

Aurora Property Buy-Write Income Trust ASX Code: AUP

Performance Report - 30 June 2010

Summary

- The Trust returned 3.64% for June compared to the S&P/ASX200 Property Accumulation Index which returned -0.84%
- The Trust announced a cash distribution of \$0.11 per Unit for the three months ending 30 June 2010 which represented an annualised yield of 8.21%



Performance¹

	1 mth	3 mths	6 mths	12 mths	2 yrs (p.a.)	Since inception (p.a.)
Aurora Property Buy-Write Income Trust	3.64%	3.80%	5.51%	20.17%	13.35%	-8.06%
S&P/ASX200 Property Accumulation Index	-0.84%	-1.34%	-2.92%	20.41%	-16.63%	-23.83%

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 \$2.7 billion (as at 31 December 2009). 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.

Trust features

Unit pricing	Monthly.
Distribution frequency	Quarterly
Distribution policy	At least 2.0% of Net Asset Value ² 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	\$17.7 million
Net Assets Value per Unit	\$5.3415
NAV plus distributions paid (since inception)	\$7.3566

Trust distributions (per Unit)

Period	Cash	Yield at NAV (p.a.)
31 Dec 07	\$0.4670	10.5%
30 Jun 08	\$0.4781	11.3%
31 Dec 08	\$0.3000	11.1%
30 Jun 09	\$0.2500	9.7%
31 Dec 09	\$0.3000	11.6%
31 Mar 10	\$0.1100	8.2%
30 Jun 10	\$0.1100	8.2%
Total	\$2.0151	

Investment Manager Commentary

by APN Funds Management Limited

The S&P/ASX 200 Property Accumulation Index (AREIT Index) delivered a total return of -0.84% in June 2010, whilst the Trust produced a return of 3.64% over the same period. The outperformance relative to the Index can be attributed to stock selection and the additional option premium received for selling call options over part of the portfolio. The AREIT Index reflected outperformance of 1.75% relative to the broader S&P/ASX 200 (which returned -2.59% for the month). The AREIT Index has returned 20.41% for the financial year, well outperforming the broader market (S&P/ASX 200) return of 13.15%.

The Trust announced a distribution of \$0.11 for the June quarter, resulting in a distribution of \$0.52 for the 2010 financial year.

The slightly negative AREIT market performance (negative 0.84%) over June was driven by the following factors:

- Growing fear amongst investors of a potential double dip recession caused by weaker US payroll data, further European sovereign default risk – this time Hungary and Greece's credit rating being downgraded by four notches to junk status by Moody's. ; and
- A reduction in risk appetite from Australian equity investors.

Once again the sector continued to deliver strong outperformance relative to the broader stock market in these times of risk aversion. This relative outperformance (in a falling market) is consistent with a sector that has returned to a low risk profile after a period of elevated volatility. Investors now appear to be more comfortable with the sector as a lower risk investment in times of elevated caution.

About Aurora

With in excess of \$500 million in funds under management/administration, Aurora Funds Limited was listed on the ASX in July 2010 under the ASX Code: AFV.

Aurora 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 Global Infrastructure 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)

Top 5 Portfolio Holdings (as at 30 June 2010)

	ASX Code
Westfield	WDC
CFS Retail	CFX
Dexus	DXS
Challenger Diversified Property	CDI
GPT	GPT

Source: APN Funds Management

Aurora Funds Management

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1. This number 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 www.asx.com.au for more information on the S&P/ASX200 Property (AREIT) Accumulation Index.

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