

Aurora Property Buy-Write Income Trust ASX Code: AUP

Performance Report - 30 April 2009

Summary

- The Trust reinvested during April and was fully invested by the end of the month.
- The Trust returned -1.10% for April compared to the S&P/ASX200 Property Accumulation Index which returned +6.07%.
- The Trust returned -16.02% for the year to April, versus the S&P/ASX200 Property Accumulation Index which returned -56.90%.



Monthly Performance

Jul 07	Aug 07	Sep 07	Oct 07	Nov 07	Dec 07	Jan 08	Feb 08	Mar 08	Apr 08	May 08	Jun 08	12 mths	Index
-2.90%	2.77%	0.02%	-0.74%	-7.78%	-4.83%	-16.15%	-1.05%	-0.48%	2.58%	-7.22%	-10.96%	-39.2%	-36.4%
Jul 08	Aug 08	Sep 08	Oct 08	Nov 08	Dec 08	Jan 09	Feb 09	Mar 09	Apr 09			10 mths	Index
-0.99%	3.77%	-1.31%	0.34%	0.15%	0.14%	0.15%	0.17%	0.41%	-1.10%			1.73%	-46.8%

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 (A-REIT).

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 \$3.1 billion (as at 28 February 2009). APN FM has established a strong track record and market reputation for managing domestic and global property funds with a particular focus on generating consistent, growing 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.

Trust features

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	\$17,897,360
Net Asset Value (NAV)	\$18,625,440
Units on issue	3,807,949
Net Assets Value per Unit	\$4.8912
NAV plus distributions paid (since inception)	\$6.1363

Trust distributions (per Unit)

Period	Cash	Total	Yield at NAV (p.a)
31 Dec 07	\$0.4670	\$0.4670	10.5%
30 Jun 08	\$0.4781	\$0.4781	11.3%
31 Dec 08	\$0.3000	\$0.3000	11.1%
Total	\$1.2451	\$1.2451	

Investment Manager Commentary

by APN Funds Management Limited

Portfolio Commentary

The S&P ASX 200 Property Accumulation index (Index) delivered a total return of 6.07% in April 2009, whilst the Trust returned -1.10%. The Trust began investing in the month of April and was not fully invested until 24th April. The Index's performance for the month was mostly due to the first 3 days of the month when the Index was up 4.6% in those 3 days alone. During this period the Trust was still in the process of investing. Westfield alone contributed 3.65% of the 6.07% increase for the month. Although the Trust holds a position in Westfield it is not in the same weighting as the Index, and the sold call option limited some of the performance.

The option overlay detracted from the NTA of the Trust, as volatility increased slightly during the month. However, we expect time decay of the options to contribute during the coming months until expiry in June.

Market Commentary

The Index performance was an outperformance of 0.5% of the S&P/ASX 300 – the first time in six months. These strong returns reflect the emerging theme that AREITs had been oversold up to mid March. Since then the market has rallied steadily.

The rally in the last two months continues the theme of a modest return of risk appetite by the market. With a general sense of improving economic fundamentals (or at least, "less worse indicators") – a subtle shift in market sentiment appears to have commenced. In this scenario we are generally seeing oversold, higher risk AREIT's (that do not typify the low risk income producing stocks most favoured by the portfolio) coming back into favour.

Over the longer term, market returns continue to reflect weakness with the total return over the 12 months to 30 April 2009 of negative 57.6%.

The Retail sector was up 6.9% over April. Macquarie Countrywide Trust increased 31.3% during the month and Westfield Group was up 7.3% (AUP underweight in both these stocks negatively impacted performance), CFS Retail Property Trust increased marginally by 0.9% (AUP overweight also negatively impacted performance).

The Office sector remained flat during the month. Macquarie Office Trust and ING Office Fund gained 14.7% and 2.4% respectively. Commonwealth Office Property Trust was the only negative performer falling -9.9%. Overweight positions in CPA and IOF both negatively impacted performance.

The Diversified sector gained 5.4% with Mirvac Group and Challenger Diversified Property Group adding 22.9% and 6.7% respectively. GPT Group was up 8.0%. Stockland Group was up 1.6% while Dexs Property Group increased 2.1%. Underweight exposure to Mirvac was a detractor of performance as was overweight positions in Dexs and Stockland.

The Industrial sector increased 16.5% during the month. ING Industrial Fund gained 36.0% while Goodman Group added 13.8%. Underweight positions to these stocks detracted from performance too.

Top 5 Portfolio Holdings

	ASX Code	Weighting NAV (%)
Westfield	WDC	20
Dexs	DXS	15
Stockland	SGP	15
CFS Retail	CFX	8
Commonwealth Office	CPA	8

Source: APN Funds Management

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 Buy-Write Income Trust (ASX code: ABW)
- Aurora Infrastructure Buy-Write Income Trust (ASX code: AIB)
- Aurora Sandringham Dividend Income Trust (ASX code: AOD)
- van Eyk Blueprint Alternatives Plus (ASX code: VBP)

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