Aurora Investment Trust plc

Half Yearly Report

For the six months ended 30 June 2024

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FINANCIAL AND PERFORMANCE HIGHLIGHTS

Performance

	At 30 June 2024 (unaudited)	At 31 December 2023 (audited)
Net asset value ("NAV") per share[1]	269.44p	274.34p
Share price	247.50p	247.00p
Share price discount to NAV per share[1]	(8.1)%	(10.0)%
Annualised ongoing charges[1]	0.42%	0.45%

The total returns in sterling for the period/year were as follows:

	Six months to 30 June 2024 (unaudited) %	Year to 31 December 2023 (audited) %
NAV total return per share[1,2]	(0.5)%	36.3%
Share price total return[1,2]	1.6%	28.5%
FTSE All-Share Index total return ("Benchmark")	7.4%	7.9%

1 Definitions of these Alternative Performance Measures ("APMs") together with how these have been calculated can be found on pages 24 and 25.

2 Including dividend reinvested.

CHAIR'S STATEMENT

This report covers your Company's activities over the six months to 30 June 2024 and its financial position at that date.

Performance

Over the six months the Company's net asset value ("NAV") per share fell from 274.34p at 31 December 2023 to 269.44p at 30 June 2024, giving a total return for the period of -0.5% (2023: +12.4%). The price at which the Company's shares traded rose from 247.0p per share at 31 December 2023 to 247.5p at 30 June 2024, giving a share price total return of +1.6% (2023: +4.3%). These compare with the total return over the six months for the FTSE All-Share Index, the Company's benchmark, of +7.4% (2023: +2.5%). At the end of June the share price stood at an 8.1% discount to the NAV per share.

Top contributors were Netflix, Lloyds and Hargreaves Lansdown. Notable detractors included Barratt Developments and Ryanair. The Investment Manager's Review, starting on page 5, provides further details on activity and outlook.

Investment Manager Presentation Event

Shareholders are invited to Aurora's second Investor Event, being held at 3.30 p.m. on 9 October 2024 at the Queen Elizabeth II Centre, Broad Sanctuary, Westminster, London SW1P 3EE. Both existing and prospective Aurora shareholders are welcome and the event will follow last year's successful format with multiple speakers from the Investment Manager. We plan to record the event and publish it on the Company's website. If you would like to attend, please contact phoenix@pamp.co.uk to register.

Share Price Discount

The discount to NAV per share narrowed from 10.0% at the end of 2023 to 8.1% as at 30 June. This narrowing is welcome and closing the discount continues to be one of the Board's key objectives, with marketing as a key part of the strategy. Phoenix, Liberum, and Frostrow Capital continue to promote the Company proactively.

Merger

On 2 September 2024 the Board announced agreed heads of terms with the Board of Artemis Alpha Trust plc ("Artemis Alpha") in respect of a proposed combination of the assets of Artemis Alpha with the assets of the Company. The combination, if approved by each company's respective shareholders, will be effected by way of a scheme of reconstruction and winding up of Artemis Alpha under section 110 of the Insolvency Act 1986 and the associated transfer of cash and assets from Artemis Alpha to the Company in exchange for the issue of new ordinary shares to Artemis Alpha shareholders.

If the merger completes the enlarged Company, which we plan to re-name Aurora UK Alpha plc, will continue to be managed on the same basis as it is currently by Phoenix Asset Management Partners Limited ("Phoenix"). Aurora's investment objective and policy will not change and the Company's Board will also remain unchanged.

A General Meeting circular in respect of the proposals will be published shortly.

Investment Objective

The Company announced in June that the Board had decided the wording of the Company's published investment objective should be clarified for consistency with the Company's investment policy and dividend policy. The previous wording referred to providing shareholders with "long-term returns through capital and income growth" and the Board believed it would be clearer if these words were replaced with "long-term total returns". Whilst these could be considered synonymous, the Board considered "long-term total returns" to be more accurate in the Company's context, noting in particular that the Company does not have a fixed dividend policy or income target. The new investment objective wording is used in this half year report. There has been no change to the Company's investment policy or the way in which the investment portfolio is managed. Moreover, there is no change to the dividend policy and the Board expects to continue to distribute substantially all of the net revenue arising from the investment portfolio.

Performance fee methodology

The Company also announced in June a change to the performance fee methodology in relation to clawbacks. Performance fees paid to the Investment Manager can only be retained by the Investment Manager if the Company does not underperform in the subsequent three year lock-in period. Prior to the change, if performance fees were clawed back at the end of that three years the high water mark (or level at which future performance fees are payable) did not get adjusted, which meant the Investment Manager would have to re-earn performance that had already been generated. The Board believed this approach did not reflect the parties' original intention that the Investment Manager should be rewarded for generating cumulative long-term outperformance. Therefore, with effect from close of business on 13 June 2024, the performance fee methodology was modified to provide for the high water mark to be adjusted to take account of the level of outperformance lost on a clawback. The Board believes the performance fee, adjusted in this manner, properly incentivises the Investment Manager for long-term outperformance, consistent with the expectations of shareholders. There has been no other change to the performance fee arrangements.

Outlook

After returns of 36.3% in 2023, it is perhaps no surprise performance in 2024 has been more muted. Significant value remains in UK equities, especially within the portfolio itself. The Investment Manager continues to invest in great businesses at attractive prices. It is pleasing that over the period the Board agreed heads of terms to combine with Artemis Alpha. If approved, this will add over 50% to the Company's market capitalisation, leading to improved liquidity, and lower fees for shareholders. We look forward to welcoming investors to the Investor Event in October, and shortly afterwards we look forward to launching the Company's new website.

Lucy Walker
Chair
25 September 2024

OBJECTIVE AND INVESTMENT POLICY

Investment Objective

Aurora Investment Trust plc's (the "Company") objective is to provide shareholders with long-term total returns by investing predominantly in a portfolio of UK listed companies.

Investment Policy

The Company seeks to achieve its investment objective by investing predominantly in a portfolio of UK listed companies. The Company may from time to time also invest in companies listed outside the UK and unlisted securities. The investment policy is subject to the following restrictions, all of which are at the time of investment:

- The maximum permitted investment in companies listed outside the UK at cost price is 20% of the Company's gross assets.
- The maximum permitted investment in unlisted securities at cost price is 10% of the Company's gross assets.
- There are no pre-defined maximum or minimum sector exposure levels but these sector exposures are reported to and monitored by the Board in order to ensure that adequate diversification is achieved.
- The Company's policy is not to invest more than 15% of its gross assets in any one underlying issuer (measured at the time of investment) including in respect of any indirect exposure through Castelnau Group Limited.
- The Company may from time to time invest in other UK listed investment companies, but the Company will not invest more than 10% in aggregate of the gross assets of the Company in other listed closed-ended investment funds.
- Save for Castelnau Group Limited, the Company will not invest in any other fund managed by the Investment Manager.

While there is a comparable index for the purposes of measuring performance over material periods, no attention is paid to the composition of this index when constructing the portfolio and the composition of the portfolio is likely to vary substantially from that of the index. The portfolio will be relatively concentrated.

The exact number of individual holdings will vary over time but typically the portfolio will consist of holdings in 15 to 20 companies. The Company may use derivatives and similar instruments for the purposes of capital preservation.

The Company does not currently intend to use gearing. However, if the Board did decide to utilise gearing the aggregate borrowings of the company would be restricted to 30% of the aggregate of the paid-up nominal capital plus the capital and revenue reserves.

Any material change to the investment policy of the Company will only be made with the approval of shareholders at a general meeting. In the event of a breach of the Company's investment policy, the Directors will announce through a Regulatory Information Service the actions which will be taken to rectify the breach.

INVESTMENT MANAGER'S REVIEW

Performance

Over the half year to 30 June 2024 the NAV per share total return was 0.3% on a non-IFRS basis and the share price total return was 1.6%. At the end of June, the shares were trading at an 8.5% discount to NAV. The FTSE All-Share Index total return was 7.4% over the same period.

Up to the last month end, 31 August 2024, performance has improved, with the NAV per share total return on a non-IFRS basis up to 5.1% year-to-date, versus an 11.3% increase in the FTSE All-Share Index.

From an individual stock perspective, there were a number of significant price moves in the half year. **Hargreaves Lansdown** was the most significant, rising 57% following a bid approach. **Netflix** was another holding which had a noteworthy move, rising 38.6% during the half year.

Other moves of note included **Lloyds Bank**, up 18.9%, and **AO World**, which was up 12.9%.

Notable price fallers included **Barratt Developments**, which fell 15.3% after a bid approach for Redrow, and **Ryanair**, which fell 13.6%.

From a contribution perspective, **Netflix** was the most significant after contributing 2.3% to the half year performance. Other contributions of note came from **Lloyds Bank** and **Hargreaves Lansdown**, which contributed 1.5% and 1.1%, respectively. The main detractor in the half year was **Barratt Developments**, where the price fall resulted in a 2% drag on the half year result.

Activity

Given our ongoing confidence in the portfolio, activity in the half year was limited. Notable transactions included the **Lloyds Bank** holding being increased by 1%, whilst **Ryanair** was reduced by 1% following ongoing concerns over Boeing's ability to deliver their new 737 Max airplane.

In normal circumstances, we only report on holdings which are above a 3% weight. In late 2023 and early 2024 we instigated a holding in **Hargreaves Lansdown**. Unfortunately, after we built a 2% holding the price moved away from us and subsequently a bid was announced. The holding was sold in August.

We reported in the June factsheet that a good return was earned on **Hargreaves Lansdown** over a short period, but that it was frustrating, as we had spent a long period of time developing our investment thesis only for the upside not to be fully realised.

In July, **Castelnau Group**, a major holding in the portfolio, announced a revaluation of **Dignity PLC**. This resulted in a circa 35% increase in the **Castelnau** NAV. Its weight in the Aurora Investment Trust portfolio increased as a consequence by circa 3.75% to 13.5% at the half year end.

We reported on the revaluation in the June factsheet, and it is reproduced below.

"Dignity Update

During the quarter we formally appointed Zillah Byng-Thorne as the new Dignity CEO who we wrote about in the Castelnau Group Q1 Report. For those who don't have the Castelnau reports they are available on the Castelnau Group website. As the capital structure work is so material to the future, Zillah has been engaged on that in advance of her appointment.

To recap where we were, based upon the level of rollover of Dignity shareholders who stayed in after the takeover and the amount of equity we raised for Dignity after the take private, we still had a capital structure that was more geared than we wanted it to be. Therefore, we had embarked on a process to seek an investor buyer for the crematoria business who would partner with us. That process was run, and we had four funded buyers at the end, but working with SPWOne and Zillah we also looked at alternatives because of the amount of long-term upside we would be losing if we sell what we all know to be highly attractive assets. The value today would not reflect any of the uplift we expect if that business stays in the Dignity Group and remains part of the original strategy of building a truly great and unique vertically integrated end of life business.

An alternative way of deleveraging the Dignity Group has been found. With surplus released from the funeral plan trusts, the business has enough liquidity to repay £100 million of its debt. Those releases have happened, and that process is underway as announced by Dignity on 4 July 2024. The Phoenix facility is being repaid by using a portfolio of unencumbered freeholds. That process launches this month [July], and the proceeds are expected in the coming months.

Because of the way that the Dignity debt is structured, this repayment has a much bigger impact on debt service obligation than if it was a normal loan. The £34 million of current annual debt service cost will fall to £23 million, so the covenant hurdle, which is for EBITDA to be greater than 1.5x the debt service cost, will drop from £51 million to £34 million, a level we are already trading over.

£540 million of securitisation debt when we became involved in the company will be c.£400 million following this repayment. The agreement we have to repay the B's early at a discount of c.£50 million is still in place until the end of this year and we are still looking to utilise that.

The steps so far have already necessitated a change in the valuation of the Dignity holding in Castelnau. This is reflected in the Castelnau NAV that has just been released, which has risen by c.35%. This is just an initial first step in value creation at Dignity. The valuation does reflect that even with a lower death rate, we are on course for rising profitability this year but it gives little to no recognition to the value of a successful execution of the strategy, which our intrinsic value does.

Dignity is a sprawling and complicated challenge, but a lot has already been achieved. We have been really impressed with Zillah, not because she already has all the answers but because of how she goes about getting them and how she gets things done.

Our confidence in the probability of the potential value in the business being unlocked has risen materially.

It's 85km to get to the summit of Mount Everest on foot. After trekking the first 65km you reach Base Camp! That feels like where we are with Dignity."

Outlook

In early July, Gary Channon published some thoughts to investors, which were outlined in the June factsheet.

The piece was written prior to the general election but the sentiments remain true today.

That piece is reproduced below.

"Outlook

When a pendulum reaches the extreme point of its swing and changes direction, it isn't because the forces acting on it change at that time, it is because the forces pushing it in one direction are diminishing and those forces pulling it in the other direction are growing, it changes direction when those forces cross over. Although reluctant to proffer anything that might look like a forecast, we feel we must share, even at the risk of future ridicule, our growing impression that the perennial underperformance of the UK market is turning or has turned.

The major macro forces that have been pushing it down are:

a.) The long disinvestment of UK equities by domestic pension schemes. This has now happened and there isn't much left to divest.

b.) The negative political developments that undermined the external attractiveness of the UK for investment. The government of Rishi Sunak and Jeremy Hunt has returned the UK to sensible economic governance.

c.) The Brexit effect, which includes the referendum result, the period of negotiation and then the negative impact of implementation have now largely happened.

Countering that are:

i.) Pragmatic decisions are beginning to be made, undoing some of the negative impacts of the way Brexit was implemented. Some of these are technical agreements that impact trade but also include collaborative programmes like Horizon for scientists that the UK has rejoined.

ii.) The cheapness of equities, even though bidders must pay significant premiums to prevailing share prices, has caused a surge in the number of acquisitions of UK businesses. Even our narrow portfolio has experienced two takeouts (Hotel Chocolat and Hargreaves Lansdown).

iii.) UK companies are buying back their shares like never before. It has long been a frustration of ours that there was a negative perception in the UK about buybacks and a pressure from income funds to pay dividends over buybacks. When your

> *equity is cheap it is very value enhancing for remaining shareholders to buy back your equity. What was a trickle 5 years ago, by last year had risen to 40% of the FTSE100 buying back their shares and that has increased and extended into the FTSE250 in 2024.*

The UK economy, which has lagged since Brexit, is finally showing signs of performing better relative to its peers and not long after you receive this report, we are likely to have a new UK Government.

We believe an incoming Labour Government with a big enough majority not to be hijacked by the extremes of its party, and that has spent so long in opposition that it is hungry to prove its credentials is likely to be a positive political force. Knowing they need economic growth to deliver their plan, they have and need to maintain, a pro-business approach. Not being the party that delivered Brexit, they (as did the Conservative party at the time) campaigned for the UK to remain in the EU, however, no one is contemplating a reversal but what we should expect is pragmatic solutions that reduce the negative impact, which is also beneficial to the EU.

When a pendulum does reverse, it is very slow to begin with and then builds momentum. The end of 2023 and 2024, so far, feels like that point where backwards started to become forwards. The only other thing to say on the matter is that a reversal in underperformance can happen through a rise in performance or as relative resilience as others fall further. If the AI inflated US market crashes, then the UK could be a safe port in the storm.

We have a very UK focused portfolio, which is priced attractively, generating profits, and buying back shares. If the UK economy continues to pick up momentum as it has done this year, then they will benefit from that. Housebuilding is the only part of the portfolio directly impacted by policy goals of an incoming Labour Government, and so far, the signs are positive. The executives we speak to in the industry who have been engaging with Labour are of the view that their plans are likely to be positive for the sector. We have watched many manifestos arrive post elections and have seen how they survive exposure to the civil service and then local government, however, if the goal is more houses, then you need housebuilders to build them, and they need a planning system that makes that achievable where the demand exists. That seems to be accepted. Our housebuilding investments are screamingly cheap without a scintilla of optimism about whether the new Government will succeed, but if they do, then we are very well placed, the new Barratt Redrow will be the UK's largest and we believe, best (on many criteria) housebuilder, and it still trades below liquidation value.

As always, Intrinsic Value is our North Star, and right now it sits high and shines brightly."

Steve Tatters
Director
Phoenix Asset Management Partners Ltd
25 September 2024

Top holdings

As at 30 June 2024

Company	Sector	Holding in Company	Fair value	Percentage of net assets
			£'000	%
Frasers Group plc	Retail	4,968,886	43,850	21.34
Barratt Developments plc	Construction	5,866,312	27,695	13.47
Castelnau Group Limited#	Financial	36,421,421	27,680	13.47
Netflix Inc	Technology & Entertainment	33,500	17,877	8.70
Lloyds Banking Group plc	Financial	31,379,000	17,177	8.36
Ryanair Holdings Plc	Leisure	807,000	11,173	5.44
RHI Magnesita N.V.	Materials	260,970	9,003	4.38
Bellway Plc	Construction	306,940	7,784	3.79
easyJet Plc	Leisure	1,667,168	7,631	3.71
AO World Plc	Retail	6,396,000	7,100	3.45
Hargreaves Lansdown Plc	Financial	545,718	6,179	3.01
Other holdings (less than 3%)			15,035	7.30
Total holdings			**198,184**	**96.42**
Other current assets and liabilities			7,382	3.58
Net assets			**205,566**	**100.00**

Castelnau is a multi-sector financial holding company, listed on the Specialist Fund Segment of the London Stock Exchange. Castelnau is also managed by Phoenix and its value is excluded from the Company's net assets when calculating performance fees earned by Phoenix to avoid double charging.

Sector Breakdown

As at 30 June 2024

SECTOR	Percentage of net assets %
Financial*	28.00
Retail	26.72
Construction	18.14
Leisure	9.85
Technology & Entertainment	8.73
Materials	4.38
Food & Beverage	0.53
Industrials	0.07
Other current assets and liabilities	3.58
Total	**100.00**

* includes holding in Castelnau Group Limited

INTERIM MANAGEMENT REPORT

The Directors are required to provide an Interim Management Report in accordance with the Financial Conduct Authority's ("FCA") Disclosure Guidance and Transparency Rules ("DTR"). The Directors consider that the Chair's Statement on pages 2 and 3 and the Investment Manager's Review on pages 5 to 8 of this Half Yearly Financial Report provide details of the important events in the period and their impact on the financial statements. The following statement on the Principal Risks and Uncertainties, the Related Party Transactions, the Statement of Directors' Responsibilities, and the Investment Manager's Review together constitute the Interim Management Report of the Company for the six months ended 30 June 2024. The outlook for the Company for the remaining six months of the year ending 31 December 2024 is discussed in the Investment Manager's Review.

Details of the investments held at the period end and the structure of the portfolio at the period end are provided on pages 9 and 10.

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company are set out on pages 28 to 30 of the Company's most recent Annual Report, for the year ended 31 December 2023, which can be found on the Company's website at www.aurorainvestmenttrust.com. The Board believes that the Company's principal risks and uncertainties have not changed materially since the date of the Annual Report and are not expected to change materially for the remaining six months of the Company's financial year.

In summary, the principal risks and uncertainties facing the Company comprise:

- *Geopolitical and economic risks:* including from rising interest rates, inflation, recession, local and global politics; and disruptive local and global events;
- *Investment objective and strategy risks:* the investment policy may not achieve the published investment objective;
- *Risks related to the Investment Manager:* the Company's success is closely dependent on the performance of the Investment Manager;
- *Operational risks:* incorporates, amongst other things, the potential for errors or irregularities in published information, cyber risks, business continuity risks, and regulatory risks;
- *Discount risk; ESG; and Financial Risks.*

Related Party Transactions

The Company's Investment Manager is Phoenix Asset Management Partners Limited, ("Phoenix" or the "Investment Manager"). Phoenix is considered a related party in accordance with the Listing Rules. Phoenix does not earn an ongoing annual management fee. It will be paid an annual performance fee equal to one third of the outperformance of the Company's net asset value total return (including dividends and adjusted for the impact of share buybacks and the issue of new shares) over the FTSE All-Share Index total return for each financial year. Details of the investment management arrangements are shown in Note 5 on pages 21 and 22 of these accounts.

The Directors are also considered to be related parties. Details of the Board's remuneration and shareholdings can be found on pages 51 to 55 of the Company's Annual Report.

Castelnau Group Limited, one of the Company's holdings, is also managed by Phoenix and is considered a related party.

Going Concern

The financial statements have been prepared on the going concern basis. The Directors have a reasonable expectation, after making enquiries, that the Company has adequate resources to continue in existence for at least 12 months from the date of approval of this Interim Report. In reaching this conclusion, the Directors have taken account of the principal risks and uncertainties the Company faces and considered the liquidity of the Company's portfolio of investments, together with its cash position, income and expense flows.

As at 30 June 2024, the Company held £7,329,000 (30 June 2023: £143,000) in cash and cash equivalents, £197,708,000 (30 June 2023: £168,269,000) in quoted investments and £476,000 (30 June 2023: £2,934,000) in an unquoted investment. It is estimated that 51.5% of the portfolio could be realised in seven days under normal conditions. The total operating expenses for the six months to 30 June 2024 was £466,000 (30 June 2023: £377,000). The total income during the half-year period was £1,728,000 (30 June 2023: £1,426,000).

For and on behalf of the Board of Directors
Lucy Walker
Chair
25 September 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm to the best of their knowledge that:

- The condensed set of financial statements contained within the Half Yearly Financial Report have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", gives a true and fair view of the assets, liabilities, financial position and profit and loss of the Company; and
- The Interim Management Report includes a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's DTR Rules.

Approved by the Board on 25 September 2024.

Lucy Walker
Chair
25 September 2024

CONDENSED INCOME STATEMENT

Note		Six months to 30 June 2024 (unaudited)			Six months to 30 June 2023 (unaudited)		
		Revenue	Capital	Total	Revenue	Capital	Total
		£'000	£'000	£'000	£'000	£'000	£'000
	(Losses)/gains on investments	–	(1,738)	(1,738)	–	18,089	18,089
	Losses on currency	–	(8)	(8)	–	(2)	(2)
4	Income	1,728	–	1,728	1,426	–	1,426
	Gross return	1,728	(1,746)	(18)	1,426	18,087	19,513
5	Investment management performance fees	–	166	166	–	–	–
	Other expenses	(466)	–	(466)	(377)	–	(377)
	Net return before tax	1,262	(1,580)	(318)	1,049	18,087	19,136
	Tax	(32)	–	(32)	(25)	–	(25)
	Net return for the period	1,230	(1,580)	(350)	1,024	18,087	19,111
8	**Return per share – Basic and diluted**	1.6p	(2.1)p	(0.5)p	1.4p	23.8p	25.1p

The total column of this statement is the Income Statement of the Company, prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the United Kingdom. The supplementary revenue and capital columns are presented in accordance with the Statement of Recommended Practice issued by the AIC ("AIC SORP").

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period. All revenue is attributable to the equity holders of the Company.

There is no other comprehensive income, and therefore the net return for the period is also the total comprehensive income.

The notes on pages 19 to 23 form part of these accounts.

CONDENSED STATEMENT OF FINANCIAL POSITION

Note		At 30 June 2024 (unaudited) £'000	At 31 December 2023 (audited) £'000
	Non-current assets		
	Investments held at fair value through profit or loss	198,184	202,209
	Current assets		
	Trade and other receivables	180	372
	Cash and cash equivalents	7,329	6,248
		7,509	**6,620**
	Total assets	**205,693**	**208,829**
	Current liabilities:		
	Other payables	(127)	(115)
		(127)	**(115)**
	Net assets	**205,566**	**208,714**
	Equity:		
7	Called up share capital	19,073	19,019
	Capital redemption reserve	312	312
	Share premium account	111,580	111,166
	Other reserve	(687)	(219)
	Share-based payment reserve	–	166
	Capital reserve	73,419	74,999
	Revenue reserve	1,869	3,271
	Total equity	**205,566**	**208,714**
7	Shares in issue	**76,292,724**	**76,078,460**
	NAV per share	269.44p	274.34p

The notes on pages 19 to 23 form part of these accounts.

CONDENSED STATEMENT OF CHANGES IN EQUITY

Note	Six months to 30 June 2024 (unaudited)	Called-up share capital	Capital redemption reserve	Share premium account	Share-based payment reserve	Other reserve	Capital reserve	Revenue reserve	Total
		£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
	Opening equity	19,019	312	111,166	166	(219)	74,999	3,271	208,714
	Net return for the period	–	–	–	–	–	(1,746)	1,230	(516)
	Share-based payment credit	–	–	–	(166)	–	166	–	–
7	Share issuance in relation to 2023 performance fee	54	–	414	–	(468)	–	–	–
6	Dividends paid	–	–	–	–	–	–	(2,632)	(2,632)
	Closing equity	**19,073**	**312**	**111,580**	–	**(687)**	**73,419**	**1,869**	**205,566**

The notes on pages 19 to 23 form part of these accounts.

CONDENSED STATEMENT OF CHANGES IN EQUITY continued

Note	Six months to 30 June 2023 (unaudited)	Called-up share capital	Capital redemption reserve	Share premium account	Treasury shares	Other reserve	Capital reserve	Revenue reserve	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Opening equity	19,152	179	111,166	(133)	(2,877)	24,421	2,870	154,778
	Profit for the period	–	–	–	–	–	18,087	1,024	19,111
6	Dividends paid	–	–	–	–	–	–	(2,260)	(2,260)
7	Share cancellation in relation to 2019 performance fee clawback	(133)	133	–	133	–	(133)	–	–
	Closing equity	**19,019**	**312**	**111,166**	**–**	**(2,877)**	**42,375**	**1,634**	**171,629**

The notes on pages 19 to 23 form part of these accounts.

CASH FLOW STATEMENT

	Six months to 30 June 2024 (unaudited)	Year to 31 December 2023 (audited)
	£'000	£'000
Net cash inflow from operating activities	**1,442**	**2,607**
Investing activities		
Payments to acquire non-current asset investments	(9,713)	(11,503)
Receipts on disposal of non-current asset investments	11,992	12,056
Net cash inflow from investing activities	**2,279**	**553**
Financing activities		
Dividends paid	(2,632)	(2,260)
Net cash outflow from financing activities	**(2,632)**	**(2,260)**
Increase in cash and cash equivalents	**1,089**	**900**
Cash and cash equivalents at beginning of period/year	6,248	5,348
Losses on currency	(8)	–
Increase in cash and cash equivalents	1,089	900
Cash and cash equivalents at end of period/year	**7,329**	**6,248**

The notes on pages 19 to 23 form part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS

1. Status of the financial statements

The condensed financial statements contained in this half yearly report do not constitute statutory accounts as defined in s434 of the Companies Act 2006. The financial information for the six months to 30 June 2024 and 30 June 2023 has not been audited or reviewed by the Company's external auditor.

The information for the year ended 31 December 2023 has been extracted from the latest published audited financial statements. Those statutory financial statements have been filed with the Registrar of Companies and included the report of the auditor, which was unqualified and did not contain a statement under Sections 498(2) or (3) of the Companies Act 2006.

No statutory accounts in respect of any period after 31 December 2023 have been reported on by the Company's auditor or delivered to the Registrar of Companies.

Returns for the first six months should not be taken as a guide to the results for the full year.

2. Accounting policies

The half yearly financial information has been prepared in accordance with IAS34 Interim Financial Reporting. The accounting policies are unchanged from those used in the last published annual financial statements except where otherwise stated.

3. Investments held at Fair Value Through Profit or Loss ("FVTPL")

	At 30 June 2024 (unaudited)	At 31 December 2023 (audited)
	£'000	**£'000**
Listed securities	197,708	200,733
Unquoted securities	476	1,476
Total non-current investments held at FVTPL	**198,184**	**202,209**

3. Investments held at Fair Value Through Profit or Loss ("FVTPL") continued

Under IFRS13 investment companies are required to disclose the fair value hierarchy that classifies financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair values.

Classification	Input
Level 1	Valued using quoted prices in active markets for identical assets
Level 2	Valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1
Level 3	Valued by reference to valuation techniques using inputs that are not based on observable market data

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset.

Classification	At 30 June 2024	At 31 December 2023
	£'000	**£'000**
Level 1	197,708	200,733
Level 2	–	–
Level 3	476	1,476
Total non-current investments held at FVTPL	**198,184**	**202,209**

The movement on the Level 3 unquoted investments during the period/year is shown below:

	At 30 June 2024	At 31 December 2023
	£'000	**£'000**
Opening balance	1,476	2,871
Unrealised losses at period/year end	(1,000)	(1,395)
Closing balance	**476**	**1,476**

4. Income

	Six months to 30 June 2024 £'000	Six months to 30 June 2023 £'000
Income from investments:		
UK dividends	1,136	1,127
Overseas dividends	415	247
Other income:		
Deposit interest	177	52
Total income	**1,728**	**1,426**

5. Investment management fees

The Company's Investment Manager does not earn an ongoing annual management fee, but is instead paid an annual performance fee equal to one third of any outperformance of the Company's NAV per share total return (including dividends and adjusted for the impact of share buybacks and the issue of new shares) over the FTSE All-Share Index total return for each financial year.

The total annual performance fee is capped at 4% per annum of the NAV of the Company at the end of the relevant financial year if the NAV per share has increased in absolute terms over the period and 2% if 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 Company outperforms, and the annual cap is not exceeded, in subsequent years.

The performance fee is subject to a high-water mark so that no fee will be payable in any year until all underperformance of the Company's net asset value since the last performance fee was paid has been made up.

Performance fees are settled by issuance of the Company's ordinary shares. Such shares are issued at the NAV per share on the date of issue, so that the then current value of the shares equates in terms of NAV to the performance fees liability.

Any part of the performance fee that relates to the performance of Phoenix SG will be accrued but will not be paid until such time as the Company's investment in Phoenix SG has been realised or is capable of realisation. The position will be reviewed at that time by reference to the realised proceeds of sale or the fully realisable value of Phoenix SG as compared to the original cost of acquisition.

5. Investment management fees continued

Any performance of Castelnau Group Limited will be excluded from the calculation of the performance fee payable by the Company to Phoenix.

All other performance fees are subject to a review and clawback procedure if the Company underperforms its benchmark over a period of three years following the end of the financial year in respect of which the relevant fee was paid. Shares received by the Investment Manager under this arrangement must be retained by the Investment Manager throughout the three-year period to which the clawback procedure applies.

As a result of the above all or any part of the performance fees might become recoverable. The Company reflects this in the charge recognised in subsequent accounting periods within the vesting period of the Investment Manager through the true-up mechanism in IFRS 2.

No performance fee has been charged in the Income Statement for the period ended 30 June 2024 (30 June 2023: £nil). A credit of £166,000 relating to the reversal of IFRS 2 charges previously recorded has been recognised in the Income Statement.

6. Dividends

The final dividend of 3.45p per share or £2,632,000 in total in respect of the year ended on 31 December 2023 went ex-dividend on 9 May 2024 and had a record date of 10 May 2024. The dividend was paid on 20 June 2024. This dividend was not reflected in the financial statements for the year ended 31 December 2023, but is reflected during the period to 30 June 2024.

The final dividend of 2.97p per share in respect of the year ended on 31 December 2022 went ex-dividend on 8 June 2023 and had a record date of 9 June 2023. The dividend was paid on 4 July 2023. This dividend was not reflected in the financial statements for the year ended 31 December 2022, but is reflected in the financial statements for the period to 30 June 2023.

7. Share capital

			At 30 June 2024	At 31 December 2023
Allotted, called up and fully paid	Number		76,292,724	76,078,460
Ordinary Shares of 25p	£'000		19,073	19,019

The Company did not purchase any of its own shares during the period ended 30 June 2024 or the year ended 31 December 2023. At 30 June 2024, the Company had 76,292,724 (31 December 2023: 76,078,460) shares in issue. The Company has a single share class, being ordinary shares that each have a nominal value of 25p, and has not issued any other forms of security. There were no shares in treasury at 30 June 2024, so the total was 76,292,724 (31 December 2023: 76,078,460).

Shares Issued under the Company's Block Listing Facility

The Company has a Block Listing Facility which was last renewed on 17 April 2020. As at period end, 40,245,062 shares remained unallotted under the facility. No shares were issued under the Block Listing Facility during the period under review.

Shares Issued to the Investment Manager

On 17 January 2024, 172,373 new shares were issued to the Company's Investment Manager at a price of 206.32p per share and on 30 April 2024, 41,891 new shares were issued at a price of 267.79p per share to the Company's Investment Manager, together representing the performance fee earned for the year ended 31 December 2023. These new shares are subject to a 36-months lock-in from the date of their issue and a three year clawback period.

The clawback period on restricted shares issued to the Investment Manager in relation to the performance period ended 31 December 2020 finished on 31 December 2023 and 1,290,932 shares originally issued to the Investment Manager in respect of that clawback period became unrestricted shares under the Investment Manager's ownership.

8. Earnings/(loss) per share

The capital, revenue and total return per share are based on the net return shown in the Income Statement and the weighted average of 76,239,060 (30 June 2023: 76,078,460) shares in issue during the period.

9. Transactions with Related Parties and Investment Manager

The Board of Directors are key management personnel of the Company and therefore related parties. Fees payable to the Directors in respect of the period to 30 June 2024 were £67,000 (30 June 2023: £80,000).

Phoenix Asset Management Partners Limited ("Phoenix"), the Company's AIFM and Investment Manager, and Castelnau Group Limited ("Castelnau") are related parties under the Listing Rules. Castelnau is a related party as the Company is a substantial shareholder under the UK Listing Rules.

During the six month ended 30 June 2024, there were no transactions between the Company and Castelnau, and fees payable to the Investment Manager are detailed in the Income Statement and Note 5.

ALTERNATIVE PERFORMANCE MEASURES

Annualised ongoing charges

A measure of the regular, recurring annual costs of running an investment company, expressed as a percentage of average net assets. The measure is calculated by expressing the regular expenses of the year as a percentage of the average net assets during the year.

		At 30 June 2024 (unaudited)	At 31 December 2023 (audited)
Average NAV	a	205,262	181,978
Annualised expenses	b	852	749
Non-recurring credit	c	–	(68)
Annualised ongoing expenses	d=b–c	852	817
Annualised ongoing charges figure	**d÷a**	**0.42%**	**0.45%**

Share price discount to NAV per share

The amount, expressed as a percentage, by which the share price is less than the NAV per share.

		At 30 June 2024 (unaudited)	At 31 December 2023 (audited)
NAV per share	a	269.44p	274.34p
Share price	b	247.50p	247.00p
Discount	**(b-a)÷a**	**(8.1)%**	**(10.0)%**

Total returns

A measure of performance that includes both income and capital returns. This takes into account capital gains and reinvestment of dividends paid out by the Company on the ex-dividend date.

		Six months to 30 June 2024 (unaudited)		Year to 31 December 2023 (audited)	
		NAV	Share price	NAV	Share price
Opening balance	a	274.34p	247.00p	203.45p	194.50p
Closing balance	b	269.44p	247.50p	274.34p	247.00p
Price movement	c=(b-a)÷a	(1.8)%	0.2%	34.8%	27.0%
Impact of dividend reinvestment	d	1.3%	1.4%	1.5%	1.5%
Total returns	**c+d**	**(0.5)%**	**1.6%**	**36.3%**	**28.5%**

NAV Reconciliation

	NAV (£'000)	NAV per share
End of period NAV as published on 1 July 2024	206,348	270.47p
Reversal of performance fee clawback accounted for under non-IFRS2 approach	(782)	(1.03)p
NAV as disclosed in this half yearly report	**205,566**	**269.44p**

CORPORATE INFORMATION

DIRECTORS	ALTERNATIVE INVESTMENT FUND MANAGER ("AIFM") AND INVESTMENT MANAGER
Lucy Walker (Chair) Farah Buckley Lady Rachael Robathan David Stevenson	Phoenix Asset Management Partners Limited 64-66 Glentham Road London SW13 9JJ Telephone: *0208 600 0100*

DEPOSITORY & CUSTODIAN	SECRETARY, ADMINISTRATOR & REGISTERED OFFICE
Northern Trust Investor Services Ltd 50 Bank Street London E14 5NT	Frostrow Capital LLP 25 Southampton Buildings London WC2A 1AL

REGISTRAR	AUDITOR
Link Group Central Square 29 Wellington Street Leeds LS1 4DL	BDO LLP 55 Baker Street London W1U 7EU

STOCKBROKER

Liberum Capital Limited
25 Ropemaker Street
London EC2Y 9LY

COMPANY INFORMATION AND IDENTIFICATION CODES

ISIN	GB0000633262
Sedol	0063326
EPIC	ARR
Website	www.aurorainvestmenttrust.com
Registered in	England and Wales
Company Number	03300814
Bloomberg	ARR:LN
Legal Entity Identifier	2138007OUWIZFMAGO575

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INVESTMENT TRUST