

24 MARCH 2015

AURORA FUNDS LIMITED EGM – 24 MARCH 2015

CHAIRMAN ADDRESS

Ladies and Gentlemen, welcome to our Extraordinary General Meeting. My name is Simon Lindsay. I am the Managing Director of Aurora Funds Limited, and I have the privilege of being your Chairman for this meeting.

Please let me introduce you to my fellow director Mr John Corr who is our Chief Investment Officer. May I also introduce Ms Betty Poon who is our Company Secretary. Unfortunately 2 of our directors, Oliver Morgan and Stuart Roe are unable to join us today.

You will have received details of the proposed sale of Aurora Funds Management Limited to Keybridge Capital Limited, together with the recommendation of the Aurora Funds Limited Board of Directors as well as the opinion of the Independent Expert, Shinewing Australia Corporate Finance Pty Ltd, on the fairness and reasonableness of the proposed transaction.

In order for the proposed transaction to proceed, it must be approved by an ordinary resolution of Aurora shareholders at this Extraordinary General Meeting.

I would now like to provide you with an overview of the proposal and the recommendations of the Board of Directors and the findings of the Independent Expert before inviting you to ask any questions.

In recent years Aurora has seen significant growth in its retail funds under management. However, in the retail world we operate in today, being a boutique funds management business requires capital to invest in future growth. Keybridge currently have \$37m of Net Assets and with the support of Keybridge, Aurora will have access to capital to invest in its future growth. Additionally the investment expertise within Keybridge will help Aurora issue new products to additional distribution channels. It will also give Aurora the opportunity to market the existing infrastructure and services of Aurora to other investment professionals. The Board believe this is the right step forward for Aurora to continue to prosper.

The proposed transaction comprises a total cash consideration of \$4.3 million for the shares of Aurora Funds Management Limited, payable in 2 parts as follows:

- (i) \$3.5 million payable on the Completion Date (; and
- (ii) \$0.8 million payable 12 months from the Completion Date.

The Consideration is subject to downwards adjustments as follows:

- (i) the Initial Payment of \$3.5 million is to be reduced by 2.5 cents per \$1 that the retail funds under management at Completion is less than \$170 million; and
- (ii) the Deferred Payment of \$0.8 million is to be reduced by:
 - A. 2.75 cents per \$1 that the retail funds under management at the first anniversary of the Completion Date is less than \$150 million; and
 - B. Any amounts set-off by Keybridge for warranty/indemnity claims.

The Board of Directors of Aurora believe the proposed transaction is in the shareholders' interests and recommend that eligible shareholders vote in favour of the proposed transaction. Aurora Funds Management Limited remains a business with significant growth potential. After thorough consideration, the Board of Directors of Aurora, firmly believe the proposed transaction is in the best interest of Aurora shareholders. As such, the Board of Directors unanimously recommend that you vote in favour of the proposed transaction

Simon Lindsay
Chairman