

31 August 2020

BY ELECTRONIC LODGEMENT

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

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Aurora Funds Management Limited, as responsible entity for Aurora Absolute Return Fund (ABW"), hereby lodges the attached Appendix 4E Preliminary Final Report with the ASX for the financial year ended 30 June 2020.

Aurora Funds Management Limited, as responsible entity for Aurora Absolute Return Fund (ABW") advises that:

1. ABW is relying on the *ASIC Corporations (Extended Reporting and Lodgement Deadlines – Listed Entities) Instrument 2020/451* dated 15 May 2020 (the "ASIC Relief") to extend the lodgement date for its audited annual accounts and other documents required to be lodged with ASIC under section 319 of the *Corporations Act 2001*.
2. ABW will immediately make a further announcement to the market if there is a material difference between its unaudited annual accounts and its audited annual accounts.

Yours sincerely,



John Patton
Company Secretary
Aurora Funds Management Limited as responsible entity for
Aurora Absolute Return Fund

This announcement was authorised for release by Aurora's Managing Director.

Appendix 4E

Preliminary Final Report To the Australian Securities Exchange

Name of Entity	Aurora Absolute Return Fund
ARSN:	110 303 430
Financial Year Ended:	30 June 2020
Previous Corresponding Reporting Period:	30 June 2019

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	2020 \$'000	Percentage increase /(decrease) over corresponding period
Revenues from continuing operations	140	118.09%
Loss for the year	(107)	91.73%
Net loss for the year attributable to members	(107)	91.73%

Distribution information	Cash per unit	Franked amount per unit
2020 final distribution	\$0.0000	\$0.0000
2019 interim distribution	\$0.0000	\$0.0000

Final distribution dates

Ex-entitlement date	Not applicable.
Record date	Not applicable.
Last election date for the DRP	Not applicable.
Payment date	Not applicable.

Dividend Reinvestment Plan

The Dividend Reinvestment Plan (DRP) is in operation, however there is no distribution for the year ended 30 June 2020 and therefore no dividends will be reinvested.

Unit holders may change their participation in the DRP at any time. However, in order to be valid, the election form to change participation must be submitted to the unit registry by the last election date.

Net Tangible Asset Backing

	30 June 2020	30 June 2019
Net tangible assets per security	\$0.1776	\$0.1908

This report is based on the financial statements which are in the process of being audited. This document comprises the information as required by Listing Rule 4.3A.

Appendix 4E Contents and checklist of requirements

1. Reporting period and corresponding period.	Refer to Page 1 of this Appendix 4E.
2. Results for announcement to the market.	Refer to Page 1 of this Appendix 4E.
3. Statement of comprehensive income.	Refer to Page 3 of this Appendix 4E.
4. Statement of financial position.	Refer to Page 4 of this Appendix 4E.
5. Statement of cash flows.	Refer to Page 6 of this Appendix 4E.
6. Statement of changes in equity.	Refer to Page 5 of this Appendix 4E.
7. Details of dividends or distributions.	Refer to Page 1 of this Appendix 4E.
8. Details of dividend or distribution reinvestment plans in operation and the last date of receipt of an election notice for participation in any dividend or distribution reinvestment plan.	Refer to Page 1 of this Appendix 4E.
9. Net tangible assets per security.	Refer to Page 1 of this Appendix 4E.
10. Details of entities over which control has been gained or lost during the period.	Not applicable.
11. Details of joint venture entities and associated entities.	Not applicable.
12. Any other information needed by an investor to make an informed assessment of the entity's financial performance and financial position.	Refer to Pages 7-10 of this Appendix 4E.
13. Accounting standards used in compiling reports by foreign entities.	Not applicable.
14. A commentary on the results for the period.	Refer to Page 7 of this Appendix 4E.
15. A statement as to whether the report is based on accounts which have been audited or subject to review, are in the process of being audited or reviewed, or have not yet been audited or reviewed.	This report is based on financial statements which are in the process of being audited.
16. If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification a description of the likely dispute or qualification.	At this stage, it is likely that the audit report will be unqualified.
17. If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification.	Not applicable.

Financial Statement

Statement of profit or loss and other comprehensive income For the year ended 30 June 2020

	2020 \$	2019 \$
Investment income		
Interest income	1	29
Dividend and distribution income	-	53,852
Net gains/(losses) on financial instruments held at fair value through profit or loss	139,933	(828,356)
Total net investment income/(loss)	139,934	(774,475)
Expenses		
Recoverable costs of Responsible Entity	67,773	67,773
Other operating expenses	93,528	112,772
Legal fees	85,514	338,658
Total operating expenses	246,815	519,203
Operating profit/(loss) for the year	(106,881)	(1,293,678)
Finance costs attributable to unitholders		
Distributions to unitholders	-	(51,993)
Decrease in net assets attributable to unitholders	106,881	1,345,671
Profit/(loss) for the year	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	-	-
Earnings/(loss) per unit (basic/diluted)	(0.013)	(0.159)

Financial Statement

Statement of financial position As at 30 June 2020

	2020 \$	2019 \$
Assets		
Cash and cash equivalents	126	115
Dividends receivable	-	39,156
Receivables	4,711	1,972
Financial assets held at fair value through profit or loss	1,763,414	2,130,058
Total assets	1,768,251	2,171,301
Liabilities		
Distributions payable	-	34,448
Redemption payable	2,982	2,982
Provision for legal fees	-	336,651
Other payables	320,254	246,270
Total liabilities (excluding net assets attributable to unitholders)	323,236	620,351
Net assets attributable to unitholders – liability	1,445,015	1,550,950
Liabilities attributable to unitholders	(1,445,015)	(1,550,950)
Net assets	-	-

Financial Statement

Statement of changes in equity For the year ended 30 June 2020

	2020 \$	2019 \$
Balance at the beginning of the financial year	-	-
Profit/(loss) for the year	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-
Transactions with unitholders in their capacity as unitholders	-	-
Total equity at the end of the financial year	-	-

Under Australian Accounting Standards, net assets attributable to unitholders are classified as liability rather than equity. As a result, there was no equity at the start or end of the financial year.

Financial Statement

Statement of cash flows For the year ended 30 June 2020

	Consolidated	
	2020	2019
	\$	\$
Cash flows from operating activities		
Proceeds from sale of financial instruments held at fair value through profit or loss	506,576	-
Dividends and distributions received	39,156	39,155
Interest received	1	29
Withholding tax refunded by ATO	-	1,016
GST (paid)/recovered	(2,739)	10,479
Legal and professional fees paid	(356,555)	(2,118)
Payments of other expenses	(152,927)	(10,871)
Net cash inflow/(outflow) from operating activities	33,512	37,690
Cash flows from financing activities		
Proceeds from applications by unitholders	-	5,592
Payments for redemptions by unitholders	-	(1,355)
Distributions paid to unitholders	(33,501)	(41,886)
Net cash (outflow)/inflow from financing activities	(33,501)	(37,649)
Net increase/(decrease) in cash and cash equivalents	11	41
Cash and cash equivalents at the beginning of the year	115	74
Cash and cash equivalents at the end of the year	126	115
Non-cash financing activities	946	5,592

1. Principal activities

Aurora Absolute Return Fund ("the Fund") invests in the unlisted Aurora Fortitude Absolute Return Fund (ARSN 145 894 800) (the "Master Fund" or "AFARF"), in accordance with the provisions of the Fund Constitution, the current Product Disclosure Statement ("PDS") and Fund updates on the ASX.

The Fund did not have any employees during the year.

There were no significant changes in the nature of the Fund's activities during the year.

The Fund is currently listed on the Australian Securities Exchange (ASX: ABW).

2. Review and results of operations

During the year, the Fund continued to invest in accordance with the target asset allocations as set out in the governing documents of the Fund and in accordance with the provisions of the Fund Constitution.

3. Financial results for the year

The performance of the Fund, as represented by the results of its operations, was as follows:

	2020 \$	2019 \$
Operating profit/(loss) before finance costs attributable to unitholders	(106,881)	(1,293,678)
Distributions paid and payable	-	(51,993)
Distribution (cents per unit) 30 September	-	0.19
Distribution (cents per unit) 31 December	-	0.16
Distribution (cents per unit) 31 March	-	0.15
Distribution (cents per unit) 30 June	-	0.14

4. Financial position

Net Tangible Assets (NTA) per unit as disclosed to the ASX are shown as follows:

	2020 \$	2019 \$
At 30 June	0.1792	0.2783
High during period	0.2228	0.3620
Low during period	0.1792	0.2635

5. Information on Underlying Performance

The performance of the Fund is subject to the performance of the Fund's underlying investment portfolio. There has been no change to the investment strategy of the Fund during the year, and the Fund continues to invest in accordance with target asset allocations as set out in the governing documents of the Fund and in accordance with the provisions of the Fund Constitution and any fund updates on the ASX.

6. Strategy and Future Outlook

The Fund invests in the Master Fund. On 9 December 2019 AFML announced that it had determined to separate ABW from the Master Fund and issued a redemption notice to redeem the full value of ABW's investment in AFARF. As at the date of this report, the redemption notice remains unfulfilled and the Fund continues to invest solely in the Master Fund. As markets are subject to fluctuations, it is imprudent to provide a detailed outlook statement or statement of expected results of operations. The Fund provides regular updates, including monthly NTA announcements, which can be found in the announcement section of the Australian Securities Exchange website.

The Fund continues to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

The results of the Fund's operations will be affected by performance of investment markets in which the Master Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further information on likely developments in the operations of the Fund and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Fund.

7. Significant changes in state of affairs

On 15 January 2019, a purported meeting of members of the Fund purported to pass a special resolution approving the amendment of the Fund Constitution. That meeting also purported to replace the responsible entity with another company, Primary Securities Limited ("Primary"). On 30 May 2019, the meeting and all resolutions passed at the meeting were declared to be invalid and of no effect by the Supreme Court of New South Wales.

On 21 August 2019, AFML, as the responsible entity of the Fund, modified the Fund Constitution in order to clarify that the Consolidated Constitution dated 1 July 2011 has at all times since 1 July 2011 been the Fund Constitution, and the purported replacement consolidated Constitution lodged with the Australian Securities and Investments Commission by Primary on 31 January 2019 has been at all times void and of no effect.

An Order has been issued by the Supreme Court of New South Wales requiring Primary to pay the costs that Aurora has incurred in this matter, however the costs to be reimbursed by Primary to Aurora have not yet been paid. Any future recoveries from Primary will be booked to revenue when they are received.

The amount of unrecovered legal costs incurred by Aurora to date is \$422,164.63 (plus GST). Aurora intends to vigorously pursue the recovery of these costs from Primary.

On 30 August 2019, Primary advised Aurora that it had filed a Notice of Appeal with the Supreme Court of NSW Court of Appeal on 29 August 2019.

On 9 December 2019 AFML announced that it had determined to separate ABW from the Master Fund and issued a redemption notice to redeem the full value of ABW's investment in AFARF. As at the date of this report, the redemption notice remains unfulfilled and the Fund continues to invest solely in the Master Fund. For the year ended 30 June 2020, AFARF has adopted significant judgements and estimates to fair value the following investments:

Subsequent to the announcement on 9 December 2019 that AFML had determined to separate ABW from the Master Fund, AFML received a request from Mr Tim Sandeman Staermose for ABW to be wound up. AFML considered the validity of the request, and announced on 19 December 2019 that the request was considered to be invalid as it did not comply with s252B of the *Corporations Act 2001*.

7. Significant changes in state of affairs (continued)

Molopo Energy Limited (ASX: MPO)

As at 30 June 2020, AFARF held an investment in the ordinary shares of MPO, which was suspended from trading on the Australian Stock Exchange on 27 July 2017 and remains suspended as at the date of this report.

As previously advised, the Directors consider that the actions of the former Molopo directors have substantially and adversely affected the value of Molopo's assets. As such, the Directors have considered the carrying value of AFARF's investment in Molopo and have decided to write the value of its investment down from 0.5 cents to 0.4 cents. The rationale for this decision is summarised below:

- Molopo currently has 249,040,648 ordinary shares on issue;
- Based on the above, the Directors consider the appropriate carrying value of the AFARF's investment in Molopo to be calculated as follows:
 - o cash reserves of \$9.984 million; less
 - o litigation provision of A\$8.97 million, being the Australian dollar equivalent of \$8.4 million Canadian dollars as at 30 June 2020. In the Molopo financial statements for the year ended 31 December 2018 this provision was removed as a liability in the balance sheet and disclosed as a contingent liability. It is still disclosed as a contingent liability in Molopo's financial statements for the year ended 31 December 2019. For the purpose of this valuation, Aurora has no reason to believe that this is not a reasonable estimate of the expected liability;
 - o divided by 249,040,648 ordinary shares on issue, which
 - o equates to a value of **0.4 cents per share**
- As more information is released by Molopo on the Drawbridge investment, including the outcome of the claim against the Former Directors, along with the Canadian litigation, it may be appropriate for the Trust to revisit the carrying value of its Molopo investment.

The fair value of Aurora's investment in Molopo is based on significant estimates and judgements adopted by management of Aurora based on all available information about Molopo as at the date of the 30 June 2020 financial report.

In addition to the application made by Aurora to the Takeovers Panel, Aurora is pursuing other avenues to recover value that has been lost by the former directors of Molopo.

RNY Property Trust (ASX:RNY)

As at 30 June 2020, the combined ownership of the units in RNY by entities for which Aurora Funds Management Limited ("AFML") is the Responsible Entity is 80.96%. AFARF owns 2.70% of the units in RNY.

Since 2 July 2018 AFML, in its capacity as the Investment Manager of RNY, has been actively working to create value from AFARF's investment in RNY, including by working with the US lender of the underlying five (5) US commercial properties held by RNY, working with the property sub-manager to attract new tenants, and working with various stakeholders to improve the properties.

On 25 August 2020, AFML extended the senior loan with ACORE Capital for a further two weeks to 4 September 2020 to facilitate the formal documentation for a longer dated loan modification.

In the opinion of the Directors, other than the matters already referred to in this report, there were no significant changes in the state of affairs of the Trust that occurred during the financial year.

8. Matters subsequent to the end of the financial year

No matters or circumstances have arisen since 30 June 2020 that have significantly affected, or may significantly affect:

- (i) the operations of the Fund in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Fund in future financial years.

9. Significant accounting policies

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The financial statements have been prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for loans receivable, investments in financial assets and net assets attributable to unitholders. The amount expected to be recovered or settled within twelve months after the end of each reporting period cannot be reliably determined.

Page 9

10. Net assets attributable to unitholders

Movements in the number of units and net assets attributable to unitholders during the year were as follows:

	2020 No.	2019 No.	2020 \$	2019 \$
Opening balance	8,130,778	8,113,656	1,550,950	2,891,029
Applications	-	-	-	-
Redemptions	-	-	-	-
Buy backs	-	-	-	-
Units issued upon reinvestment of distributions	3,358	17,122	946	5,592
Increase/(decrease) in net assets attributable to unitholders	-	-	(106,881)	(1,345,671)
Closing balance	8,134,136	8,130,778	1,445,015	1,550,950

Page 10