

Aurora Global Infrastructure Income Trust ASX Code: AIB Performance Report - 31 May 2010

Summary

- The Trust returned -2.99% for May versus the UBS Global Infrastructure and Utilities 50/50 Index which returned -5.66%
- Since inception the Trust has returned 1.09% p.a. versus the UBS Global Infrastructure and Utilities 50/50 Index which returned -10.98% p.a.



Performance²

	1 mth	3 mths	6 mths	12 mths	2 yrs (p.a.)	Since inception (p.a.)
Aurora Global Infrastructure Income Trust	-2.99%	-2.49%	0.89%	4.87%	-0.74%	1.09%
UBS Global Infrastructure and Utilities 50/50 Index	-5.66%	-2.03%	1.30%	15.66%	-11.65%	-10.98%

Investment objective

The Aurora Global Infrastructure 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 investment strategy seeks to capture income and growth from investing in some of the world's leading listed infrastructure entities.

The Investment Manager will use detailed fundamental analysis to select securities 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, special dividends and other financial restructuring); and
- provide the scope for additional income generation by the Trust writing call options on these securities.

The portfolio will generally hold 20 securities at any one time (either directly, or indirectly via an investment in a wholesale trust, and/or equity derivative instruments). The Trust may also use some gearing and at the Investment Manager's discretion, the portfolio may opportunistically:

- sell exchange traded or over the counter call options over each individual stock position in order to generate additional income; and
- purchase exchange traded or over the counter put options in order to provide some capital protection.

Investment Manager

Long Tail Asset Management Pty Ltd (AFSL 341474, "Long Tail") has been appointed as the Investment Manager to the Trust with responsibility to advise on the Trust's global investment selection. Long Tail is an Australian based fund manager. An Executive Director of Long Tail (Mr Nigel Trewartha, B.Ec (Honours), M.Comm) has over ten years experience in investment banking, corporate finance and the

infrastructure sector. Prior to joining Long Tail, Nigel worked for over six years at Macquarie Bank Limited in investment banking, corporate finance, and funds management, nearly one year as the Chief Financial Officer of Envestra Limited, and two years as the Managing Director of Talon Infrastructure Pty Ltd.

Trust features

Trust Listing	24 December 2007.
Minimum Investment	\$2,000.
Unit pricing	Monthly.
Distribution policy	At least 2% of Net Asset Value ³ per Unit per quarter
Distribution Reinvestment Plan	Available.
Applications	Investors may acquire Units on market or via the current PDS.
Redemptions	On market by selling on the ASX or off-market at the end of each month.

Trust valuations

Fund Size	\$ 13.8 million
Net Asset Value per Unit	\$1.1601
NAV plus distributions paid (since inception)	\$1.4183

Trust distributions (per Unit)¹

Period	Total	Yield at NAV (p.a.)
30 Jun 08	\$0.0568	8.2%
31 Dec 08	\$0.0814	12.3%
30 Jun 09	\$0.0471	7.7%
30 Sep 09	\$0.0229	7.8%
31 Dec 09	\$0.0250	8.5%
31 Mar 10	\$0.0250	8.2%
Total	\$0.2582	

Investment Manager commentary

The Trust returned -2.99% for May compared to the UBS Global Infrastructure and Utilities 50/50 Index ("Index") which returned -5.66% over the same period. The Trust's Spanish positions were the main detractor to performance and the UK water utilities were the main contributor.

Given the ongoing headlines regarding Spain, the Manager thought is useful to provide more detail on the Trust's Spanish investments. At the end of May, these positions made up 12% of the portfolio (primarily, Enagas and Red Electrica). Both of these companies are monopolies and are regulated by the Spanish regulatory authorities. They have enjoyed strong returns and growth over the last 5-10 years. The Manager regards these businesses as high quality franchises, providing required infrastructure services, with a transparent growth path over the next several years.

Despite the current difficult macroeconomic environment in Spain, the Manager is tending to place greater importance on the individual business characteristics, believing they will outweigh the macro concerns over time. The currency exposure is hedged back into Australian dollars so the portfolio is not negatively impacted by the volatility in the Euro. The share prices of both companies are caught up in the broad liquidation currently being seen through Europe. The Manager's sense is given the strong operations and balance sheets of these businesses they are well positioned to withstand the broader macro concerns.

UK water utilities continue to be the largest position in the Trust, representing around 25% of the portfolio.

The sell off during May provided the opportunity to add to some of the Trust's existing holdings and introduce a new transport infrastructure company. All told, the Trust invested approximately 10% points of its cash in these positions.

The Trust continues to be relatively defensively positioned in its stock holdings, with approximately 70% of the portfolio in utilities and 5% in transport infrastructure. The balance of 25% is cash and other assets. The Trust continues to hedge its foreign exchange exposure back into Australia dollars. Hence, during the month the depreciation in the Australian dollar saw the value of the Trust's foreign currency denominated stock holdings appreciate in value, however, this was broadly offset by a decline in the value of the Trust's foreign currency hedging contracts (this hedging contract movement is reflected in "other assets").

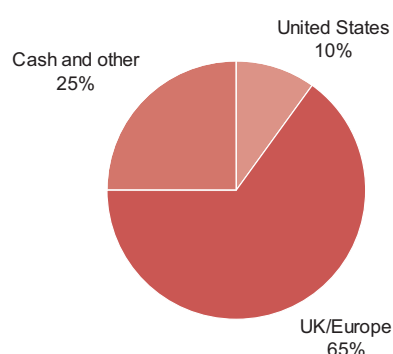
The Manager expects volatility to continue to be high but the Trust's cash balance provides the opportunity to add to the existing positions and introduce new businesses.

At the end of May, call options had been sold over approximately 30% and put options purchased over approximately 30% of the underlying stock positions. The Trust also had no net debt.

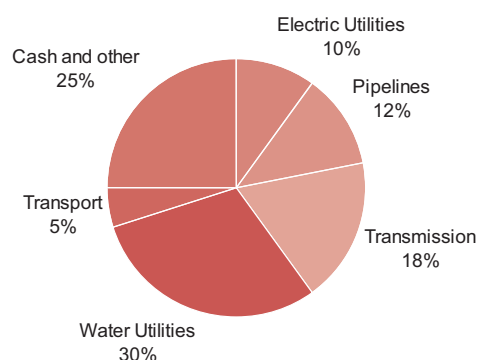
Five Stocks from the Portfolio

	Country	Sub-Sector	Weight
Severn Trent	UK	Water Utility	7.1%
Pennon	UK	Water Utility	5.7%
Nstar	USA	Electric Utility	5.6%
Red Electrica	Spain	Transmission	5.3%
Enagas	Spain	Pipelines	5.2%
Remaining portfolio holdings			71.1%

Portfolio Country Weightings



Portfolio Sub-Sector Weightings



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

1. Each historical distribution has been divided by seven to reflect the Unit split carried out in November 2009. 2. This number represents a cumulative return and assumes reinvestment of distributions. 3. The Trust intends to always distribute at least 2.0% of NAV 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 Global Infrastructure Income Trust (ARSN 127 692 406). 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 Performance Report 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.

Further information on UBS Global Infrastructure and Utilities 50/50 Index can be found at www.bloomberg.com (UIAUHAIN:IND)