

| Equities >3%<br>at 31 October 2017 | (%)  |
|------------------------------------|------|
| Lloyds Banking Group               | 10.8 |
| Bellway                            | 10.2 |
| Sports Direct                      | 9.0  |
| Tesco                              | 8.8  |
| Randall & Quilter                  | 8.0  |
| Redrow                             | 6.5  |
| Vesuvius                           | 6.0  |
| GlaxoSmithKline                    | 5.2  |
| Morrisons                          | 4.9  |
| JD Wetherspoon                     | 4.1  |
| easyJet                            | 3.0  |
| Cash Position                      | 11.0 |

The NAV was up 1.3% and the market up 1.9%.

This month we highlight two interesting news items from the Portfolio, the first rather familiar, the second much less so.

The Portfolio has a 19% weight in the housebuilding sector and Bellway is our largest single investment in it. The planets have been aligned for British housebuilders for a while; the supply of new homes in the UK has been pent-up, while demand has continued to increase, pushing housing far up the political agenda. The Government has responded with a series of initiatives such as reforming the planning system, selling land to housebuilders and assisting buyers with their deposit requirements through the "Help to Buy" scheme. During October, Bellway announced their full year 2017 results, which made very good reading. The number of homes sold was 10.6% higher than last year and average selling prices increased by 3%. Operating margin was slightly ahead of last year at 22.3% and although the return on capital declined very slightly, to 27.6%, it remains an excellent result. Moreover, Bellway are excited about their prospects: they are able to buy attractively priced land across the country and demand for their homes remains strong. Plans are advanced for expanding the business into hitherto unchartered (for Bellway) parts of the UK in the near future.

Randall & Quilter (R&Q) are a relatively little-known insurance specialist, listed on AIM with a market capitalisation of £175m. They specialise in buying insurance "run offs" (insurance businesses that have stopped writing new policies and therefore exist only to pay old, outstanding claims). In early October, they announced a placing and open offer to raise £49.3m to fund a number of growth opportunities. Phoenix has been invested in R&Q for a number of years and Aurora participated in the Placing, resulting in an increased portfolio weight. Chairman and founder, Ken Randall, said "we believe this capital raise will represent a step change in the Group's profile, providing enhanced access to quality business through balance sheet strength". We are pleased to have been able to increase our investment in this excellent niche business.

### Trust Performance

The appointment of Phoenix Asset Management Partners ("PAMP") as Aurora's investment manager came into effect in January 2016.

### Aurora Track Record

| Performance       | NAV<br>Return % | Share Price<br>Return % ** | All-Share<br>Index % ** | Relative NAV<br>to ASX % |
|-------------------|-----------------|----------------------------|-------------------------|--------------------------|
| 2017 YTD (31 Oct) | 20.2*           | 22.0*                      | 9.8                     | 9.7                      |
| 2016              | 6.6*            | 12.0                       | 16.8                    | -5.2                     |
| 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                    |
| 2012              | -3.8            | -3.9                       | 12.5                    | -16.3                    |

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

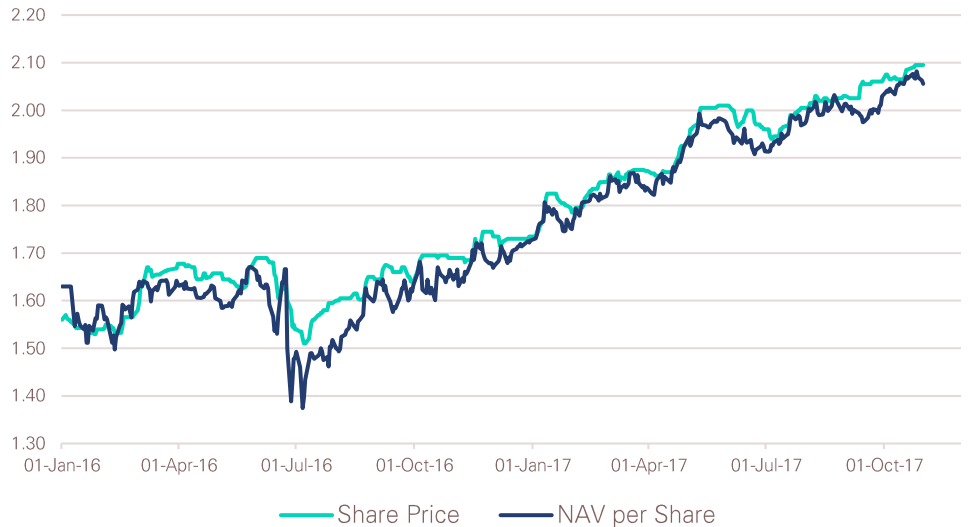
\*\* Share price return with dividends reinvested; All Share Index returns with dividends reinvested.



Aurora 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.

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

## Aurora Share Price & NAV per Share – 31 October 2017

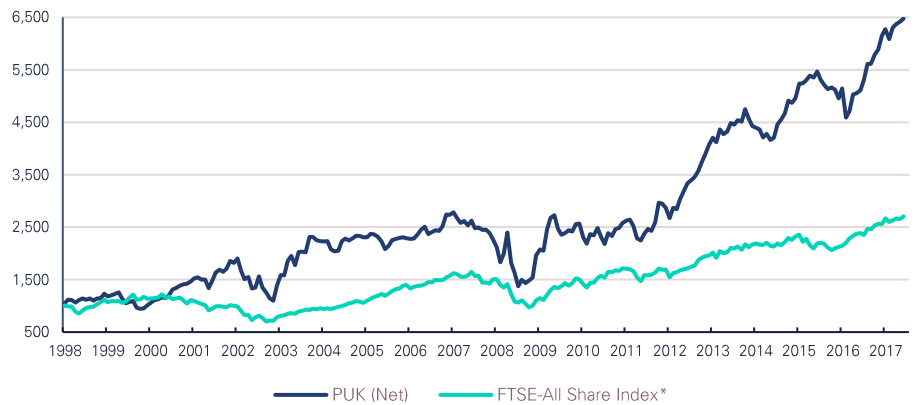


## Phoenix UK Fund Track Record

| Fund Performance (%)        | Gross Return | Net Return | All-Share Index* | Relative NAV to ASX |
|-----------------------------|--------------|------------|------------------|---------------------|
| Cumulative Since Inception* | 966.5        | 547.7      | 180.5            | 367.2               |
| Since Inception Annualised* | 12.9         | 10.1       | 5.4              | 4.7                 |

\*Since May 1998

## Phoenix UK Fund Value of £1,000 invested at launch to 31 October 2017



\* Data from 30 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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64 – 66 Glentham Road London SW13 9JJ  
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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.