

# Aurora Sandringham Australian Equity Income Trust ASX Code: ABW

## Performance Report - 31 December 2009

### Summary

- The Trust returned +3.71% for the month versus the S&P/ASX200 Accumulation Index which returned +3.74%
- The Trust announced a distribution of \$0.045 per Unit for the 6 months to 31 December 09, which represented an annualised yield of 8.8%



### Performance<sup>1</sup>

	1 mth	3 mths	6 mths	12 mths	3 yrs (p.a)	Since inception (p.a.)
Aurora Sandringham Australian Equity IncomeTrust	3.71%	2.97%	25.20%	26.02%	-1.86%	3.31%
S&P/ASX200 Accumulation Index	3.74%	3.39%	25.62%	37.03%	-0.70%	2.85%

### Investment Strategy

The Investment Strategy of the Trust is to hold S&P/ASX200 Index market exposure, either directly through a portfolio of shares, an Index ETF, or through derivative contracts. The Trust will also invest in other income generating strategies including the Aurora Sandringham Dividend Income Trust, and the Aurora Sandringham Global Income Trust.

### Investment Manager

Sandringham Capital Pty Limited ("Sandringham") is the Investment Manager of the Trust. Sandringham is a funds management business specialising in structured investments.

In addition to acting as the Investment Manager for this Trust, Sandringham is the investment manager of the Aurora Sandringham Dividend Income Trust, which is listed on the Australian Securities Exchange (ASX Code: AOD) and the Aurora Sandringham Global Income Trust. Sandringham also offers to manage individual mandates for institutional and wholesale investors.

### Trust features

Unit pricing	Monthly.
Distribution frequency	Quarterly.
Distribution policy	At least 2.0% of Net Asset Value. <sup>2</sup>
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

Market capitalisation	\$7,960,785
Net Asset Value (NAV)	\$8,027,836
Units on issue	6,525,234
Net Assets Value per Unit	\$1.2303
NAV plus distributions paid (since inception)	\$1.8148

### Trust distributions (per Unit)<sup>3</sup>

Period	Cash	Franking	Total	Yield at NAV (p.a.)
31 Dec 06	\$0.0486	\$0.0208	\$0.0694	9.0%
30 Jun 07	\$0.1962	\$0.0371	\$0.2334	25.3%
31 Dec 07	\$0.0333	\$0.0332	\$0.0665	7.6%
30 Jun 08	\$0.0586	\$0.0400	\$0.0986	11.9%
31 Dec 08	\$0.0450	\$0.0000	\$0.0450	7.6%
30 Jun 09	\$0.0267	\$0.0000	\$0.0267	5.1%
31 Dec 09	\$0.0450	\$0.0000	\$0.0450	8.8%
<b>Total</b>	<b>\$0.4534</b>	<b>\$0.1311</b>	<b>\$0.5845</b>	

### Trust Update

The S&P/ASX 200 Accumulation Index broke out of its recent trading range to reach new yearly highs in December. Strong year end buying amongst reduced volume saw the index close up 3.74% for the month. Earlier in the month, the RBA chose to raise rates for an unprecedented third month in succession which confirmed the strength of the Australian economic recovery.

In accordance with the investment strategy, the Trust maintained approximately S&P/ASX200 Index market exposure and finished up 3.71% for the month.

### Significant Portfolio Holdings

	Weighting
S&P/ASX 200 Index Futures Contract	market weight
Aurora Sandringham Dividend Income Trust	18.4%
Aurora Sandringham Global Income Trust	54.5%
Total invested as a % of NAV (excl. futures)	72.9%

## 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 Global Infrastructure Income Trust (ASX code: AIB)
- Aurora Property Buy-Write Income Trust (ASX code: AUP)
- CORALS Commodities Fund (ARSN 131 196 882)
- van Eyk Blueprint Alternatives Plus (ASX code: VBP)

## Aurora Funds Management

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1. This number represents a cumulative return and assumes reinvestment of distributions. 2. The Trust intends to always distribute at least 2.0% of NAV per Unit, 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. 3. Each historical distribution has been divided by six to reflect the Unit split carried out in November 09.

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 Sandringham Australian Equity Income Trust (ARSN 110 303 430). 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. The payment of franking credits to Unit holders is subject to the Trust achieving a taxable profit in that year.