

Aurora Property Buy-Write Income Trust Performance Report - November 2014

ASX Code: AUP

Summary

- The Trust returned 0.63% for November compared to the S&P/ASX200 Property Accumulation Index (AREIT Index) which returned -0.07%.
- The Trust outperformed due to a combination of writing calls and the selection of underlying stocks.



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	0.63%	0.58%	4.17%	9.53%	11.48%	9.09%	1.65%	10.65%
S&P/ASX200 Property Accumulation Index	-0.07%	0.99%	11.44%	19.95%	18.99%	11.92%	-3.20%	20.38%

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 a specialist Asia Pacific real estate fund manager, 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 institutional and retail investors. Collectively, APN manages over \$2 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.

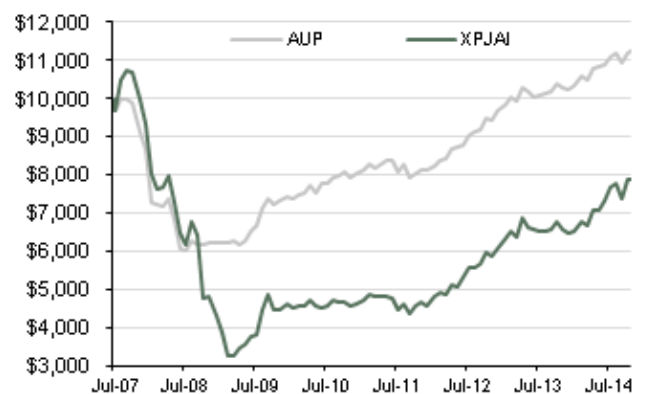
APN FM has a long held belief that investment in commercial property is primarily an investment in an income stream. Long term property leases also provide protection from the short term business cycle reflected in the market value of other asset classes. A commitment to the income benefits from property 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	\$11.7 million
Net Assets Value per Unit	\$5.4739
Exit Price Value per Unit	\$5.4630
NAV including distributions (since inception) ¹	\$10.96

Commentary

The Aurora Property Buy-Write Income Trust ("the Trust") provided a total return of 0.63% for the month ended November 2014, outperforming the S&P/ASX 200 Property Accumulation Index (AREIT Index) by 0.70%. Since inception (July 2007), the Trust has outperformed the AREIT Index by 4.85% pa over the same period. The Trust outperformed due to a combination of writing calls and the selection of underlying stocks. Over the month, the stocks impacting the Trust's outperformance relative to the AREIT Index were our underweight positions in underperforming stocks such as Goodman Group (GMG.ASX) that was down 1.69% and Dexus Property Group (DXS.ASX) down 2.1% along with overweight positions in a number of relatively stronger small cap stocks like Cromwell Group (CMW.ASX) up 1.5% and Abacus Property Group (ABP.ASX) up 6.3%.

The Diversified sector was down 1.1% over the month. The two main factors influencing performance were Stockland Trust Group (SGP.ASX) down 2.8% and GPT Group (GPT.ASX) up 0.5%.

The Office sector was down 1.1% over the month. Investa Office Fund (IOF.ASX) down 0.8% and Dexus Property Group (DXS.ASX) down 2.1% were the key influencers.

The Retail sector was up 1.1% with Westfield Corporation (WFD.ASX) up 4.7% and Scentre Group (SCG.ASX) down 2.0% the key factors contributing to the sub sectors relative outperformance.

Key announcements included:

* Westfield Corporation (WFD.ASX) quarterly update highlights included: specialty sales growth of +3.6% (which was considered reasonable), but softened over the quarter;

* Scentre Group (SCG.ASX) quarterly update reflected strong comparable specialty sales growth of +4.2%; apparel sales growth of +2.4% - which is the highest level since 2009 and releasing spreads fell less than previous periods;

* SCG also announced the divestment of a 49% stake in five New Zealand shopping centres to GIC for NZ\$1,036m (A\$930m), reflecting a 4% premium to book or a 6.8% cap rate (7.1% Dec-13).

* Mirvac Group (MGR.ASX) acquired five industrial assets from Altis for \$224.1m, reflecting 7% initial yield;

* Charter Hall Group (CHC.ASX) acquired six industrial assets from Inghams for \$171.4m reflecting 7.8% initial yield.

Top 5 Portfolio Holdings (as at 30 November 2014)

	ASX Code
Dexus Property Group	DXS
Scentre Group	SCG
Stockland	SGP
Charter Hall Retail REIT	CQR
Novion Property Group	NVN

Source: Aurora Funds Management

Trust Distributions (per Unit)

Period	Cash	Yield at NAV (p.a)
CY 07-09	\$1.7951	-
31 Mar 10	\$0.1100	8.34%
30 Jun 10	\$0.1100	8.38%
30 Sep 10	\$0.1100	8.29%
31 Dec 10	\$0.1100	8.23%
31 Mar 11	\$0.1100	8.35%
30 Jun 11	\$0.1100	8.38%
30 Sep 11	\$0.1060	8.03%
31 Dec 11	\$0.1000	8.19%
31 Mar 12	\$0.1000	8.16%
30 Jun 12	\$0.1000	8.02%
30 Sep 12	\$0.1020	8.00%
31 Dec 12	\$0.1040	7.98%
31 Mar 13	\$0.1080	8.01%
30 Jun 13	\$0.1090	8.01%
30 Sep 13	\$0.1080	8.01%
31 Dec 13	\$0.1090	8.15%
31 Mar 14	\$0.1060	8.04%
30 Jun 14	\$0.1057	8.00%
30 Sep 14	\$0.1078	8.00%
Total	\$3.8206	

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 \$230 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 Dividend Income Trust (Managed Fund)

(ASX code: AOD), (APIR code: AFM0010AU)

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.

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