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QUARTERLY INVESTOR BRIEFING
4TH QUARTER FY-2016

NAOS Emerging Opportunities Company Limited
(ASX: NCC)

CALL DETAILS

1. Date	Thursday 14th July 2016
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

1. NCC FY Year End Review

- Performance & Risk Summary
- Stock Contribution (Since Inception)
- Stock Contribution (FY16)
- Capital Analysis: Addressing the Discount
- Dividend Profile
- Marketing
- Director/Shareholder Alignment
- Historical Net Equity & Cash Exposure
- Industry/Sector Exposure
- Company Meetings

2. Market Commentary

- Domestic and Macro Equity Market Review
- NAOS Investment Philosophy

3. Keeping Up to Date

- Shareholder Presentations, NAOS National Roadshow August/September
- Shareholder Communications

1. NCC Review

NCC: PERFORMANCE & PORTFOLIO CHARACTERISTICS SUMMARY

AS AT 30TH JUNE 2016

NAOS

	1 Month	6 Months	1 Year	2 Year (% p.a.)	3 Year (% p.a.)	Inception (% p.a.)	Inception (% Nom.)
NCC Investment Portfolio Performance*	+2.97%	+17.07%	+24.77%	+12.49%	+18.51%	+20.07%	+84.22%
S&P/ASX Small Ordinaries Accumulation Index (XSOAI)	-1.31%	+6.94%	+14.40%	+7.19%	+9.13%	+2.33%	+8.00%
Outperformance Relative to Benchmark	+4.28%	+10.13%	+10.37%	+5.30%	+9.38%	+17.74%	+76.22%

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

Portfolio Weighted Average Market Capitalisation	\$110 Million
Percentage of Positive Months (NCC)	76%
Percentage of Positive Months (XSOAI)	56%
Standard Deviation of Returns (NCC)	11.50%
Standard Deviation of Returns (XSOAI)	14.25%
Correlation of Returns to XSOAI	0.60
Sortino Ratio	2.95
Downside Deviation (NCC)	5.93%
Downside Deviation (XSOAI)	7.57%
Current Estimated Portfolio Beta	0.07

NCC: POSITIVE STOCK ATTRIBUTION SUMMARY (SINCE INCEPTION)

AS AT 30TH JUNE 2016

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Positive Stock Attribution Analysis

(Attribution is what has contributed to NCC's performance since inception) (1st March 2013 to 30th June 2016)

The table below lists the top positive contributors to NCC's total return since 1st March 2013. 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 the Company has a current substantial holding, or when we have exited the position. All of the 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)
BSA Limited	+14.40%	Tamawood	+7.46%
Calliden Group	+13.41%	Village Roadshow Limited	+7.06%
Capitol Health Group	+13.03%	Sirtex Medical Limited	+7.04%
Armidale Investments	+10.89%	RHG Limited	+6.09%
Lindsay Group	+9.87%	Enero Group	+5.65%

NCC: POSITIVE STOCK ATTRIBUTION SUMMARY (FY2016)
AS AT 30TH JUNE 2016

Positive & Negative Stock Contribution Analysis

The table below lists the top positive contributors to NCC’s total return since 1st July 2016. The table below shows both the top-3 and bottom 3 contributors over the financial year 2016.

Investment	Contribution to Return (% NAV)	Investment	Contribution to Return (% NAV)
Enero Group	+10.26%	Investment A	-1.78%
BSA Limited	+8.46%	Investment B	-0.66%
Armidale Investments	+5.91%	Investment C	-0.30%

NCC CAPITAL ANALYSIS: ADDRESSING THE DISCOUNT

AS AT 30TH JUNE 2016

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NTA Analysis

Pre Tax - \$1.25

Pre Tax Pre Unrealised Gains Tax – \$1.26

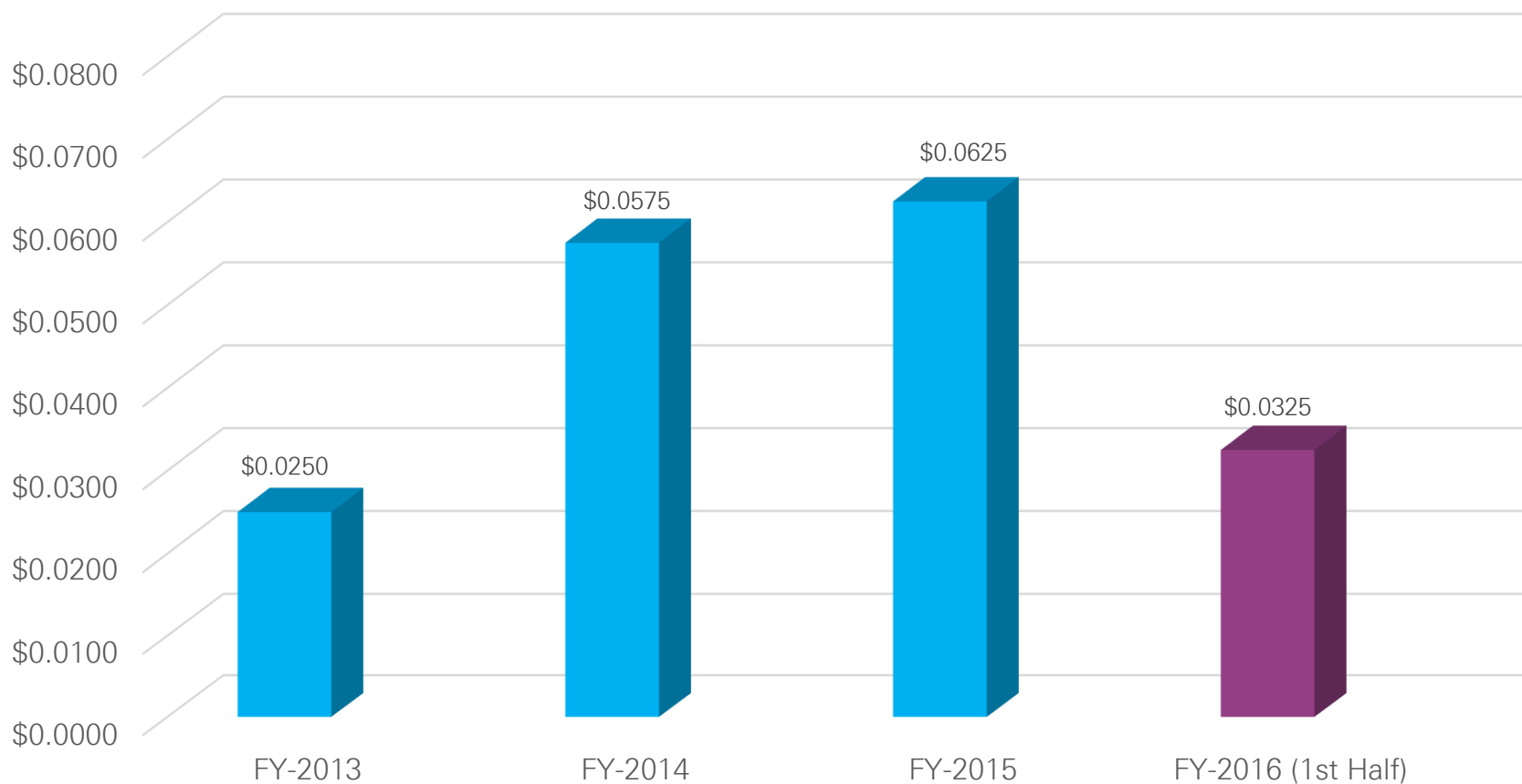
Post Tax - \$1.18

Share Price	\$1.04
Discount to NTA (Pre-Tax)	-16.80%
Fully Franked Dividend Yield	6.01%
Gross Dividend Yield	8.57%
Shares on Issues	46,918,297
Directors Shareholding	3,514,065

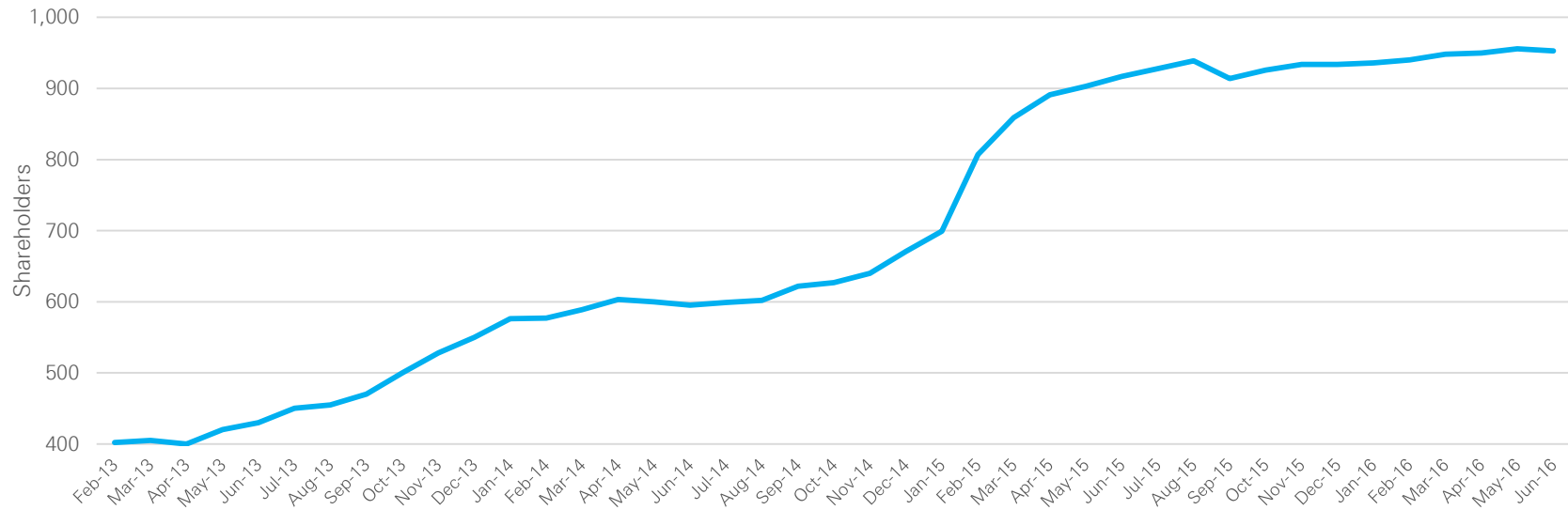
NCC: HISTORICAL DIVIDEND PROFILE

AS AT 30TH JUNE 2016

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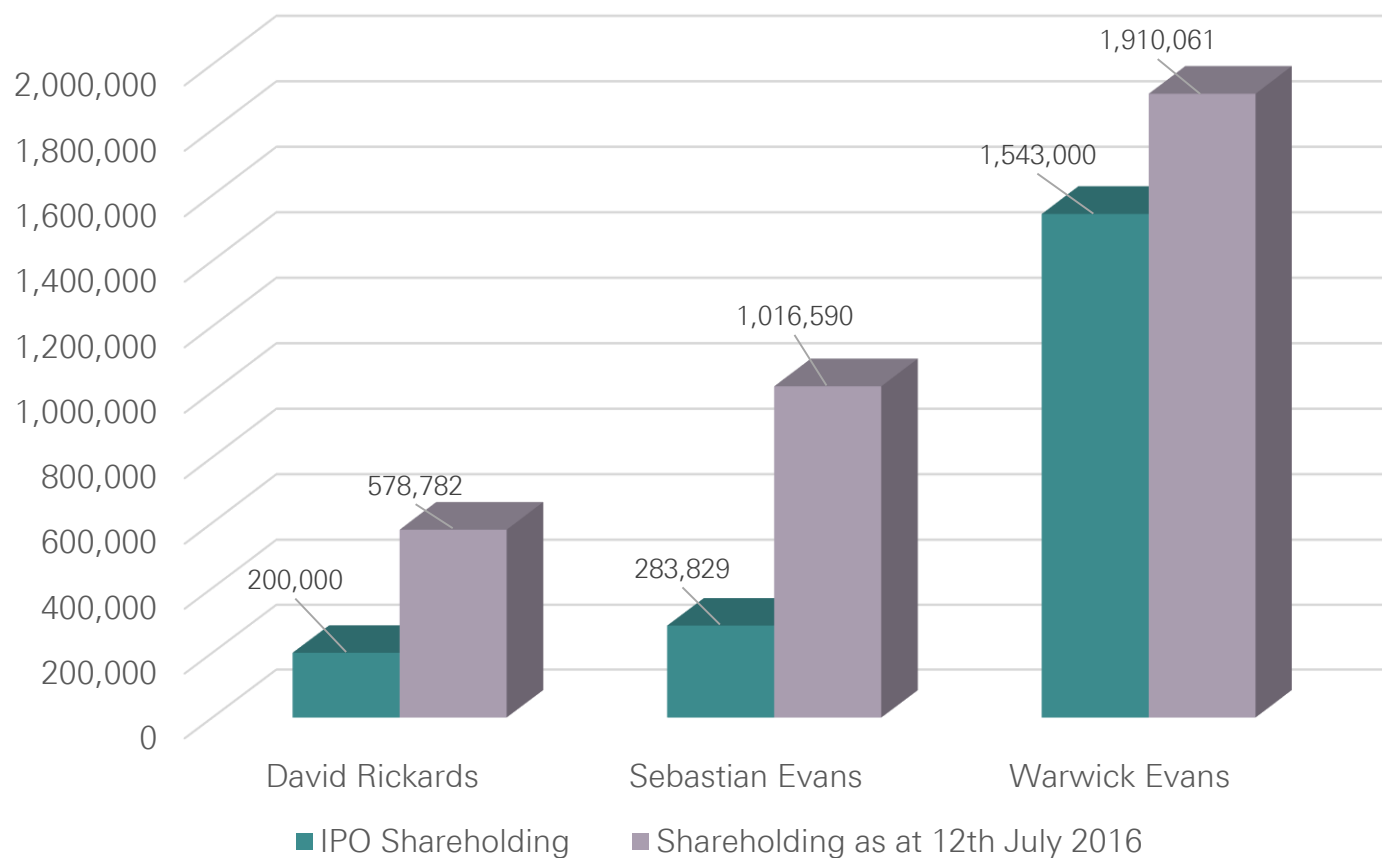
- Media Appearances and Press; Switzer, Cuffelinks, Eureka Report, Livewire, AFR, Financial Standard, Sharecafe & Adviser Voice.
- CEO Insights, Weekly NAOS Newsletter
- Conferences – Australian Shareholders Association National Conference May 2016
- Quarterly Shareholder Conference Calls & Monthly Investment Report & NTA Updates
- Active Broker and Financial Adviser Distribution
- NAOS Investor Presentations: National Roadshow August/September 2016
- Social Media; LinkedIn, Facebook, Twitter.



NCC: DIRECTORS INCREASING ALIGNMENT WITH SHAREHOLDERS SINCE IPO

AS AT 12TH JULY 2016

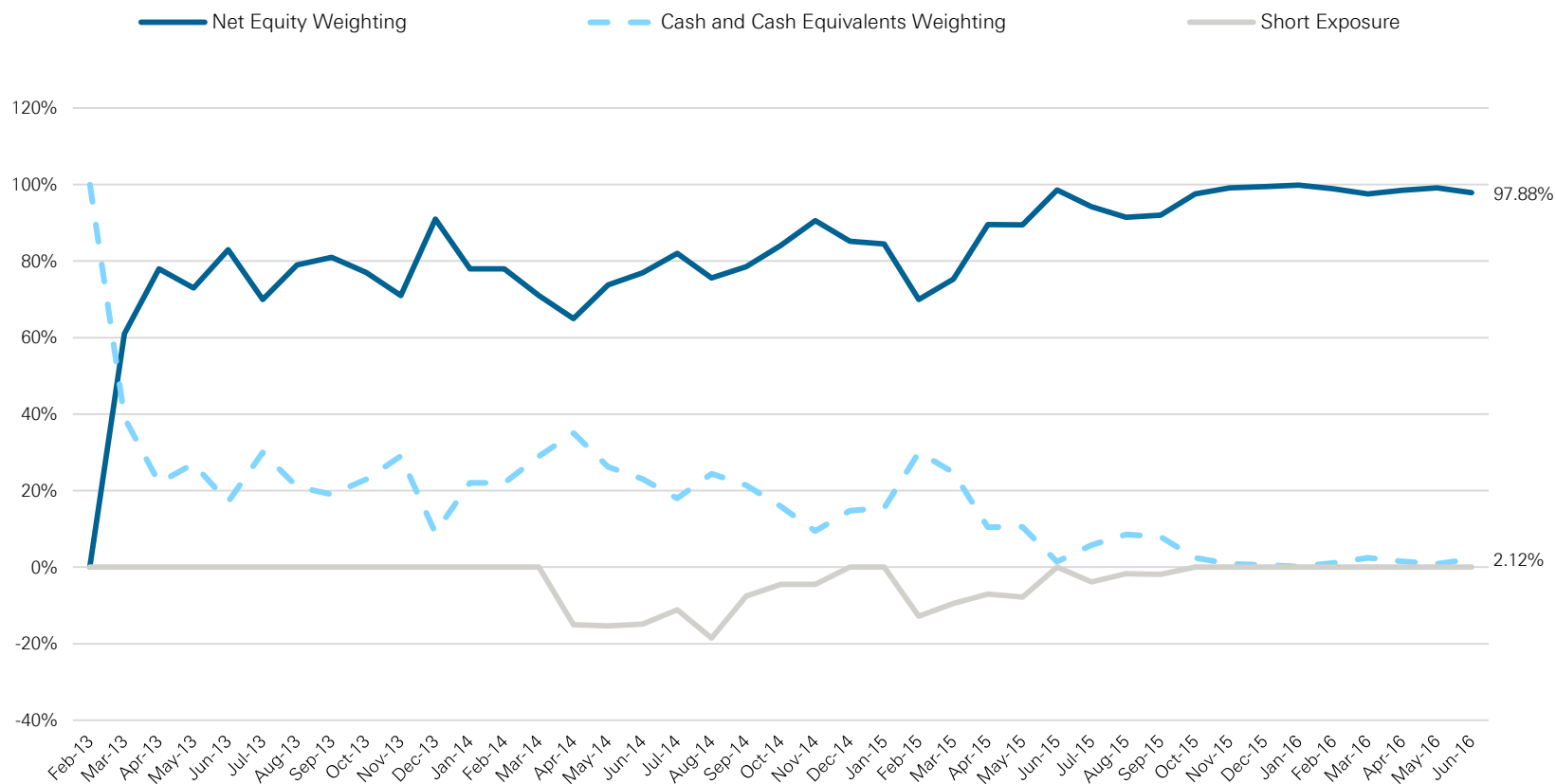
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NCC: PORTFOLIO STRUCTURE HISTORICAL NET EQUITY AND CASH WEIGHTINGS

AS AT 30TH JUNE 2016

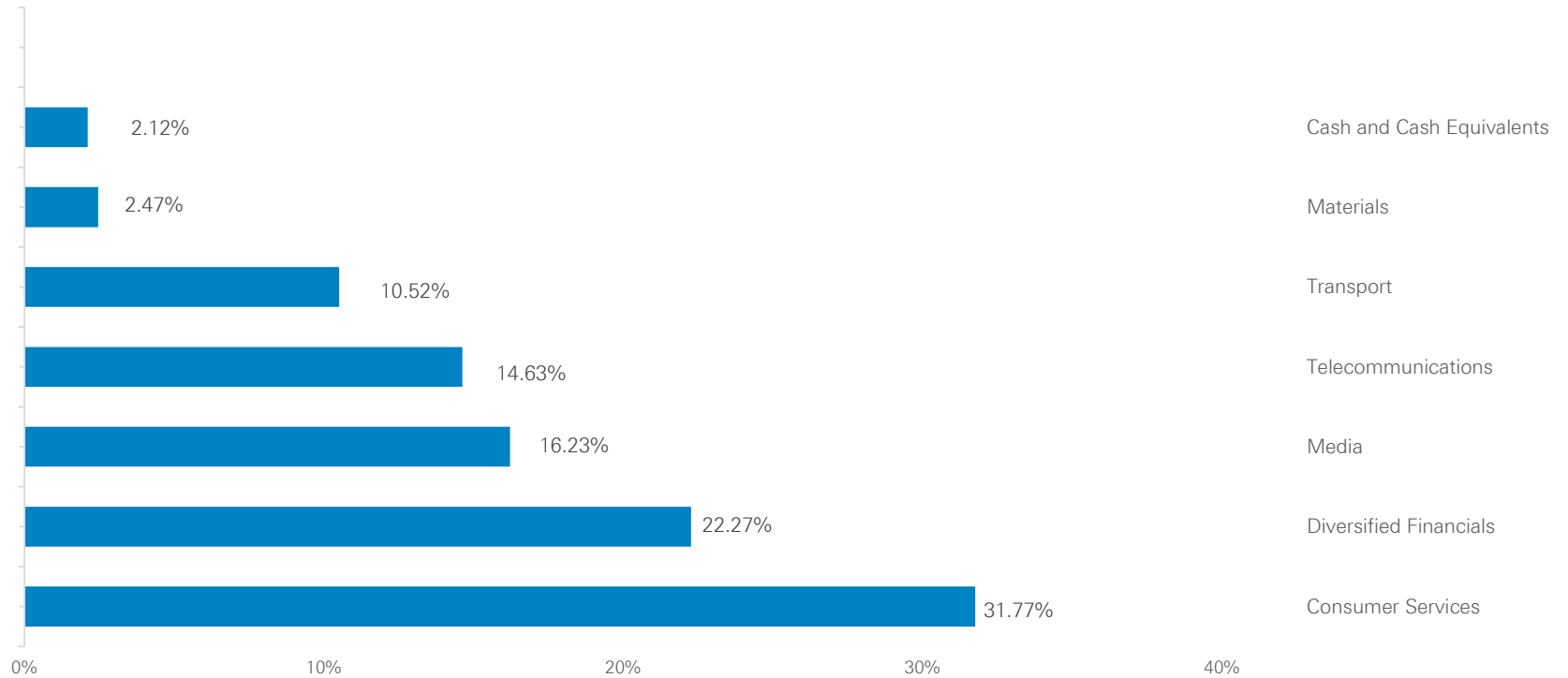
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NCC: PORTFOLIO STRUCTURE ALLOCATION BY INDUSTRY/SECTOR (NET)

AS AT 30TH JUNE 2016

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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 NAOS has engaged with.

• Kogan Ltd – (IPO)	• Enero Group – (EGG)
• BSA Limited – (BSA)	• RCR Tomlinson – (RCR)
• Murray River Organics – (Unlisted)	• Armidale Investment Corp – (AIK)
• Greys Online – (GEG)	• Collins Foods Group – (CKF)
• Money 3 Limited – (MNY)	• Shaver Shop – (SSG)
• Rhype – (RHP)	• Prospa – (Unlisted)

2. Market Outlook

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- **Domestic equity market is being driven by three main factors:**
 - Record low government bond yields.
 - Negligible income growth.
 - Continued weakness in the mining sector, transition away from mining boom.
 - **Market fundamentals today:**
 - ASX-300 Industrials P/E circa 15.80 times.
 - Dividend pay-out ratios remain elevated within the mid 70%'s limiting dividend growth going forward.
 - Earnings growth expectations for FY17 remain elevated at >14%.
 - Earnings growth for FY16 within the ASX-300 industrials was just ~2%.
 - **Key market trends from FY16:**
 - Flight to safety was most apparent within the A-REIT index which increased by +22% for the year.
 - Significant rally in gold related equities with gold equities representing >10% of XSOAI.
 - Companies are being valued more on short term earnings expectation than ever before.

MARKET OUTLOOK: GLOBAL GOVERNMENT BOND YIELDS (5-YEAR)

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MARKET OUTLOOK: ASX-200 INDUSTRY PERFORMANCE FY2016

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MARKET OUTLOOK: DISPERSION CREATES POTENTIAL OPPORTUNITIES REGARDLESS OF MARKET MOVEMENTS

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TOTAL RETURNS FOR FY-2016

			Ticker	Short Name	1Y Totl Ret	BEst Sales % Chg:Y	BEst Grs Mgn BF12M	3Yr Avg Grs Mgn	BEst EEPS 1 Yr	BEst EPS % Chg:Y	BEst P/E Nxt Yr	Market
1)	✓	①	GMM AU	GENERAL MINING	1.43k%	0.00%	--	--	--	0.00%	9.64	256.31M
2)	✓	①	GXY AU	GALAXY RESOURCES	1.22k%	373.37%	--	--	--	566.67%	15.81	662.10M
3)	✓	①	DCN AU	DACIAN GOLD LTD	814.95%	0.00%	--	--	24.10	0.00%	--	466.57M
4)	✓	①	AJM AU	ALTURA MINING LT	704.35%	0.00%	--	13.02%	85.25	0.00%	--	226.16M
5)	✓	①	SBM AU	ST BARBARA LTD	540.71%	0.11%	--	38.88%	206.98	-0.13%	10.31	1.83B
6)	✓	①	BLK AU	BLACKHAM RESOURC	477.42%	0.00%	--	--	66.67	0.00%	8.95	240.02M
7)	✓	①	ADA AU	ADACEL TECH	456.83%	0.00%	57.13%	--	112.00	0.00%	27.11	269.51M
8)	✓	①	RMS AU	RAMELIUS RESOURC	436.36%	0.87%	--	-7.20%	14.29	17.65%	4.54	280.39M
9)	✓	①	EDE AU	EDEN ENERGY LTD	435.71%	0.00%	--	--	--	0.00%	--	267.98M
10)	✓	①	RSG AU	RESOLUTE MINING	422.03%	0.27%	--	20.22%	105.75	5.98%	8.90	1.03B
11)	✓	①	SLR AU	SILVER LAKE RESO	388.89%	0.16%	--	-5.09%	--	9.51%	15.00	355.11M
12)	✓	①	NMT AU	NEOMETALS LTD	382.35%	-5.44%	--	4.42%	--	0.00%	12.42	234.82M
13)	✓	①	PLS AU	PILBARA MINERALS	376.92%	0.00%	--	--	-55.56	-2.44%	--	769.19M
14)	✓	①	APX AU	APPEN LTD	336.02%	0.00%	48.74%	51.80%	21.84	0.00%	24.59	278.67M
15)	✓	①	MNS AU	MAGNIS RESOURCES	302.17%	0.00%	--	--	54.76	0.00%	--	391.31M
367)	✓	①	SPO AU	SPOTLESS GROUP H	-38.08%	0.00%	--	83.30%	-6.15	0.00%	9.45	1.35B
368)	✓	①	ORG AU	ORIGIN ENERGY	-39.84%	0.00%	--	--	-57.04	0.00%	15.13	9.96B
369)	✓	①	KAR AU	KAROON GAS AUSTR	-39.91%	0.00%	--	--	--	7.42%	--	312.71M
370)	✓	①	TGA AU	THORN GROUP LTD	-42.94%	-3.06%	33.05%	--	20.57	-6.57%	6.28	203.90M
371)	✓	①	CVO AU	COVER-MORE GROUP	-44.29%	0.00%	--	41.55%	-18.37	0.00%	13.07	413.14M
372)	✓	①	EWC AU	ENERGY WORLD COR	-46.58%	0.00%	--	57.28%	--	0.00%	--	338.16M
373)	✓	①	DNA AU	DONACO INTL LTD	-46.71%	0.00%	69.68%	92.10%	450.00	0.00%	4.45	328.33M
374)	✓	①	MGC AU	MG UNIT TRUST	-47.88%	0.00%	--	12.62%	-17.98	0.00%	14.82	240.73M
375)	✓	①	ZIM AU	ZIMPLATS HOLDING	-48.30%	0.00%	--	37.46%	--	0.00%	--	387.50M
376)	✓	①	TEN AU	TEN NETWORK	-50.39%	0.00%	24.81%	--	75.54	0.25%	187.00	337.41M
377)	✓	①	VAH AU	VIRGIN AUSTRALIA	-51.72%	0.73%	--	--	--	0.00%	8.40	1.74B
378)	✓	①	BBG AU	BILLABONG INTL	-53.45%	0.00%	52.91%	51.55%	--	4.82%	23.48	254.53M
379)	✓	①	EPW AU	ERM POWER LTD	-57.65%	-1.28%	--	6.52%	-35.82	-2.64%	13.44	218.94M
380)	✓	①	CDD AU	CARDNO LTD	-65.09%	9.10%	--	--	-76.00	5.62%	12.14	268.26M
381)	✓	①	MSB AU	MESOBlast LTD	-70.18%	40.90%	97.72%	--	41.80	-31.59%	--	429.04M
382)	✓	①	LNG AU	LIQUEFIED NATURA	-81.11%	0.00%	--	--	-6.38	0.00%	3.68	377.62M

FOCUS ON THE CONTROLLABLE

- Focus on companies with existing revenue streams that can fund growth internally.
- Focus on companies with the ability to drive revenue and margin growth, revenue growth due to structural thematic growth, niche industries or small companies taking share from large organisations.
- Focus on balance sheet flexibility to allow companies to grow through acquisition or return capital to shareholders in a tax effective manner.
- Continue to invest in companies that are valued on stagnated earnings expectations but do have significant potential for both earnings increases and valuation multiple re-rates over a 2-3 year period.

3. Keeping Up to Date

PLEASE JOIN NAOS FOR OUR LISTED INVESTMENT COMPANY INVESTOR PRESENTATIONS

Register your attendance via our website naos.com.au/investor-event-registration

**WE LOOK FORWARD TO WELCOMING YOU AND
ENCOURAGE YOU TO INVITE FAMILY AND FRIENDS ALONG**

EVENT DETAILS

BRISBANE	SYDNEY	MELBOURNE	CANBERRA	ADELAIDE
10:30 am – 12 noon Monday 29th August 2016	10:30 am – 12 noon Tuesday 30th August 2016	10:30 am – 12 noon Thursday 1st September 2016	10:30 am – 12 noon Monday 5th September 2016	10:30 am – 12 noon Wednesday 7th September 2016
Customs House 399 Queen Street Brisbane QLD	Museum of Sydney Cnr Phillip Street & Bridge Street, Sydney NSW	Stamford Plaza 111 Little Collins Street Melbourne VIC	Hyatt Hotel Commonwealth Avenue, Yarralumla ACT	Stamford Plaza 150 North Terrace, Adelaide SA

[CEO Insights, Weekly NAOS Newsletter](#)

- Company CEO quotes from the week which detail in our view, some of the most important and prominent industry trends and economic factors impacting their businesses.

[Quarterly Shareholder Conference Calls & Monthly Investment Report & NTA Updates](#)

[WEBSITE](#) The News and Media section of our website is updated regularly

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