

9 December 2019

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

FUND UPDATE

Aurora Funds Management Limited (Aurora), in its capacity as the responsible entity (RE) of the Aurora Absolute Return Fund (ABW or Fund), provides the following important update.

ASX Suspension update

As previously announced, due to the confusion created by the actions of Primary Securities Limited (Primary), who were acting in accordance with instructions received from the requisitioning parties, including Mr Tim Sandeman Staermose, the securities of ABW were suspended from quotation on the ASX on 21 January 2019 under Listing Rule 17.3, "pending clarification of the validity or otherwise of the appointment of a new responsible entity of ABW".

On 31 May 2019, in the NSW Supreme Court proceedings, Her Honour Justice Rees found that Primary was not, and never was, the responsible entity of the Fund. In addition, Her Honour raised a number of concerns in relation to potential breaches of s. 606 of the Corporations Act by parties instructing Primary.

Since this time, Aurora has corrected the unlawful changes made by Primary, including changing the name of the Fund back to Aurora Absolute Return Fund, changing the Fund's Constitution back to its original Constitution and has sought to have the suspension lifted by the ASX. At this stage, Aurora is unsure when the ASX suspension will be lifted.

Primary Appeal

Primary is appealing the decision handed down in the NSW Supreme Court proceedings by Her Honour Justice Rees. This has resulted in additional costs being incurred by the Fund, with further costs likely to be incurred.

Separation from Master Fund

Historically, ABW has solely invested in the Master Fund, Aurora Fortitude Absolute Return Fund (AFARF). Aurora has determined to separate ABW from the Master Fund, and has today issued a redemption notice to redeem the full value of its investment in the Master Fund.

Aurora is in the process of updating the Product Disclosure Statement for ABW.

Fund Redemptions

Aurora will satisfy pending redemptions in ABW, after adequate allowance has been made for the further costs associated with the Primary appeal as well as any subsequent matters that may arise. These future redemptions will be funded from Master Fund redemptions.

Wind-up Request

After making the decision to separate ABW from the Master Fund, Aurora received a request from Mr Tim Sandeman Staermose today for ABW to be wound up. Aurora is considering the validity of the request received and will update the market in due course.

Yours faithfully

Aurora Funds Management Limited



Adrian Tilley
Company Secretary