

# Aurora Infrastructure Buy-Write Income Trust ASX Code: AIB

## Performance Report - 28 February 2009

### Summary

- The Trust returned -3.6% for the month versus the UBS Global 50/50 Infrastructure and Utility Index which returned -8.3%
- The Trust has returned -7.3% since inception versus the UBS Global 50/50 Infrastructure and Utility Index which returned -41.3%



### 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%	-32.7%
Jan 09	Feb 09											AIB (2 mths)	Index(2mths)
-1.56%	-3.60%											-5.16%	-13.1%

### 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 Trust seeks to capture returns from investing in some of the world's leading listed infrastructure entities, through an equity swap, with the objective of increasing the income generated by implementing an active call option selling ('writing') strategy. Each quarter twenty securities will be selected 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, and special dividends and other financial restructuring); and
- provide the scope for additional income generation by the Trust systematically writing call options on these securities.

The Trust may utilise some gearing, and will also seek to protect the portfolio against extreme market conditions through the purchase of 3-month put options on each security at, or around, 90% of the then prevailing market price.

### Investment Manager

Talon Infrastructure Pty Ltd is the Investment Manager of the Trust with responsibility to advise on the Trust's global investment selection. The Managing Director of Talon Infrastructure, has approximately ten years experience in investment banking, corporate finance and the infrastructure sector.

This includes over six years at Macquarie Bank Limited in investment banking, corporate finance and funds management. His role at Macquarie Bank Limited included approximately three years of global infrastructure securities funds management experience culminating with his appointment as the Chief Investment Officer of Macquarie Fund Adviser LLC, the adviser to two New York Stock Exchange listed infrastructure funds, with over A\$1 billion under management.

### Trust features

Trust Listing	24 December 2007
Minimum Investment	\$2,000
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	\$13,601,180
Net Asset Value (NAV) – incl. franking	\$14,402,020
Units on issue	1,770,987
Net Asset Value per Unit	\$8.1322
NAV plus distributions paid (since inception)	\$9.0997

### 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%
Total	\$0.9675	

## Investment Manager commentary

By Talon Infrastructure Pty Ltd

The Aurora Infrastructure Buy-Write Income Trust achieved a return of -3.6% for February, which compares favourably to the UBS Global 50/50 Infrastructure and Utility Index which returned -8.3%. While the relative performance is pleasing, the absolute performance is not.

The Trust's largest holding, Energy Transfer Partners (ETP), performed well during the month providing a return of over 6% (including dividends). ETP owns and operates an extensive network of natural gas pipelines in Texas and should be well placed to benefit from the longer term supply shift and demand trends occurring in the US natural gas industry. ETP's full year results released during February met expectations. Moreover, management confirmed they expect another year of strong earnings growth driven by the completion of a number of new pipelines which will generate revenue for the first time in 2009.

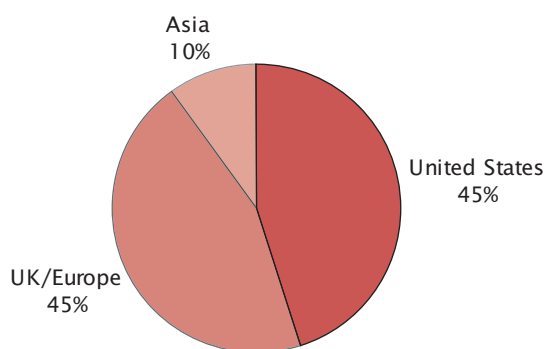
The portfolio was rebalanced during the month which saw the inclusion of three new stocks. The March monthly report will provide more details on these changes.

### Four Stocks from the Portfolio

	Country	Sub-Sector	Weight
Energy Transfer Partners	USA	Pipelines	8.2%
Snam Rete Gas	Europe	Transmission	5.0%
United Utilities	UK	Water Utility	5.0%
Xcel Energy	USA	Electric Utility	5.0%
Remaining portfolio holdings			76.8%

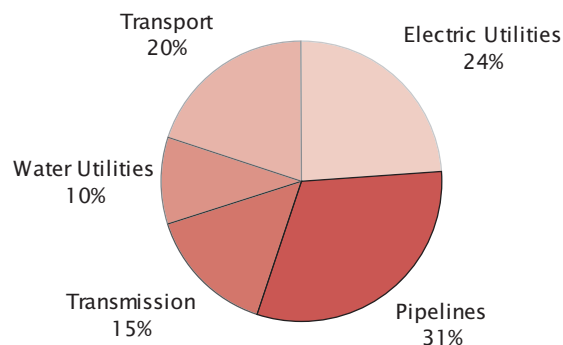
Source: Talon Infrastructure

### Portfolio Country Weightings



Source: Talon Infrastructure

### Portfolio Sub-Sector Weightings



Source: Talon Infrastructure

### 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

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