

## Aurora Sandringham Dividend Income Trust Performance Report - January 2013

### Summary

- The Trust had a return of 2.3% for the month
- Since inception, the Trust has outperformed the equity market by 2.8% per annum
- The Trust's volatility has been and remains materially below the equity market's

### Performance after Fees<sup>1</sup>

		1 month	3 months	12 months	3 yrs (p.a)	5 yrs (p.a)	Since Inception 16-Nov-05 (p.a)
Return	Dividend Income Trust	2.3%	8.3%	15.7%	7.9%	6.2%	7.4%
inc. franking credits	S&P/ASX 200 Accum Index	5.0%	9.2%	21.6%	8.4%	3.2%	4.6%
Income	Dividend Income Trust		1.6%	10.4%	9.0%	8.9%	10.9%
inc. franking credits	S&P/ASX 200 Accum Index		1.2%	7.1%	6.2%	6.1%	5.7%
Volatility	Dividend Income Trust			6.1%	7.2%	7.3%	6.6%
	S&P/ASX 200 Accum Index			9.9%	12.0%	15.6%	14.6%

### Objective

The objective of the Trust, relative to the Australian equity market, is to provide investors with:

- greater total returns over rolling 5 year periods;
- more income and franking credits each year; and
- less volatility.

The Australian equity market is measured by the S&P/ASX 200 Accumulation Index adjusted to include franking credits.

### Investment Strategy

The Trust seeks to achieve the objective by investing in an actively managed portfolio of fully franked dividend paying companies listed on the Australian Securities Exchange while hedging part of the equity market exposure.

Consequently, the Trust is expected to outperform when the market is weak and underperform when the market is strong.

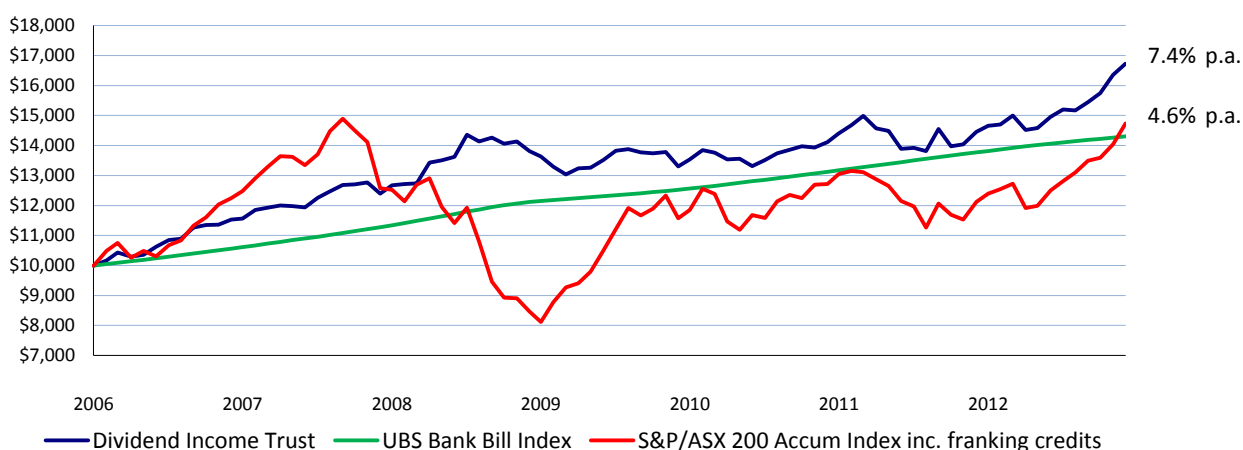
### Commentary

The S&P/ASX200 Accumulation Index finished January up 5.0%. This was buoyed by the Aussie banks contributing the most by index points (CBA, WBC, NAB and ANZ), and the IT and Consumer Discretionary sectors putting in stellar returns, up 15.2% and 8.6% respectively.

The main arguments for the rally were: the rotation from bonds to equities as investors seek higher returns than interest-bearing assets offer; positioning for a good reporting season; less market risk post the fiscal cliff being averted, and encouraging Chinese and global economic data.

The Trust finished the month up 2.3%. The underperformance versus the market is expected when the market is strong due to the Trust's lower risk profile. Despite the lower risk profile, the Trust has materially outperformed the market over the long term and done so with materially less risk as measured by volatility.

### Historic Performance Chart



## Trust Valuations

Strategy Size	\$20 million
Net Assets Value per Unit-incl. franking	\$0.9828

## Significant Portfolio Holdings

Company
BHP Billiton
Telstra
Commonwealth Bank
Wesfarmers
Woolworths

## Trust Details

ASX Code	AOD
ARSN	108 249 154
Minimum suggested timeframe	5 Years
Entry Fee	Nil
Exit Fee	Nil
Buy/Sell Spread	0.1%/0.1%
Total Management Cost	1.3% p.a.
Distribution frequency	Quarterly
Minimum quarterly distribution <sup>2</sup>	1.5% cash + franking

## 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 and Fortitude 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 Australian and New Zealand investors.

Aurora is also the issuer of the:

- Aurora Dividend Income Trust (ARSN 151 947 732)
- 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)
- van Eyk Blueprint Alternatives Plus (ASX Code: VBP)

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### Notes:

1. This represents a cumulative return and assumes the reinvestment of distributions and franking credits. The performance references against the S&P/ASX 200 Accumulation Index plus the value of franking credits as determined by Aurora.
2. The Trust intends to always distribute at least 1.5% of NAV in cash plus any available franking credits, per quarter regardless of performance. This means that if there is insufficient net income in a given quarter, investors may receive a partial (or full) return of capital.