

Aurora Property Buy-Write Income Trust (ARSN 125 153 648)

Performance Report

29 February 2008

ASX Code: AUP

www.aurorafunds.com.au

Trust Summary

- The S&P/ASX200 Property Trust Index fell an additional 6% during the month of February
- The in-built capital protection reduced the Trust's fall to 0.98%, without it the Trust would have fallen 4.77% during the month of February



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 geared portfolio of Australia's largest ASX listed property securities.

Investment Strategy

The Trust seeks to capture returns from investing in some of Australia's leading ASX listed property securities, with the objective of increasing the income generated by implementing an active call option selling ('Writing') strategy. Each quarter the Investment Adviser identifies 10 property securities within the Australian property sector that can be expected 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);
- provide the scope for additional income generation by the Trust systematically writing call options on these securities and;
- the Trust seeks to reduce capital risk by holding put options against each security in the portfolio.

Net Asset Value - incl. franking

Inception	July 07	Aug 07	Sep 07	Oct 07
	\$9.71	\$9.43	\$9.69	\$9.70
				\$9.62
Nov 07	Dec 07	Jan 08	Feb 08	
	\$8.88	\$7.98	\$6.69	\$6.62

Investment Adviser

Barclays Capital is the Investment Adviser to the Trust with responsibility to advise on the Trust's investment strategy. Barclays Capital is the investment banking division of Barclays Bank PLC which has a AA long-term credit rating and a balance sheet of over US\$2.3 trillion. Barclays Capital advises on over US\$2 billion in buy-write strategies globally.

Trust Features

Trust Inception	26 July 2007
Minimum Investment	\$2,000
Unit Pricing	Monthly
Distribution Frequency	Half yearly
Distribution Reinvestment Plan	Available
Applications	Available to investors through the current PDS or on market by buying on the ASX
Redemptions	On-market by selling on the ASX or off-market at the Net Asset Value set at the end of each month

Summary of the Trust

Market Capitalisation	\$30,855,409
Net Asset Value (NAV), incl. franking	\$31,429,794
Units on Issue	4,746,986
Net Asset Value per Unit	\$6.62
Net Asset Value per Unit, incl. franking	\$6.62
NAV plus distribution paid	\$7.09

Trust Distributions (per Unit)

Period	Cash	Franking Credits	Total
31 Dec 07	\$0.4670	\$0.000	\$0.4670
Total	\$0.4670	\$0.000	\$0.4670

Portfolio Commentary

In yet another volatile month, negative sentiment in the listed Australian Real Estate Investment Trust market was fuelled again by weaker macro data from the US and persistent global credit issues. The S&P/ASX 200 Property Trust Index fell 6.0% in February 2008 as more indiscriminate selling came in to the sector.

Despite the sector falling even further, The Trust remained steady at its Net Asset Valuation (NAV) at the end of February 2008 to close at \$6.62 per Unit (post the 46.7c interim distribution). This was due to the fact that the Trust was holding put options on each security in the portfolio preventing any further capital losses on the Trust's individual property security holdings until the expiry of the put options at the end of March 2008.

Portfolio Activity

There were no material changes to the Trust in February 2008. The Trust will not be rebalanced again until the end of March 2008 when the sold call and bought put options reach their maturity.

The portfolio purchased at the end of December 2007 has now dropped during January and February below all of the put option strike prices on each Australian listed property trust held in the portfolio. This means that the portfolio is completely insured against further share market falls impacting the Trust until the end of March 2008. See the Portfolio Holdings where you can view the put option strike prices for each property security.

Market Outlook

Both Australian and global property trusts have declined in value by at least 25% in the past 12 months and their yields have escalated quickly to a level not seen for a long time. Volatility in global markets is expected to continue in the near term as the global re-pricing of risk continues. Investors should focus on the underlying investment strategy and outcome of the Trust which is to generate income returns from holding a portfolio of Australian property trusts whilst capturing further income from writing call options against the portfolio held. The Trust will continue to seek to produce solid half yearly income distributions despite the ongoing volatility in the global share market.

Portfolio Holdings

	ASX Stock Code	Forecast Yield for 2008 (%) p.a. *	Put Option Strike Price
Abacus Property Group	ABP	9.35	\$1.50
CFS Retail Property Trust	CFX	5.80	\$2.15
Commonwealth Prop- erty Office Fund	CPA	7.23	\$1.38
Dexus Property Group	DXS	7.22	\$1.77
ING Industrial Fund	IIF	8.59	\$2.26
ING Office Fund	IOF	8.05	\$1.51
Mirvac Group	MGR	8.64	\$5.49
Macquarie Office Trust	MOF	10.51	\$1.27
Stockland Group	SGP	6.50	\$7.61
Westfield	WDC	6.29	\$19.02
Average forecast income for 2008		7.82%	

Source: Barclays Capital

* Based upon closing share prices as at 29/02/08

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 Infrastructure Buy-Write Income Trust (ASX Code: AIB)
- van Eyk Blueprint Alternatives Plus (ASX Code: VBP)

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