

Aurora Property Buy-Write Income Trust ASX Code: AUP

Performance Report - 31 October 2009

Summary

- The Trust returned -1.93% for October compared to the S&P/ASX200 Property Accumulation Index which returned -9.04%.
- Since inception the Trust has paid cash distributions totalling of \$1.4951 per Unit



Performance

	1 mth	3 mths	6 mths	12 mths	2 yrs (p.a.)	Since inception (p.a.)
Aurora Property Buy-Write Trust	-1.93%	8.27%	16.71%	16.60%	-14.64%	-13.39%
S&P/ASX Property Accum Index	-9.04%	15.86%	30.58%	-7.29%	-35.55%	-30.10%

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 \$2.8 billion (as at 30 June 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	\$19,815,523
Net Asset Value (NAV)	\$20,116,644
Units on issue	3,703,836
Net Assets Value per Unit	\$5.4313
NAV plus distributions paid (since inception)	\$6.9264

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%
30 Jun 09	\$0.2500	\$0.2500	9.7%
Total	\$1.4951	\$1.4951	

Investment Manager Commentary

by APN Funds Management Limited

The Trust delivered a return of -1.93% compared to the Index which delivered a return of -9.04% for October 2009. The AREIT market performance was the first monthly decline following six months of positive returns. The total return of the Trust over the 12 months to 31 October 2009 was +16.6% compared to the Index that returned -7.29%. The Index performance reflected the weakness in the market up until March this year. Despite the tail off in performance for the month, it's important to note that the AREIT market has rebounded 54% from the March 2009 low point to 31 October. APN remain cautiously optimistic that the rejuvenation the sector has recently undertaken will continue to provide a solid platform for the industry to prosper by focussing on the basic property fundamentals (income streams derived from the rent collected on commercial property).

The Industrial sector returned -7.7% driven by a return of -9.2% in ING Industrial Trust following a dilutive capital raising.

The Retail sector returned -10.4% driven by Westfield (-11.7%), which led the market lower as market concerns about the speed of recovery in the US and ongoing consumer weakness weighed on the stock. The fact that the stock trades at a premium to Net Tangible Assets (NTA) when most other stocks trade at a discount further impacted market sentiment. CFS Retail returned -3.7%.

The Diversified sector returned -9.5% over the month with the most significant contributors to the sector being GPT Group and Mirvac Group (+14.6% and +11% respectively).

The Office sector was the star returning +1.6% with Macquarie Office Trust (+6.7%) and ING Office Trust (+7.1%) being the strongest performers in the sub sector over the month.

The only capital raising activity during October was completed by ING Industrial Fund. They completed a one for one \$700 million issue which repaired their balance sheet and allows them to recommence paying distributions.

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 is also the Issuer of the:

- Aurora Buy-Write Income Trust (ASX code: ABW)
- Aurora Global Infrastructure Income Trust (ASX code: AIB)
- Aurora Sandringham Dividend Income Trust (ASX code: AOD)
- CORALS Commodities Fund (ARSN 131 196 882)
- van Eyk Blueprint Alternatives Plus (ASX code: VBP)

Top 5 Portfolio Holdings (as at 31 October 09)

	ASX Code
Westfield	WDC
Dexus	DXS
CFS Retail	CFX
Stockland	SGP
General Property Trust	GPT

Source: APN Funds Management

Aurora Funds Management

Level 11, 88 Phillip Street, Sydney NSW 2000 PO Box R1695, Royal Exchange NSW 1225
Telephone: 1300 553 431, Visit: www.aurorafunds.com.au, or Email: enquiries@aurorafunds.com.au

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.

APN Funds Management Limited ("APN FM") does not make any statement or representation in this document on the accuracy or completeness of the information herein. APN FM has not authorised or caused the issue of this document or the PDS and does not accept any responsibility for this document or the PDS.