

## Aurora Property Buy-Write Income Trust Performance Report - 31 December 2010

ASX Code: AUP

### Summary

- The Trust announced a cash distribution of \$0.11 per Unit for the three months ending 31 December 2010 which represented an annualised yield of 8.07%
- The Trust has returned -6.16% p.a. since inception versus the S&P/ASX 200 Property Accumulation Index which returned -20.15% p.a. over the same period



### Performance

	1 mth	3 mths	6 mths	12 mths	2 yrs (p.a)	Since Inception (p.a)	Standard deviation
Aurora Property Buy-Write Income Trust	1.18%	0.70%	3.52%	8.49%	13.78%	-6.16%	14.1%
S&P/ASX200 Accumulation Index	1.21%	-1.31%	2.49%	-0.41%	3.67%	-20.15%	26.3%

### 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 portfolio of ASX listed Australian Real Estate Investment Trusts (AREIT).

### Investment Adviser

APN Funds Management Limited (APN FM) has been appointed as the Investment Adviser with responsibility to actively manage the Trust's investment strategy.

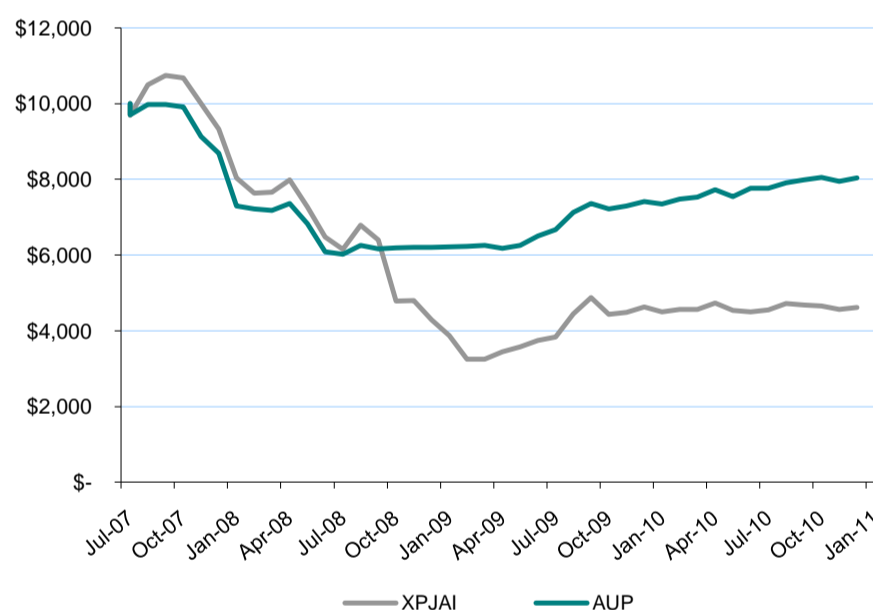
Established in 1998, APN FM currently manages a broad range of property securities funds with total assets under management of approximately \$2.5 billion (as at 30 June 2010).

APN FM has established a strong track record and market reputation for managing domestic real estate securities with a particular focus on income returns. APN FM's expertise is widely recognised in the property funds management industry, as evidenced by the following awards:

- AFR Smart Investor Blue Ribbon Award 2008 - Australian Listed Property;
- Morningstar Fund Manager of the Year 2007 - Listed Property;
- Investor Web Research Property Securities Fund Manager of the Year for 2002, 2003 and 2004;
- Property Investment Research – Property Securities Manager of the Year 2005, 2006 and 2008; and
- Monitor Money Skilled Manager of the Year 2002-2003

An active investment management style combined with a concentrated focus on the fundamentals of commercial property investments lies at the heart of APN Funds Management's philosophy. APN FM is a leader in real estate which is driven by the investment team's longstanding experience and expert knowledge of property markets and research capability.

### Investment Performance



### Trust Features

Unit pricing	Monthly
Distribution frequency	Quarterly
Distribution policy	At least 2.0% of Net Asset Value per Unit
Distribution Reinvestment Plan	Available
Applications	Investors may acquire Units on the ASX 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

Fund Size	\$16.8 million
Net Assets Value per Unit	\$5.2700
NAV plus distributions paid (since inception)	\$7.8088

## Trust distributions (per Unit)

Period	Cash	Yield st NAV (pa)
31-Dec-07	\$0.4670	10.50%
30-Jun-08	\$0.4781	11.30%
31-Dec-08	\$0.3000	11.10%
30-Jun-09	\$0.2500	9.70%
31-Dec-09	\$0.3000	11.60%
31-Mar-10	\$0.1100	8.20%
30-Jun-10	\$0.1100	8.20%
30-Sep-10	\$0.1100	8.10%
31-Dec-10	\$0.1100	8.35%
Total	\$2.2351	

## Investment Manager Commentary

The S&P/ASX 200 Property Accumulation Index (AREIT Index) delivered a total return of 1.21% in December 2010 whilst the Trust returned 1.18% over the same period. The total return of the AREIT Index over the 12 months to 31 December 2010 was -0.41%, whilst the S&P/ASX200 Accumulation Index (ASX200 Index) returned 1.57% over the same period. During this period the Trust produced a total return of 8.49% outperforming both the AREIT Index and the ASX200 Index by 8.90% and 6.92% respectively. The additional value created by writing call options, and the portfolio selection have clearly added value over this period.

The Trust announced a cash distribution of \$0.11 per Unit for the three months ending 31 December 2010 which represented an annualised yield of 8.07%. This distribution payment is expected to be paid on or around the 25<sup>th</sup> February 2010.

## Top 5 Portfolio Holdings (as at 31 December 2010)

	ASX Code
Westfield Retail Trust	WRT
Dexus Property Group	DXS
CFS Retail Property Trust	CFX
Ing Office Fund	IOF
Stockland	SGP

Source: APN Funds Management

## About Aurora

Aurora Funds Limited ('Aurora', ASX Code: AFV) was listed on the ASX in July 2010. Aurora comprises the merged businesses of Aurora Funds Management Limited (established in 2003), Fortitude Capital Pty Ltd (established in 2004) and Sandringham Capital Pty Ltd (established in 2005).

The combined group has in excess of \$500 million in funds under management and administration, and provides asset management and responsible entity/trustee services for over 3,500 Australian and New Zealand investors.

Aurora is also the Issuer and/or distributor of the:

- Aurora Fortitude Absolute Return Fund (ARSN 145 894 800)
- Aurora Global Income Trust (ASX code: AIB)
- Aurora Sandringham Australian Equity Income Trust (ASX code: ABW)
- Aurora Sandringham Dividend Income Trust (ASX code: AOD)
- Aurora Sandringham Global Income Trust (ARSN 131 291 499)
- CORALS Commodities Fund (ARSN 131 196 882)
- van Eyk Blueprint Alternatives Plus (ASX code: VBP)

## Aurora Fund Management

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1. This represents a cumulative return and assumes reinvestment of distributions. 2. The Trust intends to always distribute at least 2.0% of NAV, excluding any franking credits, 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 Property Buy-Write Income Trust (ARSN 125 153 648). 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 newsletter 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. Please see [asx.com.au](http://asx.com.au) for more information on the S&P/ASX200 Property (AREIT) Accumulation Index.

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