

Aurora Investment Trust – November 2018

Share Price: £2.01

Net Asset Value: £1.93

Premium: 4.1%

Market Cap: £110m

Data as at 30 November 2018

Holdings >3% at 30 November 2018	(%)
GlaxoSmithKline	10.0
Sports Direct	9.6
Tesco	9.2
Lloyds Banking Group	8.5
Bellway	7.9
Randall & Quilter	7.8
Dignity	7.0
Phoenix SG Ltd (Stanley Gibbons)	6.7
Vesuvius	5.6
Morrisons	5.3
easyJet	5.3
Hornby	5.2
Redrow	5.1
JD Wetherspoon	3.0
Others <3% (2)	3.1
Cash Position	0.8

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 NAV was down 5.2% with the FTSE All Share (incl. dividends) being down 1.6% for the month.

November saw the Trust fall along with the market, partly as a result of continuing concerns over Brexit, and partly due to unrelated individual share price moves. The result has left us with a portfolio which is exceptionally cheap in the context of valuation levels seen in recent years. We have not seen valuations this attractive since the period immediately following the Brexit vote in June 2016.

Significant fallers during the month included CPP, which was down 23% and Dignity down 20%. Sports Direct and Redrow were both down 11%, with Bellway down 8%. Glaxo was a significant riser at 9% but this was reversed in early December following their announcement of the purchase of a US Biotech company specialising in cancer drugs.

We primarily measure cheapness in terms of upside to intrinsic value and we believe there is strong correlation between this upside and future 3-year returns. The portfolio presently exhibits upside to intrinsic value in the region of 110%. In our terms, this means the portfolio is worth over double the present net asset value and historically, when we have seen these levels of cheapness, subsequent 3-year performance has been strong. Whilst the final Brexit outcome is not yet clear, we are confident that the intrinsic values of the companies in our portfolio will not be fundamentally affected by the various potential Brexit outcomes.

From an activity perspective, we took advantage of price falls to utilise the cash weight in the portfolio and to begin to rotate out of holdings with a lower upside to intrinsic value into holdings with higher upsides. We have increased our holdings in the housebuilding sector as the companies continue to produce excellent fundamental results, and we have added to Sports Direct and easyJet. We have also taken advantage of the price weakness in Dignity, which followed the announcement of a full CMA investigation, to increase the holding. As well as utilising cash, we have made small reductions in Lloyds, GlaxoSmithKline and Tesco to fund the new purchases.



Aurora Track Record

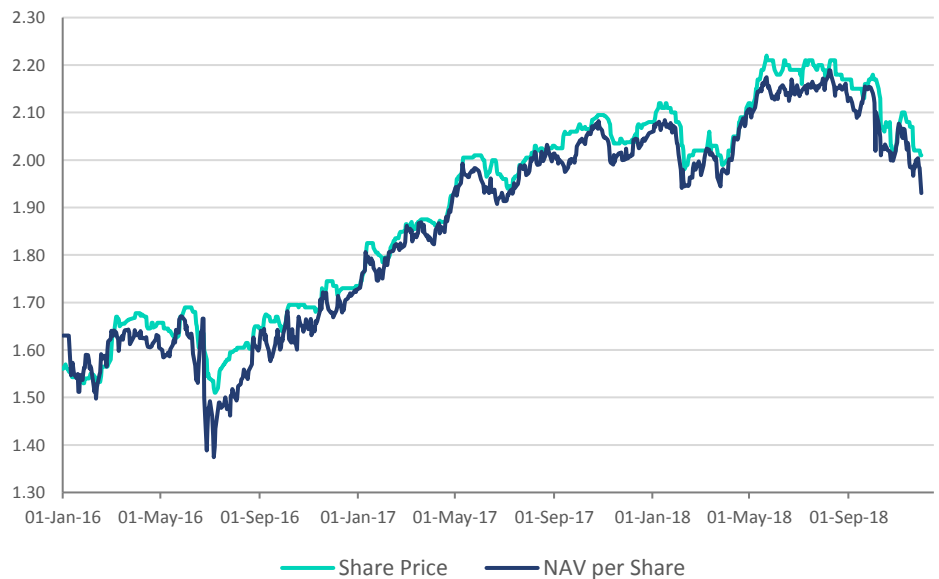
Performance	NAV Return %	Share Price Total Return** %	All-Share Index %**	Relative NAV to ASX %
2018 (YTD to 30 Nov)	-5.0	-2.1	-6.0	1.0
2017	20.4	21.2	13.1	7.3
2016	6.6	12.0	16.8	-10.1
Cumulative*	21.9	32.7	24.2	-2.3
2015	-2.3	4.3	0.9	-3.2
2014	-11.3	-10.6	1.2	-12.5
2013	3.6	14.2	20.8	-17.2

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

* Since January 2016

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

Aurora Share Price & NAV per Share – 30 November 2018



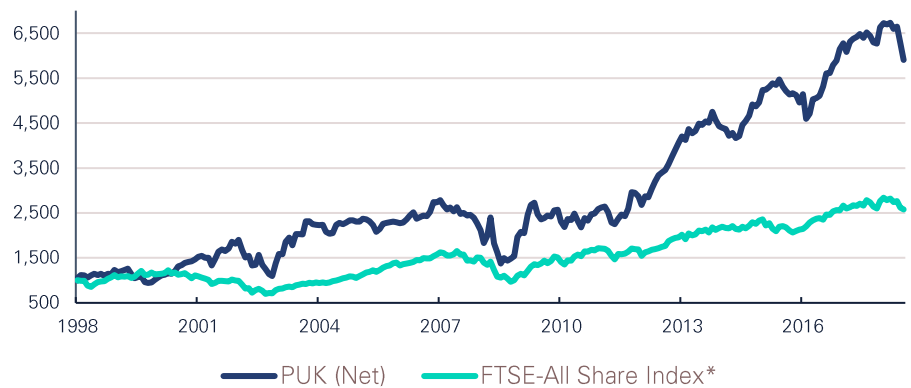


Phoenix UK Fund Track Record

Fund Performance (%)	Gross Return	Net Return	FTSE All-Share Index*	Relative NAV to ASX
Cumulative Since Inception*	887.4	490.5	171.7	318.8
Since Inception Annualised*	11.8	9.0	5.0	4.0

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

Phoenix UK Fund Value of £1,000 invested at launch to 30 November 2018



* 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

[Phoenix Asset Management Partners Ltd](#)
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.