AURORA
FUNDS MANAGEMENT

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ASX Limited
Level 6, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000
Attention: Company Announcements

AURORA ABSOLUTE RETURN FUND (ABW, FUND)

The daily Net Asset Value of ABW will now incorporate a Legal Provision as stated below.

As at 17 September 2019, the estimated Net Asset Value (NAV) per Unit of the Fund, including franking credits, was $0.2050.

Excluding the Legal Provision, the estimated Net Asset Value (NAV) per Unit is $0.2450.

Legal Provision
On 30 May 2019, the Supreme Court of New South Wales declared that the purported meeting held by Primary Securities Limited ("Primary") on 15 January 2019, and all of the resolutions purportedly passed at that meeting, was invalid and of no effect. Primary was also ordered to pay Aurora's costs, however the amount of costs to be reimbursed by Primary to Aurora has not yet been determined.

A legal provision of $336,651 ("Legal Provision") has been recognised as a liability in the financial statements of ABW for the year ended 30 June 2019, in the Appendix 4E Preliminary Final Report released to the ASX on Friday 30 August 2019.

Aurora will vigorously pursue the recovery of these legal fees from Primary, with the recoveries being booked to revenue as and when received. As a result, Aurora has elected to disclose the NAV with (i) the full legal provision; and (ii) the full recovery of legal costs from Primary.

Molopo Energy Limited
The Fund also has an indirect exposure to Molopo Energy Limited **(MPO)** through its investment in Aurora Fortitude Absolute Return Fund ("AFARF"). MPO was suspended from trading on the Australian Stock Exchange (ASX) on 27 July 2017 and remains suspended as at the date of this update.

On 10 August 2018, Aurora made an ASX Announcement advising of its decision to not declare Aurora Fortitude Absolute Return Fund's (AFARF) takeover bid free from its defeating conditions and therefore to withdraw the AFARF takeover bid. Following the withdrawal of the AFARF takeover bid, Aurora reassessed its valuation of Molopo from $0.135 per share (take-over bid price) to $0.036 per share, based on information released by Molopo at that time. As part of the year-end audit process, Aurora further reassessed its valuation of Molopo from $0.036 to $0.026 per share.

On 31 January 2019, Molopo released its Quarterly Cash Flow Statement for the quarter ended 31 December 2018. Based on the information contained in that Quarterly Cash Flow Statement, Aurora has further reassessed the carrying value of its investment in Molopo and has decided to write it down from 2.6 cents to 1.9 cents per share.

On 24 July 2019, Molopo released its Quarterly Cash Flow Statement for the quarter ended 30 June 2019. Based on the information contained in this Quarterly Cash Flow Statement, Aurora has reassessed the carrying value of its investment in Molopo and has decided to further write the value of its investment down from 1.9 cents to 1.5 cents.

As more information is released by Molopo on the Drawbridge shareholding as well as the Canadian litigation, it may be appropriate for Aurora to revisit the carrying value of its Molopo investment.

The fair value of the Molopo Investment is based on significant estimates and judgements adopted by the Board of Aurora based on all available information about Molopo as at the current date.

The valuation of Molopo represents approximately 9% of the value of the assets of the Trust.

Aurora Property Buy-Write Fund (AUP) holding
The Trust has a significant holding in AUP. This investment has been valued by the Trust at AUP's most recent closing ASX traded price, which represents a discount to AUP's Net Tangible Asset (**NTA**) position. Aurora is of the view that AUP's underlying value is its NTA.

About the Aurora Absolute Return Fund
The Fund aims to produce positive returns irrespective of the direction of the share market, by investing in predominantly Australian listed securities and derivatives through the unlisted Aurora Fortitude Absolute Return Fund (ARSN 145 894 800).