

5 July 2019

ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Attention: Company Announcements

Off-market takeover bid for Yowie Group Limited

Aurora Funds Management Limited as responsible entity of the Aurora Dividend Income Trust (**ADIT**) refers to its 20 May 2019 ASX Announcement of its intention to make an all scrip takeover bid for 100% of the fully paid ordinary shares in Yowie Group Limited (**YOW**) for a consideration of \$0.09 per share (the **Bid**).

In accordance with step 5 in the table in section 633(1) of the *Corporations Act 2001* (Cth), please find attached a copy of the bidder's statement made by ADIT in relation to its Bid for all of the ordinary shares in Yowie which are not owned by or on behalf of the bidder.

A copy of the bidder's statement has been lodged with the Australian Securities and Investments Commission and sent to YOW today.

We note the Company Update announcement issued by Yowie today after the directors had met to approve the bidder's statement. We advise that ADIT will be preparing a supplementary Bidder's Statement dealing with the proposed return of capital, which will be issued before the Bidder's Statement and offers are sent to Yowie Shareholders. The document that will be provided to Yowie shareholders is expected to be a replacement Bidder's Statement in accordance with ASIC class order relief.

Yours faithfully



Adrian Tilley
Company Secretary
Aurora Funds Management Limited ABN 69 092 626 885
as responsible entity of the
Aurora Dividend Income Trust ARSN 151 947 732

This is an important document and requires your immediate attention. If you are in doubt as to how to deal with it, you should consult your legal, financial or other professional adviser.

Bidder's Statement

for an offer by

Aurora Funds Management Limited ABN 69 092 626 885

as responsible entity of the

Aurora Dividend Income Trust ARSN 151 947 732

to acquire all of the ordinary shares held by you in

Yowie Group Limited ABN 98 084 370 669

The consideration offered for each ordinary YOW Share is Units in the Aurora Dividend Income Trust with a value equivalent to \$0.09 per YOW Share

Jeremy Kriewaldt Lawyers

Lawyers to Aurora Funds Management Limited

Important notices

This bidder's statement is made by Aurora Funds Management Limited as responsible entity of the Aurora Dividend Income Trust (**ADIT**) under part 6.5 of the Corporations Act. This bidder's statement is dated, and a copy was lodged with ASIC and given to ASX, on 5 July 2019. ASIC and ASX take no responsibility for the contents of this bidder's statement.

This bidder's statement does not take into account your individual investment objectives, financial situation or particular needs. You may wish to seek independent financial and taxation advice before making a decision whether to accept the Offer and whether ADIT Units are an appropriate investment for you.

This bidder's statement does not constitute an offer or invitation to issue ADIT Units (as consideration for the acquisition of YOW Shares) to any person in a jurisdiction where it would not be lawful to make such an offer.

Forward looking statements

Any forecast or any forward looking statement contained in this bidder's statement may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct, and there are usually differences between forecasts and actual results because events and actual circumstances frequently do not occur as forecast (including due to the risk factors described in section 9) and these differences may be material. Nothing contained in this bidder's statement is, or may be relied on as, a promise or representation as to a future outcome.

Financial amounts

All financial amounts in this bidder's statement are expressed in Australian dollars, unless otherwise stated.

Privacy

Personal information relating to your holding of YOW Shares will be obtained by Aurora (or a representative or service provider of Aurora) from YOW (or a representative or service provider of YOW) in accordance with its rights under the Corporations Act for the purposes of this Offer including, if the Offer is accepted, your acceptance of the Offer and administering your holding of ADIT Units (if any).

The type of information that has been or may be collected about you includes your name, contact details and information on your holding of YOW Shares. Without this information, Aurora would be hindered in its ability to carry out the Offer. Information collected about you may be disclosed on a confidential basis to Aurora and its representatives and service providers and to Regulators (including ASIC) where necessary for the purposes of the Offer or as otherwise required or permitted by law.

Aurora and its representatives and service providers may use this information solely for purposes relating to the Offer and to assist in any future relationship with you as an ADIT Unit Holder, e.g. to process your Acceptance Form, service your needs as an ADIT Unit Holder, provide facilities and services that you request, and administer ADIT. The types of service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are ADIT's unit registrar for ongoing administration of the ADIT Unit Holder register, printers and other companies for the purposes of preparation and distribution of statements and for handling mail, market research companies for the purposes of analysing the investor base and for product development and planning, and legal and accounting firms, auditors, contractors, consultants and other advisers for the purposes of administering and advising on the ADIT Units and for associated actions.

If you do not provide the information requested in the Acceptance Form, your acceptance of the Offer may not be able to be processed or accepted.

You may request access to your personal information held by or on behalf of Aurora. You may be required to pay a fee in order to access your personal information. Please contact enquiries@aurorafunds.com.au or 1300 553 431 if you want to access, or have any question about how Aurora handles, your personal information. You can obtain a copy of Aurora's privacy policy on request.

Defined terms

A number of terms used in this bidder's statement are defined in section 12 (glossary).

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Important dates

Bidder's statement lodged with ASIC and given to ASX and YOW	Friday 5 July 2019
Offer opens	[Open Date]
Offer closes	7:00 pm (Melbourne time) on [Close Date], unless withdrawn or extended in accordance with the Corporations Act

Further information

If you have any questions in relation to the Offer or accepting it, please contact Aurora by:

- (a) telephone on 1300 553 431 (for callers in Australia) or +61 3 9686 7000 (for callers outside Australia) from 8:30 am to 5:00 pm (Melbourne time) on Business Days; or
- (b) email (enquiries@aurorafunds.com.au).

Managing director's letter

5 July 2019

Dear YOW Shareholder

Offer to acquire all of your YOW Shares

On behalf of Aurora, I am pleased to send you this Offer to acquire all of your YOW Shares for ADIT Units with a value equivalent to \$0.09 per YOW Share (Bid Value Amount). The mechanics for this are described in section 1.3 below.

My fellow directors and I believe that this Offer provides compelling benefits to YOW Shareholders, including the following:

1. The Bid consideration represents a 45.2% premium to the last traded share price immediately prior to the dispatch of the Bidders Statement, a 16.9% premium to YOW's last traded share price immediately prior to the announcement of the Bid¹, 18.4% above the 30-day volume weighted average price of YOW Shares (for the period ending on 17 May 2019, the last day YOW Shares traded on ASX prior to the announcement of ADIT's Bid).
2. The Bid provides accepting YOW shareholders the ability to either maintain an exposure to YOW's investment portfolio via ADIT (albeit in a diluted form) or to redeem their ADIT Units off-market for cash at NTA (using the then applicable NAV per ADIT Unit), pursuant to ADIT's Constitution.
3. There is currently no other offer for YOW.

The Offer will be open for acceptance until 7:00 pm (Melbourne time) on [Close Date], unless withdrawn or extended. If you wish to accept the Offer, you can complete and return the Acceptance Form which accompanies this bidder's statement in accordance with the instructions set out on the Acceptance Form and in section 11.4 of this bidder's statement.

This bidder's statement provides further details of the Offer and further information about ADIT. I encourage you to read it carefully and recommend the Offer to you.

Yours sincerely



John Patton
Managing Director

¹ ADIT Bid announced 20 May 2019, based on closing share price as at 17 May 2019.

1. Key questions and answers

This section 1 is designed to give you a general overview of the Offer and point you to more detailed information elsewhere in this bidder's statement. As it is only a summary, you should read this bidder's statement in full prior to deciding whether to accept the Offer.

1.1 Who is the bidder making the Offer?

The bidder is Aurora as responsible entity of ADIT. ADIT is an unlisted managed investment scheme registered under the Corporations Act.

See sections 2 and 3 for further information.

1.2 What is this bidder's statement?

This bidder's statement sets out the terms of the Offer for your YOW Shares and other information to assist you to make a decision about whether to accept the Offer.

This bidder's statement is an important document and requires your immediate attention. If you are in doubt as to how to deal with it, you should consult your legal, financial or other professional adviser.

1.3 What will I receive if I accept the Offer?

The consideration offered for each ordinary share is ADIT Units with a value equivalent to the Bid Value Amount (currently, \$0.09), calculated based on the applicable NAV per ADIT Unit at the close of the Bid. Please refer to section 3.24 which discusses how the NAV per ADIT Unit is calculated at any time.

ADIT Units are not quoted on ASX or any other financial market. Accordingly, the ability to sell them is limited. However, ADIT Units can be redeemed (subject to any redemption restrictions that may apply from time to time — see section 3.21 for further information).

On the date Aurora is required to give notice on the status of the defeating conditions referred to in section 11.8 (which is no more than 14 days and not less than 7 days before the end of the Offer Period), Aurora will also give a notice to YOW and ASX specifying the number and percentage of YOW Shares to which the Offer relates that have been validly accepted before that date.

Consideration in ADIT Units

The consideration in ADIT Units will have a value equivalent to the Bid Value Amount (currently, \$0.09) per YOW Share. The total number of ADIT Units issued will be calculated by multiplying the number of YOW Shares, the subject of acceptances, by the Bid Value Amount, and dividing that by the NAV per ADIT Unit, rounded to the nearest whole number (and where the fraction is $\frac{1}{2}$, the fractional entitlement will be rounded up to the nearest whole number). NAV per ADIT Unit will be determined as at the close of business on the last Business Day of the Offer Period. Those ADIT Units will then be allocated among the accepting YOW Shareholders in proportion to their accepting YOW Shares (and the same rounding rules will apply).

The following table sets out some examples of the number of ADIT Units that would be issued to accepting YOW Shareholders that elected to receive ADIT Units as consideration, assuming that NAV per ADIT Unit is \$0.5086 (being the NAV per ADIT Unit as at 31 May 2019 based on ADIT's unaudited management accounts to that date):

Number of YOW Shares held by accepting YOW Shareholder	Number of ADIT Units issued to accepting YOW Shareholder
1,000	177
5,000	885
10,000	1,770
50,000	8,848
100,000	17,696

See section 11.1 for further information.

1.4 What if I am a foreign YOW Shareholder?

This Bid is not registered in any other jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of the Bidders Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept this Bid.

1.5 Why should I accept the Offer?

The reasons why you should accept the Offer include the following:

- (a) The Bid consideration represents a premium of 45.2% based on the last traded share price immediately prior to the dispatch of the Bidders Statement, a 16.9% premium to YOW's last traded share price immediately prior to the announcement of the Bid, 18.4% above the 30-day volume weighted average price of YOW Shares (for the period ending on 17 May 2019, the last day YOW Shares traded on ASX prior to the announcement of ADIT's Bid).
- (b) YOW Shares have consistently traded at a material discount to its underlying Net Tangible Assets (NTA), ascribing nil value to the YOW brand and any potential future earnings.
- (c) YOW's underlying financial performance has continued to deteriorate with revenues and profits in decline since 2017. Whilst YOW's Board and Management have made numerous statements on turning YOW's business to profitability, this has yet to materialise.
- (d) Although ADIT Units are not traded on ASX, they can be redeemed at NAV for cash (adjusted for the buy-sell spread). Redemptions may be subject to restrictions from time to time.
- (e) At the date of this bidder's statement, no other party has announced an offer (or an intention to make an offer) for YOW.
- (f) If an YOW Shareholder accepts the Offer and is issued ADIT Units, the YOW Shareholder will not pay any brokerage.

See section 2 for further information.

1.6 How long do I have to make a decision about the Offer?

The Offer opens on [Open Date] and closes at 7:00pm (Melbourne time) on [Close Date], unless withdrawn or extended in accordance with the Corporations Act.

If the Offer is extended, Aurora will send you a written notice of the extension.

See section 11.2 for further details.

1.7 What are my options?

You may:

- (a) accept the Offer;
- (b) unless you have already accepted the Offer, sell your YOW Shares on ASX or try and sell your YOW Shares off-market; or
- (c) do nothing.

If you do nothing and Aurora acquires sufficient YOW Shares to proceed to compulsory acquisition, then Aurora may elect to compulsorily acquire your YOW Shares.

1.8 How do I accept the Offer?

There are different ways to accept the Offer, depending on how you hold your YOW Shares:

Issuer sponsored holdings: You may accept the Offer by completing and signing the Acceptance Form and sending the completed and signed form to Security Transfer Australia, in accordance with the instructions set out on the form, before the end of the Offer Period.

CHES Holdings: You may accept the Offer by instructing your Controlling Participant (usually your broker) to initiate acceptance of the Offer on your behalf in sufficient time for the Offer to be accepted before the end of the Offer Period. You may also accept the Offer as noted above for issuer sponsored holdings. In that case, once Aurora receives your completed and signed Acceptance Form, Aurora will be directed to instruct your Controlling Participant (on your behalf) to accept the Offer in accordance with the Acceptance Form. In this case the Acceptance Form must be received two Business Days before the end of the Offer Period.

See section 11.4 and the Acceptance Form for further information.

1.9 What will happen if I accept the Offer?

Once you accept the Offer (even while it remains conditional), you will not be permitted to sell your YOW Shares on ASX, accept any other offer or otherwise deal with your YOW Shares (unless you exercise any withdrawal rights which might arise).

Once you have accepted the Offer, Aurora will be appointed as your true and lawful attorney to exercise all your powers and rights in relation to your YOW Shares (including powers and rights to attend and vote in respect of your YOW Shares at all general meetings of YOW) from the time the takeover contract resulting from your acceptance becomes unconditional, and you also agree not to attend or vote in person at any general meeting of YOW or to exercise, or to purport to exercise (in person, by proxy or otherwise), any of the other powers conferred on Aurora.

See sections 11.4 and 11.6 for further details.

1.10 Is the Offer subject to any conditions?

Yes, the Offer is subject to conditions. See Section 11 (Offer), and especially section 11.8, for further details.

1.11 What happens if the conditions are not met or waived?

If you accept the Offer but the conditions to the Offer are not satisfied or waived by the relevant time required by the Corporations Act, the contract resulting from your acceptance of the Offer will come to an end, and control of your YOW Shares will be returned to you.

See section 11.9 for further details.

1.12 When will I receive the consideration if I accept the Offer?

In the usual case, if you validly accept the Offer and all of the defeating conditions of the Offer are satisfied or waived, the issue of the ADIT Units to you under the Offer will be made by the end of whichever of the following periods ends earlier:

- (a) 1 month after the Offer is accepted or, if at the time acceptance of the Offer is subject to a defeating condition, 1 month after the contract resulting from your acceptance of the Offer becomes unconditional.
- (b) 21 days after the end of the Offer Period.

If you do not accept the Offer and Aurora proceeds to acquire compulsorily any YOW Shares ADIT does not own at the end of the Offer Period, then you will only receive your consideration in accordance with the timing of the compulsory acquisition provisions of the Corporations Act. That may be more than 2 months after the end of the Offer Period.

See section 11.7 for further details.

1.13 Can I accept the Offer for some, but not all, of my YOW Shares?

You can only accept the Offer for all of your YOW Shares.

However, if you hold 1 or more parcels of YOW Shares to which the Offer relates e.g. as a trustee or nominee, you may accept as if a separate Offer had been made in relation to each of those parcels.

See sections 11.3(d) and 11.4(a) for further details.

1.14 What happens if I do not accept the Offer?

If you do not accept the Offer, you will keep your YOW Shares and remain a YOW Shareholder.

However, if Aurora becomes the owner of at least 90% of the YOW Shares on issue following completion of the Offer, your YOW Shares may be compulsorily acquired.

See section 5.3 for further details.

1.15 Can I withdraw my acceptance?

Once you accept the Offer, you cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act.

A withdrawal right will arise if, after you have accepted the Offer and the Offer remains conditional, Aurora varies the Offer in a way that postpones, for more than one month, the time when it has to meet its obligations under the Offer. If this occurs, Aurora will send you a written notice at the relevant time that explains your right to withdraw your acceptance of the Offer.

See sections 11.6, 11.13 and 11.14 for further details.

1.16 What happens if I accept the Offer and the Bid consideration is increased?

In accordance with the Corporations Act, if Aurora increases the Bid consideration you will be entitled to the increased consideration irrespective of when you accepted the Offer. If you have already received the consideration in respect of the Offer, you will receive the difference between the amount you have already received and the amount of the increased consideration.

However, if you sell your YOW Shares on ASX instead of accepting the Offer (assuming YOW Shares are reinstated to quotation on ASX), you will not receive the benefit of any subsequent increase in the consideration under the Offer.

1.17 Do I have to pay any stamp duty, brokerage or other transaction fees if I sell my YOW Shares under the Offer?

You will not have to pay stamp duty if you accept the Offer.

You will not incur any brokerage if you accept the Offer either, where you send your completed and signed Acceptance Form directly to Security Transfer Australia in accordance with section 11.4.

However, if your YOW Shares are held in a CHESS Holding or you hold your YOW Shares through a bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker), or the bank, custodian or other nominee whether it will charge any transaction fees or service charges in connection with your acceptance of the Offer.

See section 11.16 for further details.

1.18 What are the tax implications of accepting the Offer?

The tax implications of accepting the Offer may vary for each YOW Shareholder.

You should consult your own tax adviser for advice applicable to your individual needs and circumstances.

See section 8 for further details.

1.19 What should I do next?

Step 1: Read this bidder's statement in its entirety and carefully consider the information provided.

Step 2: Read the target's statement to be made by YOW.

Step 3: If you need advice, consult your legal, financial or other professional adviser.

Step 4: If you decide to accept the Offer, follow the instructions in section 11.4.

2. Why you should accept the Offer

2.1 The Bid consideration is attractive compared to YOW's share price performance

The Bid consideration represents a premium of 45.2% based on the last traded share price immediately prior to the dispatch of the Bidders Statement, a 16.9% premium to YOW's last traded share price immediately prior to the announcement of the Bid, 18.4% above the 30-day volume weighted average price of YOW Shares (for the period ending on 17 May 2019, the last day YOW Shares traded on ASX prior to the announcement of ADIT's Bid).

2.2 YOW's has traded at material discount to NTA since listing

YOW Shares have consistently traded at a material discount to its underlying Net Tangible Assets (NTA), ascribing nil value to the YOW brand and any potential future earnings.

2.3 Deteriorating financial performance

YOW's underlying financial performance has continued to deteriorate, with revenues and profits in decline since 2017. Whilst YOW's Board and Management have made numerous statements on turning YOW's business to profitability, this has yet to materialise.

2.4 Potential to realise YOW investment at NAV

ADIT Unit Holders may realise their investment in ADIT by redeeming their ADIT Units for NAV per ADIT Unit (adjusted for the buy-sell spread), subject to ADIT's constitution. From time to time there may be restrictions on ADIT Unit Holder's ability to redeem their ADIT Units — see section 3.20 for details of the redemption process.

2.5 No other offer

At the date of this bidder's statement, no other party has announced an offer (or an intention to make an offer) for YOW. Coupled with the uncertainty facing YOW (see sections 2.2 and 2.3), the Offer represents a real and current opportunity to realise the value of your YOW Shares.

2.6 ADIT Unit Holders may retain an exposure to YOW business

If ADIT is able to gain control of YOW and give effect to its intentions in relation to YOW (see sections 5.2 to 5.5), which include returning a material amount of YOW's capital to YOW Shareholders, YOW Shareholders who accept the Offer and are issued ADIT Units will indirectly receive the benefit of the resulting financial returns expected by Aurora.

2.7 No brokerage

By accepting the Offer, you will not incur any brokerage.

If you were to sell your YOW Shares through a broker, you may incur brokerage (and GST on that brokerage).

2.8 Risks of being a minority YOW Shareholder

If, following completion of the Offer:

- (a) Aurora owns more than 50% of the YOW Shares on issue;
- (b) you do not accept the Offer and remain an YOW Shareholder; and
- (c) YOW remains listed;

the market for your YOW Shares may be less liquid or less active, exposing the remaining YOW Shareholders to greater uncertainty. This may make it more difficult to sell your YOW Shares at an attractive price in the future.

If the number of YOW Shareholders following completion of the Offer is less than that required by the ASX Listing Rules, ASX may delist YOW. If that occurs, you will not be able to sell your YOW Shares on ASX.

3. Profile of ADIT

3.1 Overview

This section contains information relevant to making an investment in ADIT. YOW Shareholders who accept the Offer will be issued ADIT Units as Bid consideration.

ADIT is an unlisted unit trust registered as a managed investment scheme under the Corporations Act and is governed by its constitution. ADIT Units are not quoted on ASX or any other financial market. As such, the prices at which ADIT Units may be issued and redeemed are determined in accordance with its constitution in a manner that ensures that unit holders are not undiluted or favoured by the issue or redemption of ADIT Units – please refer to sections 3.18 – 3.24 for a discussion of how this operates.

Managed investment schemes such as ADIT allow you to pool your money with that of many individual investors. This money is then invested, in a way that aims to achieve the investment objectives of ADIT. By investing in ADIT, investors have access to investments they may not be able to access on their own and they also benefit from the insights of Aurora’s investment team.

As at 31 May 2019, ADIT’s estimated funds under management was approximately \$4.3 million²

3.2 Class of Units

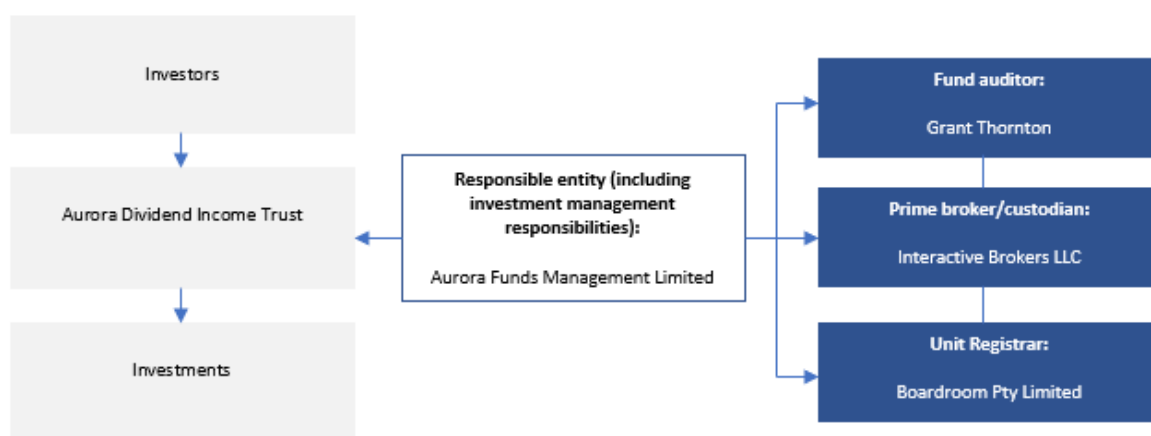
Under ADIT’s constitution, Aurora as responsible entity may issue different classes of units in ADIT to which are attached different rights, obligations and restrictions. However, ADIT currently has on issue only one class of units.

At the date of this bidder’s statement, there are 8,607,145 ADIT Units on issue held by 473 ADIT Unit Holders. Many of the other ADIT Unit Holders are IDPS operators (or their custodians) and hold the ADIT Units for a number of underlying investors.

The ADIT Units to be issued as consideration under the Bid will rank equally with the existing ADIT Units currently on issue.

3.3 Fund structure

The structure of ADIT can be summarised by the following diagram:



Most investments of ADIT (both in Australia and overseas) are held by Interactive Brokers LLC (IBL) or a sub-custodian. However, Aurora may directly hold some assets such as cash in its bank accounts and certain securities for administrative purposes.

The terms of engagement of IBL as prime broker and custodian:

² Based on ADIT’s unaudited management accounts for the 5 months ended 31 May 2019.

- (a) authorise IBL to undertake and/or arrange dealings in investments for ADIT (including entering into derivatives and engaging in short selling);
- (b) provide for assets of ADIT to be held in safe custody by IBL or a sub-custodian appointed by IBL;
- (c) allow IBL to charge such fees and costs as it may notify on its website from time to time;
- (d) generally, limit IBL's liability to loss arising due to its fraud, wilful default or gross negligence;
- (e) grant to IBL a security interest in and continuing lien over ADIT's assets to secure the Aurora's obligations and liabilities to IBL or in relation to the arrangements entered into by IBL on behalf of ADIT; and
- (f) in the case of the prime broking terms, are governed by New York state law, and in the case of the custody terms, are governed by New South Wales law.

Boardroom has been engaged to provide unit registry services to ADIT, such as maintenance of a copy of the register of holders of ADIT Units (including ADIT's records relating to ADIT Unit ownership and the issue, transfer and redemption of ADIT Units), receipt of redemption requests, and compilation of information for redemption payments. Boardroom is not engaged as ADIT's registrar in respect of the Offer. That task is to be performed by Security Transfer Australia.

All of the entities involved in the ADIT fund structure are domiciled in Australia, except for IBL, which is based in the United States of America. Aurora has no relationship with ADIT's service providers beyond the contractual arrangements under which they provide services to or for ADIT. Aurora monitors the performance of ADIT's service providers periodically in accordance with ADIT's compliance plan. Risks in the structure include counterparty risk and operational and administration risk as noted in section 9.3 and 9.14.

ADIT may make investments in other schemes managed by Aurora. Where this occurs, Aurora's management fees will be rebated such that there is no duplication of fees received by Aurora in respect of that investment.

3.4 Responsible entity

Aurora is the responsible entity and trustee of ADIT.

As responsible entity, Aurora is responsible for overseeing all of the operations of ADIT. In that capacity Aurora also provides investment management services for and is responsible for selecting and managing the assets of ADIT.

Aurora is a specialist investment manager that also provides responsible entity and/or trustee services for investors in a number of managed investment schemes, including:

- (a) Aurora Fortitude Absolute Return Fund ARSN 145 894 800 (AFARF)
- (b) Aurora Absolute Return Fund ARSN 110 303 430 (ASX code: ABW)
- (c) Aurora Dividend Income Trust ARSN 151 947 732 (ADIT)
- (d) Aurora Global Income Trust ARSN 127 692 406 (ASX code: AIB)
- (e) Aurora Property Buy-Write Income Trust ARSN 125 153 648 (ASX code: AUP)
- (f) HHY Fund ARSN 112 579 129 (ASX code: HHY)
- (g) Bear Real Opportunities Fund (an unregistered managed investment scheme)

Section 3.41 summarises the trade allocation policy across Aurora's funds and Aurora's website at www.aurorafunds.com.au provides further information about Aurora.

3.5 Investment objectives

The objectives of ADIT are:

- (a) Dividend income and capital growth/return;
- (b) Access to franking credits; and

- (c) Regular distributions.

3.6 Investment strategy

ADIT seeks to achieve the investment objective by investing in companies listed on the ASX that Aurora expects will pay franked dividends and/or have potential for capital growth. These companies will either already pay franked dividends or currently hold franking credits and may pay dividends in the future. Aurora may achieve its goals through acquiring securities in any ASX listed company, including ASX listed investment companies and trusts (LIC or LIT). Where securities in a LIC or LIT are purchased, they will typically be purchased at a discount to their underlying net tangible assets (NTA) per security. Aurora believes that purchasing LIC or LIT securities that trade at a discount to their NTA per security will assist in reducing volatility whilst increasing the gross dividends received on the investment. Aurora may seek to actively engage with the management of its investee entities to assist in realising underlying value and/or franked dividend income. Investments will be actively managed and selected at the discretion of Aurora. Returns of ADIT are targeted from a combination of both dividend income and capital growth.

ADIT may also short sell securities (e.g. by borrowing those securities and selling them) to achieve its investment objectives and/or to reduce part of ADIT's equity market exposure. Selling borrowed securities may reduce the risk of loss from adverse market movements. This risk reduction is expected because most ASX traded securities are positively correlated. That is, on average, their prices tend to go up and down together. Consequently, when the market falls, we expect the value of the securities the Fund owns (the long securities) will fall. Similarly, when the market falls we expect the value of the securities ADIT is short will rise. When the market falls, the profit on the short securities is expected to partially offset the loss on the long securities. The extent of this offset will depend upon the value of the short securities relative to the long securities and the extent to which the short securities and long securities are correlated. The opposite is expected to occur when the market rises.

ADIT's targeted gross asset allocation range after hedging is:

Asset class	Minimum	Maximum
Australian equities	0%	250% (gross)
Cash or cash equivalents	0%	100%

Due to the nature LIC and LIT securities being diversified investment vehicles, Aurora adopts a 'look through' approach when considering its concentration in specific security holdings pursuant to its PDS (i.e. the holding in any of ADIT's third party LIC or LIT investments is considered to be a holding in its separate underlying investments and not as a single holding).

Where hedging is used, it is possible the securities the Fund is short prove to be negatively correlated to the securities the Fund is long. In this situation, the volatility of the Fund may be greater than the markets. Derivatives may be used to improve the efficiency of implementing the investment strategy. Derivatives are generally expected only to be held for short periods of time and may not be used to leverage the portfolio.

Aurora aims to invest the Fund, generally, in a portfolio of 10-15 companies and other entities. However, concentrated positions of up to 50% of the Fund's NAV may be held in a single position during periods that Aurora is actively engaging with an investee entity. Where the Fund holds concentrated positions, this may increase volatility in NAV. Gross market exposure cannot exceed 250% of NAV, where gross market exposure is defined as the sum of all net long positions plus the sum of the absolute value of all the net short positions.

Liquidity: ADIT may invest in significant concentrated positions in listed entities that are not an ASX top 200 company, and accordingly their securities may not be highly liquid. In consequence, at the date of this bidder's statement it is not expected that ADIT could realise 80% of its investments within 10 days in the ordinary course. A description of each asset class in which ADIT is invested that has a value of more than 10% of NAV at the date of this bidder's statement and cannot be reasonably expected to be realised at the value ascribed in calculating ADIT's most recent NAV, within 10 days is set out below:

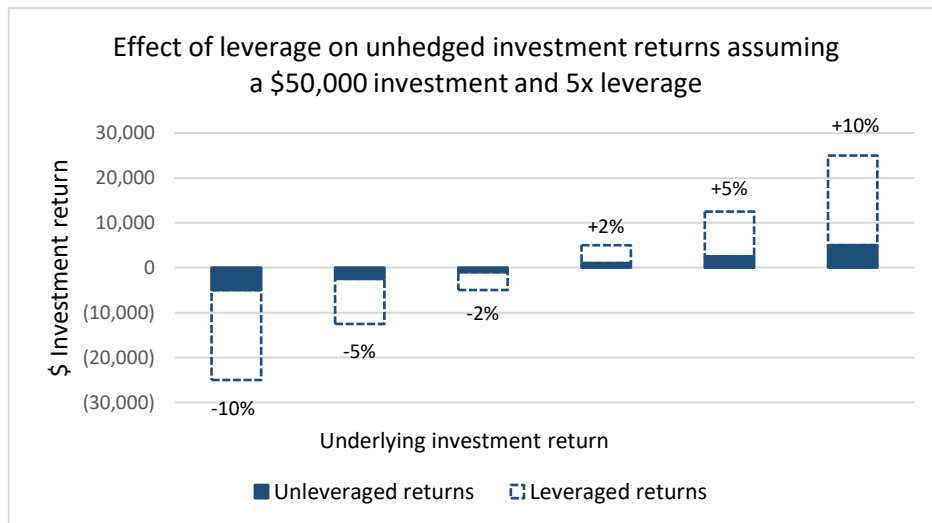
- ASX-listed entities that are not included in the list of the 200 largest entities based on market capitalisation

Aurora actively manages the liquidity requirements of ADIT in a way that aims to allow the investment objectives of ADIT to be achieved whilst also providing ADIT Unit Holders with the ability to access their investment in ADIT when they may wish to do so. Balancing equitably the competing interests of those ADIT Unit Holders who wish to remain invested in ADIT and those seeking to redeem their investment, may involve restricting redemptions from time to time. Accordingly, Aurora has a liquidity management policy covering the adoption of redemption guidelines that aim to achieve this balance. Refer to sections 3.20 to 3.21 for more information about the redemption process, including the current redemption guidelines which impose restrictions on the redemption of ADIT Units.

Leverage: ADIT may utilise leverage as part of its investment strategy. Leverage is used in order to allow ADIT to participate in short term opportunities that provide attractive risk-return propositions. The maximum leverage position of ADIT in Australian equities is 250% of ADIT's net asset value. This means that, subject to other investment restrictions, for every \$1 of net asset value, ADIT may leverage its investment in Australian equities by a further \$1.50.

Leverage may be obtained through derivatives and short selling securities (see below). Leverage may also be obtained by borrowing money to buy investments. ADIT obtains leverage principally through its prime broker entering into derivative contracts or undertaking short selling on behalf of ADIT. In order to undertake such leveraged transactions, ADIT is generally required to provide collateral in the form of a security interest in ADIT's assets in favour of the prime broker (who is also ADIT's custodian). Any assets held as collateral will not be segregated from the prime broker's own assets, and the prime broker will generally have the right to lend, pledge and hypothecate these assets to, or in favour of, others.

In the normal course of events (on an un-hedged basis), leverage magnifies returns (both positive and negative) from the value of an investment relative to a comparable unleveraged investment. The following chart illustrates the notional gain or loss on a notional un-hedged investment of \$50,000 geared to the maximum of 500% where the value of the underlying investment rises or falls by 2%, 5% or 10%. This is an example only and it does not represent a forecast or actual returns.



Derivatives: Derivatives may be used for risk management or to create new investment exposures. ADIT may use multiple derivative counterparties and all counterparties must be of investment grade at the time of trading. ADIT only deals in derivatives through exchange traded futures and options to hedge risks within the portfolio. All derivatives are backed by collateral which may be cash or other assets of ADIT. The collateral for exchange traded derivatives is held by a third party central clearing facility.

Short selling: Short selling of securities may occur for risk management or to generate additional returns. Short selling is achieved by borrowing securities from a third party and selling them. By this, ADIT attempts to profit from a decrease in the value of the securities. The difference between the higher sale price and lower purchase price is a profit (provided all the costs associated with the transaction are also recouped). However, if the subsequent

purchase price is higher than the initial short selling price then a loss will be incurred equal to the amount by which the purchase price exceeds the short selling price (plus any associated transaction costs). The use of short selling enables ADIT to balance the directional exposure of the portfolio in order to adopt a more market neutral bias. Short selling can nevertheless add to the effective leverage of ADIT. This is because some of the cash that is realised from short selling a borrowed security is available to buy other securities. Short selling can also involve a greater risk than holding a long position in that, in theory, losses incurred through short selling can be unlimited as the cost of covering a short position is not necessarily capped.

See sections 9.6, 9.4 and 9.8 for more information about the risks for ADIT due to leverage, derivatives trading and short selling, and how they can be managed.

3.7 Portfolio management guidelines

The portfolio management guidelines of ADIT are as follows:

Portfolio construction	Guideline
Number of companies and other investees in which ADIT invests	10-15
Largest single long position	50% of NAV (on cost basis)
Largest single short position	50% of NAV (on cost basis)
Maximum long/short mix	125% of NAV long with a corresponding 125% short position

ADIT has the flexibility to take substantial positions in individual securities. This may reduce the diversity of ADIT and therefore increase the exposure to falls in the market price of any one investment. Aurora has a wide discretion over the investments that may be held by ADIT and may sometimes invest in situations that may be considered distressed and/or illiquid. Aurora may also make investments in any other securities it considers offer an appropriate risk/return profile.

3.8 ADIT's current investment portfolio

As at 31 May 2019, ADIT's investment portfolio was comprised of the following asset classes:

Asset class	Approximate % of gross asset value of ADIT	Location	Approximate gross asset value of ADIT
Australian equities (net long)	99.98%	Australia	\$4.596 million
International equities	0%	Overseas jurisdictions	\$0
Exchange traded derivatives	0.0%	Australia	\$0
Cash or cash equivalents	0.02%	Australia	\$0.001 million
		Total	\$4.597 million

3.9 Recent financial position and performance of ADIT

The following is a summary of the recent financial position and performance of ADIT:

- Net Asset Value of ADIT as at 31 December 2018 was \$4,612,270 (compared to \$6,222,082 as at 30 June 2018 — primarily due to redemptions).
- ADIT derived an operating loss before finance costs attributable to ADIT Unit Holders of \$904,137 for the financial half-year ended 31 December 2018 (compared to a profit of \$596,865 for the financial year ended 30 June 2018). The loss for the financial half-year ended 31 December 2018 was primarily due to the decrease in the value of ADIT's holding in 8IP Emerging Companies Limited (ASX: 8EC).
- Distributions paid or payable on ADIT Units in respect of the financial half-year ended 31 December 2018 were \$162,680 (compared with \$234,512 for the financial year ended 30 June 2018).

3.10 Historical ADIT Unit prices and distributions

- (a) The following table sets out the NAV per ADIT Unit³ as at the end of each calendar quarter in the period 1 January 2016 to 31 March 2019:

Calendar quarter ended	2016	2017	2018	2019
31 March	\$0.7148	\$0.7045	\$0.6070	\$0.4397
30 June	\$0.7078	\$0.6072	\$0.6005	—
30 September	\$0.7113	\$0.6563	\$0.5497	—
31 December	\$0.7089	\$0.6359	\$0.4902	—

This was significantly affected by the decline in the 8EC share price, which decreased from \$0.98 on 30 June 2016 to \$0.68 on 31 March 2019 (when ADIT announced a takeover bid for shares in 8EC).

Over the same period the price of YOW Shares has decreased from \$0.930 to \$0.089, and no dividends have been paid.

- (b) The following table sets out the distributions paid on an ADIT Unit for each month in the period 1 January 2016 to 31 March 2019:

Calendar quarter ended	2016	2017	2018	2019
31 January	\$0.0055	\$0.0035	\$0.0037	\$0.0025
28 February	\$0.0063	\$0.0047	\$0.0033	\$0.0023
31 March	\$0.0068	\$0.0052	\$0.0045	\$0.0023
30 April	\$0.0050	\$0.0050	\$0.0043	\$0.0024
31 May	\$0.0063	\$0.0034	\$0.0036	\$0.0023
30 June	\$0.0044	\$0.0149	\$0.0042	—
31 July	\$0.0036	\$0.0031	\$0.0030	—
31 August	\$0.0063	\$0.0031	\$0.0028	—
30 September	\$0.0042	\$0.0044	\$0.0029	—
31 October	\$0.0051	\$0.0048	\$0.0027	—
30 November	\$0.0059	\$0.0040	\$0.0025	—
31 December	\$0.0035	\$0.0040	\$0.0028	—

Aurora has been responsible for the management of ADIT under the control of its current owners only since 1 July 2016 and past performance is not a reliable indication of future performance.

3.11 Minimum suggested investment timeframe and suitability

The suggested minimum timeframe for an investment in ADIT is 5 years. ADIT is more suited to long term investors seeking a return from investing in Australian equities over at least a 5 year period.

3.12 Risk level

An investment in ADIT is moderate to high risk. There is a risk that investors may lose some or all of their investment.

3.13 Benchmark

Aurora uses the S&P/ASX200 Accumulation Index (XJOAI) as a benchmark against which to compare ADIT's performance. See www.asx.com.au for information about this index.

Aurora measures ADIT's performance by comparing the percentage by which the NAV per ADIT Unit actually changes over a period with the S&P/ASX200 Accumulation Index for the same period. Currently, the period is monthly and Aurora publishes ADIT's performance against this benchmark in its monthly portfolio update for ADIT available on its website (www.aurorafunds.com.au).

³ These figures are based on ADIT's unaudited management accounts for the relevant period, except for the figures as at 30 June which are based on ADIT's audited financial statements for the financial year ended on that date.

3.14 Valuation

The assets of ADIT are valued, and ADIT's liabilities are determined, on a daily basis in accordance with Aurora's valuation policy for the purpose of determining ADIT Unit price summarised in section 3.24. The assets of ADIT are typically rights and interests in equities, derivatives, cash and cash equivalents most of which are 'located' in Australia or governed by Australian law, and the acquisition cost of which is denominated in Australian currency.

As noted in section 3.24, where ADIT invests in securities through a securities exchange (which is typically the case), their value will generally be based on the latest available closing sale price on the relevant exchange. In the event that ADIT invests in equities or derivatives that are not exchange traded, an independent valuation service provider will be engaged to value the assets.

3.15 Directors and management of Aurora

Brief profiles of the current directors and management of Aurora, who are involved in the administration and operation of ADIT, are set out below:

<p>John Patton B Ec, Chartered Accountant, Grad Diploma Applied Finance & Investments</p> <p><i>Managing Director</i></p>	<p>John Patton joined Aurora in July 2016 as Managing Director. He was previously a partner with Ernst & Young in the Transactions Advisory Services division and, prior to that, was the Chief Financial Officer of the Hastings Diversified Utilities Fund.</p> <p>With over 30 years of professional services and industry experience, Mr Patton has extensive corporate finance credentials, being involved in over 150 corporate transactions, including mergers and acquisitions (lead advisory), structuring, debt and equity raisings, initial public offers, management buy-outs, valuations (including independent expert reports), due diligence, financial modelling, restructure and corporate advisory.</p>
<p>Victor Siciliano B Bus (Banking & Finance), Master of Applied Finance (Investment Management)</p> <p><i>Executive Director & Portfolio Manager</i></p>	<p>Victor Siciliano joined Aurora as a Portfolio Manager in July 2016 and was appointed as an Executive Director in January 2018.</p> <p>Victor has 10 years' equity market experience, most recently as portfolio manager of the HHY Fund at Keybridge Capital Limited. Prior to this, Victor worked as an assistant portfolio manager at boutique fund manager Sterling Equity, as well as an investment related role at Macquarie Group.</p> <p>In these roles Victor was responsible for undertaking detailed company analysis on Australian and international listed companies, implementing investment strategies and making investment decisions.</p>
<p>Anthony Hartnell AM BEc LLB (Hons) (ANU), LLM (Highest Hons) (George Washington University)</p> <p><i>Independent Non-Executive Director</i></p>	<p>Anthony was appointed as a Non-Executive Director of Aurora Funds Management Limited on 2 March 2018.</p> <p>Anthony has over 50 years of legal experience with expertise in Corporate and Commercial Law, particularly, regulatory issues, corporate financing, takeovers, trade practices and collective investments, with more recent emphasis on investigations and enforcement actions. Anthony is a former Chairman of the Australian Securities Commission (now the Australian Securities and Investments Commission) and the former National Companies & Securities Commission.</p>
<p>Adrian Tilley Chartered Accountant, Bachelor of Commerce</p>	<p>Adrian was appointed as Chief Financial Officer and Company Secretary of Aurora Funds Management Limited on 4 September 2018.</p> <p>Adrian has over 22 years of professional finance experience,</p>

<i>Chief Financial Officer & Company Secretary</i>	primarily in the commercial property industry. Prior to joining Aurora, Adrian was employed as financial controller and company secretary of St Martins Properties (Australia) Pty Ltd.
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Victor Siciliano and John Patton are the key individuals involved in the investment management for ADIT.

3.16 Adverse regulatory findings

Aurora has had the following adverse regulatory findings:

- (a) In November 2014, Aurora entered into an enforceable undertaking (**EU**) with ASIC concerning on market acquisitions and redemptions in its listed funds. The EU arose because ASIC considered that Aurora had not complied with certain substantial holder disclosures. The EU places some restrictions on Aurora from acquiring or disposing of units in those funds on market.
- (b) On 27 November 2017, Aurora made an ASX Announcement advising that approximately \$1 million of funds belonging to the Aurora Property Buy-Write Income Trust (AUP) had been misappropriated from its bank account. In addition, the Announcement advised that Aurora's (now former) Chief Financial Officer, Ms Betty Poon, had been terminated effective immediately. Since this time:
 - I. Aurora has fully repaid the misappropriated funds and compensated AUP for lost earnings; and
 - II. An independent compliance consultant, appointed by ASIC, has completed its review of Aurora's operations and has provided its final report to ASIC.
- (c) On 20 December 2018, ASX determined that Aurora Funds Management Limited should have its approval as an AQUA Product Issuer revoked in accordance with ASX Operating Rule Schedule 10A rule 10A.2.3(c) for its failure to comply with:
 - o rule 10A.3.6 of that schedule, by not having adequate market making arrangements in place to provide sufficient liquidity in the units of the Aurora Dividend Income Trust; and
 - o rule 10A.2.1(2) of that schedule, by not having facilities, expertise, procedures and personnel which are adequate for the performance of its obligations as an approved AQUA Product Issuer.

3.17 Fees and other costs

This document shows fees and other costs that you may be charged as an investor in ADIT. These fees and costs may be deducted from your money (i.e. your investment in ADIT), from the returns on your investment or from the assets of ADIT as a whole. Taxes are set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost	Amount	How and when paid
Fees when money moves in or out of the Fund		
<i>Establishment fee</i> The fee to open your investment	Nil	Not applicable
<i>Contribution fee</i> The fee on each amount contributed to your investment	Nil	Not applicable
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Nil	Not applicable
<i>Exit fee</i> The fee to close your investment	Nil	Not applicable

Type of fee or cost	Amount	How and when paid
Management costs		
<i>The fees and costs for managing your investment</i>	8.00674% pa (inclusive of GST less reduced input tax credit) of NAV comprising: Management fee 0.90581%, comprising 0.97375% pa (inclusive of GST) of NAV less 0.06794% reduced input tax credit PLUS Estimate of reimbursable expenses¹ 3.54647%, comprising 3.81245% pa (inclusive of GST) of NAV less 0.26598% reduced input tax credit PLUS Estimate of indirect costs² 3.55446% pa (inclusive of GST less reduced input tax credit) of NAV	Management fee is accrued daily and paid monthly in arrears out of Fund assets Reimbursable expenses are deducted from Fund assets when due and payable Indirect costs apply within ADIT's investments that reduce returns. They are not paid out of Fund assets (and primarily relate to 8EC)
Service fees		
<i>Switching fee</i> The fee for changing investment options	Nil	Not applicable

1. This estimate is based on the normally incurred reimbursable expenses that Aurora, at the date of this Bidder's Statement, expects will apply for the current financial year. It does not include any extraordinary expenses. For more information about reimbursable expenses, see the additional explanation of fees and costs on page 20.
2. This estimate is based on the indirect costs incurred within the Fund's investments that reduce returns that Aurora, at the date of this Bidder's Statement, expects will apply for the current financial year. For more information about indirect costs, see the additional explanation of fees and costs on page 20.
3. The Fund's constitution also allows Aurora to charge each investor administration fees – see the additional explanation of fees and costs on page 20 for further information about these fees. These fees are not currently charged.

Example of annual fees and costs

This table gives an example of how fees and costs in ADIT can affect your investment over a 1 year period. You should use this table to compare this product with other managed investment products.

EXAMPLE		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR
Contribution Fees ¹	0%	For every additional \$5,000 you put in, you will be charged \$0
PLUS Management Costs ²	8.00674%pa comprising: Management fee 0.90581% pa PLUS Estimate of reimbursable expenses 3.54647% pa PLUS Estimate of indirect costs 3.55446% pa	And , for every \$50,000 you have in ADIT you will be charged \$4,003 each year

EXAMPLE	BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR
EQUALS Cost of investment ³	If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of: \$4,003* What it costs you will depend on the fees you negotiate

*Additional fees may apply:

Establishment fee⁴ – \$0

And, if you leave ADIT early, you may also be charged exit fees of \$0

1. See note 3(a) below.
2. This is an estimate. A breakdown of the fees and costs comprised in this estimate is provided in the previous table. See also notes 3(b) to (d) below.
3. This cost of investment has been calculated on the basis that the additional \$5,000 is contributed at the end of the year. The cost does not include the buy-sell spread — see the additional explanation of fees and costs later in this section 3.17 for more information about the buy-sell spread. Further, the cost assumes that the estimated fees and costs noted in the previous table will continue to apply, no additional fees are charged and fees are not individually negotiated with Aurora. ADIT's constitution allows Aurora as responsible entity to charge the following:
 - (a) An establishment fee of up to 3.075% (inclusive of GST) of the initial application money. This fee is not currently charged.
 - (b) A contribution fee of up to 3.075% (inclusive of GST) of the application money in respect of each application for Units it accepts. This fee is not currently charged.
 - (c) A withdrawal fee of up to 3.075% (inclusive of GST) of the withdrawal amount. This fee is not currently charged.
 - (d) An exit/termination fee of up to a 1.025% (inclusive of GST) of the total closing balance of your investment. The fee is not currently charged.
 - (e) A management fee of up to 3.075% pa (inclusive of GST) of the total value of assets (i.e. gross value) of the Fund. The management fee currently charged by Aurora is 0.97375% pa (inclusive of GST) of the NAV of the Fund.
 - (f) A switching fee of up to 3.075% (inclusive of GST) of the total amount switched between investment options. This fee is not currently charged, and there is currently only one investment option offered by the Responsible Entity in the Fund i.e. Units.
 - (g) An administration fee of \$5.13 (inclusive of GST) each month which may be CPI adjusted and such other reasonable fees as the terms of issue contemplate for issuing a bank cheque, drawing cheques, telegraphic transfers or providing a copy of the Fund's constitution to an investor. These fees are not currently charged.
4. See note 3(a) above.
5. See note 3(e) above.

Additional explanation of fees and costs

Interposed expenses: Pursuant to ASIC Regulatory Guide 97, Aurora adopts a 'look through' disclosure for all fees and expenses attributable to ADIT from third party investee Listed Investment Companies (LIC) or Listed Investment Trusts (LIT) (i.e. the additional fees of investing in such vehicles are not passed through to unit holders).

Management costs: Management costs for ADIT incorporate all relevant ongoing fees and other costs involved in managing ADIT and deriving investment returns. The management costs comprise the responsible entity's management fee, reimbursable expenses and certain indirect costs. They are not paid directly from an investor's investment, however, the management fee and reimbursable expenses are paid out of the assets of ADIT, and they and the indirect costs reduce or are factored into NAV and are reflected in the ADIT Unit price.

Reimbursable expenses: ADIT's constitution allows all expenses incurred by the responsible entity in relation to the proper performance of its duties in respect of ADIT to be recovered from the assets of ADIT and does not place any limit on the amount or type of expenses that can be recovered. Reimbursable expenses include fund and manager establishment, promotion (including offer documents, advertising and promotional material and printing), licensing, custodian, registry, insurance, listing, audit, external consultants, accounts, stationery, postage and termination costs as well as compliance and compliance committee costs, ADIT Unit Holder meetings, legal proceedings and such other expenses as the terms of the issue may contemplate from time to time. Reimbursable expenses vary from year to year, and for the financial year ended on 30 June 2018 were in aggregate 3.95512% (inclusive of GST) of the NAV of ADIT at the end of that year. At the date of this bidder's statement, reimbursable expenses for the current financial year (i.e. ending on 30 June 2019) are estimated to be

3.54647% (inclusive of GST) of the current NAV of ADIT. This estimate of reimbursable expenses is included in the management costs set out in the tables above.

Indirect costs: Indirect costs include any amounts not already disclosed as a management cost that Aurora knows, reasonably ought to know or, where this is not the case, may reasonably estimate will directly or indirectly reduce the return on ADIT Units. For example, indirect costs may include:

- (a) management fees or costs incurred in certain investment funds and companies in which ADIT has invested, e.g. where managers of the underlying funds charge their own management costs and these are deducted from the underlying funds and reduce the unit price of the underlying funds; and
- (b) costs of trading in certain types of derivative financial products which are not traded or quoted on a recognised exchange and/or not used for hedging purposes but rather to gain or reduce market exposure, e.g. derivatives such as over-the-counter options and swap arrangements. ADIT does not currently engage in this kind of derivative trading.

At the date of this bidder's statement, indirect costs for the current financial year are estimated to be 3.55446% of the current NAV of ADIT, having regard to the construction of ADIT's investment portfolio, Aurora's estimate of the management costs of any such investment fund or company for the previous financial year based on the published audited or reviewed financial information for the investment fund or company, and Aurora's view of the likely construction of the investment portfolio based on ADIT's investment strategy. This estimate is included in the management costs set out in the tables above.

Indirect costs are dependent upon a number of factors, including the extent to which and for how long ADIT is invested in another relevant investment fund or company, and may change from year to year. Actual indirect costs for the current financial year or future periods may be higher or lower than the currently estimated indirect costs.

Indirect costs attributable to the management costs of a listed investment fund or company in which ADIT invests should be reflected in the market price of the securities of the entity and, as such, will be factored into NAV and reflected in the ADIT Unit price. ADIT Unit Holders are not separately charged these costs.

Receipt of non-cash benefits: Aurora may receive non-cash benefits in connection with ADIT, such as research and promotional activities from stock brokers through whom investment transactions are carried out. However, Aurora will only use stock brokers and other service providers for ADIT transactions where Aurora is satisfied that the services are consistent with the best available services in the market for equivalent rates.

Can fees be different for different investors?: Aurora may negotiate lower fees (for example, by rebating or waiving some or all fees) for wholesale clients (as defined by the Corporations Act), to the extent that the Corporations Act and any applicable ASIC class order relief allows Aurora to do so. Aurora is not able to negotiate lower fees for retail clients. If you are a wholesale client, you may contact Aurora's Chief Financial Officer on 1300 553 431 to negotiate a fee.

Indirect investors: If you are an indirect investor in ADIT (e.g. via an IDPS) you will need to consider the fees and other costs of the IDPS (or any other similar arrangement) when calculating the total cost of your investment.

Tax: Refer to section 8.4 for an explanation of the income and capital gains tax ramifications of investing in ADIT for Australian resident investors.

GST: Unless otherwise noted, all fees and costs specified in this section 3.17 are GST inclusive net of any reduced input tax credits. GST is additionally incurred net of any reduced input tax credits. Services supplied to ADIT are generally taxable supplies for GST purposes and will therefore usually include a GST component (being 1/11th of the total amount charged for the services). Generally, ADIT cannot claim full input tax credits for these services but is usually entitled to a reduced input tax credit equal to 55%-75% of the GST component included in the charges for those services.

Buy-sell spread: The buy-sell spread reflects the estimated transaction costs associated with buying and selling the assets of ADIT when investors invest in or withdraw from ADIT. The

buy-sell spread is an additional cost to the investor but it is included in the ADIT Unit price and is not charged separately to the investor. The buy-sell spread that is currently applied to calculate ADIT Unit price is 0.2%. The buy-sell spread may change without notice. The buy-sell spread on a \$50,000 investment or redemption is \$100. No buy-sell spread will apply to the issue of ADIT Units as Bid consideration.

Securities borrowing costs: ADIT may borrow securities within the investment strategy, and will pay fees on these securities borrowings (if any) at a rate which is subject to change without notice. Securities borrowing costs are not included in the management fee. They are reimbursable expenses payable out of ADIT's assets. Aurora is not able to estimate these costs.

Can the fees change? Yes, all fees can change. Generally, ADIT's constitution provides for the maximum fees that Aurora can charge. Footnote 3 to the table containing an example of fees and costs earlier in this section 3.17 summarises all of the fees (and limits) that Aurora can charge under ADIT's constitution. If Aurora makes a change that increases (or might result in an increase) in any fees or charges (e.g. increasing the management fee or performance fee rate currently charged, resetting the high water mark for the performance fee calculation or imposing a fee not currently charged), Aurora will give at least 30 days' notice before the change takes effect. To change fees above levels allowed by the constitution would need the approval of ADIT Unit Holders.

3.18 Making an additional investment in ADIT

Investors who want to acquire additional ADIT Units may do so by obtaining a copy of the ADIT PDS and accompanying application form and completing the application process in accordance with the instructions set out in the PDS and form.

The PDS and application form are available through Aurora's website at www.aurorafunds.com.au.

Alternatively, an additional investment in ADIT may be made indirectly through an IDPS (i.e. by acquiring interests in the IDPS that invests in ADIT Units). In this case, the documentation required by the IDPS operator in order to make the investment would need to be completed.

The minimum initial investment is A\$2,000. The minimum additional investment is A\$2,000. If an application form is received and accepted, the Units applied for will be issued within 10 days following the end of the calendar month in which the application is received at the issue price based on the NAV as at the end of the last Business Day of the month. This is subject to the application form being received before 12 noon (Melbourne time) on the last Business Day of the calendar month (or such other Unit pricing cut-off time determined by the Responsible Entity). Where an application is received after this time, it will be taken to have been received in the next calendar month.

3.19 Cooling off rights

Under the Corporations Act, cooling off rights are available in some circumstances to retail clients who acquire certain managed investment products, which allow the investor to change his or her investment decision and ask for the initial investment to be returned (after adjusting for transaction costs and any market movement since the initial investment).

However, YOW Shareholders who accept the Offer will not have any cooling off rights in relation to any ADIT Units issued to them as Bid consideration.

3.20 Redemptions

Holders of ADIT Units may request redemption of their investment through completing a redemption request form for ADIT (available on Aurora's website at www.aurorafunds.com.au or by calling Aurora on 1300 553 431) and sending it to Aurora, in accordance with the instructions set out on the form.

The amount withdrawn will be remitted directly into the investor's nominated account by electronic funds transfer. A cheque can be sent to the investor upon request, although this process usually takes longer than direct debiting. Aurora does not issue third party cheques.

Following a receipt of a request for withdrawal and provided no redemption limitations or suspensions are in force (see section 3.21), Aurora will endeavour to pay the amount

requested to be withdrawn within 15 days following the end of the calendar month in which the redemption request form is received. The withdrawal will be processed at the withdrawal price based on the NAV as at the end of the last Business Day of that calendar month. This is subject to the redemption request form being received before 12 noon on the last Business Day of the calendar month (or such other ADIT Unit pricing cut-off time determined by Aurora). Where a redemption request is received after this time, it will be taken to have been received in the next calendar month. Occasionally longer periods may apply where (for example) there are circumstances outside of Aurora's control, the redemption request will affect the orderly realisation of assets or relief from ASIC applies.

Investors that have invested through an IDPS can only make withdrawals against their IDPS operator, and not against ADIT, and will need to contact their financial adviser or IDPS operator to obtain additional information in relation to redemptions. Withdrawals from an IDPS may be limited or suspended in the same way that withdrawals of direct investments in ADIT can be (see below).

3.21 Limiting or suspending redemptions

Aurora has a broad discretion in relation to accepting and processing redemption requests including restricting (or 'scaling back') the quantum of total ADIT Unit redemption requests that are accepted and paid during a period. Redemption limits may apply in circumstances where outstanding redemptions exceed 10% of the Net Asset Value of ADIT, paying redemption requests would impact on ADIT's ability to execute on an investment strategy or Aurora believes it is in the best interests of investors to do so.

As a result, Aurora has a liquidity management policy covering the adoption of redemption guidelines that aim to achieve an equitable balance between the competing interests of those ADIT Unit Holders who wish to remain invested in ADIT and those seeking to redeem their investment. Where redemption restrictions apply, the redemption guidelines will be posted on Aurora's website (www.aurorafunds.com.au). Because it is not possible to identify the quantum of redemption requests prior to them being received, Aurora may change existing redemption guidelines, or adopt new ones, that will apply to a redemption request already submitted (but not accepted). Aurora may change the guidelines, or adopt new ones, (either restricting or relaxing liquidity measures) at any time, depending on the circumstances of ADIT.

At the date of this bidder's statement, redemption guidelines have been adopted that provide for:

- (a) calendar quarterly consideration and processing of redemption requests at a redemption price based on the NAV per ADIT Unit on the last Business Day of the quarter in which the requests are received;
- (b) proportionate scale back of redemption requests where the aggregate amount sought to be withdrawn in any given calendar quarter exceeds 5% of the total funds under management in ADIT; and
- (c) carry over of unsatisfied redemption requests to the next calendar quarter for consideration, as though they were fresh redemptions requests made in that quarter.

As at 0 June 2019, there were outstanding redemption requests received by Aurora for 149,189 ADIT Units, representing \$66,530 in outstanding redemption payments (based on the then prevailing redemption price) and approximately 2% of the total number of ADIT Units on issue as at that date (excluding the ADIT Units to be redeemed under redemption requests for the quarter in accordance with the redemption guidelines).

Aurora may also suspend or limit redemption requests where:

- (a) circumstances outside its control, in its opinion, adversely affect its ability to properly or fairly calculate ADIT Unit price (e.g. if the assets or relevant currencies are subject to restrictions or if there is material market uncertainty);
- (b) in its opinion (acting reasonably) there is an emergency or other state of affairs which makes it impractical to redeem ADIT Units or may prejudice the remaining investors;
- (c) there is a declaration of a moratorium, or restrictions on trading in a relevant foreign exchange market, in a country in which ADIT has investments;

- (d) ADIT assets cannot be disposed of or withdrawn;
- (e) the law permits ADIT's responsible entity to do so.
- (f) Where we are restricted by law from disposing of assets in the Fund and we consider that it is impractical to fund redemptions by recourse only to assets of the Fund not subject to such restriction. This can arise where, as part of the investment strategy, the Fund makes a takeover bid for an investee entity or has inside information concerning an investee entity.

3.22 Redemptions while ADIT is not liquid

Under the Corporations Act, a scheme is liquid if the scheme's liquid assets account for at least 80% of the value of scheme property. Liquid assets include cash, cash equivalents and marketable securities that can reasonably be expected to be realised within the period specified in the scheme constitution for satisfying withdrawal requests. Under ADIT's constitution, redemptions of Units may be suspended for such periods as Aurora considers appropriate in all the circumstances. ADIT has a material investment in 8EC. On 16 May 2019, 8EC announced a proposed orderly realisation of its assets and distribution of the net proceeds to holders of 8EC shares. On 27 June 2019, 8EC released a notice of general meeting for 8EC shareholders, to be held on 1 August 2019. The accompanying information suggests that the first tranche of distribution proceeds (anticipated to be \$0.47 per 8EC share) would occur before the end of August 2019.

In circumstances where ADIT ever ceased to be liquid, an ADIT Unit Holder could only withdraw when Aurora makes a redemption offer to investors in accordance with the Corporations Act, and Aurora is not obliged to make a redemption offer.

3.23 Compulsory redemption

Aurora can compulsorily redeem ADIT Units:

- (a) if the ADIT Unit Holder has breached its obligations to Aurora as responsible entity of ADIT;
- (b) to satisfy any amount owing by the ADIT Unit Holder or by Aurora as responsible entity that relates to the ADIT Unit Holder;
- (c) if ADIT's constitution otherwise allows (e.g. where a minimum holding is or will be breached);
- (d) where Aurora suspects that the law prohibits the ADIT Unit Holder from legally being an ADIT Unit Holder;
- (e) to satisfy Aurora's obligations as responsible entity of ADIT under the anti-money laundering and counter-terrorism financing legislation and rules; or
- (f) in such other circumstances as Aurora determines in its absolute discretion.

3.24 Unit price

The price or value of an ADIT Unit at a particular time is based on NAV divided by the total number of ADIT Units on issue i.e. NAV per ADIT Unit. NAV is the value of all assets of ADIT (but not application money or property in respect of which Units have not yet been issued, proceeds of redemption which have not yet been paid or an amount in a distribution account), less all present liabilities of ADIT including any provision which Aurora decides should be taken into account in determining the liabilities of ADIT. Where unit price is to be calculated for a class of ADIT Units, the calculation is based on the proportion of NAV that Aurora determines is properly referable to the class divided by the total number of ADIT Units on issue in that class. When calculating NAV Aurora must use the most recent valuations of ADIT's assets and the most recent determination of its liabilities.

Aurora may value ADIT assets at any time it chooses, including more than once on each day if appropriate having regard to the nature of the assets. Aurora may also choose the valuation methodology having regard to the nature of the assets. Accordingly, Aurora has adopted the following policy for the purposes of determining unit price/NAV per ADIT Unit:

- (a) The value of ADIT's assets and liabilities are to be determined as at the last Business Day of every calendar month.
- (b) ADIT typically invests in exchange traded securities that are generally valued at the latest available closing sale price.
- (c) Securities which are suspended from quotation will generally be priced at the last trade price or at zero, unless an alternate determination is made based on market events.

The price of ADIT Units on application/issue (**application price**) and the price of ADIT Units on withdrawal/redemption (**redemption price**) are based on the NAV per ADIT Unit adjusted for the buy-sell spread. Additionally, under ADIT's constitution, the application price and redemption price may be rounded up or down by 1% or 1 cent, as Aurora chooses.

Aurora has adopted an ADIT Unit pricing discretion policy. The ADIT Unit pricing discretion policy sets out, among other things, the principles Aurora will adhere to when exercising the discretions provided to it under ADIT's constitution in relation to calculating ADIT Unit-related prices.

ADIT Units to be provided as Bid consideration to YOW Shareholders who accept the Offer will be issued at NAV per ADIT Unit as at close of business on the last Business Day of the Offer Period. There will be no adjustment for any buy-sell spread.

3.25 Buy-sell spread

The buy-sell spread aims to ensure that other investors do not pay the costs associated with an investor entering or exiting ADIT. The buy-sell spread is not a fee paid to Aurora. It is retained in ADIT to cover costs associated with buying and selling ADIT's investments.

The buy-sell spread is currently 0.2% of the investment or withdrawal amount (as the case may be) and is the cost charged to enter ADIT (acquire units) and exit ADIT (redeem units). For example, if an investor makes a \$50,000 investment or withdrawal from ADIT, the buy-sell spread of 0.2% of the investment/withdrawal amount will be added to Net Asset Value per unit to determine the ADIT Unit application price and will be deducted from Net Asset Value per unit to determine the ADIT Unit redemption price, which is equal to a transaction cost of \$100. Aurora may change the buy-sell spread at any time.

As noted in section 3.24, no buy-sell spread will apply to the issue of ADIT Units as Bid consideration.

3.26 Distribution policy

Aurora intends to make monthly cash distributions of 0.5% of the NAV per ADIT Unit plus available franking credits within 30 days following the end of each calendar month (or 1.5% if distributions are provided quarterly). If ADIT's net income and realised capital gains less expenses for a financial year exceed the periodic cash distributions for the year, the cash distribution for the final quarter may include some or all of the excess. Should ADIT not generate sufficient net income to cover the cash distributions in a financial year, then part or all of any distribution may be a return of capital, or Aurora may elect not to pay a distribution. The final cash distribution for a financial year may, therefore, take longer to finalise and pay than 30 days from the end of the financial year due to these additional considerations, as well as the end of year audit requirements.

The ADIT Unit price generally falls by the amount of any distribution immediately after the date for determining entitlements to the distribution. If you invest just prior to a distribution entitlement date then that distribution may effectively represent a return of your investment. Depending on your circumstances, this may have certain tax implications and Aurora recommends that you speak with your financial adviser or tax adviser to determine your own situation.

You may choose to have your distributions either reinvested as additional ADIT Units via ADIT's distribution reinvestment plan, or paid directly to your nominated Australian bank account. Until you nominate an Australian bank account (either on the application form or by subsequently updating your investor details to include an Australian bank account), Aurora will reinvest your distributions. Distribution payments will generally not be paid by cheque.

Aurora may change ADIT's distribution policy at any time.

See section 3.10(b) for details of ADIT's historical distributions to ADIT Unit Holders.

3.27 Regulatory regime

ADIT is registered as a managed investment scheme under the Corporations Act, and Aurora is the trustee and responsible entity that holds an AFSL which authorises it to operate ADIT. As such, the operation of ADIT and Aurora's role as responsible entity is principally regulated by ASIC under the Corporations Act.

Aurora has a compliance plan for ADIT which details the methods it takes to ensure that in operating ADIT Aurora complies with the Corporations Act and the constitution of ADIT. Aurora also has a compliance committee which (amongst other things) monitors Aurora's adherence to the compliance plan. It comprises 3 members, 2 being external to Aurora. The compliance committee is required to report any breach of ADIT's constitution or the Corporations Act to Aurora, and in some instances, to ASIC.

3.28 What are the main rights and obligations of investors?

The rights and obligations of investors are governed by ADIT's constitution and the ADIT PDS, but are also affected by the Corporations Act, exemptions and declarations issued by ASIC, and the general law relating to trusts. You may inspect a copy of ADIT's constitution at Aurora's office by contacting Aurora during office hours and making a time to come in and inspect the copy. Alternatively, you may obtain a copy by contacting Aurora (and paying a fee).

Some of the provisions of ADIT's constitution are discussed elsewhere in this bidder's statement. Others that relate to an investor's rights under ADIT's constitution include:

- (a) the nature of ADIT Units;
- (b) how ADIT Units may be transferred;
- (c) how the price of an ADIT Unit is calculated;
- (d) what an investor is entitled to receive upon withdrawal or where ADIT is wound up;
- (e) the times Aurora can delay processing withdrawals (such as if calculating NAV is impracticable); and
- (f) investors' rights to share in any income of ADIT, and how it is calculated.

An ADIT Unit Holder's rights to requisition, attend and vote at meetings of ADIT Unit Holders are contained in the constitution and the Corporations Act. Each ADIT Unit Holder entitled to vote at a meeting who is present in person or by proxy (or other representative) has on a show of hands 1 vote and on a poll 1 vote for each \$1 of value of the total ADIT Units held. Where ADIT Units are held jointly, and more than 1 joint ADIT Unit Holder attends the meeting, only the first named holder in the register of ADIT Unit Holders is entitled to vote.

The constitution states that the liability of an ADIT Unit Holder is limited to the amounts subscribed, or agreed to be subscribed, by the ADIT Unit Holder for ADIT Units but the courts are yet to determine the effectiveness of provisions of this kind. The constitution also states that an ADIT Unit Holder indemnifies the responsible entity of ADIT for:

- (a) all liability incurred by the responsible entity arising directly or indirectly from the ADIT Unit Holder's breach of its obligations to the responsible entity.

3.29 Aurora's powers and duties as responsible entity

Aurora's powers include:

- (a) the power to invest, borrow and generally manage ADIT (which are practically unrestricted);
- (b) the discretion to refuse applications for ADIT Units and transfers of ADIT Units;
- (c) the ability to change ADIT's constitution, but it needs approval at a meeting of ADIT Unit Holders if the change will adversely affect the rights of ADIT Unit Holder; and
- (d) it can charge fees and recover expenses.

As responsible entity, Aurora is also subject to many duties including duties to act honestly and in the best interests of investors, exercise care and diligence and treat investors holding ADIT Units of the same class equally.

However, under ADIT's constitution:

- (a) Aurora is not liable for any loss except to the extent the loss arises due to Aurora failing to comply with its duties under the Corporations Act; and
- (b) Aurora can be reimbursed for liabilities it incurs in relation to the proper exercise or performance of its powers and duties under the constitution or otherwise in connection with ADIT.

3.30 Changing the responsible entity

Aurora can retire as responsible entity of ADIT, but in most situations only if a new person is appointed as replacement responsible entity.

Aurora may also be replaced as responsible entity, by a resolution passed by ADIT Unit Holders. As ADIT is unlisted, the resolution must be passed as an extraordinary resolution, i.e. by at least 50% of the total votes that may be cast by all ADIT Unit Holders entitled to vote on the resolution (whether or not voting), and Aurora and its associates are not entitled to vote any ADIT Units they hold on such a resolution.

3.31 Anti-money laundering

Under Australia's anti-money laundering laws (**AML Laws**) including the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth), Aurora may be required to obtain comprehensive information to verify the identity of an investor and any underlying beneficial owner of ADIT Units and the source of any payment. By completing an Acceptance Form, an investor agrees that:

- (a) the investor does not subscribe to ADIT under an assumed name;
- (b) any money used to invest in the ADIT Units is not derived from or related to any criminal activities;
- (c) any proceeds of the investment will not be used in relation to any criminal activities;
- (d) if Aurora requests, the investor will provide to it any additional information that is reasonably required for the purposes of AML Laws (including information about the investor, any beneficial interest in the ADIT Units, or the source of funds used to invest);
- (e) Aurora may obtain information about the investor or any beneficial owner of the ADIT Units from third parties if it is believed this is necessary to comply with AML Laws; and
- (f) in order to comply with AML Laws, Aurora may be required to take action, including delaying or refusing the processing of any application or redemption, or disclosing information that Aurora holds about the investor or any beneficial owner of the ADIT Units to Aurora's related bodies corporate or service providers, or relevant regulators of AML Laws (whether in or outside of Australia).

3.32 Foreign Account Tax Compliance Act and OECD Common Reporting Standards

The Foreign Account Tax Compliance Act (FATCA) is United States (US) legislation targeting non-compliance by US taxpayers using foreign accounts. In order to prevent FATCA withholding tax being applied to any US connected payments to the Fund in Australia, the Fund is required to collect and report information to the Australian Taxation Office relating to certain US accounts, which may be exchanged with the US Internal Revenue Service.

Similar to FATCA, the OECD Common Reporting Standards (CRS) for the automatic exchange of information is a single global standard for the collection and reporting to tax authorities of information by financial institutions on non-residents. The CRS was implemented in Australia on 1 July 2017.

Accordingly, ADIT may request that you provide certain information about yourself and, where you are an entity, your controlling persons in order for the Fund to comply with its FATCA or CRS compliance obligations.

In the event the Fund suffers any amount of withholding tax (including FATCA withholding tax) and/or penalties, neither the Fund nor the Responsible Entity will be required to compensate you for any such tax or penalty, except in exceptional circumstances.

3.33 Environmental, social and ethical considerations

Aurora does not take into account labour standards or environmental, social or ethical considerations for the purpose of selecting, retaining or realising investments. This means that Aurora does not screen out companies solely on the basis of these standards or considerations. If a company's policies fall short of labour standards or its activities are considered environmentally, socially or ethically unacceptable and as a result, the company's earnings are adversely affected, ADIT may not invest or choose to divest itself of the investment.

3.34 ASIC relief

ASIC has under its power in section 1020F of the Corporations Act granted relief from the operation of the Corporations Act that is generally applicable to investing in ADIT.

This includes the relief available under ASIC Instrument 2015/847, that modifies the requirements under sections 601GA(1) and (4) of the Corporations Act that the constitution of a registered scheme:

- (a) make adequate provision for the consideration that is to be paid to acquire an interest in the scheme; and
- (b) specify any right to withdraw from the scheme or set out adequate procedures for making and dealing with withdrawal requests;

by allowing ADIT's constitution to provide a formula or method to determine the amount to be paid for the issue or redemption of ADIT Units that is based on the value of ADIT property attributable to ADIT Units of the relevant class less liabilities that under the constitution may be met from that property divided by the number of ADIT Units on issue in that class, subject to Aurora having certain discretions in relation to the determination. Under this relief, Aurora must prepare a number of documents including a policy as to how these discretions may be exercised and the records it will keep about the exercise of each discretion, and a document that sets out details of the exercise of each discretion for which there is no documented policy or that involves a departure from the documented policy. Aurora must retain the documents for 7 years after they cease to be current and will give a copy of the documents to a person who has been given, should have been given or has obtained the ADIT PDS or who is an ADIT Unit Holder, on request and without charge.

Product Disclosure Statement

Aurora relies on the relief available under ASIC Corporations (Updated Product Disclosure Statements) Instrument 2016/1055, which modifies the requirement under section 1012J of the Corporations Act that the information in a product disclosure statement be up-to-date as at the time when it is given. Under this relief, information in a product disclosure statement that is not materially adverse (from the point of view of an investor) need not be up-to-date so long as, among other things, the product disclosure statement was up-to-date when it was first given, the product disclosure statement explains how updated information can be found at any time and the product disclosure statement explains that a paper or electronic copy of the updated information will be given or made available to a person without charge on request. As responsible entity of ADIT, Aurora must establish and maintain a means by which a person may find out any updated information (in a way which is simple, involves no charge and little inconvenience to the person) and keep a copy of any updated information for 7 years after it is prepared.

Unit pricing

Aurora relies on the relief available under ASIC Instrument 2015/847, that modifies the requirements under sections 601GA(1) and (4) of the Corporations Act that the constitution of a registered scheme:

- make adequate provision for the consideration that is to be paid to acquire an interest in the scheme; and
- specify any right to withdraw from the scheme or set out adequate procedures for making and dealing with withdrawal requests;

by allowing the ADIT's constitution to provide a formula or method to determine the amount to be paid for the issue or redemption of Units that is based on the value of the Fund property attributable to Units of the relevant class less liabilities that under the constitution may be met from that property divided by the number of Units on issue in that class, subject to the Responsible Entity having certain discretions in relation to the determination. Under this relief, the Responsible Entity must prepare a number of documents including a policy as to how these discretions may be exercised and the records it will keep about the exercise of each discretion, and a document that sets out details of the exercise of each discretion for which there is no documented policy or that involves a departure from the documented policy. The Responsible Entity must retain the documents for 7 years after they cease to be current and will give a copy of the documents to a person who has been given, should have been given or has obtained a PDS or who is a Unit holder, on request at no charge.

3.35 Periodic reporting

Aurora lodges with ASIC every year an annual financial report for ADIT comprising ADIT's annual financial statements, a statement and report from the directors of Aurora and the auditor's audit report in relation to ADIT's annual financial statements. A copy of ADIT's annual financial report most recently lodged with ASIC is available on Aurora's website (www.aurorafunds.com.au). ADIT Unit Holders may also obtain a copy from Aurora (without charge).

Additionally, and as recommended by ASIC in its regulatory guide 240, Aurora has a policy to make available to investors periodic reports and updates on certain key information in relation to ADIT as follows:

Annual reporting

- (a) Actual asset allocation — the percentage of ADIT's assets (by value) at the end of the financial year within each asset type described in the targeted allocation range set out in section 3.6.
- (b) Liquidity profile of ADIT assets — the estimated time required to sell ADIT's assets at the end of the financial year at the value ascribed to the assets in ADIT's most recently calculated Net Asset Value.
- (c) Maturity profile of liabilities of ADIT — the liabilities of ADIT categorised by class of liability and maturity date timeframes.
- (d) Leverage ratio — the ratio of total liabilities of ADIT to value of total assets of ADIT at the end of the financial year (after taking into account any leverage embedded in assets of ADIT other than quoted equities).
- (e) Details of the counterparties with which Aurora as responsible entity of ADIT entered into derivatives during the financial year.
- (f) Investment returns from ADIT (i.e. net return on ADIT's assets after fees, costs and taxes) for the financial year and the previous 4 financial years.

Monthly updates

- (a) Net Asset Value of ADIT at the end of the month.
- (b) ADIT Unit redemption value at the end of the month.
- (c) Net return on ADIT's assets after fees, costs and taxes since the last update.
- (d) Material changes in ADIT's risk profile or investment strategy since the last update.
- (e) Changes to key service providers since the last update (including any change in their related party status).
- (f) Changes to key investment decision makers since the last update.

Ongoing availability

The latest reports and updates containing the above information will be available from Aurora's website (www.aurorafunds.com.au). Aurora may also provide other updates, and issue information relevant to ADIT, on its website from time to time.

3.36 Material changes

Aurora will also notify on its website any updated information that would otherwise be required to be specified in the ADIT PDS at the time it is given to a retail investor, or any other material change to a matter, or significant event that affects a matter, required to be specified in the ADIT PDS. If the change is (or might result in) an increase in fees or charges, Aurora will give notice at least 30 days before the change takes effect. Any other change or event will be notified before, or as soon as practicable after, it occurs.

3.37 Tax statement

A tax statement will be sent to investors if ADIT has distributed income for a financial year. Generally, the tax statement is sent to investors shortly after the final distribution for the financial year.

3.38 Complaints

ADIT Unit Holders are requested to notify Aurora of complaints in writing. Under ADIT's constitution, Aurora as responsible entity must acknowledge written complaints within 14 business days. Aurora must ensure that complaints receive proper consideration and must act in good faith in dealing with complaints. Aurora must respond to a complaint as soon as practicable and, in any event, not more than 38 days after it receives the complaint. If an ADIT Unit Holder is not happy with how the complaint has been resolved, the ADIT Unit Holder may contact the Australian Financial Complaints Association (**AFCA**) of which Aurora is a member. This is an independent body and is approved by ASIC to consider complaints. The telephone number for AFCA is 1800 931 678.

If referral to AFCA still does not resolve the complaint, the ADIT Unit Holder may refer it to an arbitrator agreed on by the ADIT Unit Holder and Aurora or, failing agreement, nominated by the national president of Resolution Institute ACN 008 651 232 (or his or her nominee). Parties must bear their own costs in relation to the arbitration, although the arbitrator's fees will be split equally between the parties. The arbitration will be conducted in accordance with the *Commercial Arbitration Act 1984* (Vic).

3.39 Keeping Aurora informed

ADIT's records about ADIT Unit Holders are important. ADIT Unit Holders are requested to inform Aurora in writing signed by all persons named as applying for ADIT Units in the Acceptance Form (or any other application form for ADIT Units) of any changes to details which they have given Aurora. This may be a new postal address, a change of name or new financial institution account details for distribution payments. Aurora will send written confirmation of changes. ADIT Unit Holders are requested to quote their investor number when they contact Aurora.

3.40 Related party transactions and other conflicts of interest

Aurora may from time to time obtain services or facilities from its related parties. Where it does so, and the cost is to be paid out of ADIT as a reimbursable expense, rather than being paid by Aurora out of its own funds (e.g. its management fee), Aurora will obtain the supply on reasonable arm's length terms or on terms more favourable to Aurora than reasonable arm's length terms or, unless the financial benefit to the related party falls within another exception set out in sections 210 to 216 of the Corporations Act (as modified by part 5C.7), Aurora will first obtain the approval of ADIT Unit Holders to give the benefit in accordance with sections 217 to 227 of the Corporations Act (as modified by part 5C.7).

Aurora is the responsible entity of a number of other funds and may provide investment management services to other entities that have similar objectives to those of ADIT. This could give rise to a potential conflict of interest for Aurora, e.g. where a potential investment may be suitable for ADIT and another fund or an opportunity arises to sell an investment held on behalf of a number of funds. A conflict could also arise where Aurora decides to make an investment

on behalf of ADIT in another fund managed by Aurora. Aurora is subject to strict laws as to how to manage conflicts of interest and has adopted a conflict of interest policy to assist it comply with those laws. Aurora has also adopted a separate policy specifically about how to allocate investment opportunities across funds it manages — see section 3.41 for a summary of the trade allocation policy.

3.41 Trade allocation policy

Aurora is responsible for the efficient and prudent management of all funds it manages. In the course of managing a number of funds, there will arise occasions when a potential investment may be appropriate for more than one fund.

In consequence, Aurora has adopted a trade allocation policy that requires a number of factors to be considered when deciding how an investment may be allocated, including:

- (a) how the investment fits into ADIT's mandate;
- (b) availability of investable funds;
- (c) the concentration effect the investment would have on ADIT's portfolio;
- (d) the quality of the investment compared to the existing assets of ADIT; and
- (e) any other considerations as applicable (e.g. the effect of allocation on a proportional basis as between funds for which the investment is appropriate or whether allocation on another basis may be preferable).

Trade allocation will be determined by Aurora on a basis that is fair, reasonable and equitable to all funds based on Aurora's trade allocation policy and each fund's investment objectives.

3.42 Custodian

Where Aurora appoints a custodian to hold ADIT's assets, the custodian's role is generally limited to safe-keeping of the assets and acting on Aurora's directions to settle ADIT's trades. The custodian does not make investment decisions in respect of the assets held, and has no supervisory role in relation to the operations of ADIT.

3.43 Indemnity

Aurora, as responsible entity of ADIT, is indemnified out of the assets of ADIT for any liability incurred by it in properly performing or exercising any of its powers or duties in relation to ADIT. To the extent permitted by the Corporations Act and at law, this indemnity includes any liability incurred as a result of any act or omission of a delegate or agent. Aurora may retain and pay out of any money in its hands all sums necessary to satisfy the indemnity.

3.44 Further information

Further information about ADIT is available from Aurora's website (www.aurorafunds.com.au/investment-funds/ADIT-unlisted-managed-fund). This includes copies of ADIT's financial statements and its current product disclosure statement.

4. Information on YOW

4.1 Disclaimer

The information about YOW in this bidder's statement is based on publicly available information, including from ASIC and ASX. It has not been independently verified. Accordingly, Aurora does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

The information about YOW in this bidder's statement should not be considered comprehensive.

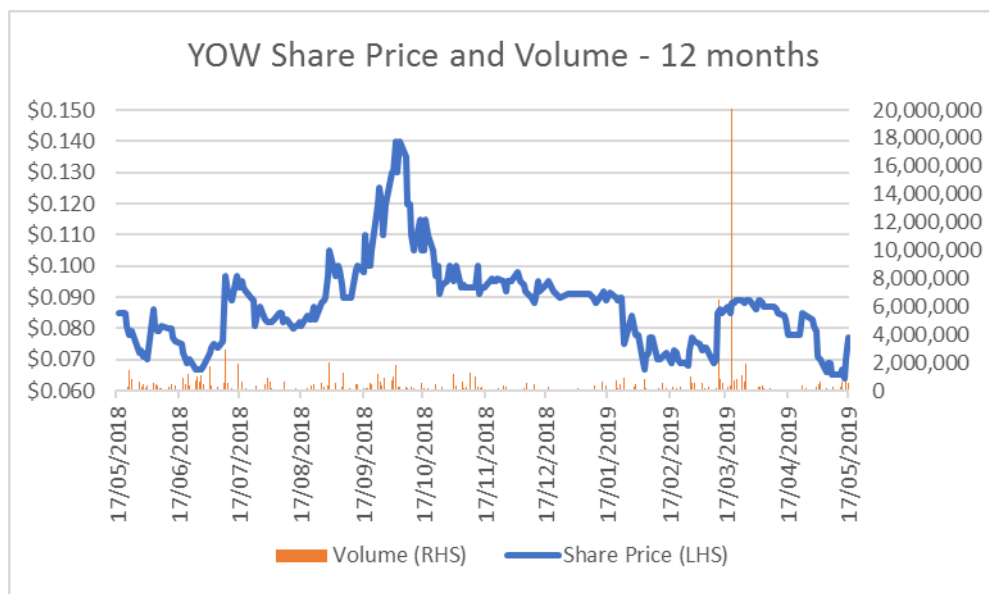
Further information relating to YOW and its business may be included in its target's statement.

4.2 Overview of YOW and its principal business⁴

Yowie Group Ltd is a global brand licensing company specialising in the development of consumer products designed to promote learning, understanding and engagement with the natural world through the adventures and exploits of six endearing Yowie characters. YOW employs its company-owned intellectual property rights in the outsourcing of the manufacturing and distribution of the Yowie chocolate confectionery product and in the development of a Yowie digital platform and Yowie branded licensed consumer products. Yowie Group Ltd was first listed on the Australian Securities Exchange in December 2012 under code name 'YOW'. The Company's registered head office is in Perth, Western Australia.

4.3 YOW Share trading price and volume activity

The following chart illustrates the sale price, trading volume and NTA (pre-tax) of YOW Shares on ASX for the 12-month period ending 17 May 2019 (being the date YOW Shares last traded on ASX prior to the date of ADIT intention to Bid).



***Data sourced from Bloomberg*

4.4 Dividends

YOW has paid no dividends since being admitted to the official list of ASX on 21 December 2012, based on ASX disclosures.

4.5 Directors

At the date of this bidder's statement, the directors of YOW are:

- (a) Mr Louis Carroll (Non-executive Chairman)

⁴ <http://www.yowiegroup.com/>

- (b) Mr Mark Shuessler (Managing Director)
- (c) Mr Glen Watts (Non-executive Director)
- (d) Mr Tim Kestell (Non-executive Director)

On 26 June 2019, YOW called a general meeting of YOW Shareholders requested under section 249D of the Act by Keybridge Capital Limited (KBC) at which resolutions for the removal as directors of Mr Carroll, Mr Watts and Mr Kestell will be considered. The meeting is to be held on 5 August 2019. At present, Aurora has not made a final decision on how the YOW Shares held in its various funds will vote on these resolutions, except that it advises that it has decided to vote in favour of the resolution to remove Mr Kestell as a director.

4.6 YOW's capital structure

The only securities on issue in YOW at the date of this bidder's statement are 217,748,987 fully paid ordinary shares.⁵ Under the Bid, Aurora as responsible entity of ADIT is offering to acquire all of the YOW Shares.

The rights and liabilities attaching to YOW Shares are governed by YOW's constitution, the Corporations Act, the ASX Listing Rules and general law.

4.7 Substantial holders of YOW Shares

At the date of this bidder's statement, these YOW Shareholders (together with any associates) have voting power in YOW of at least 5%:

YOW Shareholder	Voting power
Bentley Capital Limited	22.63% ⁶
Keybridge Capital Limited	18.72% ⁷
Australian Securities and Investments Commission and The Commonwealth of Australia	12.92% ⁸
Aurora Funds Management Limited in its capacity as responsible entity of HHY Fund	12.24% ⁹

The shareholding of ASIC and the Commonwealth of Australia arises as a result of an order of the Takeovers Panel relating to the acquisition by Wilson Asset Management (International) Pty Limited (WAMI) of 27,073,809 YOW Shares (WAMI Shares) and the acquisition by KBC of 1,054,148 YOW Shares (KBC Shares). Under the Takeovers Panel orders, those YOW Shares are required to be sold under a process to be conducted by an independent stockbroker or investment bank under which WAMI and its associates are not entitled to acquire any of the WAMI Shares (being 27,073,809 YOW shares) and KBC and its associates are not entitled to acquire any of the KBC Shares (being 1,054,148 YOW shares). On 3 July 2019, ASIC announced that it had appointed Morgan Stanley Wealth Management Australia Pty Ltd to conduct the sale of the WAMI Shares and KBC Shares.

4.8 Information given to ASX

The announcements and other information given to ASX by or about YOW upon which the information in this bidder's statement is based, as well as additional information about YOW given to ASX, can be obtained from YOW's company information page on ASX's website (www.asx.com.au).

5 <https://www.asx.com.au/asxpdf/20181008/pdf/43z1jq4c1zk1tf.pdf>

6 <https://www.asx.com.au/asxpdf/20190129/pdf/44246x99sjy97d.pdf>

7 <https://www.asx.com.au/asxpdf/20190426/pdf/444jzbdjp759tn.pdf>

8 <https://www.asx.com.au/asxpdf/20190430/pdf/444p2x2gpn1195.pdf>

9 <https://www.asx.com.au/asxpdf/20180808/pdf/43x5kjs2lcqg95.pdf>

4.9 Further information about YOW

Further information about YOW can be obtained from YOW's website (www.yowiegroup.com/).

5. Aurora's intentions regarding YOW

5.1 Overview

This section 5 sets out Aurora's intentions in relation to:

- (a) the continuation of YOW's business;
- (b) any major change to YOW's business and any redeployment of the fixed assets of YOW; and
- (c) the continuation of the future employment of the existing employees of YOW.

These intentions are based on the information about YOW, its business and the general business environment known to Aurora at the date of this bidder's statement.

Final decisions on these matters will only be reached in the light of all material facts and circumstances at the relevant time. If the Offer is successful, Aurora will, in the ordinary course, review the activities, assets and employees of YOW to evaluate performance, profitability and prospects having regard to the information then available. Accordingly, this section 5 contains statements of current intention only which may change as new information becomes available or circumstances change.

5.2 Strategic Review

Aurora currently doesn't have access to all material information, facts and circumstances which it considers necessary to assess the operational, commercial, taxation and financial implications of its current intentions, and as such final decisions on these matters have not been made. Upon successful completion of the Bid, and in the event that ADIT controls more than 50% of YOW's Shares, Aurora proposes to conduct a review of the strategy, assets, operations and activities of YOW in light of the information that become available to it (Strategic Review).

The Strategic Review would:

- I. Conduct a review of YOW's underlying operating business; and
- II. Explore other investment strategies for YOW's remaining capital and/or capital management initiatives.

Final decisions would only be reached in light of all material facts and circumstances. Accordingly, the statements set out in this Section are statements of intention only which may change as new information becomes available or circumstances change.

5.3 Intentions on acquiring at least 90% of YOW Shares

If Aurora becomes the owner of at least 90% of the YOW Shares on issue following completion of the Offer and so becomes entitled to proceed to compulsory acquisition of the remaining YOW Shares which it does not own, Aurora's current intentions in relation to YOW are as set out below:

Corporate matters

Aurora:

- (a) would proceed with compulsory acquisition of the outstanding YOW Shares in accordance with chapter 6A of the Corporations Act;¹⁰
- (b) would arrange for YOW to be removed from the official list of ASX; and
- (c) also intends to replace all current directors of YOW with its own nominees, whom it expects will be from the current directors and executives of Aurora.

¹⁰ This is subject to Aurora not being prohibited from acquiring the outstanding YOW Shares. Although unlikely, it is possible that at the time Aurora could proceed with compulsory acquisition, the Commonwealth of Australia may continue to hold some of the YOW Shares which Aurora, under the terms of the orders made by the Takeovers Panel, might be precluded from acquiring if it is regarded as an associate of KBC in relation to YOW. See section 4.7 for further details.

5.4 Intentions on acquiring 50% or more but less than 90% of YOW Shares

If Aurora becomes the owner of 50% or more, but less than 90%, of the YOW Shares on issue following completion of the Offer, Aurora's current intentions in relation to YOW are the same as set out in section 5.3 (to the extent Aurora is able to achieve those outcomes as a majority shareholder in YOW), subject to the following exceptions:

- (a) Aurora would maintain YOW's listing on ASX, subject to continued satisfaction of the listing requirements including a sufficient spread of shareholders.
- (b) Subject to the Corporations Act and YOW's constitution, Aurora would seek to add to or replace a proportion of the directors of YOW with nominees of Aurora to reflect ADIT's proportionate ownership interest in YOW, with minority shareholders represented by independent directors. Aurora has not made any decision on who would be removed or nominated for appointment to the board of YOW in this case. Any director nominated by Aurora would be subject to duties (e.g. under the Corporations Act) to act in the best interests of YOW, not the best interests of Aurora.
- (c) Aurora may consider acquiring additional YOW Shares under the "creep" provisions of Item 9 in section 611 of the Corporations Act.

5.5 Intentions on acquiring less than 50.1% of YOW Shares

Aurora reserves the right to declare the Offer free from the 40.0% minimum relevant interest acceptance condition (or any other condition) to the Offer.

If Aurora becomes the owner of less than 50% of the YOW Shares on issue following completion of the Offer:

- I. Aurora's current intentions in relation to YOW are the same as set out in section 5.3 (to the extent Aurora is able to achieve those outcomes as a substantial but not majority shareholder in YOW). However, given Aurora's smaller proportionate ownership interest in YOW, Aurora expects it would be in less of a position to add to or replace a proportion of the directors of YOW with its own nominees, and accordingly Aurora's ability to achieve its intentions in relation to YOW would be dependent on securing the agreement of a majority of YOW directors to Aurora's proposals.
- II. Aurora may consider acquiring additional YOW Shares under the "creep" provisions of Item 9 in section 611 of the Corporations Act until it achieves its majority voting power (i.e. 50.1%).

6. Effect of Bid on ADIT

6.1 Effect on ADIT Units on issue

ADIT is an open fund. Currently, applications for ADIT Units are processed on a monthly basis resulting in new ADIT Units being issued at the end of a calendar month, and redemption requests are processed monthly resulting in ADIT Units being redeemed at the end of a calendar month. As at 31 May 2019 and after taking into account the ADIT Units to be redeemed for the month ended on that date in accordance with the redemption guidelines summarised in section 3.21, there were 8,607,145 ADIT Units on issue, and since then to the date of this bidder's statement no additional ADIT Units have been issued or redeemed.

If following completion of the Bid, ADIT becomes the owner of 100% of the YOW Shares, the total ADIT Units on issue immediately following the completion of the Bid will be as set out in the table below. The table has been prepared on the assumption that:

- (a) ADIT acquires 217,748,987 YOW Shares under the Bid, being all of the YOW Shares on issue on the date of this bidder's statement that are not already owned by or on behalf of ADIT;
- (b) the issue price of an ADIT Unit issued as consideration under each Offer is \$0.5086 (being the NAV per ADIT Unit as at 31 May 2019 based on ADIT's unaudited management accounts to that date);
- (c) the Bid Value Amount at the end of the Offer Period is \$0.09; and
- (d) there is no change to the total number of ADIT Units on issue after the date of this bidder's statement other than due to the issue of ADIT Units as consideration under the Bid.

	Number	Percentage
ADIT Units on issue at the date of this bidder's statement	8,607,145.48	18%
ADIT Units issued in exchange for YOW Shares	38,532,066.12	82%
Total ADIT Units following completion of Bid	47,139,211.60	100%

6.2 Pro forma statement of financial position of ADIT

To illustrate the expected effect of the Bid on ADIT, a pro forma consolidated statement of financial position of ADIT combined with YOW is set out below, which has been prepared using:

- (a) the auditor-reviewed statement of financial position of ADIT for the half year ended 31 December 2018; and
- (b) the auditor-reviewed statement of financial position of YOW for the half year ended 31 December 2018. As the financial statements of Yowie are stated in US Dollars, the financial statements have been converted to Australian Dollars at a rate of AUD\$1.00: USD\$0.7047;

and on the assumption that:

- (c) following completion of the Bid, 100% of the YOW Shares on issue are owned by or on behalf of ADIT;
- (d) the Bid was completed on 30 September 2019; and
- (e) there is no change to the financial position of ADIT or YOW as disclosed in the above financial statements except in consequence of completion of the Bid or as otherwise noted below.

Pro forma statement of financial position (based on 31 December 2018 auditor-reviewed financial statements and known and estimated subsequent events)

\$'thousands	ADIT	YOW	Adjustments	Note	Pro forma
Cash	4.1	26,607.8	-3.0		26,608.9
Plant and equipment	-	6,690.3			6,690.3
Inventories	-	4,331.1			4,331.1
Financial investments	4,639.5	-	(429.8)	1	4,209.7
Other assets	24.9	6,637.3	(1.7)		6,660.5
Provisions	-	(7.2)	(42.8)		(50.0)
Other payables	(56.3)	(4,114.1)	(145.2)		(4,315.6)
Net assets	4,612.2	40,145.2	(622.5)		44,134.9

Adjustment notes

The adjustments are illustrative and include changes to ADIT's net asset position between 31 December 2018 and the date of this bidder's statement that are known to or expected by Aurora. The allocation of adjustments between cash and financial investments (primarily ASX-listed securities) may differ from the above as financial investments may be disposed of by ADIT to make payments.

1. This adjustment relates to a known reduction in ADIT's net assets since 31 December 2018, primarily due to redemptions and a fall in the price of 8EC.

7. Aurora's interests in YOW

7.1 Acquisitions in last 4 months

Aurora has not acquired any YOW shares during the last 4 months.

7.2 Relevant interests

Aurora has a relevant interest in 26,526,643 YOW Shares (representing approximately 12.24% of the YOW Shares on issue at the date of this bidder's statement). Of these YOW Shares, none were held by or on behalf of ADIT.

7.3 Voting power

At the date of this bidder's statement, Aurora's voting power in YOW was approximately 12.24%.

7.4 Relevant interests of directors of Aurora in YOW Shares

At the date of this bidder's statement, the directors of Aurora have a relevant interest in YOW Shares as follows:

Director	YOW Shares	
	Number	Percentage
John Patton	nil	0%
Victor Siciliano	nil	0%
Anthony Hartnell AM	nil	0%

7.5 Collateral benefits

During the period of 4 months before the date of this bidder's statement, neither Aurora nor an associate of Aurora gave, or offered to give or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

- (a) accept the Offer; or
- (b) dispose of YOW Shares;

and which was not offered to all YOW Shareholders under the Bid.

7.6 No escalation agreements

Neither Aurora nor an associate of Aurora has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

8. Tax considerations

8.1 Disclaimer

This section 8 provides only a general overview of the Australian taxation implications of disposing of YOW Shares and holding ADIT Units. The summary is not intended to be comprehensive and is based upon Aurora's interpretation of Australian income tax legislation in force at the date of this bidder's statement.

You should not rely on these comments as advice in relation to your own affairs. Taxation laws are complex and there could be consequences in addition to those generally described below. It is recommended that you consult your own tax adviser for advice applicable to your individual needs and circumstances. Aurora does not accept any responsibility for the tax implications of disposing of YOW Shares or acquiring ADIT Units under the Offer.

The summary is not exhaustive of all possible Australian income tax considerations that could apply and, in particular, does not address the tax considerations applicable to investors that may be subject to special tax rules.

This section 8 does not deal with YOW Shareholders who:

- (a) hold their YOW Shares in the course of carrying on a business (e.g. as trading stock) or on revenue account (e.g. as part of a profit-making undertaking or scheme);
- (b) acquired their YOW Shares pursuant to an employee share, rights or option scheme; or
- (c) who are non-Australian resident and have held their YOW Shares, at any time in carrying on business at or through a permanent establishment in Australia; or
- (d) are exempt from Australian income tax; or
- (e) are subject to the taxation of financial arrangements provisions in division 230 of the *Income Tax Assessment Act 1997* (Cth).

Further, this section 8 does not address any taxation ramifications that may be applicable under the taxation laws of any foreign jurisdiction and various exemptions and specific rules that might apply to non-resident pension plans and sovereign funds.

The following comments only apply to YOW Shareholders who hold their Shares on capital account.

8.2 Tax position of Australian residents disposing of YOW Shares

This section 8.2 applies to YOW Shareholders who are residents of Australia for Australian income tax purposes.

Capital gains tax event: A disposal by an YOW Shareholder of their YOW Shares pursuant to the Offer will constitute a capital gains tax (**CGT**) event for the YOW Shareholder. The date of the CGT event will be the date the contract to dispose of the YOW Shares is entered into by the YOW Shareholder. This will be the date the Offer is accepted by the YOW Shareholder, even though completion of the sale is subject to a number of conditions being satisfied.

If YOW Shares are compulsorily acquired, the date of disposal will be the date when Aurora becomes the owner of those YOW Shares.

Calculation of capital gain or capital loss: YOW Shareholders will make a capital gain to the extent that the capital proceeds from the disposal of the YOW Shares are more than the cost base of those YOW Shares. Conversely, YOW Shareholders will make a capital loss to the extent that the capital proceeds from the disposal are less than their reduced cost base of those YOW Shares. Any net capital gain will be included in the YOW Shareholder's calculation of taxable income and taxed at the YOW Shareholder's marginal tax rate. There is no CGT rollover relief for YOW Shareholders in respect of any cash or ADIT Units received on disposal of the YOW Shares.

Capital gains and capital losses of a taxpayer in a year of income are aggregated to determine whether there is a net capital gain. Any net capital gain is included in assessable income and is subject to income tax. Capital losses may not be deducted against other income for income tax purposes but may be carried forward to offset against future capital gains.

Cost base: The cost base of the YOW Shares generally includes the purchase price paid for them and certain non-deductible incidental costs of their acquisition and disposal, such as brokerage fees, less any capital returns received during the duration of holding the YOW Shares. The reduced cost base of the YOW Shares is usually determined in a similar, but not identical, manner.

Capital proceeds: The capital proceeds from the disposal of YOW Shares will be the amount of consideration received by the YOW Shareholder for the disposal, in this case the amount of any money and the value of any property, being the ADIT Units, received under the Offer. The value of the ADIT Units is intended to be the same amount as if the YOW Shareholder had received cash under the Offer and will equal the consideration under this Offer.

Discount: Individuals, complying superannuation entities and trusts that have held the YOW Shares for 12 months before the CGT event may be entitled to discount the amount of the capital gain (after application of capital losses) by 50% in the case of individuals and trusts or by 33½% for complying superannuation entities. For trusts, the ultimate availability of the discount for beneficiaries of the trust in relation to distributions of capital gains by the trust will depend on the particular circumstances of the beneficiaries. No discount is available for YOW Shareholders that are companies.

8.3 Taxation of ADIT

ADIT will generally not be liable for income tax provided investors are presently entitled to all of the net income of ADIT and are not under any legal disability. Tax losses of ADIT are quarantined in ADIT and can be carried forward to offset taxable income in future years (subject to certain tests such as a change of ownership test).

8.4 Tax position of Australian residents holding ADIT Units

Distributions: Australian resident investors will have to include in their taxable income for the year, the share of taxable income of ADIT (including any net capital gains) to which they are presently entitled at the end of that year, even if they reinvest distributions or if payment is not received in that year. To the extent that distributions from ADIT are distributions of a capital gain made on the realisation of long-term investments, this may entitle Australian resident investors to a discount on the capital gain (refer to the paragraph below titled **Capital gains tax**).

Tax deferred: Any tax deferred income will generally be non-taxable in the year of distribution but will be applied to reduce Australian resident investors' cost base in their ADIT Units. This will ultimately have the effect of reducing the investors' cost base on the end sale, increasing the capital gain (or reducing the capital loss) on disposal of ADIT Units. To the extent the total tax deferred component exceeds an investor's cost base in the ADIT Units, the excess will be taxable as a capital gain in the year of payment.

Imputation: ADIT may pass on to Australian resident investors any benefits of imputation credits in respect of distributions including franked dividends from ADIT's investments. Investors receiving distributions, including franked dividends, will be required to include their share of dividends in their tax returns. However, investors may be denied franking credits in respect of distributions on ADIT Units which they have not owned at risk for a continuous period of 45 clear days (i.e. not counting the day of acquisition or the day of disposal). Presently investors may be able to reduce their tax liability for that year by offsetting the credits against other tax payable (excluding Medicare levy).

Capital gains tax: Australian resident investors' assessable income from their investment in ADIT may include a capital gain. This may arise due to ADIT distributions to which they are entitled including a net capital gain component (i.e. capital gains after offsetting any capital loss derived from the disposal of ADIT assets) or due to the withdrawal/redemption or other disposal of their ADIT Units for an amount greater than their cost base. Australian individuals, trusts and complying superannuation entities may be eligible for partial capital gains tax relief in relation to the capital gain component of distributions and the disposal of ADIT Units where they have held the ADIT Units for at least 12 months (after offsetting any available capital losses).

Providing your tax file number (TFN) or Australian business number (ABN): Australian resident investors may choose to quote their TFN or ABN (if applicable) or claim an exemption in relation to their investment in ADIT by completing a TFN or ABN notification form. The law strictly regulates how Aurora may use TFNs and ABNs. If an Australian resident investor chooses not to give Aurora his or her TFN or ABN or to claim an exemption, Aurora must deduct tax at the highest personal tax rate (plus Medicare levy) before Aurora passes on each distribution to the investor.

Duty: Duty laws vary between Australian jurisdictions. Generally, the issue or redemption of ADIT Units should not attract any duty imposed under a state or territory law. Duty may also not be payable on the transfer of ADIT Units, however, you should confirm the duty consequences of transferring ADIT Units with your tax adviser.

The Attribution Managed Investment Trust (AMIT) regime: Eligible MITs can elect to become an Attribution MIT by irrevocable choice. ADIT has not made that election. The current tax rules will continue to apply unless an election to enter the AMIT regime is made. Aurora will provide notification on its website if and when this election is made. Investors should seek their own tax advice with respect to the potential impact. If an election were made it is not expected that the AMIT regime would significantly change the tax system for investors in ADIT.

8.5 GST and stamp duty

No liability to GST should arise for YOW Shareholders in respect of a disposal of their YOW Shares. YOW Shareholders may be charged GST on costs they incur which relate to the disposal (e.g. legal, financial and tax adviser fees). Certain YOW Shareholders may be entitled to claim input tax credits or reduced input tax credits in relation to the GST amount incurred on these costs but should seek independent tax advice in relation to their individual circumstances.

The YOW Shareholders will not be liable for stamp duty payable on their transfer of the YOW Shares under the Offer. If payable, Aurora will pay any such stamp duty.

9. Risks of investment in ADIT units

9.1 Overview

This section 9 identifies what Aurora regards as the major risks associated with an investment in ADIT Units, for which you will be exchanging your YOW Shares if you accept the Offer. You should read the whole of this bidder's statement in order to fully appreciate those risks and the manner in which Aurora intends to operate ADIT before any decision is made to accept the Offer.

All investments carry risk. The likely investment value, return and the risk of losing money is different for each managed investment scheme as different investment strategies carry different levels of risk depending on the underlying mix of assets and investment timeframe. Future returns may differ from past returns. Those assets with potentially the highest long term return (such as shares) may also have the highest risk of losing money. You should consider the risks which will vary with respect to your own risk profile when deciding whether to accept the Offer and acquire ADIT Units.

While Aurora believes that prudent management will minimise the risks to ADIT Unit Holders, the operations and activities of ADIT are subject to a number of risks that may impact on its future performance.

The risk factors summarised below are not an exhaustive list of the risks faced by ADIT or ADIT Unit Holders. These risks factors, and others not identified below, may in the future materially affect the financial performance of ADIT and the value of the ADIT Units.

9.2 General risks

General risks that may impact significantly on ADIT, its performance and the price of ADIT Units include:

- (a) economic conditions in Australia and internationally;
- (b) investors sentiment and share market conditions;
- (c) changes in fiscal and monetary policies; and
- (d) changes in relevant taxation and other legal regimes.

9.3 Counterparty risk

ADIT is exposed to the credit risk of its counterparties such as brokers and custodians. Should a counterparty go into administration or liquidation, ADIT may lose some or all of its assets. For example, where a custodian holds cash on deposit on behalf of ADIT, should the custodian go into liquidation this cash may not be returned.

9.4 Derivatives risk

The value of derivative investments is linked to the value of an underlying asset (or an interest rate, share index or some other reference point) and can be highly volatile. While derivatives offer the opportunity for higher gains for a smaller initial cash outlay, they can also result in significant losses, sometimes significantly in excess of the amount invested to obtain the derivative. Risks associated with using these instruments might include the value of the derivative failing to move in line with the underlying asset, potential illiquidity of, or inability to get set in, the derivative, ADIT not being able to meet payment obligations as they arise, and counterparty risk (this is where the counterparty to the derivative contract cannot meet its obligations under the contract). Using derivatives may not provide the desired returns or protection from loss, and may increase losses. Aurora aims to keep derivative risk to a minimum by regularly monitoring ADIT's use of derivatives, and by entering into derivative contracts with reputable counterparties.

9.5 Investment manager risk

The skill and performance of Aurora as responsible entity of ADIT can have a significant impact on the investment returns of ADIT. Changes in the personnel and resources of Aurora's investment team may also have an impact on investment returns of ADIT.

9.6 Leverage risk

Leverage may be employed through short selling, derivatives or borrowed funds. The use of leverage will magnify the potential gains and losses achieved by ADIT. Losses from the use of leverage can be substantial and exceed the original amount invested.

9.7 Securities lending risk

ADIT's securities may be subject to securities lending by ADIT's prime broker/custodian (or a sub-custodian). Under a securities lending transaction, securities are lent to a third party (borrower) for a period of time. Securities lending of ADIT's securities exposes ADIT to additional risks e.g. where the parties to the lending transaction default and/or become insolvent.

9.8 Short selling risk

A loss will be incurred when short selling securities if the short selling price is lower than the subsequent purchase price. If the short selling price is higher than the subsequent purchase price, a profit will be made (provided all the costs associated with the transaction are also recouped). Short selling securities involves additional risks such as liquidity risk, leverage risk and regulatory risk. In addition, losses incurred through selling securities that have been borrowed can be unlimited. Whilst short selling securities that have been borrowed can be used to reduce market risk, it is also possible for long positions and short positions to both lose money at the same time.

9.9 Strategy risk

ADIT's investment strategy may not provide the targeted objectives. You should also be aware that the investment strategy is expected to lose money from time to time. Returns from investing in equities and derivatives can be volatile — particularly over the short to medium term. The active trading nature of ADIT means that the volatility of ADIT may be higher as the returns are not always evenly distributed over long periods.

9.10 Investee specific risk

Investments by ADIT in securities of a company or other entity will be subject to many of the risks to which that particular entity is itself exposed. These risks may impact the value of the securities. These risks include factors such as changes in management, actions of competitors and regulators, sovereign risk, changes in technology and market trends. Further, underlying investees may themselves utilise leverage which could have the effect of magnifying ADIT's total leverage (and hence risk of default and/or loss). As Aurora is not involved in, and generally has no control over, the day-to-day operations or activities of investees, the actual risks associated with each specific investment cannot be fully predicted or described.

9.11 External risk

External factors are outside Aurora's control, and can affect both the value of an investment in ADIT and also the income that the investment might produce. These factors include such things as changes in interest rates, government policies, taxation and other laws, global stock market and economic conditions, and volatility in general. External risk factors cannot be eliminated.

9.12 Liquidity and withdrawal risk

As ADIT Units are not quoted on ASX or any other financial market, the ability to dispose of them (other than through the redemption process) is limited.

ADIT may invest in significant concentrated positions in listed entities that are not an ASX 200 company, and accordingly their securities may not be highly liquid. In consequence, it is not expected that ADIT could realise 80% of its investments within 10 days in the ordinary course. If an ADIT Unit Holder or a group of ADIT Unit Holders seek to make large withdrawals, then selling assets to meet those withdrawals may result in a detrimental impact on the price ADIT receives for those assets. Alternatively, unusual events may occur that cause market liquidity to decrease and/or adversely change. Any such event may prevent ADIT from fully implementing the investment strategy, or from entering/liquidating security and/or derivative positions, or may adversely affect the ability of ADIT to price its investments. In these situations, Aurora may choose to restrict, delay, or suspend ADIT Unit pricing, applications, or

redemptions. In addition, Aurora may seek to manage ADIT's assets (and, if necessary, temporarily suspend or change the investment strategy without notice) in order to minimise disruption, costs, and capital risk to ADIT — and thereby seek to protect ADIT in the interests of all ADIT Unit Holders.

Further, if a significant proportion of YOW Shareholders accept the Offer and are issued ADIT Units, and those investors then make requests to redeem their ADIT Units at the same time, ADIT's ability to fund these redemption requests will largely depend on the receipt of funds from the realisation of its investments, as described in section 3.22.

9.13 Market risk

ADIT is exposed to equity market risk. This risk is impacted by broad factors such as interest rates, availability of credit, economic factors, political environment, investor sentiment and significant external events (e.g. natural disasters).

9.14 Operational and administration risk

Some counterparties hold the ADIT Unit Holder records for ADIT, and provide the platform for the execution of ADIT's securities trading. There is a risk that these counterparties may fail to properly or accurately price the ADIT Units, maintain or update ADIT's or investors' investment interests, or conduct or record the securities trading of ADIT. This may result in some short term liquidity or other material constraints on ADIT or loss to ADIT Unit Holders. A risk of fraud also exists and can never be entirely eliminated. Nevertheless, this risk is mitigated by such things as segregation of functions, segregation of assets, dealing with reputable counterparties, and annual financial and compliance audits.

9.15 Concentration risk

ADIT may hold concentrated investment positions in a small number of companies and other entities. There is a risk that the performance of ADIT will be more volatile than if investments were held in a greater number and/or broader range of entities. Further, concentrated exposures have the potential to result in significant losses.

9.16 Fund risk

There are specific risks associated with ADIT, such as termination and changes to fees and expenses. The performance of ADIT or the security of your capital is not guaranteed. Your investment may not keep pace with inflation, which reduces the purchasing power of your money. There is no guarantee that the investment strategy will be managed successfully, or will meet its objectives. Failure to do so could negatively impact performance. Investing in ADIT may give different results than investing individually because of income or capital gains accrued in ADIT and the consequences of investment and withdrawal by other ADIT Unit Holders.

9.17 Distribution risk

There is a risk that the regular cash distributions from ADIT may be reduced or not made at all, depending on the income and/or general performance of ADIT.

9.18 Risk management

ADIT's overall risk management program focuses on ensuring compliance with ADIT's constitution, its product disclosure statement and the investment guidelines of ADIT, and seeks to maximise the returns derived for the level of risk to which ADIT is exposed. Specific areas focused upon to ensure this compliance include:

Investment universe: Only selecting potential investments where Aurora has a good understanding of legal, regulatory and operational matters.

Investment catalyst and exit options: Identify an appropriate catalyst for entering into a trade, including identifying where Aurora can act as a catalyst, and identify alternate exit options for the trade.

Investment due diligence: Ensuring an appropriate due diligence process is conducted on each investment using both investee company provided information, externally provided data and through primary research.

Trade: Providing stop losses for derivative and short selling trades where applicable.

Counterparties: Ensure that ADIT engages and trades with reputable counterparties.

10. Other information

10.1 Modifications of, and exemptions from, the Corporations Act

Aurora as responsible entity of ADIT has not obtained from ASIC any modifications of, or exemptions from, the Corporations Act in relation to the Offer. However, ASIC has published various instruments providing for modifications and exemptions that apply generally to all persons, including Aurora as responsible entity of ADIT.

For example:

- (a) ASIC class order [CO 13/521] modifies the requirement under section 636(3) of the Corporations Act that a bidder's statement may only include a statement by a person if that person has consented to that statement being included. Under the relief, a bidder may include a statement by a person in a bidder's statement without that person's consent if, among other things, the statement was made in a document that has been lodged with ASIC or ASX and the bidder's statement fairly represents the statement, identifies the document which contains the statement and states that the bidder will, on request during the bid period, provide the document to a shareholder of the target within 2 Business Days free of charge.
- (b) ASIC class order [CO 13/521] also modifies the period for a bidder to provide bid consideration under section 620(2) of the Corporations Act. Under the relief, the period runs from the time that the necessary transfer documents for the transfer of the bid securities are given to the bidder and, for an offer that is subject to a defeating condition, the period for providing bid consideration is also referable to the time that the takeover contract resulting from acceptance of the offer becomes unconditional.
- (c) ASIC Corporations (Consents to Statements) Instrument 2016/72 also modifies section 636(3). Under the relief, a bidder may include trading data references (among other things) in a bidder's statement if the trading data reflects trading on an approved financial market (such as ASX) and if the bidder's statement states, close to the trading data reference, the name of the person who prepared the trading data and that the person who prepared the trading data has not consented to the use of the reference in the bidder's statement.

10.2 Consents

This bidder's statement contains statements which are made, or based on statements made, in documents concerning YOW lodged with ASIC or given to ASX. As noted above, under the terms of ASIC class order [CO 13/521], the parties making those statements are not required to consent to, and have not consented to, those statements being included in this bidder's statement. Any YOW Shareholder may obtain a copy of those documents from Aurora during the Offer Period free of charge (and within 2 Business Days of making a request) by contacting Aurora by:

- (a) telephone on 1300 553 431 (for callers in Australia) or +61 3 9686 7000 (for callers outside Australia) from 8:30 am to 5:00 pm (Melbourne time) on Business Days; or
- (b) email (enquiries@aurorafunds.com.au).

Except for Aurora as responsible entity of ADIT and its directors, no person involved in the preparation of this bidder's statement or referred to in this bidder's statement as providing professional or other services to Aurora or ADIT has caused or authorised the issue of this bidder's statement, has made, purported to make or consented to any statement in this bidder's statement or any statement on which a statement in this bidder's statement is based and, to the maximum extent permitted by law, no such person takes any responsibility for any part of this bidder's statement.

10.3 Extent of information included

This bidder's statement is required to include all information that is known to Aurora as responsible entity of ADIT that is material to the making of a decision by a YOW Shareholder whether or not to accept the Offer under the Bid.

Because ADIT Units are offered as Bid consideration and Aurora is the responsible entity of ADIT, this bidder's statement is also required to include all information that is known to Aurora as responsible entity of ADIT (or its directors) that might reasonably be expected to have a material influence on the decision of a reasonable person (as a retail client) whether to acquire ADIT Units.

11. Offer

11.1 The Offer

- (a) Aurora as responsible entity of ADIT offers to acquire all of your YOW Shares together with all Rights in respect of them, on and subject to the terms and conditions set out in this Offer, for the consideration of ADIT Units having a value equivalent to the Bid Value Amount for each YOW Share.

ADIT Units consideration

- (b) Subject to this section 11 and the Corporations Act, if you accept the Offer, you will be entitled to be issued the number of ADIT Units that is the same proportion of the total number of ADIT Units to be issued as Bid consideration as the number of YOW Shares for which you accept represents of the total number of YOW Shares the subject of acceptances of the Bid. The total number of ADIT Units to be issued as Bid consideration will be calculated in accordance with the following formula:

$$\frac{(A \times \text{Bid Value Amount})}{B}$$

where:

A = the total number of YOW Shares the subject of acceptances of the Bid;

B = NAV per ADIT Unit calculated in accordance with ADIT's constitution as at the close of business on the last Business Day of the Offer Period.

- (c) If either the calculation of the total number of ADIT Units to be issued as Bid consideration or the number of ADIT Units to which you are entitled is not a whole number of ADIT Units, any such fraction will be rounded to the nearest whole number (and where the fraction is $\frac{1}{2}$, the fraction will be rounded up to the nearest whole number) **provided that** if Aurora reasonably believes that any parcel or parcels of YOW Shares has or have been created or manipulated to take advantage of the rounding provision under this Offer, then any fractional entitlement to ADIT Units arising in relation to that parcel, or those parcels, will be rounded down to the nearest whole number so that the entitlement to ADIT Units arising in relation to each parcel consists of the whole number of ADIT Units only and the fraction will be disregarded.

11.2 Offer Period

The Offer will remain open for acceptance during the period commencing on the date the first Offer is made under the Bid and ending at 7.00 pm (Melbourne time) on [Close Date], unless withdrawn or extended in accordance with the Corporations Act.

11.3 Who may accept

- (a) The Offer relates to YOW Shares on issue on the Determination Date that are not already owned by or on behalf of ADIT.
- (b) The Offer is being made:
- (1) to each person registered as an YOW Shareholder at 9.00 am (Melbourne time) on the Determination Date; and
 - (2) to any person who becomes registered or entitled to be registered during the Offer Period as the holder of YOW Shares to which the Offer relates.
- (c) If at the time the Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of your YOW Shares or you are, or are entitled to be, registered as the holder of other YOW Shares to which the Offer relates:
- (1) a corresponding Offer will be deemed to have been made to that other person in respect of those YOW Shares; and
 - (2) a corresponding Offer will be deemed to have been made to you in respect of any remaining or other YOW Shares you hold to which the Offer relates.

- (d) If you hold 1 or more parcels of YOW Shares to which the Offer relates as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate Offer had been made in relation to each of those parcels and any parcel you hold in your own right. To validly accept the Offer for a parcel, you must complete an Acceptance Form for the parcel and specify that the YOW Shares in respect of which you are accepting consist of a separate parcel and the number of YOW Shares in the parcel, and otherwise comply with section 653B of the Corporations Act.

11.4 How to accept

General

- (a) Subject to section 11.3(d), you may accept the Offer only in respect of all of your YOW Shares.
- (b) You may accept the Offer at any time during the Offer Period.

Issuer sponsored holdings

- (c) If your YOW Shares are held on YOW's issuer sponsored sub-register, to accept the Offer, you must:
 - (1) complete and sign the Acceptance Form attached to or accompanying this bidder's statement (and which forms part of the Offer) in accordance with the instructions on the Acceptance Form; and
 - (2) ensure that the Acceptance Form and any documents required by the instructions on the Acceptance Form are received before the end of the Offer Period at the address indicated on the Acceptance Form.

CHESS Holdings

- (d) If your YOW Shares are in a CHESS Holding and you are not a Controlling Participant, to accept the Offer:
 - (1) you may complete, sign and return the Acceptance Form in accordance with the instructions on it, whereby Aurora will be authorised to instruct your Controlling Participant on your behalf to initiate acceptance of the Offer in accordance with rule 14.14 of the ASX Settlement Operating Rules; or
 - (2) you may instruct your Controlling Participant to initiate acceptance of the Offer in respect of your YOW Shares in accordance with rule 14.14 of the ASX Settlement Operating Rules by the end of the Offer Period.
- (e) If you complete and sign the Acceptance Form as if your YOW Shares were held on YOW's issuer sponsored sub register, you will still be deemed to have authorised Aurora to instruct your Controlling Participant on your behalf to initiate acceptance of the Offer in accordance with rule 14.14 of the ASX Settlement Operating Rules.
- (f) If you are a Controlling Participant, acceptance of the Offer in respect of your YOW Shares in a CHESS Holding must be initiated in accordance with rule 14.14 of the ASX Settlement Operating Rules by the end of the Offer Period.

11.5 Receipt of Acceptance Form

- (a) If you are accepting by completing the Acceptance Form you should complete and sign the Acceptance Form in accordance with the instructions on it, and return it together with any necessary documents so that they are received before the end of the Offer Period (in the case of acceptances under section 11.4(d)(1) it must be received two Business Days before the end of the Offer Period) at the address indicated on the Acceptance Form.
- (b) If your completed and signed Acceptance Form is returned by post, unless it is an acceptance under section 11.4(d)(1), it will be taken as received before the end of the Offer Period if the envelope in which it is sent is post-marked before the end of the Offer Period (even if received by Aurora after that time). Acceptances under section 11.4(d)(1) are only validly received when the Acceptance Form is actually received.
- (c) If a copy of your completed and signed Acceptance Form (including any documents required by the terms of the Offer and the instructions on the Acceptance Form) is

returned by facsimile transmission or email, it will be deemed to be received in time if the facsimile transmission or email is received before applicable time, but you will not be entitled to receive the Offer consideration until your original completed and signed Acceptance Form (including any documents required by the terms of the Offer and the instructions on the Acceptance Form) is received by Aurora.

- (d) The sending of the Acceptance Form and other documents is at your own risk.

11.6 The effect of acceptance

- (a) By completing, signing and returning an Acceptance Form or otherwise accepting the Offer or causing the Offer to be accepted in accordance with section 11.4, you will have or will be deemed to have:
- (1) accepted the Offer in respect of all of your YOW Shares (even if the number of YOW Shares specified on the Acceptance Form differs from the number of your YOW Shares);
 - (2) agreed to transfer to Aurora or its nominee your YOW Shares, subject to the Offer being declared free from the conditions set out in section 11.8 (or such conditions being satisfied or waived);
 - (3) authorised Aurora to complete your Acceptance Form by rectifying any errors in or omissions from it as may be necessary to make it an effective acceptance of the Offer or to enable registration of the transfer of your YOW Shares to Aurora or its nominee;
 - (4) represented and warranted to Aurora that, both at the time of acceptance of this Offer and at the time the transfer of your YOW Shares to Aurora or its nominee is registered:
 - (A) your YOW Shares do not consist of several parcels of YOW Shares except to the extent you have notified Aurora to the contrary in accordance with section 11.3(d);
 - (B) all of your YOW Shares are, and will continue to be on registration of their transfer to Aurora or its nominee, fully paid and free from all mortgages, charges, liens, encumbrances (whether legal or equitable) and adverse interests of any nature and restrictions on transfer of any kind;
 - (C) you have full power and capacity to accept the Offer and to sell and transfer to Aurora or its nominee the full legal and beneficial ownership of those YOW Shares and all Rights in respect of them
 - (D) you have paid all amounts which have fallen due for payment in respect of your YOW Shares; and
 - (E) at the time the transfer of YOW Shares to Aurora or its nominee is registered, good title to them and the full legal and beneficial ownership of them together with all Rights in respect of them will be transferred to Aurora or its nominee free from all mortgages, charges, liens, encumbrances (whether legal or equitable) and adverse interest of any nature and restrictions on transfer of any kind;
 - (5) irrevocably appointed Aurora as your attorney to exercise all your powers and rights attaching to your YOW Shares including, without limitation, to requisition, convene, attend and vote at all general meetings of YOW (either in person or proxy) from the time the contract resulting from your acceptance of the Offer becomes unconditional, until the earlier of the withdrawal of your acceptance under section 650E of the Corporations Act or the end of the Offer Period or, if all of the conditions of the Offer have been satisfied or waived, the registration of Aurora or its nominee as the holder of those YOW Shares;
 - (6) agreed that in exercising the powers conferred by the above power of attorney, the attorney is entitled to act in the interest of ADIT;

- (7) agreed not to attend or vote in person at any general meeting of YOW or to exercise or purport to exercise any of the powers conferred by the above power of attorney;
 - (8) agreed to indemnify fully Aurora in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your holder identification number or security holder reference number for your YOW Shares or in consequence of the transfer of your YOW Shares being registered by YOW without production of your holder identification number or security holder reference number for your YOW Shares;
 - (9) if you signed the Acceptance Form in respect of YOW Shares which are in a CHES Holding, irrevocably authorised Aurora:
 - (A) to instruct your Controlling Participant to initiate acceptance of the Offer in respect of your YOW Shares in accordance with the ASX Settlement Operating Rules; and
 - (B) to give any other instructions in relation to your YOW Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and that Controlling Participant;
 - (10) irrevocably authorised and directed YOW to pay or provide to Aurora or its nominee, or to account to Aurora or its nominee for, all Rights in respect of your YOW Shares **provided that** if the Offer is withdrawn or rescinded, Aurora will account to you for any such Rights received by it or its nominee;
 - (11) except to the extent Aurora or its nominee has received Rights in respect of your YOW Shares under section 11.6(a)(10), irrevocably authorise Aurora to deduct from the consideration to be provided in respect of your YOW Shares, the value of any Rights paid or provided to you, in accordance with section 11.7(c);
 - (12) irrevocably authorised Aurora to notify YOW on your behalf that your place of address for the purpose of serving notices on you in respect of your YOW Shares is the address specified by Aurora in the notification;
 - (13) if at the time of acceptance of this Offer your YOW Shares are in a CHES Holding, with effect from the date that either this Offer or any contract resulting from the acceptance of this Offer is declared free from all the conditions set out in section 11.8 (or such conditions are satisfied or waived), irrevocably authorised Aurora to cause a message to be transmitted in accordance with rule 14.17.1 of the ASX Settlement Operating Rules so as to transfer your YOW Shares to Aurora's takeover transferee holding, regardless of whether at the time of such transfer Aurora has provided the consideration due to you under the Offer; and
 - (14) agreed, subject to the conditions of the Offer in section 11.8 being satisfied or waived, to execute all such documents, transfers and assurances as may be necessary or desirable to transfer or otherwise convey your YOW Shares and all Rights in respect of them to Aurora or its nominee.
- (b) Aurora may, in its sole discretion, and without any further communication to you, at any time determine that any Acceptance Form it receives is a valid acceptance, even if any of the requirements for acceptance have not been complied with.
 - (c) Where you do not give with your acceptance of the Offer an additional document required by the Acceptance Form (such as a power of attorney), Aurora may treat the acceptance as valid subject to the provision of the additional document. If that document is not given within 1 month after the end of the Offer Period, Aurora may avoid the takeover contract resulting from your acceptance of the Offer.
 - (d) Where you have satisfied the requirements for acceptance in respect of only some of your YOW Shares, Aurora may, in its sole discretion, regard the Offer to have been validly accepted in respect of those YOW Shares, but not the remainder, and in that case Aurora will provide the consideration to you in accordance with section 11.7 in respect of the part of the acceptance determined by Aurora to be valid.

- (e) The representations, warranties and authorities referred to in this section 11.6 will remain in force after you receive the consideration for your YOW Shares and after Aurora or its nominee becomes registered as the holder of your YOW Shares.
- (f) Aurora may appoint and authorise any person to exercise any authority, power or right given to it under this section 11.6.

11.7 When you will receive the Offer consideration

- (a) Subject to this section 11.7 and the Corporations Act, if you have accepted the Offer and the contract resulting from your acceptance becomes unconditional, Aurora will provide the consideration for your YOW Shares (as set out in section 11.1) by the end of whichever of the following periods ends earlier:

- (1) 1 month after the Offer is accepted or, if the Offer is subject to a defeating condition when accepted, 1 month after the takeover contract resulting from your acceptance of the Offer becomes unconditional.
- (2) 21 days after the end of the Offer Period.

Under no circumstances will interest be paid on the consideration for your YOW Shares under the Offer, regardless of any delay in providing the consideration due to you or any extension of the Offer.

- (b) Where the Acceptance Form requires 1 or more additional documents to be given with your acceptance (such as a power of attorney), the following provisions apply:
 - (1) If all such documents are given before or with your acceptance, Aurora will provide the consideration in accordance with section 11.7(a).
 - (2) If not all such documents are given before or with your acceptance, but they are given before the end of the Offer Period while the Offer is still subject to a defeating condition, Aurora will provide the consideration to you by the end of whichever of the following periods ends earlier:
 - (A) 1 month after the takeover contract becomes unconditional.
 - (B) 21 days after the end of the Offer Period.
 - (3) If not all such documents are given before or with your acceptance, but they are given before the end of the Offer Period while the Offer is no longer subject to a defeating condition, Aurora will provide the consideration to you by the end of whichever of the following periods ends earlier:
 - (A) 1 month after the last such document is given.
 - (B) 21 days after the end of the Offer Period.
 - (4) If not all such documents are given before the end of the Offer Period, Aurora will provide the consideration to you within 21 days after the last such document is given, but, if at the time the document is given the takeover contract is still subject to a defeating condition which relates to a circumstance or event specified in section 652C(1) or (2) of the Corporations Act, Aurora will provide the consideration to you within 21 days after the takeover contract becomes unconditional.
- (c) If you accept the Offer, Aurora is entitled to all Rights in respect of your YOW Shares. Aurora may require you to provide all documents necessary to vest title to those Rights in Aurora or its nominee, or otherwise to give Aurora or its nominee the benefit or value of those Rights. Alternatively, Aurora will be entitled to deduct the value of all Rights paid or provided to you from the consideration otherwise due to you for your YOW Shares. Any such deduction will reduce the consideration to which you would otherwise be entitled under the Offer. The value of the Rights will be the amount of money paid or, in the case of any Rights not paid in money, the value of those Rights as reasonably assessed by Aurora. Aurora may, without any obligation to do so, request the chairman of ASX or his or her nominee to assess the value of any Rights for the purposes of this paragraph, and any such assessment will be final and binding on YOW Shareholders in the absence of manifest error.

- (d) The consideration offered by Aurora for your YOW Shares under the Offer comprises ADIT Units. The ADIT Units offered as consideration will be issued by Aurora fully paid and will rank equally with existing issued ADIT Units from their date of issue. Unlike YOW Shares, ADIT Units are not quoted on ASX (or any other securities exchange).
- (e) If, at the time of acceptance of this Offer or the provision of any consideration under it, any approval, authority or clearance of the Australian Taxation Office, the Department of Foreign Affairs and Trade or another Regulator is required for you to receive any consideration under this Offer or you are a resident in or a resident of a place to which, or you are a person to whom, any law of Australia (such as the *Charter of the United Nations Act 1945* (Cth) or the *Autonomous Sanctions Act 2011* (Cth), or regulations made under that legislation) would make it unlawful for Aurora to provide you with the consideration under the Offer, then acceptance of this Offer will not create or transfer to you any right (contractual or contingent) to receive the consideration specified in this Offer unless and until all requisite approvals, authorities and clearances have been obtained.
- (f) At the date of this bidder's statement, Aurora is not aware of any YOW Shareholder requiring any approval, authority or clearance referred to in section 11.7(e) in order to receive any consideration under the Offer.

11.8 Defeating conditions

(a) 30% minimum acceptance

Under the Bid, Aurora as responsible entity of ADIT receives acceptances so that Aurora has a relevant interest in at least 42% of the total issued YOW Shares

Based on Aurora's latest Form 604, Aurora holds a relevant interest of 12.24% in YOW.

(b) No prescribed occurrences between Announcement Date and service of bidder's statement

During the period starting on the Announcement Date and ending at the end of the day before Aurora's Bidder's Statement is given to YOW, none of the occurrences listed below happens:

- (1) YOW declares, or distributes any dividend, bonus or other share of its profits or assets except for a dividend by a wholly-owned subsidiary of YOW;
- (2) YOW alters the rights attached to any of its shares or other securities or proposes to do so;
- (3) YOW makes any change to its constitution or passes any special resolution or proposes to do so;
- (4) YOW gives or agrees to given any encumbrance (including a security interest or mortgage) over any of its assets otherwise than in the ordinary course of business;
- (5) YOW converts all or any of its shares into a larger or smaller number of shares;
- (6) YOW or a subsidiary of YOW resolves to reduce its share capital in any way;
- (7) YOW or a subsidiary of YOW:
 - (A) enters into a buy-back agreement; or
 - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (8) YOW or a subsidiary of YOW issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;

- (9) YOW or a subsidiary of YOW issues, or agrees to issue, convertible notes;
- (10) YOW or a subsidiary of YOW disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (11) YOW or a subsidiary of YOW charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (12) YOW or a subsidiary of YOW resolves to be wound up;
- (13) the appointment of a liquidator or provisional liquidator of YOW or of a subsidiary of YOW;
- (14) a court makes an order for the winding up of YOW or of a subsidiary of YOW;
- (15) an administrator of YOW, or of a subsidiary of YOW, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (16) YOW or a subsidiary of YOW executes a deed of company arrangement; or
- (17) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of YOW or of a subsidiary of YOW.

(c) No prescribed occurrences between service of bidder's statement and end of Offer Period

During the period starting on the day before Aurora's Bidder's Statement is given to YOW and ending at the end of the Offer Period, none of the occurrences listed in paragraph (b) above happens.

(d) No material transactions

Except for any proposed transaction reasonably full details of which are publicly announced by YOW before the Announcement Date, none of the following events occurs during the period starting on the Announcement Date and ending at the end of the Offer Period without the written consent of Aurora:

- (1) YOW, or any subsidiary of YOW, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in any single transaction of more than A\$0.5 million or an amount in aggregate in any series of transactions of more than A\$0.5 million, or makes an announcement about such an acquisition or acquisitions;
- (2) YOW, or any subsidiary of YOW, enters into, offers to enter into or announces that it proposes to enter into any joint venture, partnership or dual listed company structure involving a commitment of greater than A\$0.5 million in any single transaction or an amount in aggregate in any series of transactions of more than A\$0.5 million, or makes an announcement about such a commitment; or
- (3) YOW, or any subsidiary of YOW, incurs or commits to, or grants to another person a right the exercise of which would involve YOW or any subsidiary of YOW incurring or committing to any capital expenditure or liability for one or more related items of greater than A\$0.5 million, or makes an announcement about such a commitment.

(e) No material adverse change

During the period starting on the Announcement Date and ending at the end of the Offer Period, no change occurs, is discovered (including where Aurora becomes aware that information publicly filed is, or is likely to be, incomplete, incorrect or untrue or misleading) or

becomes public which has or could reasonably be expected to have a material adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of YOW.

(f) No material failings in filings

Aurora does not become aware, during the period starting on the Announcement Date and ending at the end of the Offer Period, that:

- (1) any document filed by or on behalf of YOW with ASX, ASIC or any other regulator contains a statement which is incorrect or misleading in any material particular or from which there is a material omission; or
- (2) there has been an omission by YOW to give any material information to ASX, ASIC or any other regulator required by the ASX Listing Rules, the Corporations Act or any other applicable law.

(g) No persons exercising rights under certain agreements or instruments

Before the end of the Offer Period, there is no person exercising or purporting to exercise or stating an intention to exercise any rights under any provision of any agreement or other instrument to which YOW is a party or by or to which YOW or any of its assets may be bound or be subject, which results, or could result, to an extent to which is material in the context of YOW taken as a whole, in:

- (1) any money borrowed by YOW being or becoming repayable or being capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or other instrument;
- (2) any such agreement or other such instrument being terminated or modified or any action being taken or arising thereunder;
- (3) the interest of YOW in any firm, joint venture, trust corporation or other entity (or any arrangements relating to such interest) being terminated or modified; or
- (4) the business of YOW with any other person being adversely affected.

(h) Conduct of YOW's business

During the period starting on the Announcement Date and ending at the end of the Offer Period, none of YOW nor any body corporate which is or becomes a subsidiary of YOW, without the written consent of Aurora:

- (1) declares, or distributes any dividend, bonus or other share of its profits or assets except for a dividend by a wholly-owned subsidiary of YOW;
- (2) alters the rights attached to any of its shares or other securities or proposes to do so;
- (3) makes any change to its constitution or passes any special resolution or proposes to do so;
- (4) gives or agrees to give any encumbrance (including a security interest or mortgage) over any of its assets otherwise than in the ordinary course of business;
- (5) increases the aggregate limit of YOW and its subsidiaries' bank facility limit, or draws down on that facility or otherwise borrows other than in the ordinary course of the business of YOW and its subsidiaries taken as a whole;
- (6) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;

- (7) appoints any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (8) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, enters or agrees to enter into any contract for service or varies or agrees to vary any existing contract for service with any consultant or contractor or other person for the provision of the services of a director or manager or the provision of services the same as or substantially similar to those provided (or that otherwise would be provided) by a director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee or consultant or contractor, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee or consultant or contractor (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on the Announcement Date);
- (9) conducts its business otherwise than in the ordinary course; or
- (10) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to an investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation involving a contravention of the Corporations Act by YOW or a subsidiary of YOW.

(i) No break/inducement fees

During the period starting on the Announcement Date and ending at the end of the Offer Period, none of YOW and any body corporate which is or becomes a subsidiary of YOW, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:

- (1) a takeover bid for YOW or any body corporate which is or becomes a subsidiary of YOW; or
- (2) any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, YOW or any body corporate which is or becomes a subsidiary of YOW, or to operate YOW as a single economic entity with another body corporate;

except for a payment, benefit or agreement:

- (3) for providing professional advisory services to YOW;
- (4) which is approved in writing by Aurora;
- (5) which is approved by a resolution passed at a general meeting of YOW; or
- (6) which is made to, provided to, owed by or made with Aurora.

(j) No force majeure event

During the period starting on the Announcement Date and ending at the end of the Offer Period, no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of YOW or the relevant subsidiary occurs which has an adverse effect or is likely to have an adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of YOW and its subsidiaries taken as a whole.

(k) Non-existence of certain rights

During the period starting on the Announcement Date and ending at the end of the Offer Period, no person has any right (whether subject to conditions or not) as a result of Aurora acquiring YOW shares:

- (1) to acquire, or require YOW or a subsidiary of YOW to dispose of, or offer to dispose of, any material asset of YOW or a subsidiary of YOW; or
- (2) to terminate or vary any material agreement with YOW or a subsidiary of YOW.

(l) No superior alternative proposal

No alternative proposal to Aurora's takeover bid is announced during the Offer Period that:

- (1) is recommended by any YOW director; or
- (2) offers consideration that is equal or higher than the consideration offered under the bid valued, as far as practicable, in accordance with the principles applying under section 621(3) of the Corporations Act and ASIC Regulatory Guide 9: Takeover bids.

(m) Restriction on others acquiring shares in YOW

During the period starting on the Announcement Date and ending at the end of the Offer Period, no person other than Aurora or an associate of Aurora (as defined in section 12(2) of the Corporations Act) gains 10% or more of the voting power in YOW.

(n) Market movement (10% fall)

During the period starting on the Announcement Date and ending at the end of the Offer Period:

- 1) The All Ordinaries Index is 10% or more below its level as at the close of trading immediately preceding the Announcement Date; or
- 2) The S&P/ASX 200 Index is 10% or more below its level as at the close of trading immediately preceding the Announcement Date;

for a duration of longer than 3 consecutive ASX trading days.

(o) Minimum Cash Balance

During the period starting on the Announcement Date and ending at the end of the Offer Period, YOW's cash balance falls below US\$15 million.

(p) No material litigation

During the period starting on the Announcement Date and ending at the end of the Offer Period:

- (1) none of YOW and any body corporate which is or becomes a subsidiary of YOW has threatened or commenced against it any material claims or proceedings in any court or tribunal (and a claim or proceeding is taken to be material if it may reasonably result in a judgment of A\$100,000 or more), other than that which has been fully and fairly publicly disclosed to ASX prior to the Announcement Date;
- (2) the consideration under the Bid is required to be increased or Aurora or an associate of Aurora is required or reasonably likely to be required to pay any amount to any one or more YOW shareholders in connection with the Bid as a result of:

- (A) any litigation that is commenced, is threatened to be commenced, announced or is made known to YOW (whether or not becoming public); or
- (B) any preliminary or final decision or order of any regulator or other government agency, other than as a result of Aurora publicly undertaking to increase the consideration under the Bid or Aurora lodging a notice of variation under section 650D of the Corporations Act relating to an increase of the consideration under the Bid; or

the aggregate liability of YOW and any body corporate which is a subsidiary of YOW under or in connection with any existing claim or proceeding in any court or tribunal is or is likely to be materially more than the provision made for the claim or proceeding in YOW's last audited annual financial statements or, if no provision has been made, is or likely to be more than A\$100,000.

11.9 Nature of conditions

- (a) The legal nature of the conditions in section 11.8 is that they are conditions subsequent to acceptance.
- (b) The non-fulfilment of any condition subsequent does not prevent a contract to sell your YOW Shares from arising but, unless Aurora frees the Offer from the condition, the contract resulting from your acceptance of the Offer will become automatically void.

11.10 Benefit of conditions

Subject to the Corporations Act, and until the end of the Offer Period, Aurora alone is entitled to the benefit of the conditions in section 11.8 or to rely on any non-fulfilment of any of them.

11.11 Freeing the Offer from conditions

- (q) Aurora may free the Offer and any contract resulting from acceptance from all or any of the conditions in section 11.8 generally or in relation to any specific occurrence by giving YOW a written notice declaring the Offer to be free from the relevant conditions or condition specified in accordance with section 650F of the Corporations Act. This notice may be given:
 - (1) in the case of a condition in section 11.8(c) or (d) (prescribed occurrences) — not less than 3 Business Days after the end of the Offer Period; and
 - (2) in the case of any other condition in section 11.8 — not less than 7 days before the end of the Offer Period.
- (b) If at the end of the Offer Period (or in the case of a condition in section 11.8(c) or (d), by the end of 3 Business Days after the end of the Offer Period), a condition in section 11.8 has not been fulfilled and Aurora has not declared the Offer (or it has not become) free from that condition, all contracts resulting from the acceptance of the Offer will become automatically void.

11.12 Notice on the status of conditions

The date for giving the notice on the status of the conditions referred to in section 11.8 required by section 630(1) of the Corporations Act is [Condition Date] (subject to extension in accordance with section 630(2) of the Corporations Act if the Offer Period is extended).

11.13 Withdrawal of Offer

- (a) The Offer may be withdrawn with the consent in writing of ASIC, which consent may be subject to conditions. If ASIC consents to the Offer being withdrawn, Aurora will give notice of the withdrawal to YOW and will comply with any other conditions imposed by ASIC.
- (b) If Aurora withdraws the Offer, all contracts resulting from its acceptance will become automatically void.

11.14 Variation of Offer

Aurora may vary the Offer in accordance with the Corporations Act.

11.15 Foreign YOW Shareholders

This Bid is not registered in any other jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of the Bidders Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept this Bid.

11.16 No stamp duty or brokerage

No stamp duty is payable on the transfer of your YOW Shares to Aurora or its nominee. No brokerage is payable by you on acceptance of the Offer. However, if your YOW Shares are held in a CHESS Holding or you hold your YOW Shares through a bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker), or the bank, custodian or other nominee whether it will charge any transaction fees or service charges in connection with your acceptance of the Offer.

11.17 Governing Law

The Offer and any contract that results from your acceptance of the Offer are governed by the laws in force in Victoria.

11.18 Date of Offer

The Offer is dated, and opens on, [Open Date].

12. Glossary

12.1 Definitions

Set out below are terms used in this bidder's statement and in the Acceptance Form and their definitions (unless the context otherwise requires):

Term	Definition
Acceptance Form	the acceptance form attached to or accompanying this bidder's statement
ADIT	Aurora Dividend Income Trust ARSN 151 947 732
ADIT PDS or PDS	replacement product disclosure statement no. 5 dated 17 May 2019 for ADIT issued by Aurora (as amended or supplemented) or any further replacement product disclosure statement for ADIT (as amended or supplemented), as the context requires
ADIT Unit	a fully paid unit in ADIT
ADIT Unit Holder	a holder of ADIT Units
AFSL	an Australian financial services licence issued under the Corporations Act
All Ordinaries Index	the All Ordinaries Index (for share prices) published by Standard & Poor's in respect of ASX-listed entities
Announcement Date	the date on which ADIT announced to ASX its intention to make the Bid, namely 20 May 2019
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited or the securities market operated by ASX Limited called the Australian Securities Exchange, as the context requires
ASX Listing Rules	the listing rules of ASX
ASX Settlement Operating Rules	the operating rules of CHESS which are known as the ASX Settlement Operating Rules
Aurora	Aurora Funds Management Limited ABN 69 092 626 885 as responsible entity of ADIT, in its personal capacity or in any other capacity, as the context requires
Australia	Australia including her external territories
Bid or Offer	the takeover bid under chapter 6 of the Corporations Act whereby Aurora as responsible entity of ADIT offers to acquire all YOW Shares on the terms set out in section 11
Bid Value Amount	The value for each YOW Share acquired under the Bid of the ADIT Units issued as Bid consideration (based on the NAV per ADIT Unit determined as at the close of business on the last Business Day of the Offer Period), which is currently \$0.09 but is capable of variation in accordance with the Corporations Act
Boardroom	Boardroom Pty Limited ABN 14 003 209 836
Business Day	a day which is not a Saturday, Sunday or bank or public holiday in Melbourne
CHESS	the electronic transfer, settlement and registration facility operated by ASX Settlement Pty Limited which is known as the Clearing House Electronic Subregister System or CHESS
CHESS Holding	a holding of securities on YOW's CHESS subregister
Controlling Participant	as defined in rule 2.13.1 of the ASX Settlement Operating Rules
Corporations Act	the <i>Corporations Act 2001</i> (Cth) as modified by any relevant exemption or declaration by ASIC
Derivative	a financial instrument whose price or value is dependent upon or derived from one or more underlying assets or things e.g. shares, bonds, commodities, currencies, interest rates or market indices. Examples include options contracts, futures contracts, options on futures contracts, and swap agreements

Term	Definition
Determination Date	the date set by Aurora under section 633(2) of the Corporations Act in relation to the Offer
Encumbrance	an encumbrance or security interest including but not limited to a mortgage, fixed charge, floating charge, pledge, lien, conditional sale agreement, hire or hire purchase agreement, option, restriction as to transfer, use or possession, easement or a subordination to a right of a person or an adverse or competing interest of another person
Futures contract	a derivative in the form of an agreement to buy or sell a specified quantity of an underlying asset, such as bank bills, at a particular time in the future and at a price agreed when the contract was executed
GST	goods and services tax
Hedge	an investment made in order to reduce the risk of adverse price movements in another investment
IDPS	an investor directed portfolio service or like scheme, including a master trust or wrap account
Liquidity	the ability of an investment to be easily converted into cash with little or no loss of capital and minimum delay
NAV or Net Asset Value	the total value of ADIT's investment portfolio and other assets (but not application money or property in respect of which ADIT Units have not yet been issued, proceeds of redemption which have not yet been paid or an amount in a distribution account), less all present liabilities of ADIT including any provision which Aurora decides should be taken into account in determining the liabilities of ADIT
NAV per ADIT Unit	NAV divided by the total number of ADIT Units
NTA	Net Tangible Assets
Offer of Bid	an offer to acquire YOW Shares under the Bid as contained in section 11
Offer Period	the period for which Offers are open for acceptance in accordance with section 11.2
Regulator	a government, a governmental, semi-governmental, administrative, fiscal, public, statutory, regulatory or judicial authority, agency, body or other entity, a non-governmental regulatory entity or the operator of a securities or other financial market, in any jurisdiction whether federal, state, local or territorial
Rights	all accretions, rights or benefits of whatever kind attached or attaching to or arising from or in respect of the YOW Shares directly or indirectly at or after the Announcement Date including, without limitation, all dividends (and any attaching franking credits) and all rights to receive them or rights to receive or subscribe for shares, notes, bonds, options or other securities declared, paid or issued by YOW or a subsidiary of YOW
S&P/ASX 200 Index	the S&P/ASX 200 Index (for share prices) published by Standard & Poor's in respect of ASX-listed entities
Security Transfer Australia	Security Transfer Australia Pty Ltd ABN 95 008 894 488
Short selling	selling a security you do not own, usually in an attempt to profit from a decrease in the value of the security
Volatility	the measure of a security's (or market's) stability and is a measure of risk based on the standard deviation of the asset return. It is an important measure in quantifying risk; for example, a security/market with a higher volatility relative to another is considered to be a higher risk because it has the potential to increase or decrease more of its value
YOW	Yowie Group Limited ABN 98 084 370 669

Term	Definition
YOW Share	a fully paid ordinary share in YOW
YOW Shareholder	a holder of YOW Shares

12.2 Interpretation

In this bidder's statement and the Acceptance Form, headings and bold typing are included for convenience only and do not affect interpretation and, unless the context otherwise requires:

- (a) a reference to a word includes the singular and the plural of the word and vice versa;
- (b) a reference to a gender includes any gender;
- (c) if a word or phrase is defined, then other parts of speech and grammatical forms of that word or phrase have a corresponding meaning;
- (d) a term which refers to a person includes a company, a partnership, an association, a corporation, a body corporate, a joint venture, a sovereign state, a government or a government department or agency;
- (e) a reference to a document includes a reference to that document as amended, novated, supplemented, varied or replaced;
- (f) a reference to a section, annexure, schedule or other part is a reference to an item of that type in this bidder's statement;
- (g) a reference to a statute or regulation or a provision of a statute or regulation is a reference to that statute, regulation or provision as amended or a statute, regulation or provision replacing it, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws made or issued under that statute;
- (h) a reference to writing includes email and facsimile transmission;
- (i) a reference to a time is a reference to Melbourne time;
- (j) a monetary reference is a reference to Australian currency;
- (k) a reference to a subsidiary in relation to a person includes an entity controlled by that person; and
- (l) a word or term defined in the Corporations Act has the same meaning in this bidder's statement and the Acceptance Form.

12.3 Your YOW Shares

In this bidder's statement and in the Acceptance Form, unless the context otherwise requires, a reference to your YOW Shares means the YOW Shares to which the Offer relates:

- (a) which you are the registered holder of at 9.00 am (Melbourne time) on the Determination Date; or
- (b) which you become registered, or entitled to be registered, during the Offer Period as the holder of; or
- (c) to which you are able to give good title at the time you accept the Offer during the Offer Period.

Approval of bidder's statement

This bidder's statement has been approved by a resolution passed unanimously by the directors of Aurora Funds Management Limited.

Dated: 5 July 2019

Signed for and on behalf of **Aurora Funds Management Limited** as responsible entity of the **Aurora Dividend Income Trust**

A handwritten signature in black ink, appearing to read 'John Patton', with a stylized flourish at the end.

John Patton
Managing Director

Corporate directory

Aurora Funds Management Limited ABN 69 092 626 885
as responsible entity of the **Aurora Dividend Income Trust** ARSN 151 947 732

Registered office

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

Directors

Anthony Hartnell AM
John Patton
Victor Siciliano

Company Secretary

Adrian Tilley

Lawyers

Jeremy Kriewaldt Lawyers
Suite 503, Level 5
75-85 Elizabeth St
Sydney NSW 2000

Unit registrar

Boardroom Pty Limited
Level 12, Grosvenor Place
225 George Street
Sydney NSW 2000

Processing Agent for the Offer

Securities Transfer Australia
770 Canning Highway
Applecross WA 6153

ACCEPTANCE FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

AURORA FUNDS MANAGEMENT LIMITED**REGISTERED OFFICE:**Suite 613, Level 6
370 St Kilda Road
Melbourne VIC 3004

ABN: 69 092 626 885

All Correspondence to:

Security Transfer Australia Pty Ltd
PO Box 535
Applecross WA 6953

T: 1300 992 916 F: +61 8 9315 2233

E: registrar@securitytransfer.com.au

W: www.securitytransfer.com.au

«Company_code» «Returned_Mail»

«Holder_name»

«Adress_line_1»

«Adress_line_2»

«Adress_line_3»

«Adress_line_4»

«Adress_line_6»

Holder Number: «Holder_Number»

Holder Type: «Holder_Type»

Your total holding of Yowie Group Limited
Shares as at 7.00pm (Melbourne Time) on DD Month 2019:

«Securities_1_»

Use this form to accept the Aurora Funds Management Limited (Aurora) Offer to acquire all of your Yowie Group Limited (YOW) Shares. The consideration offered for each ordinary YOW Share is Units in the Aurora Dividend Income Trust ADIT with a value equivalent to \$0.09 per YOW Share.

If any of the above details are incorrect, please amend them and initial the alterations.

For CHESSE Holdings

If your YOW Shares are held on the CHESSE Sub register, to accept this Offer you can either:

a. Contact your Controlling Participant - normally your broker (if you do that, you do not need to return this form)

OR

b. If you want us to contact your Controlling Participant on your behalf, please insert their details below

Controlling
Participant's name

Address

Acceptance for CHESSE holders must be received by Security Transfer Australia Pty Ltd no later than 7.00pm (Melbourne Time) on the second last day of the Offer Period to effect acceptance of the Offer on CHESSE.

Acceptance for Issuer Sponsored holders must be received by Security Transfer Australia Pty Ltd no later than 7.00pm (Melbourne Time) on the last day of the Offer Period.

By signing in the box below or instructing your Controlling Participant to do so, you accept the Offer from Aurora or responsible entity of ADIT and subject to the terms of the Offer (as set out in the Bidder's Statement from Aurora dated 17 May 2019, as replaced or supplemented) and you acknowledge the effect of your acceptance is as set out in Sections 1.9, 11.4, 11.5 and 11.6 of the Aurora Bidder's Statement (including that you agree to transfer all of your YOW Shares to Aurora in return for the consideration to be provided to you pursuant to the Offer).

If you have a CHESSE Holding, you authorize us to contact and give instructions directly to your Controlling Participant (including via the CHESSE system). By accepting the Offer you are accepting for all YOW Shares registered as held by you at the date your acceptance is processed (even if different to the number stated above). You cannot accept the Offer for only part of your holding.

SECURITY HOLDER(S) SIGNATURE(S) This section must be signed for your instructions to be executed.

Individual/Security Holder 1

Individual/Security Holder 2

Individual/Security Holder 3

Sole Director & Company Secretary

Director/Company Secretary

Director

My/Our contact details in case of enquiries are:

NAME**TELEPHONE NUMBER**

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You must complete, sign and return this CHESSE Acceptance Form to one of the addresses shown overleaf BEFORE the Offer closes. Neither Security Transfer Australia Pty Ltd nor Aurora Funds Management Limited will be responsible for any delays incurred by this process - you must allow sufficient time for Aurora Funds Management Limited to initiate acceptance of the Offer on your behalf.

REGISTRY DATE STAMP

E & O.E.



HOW TO ACCEPT THE OFFER

Please refer to Sections 1.8 and 11.4 of the Aurora Bidder's Statement and the definitions in the Bidder's Statement. Terms defined in the Bidder's Statement have the same meanings when used in this form. If you have any queries about how to accept the Offer or about how to complete this Acceptance Form, please contact your financial advisor or the Aurora Processing Agent on 1300 992 916.

Sold all your YOW? – if you have sold all your YOW Shares, you need not take any further action. We suggest you destroy this form for security reasons.

SIGNING INSTRUCTIONS

Individuals - where the holding is in one name, the registered holder must sign.

Joint holdings - where the holding is in more than one name, all of the securityholders should sign.

Companies - this form must be signed by a Director jointly with either another Director or a Company Secretary. Alternatively, where the company has a Sole Director who is also the Sole Company Secretary, this form may be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may also sign alone. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Power of Attorney - If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

LODGEMENT INSTRUCTIONS

If you wish to accept this offer or for Security Transfer Australia Pty Ltd to accept the Offer on your behalf, you must complete this Acceptance Form and it must be mailed, delivered or faxed to:

Security Transfer Australia Pty Ltd

PO BOX 535

Applecross, Western Australia 6953

Street Address:

Alexandrea House, Suite 1

770 Canning Highway

Applecross, Western Australia 6153

Facsimile:

+61 8 6365 4086

Email:

registrar@securitytransfer.com.au

Acceptance for CHESS holders must be received by Security Transfer Australia Pty Ltd no later than 7.00pm (Melbourne Time) on the second last day of the Offer Period to effect acceptance of the Offer on CHESS.

Acceptance for Issuer Sponsored holders must be received by Security Transfer Australia Pty Ltd no later than 7.00pm (Melbourne Time) on the last day of the Offer Period.

ENQUIRIES

All enquiries should be directed to Aurora Funds Management Limited Processing Agent:

Security Transfer Australia Pty Ltd

PO Box 535, Applecross WA 6953 AUSTRALIA

770 Canning Highway, Applecross WA 6153 AUSTRALIA

Telephone 1300 992 916

Facsimile +61 8 6365 4086

Email: registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

