

# **Aurora Global Income Trust**

ARSN 127 692 406

**Interim financial report**

**For the half-year ended 31 December 2012**

# Aurora Global Income Trust

ARSN 127 692 406

## Interim financial report

### For the half-year ended 31 December 2012

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This interim financial report does not include all the notes of the type normally included in an annual financial statement. Accordingly, this interim report is to be read in conjunction with the 30 June 2012 financial statements and any public announcements made in respect of Aurora Global Income Trust during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This financial report covers the Aurora Global Income Trust as an individual entity.

The Responsible Entity of the 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 financial statements of Aurora Global Income Trust ("the Trust") for the half-year ended 31 December 2012.

### Principal activities

The principal activities of the Trust during the financial half-year were continuing its investment strategy in equities and index derivatives, in accordance with the provision of the Trust Constitution and the current Product Disclosure Statement.

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.

### Directors

The following persons held office as directors of the Responsible Entity during 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 end of the half-year are set out below:

	<b>31 December 2012 No.</b>	<b>30 June 2012 No.</b>
Units on issue	<b>9,981,822</b>	11,305,590

### Value of assets

The value of the Trust's assets and liabilities is on the Balance Sheet.

### 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 Constitution.

The investment policy of the Trust continues to be that detailed in the current Product Disclosure Statement 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)

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

	31 December 2012	31 December 2011
	\$	\$
<b>Net operating profit/(loss) before finance costs attributable to unitholders</b>	<b>665,071</b>	<b>(926,066)</b>
<i>Distributions</i>		
Distribution - 30 September	<b>228,347</b>	320,000
Distribution - 31 December	<b>213,880</b>	275,447

A distribution of \$0.025 per unit (2011: \$0.0272 per unit) was declared and provided for at the end of the half-year. Distributions of \$0.025 per unit were paid during the half-year (2011: \$0.0295 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 significant changes in the state of affairs of the Trust that occurred during the financial half-year.

### Matters subsequent to the end of the period

No matter or circumstance has arisen since 31 December 2012 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 Responsible Entity 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)

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### Indemnity and insurance of officers

No insurance premiums are paid for out of the assets of the Trust in relation 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's Constitution and the *Corporations Act*, the officers remain indemnified out of the assets of the Trust against any losses incurred while acting on behalf of the Trust. The auditors of the Trust are in no way indemnified out of the assets of the Trust.

### Fees paid 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.



Stuart Roe  
Director

Sydney  
18 February 2013



## Auditor's Independence Declaration

As lead auditor for the review of Aurora Global Income Trust for the half year ended 31 December 2012, 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.

This declaration is in respect of Aurora Global Income Trust for the period.

A handwritten signature in blue ink, appearing to read 'Joe Sheeran', is written over a light blue horizontal line.

Joe Sheeran  
Partner  
PricewaterhouseCoopers

Sydney  
18 February 2013

**Aurora Global Income Trust**  
**Statement of Comprehensive Income**  
**For the half-year ended 31 December 2012**

**Statement of Comprehensive Income**

	Notes	31 December 2012 \$	31 December 2011 \$
<b>Investment Income</b>			
Interest income		106,122	273,597
Dividend and distribution income		98,994	51,326
Net gains/(losses) on financial instruments held at fair value through profit or loss	3	538,179	(1,113,665)
Other investment income		-	8,134
<b>Total net investment income/(loss)</b>		<u>743,295</u>	<u>(780,608)</u>
<b>Expenses</b>			
Management fees		61,806	85,367
Transaction costs		15,911	-
Other operating expenses		507	60,091
<b>Total operating expenses</b>		<u>78,224</u>	<u>145,458</u>
<b>Operating profit/(loss) for the half-year</b>		<u>665,071</u>	<u>(926,066)</u>
<b>Finance costs attributable to unitholders</b>			
Distributions to unit holders	5	(442,227)	(595,447)
(Increase)/decrease in net assets attributable to unitholders	4	(222,844)	1,214,900
(Increase)/decrease in net assets attributable to minority interests		-	306,613
<b>Profit/(loss) for the half-year</b>		<u>-</u>	<u>-</u>
Other comprehensive income for the half-year		-	-
<b>Total comprehensive income for the half-year</b>		<u>-</u>	<u>-</u>

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

**Balance Sheet**

	Notes	31 December 2012 \$	30 June 2012 \$
<b>Assets</b>			
Cash and cash equivalents		8,650,278	10,560,549
Margin accounts		60,592	-
Receivables		26,046	33,072
Due from brokers - receivable for securities sold		304,858	1,976,213
Financial assets held at fair value through profit or loss	6	<u>2,166,981</u>	<u>957,238</u>
<b>Total assets</b>		<u><b>11,208,755</b></u>	<u><b>13,527,072</b></u>
<b>Liabilities</b>			
Futures margin account - due to broker		1,968,474	3,730,385
Distributions payable	5	237,015	249,313
Due to brokers - payable for securities purchased		284,988	-
Financial liabilities held at fair value through profit or loss	7	-	40,805
Other payables		<u>47,045</u>	<u>42,569</u>
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<u><b>2,537,522</b></u>	<u><b>4,063,072</b></u>
<b>Net assets attributable to unitholders - liabilities</b>	4	<u><b>8,671,233</b></u>	<u><b>9,464,000</b></u>

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



**Statement of Changes in Equity**

	<b>31 December 2012 \$</b>	<b>31 December 2011 \$</b>
<b>Total equity at the beginning of the financial half-year</b>	-	-
Profit/(loss) for the half-year	-	-
Other comprehensive income for the half-year	-	-
<b>Total comprehensive income</b>	<u>-</u>	<u>-</u>
Transactions with equity holders in their capacity as equity holders	-	-
<b>Total equity at the end of the financial half-year</b>	<u>-</u>	<u>-</u>

Under Australian Accounting Standards, "Net assets attributable to unitholders" is classified as a financial liability rather than equity. As a result there was no equity at the start or end of the half-year .

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

**Statement of Cash Flows**

	31 December 2012	31 December 2011
Notes	\$	\$
<b>Cash flows from operating activities</b>		
Proceeds from sale of financial instruments held at fair value through profit or loss	95,088,052	136,405,294
Purchase of financial instruments held at fair value through profit or loss	(93,907,836)	(137,420,940)
Transaction costs on purchase of financial instruments	(15,911)	-
Dividend and distributions received	97,714	51,326
Interest received	114,703	324,272
Other income	-	10,238
GST recovered/(paid)	(276)	8,974
Management fees paid	(77,619)	(148,338)
Payment of other expenses	(15,536)	(52,446)
<b>Net cash inflow/(outflow) from operating activities</b>	<u>1,283,291</u>	<u>(821,620)</u>
<b>Cash flows from financing activities</b>		
Proceeds from applications by unitholders	-	2,951,797
Payments for redemptions by unitholders	(1,382,915)	(6,529,748)
Units (purchased) and sold by the Fund	315,478	(1,099,219)
Distributions paid	(364,213)	(707,241)
<b>Net cash inflow/(outflow) from financing activities</b>	<u>(1,431,650)</u>	<u>(5,384,411)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(148,359)</b>	<b>(6,206,031)</b>
Cash and cash equivalents at the beginning of the half-year	<u>6,830,163</u>	<u>17,012,310</u>
<b>Cash and cash equivalents at the end of the half-year</b>	<u>6,681,804</u>	<u>10,806,279</u>

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

## **Notes to the financial statements**

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## 1 General information

These financial statements cover Aurora Global Income Trust ("the Trust") as an individual entity. The Trust commenced operations on 18 December 2007 and was admitted to the Australian Securities Exchange "ASX" on 24 December 2007, and is domiciled in Australia.

The interim financial report is prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

It is recommended that this interim financial report be considered together with the current product disclosure document and in accordance with the provisions of the governing documents of the Trust, and any public announcements made by the Trust during the half-year ended 31 December 2012 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

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 2012 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 half-year was establishing its investment strategy in equities and index derivatives, 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 financial statements were authorised for issue by the directors on 18 February 2013. The directors of the company have the power to amend and reissue the financial statements.

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

## 2 New accounting standards 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 Trust's financial report in subsequent periods.

## 3 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 2012 \$	31 December 2011 \$
<b>Financial assets</b>		
Net realised gains/(loss) on financial assets at fair value through profit or loss	495,136	365,620
Net unrealised gains(loss) on financial assets at fair value through profit or loss	<u>43,043</u>	<u>(1,479,285)</u>
Total net gains/(losses) on financial instruments held at fair value through profit or loss	<u>538,179</u>	<u>(1,113,665)</u>

#### 4 Net assets attributable to unitholders

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

	<b>31 December 2012 No.</b>	31 December 2011 No.	<b>31 December 2012 \$</b>	31 December 2011 \$
<b>Opening balance - including treasury units</b>	<b>11,305,590</b>	9,551,334		
Treasury units	<u>(1,777,508)</u>	<u>(487,206)</u>		
<b>Opening balance - excluding treasury units</b>	<b>9,528,082</b>	9,064,128	<b>9,464,000</b>	10,637,504
Applications	-	2,490,966	-	2,764,069
Redemptions	<u>(1,414,293)</u>	<u>(543,582)</u>	<u>(1,421,402)</u>	<u>(591,958)</u>
Units issued upon reinvestment of distributions	<b>90,525</b>	46,375	<b>90,312</b>	52,521
Units (purchased) and sold by the fund	<b>315,906</b>	(1,001,175)	<b>315,479</b>	(1,099,219)
Increase/(decrease) in net assets attributable to unitholders	<u>-</u>	<u>-</u>	<u><b>222,844</b></u>	<u>(1,214,900)</u>
<b>Closing balance - excluding treasury units</b>	<b>8,520,220</b>	10,056,712	<b>8,671,233</b>	10,548,017
Treasury units	<u><b>1,461,602</b></u>	<u>1,488,381</u>		
<b>Closing balance - including treasury units</b>	<u><b>9,981,822</b></u>	<u>11,545,093</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.

#### 5 Distributions to unitholders

##### Timing of distributions

The distributions declared for the half-year were as follows:

	<b>31 December 2012 \$</b>	<b>31 December 2012 CPU</b>	31 December 2011 \$	31 December 2011 CPU
<b>Distributions paid and payable</b>				
September interim	<b>228,347</b>	<b>2.50</b>	320,000	2.95
December interim	<u><b>213,880</b></u>	<u><b>2.50</b></u>	<u>275,447</u>	<u>2.72</u>
	<u><b>442,227</b></u>	<u><b>5.00</b></u>	<u>595,447</u>	<u>5.67</u>

Distributions payable in the balance sheet include distributions payable from prior periods.

## 6 Financial assets held at fair value through profit or loss

	31 December 2012 Fair value \$	30 June 2012 Fair value \$
<b>Held for trading</b>		
Derivatives	22,240	-
Total held for trading	<u>22,240</u>	<u>-</u>
<b>Designated at fair value through profit or loss</b>		
Equity securities	2,144,741	957,238
Total designated at fair value through profit or loss	<u>2,144,741</u>	<u>957,238</u>
<b>Total financial assets held at fair value through profit or loss</b>	<u>2,166,981</u>	<u>957,238</u>
<b>Comprising:</b>		
<b>Derivatives</b>		
Equity swaps	4	-
International share price index futures	22,236	-
Total derivatives	<u>22,240</u>	<u>-</u>
<b>Equity securities</b>		
Australian listed equity securities	2,144,741	957,238
Total equity securities	<u>2,144,741</u>	<u>957,238</u>
<b>Total financial assets held at fair value through profit or loss</b>	<u>2,166,981</u>	<u>957,238</u>

## 7 Financial liabilities held at fair value through profit or loss

	31 December 2012 Fair value \$	30 June 2012 Fair value \$
<b>Held for trading</b>		
Derivatives	-	40,805
Total held for trading	<u>-</u>	<u>40,805</u>
<b>Total financial liabilities held at fair value through profit or loss</b>	<u>-</u>	<u>40,805</u>
<b>Comprising:</b>		
<b>Derivatives</b>		
Australian share price index futures	-	40,713
Swap	-	92
Total derivatives	<u>-</u>	<u>40,805</u>
<b>Total financial liabilities held at fair value through profit or loss</b>	<u>-</u>	<u>40,805</u>

## **8 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.

## **9 Contingent assets and liabilities and commitments**

There are no contingent assets and liabilities or commitments as at 31 December 2012 (30 June 2012: Nil).

## **10 Events occurring after 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 Balance Sheet as at 31 December 2012 or on the results and cash flows of the Trust for the half-year ended on that date.

## **Directors' declaration**

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 6 to 14 are in accordance with the, *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
  - (ii) giving a true and fair view of the Trust's financial position as at 31 December 2012 and of its performance for the financial half-year ended on that date,
- (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 .



Steuart Roe  
Director

Sydney  
18 February 2013





## **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 'Trust'), which comprises the balance sheet as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration.

#### *Directors' responsibility for the half-year financial report*

The directors of Aurora Funds Management Limited, the responsible entity of the Trust 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 Trust's financial position as at 31 December 2012 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.

**PricewaterhouseCoopers, ABN 52 780 433 757**  
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*Independence*

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

*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 Trust's financial position as at 31 December 2012 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 blue ink, appearing to read 'Mark Strehowicz', is written over a faint, illegible printed name.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'Joe Sheeran', is written over a faint, illegible printed name.

Joe Sheeran  
Partner

Sydney  
18 February 2013