

NAOS Absolute Opportunities Company (NAC)

NAOS



VALUE FOCUSED



QUALITY OVER QUANTITY



INVEST FOR THE LONG TERM



MANAGEMENT ALIGNMENT



IGNORE THE INDEX



PURE EXPOSURE TO INDUSTRIALS



ESG SCREEN

KEY FEATURES

- Sharing the NCC investment philosophy and structure, NAC provides concentrated small-mid cap exposure (market cap generally between \$100m and \$1b)
- Long-term value focus with an industrial bias
- Focus on providing investors sustainable and growing fully franked dividends
- Target 0-15 positions to focus on quality of companies not quantity to maximise shareholder returns
- Portfolio flexibility with a benchmark/index unaware approach
- Ability to hold +100% cash in times of poor risk/return opportunities
- Significant management and shareholder alignment

INVESTMENT CONTRIBUTION SINCE INCEPTION

Smartgroup Corporation
(ASX: SIQ)
+4.30%



MNF Group
(ASX: MNF)
+8.36%



BSA Limited
(ASX: BSA)
+5.71%



Event Hospitality
(ASX: EVT)
+4.92%



PERFORMANCE

| | 1 Month | 6 Month | 1 Year | 2 Year (p.a.) | Inception (p.a.) | Inception (Nom.) |
|---|---------------|---------------|---------------|----------------|------------------|------------------|
| NAC Investment Portfolio Performance* | +1.22% | -0.85% | -4.39% | +18.14% | +16.11% | +53.83% |
| Benchmark (RBA Cash Rate + 250bps) | +0.35% | +2.14% | +4.33% | +4.84% | +4.70% | +14.14% |
| Relative Performance | +0.87% | -2.99% | -8.72% | +13.30% | +11.41% | +39.69% |
| S&P/ASX All Ordinaries Accumulation Index (XAOAI) | +0.05% | -0.53% | +8.53% | +11.23% | +6.39% | +19.54% |

* Investment Portfolio Performance is as at 30 Sep 2017 and 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. Since inception (p.a. and nom.) includes part performance for the month of November 2014. Returns compounded for periods greater than 12 months.

KEY CHARACTERISTICS

| | |
|-------------------------------|---|
| Inception Date | 12-Nov-14 |
| Investment Universe | ASX listed small-mid cap industrial companies (market cap \$100m- \$1b) |
| NTA | \$1.09 as at 30/09/2017 |
| Shareprice | \$1.005 as at 30/09/2017 Daily Pricing; ASX |
| Historical Dividend | 4.98% p.a. + 100% Franking |
| Fees | Management Fee 1.75%p.a. (ex. GST) of Fund NTA + 20.0% of outperformance of the benchmark (RBA cash + 2.50% + Management Fee 1.75%) |
| Investment Team | Sebastian Evans (CIO), Jeffrey Kim, Robert Miller, Ben Rundle (PMs) |
| Directors Shareholding | 6,693,760 shares |
| Enquiries | enquiries@naos.com.au +61 2 9002 1576 |

RISK METRICS

| | NAC | XAOAI |
|--|--------|--------|
| Standard Deviation | 9.18% | 11.21% |
| Downside Deviation | 3.02% | 6.91% |
| Performance Since NAC Inception | 53.83% | 19.54% |

HOW TO INVEST

| | |
|----------------------|--|
| Accessibility | ASX: NAC is traded on the Australian Stock Exchange and can be bought and sold using your online trading account or by your broker/financial adviser |
| Platforms | Macquarie Investment and Super Wrap, MLC Navigator, Netwealth, BT Wrap/Super Wrap, HUB24 and most other platforms. |

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