



25 September 2017

ASX Limited
Level 6, Exchange Centre
20 Bridge Street
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Attention: Company Announcements

AUROLA
FUNDS MANAGEMENT

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AURORA PROPERTY BUY-WRITE INCOME TRUST ("AUP") OFF MARKET TAKEOVER BID FOR THE RNY PROPERTY TRUST ("RNY")

On 28 August 2017 Aurora Funds Management Limited (**Aurora**) as responsible entity of AUP made an off market takeover bid for all the units in RNY (**Bid**) for 1.5 cents per unit. On 15 September 2017 Aurora conditionally increased the Bid consideration to 1.7 cents per unit (**Improved Offer**). Aurora refers to the ASX announcement dated 18 September 2017 from RNY Australia Management Limited (**RAML**) in relation to the Bid and Improved Offer and notes the following:

- Aurora considered the estimated returns provided by RAML in relation to its Cash Distribution Strategy when identifying the consideration payable under the Bid and Improved Offer.
- RAML has subsequently identified that increased offers for properties encumbered by the ACORE loan may result in an increase to the 'upside forecast' of its Cash Distribution Strategy above 1.8 cents per unit, but has not yet provided updated returns guidance. Aurora will review any revised guidance from RAML under its Cash Distribution Strategy, and may then assess further increasing the offer consideration under the Bid.
- Should the conditions in the Improved Offer be met (that includes reaching a greater than 50% relevant interest, and accordingly RNY being subject to Aurora's control), Aurora's Bid provides RNY unitholders with two options:
 - Accepting it, which will provide RNY unitholders with their consideration in the timeframes set out in the 28 August 2017 Bidders Statement.
 - Remaining invested in RNY as subject to Aurora's management and control. Should Aurora successfully implement a 'hold' strategy for RNY's properties, this would include providing RNY unitholders with the benefits and risks of maintaining an exposure to USA based commercial real estate properties.
- Should RNY become subject to RNY's control, Aurora will work with RNY's lenders to attempt to resolve any covenant breaches.
- Aurora notes that the optionality available to RNY unitholders under the Bid compares with the only option provided by RAML being its Cash Distribution Strategy where the timing and amounts of cash distributions to be made under this strategy are uncertain and cannot be predicted or forecasted¹.

RAML's Target Statement in relation to the Bid is expected on 27 September 2017. Aurora will carefully consider this and its implications on the Bid, and provide further updates in due course.

¹ Refer 7 August 2017 RAML ASX Announcement p.10

Yours faithfully
Aurora Funds Management Limited
as responsible entity for
Aurora Property Buy-Write Income Trust

A handwritten signature in black ink, appearing to read 'Betty Poon', with a stylized flourish at the end.

Betty Poon
Company Secretary