

Aurora Absolute Return Fund

Liquidity Management & Enhanced Redemption Guidelines – Update – December 2017 quarter

Aurora Funds Management Limited provides an important update detailing the manner of redemption requests in the Aurora Fortitude Absolute Return Fund, which directly impacts the Aurora Absolute Return Fund.

Further information

If you have any queries or concerns, please contact us.

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**Aurora Funds Management Limited | ABN 69 092 626 885 | AFSL No. 222110
17 October 2017**

Aurora Fortitude Absolute Return Fund

Liquidity Management & Enhanced Redemption Guidelines – Update – December 2017 quarter

Aurora Funds Management Limited (“**Aurora**”), as responsible entity of the Aurora Fortitude Absolute Return Fund (“**Fund**”), provides an important update in relation to the off-market redemption facility, effective with respect to redemption requests to be processed during the quarter ending 31 December 2017.

As disclosed in the fund update of 17 February 2017, redemption requests received since 1 January 2017 have exceeded the provisions contained in the Fund’s Constitution (“**Announcement**”). In that Announcement, Aurora advised that redemption requests submitted by AFARF unit holders will be subject to redemption guidelines (“**Redemption Guidelines**”) including the application of a redemption ceiling of 5% of the total funds under management (“**FUM**”) to requests for redemptions in any given quarter.

In accordance with Aurora’s duties under Corporations Act 2001 (Cth) (“**Act**”), Aurora continues to actively manage the liquidity requirements of the Fund to ensure satisfaction of the Fund’s investment mandates and objectives, whilst also ensuring that Aurora is able to manage the redemption process in an orderly manner.

This requires Aurora to achieve an outcome that is fair to unit holders as a whole, including balancing the interests of those unit holders that wish to redeem their investment in the Fund with those unit holders who wish to remain invested in the Fund.

Redemptions during the quarter ending 31 December 2017 (to be paid in January 2018)

Based on information currently available to it, Aurora intends to increase the redemption ceiling applying to redemptions to 10% of the total FUM for the quarter ending 31 December 2017.

Based on the currently level of unsatisfied redemption requests, this would result in a payment in excess of 25% of each unitholders’ outstanding redemption request during that quarter. The final amount payable to each unitholder will however depend on any additional redemption requests received or withdrawn during the quarter which is uncertain.

This increase will apply to the 31 December 2017 quarter only, however Aurora will continue to monitor the available liquidity in the Fund and is targeting improvements above the 5% redemption ceiling to apply in the 31 March 2018 and subsequent quarters.

Redemptions during the quarter ending 30 September 2017 (to be paid in October 2017)

Redemptions for the quarter ended 30 September 2017 are subject to the existing 5% of FUM ceiling and are currently being calculated for payment.

This amendment to the Redemption Guidelines, as detailed above, is based on information presently available to Aurora and Aurora will continue to provide fund updates with respect to the Fund's redemption facility, including the Redemption Guidelines, should they be the subject of further updates as the relevant circumstances and factors change.

Unit holders are recommended to regularly monitor the Fund's updates to ensure they are aware of all relevant information prior to making a decision with respect to their investment in the Fund.

Further information

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