

Aurora Property Buy-Write Income Trust (ARSN 125 153 648)

Performance Report

31 August 2008

ASX Code: AUP

www.aurorafunds.com.au

Trust Summary

- The Trust returned 3.77% over the month of August
- The Trust maintains no gearing for this quarter
- The Trust continues to hold put options over each A-REIT as a security against the current global market volatility



Investment Objective

The Aurora Property 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 geared portfolio of Australia's largest ASX listed Australian Real Estate Investment Trust's (A-REIT's).

Investment Strategy

The Trust seeks to capture returns from investing in some of the leading ASX listed A-REIT's with the objective of increasing the income generated by implementing an active call option selling ('Writing') strategy. Each quarter the Investment Adviser identifies 10 property securities within the Australian property sector that can be expected 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);
- provide the scope for additional income generation by the Trust systematically writing call options on these securities and;
- the Trust seeks to reduce capital risk by holding put options against each security in the portfolio.

Net Asset Value

Inception	July 07	Aug 07	Sep 07	Oct 07
	\$9.71	\$9.43	\$9.69	\$9.70
				\$9.62
Nov 07	Dec 07	Jan 08	Feb 08	Mar 08
	\$8.88	\$7.98	\$6.69	\$6.62
				\$6.59
Apr 08	May 08	Jun 08	Jul 08	Aug 08
	\$6.76	\$6.27	\$5.11	\$5.06
				\$5.25

Investment Adviser

Barclays Capital is the Investment Adviser to the Trust with responsibility to advise on the Trust's investment strategy. Barclays Capital is the investment banking division of Barclays Bank PLC.

Trust Features

Trust Listing	26 July 2007
Minimum Investment	\$2,000
Unit Pricing	Monthly
Distribution Frequency	Half yearly
Distribution Reinvestment Plan	Available
Applications	Available to investors through the PDS or on market by buying on the ASX
Redemptions	On-market by selling on the ASX or off-market at the end of each month

Summary of the Trust

Market Capitalisation	\$18,385,747
Net Asset Value (NAV), incl. franking	\$22,855,836
Units on Issue	4,356,812
Net Asset Value per Unit	\$5.25
NAV plus distribution paid/payable	\$6.19

Trust Distributions (per Unit)

Period	Cash	Total	Yield at NAV (p.a.)
31 Dec 07	\$0.4670	\$0.4670	12.7%
30 Jun 08	\$0.4781	\$0.4781	17.1%
Total	\$0.9451	\$0.9451	

Portfolio Commentary

During August the Trust rose 3.8% to finish with a Net Asset Valuation of \$5.25 per Unit. Contributing to the Trust's overall performance in August were:

Macquarie DDR Trust (ASX Code: MDT) – climbed 40% despite revealing an annual loss of \$A8.2 million and a fall in distributable income for the 2007/2008 fiscal year to \$91.2 million.

Goodman Group (ASX Code: GMG) – rose 25% after announcing its full year results. Overall operating EBIT was up 18% with strong performances across all business segments. Investment income was up 11%, management services income was up 16% and development profits grew by 43%.

Westfield (ASX Code: WDC) – posted a 7% gain after it reported a 10% rise in first half operating earnings, buoyed by strong rental growth in its Australian operations.

Portfolio Activity

There were no changes to the portfolio of underlying A-REITS held in August 2008. The portfolio will be rebalanced again at the end of September 2008.

Market Outlook

As a result of the fallout from the sub prime residential mortgage market collapse, A-REITS looking to refinance in the coming year will likely face tighter covenants and increased financing costs. Both of these factors are likely to constrain real estate values and returns from A-REITS are expected to remain volatile in the coming year.

Portfolio Holdings

	ASX Code	Forecast Yield for Quarter (% p.a) *
Abacus Property Group	ABP	10.16
Goodman Group	GMG	9.80
General Property Trust	GPT	11.28
ING Industrial Fund	IIF	9.92
ING Office Fund	IOF	8.88
Macquarie Countrywide	MCW	0.00
Macquarie DDR Trust	MDT	19.40
Mirvac Group	MGR	10.24
Macquarie Office Trust	MOF	12.24
Westfield	WDC	12.8
Average forecast yield for September 08 quarter (p.a)		10.48%

Source: Barclays Capital

*Annualised yield, based upon closing share prices as at 16/06/08

The Trust may be suited to:

- investors seeking returns from a portfolio of securities which aims to deliver high current income
- superannuation funds, charities and individual investors (retail and wholesale)
- investors who want the flexibility afforded by an ASX listing
- investors who don't have the scale and systems to manage a comprehensive and active portfolio options strategy

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 Infrastructure Buy-Write Income Trust (ASX Code: AIB)
- van Eyk Blueprint Alternatives Plus (ASX Code: VBP)

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