

Aurora Property Buy-Write Income Trust Performance Report - November 2013

ASX Code: AUP

Summary

- The Trust returned -0.80% for November compared to the S&P/ASX200 Property Accumulation Index (AREIT Index) which returned -2.77%
- Since inception, the Trust has outperformed the S&P/ASX200 Property Accumulation Index by 6.88% per annum.



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	-0.80%	1.37%	1.08%	8.90%	9.03%	10.68%	0.46%	11.23%
S&P/ASX200 Property Accumulation Index	-2.77%	0.80%	-0.99%	11.66%	12.90%	6.46%	-6.41%	21.28%

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 Asia Pacific 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 corporate and public superannuation funds, high net worth and individual investors. Collectively, APN FM manages over \$1.6 billion 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.

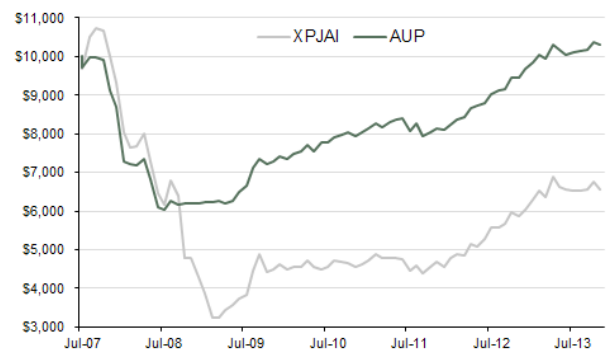
APN FM has a long held belief that investment in commercial property is primarily an investment in an income stream. Long term property leases also provide protection from the short term business cycle reflected in the market value of other asset classes. A commitment to the income benefits from property 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	\$12.5 million
Net Assets Value per Unit	\$5.4130
Exit Price Value per Unit	\$5.4022
NAV including distributions (since inception) ¹	\$10.0051

Commentary

The S&P/ASX 200 Property Accumulation Index (AREIT Index) delivered a total return -2.7% in November 2013, underperforming the broader market (as measured by the S&P/ASX 300 Accumulation Index) which returned -1.4% over the month. Whilst the Aurora Property Buy-Write Income Trust produced a return of -0.8% outperforming the AREIT Index by 1.9%. The call options sold by the Trust contributed to the outperformance during the month. Over the last twelve months, the AREIT Index delivered a total return of 11.6%, underperforming the broader market by 10.9%.

The **Diversified** sector was down 2.9% over the month. The two main stocks influencing performance were Stockland Trust Group (SGP) down 4.0% and GPT Group (GPT) down 3.0%.

The **Office** sector was down 0.5% over the month with Dexus Property Group (DXS) down 3.7% and takeover target Commonwealth Property Office Fund (CPA) up 6.3% the key influences.

The **Retail** sector was down 2.9% with Westfield Group (WDC) down 3.9% and Westfield Retail Trust (WRT) down 1.3% the key factors.

The **Industrial** sector was down 4.3% over the month driven by Goodman Group (GMG).

Key announcements included:

□ Westfield Group's (WDC) third quarter update saw management reaffirm its CY13 FFO (Funds from Operation) guidance as well as its development target of \$1.25 - \$1.5bn (new commencements). However, no new development launches or acquisitions were announced.

□ Goodman Group (GMG), together with joint venture partner WTorr, is in due diligence to acquire a Brazilian industrial portfolio from BR Properties at an implied capitalisation rate of around 9%. If successful the transaction would increase the group's exposure to Brazil to around 4.5%.

□ Australand Property Group (ALZ) announced \$65m of inventory impairments across four residential and five C&I projects during the month. Post the impairments, ALZ's major shareholder Capitaland announced the sale of a 20% stake in ALZ (of its 59%) at \$3.685.

Top 5 Portfolio Holdings (as at 30 November 2013)

	ASX Code
Westfield Retail Trust	WRT
CFS Retail Property Trust	CFX
Stockland	SGP
Westfield Group	WDC
Charter Hall Retail REIT	CQR

Source: Aurora Funds Management

Trust Distributions (per Unit)

Period	Cash	Yield at NAV (p.a)
31 Dec 07	\$0.4670	9.61%
30 Jun 08	\$0.4781	11.98%
31 Dec 08	\$0.3000	11.75%
30 Jun 09	\$0.2500	10.18%
31 Dec 09	\$0.3000	12.26%
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%
Total	\$3.3921	

About Aurora

Aurora Funds Limited ('Aurora', ASX Code: AFV) was listed on the ASX in July 2010. Aurora comprises the combined businesses of Aurora Funds Management Ltd, and Fortitude Capital Pty Ltd. The combined group has in excess of \$680 million in funds under management and administration, and provides asset management and responsible entity/trustee services for Australian and New Zealand investors.

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)
- van Eyk Blueprint Alternatives Plus

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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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