

Equities >3% at 30 September 2017	(%)
Lloyds Banking Group	10.7
Sports Direct	9.5
Bellway	9.4
Tesco	9.1
Randall & Quilter	6.2
Vesuvius	6.1
Redrow	6.0
Morrisons	5.2
JD Wetherspoon	4.7
GlaxoSmithKline	3.7
Cash Position	12.0

The NAV was up 0.8% compared to the market that was down 0.4%.

Sports Direct confirmed in a trading statement that their new generation of flagship stores continue to exceed their expectations. These stores are often owned by the Company (rather than leased) and are larger than average. They have high quality shop fittings, an upmarket feel and a more spacious layout, giving brands such as Nike and Adidas opportunity to display their higher-end products.

Redrow announced a very strong set of full-year results reflecting the excellent trading conditions being experienced by UK housebuilders. As we have said before, the UK housing market remains undersupplied and with high barriers to entry to new competition. Revenues were 20% ahead of last year as the number of houses sold increased 15% and average selling prices rose 7%. The market for buying land remains very attractive and Redrow achieved a return on capital of 26% for the year; well above the historic average.

In the latest Phoenix quarterly report to investors, CIO, Gary Channon, said:

In the quarter, our bid for Hornby ended with Phoenix controlling 71.5% of the equity. We have moved quickly to get the company on the right path. Already in the public domain are:

- i.) James Wilson of Phoenix joined the board as a Non-Executive Director
- ii.) Steve Cooke, the CEO, has stepped down
- iii.) Lyndon Davies of Oxford Diecast has been appointed as the new CEO
- iv.) Lyndon has brought in two key industry veterans, one of whom used to work at Hornby

We believe Hornby possesses brands and makes products that customers love. We think that is the foundation of a successful business. Our goal is to see that the company is run with a very long-term vision; delighting its customers and investing in its brands whilst operating with genuine frugality. Lyndon has a deep understanding of the industry and a record of running a successful business.

There is still more work to do. We are only able to talk about what is in the public domain, but we are happy with the progress so far.



The rising stock market is making it harder for us to find opportunities and so we have made no new investments this year. In fact, our last new investment was a year ago. The 90% of the portfolio that is invested is performing well and even our businesses that have been going through tough times are emerging on the other side with positive momentum like Sports Direct, Tesco and Morrisons.

We were right to fear that the government might be thinking of pulling its Help To Buy Scheme when it expires in 2021, but when they floated the idea it became clear that it would impact the rate of new housing development and be unpopular. There is still internal policy debate going on, but it seems the most likely outcome is an extension of the scheme, albeit with some modifications. This is excellent news for our housebuilders who are enjoying strong trading anyway. They make up 18% of the portfolio. Despite their performance, all three are trading at less than 10 times this year's net earnings whilst earning over 20% after tax on their capital with no leverage.

We like what we own, business, management and price-wise and we know that patience will reward us with opportunities to deploy our cash. Our lack of activity at the portfolio level is not a reflection of what goes on in the office. We have never had more resource committed to monitoring our existing businesses and seeking out new opportunities. As Michael Caine's mother used to tell him; *"Be like a duck. Calm on the surface, but always paddling like the dickens underneath"*. That's us right now.

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 Return %	Share Price Return % **	All-Share Index % **	Relative NAV to ASX %
2017 YTD (30 Sep)	18.7*	20.0	7.7	10.0
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.

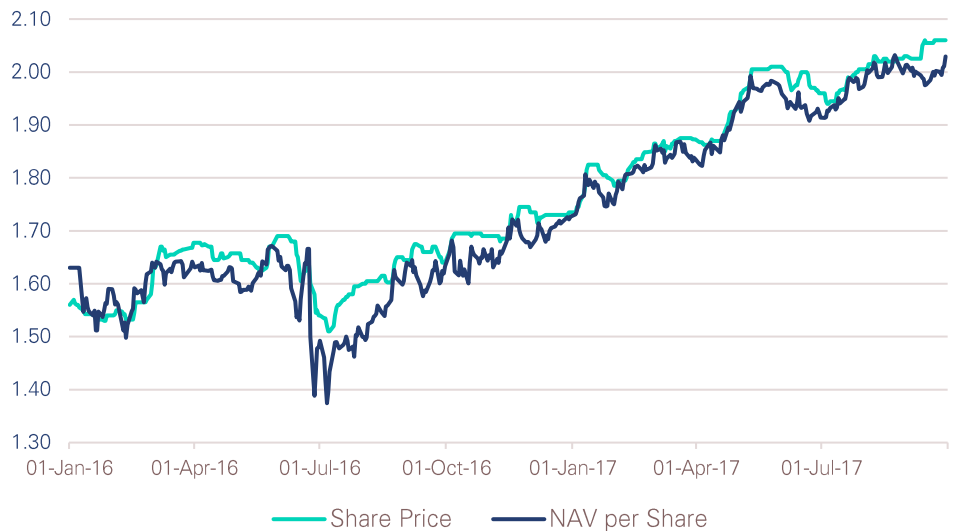
** Share price return with dividends reinvested; All Share Index returns with dividends reinvested.



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 – 30 September 2017

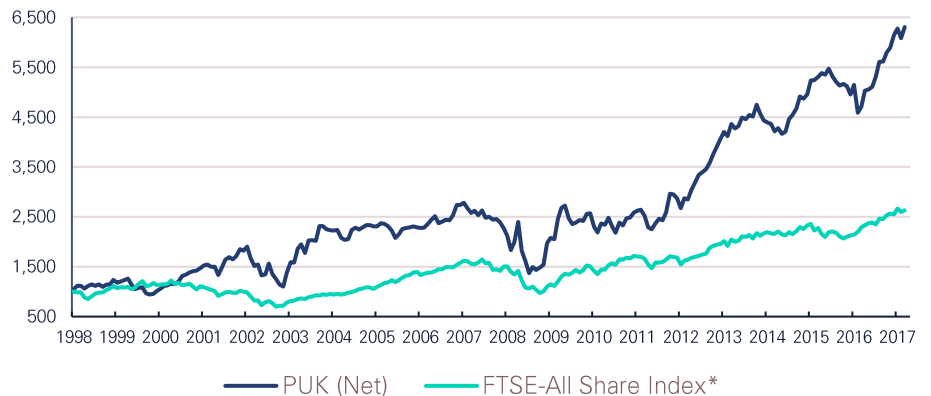


Phoenix UK Fund Track Record

Fund Performance (%)	Gross Return	Net Return	All-Share Index*	Relative NAV to ASX
Cumulative Since Inception*	952.2	541.3	175.4	365.9
Since Inception Annualised*	12.9	10.0	5.4	4.6

*Since May 1998

Phoenix UK Fund Value of £1,000 invested at launch to 30 September 2017



* 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.