

18 August 2016

Dear Unitholder,

Aurora Funds Management Limited (ACN 092 626 885) (**Aurora**) is the responsible entity of the Aurora Fortitude Absolute Return Fund (**AFARF** or the **Fund**).

On 28 July 2016, Aurora received a notice from Providence Wealth Advisory Group Pty Ltd (**Providence**) acting for a group of unitholders in the Fund, requesting that Aurora call a meeting of unitholders for the purpose of considering resolutions for the winding up of AFARF and the replacement of Aurora as the responsible entity of AFARF (**Requested Resolutions**).

As a representative of unitholders holding more than 5% of the issued units in the Fund, Providence is entitled, under the *Corporations Act 2001* (Cth), to call such a meeting. Therefore, unitholders should be aware that the Requested Resolutions are not being put to unitholders voluntarily by Aurora and have not been proposed or endorsed by Aurora.

Attached is the Notice of Meeting and Proxy Form for a meeting to consider the Requested Resolutions to take place on Monday, 26 September 2016 commencing at 11:00am at Registry Direct, Level 6, 2 Russell Street, Melbourne Vic 3000. Attachment A to the notice of meeting is the statement provided by Providence which, in accordance with the Corporations Act, is being distributed to you at the same time as the notice of the meeting. Aurora did not prepare and is not responsible for the content of that statement which appears to contain certain misconceptions as to fees charged by the responsible entity.

We note that Aurora takes its legal and other governing obligations seriously and exercises a high level of care and prudence in relation to questions of interpretation of the Fund's constitution and the product disclosure statement, including as it relates to fees charged by the responsible entity.

The Board of Aurora intends to issue a more detailed Explanatory Memorandum to unitholders which will be relevant to your decision on how to vote on the Requested Resolutions. **Aurora recommends that unitholders take no action in respect of the Meeting prior to receiving the Explanatory Memorandum**, which will be posted to the registered address of each AFARF unitholder at least three weeks prior to the Meeting.

If you have any queries in the interim do not hesitate to contact Betty Poon by telephone +613-8687-2263.

On behalf of Aurora, thank you for your ongoing support of the Fund.

Yours sincerely,



Betty Poon
Company Secretary

Aurora Fortitude Absolute Return Fund

ARSN 145 894 800

Notice of General Meeting

To be held at 11:00am on Monday, 26 September 2016 at Registry Direct, Level 6, 2 Russell Street, Melbourne Vic 3000.

Important Notices

This Notice of Meeting is issued by Aurora Funds Management Limited (ABN 69 092 626 885) (**Aurora**), as responsible entity of the Aurora Fortitude Absolute Return Fund (ARSN 145 894 800) (**AFARF**).

General

This is an important document and requires your immediate attention. You should read this document, as well as the supplementary documentation foreshadowed by it, completely and carefully before deciding how to vote on the resolutions set out in this Notice of Meeting and, if necessary, consult your investment, tax, legal or other professional adviser. A proxy form for the Meeting is enclosed.

Preparation and Responsibility

Other than as set out below, or otherwise indicated, this Notice of Meeting have been prepared by Aurora.

Annexure A of this Notice of Meeting, and the information therein, has been prepared by Providence Wealth Advisory Group Pty Ltd on behalf of the requisitioning members. Except to the extent required by law, Aurora does not assume responsibility for the accuracy or completeness of the information contained in Annexure A.

Investment Decisions

This Notice of Meeting does not take into account the investment objectives, financial situation, tax position or requirements of any particular person. The information contained in this Notice of Meeting is not financial product advice. This Notice of Meeting should not be relied on as the sole basis for any investment decision in relation to your AFARF units or otherwise. You should seek independent financial and taxation advice before making any decision in relation to AFARF units or the resolutions set out in the Notice of Meeting. It is important that you read this Notice of Meeting in full before making any decision as to how to vote on the resolutions set out in this Notice of Meeting.

Forward looking statements

This Notice of Meeting may contain forward looking statements which are subject to known and unknown risks, uncertainties and other factors that may cause actual results to vary from those forward looking statements or results express or implied therein.

Variance between actual results and events or results expressed or implied within forward looking statements are typical and expected. Aurora, nor any person mentioned within this Notice of Meeting, makes or attempts to make any warranty or representation, express or implied, as to the likelihood, or accuracy of the realisation of those forward looking statements. It is prudent not to place undue reliance on those statements and, if necessary, consult a professional advisor with respect to those statements prior to making any decision relating to the resolutions set out in this Notice of Meeting.

Notice to foreign persons

This Notice of Meeting has been prepared to comply with the requirements of the laws of Australia, which may differ from the requirements in jurisdictions outside of Australia.

This Notice of Meeting is dated 18 August 2016.

Notice of Meeting for the Aurora Fortitude Absolute Return Fund (ARSN 145 894 800)

Notice is hereby given by Aurora Funds Management Limited as responsible entity for the Aurora Fortitude Absolute Return Fund that a meeting of unitholders (**Meeting**) will be held at Registry Direct, Level 6, 2 Russell Street, Melbourne Vic 3000, on Monday, 26 September 2016 at 11:00am.

Business of the Meeting

Resolution 1 - Removal of current Responsible Entity

To consider and, if thought fit, pass the following resolution as an extraordinary resolution:

“Subject to Extraordinary Resolution 2 being passed, that the current responsible entity of the Aurora Fortitude Absolute Return Fund ARSN 145 894 800, Aurora Funds Management Limited ACN 092 626 885 be removed as responsible entity of the Fund.”

Resolution 2 – Appointment of new Responsible Entity

To consider and, if thought fit, pass the following resolution as an extraordinary resolution:

“That Millinium Capital Managers Limited ACN 111 283 357 be appointed as the new responsibility entity of Aurora Fortitude Absolute Return Fund ARSN 145 894 800.”

Resolution 3 – Winding up of the Fund

To consider and, if thought fit, pass the following resolution as an extraordinary resolution:

“That the responsible entity of the Fund is directed to wind up the Fund.”

Resolutions 1 and 2 are interdependent which means that neither Resolution will be passed unless both Resolutions are passed.

Voting on Resolutions 1, 2 and 3 will be by extraordinary resolution. Under the Act, an extraordinary resolution means a resolution that has been passed by at least 50% of the total votes that may be cast by unitholders entitled to vote on the resolution (including unitholders who are not present in person or by proxy). This means that 50% of ALL unitholders eligible to vote must vote in favour of an extraordinary resolution for that extraordinary resolution to pass.

Please refer to the Explanatory Memorandum, which will be sent to you at least three weeks prior to the Meeting, for more information on the proposed resolutions.

By order of the Board of Aurora Funds Management Limited.

Yours sincerely,

Betty Poon
Company Secretary

18 August 2016

Explanatory Notes on the Notice of Meeting

1.1 Defined Terms

Unless otherwise defined, capitalised terms have the meaning given in this Notice of Meeting.

1.2 Attendance at the Meeting

In the event that you do not wish to attend the Meeting you may complete and return the Proxy Form enclosed. However, you may attend and vote at the Meeting if you wish.

If you wish to cast your vote in person at the Meeting, you or, if you are a body corporate, your corporate representative, may attend the Meeting.

1.3 Proxy

An AFARF unitholder is entitled to attend and vote at the Meeting and has a right to appoint a proxy to attend and vote on behalf of the AFARF unitholder. A proxy need not be an AFARF unitholder and may be either an individual or a body corporate. If an AFARF unitholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at the meetings, in accordance with s 253B of the Act; and
- provides satisfactory evidence of the appointment of its corporate representative prior to the commencement of the Meeting.

If such evidence is not received before the meetings, the body corporate (through its representative) will not be permitted to act as a proxy.

An AFARF unitholder that is entitled to cast two (2) or more votes may appoint two (2) proxies and specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the votes.

A Proxy Form accompanies this Notice of Meeting. We urge you to complete the Proxy Form and return it by one of the below listed methods. For an appointment of a proxy to be effective for the Meeting, the Proxy Form must be received by One Registry Services, as AFARF's unit registrar, at least 48 hours prior to the commencement of the Meeting. Unitholders appointing a proxy must also send the original or certified copy of any power of attorney or authority under which the proxy was signed (if applicable). The documents should be delivered to AFARF's registry:

By mail

PO Box R1479
Royal Exchange
NSW 1225

By facsimile:

Within Australia:
+61 28580 5790

Or Online, by visiting:

<http://www.oneregistryservices.com.au>

1.4 Voting Entitlements

Aurora has determined for the purposes of the Meeting that AFARF units will be taken to be held by the persons who are the registered holders at 7.00pm (AEST) on 23 September 2016.

1.5 Voting Exclusions

Section 253E of the Act provides that the responsible entity of a managed investment scheme and its associates are not entitled to vote their interest on any resolutions at meeting of the scheme's unitholders if they have an interest in the resolution other than as a member.

1.6 Quorum and Majority Required

The constitution of AFARF states that the quorum necessary for a meeting of AFARF unitholders convened to consider the Resolutions is at least two (2) AFARF unitholders present in person or by proxy.

1.7 Chair of Meeting

Under the constitution of AFARF, Aurora has the right to nominate the person to chair the meeting. Aurora has not yet decided who it will nominate.

1.8 Voting intentions of the Chairman

The Chair's intention in relation to the voting of any undirected proxies will be communicated to unitholders before the closing time for lodgement of proxies.

1.8 Further information

If you have any questions please contact Betty Poon by telephone on +61 3 8687 2263 or by email at bpoon@aurorafunds.com.au.

Annexure A – Statement from Providence

Statement Accompanying Member Request

Aurora Fortitude Absolute Return Fund, ARSN 145 894 800 (Fund)

We are concerned unit holders in the Fund and have requested that Aurora Funds Management Limited, ACN 092 626 885 (*Aurora*), in its capacity as the responsible entity for the Fund, convene a meeting of unitholders of the Fund.

The purpose of the meeting is to consider a resolution for the replacement of Aurora as responsible entity of the Fund with Millinium Capital Managers Limited ACN 111 283 357 (*Millinium*).

Redemptions in the Fund have been suspended since 25 February 2016 due to an unlisted illiquid asset within the Fund. Aurora, the current responsible entity has announced its intention to provide a liquidity mechanism for unit holders wishing to exit the Fund but it intends to impose a 1.85% exit fee (plus GST).

This exit fee was not disclosed or included in the original PDS for the Fund and we believe it is not warranted.

In addition, we believe that keeping the Fund's expenses under control and reducing the cash burn rate to maximize holder returns should be a key objective for Aurora. Yet, for the financial years ending 30 June 2014 and 30 June 2015 the Fund reported total management fees, performance fees and administration costs of approximately \$3 million. We believe that these expenses are excessive.

To date Aurora has not demonstrated it appreciates the need to reduce expenses and preserve cash so as to maximize unit holder distributions and has signified it does not intend to do so in the future.

Accordingly, we believe that it is appropriate to replace Aurora as the responsible entity of the Fund.

Millinium, the proposed new responsible entity, subject to Resolution 3 being passed, intends to wind up the Fund in an orderly and timely fashion.

Further, Millinium has agreed that if it is appointed as responsible entity of the Fund, that it will not charge any withdrawal fee. This will represent a saving of 1.85% of the redemption proceeds for Aurora unit holders.

Further, Millinium has agreed to cap its Management Fees at \$30,000 per month (plus GST) for three months and then \$15,000 plus (GST) per month until the Fund is wound up.

We urge you to vote in favour of the resolutions.

LODGE YOUR VOTE

By fax:

+61 2 8580 5790

By mail:

One Registry Services
PO Box R1479
Royal Exchange NSW 1225

By email: aurora@oneregistryservices.com.au

By hand:

Delivering to One Registry Services
Level 11, 20 Hunter Street, Sydney NSW 2000

All enquiries to: Telephone +61 2 8188 1510

Full Name(s) of Registered Holding

Registered Address

Investment Profile ID

SHAREHOLDER VOTING FORM

I/We being a member/(s) of Aurora Fortitude Absolute Return Fund are entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

the Chairman
of the Meeting
(mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person of body corporate (excluding the registered shareholder) you are appointing as your proxy. I/we appoint the Chairman of the Meeting as an alternate proxy to the person named.

If no person/body corporate is named, the Chairman of the Meeting, is appointed as my/our proxy and to vote for me/us on my/our behalf at the Scheme Meeting of the Company to be held at 11:00am, at Registry Direct, Level 6, 2 Russell Street, Melbourne Vic 3000, and at any adjournment or postponement of the meeting. I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting intends to vote undirected proxies against all resolutions.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an

STEP 2

VOTING DIRECTIONS

For Against Abstain*

Resolution 1 – Removal of current Responsible Entity

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 2 – Appointment of new Responsible Entity

Resolution 3 – Winding up of the Fund

*If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and
Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary
(Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to the form. If executed by a Company, the form must be executed in accordance with the Company's constitution and the *Corporations*

HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form.

Please note: you cannot change ownership of your shares using this form.

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the meeting.

Votes on Items of Business – Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together. The appointment of the Chairman of the Meeting as your alternate proxy also applies to the appointment of the second proxy.

To appoint a second proxy, you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 7:00pm (AEST) on 23 September 2016, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged:

By mail:

One Registry Services
PO Box R1479
Royal Exchange NSW 1225

By fax:

+61 2 8580 5790

By email:

aurora@oneregistryservices.com.au

By hand:

Delivering to One Registry Services, Level 11, 20 Hunter Street, Sydney NSW 2000

**If you would like to attend and vote at the Scheme Meeting, please bring this form with you.
This will assist in registering your attendance.**