

28 July 2017

ASX Limited
Level 6, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Attention: Company Announcements

AURORA FUNDS MANAGEMENT LIMITED REQUISITIONS MEETING TO CHANGE RESPONSIBLE ENTITY OF RNY PROPERTY TRUST

Aurora Funds Management Limited (**Aurora**) currently holds 19.9% of the issued units of the RNY Property Trust (**RNY**) as responsible entity of the Aurora Property Buy-Write Income Trust, Aurora Global Income Trust and Aurora Fortitude Absolute Return Fund. On 18 July 2017, Aurora requisitioned a meeting of the unit holders of RNY to consider a change in its responsible entity from RNY Australia Management Limited (**RAML**) to Aurora.

Aurora took this step having tried to engage constructively with RNY about Aurora's concerns, including by putting forward a potential recapitalisation proposal aimed at delivering unit holder value. As those attempts were unsuccessful, Aurora carefully considered all its options to enhance and protect the value of its investment in RNY, and concluded that the best way to achieve this is to change the management of RNY.

We believe changing the management of RNY is in the best interests of investors for these reasons:

- RAML has overseen a 97% - 99% reduction in unit holder value since listing, with RAML recently estimating the net asset value of a unit in RNY at 1-3 cents, compared to its initial listing price of \$1.00.
- RAML appears to intend to exit RNY's residual properties in an accelerated manner, reducing the potential returns for RNY's unit holders. Aurora is of the view that implementing a 'hold strategy' for the properties and deferring any sale process would result in superior returns.
- While market fundamentals in the Westchester and Long Island property markets (the location of RNY's key residual properties) have experienced challenging conditions, recent independent research on each of these regions identifies that market fundamentals are now improving or stabilised as former excess supply has been absorbed.
- RAML and related entities (which provide services to the RNY property portfolio, such as property management and leasing) appear to have charged \$84.7m* in direct and indirect fees to RNY over the last 12 years. Aurora is of the view that appointing tenancy and asset managers that are unrelated to the responsible entity of RNY would likely result in improved tenancy results as well as lower costs for unit holders. Aurora is also of the view that there is opportunity to reduce RNY's ongoing overhead costs.
- Aurora has been in discussions with US based financiers that have provided indications they would support a refinancing of the key properties on conditions more favourable than current. RAML previously rejected a proposal by Aurora to recapitalise RNY to allow it to retain these properties.

Aurora notes that entities related to RAML have entered into 'poison pill' arrangements that could be exercised if RAML is removed as responsible entity and, if exercised, could trigger a liquidation of RNY's properties that

* Aurora notes that it requested RXR confirm these estimates of indirect charges that are not disclosed in RNY financial reports but has not yet received a response

would be expected to further impact unit holder returns. RAML should let unit holders know immediately of its intentions in this regard, and how RAML managed the potential for conflict of interest when these arrangements were put in place and how it intends to avoid its obvious self-interest if these arrangements are enlivened.

Aurora also notes that it is possible that the meeting requisition may encourage RAML to provide an alternate proposal to generate value for RNY unit holders, and Aurora remains open to considering such a proposal.

RAML is required to convene the meeting and despatch notice of the meeting together with a proxy from for unit holders to consider. Aurora is finalising a statement to accompany the notice of meeting, which will provide a summary of the reasons why Aurora has requisitioned the meeting and why RNY unit holders should vote in favour of the resolutions to change the responsible entity.

Aurora has also established a website (www.rnyREchange.net) where unit holders can subscribe to an email list and receive ongoing updates to ensure they are fully informed in relation to what is being proposed.

RNY unit holders can contact Aurora with any questions in relation to its proposal on 1300 553 431, enquiries@aurorafunds.com.au or through accessing the www.rnyREchange.net website.

Yours faithfully



Betty Poon

Company Secretary
Aurora Funds Management Limited
as responsible entity of
Aurora Property Buy-Write Income Trust
Aurora Global Income Trust
Aurora Fortitude Absolute Return Fund