

The logo for NAOS, consisting of the letters N, A, O, and S stacked vertically in a yellow, sans-serif font. The 'A' is stylized with a triangular shape.

NAOS

QUARTERLY INVESTOR BRIEFING Q1 FY2018

NAOS EMERGING OPPORTUNITIES
COMPANY LIMITED (ASX: NCC)

IMPORTANT INFORMATION

This material has been prepared by NAOS Asset Management Limited (ABN 23 107 624 126, AFSL 273529) (NAOS) for general information purposes only and must not be construed as investment advice. It does not constitute an offer to purchase any security or financial product or service referred to herein. Any such offer or solicitation shall only be made pursuant to a relevant offer document, which is available by calling NAOS on (02) 9002 1576.

This material does not take into account the investment objectives, financial situation or needs of any particular investor. Before making an investment decision, investors should consider obtaining professional investment advice that is tailored to their specific circumstances.

Where past performance information is shown, it is intended to be for general illustrative purposes only. Past performance is not a reliable indication of future performance. In relation to any NAOS financial product or service referred to herein, NAOS does not guarantee its future performance, the amount or timing of any returns or that any investment objectives will be achieved.

Statements contained in this material that are not historical facts are based on the current expectations, estimates, projections, opinions, assumptions and beliefs of NAOS, which are subject to change without notice. This material may also 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 NAOS' control. Unless otherwise expressly stated, no independent person has reviewed the reasonableness of any such forward-looking statements or assumption. Undue reliance should not be placed on forward-looking statements as actual events or results or the actual performance of a NAOS financial product or service may materially differ from those reflected or contemplated in such forward-looking statements.

Neither NAOS or any of its respective officers or employees makes any representation or warranty (express or implied) with respect to the correctness, accuracy, reasonableness or completeness of any information contained in this material and to the maximum extent permitted by law, NAOS disclaims all liability to any person relying on the information contained in this material in relation to any loss or damage (including consequential loss or damage), however caused, which may be suffered directly or indirectly in respect of such information.

This material must not be reproduced or disclosed, in whole or in part, without the prior written consent of NAOS. Certain economic, market or company information contained in this material may have been obtained from published sources prepared by third parties. Any trademarks, logos or service marks contained herein may be the registered or unregistered trademarks of their respective owners. Nothing contained herein should be construed as granting by implication or otherwise, any license or right to use any trademark displayed without the written permission of the owner.

CALL DETAILS

Date	Monday, 30 October 2017	
Time	2:15 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	

NCC AGENDA

1. NCC 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
- NCC 3 Stocks
- NAOS Investment Beliefs

3. Keeping Up to Date

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



N
^
O
S

1. NCC Review

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

Sir John Templeton

NCC PERFORMANCE

	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 CAPITAL ANALYSIS

As at 30 September 2017

N
A
O
S

NTA	\$1.38 Pre Tax NTA	\$1.36 Post Tax & Pre Unrealised Gains Tax	\$1.30 Post Tax NTA
SHARE PRICE	\$1.43 Share Price	3.62% Premium to Pre Tax NTA	
SHARES ON ISSUE	59,173,393		
DIRECTORS SHAREHOLDING	3,829,879		
NUMBER OF HOLDINGS	12		

NCC PORTFOLIO CHARACTERISTICS

As at 30 September 2017

POSITIVE MONTHS	71%	56% XSOAI [#]
STANDARD DEVIATION	11.00%	13.36% XSOAI [#]
DOWNSIDE DEVIATION	5.76%	7.29% XSOAI [#]
CORRELATION OF RETURNS TO XSOAI	0.55	
SORTINO RATIO	2.89	
PORTFOLIO BETA	0.04	

[#] XSOAI refers to the S&P/ASX Small Ordinaries Accumulation Index.

NCC POSITIVE STOCK ATTRIBUTION SUMMARY (SINCE INCEPTION)

AS AT 30 SEPTEMBER 2017

Positive Stock Contribution Analysis

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

The table below lists the top positive contributors to NCC'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 highly concentrated portfolio of investments that is often 0 -15 securities at any one time. We will disclose securities in which NCC has a current substantial holding, or when we have exited the position.

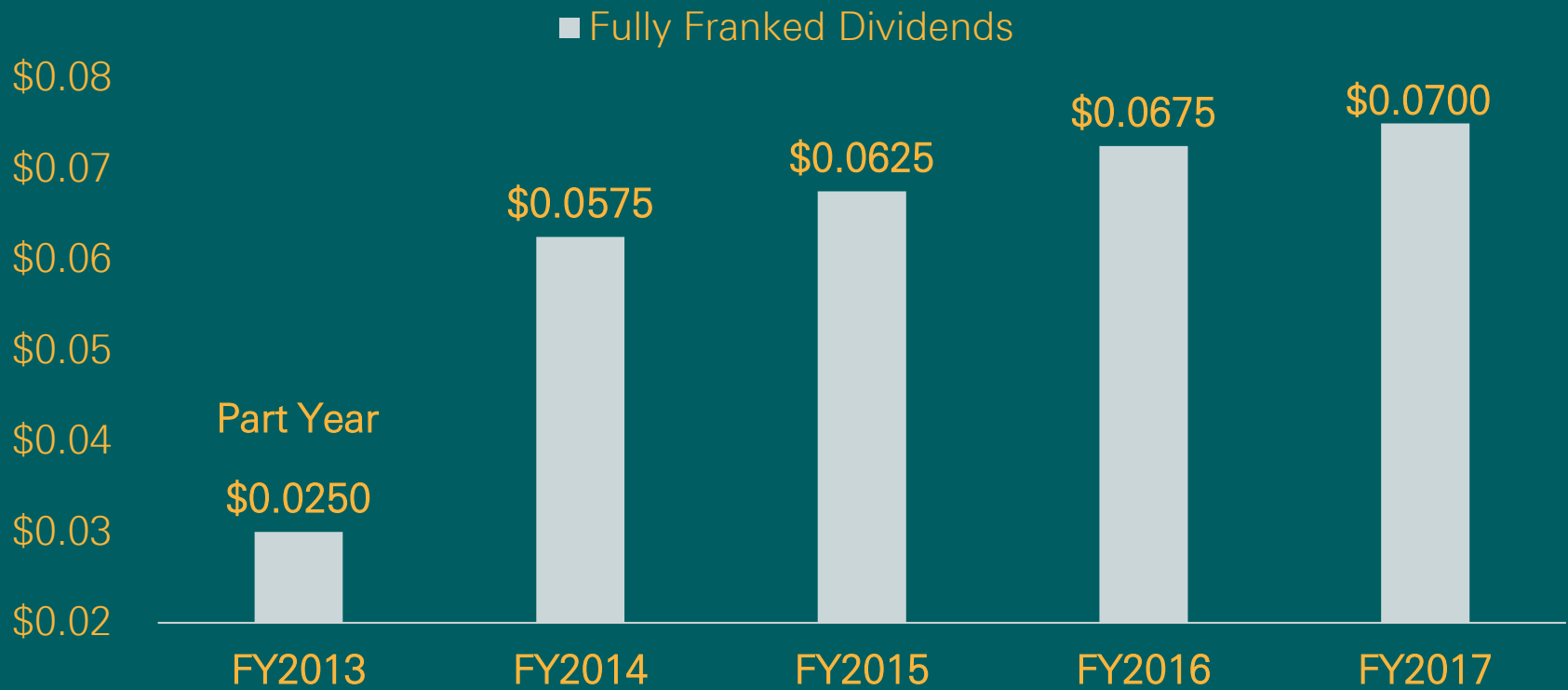
INVESTMENT	CONTRIBUTION TO RETURN (% NAV)	INVESTMENT	CONTRIBUTION TO RETURN (% NAV)
BSA Limited	+27.16%	Lindsay Australia	+10.37%
Calliden Group	+16.07%	MNF Group Limited	+9.10%
Capitol Health Limited	+15.62%	Tamawood Limited	+8.95%
Consolidated Operations Group	+13.51%	Village Roadshow	+8.46%

NCC DIVIDEND HISTORY

AS AT 30 SEPTEMBER 2017

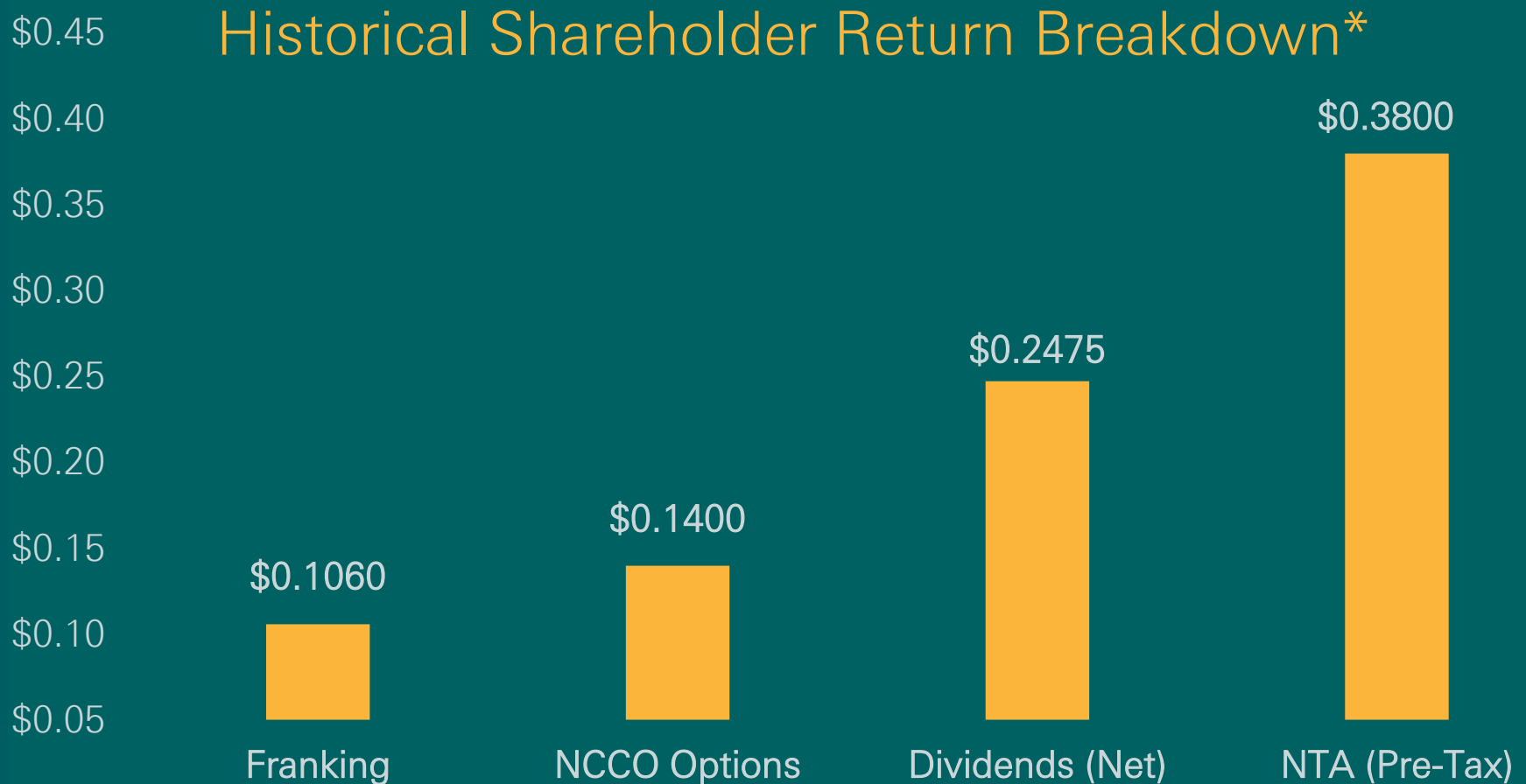
NAOS

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



NCC TOTAL RETURN

AS AT 30 SEPTEMBER 2017

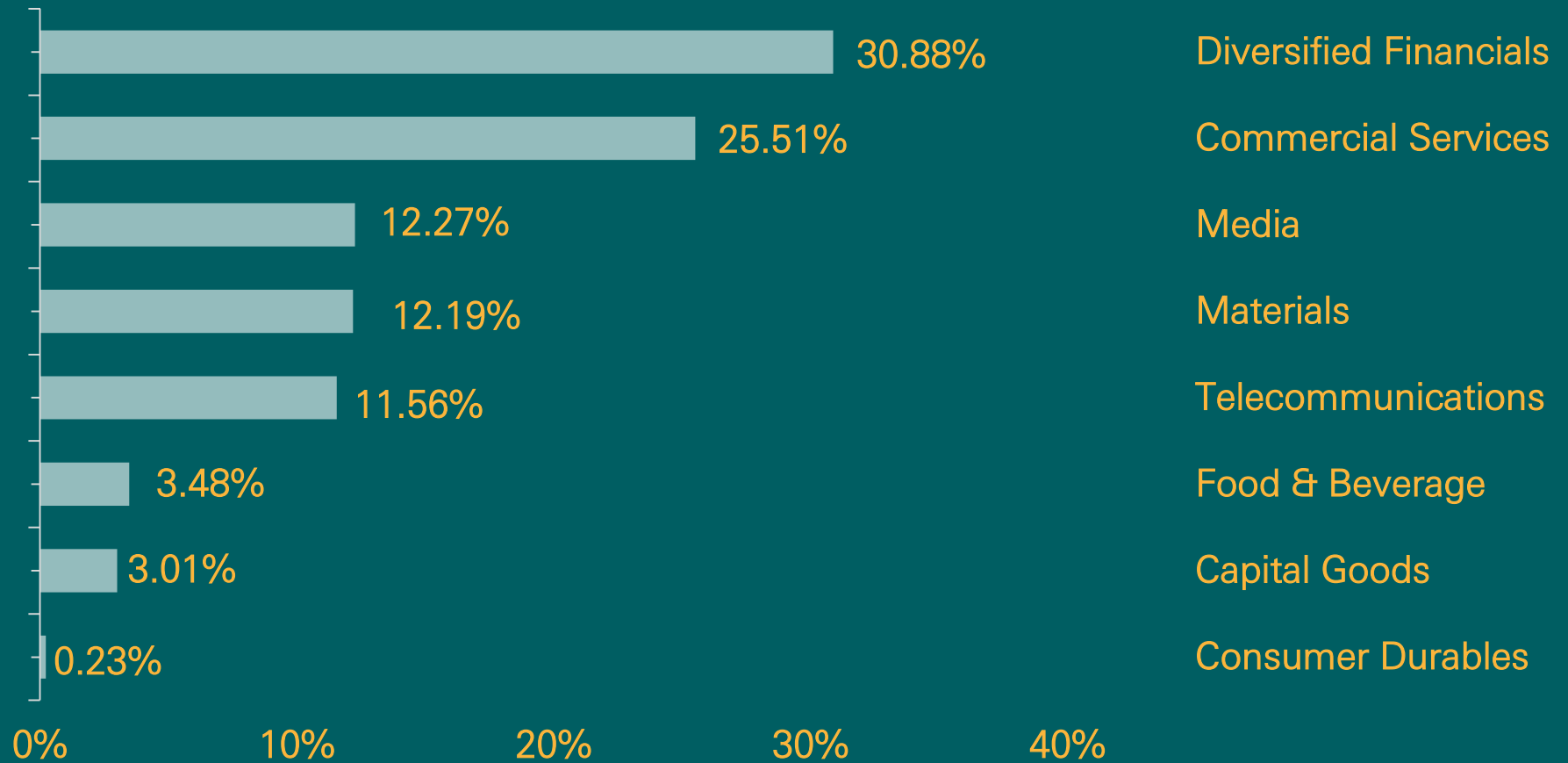


*All figures as at 30 September 2017. Assumes an intrinsic NCCO value of \$0.14 cents per option at expiry (1 February 2015), based on pre-tax NTA on this date diluted for remaining options.

NCC NET INDUSTRY EXPOSURE

AS AT 30 SEPTEMBER 2017

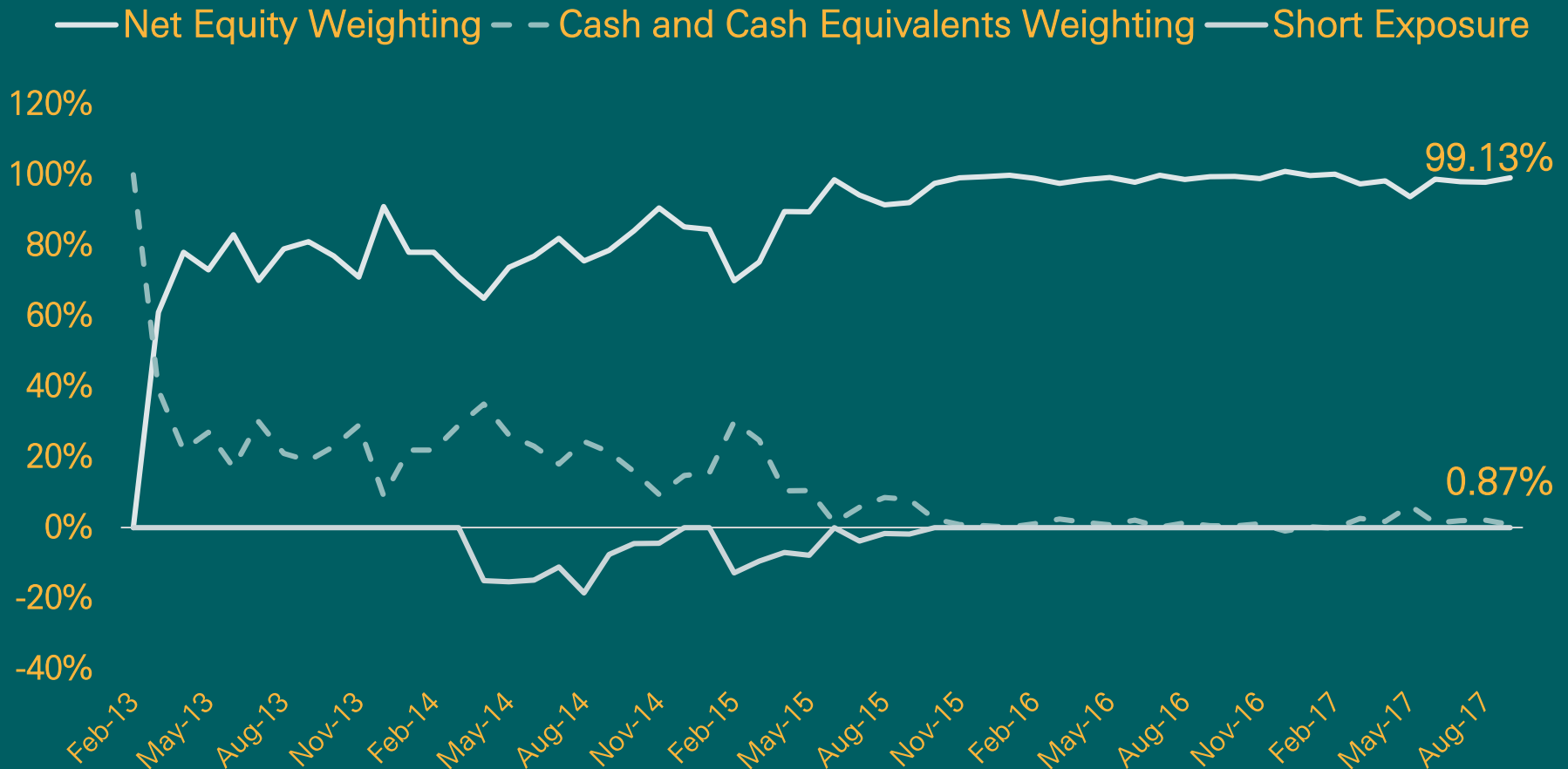
NAOS



NCC NET EQUITY EXPOSURE

AS AT 30 SEPTEMBER 2017

NAOS



NCC 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.

Billabong International Ltd (BBG AU)	3P Learning Ltd (3PL AU)
Over The Wire Ltd (OTW AU)	Alliance Aviation Services Ltd (AQZ AU)
Namoi Cotton Ltd (NAM AU)	Wattle Health Australia Ltd (WHA AU)
Mitchell Services Ltd (MSV AU)	Livetiles Ltd (LVT AU)
Maxitrans Industries Ltd (MXI AU)	Kangaroo Island Plantation Timbers (KPT AU)
CML Group (CGR AU)	Clean Seas Seafood Limited (CSS AU)

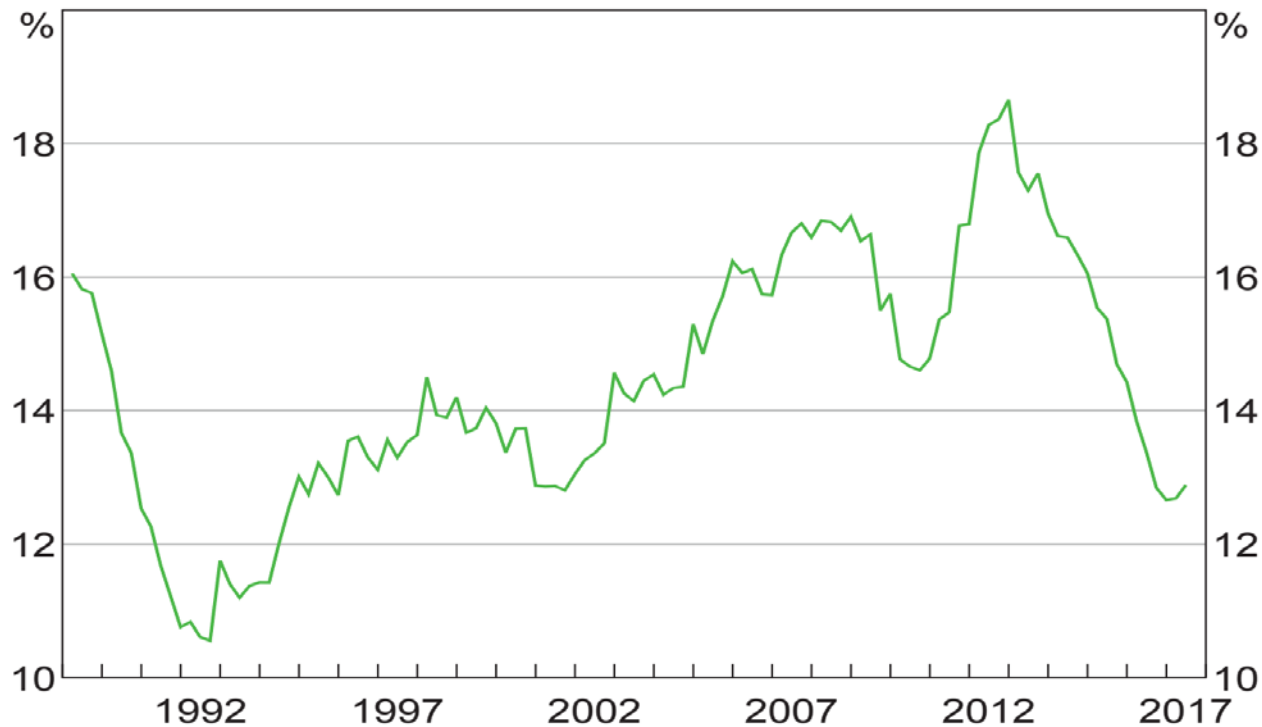
2. Market Outlook

“ 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



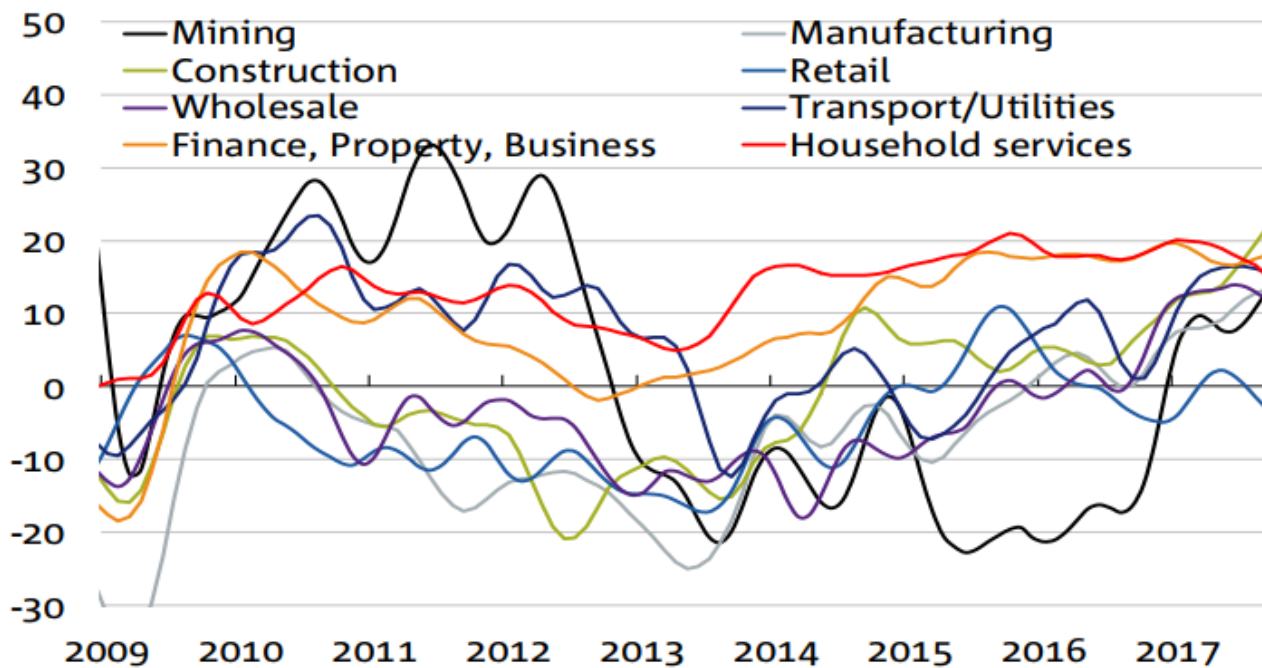
* Adjusted for second-hand asset transfers between the private and other sectors

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

NCC 3 STOCKS

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



Consolidated Operations Group (ASX:COG)

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



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

N
^
O
S

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

INVESTOR AWARENESS AND COMMUNICATIONS



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



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



Add us on LinkedIn
NAOS Asset
Management



Like us on
Facebook NAOS
Asset
Management



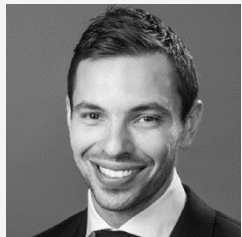
Subscribe to us on
YouTube NAOS
Asset
Management



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

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



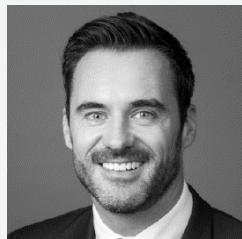
Ben Rundle
Portfolio Manager



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