Thursday 1 August 2024 | 10:30am (AEST)

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Q4 FY24 Investor Update and Q&A

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Acknowledgement of Country

We acknowledge the Traditional Owners of Country throughout Australia and recognise their continuing connection to lands, waters and communities. We pay our respect to Aboriginal and Torres Strait Islander cultures; and to Elders past and present.

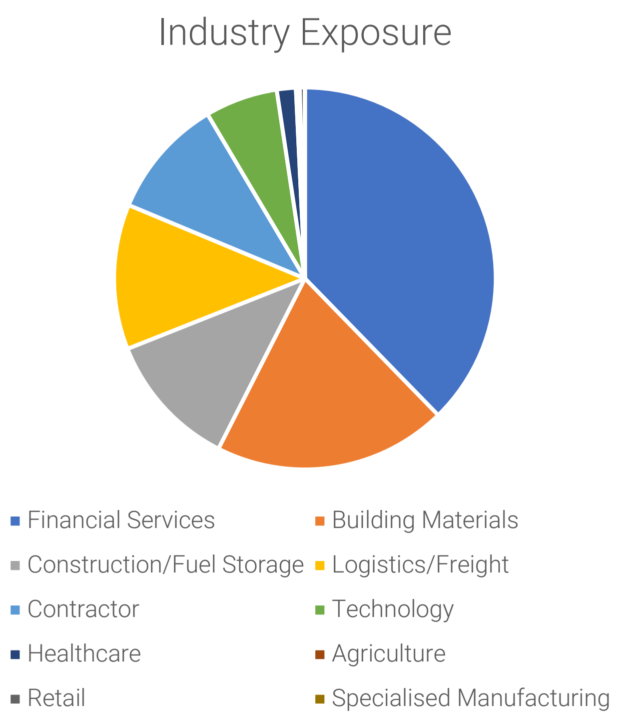
We are NAOS

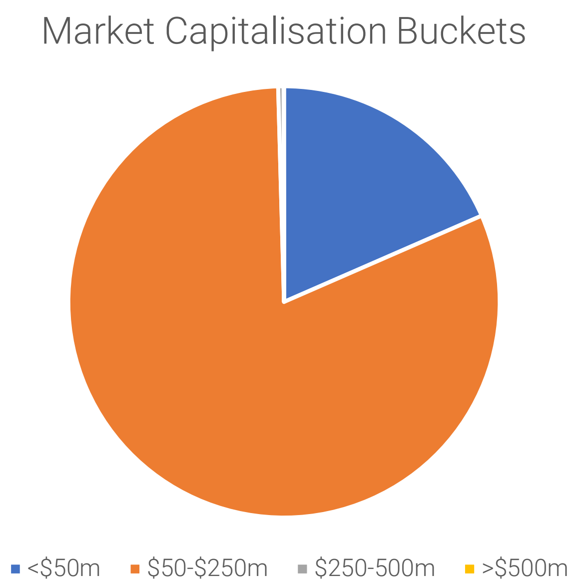
We are active, long-term investors in emerging companies. Our aim is to compound shareholders' capital and deliver dividend growth over the long-term and we have a resolute commitment to investing our capital alongside our shareholders.

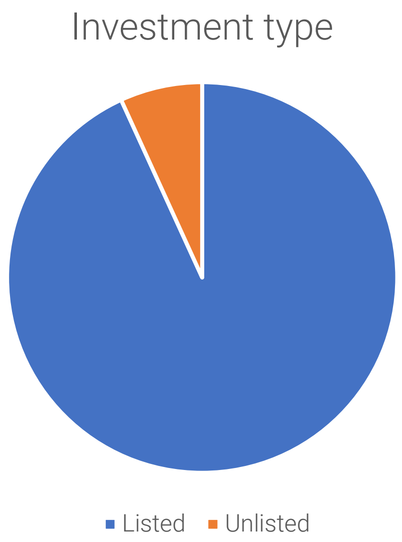
With a focus on quality over quantity, we predominantly take significant minority shareholdings (10%-35%) in our investee businesses to support the execution and achievement of their long-term goals.

Portfolio Composition – Emerging Companies

The NAOS LICs have exposure to emerging companies with unique moats, often benefiting from structural industry changes.







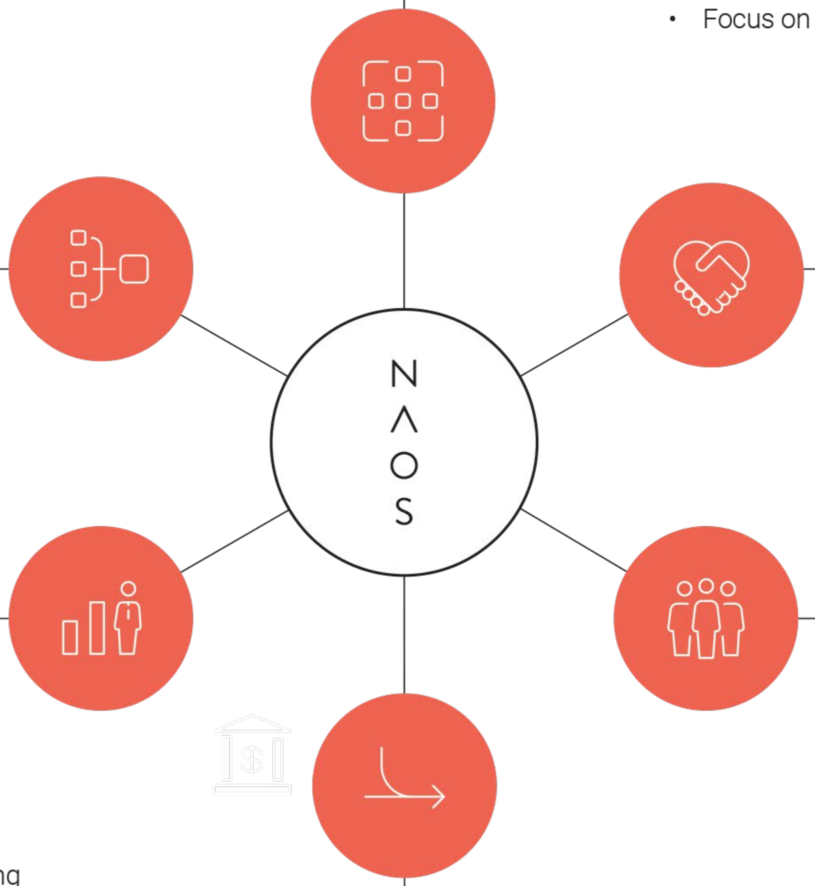
Source – NAOS (as at 30 June 2024)

Get to Know NAOS

Specialist fund manager since 2004:

- First LIC IPO in 2013
- Focus on emerging public and private companies

3 Listed Investment Companies
+ 1 Private Investment Fund



Investment Manager donates 1% of recurring revenue.

~6,500 Shareholders/investors

Team of 9

Significant alignment with investors – Directors & staff are some of the largest investors in the NAOS LICs/funds, holding >16 million shares

Certified B Corporation

Signatory of: PRI Principles for Responsible Investment

How We Invest & Why We Are Different

Profitable Emerging Companies
Average EBIT $25.5m*

Concentrated Portfolio & Index Unaware
~15 Core Investments

Unconstrained Mandate
93% Listed / 7% Private

Active, Hands-On Management
8 Board Seats

Long Term Focus
Average Holding Period 6 years*

We Partner With Our Investments
10 Investments >10% NAOS Ownership

*Portfolio Weighted Average Calculations as at 30 June 2024

Investment Portfolio Performance Summary

	Q4 FY24 Performance		1 Year Performance		3 Year Performance (p.a.)		5 Year Performance (p.a.)		Inception Performance (p.a.)	
	NAOS LIC	Benchmark^	NAOS LIC	Benchmark^	NAOS LIC	Benchmark^	NAOS LIC	Benchmark^	NAOS LIC	Benchmark^
NCC Investment Portfolio Performance*	-14.18%	-4.46%	-26.49%	+9.34%	-14.45%	-1.55%	-1.58%	+3.70%	+5.28%	+5.09%
NAC Investment Portfolio Performance*	-19.01%	+0.11%	-27.98%	+17.70%	-15.20%	+5.93%	+2.05%	+7.00%	+6.28%	+7.71%
NSC Investment Portfolio Performance*	-15.89%	-4.46%	-22.93%	+9.34%	-12.30%	-1.55%	+1.85%	+3.70%	-1.30%	+4.31%

*Investment Portfolio Performance is post all operating expenses, before fees, interest, taxes, initial IPO commissions and all subsequent capital raising costs. Performance has not been grossed up for franking credits received by shareholders. Since inception (P.A. and Total Return) includes part performance for the month of February 2013 (NCC), November 2014 (NAC) and December 2017 (NSC). Returns compounded for periods greater than 12 months. All figures as at 30 June 2024.
^NAC Benchmark= S&P/ASX 300 Industrials Accumulation Index, NCC & NSC Benchmark= S&P/ASX Small Ordinaries Accumulation Index.

Q4 FY24 –Overview & Summary

- Q4 FY24 was the most disappointing quarter from an investment performance perspective for each of the NAOS LICs since their respective inceptions.

	Q4 Performance	FY24 Performance
NCC	-14.18%	-26.49%
NAC	-19.01%	-27.98%
NSC	-15.89%	-22.93%

- The recent slowdown in economic activity saw many of our largest investments release poor Q3 trading updates, and FY24 expectations have therefore been lowered, examples include:

Maxiparts (ASX: MXI)	Revenue growth less than expected together with margin pressures (2H revenue growth +6%, +12% 1H)
COG Financial Services (ASX: COG)	Strong volumes but FB&A margins under pressure in a higher rate environment.
Big River Industries (ASX: BRI)	Significant slowdown in frame and truss volumes (high margin) and margin pressures in the building supplies division as new home construction slows.
Move Logistics (ASX/NZX: MOV)	Extremely challenging macro environment in NZ leading to slower than anticipated progress on strategic improvements.

Q4 FY24 –Overview & Summary

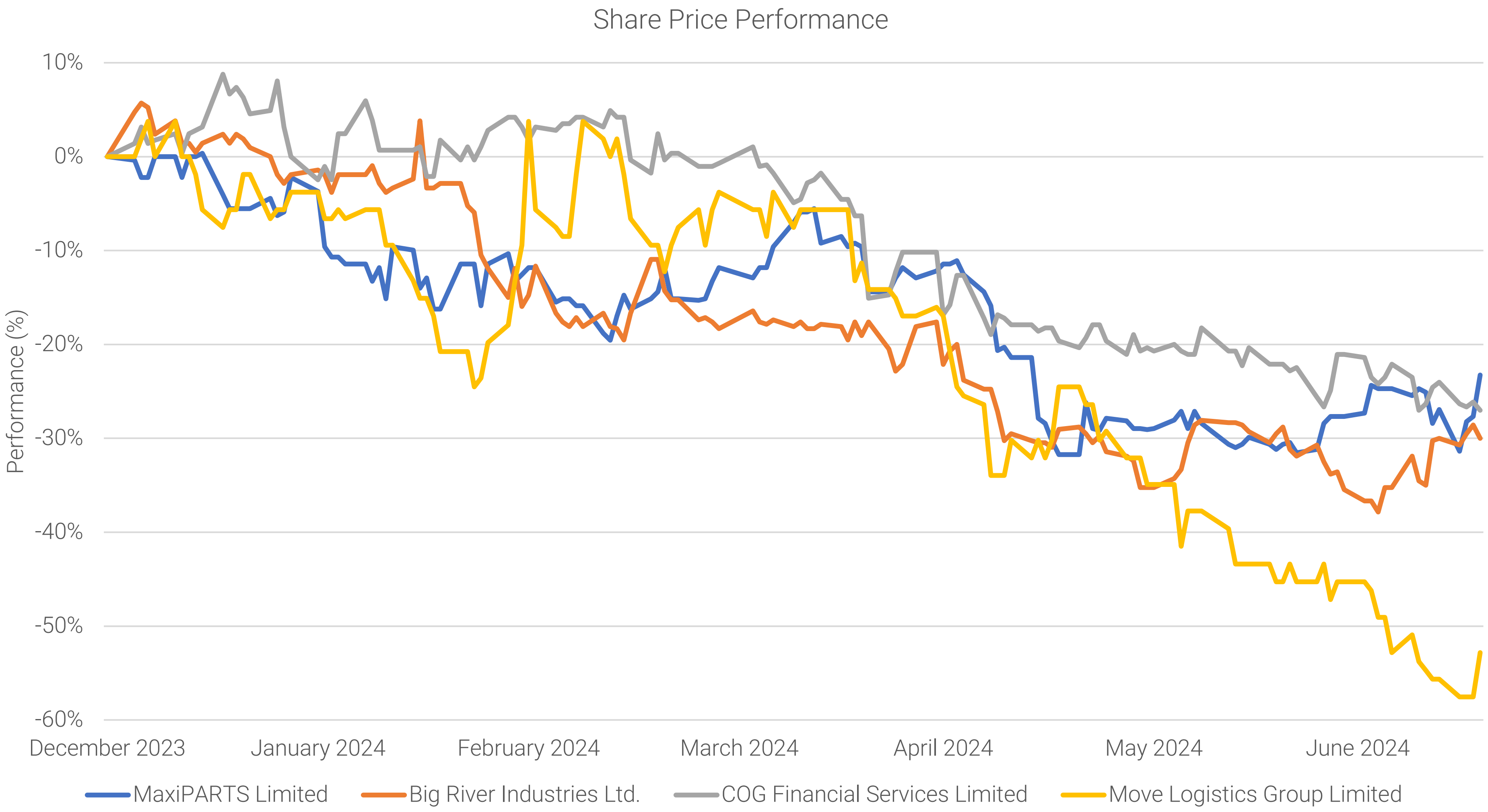
- Recent share price movements compounded by:
  - Low levels of share liquidity within emerging companies, especially those not technology or resource related.
  - Fund manager closures and subsequent redemption selling.
  - Very low valuations applied to emerging companies even on current depressed earnings levels.

- Investors being "paid to wait" across many emerging companies, despite minimal forecast FY25 earnings growth.

	NAOS Estimates			
Company	FY25 NPAT Growth	FY25 Dividend Yield[1]	FY25 Grossed Up Dividend Yield[2]	Payout Ratio[3]
Big River Industries	2.50%	6.33%	9.04%	65%
COG Financial Services	5.20%	7.80%	11.14%	65%
Maxiparts	23.38%	2.73%	3.90%	35%
Saunders International	10.02%	6.02%	8.60%	50%

[1] – FY25 Dividend Yield based on NAOS' FY25 estimated for earnings and dividend, and 30 June 2024 share price.
[2] – Assumed 100% franking.
[3] – Based on NAOS estimates.

CY24 YTD Share Price Performance



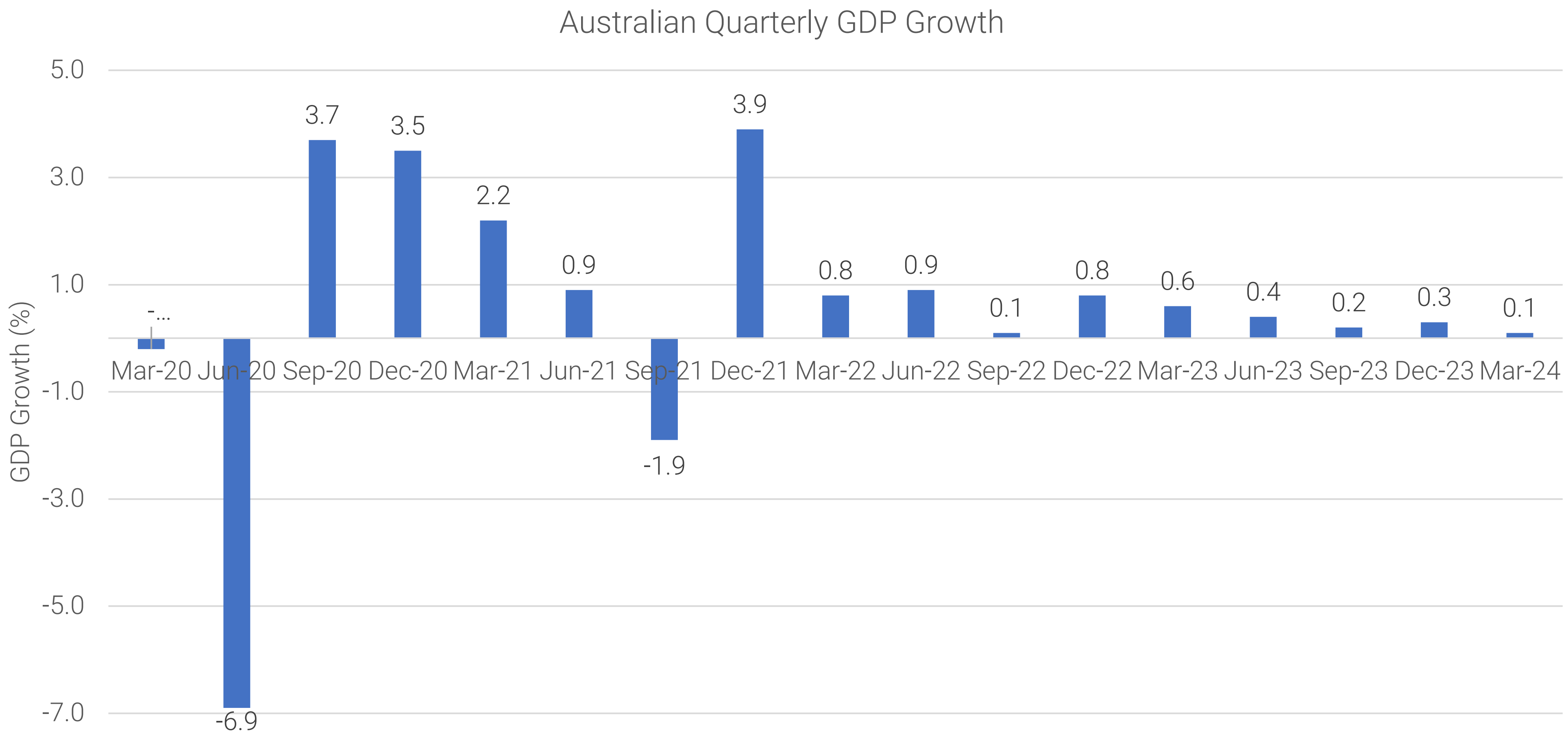
Source - FactSet

Why Are These Companies Not Growing EPS As Expected?

- Economic slowdown and decreasing consumer confidence due to cost-of-living increases.
- Supply-side inflationary pressures are less affected by higher interest rates i.e., rents, electricity, insurance costs etc.
- Harder to pass on these cost increases as customers are also facing similar headwinds and won't accept price increases as easily.
- Cost of doing business has increased significantly (e.g. contracted wage increases for FY24 based on FY23 CPI), despite a much more challenging trading environment in FY24.

Australian Quarterly GDP Growth

- Australian GDP continues to decline following a solid period of growth during COVID-19. As consumers tighten their belt, many emerging companies face numerous headwinds.



Source - ABS

Q4 Notable Downgrades

Code	Company	Sector	May % Share Price Movement	Downgrade commentary
APE	Eagers Automotive	Auto Dealerships	-20%	Cost of living pressures, consumer spending, inflation driving cost of goods sold increases
SUL	Super Retail Group Limited	General Retail	-11%	Group like for like sales -1% in 2H (Rebel Sport -2% and BCF -5% in the same period)
JBH	JB Hi-Fi Limited	Discretionary Retail	-5%	Q3FY24 Sales weaker than expectations and a clear deterioration in sales trends for March/April
BBN	Baby Bunting Group Limited	Discretionary Retail	-25%	Trend of improving comparative store sales that was observed in period to Feb has softened over the last 2 trading months
BAP	Bapcor Limited	Auto Parts/Servicing	-26%	Trading conditions remain challenging due to weak consumer confidence and lower discretionary spending
PWR	Peter Warren Automotive Holdings	Auto Dealerships	-20%	Lower new vehicle demand due to cost of living pressure and contraction of margins across the industry
AHL	Adrad Holdings Limited	Auto Parts	-23%	Deferral & cancellation of projects with demand in distribution market softening particularly for industrial radiators.
FBU	Fletcher Building Limited	Building Materials	-18%	13% Profit downgrade (3rd in recent times) attributed to weaking demand and increased competition.
WHS	The Warehouse Group	Consumer Staples	-26%	Trading update for 13 weeks to 28 April 24 noted sales declined by 9.2% pcp with conditions remaining highly uncertain
MHJ	Michael Hill International	Discretionary Retail	-36%	NZ segment remains the most challenged with significant impacts to consumer behaviour and discretionary spend.
THL	Tourism Holdings Rentals Limited	Discretionary Leisure	-35%	Downgraded NPAT forecast by -30% due to weakening economy in particular vehicle sales.

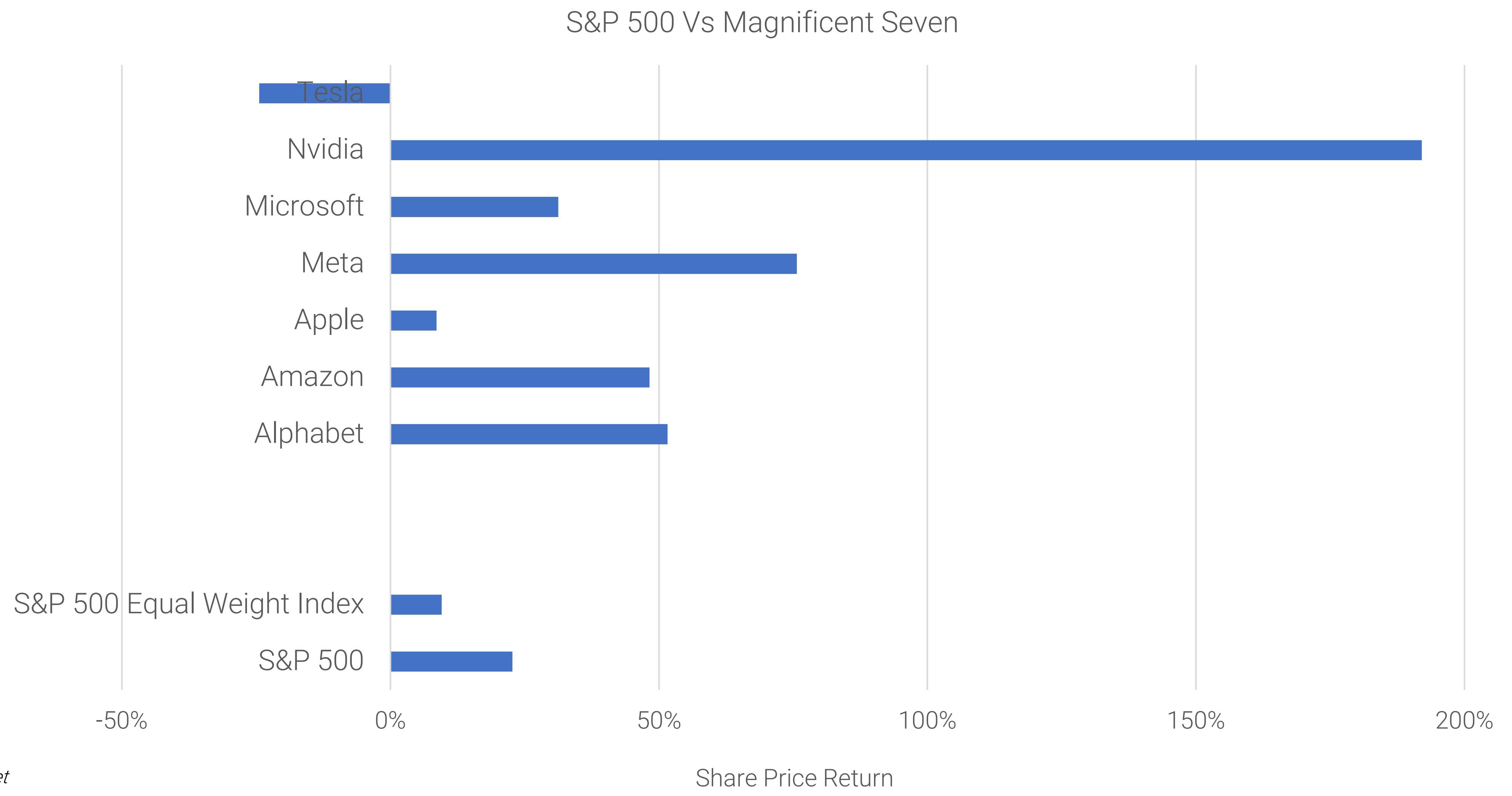
Source - FactSet

Q4 Notable Downgrades (continued)

Code	Company	Sector	May % Decline	Downgrade commentary
KMD	KMD Brands Limited	Discretionary Retail	-13%	All three operating divisions, Rip Curl, Kathmandu & Oboz, declined as a group 14% in 1H24 and 8% in 2H24. Broad weakness across discretionary retail.
CTT	Cettire Limited	Luxury Retail	-50%	Luxury businesses experiencing softening demand trends and increased promotional activity, leading to a tough margin environment.
MTO	Motorcycle Holdings Limited	Discretionary Retail	-28%	EBITDA down 50% FY24 vs FY23, driven by challenging market conditions due to escalated costs and sustained gross profit margin pressure.
MOZ	Mosaic Brands Limited	Discretionary Retail	-32%	2H24 earnings under pressure due to challenging conditions in the “discretionary consumer sector more broadly” and softness in consumer spending
IEL	IDP Education	Education	-5%	Structural industry volume problems, “The visa data shows that for the first quarter of CY24 aggregate industry volumes to Australia, UK and Canada are down between 20 and 30% versus the same period last year”

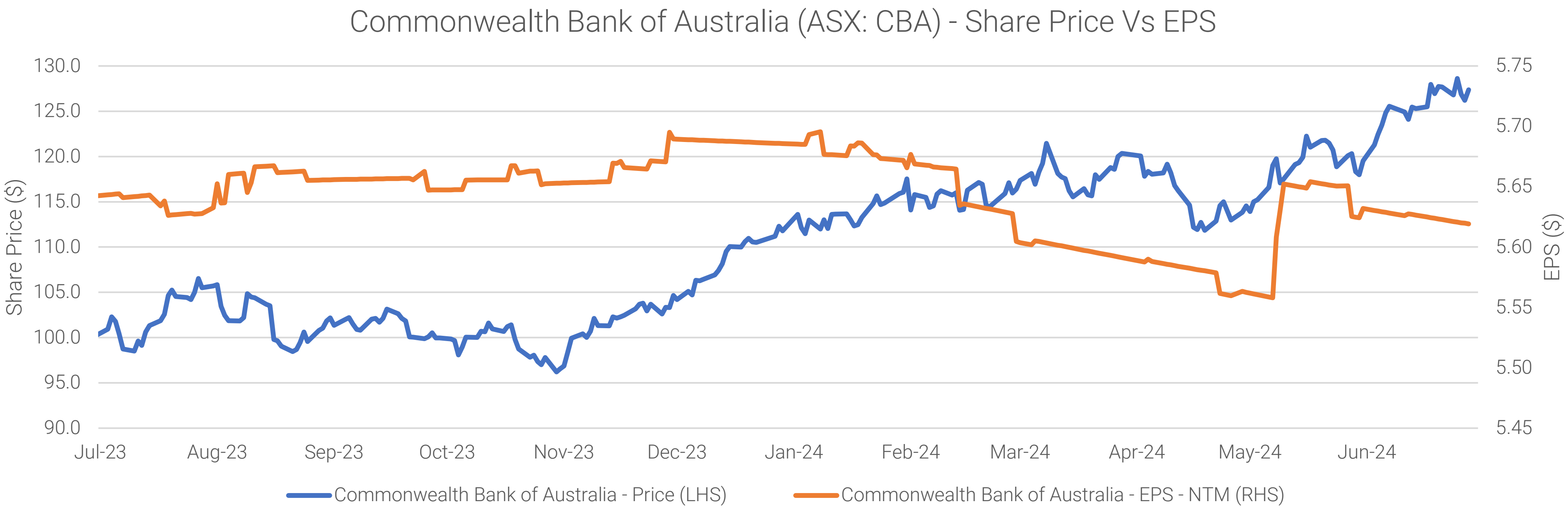
Source - FactSet

S&P 500 FY24 Return Vs Magnificent Seven



Source - FactSet

Is CBA Overvalued?



CBA-AU	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E
EPS	5.54	5.42	5.77	5.34	4.86	5.43	5.75	6.25	6.04	5.81
EPS Growth	4%	-2%	6%	-7%	-9%	12%	6%	9%	-3%	-4%
Share Price	84.67	74.37	82.81	72.87	82.78	69.42	99.87	90.38	100.27	127.38
P/E Multiple	15.3	13.7	14.3	13.6	17.0	12.8	17.4	14.4	16.6	21.9

Source - FactSet

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Industry Trends

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The data is current to that published internally used by MitchCap Management and is generally accepted to be contemporary, where no dates are given in the presentation the data can only be assumed accurate to a 12-month period.

The Ecosystem Connecting Fragmented Distribution Channels

Concentrated Distribution

1 OEMS | 0 Distributers | 314 Dealers

TOYOTA FINANCIAL SERVICES

Distribution
Floorplan
Finance

Necessity

$2.4B

Data
Conversion to 'SAAS'

Value-add

$15B

KINTO
Support Online Sales & Revenue Diversification

TOYOTA FINANCIAL SERVICES
Incremental Revenue "Win: Win"

Floorplan is inventory ownership at consumer decision point CDP

Data Points:
Make
Model
VIN/Serial
Wholesale/retail
Price/GM
Photo
Stock Levels
Capacity
Profitability
Use

Fragmented Distribution

3,000 OEMS | 2,000 Distributers | 12,000 Dealers

MITCHCAP

Distribution
Floorplan
Finance

Necessity

Data
Conversion to 'SAAS'

Value-add

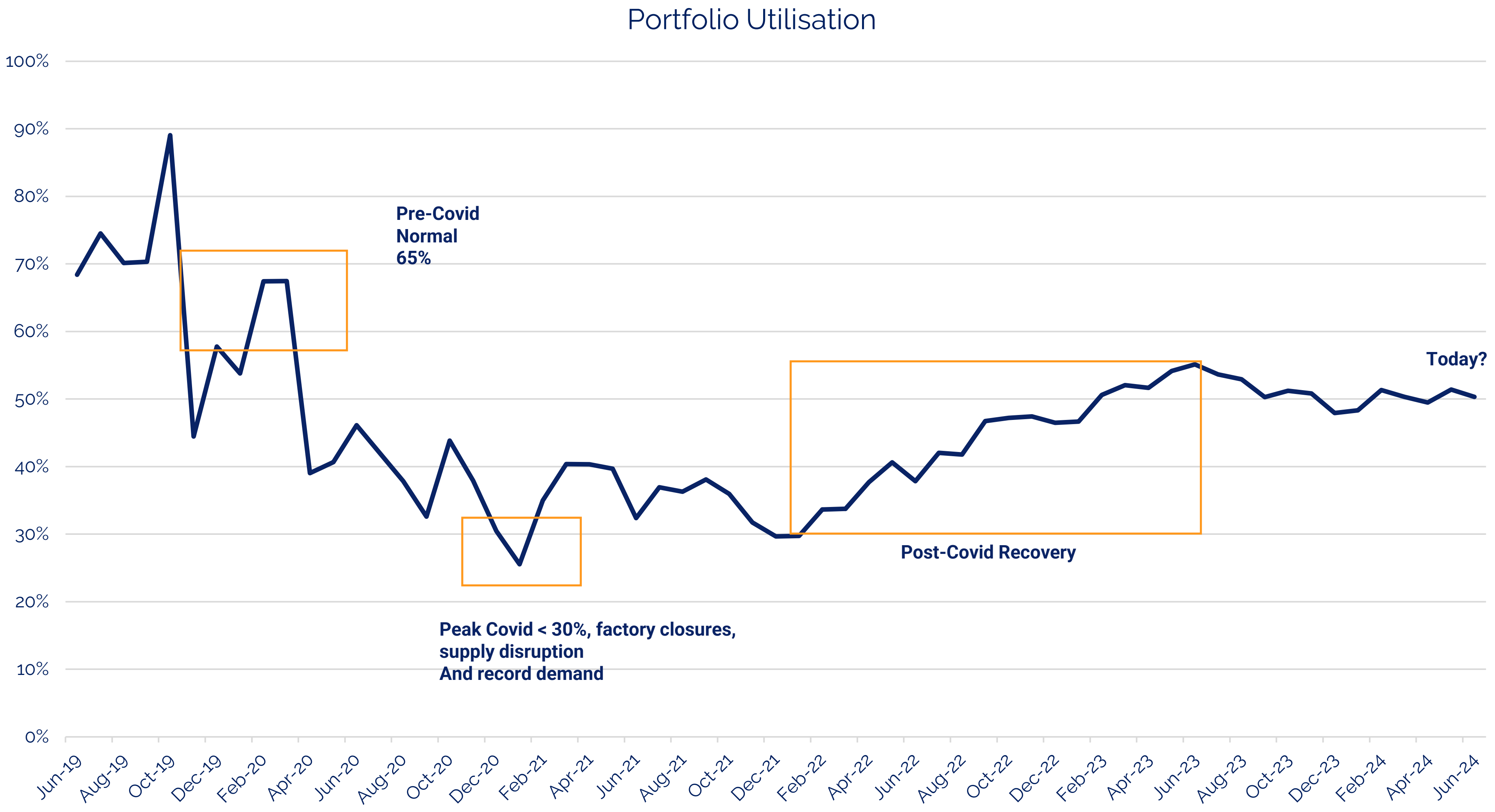
MitchMarket
Support Online Sales & Revenue Diversification

MitchMarket FINANCE
Incremental Revenue "Win: Win"

"Enable more customers to use our cars , we do this by digitization, developing and offering new financial products, and expanding our countries we offer automotive sales"

"We provide equipment distribution finance to the fragmented distribution channel where the ROI of Captive Partners is Negative."

Dealers Stocking is cautious, planned and still below "normal"



Discussion: Are dealers stocking less due to price increases? Holding onto older (lower cost inventory longer?)

Qualitative Industry Trends in Industry Portfolio

1. **Vertical Integration Slowed –** less activity of OEMs acquiring and establishing dealerships as working capital cycle extension costs > than margin gain in some instances
2. **Dealer Incentives –** Through Covid OEMs discontinued extended terms programs, a trend started pre-covid driven by funding structures available. c. 70% of top 10 by volume now re-established or extended subsidy periods to Dealer networks in 2024.
3. **Hello Import –** Import is not taking over, but Hybrid-Domestic/Import Strategies are.
4. **Multi-Brand is in –** Less and less Dealers are running mono-branded dealerships, with the average across MitchCap Portfolio Average growing to 3.35 Brands per Dealer post Covid
5. **I sell Caravans too –** a wave of Automotive Dealers acquired and/or establish RV dealerships post and during Covid. We have started to already see a retreat in late 2024.
6. **New Revenue Stream in the rental?** How can Dealers take more of a slice of the short-term rental market that has skipped the traditional channel?

NAOS Investee Companies - Key Events Q4 FY24

HOLDING	INDUSTRY	Q4 UPDATE
(ASX: MXI)	Transport Supplies & Distribution	▪ H2 FY24 trading update with expected revenue of $239m - $244m and expected NPBT of $9.6m - $10.1m. Softer results than anticipated. ▪ East Coast core business experiencing inconsistent pricing from market competitors & economic challenges within the industry. ▪ Acquisitions (Independant Parts and Forch) performing in line with expectations, albeit cost bases 'front loaded' in FY24. ▪ Listed peer Supply Network Ltd (ASX: SNL) continues to deliver strong results, highlighting trend of aftermarket products gaining market share vs. original equipment manufacturers (OEMs).
(ASX: UBN)	Software	▪ Q3 FY24 quarterly report demonstrated successful reduction in customer churn, a major inhibitor to revenue growth. ▪ Agreement reached with large APAC strata customer on outstanding fee resolution issues. Annualised benefit of $200k revenue and $314k cost reduction. ▪ Provided an in-depth update on 'Horizon 3 Strategy', aimed at driving long-term, sustainable growth by leveraging the footprint of strata lots and facilities users on the UBN platform.

NAOS Investee Companies - Key Events Q4 FY24

HOLDING	INDUSTRY	Q4 UPDATE
BIG RIVER (ASX: BRI)	Building Supplies & Distribution	▪ A disappointing 9-month FY24 trading update was issued. Revenue of $308m and EBITDA of $25m. For context in FY23 BRI revenue and EBITDA was $449m and $51.5m respectively. Challenging trading conditions expected to continue in Q4FY24. Initiatives taken to adjust cost base to better suit revenue profile. ▪ Short term headwinds remain despite very favourable medium to long-term tailwinds. ▪ Heightened corporate activity in listed building materials sector with ASX: BLD, ASX: ABC and ASX: CSR all acquired by strategic buyers. ▪ Substantial fixed cost leverage within the BRI operating model.
Move (ASX/NZX: MOV)	Transport & Logistics	▪ May trading update states *"MOVE continues to expect 2H24 Normalised EBITDA to be ahead of 1H24."* ▪ New Zealand macroeconomic backdrop continues to worsen. Interest rate cut expectations being brought forward but MOV has won a number of notable contracts. ▪ Existing Non-Executive Director appointed as the new Chair. ▪ CEO resignation announced in July, effective October. Search process underway to recruit new CEO. ▪ Secured a significantly larger & newer vessel for Oceans Division in a capital light manner.

NAOS Investee Companies - Key Events Q4 FY24

HOLDING	INDUSTRY	Q4 UPDATE
(ASX: COG)	Financial Services	▪ Q3 FY24 trading results, lower than expected NPATA of $5.4m. ▪ Finance Broking & Aggregation (FB&A) division volumes increased but margins impacted from lower pass-through rates from lenders. ▪ Asset finance market appears to be experiencing 'patchy' conditions. Reduction in the Instant Asset Write-Off Program washing through the system. ▪ Material reinvestment within Novated Leasing division, temporarily masking earnings growth despite strong revenue growth. ▪ Funds Management division impacted by back book deposit margins. Repricing largely completed in early FY25.
(ASX: BSA)	Solutions & Services	▪ Q3 activities report showed continued improvement in performance. EBITDA margins of ~8.5%, on track to reach goal of 10%+ margins. ▪ Clean-up of legacy issues largely complete. Discontinued (loss making) operations substantially completed by end of FY24. ▪ Final class action payment has occurred. ▪ Activity within telecommunications sector remains strong, underpinning BSA work volumes.

Current Challenges for Active Managers

- Index returns have been extremely strong especially those correlated to highly liquid businesses i.e., CBA.
- For active managers, these businesses are often perceived to be the most expensive and therefore not held.
- This has led to significant underperformance for many active managers, which compounds as some managers close and "value" type investments are sold.
- Lower demand for emerging equities due to the abundance of new investment alternatives (e.g. private credit), leading to lower trading volumes / liquidity.
- The current economic backdrop has increased short-term earnings risk for many companies, but especially smaller businesses who are less diversified.
- In our view, the current lack of demand for emerging companies presents excellent risk-adjusted return opportunities over the long-term.

We Remain Highly Optimistic On The Long-Term Outlook

- Long-term equity returns are generated from:
  - Earnings
  - Valuation multiples
  - Dividends

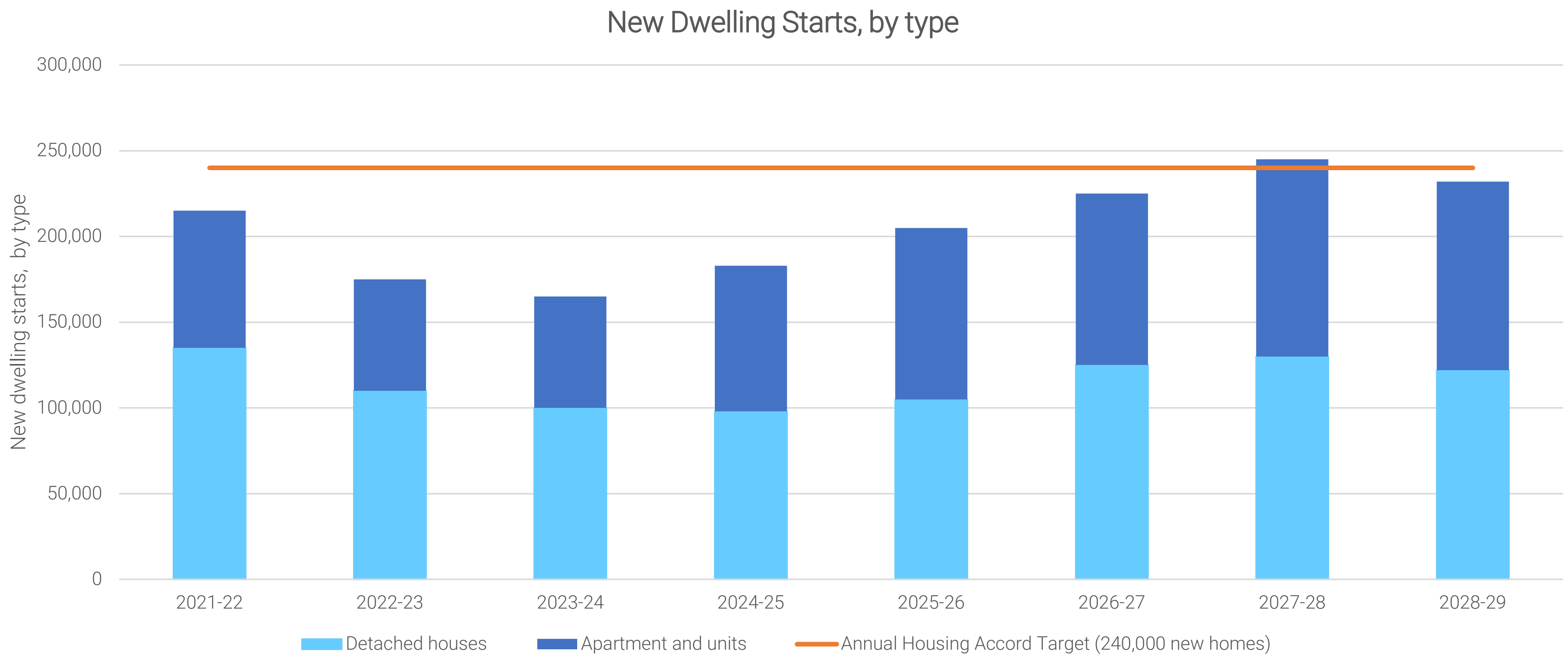
- Earnings growth over the long-term is driven by:
  - Australian economic outlook.
  - Industry specific tailwinds.
  - Some businesses may have greater opportunity implement specific strategies to drive margin growth.

- Valuation Multiples
  - In our view companies are valued on their ability to generate cash earnings, the growth rate of these earnings, how predictable these earnings are, and the capital required to maintain them.

- Dividends
  - Should be highly correlated to some or all of the above.

Long-Term Tailwinds Despite Short-Term Headwinds

We believe headwinds faced in FY24 across many sectors are an aberration, not a long-term trend



Source – Masters Builders Australia, ABS

Cash Earnings Remain Strong

The cash earnings of the majority of our largest investments remains strong even at depressed earnings levels, and are a good indicator of a company's value.

	Market Capitalisation (30 June 2024)	Estimated FY25 FCF Yield*
BRI	$115 Million	8.1% FCF Yield
MXI	$108 Million	18.3% FCF Yield
BSA	$53 Million	28.5% FCF Yield
SND	$95 Million	13.6% FCF Yield
COG	$219 Million	5.5% FCF Yield
MOV	$38 Million	10.2% FCF Yield
UBN	$24 Million	Moving to FCF positive in FY25

Source – FactSet, NAOS estimates.

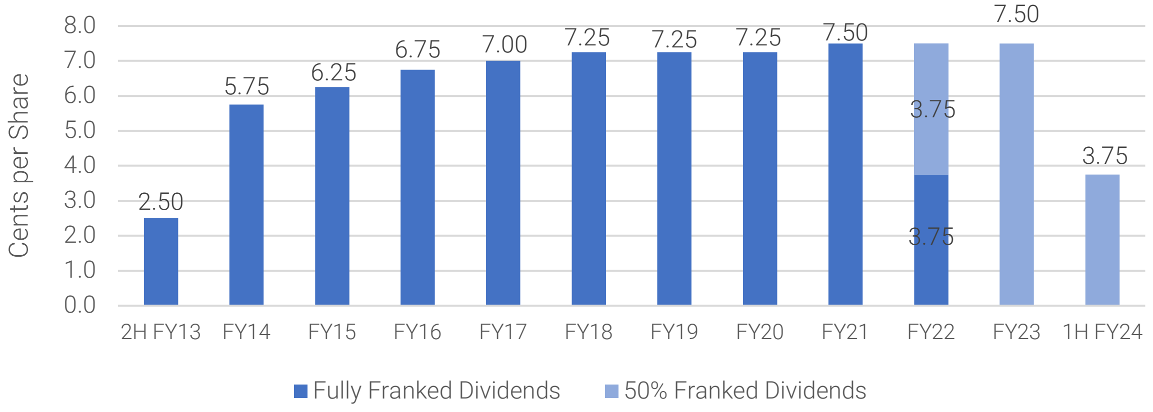
**Free Cash Flow yield based on Naos Estimates which includes all capex, taxes and lease costs prior to dividend and acquisition related payments. Share price at 30 June 2024.*

Other Key Points

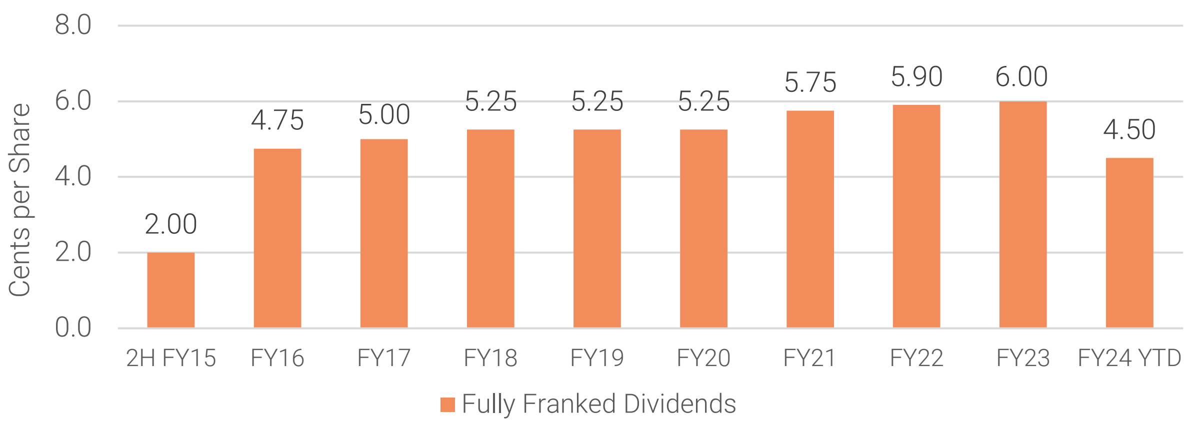
- The Directors and the Investment Manager are committed to not only restoring short-term value for shareholders but also achieving long-term outperformance once again.
- All Directors have recently acquired more shares in the LICs.
- Investment Manager reinvesting 10-15% of its management fee into acquiring LIC shares on-market.
- Each LIC receives a significant amount of franked dividend income from its investment portfolio which supports a sound dividend payout ratio.
- Each of the LICs are geared (amplifying the NTA movement both upwards and downwards).
- All core investments report their FY24 results in August, potentially providing insights into trading conditions for the first 2 months of FY25.
- We expect many of these businesses to have adjusted to the challenging trading conditions and be focused on margin protection and cash generation.

Dividends

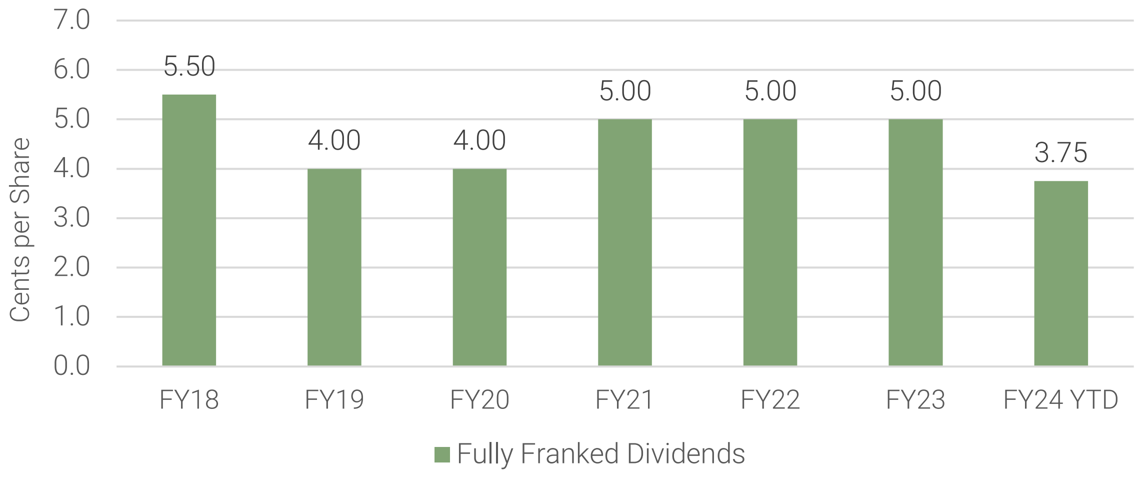
NCC Dividend History



NAC Dividend History



NSC Dividend History



Profit Reserves as at 30 June 2024	
NCC	29.9 cps
NAC	41.2 cps
NSC	12.4 cps

Q&A

Thank you for your continued support.

"Selling out at the bottom – and thus failing to participate in the subsequent recovery – is the cardinal sin of investing. The ability to persevere requires consistent adherence to a well-thought-out approach; control over emotion; and a portfolio built to withstand declines."

Howard Marks

NAOS Asset Management 1% Pledge

As a company, we commit to **Pledge 1%** of revenue, time and intellect to movements and missions that matter.

Each year NAOS donates 1% of its annual revenue to the charity partners listed to the side. Each charity supports a cause that we strongly believe in.

Our people have an incredible range of skills that can be a huge help to charities and community organisations. Each year, team members have the opportunity to take 2 days paid volunteer leave to lend a helping hand to an organisation of their choice.

NAOS sees the value in supporting young members of the investment community. We provide training and mentorship for one student each year.

BUSH HERITAGE AUSTRALIA

Greening Australia

Australian Kookaburra Kids Foundation

Appendix

Why Invest via a Listed Investment Company?

We strongly believe LICs are a highly effective structure to give investors the highest quality exposure to specific asset classes, which in the case of NAOS is emerging businesses.

A Listed Investment Company structure:

- Allows the investment manager to build a concentrated portfolio of high-quality investments **without needing to worry about short-term liquidity requirements.**
- **Fund size is generally limited** to the upside, allowing investors to maintain a significant exposure to the underlying investments and not be diluted by new investors, which may occur in an open-ended fund.
- Enables a **smoother distribution profile** as profits can be retained, as opposed to managed funds which distribute all taxable income annually. Dividends from a LIC may also be fully franked.
- Can provide **access to a range of alternative asset classes** which may not be suited to an open-ended structure.

NAOS Directors and Team

OUR DIRECTORS

Sebastian Evans
Managing Director, NAOS Asset Management Limited &
Director NCC, NSC & NAC

Warwick Evans
Chairman, NAOS Asset Management Limited &
Director NCC, NSC & NAC

Sarah Williams
Independent Chair of NCC, NAC and Independent Director NSC

David Rickards OAM
Independent Chair of NSC and Independent Director of NCC & NAC

Trevor Carroll
Independent Director NSC

Matthew Hyder
Director, NAOS Asset Management Limited

OUR TEAM

Sebastian Evans
Chief Investment Officer

Robert Miller
Portfolio Manager

Brendan York
Portfolio Manager

Jared Tilley
Senior Investment Analyst

Nelson DeMestre
Associate Analyst

Richard Preedy
Chief Financial and Operating Officer

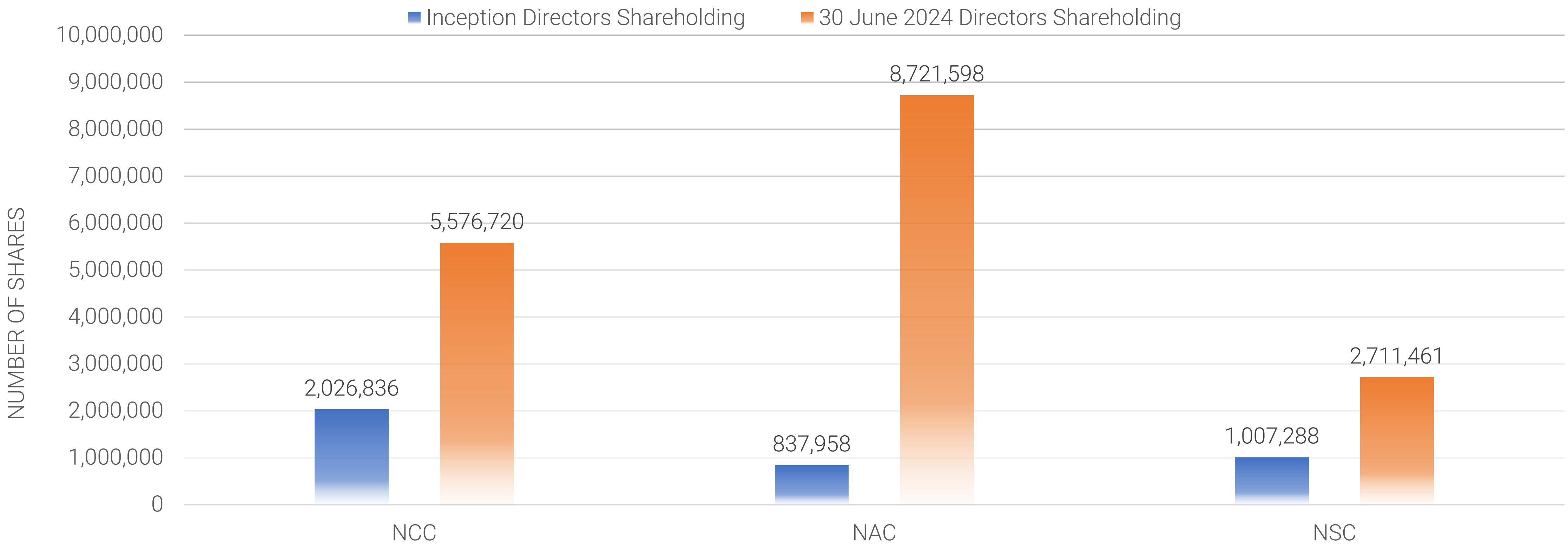
Rajiv Sharma
Head of Legal and Compliance

Angela Zammit
Marketing & Communications Manager

Julie Coventry
ESG Officer

NAOS LICs Director Alignment

"Show me the incentive and I'll show you the outcome" - Charlie Munger



Directors' shareholdings have significantly increased since the inception of each LIC

Capital Management Initiatives

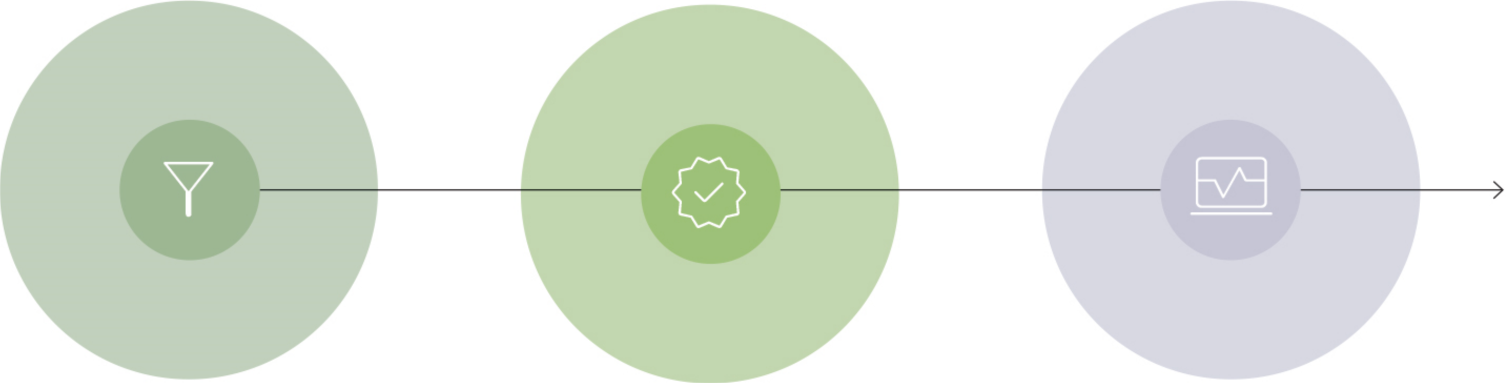
Performance	• Maintain a focus on long term performance without deviating from the NAOS investment philosophy.
Dividends	• Continue to focus on a growing stream of dividends, franked to the maximum extent possible, whilst maintaining an adequate reserve balance.
Alignment	• Continue to be aligned with shareholders as Directors and Staff are some of the largest shareholders across all 3 of the LICs.
Communication	• Maintain a very high standard of marketing materials and communications so all current and prospective shareholders have a clear understanding of the NAOS offering.
NSC	• The share buyback remains active. 34.3 million shares, or 20% of shares on issue, have been bought back on market since the buyback commenced in April 2019.
NAC	• The share buyback remains active. 26% of shares on issue have been bought back on market since the buyback commenced in June 2019, which has been significantly accretive for shareholders. • One-for-four bonus Options (ASX: NACO) were issued in December 2023, allowing shareholders to acquire fully paid ordinary shares exercisable at $0.90 per Option on or before 31 December 2026.
NCC	• One-for-five bonus Options (ASX: NCCO) were issued in December 2023, allowing shareholders to acquire fully paid ordinary shares exercisable at $0.67 per Option on or before 31 December 2026.
DRP	• Shares purchased on-market to satisfy DRP requirements when shares are trading at a discount to NTA, thus eliminating any dilution for shareholders.

NAOS ESG Framework

Considering ESG Factors in the NAOS Investment Process

At NAOS, as an investment manager, we recognise and accept our duty to act responsibly and in the best interests of all stakeholders. We believe that a high standard of business conduct and a responsible approach to environmental, social and governance (ESG) factors are associated with a sustainable business model over the longer term, which also benefits the broader economy.

We recognise the material impacts that ESG factors can have on investment returns and risk, and also the wider implications for achieving a positive social return.



Screening

NAOS excludes investment in specific industries and companies that do not align with our responsible investment goals, such as:

- Tobacco
- Gambling
- Nuclear & uranium
- Controversial weapons
- Coal mining operations, oil & gas production
- Animal cruelty

Due Diligence and Investment Decision

- Identify ESG factors we think are relevant to each proposed investment
- Consider our stance on these ESG factors, based on the principles and frameworks we believe can help to influence positive social return
- Integrate our findings into our broader investment process, which focuses on quantitative and qualitative analysis

Ownership and Monitoring

- With our long-term, concentrated investment approach, we are often a substantial shareholder in our investee companies and can meaningfully influence them to address identified ESG issues
- Creating accountability through ongoing monitoring and engagement with our investee companies

Our Guidelines

Our approach to considering ESG factors in our investment process is guided by:

Signatory of:

PRI Principles for Responsible Investment

The Principles for Responsible Investment (UNPRI)

A globally recognised framework consisting of six principles that guide the incorporation of Environmental, Social and Governance (ESG) factors into investment analysis.

SUSTAINABLE DEVELOPMENT GOALS

The United Nations Sustainable Development Goals (UNSDG)

A global framework that addresses sustainability challenges worldwide, offering 17 interconnected goals to achieve by 2030.

Accreditation

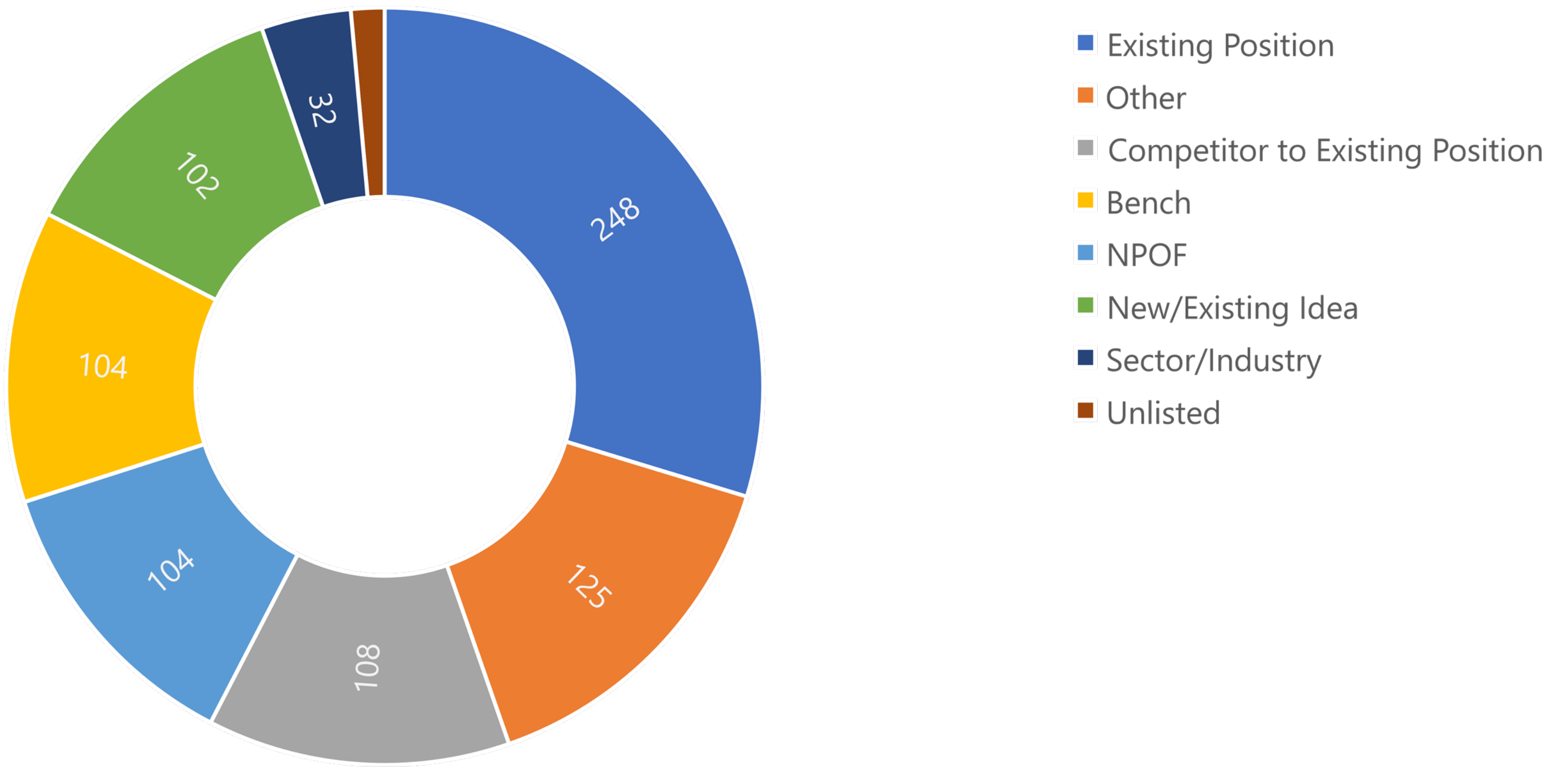
Certified B Corporation

Certified B Corporation

B Corporation certification is afforded to companies that demonstrate high standards of verified performance, accountability and transparency in the areas of social and environmental responsibility.

Proactive Portfolio Management

The NAOS Investment Team conducted 835 meetings during FY24, highlighting our commitment to thorough research and informed decision-making.



Source – NAOS

What Qualitative Information Sources Does NAOS Use?

The NAOS Investment Team undertakes fundamental analysis on potential and current investments. Some examples of our key focus areas include:

Internal Engagement

- Executive Team including CEO, CFO, COO & CTO
- Board of Directors (Independent & Non-Independent)
- Wider Management Team and Staff I.e., General Managers, Sales Executives to Assistants/Associates

External Engagement

- Former Employees
- Listed and Unlisted Competitors
- Suppliers (Current and Former)
- Customers (Current and Former)
- Industry Contacts and Industry Associations

Hands On

- Company Announcements and Reports
- Product/Service Sampling and Testing
- Cold Calling

Research

- Company Announcements and Reports
- Transcripts (Company Specific and Other)
- Industry Reports & Journals
- Social Media and Industry Forums
- Surveys, Ratings & Proprietary Analytical Tools
- ESG Analysis

Reasons Why We Seek Board Representation

From time to time, we will seek Board representation where we believe some skillsets could be enhanced.

These individuals will generally have:

- Significant experience outside funds management including operational and M&A roles.
- A sound understanding and respect of shareholders capital.
- A track record of executing a strategy.
- Experience managing business risks.
- Experience in messaging/communications to market.

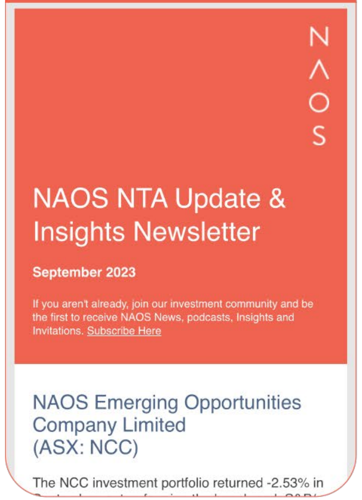
Reasons Not to Invest with NAOS

Our LICs are not for everyone. Some reasons why you may not choose to invest with NAOS include:

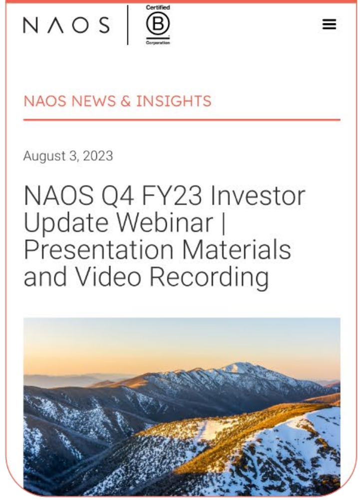
- Concentrated portfolios (0-15 investments & shareholdings often >20%)
- Long-term investment philosophy (5+ years)
- Focus on emerging companies ($20 million - $500 million market capitalisation)
- Benchmark unaware (no current NAOS investments are within the XSOAI)
- Industrial focus (no exposure to resources or very early-stage businesses)
- Smaller fund size (increases ability to gain a meaningful exposure to smaller businesses)
- ESG aware with a focus on positive impact
- LICs can often trade at discounts and premiums to their underlying net-asset backing

Investor Awareness and Communication

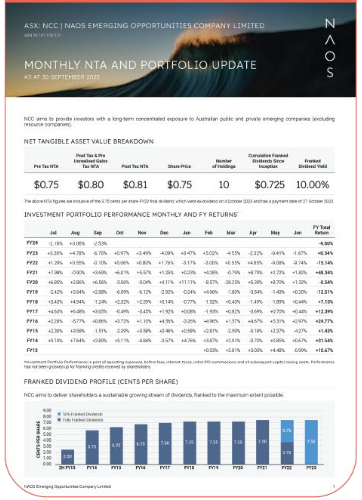
CEO Insights NAOS Newsletter



Quarterly Webinars & Events

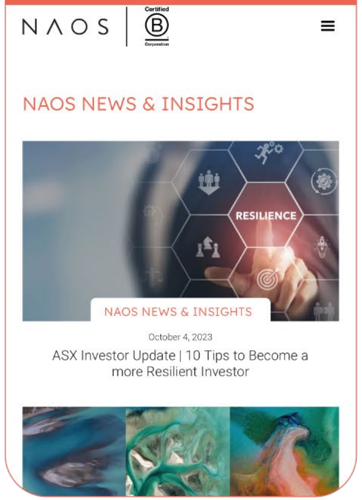


Monthly Investment Report & NTA email Updates

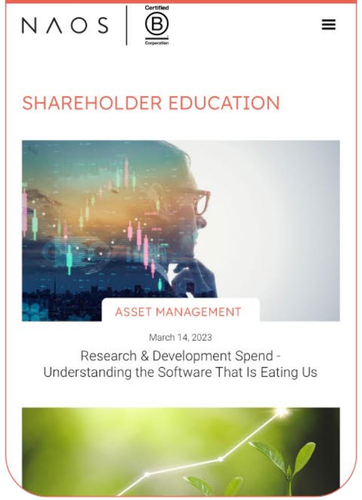


Quarterly Investment Report

News & Media



Shareholder Education



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