

Aurora Global Income Trust

ARSN 127 692 406

Consolidated Interim financial statements - for the half-year ended 31 December 2011

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This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made in respect of Aurora Global Income Trust during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

These financial statements cover the Aurora Global Income Trust, the Aurora Wholesale Income Trust and the Aurora Sandringham Global Income Trust as consolidated entities.

The Responsible Entity of Aurora Global Income Trust is Aurora Funds Management Limited (ABN 69 092 626 885). The Responsible Entity's registered office is:

Level 2,350 George Street
Sydney, NSW 2000

Directors' Report

The directors of Aurora Funds Management Limited (ABN 69 092 626 885), (the "Responsible Entity"), present their report together with the consolidated financial statements of Aurora Global Income Trust ("the Trust") and its consolidated entities (Aurora Wholesale Income Trust and Aurora Sandringham Global Income Trust) for the half-year ended 31 December 2011.

Principal activities

The Trust was constituted on 5 October 2007 and commenced operations on 18 December 2007.

The principal activities of the Trust during the year were establishing its investment strategy in equities and derivatives, in accordance with the provision of the Trust Constitution.

The Trust did not have any employees during the half-year.

There were no significant changes in the nature of the Trust's activities during the half-year, other than noted below.

Directors

The following held office as directors of the Responsible Entity throughout the half-year and up to the date of this report, unless otherwise indicated:

John Corr
Alastair Davidson
Simon Lindsay
Richard Matthews
Steuart Roe

Units on Issue

Units on issue in the Trust at the half-year are set out below:

	31 December 2011 No.	30 June 2011 No.
Units on issue	<u>11,545,093</u>	<u>9,551,334</u>

Value of net assets

The value of the Trust's assets and liabilities is disclosed on the statement of financial position.

Review and results of operations

During the half-year, the Trust continued to invest in accordance with target asset allocations as set out in the governing documents of the Trust and in accordance with the provisions of the Trust's Constitution.

The investment policy of the Trust continues to be that detailed in the current product disclosure document and in accordance with the provisions of the governing documents of the Trust.

The method of valuation of the Trust's investment can have a significant impact on results.

Directors' Report (continued)

Performance and Distributions

The performance of the Trust, as represented by the results of its operations, was as follows:

	Half-year ended	
	31 December 2011	31 December 2010
	\$	\$
Operating profit/(loss) before finance costs attributable to unit holders	(926,066)	1,835,606
<i>Distributions</i>		
Distribution - 31 December	275,447	304,134
Distribution - 30 September	320,000	278,560

A final distribution of \$0.0272 per unit (2010: \$0.03 per unit) was declared and provided for at the end of the half-year. Distributions of \$0.0295 per unit were paid during the half-year (2010: \$0.025 per unit).

The performance of the Trust is available through the recent performance reports available on our website. Consistent with our statements in the governing documents of the Trust, future performance is not guaranteed. Investors should exercise care in using past performance as a predictor of future performance.

Significant changes in state of affairs

In the opinion of the directors, there were no other significant changes in the state of affairs of the Trust that occurred during the financial half-year.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2011 that has significantly affected, or may significantly affect:

- (i) the operations of the Trust in future financial half-years, or
- (ii) the results of those operations in future financial half-years, or
- (iii) the state of affairs of the Trust in future financial half-years.

Likely developments and expected results of operations

The Trust will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Trust and in accordance with the provisions of the Trust's Constitution.

The results of the Trust's operations will be affected by a number of factors, including the performance of investment markets in which the Trust invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further information on likely developments in the operations of the Trust and the expected results of those operations have not been included in this report because the manager believes it would be likely to result in unreasonable prejudice to the Trust.

Environmental regulation

The operations of the Trust are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Directors' Report (continued)

Indemnity and insurance of officers

No insurance premiums are paid for out of the assets of the Trust in regards to insurance cover provided to either the officers of Aurora Funds Management Limited or the auditors of the Trust. So long as the officers of Aurora Funds Management Limited act in accordance with the Trust Constitution and the Law, the officers remain indemnified out of the assets of the Trust against losses incurred while acting on behalf of the Trust.

Fees paid to and interests held in the Trust by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Trust property during the half-year are disclosed in the statement of comprehensive income.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of the directors.



Steuart Roe
Director

Sydney
24 February 2012



Auditor's Independence Declaration

As lead auditor for the review of Aurora Global Income Trust for the half-year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read 'AJ Wilson', with a long horizontal flourish extending to the right.

AJ Wilson
Partner

Sydney
24 February 2012

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Consolidated Statement of comprehensive income

	31 December 2011	31 December 2010
Note	\$	\$
Investment income		
Interest income	273,597	114,011
Dividend and distribution income	51,326	115,366
Net gains/(losses) on financial instruments held at fair value through profit or loss	4 (1,113,665)	1,755,522
Other operating income	8,134	578
Total net investment income/(loss)	<u>(780,608)</u>	<u>1,985,477</u>
Expenses		
Management fee	85,367	124,710
Other operating expenses	3 60,091	25,161
Total operating expenses	<u>145,458</u>	<u>149,871</u>
Operating profit/(loss)	<u>(926,066)</u>	<u>1,835,606</u>
Finance costs attributable to unit holders		
Distributions to unit holders of the parent entity	6 (595,447)	(582,694)
(Increase)/decrease in net assets attributable to unit holders	5 1,214,900	(1,252,912)
(Increase)/decrease in net assets attributable to minority interests	306,613	-
Profit/(loss) for the year	-	-
Other comprehensive income	-	-
Total comprehensive income	<u>-</u>	<u>-</u>

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Some accounts in prior period comparatives were subject to a change as detailed in Note 10.

Consolidated Balance Sheet

	31 December 2011	30 June 2011
Note	\$	\$
Assets		
Cash and cash equivalents	7 10,806,307	17,033,948
Receivables	8 45,749	107,500
Financial assets held at fair value through profit or loss	9 -	21,803
Total assets	<u>10,852,056</u>	<u>17,163,251</u>
Liabilities		
Distributions payable to unit holders of the parent entity	275,447	271,924
Distributions payable to minority interests	-	167,838
Futures margin account - due to broker	7 28	21,638
Other liabilities	28,564	83,890
Net assets attributable to minority interests	-	5,980,457
Total liabilities (excluding net assets attributable to unit holders)	<u>304,039</u>	<u>6,525,747</u>
Net assets attributable to unit holders - liabilities	5 <u>10,548,017</u>	<u>10,637,504</u>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of changes in equity

	31 December 2011	31 December 2010
	\$	\$
Total equity at the beginning of the half-year	-	-
Profit/(loss) for the year	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-
Transactions with equity holders in their capacity as equity holders	-	-
Total equity at the end of the half-year	-	-

Under Australian Accounting Standards, net assets attributable to unit holders are classified as a liability rather than equity. As a result there was no equity at the start or end of the year.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of cash flows

	31 December 2011	31 December 2010
Note	\$	\$
Cash flows from operating activities		
Proceeds from sale of financial instruments	136,405,294	12,688,962
Purchase of financial instruments	(137,420,940)	5,625,020
Dividends and distributions received	51,326	276,599
Interest received	324,272	114,387
Other Income	10,238	-
Interest paid	-	-
GST recovered	8,974	(10,478)
Management fee	(148,338)	(153,898)
Payment of other expenses	(52,446)	(25,162)
Net cash inflow/(outflow) from operating activities	<u>(821,620)</u>	<u>18,515,430</u>
Cash flows from financing activities		
Units (purchased) and sold by Trust	(1,099,219)	(348,335)
Proceeds from applications by unit holders	2,951,797	60,379
Payments for redemptions by unit holders	(6,529,748)	(1,737,326)
Distributions paid	(707,241)	(557,541)
Net cash inflow/(outflow) from financing activities	<u>(5,384,411)</u>	<u>(2,582,823)</u>
Net increase/(decrease) in cash and cash equivalents	(6,206,031)	15,932,607
Cash and cash equivalents at the beginning of the year	<u>17,012,310</u>	<u>2,649,898</u>
Cash and cash equivalents at the end of the half-year	7 <u>10,806,279</u>	<u>18,582,505</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Some accounts in prior period comparatives were subject to a change as detailed in Note 10.

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Notes to the Consolidated Financial Statements

1 General information

These consolidated financial statements cover the consolidated entity of the Aurora Global Income Trust ("the Trust") and the entity it controls, the Aurora Wholesale Infrastructure Trust (the Consolidated Entity). The Trust commenced operations on 18 December 2007 and was admitted to the Australian Stock Exchange "ASX" on 24 December 2007.

This general purpose financial report for the interim half-year ended 31 December 2011 has been prepared in accordance with accounting standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2010 and any public announcements made in respect of the Trust during the half-year period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Operation and principal activities

The principal activities of the Trust during the financial year was establishing its investment strategy in equities and index derivatives, and fixed interest securities in accordance with the provision of the Trust Constitution and the Product Disclosure Statement.

Registered office

The registered office of the Trust is at

Level 2
350 George Street
Sydney NSW 2000.

The consolidated financial statements were authorised for issue by the directors on 24 February 2012. The directors of the company have the power to amend and reissue the consolidated financial statements.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

2 New accounting standards and interpretations

Other new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the current reporting period. These are not expected to have any material impact on the Funds financial reports in subsequent periods.

3 Other Operating Expenses

	31 December 2011	31 December 2010
	\$	\$
Foreign withholding tax	5,573	13,955
Bank, prime broker and brokerage charges	34,807	4,816
Interest charge	15,504	-
Other expenses	4,207	6,390
	<u>60,091</u>	<u>25,161</u>

Notes to the Consolidated Financial Statements (continued)

4 Net gains/(losses) on financial instruments held at fair value through profit or loss

Net gains/(losses) recognised in relation to financial assets and financial liabilities held at fair value through profit or loss:

	31 December 2011	31 December 2010
	\$	\$
Financial assets		
Net realised gain/(loss) on financial assets at fair value through profit or loss	365,620	1,842,466
Net unrealised gain/(loss) on financial assets held at fair value through profit or loss	<u>(1,479,285)</u>	<u>(86,944)</u>
Total net gain/(loss) on financial instruments held at fair value through profit or loss	<u>(1,113,665)</u>	<u>1,755,522</u>

5 Net assets attributable to unitholders

Movements in number of units and net assets attributable to unitholders during the half-year were as follows:

	31 December 2011	31 December 2010	31 December 2011	31 December 2010
	No.	No.	\$	\$
Opening balance - including treasury units	9,551,334	11,859,350		
Treasury units	<u>(487,206)</u>	<u>(406,530)</u>		
Opening balance - excluding treasury units	9,064,128	11,452,820	10,637,504	13,080,827
Applications	2,490,966	-	2,764,069	-
Redemptions	(543,582)	(1,433,489)	(591,958)	(1,754,033)
Units issued upon reinvestment of distributions	46,375	51,420	52,521	60,379
Units (purchased) and sold by Trust	(1,001,175)	208,079	(1,099,219)	(348,335)
Increase/(decrease) in net assets attributable to unit holders			<u>(1,214,900)</u>	<u>1,252,912</u>
Closing balance - excluding treasury units	10,056,712	10,278,830	10,548,017	12,291,750
Treasury units	<u>1,488,381</u>	<u>198,451</u>		
Closing balance - including treasury units	<u>11,545,093</u>	<u>10,477,281</u>		

As stipulated within the Trust's Constitution, each unit represents a right to an individual share in the Trust and does not extend to a right to the underlying assets of the Trust. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Trust.

Some accounts in prior period comparatives were subject to a change as detailed in Note 10.

The following rights and benefits are attached to the units on issue:

Voting

Voting is by a show of hands, unless a poll is demanded. The Corporations Act governs who can demand a poll and the value of each vote required to pass a resolution. The chair of the meeting has no casting vote.

Transfer

The Unit holders may transfer units using any form acceptable to the manager.

Notes to the Consolidated Financial Statements (continued)

5 Net assets attributable to unitholders (continued)

Distributions

The Trust intends to distribute all its distributable income each year to Unit holders.

Distributions Re-investment Plan

The Trust has established a Distribution Re-investment Plan (DRIP) for all distribution. The DRIP enables Unit holders to re-invest all or part of the distributions payable on their Units in additional units.

Redemptions

An investor may ask to exit the Trust at any time. When an investor exits the Trust, the investment manager redeems the investor's relevant units. Units can only be redeemed at the exit price. Subject to the Corporations Act and the listing rules if the listing rules apply, while the manager is not obliged to give effect to a redemption request, it may redeem some or all of the units which are the subject of the request.

Winding up

After paying or making allowances for all the anticipated liabilities, subject to the rights and obligations attaching to any class, the net proceeds must be distributed pro rata to investors according to the number of units they hold at termination.

Capital risk management

The Trust considers its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable can change significantly on a daily basis as the Trust is subject to daily applications and redemptions at the discretion of unitholders.

Daily applications and redemptions are reviewed relative to the liquidity of the Trust's underlying assets on a daily basis by the Responsible Entity. Under the terms of the Trust's constitution, the Responsible Entity has the discretion to reject an application for unit and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

6 Distributions to unit holders

Timing of distributions

The distributions for the half-year were as follows:

	31 December 2011		31 December 2010	
	\$	CPU	\$	CPU
Distributions paid and payable				
September interim	320,000	2.95	278,560	2.50
December interim	<u>275,447</u>	<u>2.72</u>	<u>304,134</u>	<u>3.00</u>
Total distributions	<u>595,447</u>		<u>582,694</u>	

Distributions payable in the statement of financial position includes distributions payable from prior periods.

7 Cash and cash equivalents

	31 December 2011	30 June 2011
	\$	\$
Cash at bank	10,806,307	17,033,948
Futures margin account - due to broker	<u>(28)</u>	<u>(21,638)</u>
Total	<u>10,806,279</u>	<u>17,012,310</u>

Notes to the Consolidated Financial Statements (continued)

8 Receivables

	31 December	30 June
	2011	2011
	\$	\$
GST receivable	4,638	15,714
Interest receivable	41,111	91,786
Total	45,749	107,500

9 Financial assets held at fair value through profit or loss

	30 December	30 June
	2011	2011
	Fair value	Fair value
	\$	\$
Held for trading		
Derivatives	-	21,803
Total financial assets held at fair value through profit or loss	-	21,803
Comprising:		
Derivatives		
Swaps	-	21,803
Total financial assets held at fair value through profit or loss	-	21,803

10 Revision of comparative information and variation from prior period reports

In the financial statements for the period ending 31 December 2010, the Trust held treasury units in the Trust. In the period ending 30 June 2011 the directors identified that a gain or loss on the treasury units should not be recognised in profit and loss and the holdings in itself should not be recognised in the balance sheet. This has been corrected in the 2011 Financial Statements by restating each of the effected financial statement line items for the prior period as follows:

	31 December 2010	Increase/ (decrease)	31 December 2010 (Restated)
	\$	\$	\$
Balance Sheet (extract)			
Net assets attributable to unitholders - Liabilities	12,523,938	(232,188)	12,291,750
Statement of Comprehensive Income (extract)			
Dividend and distribution income	127,173	(11,807)	115,366
Net gains/(losses) on financial instruments held at fair value through profit or loss	1,188,463	567,059	1,755,522
Distributions to unit holders of the parent entity	(594,501)	11,807	(582,694)
Increase/(decrease) in net assets attributable to unitholders	(685,853)	(567,059)	(1,252,912)
Statement of Cash Flows (extract)			
Proceeds from sale of financial instruments	13,414,556	(725,594)	12,688,962
Purchase of financial instruments	4,551,093	1,073,927	5,625,020
Distributions and dividends received	283,004	(6,405)	276,599
Units (purchased) and sold by Trust	-	(348,335)	(348,335)
Distributions paid	(563,946)	6,405	(557,541)

11 Segment information

The Trust is organised into one main business segment which operates solely in the business of investment management within Australia. While the Trust operates from Australia only (the geographical segment), the Trust may have asset exposures in different countries and across different industries.

The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of Directors.

12 Contingent assets and liabilities and commitments

There are no outstanding contingent assets and liabilities or commitments as at 31 December 2011 (30 June 2011: Nil).

13 Events occurring after the end of the reporting period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Trust disclosed in the consolidated statement of financial position as at 31 December 2011 or on the consolidated results and cash flows of the Trust for the reporting period ended on that date.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the consolidated financial statements and notes set out on pages 6 to 15 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Trust's financial position as at 31 December 2011 and of its performance for the financial half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Stewart Roe
Director

Sydney
24 February 2012



Independent auditor's review report to the members of Aurora Global Income Trust

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Aurora Global Income Trust (the 'Fund'), which comprises the consolidated balance sheet as at 31 December 2011, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Aurora Global Income Trust (the consolidated entity). The consolidated entity comprises both the Fund and the entities it controlled during that half year.

Directors' responsibility for the half-year financial report

The directors of Aurora Funds Management Limited, the responsible entity of the Fund are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Aurora Global Income Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Aurora Global Income Trust is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in cursive script that reads 'AJ Wilson'.

AJ Wilson
Partner

Sydney
24 February 2012