

Aurora Property Buy-Write Income Trust ASX Code: AUP

Performance Report - 30 November 2010

Summary

- The Trust returned -1.37% for November compared to the S&P/ASX200 Property Accumulation Index which returned -2.05%
- The Trust has returned -6.64% p.a. since inception, versus the S&P/ASX200 Property Accumulation Index which returned -20.89% p.a. over the same period



Performance¹

	1 mth	3 mths	6 mths	12 mths	2 yrs (p.a.)	Since inception (p.a.)	Standard deviation
Aurora Property Buy-Write Income Trust	-1.37%	0.39%	5.32%	8.84%	13.20%	-6.64%	14.2%
S&P/ASX200 Property Accumulation Index (XPJAI)	-2.05%	-3.37%	0.39%	1.72%	-2.52%	-20.89%	26.6%

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 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 Performance¹



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	\$17.2 million
Net Assets Value per Unit	\$5.3180
NAV plus distributions paid (since inception)	\$7.4431

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%
30 Sep 10	\$0.1100	8.1%
Total	\$2.1251	

Investment Manager Commentary

by APN Funds Management Limited

The S&P/ASX 200 Property Accumulation Index (AREIT Index) delivered a total return of -2.05% in November 2010 whilst the Trust returned -1.37% over the same period. The total return of the AREIT Index over the 12 months to 30 November 2010 was 1.72% compared to the Trust which returned 8.84% over the same period, outperforming by over 7%. Writing call options has added value particularly in light of the return characteristics of property as a defensive asset class. Pricing for call options remains competitive and has resulted in the option premiums being a major contributor to the Trusts outperformance. The AREIT market performance over October 2010 substantially underperformed the broader equities market (as measured by the S&P/ASX 200 Accumulation Index). The AREIT sector total return was 2.2% behind the broader market.

As 2010 draws to a close, we reflect on the year that was. Despite the ups, downs and sideways moves, at the macro level there is no doubt that the Australian economy has performed admirably throughout 2010. As the global economy treads a fragile path, Australia has proven to be remarkably resilient. A strong banking system, healthy GDP and low unemployment are just a few of the key indicators supporting Australia's success in remaining relatively unscathed compared to other developed economies.

For Australian commercial property, 2010 might best be described as the year of returning to "bricks and mortar". Volatility in the sector reduced considerably over the year and the all-important property fundamentals continued to strengthen. The AREIT sector is returning to the defensive style asset class it was always intended to be by refocussing on quality rental streams. Balance sheet strength has returned, conservative strategies are back in vogue and trusts have reverted to the traditional (predominantly domestic focussed) rent collecting model. With the building blocks set firmly in place for a sustained recovery, there is inherent value in Australian commercial real estate.

Top 5 Portfolio Holdings (as at 30 November 2010)

	ASX Code
Westfield	WDC
Dexus	DXS
CFS Retail	CFX
Mirvac	MGR
Charter Hall Retail	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 (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 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)

Aurora Funds 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.

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