

## Aurora Global Income Trust (ASX.AIB)

Performance <sup>1</sup>	1 month	3 months	FYTD
Aurora Global Income Trust	-9.53%	-9.40%	-3.30%
Benchmark	0.12%	0.37%	1.28%
Outperformance	-9.65%	-9.77%	-4.58%

### Investment Objective

The Fund seeks to achieve absolute returns and income through the use of several different global investment strategies with the aim of having very little correlation to global equity market indexes. The focus on absolute returns differs from traditional funds in that the Fund aims to produce returns not correlated with market conditions.

### Investment Strategy

The Fund seeks to take advantage of market mispricing's and arbitrage opportunities using a diverse range of investment strategies. We research various criteria for each investment; these criteria may pertain to fundamental and quantitative analysis, company event situations such as takeovers and mergers, earnings announcements, demergers and restructuring, liquidity events, recapitalisations, multiple share classes, option availability and pricing. The Fund invests in opportunities that it considers to offer attractive risk return characteristics with a focus on potential catalysts that seeks to generate a profitable return regardless of the market direction. The Fund may use derivatives for risk management as well as to create new positions and may opportunistically short sell securities that it believes to be overpriced or to reduce risk on the overall portfolio.

### Portfolio Position Analysis

Strategy	Long	Short
Convergence	15	8
Yield	2	0
Long/Short	8	0
Volatility	9	2
<b>Total</b>	<b>34</b>	<b>10</b>

### Fund Overview

ASX Code	AIB
NAV per Unit	\$0.6965
Structure	Fund
Investment Style	Market Neutral
Investment Universe	Global
Inception Date	24 December 2007
Management / Performance fee (excl.GST)	1.30% / 20.0%
Buy / sell spread	+/- 0.20%
Entry / Exit fees	Nil
Benchmark	RBA Cash Rate
Distributions	2.0% per quarter

**Fund performance summary**

- The Aurora Global Income Trust returned -9.53% for the month against its benchmark return of +0.12%, whilst the broader MSCI World Index returned +1.33%
- The key detractor from performance this month was Molopo Energy Limited (MPO), a substantial position in the Fund's portfolio which had a 17.65% share price fall in April. MPO, which holds approximately 24c per share of net tangible assets, had a material mark-to-market loss in April, albeit on very limited volumes, which was the key contributor to the fall in the Fund's NAV. Whilst we do not appreciate the volatility of this position, our underlying assessment of value remains unchanged by these short-term movements in the share price, which is trading around 14c.
- During April, an application was made against Aurora in the Takeovers Panel ("Panel") in relation to MPO. On 31 May 2017, the Panel made a declaration that Aurora and Keybridge Capital Limited are not associates, however certain circumstances in relation to Aurora's activity in relation to MPO was deemed 'unacceptable'. Aurora is considering the declaration and its response to it, and is awaiting the Panel's orders (if any) that may be made. Additional information in relation to this matter can be found in separate ASX announcements.
- The key contributors to performance this month were Pershing Square Holdings (PSH.NA) and Global Investments Limited (GINV.SG). During the month, PSH.NA announced the implementation of a share buy-back program and a secondary listing on the London Stock Exchange. We were pleased to see PSH management implement these shareholder friendly actions, designed to narrow the discount between price and value. PSH have previously acknowledged that the current discount between price and underlying value was unacceptable, and that they would take measures to rectify the discount. With this catalyst in sight, the Manager purchased PSH at a substantial discount to its underlying NTA, whilst hedging the majority of the underlying exposure. To date, the trade has performed well with the Manager seeing continued potential in the trade.

**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. Aurora utilises a value-orientated approach to select suitable investments that aim 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)

---

**For further information, please contact:**

**Aurora Funds Management Limited** | 1300 553 431 | email: [enquiries@aurorafunds.com.au](mailto:enquiries@aurorafunds.com.au) | website: [www.aurorafunds.com.au](http://www.aurorafunds.com.au)

1. This number represents a cumulative return and assumes reinvestment of distributions and is generated with compounded monthly returns/net of fees.

Disclaimer: This information has been prepared by Aurora Funds Management Ltd (ABN 69 092 626 885, AFSL 222110) in its capacity as responsible entity for the Aurora Global Income Trust (ARSN 127 692 406). It has been prepared without taking into account the objectives, financial situation or needs of any investor, which should be considered before investing. Investors should consider a copy of the Product Disclosure Statement (PDS) and seek their own financial advice prior to investing in the Fund. The information in this Performance Report is of a summary nature only and does not constitute advice of any kind, nor is it an offer of any financial product. Past performance is not a reliable indication of future performance. In particular as the Investment strategy of the Fund was materially altered in November 2010, and performance prior to this date (being from November 2010 to 'since inception'). The investment objective is expressed after the deduction of fees and before taxation. See the PDS for details on taxation. The objective is not intended to be a forecast, and is only an indication of what the investment strategy aims to achieve over the medium to long term. While we aim to achieve the objective, the objective and returns are not guaranteed. The payment of franking credits to Unit holders is subject to the Fund achieving a taxable profit in that year.