

Aurora Buy-Write Income Trust ASX Code: ABW

Performance Report - 31 October 2009

Summary

- The Trust returned -2.50% for the month versus the S&P/ASX200 Accumulation Index which returned -2.03%
- The Trust has announced a change of distribution policy. Distributions will now be made on a quarterly basis and will be for a minimum cash value of 2.0% of Net Asset Value per Unit
- Since inception the Trust has paid distributions totalling \$3.2371 per Unit in cash and franking credits



Performance

| | 1 mth | 3 mths | 6 mths | 12 mths | 3 yrs (p.a) | Since inception (p.a.) |
|-------------------------------|--------|--------|--------|---------|-------------|------------------------|
| Aurora Buy-Write IncomeTrust | -2.50% | 9.00% | 17.76% | 17.05% | -3.41% | 1.96% |
| S&P/ASX200 Accumulation Index | -2.08% | 10.86% | 25.41% | 21.39% | -0.55% | 1.32% |

Investment Strategy

The Investment Strategy of the Trust is to hold S&P/ASX200 Index market exposure, either directly through a portfolio of shares, an Index ETF, or through derivative contracts. The Trust will also invest in the income generating strategies of the Investment Manager; the Aurora Sandringham Dividend Income Trust, and the Sandringham Global Earnings Trust

Investment Manager

Sandringham Capital Pty Limited is the Investment Manager of the Trust. Sandringham is a boutique investment manager specialising in structured investments. The Managing Director of Sandringham, Mr Steuart Roe, is a portfolio manager of the Trust's investment strategy.

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% |
| Total | \$2.4503 | \$0.7868 | \$3.2371 | |

Trust features

| | |
|--------------------------------|---|
| Unit pricing | Monthly. |
| Distribution frequency | Quarterly. |
| Distribution policy | At least 1.5% of Net Asset Value. ¹ |
| Distribution Reinvestment Plan | Available. |
| Applications | Investors may acquire Units on the ASX 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 | \$8,978,748 |
| Net Asset Value (NAV) | \$9,033,768 |
| Units on issue | 1,239,200 |
| Net Assets Value per Unit | \$7.2456 |
| NAV plus distributions paid (since inception) | \$10.4827 |

Trust Update

A Notice of Meeting and Proxy form has recently been sent to Unit holders. The Explanatory Notes attached to this Notice ask the Unit Holders to approve the amendment of the Performance Fee benchmark to better reflect the updated Investment Strategy. A new PDS will be issued once the Unit holder meeting has been completed on 24 December 2009.

The Investment Manager has implemented the new Investment Strategy as previously announced. The S&P/ASX200 Accumulation Index continued to push higher during October posting a new yearly high of 4895 on the 15th of October. However, the momentum could not be sustained and the market fell sharply in the last week of trading to finish at 4643 down 2.0% for the month.

October saw many companies reporting worldwide including the Australian Banks. A majority of those to announce reported revenue and earnings that were above consensus analyst expectations. Despite this, market reactions were mixed and many investors clearly chose to sell and take their profits given the stellar run the market has had since its' March low.

In accordance with the Investment Strategy, the Trust maintained approximate S&P/ASX200 Accumulation Index market exposure whilst seeking to generate additional income through the allocation of funds to the Sandringham Global Earnings Trust.

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 Global Infrastructure Income Trust (ASX code: AIB)
- Aurora Property Buy-Write Income Trust (ASX code: AUP)
- CORALS Commodities Fund (ARSN 131 196 882)
- van Eyk Blueprint Alternatives Plus (ASX code: VBP)

Aurora Funds Management

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1 The Trust intends to always distribute at least 2.0% of NAV, excluding any franking credits, per quarter regardless of Trust performance. This means that if the Trust has insufficient net income in a given quarter, investors may receive a partial (or full) return of capital.
Disclaimer: This information has been prepared by Aurora Funds Management Ltd ABN 69 092 626 885 AFSL 222110 in its capacity as Responsible Entity for the Aurora Buy-Write Income Trust (ARSN 110 303 430). It has been prepared without taking into account the objectives, financial situation or needs of any investor, which should be considered before investing. Investors should consider a copy of the Product Disclosure Statement and seek their own financial advice prior to investing in the Trust. The information in this newsletter is of a summary nature only and does not constitute advice of any kind, nor is it an offer of any financial product. Past performance is not a reliable indication of future performance. The payment of franking credits to Unitholders is subject to the Trust achieving a taxable profit in that year.