

Aurora Property Buy-Write Income Trust Performance Report - January 2013

ASX Code: AUP

Summary

- The Trust returned 1.77% for January compared to the S&P/ASX200 Property Accumulation Index (AREIT Index) which returned 4.42%.
- Since inception, the Trust has outperformed the S&P/ASX200 Property Accumulation Index by 7.70% per annum.



Performance¹

	1 mth	3 mths	6 mths	12 mths	3 yrs (p.a.)	5 yrs (p.a.)	Since inception (p.a.)	Standard deviation
Aurora Property Buy-Write Income Trust	1.77%	3.92%	8.84%	19.53%	10.19%	6.17%	-0.29%	11.86%
S&P/ASX200 Property Accumulation Index	4.42%	5.96%	12.94%	31.73%	11.93%	-4.70%	-7.99%	22.50%

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 over \$1.6 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.

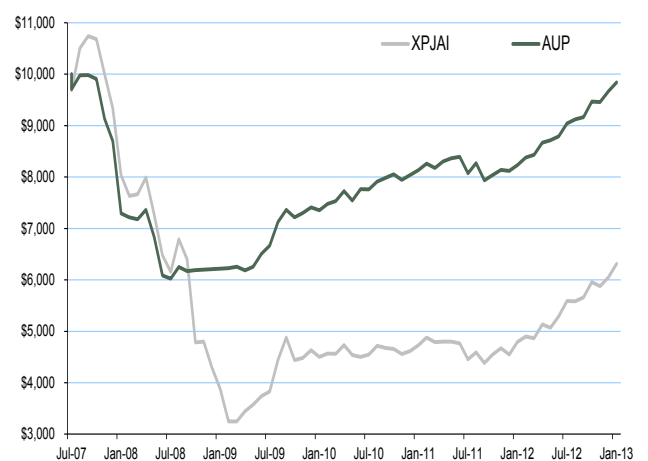
APN FM has a long held belief that investment in commercial property is primarily an investment in an income stream. Long term property leases also provide protection from the short term business cycle reflected in the market value of other asset classes. A commitment to the income benefits from property 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 Performance¹



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

Trust Size	\$13 million
Net Assets Value per Unit	\$5.4891
NAV including distributions (since inception) ¹	\$9.5584

Commentary

The Aurora Property Buy-Write Income Trust (AUP) was up 1.77% for the month ended 31 January 2013, underperforming the S&P/ASX 200 Property Trust Accumulation Index (AREIT Index). Since inception AUP has outperformed the AREIT Index by 7.70% per annum over the same period. The Trust underperformed over the month due to an underweight position in Westfield Group (WDC). The Buy-Write strategy (writing calls over existing stock positions) also contributed to the underperformance for the month.

The Office sector was the strongest over the month (up 5.9%) with Commonwealth Property Office Fund (CPA) (up 8.8%) the key driver.

The Diversified sector was up 2.5% over the month. Dexus Property Group (DXS) (up 3.0%) and Stockland Trust Group (SGP) (down 2.3%) were the key factors influencing the sectors relative weakness.

The Retail sector was up 5.6% with Westfield Group (WDC) (up 5.9%) and Westfield Retail Trust (WRT) (up 6.3%) the significant drivers over the month.

It was a quiet start to the New Year with few announcements in January.

* Mirvac Group (MGR) continues to build momentum in its development business, announcing its third major office tower development in the last 18 months. Late in January, it announced the commencement of the \$550m 200 George St, Sydney redevelopment, with Ernst & Young secured as the anchor tenant for 74% (28K sqm) of the project. The tower is scheduled for completion in early 2016.

* WDC announced it had entered into a Joint Venture with Hammerson in the UK, to redevelop the Croydon retail precinct which includes two existing malls. Previously, the two parties were separate owners of the leasehold and the freehold of one of the malls.

Top 5 Portfolio Holdings (as at 31 January 2013)

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

Source: Aurora Funds Management

Trust Distributions (per Unit)

Period	Cash	Yield at NAV (p.a)
31 Dec 07	\$0.4670	10.53%
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%
31 Dec 11	\$0.1000	8.02%
31 Mar 12	\$0.1000	8.00%
30 Jun 12	\$0.1000	7.87%
30 Sep 12	\$0.1020	7.85%
31 Dec 12	\$0.1040	7.83%
Total	\$3.0671	

About Aurora

Aurora Funds Limited ('Aurora', ASX Code: AFV) was listed on the ASX in July 2010. Aurora comprises the combined businesses of Aurora Funds Management Ltd, and Fortitude Capital Pty Ltd. The combined group has in excess of \$540 million in funds under management and administration, and provides asset management and responsible entity/trustee services for Australian and New Zealand investors.

Aurora is also the Issuer of:

- 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)
- Aurora Dividend Income Trust (APIR code: AFM0010AU)
- 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.

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. *The investment objective is expressed after the deduction of fees and before taxation. See the PDS for details on taxation. The objective is not intended to be a forecast, and is only an indication of what the investment strategy aims to achieve over the medium to long term. While we aim to achieve the objective, the objective and returns are not guaranteed. Please see asx.com.au for more information on the S&P/ASX200 Property Accumulation Index.

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