

Aurora Global Income Trust (ASX:AIB)

Performance ₁	1 month	3 months	FYTD
Aurora Global Income Trust	-7.91%	-5.08%	-6.96%
Benchmark	0.12%	0.38%	0.50%
Outperformance	-8.03%	-5.46%	-7.46%

Investment Objective

The Aurora Global Income Trust ("Fund") seeks to achieve absolute returns and income through the use of several different global investment strategies. The focus on absolute returns differs from traditional funds in that the Fund aims to produce returns not correlated with market conditions or global market indices.

Investment Strategy

The Fund seeks to take advantage of market mispricing and arbitrage opportunities using a diverse range of investment strategies. The Responsible Entity of the Fund researches various criteria for each investment, including 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 will invest in opportunities that are considered to offer attractive risk return characteristics with a focus on potential catalysts that seek 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 may be overpriced or to reduce risk on the overall portfolio.

Portfolio Position Analysis

Number of Positions

Long	19
Short	11

Fund Overview

ASX Code	AIB
NAV per Unit	\$0.5673
Structure	Trust
Investment Style	Market Neutral
Investment Universe	Global
Inception Date	24 December 2007
Management fee (incl.GST)	1.3325%
Performance fee (incl.GST)	20.5%
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 ("AIB" or "Fund") returned -7.91% for the month against its benchmark return of +0.12%.
- The Fund finalised its takeover bid for HHY Fund (ASX:HHY) during the month, with 14.7% of HHY's unitholders accepting the Fund's bid and becoming unitholders in an enlarged Fund.
- The key contributor to the Fund's performance was a long volatility position held in Ellerston Global Investments Limited (ASX:EGIO), which primarily benefitted from an appreciation in its underlying equity market exposure.
- The key detractors from performance this month were ASX:HHY and Molopo Energy Limited (ASX:MPO).
- The Funds HHY position was acquired using HHY's prevailing Net Asset Value ("NAV") which represents the underlying value of this investment. HHY has however been marked in AIB's portfolio at the ASX traded price consistent with all other market traded securities held by the Fund.
- Currently, HHY's ASX traded price is at a discount to its NAV. HHY recently announced a buy-back for up to 10% of its units on issue which, in our view, should see a material contraction in the discount between HHY market price and underlying NAV. All else equal, this would result in an improvement in AIB's reported NAV.
- AIB's position in MPO was revalued at 13.5 cents (versus it's previously held 14.0 cent) during the month. This value is consistent with the recent off market bid for MPO by the Aurora Fortitude Absolute Return Fund (AFARF), which in Aurora's view and based on all available information to date, is the most appropriate carrying value for this position.
- ASX:MPO currently remains and will remain suspended, according to the company, until such time that the ASX is satisfied that MPO meets the ASX Listing Rule requirements.
- Effective 1 October 2017, the Administrator for the Fund will change to Aurora Funds Management Limited.
- The Fund incurred extraordinary costs, in the form of legal fees, during the month.
- Correction: The August 2017 newsletter identified ASX:MPO as being a detractor to performance. This was incorrect. The key detractors to performance in August 2017 were Copper Strike Limited (ASX:CSE) and Antipodes Global Investment Company Ltd (ASX:APLO).

About Aurora

Aurora Funds Management Limited ("Aurora") is the Responsible Entity and Investment Manager of the Fund. Aurora is an Australian-based alternative asset manager that specialises in managing absolute-return strategies for high net worth, retail and institutional investors. Aurora specialises in value-orientated event-driven investments that aim to provide investors with positive risk-adjusted returns that are independent of benchmarks or investment cycles.

Aurora is also the Responsible Entity of the:

- Aurora Fortitude Absolute Return Fund (APIR Code: AFM0005AU)
 - Aurora Absolute Return Fund (ASX:ABW)
 - Aurora Dividend Income Trust (ASX:AOD, APIR Code: AFM0010AU)
 - Aurora Property Buy-Write Income Trust (ASX:AUP)
 - HHY Fund (ASX:HHY)
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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 Fund (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 carefully review the Product Disclosure Statement (PDS) for the Fund and seek their own financial advice prior to investing in the Fund. The information in this Portfolio Update 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 the investment strategy of the Fund was materially altered in November 2010, and performance prior to this date (being from inception to November 2010) cannot be relied upon. The investment objective for the Fund is expressed after the deduction of fees and before taxation. See the PDS for details on taxation. The investment 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 the Fund will aim to achieve the objective, the objective and returns are not guaranteed. The payment of franking credits to investors is subject to the Fund achieving a taxable profit in that year.