



FORTITUDE CAPITAL

Aurora Fortitude Absolute Return Fund
November-10

AURORA
FUNDS LIMITED

Key Facts		AFARF	RBA Cash	
Strategy	Market Neutral	1 Month Return	1.37%	0.40%
Domicile	Australia	12 Month Return	4.10%	4.36%
Min. Investment	\$A100,000	Annualised Return p.a.	9.66%	5.46%
Management Fee	1.5375% p.a. (includes GST)	Return Since Inception	70.01%	5.46%
Performance Fee	20.5% p.a. with high water mark	Best month	3.63%	0.25%
Benchmark	RBA Cash Rate	Worst month	-1.60%	0.25%
Prime Broker & Custodian	UBS	% Positive months	86.96%	100.00%
Administrator	Kingsway Taitz	Annualised Std Deviation	3.08%	0.37%
Auditor	PricewaterhouseCoopers	Sharpe Ratio	1.272	-

The retail Aurora Fortitude Absolute Return Fund PDS is available online or by contacting us on 1300 553 431

A Game of Two Halves

Global markets started November bullishly as investors contemplated the potential benefits of the US Government's second Quantitative Easing plan (QE 2). However, by mid month, renewed concerns over European Sovereign debt combined with the prospect of Chinese authorities tightening monetary policy in an attempt to control inflation resulted in a significant sell off.

The ASX 200 (-1.7%) was a significant underperformer of most major international indices (Dow Jones -0.6%, Nikkei +8.3%, Hang Seng -0.8%, FTSE -2.2%). A particular focus for investors was the domestic consumer. The consumer staples (-5.3%) and consumer discretionary (-4.2%) sectors were the worst performing sub indices for the month. Recent press coverage has identified the competition retailers are facing as consumers use the stronger local currency to bargain hunt online. Consumer related names face an interesting period as anecdotal evidence suggests a slow start to the Christmas trading period.

The Aurora Fortitude Fund continues to benefit from the high level of merger and acquisition activity. The shareholder approval and completion of schemes for AWB Limited (AWB), Ammtec Limited (AEC), Intoll Group (ITO), Mitchell Communication Group (MCU) and Prime Infrastructure Group (PIH) realised significant returns. We added to positions in Andean Resources (AND) and Citadel Resources (CGG) which are both involved in potential transactions with Canadian companies (AND a scheme with Goldcorp and CGG a takeover bid by Equinox Minerals) and expect similar activity in mining companies to continue during 2011.

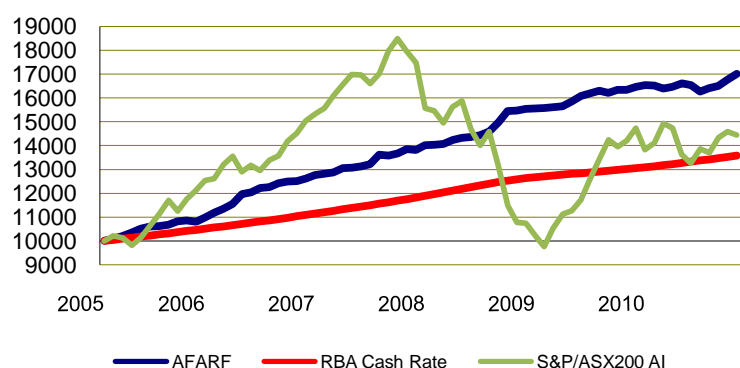
The announcement of a scheme of arrangement between AXA Asia Pacific (AXA AP), AMP Limited and AXA SA is an exciting development for our fund. The deal involves a number of potentially different outcomes at different AMP share prices. It is expected that this scheme will take some time to pass a number of regulatory hurdles and the optionality available in the scheme could well provide trading opportunities in this time period.

The global interest in mid-cap resources companies has allowed us to continue to generate spread profits between markets in our Convergence portfolio. Intrepid Mines (IAU), Aquarius Platinum (AQP) and Resolute Mining (RSG) are names that worked particularly well this month.

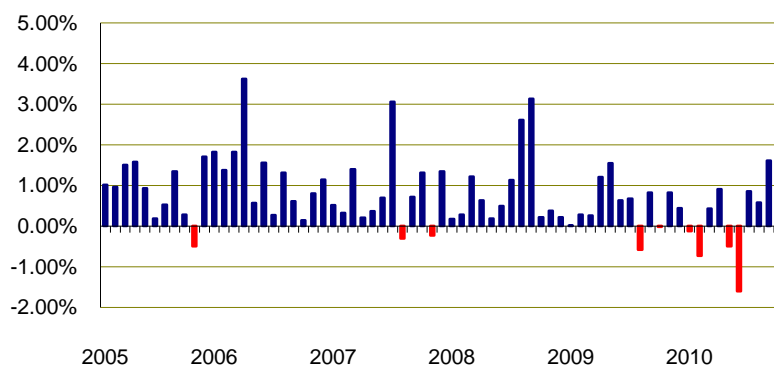
Our Yield and Option strategies performed in line with expectations during the month. Fairfax Convertible Preference Securities (FXJPB) continued to appreciate in value as investors became more comfortable that the company will redeem in April 2011. Our option strategies remain largely protective in nature and whilst on a stand alone basis this a small draw on performance, the protection allowed us to take more aggressive positions across the rest of the portfolio.

Performance after fees (%)													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	0.44	-0.13	-0.73	0.43	0.91	-0.49	-1.60	0.86	0.58	1.61	1.37		3.25%
2009	0.21	0.01	0.28	0.26	1.20	1.55	0.55	0.67	-0.58	0.82	-0.02	0.82	6.01%
2008	1.34	0.17	0.27	1.21	0.63	0.18	0.45	1.14	2.61	3.13	0.21	0.37	12.38%
2007	1.14	0.52	0.32	1.40	0.21	0.36	0.63	3.06	-0.30	0.71	1.32	-0.23	9.55%
2006	1.71	1.82	1.38	1.82	3.63	0.57	1.55	0.27	1.32	0.61	0.14	0.80	16.75%
2005			1.02	0.96	1.50	1.58	0.92	0.18	0.52	1.34	0.28	-0.50	8.06%

AFARF vs RBA Cash vs S&P/ASX200AI (\$)



Monthly Returns Since Inception (%)



FUND OVERVIEW

The Aurora Fortitude Absolute Return Fund (AFARF) is an Australian Market Neutral Fund which deals in listed securities and derivatives over those securities. The investment focus is neutrality with a long gamma overlay. Short term opportunities, event situations and share class mispricing are targeted to generate low risk returns.

The long volatility overlay allows for more aggressive positioning within the Fund's other strategies: Long Short, Mergers and Acquisitions, Convergence and Yield.

The market provides opportunities and management provides the strategic overlay.

Risk management is a major focus.

Trading stops are implemented based on price and time along with continual hedging of positions at relatively low execution costs.

Liquidity is a major consideration of all investments.

INVESTMENT MANAGER

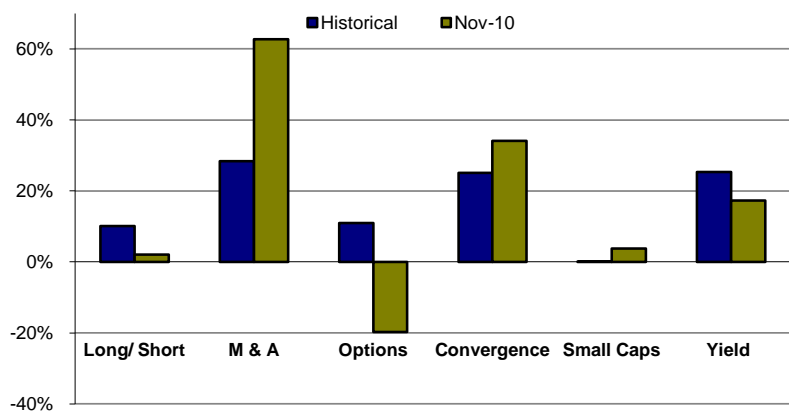
Fortitude Capital Pty Ltd is a wholly-owned subsidiary of Aurora Funds Limited (Aurora). With in excess of \$550 million in funds under management/administration, Aurora was listed on the ASX in July 2010 under the ASX Code: AFV.

The Aurora Group provides asset management and responsible entity/trustee services for over 3,500 Australian and New Zealand investors.

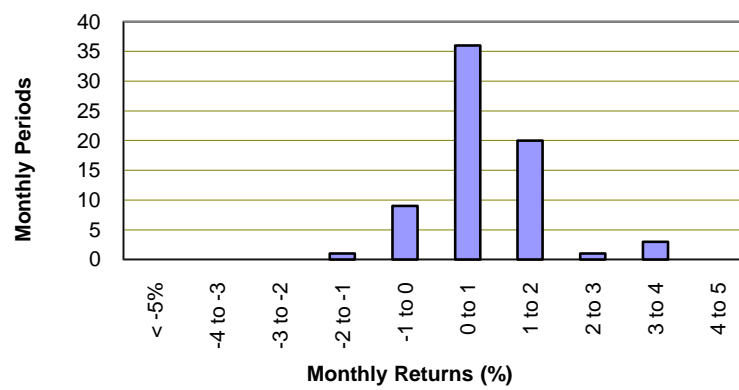
Aurora is also the issuer and/or distributor of the:

- Aurora Sandringham Dividend Income Trust (ASX code: AOD)
- Aurora Sandringham Australian Equity Income Trust (ASX Code: ABW)
- Aurora Sandringham Global Income Trust (ARSN 131 291 499)
- Aurora Global Infrastructure Income Trust (ASX code: AIB)
- Aurora Property Buy-Write Income Trust (ASX code:AUP)
- van Eyk Blueprint Alternatives Plus (ASX code: VBP)
- CORALS Commodities Fund (ARSN 131 196 882)

Profit & Loss Contribution by Strategy

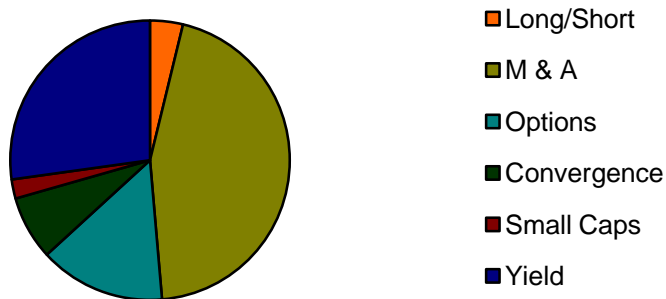


Distributions of Returns

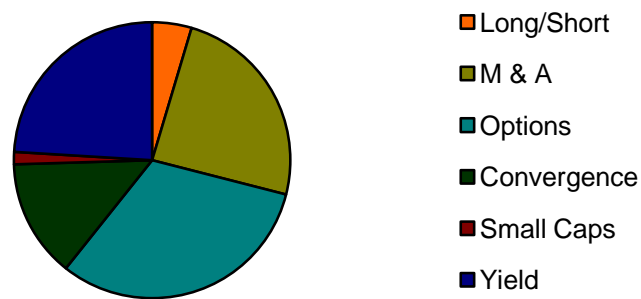


Strategy Weightings

November 2010



Historical



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