Saunders International
ASX: SND

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.



BTC Health
ASX: BTC

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.

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*	+2.72%	+47.61%	+9.47%	+9.97%	+13.34%	+181.22%
S&P/ASX Small Ordinaries Accumulation Index	+0.27%	+26.73%	+10.27%	+9.41%	+7.26%	+78.44%
Performance Relative to Benchmark	+2.45%	+20.88%	-0.80%	+0.56%	+6.08%	+102.78%

*Investment Portfolio Performance is post all operating expenses, before fees, interest, taxes, 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	\$220.8 million
Cash Weighting	2.52%
Standard Deviation of Returns (NCC)	16.33%
Standard Deviation of Returns (XSOAI)	16.47%
Downside Deviation (NCC)	11.08%
Downside Deviation (XSOAI)	10.29%
Shares on Issue	70,730,268
NCC Directors Shareholding (Ordinary Shares)	4,950,187
NCC Options Closing Price (ASX: NCCOB)	\$0.022
NCC Options on Issue	4,642,655

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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Our Team

Chairman

David Rickards
(Independent)

Directors

Warwick Evans
Sebastian Evans
Sarah Williams
(Independent)

Chief Investment Officer

Sebastian Evans

Portfolio Manager

Robert Miller

Senior Investment Analyst

Jared Tilley

Chief Financial/ Operating Officer

Richard Preedy

Business Development Manager

Nina Dunn

Head of Legal and Compliance

Rajiv Sharma

Marketing & Communications Manager

Angela Zammit

NAOS

Enquiries

(02) 9002 1576

enquiries@naos.com.au

www.naos.com.au