Aurora
INVESTMENT TRUST

Article 23/FUND 3.2.2R Disclosures

Phoenix Asset Management Partners Ltd. is authorised and regulated by the Financial Conduct Authority (FCA)

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Introduction

This document is issued by Phoenix Asset Management Partners Limited ("PAMP" or the "AIFM") solely in order to make certain information available to investors in Aurora Investment Trust Plc ("Aurora" or the "AIF") before they invest, in accordance with the requirements of the FCA Rules implementing the AIFM Directive in the United Kingdom.

Information disclosed in this document is applicable solely to Aurora and to its single class of ordinary 25p shares. It should not be relied on as the basis for any investment decision. Potential investors in Aurora's shares should consult their stockbroker or other professional adviser before investing.

Regulatory reference		Disclosure required	Disclosure or location of document
AIFMD article 23	FUND 3.2.2R		
(1a)	(1a)	*a description of the investment strategy and objectives of the AIF;*	Aurora's objective is to provide Shareholders with long-term returns through capital and income growth.
(1a)	(1b)	*If the AIF is a feeder AIF, information on where the master AIF is established;*	Not applicable
(1a)	(1c)	*If the AIF is a fund of funds, information on where the underlying funds are established;*	Not applicable

Regulatory reference		Disclosure required	Disclosure or location of document
AIFMD article 23	FUND 3.2.2R		
(1a)	(1d)	*a description of the types of assets in which the AIF may invest;*	Aurora seeks to achieve its investment objective by investing predominantly in a portfolio of UK listed companies. Aurora may from time to time also invest in companies listed outside the UK and unlisted securities. The portfolio will be relatively concentrated. Although the exact number of holdings will vary over time, typically the portfolio will consist of 15 to 20 holdings. Aurora may use derivatives and similar instruments for the purpose of capital preservation. Aurora may from time to time invest in other UK listed investment companies.
(1a)	(1e)	*the investment techniques that the AIF, or the AIFM on behalf of the AIF, may employ and associated risks;*	PAMP have developed a distinctive investment approach. The key elements are as follows: • PAMP identifies a particular type of business and management team using a highly detailed due diligence system that has been developed by the investment team, called DREAM. • Once a suitable business has been identified PAMP waits and only invests at a price that offers minimal chance of permanent capital loss and a strong chance of excellent long-term returns. • The investment team operate detailed monitoring programmes on all holdings. These programmes include mystery shopping and talking to competitors, suppliers, employees, and other stakeholders. • PAMP weights the portfolio to reflect the risk, opportunity, and transparency of an investment. • PAMP uses the findings of behavioural psychology to improve the judgement and decision-making process. • The investment team have an ongoing commitment to continuous improvement that uses past mistakes to improve future results. This investment approach results in a low turnover, concentrated portfolio which has historically delivered outstanding long-term returns.
(1a)	(1f)	*any applicable investment restrictions;*	Aurora's policy is not to invest more than 15% of its gross assets in any one investment, valued at the time of investment. The maximum permitted investment in companies listed outside the UK at cost price is 20% of Aurora's gross assets. The maximum permitted investment in unlisted securities at cost price is 10% of Aurora's gross assets. Aurora may from time to time invest in other UK listed investment companies but will not invest more than 10% in aggregate, valued at the time of investment. Aurora does not currently intend to use gearing. However, if the Board did decide to utilise gearing the aggregate borrowings of Aurora would be restricted to 30%of the aggregate of the paid-up nominal capital plus the capital and revenue reserves.
(1a)	(1g)	*the circumstances in which the AIF may use leverage;*	Although permissible, the investment strategy will not ordinarily utilise leverage, gearing or borrowing. The intention is that any leverage, gearing on borrowing would be specific to the circumstances and not a strategy in and of itself.

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AIFMD article 23	FUND 3.2.2R		
(1a)	(1h)	*the types and sources of leverage permitted and the associated risks;*	The most likely example would be using a derivative to hedge a particular risk. This would require the AIFM to calculate the synthetic leverage of the holding. The AIFM will only purchase a derivative where the maximum limit of the risk is the loss of premium, i.e., the price paid, with no further monies payable (margin).
(1a)	(1i)	*any restrictions on the use of leverage and any collateral and asset reuse arrangements; and*	See above.
(1a)	(1j)	*the maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF;*	The AIFM Directive (as implemented by the UK AIFM Regime and the FCA Handbook) prescribes two methods of measuring and expressing leverage (as opposed to gearing) and requires disclosure of the maximum amount of "leverage" the Company might be subject to. The definition of leverage is wider than that of gearing and includes any method by which exposure is increased such as foreign currency holdings or purchasing derivatives. Leverage according to these calculations is expressed as the ratio between the total exposure of the Company and its net asset value. If exposure was equal to its net asset value the leverage would still be circa 100% or 1x net asset value. These calculations are stipulated by the Directive and do not always reflect the Investment Manager's view of risk. Without prejudice to the foregoing (in compliance with the investment policy concerning gearing), the Company has set a maximum leverage limit of 15,000% on a "commitment basis" and 15,000% on a "gross basis".
(1b)	(2)	*a description of the procedures by which the AIF may change its investment strategy or investment policy, or both;*	As an investment trust whose shares are admitted to the Official List of the UK Listing Authority under Chapter 15 of the Listing Rules, Aurora is required to obtain the prior approval of its shareholders for any material change to its published investment policy. Accordingly, Aurora will not make any material change to its published investment policy without the approval of its shareholders by ordinary resolution and will announce any such change through the regulatory news service of the London Stock Exchange. Any change in investment strategy or investment policy which does not amount to a material change may be made by the Board without obtaining shareholder approval.

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(1c)	(3)	*a description of the main legal implications of the contractual relationship entered into for the purposes of the investment, including information on jurisdiction, the applicable law and the existence or absence of any legal instruments providing for the recognition and enforcement of judgements in the territory where the AIF is established;*	There is no contractual relationship between Aurora shareholders who acquire their shares in the secondary market and Aurora. While investors acquire an interest in the company on subscribing for or purchasing shares, Aurora is the sole legal and/or beneficial owner of its investments. Consequently, shareholders have no direct legal or beneficial interest in those investments. The liability of shareholders for the debts and other obligations of Aurora is limited to the amount unpaid, if any, on the shares held by them. Aurora is a company limited by shares, incorporated in England and Wales. The law which is applicable and the ability to recognise and enforce judgements in the jurisdiction of the AIF's domicile is not in doubt and further disclosure to that effect is not considered necessary.
(1d) (4)	(1d) (4)	*the identity of the AIFM, the AIF's depositary, the auditor and any other service providers and a description of their duties and the investors' rights;*	Investment Manager Phoenix Asset Management Partners Limited, whose registered office is at 64-66 Glentham Road, London, SW13 9JJ Depositary and Custodian Northern Trust Investor Services Limited, whose registered office is at 50 Bank Street, London E14 5NT Registrar Link Group whose registered office is at 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL Secretary and Administrator Frostrow Capital LLP whose registered office is at 25 Southampton Buildings, London, WC2A 1AL Auditor BDO LLP, whose registered office is at 55 Baker Street, London W1U 7EU Investors' Rights Aurora is reliant on the performance of third-party service providers, including the investment manager, the depositary, the auditors, the registrar, and the secretary/administrator. Each Shareholder's contractual relationship in respect of its investment in shares is with Aurora only. Accordingly, no shareholder will have any contractual claim against any service provider with respect to such service provider's default.

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AIFMD article 23	FUND 3.2.2R		
(1e)	(5)	*a description of how the AIFM complies with the requirements (professional negligence) relating to professional liability risk;*	PAMP maintains professional indemnity insurance to cover each and every professional liability which may arise under the Investment Management Agreement. The excess is covered by PAMP maintaining sufficient own funds for this purpose, as well as other regulatory requirements. If professional indemnity insurance is not available, PAMP will maintain own funds at a level adequate for its risk profile.
(1f)	(6)	*a description of:*	
(1f)	(6a)	*any AIFM management function delegated by the AIFM;*	No functions have been delegated
(1f)	(6b)	*any safe-keeping function delegated by the depositary;*	The Depositary , Northern Trust Investor Services Limited (NTISL) delegates the safekeeping function to The Northern Trust Company (TNTC).
(1f)	(6c)	*the identity of each delegate appointed in accordance with FUND 3.10 (Delegation); and*	Not applicable
(1f)	(6d)	*any conflicts of interest that may arise from such delegation;*	Not applicable

Regulatory reference		Disclosure required	Disclosure or location of document
AIFMD article 23	FUND 3.2.2R		
(1g)	(7)	*a description of the AIF's valuation procedure and of the pricing methodology for valuing assets, including the methods used in valuing and hard-to-value assets, in line with FUND 3.9 (Valuation);*	There are two type of valuation process: one for liquid investments and one for less liquid investments. All valuations of liquid investments will be reviewed and authorised by the Investment Manager's Chief Operating Officer before being provided to the Administrator. The Company will mostly invest in UK listed securities and the Administrator will perform its own independent price verifications before finalising the Company's valuation. If one of these listed securities is temporarily suspended, the Investment Manager will use the last listed price of that security until it resumes trading. If there have been any redemptions or subscriptions in the intervening period, then adjustments will be made to reflect the new listed price so that all investors are fairly treated. For investments that are significantly less liquid, additional processes are in place to ensure valuations provide an objective, consistent and transparent basis for the fair value of unquoted securities in accordance with International Financial Reporting Standards. Following the purchase of a new investment the Investment Manager will engage with a third-party valuation expert (presently Duff & Phelps) to receive input on the proposed valuation framework. This framework will follow accepted valuation principles and will be specific to the underlying asset in question. On a monthly basis the Investment Manager's investment team will formally perform an initial valuation and this will be reviewed and approved by the business team. Ultimate approval is from the Investment Manger's Chief Operating Officer. The valuation is then provided to the Administrator, for the Administrator to finalise. In addition to these controls, the third-party specialist valuer carries out an independent semi-annual value verification for material unlisted investment. The final control will be the annual review by the Company's Auditors. Independent value verification may be more frequent than semi-annual, and their frequency will be determined by the characteristics of each investment and the occurrence of a material change in value. Although the initial valuation is carried out by the Investment Manager's investment team, final review and sign off is undertaken by the business team and the Chief Operating Officer, who are functionally separate from the investment team. The business team will liaise directly with the third party who reviews the Investment Manager's valuation methodology.
(1h)	(8)	*a description of the AIF's liquidity risk management, including the redemption rights of investors in normal and exceptional circumstances, and the existing redemption arrangements with investors;*	Aurora is a closed-ended fund, so there are no redemption rights of investors, as referred to in FUND 3.2.2R (8) and the impact of redemptions is not therefore a factor in the AIF's management of liquidity. Shareholders are entitled to participate in the assets of Aurora attributable to their shares in a winding-up of Aurora or other return of capital, but they have no rights of redemption. PAMP undertakes liquidity management procedures in relation to Aurora which are intended to ensure that Aurora's investment portfolio maintains a level of liquidity which is appropriate to its obligations. The liquidity management policy is reviewed and updated, as required, on at least an annual basis.

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AIFMD article 23	FUND 3.2.2R		
(1i)	(9)	*a description of all fees, charges and expenses, and the maximum amounts directly or indirectly borne by investors;*	Ongoing Expenses The Company will incur ongoing expenses which will include fees paid to PAMP and other service providers in addition to other expenses. Most recent fees and expenses can be found in the Annual Report and in the Key Investor Document – both can be found at: www.aurorainvestmenttrust.com PAMP does not earn an ongoing annual management fee but is paid an annual performance fee. The performance fee will be equal to one third of the outperformance of Aurora's net asset value total return (including dividends and adjusted for the impact of share buy backs and the issue of Shares) over the FTSE All-Share Total Return for each financial year. Aurora's net asset value return will be based on the weighted number, and NAV, of Shares in issue over the relevant period. The total annual performance fee will be capped at 4% per annum of the Net Asset Value of Aurora at the end of the relevant financial year in the event that the NAV per Share has increased in absolute terms over the period and 2% in the event that the NAV per Share has decreased in absolute terms over the period. Any outperformance that exceeds these caps will be carried forward and only paid if the Aurora outperforms, and the annual cap is not exceeded, for that year. The performance fee will be subject to a high-water mark so that no performance fee will be payable in any year until all underperformance of the Company's Net Asset Value since the last performance fee was payable has been made up. The performance fee will also be subject to a clawback if over a rolling three-year period Aurora underperforms. The performance fee will be paid to PAMP in Shares (issued at the NAV per Share on the date of issue) and such Shares must be retained by PAMP for a minimum period of three years from the date of issue. It is intended that the performance fee will be charged to the capital reserves of Aurora. Subsequent Placings (where relevant) Additional expenses may arise if Subsequent Placings are undertaken (issuance of new shares). These expenses include the fees payable in relation to each subsequent Admission, including listing and Admission fees, as well as fees and commissions due under the Placing and Offer Agreement and any other applicable expenses in relation to the Placing Programme. The costs and expenses of issuing Ordinary Shares pursuant to any Subsequent Placing will be covered by issuing such Ordinary Shares at the prevailing published Net Asset Value per Share at the time of issue together with a premium to at least cover the costs and expenses of the relevant Subsequent Placing of Shares (including, without limitation, any placing commissions).
(1j) (10)	(1j) (10)	*a description of how the AIF ensures a fair treatment of investors;*	Aurora is listed on the London Stock Exchange and has no direct relationship with its investors. It is by following the rules of that exchange (and of other bodies, such as the Takeover Panel) that Aurora ensures fair treatment of investors. No investor has a right to obtain preferential treatment in relation to their investment in Aurora and Aurora does not give preferential treatment to any investors.

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AIFMD article 23	FUND 3.2.2R		
(1j)	(11)	*whenever an investor obtains preferential treatment or the right to obtain preferential treatment, a description of:*	Not applicable
(1j)	(11a)	*that preferential treatment;*	Not applicable
(1j)	(11b)	*the type of investors who obtain such preferential treatment; and*	Not applicable
(1j)	(11c)	*where relevant, their legal or economic links with the AIF or AIFM;*	Not applicable
(1k)	(14)	*the latest annual report, in line with FUND 3.3 (Annual report of an AIF):*	The latest Report and Accounts are available on Aurora's website www.aurorainvestmenttrust.com
(1l)	(12)	*the procedure and conditions for the issue and sale of units or shares;*	Aurora's shares are listed and traded on the London Stock Exchange. Investors who wish to buy or sell shares in Aurora should refer to their broker or other financial adviser.
(1m)	(13)	*the latest net asset value of the AIF or the latest market value of the unit or share of the AIF, in line with FUND 3.9 (Valuation);*	The NAV of Aurora will be calculated on a daily basis and announced to the market via the regulatory news service of the London Stock Exchange.
(1n)	(15)	*where available, the historical performance of the AIF;*	Performance data for Aurora will be published on Aurora's website www.aurorainvestmenttrust.com Investors should note that past performance is not necessarily indicative of future performance. Investors may not get back the amount invested.

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AIFMD article 23	FUND 3.2.2R		
(1o)	(16a)	*the identity of the prime brokerage firm;*	Not applicable
(1o)	(16b)	*a description of any material arrangements of the AIF with its prime brokerage firm and the way any conflicts of interest are managed;*	Not applicable
(1o)	(16c)	*the provision in the contract with the depositary on the possibility of transfer and reuse of AIF assets; and*	Not applicable
(1o)	(16d)	*Information about any transfer of liability to the prime brokerage firm that may exist; and*	Not applicable
(1p)	(17)	*a description of how and when the information required under FUND 3.2.5R and FUND 3.2.6R will be disclosed.*	The Annual Report & Accounts will disclose: 1. the percentage, if any, of Aurora's assets which are subject to special arrangements due to their illiquid nature. 2. any new arrangements for managing the liquidity of Aurora. 3. the current risk profile of Aurora and the risk management systems employed by the Investment Manager to manage those risks. Information will also be provided to investors regarding any changes to: 1. the maximum level of leverage that PAMP my employ on behalf of Aurora. 2. any right of reuse of collateral or any guarantee granted under the leveraging arrangement; and 3. the total amount of leverage employed by Aurora.