

Aurora Property Buy-Write Income Trust Performance Report - April 2011

ASX Code: AUP



Summary

- The Trust returned 1.57% for April, versus the S&P/ASX 200 Property Accumulation Index which returned 0.21%
- For the 12 months to the end of April, the Trust has returned 7.45% p.a the S&P/ASX 200 Property Accumulation Index which returned 1.41% p.a. for the same period
- The Trust paid a cash distribution of \$0.11 per Unit for the three months ending 31 March 2011, which represented an annualised yield of 8.18%

Performance

	1 mth	3 mths	6 mths	12 mths	3 yrs (p.a)	Since Inception (p.a)	Standard deviation
Aurora Property Buy-Write Income Trust	1.57%	2.06%	3.07%	7.45%	4.07%	-4.82%	13.6%
S&P/ASX200 Property Accumulation Index (XPJAI)	0.21%	1.57%	3.12%	1.41%	-0.46%	-17.71%	25.6%

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 Property Group Limited (APN) is one of Australia's leading real estate investment managers, with a strong and consistent record of investment performance. APN Property Group Limited is listed on the Australian Securities Exchange (code: APD).

APN Funds Management Limited (APN FM) is a fully owned subsidiary of APN Property Group and has been appointed as the Investment Adviser of the Aurora Property Buy-Write Income Trust. APN FM is responsible for the active management of the Trust's investment strategy.

Established in 1996, APN Property Group manages a range of property funds on behalf of corporate and public superannuation funds, high net worth and individual investors. Collectively, APN FM manages \$2.3 billion (as at 31 December 2010) of real estate and real estate securities.

Investment Philosophy

APN FM is an active investment manager with a concentrated focus on income and the fundamentals of real estate.

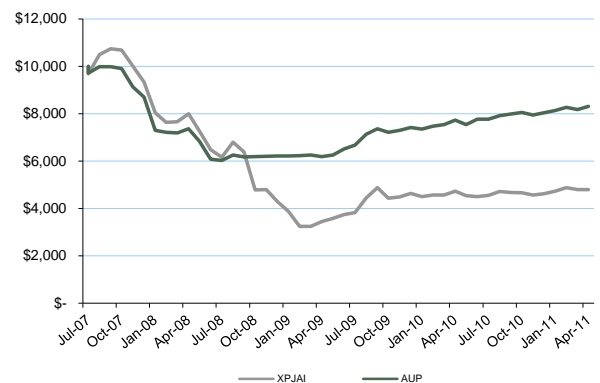
APN FM has a long held belief that investment in commercial property is primarily an investment in an income stream. Long term property leases also provide protection from the short term business cycle reflected in the market value of other asset classes. A commitment to the income benefits from property coupled with a lower level of risk (as measured by volatility) is reflected in APN FM's style of investment which focuses on well managed property assets that hold long leases to strong tenants.

Expertise

The APN FM investment team comprises a group of highly experienced real estate investment professionals who possess a deep understanding of real estate markets gained over several cycles.

APN FM's conservative style is underpinned by rigorous research, a proven investment process utilising a "top down" and "bottom up" approach, wide industry networks and assessment of market fundamentals. The investment team apply their judgement against the backdrop of broader domestic and global economic factors.

Investment Performance



Trust Features

Unit pricing	Monthly
Distribution frequency	Quarterly
Distribution policy ²	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	\$16.3 million
Net Asset Value per Unit (ex distribution)	\$5.3319
NAV plus distributions paid (since inception) ³	\$8.0650

Trust distributions (per Unit)

Period	Cash	Yield at NAV (pa)
31-Dec-07	\$0.4670	10.53%
30-Jun-08	\$0.4781	11.30%
31-Dec-08	\$0.3000	11.10%
30-Jun-09	\$0.2500	9.69%
31-Dec-09	\$0.3000	11.55%
31-Mar-10	\$0.1100	8.17%
30-Jun-10	\$0.1100	8.21%
30-Sep-10	\$0.1100	8.13%
31-Dec-10	\$0.1100	8.07%
31-Mar-11	\$0.1100	8.18%
Total	\$2.3451	

Investment Manager Commentary

The month of April saw increased corporate activity with the Blackstone group making a bid for Valad Property Group (VPG) at a 56% premium to VPG's prior close. Challenger Diversified Property Group (CDI) commenced an on-market buyback of 10% of its issued capital. Further strength could be seen in the sector with increased REIT activity in the debt markets. Westfield Retail Trust (WRT), Charter Hall Retail (CQR) and ALE Property Group (LEP) all conducted transactions in the debt markets. The fund benefitted significantly from price appreciation in CDI and additional income received by writing calls over selected stocks.

The S&P/ASX 200 Property Accumulation Index (AREIT Index) delivered a total return of 0.21% in April 2011 whilst the Trust returned 1.57% over the same period. The total return of the AREIT Index over the 12 months to 30 April 2011 was 1.41%, whilst the Trust returned 7.45% over the same period. The Index performed better than the broader equities market (S&P/ASX200 Accumulation Index) by 0.5% during April 2011.

AREITs have recovered well since the downturn of the GFC and AREIT half yearly financial results have exceeded expectations. The sector is expected to deliver for 9-11% returns over the coming year with rising distribution payout rates. AREITs are displaying lower volatility as real estate fundamentals improve and have gone back to the basics of creating sustainable earnings growth based on quality tenants and rental income. Increased investor confidence in the sector is also expected to reduce the discount between market price and net tangible assets.

Top 5 Portfolio Holdings (as at 29 April 2011)

	ASX Code
Westfield Retail Trust	WRT
CFS Retail Property Trust	CFX
Dexus Property Group	DXS
Charter Hall Retail REIT	CQR
Challenger Diversified Property Group	CDI

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, Fortitude Capital Pty Ltd and Sandringham Capital Pty Ltd.

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 Absolute Return 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)

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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. 3. Total NAV plus reinvested distributions.

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