

# **Aurora Global Income Trust**

**ARSN 127 692 406**

## **Interim Financial Report**

**For the half-year ended 31 December 2020**

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# Director's Report

The directors of Aurora Funds Management Limited (AFML) (ABN 69 092 626 885), in its capacity as the responsible entity of Aurora Global Income Trust ("the Trust"), present their interim report together with the condensed financial statements of the Trust for the half-year ended 31 December 2020, and the auditor's report thereon.

## Principal activities

The Trust invests in equities and derivatives, in accordance with the provision of the Trust Constitution and the most recent Product Disclosure Statement ("PDS").

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.

The Trust is currently listed on the Australian Securities Exchange (ASX: AIB).

## Directors

The following persons held office as directors of Aurora Funds Management Limited during the half-year and up to the date of this report, unless otherwise stated:

John Patton  
Victor Siciliano  
Anthony Hartnell AM

## Units on issue

Units on Issue in the trust at the end of the half-year are set out below:

	31 December 2020	30 June 2020
Units on issue	6,688,963	6,694,216

## Review and results of operations

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

In March 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID – 19) as a pandemic, which continues to spread globally. The spread of COVID-19 has caused significant volatility in Australian and international markets. There is considerable uncertainty regarding the breadth and duration of the business disruptions related to COVID-19. The Trust continues to monitor the performance of its investments closely.

## Financial results for the half-year

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

	Half-year ended	
	31 December 2020	31 December 2019
	\$	\$
Operating profit/(loss) before finance costs attributable to unitholders	64,966	(154,864)
Distributions paid and payable	-	-
Distribution (cents per unit) 30 September	-	-
Distribution (cents per unit) 31 December	-	-

The Trust distributes its distributable taxable income on a semi-annual basis (in respect of the periods ended 30 June and 31 December each year) up to 1.0% of NAV per period (2.0% per annum). For the half-year ended 31 December 2020 no distribution was paid.

# Director's Report

## Financial position

Net Tangible Assets (NTA) per unit as disclosed to the ASX are shown as follows:

	31 December 2020 \$	30 June 2020 \$
At reporting period	0.1083	0.1254
High during period	0.1262	0.1576
Low during period	0.1082	0.1193

## Information on Underlying Performance

The performance of the Trust is subject to the performance of the Trust's underlying investment portfolio. There has been no change to the investment strategy of the Trust during the half-year, and the Trust continues 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 and any Trust updates on the ASX.

## Strategy and Future Outlook

The Trust continues 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.

## Significant changes in state of affairs

The Fund holds investments in Molopo Energy Limited (ASX: MPO) and HHY Fund (ASX: HHY). For the half-year ended 31 December 2020, the Fund has adopted significant judgements and estimates to fair value these investments with the key sources of estimation uncertainty and fair value measurement outlined in Note 3.

## Matters subsequent to the end of the half-year

The following judgements and estimates have led to an impact on the Net Tangible Assets of the fund resulting in the calculated price \$0.1328 which is higher than the price released to the ASX of \$0.1083.

- On 25 February 2021, Molopo released its Quarterly Cash Flow Statement for the quarter ended 2020. Based on the information contained in this Quarterly Cash Flow Statement, Aurora has reassessed the carrying value of its investment in Molopo and has decided to write the value of its investment down from 0.4 cents to nil; and
- the HHY fund was suspended from trading on the ASX on 20 February 2020 at which time the last traded price was 4.5 cents. For the purpose of the financial statements the directors have determined to value HHY at its last calculated Net Tangible Asset value. As at 31 December 2020, the last calculated Net Tangible Assets for HHY is 5.81 cents.

Other than the changes mentioned above, no other matters or circumstances have arisen since 31 December 2020 that have significantly affected, or may significantly affect:

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

# Director's Report

## **Indemnity and insurance of Aurora Funds Management Limited**

No insurance premiums have been 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 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.

## **Indemnity of auditors**

The auditors of the Trust are in no way indemnified out of the assets of the Trust.

## **Cost recovery and interests held in the Trust by the Responsible Entity**

Costs recovered by the Responsible Entity and its associates out of Trust property during the half-year are disclosed in Note 9 to the condensed financial statements.

No fees were paid out of Fund property to the Directors of the Responsible Entity during the half-year.

## **Interests in the Trust**

The movement in units on issue in the Trust during the half-year is disclosed in Note 5 of the financial statements.

The values of the Trust's assets and liabilities are disclosed in the Condensed Statement of Financial Position and derived using the accounting policies set out in Note 2 of the interim report.

## **Environmental regulation**

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

## **Proceedings on behalf of the Trust**

No person has applied for leave of Court to bring proceedings on behalf of the Trust or intervene in any proceedings to which the Trust is a party for the purpose of taking responsibility on behalf of the Trust for all or any part of those proceedings. The trust was not a party to any such proceedings during the half-year.

## **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 6 of this financial report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



John Patton  
Managing Director  
31 March 2021  
Melbourne

## Auditor's Independence Declaration

To the Directors of Aurora Funds Management Limited as the responsible entity of Aurora Global Income Trust

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Aurora Global Income Trust for the half-year ended 31 December 2020, 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.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



B A Mackenzie  
Partner – Audit & Assurance

Melbourne, 31 March 2021

# Financial Statement

## Condensed Statement of Profit or Loss and Other Comprehensive Income For the half-year ended 31 December 2020

	Note	Half-year ended	
		31 December 2020 \$	31 December 2019 \$
<b>Investment income</b>			
Interest income		-	90
Dividend and distribution income		1	185
Net foreign currency gains/(losses)		-	(1)
Net gains/(losses) on financial instruments held at fair value through profit or loss		75,339	(135,547)
<b>Total net investment income/(loss)</b>		<b>75,340</b>	<b>(135,273)</b>
<b>Expenses</b>			
Interest expense		149	46
Recoverable costs of Responsible Entity	9	7,999	10,462
Other operating expenses	10	2,226	9,083
Transaction costs		-	-
<b>Total operating expenses</b>		<b>10,374</b>	<b>19,591</b>
<b>Operating profit/(loss) for the half-year</b>		<b>64,966</b>	<b>(154,864)</b>
<b>Finance costs attributable to unitholders</b>			
Distributions to unitholders	6	-	-
Decrease in net assets attributable to unitholders	5	(64,966)	154,864
<b>Profit/(loss) for the half-year</b>		<b>-</b>	<b>-</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the half-year</b>		<b>-</b>	<b>-</b>
<b>Earnings/(loss) per unit (basic/ diluted)</b>		<b>0.010</b>	<b>(0.021)</b>

# Financial Statement

## Condensed Statement of Financial Position As at 31 December 2020

	Note	As at	
		31 December 2020 \$	30 June 2020 \$
<b>Assets</b>			
Cash and cash equivalents	7	498	16,372
Receivables		279	679
Financial assets held at fair value through profit or loss	8	846,401	797,914
<b>Total assets</b>		<b>847,178</b>	<b>814,965</b>
<b>Liabilities</b>			
Distributions payable	6	-	-
Other payables		9,816	42,000
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>9,816</b>	<b>42,000</b>
<b>Net assets attributable to unitholders – liability</b>	5	<b>837,362</b>	<b>772,965</b>
<b>Liabilities attributable to unitholders</b>		<b>(837,362)</b>	<b>(772,965)</b>
<b>Net assets</b>		<b>-</b>	<b>-</b>



# Financial Statement

## Condensed Statement of Changes in Equity For the half-year ended 31 December 2020

	Note	Half-year ended	
		31 December 2020 \$	31 December 2019 \$
Balance at the beginning of the financial year		-	-
Profit/(loss) for the year		-	-
Other comprehensive income		-	-
<b>Total comprehensive income</b>		-	-
Transactions with unitholders in their capacity as unitholders		-	-
<b>Total operating expenses</b>		-	-
<b>Total equity at the end of the period</b>		-	-

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

# Financial Statement

## Condensed Statement of Cash Flows For the half-year ended 31 December 2020

	Note	Half-year ended	
		31 December 2020 \$	31 December 2019 \$
<b>Cash flows from operating activities</b>			
Proceeds from sale of financial instruments held at fair value through profit or loss		61,202	191,562
Purchase of financial instruments held at fair value through profit or loss		(34,350)	78,092
Transaction costs on sale and purchase of financial instruments		-	-
Dividends and distributions received		1	185
Interest received		-	85
GST recovered/(paid)		400	239
Management fees paid		-	-
Responsible Entity fees paid		(215)	(113,667)
Legal and professional fees paid		-	-
Other expenses paid		(8,734)	(47,847)
<b>Net cash inflow/(outflow) from operating activities</b>		<b>18,304</b>	<b>108,649</b>
<b>Cash flows from financing activities</b>			
Proceeds from applications by unitholders		-	1,062
Payments for redemptions by unitholders		(34,178)	(95,700)
Payments for share buy backs		-	(247)
Distributions paid		-	(5,331)
Other		-	-
<b>Net cash (inflow)/outflow from financing activities</b>		<b>(34,178)</b>	<b>(100,216)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(15,874)</b>	<b>8,433</b>
Cash and cash equivalents at the beginning of the period		16,372	177
<b>Cash and cash equivalents at the end of the period</b>	7	<b>498</b>	<b>8,610</b>
<b>Non-cash financing activities</b>		<b>-</b>	<b>1,063</b>

# Notes to Financial Statements

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# Notes to Financial Statements

## **Note 1. General information**

The condensed interim 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 Responsible Entity of the Trust is Aurora Funds Management Limited (the "Responsible Entity"). The Responsible Entity's registered office is Suite 613, Level 6, 370 St Kilda Road, Melbourne VIC 3004. The financial statements are presented in Australian currency.

It is recommended that these financial statements are considered together with the Product Disclosure Statement (which is currently being refreshed) 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 2020 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and ASX listing rules.

The principal activities of the Trust during the half-year were managing its investment strategy in accordance with the provisions of the Trust Constitution, the Product Disclosure Statement and any Trust updates.

The financial statements were authorised for issue by the directors of the Responsible Entity as at the date of the directors' report. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

## **Note 2. Significant accounting policies**

The principal accounting policies applied in the preparation of this condensed interim financial report are set out below.

These policies have been consistently applied to all years presented, unless otherwise stated.

### **(a) New and amended standards**

The Trust has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The Trust has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

### **(b) Basis of preparation**

The accounting policies applied by the Trust in this condensed interim financial report are the same as those applied by the Trust in its Financial Report as at, and for, the year ended 30 June 2020.

## **Statement of compliance**

The condensed interim financial statements are a general purpose financial report prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The interim financial report does not include all the information required for a full annual financial report and should be read in conjunction with the annual financial report as at, and for, the year ended 30 June 2020.

The condensed interim financial statements comply with IAS 34 Interim Financial Reporting.

The condensed interim financial statements were authorised for issue by the directors as at the date of the directors' report. The Directors of the Responsible Entity have the power to amend and reissue the condensed interim financial statements.

# Notes to Financial Statements

## Note 3. Use of estimates and judgements

In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at, and for, the year ended 30 June 2020.

### 1. Molopo Energy Limited (ASX: MPO)

As at 31 December 2020, the Trust held an investment in the ordinary shares of MPO, which was suspended from trading on the Australian Stock Exchange on 27 July 2017 and remains suspended as at the date of this report.

As previously advised, Aurora considers that the actions of the former Molopo directors have substantially and adversely affected the value of Molopo's assets. As such, Aurora has considered the carrying value of its investment in Molopo and has decided to write the value of its investment down from 0.4 cents to nil. The rationale for this decision is summarised below:

- Molopo currently has 249,040,648 ordinary shares on issue;
- Based on the above, Aurora considers the appropriate carrying value of its investment in Molopo to be calculated as follows:
- cash reserves of \$8.368 million; less
- litigation provision of A\$8.571 million, being the Australian dollar equivalent of \$8.4 million Canadian dollars as at 31 December 2020. In the Molopo financial statements for the year ended 31 December 2018 this provision was removed as a liability in the balance sheet and disclosed as a contingent liability. It is still disclosed as a contingent liability in Molopo's financial statements for the half year ended 30 June 2020. For the purpose of this valuation, Aurora has no reason to believe that this is not a reasonable estimate of the expected liability;
- divided by 249,040,648 ordinary shares on issue; which
- equates to a negative value per share.

As more information is released by Molopo on the Drawbridge shareholding as well as the Canadian litigation, it may be appropriate for Aurora to revisit the carrying value of its Molopo investment.

The fair value of Aurora's investment in Molopo is based on significant estimates and judgements adopted by management of Aurora based on all available information about Molopo as at the date of the 31 December 2020 interim financial report.

In addition to the application made by Aurora to the Takeovers Panel, Aurora is pursuing other avenues to recover value that has been lost by the former directors of Molopo.

### 2. HHY Fund (ASX:HHY)

The Directors have determined to carry the Fund's investment in HHY at \$0.0581 (being 5.81 cents) per unit at 31 December 2020. In reaching this position, the Directors considered the following factors:

- HHY units were suspended from trading on the ASX on 27 February 2020, at the request of HHY, pending the release of an announcement regarding a proposed capital raising. Notwithstanding the subsequent cancellation of the proposed capital raising, due to impact of COVID on capital markets at the time, the suspension remained in place whilst the Aurora Dividend Income Trust's takeover bid for Keybridge Capital Limited (Keybridge) was open. Since the closing of the Keybridge takeover bid on 6 April 2020, the ASX has not lifted the suspension;
- On 13 January 2021, HHY released its unaudited Net Tangible Asset (NTA) Backing for 31 December 2020, being 5.81 cents per HHY unit;
- Given the ASX suspension on 27 February 2020, there has been no market trading in HHY securities since this time. As such, the 31 December 2020 NTA is considered to be the most readily observable price for HHY securities; and
- Having regard to the above factors, the Directors have determined a fair value of \$0.0581 per unit in HHY.

# Notes to Financial Statements

## Note 3. Use of estimates and judgements (continued)

The Net Asset position of HHY includes loans outstanding to RNY Australia Operating Company LLC (RAOC). The Directors have judged the loans to RAOC to be fully recoverable.

Aurora Funds Management in its capacity as the investment manager of RNY Property Trust which in turn owns RAOC, engaged expert third party valuers (CBRE) to update valuations for the property portfolio in response to the outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11 March 2020.

The expert third party valuations included the following Market Uncertainty relating to the Coronavirus:

*The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Our valuations are therefore being reported as being subject to material valuation uncertainty.*

*Consequently, less certainty - and a higher degree of caution - should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review. For the avoidance of doubt, the inclusion of the 'material valuation uncertainty' declaration above does not mean that the valuation cannot be relied upon. Rather the declaration has been included to ensure transparency of the fact that - in the current extraordinary circumstances - less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation.*

For the majority of the Trust's other financial instruments, quoted market prices are readily available. However, there may be certain financial instruments, for example, over-the-counter derivatives or unquoted securities which are fair valued using valuation techniques. Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the team that created them. For more information on how fair value is calculated please see Note 4 to the financial statements.

For certain other financial instruments, including amounts due from/to brokers and payables, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

## Note 4. Fair value measurement

The Trust measures and recognises the following assets and liabilities at fair value on a recurring basis through profit or loss (FVTPL).

AASB 13 requires disclosure of fair value measurements by level of the following fair value hierarchy:

### Fair value hierarchy

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

### (i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Trust values its investments in accordance with the accounting policies within this note to the financial statements. For the majority of its investments, the Trust relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets held by the Trust is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Trust holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

## Notes to Financial Statements

### Note 4. Fair value measurement (continued)

#### Note 4. (i) Fair value in an active market (level 1) (continued)

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

#### (ii) Fair value in an inactive or unquoted market (level 2 and level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models, volume weighted average prices or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Trust holds.

The following table presents the Trust's assets and liabilities measured and recognised as at the half-year ended 31 December 2020 and the year ended 30 June 2020.

31 December 2020	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial assets held for trading:				
Derivatives	88	-	-	88
Financial assets designated at fair value through profit or loss:				
Equity securities	117,540	728,773	-	846,313
<b>Total financial assets</b>	<b>117,628</b>	<b>728,773</b>	<b>-</b>	<b>846,401</b>
<b>Financial liabilities</b>				
Financial liabilities held for trading:				
Equity securities sold short				
Derivatives	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

30 June 2020	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial assets held for trading:				
Derivatives	16,464	-	-	16,464
Financial assets designated at fair value through profit or loss:				
Equity securities	11	730,352	51,087	781,450
<b>Total financial assets</b>	<b>16,475</b>	<b>730,352</b>	<b>51,087</b>	<b>797,914</b>

<b>Financial liabilities</b>				
Financial liabilities held for trading:				
Equity securities sold short				
Derivatives	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes to Financial Statements

### **Note 4. Fair value measurement (continued)**

#### **Note 4. (i) Fair value in an unquoted market market (level 2 and level 3) (continued)**

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and certain listed unit trusts.

#### *Valuation inputs for Level 2 investments*

The Trust has invested in listed securities trading as HHY. For the reasons disclosed in Note 3, the last traded price has not been adopted and the value of 5.81 cents per unit has been adopted.

#### *Accounting policy for fair value measurement*

In March 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID – 19) as a pandemic, which continues to spread globally. The spread of COVID-19 has caused significant volatility in Australian and international markets. There is considerable uncertainty regarding the breadth and duration of the business disruptions related to COVID-19. The Trust continues to monitor the performance of its investments closely.



## Notes to Financial Statements

### Note 5. Net assets attributable to unitholders

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

	31 December 2020 No.	30 June 2020 No.	31 December 2020 \$	30 June 2020 \$
<b>Opening balance</b>	6,694,216	7,615,913	772,965	1,140,735
Applications	-	-	-	-
Redemptions	(5,253)	(928,990)	(569)	(129,309)
Buy backs	-	-	-	(247)
Units issued upon reinvestment of distributions	-	7,293	-	1,062
Increase/(decrease) in net assets attributable to unitholders	-	-	64,966	(239,276)
<b>Closing balance</b>	<b>6,688,963</b>	<b>6,694,216</b>	<b>837,362</b>	<b>772,965</b>

As stipulated within the Trust 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.

### Note 6. Distribution to unitholders

#### *Accounting policy for distribution to unitholders*

The Trust distributes its distributable taxable income on a semi-annual basis (in respect of the periods ended 30 June and 31 December each year) up to 1.0% of NAV per period (2.0% per annum).

### Note 7. Cash and cash equivalents

	As at	
	31 December 2020 \$	30 June 2020 \$
Cash at bank	498	16,372
<b>Total cash and cash equivalents</b>	<b>498</b>	<b>16,372</b>

# Notes to Financial Statements

## Note 8. Financial assets held at fair value through profit or loss

	As at	
	31 December 2020	30 June 2020
	\$	\$
<b>Held for trading</b>		
<b>Derivatives</b>		
Warrants	88	16,464
Options	-	-
<b>Total held for trading</b>	<b>88</b>	<b>16,464</b>
<b>Designated at fair value through profit or loss</b>		
<b>Equity securities</b>		
Listed Australian equity securities*	846,302	781,439
International equity securities	11	11
<b>Total designated at fair value through profit or loss</b>	<b>846,313</b>	<b>781,450</b>
<b>Total financial assets held at fair value through profit or loss</b>	<b>846,401</b>	<b>797,914</b>

\* HHY Fund which accounts for \$728,773 out of Listed Australian equity securities has been suspended from trading on the ASX has been suspended from trading since 20 February 2020.

## Note 9. Related party transactions

### Responsible Entity

The Responsible Entity of Aurora Global Income Trust is Aurora Funds Management Limited.

### Key management personnel unitholdings

No key management personnel of Aurora Global Income Trust held units in the Trust.

### Key management personnel compensation

Key management personnel are paid by Aurora Funds Management Limited. Payments made from the Trust to Aurora Funds Management Limited do not include any amounts directly attributable to the compensation of key management personnel.

# Notes to Financial Statements

## Note 9. Related party transactions (continued)

### Related party unitholdings

The interests in the Trust held by other management investment schemes also managed by the Responsible Entity are shown as follows:

31 December 2020	No. of units held opening	No. of units held closing	Fair value of investment	Interest held	No. of units acquired	No. of units disposed	Distributions paid/payable by the Trust
Aurora Fortitude Absolute Return Fund	1,412,951	1,412,951	\$103,145	12.32%	-	-	-

### 30 June 2020

Aurora Fortitude Absolute Return Fund	1,412,951	1,412,951	\$73,473	9.51%	-	-	-
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The interests in the Trust held by the Responsible Entity are shown as follows:

31 December 2020	No. of units held opening	No. of units held closing	Fair value of investment	Interest held	No. of units acquired	No. of units disposed	Distributions paid/payable by the Trust
Aurora Funds Management Limited	412,362	412,362	\$30,102	3.59%	-	-	-

### 30 June 2020

Aurora Funds Management Limited	412,362	412,362	\$21,443	2.77%	-	-	-
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### Other related party information

#### Aurora Corporate

Aurora Corporate Pty Ltd (formerly Seventh Orion Pty Ltd) as Trustee for the Aurora Investments Unit Trust (Aurora Corporate) owns 100% of the ordinary shares of Aurora Funds Management Limited, being the Responsible Entity of Aurora Global Income Trust.

Aurora Corporate Pty Ltd (formerly Seventh Orion Pty Ltd) is 50% owned by John Patton, the Managing Director of Aurora Funds Management Limited, and 50% owned by Victor Siciliano, an Executive Director of Aurora Funds Management Limited.

# Notes to Financial Statements

## Note 9. Related party transactions (continued)

### Directorships

Mr John Patton was appointed to the Boards of the following listed entities held by other managed investment schemes also managed by the Responsible Entity:

- Mr Patton was appointed to the Board of Keybridge Capital Limited as a Non-Executive Director on 10 August 2016 and was subsequently appointed to the role of Executive Chairman on 13 October 2016. On the 22nd January 2020 Mr Patton retired from his position as director and chairman of KBC.
- Mr Patton was appointed to the Board of Metgasco Limited as a Non-Executive Director on 19 September 2016.
- Mr Patton was appointed to the Board of Yowie Group Limited as a Non-Executive Director on 5 February 2021.

### Investments

The Trust holds the following investments in any schemes which are also managed by the Responsible Entity.

	No. of	No. of	Fair value		No. of		Distributions
	units held	units held	of	Interest	units	No. of units	paid/payable
31 December 2020	opening	closing	investment	held	acquired	disposed	by the Trust
HHY Fund	12,543,419	12,543,419	\$728,773	15.48%	-	-	-

### 30 June 2020

HHY Fund	12,543,419	12,543,419	\$614,628	15.48%	-	-	-
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### Responsible Entity's/manager's fees and other transactions

Under the terms of the Trust Constitution, the Responsible Entity is entitled to receive fees, calculated by reference to the average daily net assets (excluding net assets attributable to unitholders) of the Trust as follows:

- Management fee payable to the Responsible Entity is 1.3325% (including GST) per annum;
- Performance fee that is equal to 20.5% (including GST) per annum of the gross performance (net of fees) over the RBA cash rate (the benchmark) subject to a high water mark.

All expenses in connection with the preparation of accounting records and the maintenance of the unit register are reimbursed in accordance with the Trust Constitution. As set out in Note 13, on 1 March 2019, AFML announced that it had elected to cap normal operating expenses at no more than 2.00% of the Trust's net assets per annum, with AFML bearing the costs in excess of this. In addition, the performance fee was increased from 20.5% to 25%.

# Notes to Financial Statements

## Note 9. Related party transactions (continued)

The transactions during the year and amounts payable at year end between the Trust and the Responsible Entity were as follows:

	Half-year ended	
	31 December 2020 \$	31 December 2019 \$
Management fees for the half-year paid/payable by the Trust to the Responsible Entity	-	-
Recoverable costs of Responsible Entity for the half-year paid/payable by the Trust to the Responsible Entity	7,999	10,462
Other expenses reimbursed for the half-year paid/payable by the Trust to the Responsible Entity	-	-
<b>Balance owing to the Responsible Entity at the end of the reporting period</b>	<b>1,328</b>	<b>1,714</b>

No amounts were paid by the Trust directly to the key management personnel of Aurora Funds Management Limited.

## Note 10. Other operating expenses

	Half-year ended	
	31 December 2020 \$	31 December 2019 \$
Legal expenses	1,641	8,652
Recovery expenses	-	-
Bank fees	331	424
Other expenses	254	7
<b>Total other operating expenses</b>	<b>2,226</b>	<b>9,083</b>

## Note 11. Contingent assets and liabilities

There were no contingent assets and liabilities as at 31 December 2020 (June 2020: Nil).

## Note 12. Events after the reporting period

The following judgements and estimates have led to an impact on the Net Tangible Assets of the fund resulting in the calculated price of \$0.1328 which is higher than the price released to the ASX of \$0.1083.

- On 25 February 2021, Molopo released its Quarterly Cash Flow Statement for the quarter ended 2020. Based on the information contained in this Quarterly Cash Flow Statement, Aurora has reassessed the carrying value of its investment in Molopo and has decided to write the value of its investment down from 0.4 cents to nil; and
- The HHY fund was suspended from trading on the ASX on 20 February 2020 at which time the last traded price was 4.5 cents. For the purpose of the financial statements the directors have determined to value HHY at its last calculated Net Tangible Asset value. As at 31 December 2020, the last calculated Net Tangible Assets for HHY is 5.81 cents.

The most recent Net Asset Value (NAV) per unit disclosed to the ASX is 0.1000 cents per unit as at 28 February 2021.

## Director's Declaration

The Directors of the Responsible Entity declare that:

- (a) In the directors' opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable;
- (b) In the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards as stated in Note 2 to the condensed financial statements;
- (c) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and as at 31 December 2020 and of its performance for the financial half-year ended on that date; date; and
- (d) The directors have been given the declarations of the Responsible Entity made pursuant to s295(5) of the *Corporations Act 2001*.

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

On behalf of the Responsible Entity, Aurora Funds Management Limited.



John Patton  
Managing Partner  
31 March 2021

# Independent Auditor's Review Report

## To the Unitholders of Aurora Global Income Trust

### Report on the review of the half-year financial report

#### Conclusion

We have reviewed the accompanying half-year financial report of Aurora Global Income Trust (the Trust), which comprises the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

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

(a) giving a true and fair view of the Aurora Global Income Trust's financial position as at 31 December 2020 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*.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Trust in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### Emphasis of Matter – Valuation uncertainty

We draw attention to Note 3 in the financial report, which indicates that the net assets of the Trust's investment in HHY Fund includes loans outstanding to RNY Australia Operating Company. It is indicated that the property valuation reports performed by the external valuer, CBRE, on each of the five properties owned by HHY Fund's debtor, RNY Australia Operating Company, contain market uncertainty clauses. Our conclusion is not modified in respect of this matter.

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

The Directors of the Responsible Entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and 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 half year 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 2020 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*.

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.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



B A Mackenzie  
Partner – Audit & Assurance

Melbourne, 31 March 2021