

Aurora Infrastructure Buy-Write Income Trust ASX Code: AIB

Performance Report - 31 January 2009

Summary

- The Trust returned -1.56% for the month versus the UBS Global 50/50 Infrastructure and Utility Index which returned -4.8%
- The Trust will pay a half yearly distribution of \$0.57 per Unit during the first week of March 09



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													Index(1mth)
-1.56%													-4.8%

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	\$14,372,437
Net Asset Value (NAV) – incl. franking	\$14,949,992
Units on issue	1,772,187
Net Asset Value per Unit	\$8.4359
NAV plus distributions paid (since inception)	\$9.3833

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 Aurora Infrastructure Buy-Write Income Trust achieved a return of -1.56% for January, which compares favourably to the UBS Global 50/50 Infrastructure and Utility Index which returned -4.8%.

The Trust's UK/Europe positions were the main cause of the negative return for January. The Trust's UK water holdings (11% of portfolio) were weaker over the month primarily due to concerns over the economy and the commencement of a new regulatory period in 2010. The Investment Manager believes that the underlying businesses are well placed to manage an economic recession in the UK due to the essential service nature of the assets and (somewhat perversely) the start of a new regulatory period in 2010 where the regulator can make adjustments so that the utility is not adversely impacted by lower water consumption. The water utilities held by the Trust are trading at a 5-10% discount to their regulated asset base, which looks attractive in a historical context.

The portfolio's US pipelines holdings (26% of the portfolio) were strong during January. Enterprise Product Partners (EPD), a core holding since inception, released their full year results in early February, which exceeded expectations despite the tough economic environment and hurricane disruptions. The Investment Manager believes EPD is well placed despite the challenging macro environment due to the quality and diversity of their assets, and strong management. Moreover, their solid balance sheet and ongoing access to capital (at a cost) should see them well placed to continue to grow their business and take advantage of asset sales from distressed sellers.

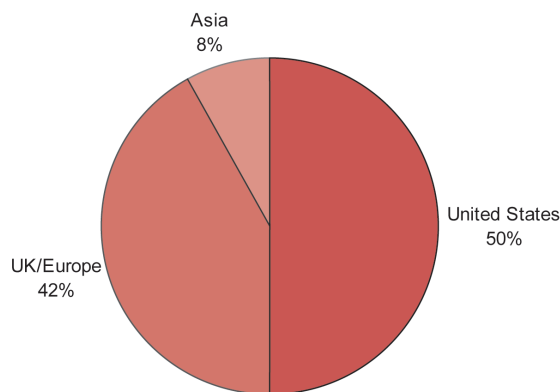
The Investment Manager continues to monitor a number of new opportunities.

Four Stocks from the Portfolio

	Country	Sub-Sector	Weight
Energy Transfer Partners	USA	Pipelines	8.6%
Snam Rete Gas	Europe	Transmission	4.9%
United Utilities	UK	Water Utility	6.3%
Xcel Energy	USA	Electric Utility	4.9%
Remaining portfolio holdings			75.3%

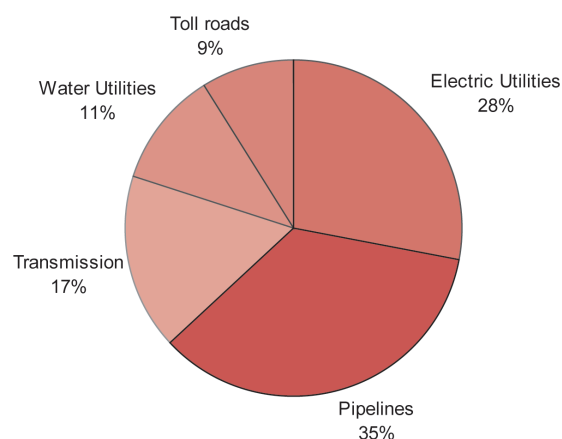
Source: Talon Infrastructure

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

Aurora Funds Management

Level 11, 88 Phillip Street, Sydney NSW 2000 PO Box R1695, Royal Exchange NSW 1225

Telephone: 1300 553 431, Visit: www.aurorafunds.com.au, or Email: enquiries@aurorafunds.com.au

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