

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

ASX Code: AUP



Summary

- The S&P/ASX200 Property Accumulation Index (AREIT Index) delivered a total return of 2.64% in November 2011 whilst the Trust returned 1.28% over the same period.
- The total return of the AREIT Index over the 12 months to 30 November 2011 was 2.43% whilst the Trust returned 2.45% over the same period.

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	1.28%	-1.57%	-2.72%	2.45%	9.50%	-4.62%	12.9%
S&P/ASX200 Property Accumulation Index (XPJAI)	2.64%	1.74%	-2.69%	2.43%	-0.02%	-16.05%	24.0%

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 (ASX 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 \$2.45 billion 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.

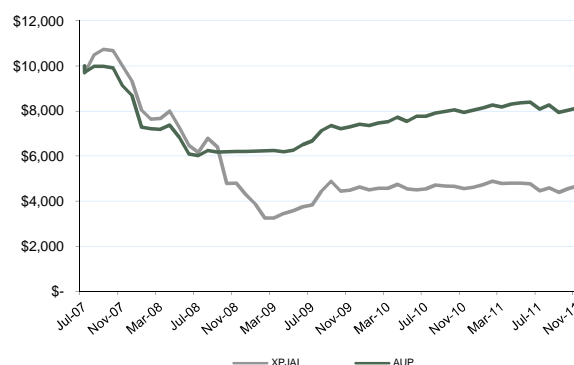
APN FM has a long held belief that investment in commercial property is primarily an investment in an income stream. Long term property leases also provide protection from the short term business cycle reflected in the market value of other asset classes. A commitment to the income benefits from property 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	\$13.8 million
Net Asset Value per Unit	\$5.0122
NAV plus distributions paid (since inception) ³	\$7.5733

Trust distributions

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	9.69%
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%
30-Jun-11	\$0.1100	8.16%
30-Sep-11	\$0.1060	8.03%
Total	\$2.5611	

Investment Commentary

During November, the Trust achieved a return of 1.28% whilst the S&P/ASX 200 Property Accumulation Index (AREIT Index) delivered a total return of 2.64% for the same period. The total return of the Trust for the last 12 months was 2.45% whilst the total return of the AREIT Index was 2.43%. For the month, the broader equities market represented by the S&P/ASX200 Accumulation Index return -3.48%.

AREITs in review – a snapshot of 2011 and what lies ahead

As 2011 draws to a close we take a moment to recap on the year that was and see what the New Year may hold for the AREIT sector.

2011 has been a tough grind for financial markets. While many offshore economies are facing enormous fiscal challenges stemming from the potential repercussions of the Eurozone debt crisis, Australia has proven to be resilient. With relatively low unemployment, a strong banking system and a positive growth outlook, Australia is in an enviable position compared to many other nations.

Despite our relative stability, Australia hasn't been immune to the global volatility. Uncertainty has dented consumer confidence and it's no surprise that investors are favouring defensive investments. The appeal of "hard" assets in the form of premium commercial property is growing. Long leases to good quality tenants that generate predictable income streams are what make traditional "bricks and mortar" investments especially attractive in these uncertain times.

AREITs continued to deliver on the strategies put in place during the GFC. By drastically culling debt, divesting of riskier corporate style earnings and concentrating on domestic real estate, AREITs continued to steadily return to a much more defensive, lower risk model – which is exactly how they were always intended to be. The hard work has paid off. Over the past 12 months the S&P/ASX 200 Property Accumulation Index (AREIT Index) returned 2.6% and outperformed the broader S&P/ASX 200 Index by 6.1%.

Top 5 Portfolio Holdings (as at 30 November 2011)

	ASX Code
Westfield Retail Trust	WRT
CFS Retail Property Trust	CFX
Westfield Group	WDC
Charter Hall Retail REIT	CQR
Stockland Property Group	SGP

Source: Aurora 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 \$400 million in funds under management and administration, and provides asset management and responsible entity/trustee services for over 3,000 Australian and New Zealand investors.

Aurora is also the Issuer of the:

- Aurora Fortitude Absolute Return Fund (APIR: AFM0005AU)
- Aurora Global Income Trust (ASX code: AIB)
- Aurora Absolute Return Fund (ASX code: ABW)
- Aurora Sandringham Dividend Income Trust (ASX code: AOD)
- van Eyk Blueprint Alternatives Plus (ASX code: VBP)

Aurora Funds Limited

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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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