

Aurora Fortitude Absolute Return Fund (AFARF)

| Performance ¹ | 1 month | 3 months | FYTD |
|---------------------------------------|---------|----------|--------|
| Aurora Fortitude Absolute Return Fund | -2.95% | -5.49% | -6.83% |
| Benchmark | 0.12% | 0.38% | 1.13% |
| Outperformance | -3.07% | -5.68% | -7.96% |

Investment Objective

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

Investment Strategy

The 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 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 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.

Portfolio Position Analysis

Number of Positions

| | |
|-------|----|
| Long | 15 |
| Short | 1 |

Fund Overview

| | |
|----------------------------|-------------------------|
| APIR Code | AFM0005AU |
| NAV per Unit | \$0.5622 |
| Structure | Fund |
| Investment Style | Value/Special Situation |
| Inception Date | 28 February 2005 |
| Management Fee (incl.GST) | 1.49% |
| Performance fee (incl.GST) | 20.5% |
| Buy / sell spread | +/- 0.02% |
| Entry / Exit fees | Nil |
| Benchmark | RBA Cash Rate |
| Distributions | 1.0% per quarter |

Fund performance summary

- The Aurora Fortitude Absolute Return Fund (“AFARF” or “Fund”) returned -2.95% for the month against its benchmark return of 0.12%.
- The Fund’s gross investment portfolio return was -2.74% for the month.
- There were no material contributors to the Fund’s investment portfolio performance during the month.
- The key detractor from the Fund’s investment portfolio performance was 8IP Emerging Companies Ltd (ASX:8EC) and Ellerston Global Investments Limited (ASX:EGIO).
- The 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 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 utilises a value-orientated approach to select suitable 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 Absolute Return Fund (ASX:ABW)
- 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.
Disclaimer: This information has been prepared by Aurora Funds Management Ltd (ABN 69 092 626 885, AFSL 222110) in its capacity as Responsible Entity for the Fund (ARSN 145 894 800). It has been prepared without taking into account the objectives, financial situation or needs of any investor, which should be considered before investing. Investors should carefully review the Product Disclosure Statement (PDS) for the Fund and seek their own financial advice prior to investing in the Fund. The information in this Portfolio Update is of a summary nature only and does not constitute advice of any kind, nor is it an offer of any financial product. Past performance is not a reliable indication of future performance. The investment objective for the Fund is expressed after the deduction of fees and before taxation. See the PDS for details on taxation. The investment objective is not intended to be a forecast, and is only an indication of what the investment strategy aims to achieve over the medium to long term. While the Fund will aim to achieve the objective, the objective and returns are not guaranteed. The payment of franking credits to investors is subject to the Fund achieving a taxable profit in that year.