

Appendix 4D

Half Year Report for period ended 31 December 2019

Name of Entity	Aurora Property Buy-Write Trust
ARSN:	125 153 648
Period Ended:	31 December 2019
Previous Corresponding Reporting Period:	31 December 2018

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	2019 \$	Percentage increase / (decrease) over corresponding period
Revenues from continuing operations	289,832	(56.37%)
Profit for the year	106,757	(72.60%)
Net profit for the year attributable to members	106,757	(72.60%)

Distribution Details

Type	Amount	% Franked	Ex-Date	Record Date	Last election date DRP	Payment Date
Final June 2019	\$0.0367	0%	28/06/2019	01/07/2019	01/07/2019	19/08/2019
Interim December 2019	\$Nil	N/A	N/A	N/A	N/A	N/A

Net Tangible Asset Backing

	31 December 2019	31 December 2018
Net tangible assets per security	\$6.246	\$3.625

There was no gain or loss of control of entities during the current period.

This report is based on the interim financial report as at 31 December 2019 which has been subject to independent review by the auditors, Grant Thornton. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the 30 June 2019 Annual Financial Report.

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Aurora Property Buy-Write Income Trust

ARSN 125 153 648

Interim Financial Report

For the half-year ended 31 December 2019

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Director's Report

The directors of Aurora Funds Management Limited (AFML) (ABN 69 092 626 885), in its capacity as the responsible entity of Aurora Property Buy-Write Income Trust ("the Trust"), present their half-year report together with the financial statements of the Trust for the six months ended 31 December 2019, and the auditor's report thereon.

Principal activities

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 primarily invests in these unlisted property related equity and debt instruments.

The Trust did not have any employees during the year.

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

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

Directors

The following persons held office as directors of Aurora Funds Management Limited during the year and up to the date of this report, unless otherwise stated:

John Patton
Victor Siciliano
Anthony Hartnell AM

Units on issue

	31 December 2019	30 June 2019
Units on issue	2,027,801	2,026,165

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.

Financial results for the half-year

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

	Half-year ended	
	31 December 2019 \$	31 December 2018 \$
Operating profit/(loss) before finance costs attributable to unitholders	106,757	389,601
Distributions paid and payable	-	(140,038)
<i>Distributions</i>		
Distribution (cents per unit) 30 September	-	3.45
Distribution (cents per unit) 31 December	-	3.44

Director's Report

Financial results for the half-year (continued)

The Trust distributes all its net income each year to unitholders. AUP pays its distributable taxable income on a semi-annual basis (in respect of the periods ended 30 June and 31 December each year) up to 1.0% of NAV per period (up to 2.0% per annum). It is at the discretion of the board whether a distribution will be paid. For the 6 months ended 31 December 2019 the 31 December 2019 the directors elected not to pay a distribution.

Financial position

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

	31 December 2019 \$	30 June 2019 \$
At reporting period	6.2455	3.6591
High during period	6.3367	3.7169
Low during period	6.2455	3.3614

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.

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.

Director's Report

RNY Property Trust (ASX:RNY)

As at 31 December 2019, Aurora's total ownership is 80.96% of which AUP owns 67.15% of the units in RNY.

Since 2 July 2018, AFML in its capacity as the Investment Manager of RNY, has been actively working to create value from its investment in RNY including working with the US lender of the underlying five (5) US commercial properties held by RNY and the property sub-manager to attract new tenants and working with various stakeholders to improve the properties.

For the half year ended 31 December 2019, the Trust has adopted significant judgements and estimates to calculate the fair value of this investment. The key sources of estimation uncertainty and fair value measurement in relation to RNY are outlined in Note 3.

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.

Matters subsequent to the end of the financial year

No matters or circumstances have arisen since 31 December 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.

Indemnity and insurance of Aurora Funds Management Limited

No insurance premiums have been paid for out of the assets of the Trust in relation to insurance cover provided to either the officers of Aurora Funds Management Limited or the auditors of the Trust. So long as the officers of Aurora Funds Management Limited act in accordance with the Trust Constitution and the Law, the officers remain indemnified out of the assets of the Trust against losses incurred while acting on behalf of the Trust.

Indemnity of auditors

The auditors of the Trust are in no way indemnified out of the assets of the Trust.

Director's Report

Cost recovery and interests held in the Trust by the Responsible Entity or its associates

Costs recovered by the Responsible Entity and its associates out of Trust property during the year are disclosed in the Statement of Profit or Loss and Other Comprehensive Income.

No fees were paid out of Trust property to the Directors of the Responsible Entity during the year.

The number of interests in the Trust held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 10 to the financial statements.

Interests in the Trust

The movement in units on issue in the Trust during the year is disclosed in Note 5 of the financial statements.

The values of the Trust's assets and liabilities are disclosed in the Statement of Financial Position and derived using the accounting policies set out in Note 2 to the financial statements.

Environmental regulation

The operations of the Trust are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Director's Report

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Trust or intervene in any proceedings to which the Trust is a party for the purpose of taking responsibility on behalf of the Trust for all or any part of those proceedings. The trust was not a party to any such proceedings during the year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



John Patton
Managing Director
28 February 2020
Melbourne

Auditor's Independence Declaration

To the Directors of Aurora Funds Management Limited as the responsible entity of Aurora Property Buy-Write Income Trust

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Aurora Property Buy-Write Income Trust for the half year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



B A Mackenzie
Partner – Audit & Assurance

Melbourne, 28 February 2020

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Financial Statement

Condensed Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2019

	Note	Half-year ended	
		31 December 2019 \$	31 December 2018 \$
Investment income			
Interest income		280,559	228,432
Foreign Exchange Gain/(Loss)		9,274	188,810
Net gains/(losses) on financial instruments held at fair value through profit or loss		-	247,089
Total net investment income/(loss)		289,833	664,331
Expenses			
Management fees	10	61,801	33,868
Impairment expense		-	70,722
Other operating expenses	11	121,275	170,140
Total operating expenses		183,076	274,730
Operating profit/(loss) for the half-year		106,757	389,601
Finance costs attributable to unitholders			
Distributions to unitholders	6	-	(140,038)
Decrease/(Increase) in net assets attributable to unitholders	5	(106,757)	(249,563)
Profit/(loss) for the half-year		-	-
Other comprehensive income for the half-year		-	-
Total comprehensive income for the half-year		-	-
Earnings/(loss) per unit (basic/ diluted)		0.053	0.192

The above Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Financial Statement

Condensed Statement of Financial Position as at 31 December 2019

	Note	As at	
		31 December 2019 \$	30 June 2019 \$
Assets			
Cash and cash equivalents	7	222	352
Loans to RNY	8	5,159,757	5,219,924
Receivables		41,162	39,567
Financial assets held at fair value through profit or loss	9	7,783,076	7,913,076
Total assets		12,984,217	13,172,919
Liabilities			
Distributions payable		-	74,360
Other payables		319,229	546,401
Total liabilities (excluding net assets attributable to unitholders)		319,229	620,761
Net assets attributable to unitholders – liability		12,664,988	12,552,158
Liabilities attributable to unitholders		(12,664,988)	(12,552,158)
Net assets		-	-

The above Condensed Statement of Financial Position should be read in conjunction with the accompanying notes.

Financial Statement

Condensed Statement of Changes in Equity for the half-year ended 31 December 2019

	Note	Half-year ended	
		31 December 2019 \$	31 December 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 operating expenses		-	-
Total equity at the end of the period		-	-

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.

The above Condensed Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Financial Statement

Condensed Statement of Cash Flows for the half-year ended 31 December 2019

	Note	Half-year ended	
		31 December 2019 \$	31 December 2018 \$
Cash flows from operating activities			
Proceeds from sale of financial instruments held at fair value through profit or loss		130,000	1,678,427
Deposit redeemed		-	2,802,161
Transaction costs on sale and purchase of financial instruments		-	-
Dividends and distributions received/(paid)		(74,360)	-
Interest received		-	362
Withholding tax received		-	189,276
Other income received		-	-
GST recovered/(paid)		(1,595)	9,225
Legal fees paid		-	(388)
Management fees paid		(76,468)	-
Performance fees paid		(34,678)	-
Other operating expenses paid		(232,838)	(144,690)
Net cash inflow/(outflow) from operating activities		(289,939)	4,534,373
Cash flows from investing activities			
Loans advanced		-	(4,589,136)
Loan repaid from RAOC		350,000	-
Loan repaid to AFML		(66,263)	-
Net cash inflow/(outflow) from investing activities		283,737	(4,589,136)
Cash flows from financing activities			
Proceeds from applications by unitholders		-	234,257
Payments for redemptions by unitholders and/or DRP		6,072	(66,438)
Payments for share buy backs		-	(9,511)
Distributions paid to unitholders		-	(149,816)
Net cash inflow/(outflow) from financing activities		6,072	8,492
Net (decrease)/increase in cash and cash equivalents		(130)	(46,271)
Cash and cash equivalents at the beginning of the period		352	50,274
Cash and cash equivalents at the end of the period	7	222	4,003
Non-cash financing activities		-	13,257

The above Condensed Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to Financial Statements

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Notes to Financial Statements

Note 1. General information

The condensed interim financial statements cover Aurora Property Buy-Write Income Trust ("the Trust") as an individual entity. The Trust commenced operations on 19 July 2007 and was admitted to the Australian Securities Exchange ("ASX") on 26 July 2007 and is domiciled in Australia.

The Responsible Entity of the Trust is Aurora Funds Management Limited (the "Responsible Entity"). The Responsible Entity's registered office is Suite 613, Level 6, 370 St Kilda Road, Melbourne VIC 3004. The condensed interim financial statements are presented in Australian currency.

It is recommended that these condensed interim financial statements are considered together with the Product Disclosure Statement (which is currently being refreshed) and in accordance with the provisions of the governing documents of the Trust, and any public announcements made by the Trust during the half-year ended 31 December 2019 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001* and ASX listing rules.

The principal activities of the Trust during the half-year was the investment of Trust monies in accordance with its investment strategy, the provisions of the Trust Constitution, the Product Disclosure Statement and any Trust updates.

The interim financial report has been prepared on the basis of a going concern. The Trust has a closing cash position of \$222 and total creditors and other payables of \$319,229. The Trust has loans totalling \$4,369,076 from RNY Property Trust (ASX: RNY), which accrue interest. In addition, the Trust has equity investments of \$7,783,076 in RNY.

The Trust's ability to continue as a going concern is contingent on the receipt of interest from RNY as well as the ability to realise the loans and equity investments in RNY.

The condensed interim financial statements were authorised for issue by the directors of the Responsible Entity as at the date of the report.

Note 2. Significant accounting policies

The principal accounting policies applied in the preparation of this condensed interim financial report are set out below.

These policies have been consistently applied to all years presented, unless otherwise stated.

(a) New and amended standards

The Trust has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(b) Basis of preparation

The accounting policies applied by the Trust in this condensed interim financial report are the same as those applied by the Trust in its Financial Report as at, and for, the year ended 30 June 2019.

Statement of compliance

The condensed interim financial statements are a general purpose financial report prepared in accordance with AASB 134 Interim Financial Reporting and the *Corporations Act 2001*.

Notes to Financial Statements

Statement of compliance (continued)

The interim financial report does not include all the information required for a full annual financial report and should be read in conjunction with the annual financial report as at, and for, the year ended 30 June 2019.

The condensed interim financial statements comply with IAS 34 Interim Financial Reporting.

The condensed interim financial statements were authorised for issue by the directors as at the date of the directors' report. The Directors of the Responsible Entity have the power to amend and reissue the condensed interim financial statements.

Note 3. Use of estimates and judgements

In preparing these interim financial statements, management may make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at, and for, the year ended 30 June 2019.

Key sources of estimation uncertainty

1. RNY Property Trust (ASX: RNY)

The Directors have determined to carry the Trust's investment in RNY Property Trust (RNY) at \$0.044 (being 4.4 cents) per unit at 31 December 2019. The total fair value of the investment is \$7,783,076 at 31 December 2019 (30 June 2019: 7,913,076). In reaching this position, the Directors considered the following factors:

- RNY units are thinly traded on the ASX, and were suspended from trading on 1 April 2019 (due to the failure to lodge audited financial statements for the year, since lodged). Historically, RNY have traded at a discount to the underlying net asset position.
- On 27 September 2019, Huntley Management Limited ("Huntley"), as responsible entity for RNY Property Trust ("RNY"), announced that the independent valuation of RNY's five commercial office properties in the Tristate area of New York ("Portfolio"), as conducted by CBRE Group, Inc ("CBRE"), resulted the overall valuation being increased from US\$68.8 million to US\$79.5 million. As a consequence of this uplift in the Portfolio's valuation, RNY's unaudited net asset position is 4.7 cents per RNY unit.

Having regard to a range of factors, the Directors have determined a fair value of \$0.044 per unit in RNY.

As at 31 December 2019, the combined ownership of the units in RNY by entities for which AFML is the Responsible Entity is 80.96%. The Trust owns 67.15% of the units in RNY.

Since 2 July 2018, AFML in its capacity as the Investment Manager of RNY, has been actively working to extract value from its investment in RNY, including by working with the US lender of the underlying five (5) US commercial properties held by RNY, along with the property sub-manager to attract new tenants and working with various stakeholders to improve the properties.

On 10 February 2020 Huntley Management Limited (Huntley), as responsible entity for RNY Property Trust (RNY), announced that the Amended and Restated Senior Loan Agreement (Loan Agreement) with its US lender, ACORE Capital (Lender), has been extended for 30-days. The purpose of short-term extension is to allow RNY's investment manager, Aurora Funds Management Limited (Aurora), and the Lender additional time to finalise terms of a longer dated extension.

Notes to Financial Statements

Note 3. Use of estimates and judgements (continued)

For the year ended 31 December 2019, the Trust has adopted significant judgements and estimates to calculate the fair value of this investment.

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.

Note 4. Fair value measurement

The Trust measures and recognises the following assets and liabilities at fair value on a recurring basis through profit or loss (FVTPL).

AASB 13 requires disclosure of fair value measurements by level of the following fair value hierarchy:

Fair value hierarchy

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can measure at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, directly or indirectly.
- Level 3 Unobservable inputs for the asset or liability.

(i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Trust values its investments in accordance with the accounting policies within this note to the financial statements. For the majority of its investments, the Trust relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets held by the Trust is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Trust holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(ii) Fair value in an inactive or unquoted market (level 2 and level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models, volume weighted average prices or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

Notes to Financial Statements

Note 4. Fair value measurement (continued)

(ii) Fair value in an inactive or unquoted market (level 2 and level 3) (continued)

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Trust holds.

The following tables detail the Trust's assets and liabilities, measured or disclosed at fair value as at the half-year ended 31 December 2019 and the year ended 30 June 2019, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
31 December 2019				
Financial assets				
Financial assets designated at fair value through profit or loss:				
Listed equity securities	-	-	7,783,076	7,783,076
Total financial assets	-	-	7,783,076	7,783,076

	Level 1	Level 2	Level 3	Total
30 June 2019				
Financial assets				
Financial assets designated at fair value through profit or loss:				
Listed equity securities	-	-	7,913,076	7,913,076
Total financial assets	-	-	7,913,076	7,913,076

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and certain listed unit trusts.

Transfers between levels

There have been no transfers between levels for the half-year ended 31 December 2019.

Valuation inputs for Level 3 investments

The Trust invests in listed securities trading as RNY. As disclosed in Note 3, the Trust and other associated entities of AFML hold 80.96% of the units in RNY. For the reasons disclosed in Note 3, the last traded price has not been adopted and the value of 4.4 cents per unit has been adopted.

Notes to Financial Statements

Note 5. Net assets attributable to unitholders

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

	31 December 2019 No.	30 June 2019 No.	31 December 2019 \$	30 June 2019 \$
Opening balance	2,026,165	1,973,165	12,552,158	6,907,537
Applications		65,000	-	221,000
Redemptions		(14,604)	-	(49,139)
Buy backs		(4,296)	-	(9,511)
Units issued upon reinvestment of distributions	1,636	6,900	6,073	24,712
Increase/(decrease) in net assets attributable to unitholders	-	-	106,757	5,457,559
Closing balance	2,027,801	2,026,165	12,664,988	12,552,158

As stipulated within the Trust Constitution, each unit represents a right to an individual share in the Trust and does not extend to a right to the underlying assets of the Trust.

Note 6. Distribution to unitholders

The distributions for the half-year were as follows:

	31 December 2019 \$	31 December 2019 cpu	Half-year ended 31 December 2018 \$	31 December 2018 cpu
Distributions paid	-	-	70,297	3.45
Distributions payable (31 December 2018 quarter)	-	-	69,741	3.44
Total distributions	-	-	140,038	-

Accounting policy for distribution to unitholders

The Trust distributes its distributable income in accordance with the Trust Constitution, to unitholders by cash or reinvestment. The distributions are recognised in profit or loss as finance costs attributable to unitholders. Unpaid amount is recognised in the Statement of Financial Position.

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the Statement of Profit or Loss and Other Comprehensive Income as finance costs.

Notes to Financial Statements

Note 7. Cash and cash equivalents

	As at	
	31 December 2019 \$	30 June 2019 \$
Cash at bank	222	352
Total cash and cash equivalents	222	352

Note 8. Loans to RNY

	As at	
	31 December 2019 \$	30 June 2019 \$
Loans receivable - related party	10 4,369,076	4,709,802
Interest receivable - related party	10 790,681	510,122
Total Loans to RNY	5,159,757	5,219,924

Note 9. Financial assets held at fair value through profit or loss

	As at	
	31 December 2019 \$	30 June 2019 \$
Designated at fair value through profit or loss		
Listed Australian equity securities	7,783,076	7,913,076
Total financial assets held at fair value through profit or loss	7,783,076	7,913,076

Note 10. Related party transactions

Responsible Entity

The Responsible Entity of Aurora Property Buy-Write Income Trust is Aurora Funds Management Limited.

Key management personnel unitholdings

As at 31 December 2019, John Patton, Managing Director, holds 47,276 (30 June 2019: 47,276) units in the Trust via his self-managed superannuation fund.

As at 31 December 2019, Victor Siciliano, executive Director, holds 5,000 (30 June 2019: 5,000) units in the Trust.

As at 31 December 2019, Anthony Hartnell AM, Non-Executive Director, holds 6,131 (30 June 2019: 6,131) units in the Trust.

Key management personnel compensation

Key management personnel are paid by Aurora Funds Management Limited. Payments made from the Trust to Aurora Funds Management Limited do not include any amounts directly attributable to the compensation of key management personnel.

Notes to Financial Statements

Note 10. Related party transactions (continued)

Related party unitholdings

The interests in the Trust held by other management investment schemes also managed by the Responsible Entity are shown as follows:

31 December 2019	No. of units held opening	No. of units held closing	Fair value of investment	Interest held	No. of units acquired	No. of units disposed	Distributions paid/payable by the Trust
Aurora Fortitude Absolute Return Fund	454,044	454,044	1,185,055	-	-	-	-

30 June 2019

Aurora Fortitude Absolute Return Fund	389,044	454,044	794,577	-	65,000	-	64,111
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The interests in the Trust held by the Responsible Entity are shown as follows:

31 December 2019	No. of units held opening	No. of units held closing	Fair value of investment	Interest held	No. of units acquired	No. of units disposed	Distributions paid/payable by the Trust
Aurora Funds Management Limited	-	-	-	-	-	-	-

30 June 2019

Aurora Funds Management Limited	-	-	-	-	-	-	-
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Other related party information

Aurora Corporate

Aurora Corporate Pty Ltd as Trustee for the Aurora Investments Unit Trust (Aurora Corporate) owns 100% of the ordinary shares of Aurora Funds Management Limited, being the Responsible Entity of the Trust.

Aurora Corporate Pty Ltd is 50% owned by John Patton, the Managing Director of Aurora Funds Management Limited, and 50% owned by Victor Siciliano, an Executive Director of Aurora Funds Management Limited.

Notes to Financial Statements

Note 10. Related party transactions (continued)

Directorships

Mr John Patton was appointed to the Boards of the following listed entities held by other managed investment schemes also managed by the Responsible Entity:

- Mr Patton was appointed to the Board of Keybridge Capital Limited as a Non-Executive Director on 10 August 2016 and was subsequently appointed to the role of Executive Chairman on 13 October 2016; and
On the 21 January 2020, Mr Patton retired from his position as director and chairman of Keybridge
- Mr Patton was appointed to the Board of Metgasco Limited as a Non-Executive Director on 19 September 2016.

Investments

The Trust holds 176,888,097 units in RNY Property Trust. Aurora Funds Management Limited was appointed as Investment Manager of RNY Property Trust on 2 July 2018.

Responsible Entity's/manager's fees and other transactions

Under the terms of the Trust Constitution, the Responsible Entity is entitled to receive fees, calculated by reference to the average daily net assets (excluding net assets attributable to unitholders) of the Trust as follows:

- Management fee payable to the Responsible Entity is 1.03% (including GST) per annum;
- Performance fee of 10.25% (including GST) per annum is applied to the total excess between the Total Unit Holder Return (TUR) and the RBA Cash Rate plus 1% daily. Performance fees are payable half-yearly.

The Trust announced via a fund update on its website that effective 8 August 2017, Aurora Funds Management Limited may begin charging all of its normal operating expenses to the Trust in accordance with the Trust's Constitution.

The transactions during the year and amounts payable at year end between the Trust and the Responsible Entity were as follows:

	Half-year ended	
	31 December 2019	31 December 2018
	\$	\$
Management fees for the half-year paid/payable by the Trust to the Responsible Entity	61,801	33,868
Recoverable costs of Responsible Entity for the half-year paid/payable by the Trust to the Responsible Entity	117,716	121,205
Balance owing to the Responsible Entity at the end of the reporting period	251,574	107,034

No amounts were paid by the Trust directly to the key management personnel of Aurora Funds Management Limited.

Loans

The Trust owns 67.15% of the units in RNY Property Trust, which in turn owns 100% of RNY Australia LPT Corp, which in turn owns 75% of RNY Australia Operating Company LLC. The Trust has advanced loans totalling \$4,369,076 to RNY Australia Operating Company LLC at 31 December 2019, denominated in \$USD. Interest is payable on these loans at 12% per annum. The loans are unsecured. For the half-year ended 31 December 2019 interest of \$280,558 is payable on the loans (\$228,070 for the half-year ended 31 December 2018).

Notes to Financial Statements

Note 11. Other operating expenses

	Half-year ended	
	31 December 2019	31 December 2018
	\$	\$
ASX Fees	-	30,531
Bank fees	380	507
Interest charges	3,179	8,215
Legal fees	-	388
Recovery expenses	117,716	120,817
Other operating expenses	-	9,682
Total other operating expenses	121,275	170,140

Note 12. Contingent assets and liabilities

There were no contingent assets and liabilities as at 31 December 2019 (30 June 2019: Nil).

Note 13. Events after the reporting period

Other than the events mentioned in the Directors' Report, no significant events have occurred since the end of the reporting period which would impact on the financial position of the Trust disclosed in the Condensed Statement of Financial Position as at 31 December 2019 or on the results and cash flows of the Trust for the half-year ended on that date.

The most recent Net Asset Value (NAV) per unit disclosed to the ASX is \$6.3805 per unit as at 31 January 2020.

Director's Declaration

The Directors of the Responsible Entity declare that:

- (a) In the directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable;
- (b) In the directors' opinion, the attached condensed financial statements are in compliance with International Financial Reporting Standards as stated in Note 2 to the condensed financial statements;
- (c) In the directors' opinion, the attached condensed financial statements and notes thereto are in accordance with *the Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position as at 31 December 2019 and of its performance for the financial half-year ended on that date; and
- (d) The directors have been given the declarations of the Responsible Entity made pursuant to s295(5) of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

On behalf of the Responsible Entity, Aurora Fund Management Limited.



John Patton
Managing Partner
28 February 2020

Independent Auditor's Review Report

To the Unitholders of Aurora Property Buy-Write Income Trust

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Aurora Property Buy-Write Income Trust (the Trust), which comprises the condensed statement of financial position as at 31 December 2019, and the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Aurora Property Buy-Write Income Trust does not give a true and fair view of the financial position of the Trust as at 31 December 2019, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Directors' responsibility for the half year financial report

The Directors of the Responsible Trust are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Trust*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Trust's financial position as at 31 December 2019 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations*

Regulations 2001. As the auditor of Aurora Property Buy-Write Income Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Grant Thornton Audit Pty Ltd
Chartered Accountants



B A Mackenzie
Partner – Audit & Assurance

Melbourne, 28 February 2020

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