

## Aurora Property Buy-Write Income Trust (AUP)

| Performance <sup>1</sup>                      | 1 month | 3 months | FYTD  |
|---|---------|----------|-------|
| <b>Aurora Property Buy-Write Income Trust</b> | 4.61%   | 5.42%    | 5.42% |
| <b>Benchmark</b>                              | 0.28%   | 0.71%    | 0.71% |
| <b>Outperformance</b>                         | 4.33%   | 4.71%    | 4.71% |

### Investment Objective

The Aurora Property Buy-Write Income Trust (“Fund”) seeks to provide investors with capital growth and income through owning a portfolio of ASX-listed property securities, and actively selling call options over the portfolio.

### Investment Strategy

The Fund seeks to capture returns from investing in a portfolio of Australian ASX listed property securities. Income generated may be supplemented by implementing a call option selling (‘writing’) strategy. Where a call option strategy is implemented, a proportion of the income received from selling the call options may be used to purchase put options to reduce capital risk.

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.

### Fund Overview

|                                   |                                     |
|-----------------------------------|-------------------------------------|
| <b>NAV per Unit</b>               | \$3.7827                            |
| <b>Structure</b>                  | Fund                                |
| <b>Investment Universe</b>        | Domestic                            |
| <b>Inception Date</b>             | 26 July 2007                        |
| <b>Management fee (incl.GST)</b>  | 1.03%                               |
| <b>Performance fee (incl.GST)</b> | 10.25%                              |
| <b>Buy / sell spread</b>          | +/- 0.10%                           |
| <b>Entry / Exit fees</b>          | Nil                                 |
| <b>Benchmark</b>                  | RBA Cash Rate plus 1%               |
| <b>Distributions</b>              | 2.0% <sup>^</sup> pa, semi-annually |

**Fund Update**

Aurora Funds Management Limited (Aurora), in its capacity as responsible entity for the Aurora Property Buy-Write Income Trust ("AUP" of "Trust"), provides the following update to unitholders regarding the current status of the Trust including future redemptions and/or buy-backs.

RNY Property Trust

As of 31 December 2021, the Trust had loans receivable of \$3,395,631 plus accrued interest of \$1,240,996 from RNY Australia Operating Company ("RAOC") and RNY Property Trust ("RNY"). The Directors consider the loans and accrued interest from RAOC and RNY to the Trust to be fully recoverable and therefore there is no Expected Credit Loss associated with these loans.

In addition, the Trust holds 218,783,206 units in RNY which are carried at 1.1 cents per unit, equating to \$2,406,615.

Future Redemptions

Aurora is mindful of the impacts on AUP's liquidity following the cessation of trading on the Australian Securities Exchange (ASX). Aurora is currently working on several initiatives to enable AUP's loans to be repaid, including the potential refinancing and/or sale of RNY's properties. Following the execution of these initiatives, AUP will endeavour to fund off-market redemptions, taking into consideration the liquidity of the Trust.

RNY Update

RNY's portfolio has continued to maintain its occupancy at pre-pandemic levels, with increased leasing interest being shown across properties. Furthermore, RNY has received several unsolicited offers for its properties at values at least equal to current valuations. RNY is currently considering these offers and will update RNY unitholders accordingly.

**RNY Property Trust**

Aurora Funds Management Limited (Aurora), in its capacity as the responsible entity of the Aurora Property Buy Write Income Trust, Aurora Fortitude Absolute Return Fund, Aurora Global Income Trust and the Aurora Dividend Income Trust (Fund(s)), provides the following update in relation to the RNY Property Trust (RNY).

RNY has been suspended from trading on the Australian Securities Exchange (ASX) since 1 April 2019, due to delays experienced in finalising its audited financial statements for the year ended 31 December 2018 and half year ended 30 June 2019, followed by the Audit Disclaimer Opinion issued in relation to the year ended 31 December 2019. Aurora understands that RNY is due to release its Audit Reviewed financial statements for the half year ended 30 June 2020. In the event a clear audit review statement is issued, Aurora understands that RNY will then be in a position to apply for recommencement of trading on the ASX.

On 23 September 2019, RNY announced it had completed an independent valuation of its 5 commercial office properties in the New York tri-state area, resulting in a 16% uplift on previous valuations and a material uplift in RNY's Net Tangible Asset (NTA) backing. Given RNY's suspension from trading on the ASX, there was no actively traded market available for Aurora to determine the market value for RNY's securities. As such, the independent valuation obtained by RNY was considered the most appropriate basis on which to determine the carrying value of RNY, with Aurora's direct investments being carried at a small discount to RNY's improved NTA.

On 29 June 2020, Keybridge Capital Limited (Keybridge) announced its intention to make an off-market all scrip takeover bid for RNY at an implied offer price of \$0.011 per RNY unit<sup>1</sup> (Keybridge Offer), with its Bidder's Statement being dispatched on 28 August 2020. On 28 September 2020, Keybridge issued a substantial holder notice stating it had acquired a relevant interest of 1.01% in RNY (from parties other than Aurora) through acceptances into the Keybridge Offer. Aurora has also elected to accept a portion of its Funds holdings into the Keybridge Offer. Consistent with its previous "truth in takeovers" statement, Aurora has limited its acceptances into the Keybridge Offer at 41,450,000 RNY units.

As a consequence of the acceptances into the Keybridge Offer, the implied offer price of \$0.011 per RNY unit is now the most readily observable price for RNY securities. As such, this has resulted in the carrying value of Aurora's direct investments in RNY being reduced from \$0.044 to \$0.011 per RNY unit, across its various Funds.

On 20 January 2021, Huntley Management Limited (Huntley), as responsible entity of RNY, announced that unitholders had passed a resolution to remove RNY from the Official List of the ASX. As a consequence of RNY's voting results, RNY was removed from the Official List of the ASX on 25 January 2021.

## 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 (ABW)
- Aurora Dividend Income Trust (Managed Fund) (APIR Code: AFM0010AU)
- Aurora Global Income Trust (ASX Code: AIB)
- HHY Fund (HHY)

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## For further information, please contact:

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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.  
^2.0% pa of distributable taxable income.

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 125 153 648). 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 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. 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.