

Equities >3% at 31 May 2018	(%)
Tesco	11.2
Lloyds Banking Group	9.6
GlaxoSmithKline	9.1
Sports Direct	8.8
Randall & Quilter	7.9
Vesuvius	6.1
Bellway	6.0
Morrisons	5.0
Hornby	4.0
Redrow	3.8
Dignity	3.7
easyJet	3.6
JD Wetherspoon	3.3
Others <3% (2)	3.7
Cash Position	14.0

The NAV was up 2.5% and the market was up 2.8%.

Our investment in easyJet, which announced good financial results during the month, is predicated on a few simple theories and observations. First, although the overall airline industry has a long history of losses and business failures, low cost air travel has been a bright spot. Second, easyJet earns a high return on capital because it operates from airports that are at, or near, full capacity, limiting the competitive threat from new entrants. Third, easyJet charges a higher price than some other discount airlines (Ryanair for example) because customers are willing to pay a premium to use more conveniently located airports. Fourth, the expensive “flag carrier” airlines are vulnerable to easyJet’s cheaper, equally convenient offer; easyJet can grow its business at the “flag carriers” expense.

In the results, (which covered the six-month period to March 31st) the Company reported a positive trading environment and higher load factors, meaning that the planes are fuller. Nearly 37 million people flew with easyJet during the period, three million more than last year. Total revenue was nearly 20% higher, as “revenue per seat” increased by 11% and the total capacity of the business increased by 8%. Costs per seat only increased by around 2% and the balance sheet remains strong, with net cash of £665m. A loss of £68m was reported due to investment in Tegel airport (where easyJet has been expanding operations following the collapse of Air Berlin) and the usual seasonality; the second half of the year is expected to be much more profitable because it includes the summer holiday period. The Company reiterated its plans to spend £1.2bn on capital expenditure during the year as it continues to upgrade its fleet and continue to grow the business.

Part of our monitoring research for easyJet involves comparing the prices of flights to a number of competitors on various routes. We carried out this exercise again during May and, happily, the results continue to support some of the observations mentioned in the first paragraph.



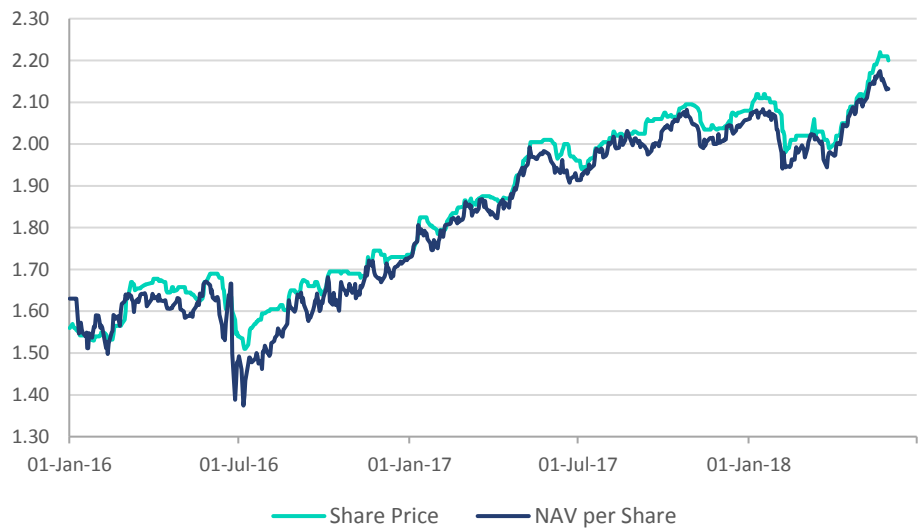
Aurora Track Record

Performance	NAV Return %	Share Price Total Return** %	All-Share Index %**	Relative NAV to ASX %
2018 (to 31 May)	4.9	7.1*	1.8	3.1
2017	20.4*	21.2*	13.1	7.3
2016	6.6*	12.0	16.8	-10.1
2015	-2.3	4.3	0.9	-3.2
2014	-11.3	-10.6	1.2	-12.5
2013	3.6	14.2	20.8	-17.2

*Following an internal review these figures were amended in June 2018.

** Share price return with dividends reinvested; All Share Index returns with dividends reinvested.

Aurora Share Price & NAV per Share – 31 May 2018



Aurora shares are eligible to be invested in an ISA. Neither the Aurora Investment Trust nor Phoenix Asset Management Partners run such a scheme. You should consult a financial adviser regarding a suitable self-select ISA provider.



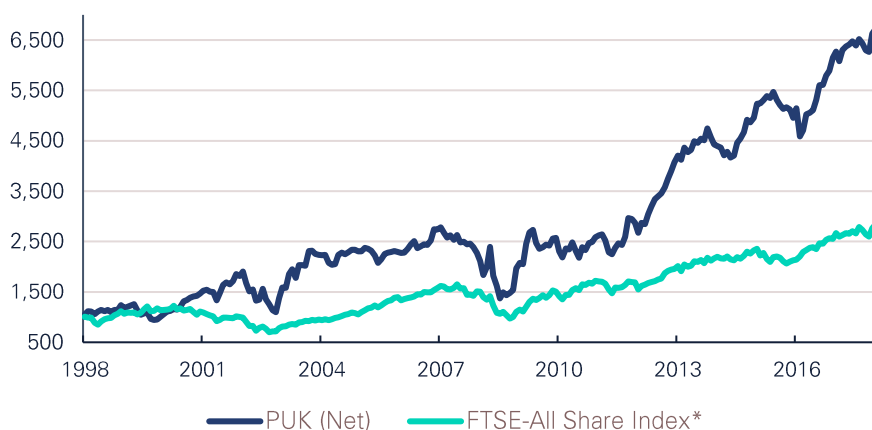
Phoenix UK Fund Track Record

Fund Performance (%)	Gross Return	Net Return	FTSE All-Share Index*	Relative NAV to ASX
Cumulative Since Inception*	1015.6	572.0	194.3	377.7
Since Inception Annualised*	12.8	10.0	5.5	4.5

*Since May 1998 to 31 May 2018.

Phoenix UK Fund Value of £1,000 invested at launch to 31 May 2018

The investment strategy of the Aurora Investment Trust is the same as that of the Phoenix UK Fund.



* Data from 30th April 1998, All-Share Index Returns with dividends reinvested

Investment Objective

We seek to achieve long-term returns by investing in UK-listed equities using a value-based philosophy inspired by the teachings of Warren Buffett, Charlie Munger, Benjamin Graham and Phillip Fisher. Our approach, combined with thorough research, invests in high quality businesses run by honest and competent management purchased at prices that, even with low expectations, will deliver excellent returns.

Contact

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Fund Manager since 28 January 2016

Portfolio Manager: Gary Channon

Listing: London Stock Exchange

Inception Date: 13 March 1997

ISIN: GB0000633262

Bloomberg: ARR

Fees

Management: None

Performance: One third of returns in excess of the market

Regulatory Notice:

Aurora Investment Trust Plc ("the Trust") is a UK investment trust listed on the London Stock Exchange. Past performance is no guarantee of future performance. The value of investments and any income from them may go down as well as up and investors may not get back the amount invested. There can be no assurance that the Company's investment objective will be achieved and investment results may vary substantially over time. This document is for information purposes only and does not constitute an offer or invitation to purchase shares in the Trust. Shares in an investment trust are traded on a stock market and the share price will fluctuate in accordance with supply and demand and may not reflect the underlying net asset value of the shares. This document is issued and approved by Phoenix Asset Management Partners Limited which is authorised and regulated by the Financial Conduct Authority.