



NAOS

QUARTERLY INVESTOR
BRIEFING
Q1 FY2018

NAOS ABSOLUTE OPPORTUNITIES
COMPANY LIMITED (ASX: NAC)

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CALL DETAILS

Date	Monday, 30 October 2017	
Time	1:30 pm AEDT	
Telephone	Within Australia: 1800 857 029 New Zealand: 0800 449 288	Outside Australia: +61 3 8687 0635
Guest Access Code	1084 2873#	
Questions	Please email all questions to enquiries@naos.com.au prior to the allotted call time	

NAC AGENDA

1. NAC Q1 FY18 Review

- Performance
- Capital Analysis
- Portfolio Characteristics
- Stock Contribution (Since Inception)
- Dividend History
- Total Return
- Net Industry Exposure
- Net Equity Exposure
- Company Meetings

2. Market Outlook

- Sustainable Economic Growth
- NAC 3 Stocks
- NAOS Investment Beliefs

3. Keeping Up to Date

- Investor Awareness & Communications
- NAOS Team and Board of Directors



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1. NAC Review

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

Sir John Templeton

NAC PERFORMANCE

	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 CAPITAL ANALYSIS

As at 30 September 2017

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NTA	\$1.09 Pre Tax NTA	\$1.11 Post Tax & Pre Unrealised Gains Tax	\$1.08 Post Tax NTA
SHARE PRICE	\$1.005 Share Price	7.80% Discount to Pre Tax NTA	
SHARES ON ISSUE	52,536,889		
DIRECTORS SHAREHOLDING	6,693,760		
NUMBER OF HOLDINGS	15		

*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.

NAC PORTFOLIO CHARACTERISTICS

As at 30 September 2017

POSITIVE MONTHS	63%	60% XAOAI [#]
STANDARD DEVIATION	9.18%	11.21% XAOAI [#]
DOWNSIDE DEVIATION	3.02%	6.91% XAOAI [#]
CORRELATION OF RETURNS TO XAOAI	0.39	
SORTINO RATIO	5.33	
PORTFOLIO BETA	0.21	

*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. [#] XAOAI refers to the S&P/ASX All Ordinaries Accumulation Index.

NAC POSITIVE STOCK ATTRIBUTION SUMMARY (SINCE INCEPTION)

AS AT 30 SEPTEMBER 2017

Positive Stock Contribution Analysis

(Contribution is what has attributed to NAC's performance since Inception of 12 November 2014)

The table below lists the top positive contributors to NAC'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 concentrated portfolio of investments that is generally limited to 0-15 securities at any one time. We will disclose securities in which NAC has a current substantial holding, or when we have exited the position. Positions in the table below have either been a long or short position in the portfolio at some point in time.

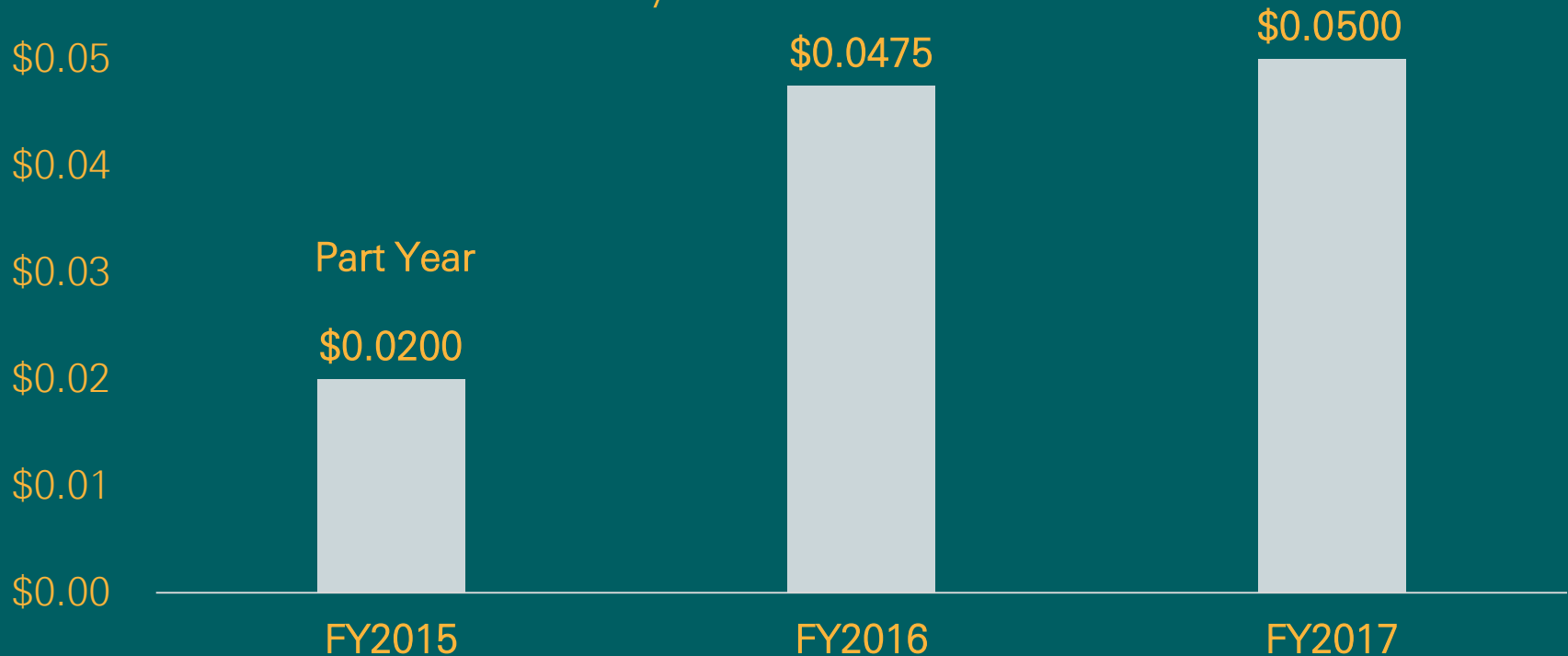
INVESTMENT	CONTRIBUTION TO RETURN (% NAV)	INVESTMENT	CONTRIBUTION TO RETURN (% NAV)
MNF Group	+8.36%	Enero Group	+3.66%
BSA Ltd	+5.71%	Gentrack	+2.36%
Event Hospitality	+4.92%	iselect	+1.95%
Smart Group	+4.30%	Infomedia	+1.40%

NAC DIVIDEND HISTORY

AS AT 30 SEPTEMBER 2017

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

Fully Franked Dividends

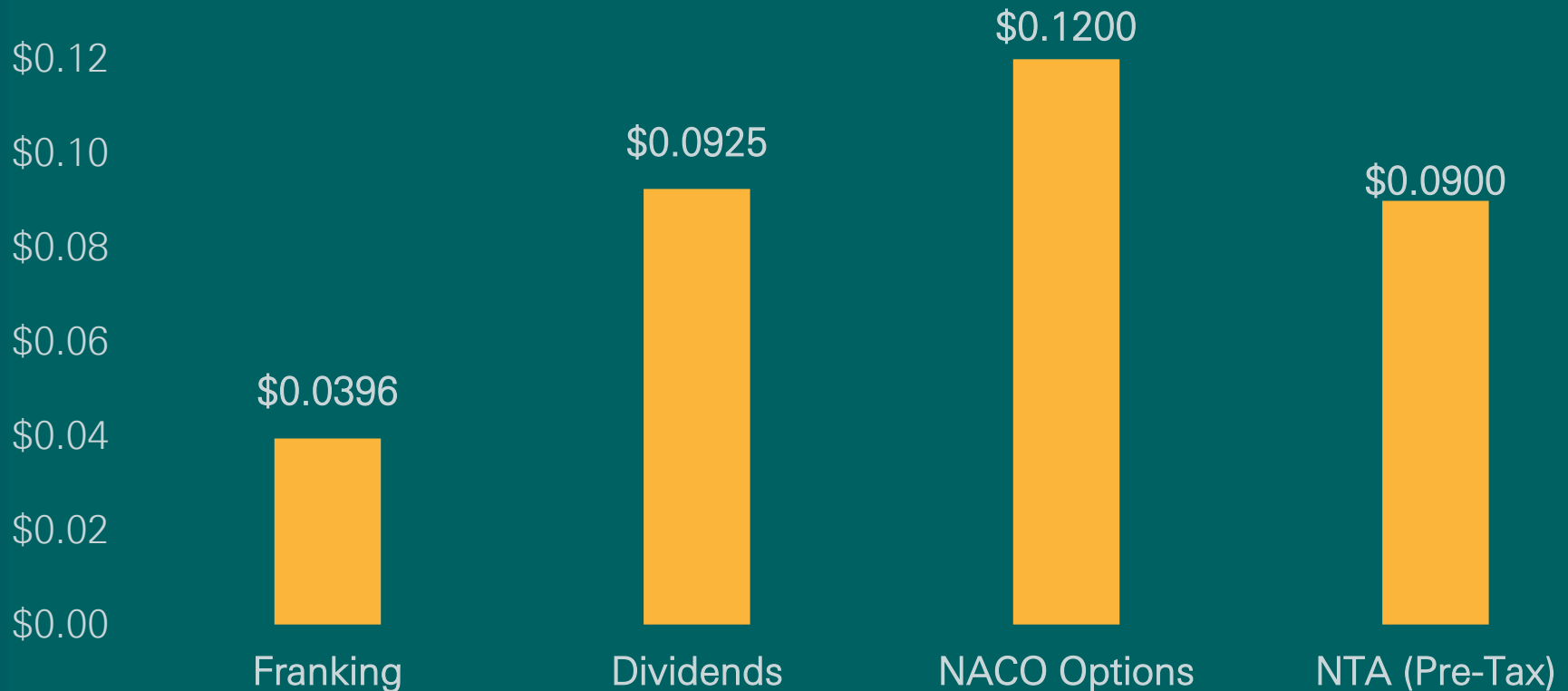


NAC TOTAL RETURN

AS AT 30 SEPTEMBER 2017

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Historical Shareholder Return Breakdown*

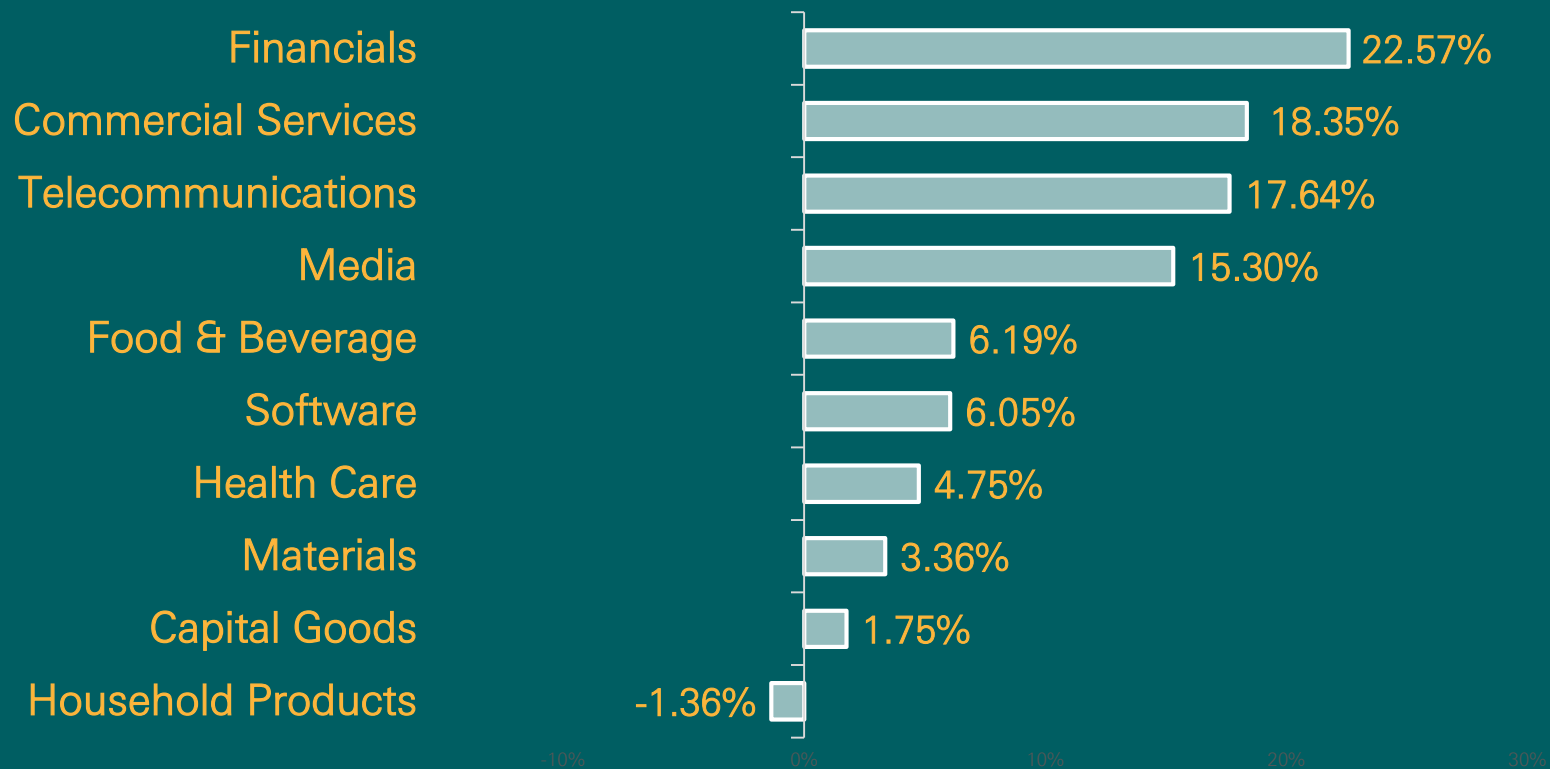


*All figures as at 30 September 2017. Assumes an intrinsic NACO value of \$0.1200 cents per option at expiry (30 November 2016) based on pre-tax NTA on this date diluted for remaining options.

NAC NET INDUSTRY EXPOSURE

AS AT 30 SEPTEMBER 2017

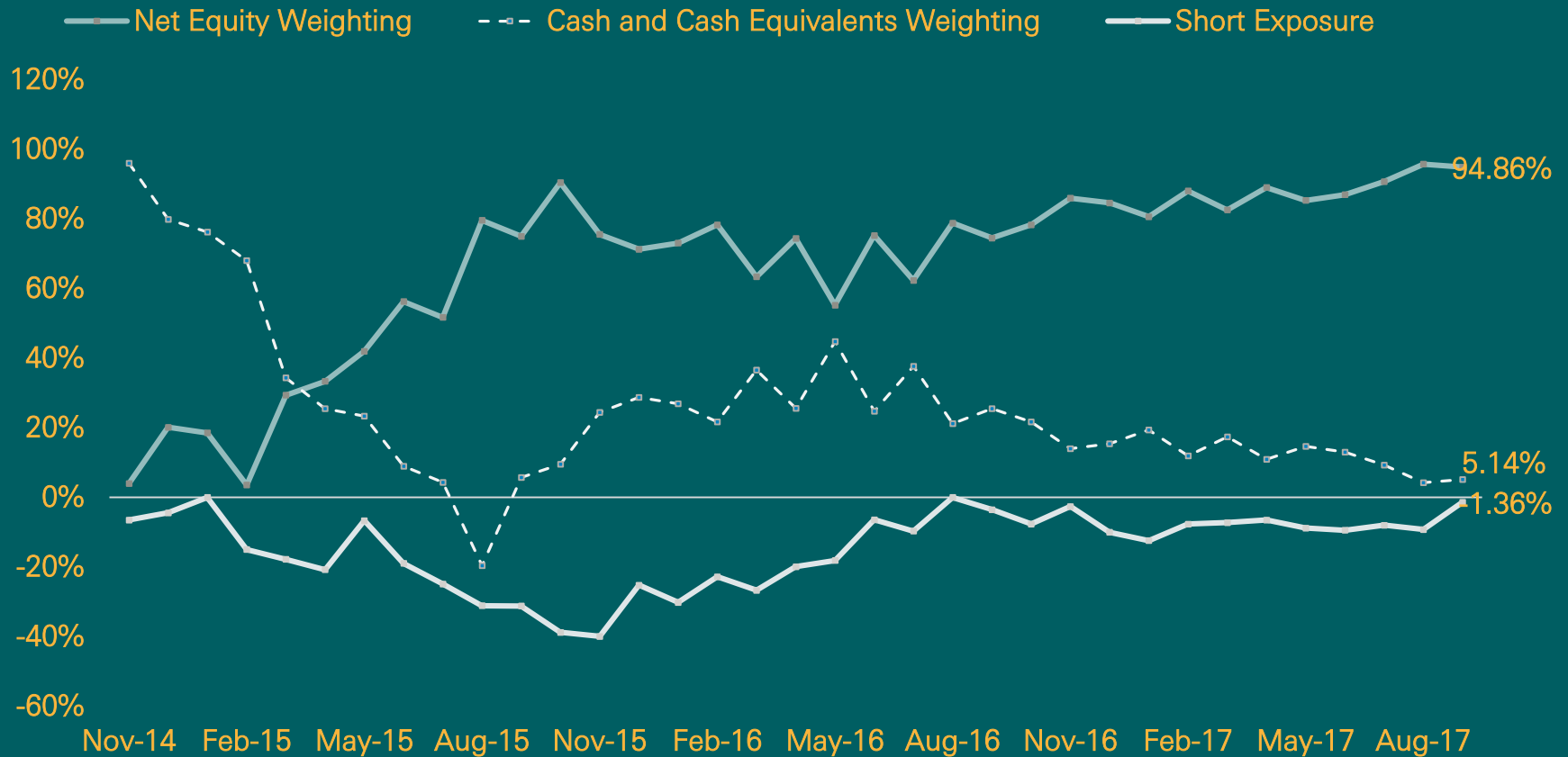
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NAC NET EQUITY EXPOSURE

AS AT 30 SEPTEMBER 2017

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NAC COMPANY MEETINGS

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.

RCR Tomlinson Ltd (RCR AU)	Elders Ltd (ELD AU)
HUB24 Ltd (HUB AU)	Hanson Technologies Ltd (HSN AU)
Lifestyle Communities Ltd (LIC AU)	Nextdc Ltd (NXT AU)
Moelis Australia Ltd (MOE AU)	BWX Ltd (BWX AU)
Platinum Asset Mgt Ltd (PTM AU)	Service Stream Ltd (SSM AU)
Nine Entertainment Ltd (NEC AU)	Kogan.Com Ltd (KGN AU)



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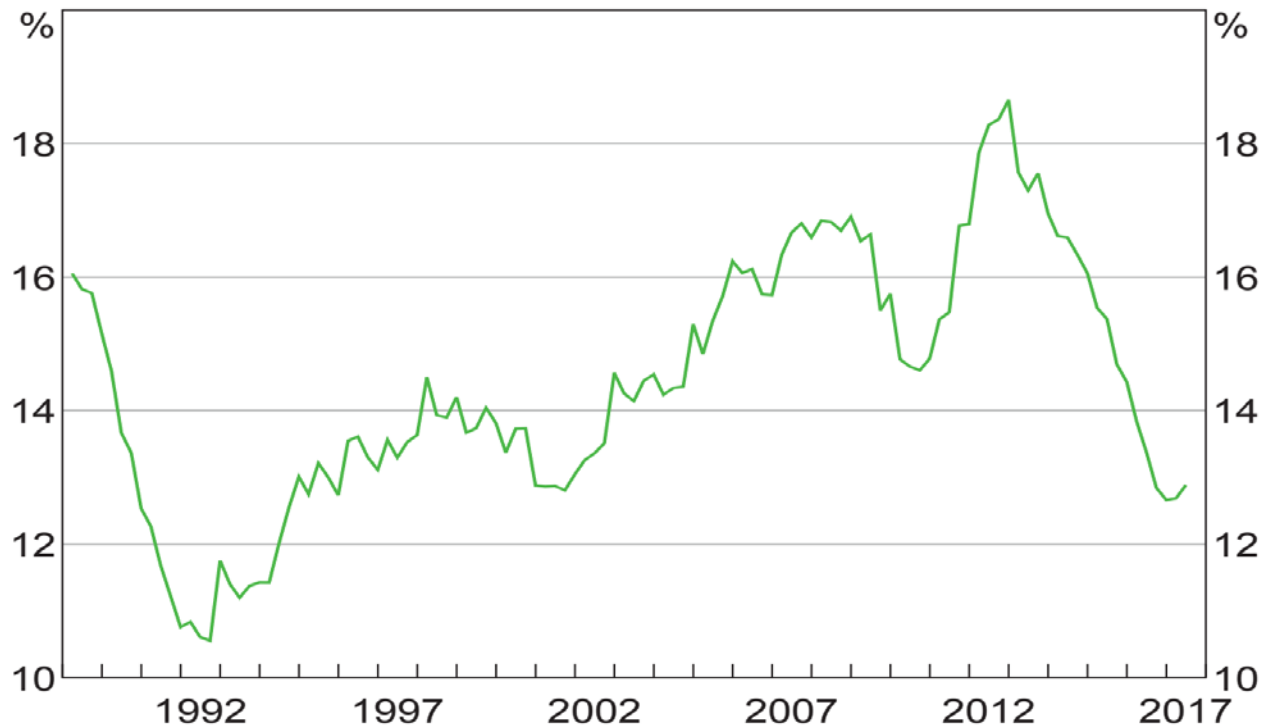
2. Market Outlook

"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

SUSTAINABLE ECONOMIC GROWTH

Business Investment*
Share of nominal GDP



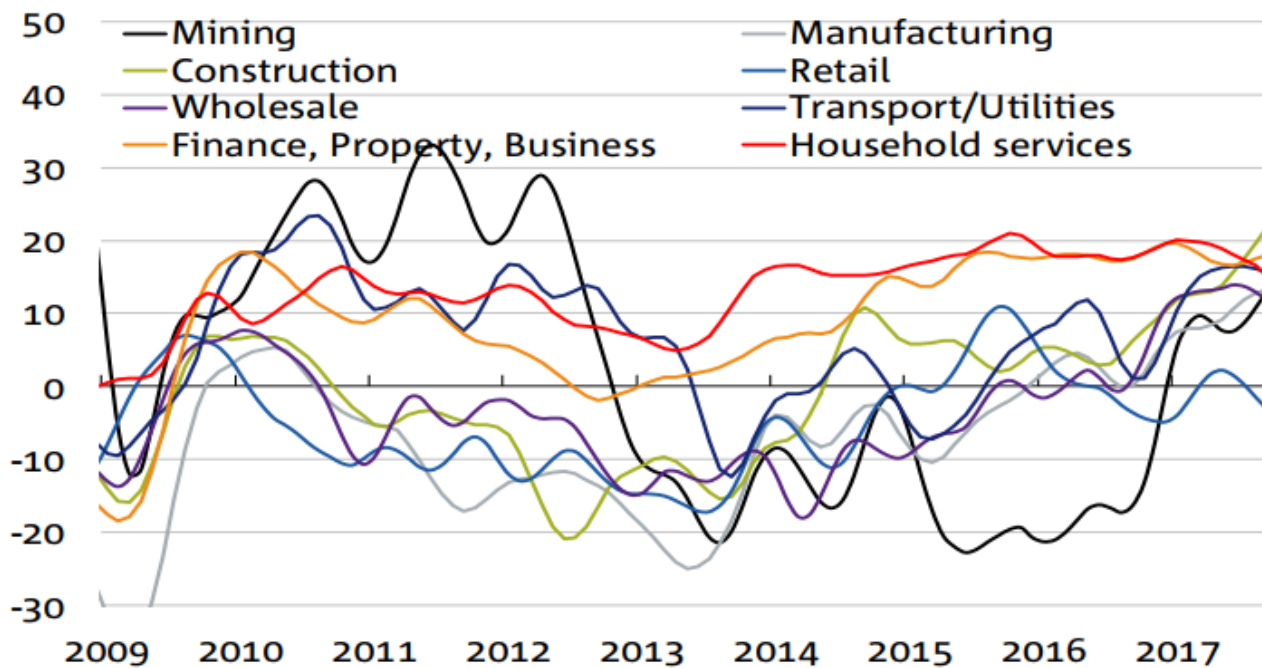
* Adjusted for second-hand asset transfers between the private and other sectors

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

NAC 3 STOCKS

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

Virtus Health (ASX: VRT)



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

NAOS INVESTMENT BELIEFS

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



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3. Keeping up to Date

“The market can remain irrational
longer than you can remain solvent.”

– John Maynard Keynes

INVESTOR AWARENESS AND COMMUNICATIONS



CEO Insights,
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our website is
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Twice yearly
National
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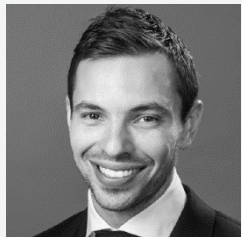
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For all enquires
contact
enquiries@naos.com.au or call
(02) 9002 1576

NAOS TEAM

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

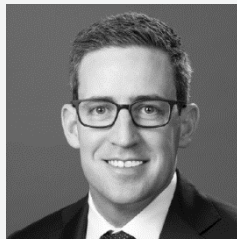


David Rickards
Chairman & Director, NCC and NAC

OUR TEAM



Sebastian Evans
Chief Investment Officer



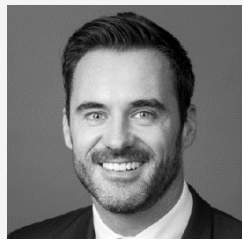
Ben Rundle
Portfolio Manager



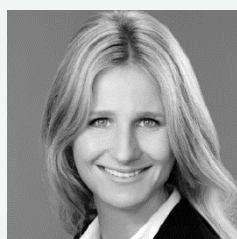
Jeffrey Kim
Portfolio Manager



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