

KEY CHARACTERISTICS

1. Genuine Exposure to Undervalued Emerging Companies with an Industrial Focus

Regardless of market capitalisation and/or liquidity, NCC seeks to provide investors with exposure to high quality, undervalued emerging companies (market capitalisation generally <\$250 million) in a transparent and concentrated structure that has the competitive advantage of being a nimble closed ended structure with no liquidity constraints.

2. Sustainable Growing Fully Franked Dividends

NCC's dividend has grown every year since inception with dividends usually paid on a six-monthly basis. To date all dividends have been fully franked.

3. Focus on Quality of Companies Not Quantity or Size

Our primary focus is on developing a deep understanding and appreciation of the companies in our portfolio. We believe the best way to achieve this is to focus on a select number (target 0-15) of high quality investment ideas in order to capitalise on our 'long term knowledge & liquidity advantage'. We target an Internal Hurdle Rate of 20% p.a. over a rolling three-year period for all our investment holdings.

4. Portfolio Flexibility with a Benchmark Unaware Approach

This means we are not forced holders of stocks with large benchmark/index weightings that we are not convinced are attractive investment propositions. NCC can also hold up to 100% cash. It has been proven that holding cash offers the 'best hedge' during times of crisis.

5. Significant Alignment of Interests with Shareholders

NAOS employees/directors own over 10 million NCC shares, providing shareholders with a significant alignment of interests.

6. Environmental, Social and

Governance (ESG) NAOS adopts an ESG screen across its investments.

Net Tangible Asset Value Breakdown as at 30 November 2017

Pre Tax NTA:	\$1.40
Post Tax & Pre Unrealised Gains Tax NTA:	\$1.38
Post Tax NTA:	\$1.32
Share Price:	\$1.49
Historical Fully Franked Dividend Yield	4.70%

Investment Portfolio Performance & Market Insight

The NCC Investment Portfolio produced a positive return of +2.39% compared to the Benchmark Small Ordinaries Accumulation Index which increased by +3.91%. This brings the performance since inception of 4 years and 9 months to +132.51% vs. the Benchmark which has returned +32.93%.

November proved to be a busy month for the investment team with a large majority of NCC investee companies holding their AGM's within the month. To try and cover off as much information as possible we have listed the companies which are our larger core investments along with some short commentary from their respective AGM's.

BSA Limited (ASX: BSA)

All market segments remain very positive, with the 'Connect' business, and the Fire division within 'Build', particularly benefiting from industry tailwinds. Revenue guidance up to \$600 million remains intact, with annuity revenue expected to exceed 60% of group revenue. Tangible opportunities remain to expand into adjacent markets, and margin improvement remains a core focus.

MNF Group (ASX: MNF)

Guidance for FY2018 is for gross profit growth of +23%, leading to EBITDA growth of +19%. This highlights the scale of investment on hiring new full-time engineers/developers for research & development, due to the significant amount of new opportunities in the pipeline. Re-launch of a new retail offering through the PennyTel brand, which will focus on consumer mobile and potentially NBN offerings, and a solid net cash balance sheet were other key takeaways.

Big River Group (ASX: BRI)

Continued focus on expanding into high value, speciality architectural range of wooden products, with expanded capacity to start in 2HFY18. New Melbourne distribution facility now fully operational. Like for like sales up 2% on last year, notwithstanding the strength of prior year. BRI continues to assess several earnings accretive acquisitions, and the non-residential market remains very positive.

CML Group (ASX: CGR)

Strong organic growth within the factoring book has increased in the first few months of FY18. This, together with the margin improvement, has led CGR to issue guidance of \$15.5 million at the EBITDA level. CGR also expects that in FY19 up to \$40 million of the fixed rate bonds will be transitioned onto a new debt facility, at rates that are more favourable now that the business has increased in scale and invested heavily in operational and risk management systems.

	1 Month	1 Year	2 Years (p.a.)	3 Years (p.a.)	4 Years (p.a.)	Inception (p.a.)	Inception (nom.)
NCC Investment Portfolio Performance*	+2.39%	+10.32%	+24.28%	+15.94%	+14.83%	+19.40%	+132.51%
S&P/ASX Small Ordinaries Accumulation Index (XSOAI)	+3.91%	+20.50%	+16.94%	+13.35%	+9.36%	+6.16%	+32.93%
Outperformance Relative to Benchmark	-1.52%	-10.18%	+7.34%	+2.59%	+5.47%	+13.24%	+99.58%

*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.

Positive Stock Contribution Analysis

(Contribution is what has attributed to NCC’s performance since inception of 1 March 2013)

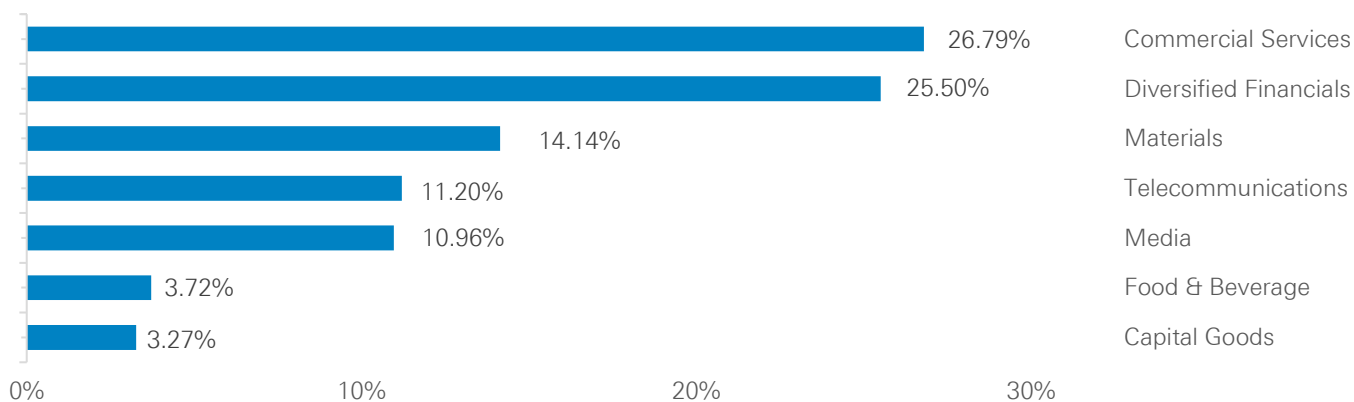
The table below lists the top positive contributors to NCC’s total return since inception. The purpose of the information is to illustrate that the performance the investment team derive over time is not simply from one or two positions but from a variety of positions, even with a highly concentrated portfolio of investments that is often 0 -15 securities at any one time. We will disclose securities in which NCC has a current substantial holding, or when we have exited the position.

Investment	Contribution to Return (%NAV)	Investment	Contribution to Return (%NAV)
BSA Limited	+28.83%	CML Group Limited	+9.88%
Calliden Group	+16.78%	Tamawood Limited	+9.35%
Capitol Health Limited	+16.31%	Village Roadshow	+8.84%
Consolidated Operations Group	+15.40%	Sirtex Medical Limited	+8.82%
MNF Group Limited	+11.49%	RHG Limited	+7.62%
Lindsay Australia	+10.83%	Gage Roads Brewing	+6.70%

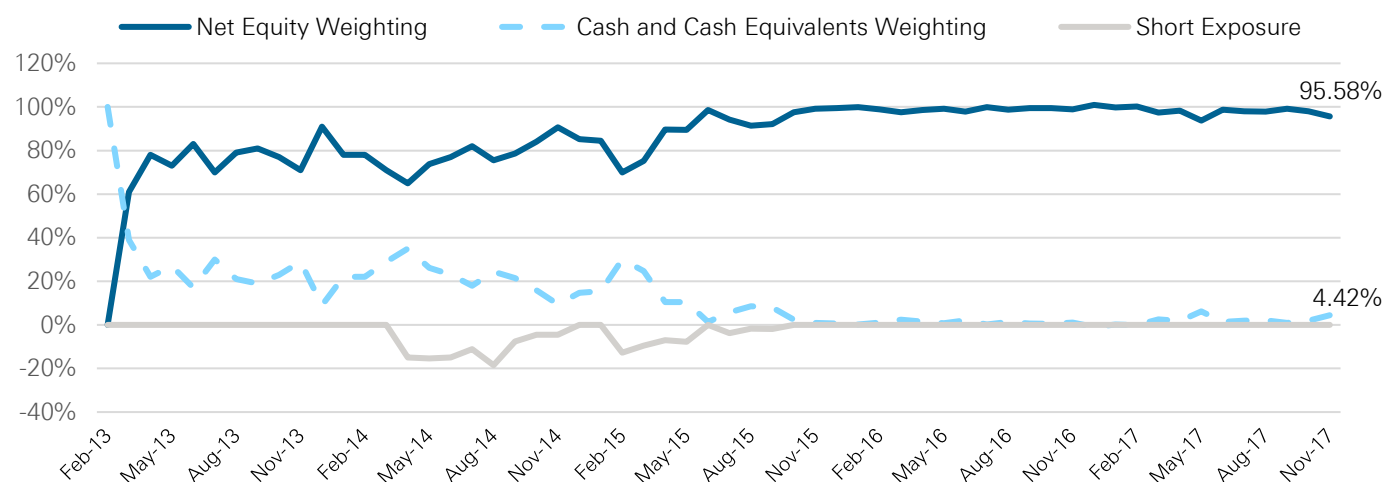
Portfolio Positioning as at 30 November 2017

As at 30 November 2017, the portfolio’s net equity exposure was ~95.58% with a subsequent cash weighting of +4.42%. The core holdings in the portfolio did not change over the course of the month. As at month end, the portfolio was comprised of 10 long positions and no short positions. There were also no income instruments in the portfolio.

Net Industry Exposure



Net Equity Exposure



Company Meetings

The NAOS investment philosophy is based around the belief that for an emerging company to succeed and generate strong returns for shareholders it must be led by a motivated, proven and experienced management team. This is why the NAOS Investment Team has direct contact with many listed and unlisted emerging companies across a wide range of industries. A selection of the companies the team had contact with during the month were as follows:

- Spirit Telecom Ltd (ST1 AU)
- Over The Wire Ltd (OTW AU)
- P2P Transport Ltd (P2P AU)
- CML Group Ltd (CGR AU)
- Supply Network Ltd (SNL AU)
- People Infrastructure Ltd (PPE AU)
- Big River Industries Ltd (BRI AU)
- HRL Holdings Ltd (HRL AU)
- Redhill Education Ltd (RDH AU)
- BSA Limited Ltd (BSA AU)

Portfolio Characteristics – Summary Data as at 30 November 2017

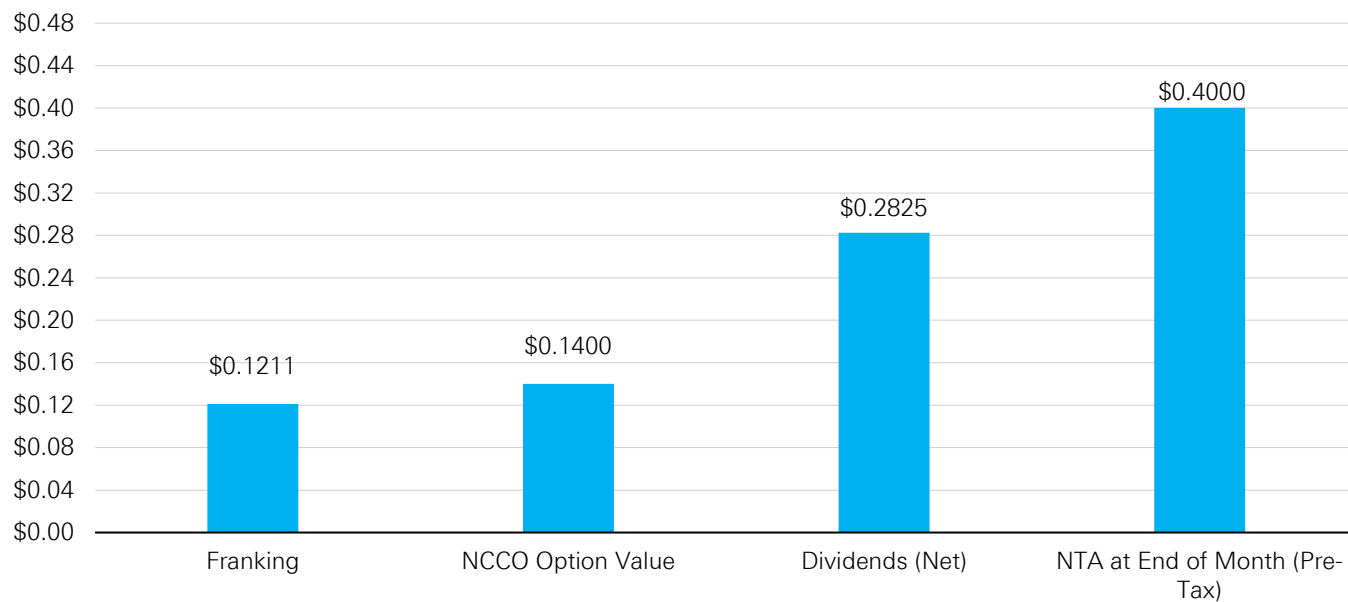
Below are a number of historical portfolio risk measures. Our aim in providing these metrics is to demonstrate to investors how NCC is placed from a risk adjusted basis to meet its objective, being to outperform the benchmark over the long term, and to also preserve investors' capital. A glossary of the terms used below and the method used for calculating them can be found on the last page of this report.

Portfolio Weighted Average Market Capitalisation	\$149.30 million
Percentage of Positive Months (NCC)	72%
Percentage of Positive Months (XSOAI)	58%
Standard Deviation of Returns (NCC)	10.82%
Standard Deviation of Returns (XSOAI)	13.46%
Correlation of Returns to XSOAI	0.55
Sortino Ratio	2.97
Downside Deviation (NCC)	5.76%
Downside Deviation (XSOAI)	7.29%
Current Estimated Portfolio Beta (6 Month Historical)	0.01

Capital Structure – Summary Data as at 30 November 2017

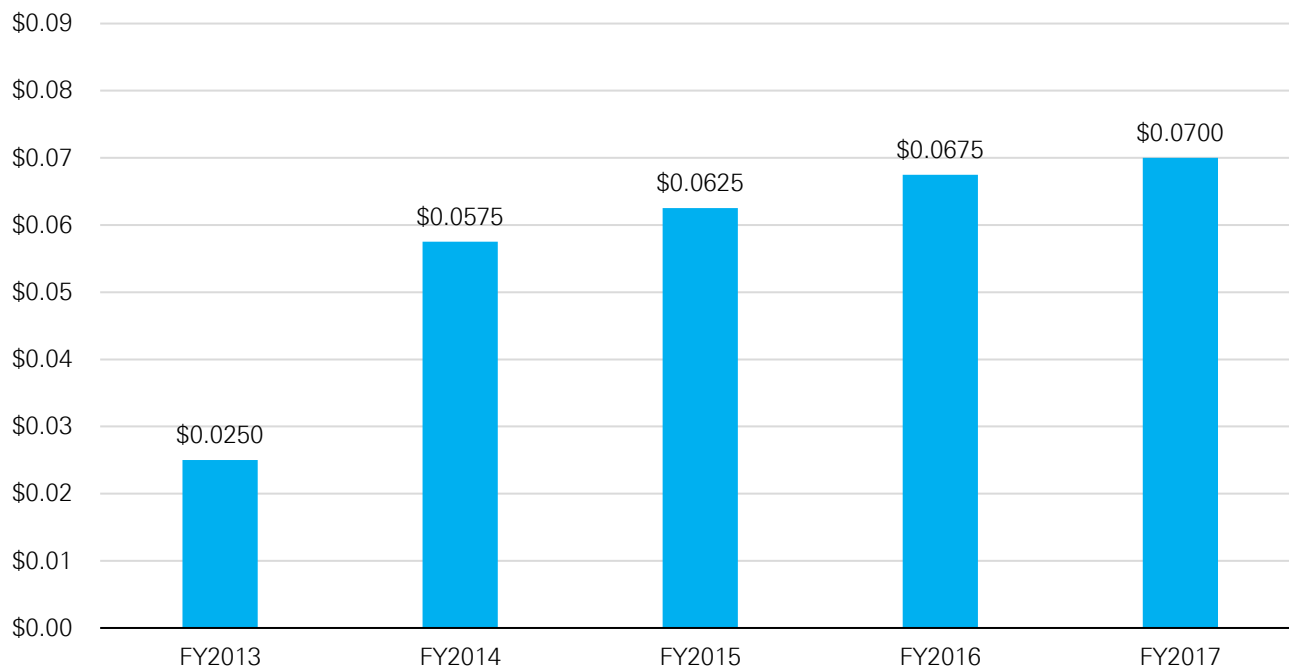
Share Price	\$1.49
Premium/(Discount) to NTA (Pre-Tax)	6.53%
Shares on Issue	59,404,890
NCC Directors Shareholding (Ordinary Shares)	3,871,889

Historical Shareholder Return Breakdown



*Assumes an intrinsic NCCO value of \$0.14 cents per option at expiry (1 February 2015), based on pre-tax NTA on this date diluted for remaining options.

Dividend Profile - Historical Fully Franked Dividends (Cents per Share)



A Description of Statistical Terms/Glossary

Portfolio Average Market Capitalisation – The portfolio weight of each individual position multiplied by each company's respective market capitalisation.

Standard Deviation of Returns – A historical analysis of the volatility in monthly returns also known as historical volatility.

Correlation of Returns – A statistical measure of how two variables move in relation to each other. In this case the two variables are NCC and XSOAI. If the correlation is 1 then the two securities should have the same monthly returns and if the correlation is -1 and XSOAI had a return of -1.00% then NCC would be expected to have a return of +1.00%

Sortino Ratio – A modification of the Sharpe ratio that differentiates harmful volatility from general volatility by taking into account the standard deviation of negative asset returns, called downside deviation. A large Sortino Ratio may potentially indicate that there is a low probability of a large capital loss. Returns less than that of the benchmark (Small Ordinaries Accumulation Index - XSOAI) are classified as negative asset returns.

Downside Deviation - A measure of downside risk that focuses on returns that fall below a minimum threshold or minimum acceptable return (MAR). For our calculations, we use returns negative to zero for the calculation of portfolio downside deviation.

Portfolio Beta – A measure of the volatility, or systematic risk of a portfolio or security. A beta of 1 indicates a portfolio/security's price will move with the market. A beta of less than 1 indicated that a security/portfolio should be less volatile than the market.

XSOAI – Small Ordinaries Accumulation Index

Important Information:

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Warwick Evans (Director)
Sebastian Evans (Director)

Company Secretary

Rajiv Sharma

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Robert Miller (Portfolio Manager)
Ben Rundle (Portfolio Manager)
Chadd Knights (Investment Analyst)

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