

Aurora Global Income Trust (ASX Code: AIB) Performance Report - October 2016

Performance¹

	1 month	3 months	1 Year	3 Years (p.a)	Since Inception (p.a) 1 July 2008
Investment Strategy - Composite	1.81%	-4.84%	-1.84%	2.90%	3.94%
Cash Rate (Benchmark)	0.13%	0.38%	1.83%	2.19%	3.41%

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 2.88% 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*

The Trust aims to achieve absolute returns (i.e. positive returns in both rising and falling equity markets) by using a number of different global investment strategies that allows the performance of the Trust to have very little correlation to the performance of global equity market indices. The focus on 'absolute returns' differs from traditional funds in that the Trust aims to produce positive returns regardless of equity market

Investment Strategy

The Investment Manager has a wide discretion over the investments that may be held by the Trust. The pursuit of a diverse range of global investment strategies means that the Trust's returns are not necessarily dependent on any stock markets' direction, or dependent on any specific assumption or key market parameter. The Trust does not seek to replicate the standard industry benchmarks.

The Trust seeks to take advantage of companies that are expected to 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.

In selecting additional investments for the Trust, the Manager follows a rigorous investment selection process which includes detailed qualitative and fundamental research.

The Trust may use derivatives for risk management as well as to create new positions. The Trust may opportunistically short sell securities that are considered to be overpriced in the anticipation of purchasing them later at lower prices for a profit and/or to reduce risk on the overall portfolio.

Trust Valuations

NAV per Unit	\$0.7812
NAV per Unit plus distributions paid	\$1.6542

Performance Statistics - Composite

Performance since Inception p.a. (July 08)	3.9%
Volatility % p.a.	5.6%
Sharpe Ratio	0.09
% positive months	65.0%
Best month	4.4%
Worst month	-7.4%
Average positive monthly return	1.1%
Average negative monthly return	-1.1%

Portfolio Commentary

Global equity market movements were mixed for the month of October, with the S&P500 finishing down -1.94%, FTSE up +0.80% and the Nikkei strong, up +5.93% for the month. The S&P/ASX200 finished down -2.17% for the month.

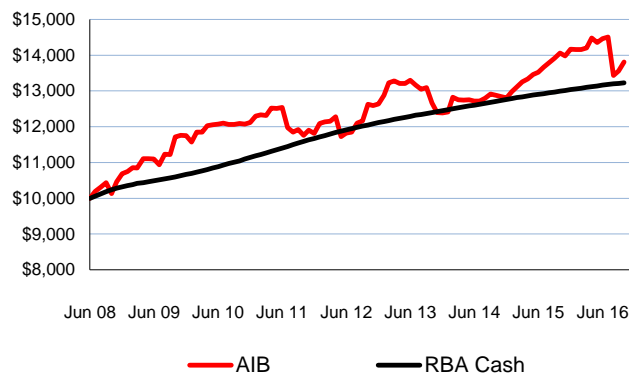
The Aurora Global Income Trust returned +1.81% for October. Performance was largely driven by the Convergence strategy and long positions within the Long/Short strategy.

The Long/Short strategy performed well during the month. The biggest contributors to performance included high conviction long positions in KAR.ASX (+72.9%) and MPO.ASX (+7.7%). We were pleased to see KAR significantly re-rated during the month, which had been accumulated at a material discount to cash, whilst effectively receiving free optionality on high quality global Oil & Gas assets.

The Convergence profitability was driven by trading activities in domestic and international holding companies, including 200.HK (Melco International) and CSE.ASX. We continue to accumulate positions in domestically listed LIC's that trade at substantial discounts to NTA with hedgeable underlying assets.

The Yield portfolio benefited from both capital appreciation in our listed debt National Australia Bank Perpetual Securities (NABHA.ASX) position, whilst going ex-dividend late in the month.

Investment Performance - Composite



Trust Distributions (per Unit)³

Period (per Unit)	Amount (\$)	Yield (p.a)
CY-08	\$0.1382	10.0%
CY-09	\$0.0950	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	10.0%
31-Dec-13	\$0.0244	10.0%
31-Mar-14	\$0.0225	10.0%
30-Jun-14	\$0.0226	10.0%
30-Sep-14	\$0.0220	10.0%
31-Dec-14	\$0.0216	10.0%
31-Mar-15	\$0.0215	10.0%
30-Jun-15	\$0.0212	10.0%
30-Sep-15	\$0.0169	8.0%
31-Dec-15	\$0.0171	8.0%
31-Mar-16	\$0.0170	8.0%
30-Jun-16	\$0.0167	8.0%
30-Sep-16	\$0.0153	8.0%
Total since inception	\$0.8730	

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 or apply via the PDS
Redemptions	On market by selling on the ASX or off-market at the end of each month
Benchmark	RBA Cash Rate
Distributions	At least 2% of Net Asset Value ² per Unit, per quarter

About Aurora

Aurora Funds Management Limited ("Aurora") is an Australian based alternative asset manager that specialises in managing absolute-return strategies for high net worth, retail and institutional investors. At Aurora, we aim to achieve superior long-term results through a high conviction investment style that utilises a bottom up, value-orientated approach to select suitable investments. Our overarching goal is to provide investors with positive risk-adjusted returns that are independent of benchmarks or investment cycles.

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)
- HHY Fund
(ASX Code: HHY)

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1. The returns are calculated by compounding each monthly return with distributions reinvested. All returns are net of fees.
 2. The Trust intends to always distribute at least 2% 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.
 3. Each historical distribution has been divided by seven to reflect the Unit split carried out in November 2009.
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