

Performance Report - January 2016

Summary

- The Trust under-performed the cash benchmark returning -0.06% in January 2016.
- Performance was largely driven by positions within the Options and Mergers & Acquisitions strategies.
- The Trust has produced improved performance over the past 12 months by returning 9.01%, outperforming cash by 6.93% over the same period.

Performance¹

	1 month	3 months	1 Year	3 Years (p.a)	Since Inception (p.a) 1 July 2008
Investment Strategy - Composite	-0.06%	0.66%	9.01%	3.20%	4.68%
Cash Rate (Benchmark)	0.17%	0.50%	2.08%	2.45%	3.58%

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 3.51% 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 conditions.

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.

Performance Statistics - Composite

Performance since Inception p.a. (July 08)	4.7%
Volatility % p.a.	5.1%
Sharpe Ratio	0.22
% positive months	63.7%
Best month	4.4%
Worst month	-4.6%
Average positive monthly return	1.1%
Average negative monthly return	-0.9%

Trust Valuations

NAV per Unit	\$0.8504
NAV per Unit plus distributions paid	\$1.6956

Portfolio Commentary

Global markets saw a widespread sell-off in January on a macro cocktail of Chinese Economic fears, plunging oil prices and confusion over the U.S. Fed's planned cycle of interest rate hikes. The S&P500 fell -5% in its worst start to a year since 2009. This was a minor fall in comparison to the Chinese markets (-23%) and WTI Oil (-9%). The Aurora Global Income Trust recorded a small drawdown of -0.06% for the month.

The Options strategy was the most profitable for the month as a long put position held over the S&P500 increased markedly in value. The Mergers and Acquisitions strategy ("M&A") was also profitable as several local and international deals reached completion. Volatile markets typically provide good entry points into such deals. The Long/Short and Convergence strategies suffered, however the Trust took the opportunity to add to positions trading at discounts to "cash and marketable securities."

In the previous newsletter we pointed to the logical and historical propensity for firm's to increase profitability (and share prices) through tightening cycles. What a difference a month makes! Entering the first reporting season of the year we see confusion from the Fed and interest rate markets on the scope and timing of future rate rises. Moreover central banks globally and independent financial institutions (such as the IMF) continue to downgrade growth prospects across developed and emerging markets. As such we will be taking a conservative approach to Earnings Announcement investments over the impending reporting period.

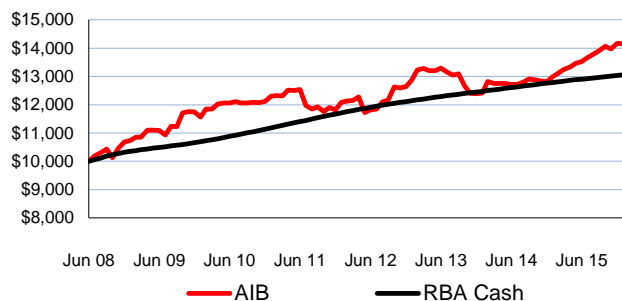
Trust Distributions (per Unit)³

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%
Total since inception	\$0.8452	

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

Investment Performance - Composite



About Aurora

Aurora Funds Management Limited is a fully owned subsidiary of ASX listed, Keybridge Capital (ASX Code: KBC). Aurora is a boutique investment manager that was established in 2003, and has a long track record of producing risk adjusted returns for retail, institutional and high net worth investors. They aim to deliver income whilst also managing the risks associated in investing in Australian and global equities. The investment strategies are offered through both ASX listed investment vehicles and managed funds.

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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