

Aurora Property Buy-Write Income Trust Performance Report - 28 February 2011

ASX Code: AUP



Summary

- The Trust returned +10.50% for the year to February, versus the S&P/ASX 200 Property Accumulation Index which returned 6.85%
- The Trust has returned -5.17% p.a. since inception versus the S&P/ASX 200 Property Accumulation Index which returned -18.09% 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	1.55%	3.98%	4.39%	10.50%	15.16%	-5.17%	13.8%
S&P/ASX200 Property Accumulation Index (XPJAI)	3.23%	7.01%	3.40%	6.85%	22.56%	-18.09%	25.9%

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 manages \$2.3 billion (as at 31 December 2010) of real estate and real estate securities.

Investment Philosophy

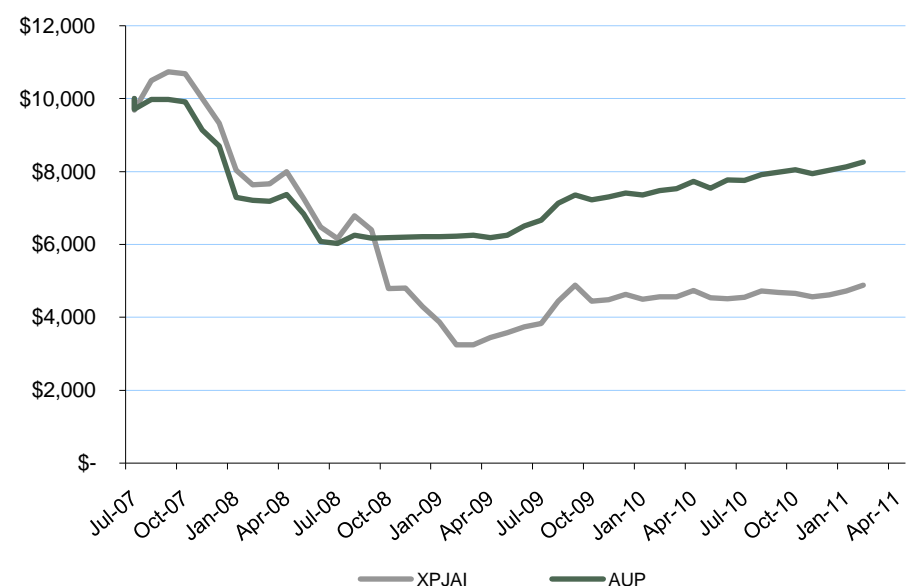
APN is an active investment manager with a concentrated focus on income and the fundamentals of real estate.

APN 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's style of investment which focuses on well managed property assets that hold long leases to strong tenants.

Expertise

The APN 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'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	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	\$16.7 million
Net Assets Value per Unit	\$5.4165
NAV plus distributions paid (since inception)	\$8.0248

Trust distributions (per Unit)

Period	Cash	Yield at 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 3.23% in February 2011 whilst the Trust returned 1.55% over the same period. The total return of the AREIT Index over the 12 months to 28 February 2011 was 6.85%, whilst the Trust returned 10.50% over the same period. The Index provided strong returns during February whilst the call options written limited the returns for the Trust.

Half Year Reporting Season

AREITs are back on track, supported by strong and sustainable earnings

AREITs made headlines this month for all the right reasons. The reporting season for the period ending 31 December 2010 not only matched analysts' expectations but in several cases delivered a welcome surprise by exceeding forecasts.

The upbeat AREIT half year reporting results sets the scene for a sustained recovery of the sector.

These were the first results we've observed over recent periods which have delivered within or above expectations. This is comforting news. The results validate the AREIT sector's return to health, underpinned by strong and sustainable earnings.

As trustees maintain a watchful eye on balance sheets, refinancing debt facilities and focus on core domestic assets, the sector is looking like its old self – a traditional defensive style, lower risk asset class underpinned by quality rental streams. The long term outlook for AREITs is encouraging and there is compelling value in the sector.

Top 5 Portfolio Holdings (as at 28 February 2011)

	ASX Code
CFS Retail Property Trust	CFX
Westfield Retail Trust	WRT
Dexus Property Group	DXS
Charter Hall Office REIT	CQO
Charter Hall Retail REIT	CQR

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, 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 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)

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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.

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