Aurora Investment Trust plc

Half Yearly Financial Report

For the six months ended 30 June 2019

Aurora
INVESTMENT TRUST

CONTENTS

FINANCIAL AND PERFORMANCE HIGHLIGHTS

Performance

	At 30 June 2019 (unaudited)	At 30 June 2018 (unaudited)	At 31 December 2018 (audited)
Net Asset Value ('NAV') per Ordinary Share	191.03p	215.74p	182.24p
Ordinary Share price	190.00p	219.00p	183.00p
(Discount)/Premium[1]	(0.54)%	1.51%	0.42%
FTSE All-Share Index ('Benchmark')	7430.61	7388.69	6577.39
Gearing (net)	Nil	Nil	Nil

The total returns in sterling for the period were as follows:

	Six months to 30 June 2019 (unaudited) %	Six months to 30 June 2018 (unaudited) %	Year to 31 December 2018 (audited) %
Aurora NAV per Ordinary Share[1,2]	+6.89	+6.25	-10.30
Aurora Ordinary Share price[1,2]	+5.79	+6.66	-10.90
FTSE All-Share Index ('Benchmark')	+12.97	+1.69	-9.50

[1] Definition of Alternative Performance Measures ('APMs') and how they are calculated can be found on page 19.
[2] Total Return includes dividends reinvested.

Source: Bloomberg.

INVESTMENT POLICY

Investment objective

The Company's objective is to provide Shareholders with long-term returns through capital and income growth.

Investment Policy

The Company seeks to achieve its investment objective by investing predominantly in a portfolio of UK listed companies. The Company may from time to time also invest in companies listed outside the UK and unlisted securities. The investment policy is subject to the following restrictions, all of which are at the time of investment:

- The maximum permitted investment in companies listed outside the UK at cost price is 20 per cent. of the Company's gross assets.
- The maximum permitted investment in unlisted securities at cost price is 10 per cent. of the Company's gross assets.
- There are no pre-defined maximum or minimum sector exposure levels but these sector exposures are reported to and monitored by, the Board in order to ensure that adequate diversification is achieved.
- The Company's policy is not to invest more than 15 per cent. of its gross assets in any one underlying issuer.
- The Company may from time to time invest in other UK listed investment companies, but the Company will not invest more than 10 per cent. in aggregate of the gross assets of the Company in other listed closed-ended investment funds.
- The Company will not invest in any other fund managed by the Investment Manager.

While there is a comparable index for the purposes of measuring performance over material periods, no attention is paid to the composition of this index when constructing the portfolio and the composition of the portfolio is likely to vary substantially from that of the index. The portfolio will be relatively concentrated. The exact number of individual holdings will vary over time but typically the portfolio will consist of holdings in 15 to 20 companies. The Company may use derivatives and similar instruments for the purpose of capital preservation.

The Company does not currently intend to use gearing. However, if the Board did decide to utilise gearing the aggregate borrowings of the Company would be restricted to 30 per cent. of the aggregate of the paid up nominal capital plus the capital and revenue reserves.

Any material change to the investment policy of the Company will only be made with the approval of Shareholders at a general meeting. In the event of a breach of the Company's investment policy, the Directors will announce through a Regulatory Information Service the actions which will be taken to rectify the breach.

INVESTMENT MANAGER'S REVIEW

Performance

The NAV per share increased during the half year by 6.9% and the share price by 5.8%. At the end of June 2019, the shares were trading at a 0.5% discount to NAV. The FTSE All Share Index was up 13.0% over the same period.

The main positive contributors to the half yearly performance were JD Wetherspoon, Tesco and Barratt Developments which all posted 20% gains followed by Sports Direct, Lloyds, Randall & Quilter and Vesuvius which all posted gains above 10%. Detractors to performance were CPP down 19%, easyJet down 10% and Dignity down 5%.

Following the half year end there have been share price moves of note in two of the larger holdings in the portfolio. Dignity has fallen 27% and Sports Direct 17%.

Since Phoenix was appointed Investment Manager in January 2016, the NAV has risen 23% versus the market, which is up 35%. Net assets are £123 million (£102 million December 2018) as the Trust has continued to draw interest to the Phoenix investment style from a range of new investors. £18.8 million of new equity has been issued in the half year.

Portfolio Review

It has been an active half year in terms of investment activity, with a big switch into easyJet which is now the largest holding, the addition (below our 3% disclosure level) of Ryanair and reductions of the holdings in GlaxoSmithKline and Tesco.

The half year was very much the case of a strong start to the year followed by a pullback in Q2. At the end of March 2019, the NAV had risen 11.4% which was a little ahead of the FTSE All Share Index. Conditions in Q2 were similar to Q4 2018 where a Brexit related sell off has thrown up great values. Gary Channon commented in the Phoenix UK Fund Q2 investor report that this sell off when "added to some soft commercial airline numbers due to where we are in that capital cycle (more planes being delivered than customers) it pushed easyJet out of the FTSE100 and presented us with a wonderful opportunity to add significantly to our holding".

In April 2019 Randall & Quilter ('R&Q') reported in their final results for 2018, a 45% rise in pre-tax profit from their continuing operations of £14.3 million as they succeeded in their plan in 2018 to simplify the business to focus on the high growth aspects of Program Management and Legacy acquisitions, with all the proceeds from asset disposals reinvested back into these core business streams. Management report that they have an excellent pipeline of new business opportunities in Legacy that they can now pursue having raised £104 million from an over-subscribed equity offer. Legacy is the part of the business which focuses on the management of insurance vehicles in "Run Off". The "Run-off" element of the insurance industry is now a vibrant and respected part of the market and is viewed as a natural component of the underwriting life cycle requiring specialist skills, like those of R&Q, which should underpin long-term supply of new Legacy opportunities. Their Program Management business is seeing high volumes of contracted business working with many good quality reinsurers aided by their AM Best credit rating (also underpinned by the capital raise). The Program Management business utilises R&Q's US and European licenced insurance subsidiaries. These R&Q subsidiaries provide a conduit between reinsurance and other types of insurance companies in jurisdictions where those reinsurance companies are not licenced insurance entities. For this intermediary role R&Q earn commission income.

Bellway, Redrow and Barratt Developments have continued to perform well. House prices are stable nationally, they can purchase land at their target margin and have been able to absorb increases in input prices.

Tesco has continued its recovery, moving forward as a great business with positive momentum, great leadership and value creation. In its results in May 2019 Dave Lewis, Chief Executive, said "After four years we have met or are about to meet the vast majority of our turnaround goals. I'm very confident that we will complete the journey in 2019/20. I'm delighted with the broad-based improvement across the business. We have restored our competitiveness for customers – including through the introduction of 'Exclusively at Tesco' – and rebuilt a sustainable base of profitability. The full year margin of 3.45% represents clear progress and the second half level of 3.79%, even before the benefit of Booker, puts us comfortably in the aspirational range we set four years ago. I'm pleased that we are able to accelerate the recovery in the dividend as a result of our continued capital discipline and strong improvement in cash profitability."

Lloyds continues to perform in line with our expectations, but its progress is not yet recognised by the stock market. Vesuvius, GlaxoSmithKline and JD Wetherspoon also continue to perform well.

As mentioned in the performance review, since the half year end Sports Direct and Dignity have experienced significant price falls. In early August 2019 Gary Channon commented on both companies. An extract from his commentary is below.

"Sports Direct has been in the news a lot lately. Firstly, they delayed the announcement of their results saying they weren't ready. When they were ready, there was a further delay on the day because of the apparently unexpected receipt of a large tax demand from the Belgian tax authorities the day before. Slightly lost in all the headlines was that the financial results were very resilient, outperforming most UK retailers and although House of Fraser was loss making, it wasn't any worse than expected.

When we are considering our investments, and this is especially the case with Sports Direct, we need to distinguish between information that matters, i.e. that tells us something significant, and that which doesn't. Despite all the hullabaloo about these goings on, in our opinion most of it tells us very little that matters. We've found nothing that goes to integrity or even corporate governance. This isn't intended as a rebuttal piece, it would be too long if we went through every twist and turn and our evidence, deductions and interpretations. I just want to say that from our perspective, as investors who have followed Sports Direct very closely for a decade, that we have found nothing that isn't consistent with either their explanation of it, or their way of operating.

We have watched entrepreneurs like Ken Morrison say, push their organisations hard when there is a big opportunity. In his case buying Safeway. They focus on what matters, on seizing the opportunity, on creating the most future value and they don't pay much attention to the short-term optics or the desire to have everything looking smooth and under control. When you do this in the public domain as a listed company you suffer bad headlines and a volatile share price. For the investor who separates out what matters and is able to judge value, then these times often present opportunities.

We were buyers of Morrisons at that time when they told the City they couldn't produce figures and we were recent buyers of Sports Direct when they initially plunged on the latest news. These situations do look ugly and they don't help with the short-term perception of Phoenix, but we believe that in reality it is an opportunity, and that in time that will be borne out and our investors will prosper as a result.

The key point I would like to make about Sports Direct is that our estimation of its value has not changed negatively in the past few months. We are always happy to acknowledge when that does happen, and it happens a lot, but not here and neither is the case with **Dignity** where it is harder for us to comment now that we have a team member on the board. However, our view of the long-term value of Dignity if it pursues the sort of strategy that we think makes sense has not changed. The recent results showed the real effect of the recent price changes, which were somewhat masked last year by a cold snap that pushed up the death rate. This year shows a reversion (people can't die twice) and that Dignity is still in transition to the right strategy in a more price transparent world.

We will support and encourage Dignity to pursue the right strategy which, we believe is one of price and service leadership which makes the most of the economies of scale."

Since these comments were released **Sports Direct** announced that Grant Thornton had stepped down as its auditor and that none of the "Big Four" had expressed a willingness to take over the audit. The company stated it is seeking advice from the government as to how it should act if they cannot find a suitable auditor. Our view as to the overall situation at the company has not changed from that expressed in early August 2019 and we continue to monitor the situation closely.

Outlook

As we reported at the full year end, the portfolio remains at a significant discount to our estimate of intrinsic value with upside being greater than 120%. Using historical performance, future three-year returns have been good when the portfolio is this cheap.

In early July 2019, Gary Channon wrote "We believe we have a wonderful portfolio of businesses, one of the best we've had, and therefore have high expectations of long term returns from here".

We believe that while some holdings have suffered price decline since the half year their intrinsic value has not reduced, and we remain excited about the upside in the portfolio and therefore future returns.

Steve Tatters
Phoenix Asset Management Partners Ltd
9 September 2019

Top holdings

As at 30 June 2019

Company	Sector	Holding in Company	Amount	Percentage of net assets
			£'000	%
easyJet	Leisure	1,390,363	13,242	10.7
Sports Direct International	Retail	4,028,230	11,126	9.0
Dignity	Retail	1,648,841	10,676	8.6
Randall & Quilter Investment Holdings	Insurance	5,949,781	10,412	8.4
Lloyds Banking Group	Finance	16,328,000	9,240	7.5
Bellway	Construction	329,440	9,162	7.4
Tesco	Retail	3,929,960	8,905	7.2
GlaxoSmithKline	Pharmaceuticals	479,970	7,567	6.1
Phoenix SG[1]	Finance	3,277	7,225	5.8
Vesuvius	Industrial	1,127,934	6,181	5.0
Redrow	Construction	1,093,586	5,938	4.8
Hornby	Leisure	17,727,984	5,318	4.3
J D Wetherspoon	Retail	275,726	3,932	3.2
Other holdings (less than 3%)	n/a	n/a	9,476	7.6
Total holdings			**118,400**	**95.6**
Other current assets and liabilities			5,498	4.4
Net assets			**123,898**	**100.0**

[1] Comprises the assets which make up the investment in Stanley Gibbons plc.

Sector Breakdown

As at 30 June 2019

SECTOR	%
Retail	30.9
Leisure	15.9
Finance	15.1
Construction	14.2
Insurance	8.4
Pharmaceuticals	6.1
Industrial	5.0
Other current assets and liabilities	4.4
Total	**100.0**

INTERIM MANAGEMENT REPORT

The Directors are required to provide an Interim Management Report in accordance with the Financial Conduct Authority's ('FCA') Disclosure Guidance and Transparency Rules ('DTR'). The Directors consider that the Investment Manager's Review on pages 3 to 5 of this Half Yearly Financial Report provide details of the important events which have occurred during the period and their impact on the financial statements. The following statement on the Principal Risks and Uncertainties, the Related Party Transactions, the Statement of Directors' Responsibilities and the Investment Manager's Review together constitute the Interim Management Report of the Company for the six months ended 30 June 2019. The outlook for the Company for the remaining six months of the year ending 30 June 2019 is discussed in the Investment Manager's Review.

Details of the investments held at the period end and the structure of the portfolio at the period end are provided on pages 6 and 7.

Principal Risks and Uncertainties

The principal risks and uncertainties of the Company are detailed on page 21 of the Company's most recent Annual Report for the year ended 31 December 2018 which can be found on the Company's website at **www.aurorainvestmenttrust.com**. The principal risks and uncertainties facing the Company remain unchanged from those disclosed in the Annual Report for the year ended 31 December 2018 and the Board are of the opinion that they will continue to remain unchanged for the forthcoming six month period.

The principal risks and uncertainties facing the Company are as follows:

- Market risks including: poor stock market performance caused by economic and political concerns or poor corporate results;
- Poor asset management by the Investment Manager;
- Corporate governance and internal control risks.

Related Party Transactions

The Company's Investment Manager is Phoenix Asset Management Partners Limited, ('Phoenix' or the 'Investment Manager'). Mr Tatters is a director of the Company and an employee of Phoenix. The Board and Phoenix are considered related parties in accordance with the Listing Rules. Phoenix does not earn an ongoing annual management fee. It will be paid an annual performance fee equal to one third of the outperformance of the Company's net asset value total return (including dividends and adjusted for the impact of share buybacks and the issue of new shares) over the FTSE All-Share Index total return for each financial year. Details of the investment management arrangements are detailed in Note 4 on page 17 of these accounts. There have been no material changes to the related party transactions described in the Annual Report that could have an effect on the financial position or performance of the Company. Amounts payable to the Investment Manager in the period are detailed in the Statement of Comprehensive Income on page 11.

Futher details of the Board's remuneration and shareholdings can be found on page 42 of the Company's Annual Report.

Going Concern

The financial statements have been prepared on the going concern basis. The Directors have a reasonable expectation, after making enquiries, that the Company has adequate resources to continue in existence for at least twelve months from the date of approval of this document. In reaching this conclusion, the Directors have considered the liquidity of the Company's portfolio of investments as well as its cash position, income and expense flows. As at 30 June 2019, the Company held £5,144,000 in cash, £111,176,000 in quoted investments and £7,225,000 in an unquoted investment. It is estimated that the majority of the portfolio could be realised in seven days under normal conditions. The total operating expenses for the six months to 30 June 2019 was £281,000.

At 30 June 2019, the Company has in excess of 220 years' cover of operating and finance costs. The Company's net assets at 30 June 2019 were £123,898,000.

For and on behalf of the Board of Directors
Lord Flight
Chairman
9 September 2019

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR THE HALF YEARLY REPORT

The Directors confirm to the best of their knowledge that:

- The condensed set of financial statements contained within the Half Yearly Financial Report have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", gives a true and fair view of the assets, liabilities, financial position and profit and loss of the Company; and
- The Interim Management Report includes a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's DTR Rules.

The Half Yearly Financial Report was approved by the Board on 9 September 2019 and the above responsibility statement was signed on its behalf by:

Lord Flight
Chairman
9 September 2019

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

Note		Six months to 30 June 2019 (unaudited)			Six months to 30 June 2018 (unaudited)		
		Revenue	**Capital**	**Total**	**Revenue**	**Capital**	**Total**
		£'000	£'000	£'000	£'000	£'000	£'000
	Gains on investments	–	4,515	4,515	–	4,942	4,942
3	Income	2,314	–	2,314	1,530	–	1,530
	Total income	**2,314**	**4,515**	**6,829**	**1,530**	**4,942**	**6,472**
4	Investment management fees	–	–	–	–	(164)	(164)
	Other expenses	(281)	–	(281)	(186)	–	(186)
	Profit before tax	2,033	4,515	6,548	1,344	4,778	6,122
	Tax	–	–	–	–	–	–
	Profit and total comprehensive income for the period	**2,033**	**4,515**	**6,548**	**1,344**	**4,778**	**6,122**
7	**Earnings per share**	**3.46p**	**7.68p**	**11.14p**	**3.05p**	**10.85p**	**13.90p**

The revenue and capital columns, including the revenue and capital earnings per share data, are supplementary information prepared under guidance published by the AIC.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued during the year. All revenue is attributable to the equity holders of the Company.

The notes on pages 16 to 18 form part of these accounts.

CONDENSED STATEMENT OF FINANCIAL POSITION

Note		At 30 June 2019 (unaudited)	At 30 June 2018 (unaudited)	At 31 December 2018 (audited)
		£'000	£'000	£'000
	Non–current assets:			
	Investments held at fair value through profit or loss	118,400	102,028	98,619
	Current assets			
	Receivables	452	267	459
	Cash and cash equivalents	5,144	5,574	2,008
		5,596	5,841	2,467
	Total assets	123,996	107,869	101,086
	Current liabilities:			
	Purchases for settlement	–	2,989	–
	Payables	98	220	90
		98	3,209	90
	Net assets	123,898	104,660	100,996
	Equity:			
	Called up share capital	16,215	12,128	13,855
	Capital redemption reserve	179	179	179
	Share premium account	94,172	64,950	77,764
	Investment holding (losses)/gains	(1,991)	15,041	(5,218)
	Other capital reserve	12,861	10,677	11,573
	Revenue reserve	2,462	1,685	2,843
	Total equity	123,898	104,660	100,996
	NAV per Ordinary Share	191.03p	215.74p	182.24p
6	No. of Ordinary Shares in issue	64,859,316	48,512,435	55,418,716

The notes on pages 16 to 18 form part of these accounts.

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Called up Share capital	Capital redemption reserve	Share premium account	Unrealised capital gains	Other capital gains	Revenue reserve	Total
Six months to 30 June 2019 (unaudited)	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Opening equity	13,855	179	77,764	(5,218)	11,573	2,843	**100,996**
Total comprehensive income for the period	–	–	–	3,227	1,288	2,033	**6,548**
Issue of new shares	2,360	–	16,481	–	–	–	**18,841**
Share issue costs	–	–	(73)	–	–	–	**(73)**
Dividends paid	–	–	–	–	–	(2,414)	**(2,414)**
Closing equity	**16,215**	**179**	**94,172**	**(1,991)**	**12,861**	**2,462**	**123,898**

	Called up Share capital	Capital redemption reserve	Share premium account	Unrealised capital gains	Other capital gains	Revenue reserve	Total
Six months to 30 June 2018 (unaudited)	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Opening equity	10,618	179	54,009	10,887	10,053	1,627	**87,373**
Total comprehensive income for the period	–	–	–	4,154	624	1,344	**6,122**
Issue of new shares	1,510	–	10,991	–	–	–	**12,501**
Share issue costs	–	–	(50)	–	–	–	**(50)**
Dividends paid	–	–	–	–	–	(1,286)	**(1,286)**
Closing equity	**12,128**	**179**	**64,950**	**15,041**	**10,677**	**1,685**	**104,660**

The notes on pages 16 to 18 form part of these accounts.

CONDENSED STATEMENT OF CHANGES IN EQUITY continued

	Called up Share capital	Capital redemption reserve	Share premium account	Unrealised capital gains	Other capital gains	Revenue reserve	Total
Year to 31 December 2018 (audited)	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Opening equity	10,618	179	54,009	10,887	10,053	1,627	**87,373**
Total comprehensive income for the year	–	–	–	(16,105)	1,520	2,502	**(12,083)**
Issue of new shares	3,237	–	24,016	–	–	–	**27,253**
Share issue costs	–	–	(261)	–	–	–	**(261)**
Dividends paid	–	–	–	–	–	(1,286)	**(1,286)**
Closing equity	**13,855**	**179**	**77,764**	**(5,218)**	**11,573**	**2,843**	**100,996**

The notes on pages 16 to 18 form part of these accounts.

CONDENSED CASH FLOW STATEMENT

	Six months to 30 June 2019 (unaudited)	Six months to 30 June 2018 (unaudited)	Year to 31 December 2018 (audited)
	£'000	**£'000**	**£'000**
Net cash flow from operating activities			
Cash inflow from investment income and interest	2,331	1,615	2,801
Cash outflow from management expenses	(282)	(49)	(389)
Net cash flow from operating activities	**2,049**	**1,566**	**2,412**
Net cash flow used in investing activities			
Payments to acquire non-current asset investments	(27,609)	(34,003)	(90,875)
Receipts on disposal of non-current asset investments	12,342	22,329	60,258
Net cash flow used in investing activities	**(15,267)**	**(11,674)**	**(30,617)**
Cash flow from financing activities			
Net proceeds from issues of new shares	18,768	12,461	26,992
Dividends paid	(2,414)	(1,286)	(1,286)
Net cash flow from financing activities	**16,354**	**11,175**	**25,706**
Increase / (decrease) in cash and cash equivalents	**3,136**	**1,067**	**(2,499)**
Cash and cash equivalents at beginning of year	2,008	4,507	4,507
Cash and cash equivalents at end of year	**5,144**	**5,574**	**2,008**

The notes on pages 16 to 18 form part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS

1. Status of the financial statements

The financial information contained in this Half Yearly Financial Report does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. The financial information for the six months ended 30 June 2019 and 30 June 2018 have not been reviewed by the Company's Auditor. The unaudited Half Yearly Financial Report will be made available to the public at the registered office of the Company. The report will also be available in electronic format on the Company's website, http://www.aurorainvestmenttrust.com.

The information for the year ended 31 December 2018 has been extracted from the last published Annual Report, unless otherwise stated. The audited financial statement has been delivered to the Registrar of Companies. The Auditors reported on those accounts and their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under sections 498(2) or 498(3) of the Companies Act 2006.

The Half Yearly Financial Report was approved by the Board of Directors on 9 September 2019.

2. Accounting policies

The Half Yearly Financial Report has been prepared in accordance with IAS34 Interim Financial Reporting. The accounting policies are unchanged from those used in the last published Annual Report except where otherwise stated.

3. Income

	Six months to 30 June 2019	Six months to 30 June 2018
	£'000	**£'000**
Income from investments:		
Dividends from listed or quoted investments	2,312	1,530
Other income:		
Deposit interest	2	–
Total income	**2,314**	**1,530**

4. Investment management fees

The Company has an agreement with Phoenix Asset Management Partners ('Phoenix' or the 'Investment Manager'). Under the terms of this agreement, the Investment Manager does not earn an ongoing annual management fee, but will be paid an annual performance fee equal to one third of any outperformance of the Company's net asset value total return (including dividends and adjusted for the impact of share buybacks and the issue of new shares) over the FTSE All-Share Index total return for each financial year.

The total annual performance fee is capped at 4% per annum of the net asset value of the Company at the end of the relevant financial year, in the event that the net asset value per share has increased in absolute terms over the period, and 2% in the event that the net asset value per share has decreased in absolute terms over the period. Any outperformance that exceeds these caps will be carried forward and only paid if the Company outperforms, and the annual cap is not exceeded, in subsequent years.

The performance fee is subject to a high water mark so that no performance fee will be payable in any year until all underperformance of the Company's net asset value since the last performance fee was payable has been made-up. The performance fee will also be subject to a clawback if over a rolling period of three years following the end of the last financial year for which a performance fee was payable the Company underperforms.

The performance fee will be paid to Phoenix in Ordinary Shares (issued at the net asset value per share on the date of issue) and such shares must be retained by Phoenix for a minimum period of three years from the date of issue.

No performance fees were accrued as at 30 June 2019 (30 June 2018: £164,000. 31 December 2018: nil).

5. Dividends

In accordance with the stated policy of the Company, the directors do not recommend an interim dividend.

The final dividend of 4.0p per share in respect of the year ended on 31 December 2018 went ex-dividend on 2 May 2019. The dividend was paid on 19 June 2019. This dividend was not reflected in the financial statements for the year ended 31 December 2018, but is reflected in these financial statements for the period to 30 June 2019.

6. Share Capital

		At 30 June 2019	At 30 June 2018	At 31 December 2018
Allotted, called up and fully paid	Number	64,859,316	48,512,435	55,418,716
Ordinary shares of 25p	£'000	16,215	12,128	13,855

During the six months to 30 June 2019, the Company issued 9,440,600 new ordinary shares, pursuant to the Company's block listing facility, raising net aggregate proceeds of £18,842,139 for the Company

The Company did not purchase any of its own shares during the six month period to 30 June 2019 (2018: nil). No shares were held in treasury during the period (2018: Nil).

7. Earnings per share

Earnings for the period to 30 June 2019 are stated by reference to the weighted average of 58,792,018 (2018: 44,051,464) ordinary shares in issue during the period, excluding shares held in Treasury.

8. Related party transactions

The Board and Phoenix are considered related parties in accordance with the Listing Rules. Fees payable to the Investment Manager are detailed in the Statement of Comprehensive Income and note 4.

Fees payable to the Directors in respect of the period were £69,075 (including NI or VAT as applicable).

9. Post Balance Sheet Events

On 3 July 2019 the Company issued a prospectus which permits the Company to issue up to a further 57 million Ordinary Shares during the period 8 July 2019 to 2 July 2020. In accordance with the prospectus the price at which shares may be issued is the NAV per share at the time of issue plus a premium to cover the expenses of the issue as determined by the Board.

Since 30 June 2019 and up to the date of this report, a further 347,740 ordinary shares have been issued raising net aggregate proceeds of £656,932.

ALTERNATIVE PERFORMANCE MEASURES

Premium

The amount, expressed as a percentage, by which the share price is more than the NAV per Ordinary Share.

		Page	As at 30 June 2018
NAV per Ordinary Share	a	1	191.03
Ordinary Share price	b	1	190.00
Premium	(b ÷ a) – 1		**-0.54%**

Total return

A measure of performance that includes both income and capital returns. This takes into account capital gains and reinvestment of dividends paid out by the Company into its Ordinary Shares on the ex-dividend date.

Six month period to 30 June 2019		Page	NAV per Ordinary Share	Ordinary Share price
Opening at 1 January 2019	a	1	182.24	183.00
Closing at 30 June 2019	b	1	191.03	190.00
Price movement (b ÷ a) – 1	c	n/a	4.82%	3.83%
Dividend reinvestment	d	n/a	2.01%	1.96%
Total return	(c + d)		**6.89%**	**5.79%**

n/a = not applicable

CORPORATE INFORMATION

DIRECTORS	INVESTMENT MANAGER AND ALTERNATIVE FUND MANAGER ('AFM')
Lord Flight (Chairman) The Honourable James Nelson RM Martin D Stevenson S Tatters	Phoenix Asset Management Partners Limited 64-66 Glentham Road London SW13 9JJ Telephone: 0208 600 0100

DEPOSITORY & CUSTODIAN	SECRETARY & REGISTERED OFFICE
BNP Paribas Securities Services 10 Harewood Avenue London NW1 6AA	PraxisIFM Fund Services (UK) Limited Mermaid House 2 Puddle Dock London EC4V 3DB

REGISTRAR	ADMINISTRATOR
Link Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU	PraxisIFM Fund Services (UK) Limited Mermaid House 2 Puddle Dock London EC4V 3DB

STOCKBROKER	AUDITOR
Liberum Capital Limited 25 Ropemaker Street London EC2Y 9LY	Grant Thornton UK LLP 30 Finsbury Square London EC2P 2YU

COMPANY INFORMATION AND IDENTIFICATION CODES

ISIN	GB0000633262
Sedol	0063326
EPIC	ARR
Website	www.aurorainvestmenttrust.com
Registered in	England and Wales
Company Number	03300814
Bloomberg	ARR:LN
Legal Entity Identifier	2138007OUWIZFMAGO575

A MEMBER OF THE ASSOCIATION OF INVESTMENT COMPANIES