

## Aurora Absolute Return Fund (ASX:ABW)

Performance <sub>1</sub>	1 month	3 months	FYTD
Aurora Absolute Return Fund	-3.78%	-9.41%	-14.10%
Benchmark	0.12%	0.38%	1.26%
Outperformance	-3.90%	-9.79%	-15.36%

### Investment Objective

The Aurora Absolute Return Fund ("Fund") seeks to achieve absolute returns and income through investing in the Master Fund which uses several different investment strategies. The focus on absolute returns differs from traditional funds in that the Master Fund aims to produce positive returns regardless of equity market conditions or global market indices.

### Investment Strategy

The Master Fund seeks to take advantage of market mispricing and arbitrage opportunities using a diverse range of investment strategies. The Responsible Entity of the Fund researches various criteria for each investment, including fundamental and quantitative analysis, company event situations such as takeovers and mergers, earnings announcements, demergers and restructuring, liquidity events, recapitalisations, multiple share classes, option availability and pricing.

The Master Fund will invest in opportunities that are considered to offer attractive risk return characteristics with a focus on potential catalysts that seek to generate a profitable return regardless of the market direction. The Master Fund may use derivatives for risk management as well as to create new positions and may opportunistically short sell securities that may be overpriced or to reduce risk on the overall portfolio.

### Master Fund Position Analysis

#### Number of Positions

Long	12
Short	0

### Fund Overview

ASX Code	ABW
NAV per Unit	\$0.5757
Structure	Fund
Investment Style	Value/Special Situation
Inception Date	10 July 2006
Management fee (incl.GST)	Nil
Performance fee (incl.GST)	Nil
Buy / sell spread	+/- 0.02%
Entry / Exit fees	Nil
Benchmark	RBA Cash Rate
Distributions	1.0% per quarter

**Fund performance summary**

- The Aurora Absolute Return Fund (“ABW” or “Fund”) returned -3.78% for the month against its benchmark return of +0.12%.
- The Master Fund’s gross investment portfolio return was -2.4% for the month.
- The key contributors to the Master Fund’s investment portfolio performance during the month were Ellerston Global Investments Limited (ASX:EGI), Fairfax Media Limited (ASX:FXJ) and Keybridge Capital Limited Convertible Bond (ASX:KBCPA).
- The key detractors from the Master Fund’s investment portfolio performance were 8IP Emerging Companies Ltd (ASX:8EC) and Aurora Property Buy-Write Income Trust (ASX:AUP), which saw a fall in its Net Tangible Assets (NTA) due to the revaluation of its key position in RNY Property Trust (ASX:RNY).
- The Master Fund incurred extraordinary expenses during the month in the form of legal fees.
- The Master Fund has an investment in Molopo Energy Limited (ASX:MPO) that remains suspended on the ASX until such time that the ASX is satisfied that MPO meets the ASX Listing Rule requirements.

**About Aurora**

Aurora Funds Management Limited ("Aurora") is the Responsible Entity and Investment Manager of the Fund. Aurora is an Australian-based alternative asset manager that specialises in managing absolute-return strategies for high net worth, retail and institutional investors. Aurora specialises in value-orientated event-driven investments that aim to provide investors with positive risk-adjusted returns that are independent of benchmarks or investment cycles.

Aurora is also the Responsible Entity of the:

- Aurora Fortitude Absolute Return Fund (APIR Code: AFM0005AU)
- Aurora Dividend Income Trust (ASX:AOD, APIR Code: AFM0010AU)
- Aurora Global Income Trust (ASX:AIB)
- Aurora Property Buy-Write Income Trust (ASX:AUP)
- HHY Fund (ASX:HHY)

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1. This number represents a cumulative return and assumes reinvestment of distributions and is generated with compounded monthly returns/net of fees.  
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