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QUARTERLY INVESTOR BRIEFING
3RD QUARTER FY-2016

NAOS Emerging Opportunities Company Limited
(ASX:NCC)

CALL DETAILS

1. Date	Wednesday 20th April 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 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

3. Keeping Up to Date

- Shareholder Communications

1. NCC Review

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

GENUINE EXPOSURE TO QUALITY EMERGING COMPANIES

NO LIQUIDITY CONSTRAINT'S DUE TO CLOSED END FUND STRUCTURE

SIGNIFICANT MANAGEMENT AND SHAREHOLDER ALIGNMENT, NAOS DIRECTORS/EMPLOYEES OWN >10M SHARES

SOFT CLOSE FUND SIZE AT ~\$125M TO MAXIMISE POTENTIAL SHAREHOLDER RETURNS

ABILITY TO HOLD +100% CASH IN TIMES OF POOR RISK/RETURN OPPORTUNITIES

TOP 5 HOLDINGS

Enero Group
(ASX:EGG)



Lindsay Group
(ASX:LAU)



Broadcast Services Australia (ASX:BSA)



MyNetFone (ASX:MNF)



Armidale Investment Corporation (ASX:AIK)



CAPITAL STRUCTURE

AS AT 31ST MARCH 2016

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SHARES ON ISSUE

NTA Analysis

Pre Tax - \$1.14

Pre Tax Pre Unrealised Gains Tax – \$1.16

Post Tax - \$1.12

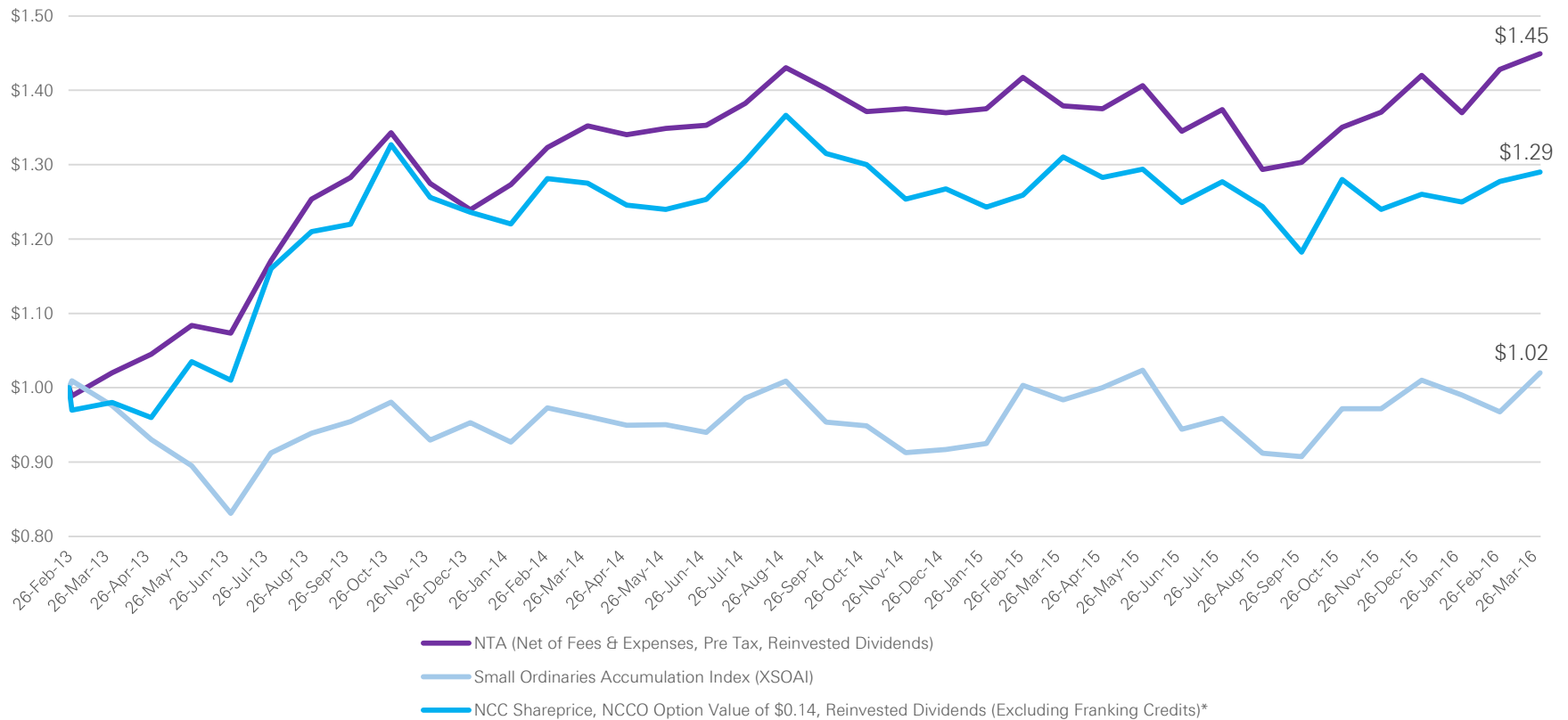
Share Price	\$1.00
Discount to NTA	~14%
Fully Franked Dividend Yield	6.25%
Gross Dividend Yield	8.93%
Shares on Issues	46,918,297
Directors Shareholding	3,307,608

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

CAPITAL ANALYSIS

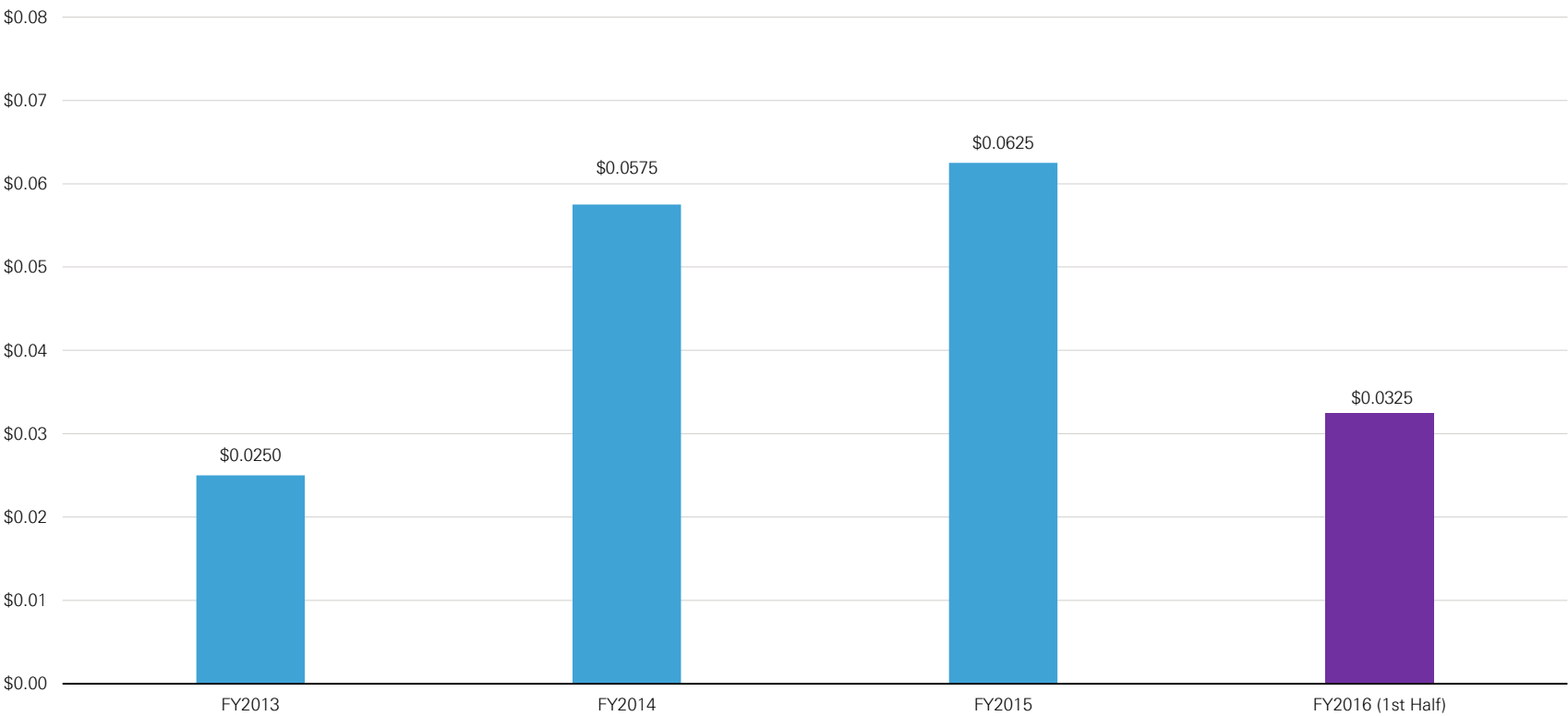
AS AT 31ST MARCH 2016

NAOS



DIVIDEND PROFILE
AS AT 31ST MARCH 2016

Dividend Profile - Historical Fully Franked Dividends (Cents per Share)



NCC: PERFORMANCE & RISK METRICS SUMMARY

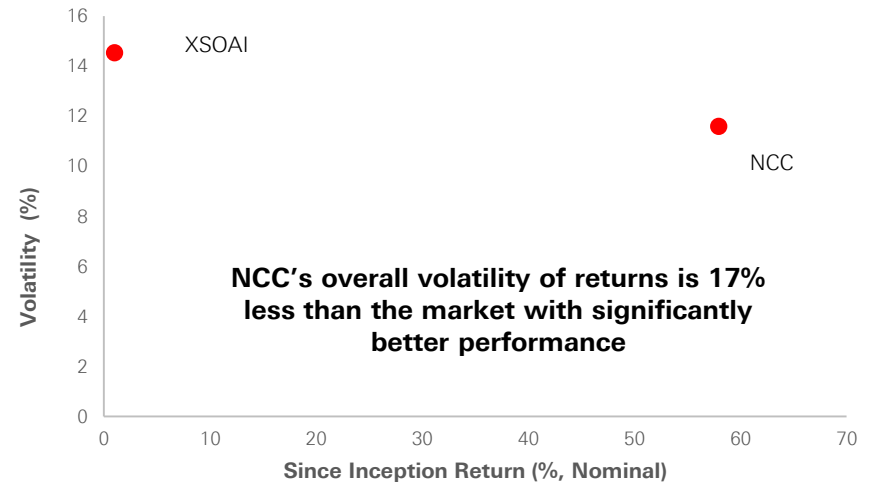
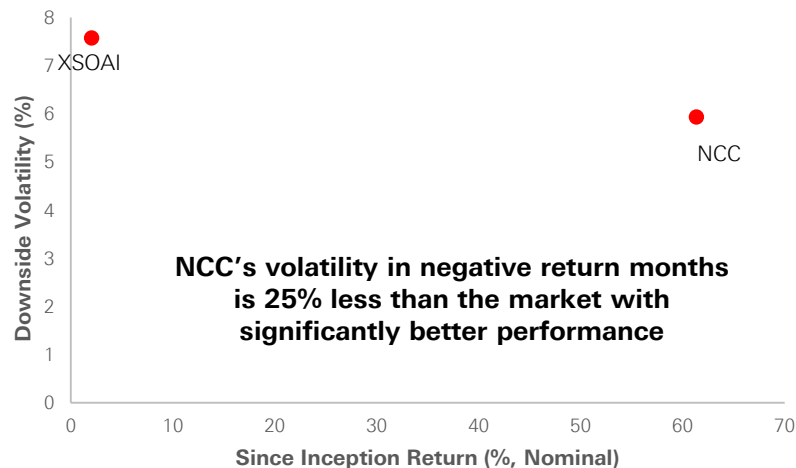
AS AT 31ST MARCH 2016

NAOS

	1 Month	6 Months	1 Year	2 Year (% p.a.)	3 Year (% p.a.)	Inception (% p.a.)	Inception (% Nom.)
NCC Investment Portfolio Performance*	+0.99%	+12.44%	+6.92%	+5.71%	+15.83%	+16.75%	+61.38%
S&P/ASX Small Ordinaries Accumulation Index (XSOAI)	+5.47%	+12.47%	+3.72%	+3.01%	+1.50%	+2.03%	+2.03%
Outperformance Relative to Benchmark	-4.48%	-0.03%	+3.20%	+2.70%	+14.33%	+14.72%	+59.35%

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



NCC: POSITIVE STOCK ATTRIBUTION SUMMARY (SINCE INCEPTION)

AS AT 31ST MARCH 2016

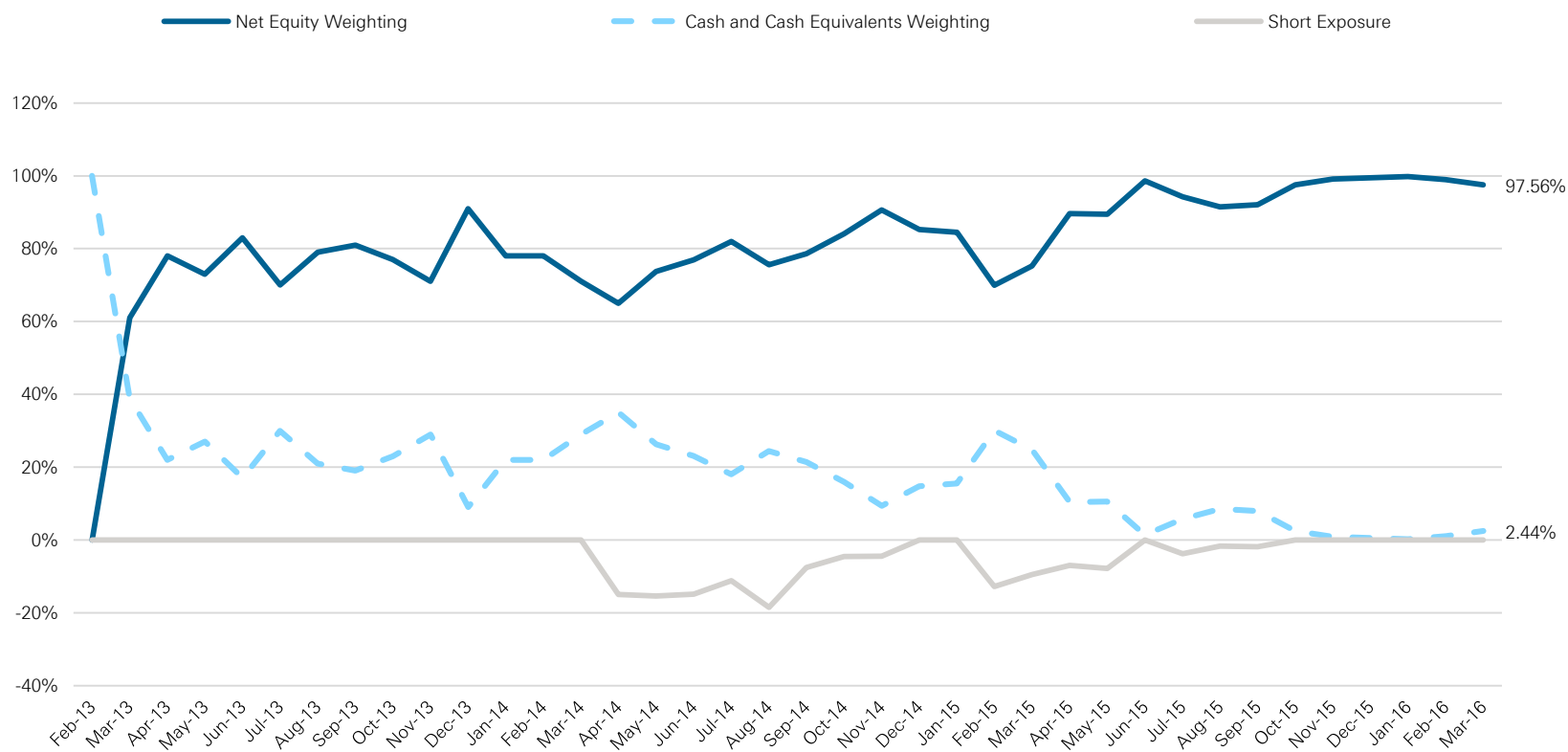
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Investment	Contribution to Return (% NAV)	Investment	Contribution to Return (% NAV)
Calliden Group Limited	+11.88%	Tamawood	+6.62%
Capitol Health Limited	+11.55%	Village Roadshow Limited	+6.25%
Lindsay Australia	+8.41%	Sirtex Medical Limited	+6.24%
BSA Limited	+7.74%	RHG Limited	+5.40%
Armidale Investments	+7.15%	Gage Roads Brewing	+4.74%

NCC: PORTFOLIO STRUCTURE HISTORICAL NET EQUITY AND CASH WEIGHTINGS

AS AT 31ST MARCH 2016

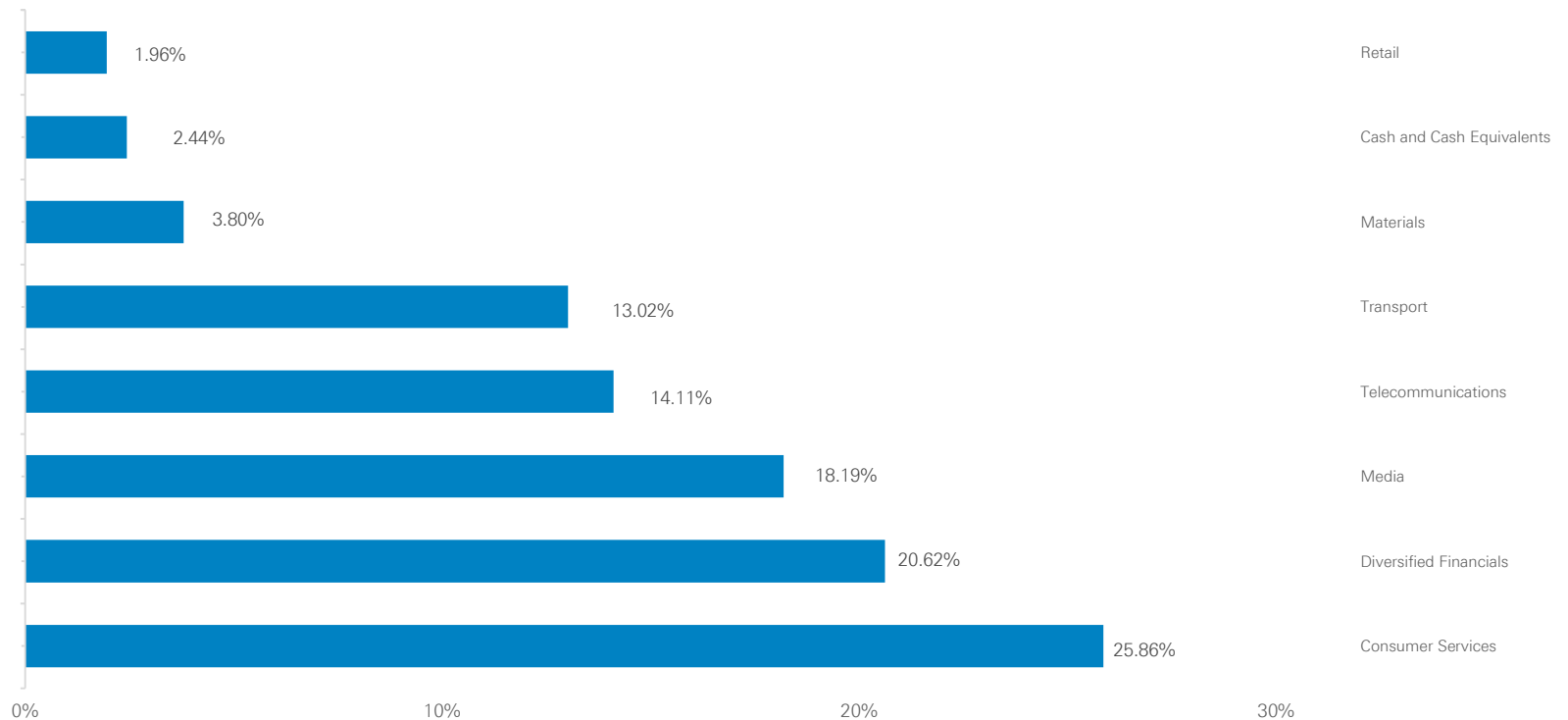
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NCC: PORTFOLIO STRUCTURE ALLOCATION BY INDUSTRY/SECTOR (NET)

AS AT 31ST MARCH 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 NOAS has engaged with.

• Australian Vintage (AVG)	• Folkstone (FLK)
• AP Eagers (APE)	• Objective Corp (OCL)
• Austin Engineering (ANG)	• Aus Wide Bank (ABA)
• McGrath (MEA)	• Bailador (BTI)
• Redhill Education (RDH)	• Armidale Investments (AIK)
• APN News & Media (APN)	• Sirtex (SRX)

2. Market Outlook/ Commentary

Australian Equity Market Review

The volatility in Australia has stemmed mainly from a few key sectors which make up a large part of the index. The Australian financials sector, including the big four and the regional banks makes up approximately 46% of the ASX200 index. The issue with the financials at present however is that investors are fearing we are in the early stages of a bad debt cycle. For the past few years bad debts for the banks have been low as we have had a buoyant housing sector and affordable interest rates. Each year banks make provisions for bad debts and when those provisions are not utilised they are added back to profits. This has been going on for a few years now and has created the appearance of strong profits, despite the underlying numbers not being so.

In the second half of 2015, the banks started raising interest rates for investor home loans. This was an out of cycle move where there has been no change to the Australian cash rate but the banks have put their lending rates up. Now the banks are starting to push owner-occupied lending rates higher. They have done this in an effort to protect their margins, although in the process they have made it more difficult for borrowers to repay their debt. ANZ and WBC both recently announced that bad debt provisions will be increased which is the primary cause for concern that the buoyant conditions we have seen in the last few years may not be here to stay. As a result, the banks underperformed the rest of the market despite their heavy index weighting.

On the other end of the Australian market 'barbell' is a combination of the materials sector (which includes the large Australian miners) which makes up approximately 13% of the index and the energy sector which adds another 4%. The price of crude oil has traded in a range between \$60 and \$26 over the past 12 months since falling from over \$100 in 2014. Due to the rapid fall in price, investors have unsparingly sold their positions in energy stocks leaving them significantly out of favour. The issue when a sector is so unloved and so under-owned is that it doesn't take much of a media headline or a move in the underlying commodity price for investors to quickly play catch up. It is very common at the moment for the price of oil to move +/- 2% overnight which has been causing some of the oil stocks to trade +/- 10% the following morning. This is a very difficult environment to be investing in and being caught on the wrong side of such a move can be very damaging to portfolios.

Commodity stocks have been a very 'under-owned' part of the market due to a consensus view that the wash out from the commodities super cycle has not yet run its course. However as part of that we have a gold sector that has been benefitting from a falling \$A (as gold is priced in US dollars the Australian producers receive more on their sales) as well as investors buying the metal looking for a safe haven. Further, the price of iron ore has been rallying as Chinese mills go through a re-stocking cycle and the Chinese Government has injected further stimulus into capital spending. With a situation not dissimilar to the energy market which we have talked about above, it creates significant volatility and makes for a difficult environment to be investing.

3. Keeping Up to Date

WEBSITE

- The News and Media section of our website is updated regularly. The most recent information to be added to the site includes:

Title/Reference	Publication	Location	Month
Switzer Interview, Sky Business News	TV, Sky Business	Sydney	January
Eureka Interactive Interview	Eureka Report	Melbourne/Website	January
Livewire Wholesale Fund Sponsored Link	Livewire	Sydney	February
Reporting season was not all doom and gloom	Cuffelinks	Australia/Website	March
Buy Hold Sell: The Big Aussie Short	Livewire	Australia/Website	March
Profile: Sebastian Evans	Financial Standard News	Website/Journal	March
Peter Switzer Interview, Sky Business News	TV, Sky Business	National	April
Buy Sell Hold	Livewire	Website/Email Distribution	April

TWITTER

- Follow NAOS on Twitter under the name (handle) of @NaosAssetMgmt

LINKEDIN

- Keep up to date with the latest from NAOS via our Linked In page 'NAOS Asset Management'

FACEBOOK

- Like NAOS Asset Management on Facebook

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