

**21 NOVEMBER 2013**

**ANNUAL GENERAL MEETING**

**CHAIRMAN AND MANAGING DIRECTOR'S ADDRESS**

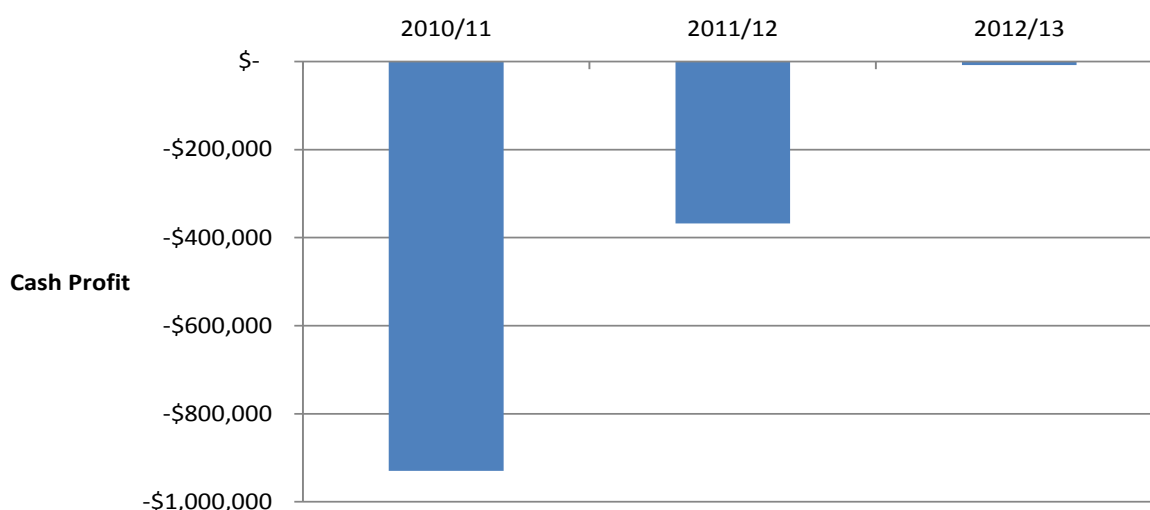
Welcome ladies and gentlemen, I would like to start by thanking you for your investment in and support of our company. My name is Steuart Roe and I am the Chairman and Managing Director of Aurora. Following my address, I will invite questions from the floor before requesting votes on the matters outlined in the Notice of Meeting.

Please let me introduce you to my fellow directors. They are, Mr John Corr who is our Chief Investment Officer, Mr Alastair Davidson who is the head of development for our institutional business and Mr Simon Lindsay who is head of development for our retail business. May I also introduce Mr Richard Matthews who is our Company Secretary, and the representative from our auditor PwC.

For the financial year ending 30 June 2013, Aurora recorded a loss before tax of \$508,403 (2012: (\$1,011,364)). This included a non-cash share based payment of \$500,000 as explained in our 2010 prospectus. Net, our cash loss for the year was \$8,403 (2012: \$367,579).

The result continues our progress since listing as shown in Chart 1.

**Chart 1. Profit excluding non-cash items.**



These results reflect:

- an increase in funds under management in higher margin products; and
- our ongoing focus on cost management and improved operational efficiencies.

Our funds under management over the financial year were relatively volatile, fluctuating between a high of \$554 million in November 2012 and a low of \$480 million in June 2013. We have been further encouraged by the growth in FUM in the 2014 financial year to date with FUM having grown to \$646 million during August 2013.

Our Institutional business has provided most inflow, with the Wholesale/Retail business showing some pleasing signs of growth. The overall composition of the Company's funds amongst our retail, institutional and responsible entity businesses is depicted in Chart 2.

**Chart 2. Funds under management and administration.**



As at 30 June 2013 our net cash reserve was approximately \$1.472 million. As announced on 13 August 2013, \$0.573 million was raised via a placement at \$0.45 per share. The purpose of the placement was to increase our capital base in order meet our regulatory capital requirements as we grow our funds under management.

The performance of our internally managed funds, generally continue to perform well relative to their respective benchmarks. The details of their performance are contained in Table 1.

**Table 1. Historic fund performance after fees to 31 August 2013**

|                                               | 1 Year |           | 3 Year (p.a) |           | Since Inception (p.a) |           |
|-----------------------------------------------|--------|-----------|--------------|-----------|-----------------------|-----------|
|                                               | Fund   | Benchmark | Fund         | Benchmark | Fund                  | Benchmark |
| <b>Absolute Return Trust<sup>(1)</sup></b>    | 6.1%   | 3.0%      | 6.1%         | 4.0%      | 8.2%                  | 5.0%      |
| <b>Dividend Income Trust<sup>(2)</sup></b>    | 20.8%  | 14.1%     | 10.8%        | 8.0%      | 8.1%                  | 5.5%      |
| <b>Global Income Trust<sup>(3)</sup></b>      | 7.9%   | 3.2%      | 2.6%         | 4.2%      | 5.3%                  | 4.4%      |
| <b>Property Buy-Write Trust<sup>(4)</sup></b> | 11.4%  | 16.6%     | 8.7%         | 11.3%     | 0.3%                  | -6.8%     |

Note: past performance is not indicative of future performance. The comparable indexes are:

- 1 RBA Cash Rate
- 2 50% of UBS Australia Bank Bill Index and 50% of S&P/ASX 200 Accumulation Index (plus franking)
- 3 UBS Australia Bank Bill Index
- 4 S&P/ASX200 Property Accumulation Index

This performance gives us some confidence in our ability to continue to increase our funds under management. That said, please be aware that for a company of our size, the appointment or loss of a single institutional mandate can make a material impact on our funds under management and revenue.

#### **van Eyk**

I also want to take this opportunity to advise shareholders that we have entered into discussions to end our long standing relationship with van Eyk. van Eyk has been a material client of our business since 2006 and, while it is always disappointing to lose such a client, we understand that client requirements change over time. We thank van Eyk for the business they have given us wish them well with their future plans.

From our commercial perspective, this has the potential to impact our current gross revenue by around 10%. The upside of this is that a material amount of regulatory capital and work load capacity will be freed up.

#### **2014**

Our focus for the remainder of the 2014 financial year is to continue to try and raise money via financial planners for our Absolute Return strategies. The amounts we have been raising from this sector has been steadily rising over the last year and I am pleased to report we had our best month of inflows in October of around \$12 million.

We will also be focusing on repeating this strategy and success with our Dividend Income Trust. To this end, we have recently got this fund on the Asgard platform and are in the final stages of being approved for the Macquarie platform. Since being approved for the Asgard platform, we have been receiving regular applications.

We have also recently accepted a number of mandates from financial services groups to act as their trustee for their Significant Investor Visa compliant funds. Whilst this is in its early stages we are pleased to advise that we have now received the first flow of application funds and have good prospects in the immediate future.

From an investment management perspective we will continue to do all we can to achieve the best possible returns across all the mandates and funds we manage.

I would also like to take this opportunity to thank my fellow directors and staff for their efforts during the last 12 months.

I now open the meeting to questions from the floor.

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