

Aurora Sandringham Dividend Income Trust (ASX Code: AOD) Performance Report - July 2011



Summary

- For the financial year ending 30 June 2011, the Trust paid distributions totalling \$0.06 in cash and \$0.0346 in franking credits per Unit representing an annualised yield of 9.53%,
- Since the investment strategy was amended in January 2011, the Trust has returned -0.24% vs the S&P/ASX200 Accumulation Index which has returned -4.86% over the same period.

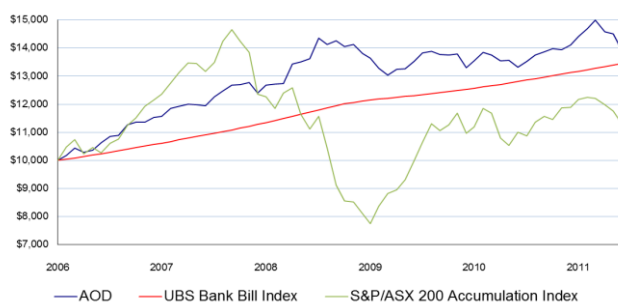
Performance¹

	1 month	3 months	6 months	12 months	3 yrs (p.a)	5 yrs (p.a)
Aurora Sandringham Dividend Income Trust	-4.11%	-7.25%	-1.46%	4.43%	0.71%	5.53%
Benchmark (50% of UBS Aus B'Bill/S&P/ASX200 Acc Index) ²	-1.78%	-3.18%	-1.24%	4.06%	3.25%	4.34%
S&P/ASX200 Accumulation Index	-3.97%	-7.56%	-5.03%	2.70%	0.52%	1.91%
UBS Australia Bank Bill Index	0.42%	1.26%	2.46%	4.98%	4.69%	5.60%

Investment Objective^{*}

To provide investors with returns in excess of the S&P/ASX 200 Accumulation Index including the value of franking credits over rolling 5 year periods with around half the volatility.

Investment Performance



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
Redemptions	On market by selling on the ASX or off-market at the end of each month.

Trust Valuations

Fund Size	\$23.4 million
Net Assets Value per Unit	\$0.9200
Net Assets Value per Unit-incl. franking	\$0.9250
NAV Accumulation per Unit (since inception)	\$1.5736

Investment Strategy

The Trust seeks to achieve the investment objective by investing in an actively managed portfolio of fully franked dividend paying companies listed on the Australian Securities Exchange while hedging the market exposure to around 50% of net assets.

Historical Volatility

AOD (since incep)	6.4%
S&P/ASX Accumulation Index (since incep)	15.4%

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%
31-Mar-11	\$0.0150	\$0.0000	6.06%
30-Jun-11	\$0.0150	\$0.0346 (538%)	19.31%
Total	\$0.3570	\$0.3262	

Portfolio Commentary

The domestic equities market mirrored global markets during July with political uncertainty and a deteriorating economic picture pushing equities lower. The announcement of an Australian carbon tax provided another threat to investor confidence which was already dealing with the ongoing European debt situation and a debate in the US over the raising of the debt ceiling.

Locally there were signs emerging of considerable consumer distress with data pointing to a weakening housing market and rising inflation. Department store retailer David Jones sharply downgraded its earnings guidance noting that "the dramatic and rapid deterioration in trading conditions in 4th quarter 2011 has been unprecedented." This dragged the entire Consumer Discretionary sector lower and was a source of underperformance for the Trust.

One of the Trusts best performing positions was an underweight position in NewsCorp which suffered a large loss in credibility as new information emerged regarding phone hacking at its News of the World publication in the UK. An advertiser exodus led to the closure of the publication and the culpability of both the CEO Rupert Murdoch and the COO James Murdoch was questioned by a parliamentary committee.

Significant Portfolio Holdings

Company	Weight
BHP Billiton	17.61%
Commonwealth Bank	13.18%
Westpac Bank	10.85%
Rio Tinto	7.74%
Woolworths	7.66%
Total invested as a % of NAV	128%

Dividend Calendar

Company	Forecast Div	Ex Date
WORLEY PARSONS	\$0.42	29/08/2011
ORIGIN ENERGY	\$0.25	30/08/2011
IAG	\$0.09	1/09/2011
PERPETUAL	\$0.95	1/09/2011
RIO TINTO	\$0.51	10/08/2011
WESTPAC	\$0.24	10/08/2011
OIL SEARCH LIMITED	\$0.03	10/09/2011
ANZ BANK	\$0.78	10/11/2011
NATIONAL AUSTRALIA BANK	\$0.74	11/11/2011
ORIGIN ENERGY	\$0.53	11/11/2011

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

Aurora is also the issuer of the:

- Aurora Fortitude Absolute Return Fund (ARSN 145 894 800)
- Aurora Absolute Return Fund (ASX Code: ABW)
- 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)

Aurora Funds Limited

Level 2, 350 George Street, Sydney NSW 2000 PO Box R1695, Royal Exchange NSW 1225

Telephone: 1300 553 431, Visit: www.aurorafunds.com.au or Email: enquiries@aurorafunds.com.au

Notes: Since inception (17 Nov 05) the Trust has delivered an annualised return of 5.53%, 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%. *The investment objective is expressed after the deduction of fees and before taxation. See the PDS for details on taxation. The objective is not intended to be a forecast, and is only an indication of what the investment strategy aims to achieve over the medium to long term. While we aim to achieve the objective, the objective and returns are not guaranteed.

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.