

NAOS Emerging Opportunities Company

NAOS Emerging Opportunities Company Announces Record Profit Result and Increased Fully Franked Dividend

Result Highlights

Strong Investment Portfolio Performance: +30.48% Return on the Investment Portfolio for FY14*

Final Dividend: \$0.03cps Fully Franked Dividend Declared **(+20% Increase on PCP Dividend)**

Dividend Yield: 5.60% Fully Franked Net Dividend Yield at Last Traded Share Price of \$1.07

Operating Profit: \$6,089,719 Operating Profit Before Tax **(+365% Increase YOY)**

NCCO Listed Options: Final Dividend Payable Prior to Maturity of NCCO Listed Options

Investment Portfolio Performance to 30th June 2014

	1 Month	3 Months	6 Months	1 Year	Inception (p.a.)	Inception (Nominal)
NCC Investment Portfolio Performance*	+0.67%	+0.45%	+12.48%	+30.48%	+31.58%	+45.57%
S&P/ASX Small Ordinaries Accumulation Index	-1.11%	-2.26%	-1.39%	+13.11%	-4.53%	-6.01%
Outperformance Relative to Benchmark	+1.78%	+2.71%	+13.87%	+17.37%	+36.11%	+51.58%

* Investment Portfolio Performance is post all operating expenses, before fees, taxes and initial IPO & placement commissions.

* Investment Portfolio Performance has not been grossed up for franking credits received by shareholders.

Directors Commentary

The NAOS Emerging Opportunities Company (NCC) aims to provide investors with a concentrated long/short portfolio of quality emerging companies that often operate in industries that are may not accessible in the ASX-100. This is combined with a disciplined investment process and strong shareholder alignment where the Principles & Directors of the investment manager have significant funds invested in the Company.

The Directors of the NAOS Emerging Opportunities Company Limited (NCC) are pleased to announce a final dividend of \$0.03cps fully franked. On an annualized basis this places NCC on a dividend yield of 5.60% fully franked. The dividend reinvestment plan (DRP) will once again be in operation for this dividend.

"The Company has delivered a record result in FY14, delivering a profit before tax of \$6,089,719. The Company has experienced a strong period of growth throughout FY14 with assets now over \$43,000,000 million compared to the time of IPO where Company assets totaled approximately \$17,300,000. The investment team has done an excellent job of maintaining a concentrated portfolio of quality emerging companies that have added substantial positive relative and absolute returns over the financial year. When factoring in the average cash and cash equivalent position of circa 20% the outperformance generated over the 12 month period is a credit to the team" Sebastian Evans, Director of the NAOS Emerging Opportunities Company said.



“The Company has performed well throughout FY14 through its long/short concentrated approach to investing in Australian emerging companies. The Board places a major emphasis on protecting investor capital over the long term, with the Company having the ability to hold 100% cash if circumstances dictate, as well as the ability to short sell and benefit from falling share prices. The Board believed it was prudent to increase the dividend over the PCP declared dividend due to the strong underlying performance of the Company and franking credits accumulated over the period”. David Rickard's, Chairman of the NAOS Emerging Opportunities Company said.

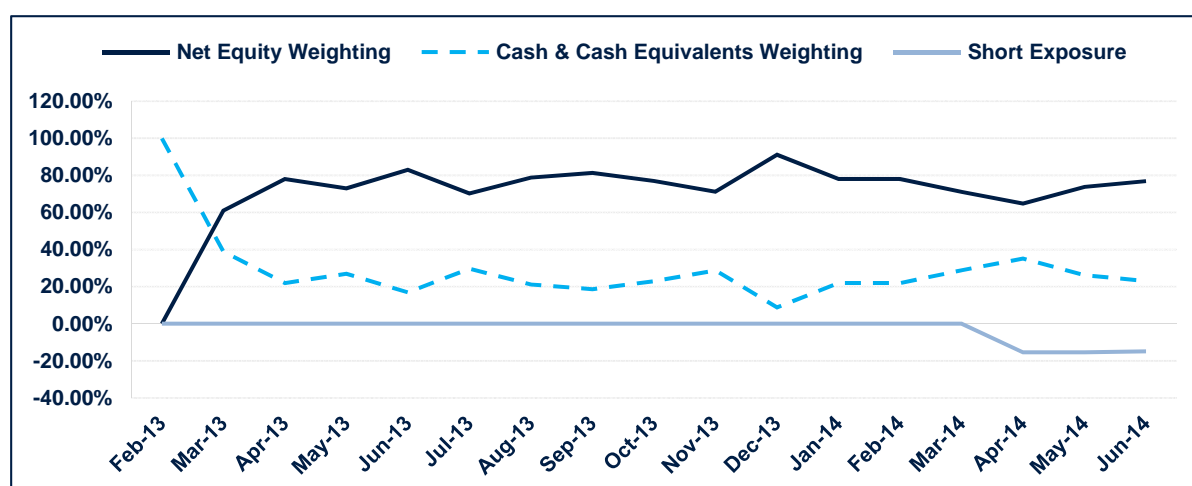
To provide further clarity to current and prospective investors, we have provided a table below that lists the positions which have provided the greatest positive contribution to return to the portfolio as an approximate percentage of net asset value of the Company.

Historical Positive Stock Attribution (1st March 2014 – 30th June 2014)

Investment	Contribution to Return (%NAV)	Investment	Contribution to Return (%NAV)
Capitol Health	+10.04%	Current Investment 3*	+4.49%
Current Investment 1*	+9.37%	Gage Road Brewing	+4.31%
Village Roadshow	+5.43%	AMA Group	+2.69%
RHG Limited	+4.90%	Sirtex Medical	+2.11%
Current Investment 2*	+4.83%	Current Investment 4*	+2.09%

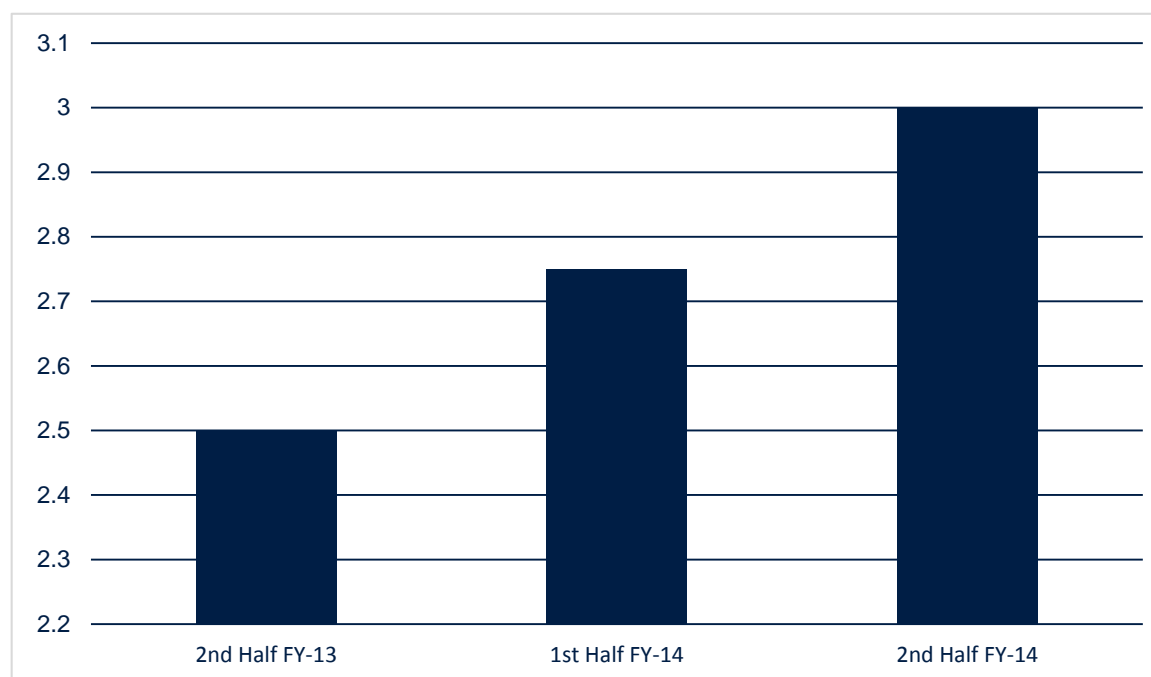
*Denotes a current held investment within the investment portfolio

Portfolio Structure by Net Equity Weighting





NCC Fully Franked Dividends Since Inception (Cents per Share)



NCCO Listed Options

From the NCC IPO in February 2013, every share had a 1 for 1 free attaching listed option. These options trade under the ASX code NCCO. The exercise price of these options is \$1.00 and the expiry date is 1st February 2015. At the current NCC share price these options are in the money. **Option holders who exercise prior to the 14th of November 2014 for the final FY14 dividend will be entitled to receive the fully franked dividend of \$0.03 for their newly issued shares.**

This will be the final opportunity for NCCO holders to receive a fully franked dividend for their conversion stock holding prior to the date of exercise. Furthermore these options are able to be sold on market (last traded price on 7th August 2014 was \$0.10). The Investment Manager recommends NCCO holders utilise one of the above two opportunities prior to the NCCO expiry date of 1st February 2015 otherwise NCCO option holders will receive nil consideration post the 1st February 2015 for their holding in NCCO.

If you require an options exercise form or any further information on how to exercise your holding in these options please contact Anneke Senden on (02) 9947 2567 or asenden@naos.com.au

Corporate Directory



Directors

David Rickards (Independent Chairman)
Warwick Evans (Director)
Sebastian Evans (Director)

Company Secretary

Lawrence Adams

Investment Team

Sebastian Evans – Portfolio Manager
Tom Granger – Assistant Portfolio Manager
Jeffrey Kim – Investment Analyst
Robert Miller – Investment Analyst

Business Development

Anneke Senden – Business Development Manager

Investment Manager

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Share Registry

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Auditor

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