

# Aurora Buy-Write Income Trust ASX Code: ABW

## Performance Report - 31 July 2009

### Summary

- The Trust returned +7.96% for the month versus the S&P/ASX200 Accumulation Index which returned +7.31%
- The Trust returned +1.21% for the 12 months to 31 July 2009 versus the S&P/ASX200 Accumulation Index which returned -10.20%
- Whilst the Trust is finalising the new Investment Strategy, the Trust has maintained exposure to the Australian share market



### Monthly Performance

Jul 06	Aug 06	Sep 06	Oct 06	Nov 06	Dec 06	Jan 07	Feb 07	Mar 07	Apr 07	May 07	Jun 07	12 mths	Index <sup>1</sup>	Outperformance
-0.16%	1.99%	3.78%	4.49%	4.04%	3.16%	2.47%	0.39%	3.36%	2.38%	0.12%	-1.56%	26.88%	28.66%	-1.78%
Jul 07	Aug 07	Sep 07	Oct 07	Nov 07	Dec 07	Jan 08	Feb 08	Mar 08	Apr 08	May 08	Jun 08	12 mths	Index <sup>1</sup>	Outperformance
-2.43%	2.77%	2.23%	1.94%	-1.37%	-4.21%	-7.93%	-4.38%	0.38%	-0.27%	-1.26%	-11.35%	-22.96	-13.40%	-9.56%
Jul 08	Aug 08	Sep 08	Oct 08	Nov 08	Dec 08	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	12mths <sup>2</sup>	Index <sup>1</sup>	Outperformance
-1.50%	2.03%	-4.23%	-4.09%	-1.69%	1.20%	-1.20%	+1.08%	-0.19%	0.17%	0.00%	0.80%	-6.93%	-20.14%	+13.21%
Jul 09													Index	Outperformance
7.96%													7.31%	+0.65%

### Trust features

Unit pricing	Monthly.
Distribution frequency	Half-yearly
Distribution policy	The Trust will distribute 100% of its net realised gains each year..
Distribution Reinvestment Plan	Available.
Applications	Investors may acquire Units on market or via the current Product Disclosure Statement.
Redemptions	On market by selling on the ASX or off-market at the end of each month.

### Trust valuations

Market capitalisation	\$7,439,286
Net Asset Value (NAV)	\$8,956,738
Units on issue	1,357,534
Net Assets Value per Unit	\$6.5978
NAV plus distributions paid (since inception)	\$9.8349

### Trust distributions (per Unit)

Period	Cash	Franking	Total	Yield at NAV (p.a.)
31 Dec 06	\$0.2915	\$0.1249	\$0.4164	9.0%
30 Jun 07	\$1.1774	\$0.2227	\$1.4001	25.3%
31 Dec 07	\$0.2000	\$0.1990	\$0.3990	7.6%
30 Jun 08	\$0.3514	\$0.2402	\$0.5916	11.9%
31 Dec 08	\$0.2700	\$0.0000	\$0.2700	7.6%
30 Jun 09	\$0.1600	\$0.0000	\$0.1600	5.1%
<b>Total</b>	<b>\$2.4503</b>	<b>\$0.7868</b>	<b>\$3.2371</b>	

### Trust Update

The Trust returned +7.96% for the month versus the S&P/ASX200 Accumulation Index which returned +7.31%. The Trust will issue a new Product Disclosure Statement shortly that will further outline the new Investment Strategy of the Trust going forward.

In summary the aim of the new strategy will be to provide investors with the potential for capital growth through exposure to the Australian share market whilst also utilising the Trusts assets to invest in the income producing strategies that Sandringham Capital have developed over the since 2005.

### New Investment Strategy

On 2nd July we are announced the following initiatives which seek to enhance the future investment opportunities of the Trust, for the benefit of all Unit holders. These initiatives will include:

- exposing the Trust to the full S&P/ASX 200 Index exposure through a portfolio of shares or derivatives;
- eliminating call option writing as the main strategy of generating additional income; and
- introducing additional income generating strategies.

### Enhanced Investment Strategy

The Investment Strategy is to be amended as follows:

- The Trust will generally hold S&P/ASX200 Index market exposure, either directly through a portfolio of shares, an Index ETF, or through derivative contracts;

- The Trust will actively invest in listed and unlisted managed investment schemes that provide exposure to index arbitrage, dividend arbitrage and earnings announcement arbitrage strategies. This may include investments in the related Trusts including the Aurora Sandringham Dividend Income Trust, Sandringham Global Earnings Trust or may be through direct investment in the underlying assets; and
- The Trust may utilise debt funding to allow it to invest in the arbitrage strategies from time to time. However, the Trust's overall market exposure is generally expected to remain at or around 100%.

### Appointment of new Investment Manager

Subject to finalising discussions and documentation, we will appoint Sandringham Capital Pty Ltd ("Sandringham") as the new Investment Manager of the Trust, and look forward to their management of the Trust's Investment Strategy. Sandringham has established a strong track record and market reputation for creating consistent income returns for investors through the Aurora Sandringham Dividend Income Trust and the Sandringham Global Earnings Trust.

All management fees incurred by investing through related trusts of which Sandringham Capital Pty Ltd is the Investment Manager will be rebated to the Trust.

### Appointment of Investment Advisor

Subject to finalising discussions and documentation, we will appoint Cadence Asset Management Pty Ltd as the Investment Advisor of the Trust, and look forward to their continued input in the implementation of the Trust's Investment Strategy.

### ASX AQUA Market & Trust Name

As a part of the restructure of the Trust we will consider moving trading of the Trust's Units onto the new ASX "AQUA" market. Such a move, (if it is ultimately pursued) will not impose any practical difference to Unit holders in relation to how the Units may be traded. At this time we will also likely change the name of the Trust to more specifically reflect the amended Investment Strategy.

All new applications are suspended until the new PDS is issued.

## About Aurora

Aurora Funds Management (Aurora) is an investment management and distribution group owned and operated by a group of professionals with considerable experience in retail funds management, stockbroking, margin lending, corporate advisory and investment banking.

Aurora aims to source, package and distribute carefully researched investment strategies that are managed by specialist wholesale investment managers.

Aurora is also the issuer of the:

- Aurora Sandringham Dividend Income Trust (ASX code: AOD)
- Aurora Infrastructure Buy-Write Income Trust (ASX code: AIB)
- Aurora Property Buy-Write Income Trust (ASX code: AUP)
- van Eyk Blueprint Alternatives Plus (ASX code: VBP)

## Significant portfolio holdings

	Weight (NAV%)	ASX Code
SPDR S&P/ASX200 Fund	99.0	STW
Total Invested as a % of NAV	99.0	

## Aurora Funds Management

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1 S&P/ASX200 Accumulation Index. 2. Assumes reinvestment of cash distributions 3.  
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