

# Aurora Infrastructure Buy-Write Income Trust ASX Code: AIB

## Performance Report - 30 April 2009

### Summary

- The Trust returned +1.80% for the month versus the UBS Global 50/50 Infrastructure and Utility Index which returned +6.12%
- The Trust has returned -4.88% since inception versus the UBS Global 50/50 Infrastructure and Utility Index which returned -37.03%



### Monthly Performance

Jan 08	Feb 08	Mar 08	Apr 08	May 08	Jun 08	Jul 08	Aug 08	Sep 08	Oct 08	Nov 08	Dec08	AIB (12 mths)	Index (12mths)
0.41%	0.36%	-1.72%	2.33%	2.76%	-4.66%	0.75%	3.40%	-3.86%	-3.53%	1.58%	0.60%	-1.90%	-32.7%
Jan 09	Feb 09	Mar 09	Apr 09									AIB (4 mths)	Index(4 mths)
-1.56%	-3.60%	0.38%	1.80%									-2.98%	-6.0%

### Investment objective

The Aurora Infrastructure 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 global listed infrastructure securities.

### Investment Strategy

The Trust seeks to capture returns from investing in some of the world's leading listed infrastructure entities, through an equity swap, with the objective of increasing the income generated by implementing an active call option selling ('writing') strategy. Each quarter twenty securities will be selected within the global infrastructure sector that may be anticipated to:

- provide a higher than average dividend yield over the medium term (including the influence of franking credits, and special dividends and other financial restructuring); and
- provide the scope for additional income generation by the Trust systematically writing call options on these securities.

The Trust may utilise some gearing, and will also seek to protect the portfolio against extreme market conditions through the purchase of 3-month put options on each security at, or around, 90% of the then prevailing market price.

### Investment Manager

Talon Infrastructure Pty Ltd is the Investment Manager of the Trust with responsibility to advise on the Trust's global investment selection. The Managing Director of Talon Infrastructure, has approximately ten years experience in investment banking, corporate finance and the infrastructure sector.

This includes over six years at Macquarie Bank Limited in investment banking, corporate finance and funds management. His role at Macquarie Bank Limited included approximately three years of global infrastructure securities funds management experience culminating with his appointment as the Chief Investment Officer of Macquarie Fund Adviser LLC, the adviser to two New York Stock Exchange listed infrastructure funds, with over A\$1 billion under management.

### Trust features

Trust Listing	24 December 2007
Minimum Investment	\$2,000
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	\$13,444,460
Net Asset Value (NAV) – incl. franking	\$14,680,452
Units on issue	1,766,707
Net Asset Value per Unit	\$8.3095
NAV plus distributions paid (since inception)	\$9.2427

### Trust distributions (per Unit)

Period	Total	Yield at NAV (p.a.)
30 Jun 08	\$0.3975	8.2%
31 Dec 08	\$0.5700	12.3%
Total	\$0.9675	

## Investment Manager commentary

By Talon Infrastructure Pty Ltd

The Trust achieved a return of 1.80% for April. This compares to the UBS Global 50/50 Infrastructure and Utility Index which returned 6.12%.

The majority of the stocks in the portfolio performed well during April, however, the benefit to the Trust was relatively modest as many positions traded above their call option strike.

Spanish regulated utilities Red Electrica (electricity transmission) and Enagas (gas transmission) were key contributors for the month. Both enjoy a favourable regulatory regime where their allowed returns significantly exceed their cost of capital – ultimately driving value for shareholders. Over the past 12 months the shares prices of both have fallen around 30% due to concerns about the weak Spanish economy (unemployment rate recently hit 17%) and forced selling from some of their larger shareholders. This has provided the opportunity to build positions at attractive prices and reasonable dividend yields (albeit the initial positions were established too early).

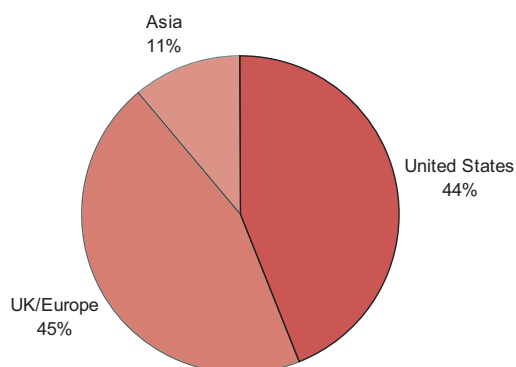
At the end of April, 55% of the Trust's assets were invested in regulated utilities, 21% in US pipeline Master Limited Partnerships and 24% in transport infrastructure.

### Four Stocks from the Portfolio

	Country	Sub-Sector	Weight
Energy Transfer Partners	USA	Pipelines	8.3%
Snam Rete Gas	Europe	Transmission	4.3%
United Utilities	UK	Water Utility	4.6%
Xcel Energy	USA	Electric Utility	4.8%
Remaining portfolio holdings			78.0%

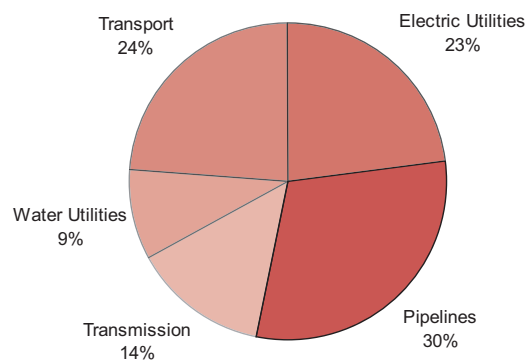
Source:Talon Infrastructure

### Portfolio Country Weightings



Source:Talon Infrastructure

## Portfolio Sub-Sector Weightings



Source:Talon Infrastructure

## 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 Sandringham Dividend Income Trust (ASX Code: AOD)
- Aurora Buy-Write Income Trust (ASX Code: ABW)
- Aurora Property Buy-Write Income Trust (ASX Code: AUP)
- van Eyk Blueprint Alternatives Plus (ASX Code: VBP)

## Aurora Funds Management

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