

Aurora Infrastructure Buy-Write Income Trust ASX Code: AIB

Performance Report - 31 August 2009

Summary

- A review of the Trust's Investment Strategy has been completed
- The Trust began investing in early September 2009



Monthly Performance

Jan 08	Feb 08	Mar 08	Apr 08	May 08	Jun 08	Jul 08	Aug 08	Sep 08	Oct 08	Nov 08	Dec08	AIB (12 mths)*	Index (12mths)*
0.41%	0.36%	-1.72%	2.33%	2.76%	-4.66%	0.75%	3.40%	-3.86%	-3.53%	1.58%	0.60%	-1.90%	-32.5%
Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09	Aug 09					AIB (8 mths)*	Index(8 mths)*
-1.56%	-3.60%	0.38%	1.80%	2.94%	0.17%	0.08%	0.00%					0.20%	4.6%

Investment objective

The Aurora Infrastructure Buy-Write Income Trust (the Trust) is an ASX listed investment trust that aims to generate income from an active strategy of selling call options over a portfolio of global listed infrastructure securities.

Investment Strategy

The investment strategy seeks to capture income and growth from investing in some of the world's leading listed infrastructure entities.

The Investment Manager will use detailed fundamental analysis to select securities within the global infrastructure sector that may be anticipated to:

- provide a higher than average dividend yield over the medium term (including the influence of franking credits, special dividends and other financial restructuring); and
- provide the scope for additional income generation by the Trust writing call options on these securities.

The portfolio will generally hold 20 securities at any one time (either directly, or indirectly via an investment in a wholesale trust, and/or equity derivative instruments). The Trust may also use some gearing and at the Investment Manager's discretion, the portfolio may opportunistically:

- sell exchange traded or over the counter call options over each individual stock position in order to generate additional income; and
- purchase exchange traded or over the counter put options in order to provide some capital protection.

Investment Manager

Talon Infrastructure Pty Ltd has been appointed as the Investment Manager to the Trust with responsibility to advise on the Trust's global investment selection. Talon Infrastructure was founded in 2007 as an Australian based fund manager which specialises in the listed global infrastructure sector.

The Managing Director of Talon Infrastructure (Mr Nigel Trewartha, B.Ec (Honours), M.Comm) has over ten years experience in investment banking, corporate finance and the infrastructure sector. Immediately prior to establishing Talon Infrastructure, Nigel worked for over six years at Macquarie Bank Limited in investment banking, corporate finance, and funds management, and nearly one year as the Chief Financial Officer of Envestra Limited.

Trust features

Trust Listing	24 December 2007
Minimum Investment	\$2,000
Unit pricing	Monthly.
Distribution frequency	Quarterly.
Distribution policy	At least 2% of Net Asset value**
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	\$14,220,832
Net Asset Value (NAV) – incl. franking	\$14,655,634
Units on issue	1,777,604
Net Asset Value per Unit	\$8.2446
NAV plus distributions paid (since inception)	\$9.5421

Trust distributions (per Unit)

Period	Total	Yield at NAV (p.a.)
30 Jun 08	\$0.3975	8.2%
31 Dec 08	\$0.5700	12.3%
30 Jun 09	\$0.3300	7.7%
Total	\$1.2975	

Investment Manager commentary

By Talon Infrastructure Pty Ltd

The reinvestment of the Trust is in progress and has extended into September. Since the Trust is still adding to positions it is not beneficial to provide specific details on investments at this time. However, the following three points broadly summarise the overall direction:

- The portfolio has a large exposure to utilities in the US and Europe (none in Australia). These utilities have strong businesses and the defensive nature of the underlying service provided should leave the portfolio well positioned if investor sentiment turns negative again;
- The Trust is taking a cautious and selective approach to transport infrastructure (20-25% of the portfolio earlier in 2009). Transport infrastructure as a sector has performed strongly over the past six months as investors have responded to a more favourable global economic outlook; and
- The Trust has not reinvested (to date) in any US pipeline entities (since inception they have typically represented 20-25% of the portfolio). While these positions have generally served the Trust well, they have largely achieved the Investment Manager's price targets and no longer appear to be mispriced.

The revised options strategy has enabled the Trust to tailor the options overlay. This has included the sale of call and purchase of put options over selected positions to generate additional net income and provide some protection if share prices fall materially. In addition, for a number of stocks, where the Investment Manager believes there is potential for significant share price appreciation, no option positions have been transacted.

The September 2009 newsletter will provide more detail on the portfolio positions and options overlay (i.e. once all positions have been executed).

The Trust currently has no debt and the Investment Manager intends to leave the Trust unleveraged.

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 Buy-Write Income Trust (ASX Code: ABW)
- Aurora Property Buy-Write Income Trust (ASX Code: AUP)
- van Eyk Blueprint Alternatives Plus (ASX Code: VBP)

Aurora Funds Management

Level 11, 88 Phillip Street, Sydney NSW 2000 PO Box R1695, Royal Exchange NSW 1225
Telephone: 1300 553 431, Visit: www.aurorafunds.com.au, or Email: enquiries@aurorafunds.com.au

* This number represents a cumulative return ** The Trust intends to always distribute at least 2.0% of NAV 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 Infrastructure Buy-Write Income Trust (ARSN 127 692 406). 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 Performance Report 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.