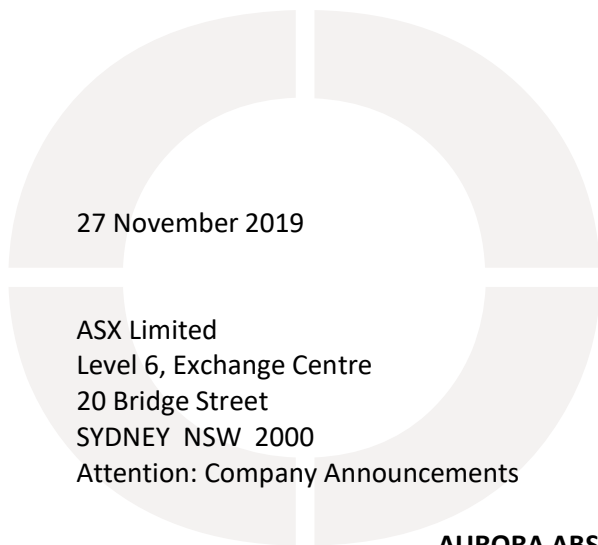




27 November 2019

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

AURORA

FUNDS MANAGEMENT

A.B.N. 69 092 626 885
AFSL No. 222110

Suite 613, Level 6
370 St Kilda Road
MELBOURNE VIC 3004

Telephone: 1300 553 431
Email: enquiries@aurorafunds.com.au

AURORA ABSOLUTE RETURN FUND (ABW, FUND)

As at 26 November 2019, the estimated Net Asset Value (NAV) per Unit of the Fund, including franking credits, was \$0.1975.

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 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.

Legal costs totalling \$336,651+GST have been paid to 30 September 2019 in relation to this matter. Aurora will vigorously pursue the recovery of these legal fees from Primary, with the recoveries being booked to revenue as and when received.

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 reassessed the carrying value of its investment in Molopo and decided to further write the value of its investment down from 1.9 cents to 1.5 cents.

On 30 October 2019, Molopo released its Quarterly Cash Flow Statement for the quarter ended 30 September 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 write the value of its investment down from 1.5 cents to 0.9 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 6% of the value of the assets of the Trust.

Aurora Property Buy-Write Fund (AUP) holding

The Fund also has an indirect exposure to AUP through its investment in Aurora Fortitude Absolute Return Fund ("AFARF"). AFARF has a significant holding in AUP. This investment has been valued by the AFARF at AUP's most recent closing ASX traded price (\$2.61), 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 (\$6.33).

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).