

NGE CAPITAL LIMITED SUMMARY

ASX ticker	NGE
Share price (31-May-20)	\$0.480
Shares outstanding	37,159,784
Market cap	\$17.8m
NTA per share before tax	\$0.613
NTA per share after tax	\$0.667
NTA before tax	\$22.8m
NTA after tax	\$24.8m

OVERVIEW

NGE Capital Limited is an internally managed Listed Investment Company which allows investors to gain exposure to a concentrated, high conviction, actively managed portfolio of financial assets. NGE primarily focuses on listed ASX and international equities, with the aim of generating strong risk-adjusted returns over the medium to long term.

INVESTMENT STRATEGY

NGE has a flexible investment mandate and invests according to a defined set of investment principles, summarised as follows:

- Only invest in a compelling opportunity, otherwise hold cash;
- Invest based on fundamental analysis;
- Target investments that can generate strong returns with an adequate margin of safety; and
- Aim to hold a concentrated portfolio of high conviction investments.

BOARD & MANAGEMENT

David Lamm	Executive Chairman & Chief Investment Officer
Adam Saunders	Executive Director & Portfolio Manager
Ilan Rimer	Non-Executive Director
Les Smith	Company Secretary & Chief Financial Officer

CONTACT DETAILS

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NET TANGIBLE ASSETS (NTA) PER SHARE

	31 May 2020	30 Apr 2020
NTA per share before tax	\$0.613	\$0.604
NTA per share after tax	\$0.667	\$0.659

NTA PER SHARE PERFORMANCE SUMMARY

1 month	Year-to-date	Last 12 months	Since inception ⁽¹⁾	
			(p.a.)	(cum.)
1.4%	-28.0%	-15.6%	5.4%	20.1%

Note: Returns are before tax and net of all expenses.

(1) From 30 November 2016, the date on which NGE became a LIC.

TOP HOLDINGS (% OF NTA)

Company	Ticker	%
Karoon Energy	ASX:KAR	26.5%
Yellow Cake plc	LSE:YCA	20.0%
Base Resources	ASX:BSE	5.5%
Uranium Participation	TSX:U	0.7%

PORTFOLIO COMPOSITION

	31 May 2020
Listed equities	53%
Net cash and other	47%
Total	100%

UNRECOGNISED TAX LOSSES

The Company has ~\$50 million of Australian unused and unrealised losses available as at 31 May 2020. In the aggregate these losses equate to a potential future tax benefit of ~\$14m or ~\$0.37 per share (of which only \$2.0m or \$0.054 per share is recognised in our after tax NTA). The Company has received tax advice that these losses are available to be offset against future tax liabilities so long as NGE continues to satisfy the continuity of ownership test as set out in Divisions 165 and 166 of the *Income Tax Assessment Act 1997* (Cth).

COMMENTARY

NGE's portfolio produced a return of 1.4% for the month of May.

During May we sold out of our remaining holding in **Horizon Oil Limited (ASX:HZN)**, whilst retaining significant exposure to any eventual recovery in oil prices via our remaining stake in **Karoon Energy Ltd (ASX:KAR)**.

The sell-out in Horizon Oil followed the earlier exit in **United Company RUSAL plc (HKE:0486)** which we detailed in our March and April NTA updates. We materially increased our holding in Karoon in March using proceeds from the RUSAL sale when Karoon was trading at less than half its cash backing, before subsequently reducing our exposure to Karoon back to prior levels during April after a ~30% rise.

As a result, we have significantly de-risked the portfolio: cash now comprises 47% of the portfolio. We remain cautious, as the risk of a further downturn in equity markets remains high. We will only invest if the opportunity is compelling, otherwise we would rather hold cash and be patient.

This announcement was released to the market with the authorisation of:

David Lamm
Chief Investment Officer

Adam Saunders
Portfolio Manager

IMPORTANT INFORMATION:

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