

Aurora Infrastructure Buy-Write Income Trust ASX Code: AIB

Performance Report - 31 July 2009

Summary

- A review of the Trust's Investment Strategy will be completed shortly
- The Trust is expected to pay its final distribution of \$0.33 per Unit in early August 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%	-32.7%
Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09						AIB (7 mths)*	Index(7 mths)*
-1.56%	-3.60%	0.38%	1.80%	2.94%	0.17%	0.08%						0.07%	1.6%

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 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	\$14,082,744
Net Asset Value (NAV) – incl. franking	\$14,513,852
Units on issue	1,760,343
Net Asset Value per Unit	\$8.2449
NAV plus distributions paid (since inception)	\$9.5382

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 Aurora Infrastructure Buy-Write Income Trust achieved a return of 0.08% for July compared to the UBS Global 50/50 Infrastructure and Utility Index ("Index") which returned 4.3% over the same period. The Trust remained invested in cash during July as the investment strategy review was finalised (see ASX announcement 4 June 2009).

The market resumed its upward move in July after pausing in June. Investors seem to be becoming more comfortable again and some fear missing out on the rally that began in March. Cyclical stocks appear to be back in favour. As noted in the June 2009 monthly report, the move away from defensive stocks is creating some attractive opportunities in the infrastructure and utility sector globally.

The US and European financial reporting period kicked off in July. Despite the weak economy and financial market disruption there have been few negative surprises. Most have been largely unaffected due to the essential service nature of the underlying service and stability afforded by their regulatory regimes.

Other events during the month included the UK regulator releasing its draft pricing decision for UK water utilities and the Italian regulator did the same for gas transmission in Italy. While the regulatory frameworks in the UK and Italy share some common features, the approach of the regulatory authorities has been and, based on the draft decisions, continues to be quite different. Over time it will be interesting to watch how the respective regulatory regimes influence the development of infrastructure in both countries. More on this in another monthly report.

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

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.