



N

A

O

S

QUARTERLY INVESTOR BRIEFING
1ST QUARTER FY-2016

NAOS Emerging Opportunities Company
(ASX:NCC)

CALL DETAILS

1. Date	Thursday 15 th October
2. Time	11.00am AEDST
3. Telephone	1800 857 029
4. Guest Access Code	10842873#
5. Questions	Please email all questions to enquiries@naos.com.au prior to the allotted call time

AGENDA

1. NCC Review

- Key Objectives
- Capital Structure
- Capital Analysis
- Dividend Profile
- Performance & Risk Summary
- Positive Stock Attribution
- Historical Net Equity & Cash Exposure
- Industry/Sector Exposure
- Sample Company Meetings

2. Market Commentary

- Australian Equity Market Review
- Global Macro Review

3. Keeping Up to Date

- Shareholder Communications

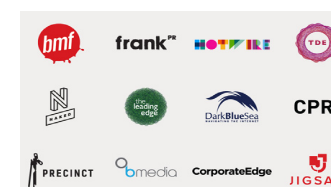
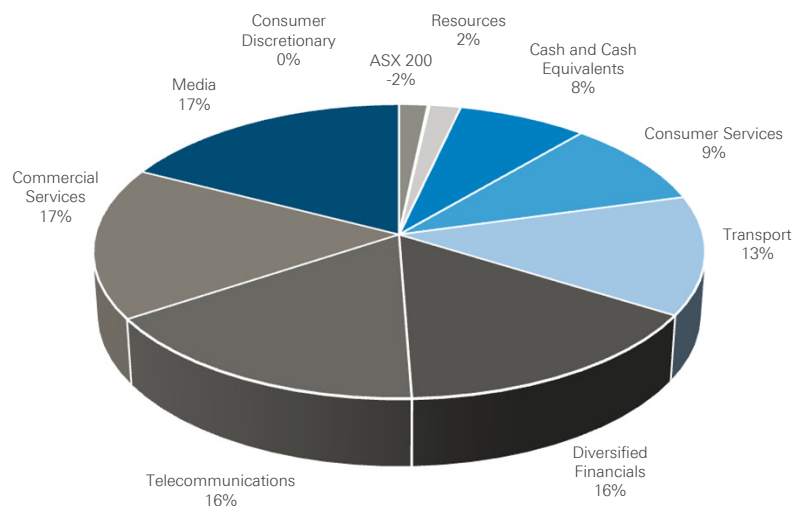
1. NCC Review

KEY OBJECTIVES/FEATURES: NAOS EMERGING OPPORTUNITIES COMPANY (NCC)

NAOS

- NCC provides investors with long term, value driven, genuine exposure to the Australian Emerging Companies (ASX ex-100) asset class.
- NCC's portfolio is constructed to result in a concentrated group (typically 0-15) of high conviction 'long' and 'short' investment ideas and seeks to provide returns to shareholders through capital gains and income generation over the medium to long term (3-5 years).

Long Term, Quality Investment Opportunities



CAPITAL STRUCTURE

AS AT 30TH SEPTEMBER 2015

NAOS

SHARES ON ISSUE

NTA Analysis

Pre Tax - \$1.05

Pre Tax Pre Unrealised Gains Tax – \$1.05

Post Tax - \$1.06

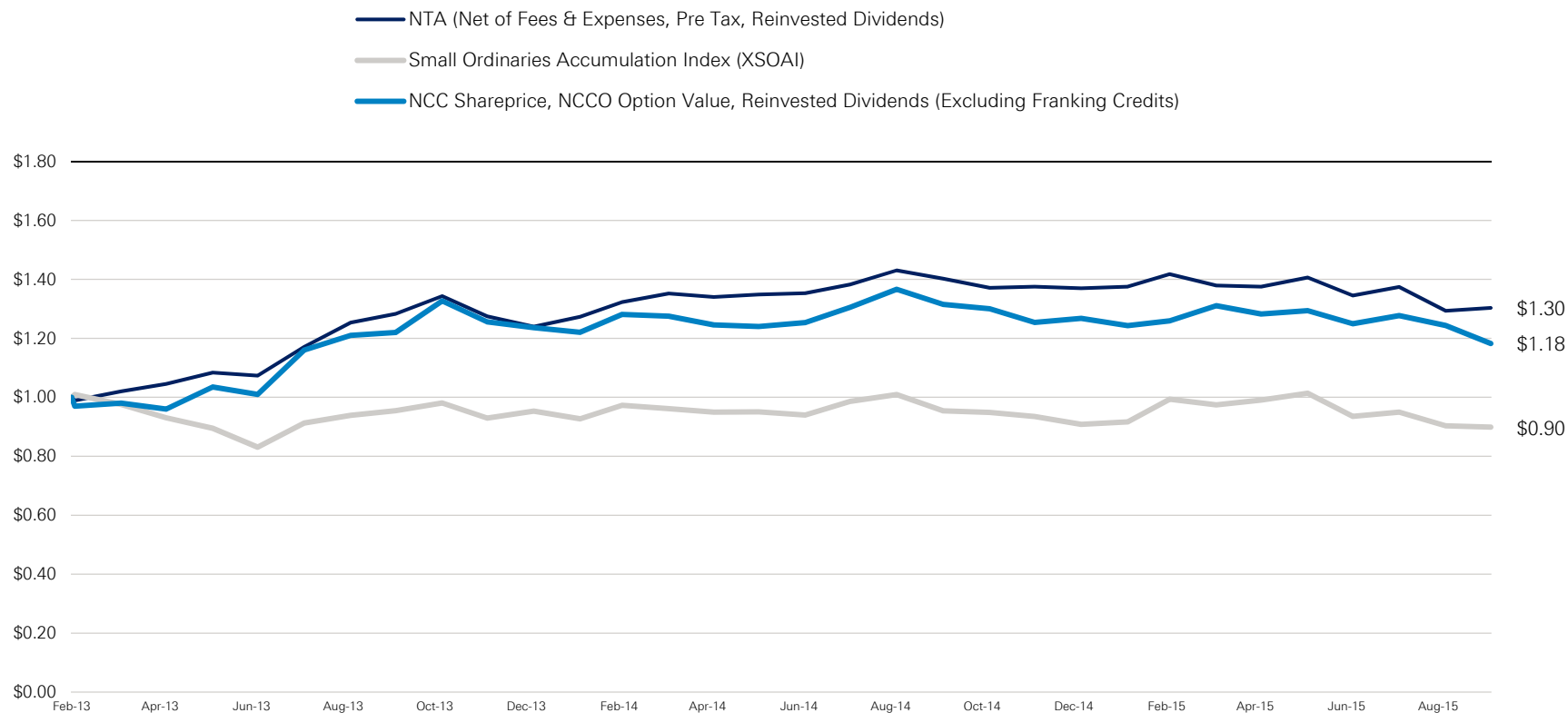
Share Price	\$0.935
Discount to NTA	11%
Fully Franked Dividend Yield	6.42%
Gross Dividend Yield	9.17%
Shares on Issues	46,918,297
Directors Shareholding	3,210,079

NAOS employees & directors own >\$10m NCC shares

CAPITAL ANALYSIS

AS AT 30TH SEPTEMBER 2015

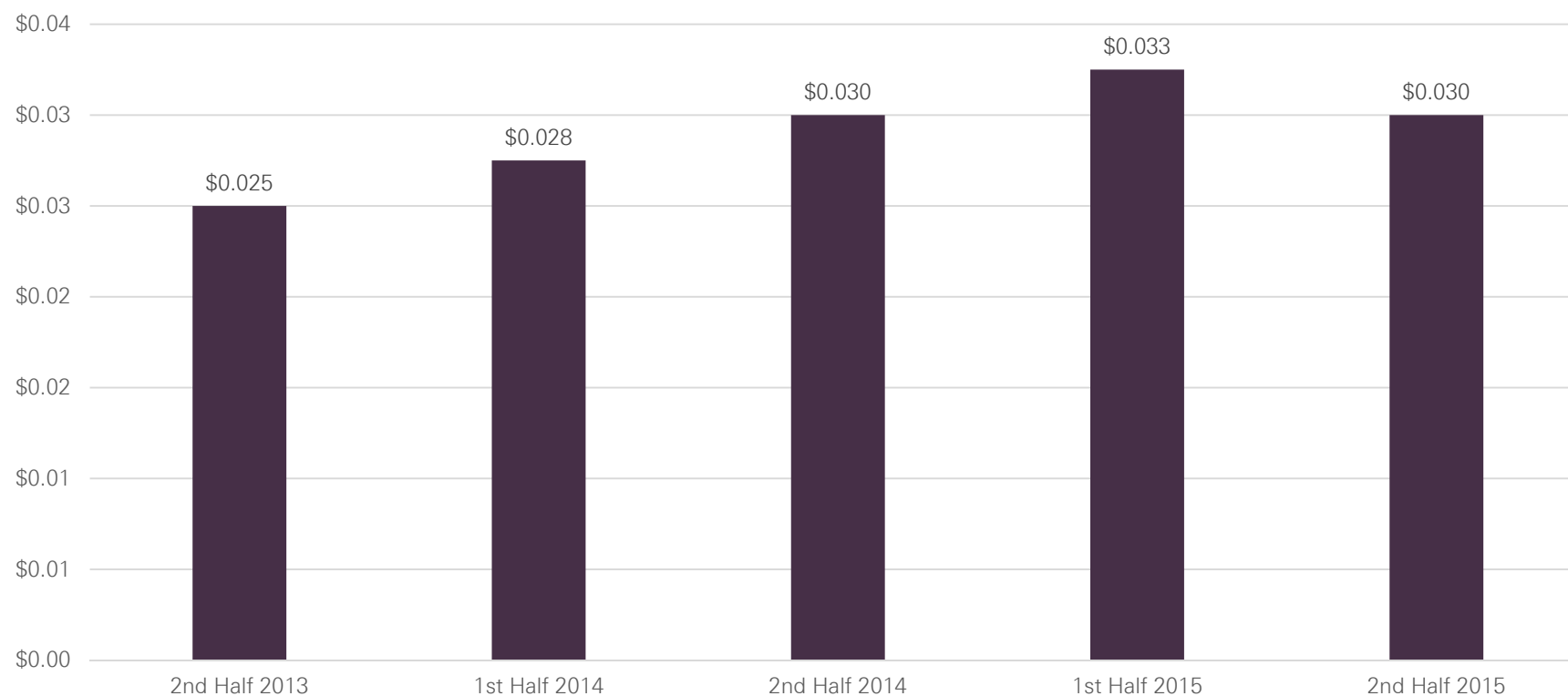
NAOS



DIVIDEND PROFILE

AS AT 30TH SEPTEMBER 2015

NAOS



NCC: PERFORMANCE & RISK METRICS SUMMARY

AS AT 30TH SEPTEMBER 2015

N
A
O
S

	1 Month (%)	3 Months (%)	6 Months (%)	1 Year (%)	2 Year (% p.a.)	Inception (% p.a.)	Inception (% Nom.)
NCC Investment Portfolio Performance*	+0.86%	-2.79%	-4.56%	-5.18%	+3.80%	+15.14%	+44.06%
S&P/ASX Small Ordinaries Accumulation Index (XSOAI)	-0.53%	-3.90%	-7.78%	-4.90%	-2.52%	-3.69%	-9.28%
Outperformance Relative to Benchmark	+1.39%	+1.11%	+3.22%	-0.28%	+6.32%	+18.83%	+53.34%

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

Standard Deviation of Returns (NCC)	11.84%
Standard Deviation of Returns (XSOAI)	14.28%
Correlation of Returns to XSOAI	57.20%
Sortino Ratio	2.16
Downside Deviation	5.78%
Downside Deviation XSOAI	7.68%
Current Estimated Portfolio Beta	0.22

NCC: POSITIVE STOCK ATTRIBUTION SUMMARY

SINCE INCEPTION

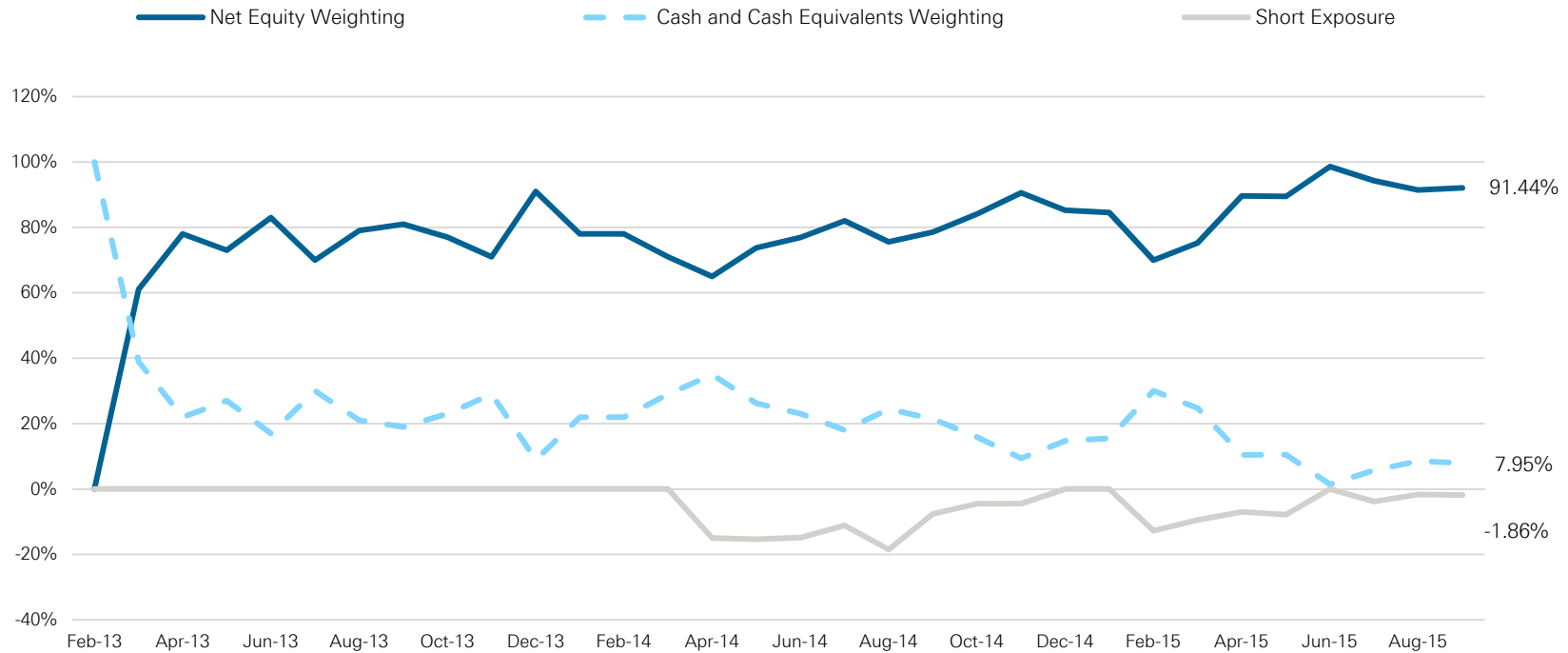
AS AT 30TH SEPTEMBER 2015

NAOS

Investment	Contribution to Return (% NAV)	Investment	Contribution to Return (% NAV)
Calliden Group Limited	+10.53%	Broadcast Services Australia	+5.55%
Capitol Health Limited	+10.23%	Village Roadshow Limited	+5.54%
Lindsay Australia Limited	+6.75%	Sirtex Medical Limited	+5.53%
Tamawood Limited	+5.86%	RHG Limited	+4.78%
Armidale Investment Corporation	+5.59%	Gage Road Brewing	+4.20%

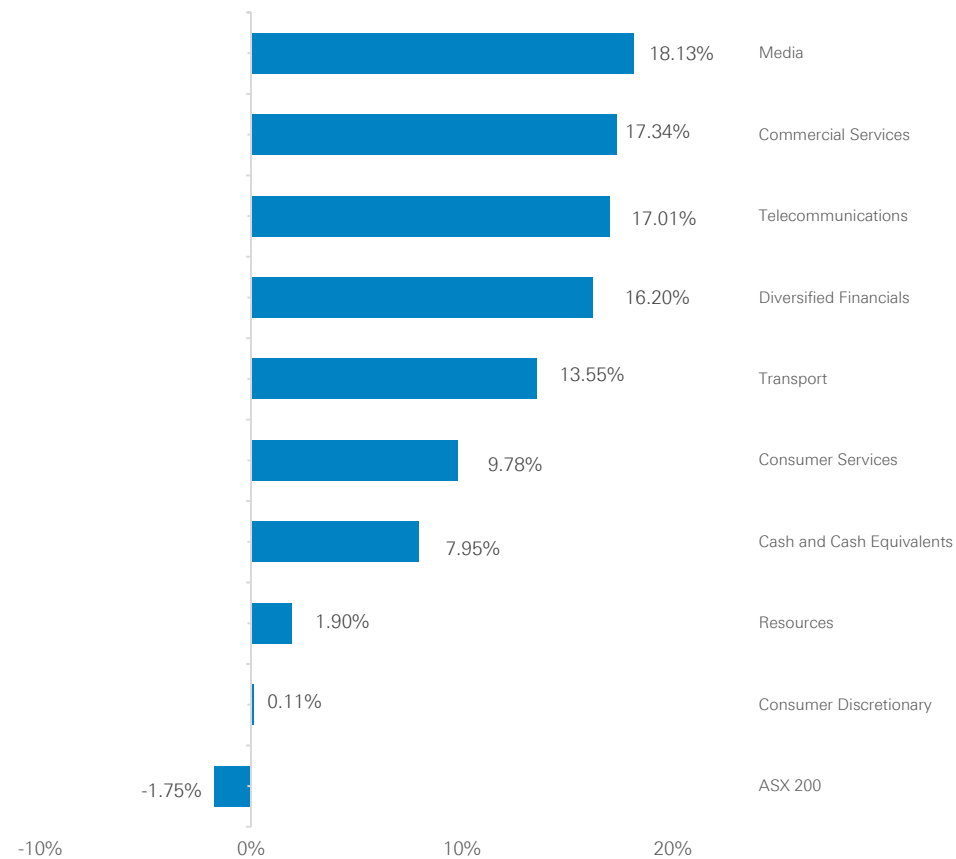
NCC: PORTFOLIO STRUCTURE **HISTORICAL NET EQUITY AND CASH WEIGHTINGS** AS AT 30TH SEPTEMBER 2015

N
^
O
S



NCC: PORTFOLIO STRUCTURE
ALLOCATION BY INDUSTRY/SECTOR (NET)
 AS AT 30TH SEPTEMBER 2015

NAOS



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. 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 NOAS has engaged with.

• Sea Link (SLK)	• Bellamy's Australia (BAL)
• Redhill Education (RDH)	• Auswide Bank (ABA)
• Indoor Skydiving (IDZ)	• 360 Capital (TGP)
• Data 3 (DTL)	• Adelaide Brighton (ABC)
• RCG Corp (RCG)	• Australian Wealth Investment (AWI)
• Vocation (VET)	• Gale Pacific (GAP)

2. Market Outlook/ Commentary

Australian Equity Market Review

Domestic equity markets capped off a horror quarter with the ASX-200 finishing down -15% for the three month period.

Poor market performance in September was driven by a number of key economic and market events including; The Federal Reserve not raising interest rates due to two 'one- off' events affecting inflation levels, worries about slowing global economic growth driven by emerging markets, namely China and falling commodity prices leading to fears of global deflation.

From a risk perspective, the key indicators NAOS consider are government bond yields, corporate bond yields and CDS spreads.



CORPORATE CDS SPREADS – 5 YEARS (BLOOMBERG)

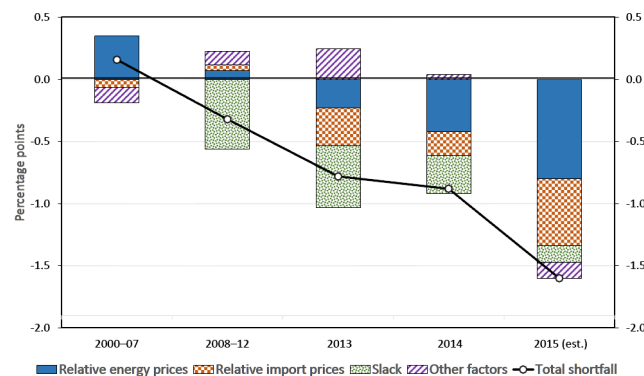
JUNK BOND ETF – 5 YEARS (BLOOMBERG)



Global Macro Review

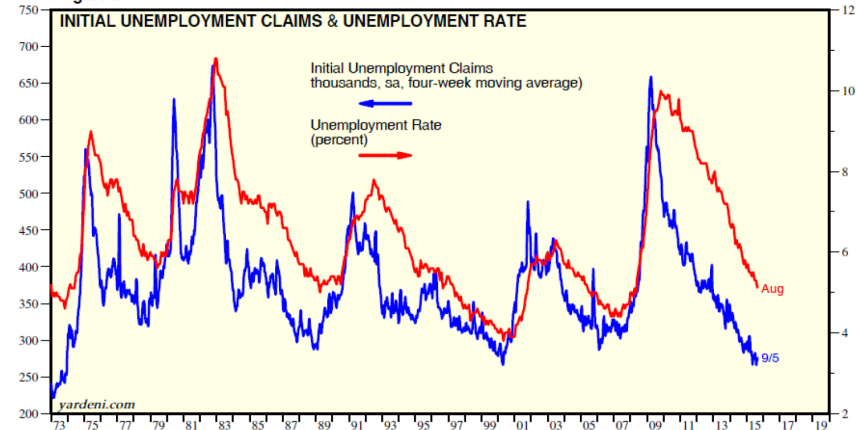
- MSCI All Country World Index posted its 6th negative month out of the 9 months to 30th September. The index also had its worst quarter since 2011, falling by 9.9% in USD terms, while the S&P 500 temporarily dipped into unofficial correction territory with a decline of more than 10%.
- News from the US included the Federal Open Market Committee not raising interest rates, despite unemployment falling from 5.6% at the start of the year to 5.1% in August. Fed blamed weak domestic inflation and “recent global economic and financial developments” that may have the potential to restrain economic activity and “put further downward pressure on inflation in the near term.” Fed chair Janet Yellen also highlighted concerns about the slowdown in China and other emerging markets as well as the disinflationary influence of some further appreciation in the US dollar
- Still some areas in the Global Economy that are experiencing a ‘structural tailwind’, including;
 - US Housing and Consumer Discretionary
 - EU Manufacturers and Airport Operators

Why Has PCE Inflation Fallen below 2 Percent?



Note: Deviation of PCE inflation (fourth quarter to fourth quarter) from 2 percent, total and portion attributable to specific factors. Other factors includes the effects of changes in relative food prices. Source: Federal Reserve Board staff calculations. See the appendix for further details.

Figure 3.



Source: US Department of Labor.

3. Keeping Up to Date

KEEPING UP TO DATE – SHAREHOLDER COMMUNICATION

NAOS

WEBSITE

- The News and Media section of our website is updated regularly. The most recent information to be added to the site includes:
 1. Interview with Mitchell Sneddon of the Eureka Report – discussing aspects of NAOS and NCC. Includes moderated questions from a live audience to Sebastian Evans, CIO and MD of NAOS.
 2. Recent articles in the AFR and SMH where Sebastian Evans shares his views of the current economic climate and certain stocks in the NAOS investment universe.

TWITTER

- Follow NAOS on Twitter under the name (handle) of #NaosAssetManagement

Disclaimer

This presentation has been prepared by NAOS Emerging Opportunities Company Ltd (ACN 161 106 510). The information in this presentation is only intended for Australian residents. The purpose of this presentation is to provide information only and the contents of the presentation doesn't purport to provide investment advice. We strongly suggest that investors consult a financial adviser prior to making any investment decision. The presentation does not take into account the investment objectives, financial situation or particular needs of any person and should not be used as the basis for making investment, financial or other decisions. The information is selective and may not be complete or accurate for your particular purposes and should not be construed as a recommendation to invest in any particular investment or security, or Fund/Company offered by NAOS Asset Management or the NAOS Emerging Opportunities Company Ltd.

The information provided in the presentation is given in good faith and is believed to be accurate at the time of compilation. Neither NAOS Asset Management, NAOS Emerging Opportunities Company Ltd, nor its directors or employees make any representation or warranty as to the accuracy, reliability, timeliness or completeness of the information.

To the extent permissible by law, NAOS Asset Management or NAOS Emerging Opportunities Company Ltd and its director and employees disclaim all liability (whether arising in contract, tort, negligence or otherwise) for any error, omission, loss or damage (whether direct, indirect, consequential or otherwise).

Performance figures quoted in the report are past performance. Past performance is not an indicator of future performance.

Neither NAOS Asset Management or the NAOS Emerging Opportunities Company Ltd or its directors or employees guarantee or make any representation as to the performance of the Funds, the maintenance or repayment of capital, the price at which shares may trade or any particular rate of return.