

## Aurora Global Income Trust (ASX Code: AIB)

### Performance Report - July 2015

#### Summary

- The Trust outperformed the cash benchmark returning 1.08% in July 2015.
- The Earnings Announcement strategy provided the strongest contribution to returns.
- The Trust has produced improved performance over the past 12 months by returning 7.51% and outperforming cash by 5.17% over this period.

#### Performance<sup>1</sup>

	1 month	3 months	1 Year	3 Years (p.a)	Since Inception (p.a) 1 July 2008
Investment Strategy - Composite	1.08%	2.53%	7.51%	4.88%	4.51%
Cash Rate (Benchmark)	0.17%	0.50%	2.34%	2.66%	3.69%

The above composite/hybrid performance summary reflects a combination of the performance of the investment strategy as it applied (net of fees) within the former Aurora Sandringham Global Income Trust (ARSN 131 291 499 - now terminated) since its inception in July 2008 to 30 November 2010, and then the performance of this Trust (which implemented the same strategy) since 30 November 2010 to date. This is not the actual performance of Aurora Global Income Trust (AIB). The actual return of AIB since inception is 3.23% p.a. The table above and the charts below refer to the performance of the composite/hybrid strategy and not of the actual performance of AIB.

#### Investment Objective\*

The Trust aims to achieve absolute returns (i.e. positive returns in both rising and falling equity markets) by using a number of different global investment strategies that allows the performance of the Trust to have very little correlation to the performance of global equity market indices. The focus on 'absolute returns' differs from traditional funds in that the Trust aims to produce positive returns regardless of equity market conditions.

#### Investment Strategy

The Investment Manager has a wide discretion over the investments that may be held by the Trust. The pursuit of a diverse range of global investment strategies means that the Trust's returns are not necessarily dependent on any stock markets' direction, or dependent on any specific assumption or key market parameter. The Trust does not seek to replicate the standard industry benchmarks.

The Trust seeks to take advantage of companies that are expected to increase in value relative to the market around the announcement of their quarterly, half-yearly and yearly earnings results, while hedging their market and currency exposure.

In selecting additional investments for the Trust, the Manager follows a rigorous investment selection process which includes detailed qualitative and fundamental research.

The Trust may use derivatives for risk management as well as to create new positions. The Trust may opportunistically short sell securities that are considered to be overpriced in the anticipation of purchasing them later at lower prices for a profit and/or to reduce risk on the overall portfolio.

#### Performance Statistics - Composite

Performance since Inception (July 08)	4.5%
Volatility	5.2%
Sharpe Ratio	0.16
% positive months	63.5%
Best month	4.4%
Worst month	-4.6%
Average positive monthly return	1.1%
Average negative monthly return	-0.9%

#### Trust Valuations

NAV per Unit	\$0.8542
NAV per Unit plus distributions paid	\$1.6654

#### Portfolio Commentary

Global markets experienced a degree of volatility during the month. Early in the month, the backdrop included the referendum held by Greece and potential 'Grexit' from the Eurozone. Mid-month was marred by some disappointing U.S. earnings, poor Chinese manufacturing data and oil price weakness. Markets finished the month with volatility easing after Greece faded from the headlines and Chinese equities stabilised. Most major global markets finished with a positive result overall except some Asian markets; S&P500 +2%, FTSE +2.7%, DAX +3.3%, ASX200 +4.4%, Nikkei +1.7% however China posted large losses for both the Shanghai Comp (-14%) and H-shares.

The Trust posted a +1.08% net return for the month against the RBA cash benchmark of +0.17%. Pleasingly, the traditional Earnings Announcement strategy provided the strongest contribution to the returns. The Manager exercised discretion to defer implementing this strategy until after the Greece referendum and macroeconomic environment stabilised. Positive performance was generated on both the reporting equities and the selected hedge. Hedging the market exposure was done through a combination of options and futures, and the hedges performed well. July is one of the busiest months for companies reporting results. U.S. companies provided the best returns.

The Trust generated positive returns from the additional strategies. Australian yield securities rebounded after offering attractive margins in June. Long/Short trading included upgrades and downgrades. The convergence strategy included AMP Capital China Fund (AGF.ASX) trading at a significant discount to Net Tangible Assets (NTA). The Trust is able to provide some proxy hedging for the underlying international exposures. The TPG (TPM.ASX) acquisition of Iinet (IIN.ASX) was approved by shareholders during the month and was added to the Mergers and Acquisitions strategy.

August will provide some local reporting season opportunities and the roll-off of most of the outstanding global company announcement trades with a few additional companies under review in North America.

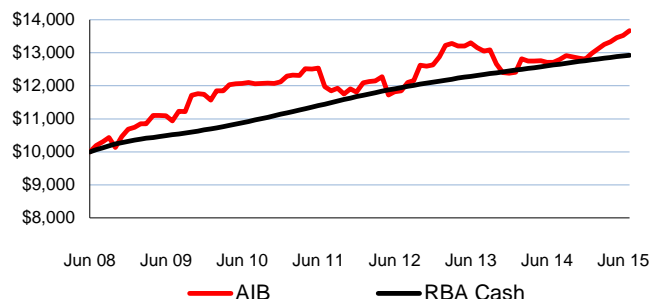
## Trust Distributions (per Unit)<sup>3</sup>

Period (per Unit)	Amount (\$)	Yield (p.a)
CY-08	\$0.1382	10.0%
CY-09	\$0.0950	7.8%
CY-10	\$0.1050	8.8%
31-Mar-11	\$0.0300	10.1%
30-Jun-11	\$0.0300	10.2%
30-Sep-11	\$0.0295	10.1%
31-Dec-11	\$0.0272	10.0%
30-Mar-12	\$0.0263	10.0%
29-Jun-12	\$0.0263	10.0%
30-Sep-12	\$0.0250	10.0%
31-Dec-12	\$0.0250	10.0%
31-Mar-13	\$0.0253	10.0%
30-Jun-13	\$0.0259	10.0%
30-Sep-13	\$0.0255	10.0%
31-Dec-13	\$0.0244	10.0%
31-Mar-14	\$0.0225	10.0%
30-Jun-14	\$0.0226	10.0%
30-Sep-14	\$0.0220	10.0%
31-Dec-14	\$0.0216	10.0%
31-Mar-15	\$0.0215	10.0%
30-Jun-15	\$0.0212	10.0%
Total since inception	\$0.8112	

## Trust Features

Trust Listing	24 December 2007
Minimum Initial Investment	\$2,000
Style	Market Neutral
Currency	Hedged to Australian Dollars
Unit Pricing	Monthly
Applications	Investors may acquire Units on market or apply via the PDS
Redemptions	On market by selling on the ASX or off-market at the end of each month
Benchmark	RBA Cash Rate
Distributions	At least 2% of Net Asset Value <sup>2</sup> per Unit, per quarter

## Investment Performance - Composite



## About Aurora

Aurora Funds Management Limited is a fully owned subsidiary of ASX listed, Keybridge Capital (ASX Code: KBC). Aurora is a boutique investment manager that was established in 2003, and has a long track record of producing risk adjusted returns for retail, institutional and high net worth investors. The investment strategies are offered through both ASX listed investment vehicles and managed funds. They aim to deliver income whilst also managing the risks associated in investing in Australian and global equities.

Aurora is also the issuer of the:

- Aurora Fortitude Absolute Return Fund  
(APIR Code: AFM0005AU)
- Aurora Absolute Return Fund  
(ASX Code: ABW)
- Aurora Dividend Income Trust (Managed Fund)  
(ASX Code: AOD, APIR Code: AFM0010AU)
- Aurora Property Buy-Write Income Trust  
(ASX Code: AUP)
- HHY Fund  
(ASX Code: HHY)

## Aurora Funds Management Ltd

Level 4, 1 Alfred Street, Sydney NSW 2000 PO Box R1695, Royal Exchange NSW 1225

Telephone: 1300 553 431, Visit: [www.aurorafunds.com.au](http://www.aurorafunds.com.au), or Email: [enquiries@aurorafunds.com.au](mailto:enquiries@aurorafunds.com.au)

1. The returns are calculated by compounding each monthly return with distributions reinvested. All returns are net of fees.
  2. The Trust intends to always distribute at least 2% of NAV per Unit per quarter regardless of Trust performance. This means that if the Trust has insufficient net income in a given quarter, investors may receive a partial (or full) return of capital.
  3. Each historical distribution has been divided by seven to reflect the Unit split carried out in November 2009.
- 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 Aurora Global Income Trust (ARSN 127 692 406). This information is prepared for general information only. It has been prepared without taking into account the objectives, financial situation or needs of any investor, which should be considered before investing. You should not base your decision to invest in the Trust solely on this information. Investors should consider a copy of the Product Disclosure Statement which is available by calling 1300 553 431. You should consider the suitability of the Trust in view of your financial position and investment objectives and needs, and you may want to seek advice before making an investment decision. 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. In particular as the Investment strategy of the Trust was materially altered in November 2010, and performance prior to this date (being from November 2010 to 'since inception') has little bearing on future performance. \*The investment objective is expressed after the deduction of fees and before taxation. See the PDS for details on taxation. The 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 we aim to achieve the objective, the objective and returns are not guaranteed.