

NAOS Absolute Opportunities Company Limited Continues Strong Performance and Announces Fully Franked Final Dividend for the Half-Year Ending 31 December 2016

For Immediate Release

Result Highlights:

- After Tax Profit for the 6-month period of \$2,087,281
- Declared \$0.025 fully franked dividend, an 11% increase to the prior comparative period, bringing total fully franked dividends declared since inception to 9.25 cents per share or 13.20 cents in gross terms.
- Investment portfolio performance of +10.01% for the half-year period.
- NACO options expired on 30 November 2016 with all options fully exercised

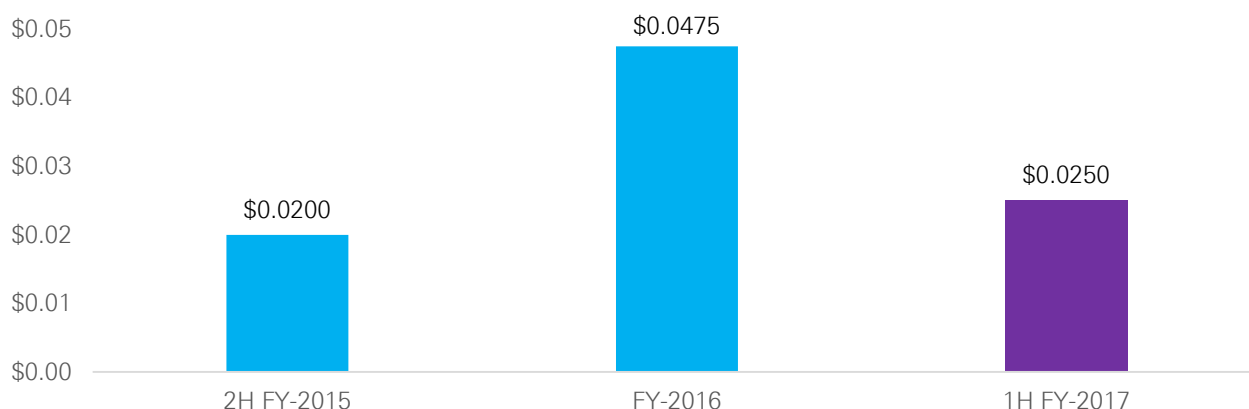
Monday 13 February, 2017: NAOS Absolute Opportunities Company (ASX: NAC) today announced its half- year result for the period to 31 December 2016 with an after tax profit of \$2,087,281. NAC also declared a fully franked dividend of \$0.025 per share, bringing the gross dividend yield up to 6.21% p.a.

Investment Portfolio Performance (to 31 December 2016)

	1 Month (%)	6 Month (%)	1 Year (%)	2 Year (p.a. %)	Inception (p.a. %)	Inception (Norm. %)
NAC Investment Portfolio Performance*	-1.98%	+10.01%	+22.73%	+25.74%	+23.29%	+56.37%
Benchmark (RBA Cash Rate + 250bps)	+0.36%	+2.20%	+4.66%	+4.84%	+4.82%	+10.57%
Relative Performance	-2.34%	+7.81%	+18.07%	+20.90%	+18.47%	+45.80%

*Past performance is not an indicator of future returns. Performance is shown is post all operating expenses but before fees and taxes. Inception date 12 November 2014

Fully Franked Dividend History



Sebastian Evans, NAOS Managing Director and Chief Investment Officer, commented that 'the portfolio produced a very pleasing return of +22.73% for CY 2016, bringing the inception performance (2 years and 1 month) to +56.37%. Pleasingly, the overall volatility of the portfolio has been 25% less than the All Ordinaries Accumulation Index yet the portfolio return has been almost 4 times higher since inception. NAC provides investors with exposure to quality undervalued mid-cap companies whilst having the ability to selectively short overvalued lower quality companies. NAC also has the capacity to hold cash at any point in time.'

NAC experienced benefits from improved liquidity and scale over the period welcoming more than 250 new shareholders, representing an increase of 60%, which, coupled with strong portfolio performance and the options being fully exercised, helped to remove the significant share price discount to NTA.

NAC has delivered investors a growing dividend stream since it was listed on the ASX in November 2014, with a total of 9.25 cents per share, fully franked, being paid out to investors. The Company's ability to provide investors with international exposure and provide a fully franked income stream by way of dividends sets us apart from our peers who typically cannot provide franked income in respect of international exposure.

Investors can elect to participate in the Company's Dividend Reinvestment Plan (DRP). Details of the DRP can be found at www.naos.com.au. To participate in the DRP investors will need to submit their DRP election by Wednesday, 12 April 2017 to Boardroom Pty Limited, the share registry for NAC, either online through InvestorServe, by email enquiries@boardroomlimited.com.au or fax +61 2 9279 0664.

During the period, each of the NAC directors demonstrated their confidence in the strategy by increasing their personal shareholdings, bringing the total NAC shares held across the three directors up to 5 million.

NAOS National Investor Presentations

The NAOS Investment Team encourage existing and prospective shareholders to join NAOS for our biannual Listed Investment Company Investor Presentations. For further information on the Investor Presentations and to register please visit www.naos.com.au/investor-event-registration/ or contact the NAOS team on (02) 9002 1577 or at enquiries@naos.com.au.

- Canberra- 11:00am, Tuesday 28 February 2017
- Brisbane- 11:00am, Wednesday 1 March 2017
- Sydney- 11:00am, Thursday 2 March 2017
- Adelaide- 11:00am, Friday 3 March 2017
- Melbourne- 11:00am, Tuesday 7 March 2017

For more information, please contact:

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About Naos Asset Management Limited: Naos Asset Management Limited (NAOS) is a boutique investment firm specialising in providing investment vehicles/strategies to clients in areas where they typically lack the resources or expertise to invest in themselves. NAOS manage two Listed Investment Companies being the Naos Emerging Opportunities Company Limited (ASX: NCC) and the Naos Absolute Opportunities Company Limited (ASX: NAC). NAOS employs a team of nine people and currently has ~\$120 million funds under management.