

Appendix 4E

Preliminary Final Report To the Australian Securities Exchange

Name of Entity	Aurora Property Buy-Write Income Trust
ARSN:	125 153 648
Financial Year Ended:	30 June 2019
Previous Corresponding Reporting Period:	30 June 2018

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	2019 \$'000	Percentage increase /(decrease) over corresponding period
Revenues from continuing operations	961	192.58%
Loss for the year	606	136.35%
Net loss for the year attributable to members	606	136.35%

Distribution information	Cash per unit	Franked amount per unit
2019 final distribution	\$0.0367	\$0.0000
2018 interim distribution	\$0.1045	\$0.0000

Final distribution dates

Ex-entitlement date	28 June 2019
Record date	1 July 2019
Last election date for the DRP	1 July 2019
Payment date	19 August 2019

Dividend Reinvestment Plan

The Dividend Reinvestment Plan (DRP) is in operation and the final distribution of \$0.0367 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	\$3.6591	\$3.5007

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

1. Reporting period and corresponding period.	Refer to Page 1 of this Appendix 4E.
2. Results for announcement to the market.	Refer to Page 1 of this Appendix 4E.
3. Statement of comprehensive income.	Refer to Page 3 of this Appendix 4E.
4. Statement of financial position.	Refer to Page 4 of this Appendix 4E.
5. Statement of cash flows.	Refer to Page 6 of this Appendix 4E.
6. Statement of changes in equity.	Refer to Page 5 of this Appendix 4E.
7. Details of dividends or distributions.	Refer to Page 1 of this Appendix 4E.
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.	Refer to Page 1 of this Appendix 4E.
9. Net tangible assets per security.	Refer to Page 1 of this Appendix 4E.
10. Details of entities over which control has been gained or lost during the period.	Not applicable.
11. Details of joint venture entities and associated entities.	Not applicable.
12. Any other information needed by an investor to make an informed assessment of the entity's financial performance and financial position.	Refer to Pages 7-9 of this Appendix 4E.
13. Accounting standards used in compiling reports by foreign entities.	Not applicable.
14. A commentary on the results for the period.	Refer to Page 7 of this Appendix 4E.
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.	This report is based on financial statements which are in the process of being audited.
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.	At this stage, it is likely that the audit report will be unqualified.
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.	Not applicable.

Financial Statement

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

	2019 \$	2018 \$
Investment income		
Interest income	510,490	35,479
Dividend and distribution income	-	253,376
Other income	-	11,828
Net gains/(losses) on financial instruments held at fair value through profit or loss	450,301	(1,338,352)
Total net investment income/(loss)	960,791	(1,037,669)
Expenses		
Management fees	69,096	84,271
Legal fees	-	224,165
Transaction costs	-	2,630
Other operating expenses	285,853	318,380
Total operating expenses	354,949	629,446
Operating profit/(loss) for the year	605,842	(1,667,115)
Finance costs attributable to unitholders		
Distributions to unitholders	(286,474)	(648,300)
(Decrease)/Increase in net assets attributable to unitholders	(319,368)	2,315,415
Profit/(loss) for the year	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	-	-
Earnings/(loss) per unit (basic/ diluted)	0.299	(0.845)

Financial Statement

Statement of financial position As at 30 June 2019

	2019 \$	2018 \$
Assets		
Cash and cash equivalents	352	50,274
Dividends receivable	-	-
Deposits advanced to RNY Property Trust	-	2,802,161
Loans receivable	4,709,802	-
Interest receivable	510,122	-
Other receivables	39,567	313,157
Financial assets held at fair value through profit or loss	2,517,797	4,137,944
Total assets	7,777,640	7,303,536
Liabilities		
Distributions payable	74,360	79,519
Other payables	289,312	316,480
Total liabilities (excluding net assets attributable to unitholders)	363,672	395,999
Net assets attributable to unitholders – liability	7,413,968	6,907,537
Liabilities attributable to unitholders	(7,413,968)	(6,907,537)
Net assets	-	-

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	-	-
Total comprehensive income	-	-
Transactions with unitholders in their capacity as unitholders	-	-
Total equity at the end of the financial year	-	-

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 \$
Cash flows from operating activities		
Proceeds from sale of financial instruments held at fair value through profit or loss	1,897,460	7,753,588
Purchase of financial instruments held at fair value through profit or loss	(30,224)	(5,774,491)
Deposit advanced to RNY Property Trust	-	(2,706,128)
Deposit redeemed from RNY Property Trust	2,833,538	-
Loans advanced	(4,537,967)	-
Repayment of loans	(135,094)	
Transaction costs on sale and purchase of financial instruments	-	(2,630)
Dividends and distributions received	-	520,198
Interest received	368	36,995
Withholding tax received	189,276	-
GST recovered/(paid)	102,415	(516)
Legal fees paid	-	(224,165)
Management fees paid	(47,178)	(90,355)
Other operating expenses paid	(200,647)	(312,504)
Net cash inflow/(outflow) from operating activities	71,947	(800,009)
Cash flows from financing activities		
Proceeds from applications by unitholders	245,713	531,493
Payments for redemptions by unitholders	(66,439)	(2,162,388)
Payments for share buy backs	(9,511)	-
Distributions paid to unitholders	(291,633)	(802,001)
Net cash inflow/(outflow) from financing activities	(121,870)	(2,432,895)
Net (decrease)/increase in cash and cash equivalents	(49,923)	(3,232,904)
Cash and cash equivalents at the beginning of the year	50,275	3,283,179
Cash and cash equivalents at the end of the year	352	50,275
Non-cash financing activities	24,713	88,809

1. Principal activities

Aurora Property Buy-Write Income Trust ("the Trust") primarily invests in ASX listed companies it expects will pay franked dividends, in accordance with the provision of the Trust Constitution and the current Product Disclosure Statement ("PDS"). On 22 March 2018, as a consequence of its investment in the ASX listed 'RNY Property Trust (RNY), the trust expanded its Investment Strategy to allow investments in unlisted property related equity and debt instruments, specifically in relation to RNY's existing North American assets.

The Trust did not have any employees during the year.

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

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	605,842	(1,667,115)
Distributions paid and payable	(286,474)	(648,300)
Distribution (cents per unit) 30 September	3.45	9.32
Distribution (cents per unit) 31 December	3.44	8.95
Distribution (cents per unit) 31 March	3.56	8.68
Distribution (cents per unit) 30 June	3.67	4.03

4. Financial position

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

	2019	2018
	\$	\$
At 30 June	3.6591	3.5007
High during period	3.7169	4.5995
Low during period	3.3614	3.4474

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 primarily invests in ASX listed property companies, and property related debt instruments. This is expected to continue. As markets are subject to fluctuations, it is imprudent to provide a detailed outlook statement or statement of expected results of operations. The Trust provides regular updates, including monthly NTA announcements, which can be found in the announcement section of the Australian Securities Exchange website.

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

RNY Property Trust (ASX: RNY)

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 68.27% 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 extract value from its investment in RNY by negotiating with the US lender of the underlying five (5) US commercial properties held by 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.

Product Disclosure Statement

On 27 April 2017, the Trust's Product Disclosure Statement (PDS) was withdrawn for new off-market retail applications. The PDS is currently being updated and the Trust will re-commence accepting off-market retail applications once the PDS has been lodged with Australian Securities and Investments Commission.

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 \$
Opening balance	1,973,165	2,332,188	6,907,537	10,864,831
Applications	65,000	125,804	221,000	449,000
Redemptions	(18,900)	(504,874)	(49,139)	(2,179,687)
Buy backs	-	-	(9,511)	-
Units issued upon reinvestment of distributions	6,900	20,047	24,713	88,808
Increase/(decrease) in net assets attributable to unitholders	-	-	319,368	(2,315,415)
Closing balance	2,026,165	1,973,165	7,413,968	6,907,537