

Aurora Sandringham Dividend Income Trust Performance Report - 31 January 2011

(ASX Code:AOD)



Summary

- The Trust returned 1.24% for January compared to the Benchmark which returned 0.32%
- The Trust implemented a change of Investment Objective and Strategy

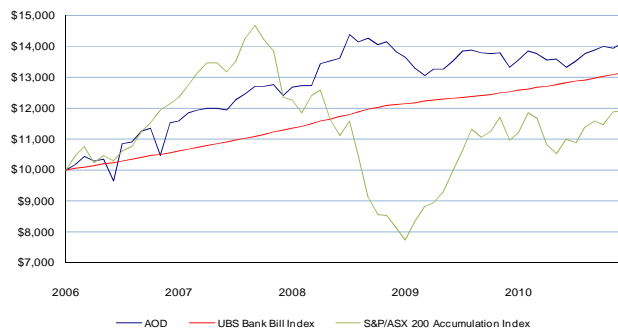
Performance¹

	1 month	3 months	6 months	12 months	3 yrs (p.a)	Since Inception (p.a)
Aurora Sandringham Dividend Income Trust	1.24%	1.80%	5.98%	6.13%	4.41%	7.25%
Benchmark (50% of UBS Aus B'Bill/S&P ASX 200 Acc Index) ²	0.32%	2.02%	5.37%	6.90%	2.65%	5.24%
S&P/ASX200 Accumulation Index	0.18%	2.74%	8.15%	8.46%	-1.26%	3.58%
UBS Australia Bank Bill Index	0.43%	1.25%	2.46%	4.75%	5.17%	5.67%

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 Performance¹



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 Stock 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 ³ 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	\$34.4 million
Net Assets Value per Unit	\$0.9954
Net Assets Value per Unit-incl. franking	\$1.0020
NAV Accumulation per Unit (since inception)	\$1.6206

Trust Distributions (per Unit)⁴

Period	Cash	Franking (%) ⁵	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

As of 1 January 2011, the Investment Strategy changed to maintain a constant target net exposure to equities in the S&P/ASX200 Index. The Trust continues to invest in a diversified portfolio of the largest 100 ASX listed shares by market capitalisation to take advantage of the changes in market prices of shares around their ex-dividend dates.

For January, the Trust returned 1.24% versus the Benchmark return of 0.32% and the S&P/ASX200 Accumulation Index return of 0.18%.

The local market significantly underperformed global equities due to the Queensland floods and further tightening measures by Chinese authorities. The Trust's best performing positions were the Banks as financials were strong due to improving global sentiment concerning the European debt situation. The Trust's worst position was BHP as materials were clearly the weakest sector however this was offset by short positions in both Fortescue and Newcrest Mining.

The Trust's performance since inception of 7.25% 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	20.06%
COMMONWEALTH BK STK	14.19%
ANZ BANKING GRP STK	11.42%
NATL AUST BANK	10.41%
WESTPAC BANKING STK	9.34%
Total invested as a % of NAV	157.56%

Dividend Calendar

Company	Forecast Div	Ex Date
WESTFIELD GROUP	\$0.32	8/02/11
TABCORP HOLDINGS	\$0.24	8/02/11
JB HI-FI	\$0.48	11/02/11
COMMONWEALTH BANK	\$1.32	14/02/11
COMPUTERSHARE	\$0.14	15/02/11
OZ MINERALS	\$0.04	17/02/11
BORAL	\$0.08	18/02/11
TELSTRA CORP	\$0.14	21/02/11
COCHLEAR	\$1.05	21/02/11
RIO TINTO	\$0.62	2/03/11

Source: Bloomberg. 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. 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. 3. 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. 4. Please note each historical distribution has been divided by eight to reflect the Unit split carried out in July 2008. 5. 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%.

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