

Aurora Property Buy-Write Income Trust Performance Report - December 2016

ASX Code: AUP



Summary

- The Trust returned 1.92% versus its benchmark of 0.21% (1.71% outperformance).
- Key contributors to performance were SCG, IOF and SGP.
- The Trust announced a cash distribution of \$0.109 per Unit for the three months ending 31 December 2016.
- Victor Siciliano replaced Hugh Dive as Portfolio Manager.
- Aurora Funds Management head office was relocated to Melbourne.

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	1.92%	-1.87%	-4.04%	3.85%	8.03%	9.73%	2.75%	9.84%
S&P/ASX200 Property Accumulation Index	6.81%	-0.75%	-2.68%	13.2%	18.0%	18.5%	0.66%	19.2%

Investment Objective*

The Aurora Property Buy-Write Income Trust (the Trust) is an ASX listed investment trust that 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. A portion of the additional income may be used to purchase put options for protection.

Aurora Funds Management (Aurora) uses quantitative and qualitative analysis to identify property securities within the Australian property sector (the 'Investment Universe') with the objective to:

- Provide a higher than average distribution yield over the medium term;
- Generate a higher percentage of recurring income with lower gearing; and
- Provide the scope for additional income generation by the Trust systematically writing over the counter call options on these securities.

Investment Philosophy

Aurora's approach to investing in Australian Real Estate Investment Trusts (A-REITs) is consistent with our approach to investing across our other funds. The objective is to build a portfolio of high quality listed property securities with recurring earnings and downside protection. In addition to the returns from trust selection, the selling of call options generates additional income for investors.

Trust Features

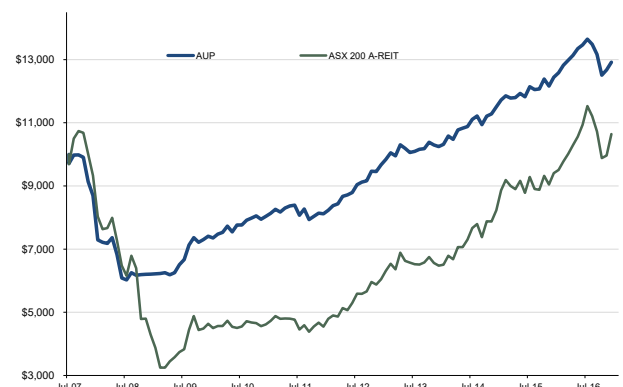
Unit pricing	Daily
Distribution frequency	Quarterly
Distribution policy ²	At least 2.0% of Net Asset Value per Unit
Distribution Reinvestment Plan	Available
Applications	Investors may acquire Units on the ASX or via the current Product Disclosure Statement
Redemptions	On market by selling on the ASX or daily via the share registry

Trust Valuations

Net Assets Value per Unit	\$5.2388
Exit Price Value per Unit	\$5.2336
NAV including distributions (since inception) ¹	\$12.5515

Investment Performance¹

AUP Performance vs A-REIT Index



Top 5 Portfolio Holdings (as at 31 December 2016)

Source: Aurora Funds Management

ASX Code

Charter hall Retail REIT	CQR
Westfield Corporation	WFD
Scentre Group	SCG
GPT Group	GPT
Investa Office Fund	IOF

Trust Distributions (per Unit)

Period	Cash	Yield at NAV (p.a)
CY 07-09	\$1.4951	-
FY 09-10	\$0.5200	8.38%
FY 10-11	\$0.4400	8.38%
FY 11-12	\$0.4060	8.02%
FY12-13	\$0.4230	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%
30 Jun 15	\$0.1100	8.01%
30 Sep 15	\$0.1080	8.00%
31 Dec 15	\$0.1082	8.00%
31 Mar 16	\$0.1093	8.00%
30 Jun 16	\$0.1118	8.00%
30 Sep 16	\$0.1138	8.00%
31 Dec 16	\$0.1090	8.00%
Total	\$4.8123	

About Aurora

Aurora Funds Management Limited is an Australian based alternative asset manager that specialises in managing absolute-return focussed strategies for high net worth, retail and institutional investors. At Aurora, we aim to achieve superior long-term results through a high conviction investment style that utilises a bottom up, value-orientated approach to select suitable investments. Our overarching goal is to provide investors with positive risk-adjusted returns that are independent of benchmarks or investment cycles.

Aurora is also the Issuer of:

■ Aurora Fortitude Absolute Return Fund

(APIR: AFM0005AU)

■ 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)

■ HHY Fund

(ASX code: HHY)

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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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