

The background of the slide is a photograph of a dense forest with tall, thin trees. Sunlight is filtering through the canopy, creating a warm, golden glow. The NAOS logo is positioned on the left side of the image.

NAOS

NATIONAL INVESTOR  
ROADSHOW

NAOS ASSET  
MANAGEMENT LIMITED

OCTOBER 2017



# IMPORTANT INFORMATION

NAOS

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“I could improve your ultimate financial welfare by giving you a ticket with only twenty slots in it so that you had twenty punches - representing all the investments that you got to make in a lifetime.”

Warren Buffett

# NAOS INVESTMENT BELIEFS

NAOS

We believe success is achieving returns for our investors, over a three to five year period, better than and without correlation to the broader market with less risk of permanent capital loss.

We see value in the sharing of ideas with our investment community via open and transparent communication to ensure investors are able to make informed decisions.



VALUE  
FOCUSED



QUALITY OVER  
QUANTITY



INVEST FOR  
THE LONG TERM



IGNORE  
THE INDEX



PURE EXPOSURE  
TO INDUSTRIALS

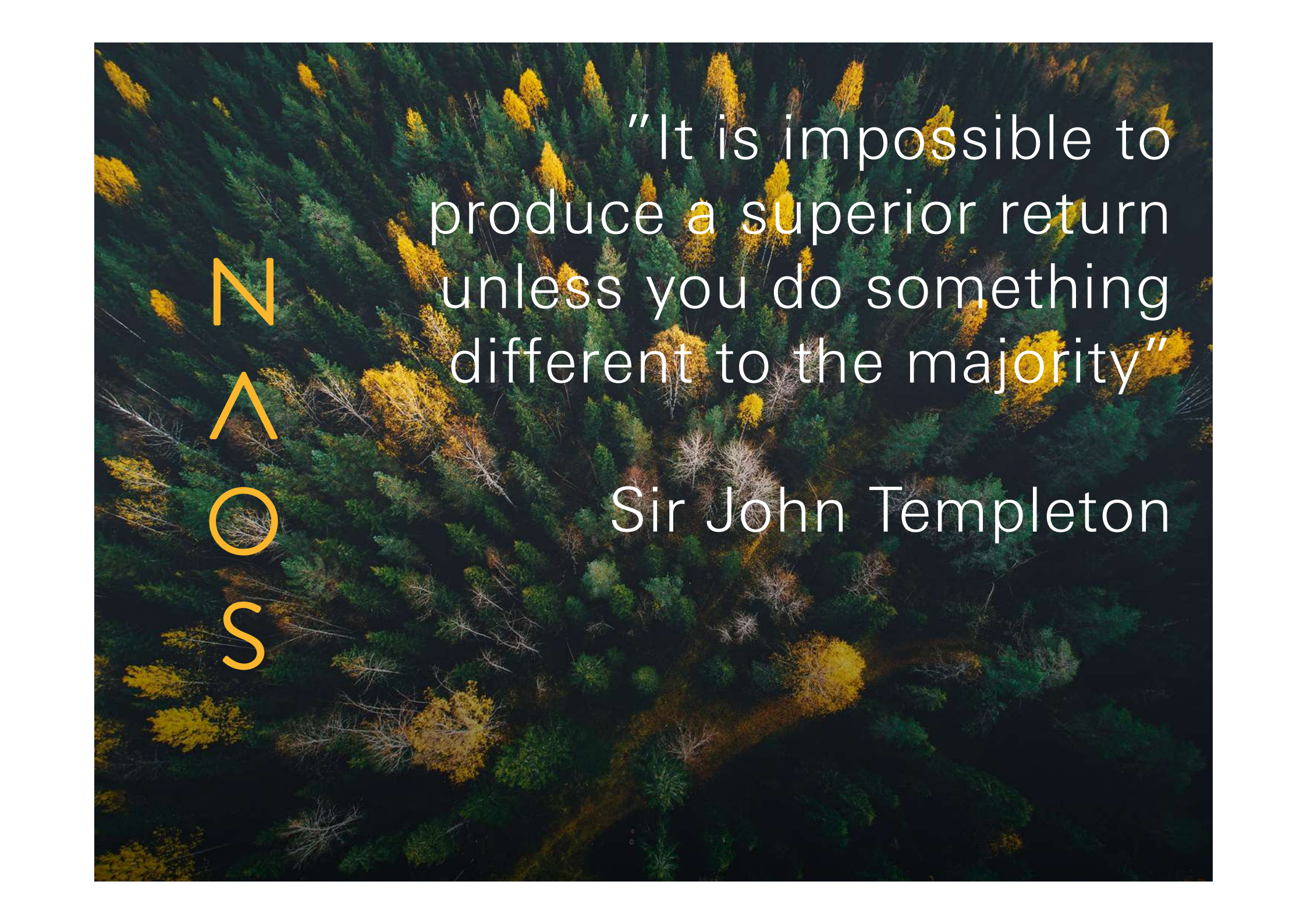


ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE (ESG)



MANAGEMENT  
ALIGNMENT



An aerial photograph of a dense forest. The majority of the trees are dark green, but there are several distinct clusters of trees with bright yellow foliage, scattered throughout the landscape. The perspective is from directly above, looking down on the canopy.

"It is impossible to  
produce a superior return  
unless you do something  
different to the majority"

Sir John Templeton

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# IGNORE THE INDEX

40% ASX100	Headwinds	1 Year TSR*	5 Year p.a. TSR*
CBA	Financial Disintermediation/ Fintech/ Regulatory Pressure	+3.90%	+6.27%
WBC		+8.20%	+5.38%
ANZ		+7.10%	+3.64%
NAB		+13.00%	+5.39%
Telstra	NBN	-32.60%	-2.30%
Wesfarmers	Amazon	-6.30%	+3.86%
BHP	Renewable Energy	+15.20%	-2.94%

Source: IRESS \* As at 30 September 2017, 5 year returns have been compounded and annualised

# PURE EXPOSURE TO INDUSTRIALS

NAOS

1380

ASX LISTED  
COMPANIES WITH  
MARKET CAP >\$10M

7

COMPANIES MAKE  
UP 40% OF THE  
ASX100

459

ARE MINING, OIL &  
GAS COMPANIES 249  
OF THESE HAVE  
REVENUE <\$10,000

149

COMPANIES (EX  
MINING OIL & GAS)  
HAVE REVENUE  
<\$10,000

477

COMPANIES <\$250M MKT CAP

NAOS EMERGING OPPORTUNITIES  
COMPANY LTD  
(ASX: NCC)

246

COMPANIES \$100M - \$1B MKT CAP

NAOS ABSOLUTE OPPORTUNITIES  
COMPANY LTD  
(ASX: NAC)





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"If investing is entertaining, if you're having fun, you're probably not making any money. Good investing is boring."

George Soros



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

NAOS

Factors we look for as part of our investment process, include:

- Environmental impact;
- Labour policies;
- Governance;
- Philanthropic activities;
- Social impact;
- Human rights; and
- Sustainable waste management.

An aerial photograph of a dense forest. The majority of the trees are dark green, but there are numerous trees with bright yellow foliage scattered throughout, particularly in the upper and middle sections. The perspective is from directly above, looking down on the canopy.

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“Our favourite holding  
period is forever.”

Warren Buffett

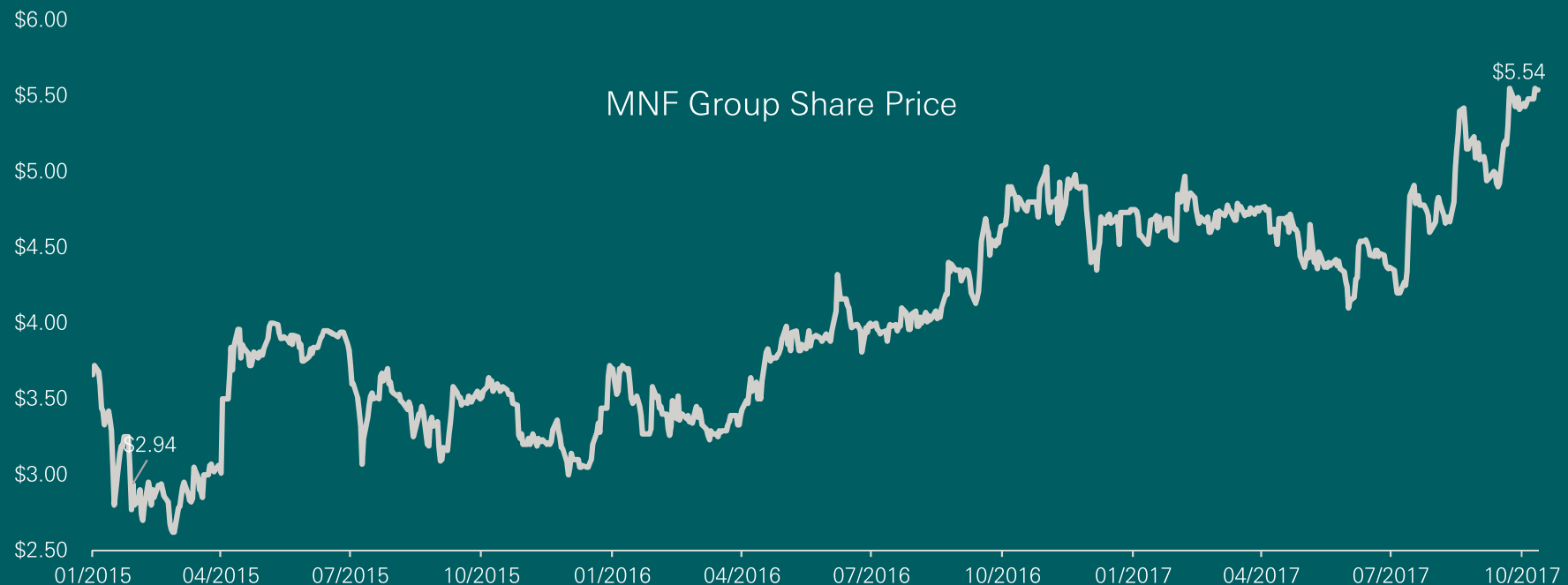


# INVEST FOR THE LONG TERM

NAOS

MNF Group (ASX: MNF)

Industry: Software & Services | Market Capitalisation: \$400m  
NAOS Invested Since February 2015 | TSR since this date 106.49%



# MANAGEMENT ALIGNMENT

NAOS

Company	Management	% Ownership (of shares on issue)	1 Year TSR%
MNF Group (ASX: MNF)	CEO & Co-Founder: Rene Sugo Non-Executive Director & Co- Founder: Andy Fung	35%	16.59%
Smartgroup (ASX: SIQ)	CEO: Devendra Billimoria Chairman: Michael Carapiet	5%	28.23%
Moelis Australia (ASX: MOE)	CEO: Andrew Pridham	17%	72.40%*

MD + CIO Sebastian Evans & NAOS Directors own ~15% of the NAOS LICs

\* MOE part year TSR, IPO date 10 April 2017



An aerial photograph of a dense forest. The trees are mostly green, but there are several clusters of trees with bright yellow foliage, suggesting autumn. The perspective is from directly above, looking down on the canopy.

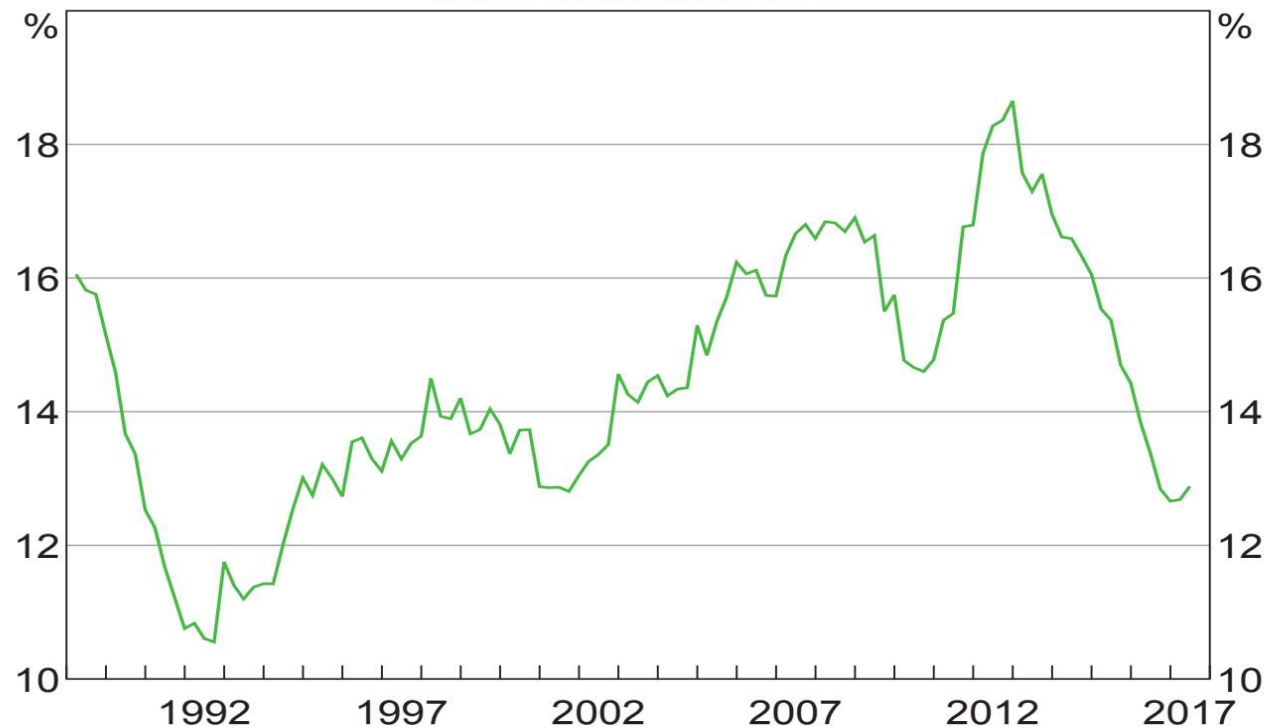
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“People don't like hearing  
this but we will all be  
better off if the next move  
is up rather than down.”

Philip Lowe, RBA  
Governor

# SUSTAINABLE ECONOMIC GROWTH

**Business Investment\***  
Share of nominal GDP



\* Adjusted for second-hand asset transfers between the private and other sectors

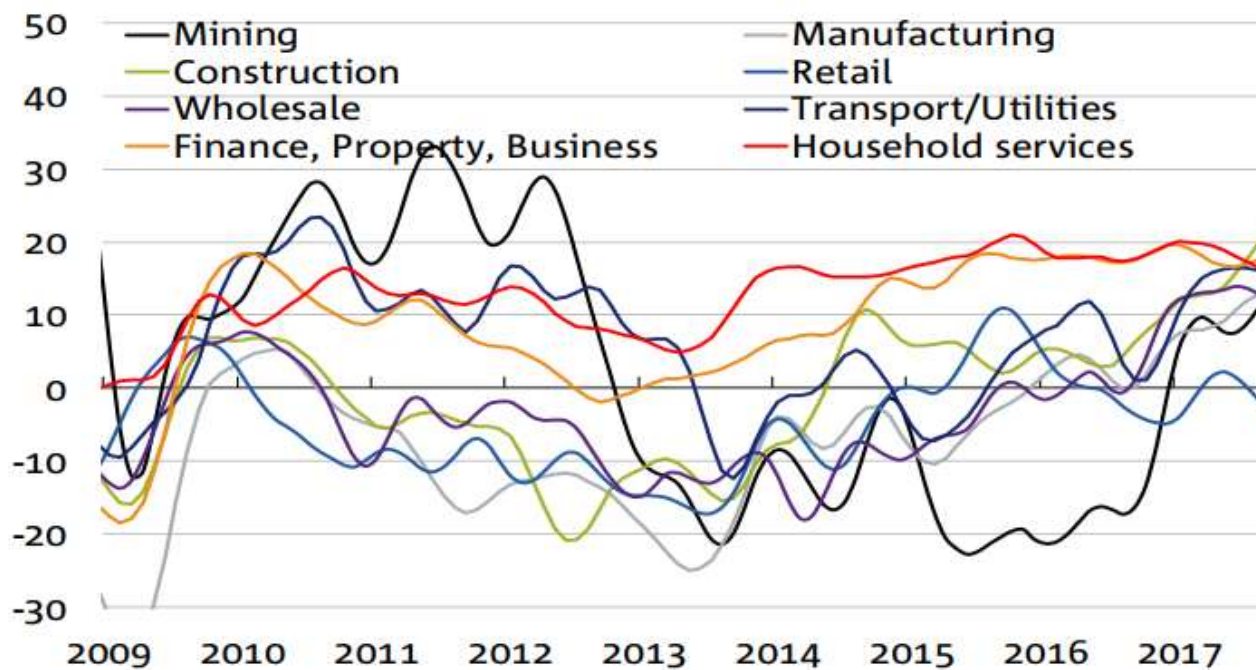
Source: ABS



# SUSTAINABLE ECONOMIC GROWTH

**ALMOST ALL INDUSTRIES ARE POSITIVE, BUT RETAIL IS CONTINUING TO STRUGGLE**

**NAB Business Conditions by Industry\***



\* 13 period Henderson trend

Source: NAB Monthly Business Survey September 2017





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“It's a huge amount, one and half times the size of the mining boom, and people tend to lose sight of it [new infrastructure spending] because it's scattered around Australia.”

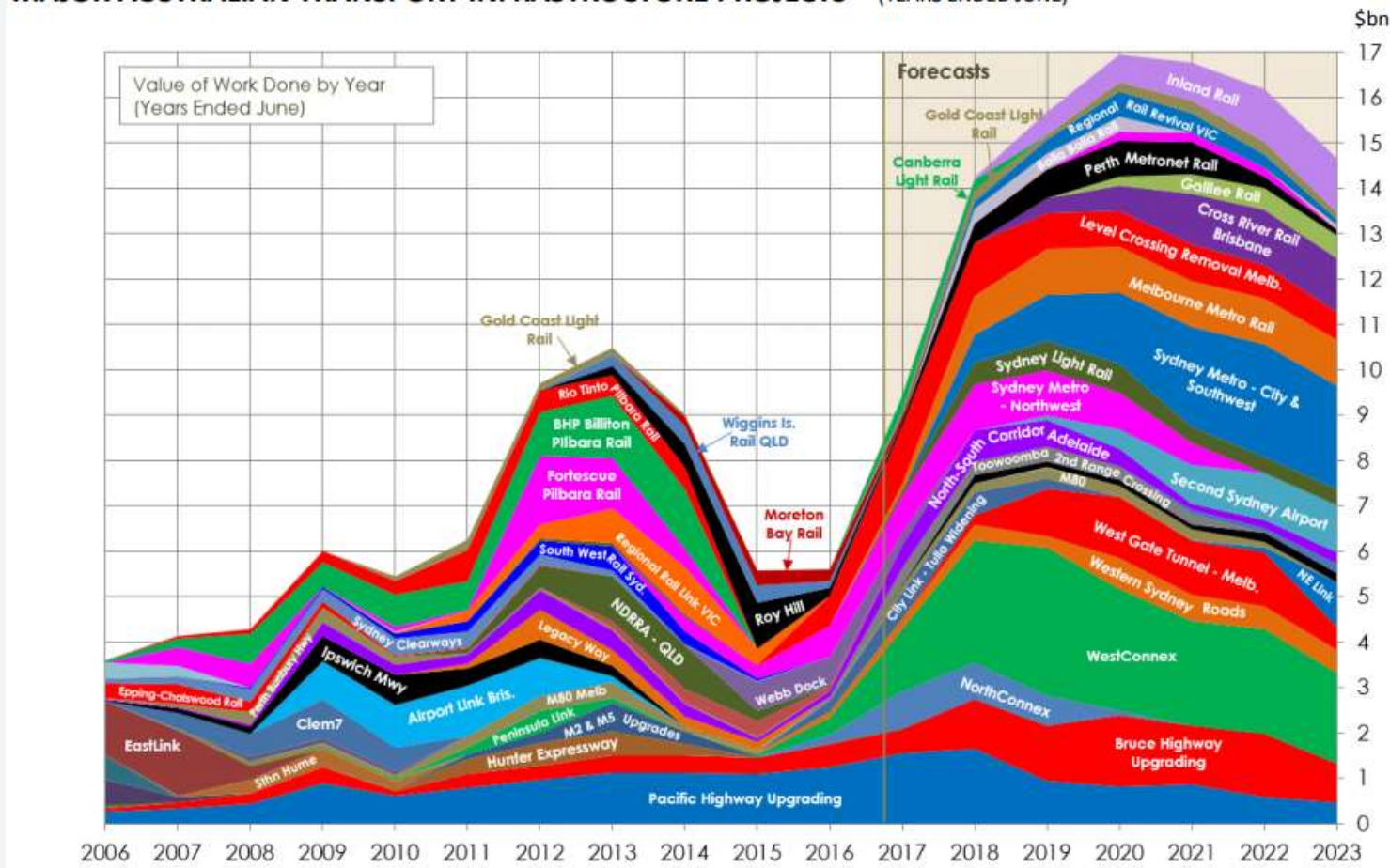
Craig James, Commsec



# TRANSPORT INFRASTRUCTURE PROJECTS

NAOS

MAJOR AUSTRALIAN TRANSPORT INFRASTRUCTURE PROJECTS – (YEARS ENDED JUNE)



Source: Macomonitor

# THEMATIC EXPOSURE

## Big River Industries (ASX: BRI)

- Market Cap \$110m
- Industrial Materials
- Held in NCC since: IPO May 2017



## Saunders International (ASX: SND)

- Market Cap \$51m
- Industrial Capital Goods
- Held in NCC since: Mid 2017





# OUR LISTED INVESTMENT COMPANIES

NAOS

## NAOS EMERGING OPPORTUNITIES COMPANY LIMITED (ASX: NCC)

GENUINE, CONCENTRATED EXPOSURE TO  
EMERGING COMPANIES WITH AN  
INDUSTRIAL FOCUS



Target Average  
Market Cap  
\$50m - \$150m



Target 8 -12  
Long Positions



Strategy Capacity  
\$150m



Sustainable and  
growing fully  
franked dividends



Focus on protecting  
capital with the  
ability to hold up  
to 100% cash



A benchmark/  
index unaware  
investment  
approach

## NAOS ABSOLUTE OPPORTUNITIES COMPANY LIMITED (ASX: NAC)

GENUINE, CONCENTRATED EXPOSURE TO  
SMALL/MID CAP COMPANIES WITH AN  
INDUSTRIAL FOCUS



Target Average  
Market Cap  
\$200m - \$400m



Target 10-15  
Long Positions



Strategy Size  
\$250m+

# NCC PERFORMANCE

NAOS

	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*	-1.24%	+4.33%	+24.34%	+13.46%	+13.51%	+18.96%	+121.95%
Benchmark XSOAI#	+1.31%	+2.98%	+15.32%	+8.15%	+6.03%	+4.18%	+20.66%
Relative Performance	-2.55%	+1.35%	+9.02%	+5.31%	+7.48%	+14.78%	+101.29%

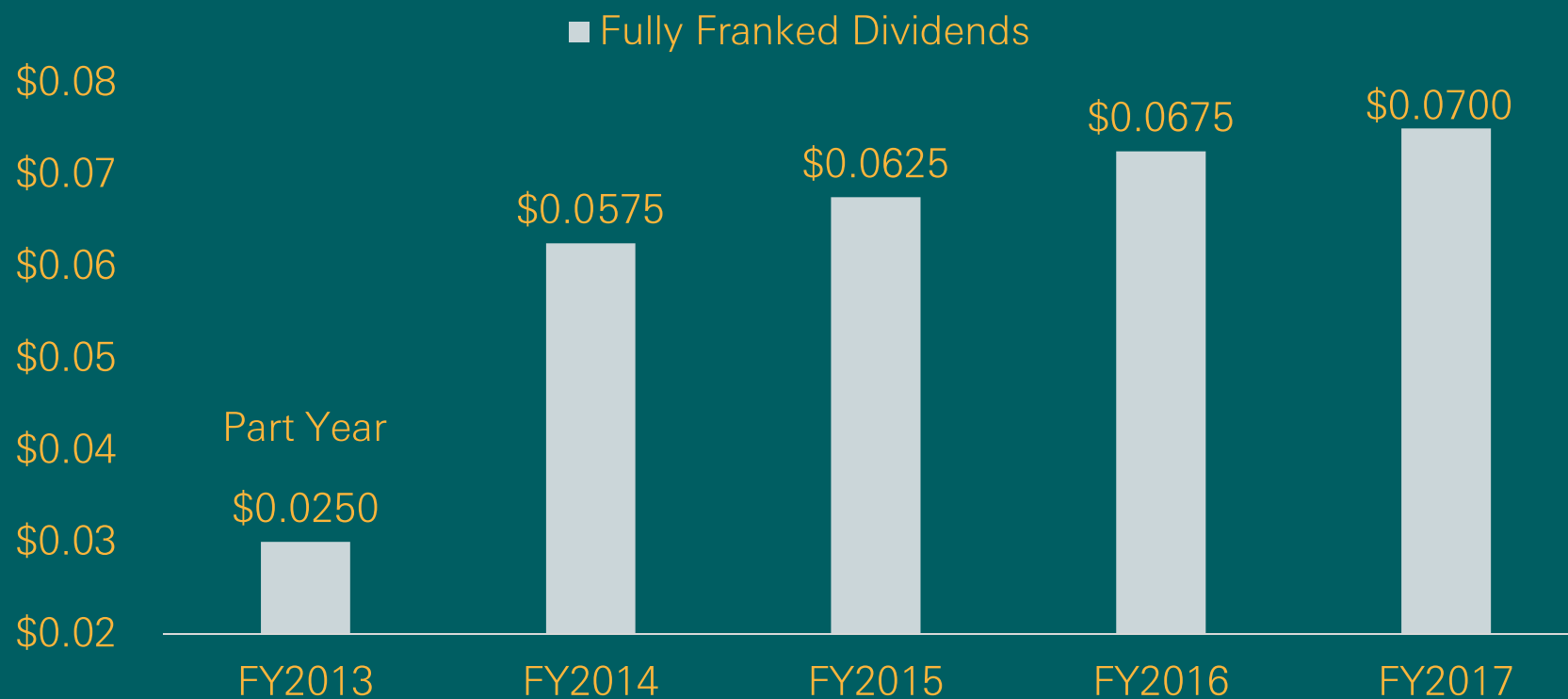
\* As at September 30 2017, Investment performance is post all operating expenses, before fees, taxes and initial IPO and placement commissions. Performance has not been grossed up for franking credits received by shareholders and returns are compounded for periods greater than 12 months. Includes part performance for the month of February 2013. # XSOAI refers to the S&P/ASX Small Ordinaries Accumulation Index.



# NCC DIVIDEND HISTORY

NAOS

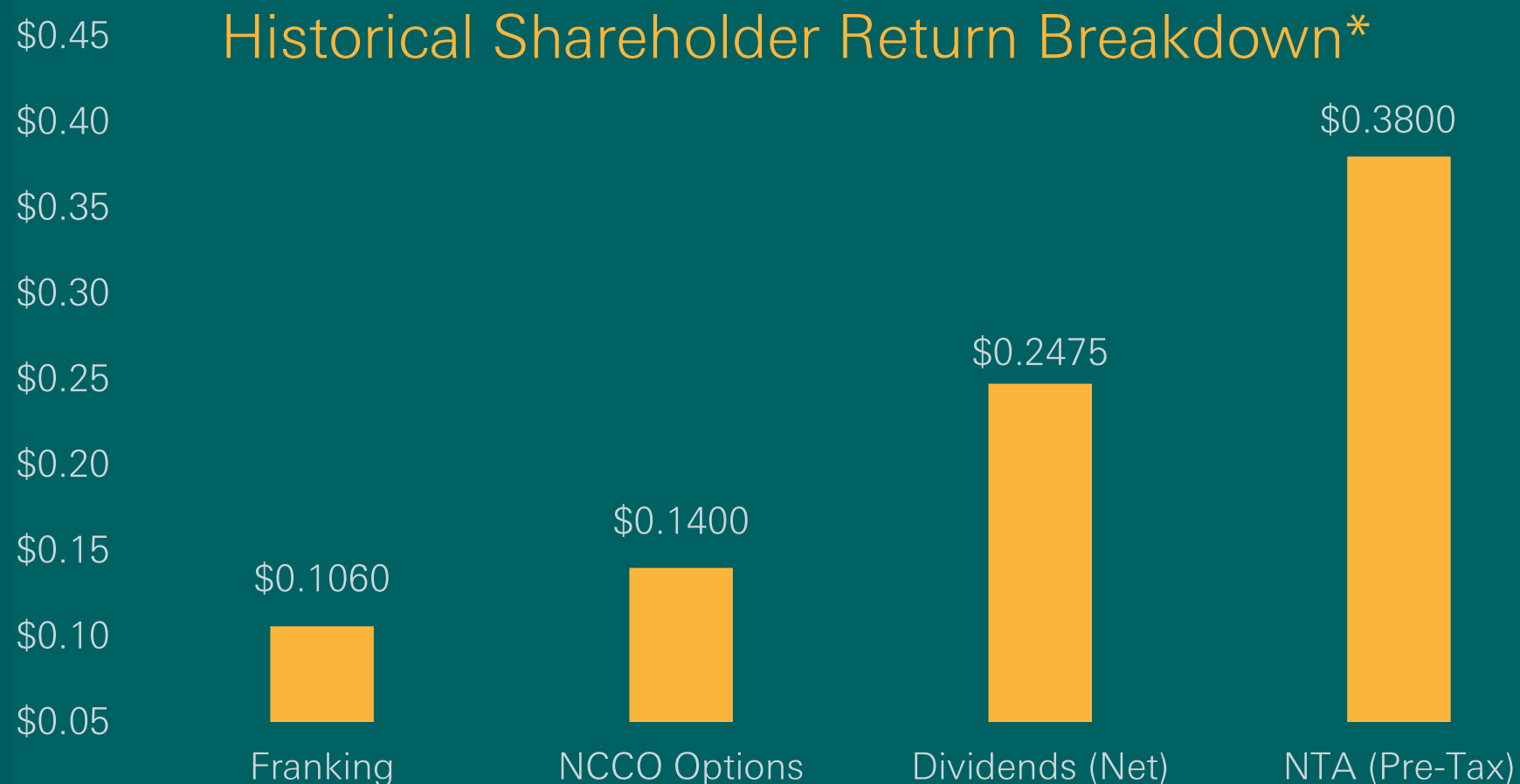
Net Yield 4.90% | Franking 100% | Gross Yield 7.00%



All figures as at 30 September 2017

# NCC TOTAL RETURN

NAOS



\*All figures as at 30 September 2017. 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.



# NCC 3 STOCKS

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## CML Group (ASX: CGR)

- Market Cap \$64m
- Professional Services
- Held in NCC since: early 2014



## BSA Limited (ASX: BSA)

- Market Cap \$143m
- Commercial Services
- Held in NCC since: late 2014



# NCC 3 STOCKS

NAOS

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## Consolidated Operations Group (ASX:COG)

- Equipment Finance
- Market Cap \$150m
- Held in NAOS since: mid 2013





# NAC PERFORMANCE

NAOS

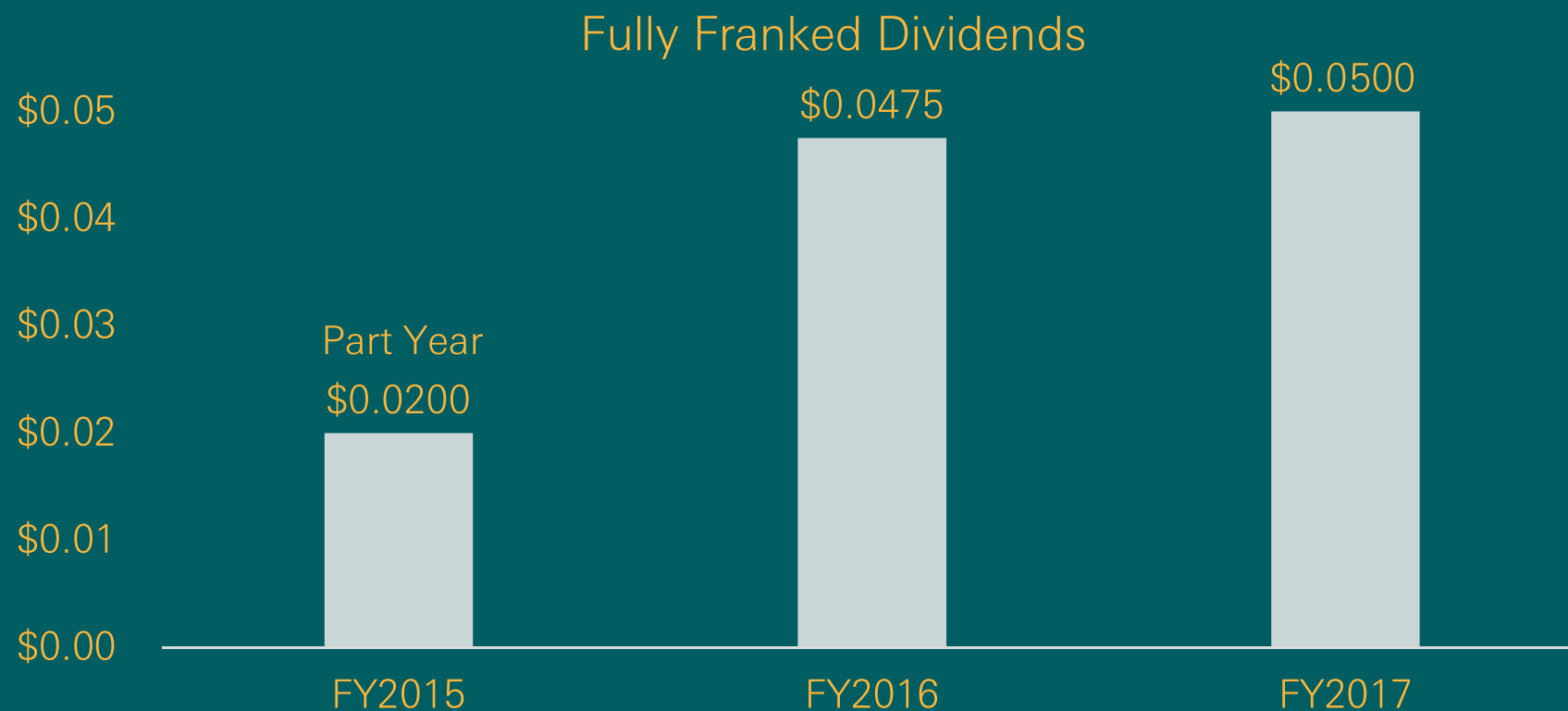
	1 Month	6 Month	1 Year	2 Years (p.a.)	Inception (p.a.)	Inception (nom.)
NAC Investment Portfolio Performance*	+1.22%	-0.85%	-4.39%	+18.14%	+16.11%	+53.83%
Benchmark (RBA Cash Rate + 250bps)	+0.35%	+2.14%	+4.33%	+4.84%	+4.70%	+14.14%
Relative Performance	+0.87%	-2.99%	-8.72%	+13.30%	+11.41%	+39.69%
S&P XAOAI#	+0.05%	-0.53%	+8.53%	+11.23%	+6.39%	+19.54%

\* As at September 30 2017, Investment 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 and returns are compounded for periods greater than 12 months. Includes part performance for the month of November 2014. # XAOAI refers to the S&P/ASX All Ordinaries Accumulation Index.

# NAC DIVIDEND HISTORY

NAOS

Net Yield 4.98% | Franking 100% | Gross Yield 7.11%



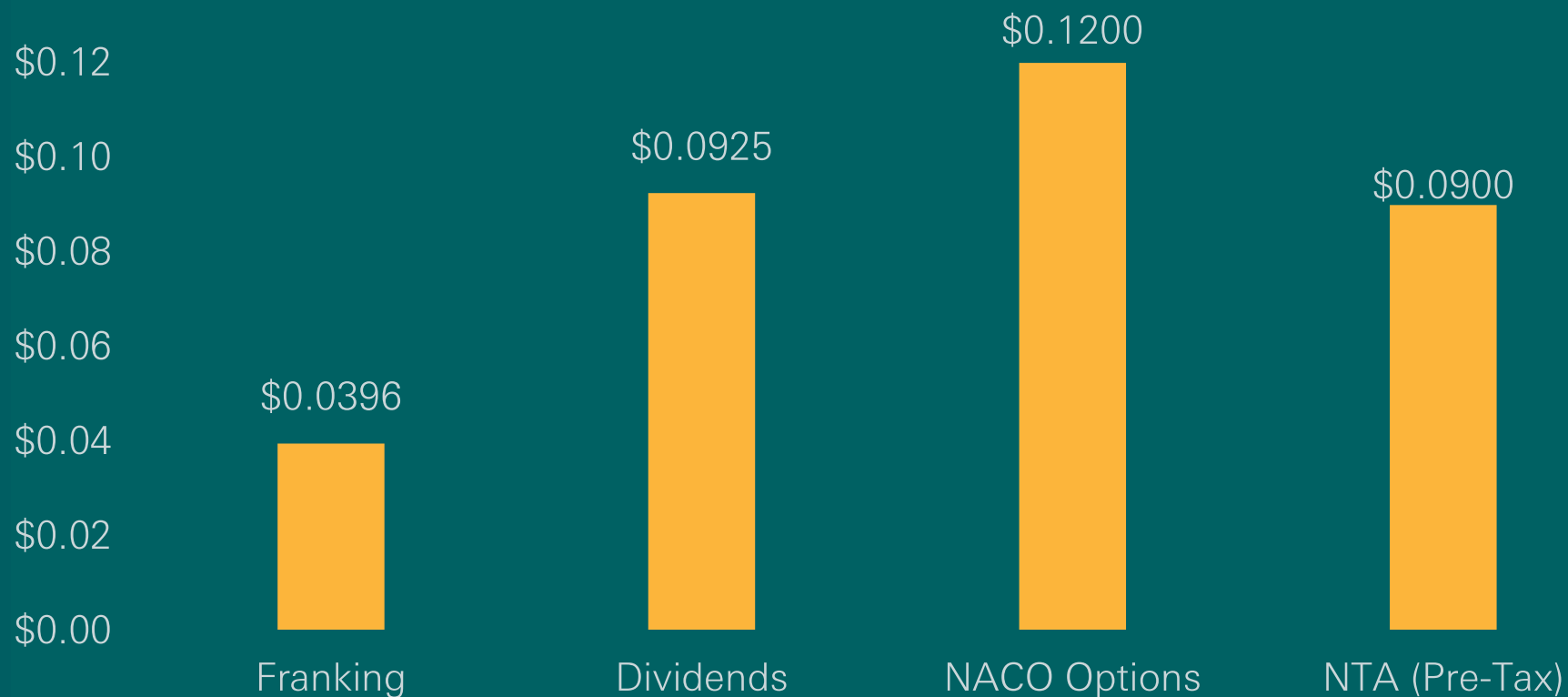
All figures as at 30 September 2017



# NAC TOTAL RETURN

NAOS

## Historical Shareholder Return Breakdown\*



\*All figures as at 30 September 2017. Assumes an intrinsic NACO value of \$0.1200 cents per option at expiry (30 November 2016) based on pre-tax NTA on this date diluted for remaining options.

# NAC 3 STOCKS

NAOS

## MNF Group (ASX: MNF)



- Market Cap \$400m
- Software Services
- NAOS position since: early 2015

## Elders Limited (ASX: ELD)



- Market Cap \$550m
- Agricultural Producers
- Held in NAC since: early 2017



# NAC 3 STOCKS

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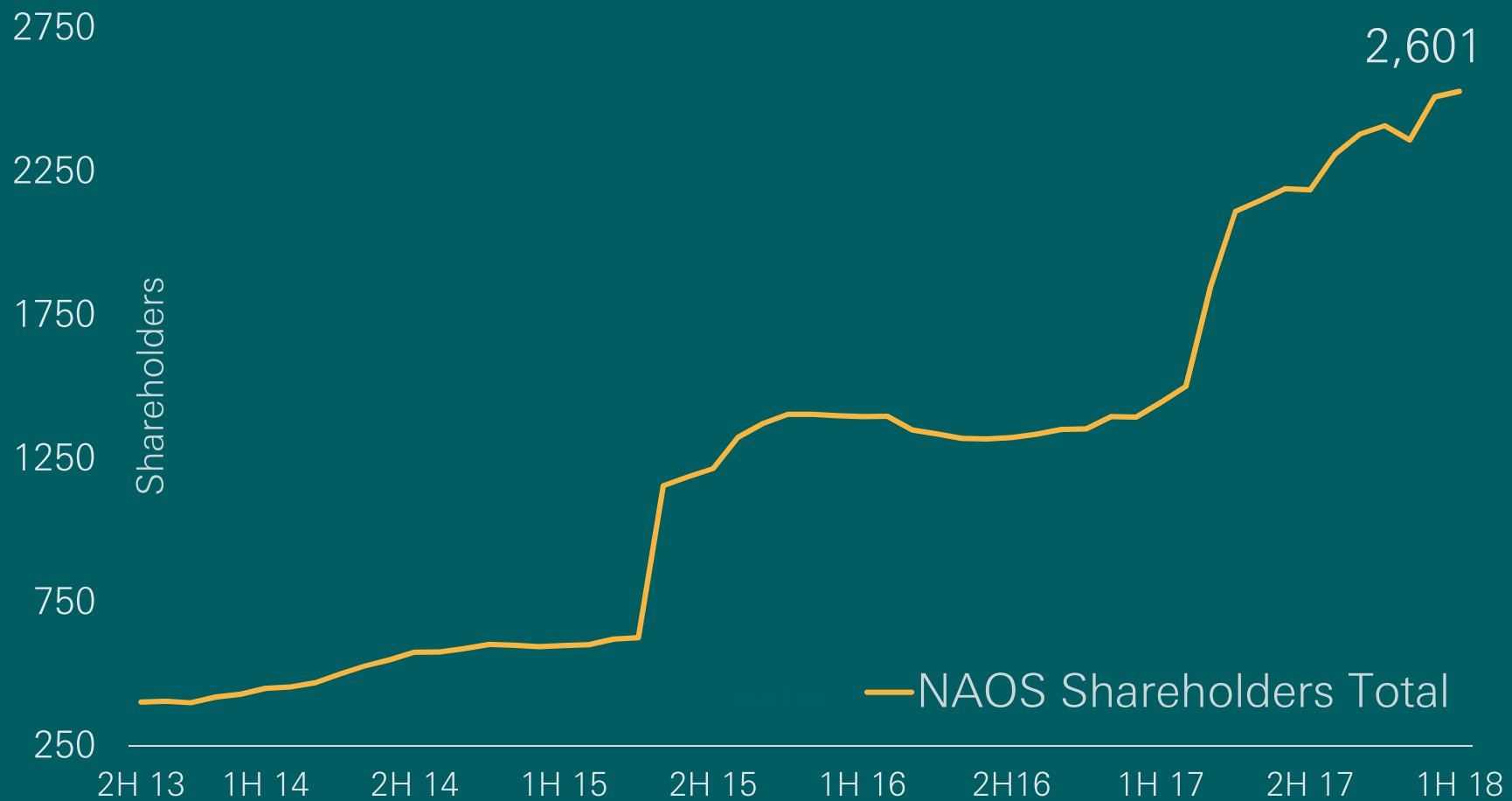
## Virtus Health (ASX: VRT)

- Market Cap \$450m
- Health Care Services
- Held in NAC until: early 2017



# NAOS SHAREHOLDERS

NAOS



# NAOS TEAM

NAOS

## THE BOARD



Sebastian Evans  
Managing Director, NAOS Asset  
Management Limited &  
Director NCC and NAC



Mark Bennett  
Director, NAOS Asset  
Management Limited



Warwick Evans  
Chairman, NAOS Asset  
Management Limited &  
Director NCC and NAC



David O'Halloran  
Director, NAOS Asset  
Management Limited



David Rickards  
Chairman & Director,  
NCC and NAC

## OUR TEAM



Sebastian Evans  
Chief Investment Officer



Ben Rundle  
Portfolio Manager



Jeffrey Kim  
Portfolio Manager



Robert Miller  
Portfolio Manager



Richard Preedy  
Chief Financial and  
Operating Officer



Julia Stanistreet  
Business Development Manager



Megan Walker  
Marketing and  
Communications Manager



Rajiv Sharma  
Senior Legal Counsel and  
Company Secretary NCC & NAC



Chadd Knights  
Associate Analyst



A photograph of a misty forest with tall, thin trees. Sunlight is filtering through the canopy, creating a warm, golden glow. The ground is covered in pine needles and some green grass.

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Q&A

THANK YOU FOR  
ATTENDING