

The background of the slide is a photograph of a rocky, hilly landscape under a cloudy sky. Numerous hot air balloons of various colors and patterns are floating in the sky. The large yellow letters 'N', 'A', 'O', and 'S' are superimposed on the image.

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QUARTERLY INVESTOR BRIEFING
4TH QUARTER FY-2015

NAOS Absolute Opportunities Company (ASX:NAC)

CALL DETAILS

NAOS

1. Date	Thursday 16 th July
2. Time	10.00am AEST
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

AGENDA

1. NCC REVIEW

- Why NAC? Our Value Proposition
- Capital Structure
- Total Shareholder Return Analysis
- Quarterly Performance & Attribution Analysis
- Net Equity Exposure
- Industry Exposure
- Sample Company Meetings

2. Market Commentary

- Australian Equity Market Review
- Global Themes

3. Keeping Up to Date

- Shareholder Communications

1. NAC Review

WHY NAC? OUR VALUE PROPOSITION

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WE OFFER INVESTORS

1. GLOBAL, MULTI ASSET CLASS EXPOSURE

- Australian and International Markets exposure; We choose 'best' investments from all markets and allocate accordingly.
- Built in ability to arbitrage themes outside of traditional share markets e.g. Currency movements/fluctuations (AUD/USD).

2. POSITIVE ABSOLUTE RETURNS (>0)

- Focus on producing returns >0%
- Ultimate emphasis on preserving capital & mitigating the risk of permanent loss of capital.
- Fees applicable only if we deliver performance over Cash +250Bps

3. ABILITY TO HOLD +100% IN CASH

- Provides the 'best hedge' to the portfolio during times of crisis; 'Cash is King'
- Allows us to take advantage of security mis-pricing when markets are 'irrational' and 'oversold'.

4. LONG TERM, VALUE BIASED EQUITY INVESTING

- The portfolio's equity exposure is driven by a value based approach.
- Long/Short investment approach
- Long investing focuses on investing in undervalued and over-owned companies and shorting overvalued businesses to maximise investment returns.

5. SIGNIFICANT SHAREHOLDER ALIGNMENT

- NAOS employees/directors own a significant interest in NAC via listed shares and options

CAPITAL STRUCTURE

AS AT 30TH JUNE 2015

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NTA ANALYSIS

Pre Tax - \$1.07

Pre Tax Pre Unrealised Gains Tax – \$1.06

Post Tax - \$1.05

OPTIONS ON ISSUE

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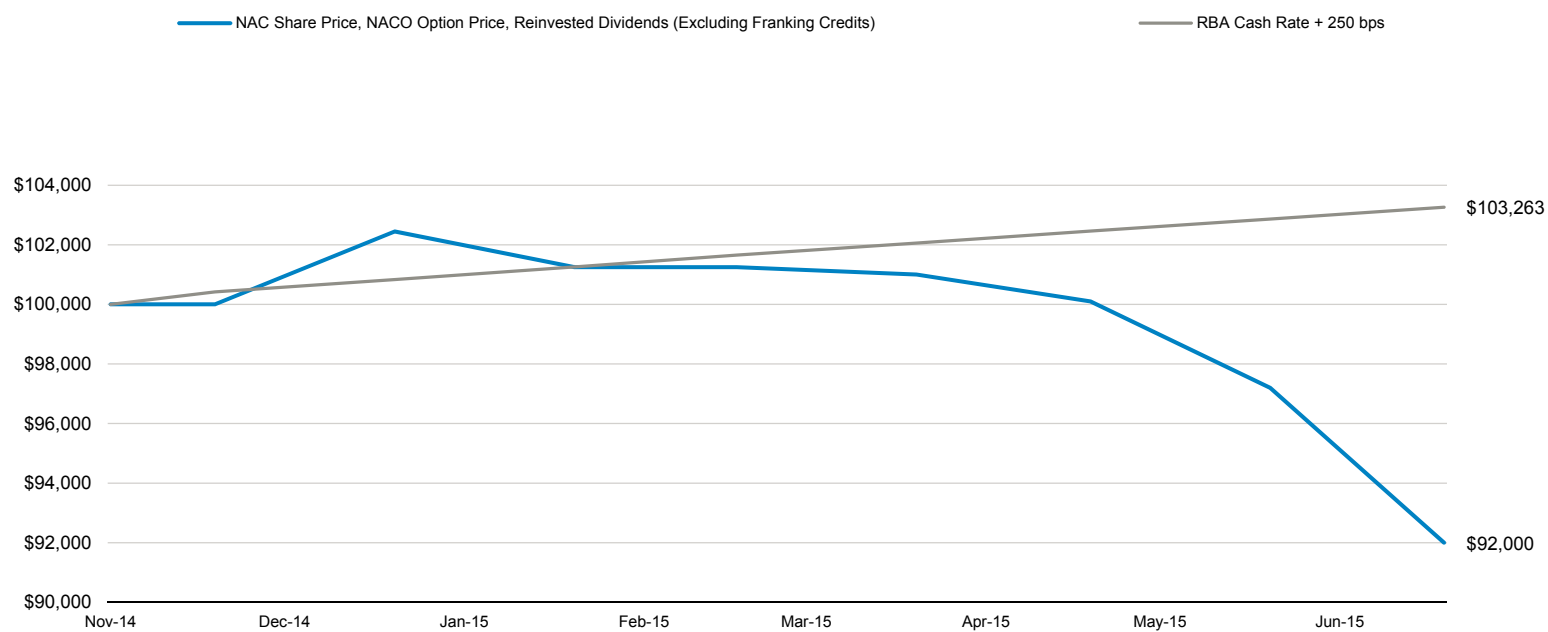
Expiry: 30th November 2016

Price Exercisable: \$1.00

Share Price	\$0.91
Fully Franked Dividend Yield	Target 4.00% p.a.
Shares on Issue	21,500,000
Options on Issue	21,500,000
Directors combined shareholding	1,039,878

SHAREHOLDER RETURN ANALYSIS (IPO INVESTORS)

NAOS



PERFORMANCE

PRE FEES & FRANKING CREDITS, NET OF OPERATING EXPENSES
AS AT 31ST MARCH 2015

	1 Month (%)	3 Months (%)	6 Months (%)	Since Inception (Nominal)
NAC Investment Portfolio Performance	-1.51%	+3.74%	+10.49%	+9.24%
Benchmark (RBA Cash Rate +250bps)	+0.39%	+1.18%	+2.49%	+3.21%
Outperformance Relative to Benchmark	-1.90%	+2.56%	+8.00%	+6.03%

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 12th November 2014

POSITIVE STOCK ATTRIBUTION (SINCE INCEPTION)

NAOS

Investment	Contribution to Return (% NAV)	Investment	Contribution to Return (% NAV)
US Dollar ETF	+4.90%	National Australia Bank Limited	+1.04%
Sirtex Medical Limited	+2.41%	Macquarie Group Limited	+0.72%
Iselect Limited	+1.77%	Reece Australia Limited	+0.73%
Amalgamated Holdings Limited	+1.44%	James Hardie Industries	+0.62%

PORTFOLIO CHARACTERISTICS & RISK METRICS

SUMMARY

AS AT 30TH JUNE 2015

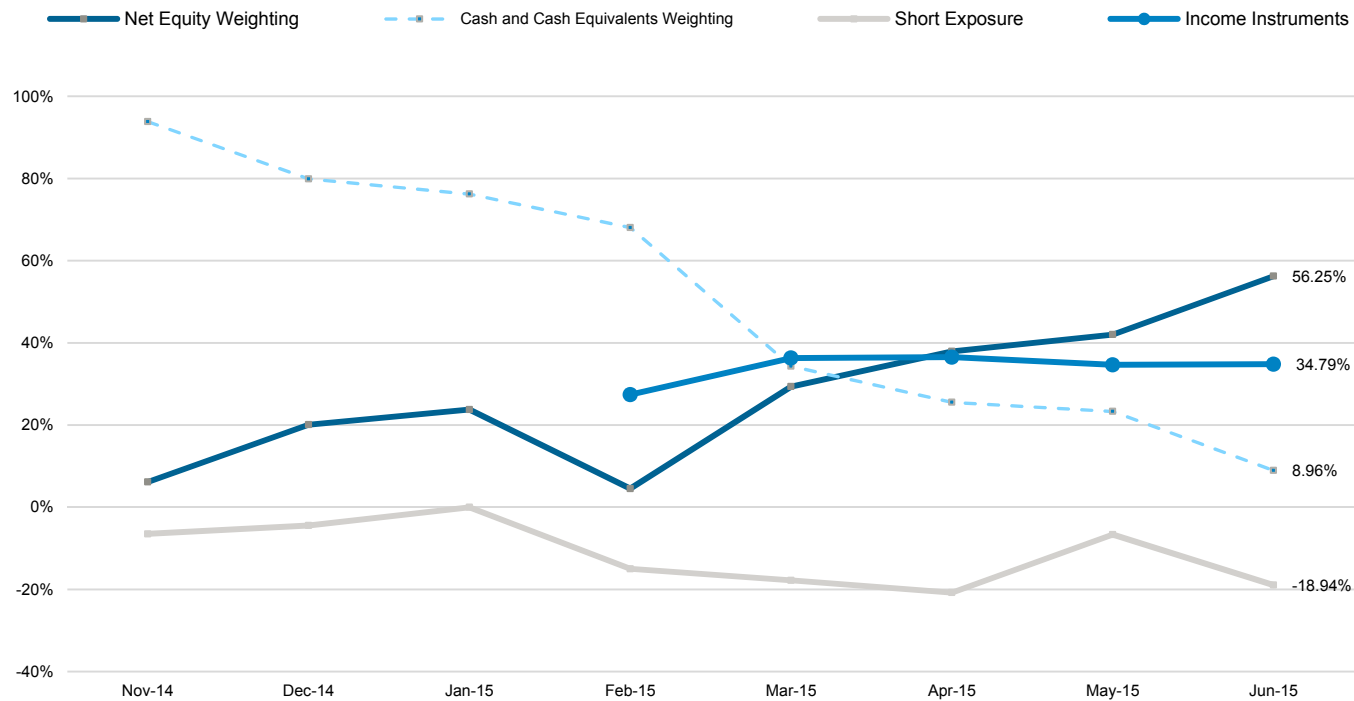
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Portfolio Characteristics

Total Number of Equity Holdings (Long & Short)	19
Total Number of "Income" Instruments*	9
Total Number of Holdings	30
Median Market Capitalisation	\$905mn
Percentage of Positive Months (NAC)	75%
Percentage of Positive Months (XAOAI)	50%
Standard Deviation of Returns (NAC)	7.24%
Standard Deviation of Returns (XAOAI)	12.20%
Correlation of Returns to XAOAI	28.56%
Sortino Ratio	48.35
Downside Deviation	0.26%
Downside Deviation (XAOAI)	6.35%
Current Estimated Portfolio Beta	0.19

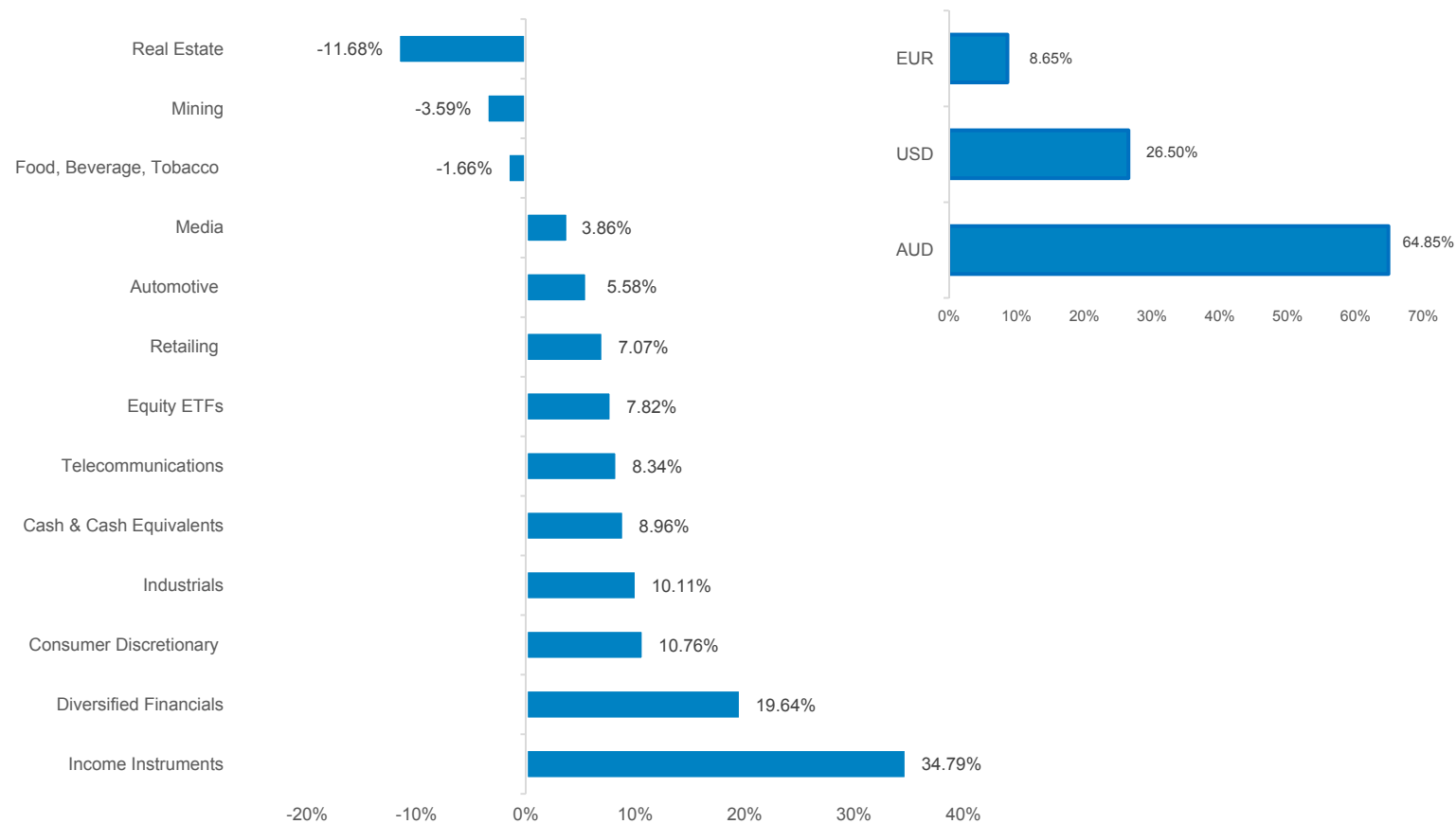
PORTFOLIO STRUCTURE **HISTORICAL NET EQUITY AND CASH WEIGHTINGS** AS AT 30TH JUNE 2015

NAOS



PORTFOLIO STRUCTURE
ALLOCATION BY INDUSTRY/SECTOR & CURRENCY
 AS AT 30TH JUNE 2015

NAOS



COMPANY MEETINGS

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 that NAOS has engaged with.

• Burson Group (ASX:BAP)	• Arena REIT (ASX:ARF)
• CSG Limited (ASX:CSV)	• Super Retail (ASX:SUL)
• Precision Castparts (PCP US)	• Baby Bunting (Unlisted)
• MMA Offshore (ASX:MRM)	• APN Outdoor (ASX:APN)
• Autonation (AN US)	• TOX Free Solutions (ASX:TOX)
• Mineral Resources (ASX:MIN)	• My Net Phone (ASX:MNF)

2. Market Outlook/Commentary

Australian Equity Market Review

- We have seen a dramatic pull back in the Australian Equity Market over the past quarter, the majority of which has been felt over the past 4 weeks. The ASX Small Ordinaries Accumulation Index fell by more than -7.7% for the month of June alone and the S&P/ASX 200 didn't far much better, producing a negative return of -5.4% for the period.
- After two rate cuts this year and much commentary 'talking down' the dollar, the AUD finally cracked the US \$0.75 in early July. Such downside moves vs the USD bodes well for domestic exporters, such as those in the Agriculture and Manufacturing sectors. There may be further downside risk to the AUD if the price of iron ore reverts to recent lows and on the back of strengthening US Economic data.
- Looking at fundamentals, the negative trend in Earnings Per Share has abated, but largely as a result of falling share prices.

Downward slide of the AUD



Global Macro Review Cont.

- Despite 'Grexit' and the recent sell off in China, we have not seen a 'flight to safety' by investors. The traditional 'safe haven' of gold fell along with other metals and the Yen and Swiss franc both proved failed to rally as would traditionally happen in a 'crisis' situation.
- European Bond Yields have experienced a rally recently on the back of further commitment from the ECB with regard to its QE program. Markets have taken reassurance from the ECB policy makers that they could expand their armoury to limit any potential fall out from the crisis playing out in Greece.
- The meteoric rise of the China Share Markets came to a sudden halt over the course of June. After reaching a seven year high on June 12 the main index fell a staggering 27% as at the close of the month. Since the fall, the Chinese Government has implemented significant measures to support the market, including lending from its balance sheet and directing sovereign wealth funds to buy blue chip exchange traded funds as well as prohibiting them from selling.

Gold going nowhere

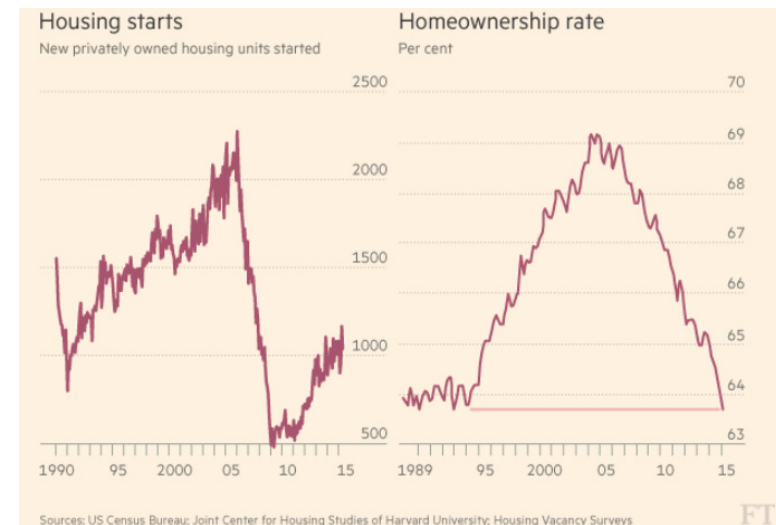


European Bonds continue to rally



Global Macro Review Cont.

- The trend for positive economic data continues to come from the US. As the economy approached full employment officials believe wage growth will start improving and inflation could accelerate towards the Central Bank's target of 2 per cent, thereby adding more fuel to the fire for a hike in interest rates.
- Still in the US, we continue to see strong underlying trends for the housing industry. The data has been strong with new home sales +2.2% for the month, there has been M&A activity with KB Homes and Standard Pacific agreeing to a merge and builders have been reporting strong growth in underlying demand. We continue to have a favourable view of the sector.



3. Keeping Up To Date

KEEPING UP TO DATE – SHAREHOLDER COMMUNICATION

NAOS

WEBSITE

- The News and Media section of our website is updated regularly. The most recent information to be added to the site includes:
 1. LiveWire Markets Buy/Hold/Sell – where NAOS PM, Ben Rundle, shares his views on four ‘market darlings’ that have experienced a recent market sell off.
 2. Recent articles in the AFR and SMH where Sebastian Evans shares his views of the current economic climate
 3. A recent video of Sebastian Evans being interviewed by Marty Switzer for the Sky Business News Switzer Segment

TWITTER

- Follow NAOS on Twitter under the name (handle) of #NaosAssetManagement

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