

Aurora Property Buy-Write Income Trust Performance Report - April 2015

ASX Code: AUP

Summary

- The Trust returned 0.12% for April compared to the S&P/ASX200 Property Accumulation Index (AREIT Index) which returned -1.09%.
- The Trust outperformed over the month due to a combination of stock selection and writing calls over existing stock positions.



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	0.12%	0.67%	5.25%	9.53%	10.82%	8.83%	2.15%	10.40%
S&P/ASX200 Property Accumulation Index	-1.09%	0.44%	12.97%	26.05%	20.14%	13.45%	-1.49%	20.15%

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 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 \$2.1 billion (as at 31 December 2104) 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.

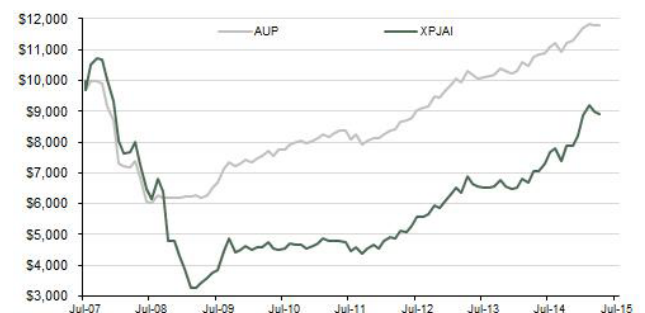
APN FM has a long held belief that investment in commercial property is primarily an investment in an income stream. Long term property leases also provide protection from the short term business cycle reflected in the market value of other asset classes. A commitment to the income benefits from property 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	\$11.3 million
Net Assets Value per Unit	\$5.5011
Exit Price Value per Unit	\$5.4901
NAV including distributions (since inception) ¹	\$11.46

Commentary

The Aurora Property Buy-Write Income Trust ("the Trust") provided a total return of 0.12% for the month ended April 2015, outperforming the S&P/ASX 200 Property Accumulation Index (AREIT Index) which declined by -1.09%. Since inception (July 2007), the Trust has outperformed the AREIT Index by 3.64% pa over the same period. The Trust outperformed over the month due to a combination of stock selection and writing calls over existing stock positions. The strategy has been instrumental in enhancing returns in flat, moderately rising and bear markets. Moreover the strategy of buying put options reduces capital risk.

Stocks impacting the Trust's positive performance relative to the AREIT Index were our underweight positions in trusts such as Dexu Property Group (DXS.ASX) which fell 2.6% and GPT Group (GPT.ASX) that declined 2.2%. The Trust also benefited from having overweight positions in Charter Hall Retail (CQR.ASX) which gained 0.5% and Scentre Group (SCG.ASX) unchanged, both outperforming in a falling market.

The Diversified sector was down 0.80% over the month. The two main factors influencing performance were GPT Group (GPT.ASX) down 2.19% and Stockland Trust Group (SGP.ASX) down 1.33%. The Office sector was down 2.91% over the month with Investa Office Fund (IOF.ASX) down 4.62% and Dexu Property Group (DXS.ASX) down 2.64% the key influencers. The Retail sector was down 0.61% with Scentre Group (SCG.ASX) (price unchanged) and Westfield Corporation (WFD.ASX) down 1.05% the key factors contributing to the sub sectors relative outperformance. The Industrial sector was down 1.36% over the month driven by the performance of Goodman Group (GMG.ASX) down 1.57% and Industria REIT (IDR.ASX) up 3.50%.

Key announcements included:

* Dexu Property Group (DXS.ASX) raised \$400m to position itself for potentially attractive acquisition opportunities.

* Federation Centres (FDC.ASX) and Novion Property Group (NVN.ASX) released their proposed merger Scheme Booklet in advance of the NVN vote at an Extraordinary General Meeting on 27 May. The Independent Expert found 'the Merger is fair and reasonable' and in the best interests of NVN security holders.

* SCA Property Group (SCP.ASX) acquired the Whitsunday Shopping Centre in Airlie Beach, Queensland, for \$46.9m at what appears to be a yield of 8.50% including a 2-year rental guarantee.

* GPT Group (GPT.ASX) CEO Michael Cameron announced his resignation after six years at the helm to accept a role as the CEO role at Suncorp Group Limited. The Board confirmed there were potential internal candidates and that it has also initiated an external recruitment process to find a successor.

Top 5 Portfolio Holdings (as at 30 April 2015)

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

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%
31 Dec 14	\$0.1088	8.20%
31 Mar 15	\$0.1128	8.24%
Total	\$4.0422	

About Aurora

Aurora Funds Management Limited is a fully owned subsidiary of ASX listed, Keybridge Capital (ASX Code: KBC). Aurora is a boutique investment manager that was established in 2003, and has a long track record of producing risk adjusted returns for retail, institutional and high net worth investors. The investment strategies are offered through both ASX listed investment vehicles and managed funds. They aim to deliver income whilst also managing the risks associated in investing in traditionally volatile asset classes.

Aurora is also the Issuer of:

- Aurora Fortitude Absolute Return Fund
(APIR: AFM005AU)
- 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 Management 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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