

Aurora Sandringham Dividend Income Trust Performance Report - 28 February 2011

(ASX Code:AOD)



Summary

- The Trust returned an estimated 2.00% for February compared to the Benchmark which returned 1.35%

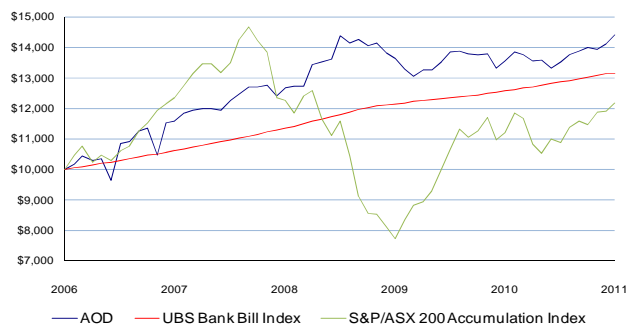
Performance¹

	1 month	3 months	6 months	12 months	3 yrs (p.a)	Since Inception (p.a)
Aurora Sandringham Dividend Income Trust ²	2.00%	2.96%	6.48%	6.35%	4.34%	7.56%
Benchmark (50% of UBS Aus B'Bill/S&PASX200 Acc Index) ³	1.35%	3.75%	7.17%	6.98%	3.11%	5.44%
S&P/ASX200 Accumulation Index	2.32%	6.27%	11.95%	8.63%	-0.27%	4.00%
UBS Australia Bank Bill Index	0.37%	1.23%	2.43%	4.78%	5.11%	5.66%

Investment Objective

The Aurora Sandringham Dividend Income Trust (the Trust) is an ASX listed investment trust that aims to provide investors with gross income returns in excess of a 50:50 combination of the UBS Australia Bank Bill Index and the S&P/ASX200 Accumulation Index while minimising capital risk.

Investment Performance



Investment Strategy

The Trust seeks to achieve the investment objective by investing in a portfolio of fully franked dividend paying companies listed on the Australian Securities Exchange while employing a risk management overlay using derivatives and/or by shorting shares to limit the exposure to Australian equities to around 50% of the net assets of the Trust.

The holding period is typically larger than 45 days. Investments are predominantly chosen from the 100 largest ASX listed shares by market capitalisation.

Trust Features

Unit pricing	Monthly.
Distribution policy	At least 1.5% of Net Asset Value plus any franking credits ⁴ per Unit per quarter.
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

Fund Size	\$32.3 million
Net Assets Value per Unit	\$1.0154
Net Assets Value per Unit-incl. franking	\$1.0221
NAV Accumulation per Unit (since inception)	\$1.6407

Trust Distributions (per Unit)⁵

Period	Cash	Franking (%) ⁶	Yield at NAV (p.a)
30-Jun-06	\$0.0430	\$0.0673 (367%)	14.70%
31-Dec-06	\$0.0188	\$0.0722 (899%)	15.90%
30-Jun-07	\$0.0440	\$0.0295 (154%)	12.60%
31-Dec-07	\$0.0375	\$0.0296 (184%)	11.60%
30-Jun-08	\$0.0417	\$0.0156 (87%)	9.90%
31-Dec-08	\$0.0400	\$0.0213 (124%)	10.40%
30-Jun-09	\$0.0100	\$0.0210 (491%)	5.30%
31-Dec-09	\$0.0300	\$0.0240 (188%)	10.20%
31-Mar-10	\$0.0160	\$0.0100 (146%)	9.90%
30-Jun-10	\$0.0160	\$0.0011 (16%)	6.60%
30-Sep-10	\$0.0150	\$0.0000	6.00%
31-Dec-10	\$0.0150	\$0.0000	6.06%
Total	\$0.3270	\$0.2917	

Portfolio Commentary

The rally in risk assets continued for the first half of February with Equities and Commodities gaining strongly. This was cut short as the unrest in the Middle East and Africa escalated and spread to key oil producer Libya. This sent oil to above \$100 a barrel and caused equity markets to fall. The S&P/ASX200 Accumulation index finished up 2.32% for the month with Energy and Resources the strongest sectors. The defensive sectors of Health Care, Utilities and Consumer Staples underperformed the market.

February saw many local companies report earnings. Highlights included Trust holding Caltex Australia which was up 17.6% for the month after reporting above consensus earnings. Its outlook was also positive with margins recovering amid improving supply-demand fundamentals. Other strong performers were Boral, Tabcorp and Santos.

On the downside, Primary Health Care was the Trust's weakest holding as it fell sharply after reporting flat revenues and falling margins particularly in its Pathology segment.

The Trust's performance since inception of 7.56% per annum continues to outperform both equity market and cash returns of 3.58% and 5.67% per annum respectively.

Significant Portfolio Holdings

Company	Weight
BHP BILLITON STK	20.61%
ANZ BANKING GRP STK	11.73%
NATL AUST BANK	11.00%
COMMONWEALTH BK STK	10.95%
WESTPAC BANKING STK	9.42%
Total invested as a % of NAV	167.79%

Dividend Calendar

Company	Forecast Div	Ex Date
Origin Energy	\$0.25	1/03/11
Rio Tinto Limited	\$0.62	2/03/11
Insurance Australia	\$0.09	3/03/11
Asciano Limited	\$0.01	4/03/11
BHP Billiton Limited	\$0.46	7/03/11
Toll Holdings Ltd	\$0.12	7/03/11
Leighton Holdings	\$0.60	11/03/11
AGL Energy Limited	\$0.29	18/03/11
Newcrest Mining	\$0.10	21/03/11
Woolworths Limited	\$0.57	21/03/11

Source: Iress. Note: The Trust may or may not make investments in the above companies

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 Limited, Fortitude Capital Pty Ltd and Sandringham Capital Pty Ltd.

The combined group has in excess of \$500 million in funds under management and administration, and provides asset management and responsible entity/trustee services for over 3,500 Australian and New Zealand investors.

Aurora is also the issuer and/or distributor of the:

- Aurora Fortitude Absolute Return Fund (ARSN 145 894 800)
- Aurora Sandringham Australian Equity Income Trust (ASX Code: ABW)
- Aurora Sandringham Dividend Income Trust (ASX Code: AOD)
- Aurora Global 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)

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Notes: Since inception (17 Nov 05) the Trust has delivered an annualised return of 6.79%, assumes distributions and franking credits are reinvested. 1. This represents a cumulative return and assumes the reinvestment of distributions and franking credits. 2. Returns based on Estimated Unit Price. 3. The Benchmark return is calculated daily as 50% of the return of the UBS Australia Bank Bill Index plus 50% of the return of the S&P/ASX 200 Accumulation Index. 4. The Trust intends to always distribute at least 1.5% 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. 5. Please note each historical distribution has been divided by eight to reflect the Unit split carried out in July 2008. 6. The percentage franked is based on a relative comparison to a Company that may pay a 100% franked dividend. A Unit Trust can accumulate franking credits and pass these through to Unitholders. Trusts can have distributions which include franking at more than 100%.

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 Dividend Income Trust (ARSN 108 249 154). 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 newsletter 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. In particular as the Investment Strategy was altered in February 2006 and in January 2011, past performance prior to these dates has little bearing on future performance. Franking credits if available will be distributed at the end of each financial year. Please see asx.com.au for more information on the S&P/ASX200 Accumulation Index, and www.ubs.com for more information on the UBS Australian Bank Bill Index.