



Aurora Investment Management L.L.C.

Form ADV, Part 2A

300 North LaSalle Street, 52nd Floor

Chicago, IL 60654

312-762-6700

www.AuroraLLC.com

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Form ADV, Part 2A (the "Brochure") provides information about the qualifications and business practices of Aurora Investment Management L.L.C. ("Aurora" or the "Firm"). If you have any questions about the contents of this Brochure, please contact us at 312-762-6700 or InfoRequest@AuroraLLC.com. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about Aurora is available on the SEC's public disclosure website, www.adviserinfo.sec.gov ("IARD") (click on the "investment adviser search" link, select "investment adviser firm" and type in our firm name). Results will provide you with both Parts 1 and 2A of our Form ADV.

Registration of an investment adviser with the SEC does not imply any level of skill or training.

This Brochure is neither an offer to sell nor a solicitation of an offer to buy shares or limited partnership interests in any of the privately offered commingled investment funds advised by Aurora. An offer of such funds can only be made through the offering materials for the relevant investment fund and only in jurisdictions in which such an offer would be lawful.

Item 2 Material Changes

On July 28, 2010, the SEC published “Amendments to Form ADV” amending the requirements for the content of the disclosure document that we provide to clients as required by SEC rules.

This is our “initial” filing of the new Form ADV, Part 2A. As a result, this document should be considered “materially new.” It has been prepared according to the SEC’s new requirements and rules. As such, this document is materially different in structure and required certain new information that our previous brochure did not require.

In future filings, this section of the Brochure will address only those material changes that have been incorporated since our last delivery or posting of this document on IARD.

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC rules, we will ensure that you receive a summary of material changes to this and subsequent Brochures within 120 days of the close of our fiscal year.

Our Brochure may be requested by contacting our Investor Administration Team at InvestorAdministration@AuroraLLC.com or at (312) 762-6710. Our Brochure is also available on our secure website, www.AuroraLLC.com.

We may update this Brochure at any time.

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Privacy Notice

Item 4 Advisory Business

HISTORY OF THE FIRM

The hedge fund of fund business of Aurora was established in January 1988 with the launch of its flagship multi-strategy hedge fund of funds, Aurora Limited Partnership. Since its inception, the Firm's sole focus has been on alternative investment management services. The Firm's mission statement is: *Aurora Investment Management L.L.C. is committed to being a premier investment firm focused on delivering consistently superior investment results within a collegial environment that encourages a culture of excellence, respect, teamwork and integrity.* The Firm's growth and success is the result of a consistent investment philosophy, a commitment to superior due diligence and a disciplined investment process.

The Firm's investment professionals include an Investment Committee made up of three portfolio managers, Roxanne Martino, Scott Schweighauser and Justin Sheperd, and five other investment professionals, supported by our Research Team, and assisted by the Operational Due Diligence Team and the Risk Management and Quantitative Research Team. The portfolio management team has an average of 25 years of industry experience. Roxanne Martino, the Firm's founder, has over 30 years of industry experience.

From inception until the end of 2003, the Firm was part of Harris Associates L.P., an asset management firm based in Chicago. In 1995, the Firm began operating under the name Harris Alternatives L.L.C. At the end of 2003, the Firm became operationally independent of Harris Associates, operating as an indirect subsidiary of Natixis Global Asset Management, L.P., which is an indirect subsidiary of Natixis Global Asset Management ("NGAM"), an international asset management group based in Paris, France. NGAM is in turn owned by Natixis, a French investment banking and financial services firm. Natixis is principally owned by BPCE, France's second largest banking group. In March 2009, the Firm's name was changed to Aurora Investment Management L.L.C. to more closely align the Firm's name with the products it manages.

Under the NGAM multi-boutique model, the Firm operates independently of the parent company, including with respect to hiring decisions, the investment process and investment decisions.

ADVISORY SERVICES

Aurora provides hedge fund of fund investment strategies to clients through several different investment products, including U.S. and non-U.S. commingled private investment funds (the "Private Funds") and separately managed accounts through single or commingled investor funds or through an advisory or subadvisory agreement ("Managed Accounts") (together, the "Clients").

As of March 1, 2011, Aurora managed on a discretionary basis approximately \$10,902,900,000, including five U.S. Private Funds and four non-U.S. Private Funds as well as several Managed Accounts. Aurora does not currently manage any non-discretionary assets.

Private Funds

Aurora's Private Funds are either U.S. domiciled limited partnerships generally available to taxable U.S. investors or Cayman Islands Exempt Companies generally available to non-U.S.

investors and U.S. non-taxable investors. Each Private Fund pursues one of the Firm's three investment strategies which are described in detail below. Each Private Fund has different investment features which may include varying levels of management and performance fees, redemption rights, investment guidelines, investment minimums, investor qualification standards and liquidity terms.

The Private Funds offer a combination of risk-adjusted returns, diversification and cost-effectiveness for many investors including those who may not otherwise be able to access the underlying hedge funds directly. The Private Funds are exempt from registration as an investment company under Section 3(c)(1) or 3(c)(7) of the Investment Company Act of 1940, as amended (the "Company Act").

Separately Managed Accounts

Aurora has been providing Managed Account solutions since 1995. The customized offerings follow the same rigorous portfolio construction analysis as the Private Funds. As part of the customized offerings, Aurora may provide knowledge transfer or completion portfolio services. Aurora's key competitive advantage in providing customized solutions is the proven skill and established process in assessing the talents and risks of individual hedge fund managers.

Managed Accounts are offered to clients who desire to customize an investment mandate and/or isolate their investment from the decisions of other investors. Aurora generally requires at least \$100 million to start a Managed Account. Aurora may set higher or lower standards for minimum account size, depending on circumstances believed by it to be relevant, such as historic relationships with Aurora, expectation of additions to the account in the future, the investment strategy and guidelines and other circumstances. A Managed Account may be in the form of a commingled vehicle for which Aurora acts solely as investment adviser or subadviser. Aurora's Managed Account clients include a London Stock Exchange listed hedge fund of funds, Dexion Absolute Limited, not available to U.S. investors, and an investment company registered under the Company Act, ASGI Aurora Opportunities Fund, LLC.

Investment Strategies

Aurora currently offers three different investment strategies: Diversified Multi-Strategy, Global Diversified Multi-Strategy and Diversified Hedged Equity. However, Aurora may offer these or other customized strategies or mandates as part of its Managed Account services.

The Aurora strategies can generally be described as follows:

AURORA INVESTMENT STRATEGIES	
Diversified Multi-Strategy	The objective is to generate consistent long-term capital appreciation with low volatility and little correlation with equities and bonds.
	The underlying hedge fund managers selected for this strategy typically are segmented into six strategies: Long/Short Equities, Long/Short Credit, Multi-Strategy Opportunistic, Macro, Event-Driven and Portfolio Hedge.

AURORA INVESTMENT STRATEGIES	
Global Diversified Multi-Strategy	<p>The objective is to generate consistent long-term capital appreciation with diversification of risk through the use of a multi-manager, multi-strategy global investment philosophy. This strategy attempts to provide global diversification across markets which may include, but are not limited to, the U.S., Latin America, Eastern and Western Europe and Asia.</p> <p>The underlying hedge fund managers selected for this strategy typically are segmented into five strategies: Long/Short Equities, Long/Short Credit, Multi-Strategy Opportunistic, Macro and Event-Driven.</p>
Diversified Hedged Equity	<p>The objective is to provide consistent long-term capital appreciation with moderate volatility and moderate correlation with the equities markets through the use of a multi-manager, single-strategy investment philosophy, focused primarily on hedged equity trading strategies.</p> <p>The hedged equity hedge fund managers selected for this strategy are segmented into three specialties: Generalists, Sector Specialists and Geographic Specialists.</p>

Item 5 Fees and Compensation

Investors in the Aurora Clients generally pay an advisory fee of between 0.5% to 2.0% of assets per annum. Where Aurora serves as a sub-adviser to a Client or where Aurora shares its advisory fee with a selling agent, Aurora may receive less than the amount set forth above. In addition to the advisory fee, investors generally pay a performance fee or allocation equal to 10% of net new profits with a high water mark, although the performance fee may be higher or lower (or none) depending on the Client and may include a hurdle rate. Any performance fee arrangements comply with Section 205 of the Investment Advisers Act of 1940, as amended (the "Advisers Act") and the rules thereunder. Aurora may invoice a Client for its fees, but more typically fees are deducted directly from a Client's custodial account by the Client's third party administrator. In the event of the termination of the relationship between Aurora and a Client, the management and performance fees typically will be allocated according to the date of termination or through the specified terms in the applicable agreement. Any prepaid but unearned fees will be refunded.

The fees and expenses for each Private Fund are described in the offering materials. Investors in the Private Funds may pay different fees. The advisory fee (also known as the management or administrative fee) is generally payable monthly in arrears, and performance based fees or allocations are payable either quarterly or annually and at the time of redemption, depending on the Private Fund. In addition to Aurora's fees, the Private Funds and Managed Accounts are subject to various expenses including but not limited to: custodial, brokerage, audit, line of credit, legal and third party administration. Please see Item 12 for more information on Aurora's brokerage practices. In certain circumstances, Aurora may pay a selling agent a portion of its advisory fee for a Private Fund.

The fees for each Managed Account are set forth in the advisory agreement for the account. Clients that invest in a Managed Account may be subject to additional fees and expenses for custodial, brokerage, audit, line of credit, legal and third party administration.

Aurora has made, and may make in the future, exceptions to its general fee schedule in its sole discretion based on various circumstances, such as the relationship Aurora has with the Client or investor, expectations of significant capital additions in the future, product, share class, or composition of portfolio, among other reasons. In such cases, different and reduced fee arrangements have been and may be negotiated with individual Clients or underlying investors in a Private Fund. Neither the Client nor Aurora is generally obligated to disclose such investor arrangements to all of the investors or obtain the approval of any investor.

The governing documents for the Private Funds or Managed Accounts or the applicable investment advisory agreement provide that the relationship with Aurora is terminable upon dissolution of the Private Fund or Managed Account, upon withdrawal by Aurora or in accordance with certain applicable laws. In the case of a Private Fund domiciled outside the U.S., the advisory agreement is also terminable in the event of the bankruptcy, liquidation or dissolution of the Private Fund.

While Clients generally delegate the determination of their net asset value to a third party administrator, to the extent Aurora makes a fair valuation recommendation with regards to an investment, Aurora has a conflict of interest as its management and performance fee will be based on such valuation.

Item 6 Performance-Based Fees and Side-by-Side Management

While reviewing the disclosure in this section, it is important to note the following: It is Aurora's policy to allocate, to the extent operationally and otherwise practicable, investment opportunities to each Client over a period of time on a fair and equitable basis. However, allocations typically are not made on a *pro rata* basis among Clients but rather on the basis of numerous other considerations, including, without limitation: a Client's cash flows, investment objectives and restrictions, participation in other opportunities, compliance with applicable laws and tax concerns as well as the relative size of different Clients' same or comparable portfolio holdings.

PERFORMANCE-BASED FEES

As set forth in Item 5, Aurora has entered into performance fee arrangements with the majority of its Clients. Performance based fee arrangements create an incentive for Aurora to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement such as an advisory fee only arrangement. Such fee arrangements also create the incentive to favor higher paying accounts over other accounts in the allocation of investment opportunities.

SIDE-BY-SIDE MANAGEMENT

Clients of Aurora are subject to significant potential and actual conflicts of interest with respect to side-by-side management. Side-by-side management is the simultaneous management of multiple accounts that follow the same or similar investment strategies. For Aurora's Private Funds, the conflicts with respect to side-by-side management present themselves both at the Client level and at the investor level.

Aurora advises, and may advise in the future, Private Funds, Managed Accounts or other investment vehicles that may invest in similar or different investments. Aurora's Investment Committee makes the investment decisions for all Clients. In managing multiple accounts, Aurora may determine that an investment opportunity is appropriate for a particular Client, or for itself, but not for another Client. To the extent that certain Clients invest in a limited investment opportunity such as where an underlying hedge fund manager has limited capacity or is closing to new or additional investments, the ability of other current or future Clients to invest in that same investment opportunity may be adversely affected. In allocating such limited investment opportunities, not all Clients may end up participating in an opportunity.

The Firm and its employees may invest in the Private Funds, but are not required to do so and may be ineligible to invest in certain Private Funds. Typically, the Firm and its employees do not invest in Managed Accounts, solely the Firm's Clients. In addition, a Client may be under the control of the employees of Aurora by virtue of the fact that employees own a controlling percentage of the Client's voting rights. For all of these reasons, Aurora may have an incentive to favor one Client over another when making investment decisions.

Item 7 Types of Clients

Aurora provides hedge fund of fund investment strategies to a broad investor base through Private Funds sponsored by Aurora and Managed Accounts, including single investor or commingled funds through advisory or subadvisory agreements.

Private Funds

- For taxable U.S. investors, limited liability pass-through vehicles domiciled in the U.S.
- For non-taxable U.S. investors and non-U.S. investors, corporations organized in the Cayman Islands or other non-U.S. jurisdictions

In order to invest in the Private Funds, investors must have a certain financial level of sophistication and investment experience. The following is a breakdown of the types of investors in our commingled Private Funds.

- High Net Worth Individuals
- Domestic Pension Plans
- Foreign Pension Plans
- Government Entities
- Insurance Companies
- Endowments / Foundations
- Church Plans
- Banks
- Other Institutions

A list of Aurora's current Private Funds is set forth below with the minimum investment amounts and liquidity terms.

Product	Withdrawals	Minimum Contribution
Aurora Limited Partnership	Quarterly 95 days' notice	\$3,000,000
Aurora Limited Partnership II	Quarterly 95 days' notice subject to an investor-level gate	\$250,000
Aurora Offshore Fund Ltd. (Open to existing investors and new IRA/ERISA capital)	Quarterly 95 days' notice	\$250,000
Aurora Offshore Fund Ltd. II	Quarterly 95 days' notice	\$250,000
Aurora Hedged Equity L.P.	Quarterly 95 days' notice subject to a fund-level gate	\$250,000
Aurora Hedged Equity Offshore Fund Ltd.	Quarterly 95 days' notice subject to a fund-level gate	\$250,000
Aurora Global Opportunities L.P.	Quarterly 95 days' notice	\$250,000
Aurora Global Opportunities Offshore Fund Ltd.	Quarterly 95 days' notice subject to a one-year lockup and a fund-level gate	\$250,000
SPA Partners L.P.	Quarterly 95 days' notice	\$250,000

Separately Managed Accounts

- Single Investor Fund or Commingled Entities organized by third parties
 - U.S. or non-U.S. domiciled limited liability entities
- Advisory or Subadvisory Agreements
 - Includes Registered Investment Companies

Aurora's Managed Accounts offer customized hedge fund of fund solutions, including risk aggregation and completion portfolios to clients typically with an initial account minimum of \$100 million, although Aurora may accept smaller account sizes. The following is a breakdown of investors that typically may be interested in a Managed Account solution.

- Domestic Pension Plans
- Foreign Pension Plans
- Government Entities
- Insurance Companies
- Endowments / Foundations
- Banks
- Other Institutions

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

Aurora offers hedge fund of fund investment solutions that are either multi-manager, multi-strategy or multi-manager, single-strategy as well as more customized solutions through its Managed Account services. Aurora will generally invest each Client's capital among a select group of collective investment vehicles (*i.e.*, hedge funds) or advisory accounts (together, "Portfolio Entities") managed by experienced investment managers ("Portfolio Managers") that implement a number of different alternative investment strategies and invest in a variety of markets.

On behalf of its Clients, Aurora may also engage in direct trading. While not generally restricted in its ability to make direct investments, Aurora typically makes direct investments only for hedging and portfolio reallocation purposes or in connection with the liquidation of securities that have been distributed in-kind to a Client. Aurora may invest in stocks, options, futures, money market instruments, mutual funds and other investment companies. In addition, Aurora may invest a Client's cash balances in any instruments it deems appropriate. In addition to directly investing in a Portfolio Entity, Aurora may buy or sell interests of a Portfolio Entity in secondary market transactions.

INVESTMENT STRATEGIES

As detailed in Item 4, the primary objective of each Aurora investment strategy is to generate consistent long-term capital appreciation with diversification of risk through use of a multi-manager investment philosophy. Within its three broad investment strategies described below, Aurora currently categorizes its Portfolio Managers into six underlying investment strategies. It is possible that Aurora's determination of a Portfolio Manager's strategy may differ from how others classify such Portfolio Manager's strategy. Aurora may create new Portfolio Manager strategies and may change or rename any of the strategies below at any time. Except as otherwise required by a Client's investment guidelines, a Client's assets may be allocated among whatever investment strategies Aurora considers appropriate under prevailing economic and market conditions.

Diversified Multi-Strategy. Diversified Multi-Strategy seeks little volatility and low correlation with the equity and bond markets. Diversified Multi-Strategy invests currently in the following six investment strategies and may invest in other investment strategies in the future.

Long/Short Equities	Long/Short Equities strategies generally involve taking both long and short positions in equity securities that are deemed to be under or overvalued. Although the combination of long and short investing can provide an element of protection against (but not eliminate) directional market exposure, Long/Short Equities Portfolio Managers generally do not attempt to neutralize the amount of long and short positions (<i>i.e.</i> , they will be net long or net short). Portfolio Managers may specialize in a particular industry or geographic region, or they may diversify holdings across industries or geographic regions. Portfolio Managers in this strategy usually employ a low to moderate degree of leverage.
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Multi-Strategy Opportunistic	Multi-Strategy Opportunistic strategies generally involve Portfolio Managers exercising discretion in allocating capital among several types of arbitrage and directional strategies (e.g., long/short equities, relative value, long/short credit, volatility trading and capital structure arbitrage). Capital is opportunistically allocated as such Portfolio Managers perceive each strategy's opportunity set changing with market conditions.
Long/Short Credit	Long/Short Credit strategies generally take both long and short positions in credit related instruments, such as corporate bonds, bank loans, trade claims, emerging market debt and credit derivatives (e.g., credit default swaps). Portfolio Managers utilizing this strategy usually invest in companies in financial difficulty, reorganization or bankruptcy and their portfolios often are concentrated in debt instruments. The use of leverage varies considerably. Portfolio Managers differ in their preference for actively participating in the workout and restructuring process and the extent to which they use leverage. Although Long/Short Credit strategies typically involve positions in debt instruments and credit derivatives, the Portfolio Managers implementing this strategy perform extensive research on companies and may use this information to invest both long and short in the equity securities of such companies.
Macro	Macro strategies generally involve fundamental, discretionary, directional trading in currencies, commodities, bonds and equities. Portfolio Managers invest in a wide variety of strategies and instruments, often assuming an aggressive risk posture. Most Portfolio Managers rely on macro-economic analyses to invest across countries, markets, sectors and companies, and have the flexibility to invest in numerous financial instruments. Futures, options and other derivative instruments are often used for hedging and speculation and the use of leverage varies considerably.
Event-Driven	Event-Driven strategies generally include investments in securities of firms involved in identifiable corporate actions, such as mergers, acquisitions, restructurings, spin-offs, shareholder activism, or other special situations which alter a company's financial structure or operating strategy. Risk management and hedging techniques may be employed to protect the portfolio from events that fail to materialize. In addition, accurately forecasting the timing of an event is an important element impacting the realized return. The use of leverage varies considerably.

Portfolio Hedge	<p>Portfolio Hedge strategies generally seek to profit from declining security prices through short positions in the equity or debt (or similar functioning derivatives) of companies with unfavorable prospects. The strategy is intended to perform best in declining markets or in times of market disruption and therefore is especially attractive in a multi-manager portfolio of hedge funds to help reduce the portfolio's total exposure to general stock market movements and from other market disruptions. Portfolio Managers use a range of fundamental and technical investment methodologies to identify potential positions, may or may not remain fully invested and use varying degrees of leverage. Some Portfolio Managers assume modest long positions while remaining net short.</p> <p>The Portfolio Hedge strategies serve three primary functions in the Diversified Multi-Strategy portfolio: (1) to generate alpha; (2) to hedge equity market risk created by the trading activities of Portfolio Managers using other investment strategies; and (3) to hedge against the risk of a significant event (e.g., war, terrorism, act of God, etc.) that impacts financial markets generally. In allocating Client capital to the Portfolio Hedge strategy, the Investment Committee may tactically purchase instruments or financial derivatives, such as equity index put options, rather than allocate additional capital to Portfolio Managers, to hedge overall equity market and event-risk when it determines that doing so is beneficial. The Investment Committee may also allocate a Client's capital to Portfolio Managers that implement strategies beyond traditional market hedge strategies (<i>i.e.</i>, strategies other than short selling strategies). Such allocations are intended to expand a Client's downside protection during periods of market disruptions and/or declines.</p>
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Global Diversified Multi-Strategy. This strategy employs five of the six strategies noted above for the Diversified Multi-Strategy and excludes Portfolio Hedge. The strategy attempts to provide global diversification across markets that may include the U.S. and North America, Latin America, Eastern and Western Europe and Asia. In addition to no Portfolio Hedge allocation, Global Diversified Multi-Strategy makes larger investments in fewer managers for a higher degree of concentration.

Diversified Hedged Equity. This strategy is the Long/Short Equities component of the Diversified Multi-Strategy. This strategy seeks moderate volatility and correlation with the equities markets. The Long/Short Equities Portfolio Managers selected for this strategy are segmented into three specialties: Generalists, Sector Specialists and Geographic Specialists. Each Portfolio Manager attempts to generate alpha in a chosen market segment by taking a fundamental long/short approach.

Customized Managed Account Solutions. Aurora may accept investment mandates whereby a Client and Aurora agree to a customized investment objective and strategy as well as define the portfolio's investment restrictions and/or guidelines. Such a customized account may utilize the strategies above or other investment strategies in combination or separately.

Direct Investments by Aurora Clients and Investments of Portfolio Entities

Generally, each Client and the Portfolio Entities may invest in, hold, sell and trade a wide range of investment instruments in worldwide markets. Investments in which a Client and the Portfolio Entities may invest include, but are not limited to: stocks, bonds, bank loans, warrants, notes, debentures (whether subordinated, convertible, or otherwise), money market funds, commercial paper, certificates of deposit, and governmental obligations (or the obligations of any instrumentality thereof), whether offered publicly or pursuant to private placement. Each Client and the Portfolio Entities also may invest in options, futures contracts, forward contracts, swaps, and other exchange traded and over-the-counter ("OTC") derivatives of any kind. In particular, a Client may utilize options, futures, options on futures or other derivatives for hedging or portfolio reallocation purposes.

Aurora may attempt to hedge all or a portion of the currency exchange rate exposure of a non-U.S. Dollar investment for its non-U.S. investors in a Private Fund or Managed Account. Aurora may choose to not enter into, or to terminate, any such hedging activities if a Client is unable to obtain appropriate foreign exchange and credit lines or determines that it is in the best interests of a Client not to hedge. There can be no guarantee that such hedging transactions (if any) will be successful or beneficial or that such hedging transactions will not themselves generate losses, and non-U.S. Dollar investors will remain subject to substantial exchange rate risk.

Aurora expects that certain of the Portfolio Entities in which its Clients invest may engage in speculative investment practices, such as using a high degree of leverage, short selling, trading regulated or unregulated commodities contracts, currency speculation, trading listed and OTC options, writing uncovered options, trading complex derivative instruments, participating in workouts and startups, trading distressed and illiquid investments, obtaining control positions, or trading foreign securities and taking concentrated positions, among others. As part of the investment process, the Firm monitors each Portfolio Manager closely, however, it must ultimately rely on the reporting provided by the Portfolio Managers.

Aurora attempts to have each Client account fully-invested. In the event a Client holds cash, Aurora may invest all or any portion of the cash in high quality fixed-income securities, money market instruments, shares of money market funds, or overnight repurchase agreements. Such investments may be for temporary purposes, such as maintaining adequate liquidity for Client redemptions, or for any other purposes, including, but not limited to, defensive investments in times of market volatility.

METHODS OF ANALYSIS

In order to deliver consistently superior investment results, the Firm adheres to a disciplined investment process guided by experienced investment professionals. The Firm performs thorough and wide-ranging analyses, comparisons and reviews, ultimately relying on the sound judgment that the Investment Committee has developed.

The Investment Committee is responsible for identifying and researching potential Portfolio Managers, satisfying itself as to the suitability of the terms and conditions of the Portfolio Entities they manage, monitoring the performance of the Portfolio Managers and allocating and reallocating a Client's capital among Portfolio Managers.

The Investment Committee uses both top-down (strategy-focused) and bottom-up (manager-focused) approaches. In the top-down analysis, the Investment Committee evaluates the

universe of Portfolio Managers for both areas of opportunity and areas of risk. The Investment Committee evaluates what the Portfolio Managers disclose about their strategies and markets and then uses judgment and experience to determine overall strategy allocations. In bottom-up analysis, Aurora is seeking to invest with the most talented managers in their strategy in the world.

The Investment Committee selects Portfolio Managers on the basis of various criteria, which may include, among other things, an analysis of the Portfolio Manager's performance during various time periods and market cycles and/or the Portfolio Manager's reputation, experience, investment philosophy and policies and training of its principals and key personnel. The Investment Committee may also consider, among other things, whether a prospective Portfolio Manager has an identifiable track record, recognizable prospects and a substantial personal investment in the Portfolio Entity or such Portfolio Manager's investment program. In addition, the Portfolio Manager's ability to provide timely and accurate reporting will be considered. Aurora is not limited to selecting Portfolio Managers with past investment histories and may invest with a Portfolio Manager based on the assessment of its future prospects.

Due to the generally wide dispersion of returns among Portfolio Managers in each sector, the most important factor to success is assembling the right Portfolio Managers. Although top-down strategy allocations are evaluated on a regular basis and can be more closely tied to the market environment (e.g., the Long/Short Credit allocation will be somewhat dependent on corporate issuance, default rates and credit spreads), the most important aspect of the portfolio construction process is finding and investing with the most talented Portfolio Managers. Aurora does not invest with a Portfolio Manager solely to achieve diversification but rather to add to a Client's portfolio a Portfolio Manager that has an identifiable, sustainable edge in its strategy and offers both positive alpha generation and attractive correlation characteristics versus the existing portfolio.

The Investment Committee looks for Portfolio Managers that are focused on fundamental analysis, and avoids Portfolio Managers that trade based on quantitative, systematic and/or proprietary models constructed based on historical performance. The differentiating element of the investment process is the retention of critical judgments (*i.e.*, inclusion/termination of a Portfolio Manager and on-site due diligence of Portfolio Managers) at the most senior level. In both the initial and ongoing due diligence process, it is believed that the direct contact between senior members of the Investment Committee and the Operational Due Diligence Team and the principals of the Portfolio Managers allows for the most accurate and timely flow of information and establishment of a valuable long-term relationship. By having the Firm's most senior professionals consistently interact with their decision-making counterparts who are principals of the Portfolio Managers, it reduces the risk that important information will be misinterpreted or overlooked.

Operational due diligence is a critical part of the investment process. Prior to investing with a new Portfolio Manager, Aurora performs operational due diligence on the back and middle offices of the Portfolio Manager. The Operational Due Diligence Team travels on-site to interview the key operational professionals. We ask a series of questions and may request examples of the processes in place for operational infrastructure, not only within the Portfolio Manager, but also within the Portfolio Manager's third party administrator, prime broker(s) and independent auditor. In addition to the on-site visit, the Operational Due Diligence Team with the support of the Research Department conducts an operational review, addressing such facets as:

- Service provider relationships
- Financial statement review
- Pricing policy review
- Pricing mechanisms for hard-to-value securities
- Trade error resolution process
- Disaster recovery plan

After we have invested with a Portfolio Manager, our Operational Due Diligence Team attempts to meet with each Portfolio Manager at least once per year.

Aurora's investment process also includes a risk management and quantitative research component. The Risk Management and Quantitative Research Team conducts thorough quantitative risk analyses prior to investment on each prospective Portfolio Manager and on an on-going basis for existing Portfolio Managers. The quantitative reporting aims to highlight respective risk exposures and sensitivities. The following is a sample of factors examined:

- Historical returns and performance in up and down markets
- Correlation to relevant indices, other Portfolio Managers, and to the Clients
- Tail risk/outlier events
- Serial correlation
- Omega
- Volatility as measured by standard deviation and downside deviation
- Sharpe Ratio
- Leverage
- Liquidity of instruments traded

This reporting allows the Investment Committee to perform Portfolio Manager level analysis at many levels. Performance attribution of profits and losses is a key assessment tool used during both initial and ongoing due diligence. For each Portfolio Manager the Investment Committee reviews a detailed risk report that sets forth a thorough quantitative analysis of the Portfolio Manager's performance and risk, including moments of return distribution, drawdown analysis, rolling betas, alphas, and volatilities. Additionally, the Investment Committee reviews reports that compare a Portfolio Manager's return, risk, and correlation statistics to those of industry peers (including Portfolio Managers that we may not be invested with) and relevant market indices (including both standard market indices and various hedge fund benchmarks). These reports are evaluated periodically to determine the manager's ability to generate alpha and manage risk in various market environments.

MATERIAL RISKS

Set forth below is a summary of certain material risk applicable to the advisory services provided by Aurora. The summary is qualified in its entirety by the risk factors set forth in each Client's offering materials or similar account opening documents. The investment strategies

employed by Aurora and the Portfolio Managers involve substantial risk. Only persons who understand, and are willing and financially able to assume, the risks of such an investment, including the risk of losing all or substantially all of their investment, should consider investing.

Overview of Risks

Aurora's multi-strategy, multi-manager or multi-manager, single-strategy investment approach is generally subject to three basic investment-related types of risk: market risk, strategy risk and manager risk.

Market risk reflects the fact that there are certain general market conditions in which any given investment strategy is unlikely to be profitable. Neither the Portfolio Managers nor Aurora has any ability to control or predict such market conditions. With respect to market risk, the Investment Committee's approach is designed to achieve broad diversification across global capital markets in an attempt to reduce a Client's exposure to any single market. However, from time to time multiple markets could move in tandem against a Client's positions and the Client could suffer substantial losses.

Strategy risk is associated with the failure or deterioration of an entire strategy such that most or all investment managers employing that strategy suffer significant losses. Strategy specific losses may result from excessive concentration by multiple investment managers in the same investment or general economic events that adversely affect particular strategies (e.g., the disruption of historical pricing relationships). The strategies employed by the Portfolio Managers are speculative and involve substantial risk of loss in the event of such failure or deterioration.

Manager risk encompasses the possibility of loss due to Portfolio Manager fraud (at the trader or principal level), intentional or inadvertent deviations from a predefined investment strategy (including excessive concentration, directional investing outside of predefined ranges, excessive leverage or new capital markets) or simply poor judgment.

Structural and General Risks

Liquidity and Transferability of Interests. The Private Funds and Managed Accounts offer only limited liquidity and interests are generally not freely transferable. The Private Funds generally offer only quarterly liquidity for investors and our Managed Accounts may offer more or less liquidity depending upon the structure and Client's investment objectives. Investments in Portfolio Entities may offer liquidity at infrequent times (i.e., monthly, quarterly, annually or less frequently). Accordingly, Private Fund investors and Managed Account clients should understand that they may not be able to liquidate their investment in the event of an emergency or for any other reason.

Limitations on Withdrawal of Capital. Both Aurora's Clients and the Portfolio Entities in which they invest have broad rights to defer, suspend, side pocket or otherwise delay all or a portion of a withdrawal request, as well as to delay payment of all or a portion of withdrawal proceeds. In periods of market disruption, when a Client may have the most need for the withdrawal proceeds, a Client or an investor in the Private Funds may be unable to withdraw its capital.

Certain Clients and many Portfolio Entities impose withdrawal fees on withdrawals made on short notice or prior to the expiration of "lock-up" periods. In certain circumstances, including

periods of extreme illiquidity, a Client may be required to withdraw from Portfolio Entities at disadvantageous times and such withdrawals may be subject to withdrawal fees.

No assurances can be made that a Client will be able or willing to liquidate investments sufficient to satisfy all or any portion of withdrawal requests, and Clients and investors in the Private Funds must be prepared to bear the financial risks of an investment for an indefinite period of time materially increasing the risk of investment.

Risks of Investing in Portfolio Entities. The Clients and the Portfolio Entities, as independent legal entities, may be subject to lawsuits or proceedings by government entities or private parties, and Portfolio Entities pursuing certain strategies may be more prone to lawsuits in connection with their investment activities than Portfolio Entities pursuing strategies where the likelihood of engaging in hostile investment activities is lower. Expenses or liabilities of a Client or a Portfolio Entity arising from any such suit would be borne by the Client or the Portfolio Entity.

Separate Account Allocations. A Client may place assets with a Portfolio Manager through opening a separately managed account rather than investing in commingled funds. Such accounts have the potential to expose the Client to theoretically unlimited liability, so that if a Portfolio Manager uses leverage, the Client could lose more in an account directed by a particular Portfolio Manager than the Client had allocated to a Portfolio Entity managed by such Portfolio Manager. Aurora may attempt to insulate a Client from such risk by allocating assets through a limited liability entity or other special purpose vehicle, but it will not always be possible to do so and the Client may elect not to do so.

Substantial Withdrawals. A Client which experiences the need for cash (for example, substantial investor withdrawals from a Private Fund) within a limited period of time could require the Client to liquidate its investments more rapidly than would otherwise be desirable. This may impact Aurora's ability to execute the investment strategy chosen by the Client.

Side Letters. Each commingled fund Client has or may enter into agreements with its underlying investors which have the effect of altering or supplementing the terms of the offering to the investor. Such agreements may grant certain investors fees, reporting or liquidity, as well as other matters, that are more favorable than the terms given to other investors and are not generally subject to the approval of or specific disclosure to any investor or any other person.

A Client may also enter into side letter agreements with Portfolio Managers for the benefit of a Client. Due to various factors including the date of contribution, there can be no guarantee that multiple Clients investing with the same Portfolio Manager will invest on the same terms.

Structured Investments. A Client may access Portfolio Managers indirectly by purchasing structured notes linked to the performance of a Portfolio Entity or by entering a swap or other contract paying a return equal to the total return of the Portfolio Entity ("Structured Investments"). The value of Structured Investments will depend largely upon price movements in the underlying Portfolio Entities to which such Structured Investments are linked. Structured Investments expose a Client to the additional risks associated with derivatives markets, including the risk of counterparty default and liquidity risks.

Inadvertent Concentration and Lack of Diversification. A number of Portfolio Managers might accumulate substantial positions in the same or related instrument at the same time. In addition, the Portfolio Entities may hold a few relatively large investments (in relation to their

capital) and a loss in any such position could have a material adverse impact on their capital. A Client's investment program may not constitute a balanced investment plan.

Use of Leverage. The Portfolio Managers may use leverage by purchasing instruments with the use of borrowed funds, by trading options or futures contracts or through other means. The amount of leverage used by a Portfolio Manager may be large in relation to a Portfolio Entity's capital. Although such techniques increase the opportunity for a higher return on investment, they also increase the risk of loss.

Credit Facilities. Aurora recommends that each Client has the power to borrow and does so when deemed appropriate by Aurora. A Client may generally borrow to make investments pending receipt of redemption proceeds in connection with reallocations among Portfolio Managers, to meet redemptions which would otherwise result in the premature liquidation of investments, to margin or settle foreign exchange hedging contracts, in anticipation of net subscriptions by investors, or to preserve scarce capacity with Portfolio Managers, although it is not obligated to do so in any case. Each Client is under no obligation to enter into or utilize credit facilities to meet withdrawal requests or for portfolio management purposes. However, when such credit facilities are utilized, the Client is subject to greater risk than if it did not utilize such credit facilities due to the resultant leverage of the portfolio. Moreover, a Client incurs expenses, such as interest, set-up fees and commitment fees, with respect to such facilities, and lenders are often able to change the terms to such credit facilities, including fee and collateral terms, on short notice.

Reliance on Management. If Aurora lost the services of any of its portfolio managers, it might adversely impact its Clients.

Portfolio Manager/Portfolio Entity Restrictions. There are a number of Portfolio Managers whose services are not generally available to the investing public. These Portfolio Managers generally place stringent restrictions on the number of investors whose money they will manage or their aggregate assets under management. As a result, certain Portfolio Managers and Portfolio Entities to which Aurora would like to allocate Client assets may limit, or be unable or unwilling to accept, an allocation of Client assets. This could adversely affect a Client's investment strategy and, consequently, its returns.

Moreover, there may be times when one Client allocates assets to a particular Portfolio Manager in a different manner than another Client. For instance, to satisfy withdrawal requests, Aurora may withdraw Client assets from one Portfolio Manager while another Client may be allocating additional assets to that same Portfolio Manager. Consequently, a Client could incur losses or lose out on certain gains from which other affiliated funds or accounts may benefit.

Substantial Fees, Expenses and Significant Trading Expenses. A Client's fees and expenses include not only Aurora's fees, but also the compensation and fees paid to the Portfolio Managers of the Portfolio Entities, as well as the *pro rata* share of the costs and expenses of the Portfolio Entities in which it invests. Due to this double layer of fees and expenses, a Client's expenses will likely constitute a higher percentage of net assets than expenses of other investment entities which do not use a multi-manager approach.

The investment strategies employed by certain Portfolio Managers may involve a high volume and frequency of trading activity. Portfolio turnover and brokerage commission expenses may therefore significantly exceed those of other investment entities of comparable size.

Possibility of Fraud and Other Misconduct. When a Client invests in a Portfolio Entity, the Client does not have custody of the Portfolio Entity's assets. Therefore, there is the risk that the Portfolio Entity or its custodian could divert or abscond with those assets, fail to follow agreed upon investment strategies, provide false reports of operations or engage in other misconduct. Moreover, there can be no assurances that the Portfolio Entities will be operated in accordance with all applicable laws and that assets entrusted to Portfolio Entities will be protected.

In the past there have been a number of widely reported instances of violations of the securities laws through the misuse of confidential information, misappropriation of assets or other activities. Such violations may result in substantial liabilities for damages caused to others, for the disgorgement of profits realized and for penalties. If a Portfolio Manager or Portfolio Entity commits any such violation, a Client could be exposed to significant losses or reputational harm.

Counterparty Risk. The institutions (such as banks) and prime brokers with which a Client or Portfolio Entities do business, or to which securities have been entrusted for custodial purposes, could encounter financial difficulties. This could impair the operational capabilities or the capital position of a Client or a Portfolio Entity or create unanticipated trading risks.

Sole Principal Portfolio Managers. Some of the Portfolio Managers to whom a Client may allocate capital may be dependent on the services of only one principal. If that individual died or became incapacitated, a Client could sustain losses.

Performance Fees. Aurora and the Portfolio Managers generally charge performance fees which may create an incentive for Aurora and the Portfolio Managers to make investments that are riskier or more speculative than would be the case in the absence of a performance fee. Aurora and the Portfolio Managers are generally not financially responsible for losses in accounts under their management and are not required to reimburse such accounts for prior fees received by them in the event of subsequent losses. Aurora and the Portfolio Managers may take greater risks when their compensation is based solely upon profits and they do not bear any financial responsibility for losses.

Use of Estimates. The value of a Client's assets may be based on estimated valuations received from the Portfolio Managers and Portfolio Entities. There can be no assurance that such estimates will be accurate. In the event that a Portfolio Manager or Portfolio Entity revises a valuation after a Client has calculated its net asset value based on an earlier estimate, Aurora generally will not attempt to make any retroactive adjustments with respect to the payment of withdrawal proceeds or fees, and the remaining investors shall bear, *pro rata*, the increase or decrease in net asset value resulting from any such changed valuations. The process of calculating the net asset value of a Managed Account may differ from that of the Private Funds.

Affiliated Transactions. To the extent permitted by law, a Client may, from time to time, engage in transactions with entities affiliated with Aurora and its affiliates. These transactions may involve actual or potential conflicts of interest.

Buying and Selling Portfolio Entity Interests. A Client may buy or sell an interest in a Portfolio Entity in a secondary market transaction, rather than redeeming from or subscribing to such Portfolio Entity. Any purchase or sale may be at a premium or discount to the net asset value of the Portfolio Entity. Buying and selling Portfolio Entity interests in secondary markets may also result in increased costs and risks to a Client, as it requires negotiating with counterparties and could result in claims later being made by or against such counterparties that could adversely affect the Client.

Tax Risks. There are certain tax risks associated with an investment in a fund of hedge funds, including without limitation with respect to tax positions taken by and tax estimates made by a Client and the Portfolio Entities.

Employee Benefit Plan Matters. Most pension and profit sharing plans are subject to provisions of the Internal Revenue Code of 1986, as amended (the "Code"), Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or both, which may be relevant to a decision as to whether such a prospective investor should invest in a Private Fund or Managed Account. There may, for example, be issues as to whether such an investment is "prudent" or whether it results in "prohibited transactions." Counsel should be consulted by such a prospective investor before investing in a Private Fund or Managed Account.

Changes in Law. Changes in non-U.S. or U.S. state and federal laws applicable to a Client, Aurora, the Portfolio Managers, or the Portfolio Entities and other securities or instruments in which a Client may invest may negatively affect a Client's returns. The global financial markets continue to be subject to pervasive and fundamental disruptions that have led to extensive and unprecedented governmental intervention. Such intervention has in certain cases been implemented on an "emergency" basis with little or no notice, with the consequence that some market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions has been suddenly and/or substantially eliminated or otherwise negatively implicated. Given the complexities of the global financial markets and the limited time frame within which governments have been able to take action, these interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty, which in itself has been materially detrimental to the efficient functioning of such markets as well as previously successful investment strategies.

Geo-Political Risks. Terrorism and related geo-political risks have led, and may in the future lead, to increased short-term market volatility, and may have adverse long-term effects on world economies and markets generally.

Direct Investments and Underlying Investment Risks

Below is a summary of certain key risk factors applicable to the direct investments of Aurora's Clients and the underlying instruments traded by the Portfolio Managers. While it is anticipated that a Client's direct trading will be relatively limited, a Client is not generally prohibited from investing in any instruments and accordingly the risks described below that apply to the trading activities of the Portfolio Managers and Portfolio Entities trading also apply to direct investments by a Client.

No Limitation on Investment Instruments. There is no limitation on the investment instruments in which a Portfolio Manager may invest. New investment instruments are continually developing and investment in such instruments may involve material and as of yet unanticipated risks.

Equity Securities and Equity Derivatives. Portfolio Managers may invest in equity securities and equity derivatives. Equity securities and equity derivatives vary based upon the company's performance and movements in the broader equity markets. Numerous economic factors, as well as market sentiment, political and market-related factors, among others, influence the value of equities. A Portfolio Entity may suffer losses if an equity instrument's performance diverges from expectations or if equity markets generally move in a single direction and Aurora or a Portfolio Manager has not hedged against such a move.

Short Selling. Short selling exposes the seller to theoretically unlimited risk due to the lack of an upper limit on the price to which a security may rise and there can be no assurance that the securities necessary to cover a short position will be available for purchase at such times. However, to the extent a Client's assets are invested in limited liability entities, its losses are limited to its investment in the particular entity.

Short selling is the main component of the Portfolio Hedge strategy and an important component of other strategies implemented by Portfolio Managers on behalf of Aurora's Clients. If additional regulation is imposed in the future, such Portfolio Managers may not be able to effectively implement their investment strategies or their investment strategies may become uneconomical, which in either case could adversely affect a Client's performance.

Smaller Company Risk. Certain Portfolio Managers may focus on micro-cap and small-cap companies. While these smaller companies may have significant potential for growth, they may also be higher risk investments. Small, start-up companies often lack the capability to diversify, a wide customer base, extensive manufacturing capability or experience and access to capital markets, factors which may severely limit their ability to grow.

Debt Securities. A Client and the Portfolio Managers may invest in U.S. and non-U.S. corporate and sovereign debt securities and instruments. Debt securities may be subject to price volatility due to various factors including changes in interest rates, market perceptions of the creditworthiness of an issuer and general market liquidity. Such instruments involve the fundamental credit risk that an issuer will be unable to make principal and interest payments. Debt securities may be rated or unrated, and whether or not rated may have speculative characteristics. To the extent a Portfolio Manager invests in non-U.S. sovereign debt, such investments may involve a higher degree of risk and governmental entities may default on or restructure their obligations.

Distressed and High-Yield Securities. A Portfolio Manager may invest in securities of issuers in weak financial condition, experiencing poor operating results, having substantial financial needs or negative net worth, facing special competitive or product obsolescence problems, or issuers that are involved in bankruptcy or reorganization proceedings. Investments of this type involve substantial financial business risks that can result in substantial or total losses. Among the problems involved in investments in troubled issuers is the fact that it frequently may be difficult to obtain information as to the conditions of such issuers. The market prices of such securities are also subject to abrupt and erratic market movements and above average price volatility, and the spread between the bid and ask prices of such securities may be greater than normally expected. It may take a number of years for the market price of such securities to reflect their intrinsic value. It is anticipated that some of the portfolio securities held by the Portfolio Entities may not be widely traded, and that a Portfolio Entity's position in such securities may be substantial in relation to the market for the securities.

Use of Derivatives. The Portfolio Managers may use derivative instruments, which may include, without limitation, warrants, options, swaps, convertible securities, notional principal contracts, contracts for differences, forward contracts, futures contracts and options both for hedging and speculative purposes. A Client may use derivatives, such as futures, forwards, options and swaps, for hedging purposes. The use of derivative instruments involves a variety of material risks, including the extremely high degree of leverage often embedded in such instruments and the possibility of counterparty non-performance as well as of material and prolonged deviations between the actual and the theoretical value of a derivative (*i.e.*, due to nonconformance to anticipated or historical correlation patterns). In addition, the markets for certain derivatives are

frequently characterized by limited liquidity, which can make it difficult as well as costly to the Portfolio Managers to close out positions in order either to realize gains or to limit losses.

Credit Derivatives. Certain Portfolio Managers purchase and sell credit derivatives. Credit derivatives trading is subject not only to the credit risk of the issuer of the underlying obligations to which such derivatives are referenced, but also to the credit risk of the counterparty to the credit derivative transaction itself.

Options. The Portfolio Managers, and Aurora's Clients with respect to hedging activities (if any), may buy and sell options on securities and stock indices. The purchase or sale of an option by a Client or Portfolio Entity involves the payment or receipt of a premium payment and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument does not change price in the manner expected, so that the option expires worthless and the investor loses its premium. Selling options, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security or other instrument in excess of the premium payment received.

Futures. The Portfolio Managers, and Clients with respect to hedging activities (if any), may trade futures. Because of the low margin deposits normally required in futures trading (typically between 2.0% and 15% of the value of the contract purchased or sold), a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses and, like other leveraged investments, any trade may result in losses in excess of the amount invested.

Forward Contracts. The Portfolio Managers, and each Client with respect to its hedging activities (if any), may trade forward contracts in currencies. Such forward contracts are not traded on exchanges; rather, banks and dealers act as principals in these markets. Forward trading is subject to the risk of the failure of, or the inability to perform with respect to its forward contracts by, the counterparties with which a Portfolio Entity or a Client may trade. Assets on deposit with such counterparties are also generally not protected by the same segregation requirements imposed on futures brokers regulated by the Commodity Futures Trading Commission (the "CFTC") in respect of customer funds on deposit with them. With respect to any forward trading, a Client will be subject to the risk of the failure of, or the inability or refusal to perform by, the counterparties with which a Client or the Portfolio Managers trade.

Proposed regulation under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Reform Act") may impact the trading of forward contracts although it is unclear how currency forwards will be regulated. The imposition of credit controls by governmental authorities or other rules under the Reform Act might limit such forward trading to less than that which a Portfolio Manager or Aurora would otherwise recommend, to the possible detriment of a Portfolio Entity and a Client.

Investment in Non-U.S. Securities and Emerging Markets. The Portfolio Managers may invest, directly or indirectly, in securities of non-U.S. issuers. Non-U.S. investments — and in particular those in emerging markets — involve certain special risks, including (1) political or economic instability, (2) the unpredictability of international trade patterns, (3) the possibility of non-U.S. governmental actions such as expropriation, nationalization or confiscatory taxation, (4) the imposition or modification of currency controls, (5) price volatility, (6) the imposition of withholding taxes on dividends, interest and gains, (7) different bankruptcy laws and practice,

(8) the fluctuation of currency exchange rates and (9) the lack of, or different, regulations applicable to such investments as compared to U.S. investments.

Investment in Non-Marketable Securities. While many Portfolio Entities or Portfolio Managers will invest only in marketable securities, others may invest capital in non-marketable securities as provided in each of their governing instruments. For example, Portfolio Managers may purchase restricted stock in private placements, take large positions in public companies that they seek to control or influence or invest in private equity-like transactions. In addition, securities for which active markets previously existed may become non-marketable during times of market disruption or dislocation. As a result of these and other investments, the Portfolio Entity or Portfolio Manager may have to hold certain securities despite an adverse price movement.

Liquidity Crises and Correlation of Returns. Adverse market conditions can lead to a “liquidity crisis” in which credit is less available and financial institutions and market participants sell assets to raise cash. During these periods, the prices of different asset classes tend to become correlated and the benefit of diversification among investment strategies and Portfolio Entities is mitigated.

Increase in Amount of Assets Under Management. Generally, Aurora does not limit the amount of capital that a Client may invest. As a Client’s assets increase, more capital will be allocated to Portfolio Managers. The Portfolio Managers may or may not have restrictions on their level of assets under management. It is not known what effect, if any, an increase in the amount of assets under management will have on the trading strategies utilized by the Portfolio Managers or their investment results. However, there appears to be a tendency for the rates of return achieved by investment managers to degrade as assets under management increase, and there can be no assurance that this will not occur in the case of Aurora or any Portfolio Manager, or that a Client’s or Portfolio Entity’s returns will be similar to that achieved in the past.

The foregoing list of risk factors does not purport to be a complete explanation of the risks involved in Aurora’s advisory services. Prospective investors should read the applicable offering materials or similar account opening documents for such Client, if any, before determining whether to engage Aurora to provide advisory services, in addition to consulting with their own financial and tax advisors. Prospective investors in a commingled vehicle should also be aware that they will have no role in the management of the Client and will be required to rely on the expertise of Aurora in dealing with the foregoing (and other) risks on a day-to-day basis.

Item 9 Disciplinary Information

As of the date of this filing, Aurora does not have any legal, financial or other “disciplinary” items to report. Should this information change, Aurora will promptly update this statement.

This statement applies to the Firm and its employees.

Item 10 Other Financial Industry Activities and Affiliations

REGISTRATION

- Aurora is registered with the CFTC as a “commodity pool operator” and a “commodity trading advisor.”
- The Firm is a member of the National Futures Association which is the self-regulatory organization for the futures industry.
- Aurora has also claimed exemption from investment adviser registration in certain non-U.S. jurisdictions, including Canada and Australia.

MATERIAL RELATIONSHIPS

Aurora is an indirect subsidiary of NGAM, which owns, in addition to Aurora, a number of other asset management and distribution and service entities (each, together with any advisory affiliates of Aurora, a “related person”). As noted under Item 4, NGAM is owned by Natixis, which is principally owned by BPCE, France’s second largest banking group (the “Affiliated Owners”). BPCE is owned by banks comprising two autonomous and complementary retail banking networks consisting of the Caisse d’Epargne regional savings banks and the Banque Populaire regional cooperative banks. There are several intermediate holding companies and general partnership entities in the ownership chain between BPCE and Aurora. In addition, NGAM’s parent companies Natixis and BPCE each own, directly or indirectly, other investment advisers and securities and financial services firms which also engage in securities transactions.

Aurora’s treatment of portfolio information and its investment process with respect to its Clients are conducted independently of the investment advisory businesses of the Affiliated Owners. Aurora does not presently enter into transactions with related persons on behalf of Clients. Because Aurora is affiliated with a number of asset management, distribution and service entities, Aurora occasionally may engage in business activities with some of these entities, subject to Aurora’s policies and procedures governing conflicts of interest. Aurora may enter into advisory and sub-advisory arrangements with certain related persons for separate accounts and pooled products, however, this is not currently the case and Aurora does not intend to enter into these agreements. Given that related persons are equipped to provide a number of services and investment products to Aurora’s Clients, subject to applicable law, Clients of Aurora may engage a related person of Aurora to provide any number of such services, including advisory, custodial or banking services, or may invest in the investment products provided or sponsored by a related person of Aurora. The relationships described herein could give rise to potential conflicts of interest or otherwise may have an adverse effect on Aurora’s Clients. For example, when acting in a commercial capacity, related persons of Aurora may take commercial steps in their own interests, which may be adverse to those of Aurora’s Clients.

Given the interrelationships among Aurora and its related persons and the changing nature of Aurora’s related persons’ businesses and affiliations, there may be other or different potential conflicts of interest that arise in the future or that are not covered by this discussion. Additional information regarding potential conflicts of interest arising from Aurora’s relationships and activities with its related persons is provided under Item 11.

For its U.S. domiciled Private Funds, Aurora typically serves as the general partner or managing member of such funds. For its non-U.S. Private Funds, an employee of Aurora generally holds

a position on each non-U.S. Private Fund's board of directors. Aurora may also serve in similar roles for its Managed Accounts.

Some of the principals (and their families) of the Portfolio Managers to which the Clients or their affiliates have allocated their capital invest or may invest in a Client.

Former employees of Aurora may provide services to certain Portfolio Managers in which a Client invests while receiving deferred compensation payments from Aurora.

Aurora and a Private Fund or Managed Account may enter into a distribution relationship with a selling agent, such as a broker-dealer, for the solicitation of qualified investors for investment into a Private Fund. For the Private Funds, such solicitations are exclusively on a private placement basis. The distribution agreements generally require either Aurora or the Private Fund to pay a portion of management fee to the distributor. The distributor may charge a separate asset-based distribution fee (*i.e.*, sales load). Related persons of Aurora serve as distributors for Clients.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

CODE OF ETHICS AND PERSONAL TRADING

Aurora's Code of Ethics is designed to detect and prevent improper activity by employees and address potential conflicts of interest. All employees of Aurora are subject to the Code of Ethics and the provisions contained therein.

The Code of Ethics was drafted to include various requirements under Rule 17j-1 of the Company Act and Rule 204A-1 of the Advisers Act. The Code of Ethics sets forth standards of conduct for employees of Aurora, requires compliance with applicable law, including federal securities laws, requires employees of Aurora to report personal securities holdings and transactions, and sets forth policies on, among other things, the prevention of insider trading, market-manipulation, confidentiality of client information, outside activities, gifts and record retention with respect to the Code of Ethics.

Aurora, its employees and their families, may trade securities (including interests in Portfolio Entities) and other financial instruments for their own accounts. These investments may be purchased or liquidated independently of a Client's investment. Specifically in the case of Portfolio Entity investments, such trading may be in competition with a Client. In addition, such investments may influence Aurora's allocation of a Client's capital among Portfolio Entities and its decision to maintain, increase or withdraw assets from any particular Portfolio Entity, to the possible detriment of a Client. Aurora intends, however, to treat each Client fairly, acting in accordance with its fiduciary duty.

It is Aurora's policy that no trading activity by a person associated with Aurora in any security may disadvantage a Client's transaction in such security, nor shall any associated person receive any improper benefit from such trading. To reasonably prevent this from occurring, Aurora's Code of Ethics includes the following provisions:

- restricts employees from trading in many types of securities, such as individual company stocks and bonds,
- requires employees to obtain preapproval of investments in private placements, and
- requires employees to have duplicate brokerage statements sent to Aurora.

Each employee's transactions in securities are reviewed, and they may be reversed if inconsistent with Aurora's Code of Ethics.

If any Client or prospective Client would like a copy of Aurora's complete Code of Ethics, a request should be sent to the Firm's Chief Compliance Officer (the "CCO") at Aurora Investment Management L.L.C., 300 North LaSalle Street, 52nd Floor, Chicago, IL 60654 or to Compliance@AuroraLLC.com.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

In connection with providing investment management and advisory services to its Clients, Aurora acts independently of other affiliated investment advisers and manages the assets of each of its Clients in accordance with the investment mandate selected by such Clients.

Related persons of Aurora are engaged in securities transactions. Aurora or its related persons may invest in the same securities that Aurora recommends for, purchases for or sells to Aurora's Clients. Aurora and its related persons (to the extent they have independent relationships with the client) may give advice to and take action with their own accounts or with other client accounts that may compete or conflict with the advice Aurora may give to, or an investment action Aurora may take on behalf of, the Client or may involve different timing than with respect to the Client. Since the trading activities of NGAM firms are not coordinated, each firm may trade the same security at about the same time, on the same or opposite side of the market, thereby possibly affecting the price, amount or other terms of the trade execution, adversely affecting some or all Clients. Similarly, one or more clients of Aurora's related persons may dilute or otherwise disadvantage the price or investment strategies of another client through their own transactions in investments. Aurora's management on behalf of its Clients may benefit Aurora or its related persons. For example, Clients may, to the extent permitted by applicable law, invest directly or indirectly in the securities of companies in which Aurora or a related person, for itself or its Clients, has an economic interest, and Clients, or Aurora or a related person on behalf its client, may engage in investment transactions which could result in other clients being relieved of obligations, or which may cause other clients to divest certain investments. The results of the investment activities of a Client of Aurora may differ significantly from the results achieved by Aurora for other current or future Clients.

In addition, certain related persons of Aurora may engage in banking or other financial services, and in the course of conducting such business, such persons may take actions that adversely affect Aurora's Clients. For example, a related person engaged in lending may foreclose on an issuer or security in which Aurora's Clients have an interest. As noted above, Aurora typically will not have the ability to influence the actions of its related persons.

Aurora advises, and may organize or advise in the future, investment vehicles that invest in similar or different investments. As noted in Item 10, Aurora typically serves as the general partner or managing member for its Private Funds and Managed Accounts or is appointed as their sub-adviser or investment manager. Employees of Aurora may sit on the board of directors for its non-U.S. Private Funds. One Private Fund for which Aurora serves as the general partner currently effects its investment strategy by investing in Aurora's other Clients. The management of these accounts by Aurora may conflict in some circumstances. For example, Aurora may determine that an investment opportunity in a Portfolio Entity or with a Portfolio Manager is appropriate for a particular Client, or for itself, but not for another Client. Aurora may have different types of Clients, including Private Funds and Managed Accounts, and its Clients may be subject to different regulations. Clients may have different investment strategies, objectives and restrictions and may be subject to different terms. These terms include, but are not limited to the following: investor lock-up periods, gates, management and performance fees, liquidity terms, rights to receive information regarding the portfolio and such other rights as may be negotiated by investors or other accounts. As a result, Aurora may have an incentive to favor one account over another when making investment decisions.

Subject to the requirements under applicable law including ERISA, Aurora may engage in principal or cross trades for Clients when Aurora believes such transactions are appropriate and in the best interests of its Clients. When Aurora is the general partner or managing member of a Client, Aurora may be deemed to be acting as a principal that (1) buys securities for itself from a Client or (2) sells securities that it owns to a Client. In addition, employees of Aurora may invest in such vehicles and employees may be deemed to control such vehicles.

An example of a situation when Aurora would engage in a cross trade is as follows. Aurora may decide a Client should reduce or increase its investment in a Portfolio Entity and another Client should increase or decrease its investment in such Portfolio Entity. This is likely to occur when a Portfolio Entity is closed to new investments. Aurora may effect such transactions by directing the transfer of the interests between Clients. Any such transactions will be effected on the basis of the respective Portfolio Entity's reported net asset value and Aurora will receive no compensation in connection with such transactions. Any incremental costs and expenses associated with any such investment will be borne by the Clients on a *pro rata* basis. In addition, Aurora may recommend that a Client purchase or sell an investment that is being sold or purchased, respectively, at the same time by Aurora or a related person. Aurora does not engage in agency cross transactions.

Situations may arise in which accounts managed by Aurora or its related persons have made investments that would have been suitable for investment by one Client but, for various reasons, were not pursued by, or available to, another Client. This could arise with respect to Portfolio Entities or Portfolio Managers, for example, place stringent restrictions on the number of investors whose money they will manage, their aggregate assets under management, or the frequency with which they will permit investors to redeem and liquidate their investment. As a result, certain Portfolio Entities or Portfolio Managers to which Aurora would like to allocate additional Client assets may limit, or be unable or unwilling to accept, an allocation of such Client's assets. To the extent that entities affiliated with Aurora invest in Portfolio Entities or with Portfolio Managers, the ability of a Client to invest in the same Portfolio Entities and with the same Portfolio Managers may be adversely affected by any limitation on availability of the investment. In addition, Aurora may have to allocate limited investment opportunities in Portfolio Entities and Portfolio Managers among Clients, to the possible detriment of another Client.

There may be instances when allocating investments among Clients where some Clients may participate in certain opportunities made available to the Aurora while other Clients may not. Where accounts have competing interests in a limited investment opportunity, Aurora does not typically allocate investment opportunities *pro rata* among Clients but rather allocates investment opportunities on the basis of numerous other considerations, including, without limitation, an account's cash flows, investment objectives and restrictions, participation in other opportunities, compliance with applicable laws, and tax concerns as well as the relative size of different accounts' same or comparable portfolio holdings.

Taking into consideration the conflicts of interest disclosed above, it is important to note, it is Aurora's policy to allocate, to the extent operationally and otherwise practical, investment opportunities to each Client over a period of time on a fair and equitable basis relative to its other Clients.

Aurora serves as the investment adviser (or sub-adviser) to accounts of entities registered under the Company Act. To address certain Company Act requirements regarding affiliated transactions, a Client may elect to own, together with all Clients, less than 5.0% of the voting securities of each Portfolio Entity, although the aggregate economic investment in a Portfolio Entity may exceed 5.0%. This limitation on owning voting securities is intended to ensure that a Portfolio Entity is not deemed an "affiliated person" of a Client for purposes of the Company Act, which may, among other things, impose limits on transactions with the Portfolio Entity, by a Client. A Client may enter into contractual arrangements under which the Client irrevocably waives some portion or all of its rights (if any) to vote its interests in a Portfolio Entity. Aurora will decide whether a Client will waive such voting rights and, in making these decisions, will

consider the total size investment across all of the Clients in the particular Portfolio Entities. These voting waiver arrangements may increase the ability of the Clients to invest in certain Portfolio Entities. However, to the extent a Client contractually forgoes the right to vote the securities of a Portfolio Entity, the Client will not be able to vote on, or may have more limited voting rights with respect to, matters that require the approval of the interest holders of the Portfolio Entity, including matters adverse to the Client's interests. Aurora has a conflict of interest in causing a Client's voting rights to be limited in this way in order to allow Aurora to advise a registered investment company and be compensated for doing so.

Aurora may, in its discretion, allow certain investors in a Client, including related persons of Aurora, to withdraw all or a portion of their investment at a time other than as set forth in a Client's offering materials or upon shorter notice. Such early withdrawals may have an adverse impact on the composition and liquidity of a Client's investments and limit a Client's ability to satisfy all withdrawal requests as of a given date.

Item 12 Brokerage Practices

BROKER SELECTION

If a Client wishes, and Aurora has been granted the authority to do so, Aurora may determine, if needed, which securities are bought and sold, the total amount to be bought and sold, if applicable, which broker and dealer will effect such transactions, and the commission rates, if any, at which the transactions will be effected. In the event Aurora chooses a broker to effect a transaction for a Client, primarily to liquidate “in-kind” distributions, which are occasionally made by Portfolio Entities, or the purchase of market hedges that are effected by certain Clients, the broker is chosen with regard to Aurora’s ability to obtain the best execution for the Client after considering all relevant factors. These factors include, but are not limited to, particular expertise in the type of security or transaction, commission charge, willingness to maintain the account for extended periods without requiring activity charges, time frame to dispose of securities, frequency of trading activities, access to relevant markets and prior experience with such broker or dealer. The brokers chosen by Aurora for a Client may also provide other services to a Client such as lending or custody. To the extent brokers are providing such additional services to a Client, there exists a potential conflict of interest which may result in the Client not receiving the most favorable execution, and it may cost the Client money.

Aurora may also consider the availability of research services from such broker or dealer. After considering all factors believed by Aurora to be relevant to the services of other broker-dealers, Aurora may determine to pay a broker commission or mark-up in excess of that which another broker-dealer might have charged for effecting the same transaction, in recognition of the value of the (1) brokerage or (2) research services provided by the broker-dealer. Currently, Aurora does not obtain research services from brokers or dealers.

CLIENT REFERRALS

Aurora does not select or recommend brokers or dealers based on whether the broker or dealer refers clients to Aurora.

DIRECTED BROKERAGE

Aurora does not routinely request, require or recommend that its Clients direct brokerage transactions with a specific broker-dealer. As described above, Clients may specify the broker-dealers with which Aurora must trade. If a Client directs its brokerage actively to a specific broker-dealer, Aurora may be unable to obtain the most favorable execution or the lowest commission for the Clients.

TRADE AGGREGATION

As further disclosed in Item 6, Aurora will at all times seek to allocate investment opportunities among Clients in a manner that is fair and equitable taking into consideration the best interests and investment objectives and restrictions of the Clients. Aurora does not intentionally engage in the practice of favoring one Client over another or discriminating against any specific Client.

Orders in the same security for multiple Clients are generally placed on an aggregated basis and typically allocated proportionately to each participating Client taking into consideration the size of the order placed, investment restrictions, if any and other relevant factors. Each Client

will participate at the average price of the trade, and transaction costs are generally shared *pro rata*.

Aurora may not aggregate trade orders where Client investment restrictions do not permit aggregation. The decision of whether or not to aggregate trade orders may impact transaction costs.

SOFT DOLLARS

While it is not Aurora's current practice, Aurora may in the future determine whether to effect brokerage transactions of a Client through broker-dealers who provide Aurora with "brokerage or research services" as that term is used in Section 28(e)(3) of the Securities Exchange Act of 1934. Those services, if provided, could benefit all of Aurora's Clients, and not only those having brokerage transactions. In the event that Aurora in the future should elect to do so, Aurora will determine in good faith that the amount of the commission mark-up/mark-down paid is reasonable in relation to the value of the products and brokerage and research services received from such broker-dealer, viewed in terms of either that particular transaction or Aurora's overall responsibilities to all of its Clients.

Item 13 Review of Accounts

REVIEW OF ACCOUNTS

Each Client has stated investment objectives, guidelines and restrictions. The Investment Committee is primarily responsible for ensuring that all portfolio decisions and allocations are consistent with those objectives, guidelines and restrictions. The Investment Committee meets regularly to review the current composition of a Client's portfolio. In addition, a Client can reallocate its capital among Portfolio Entities monthly (or less frequently), therefore the Investment Committee meets periodically intra-month to consider and make reallocation decisions among Portfolio Entities and allocation decisions to new Portfolio Entities in light of general market conditions, changes at the Portfolio Entity level and cash flow at the portfolio level.

The CCO or his delegate reviews the Investment Committee's allocation decisions monthly. The CCO is the chair of Aurora's Investment Risk Management Committee, which is, along with the CCO, comprised of other senior principals. The Investment Risk Management Committee meets monthly to independently review of Investment Committee decisions among other things.

Aurora's Legal and Compliance Department also provides an independent review of each Client's stated investment guidelines and restrictions. In doing so, the Legal and Compliance Department maintains a formal policy to monitor and review adherence to the stated investment guidelines and restrictions. On a monthly basis, a member of the Legal and Compliance Department reviews portfolio information and prepares a report that is reviewed and approved by the CCO. Deviations from the investment guidelines and restrictions will be documented and reported to relevant parties.

CLIENT SERVICE AND REPORTING

Investors in the Private Funds receive account statements directly from the Clients' administrator either monthly or quarterly depending on the Client. The account statements include the net asset value of the investors' holdings in the Private Funds and performance information for the covered time period. The statements are reviewed by Aurora prior to distribution to investors. Finally, each Client is audited by an independent public accounting firm on an annual basis, reports of which are distributed to investors, annually.

For each Private Fund, we post on Aurora's secure website preliminary month-end estimates on or around the fifth business day following month-end and mid-month estimates for the current month on or around the twentieth day following month-end.

Investors in the Private Funds receive written valuations of their account balances either monthly or quarterly depending on the Private Fund. These valuations include an analysis of the performance for each strategy group of Portfolio Entities within the portfolio and a report on the Private Fund's rate of return. Each investor is able to access estimated, unaudited balances based on Portfolio Entity reporting via our secure website on or around the tenth of the month. Approximately 40 days after month-end, an exposure report is posted on our secure website providing aggregated risk reporting with respect to each Private Fund and the various strategies within the fund.

Please see below with regard to client service and reporting with respect to the Private Funds.

Business Development & Client Service Team		Online Information and Reporting:	www.AuroraLLC.com
Ron Rolighed Partner, Managing Director		Monthly Investment Information	Available to investors and interested parties
		•Balance and rate of return reporting	Generally posted by the 10 th of the month
		Monthly Fund-Specific Information	
Email: ClientService@AuroraLLC.com		•Monthly Reports (available for certain funds): - Strategy allocations and performance - Portfolio commentary	Generally posted by the 30 th of the month
Tel No:1-312-762-6710		•Monthly rates of return •Detailed statistical summary	Posted on the 5 th and 20 th business day Posted by the 25 th of the month
Onshore: Aurora Investment Management Client Service/Citco Fund Services			
Receipt of Documents/Funds Statement		Generally distributed approximately 5 business days after receipt of subscription	
Contract Note Confirming Investment		Distributed approximately 30 days after subscription	
Quarterly Letters with Account Balance		Generally distributed within 45 days after quarter-end	
Estimated Tax Information		Aim to distribute the first week in April	
Audited Annual Financials		Generally distributed in July	
Offshore: Aurora Investment Management Client Service/Citco Fund Services			
Receipt of Documents/Funds Statement		Generally distributed approximately 5 business days after receipt of documents/funds	
Contract Note confirming NAV/share allocation		Distributed approximately 45 days after subscription	
Monthly NAV Statements		Distributed approximately 45 days after month-end	
Quarterly Letters		Generally distributed within 45 days after quarter-end	
Audited Annual Financials		Generally distributed in May	

Reporting for our Managed Accounts varies by relationship, but generally each Managed Account receives statements from either the administrator or custodian on a quarterly or more frequent basis.

Item 14 Client Referrals and Other Compensation

In certain circumstances, Aurora will compensate unaffiliated third parties who solicit clients, where such third parties believe that their clients would benefit from Aurora's investment management services. Any such arrangement with a third party is pursuant to a written solicitation agreement as required by Rule 206(4)-3(a)(1)(iii) under the Advisers Act. Any such agreement subject to Rule 206(4)-3 the rule will require that the solicitor provide potential clients with a current copy of Aurora's Form ADV, Part 2 and the written disclosure document required by Rule 206(4)-3(b) under the Advisers Act.

In addition, Aurora has and may in the future compensate related persons of Aurora, who solicit investors for Clients. Aurora may modify its revenue sharing arrangement with its parent company to allow for compensation payment to its subsidiaries for client or investor referrals to Aurora. Aurora may enter into revenue sharing arrangements with related persons of Aurora to allow for distribution payments in exchange for client or investor referrals to Aurora.

An investor introduced to a Private Fund by a third party, which may or may not include related persons of Aurora, may be charged an asset-based distribution fee (*i.e.*, sales load) equal to a percentage of its gross subscription. Any such fee will be disclosed in advance either in the subscription agreement, in a separate disclosure statement provided by the third party or by other means. In addition to or in lieu of an assets-based distribution fee, Aurora may pay third parties a portion of the management fees and/or performance fees earned in respect of investors introduced by such third parties. Such fee sharing will not increase the fees charged by Aurora to an investor. The payment of fees may cause a solicitor to recommend Aurora over another adviser that does not pay solicitation fees.

Aurora's Managed Account Clients include a registered investment company. The registered investment company has entered into distribution arrangements with third parties that may in the future include related persons of Aurora.

Item 15 Custody

Investment advisers with custody or possession of advisory client funds or securities (collectively “assets”) must comply with Rule 206(4)-2 of the Advisers Act (the “Custody Rule”). Although Aurora may be deemed to have custody of the assets of its Private Funds based on the Custody Rule, it is Aurora’s policy not to receive or have actual physical custody of the assets of any Client.

Aurora and the Private Funds have implemented the following controls to comply with the primary requirements under the Custody Rule:

- All Private Fund assets are held by a qualified custodian, as defined in the Custody Rule, designated by Aurora or the Private Fund. A formal custody agreement governs the relationship between the Private Fund and the custodian. The custodian is responsible for the safekeeping of all Private Fund assets.
- The custodian sends statements, no less frequent than quarterly, to Aurora with balance and holding information for each Private Fund. This information is carefully reviewed by Aurora personnel.
- The Private Funds are subject to an annual audit by an independent public accountant and the audited financial statements are distributed to investors in the Private Funds.

Managed Accounts may receive quarterly statements directly from the broker, dealer, bank or other qualified custodian that holds and maintains such assets.

Additionally, as suggested in the guidance issued with the Custody Rule, Aurora periodically reviews the effectiveness of its custody controls.

Item 16 Investment Discretion

As of the date of this Brochure, Aurora has discretionary authority over all of its Private Funds and Managed Accounts. In all cases, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular Client. Details of the relationship between Aurora and the Client, as well as, investment objectives, guidelines and restrictions, are outlined in each Client's respective offering materials or similar account opening documents.

When selecting Portfolio Entities and securities, Aurora observes the investment objectives, guidelines and restrictions for each Client. For more information on the review of accounts, see Item 13.

In the case of Managed Accounts, Aurora and the client will agree upon investment objectives, guidelines and restrictions for the portfolio at the outset of the relationship. Aurora generally will have full discretionary authority over the account. Details of the relationship will be outlined in an agreement between Aurora and the Client. In the case of a registered investment company, Aurora's authority to trade securities will be subject to and may be limited by applicable laws.

Aurora has in the past and may in the future provide its services on a non-discretionary basis.

Item 17 Voting Client Securities

Aurora has established procedures for exercising proxy voting rights. The Investment Committee implements Aurora's proxy voting procedures, and works in conjunction with Aurora's Research Department and Legal and Compliance Department to ensure that all proxies are voted responsibly. Because Aurora's investment activities generally relate to creating portfolios of hedge funds, and do not involve direct investing or trading in equities, the exercise of proxy voting rights typically involves limited partner or shareholder votes with regard to hedge fund organizational and governance issues, as described in more detail below. These entities typically are privately-held limited partnerships or offshore corporations. Aurora's proxy voting procedures are designed to ensure that proxies voted by Aurora are voted in the best interests of its Clients.

The Portfolio Managers or Portfolio Entities submit proxy proposals seeking investor approval on a variety of matters. Some types of proposals have little or no impact on investors, including proposals by issuers (1) to obtain authority to issue new classes of securities and (2) to amend documents to stay current with legal developments — for example, with respect to the FINRA new issues rule, anti-money laundering laws and tax laws. Potentially more meaningful to an investor are proposals in the following categories: (1) proposals to increase the management fee (e.g., from 1.0% to 1.5%), (2) proposals to increase or otherwise change the incentive fee (e.g., to make it possible for the manager to earn a reduced incentive fee (10% rather than 20%) while operating below the previous high water mark in exchange for charging a lower incentive fee until the loss carryforward is eliminated or exceeded by a multiple (for example, 200% of the loss carryforward), and (3) proposals to place greater limits on the investors' ability to redeem (i.e., impose or increase lock-ups). Proposals to increase or otherwise change fees and to increase lock-ups typically are combined with an offer to the investor to redeem without penalty before the new, higher fee or longer lock-up applies.

In considering how to vote on a proposal that has a potential adverse impact on the Firm's Clients, the Investment Committee looks at the proposal as an invitation for Aurora to reexamine whether a Client should remain invested in the Portfolio Entity with the new terms. If the Investment Committee concludes that remaining invested in the hedge fund with the new terms is in the best interest of the Client(s) invested, the Investment Committee typically will recommend a vote in favor of the proposal. This is true even if the proposal may result in a new fee structure that increases the costs of the investment. The Investment Committee makes these decisions in light of the fact that capacity at the highly skilled underlying hedge funds often is scarce, and the Portfolio Entity has the ability to push through its proposals by mandatorily redeeming investors that do not consent to the changes. The Investment Committee's most effective "no" vote is to redeem from the Portfolio Entity before the new terms become effective.

Generally, the procedures provide for the Investment Committee to determine how to vote any proxy from a Portfolio Manager or Portfolio Entity, with the benefit of a recommendation from the analyst in Aurora's Research Department who is responsible for following the Portfolio Manager (the "Analyst"). Prior to submission to the Investment Committee, Aurora's Legal and Compliance Department reviews the proposal. The final decision on the proposal is made by a majority vote of the voting members of the Investment Committee and is reflected on an electronic proxy decision form. The procedures address the possibility of conflicts of interest. Once the Analyst receives the decision, the Analyst will instruct the Client's custodian to vote the proxy in accordance with the decision. Also as part of Aurora's proxy voting procedures, the

Research Department maintains records of proxy statements and communications received, and records of the Investment Committee's proxy voting decisions.

To the extent a Client owns an investment other than Portfolio Entity interest (e.g., securities distributed in-kind from a Portfolio Entity), Aurora will consider potential conflicts of interest and cast votes consistent with the best interests of the Client. In the absence of specific voting guidelines from the Client, it is generally Aurora's policy to support management of companies and Aurora will cast votes in accordance with management's proposals. However, Aurora reserves the right to depart from this policy if doing so is in a Client's best interest.

Aurora may be subject to the proxy voting policies of a Managed Account and will follow such policies if required to do so.

If any investor would like a copy of Aurora's complete proxy voting procedures or information as to how Aurora voted one or more proxies with respect to a Client's securities, a written request should be sent to the Firm's CCO at Aurora Investment Management L.L.C., 300 North LaSalle Street, 52nd Floor, Chicago, IL 60654 or to Compliance@AuroraLLC.com.

Item 18 Financial Information

Aurora has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients. Aurora is not otherwise required to provide financial information about its financial position.

While Aurora's financial statements are not publicly available, financial statements of the Firm's parent company may be reviewed at www.natixis.com.