

Aurora Sandringham Dividend Income Trust ASX Code: AOD

Performance Report - 31 January 2009

Summary

- The Trust returned -2.3% for the month versus the S&P / ASX200 Accumulation Index which returned -4.9%
- The Trust returned +11.4% for the year to 31 January 09 versus the S&P / ASX200 Accumulation Index which returned -34.3%



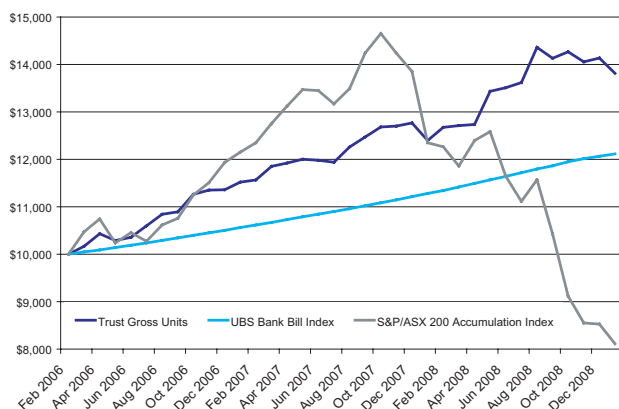
Monthly Performance

								Mar 06	Apr 06	May 06	Jun 06	4 mths
								1.67%	2.62%	-1.37%	-0.18%	3.6% ¹
Jul 06	Aug 06	Sep 06	Oct 06	Nov 06	Dec 06	Jan 07	Feb 07	Mar 07	Apr 07	May 07	Jun 07	12 mths
2.33%	2.29%	0.47%	3.40%	0.79%	0.06%	1.42%	0.40%	2.47%	0.60%	-0.67%	-0.18%	15.7% ¹
Jul 07	Aug 07	Sep 07	Oct 07	Nov 07	Dec 07	Jan 08	Feb 08	Mar 08	Apr 08	May 08	Jun 08	12 mths
-0.36%	2.69%	1.73%	1.69%	0.16%	0.50%	-2.88%	2.23%	0.29%	0.17%	5.51%	0.56%	12.8% ¹
Jul 08	Aug 08	Sep 08	Oct 08	Nov 08	Dec 08	Jan 09						7 mths
0.81%	5.40%	-1.60%	0.96%	-1.47%	0.57%	-2.29%						2.2% ¹

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 the cash rate while minimising capital risk.

Investment performance



Investment strategy

The Trust seeks to achieve the Investment Objective by investing in companies paying dividends and franking credits. Broadly, once a dividend has been earned by the Trust, the investment is realised thereby freeing up capital to invest in another dividend paying company. The holding period is typically more than 45 days. Investments are predominantly chosen from the 30 largest companies traded on the ASX.

The Trust is generally hedged in the order of 65% of share holdings at any given time. When opportunities exist, such as during the peak company reporting seasons of February-March and August-September, the Trust may use gearing to increase exposure to the strategy.

Investment Manager

Sandringham Capital Pty Limited is the Investment Manager of the Trust. Sandringham is a boutique investment manager specialising in structured investments. The Managing Director of Sandringham, Mr Stuart Roe, is a portfolio manager of the Trust's investment strategy.

Trust features

Unit pricing	Monthly.
Distribution frequency	Half yearly.
Distribution policy	The Trust will distribute 100% of its net realised gains each year.
Distribution Reinvestment Plan	Available.
Applications	Investors may acquire Units on market 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	\$44,583,870
Net Asset Value (NAV) – incl. franking	\$44,996,225
Units on issue	39,454,752
Net Assets Value per Unit	\$1.1404
Net Assets Value per Unit – incl. franking	\$1.1404
NAV plus distributions paid* (since inception)	\$1.6009

Trust distributions (per Unit)*

Period	Cash	Franking	Total
30 Jun 06	\$0.0430	\$0.0673	\$0.1103
31 Dec 06	\$0.0188	\$0.0722	\$0.0910
30 Jun 07	\$0.0440	\$0.0295	\$0.0735
31 Dec 07	\$0.0375	\$0.0296	\$0.0671
30 Jun 08	\$0.0417	\$0.0156	\$0.0573
31 Dec 08	\$0.0400	\$0.0213	\$0.0613
Total since inception	\$0.1849	\$0.2142	\$0.4604

*Please note each historical distribution has been divided by eight to reflect the share split carried out in July 08.

Investment Manager commentary

By Sandringham Capital Pty Ltd

The global financial crisis continued to wreak havoc on capital markets and pushed the Australian equity market down a further 4.9% as measured by the S&P/ASX 200 Accumulation Index during the month. With the Trust invested at 130% of net assets, in accordance with its investment strategy, the Trust lost 2.3%. While disappointing to make a loss, the Trust's systematic partial hedging policy protected the returns from the bulk of the equity markets fall.

The Trust's performance since inception of positive 11.7% per annum continues to materially outperform both equity market and cash returns of -6.9% and +6.8% per annum respectively.

Investment performance

The table below highlights the investment performance of the Trust, the Australian share market and property indices for the previous 12 months as well as since the Trust's strategy inception.

	1 year to Dec 08	Annualised from Feb 06
Aurora Sandringham Dividend Income Trust	11.4%	11.7%
S&P/ASX 200 Accumulation Index	-34.3%	-6.9%
S&P/ASX 200 Property Trust Index	-51.7%	-21.2%
UBS Australian Bank Bill Index	7.4%	6.8%

The Trust has achieved consistent returns in both a rising and a falling Australian share market environment.

Significant portfolio holdings

	Weight (NAV%)
BHP	18.0
Fosters	15.3
Commonwealth Bank	14.6
Woodside	13.6
Santos	9.7
ASX	9.3
Total invested as a % of NAV	130.8

Dividend calendar

Company	Forecast dividend (\$)	Forecast ex date
Commonwealth Bank	1.13	18 Feb 09
Rio Tinto	0.93	18 Feb 09
BHP	0.32	23 Feb 09
ASX	0.99	24 Feb 09
Woodside	0.55	25 Feb 09
Fosters	0.12	26 Feb 09
Amtcor	0.17	26 Feb 09
Santos	0.34	26 Feb 09
Wesfarmers	0.65	27 Feb 09
Suncorp Metway	0.45	27 Feb 09

Source: www.asx.com.au Note: The Trust may or may not make investments in the above companies.

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 Buy-Write Income Trust (ASX code: ABW)
- Aurora Infrastructure Buy-Write Income Trust (ASX code: AIB)
- Aurora Property Buy-Write Income Trust (ASX code: AUP)
- van Eyk Blueprint Alternatives Plus (ASX code: VBP)

Aurora Funds Management

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Notes: Since inception (17 Nov 05) the Trust has delivered an annualised return of 10.5%, assumes dividends and franking credits are reinvested. Monthly performance prior to March 06 is not shown as the Investment Strategy was refined on 28 February 2006.
1. The total 12 month return represents the compounding of each monthly return.

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. The payment of franking credits to Unitholders is subject to the Trust achieving a taxable profit in that year.