

Aurora Global Income Trust (ASX Code: AIB) Performance Report - October 2013

Summary

- The Trust fell -3.2% in October which underperformed the UBS Bank Bill Index
- Soft fourth quarter US earning projections combined with a stimulus fuelled rally dragged down performance
- Energy and Industrial stocks were two weak sectors; Consumer Staples and Health Care trades lifted performance

Performance¹

	1 month	3 months	1 Year	3 Years (p.a)	Since Inception (p.a) 1 July 2008
Investment Strategy - Composite	-3.2%	-3.8%	0.3%	1.6%	4.5%
UBS Australia Bank Bill Index (Benchmark)	0.2%	0.7%	3.0%	4.1%	4.4%

The above composite/hybrid performance summary reflects a combination of the performance of the investment strategy as it applied (net of fees) within the former Aurora Sandringham Global Income Trust (ARSN 131 291 499 - now terminated) since its inception in July 2008 to 30 November 2010, and then the performance of this Trust (which implemented the same strategy) since 30 November 2010 to date. This is not the actual performance of Aurora Global Income Trust (AIB). The actual return of AIB since inception is 2.9% p.a. The table above and the charts below refer to the performance of the composite/hybrid strategy and not of the actual performance of AIB.

Investment Objective*

To provide investors with steady income returns after fees and expenses in excess of the UBS Australia Bank Bill Index over rolling three year periods while protecting their capital. Please note that while we aim to achieve this objective, the returns are not guaranteed.

Investment Strategy

To take advantage of global companies that Aurora expects will increase in value relative to the market around the announcement of their quarterly, half-yearly and yearly earnings results while hedging their market and currency exposure.

Trust Valuations

Trust Size	\$8m
Strategy Size ²	\$333m
NAV per Unit	\$0.9448
NAV per Unit plus distributions paid	\$1.4840

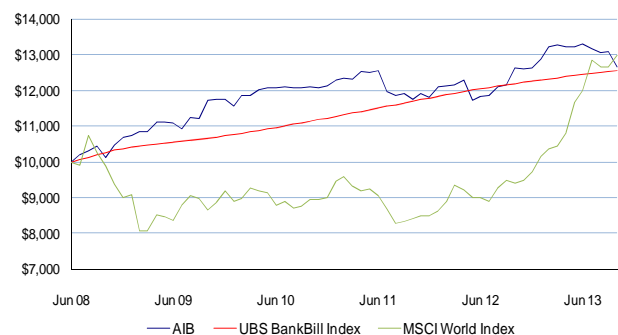
Trust Features

Trust Listing	24 December 2007
Minimum Initial Investment	\$2,000
Style	Market Neutral
Currency	Hedged to Australian Dollars
Unit Pricing	Monthly
Applications	Investors may acquire Units on market
Redemptions	On market by selling on the ASX or off-market at the end of each month
Benchmark	UBS Australia Bank Bill Index
Distributions	At least 2.5% of Net Asset Value ³ per Unit, per quarter

Performance Statistics - Composite

Performance since Inception (July 08)	4.5%
Volatility	5.7%
Sharpe Ratio	0.07
% positive months	64.1%
Best month	4.4%
Worst month	-4.6%
Average positive monthly return	1.2%
Average negative monthly return	-1.1%

Investment Performance - Composite



Portfolio Commentary

World markets climbed higher, driven by asset reallocations by retail US investors and Europe's economic resurgence, to record widespread gains in October. This was contrary to predictions the market would be pressured by the US Government's closure; however, support by the Fed Reserve for their QE program removed risk which allowed global bourses to rise.

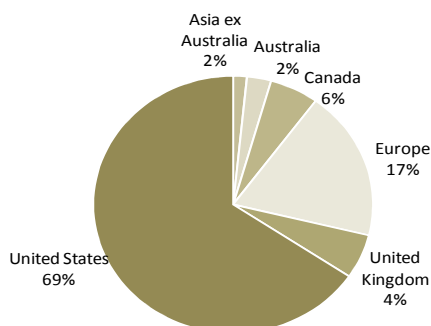
Although markets fared well overall, the combination of a stimulus fuelled rally coupled with weaker company projections proved difficult for our strategy to maneuver. Observable trends for October included: 1) Positive surprises to 3Q EPS releases; 2) Negative revisions to 4Q EPS estimates; and 3) Asymmetric payoffs for companies that missed earnings targets which were sold heavily, compared to those that beat forecasts. These three points were also highlighted in commentary provided by a leading US investment bank and, when combined, led to an isolated large loss to be incurred by the Trust.

Corning (+14.6%) and CR Bard (+12.4%) were two leading trades due to a large contract win and positive earnings surprise, respectively.

Trust Distributions (per Unit)⁴

Period (per Unit)	Amount (\$)	Yield (p.a)
CY-08	\$0.1382	10.0%
CY-09	\$0.0000	7.8%
CY-10	\$0.1050	8.8%
31-Mar-11	\$0.0300	10.1%
30-Jun-11	\$0.0300	10.2%
30-Sep-11	\$0.0295	10.1%
31-Dec-11	\$0.0272	10.0%
30-Mar-12	\$0.0263	10.0%
29-Jun-12	\$0.0263	10.0%
30-Sep-12	\$0.0250	10.0%
31-Dec-12	\$0.0250	10.0%
31-Mar-13	\$0.0253	10.0%
30-Jun-13	\$0.0259	10.0%
30-Sep-13	\$0.0255	10.2%
Total since inception	\$0.5392	

Historical Weight by Region - Composite



About Aurora

Aurora Funds Limited ('Aurora', ASX Code: AFV) was listed on the ASX in July 2010. Aurora comprises the combined businesses of Aurora Funds Management Limited and Fortitude Capital Pty Ltd.

The combined group had approximately \$670 million in funds under management and administration, and provides asset management and responsible entity/trustee services for Australian and New Zealand investors.

Aurora is also the issuer of the:

- Aurora Fortitude Absolute Return Fund
(APIR Code: AFM0005AU)
- Aurora Absolute Return Fund
(ASX Code: ABW)
- Aurora Dividend Income Trust (Managed Fund)
(ASX Code: AOD, APIR Code: AFM0010AU)
- Aurora Property Buy-Write Income Trust
(ASX Code: AUP)
- van Eyk Blueprint Alternatives Plus
(ASX Code: VBP)

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1. The returns are calculated by compounding each monthly return with distributions reinvested. All returns are net of fees.
 2. Incorporates all unit classes within AIB, and also assets that are external to AIB that are managed by Aurora and utilise the investment strategy or direct variants thereof.
 3. The Trust intends to always distribute at least 2.5% of NAV per Unit per quarter regardless of Trust performance. This means that if the Trust has insufficient net income in a given quarter, investors may receive a partial (or full) return of capital.
 4. Each historical distribution has been divided by seven to reflect the Unit split carried out in November 2009.
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