

## NGE CAPITAL LIMITED SUMMARY

ASX ticker	NGE
Share price (31-Oct-18)	\$0.625
Shares outstanding	37,238,552
Market cap	\$23.3m
NTA per share after tax	\$0.798
NTA	\$29.7m

## 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 Oct 2018	30 Sep 2018
NTA per share before tax	\$0.798	\$0.815
Expected tax liability on realised and unrealised income and gains	(\$0.047)	(\$0.051)
Previously unrecognised tax losses now brought to account to reduce tax expense	\$0.047	\$0.051
NTA per share after tax	\$0.798	\$0.815

## NTA PER SHARE PERFORMANCE SUMMARY

1 month	Year-to-date	Last 12 months	Since inception <sup>(1)</sup> (p.a.)	(cum.)
-2.2%	26.6%	30.1%	26.3%	56.4%

Note: Returns are net of all operating expenses and expected taxes. As an internally managed LIC NGE does not incur external management and performance fees.

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

## TOP HOLDINGS (% OF NTA)

Company	Ticker	%
Powerwrap	Unlisted	20.1%
United Company RUSAL	0486.HKE	13.3%
Not disclosed	Listed	11.8%
Horizon Oil	ASX:HZN	9.5%
Eureka Group	ASX:EGH	8.9%
Base Resources	ASX:BSE	6.1%
Millennium Services	ASX:MIL	3.3%

## PORTFOLIO COMPOSITION

	31 Oct 2018
Listed equities	57%
Unlisted equities	20%
Convertible notes	3%
Cash less other net assets	20%
<b>Total</b>	<b>100%</b>

## UNRECOGNISED TAX LOSSES

After providing for the expected tax liability on year-to-date realised and unrealised income and gains NGE has approximately \$21m of realised tax losses that are not currently carried on the Company's balance sheet as a deferred tax asset. In addition, NGE also has approximately \$21m of capital losses available as at 31 October 2018.

The Company has received tax advice that these losses should be available to be offset against future tax liabilities, which in the aggregate equates to a potential future tax benefit of approximately \$12m or \$0.32 per share, 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).

## MONTHLY COMMENTARY

NGE's portfolio produced a return of -2.2% for the month of October. On a rolling 12-month basis, the portfolio is up 30.1%.

During October the US Department of Treasury's Office of Foreign Assets Control (OFAC) again extended the grace period for investors to divest or transfer equity and debt holdings in **United Company RUSAL Plc (0486.HKE)**, to 12 December 2018. OFAC also extended the wind-down period for conducting business with RUSAL to 12 December 2018. It is likely that any further developments will only occur after the US midterm elections to be held on 6 November.