

# Appendix 4E

## Preliminary Final Report To the Australian Securities Exchange

<b>Name of Entity</b>	Aurora Global Income Trust
<b>ARSN:</b>	127 692 406
<b>Financial Year Ended:</b>	30 June 2019
<b>Previous Corresponding Reporting Period:</b>	30 June 2018

### RESULTS FOR ANNOUNCEMENT TO THE MARKET

	2019 \$'000	Percentage increase /(decrease) over corresponding period
Revenues from continuing operations	(518)	74.13%
Loss for the year	(710)	72.04%
Net loss for the year attributable to members	(710)	72.04%

Distribution information	Cash per unit	Franked amount per unit
2019 final distribution	\$0.0007	\$0.0000
2018 interim distribution	\$0.0033	\$0.0000

#### Final distribution dates

Ex-entitlement date	28 June 2019
Record date	29 June 2019
Last election date for the DRP	2 July 2019
Payment date	15 August 2019

#### Dividend Reinvestment Plan

The Dividend Reinvestment Plan (DRP) is in operation and the final distribution of \$0.0007 per unit qualifies. The number of units received from the distribution is based on dividing the distribution by the DRP price as at 30 June 2019.

Unit holders may change their participation in the DRP at any time. However, in order to be valid, the election form to change participation must be submitted to the unit registry by the last election date.

#### Net Tangible Asset Backing

	30 June 2019	30 June 2018
Net tangible assets per security	\$0.1375	\$0.2379

*This report is based on the financial statements which are in the process of being audited. This document comprises the information as required by Listing Rule 4.3A.*

## Appendix 4E Contents and checklist of requirements

<b>1. Reporting period and corresponding period.</b>	Refer to Page 1 of this Appendix 4E.
<b>2. Results for announcement to the market.</b>	Refer to Page 1 of this Appendix 4E.
<b>3. Statement of comprehensive income.</b>	Refer to Page 3 of this Appendix 4E.
<b>4. Statement of financial position.</b>	Refer to Page 4 of this Appendix 4E.
<b>5. Statement of cash flows.</b>	Refer to Page 6 of this Appendix 4E.
<b>6. Statement of changes in equity.</b>	Refer to Page 5 of this Appendix 4E.
<b>7. Details of dividends or distributions.</b>	Refer to Page 1 of this Appendix 4E.
<b>8. Details of dividend or distribution reinvestment plans in operation and the last date of receipt of an election notice for participation in any dividend or distribution reinvestment plan.</b>	Refer to Page 1 of this Appendix 4E.
<b>9. Net tangible assets per security.</b>	Refer to Page 1 of this Appendix 4E.
<b>10. Details of entities over which control has been gained or lost during the period.</b>	Not applicable.
<b>11. Details of joint venture entities and associated entities.</b>	Not applicable.
<b>12. Any other information needed by an investor to make an informed assessment of the entity's financial performance and financial position.</b>	Refer to Pages 7-9 of this Appendix 4E.
<b>13. Accounting standards used in compiling reports by foreign entities.</b>	Not applicable.
<b>14. A commentary on the results for the period.</b>	Refer to Page 7 of this Appendix 4E.
<b>15. A statement as to whether the report is based on accounts which have been audited or subject to review, are in the process of being audited or reviewed, or have not yet been audited or reviewed.</b>	This report is based on financial statements which are in the process of being audited.
<b>16. If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification a description of the likely dispute or qualification.</b>	At this stage, it is likely that the audit report will be unqualified.
<b>17. If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification.</b>	Not applicable.

## Financial Statement

### Statement of profit or loss and other comprehensive income For the year ended 30 June 2019

	2019 \$	2018 \$
<b>Investment income</b>		
Interest income	9	1,507
Dividend and distribution income	29,685	55,105
Other income	-	78,771
Net gains/(losses) on financial instruments held at fair value through profit or loss	(548,142)	(2,137,400)
<b>Total net investment income/(loss)</b>	<b>(518,448)</b>	<b>(2,002,017)</b>
<b>Expenses</b>		
Dividend expense	-	3,086
Interest expense	10	7,079
Management fees	11,847	50,338
Recoverable costs of Responsible Entity	62,559	67,773
Transaction costs	770	4,300
Other operating expenses	101,193	158,962
Legal costs	15,505	245,700
<b>Total operating expenses</b>	<b>191,884</b>	<b>537,238</b>
<b>Operating profit/(loss) for the year</b>	<b>(710,332)</b>	<b>(2,539,255)</b>
<b>Finance costs attributable to unitholders</b>		
Distributions to unitholders	(30,615)	(284,505)
Decrease in net assets attributable to unitholders	740,947	2,823,760
<b>Profit/(loss) for the year</b>	<b>-</b>	<b>-</b>
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>
<b>Earnings/(loss) per unit (basic/ diluted)</b>	<b>(0.089)</b>	<b>(0.330)</b>

# Financial Statement

## Statement of financial position As at 30 June 2019

	2019 \$	2018 \$
<b>Assets</b>		
Cash and cash equivalents	177	1,062
Receivables	615	18,128
Financial assets held at fair value through profit or loss	1,202,422	1,861,996
<b>Total assets</b>	<b>1,203,214</b>	<b>1,881,186</b>
<b>Liabilities</b>		
Distributions payable	5,331	16,768
Other payables	150,485	129,925
<b>Total liabilities (excluding net assets attributable to unitholders)</b>	<b>155,816</b>	<b>146,693</b>
<b>Net assets attributable to unitholders – liability</b>	<b>1,047,398</b>	<b>1,734,493</b>
<b>Liabilities attributable to unitholders</b>	<b>(1,047,398)</b>	<b>(1,734,493)</b>
<b>Net assets</b>	<b>-</b>	<b>-</b>

## Financial Statement

### Statement of changes in equity For the year ended 30 June 2019

	2019 \$	2018 \$
Balance at the beginning of the financial year	-	-
Profit/(loss) for the year	-	-
Other comprehensive income	-	-
<b>Total comprehensive income</b>	-	-
Transactions with unitholders in their capacity as unitholders	-	-
<b>Total equity at the end of the financial year</b>	-	-

Under Australian Accounting Standards, net assets attributable to unitholders are classified as liability rather than equity. As a result, there was no equity at the start or end of the financial year.

# Financial Statement

## Statement of cash flows For the year ended 30 June 2019

	2019 \$	2018 \$
<b>Cash flows from operating activities</b>		
Proceeds from sale of financial instruments held at fair value through profit or loss	111,433	2,459,197
Purchase of financial instruments held at fair value through profit or loss	-	(2,719,612)
Transaction costs on sale and purchase of financial instruments	-	(3,086)
Dividends and distributions received	29,685	55,105
Other income received	-	78,771
Interest received	9	1,507
GST recovered/(paid)	12,306	1,275
Management fees paid	(16,585)	(50,659)
Recoverable costs of Responsible Entity paid	(129,989)	(25,057)
Other expenses paid	(16,037)	(429,271)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(9,178)</b>	<b>(631,830)</b>
<b>Cash flows from financing activities</b>		
Proceeds from applications by unitholders	54,592	1,643,819
Payments for redemptions by unitholders	(740)	(1,326,433)
Distributions paid	(42,051)	(386,827)
Loan (repaid)/received	(3,507)	3,507
<b>Net cash inflow/(outflow) from financing activities</b>	<b>8,294</b>	<b>(65,934)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(884)</b>	<b>(697,764)</b>
Cash and cash equivalents at the beginning of the year	1,062	698,826
<b>Cash and cash equivalents at the end of the year</b>	<b>177</b>	<b>1,062</b>
<b>Non-cash financing activities</b>	<b>8,541</b>	<b>75,892</b>

## 1. Principal activities

Aurora Global Income Trust ("The Trust") invests in equities and derivatives, in accordance with the provision of the Trust Constitution and the current Product Disclosure Statement ("PDS").

The Trust did not have any employees during the year.

The Trust is currently listed on the Australian Security Exchange (ASX: AIB).

There were no significant changes in the nature of the Trust's activities during the year.

## 2. Review and results of operations

During the year, the Trust continued to invest in accordance with the target asset allocations as set out in the governing documents of the Trust and in accordance with the provisions of the Trust Constitution and Trust updates announced on the ASX.

## 3. Financial results for the year

The performance of the Trust, as represented by the results of its operations, was as follows:

	2019 \$	2018 \$
Operating profit/(loss) before finance costs attributable to unitholders	(710,332)	(2,532,175)
Distributions paid and payable	30,615	284,505
Distribution (cents per unit) 30 September	0.13	1.24
Distribution (cents per unit) 31 December	0.11	1.23
Distribution (cents per unit) 31 March	0.09	1.13
Distribution (cents per unit) 30 June	0.07	0.23

## 4. Financial position

Net Tangible Assets (NTA) per unit as disclosed to the ASX are shown as follows:

	2019 \$	2018 \$
At 30 June	0.14	0.25
High during period	0.22	0.61
Low during period	0.12	0.25

## 5. Information on Underlying Performance

The performance of the Trust is subject to the performance of the Trust's underlying investment portfolio. There has been no change to the investment strategy of the Trust during the year, and the Trust continues to invest in accordance with target asset allocations as set out in the governing documents of the Trust and in accordance with the provisions of the Trust Constitution and any Trust updates on the ASX.

## 6. Strategy and Future Outlook

The Trust continues to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Trust and in accordance with the provisions of the Trust's Constitution.

The results of the Trust's operations will be affected by a number of factors, including the performance of investment markets in which the Trust invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further information on likely developments in the operations of the Trust and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Trust.

## 7. Significant changes in state of affairs

### Molopo Energy Limited

As at 30 June 2019, the Trust held an investment in the ordinary shares of MPO, which was suspended from trading on the Australian Stock Exchange on 27 July 2017 and remains suspended as at the date of this report.

As previously advised, Aurora considers that the actions of the former Molopo directors have substantially and adversely affected the value of Molopo's assets. As such, Aurora has considered the carrying value of its investment in Molopo and has decided to further write the value of its investment down from 1.9 cents to 1.5 cents. The rationale for this decision is summarised below:

- Molopo currently has 249,040,648 ordinary shares on issue;
- Based on the above, Aurora considers the appropriate carrying value of its investment in Molopo to be calculated as follows:
  - o cash reserves of \$12.3 million; less
  - o litigation provision of \$8.6 million. In the audited Molopo financial statements for the year ended 31 December 2018 this provision was removed as a liability in the balance sheet and disclosed as a contingent liability. Given the uncertainty surrounding this liability, Aurora has not removed the liability from its valuation calculation;
  - o divided by 249,040,648 ordinary shares on issue;
  - o the total estimated value equates to a value of **1.5 cents per share**
- As more information is released by Molopo on the Drawbridge shareholding as well as the Canadian litigation, it may be appropriate for Aurora to revisit the carrying value of its Molopo investment.

In its Quarterly Activities Report at 30 June 2019, Molopo advised that it continues to vigorously pursue its claims in the Supreme Court of Victoria against the former directors of the Company. Aurora has also lodged a letter of demand with Molopo and will continue to vigorously pursue its claim to recover value that has been lost by the former directors of Molopo.

The fair value of Aurora's investment in Molopo is based on significant estimates and judgements adopted by management of Aurora based on all available information about Molopo as at the date of the 30 June 2019 financial report.



## 7. Significant changes in state of affairs (continued)

### RNY Property Trust

As at 30 June 2019, the combined ownership of the units in RNY by entities for which Aurora Funds Management Limited ("AFML") is the Responsible Entity is 80.96%. The Trust owns 1.18% of the units in RNY.

Over the last eighteen months AFML, in its capacity as the Investment Manager of RNY, has been actively working to value from its investment in RNY by negotiating with the US lender of the underlying five (5) US commercial properties held RNY, working with the property sub-manager to attract new tenants and working with various stakeholders to improve the properties.

On 8 February 2019, AFML successfully extended the senior loan with ACORE for a further one year term. CBRE have replaced Winthrop as property sub-manager of the properties.

In the opinion of the Directors, other than the matters already referred to in this report, there were no significant changes in the state of affairs of the Trust that occurred during the financial year.

## 8. Matters subsequent to the end of the financial year

No matters or circumstances have arisen since 30 June 2019 that have significantly affected, or may significantly affect:

- (i) the operations of the Trust in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Trust in future financial years.

## 9. Significant accounting policies

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The financial statements have been prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for loans receivable, investments in financial assets and net assets attributable to unitholders. The amount expected to be recovered or settled within twelve months after the end of each reporting period cannot be reliably determined.

## 10. Net assets attributable to unitholders

Movements in the number of units and net assets attributable to unitholders during the year were as follows:

	2019 No.	2018 No.	2019 \$	2018 \$
<b>Opening balance</b>	7,290,578	6,940,077	1,734,493	4,240,867
Applications	288,000	2,544,088	46,051	1,567,927
Redemptions	(3,500)	(2,334,264)	(741)	(1,326,433)
Buy backs	-	-	-	-
Units issued upon reinvestment of distributions	40,835	140,677	8,541	75,892
Increase/(decrease) in net assets attributable to unitholders	-	-	(740,946)	(2,823,760)
<b>Closing balance</b>	<b>7,615,913</b>	<b>7,290,578</b>	<b>1,047,398</b>	<b>1,734,493</b>