

**NAOS ABSOLUTE OPPORTUNITIES
COMPANY LIMITED**

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NAOS Absolute Opportunities Company Limited Announces Record Profit and Increased Fully Franked Final Dividend for the Financial Year Ended 30th June 2016

For Immediate Release

Result Highlights:

- After Tax Profit for the financial year of **\$3,877,369**.
- Declared **\$0.025** fully franked dividend, an increase of 11% from the previous half-year, bringing total fully franked dividends declared since inception to **\$0.0675** per share or **\$0.0964** in gross terms.
- Investment portfolio performance of **+42.12%** since inception on 12th November 2014.

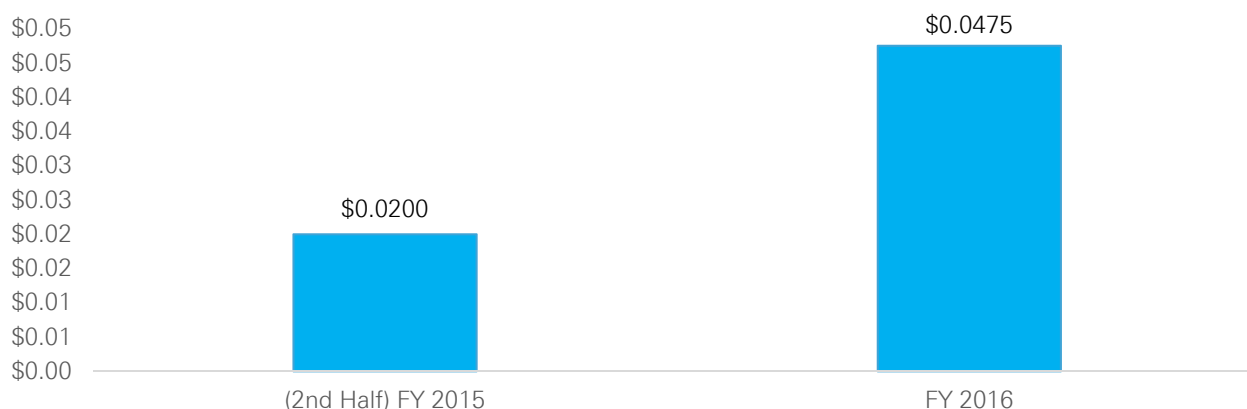
Thursday 25th August, 2016: NAOS Absolute Opportunities Company (ASX: NAC) today announced its full year result for the period to 30th June 2016 with an after tax profit of \$3,877,369. NAC also declared a fully franked dividend of \$0.025 per share, an increase of 11% from the previous half, bringing total dividends in respect of FY16 to 4.75c and the gross dividend yield up to 6.43% p.a.

Investment Portfolio Performance (to 30th June 2016)

	1 Month (%)	3 Month (%)	6 Month (%)	1 Year (%)	Inception (p.a. %)	Inception (Nom. %)
NAC Investment Portfolio Performance*	-0.53%	+8.95%	+11.54%	+30.14%	+24.04%	+42.12%
Benchmark (RBA Cash Rate + 250bps)	+0.37%	+1.19%	+2.40%	+4.83%	+4.95%	+8.20%
Relative Performance	-0.90%	+7.76%	+9.14%	+25.31%	+19.09%	+33.92%

*Past performance is not an indicator of future returns. Performance is shown is post all operating expenses but before fees and taxes. Inception date 12th 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 +30.14% for the financial year 2016, but more importantly the risk variables of the Company remained in solid shape with both volatility and downside volatility remaining well below that of the wider market.' He went on to highlight that 'the overall portfolio structure of the Company remained conservative through 2016' and 'looking forward to the next 12 months, we are in the ideal position of having the flexibility within the investment structure as well as a fund size that allows us to be nimble compared to many of our peers.'

NAC has delivered investors a growing dividend stream since it was listed on the ASX in November 2014, with a total of \$0.0675 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.

Pleasingly, over the course of the year a significant amount of the listed options (ASX: NACO) were exercised, with 37% now exercised and over 4 months remaining to expiry. Investors who participated in the Company's Initial Public Offering (IPO) may choose to exercise their options prior to the expiry date (30th November 2016). To be eligible for the \$0.025 fully franked dividend declared by the Company, NACO holders must exercise their options before 11 November 2016 (ex-dividend date) and arrange cleared funds by 14 November 2016 (record date) to receive this dividend in addition to those that they are already eligible for as a result of their current shareholding.

Investors can elect to participate in the Company's Dividend Reinvestment Plan (DRP) which acquires shares on behalf of investors 'on market', thereby eliminating any dilution of the NTA through new share issuance. Details of the DRP can be found at www.naos.com.au.

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 2.7 million.

NAOS National Investor Presentations

The NAOS Investment Team encourage existing and prospective shareholders to join NAOS for our inaugural Listed Investment Company Investor Presentations commencing at 10:30am in Brisbane on Monday 29th August followed by Sydney Tuesday 30th August, Melbourne Thursday 1st September, Canberra Monday 5th September and finally in Adelaide Thursday 7th September. Attendees must register for the event via the website naos.com.au/investor-event-registration/ or by contacting the NAOS team on (02) 9002 1576 or at enquiries@naos.com.au.

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 eight people and currently has ~\$110 million funds under management.