

<b>Form 5500</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Annual Return/Report of Employee Benefit Plan</b>  This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).  <p style="text-align: center;">▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p>	OMB Nos. 1210-0110 1210-0089  <b>2012</b>  <b>This Form is Open to Public Inspection</b>
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<b>Part I</b>	<b>Annual Report Identification Information</b>
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>	
<b>A</b> This return/report is for:	<input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or <input type="checkbox"/> a single-employer plan; <input checked="" type="checkbox"/> a DFE (specify) <u>E</u>
<b>B</b> This return/report is:	<input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report; <input checked="" type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months).
<b>C</b> If the plan is a collectively-bargained plan, check here. . . . .	<input type="checkbox"/>
<b>D</b> Check box if filing under:	<input type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program; <input type="checkbox"/> special extension (enter description)

<b>Part II</b>	<b>Basic Plan Information</b> —enter all requested information		
<b>1a</b> Name of plan	<u>AURORA GLOBAL OPPORTUNITIES OFFSHORE FUND LTD</u>		<b>1b</b> Three-digit plan number (PN) ▶ <u>004</u> <b>1c</b> Effective date of plan <u>07/01/2006</u>
<b>2a</b> Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)	<u>AURORA INVESTMENT MANAGEMENT LLC</u>  <u>300 NORTH LASALLE STREET</u> <u>52ND FLOOR</u> <u>CHICAGO, IL 60654</u>		<b>2b</b> Employer Identification Number (EIN) <u>36-4040234</u> <b>2c</b> Sponsor's telephone number <u>312-762-6700</u> <b>2d</b> Business code (see instructions) <u>523900</u>

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

<b>SIGN HERE</b>	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
<b>SIGN HERE</b>	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
<b>SIGN HERE</b>	Filed with authorized/valid electronic signature.	<u>10/03/2014</u>	<u>JOSEPH SULLIVAN</u>
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

<b>3a</b> Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor Name <input type="checkbox"/> Same as Plan Sponsor Address  AURORA INVESTMENT MANAGEMENT LLC 300 NORTH LASALLE STREET 52ND FLOOR CHICAGO, IL 60654		<b>3b</b> Administrator's EIN 36-4040234 <b>3c</b> Administrator's telephone number 312-762-6700
<b>4</b> If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: <b>a</b> Sponsor's name		<b>4b</b> EIN  <b>4c</b> PN
<b>5</b> Total number of participants at the beginning of the plan year		<b>5</b>
<b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).  <b>a</b> Active participants..... <b>b</b> Retired or separated participants receiving benefits..... <b>c</b> Other retired or separated participants entitled to future benefits..... <b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> ..... <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits..... <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> ..... <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)..... <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....		<b>6a</b> <b>6b</b> <b>6c</b> <b>6d</b> <b>6e</b> <b>6f</b> <b>6g</b> <b>6h</b>
<b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....		<b>7</b>
<b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:  <b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
<b>9a</b> Plan funding arrangement (check all that apply) <b>(1)</b> <input type="checkbox"/> Insurance <b>(2)</b> <input type="checkbox"/> Code section 412(e)(3) insurance contracts <b>(3)</b> <input checked="" type="checkbox"/> Trust <b>(4)</b> <input type="checkbox"/> General assets of the sponsor	<b>9b</b> Plan benefit arrangement (check all that apply) <b>(1)</b> <input type="checkbox"/> Insurance <b>(2)</b> <input type="checkbox"/> Code section 412(e)(3) insurance contracts <b>(3)</b> <input checked="" type="checkbox"/> Trust <b>(4)</b> <input type="checkbox"/> General assets of the sponsor	
<b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
<b>a Pension Schedules</b> <b>(1)</b> <input type="checkbox"/> <b>R</b> (Retirement Plan Information) <b>(2)</b> <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary <b>(3)</b> <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	<b>b General Schedules</b> <b>(1)</b> <input checked="" type="checkbox"/> <b>H</b> (Financial Information) <b>(2)</b> <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan) <b>(3)</b> <input type="checkbox"/> <b>A</b> (Insurance Information) <b>(4)</b> <input type="checkbox"/> <b>C</b> (Service Provider Information) <b>(5)</b> <input checked="" type="checkbox"/> <b>D</b> (DFE/Participating Plan Information) <b>(6)</b> <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules)	



**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
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code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)

**Part II Information on Participating Plans (to be completed by DFEs)**

(Complete as many entries as needed to report all participating plans)

**a** Plan name [DETAILS AVAILABLE UPON REQUEST](#)

<b>b</b> Name of plan sponsor	<b>c</b> EIN-PN
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**a** Plan name

<b>b</b> Name of plan sponsor	<b>c</b> EIN-PN
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**a** Plan name

<b>b</b> Name of plan sponsor	<b>c</b> EIN-PN
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<b>b</b> Name of plan sponsor	<b>c</b> EIN-PN
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<b>b</b> Name of plan sponsor	<b>c</b> EIN-PN
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**a** Plan name

<b>b</b> Name of plan sponsor	<b>c</b> EIN-PN
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<b>SCHEDULE H</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Financial Information</b>  This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).  <b>► File as an attachment to Form 5500.</b>	OMB No. 1210-0110  <div style="font-size: 24pt; font-weight: bold;">2012</div>  <b>This Form is Open to Public Inspection</b>
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>		
<b>A</b> Name of plan <u>AURORA GLOBAL OPPORTUNITIES OFFSHORE FUND LTD</u>	<b>B</b> Three-digit plan number (PN) <span style="float: right;">►</span>	<div style="border: 1px solid black; padding: 2px; width: 40px; margin: 0 auto;">004</div>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>AURORA INVESTMENT MANAGEMENT LLC</u>	<b>D</b> Employer Identification Number (EIN)  <u>36-4040234</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
<b>1</b> Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. <b>Round off amounts to the nearest dollar.</b> MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	<b>Assets</b>			
<b>a</b>	Total noninterest-bearing cash .....	<b>1a</b>		
<b>b</b>	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions .....	<b>1b(1)</b>		
	(2) Participant contributions .....	<b>1b(2)</b>		
	(3) Other.....	<b>1b(3)</b>	16232399	12772649
<b>c</b>	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit) .....	<b>1c(1)</b>	3720766	139303
	(2) U.S. Government securities.....	<b>1c(2)</b>		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred .....	<b>1c(3)(A)</b>		
	(B) All other.....	<b>1c(3)(B)</b>		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred .....	<b>1c(4)(A)</b>		
	(B) Common .....	<b>1c(4)(B)</b>	92989516	111261223
	(5) Partnership/joint venture interests .....	<b>1c(5)</b>		
	(6) Real estate (other than employer real property) .....	<b>1c(6)</b>		
	(7) Loans (other than to participants) .....	<b>1c(7)</b>		
	(8) Participant loans .....	<b>1c(8)</b>		
	(9) Value of interest in common/collective trusts.....	<b>1c(9)</b>		
	(10) Value of interest in pooled separate accounts.....	<b>1c(10)</b>		
	(11) Value of interest in master trust investment accounts .....	<b>1c(11)</b>		
	(12) Value of interest in 103-12 investment entities .....	<b>1c(12)</b>		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	<b>1c(13)</b>		
	(14) Value of funds held in insurance company general account (unallocated contracts).....	<b>1c(14)</b>		
	(15) Other .....	<b>1c(15)</b>	9950000	9912607

**1d** Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities .....	<b>1d(1)</b>		
(2) Employer real property .....	<b>1d(2)</b>		
<b>e</b> Buildings and other property used in plan operation .....	<b>1e</b>		
<b>f</b> Total assets (add all amounts in lines 1a through 1e) .....	<b>1f</b>	122892681	134085782

**Liabilities**

<b>g</b> Benefit claims payable .....	<b>1g</b>		
<b>h</b> Operating payables .....	<b>1h</b>	254316	288560
<b>i</b> Acquisition indebtedness .....	<b>1i</b>		
<b>j</b> Other liabilities .....	<b>1j</b>	16506950	11528230
<b>k</b> Total liabilities (add all amounts in lines 1g through 1j) .....	<b>1k</b>	16761266	11816790

**Net Assets**

<b>l</b> Net assets (subtract line 1k from line 1f) .....	<b>1l</b>	106131415	122268992
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**Part II Income and Expense Statement**

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

**Income**

		(a) Amount	(b) Total
<b>a Contributions:</b>			
(1) Received or receivable in cash from: <b>(A)</b> Employers .....	<b>2a(1)(A)</b>		
<b>(B)</b> Participants .....	<b>2a(1)(B)</b>		
<b>(C)</b> Others (including rollovers) .....	<b>2a(1)(C)</b>		
(2) Noncash contributions .....	<b>2a(2)</b>		
(3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> .....	<b>2a(3)</b>		0
<b>b Earnings on investments:</b>			
(1) Interest:			
<b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....	<b>2b(1)(A)</b>	1726	
<b>(B)</b> U.S. Government securities .....	<b>2b(1)(B)</b>		
<b>(C)</b> Corporate debt instruments .....	<b>2b(1)(C)</b>		
<b>(D)</b> Loans (other than to participants) .....	<b>2b(1)(D)</b>		
<b>(E)</b> Participant loans .....	<b>2b(1)(E)</b>		
<b>(F)</b> Other .....	<b>2b(1)(F)</b>		
<b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....	<b>2b(1)(G)</b>		1726
(2) Dividends: <b>(A)</b> Preferred stock .....	<b>2b(2)(A)</b>		
<b>(B)</b> Common stock .....	<b>2b(2)(B)</b>		
<b>(C)</b> Registered investment company shares (e.g. mutual funds) .....	<b>2b(2)(C)</b>		
<b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....	<b>2b(2)(D)</b>		0
(3) Rents .....	<b>2b(3)</b>		
(4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....	<b>2b(4)(A)</b>	33657154	
<b>(B)</b> Aggregate carrying amount (see instructions) .....	<b>2b(4)(B)</b>	31194965	
<b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....	<b>2b(4)(C)</b>		2462189
(5) Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate .....	<b>2b(5)(A)</b>		
<b>(B)</b> Other .....	<b>2b(5)(B)</b>	9500776	
<b>(C)</b> Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....	<b>2b(5)(C)</b>		9500776

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts .....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts .....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts .....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities .....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all <b>income</b> amounts in column (b) and enter total.....	2d		11964691

**Expenses**

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers .....	2e(1)		
(2) To insurance carriers for the provision of benefits .....	2e(2)		
(3) Other .....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		0
f Corrective distributions (see instructions) .....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		37553
i Administrative expenses: (1) Professional fees .....	2i(1)	111459	
(2) Contract administrator fees .....	2i(2)	61552	
(3) Investment advisory and management fees .....	2i(3)	1303281	
(4) Other .....	2i(4)	341732	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		1818024
j Total expenses. Add all <b>expense</b> amounts in column (b) and enter total.....	2j		1855577

**Net Income and Reconciliation**

k Net income (loss). Subtract line 2j from line 2d.....	2k		10109114
l Transfers of assets:			
(1) To this plan.....	2l(1)		17758035
(2) From this plan .....	2l(2)		11729572

**Part III Accountant's Opinion**

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☐ Yes ☒ No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: PRICEWATERHOUSECOOPERS LLC

(2) EIN: 13-4008324

**d** The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

**a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

**b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....

	Yes	No	Amount
4a			
4b		X	



	Yes	No	Amount
<b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....		X	
<b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
<b>e</b> Was this plan covered by a fidelity bond?.....			
<b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....			
<b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....			
<b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....			
<b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
<b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....			
<b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....			
<b>l</b> Has the plan failed to provide any benefit when due under the plan? .....			
<b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....			
<b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....			

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?  
 If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☐ No Amount:

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

**5b(1)** Name of plan(s)

	5b(2) EIN(s)	5b(3) PN(s)

## Part V Trust Information (optional)

**6a** Name of trust

**6b** Trust's EIN

**AURORA GLOBAL OPPORTUNITIES OFFSHORE FUND LTD.**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2012**

**AURORA GLOBAL OPPORTUNITIES OFFSHORE FUND LTD.**

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**AUDITED FINANCIAL STATEMENTS**  
**For the year ended 31 December 2012**

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## **AURORA GLOBAL OPPORTUNITIES OFFSHORE FUND LTD.**

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### **COMPANY INFORMATION**

DIRECTORS	Mr. Scott Montpas Mr. Ronan Daly (Independent Director) Mr. Clarendon Hugh (Hal) Masters (Independent Director)
REGISTERED OFFICE	Aurora Global Opportunities Offshore Fund Ltd. c/o Citco Trustees (Cayman) Limited 89 Nexus Way, 2 <sup>nd</sup> Floor Camana Bay P.O. Box 31106 Grand Cayman, Cayman Islands KY1-1205
INVESTMENT MANAGER	Aurora Investment Management L.L.C. 300 North LaSalle Street, 52nd Floor Chicago, Illinois 60654
ADMINISTRATOR, REGISTRAR AND TRANSFER AGENT	Citco Fund Services (Cayman Islands) Limited 89 Nexus Way, 2 <sup>nd</sup> Floor Camana Bay P.O. Box 31106 Grand Cayman, Cayman Islands KY1-1205
LEGAL ADVISORS	Walkers Walker House, 87 Mary Street George Town, Grand Cayman Cayman Islands
CUSTODIAN	J.P. Morgan Trust Company (Cayman), Limited CIBC Financial Centre 11 Dr. Roy's Drive George Town, Grand Cayman Cayman Islands
INDEPENDENT AUDITORS	PricewaterhouseCoopers Strathvale House P.O. Box 258, GT George Town, Grand Cayman KY1-1104 Cayman Islands
LISTING BROKER	McCann FitzGerald Listing Services Ltd. Riverside One Sir John Rogerson's Quay Dublin 2, Ireland

## AURORA GLOBAL OPPORTUNITIES OFFSHORE FUND LTD.

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### INVESTMENT MANAGER'S REPORT

For the year ended 31 December 2012

In 2012, Aurora Global Opportunities Offshore Fund Ltd. (the "Fund") returned +9.43%, net of fees and expenses. The following provides a strategy overview for 2012.

The Long/Short Equities strategy gained +11.85% in 2012. Global equity markets ended the year higher, as accommodative central bank policies overcame investor concerns over slowing economic growth and deteriorating sovereign finances. These actions resulted in greater market stability and a renewal of company fundamentals driving stock prices, as evidenced by lower intra stock correlations in the S&P 500 Index. Amid this constructive backdrop, each of the Long/Short Equities specialties delivered positive performance in 2012. Our generalists generated gains primarily from long positions in the technology, financials, healthcare, and consumer sectors. Specifically, a long equity position in a Spanish-based healthcare company was a key contributor to performance for two managers. A short position in a provider of online social game services also yielded profits, as the stock fell significantly amid disappointing earnings, concerns over business viability, and an ill-conceived acquisition. Meanwhile, a manager profited from a rebound in bank stocks and a negative view of grocery store chains in the U.K. Returns for geographic specialists were driven primarily by the positive performance of a European manager, who capitalized on long positions in the industrials and luxury goods industries. The sector specialists' positive results were led by our financials specialist's constructive outlook on the sector, specifically in large U.S. banks.

Our Long/Short Credit managers posted a +17.33% return in 2012. Our managers generated solid profits from a variety of sources during the year, as stability improved in large part due to accommodative monetary policies in the U.S. and Europe. In particular, concerns about the sovereign debt crisis in Europe subsided, yielding gains in our managers' portfolios. Long positions in bank hybrid securities, sovereign debt, and Spanish covered bonds were some of the positive contributors coming from Europe during the year. Signs of a housing recovery also impacted performance, as commercial and residential mortgage-backed securities appreciated meaningfully throughout 2012. U.S.-focused distressed positions, which included credit securities and post-reorganization equities, were additive for the strategy, as portfolio holding companies generally made progress towards improving balance sheets and earnings. Litigation and trade claims in a bankrupt investment bank, which began receiving distributions during the year, were positive. Other positive contributors included post-reorganization equities in the automotive, chemical, and financials sectors. In addition to the fundamental positioning described, the Fund's managers also generated profits by tactically allocating to equities prior to an ensuing catalyst such as a central bank announcement. This proved especially beneficial in the second half of the year.

Our Event-Driven strategy performed well in 2012 with a +10.95% return, amid equity market tailwinds and investors' renewed focus on idiosyncratic company events. The activist component of the strategy was particularly profitable, which included strong performance from a European activist that generated outsized gains from a number of core positions. For example, a push to separate an industrial piping business into two separate companies resulted in the stock trading higher in advance of the formal separation in December. Additionally, the market reacted positively to news that a diversified financial services company, a core holding for this manager, would finalize its previously announced sale of a subsidiary and use the proceeds to eliminate its debt and pay a special dividend to shareholders. Meanwhile, one manager's holding in a North American oil and gas exploration company rose, as the analyst community began to take notice of the value of the company's energy assets. Due to muted merger and acquisition activity, our manager focused on arbitrage situations lagged its Event-Driven peers, but still generated a positive return.

The Macro strategy produced a gain of +5.28% in 2012. A short position in the Japanese Yen and long positions in European and Japanese equities were top contributors, as both markets reacted to expectations that central banks in each region would announce accommodative policy measures. Emerging markets were another area of strength, as both credit and equity markets traded higher, while tactical trading in emerging Asian and Latin American currencies provided additional gains. Diversified Macro managers also profited from directional fixed income trades, yield curve steepeners, and structured credit holdings. Positions in European sovereign credit rose during the second half of the year, benefiting from increased stability in the region and a repurchase program instituted by the Greek government during the fourth quarter. Commodities positions held by discretionary Macro managers experienced mixed performance, as oil prices finished the year down slightly while precious metals traded higher amid supply and demand imbalances and ongoing investor concerns about currency devaluations. Macro managers

**INVESTMENT MANAGER'S REPORT**

**For the year ended 31 December 2012**

employing systematic strategies struggled due to the choppy market environment and the lack of sustainable trends. Holdings in commodities and equity markets were notable detractors for one systematic manager that focuses on medium-term trading opportunities. Meanwhile, systematic strategies generally traded the fixed income market well in 2012, profiting from moves in the prices of government bonds and short-term interest rates.

The Opportunistic strategy posted a gain of +3.18% in 2012, with profits stemming from a wide range of asset classes and sectors. As the global macroeconomic outlook stabilized during the year, the Fund's opportunistic managers yielded gains from holdings in companies and securities that were positioned to experience price appreciation. Long exposure to sovereign debt in Greece, for instance, produced positive returns when efforts made by European regulators to help calm fears of a sovereign credit crisis began to take effect. Similarly, our managers' holdings in hybrid securities of European banks traded higher as increased financial sector stability prompted banks to issue tender offers for a number of investments that no longer qualified as Tier I capital under proposed regulatory rules. Distressed investments, including credit securities and trade claims in a global investment bank, were also profitable. Another area of strength was event-driven strategies. For example, one manager's trading of two rental car competitors proved lucrative, as a merger between the two companies occurred in 2012. Stock selection was also a key source of returns, as specific holdings in mortgage servicers and travel research providers performed well. While performance from Asian equity positions was volatile during the year, long exposure to Japanese equities leading up to the December election added meaningful gains for the strategy.

**Aurora Investment Management L.L.C.**

**27 March 2013**



## **Independent Auditor's Report**

To the Shareholders of Aurora Global Opportunities Offshore Fund Ltd.

We have audited the accompanying financial statements of Aurora Global Opportunities Offshore Fund Ltd. (the "Fund"), which comprise the statement of financial position, including the condensed schedule of investments, as of December 31, 2012, and the related statements of operations, of changes in net assets, and of cash flows for the year then ended.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Aurora Global Opportunities Offshore Fund Ltd. at December 31, 2012, and the results of its operations, changes in its net assets, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in dark ink that reads "PricewaterhouseCoopers".

March 27, 2013

**AURORA GLOBAL OPPORTUNITIES OFFSHORE FUND LTD.****STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2012**

	US\$
<b>Assets</b>	
Cash	139,303
Investments in private investment funds, at fair value (Cost: US\$92,048,431)	111,261,223
Receivables from private investment funds	12,772,649
Contributions paid in advance to private investment funds	9,900,000
Other assets	12,607
	<hr/>
<b>Total Assets</b>	134,085,782
	<hr/>
<b>Liabilities</b>	
Borrowings under line of credit	9,925,000
Payable for shareholders' redemptions	1,508,230
Fees payable to investment manager	179,275
Shareholders' subscriptions received in advance	95,000
Interest expense payable	14,292
Accrued expenses and other payables	94,993
	<hr/>
<b>Total Liabilities</b>	11,816,790
	<hr/>
<b>Net Assets</b>	122,268,992
	<hr/> <hr/>

*The accompanying notes are an integral part of these financial statements.*



**AURORA GLOBAL OPPORTUNITIES OFFSHORE FUND LTD.**

**STATEMENT OF FINANCIAL POSITION (Continued)**  
**As at 31 December 2012**

**Net asset value and shares in issue per share series as at 31 December 2012**

<b>Class A</b>	<b><u>*Series 04/11</u></b>	<b><u>Series 05/11</u></b>	<b><u>Series 06/11</u></b>	<b><u>Series 07/11</u></b>
Shares outstanding	33,286.62	541.33	443.66	157.01
NAV	US\$1,281.76	US\$1,280.08	US\$1,281.48	US\$1,280.97
<b>Class A</b>	<b><u>Series 07/11-A</u></b>	<b><u>Series 09/11-A</u></b>	<b><u>Series 10/12</u></b>	<b><u>Series 10/12-A</u></b>
Shares outstanding	291.26	20.45	17,548.78	210.87
NAV	US\$1,281.76	US\$1,281.76	US\$1,278.59	US\$1,281.76
<b>Class A</b>	<b><u>Series 11/12</u></b>	<b><u>Series 12/12</u></b>		
Shares outstanding	19.19	827.50		
NAV	US\$1,278.62	US\$1,280.48		
<b>Class G</b>	<b><u>*Series 09/11</u></b>	<b><u>Series 09/11-A</u></b>	<b><u>Series 09/11-B</u></b>	
Shares outstanding	12,318.16	317.90	22.24	
NAV	US\$1,056.61	US\$1,056.61	US\$1,056.61	
<b>Class M</b>	<b><u>*Series 04/11</u></b>			
Shares outstanding	30,607.91			
NAV	US\$1,241.06			
<b>Class M1</b>	<b><u>*Series 10/12</u></b>	<b><u>Series 11/12</u></b>		
Shares outstanding	1,080.71	135.64		
NAV	US\$1,055.50	US\$1,055.50		
<b>Class Z</b>	<b><u>*Series 07/06</u></b>			
Shares outstanding	927.70			
NAV	US\$1,405.69			

\* *Master Series*

*The accompanying notes are an integral part of these financial statements.*

**AURORA GLOBAL OPPORTUNITIES OFFSHORE FUND LTD.**

**CONDENSED SCHEDULE OF INVESTMENTS**

**As at 31 December 2012**

	<b>Cost US\$</b>	<b>Fair Value US\$</b>	<b>% of Net Assets</b>
<b>Private Investment Funds</b>			
<b>British Virgin Islands*</b>			
Long/Short Credit			
Palomino Fund Ltd.	2,140,367	6,157,027	5.04 %
Other Long/Short Credit**	321,934	1,071,316	0.88 %
Total Long/Short Credit	2,462,301	7,228,343	5.92 %
Long/Short Equities**	7,303,404	8,501,717	6.95 %
Macro**	210,914	151,394	0.12 %
<b>Total British Virgin Islands</b>	<b>9,976,619</b>	<b>15,881,454</b>	<b>12.99 %</b>
<b>Cayman Islands*</b>			
Event-Driven**	8,785,174	10,776,489	8.81 %
Long/Short Credit			
Redwood Offshore Fund, Ltd.	5,162,568	7,099,766	5.81 %
Other Long/Short Credit**	18,396,055	20,754,987	16.97 %
Total Long/Short Credit	23,558,623	27,854,753	22.78 %
Long/Short Equities**	16,183,274	19,581,265	16.01 %
Macro			
Discovery Global Opportunity Fund, Ltd.	4,746,538	6,166,292	5.05 %
Other Macro**	22,879,698	24,212,594	19.80 %
Total Macro	27,626,236	30,378,886	24.85 %
Opportunistic**	5,918,505	6,788,376	5.56 %
<b>Total Cayman Islands</b>	<b>82,071,812</b>	<b>95,379,769</b>	<b>78.01 %</b>
<b>Total Investments in Private Investment Funds</b>	<b>92,048,431</b>	<b>111,261,223</b>	<b>91.00 %</b>

*\*Represents domicile of underlying private investment funds.*

*\*\*No individual investment is greater than or equal to 5% of net assets.*

*The accompanying notes are an integral part of these financial statements.*

**AURORA GLOBAL OPPORTUNITIES OFFSHORE FUND LTD.****STATEMENT OF OPERATIONS**  
**For the year ended 31 December 2012**

	US\$
<b>Gain/(loss) from investments</b>	
Net realized gain on investments	2,462,189
Net change in unrealized appreciation on investments	9,500,776
<b>Total realized and unrealized gain from investments</b>	<b>11,962,965</b>
<b>Investment income</b>	
Interest income	1,726
<b>Total investment income</b>	<b>1,726</b>
<b>Operating expenses</b>	
Management fees	(1,303,281)
Commitment fees	(123,255)
Performance fees	(121,572)
Professional fees	(111,459)
Administration fees	(61,552)
Other operating expenses	(41,799)
Interest expense	(37,553)
Custodian fees	(35,093)
Directors' fees	(20,013)
<b>Total operating expenses</b>	<b>(1,855,577)</b>
<b>Net investment loss</b>	<b>(1,853,851)</b>
<b>Net increase in net assets from operations</b>	<b>10,109,114</b>

*The accompanying notes are an integral part of these financial statements.*

**AURORA GLOBAL OPPORTUNITIES OFFSHORE FUND LTD.**

**STATEMENT OF CHANGES IN NET ASSETS**  
**For the year ended 31 December 2012**

	<b>Class A</b> <b>US\$</b>	<b>Class G</b> <b>US\$</b>	<b>Class M</b> <b>US\$</b>	<b>Class M1</b> <b>US\$</b>	<b>Class Z</b> <b>US\$</b>	<b>Total</b> <b>US\$</b>
Net Assets						
1 January 2012	48,291,605	13,799,132	42,860,401	–	1,180,277	106,131,415
Subscriptions	16,513,035	–	–	1,245,000	–	17,758,035
Transfers	766,423	(766,423)	–	–	–	–
Redemptions	(2,392,049)	(873,523)	(8,464,000)	–	–	(11,729,572)
Net increase in net assets from operations	5,140,961	1,215,673	3,589,836	38,860	123,784	10,109,114
<b>Net Assets</b>						
<b>31 December 2012</b>	<b>68,319,975</b>	<b>13,374,859</b>	<b>37,986,237</b>	<b>1,283,860</b>	<b>1,304,061</b>	<b>122,268,992</b>
	<b>Class A</b>	<b>Class G</b>	<b>Class M</b>	<b>Class M1</b>	<b>Class Z</b>	
Shares outstanding						
1 January 2012	41,232	14,286	37,662	–	928	
Shares collapsed	(49)	–	–	(1)	–	
Shares issued	13,458	–	–	1,217	–	
Shares redeemed	(1,934)	(851)	(7,054)	–	–	
Shares transferred	640	(777)	–	–	–	
<b>Shares outstanding at</b>						
<b>31 December 2012</b>	<b>53,347</b>	<b>12,658</b>	<b>30,608</b>	<b>1,216</b>	<b>928</b>	

*The accompanying notes are an integral part of these financial statements.*

**AURORA GLOBAL OPPORTUNITIES OFFSHORE FUND LTD.****STATEMENT OF CASH FLOWS**  
**For the year ended 31 December 2012**

	US\$
<b>Cash flows from operating activities:</b>	
Net increase in net assets from operations	10,109,114
Adjustments to reconcile net increase in net assets from operations to net cash used in operating activities:	
Purchase of investments	(38,112,500)
Sale of investments	31,803,758
Net change in unrealized appreciation on investments	(9,500,776)
Net realized gain on investments	(2,462,189)
Decrease in receivables from private investment funds	3,457,647
Decrease in contributions paid in advance to private investment funds	50,000
Increase in other assets	(10,504)
Increase in fees payable to investment manager	72,640
Decrease in interest expense payable	(23,143)
Decrease in accrued expenses and other payables	(15,253)
<b>Net cash used in operating activities</b>	<u>(4,631,206)</u>
<b>Cash flows from financing activities</b>	
Net decrease in borrowings under line of credit	(3,685,000)
Proceeds from subscription of shares	16,003,035
Payments for redemption of shares	<u>(11,268,292)</u>
<b>Net cash provided by financing activities</b>	<u>1,049,743</u>
Net decrease in cash	(3,581,463)
Beginning cash	<u>3,720,766</u>
<b>Ending cash</b>	<u><u>139,303</u></u>
<b>Supplemental disclosure of cash flow information</b>	
Interest paid	60,696

*The accompanying notes are an integral part of these financial statements.*

## **AURORA GLOBAL OPPORTUNITIES OFFSHORE FUND LTD.**

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### **NOTES TO FINANCIAL STATEMENTS**

**For the year ended 31 December 2012**

#### **1. Description of Business**

Aurora Global Opportunities Offshore Fund Ltd. (the “Fund”) was incorporated as an exempted company on 17 May 2006 under the laws of the Cayman Islands and commenced trading on 1 July 2006. The Fund maintains its registered office in the Cayman Islands and is registered under the Cayman Islands Mutual Funds Law.

The Fund is organized to invest and trade directly and indirectly in securities and other financial instruments through advisory accounts and investments in private investment funds. The Fund’s investment objective is to generate consistent long-term capital appreciation with diversification of risk through the use of a “multi-manager, multi-strategy” global investment strategy. Certain classes of the Fund’s shares have been listed on the Irish Stock Exchange since July 2006.

The Fund is operated by its Board of Directors. The Fund’s Board of Directors consists of three directors: Mr. Scott Montpas, Mr. Ronan Daly and Mr. Clarendon Hugh (Hal) Masters. Scott Montpas is the General Counsel and Chief Compliance Officer of Aurora Investment Management L.L.C. (the “Investment Manager”), the investment manager of the Fund. Additional Directors may be appointed from time to time.

#### **2. Significant Accounting Policies**

The financial statements are expressed, and the accounting records are maintained, in U.S. Dollars (“US\$”) and have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The preparation of these financial statements requires the Fund’s management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

The Fund has an administration agreement with Citco Fund Services (Cayman Islands) Limited (the “Administrator”). The Administrator performs certain day-to-day administrative tasks on behalf of the Fund. These tasks include maintaining the Fund’s books and records, processing investor transactions, and calculating fees and investors’ share capital. In accordance with the Fund’s Confidential Offering Memorandum (“Offering Memorandum”), the Administrator values the Fund’s investments in private investment funds at fair value, which is generally an amount equal to the sum of the capital accounts or net asset value of the private investment funds determined from unaudited financial data supplied by the administrators of the underlying private investment funds. Observable prices for these investments are not quoted in an active market. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. The Investment Manager has assessed the net asset value of each private investment fund in accordance with authoritative guidance on fair value measurements and disclosures under U.S. GAAP. See Note 4 for further discussion.

Investment transactions are accounted for on a trade date basis. The cost of investments is determined using the first in, first out method. All realized and unrealized gains and losses are included in the Statement of Operations.

Cash is held at JPMorgan Chase Bank, N.A.

Income and expenses are accounted for on an accrual basis.

Contributions paid in advance to private investment funds represent investments in private investment funds effective 1 January 2013. Contributions paid in advance to private investment funds do not participate in the earnings of the underlying private investment funds until such interests are issued.

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the year ended 31 December 2012**

**2. Significant Accounting Policies (Continued)**

Shareholders' subscriptions received in advance are comprised of cash received on or prior to 31 December 2012 for which shares in the Fund were issued on 1 January 2013. Shareholders' subscriptions received in advance do not participate in the earnings of the Fund until the related shares are issued. As of 1 January 2013, these amounts were reclassified to shareholders' net assets.

Shareholders' redemptions are recognized as liabilities when the amount requested in the redemption notice becomes fixed, which occurs on the last day of a fiscal period. As a result, redemptions paid after the end of the year which are based upon fixed amounts as of 31 December 2012 are reflected as redemptions payable at 31 December 2012.

**3. Investments in Private Investment Funds**

At 31 December 2012, the majority of the Fund's assets were allocated to various private investment funds. The Investment Manager may reallocate assets among the Fund's investments at any time. The Fund receives annual audited financial statements from each of the private investment funds.

The private investment funds execute many investment strategies, including several types of arbitrage, event-driven and directional strategies (e.g., long/short equities, long/short credit). At times, private investment funds focused on implementing a particular strategy may make an opportunistic trade representing a different trading approach. For example, in seeking to identify a relatively mispriced pair of assets, a private investment fund may conclude that an asset is sufficiently over or underpriced to merit taking an outright directional position. Each investment strategy involves specific risks, which are summarized in the Offering Memorandum.

Private investment funds are continually developing new, and adapting and refining existing, strategies. There is no material limitation on the strategies which the private investment funds may apply and no assurance as to which types of strategies may be applied at any one time. In addition, there is no limitation on the investment instruments in which a private investment fund may invest. New investment instruments are continually developing and investment in such instruments may involve material and as yet unanticipated risks.

The private investment funds may use leverage by purchasing instruments with the use of borrowed funds, by trading derivatives or through other means. To the extent the private investment funds choose to utilize leverage, they increase the opportunity for a higher return on investment and they increase the risk of loss.

The Fund has the ability to liquidate its investments periodically, ranging from monthly to every three years, depending on the provisions of the respective private investment fund's governing agreement. Contribution requirements may also vary based on each private investment fund's governing agreement. Investment advisers of the private investment funds generally receive fees for their services. These fees include management fees based upon the value of the Fund's investment, as well as performance fees or allocations based upon new net trading profits earned by the Fund. These fees are deducted directly from the Fund's investment balance in accordance with the terms of each respective private investment fund's governing agreement.

The management fees charged by the private investment funds range from 0.75% to 2.00% annually of net assets, and performance fees or allocations charged by private investment funds range from 15% to 30% of new net trading profits, as defined in each private investment fund's governing agreement. Certain private investment funds may have expense reimbursement arrangements rather than or in addition to management fees, which are deducted directly from the Fund's investment balance.

## AURORA GLOBAL OPPORTUNITIES OFFSHORE FUND LTD.

### NOTES TO FINANCIAL STATEMENTS (Continued) For the year ended 31 December 2012

#### 3. Investments in Private Investment Funds (Continued)

The following table summarizes the Fund's investments in private investment funds that represent 5% or more of its shareholders' net assets at 31 December 2012:

	<b>% of Net Assets</b>	<b>Fair Value US\$</b>	<b>Unrealized Gain US\$</b>	<b>Liquidity</b>
Palomino Fund Ltd.	5.04 %	6,157,027	4,016,660	Annual
Redwood Offshore Fund, Ltd.	5.81 %	7,099,766	1,937,198	Biennial
Discovery Global Opportunity Fund, Ltd.	5.05 %	6,166,292	1,419,754	Semi-Annual

#### 4. Fair Value Measurements

In accordance with the authoritative guidance on fair value measurements and disclosures under U.S. GAAP, the Fund discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under fair value measurements are as follows:

- Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access at the measurement date;
- Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active; and
- Level 3 Inputs that are unobservable.

Inputs broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk.

The Fund's Board of Directors is responsible for the valuation process and has delegated the oversight of the monthly valuation process to the Valuation Committee. The Valuation Committee, pursuant to the valuation policies and procedures adopted by the Board of Directors, is responsible for making fair value determinations, evaluating the effectiveness of the Fund's valuation policies, and reporting to the Board of Directors.

The Fund generally invests in private investment funds whose reported net asset value ("NAV") generally serves as the basis for the investor's periodic subscription and redemption activity pursuant to the terms of the private investment fund's governing documents. The reported NAV serves as both the entry price (for subscriptions) and, depending on the facts and circumstances, the exit price (for redemptions). Depending on the redemption options available, it may be possible that the reported NAV represents fair value based on observable data such as ongoing redemption or subscription activity. The Investment Manager generally uses the reported NAV of the private investment fund reported by the administrator of the underlying private investment fund as the primary input to its valuation.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Investment Manager's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and the Investment Manager considers factors specific to the financial instrument.

All of the Fund's private investment funds have been classified within Level 2 or Level 3, and the Fund does not hold any private investment funds that could be classified as Level 1, as observable prices for investments in those funds are typically not quoted prices in an active market.



## AURORA GLOBAL OPPORTUNITIES OFFSHORE FUND LTD.

### NOTES TO FINANCIAL STATEMENTS (Continued) For the year ended 31 December 2012

#### 4. Fair Value Measurements (Continued)

The ability to redeem the Fund's investment, determined by investment lot, within one year of the Statement of Financial Position date is considered indicative of a Level 2 observable input and classified as Level 2 within the fair value hierarchy. Investment lot liquidity terms that permit redemption within 12 months for a redemption fee of 5% or less are included as Level 2.

In the aggregate, the Investment Manager has determined that the Fund may realize approximately (a) 88.51% of its net asset value within 12 months and (b) 9.00% of its net asset value from the underlying private investment funds beyond 12 months according to the private investment funds' contractual redemption terms. Approximately 2.49% of its net asset value is comprised of designated investments with no fixed redemption terms.

Liquidity of individual private investment funds vary based on various factors and may include gates or side pockets imposed by the private investment fund. In the case of the imposition of a gate or existence of a side pocket, the Investment Manager's ability to validate or verify the NAV through redemptions is impaired and the interest is generally classified as Level 3. The Fund has held side pockets for several years and expects to continue to hold side pockets as per the terms of the private investment funds' offering memoranda. There were no gates imposed by private investment funds as of 31 December 2012.

Of the private investment funds representing Level 3 investments, 98.08% were valued at the reported NAV determined by the administrators of the underlying investments and 1.92% were valued based on the recommendation of the Valuation Committee of the Investment Manager and approved by the independent members of the Fund's Board of Directors. The Valuation Committee's independent recommendation of fair value was based upon information provided by the private investment funds or their administrators and input from the Investment Manager's Investment Committee and Research Department.

There were no unfunded commitments to private investment funds as of 31 December 2012.

The following table presents the investments in private investment funds carried on the Statement of Financial Position by level within the valuation hierarchy as of 31 December 2012.

Assets at Fair Value as at 31 December 2012			
	Level 1 US\$	Level 2 US\$	Level 3 US\$
			Total US\$
Investments in private investment funds	–	97,216,093	14,045,130
		87.38%	12.62%
			100.00%

See Condensed Schedule of Investments for further disclosure of strategy and domicile information.

The following table lists investments by major category.

Major Category	Fair Value US\$	Redemption Frequency*	Redemption Notice*
Event-Driven	10,776,489	Quarterly to Annual	90-95 days
Long/Short Credit	35,083,096	Monthly to Triennial	60-180 days
Long/Short Equities	28,082,982	Monthly to Annual	30-90 days
Macro	30,530,280	Monthly to Triennial	10-95 days
Opportunistic	6,788,376	Quarterly to Annual	45-90 days
Total	111,261,223		

\*Redemption frequency and redemption notice periods exclude designated investments which have no fixed redemption terms.

## AURORA GLOBAL OPPORTUNITIES OFFSHORE FUND LTD.

### NOTES TO FINANCIAL STATEMENTS (Continued) For the year ended 31 December 2012

#### 4. Fair Value Measurements (Continued)

Event-Driven strategies generally include investments in securities of firms involved in identifiable corporate actions, such as mergers, acquisitions, restructuring, spin-offs, shareholder activism, or other special situations which alter a company's financial structure or operating strategy. 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. Long/Short Equities strategies generally involve taking both long and short positions in equity securities that are deemed to be under or overvalued. Macro strategies generally involve discretionary or systematic, directional or relative value trading in currencies, commodities, fixed income investments and equities. Opportunistic strategies generally involve portfolio managers exercising discretion in allocating capital among several types of arbitrage, event driven and directional strategies. The major categories are described further in the Offering Memorandum.

The following table presents changes in investments in private investment funds classified within Level 3 for the year ended 31 December 2012.

	Investments in private investment funds US\$
<b>Balance at 1 January 2012</b>	14,530,431
Net transfers into Level 3	(5,598,801)
Subscriptions	5,604,952
Redemptions	(1,381,967)
Gain/(loss)	
Realized	(102,427)
Unrealized	992,942
<b>Balance at 31 December 2012</b>	<b>14,045,130</b>

All net realized and unrealized gains/(losses) in the table above are reflected in the accompanying Statement of Operations. The change in net unrealized appreciation included in the Statement of Operations attributed to Level 3 investments held in private investment funds as of 31 December 2012 was US\$826,730.

For the year ended 31 December 2012, the net transfers out of or into Level 3 represent transfers between Level 2 and Level 3. US\$6,409,419 of private investment funds was transferred from Level 3 into Level 2, and US\$810,618 of private investment funds was transferred from Level 2 into Level 3. These transfers occurred as a result of the Fund's ongoing assessment of the liquidity terms of the Fund's private investment funds by lot and the net transfers into designated investments by the Fund's private investment funds. All transfers are recorded at beginning of year fair values.

#### 5. Share Capital

The Fund has an authorized capital of US\$50,000 consisting of 5,000,000 Shares (the "Shares"), par value of US\$0.01 each, which may be issued as Class A, G, M, M1, N, O, Z and Z1 Shares (denominated in U.S. Dollars), Class B, F, H, and L Shares (denominated in Euro), Class C and I Shares (denominated in Yen), Class D and J Shares (denominated in Sterling), Class E and K Shares (denominated in Australian Dollars), or such other Classes as the Board of Directors so determines. Class G, H, I, J, K, L, O and Z Shares may be issued to "restricted" investors in connection with the Fund's new issue investments. The primary difference amongst the Classes (other than those issued to "restricted" investors in connection with new issue investments or those issued to the Investment Manager's principals, employees and affiliates) are the currencies in which the Shares of such Class are issued, valued and redeemed, and the fees charged to such Classes. The Class F and Class L Shares will be offered and sold solely to non-U.S. investors by various Distributors engaged by the Fund. The Class M Shares also pay a different management fee.

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the year ended 31 December 2012**

**5. Share Capital (Continued)**

Each Class of Shares may be divided into separate series. Each separate series of Shares will be identified by its date of issue. Quarterly each separate series is collapsed into the master series of the applicable Share Class (or another series that has realized performance fees if the master series has not) upon realization of performance fees. The Shares are entitled to receive any dividends that are declared by the Board of Directors; however, the Fund does not anticipate declaring or paying any dividends. Subject to the foregoing, each of the Shares in each Class will participate ratably with all other outstanding Shares in such Class in the Fund's assets and earnings and are entitled to one vote at any meeting of shareholders.

On 31 December 2012, 927.70 Shares have been issued to employees and affiliated entities and are classified as Class Z. These Shares rank pari-passu in all respects with other Classes of Shares except that no performance or management fees are paid on such Shares.

**6. Taxation**

Under current laws of the Cayman Islands, there are no income, estate, corporation, capital gains or other Cayman Islands taxes payable by the Fund. As a result, no provision for taxes has been made in the financial statements.

The Fund follows the authoritative guidance on accounting for and disclosure of uncertainty in tax positions, which requires the Investment Manager to determine whether a tax position of the Fund is more likely than not to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The Investment Manager has evaluated tax positions for the years 2009-2012 and has determined that there was no effect on the financial statements.

**7. Fees**

Generally, the Investment Manager earns a monthly management fee equal to one-twelfth of 1% (1% per annum) of the month-end net asset value after reduction for all other fees and expenses for the month (other than the current month's management and performance fees or ongoing selling commissions, if any). Management fees payable at year end were US\$119,193.

Generally, the Investment Manager is paid 10% of any new net profits, as defined in the Offering Memorandum. Performance fees are accrued monthly for each series of Shares and paid on a quarterly basis. Performance fees payable at year end were US\$60,082.

Per the Offering Memorandum, management fees and performance fees may be waived, reduced or rebated with respect to certain shareholders at the discretion of the Investment Manager and certain classes of shares may pay management and performance fees that are higher or lower than those specified above.

The Administrator performs certain day-to-day administrative tasks on behalf of the Fund. These tasks include maintaining the Fund's books and records, processing shareholder transactions, and calculating fees and net asset values. The Administrator receives a monthly administration fee at an annual rate of 0.07% for net assets under administration less than US\$500 million, 0.06% for net assets under administration between US\$500 million and US\$2 billion and 0.05% for net assets under administration in excess of US\$2 billion, subject to a minimum fee of US\$48,000 per annum. For purposes of calculating the Administrator's fees, the Fund's net assets under administration are combined with the net assets of other accounts managed by the Investment Manager that also use the Administrator. Administration fees payable at year end were US\$10,680.

Directors' fees are allocated evenly to the two independent Directors. Mr. Scott Montpas, being an officer of the Investment Manager, is not paid a fee. Directors' fees payable at the year end were US\$12,500.

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the year ended 31 December 2012**

**8. Allocation of Income and Loss**

In general, profits and losses, before management fees and performance fees, and results from foreign exchange hedging, as applicable, are allocated among all shareholders in proportion to their respective share holding values at the beginning of each month, adjusted for any capital subscriptions or redemptions. Subscriptions and redemptions are governed by the Offering Memorandum. Subscriptions are generally accepted on a monthly basis. The Fund's ability to satisfy redemption requests is largely contingent upon its ability to redeem assets from private investment funds. Redemptions could generally be made as of the end of any calendar quarter upon 95 days' prior written notice to the Administrator following a twelve month lock up. The Fund has the ability to "gate" redemptions if redemption requests exceed 25% of the Fund's net assets on a redemption date. There was no gate for 31 December 2012.

Net gains and losses arising from the Fund's investments in private investment funds that are classified as "new issues" under regulations of the Financial Industry Regulatory Authority, Inc. are allocated only to eligible shareholders, as defined in the Offering Memorandum.

**9. Related Parties**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. There were no transactions with related parties other than those in the normal course of business. The Investment Manager and the Board of Directors are deemed to be related to the Fund. Fees incurred with related parties during the year are disclosed in the Statement of Operations. Amounts payable to related parties at 31 December 2012 are disclosed in Note 7.

Certain shareholders in the Fund are employees of the Investment Manager or funds managed by the Investment Manager. Such affiliated interests are classified as Class Z shareholders and represent 1.07% of total net assets of the Fund at 31 December 2012.

**10. Contingencies**

In the normal course of business, the Fund enters into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown, as any such exposure would result from future claims that may be, but have not yet been, made against the Fund based on events, which have not yet occurred. However, based on experience, the Fund believes the risk of loss from these arrangements to be remote.

**11. Custody of Assets**

The Fund has a custodial agreement with J.P. Morgan Trust Company (Cayman) Limited (the "Custodian"). Services rendered by the Custodian principally include receipt, disbursement and safekeeping of all money and receipt of all property held for the Fund's accounts.

**12. Line of Credit Arrangements**

The Fund maintains a committed, secured line of credit with JPMorgan Chase Bank, N.A. ("JPM"). The facility has the following terms: (a) interest rate of three-month LIBOR plus 1.75%, (b) commitment fee of 0.70% per annum, and (c) a committed amount of US\$15,000,000. The Custodian holds cash and the investments in private investment funds of the Fund under a general lien as collateral for the line of credit. As of 31 December 2012, the Fund had a line outstanding of US\$9,925,000, and three-month LIBOR plus 1.75% was equal to 2.06%.

There is no guarantee that the Fund's borrowing or other arrangements for obtaining leverage will continue to be available or available on terms and conditions acceptable to the Fund. Unfavorable economic conditions could also increase funding costs, limit access to the capital markets or result in a decision by lenders not to extend credit to the Fund.

**AURORA GLOBAL OPPORTUNITIES OFFSHORE FUND LTD.****NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the year ended 31 December 2012****13. Financial Highlights**

Per unit realized and unrealized gain and net investment income/(loss) has been determined on the basis of the weighted average number of shares outstanding during the period. The total return in the following table is calculated for a shareholder who was invested in the Fund for the entire year. The ratios to average net assets are calculated for all shareholders as a group for the same period. The ratios were not annualized for the share class with a period of less than one year. The ratios do not reflect the Fund's proportionate share of income and expenses of the underlying private investment funds. The actual results for individual shareholders may vary from these returns based on participation in new issues, timing of capital transactions, expenses and share class specific income/expenses relating to foreign currency shareholders.

## Per Share Operating Performance

	<b>Class A</b>	<b>Class G</b>	<b>Class M</b>	<b>Class M1*</b>	<b>Class Z</b>
	<b>Master Series</b>	<b>Master Series</b>	<b>Master Series</b>	<b>Master Series</b>	<b>Master Series</b>
NAV 1 January 2012	\$ 1,171.26	\$ 965.93	\$ 1,138.04	\$ 1,027.32	\$ 1,272.26
Net investment loss	(16.91)	(13.94)	(20.60)	(12.41)	(4.93)
Net realized and unrealized gain	127.41	104.62	123.62	40.59	138.36
NAV 31 December 2012	<u>\$ 1,281.76</u>	<u>\$ 1,056.61</u>	<u>\$ 1,241.06</u>	<u>\$ 1,055.50</u>	<u>\$ 1,405.69</u>

## Ratios to average net assets

Total expenses before performance fee	(1.37) %	(1.38) %	(1.74) %	(0.87) %	(0.37) %
Performance fee	— %	— %	— %	(0.42) %	— %
Total expenses after performance fee	<u>(1.37) %</u>	<u>(1.38) %</u>	<u>(1.74) %</u>	<u>(1.29) %</u>	<u>(0.37) %</u>
Net investment loss	<u>(1.37) %</u>	<u>(1.37) %</u>	<u>(1.73) %</u>	<u>(1.29) %</u>	<u>(0.37) %</u>
Total return before performance fee	9.43 %	9.39 %	9.05 %	3.05 %	10.49 %
Performance fee	— %	— %	— %	(0.30) %	— %
Total return after performance fee	<u>9.43 %</u>	<u>9.39 %</u>	<u>9.05 %</u>	<u>2.74 %</u>	<u>10.49 %</u>

\*Class M1 Master series commenced operations on May 01, 2012.

**14. Subsequent Events**

Subsequent events have been evaluated for events that occurred after the balance sheet date through 27 March 2013, the date the financial statements are available for issuance.

For the period 1 January 2013 through 27 March 2013, the Fund recorded capital subscriptions of US\$4,705,000 from shareholders, of which US\$95,000 was received prior to 31 December 2012. The Fund anticipates redemptions of approximately US\$1,661,938 as of 31 March 2013.

Please see the attached Accountant's Opinion for the Schedule of Assets Held.