

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

## Performance Report - 31 October 2009

### Summary

- The Trust returned -1.0% for the month versus the UBS Global 50/50 Infrastructure and Utility Index which returned -3.9%
- The Trust has returned -2.0% since inception versus the UBS Global 50/50 Infrastructure and Utility Index which returned -28.9%



### 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%	-1.9%	-32.5%
Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09			AIB (10 mths)*	Index(10 mths)*
-1.56%	-3.60%	0.38%	1.80%	2.94%	0.17%	0.08%	0.00%	0.85%	-1.03%			-0.1%	5.6%

### 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 Investment Manager with responsibility to advise on the Trust's global investment selection. Talon Infrastructure is 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. 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 PDS.
Redemptions	On market by selling on the ASX or off-market at the end of each month.

### Trust valuations

Market capitalisation	\$13,808,254
Net Asset Value (NAV) – incl. franking	\$14,287,117
Units on issue	1,770,289
Net Asset Value per Unit	\$8.0705
NAV plus distributions paid (since inception)	\$9.5280

### 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%
30 Sep 09	\$0.1600	7.8%
Total	\$1.4575	

## Investment Manager commentary

By Talon Infrastructure Pty Ltd

The Trust achieved a return of -1.03% for October compared to the UBS Global 50/50 Infrastructure and Utility Index ("Index") which returned -3.88% over the same period.

The Trust's UK/Europe positions were the main cause of the negative return for October.

At the end of October, the Trust was 82% invested in global infrastructure and utility stocks and 18% in cash and other assets. The Trust continues to be relatively defensively positioned, reflecting where the Investment Manager sees the most attractive opportunities.

A number of the Trust's holdings reported third-quarter results during October. Consistent with trends in the first-half, results generally met expectations.

Spanish electricity transmission company, Red Electrica, held its first investor conference during October where it reiterated earnings per share growth guidance of 15% per annum from 2009 to 2013. Red Electrica has a solid balance sheet and management has a good track record. The Trust has a 5% position in Red Electrica, which was established at a price earnings ratio of approximately 12 times.

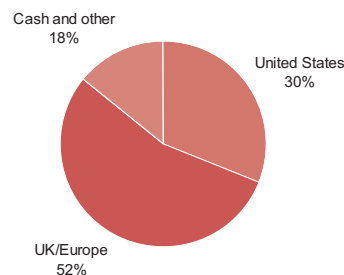
At the end of October, call options had been sold and put options purchased over approximately 50% of the underlying stock positions. In addition, the Trust currently has no debt.

## Five Stocks from the Portfolio

	Country	Sub-Sector	Weight
Red Electrica	Spain	Transmission	5.0%
Enagas	Spain	Pipelines	4.7%
Nstar	USA	Electric Utility	4.4%
Pennon	UK	Water Utility	4.4%
Xcel Energy	USA	Electric Utility	4.2%
Remaining portfolio holdings			77.3%

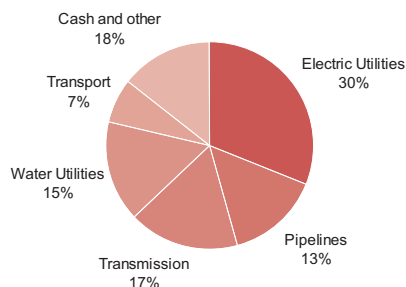
Source: Talon Infrastructure

## 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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\* 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.