

Aurora Sandringham Dividend Income Trust ASX Code: AOD

Performance Report - 30 June 2010

Summary

- The Trust returned +0.19% for June compared to the S&P/ASX200 Accumulation Index which returned -2.59%
- The Trust announced a distribution of \$0.016 in cash and \$0.0011 in franking per Unit for the 3 months to 30 June 10, at an annualised yield of 6.64% (please see Portfolio Commentary for additional information)



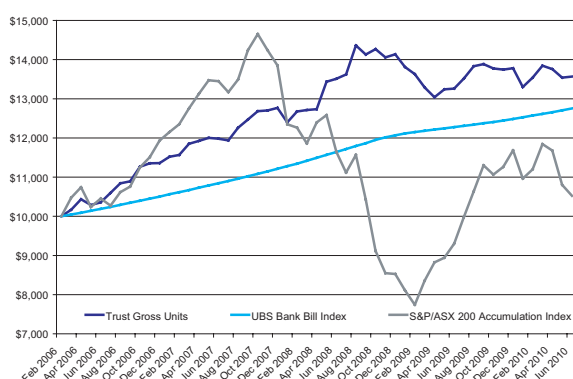
Performance¹

	1 mth	3 mths	6 mths	12 mths	3 yrs	Since strategy inception (p.a.)
Aurora Sandringham Dividend Income Trust	0.19%	-2.02%	-1.55%	2.30%	4.23%	7.29%
S&P/ASX200 Accumulation Index	-2.59%	-11.14%	-9.93%	13.15%	-7.85%	1.18%
UBS Bank Bill Index	0.40%	1.12%	2.15%	3.89%	5.56%	5.77%

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 ABN 97 112 639 648, AFSL 314178 (Sandringham) is the Investment Manager to the Trust. Sandringham is a funds management business which specialises in structured investments for institutional

and wholesale investors. Sandringham, which was founded in January 2005, now manages in excess of \$250 million. Sandringham's executives have significant experience in capital markets, structured products and equities investment.

Trust features

Unit pricing	Monthly.
Distribution policy	At least 1.5% of Net Asset Value plus any franking credits ² 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	\$40.4 million
Net Assets Value per Unit	\$0.9877
Net Assets Value per Unit – incl. franking	\$0.9926
NAV Accumulation per Unit (since inception)	\$1.5812

Trust distributions (per Unit)³

Period	Cash	Franking (%) ⁴	Yield at NAV (p.a.)
30 Jun 06	\$0.0430	\$0.0673 (367%)	14.7%
31 Dec 06	\$0.0188	\$0.0722 (899%)	15.9%
30 Jun 07	\$0.0440	\$0.0295 (154%)	12.6%
31 Dec 07	\$0.0375	\$0.0296 (184%)	11.6%
30 Jun 08	\$0.0417	\$0.0156 (87%)	9.9%
31 Dec 08	\$0.0400	\$0.0213 (124%)	10.4%
30 Jun 09	\$0.0100	\$0.0210 (491%)	5.3%
31 Dec 09	\$0.0300	\$0.0240 (188%)	10.2%
31 Mar 10	\$0.0160	\$0.0100 (146%)	9.9%
30 Jun 10	\$0.0160	\$0.0011 (16%)	6.6%
Total	\$0.2969	\$0.2917	

Portfolio commentary

The Trust announced a distribution of \$0.0160 in cash and \$0.0011 in franking credits per Unit. Most of the franking credits generated by the Trust during the June investment period are not receivable until July 2010 and hence cannot be distributed this quarter. The Trust has distributed \$0.034 in franking credits per Unit for the 9 months to 31 March 2010.

The S&P/ASX200 Accumulation Index traded higher during the first part of June before fears of a stalled global recovery amid the European Sovereign debt crisis drove the market sharply lower to finish down 2.59% for the month. As at the end of June the Trust was invested at 146.1% of net assets. The Trust's holding in Telstra performed well after it announced an \$11b deal with the Australian Government for the National Broadband Network while Commonwealth Bank and Rio Tinto were the worst performers.

The Trust's performance since inception of 7.29% per annum continues to materially outperform both equity market and cash returns of 1.18% and 5.77% per annum respectively.

Significant portfolio holdings

Company	Weight
Telstra	15.8%
Wesfarmers	15.3%
Woolworths	15.3%
BHP	15.1%
Rio Tinto	14.7%
Total invested as a % of NAV	146.1%

Company	Forecast dividend	Forecast ex date
Tabcorp	\$0.30	10 Aug 10
Rio Tinto	\$0.5156	11 Aug 10
Westfield	\$0.47	11 Aug 10
Commonwealth Bank	\$1.20	16 Aug 10
AXA Asia Pacific	\$0.0925	16 Aug 10
Coca-Cola Amatil	\$0.25	17 Aug 10
Computershare	\$0.14	18 Aug 10
Telstra	\$0.14	23 Aug 10
Wesfarmers	\$0.55	23 Aug 10
Woodside	\$0.55	23 Aug 10

Source: www.asx.com.au

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

About Aurora

With in excess of \$500 million in funds under management/administration, Aurora Funds Limited was listed on the ASX in July 2010 under the ASX Code: AFV.

Aurora 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 Sandringham Australian Equity Income Trust (ASX Code: ABW)
- Aurora Sandringham Global Income Trust (ARSN 131 291 499)
- 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)

Dividend calendar

Aurora Funds Management

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Notes: Since inception (17 Nov 05) the Trust has delivered an annualised return of 6.77%, assumes distributions and franking credits are reinvested. 1. This number represents a cumulative return and assumes the reinvestment of distributions and franking credits. 2. 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. 3. Please note each historical distribution has been divided by eight to reflect the Unit split carried out in July 08. 4. The percentage franked is based on a relative comparison to a Company that may pay a 100% franked dividend. A Trust can accumulate franking credits and pass these through to investors. Trusts can have distributions which are greater than 100% franked.

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, past performance prior to this date has little bearing on future performance and is not shown. The payment of franking credits to Unitholders is subject to the Trust achieving a taxable profit in that year. Please see www.asx.com.au for more information on the S&P/ASX 200 Accumulation Index.