

## **Aurora Absolute Return Fund**

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### **Liquidity Management Update – March 2018 quarter**

Aurora Funds Management Limited (“Aurora”) provides an important update detailing the manner of redemption requests in the Aurora Fortitude Absolute Return Fund (“AFARF”), which directly impacts the Aurora Absolute Return Fund.

#### **Further information**

If you have any queries or concerns, please contact us.

Telephone: 1300 553 431

Email: [enquiries@aurorafunds.com.au](mailto:enquiries@aurorafunds.com.au)

**Aurora Funds Management Limited | ABN 69 092 626 885 | AFSL No. 222110**

**22 March 2018**

## **Aurora Fortitude Absolute Return Fund**

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### **Liquidity Management Update – March 2018 quarter**

Aurora Funds Management Limited (“**Aurora**”), as responsible entity of the Aurora Fortitude Absolute Return Fund (“**Fund**”), provides an important update in relation to the redemption facility, effective with respect to redemption requests made for processing during the quarter ending 31 March 2018.

On 17 October 2017, Aurora provided an update regarding the Master Fund’s redemption facility stating that it intended to increase the redemption ceiling applying to redemptions to 10% (from 5%) of the total FUM for the quarter ending 31 December 2017.

Aurora intends to postpone the processing redemption requests received for the 31 March 2018 quarter to the quarter ending 30 June 2018. Subject only to the redemption ceiling, Aurora has decided under clause 7.7(a) of the Master Fund’s Constitution to redeem all units in the Master Fund the subject of redemption requests received so far in the 31 March 2018 quarter. The redemption ceiling for the combined redemptions for the 31 March 2018 quarter and the 30 June 2018 quarter will be 10% of the total FUM as at 30 June 2018.

Aurora has postponed processing 31 March 2018 quarter redemptions to ensure no prejudice to both redeeming and remaining Fund unitholders. This decision takes into account the current illiquidity and price uncertainty of the Fund’s largest position, Molopo Energy Limited (“MPO”), the Fund’s current off-market takeover offer for all the shares in MPO and a corporate action commenced by Aurora in relation to the Fund’s second largest position, 8IP Emerging Companies Limited (“8EC”), designed to create liquidity at fair value for Aurora fund unitholders. Based on information currently available to Aurora, it is Aurora’s intention to postpone redemptions only for the 31 March 2018 quarter. Aurora will continue to monitor the available liquidity in the Fund and its redemption ceiling for subsequent quarters.

This amendment to the Redemption Guidelines, as detailed above, is based on information presently available to Aurora and Aurora will continue to provide fund updates with respect to the Fund’s redemption facility, including the Redemption Guidelines, should they be the subject of further updates as the relevant circumstances and factors change.

In accordance with Aurora’s duties under Corporations Act 2001 (Cth) (“Act”) and the Fund’s Constitution, Aurora continues to actively manage the liquidity requirements of the Fund to ensure satisfaction of the Fund’s investment mandates and objectives, whilst also ensuring that Aurora is able to manage the redemption process in an orderly manner. This requires Aurora to achieve an outcome that is fair to unit holders as a whole, including balancing the interests of those unitholders that wish to redeem their investment in the Fund with those unit holders who wish to remain invested in the Fund.

Aurora notes that June 2018 quarter redemption payments will be finalised once the audited full-year accounts have been approved by Directors. The full- year accounts will be signed no later than 31 August 2018.

#### **Further information**

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