

The background of the slide is a photograph of a rugged, rocky landscape, likely in Cappadocia, Turkey. Several hot air balloons with various patterns and colors (including orange, blue, and red) are floating in the sky. The sky is filled with soft, grey clouds, suggesting a dawn or dusk setting. The foreground shows dark, jagged rock formations and a winding path.

NAOS

QUARTERLY INVESTOR BRIEFING
3RD QUARTER FY-2017

NAOS EMERGING OPPORTUNITIES COMPANY
LIMITED (ASX: NCC)

CALL DETAILS

1. Date	Friday 21 April 2017	
2. Time	9:45am AEST	
3. Telephone	Within Australia: 1800 857 029 New Zealand: 0800 449 288	Outside Australia: +61 3 8687 0635
4. Guest Access Code	1084 2873#	
5. Questions	Please email all questions to enquiries@naos.com.au prior to the allotted call time	

1. NCC Q3 FY17 Review

- Performance & Risk Summary
- Stock Contribution (Since Inception)
- Return Profile, Positive v Negative Return Months
- Capital Analysis
- Dividend Profile
- Director/Shareholder Alignment
- Historical Net Equity & Cash Exposure
- Industry/Sector Exposure
- Company Meetings

2. Market Commentary

- Portfolio update for Q3 FY2017
- Market Commentary
- ASX-300 relative Industry Performance
- NAOS Investment Philosophy

3. Keeping Up to Date

- Investor Awareness and Communications
- NAOS Team and NCC Directors

1. NCC Review

“ESTABLISHING AND MAINTAINING AN UNCONVENTIONAL INVESTMENT PROFILE REQUIRES ACCEPTANCE OF UNCOMFORTABLY IDIOSYNCRATIC PORTFOLIOS, WHICH FREQUENTLY APPEAR DOWNRIGHT IMPRUDENT IN THE EYES OF CONVENTIONAL WISDOM.” – DAVID SWENSEN

NCC: PERFORMANCE & PORTFOLIO CHARACTERISTICS SUMMARY

AS AT 31 MARCH 2017

NAOS

	3 Month	1 Year	2 Year (%p.a.)	3 Year (% p.a.)	4 Year (% p.a.)	Inception (% p.a.)	Inception (% Nom.)
NCC Investment Portfolio Performance*	-1.04%	+30.97%	+18.66%	+13.75%	+19.61%	+20.24%	+112.57%
S&P/ASX Small Ordinaries Accumulation Index (XSOAI)	+1.46%	+13.67%	+8.57%	+6.44%	+4.41%	+3.69%	+15.97%
Outperformance Relative to Benchmark	-2.50%	+17.30%	+10.09%	+7.31%	+15.20%	+16.55%	+96.60%

* Investment Portfolio Performance is **pre fees and franking credits and post all operating expenses**.

Performance has **not been grossed up for franking credits received by shareholders**. Inception is 26th February 2013

Portfolio Weighted Average Market Capitalisation	\$140 Million
Percentage of Positive Months (NCC)	71%
Percentage of Positive Months (XSOAI)	55%
Standard Deviation of Returns (NCC)	11.09%
Standard Deviation of Returns (XSOAI)	14.02%
Correlation of Returns to XSOAI	0.57
Sortino Ratio	3.00
Downside Deviation (NCC)	5.94%
Downside Deviation (XSOAI)	7.25%
Current Estimated Portfolio Beta	0.36

NCC: POSITIVE STOCK ATTRIBUTION SUMMARY (SINCE INCEPTION)

AS AT 31 MARCH 2017

Positive Stock Contribution Analysis

(Contribution is what has attributed to NCC's performance since inception) (1 March 2013 to 31 March 2017)

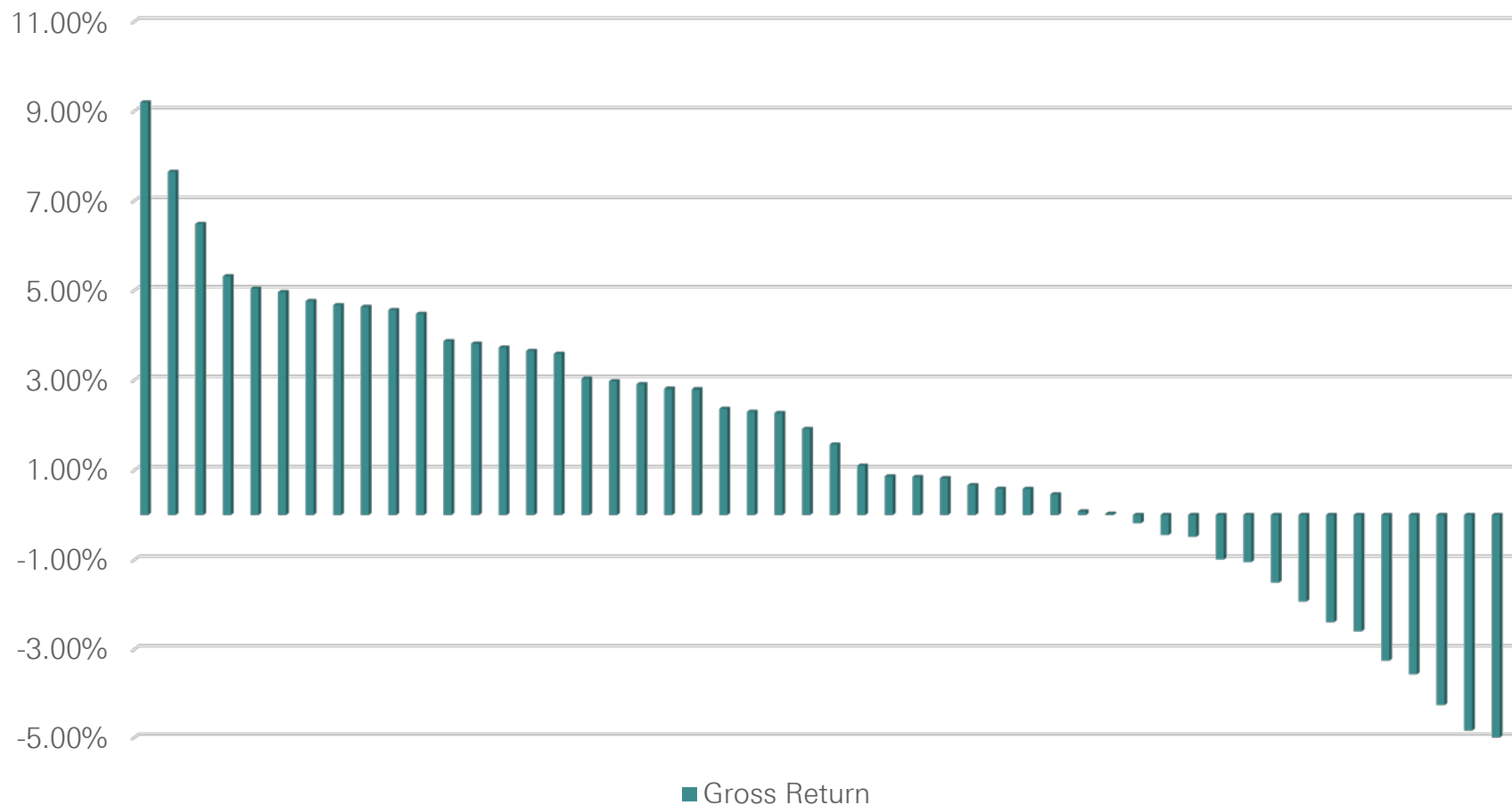
The table below lists the top positive contributors to NCC's total return since 1 March 2013. The purpose of the information is to illustrate that the performance the investment team derive over time is not simply from one or two positions but from a variety of positions, even with a highly concentrated portfolio of investments that is often 0 -15 securities at any one time. We will disclose securities in which the Company has a current substantial holding, or when we have exited the position. All of the below have **either been a long or short position** in the portfolio at some point in time.

Investment	Contribution to Return (% NAV)	Investment	Contribution to Return (% NAV)
BSA Limited	+25.64%	Tamawood Limited	+8.67%
Armidale Investment Corp	+20.53%	Village Roadshow	+8.20%
Calliden Group	+15.57%	Sirtex Medical Limited	+8.18%
Capitol Health Ltd	+15.14%	RHG Limited	+7.07%
Lindsay Group	+10.05%	MNF Limited	+6.60%

NCC: RETURN PROFILE, POSITIVE V NEGATIVE MONTHS

AS AT 31 MARCH 2017

NAOS



NCC: CAPITAL ANALYSIS

AS AT 31 MARCH 2017

NTA Analysis

Pre Tax - \$1.37

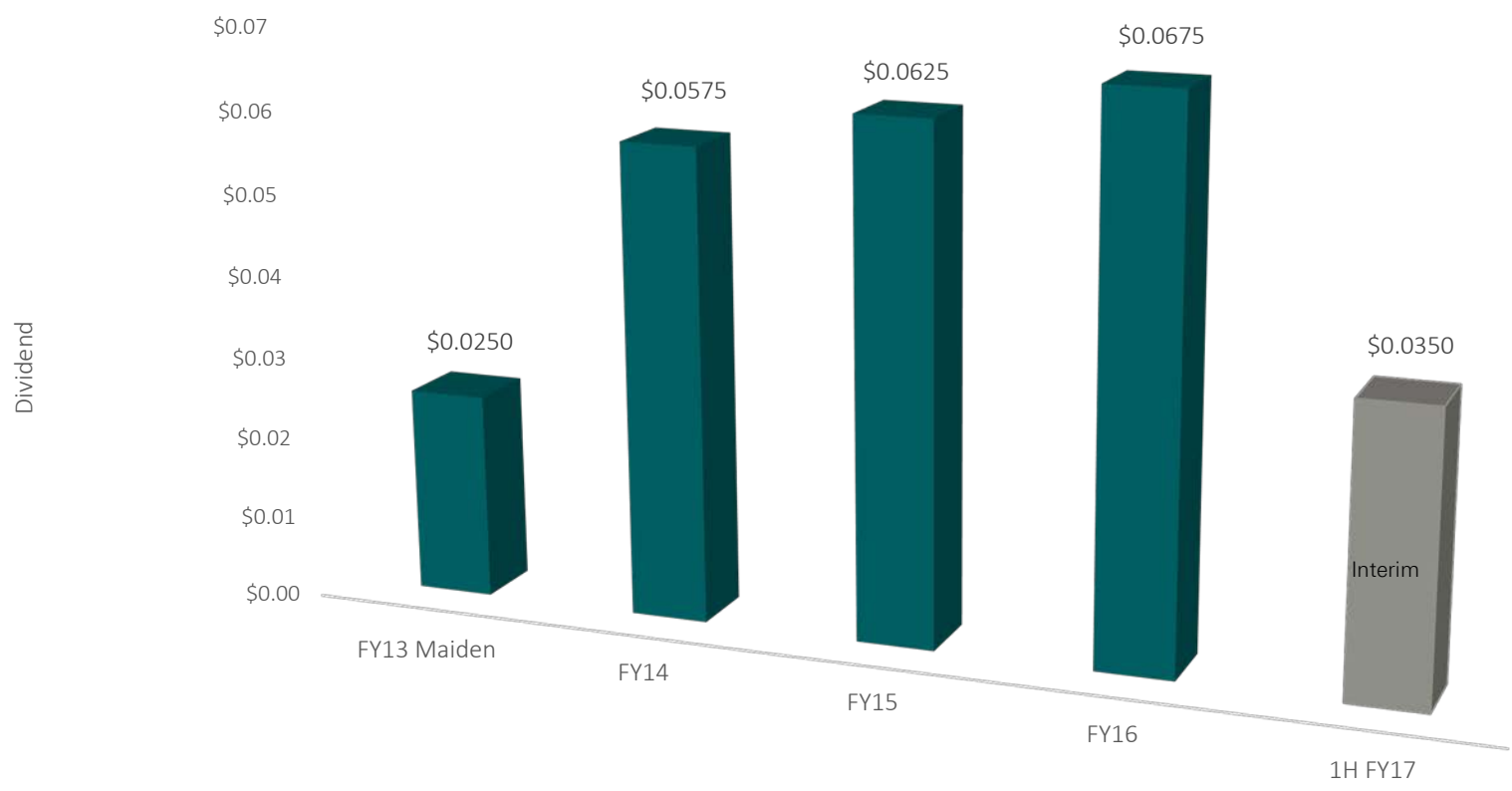
Post Tax Pre Unrealised Gains Tax – \$1.36

Post Tax - \$1.26

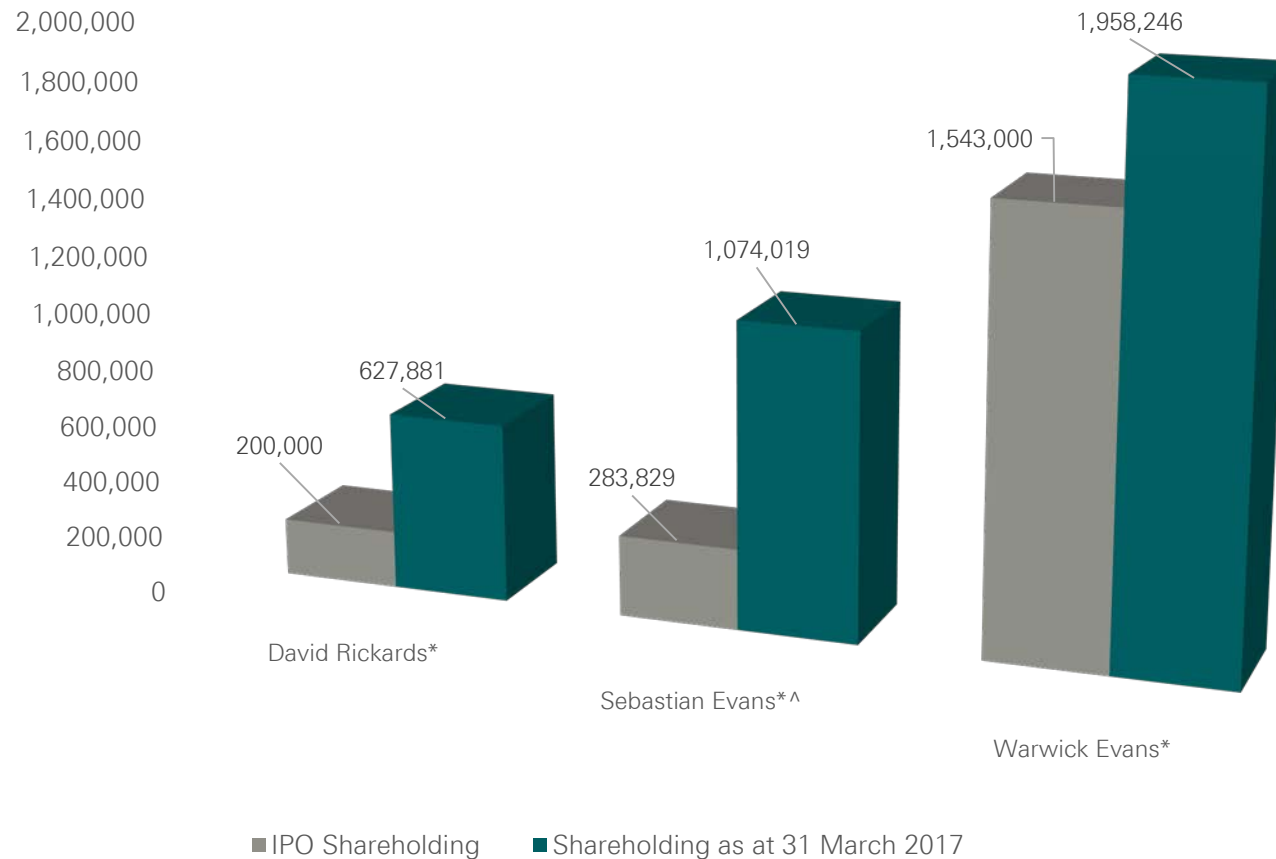
*The above NTA Values are inclusive of the \$0.035 Dividend (Ex-Dividend Date 3 April 2017)

Share Price	\$1.42
Premium to NTA (Pre-Tax)	3.65%
Fully Franked Dividend Yield	4.93%
Gross Dividend Yield	7.04%
Shares on Issue	47,203,039
Directors Shareholding	3,660,146

NCC: HISTORICAL FULLY FRANKED DIVIDEND PROFILE
AS AT 31 MARCH 2017



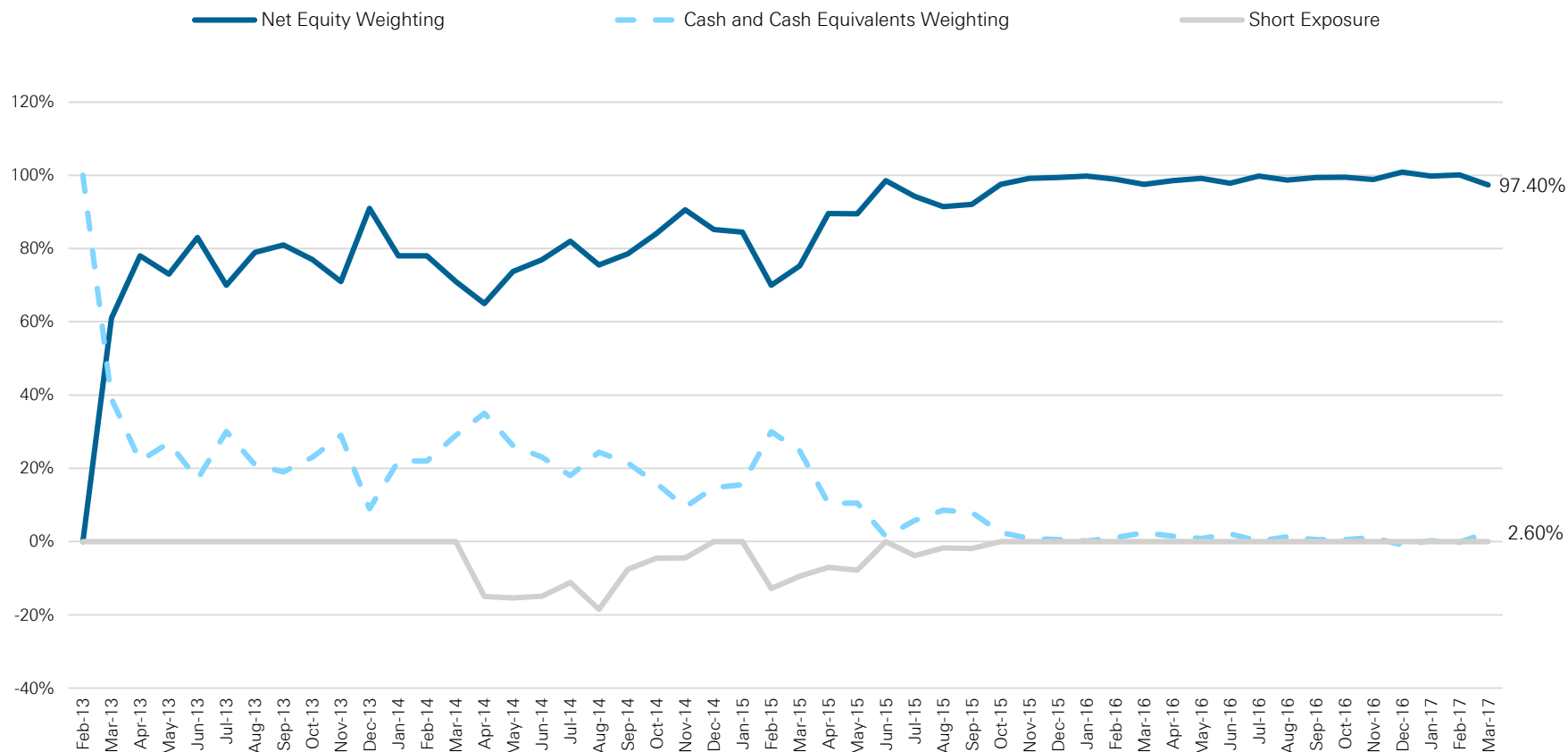
NCC: DIRECTORS INCREASING ALIGNMENT WITH SHAREHOLDERS SINCE IPO AS AT 31 MARCH 2017



*Direct & Indirect shareholdings ^Includes holding in NAOS Asset Management Limited

NCC: PORTFOLIO STRUCTURE HISTORICAL NET EQUITY AND CASH WEIGHTINGS AS AT 31 MARCH 2017

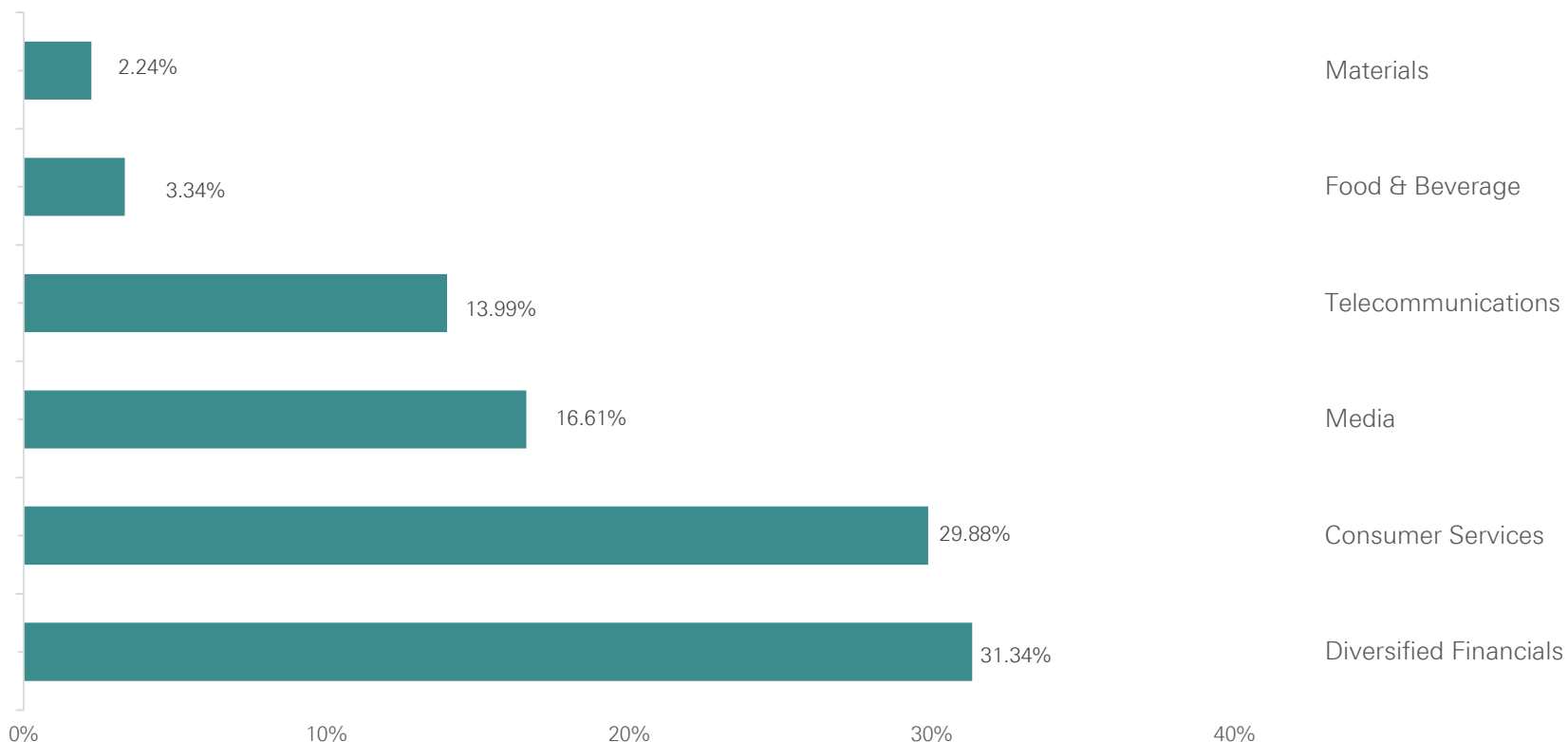
NAOS



NCC: PORTFOLIO STRUCTURE ALLOCATION BY INDUSTRY/SECTOR (NET)

AS AT 31 MARCH 2017

N
A
O
S



The NAOS investment philosophy is based around the belief that for a company to succeed and generate strong returns for shareholders it must be led by a motivated, proven and experienced management team. The NAOS Investment Team has direct contact with many listed and unlisted companies across a wide range of industries. The table below provides an insight into the types of companies NAOS has engaged with over the last quarter.

• Austin Engineering Ltd (ANG AU)	• Objective Corp (OCL AU)
• Redhill Education (RDH AU)	• Tempo Australia Ltd (TPP AU)
• Australian Ethical Ltd (AEF AU)	• Centrepont Alliance (CAF AU)
• Saunders International (SND AU)	• Korvest Ltd (KOV AU)
• Story-I Limited (SRY AU)	• Macquarie Telecom Group (MAQ AU)
• Wingara Ag (WNR AU)	• Royal Wolf (RWH AU)

2. Market Outlook

"THE MARKET CAN REMAIN IRRATIONAL LONGER THAN
YOU CAN REMAIN SOLVENT." – JOHN MAYNARD KEYNES

CML Group (ASX: CGR)

- Finalisation of a new institutional bank funding facility.
- This will allow CML to reduce their cost of funds from ~9% p.a. to potentially 2-3% p.a.
- Main focus for CML going forward will be their ability to maintain a steady gross margin and increase the size of the loan book organically.
- The receivables financing market is still in its infancy in Australia and well behind other developed nations such as the UK.

Big River (ASX: N/A)

- New addition to NCC portfolio, listing on ASX in early May.
- Operating as a family business for over 100 years with a focus on building materials.
- Substantial revenue base (>\$200m) which has grown steadily over the past 5-7 years.
- Significant scope for Big River to consolidate the building materials distribution space, just as Reece Limited (ASX: REH) has done within the plumbing trade.
- Experienced senior management team, all of whom have been with Big River for >5 years.

Significant Increase in Market “Noise” Through Q3 FY2017

- Market obsession with Australian house prices and potential government policy changes.
- APRA changes around lending standards and subsequent costs for property owners.
- Geopolitical risks around current and/or potential conflicts in Syria and North Korea.
- Upcoming election in France with the anti-EU party gaining significant ground.
- Recently announced UK election with strong focus on Brexit once again.

Also Significant Increase in Market “Noise” on Particular Industries

- The effect of Amazon’s entry into the domestic retail & grocery market.
- Increased competition within telecommunications sector especially around future mobile plan prices as well as NBN pricing strategies.
- Out of cycle interest rate rises continue from many of the large financial institutions.
- Fund manager debate on active vs. passive portfolio management.

The market malaise within small to mid cap industrial companies has continued into Q3 FY2017, as shown by significant negative share price movements in companies such as RFG, RCG, FBU, CSV and ISD.

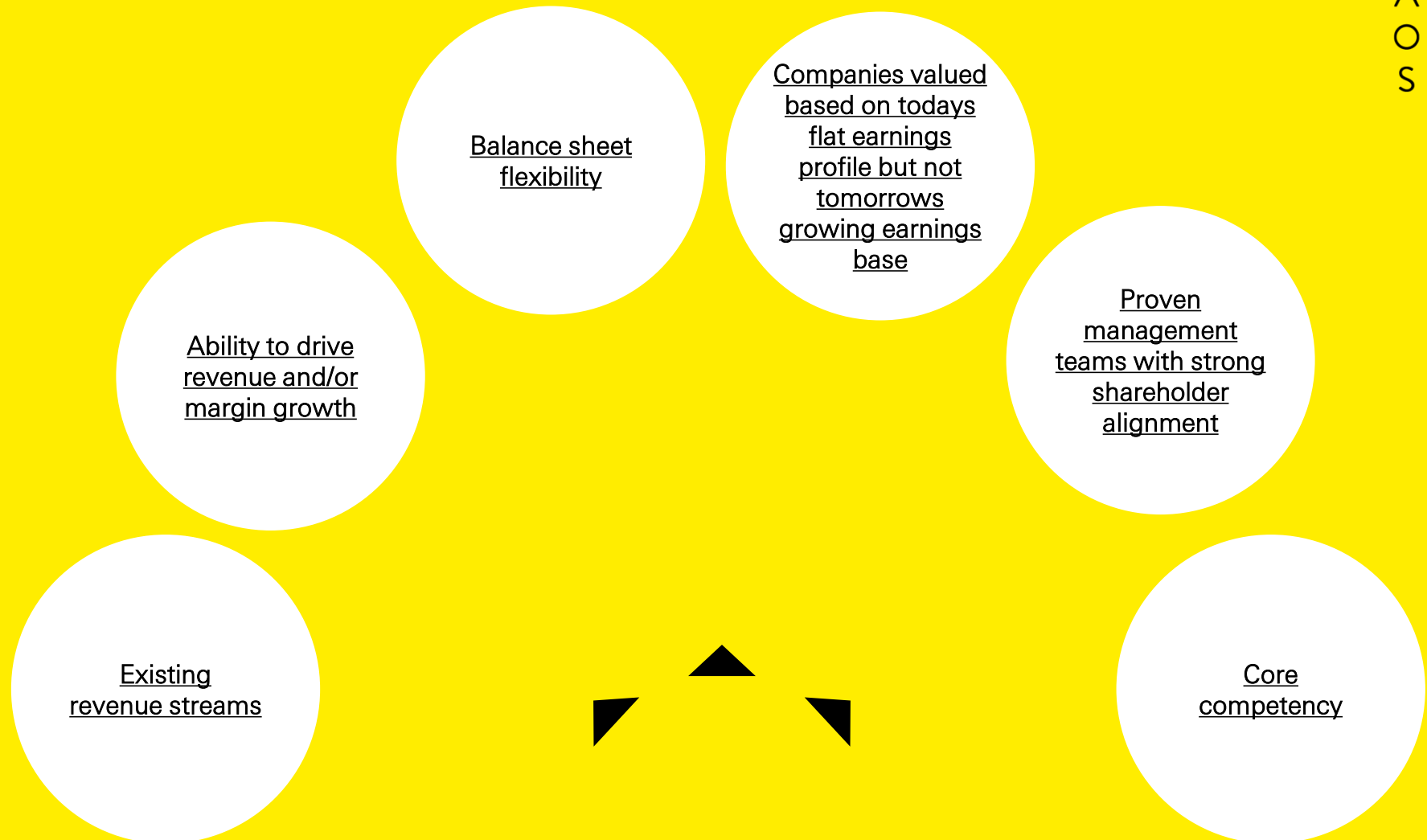
Pleasingly, there are also signs that some industrial names have entered value territory and have subsequently risen such as BGA, SRX and CGC. The weight of money that has recently exited the small/mid cap space has continued but has slowed more recently.

Code	Top 15	Industry/Sector	3 Month Return %	Code	Bottom 15	Industry/Sector	3 Month Return %
MSB-AU	Mesoblast Limited	Health Care	59.44	RFG-AU	Retail Food Group Limited	Consumer Discretionary	-24.07
BGA-AU	Bega Cheese Limited	Consumer Staples	49.29	BXB-AU	Brambles Limited	Industrials	-24.60
WGX-AU	Westgold Resources Ltd	Materials	43.03	WSA-AU	Western Areas Limited	Materials	-24.76
MLX-AU	Metals X Limited	Materials	39.29	RCG-AU	RCG Corporation Limited	Consumer Discretionary	-26.60
SVW-AU	Seven Group Holdings Limited	Industrials	36.61	FBU-AU	Fletcher Building Limited	Materials	-26.91
CDD-AU	Cardno Limited	Industrials	35.45	NTC-AU	Netcomm Wireless Limited	Information Technology	-27.91
A2M-AU	a2 Milk Company Ltd.	Consumer Staples	34.31	HFR-AU	Highfield Resources Limited	Materials	-28.57
SXY-AU	Senex Energy Limited	Energy	33.96	IPD-AU	Impedimed Limited	Health Care	-30.10
BSL-AU	Bluescope Steel Limited	Materials	32.11	TGA-AU	Thorn Group Limited	Consumer Discretionary	-31.77
CGC-AU	Costa Group Holdings Ltd.	Consumer Staples	26.45	CSV-AU	CSG Limited	Information Technology	-36.30
SRX-AU	Sirtex Medical Limited	Health Care	26.32	BAL-AU	Bellamy's Australia Ltd.	Consumer Staples	-37.13
LYC-AU	Lynas Corporation Limited	Materials	26.03	QIN-AU	Quintis Ltd	Materials	-37.35
CSL-AU	CSL Limited	Health Care	24.82	TEN-AU	Ten Network Holdings Limited	Consumer Discretionary	-38.38
NHF-AU	NIB Holdings Ltd	Financials	24.63	ORE-AU	Orocobre Limited	Materials	-38.63
MMS-AU	Mcmillan Shakespeare Limited	Industrials	21.62	ISD-AU	iSentia Group Limited	Information Technology	-47.74

* Total returns for the 3 month period to 31/3/2017

MARKET OUTLOOK: NAOS INVESTMENT PHILOSOPHY

NAOS



FOCUS ON THE CONTROLLABLE

3. Keeping Up to Date

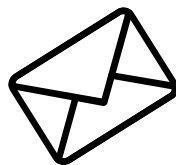
“SUPERIOR RESULTS DON’T COME FROM BUYING HIGH QUALITY ASSETS, BUT FROM BUYING ASSETS – REGARDLESS OF QUALITY – FOR LESS THAN THEY’RE WORTH. IT’S ESSENTIAL TO UNDERSTAND THE DIFFERENCE BETWEEN BUYING GOOD THINGS AND BUYING THINGS WELL.” – HOWARD MARKS



CEO Insights,
Weekly NAOS
Newsletter,
subscribe via our
website
naos.com.au/#subscribeform



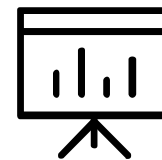
Quarterly
Shareholder
Conference Calls,
subscribe via our
website
naos.com.au/#subscribeform



Monthly
Investment Report
& NTA email
updates, subscribe
via our website
naos.com.au/#subscribeform



The news and
media section of
our website is
updated regularly
naos.com.au



Twice yearly
National
Roadshow register
here
naos.com.au/investor-event-registration/



Follow us on
Twitter
[@NaosAssetMgmt](https://twitter.com/NaosAssetMgmt)



Add us on LinkedIn
NAOS Asset
Management



Like us on
Facebook NAOS
Asset
Management



Subscribe to us on
YouTube NAOS
Asset
Management



For all enquires
contact
enquiries@naos.com.au or call
(02) 9002 1576

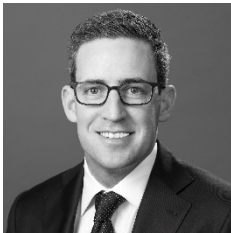
THE NAOS TEAM AND DIRECTORS



Sebastian Evans
Chief Investment Officer/
Managing Director



Richard Preedy
Chief Financial &
Operating Officer



Ben Rundle
Portfolio Manager



Julie Coventry
Compliance Officer



Jeffrey Kim
Portfolio Manager



Julia
Stanistreet
Business Development
Manager



Robert Miller
Portfolio Manager



Chadd Knights
Associate Analyst



Megan Walker
Marketing and
Communications
Manager

Sebastian Evans
Director



Warwick
Evans
Director



David Rickards
Independent
Chairman



This presentation has been prepared by NAOS Asset Management Limited (ABN 23 107 624 126, AFSL 273529, “**NAML**”). The purpose of this presentation is to provide information only; any other use other than informational purposes is disclaimed. The information provided is given in summary form and does not purport to be complete, accurate or suitable for your particular purposes and is only intended for Australian residents. Information in this presentation, including any forecast financial information, should not be considered as investment, legal, tax, accounting or other advice or a recommendation to investors or potential investors nor does it take into account your specific investment goals, financial situation and tolerance for risk.

Before acting on any information you should consider the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek independent financial advice. All securities and financial product or instrument transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments and, in international transactions, currency risk.

This presentation may contain hypotheticals, illustrations and examples, which are provided for illustrative purposes only. They should not be relied on by anyone to make investment decisions.

This presentation may contain forward looking statements. Forward looking statements are not guarantees or predictions of future performance and involve known and unknown risks, uncertainty and other factors beyond NAML’s control. Unless otherwise expressly stated, no independent person, has reviewed the reasonableness of any such forward looking statements or assumptions that may be contained in this presentation. You are cautioned not to place undue reliance on forward looking statements. All forward looking statements, opinions and estimates in this presentation are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. NAML, NAOS Emerging Opportunities Company Ltd (ABN 58 161 106 510) or NAOS Absolute Opportunities Company Ltd (ABN 49 169 448 837) and their related bodies corporate and other affiliates and their respective directors and employees, consultants and agents (collectively “**NAOS**”) does not represent or warrant that forward looking statements will be achieved or will prove to be correct. Actual future results and operations could vary materially from all the forward looking statements, opinions and estimates in this presentation.

The presentation may contain past performance figures, which are intended to be for general illustrative purposes only. Past performance is not a reliable indication of future performance.

Except as required by law or regulation, NAOS undertakes no obligation to provide any additional or updated information where as a result of new information, future events or results or otherwise.

NAOS does not make any representation or warranty as to the accuracy, reliability, timeliness or completeness of the information. To the maximum extent permissible by law, NAOS, disclaims all liability (whether arising in contract, tort, negligence or otherwise) for any error, omission, loss or damage (whether direct, indirect, consequential or otherwise) in connection with this presentation.

NAOS and any person who reviews this presentation expressly disclaims any fiduciary relationship exists between them. NAOS and any person who reviews this presentation also agree that the recipient is responsible for making its own independent judgments with respect to any transaction and any other matters regarding this presentation.