

Aurora Property Buy-Write Income Trust (ASX.AUP)

Performance ¹	1 month	3 months	FYTD
Aurora Property Buy-Write Income Trust	-2.41%	-4.21%	-8.72%
Benchmark	0.21%	0.63%	2.12%
Outperformance	-2.62%	-4.84%	-10.84%

Investment Objective

The Fund seeks to provide investors with capital growth and income through owning a portfolio of ASX-listed property securities, and actively selling call options over the portfolio.

Investment Strategy

The Fund seeks to capture returns from investing in a portfolio of Australian ASX listed property securities, with the objective of increasing the income generated by implementing a call option selling ('writing') strategy. A proportion of the income received from selling the call options may be used to purchase put options to reduce capital risk.

The Fund invests in opportunities that it considers to offer attractive risk return characteristics with a focus on potential catalysts that seeks to generate a profitable return regardless of the market direction.

Distribution History

Quarter End	Cents per Unit
31 March 2017	\$0.1048
31 December 2016	\$0.1090
30 September 2016	\$0.1138
30 June 2016	\$0.1118

Fund Overview

ASX Code	AUP
NAV per Unit	\$4.8808
Structure	Fund
Investment Universe	Domestic
Inception Date	26 July 2007
Management / Performance fee (excl.GST)	1.00% / 10.0%
Buy / sell spread	+/- 0.10%
Entry / Exit fees	Nil
Benchmark	RBA Cash Rate plus 1%
Distributions	2.0% per quarter

Fund performance summary

- The Aurora Property Buy-Write Income Trust returned -2.41% for the month against its benchmark return of +0.21%, whilst the broader S&P/ASX200 A-REIT Index gained 2.61%.
- The Fund benefited from a proposal from Brookfield BPPF Investments Pty Limited as trustee for Brookfield BPPF Investments Trust (Brookfield) to acquire the units in BPA (not currently owned by Brookfield) for \$8.89. The offer price represented an 18% premium to the previous closing price of BPA. The BCML (the Responsible Entity) intends to recommend the Proposal subject to receipt of a report from an independent expert and in the absence of any other proposal which is superior. Unitholder approval is being sought, with a shareholder meeting targeted to occur on 14 June 2017.
- During the month, 360 Capital FM Limited as Responsible Entity (RE) for the 360 Capital Total Return Fund (TOT) announced that it is undertaking a placement to institutional investors to raise \$5.3 million and a fully underwritten 1:1 non-renounceable entitlement offer to raise a further \$35.3 million. The offer price for the raising is \$1.15, a 17% discount to the \$1.38 NTA. At the time of writing, the Fund had not made an election to exercise its rights. Aurora has raised a number of concerns with the RE in regard to this raising.
- RNY (-5.9%) detracted from performance during the month. Aurora has continued to engage with the RE of RNY about a range of alternative solutions that are focussed on enhancing unitholder value. Aurora believes that RNY's current share price is trading materially below its estimates of underlying value, and remains confident of a positive outcome for unitholders, notwithstanding some continued short-term share price volatility due to low liquidity.
- The Manager realised profitable gains on positions in IDR (+5.2%) and AJA (+4.4%) during the month.

About Aurora

Aurora Funds Management Limited ("Aurora") is an Australian based alternative asset manager that specialises in managing absolute-return strategies for high net worth, retail and institutional investors. Aurora utilises a value-orientated approach to select suitable investments that aim to provide investors with positive risk-adjusted returns that are independent of benchmarks or investment cycles.

Aurora is also the issuer of the:

- Aurora Fortitude Absolute Return Fund (APIR Code: AFM0005AU)
- Aurora Absolute Return Fund (ASX Code: ABW)
- Aurora Dividend Income Trust (Managed Fund) (ASX Code: AOD, APIR Code: AFM0010AU)
- Aurora Global Income Trust (ASX Code: AIB)
- HHY Fund (ASX Code: HHY)

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1. This number represents a cumulative return and assumes reinvestment of distributions and is generated with compounded monthly returns/net of fees.
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