

5 April 2019

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

ASX ANNOUNCEMENT – TAKEOVER BID

Aurora Dividend Income Trust announces off-market all scrip takeover bid for 8IP Emerging Companies Limited (ASX:8EC)

Takeover overview

- Aurora Dividend Income Trust (**ADIT**) intends to make an all scrip takeover bid (**Bid**) for 100% of the fully paid ordinary shares in 8IP Emerging Companies Limited (**8EC**) at \$0.75 per share;
- The Bid represents a 11.9% premium to 8EC's most recent closing price of \$0.67;
- The Bid consideration will be paid with ADIT units, an unlisted managed investment scheme, calculated on the basis of the applicable NTA of ADIT at the close of the Bid;
- The Bid provides accepting 8EC shareholders the ability to redeem their ADIT units off-market for cash at NTA, pursuant to ADIT's Constitution; and
- If Aurora receives sufficient acceptances resulting in a relevant interest greater than 50% at the close of the Bid, Aurora will carry its 8EC investment across its various funds at 8EC's then prevailing NTA¹, enabling accepting 8EC shareholders to exit their investment for cash at NTA.

Takeover Bid for 8EC shares

Aurora Funds Management Limited (**Aurora**), as responsible entity of the Aurora Dividend Income Trust (ARSN 151 947 732) ("**ADIT**" or "**Fund**"), is pleased to announce ADIT's intention to make an off-market scrip takeover bid (**Bid**) for all of the shares in 8EC. Each 8EC shareholder who accepts the Bid will receive ADIT units² equal to the value of \$0.75.

The bid price represent a 11.9% premium to 8EC's most recent closing price of \$0.67, 6.7% premium above the 30-day volume weighted average price (**VWAP**), 0.2% below the 60-day VWAP and 5.5% below the 90-day VWAP, of 8EC shares ending on 4 April 2019. The directors of Aurora believe that by combining both operations, investors may benefit from increased scale, liquidity and a lower expense ratio. The bid also represents an opportunity for 8EC shareholders to form part of an Aurora managed fund, or to exit their investment at ADIT's NTA.

8EC shareholders who accept the Bid will receive ADIT units which can be held or redeemed off-market for the then applicable NTA of ADIT. If Aurora receives sufficient acceptances resulting in a relevant interest greater than 50% at the close of the Bid, Aurora will carry its 8EC investment across its various funds at 8EC's then prevailing NTA³, enabling accepting 8EC investors to exit their investment for cash at NTA.

¹ The carrying value will be based on the lower of 8EC's pre or post NTA position, at close of the Bid.

² ADIT NTA will be calculated on the basis of the applicable NTA of ADIT at the close of the Offer

³ The carrying value will be based on the lower of 8EC's pre or post NTA position, at close of the Bid.

The Bid and ADIT's obligation to make the Bid is subject to a range of conditions which are set out in the Annexure attached to this announcement.

Investors in both ADIT and 8EC do not need to take any action in relation to the Bid at the present time. The indicative timetable in relation to the Bid is set out below:

Key Event	Date
Lodgement of ADIT's Bidder's Statement with ASIC, ASX and 8EC	Early May 2019
Dispatch of Bidder's Statement	Mid May 2019
ADIT's Bid opens	Mid May 2019
ADIT's Bid closes (unless extended)	Early July 2019

Amendment to ADIT's investment strategy

Effective 5 April 2019, Aurora hereby notifies ADIT unitholders of our intention to enhance the investment opportunities of the Trust by allowing the Fund the ability increase its gross asset allocation to Australian Equities to 250% of Net Asset Value (currently 100% of Net Asset Value). Aurora will provide an updated Product Disclosure Statement in due course reflecting this change.

8EC shareholders

The Bid potentially provides 8EC shareholders with a value accretive exit strategy, as well as the option to stay invested in the portfolio of 8EC (albeit in a diluted form).

In addition, the Bid will enable 8EC shareholders to become unitholders in a fund that allows its unitholders to redeem their investment at a price equal to the net tangible asset value of that fund via an off-market redemption process.

ADIT unitholders

The Bid may result in an increased asset base that may provide an improved ability to grow the investment portfolio returns after costs on a measured and sustainable basis leading to enhanced distributions without significant increased risk.

By virtue of the benefits of economies of scale, the enlarged entity also has the capacity to reduce the management expense ratios currently charged to ADIT unitholders on an enduring basis as the costs will be spread over a larger unitholder base. It is also reasonable to anticipate the potential for operating synergies over the medium term including in relation to administration and overhead expenses.

Further information

If you have any queries in relation to the Bid, please contact Aurora on 1300 553 431 or email enquiries@aurorafunds.com.au.

Yours faithfully



Adrian Tilley
Company Secretary | Aurora Funds Management Limited

Annexure

Schedule

Proposed defeating conditions

(a) **Minimum Net Tangible Assets**

During the period starting on the date of this announcement and ending at the close of the Bid, 8EC's Net Tangible Assets (both on a pre or post-tax basis) is greater than \$0.75 per share.

(b) **Minimum acceptance condition**

At the close of the Bid, Aurora as responsible entity of ADIT, receives sufficient acceptances that results in Aurora holding a relevant interest in at least 40.0% of the 8EC Shares.

Based on Aurora's latest Form 604, Aurora presently holds a relevant interest of 16.01% and an economic interest in a further 5.91% in 8EC⁴.

(c) **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 8EC, none of the occurrences listed below happens:

- (1) 8EC converts all or any of its shares into a larger or smaller number of shares;
- (1) 8EC or a subsidiary of 8EC resolves to reduce its share capital in any way;
- (2) 8EC or a subsidiary of 8EC:
 - (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;
- (3) 8EC or a subsidiary of 8EC issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (4) 8EC or a subsidiary of 8EC issues, or agrees to issue, convertible notes;
- (5) 8EC or a subsidiary of 8EC disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (6) 8EC or a subsidiary of 8EC charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (7) 8EC or a subsidiary of 8EC resolves to be wound up;
- (8) the appointment of a liquidator or provisional liquidator of 8EC or of a subsidiary of 8EC;

⁴ <https://www.asx.com.au/asxpdf/20190122/pdf/4420ft05v12qwp.pdf>

- (9) a court makes an order for the winding up of 8EC or of a subsidiary of 8EC;
- (10) an administrator of 8EC, or of a subsidiary of 8EC, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (11) 8EC or a subsidiary of 8EC executes a deed of company arrangement; or
- (12) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of 8EC or of a subsidiary of 8EC.

(d) **No prescribed occurrences between service of bidder's statement and end of Bid Period**

During the period starting on the day before Aurora's Bidder's Statement is given to 8EC and ending at the end of the Bid Period, none of the occurrences listed in paragraph (b) above happens.

(e) **No material transactions**

Except for any proposed transaction reasonably full details of which are publicly announced by 8EC 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 Bid Period without the written consent of Aurora:

- (1) 8EC, or any subsidiary of 8EC, acquires, Bids 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 \$2 million or an amount in aggregate in any series of transactions of more than \$2 million, or makes an announcement about such an acquisition or acquisitions;
- (2) 8EC, or any subsidiary of 8EC, 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 \$2 million in any single transaction or an amount in aggregate in any series of transactions of more than \$2 million, or makes an announcement about such a commitment; or
- (3) 8EC, or any subsidiary of 8EC, incurs or commits to, or grants to another person a right the exercise of which would involve 8EC or any subsidiary of 8EC incurring or committing to any capital expenditure or liability for one or more related items of greater than \$2 million, or makes an announcement about such a commitment.

(f) **No material adverse change**

During the period starting on the Announcement Date and ending at the end of the Bid 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 8EC.

(g) **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 Bid Period, that:

- (1) any document filed by or on behalf of 8EC 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 8EC 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.

(h) **No persons exercising rights under certain agreements or instruments**

Before the end of the Bid 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 8EC is a party or by or to which 8EC 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 8EC taken as a whole, in:

- (1) any money borrowed by 8EC 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 8EC 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 8EC with any other person being adversely affected.

(i) **Conduct of 8EC's business**

During the period starting on the Announcement Date and ending at the end of the Bid Period, none of 8EC and any body corporate which is or becomes a subsidiary of 8EC, 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 8EC;
- (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 8EC 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 8EC 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) has appointed 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 8EC or a subsidiary of 8EC.

(j) **No break/inducement fees**

During the period starting on the Announcement Date and ending at the end of the Bid Period, none of 8EC and any body corporate which is or becomes a subsidiary of 8EC, 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 8EC or any body corporate which is or becomes a subsidiary of 8EC; or
- (2) any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, 8EC or any body corporate which is or becomes a subsidiary of 8EC, or to operate 8EC as a single economic entity with another body corporate;

except for a payment, benefit or agreement:

- (3) for providing professional advisory services to 8EC;
- (4) which is approved in writing by Aurora;
- (5) which is approved by a resolution passed at a general meeting of 8EC; or
- (6) which is made to, provided to, owed by or made with Aurora.

(k) **No force majeure event**

During the period starting on the Announcement Date and ending at the end of the Bid 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 8EC 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 8EC and its subsidiaries taken as a whole.

(l) **Non-existence of certain rights**

During the period starting on the Announcement Date and ending at the end of the Bid Period, no person has any right (whether subject to conditions or not) as a result of Aurora acquiring 8EC shares:

- (1) to acquire, or require 8EC or a subsidiary of 8EC to dispose of, or offer to dispose of, any material asset of 8EC or a subsidiary of 8EC; or
- (2) to terminate or vary any material agreement with 8EC or a subsidiary of 8EC.

(m) **No superior alternative proposal**

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

- (1) is recommended by any 8EC 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.

(n) **Restriction on others acquiring shares in 8EC**

During the period starting on the Announcement Date and ending at the end of the Bid 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 8EC.

(o) **No material litigation**

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

- (1) none of 8EC and any body corporate which is or becomes a subsidiary of 8EC 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 \$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 8EC 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 8EC (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 8EC and any body corporate which is a subsidiary of 8EC 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 8EC's last audited annual financial statements or, if no provision has been made, is or likely to be more than \$100,000.

Further information regarding the Bid and the conditions will be provided to 8EC shareholders in Aurora's Bidder's Statement.