

Aurora Sandringham Dividend Income Trust Performance Report - May 2013

Summary

- The Trust declined 4.2% in May, consistent with the broader equity market
- Since inception, the Trust has outperformed the benchmark by 0.6% p.a. after fees with less risk
- Macroeconomic developments and profit taking underpinned the Trust's weak performance

Performance after Fees¹

		1 month	3 months	12 months	3 yrs (p.a)	5 yrs (p.a)	Since Inception 16-Nov-05 (p.a)
Return inc. franking credits	Dividend Income Trust	-4.2%	-0.9%	19.1%	8.5%	5.2%	7.5%
	S&P/ASX 200 Accum Index	-4.3%	-2.0%	28.0%	9.9%	3.4%	6.9%
Income inc. franking credits	Dividend Income Trust		1.4%	10.7%	8.7%	9.1%	10.5%
	S&P/ASX 200 Accum Index		1.5%	7.2%	6.3%	6.1%	7.8%
Volatility	Dividend Income Trust			8.6%	8.2%	7.7%	7.0%
	S&P/ASX 200 Accum Index			10.2%	11.6%	15.8%	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.

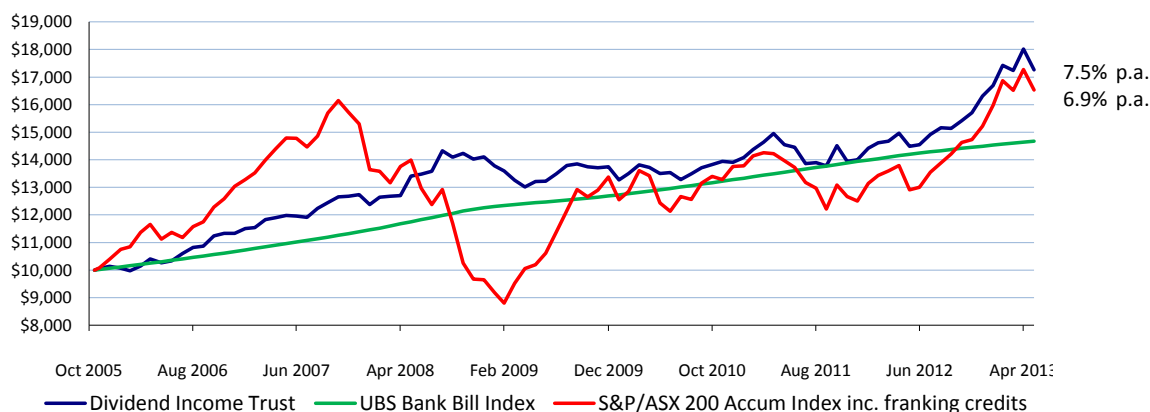
The Australian equity market is measured by the S&P/ASX 200 Accumulation Index adjusted to include franking credits.

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.

Historic Performance Chart



Commentary

In contrast to April, the S&P/ASX 200 Accumulation Index including franking credits declined by 4.3% in May, following global developments which rattled confidence in Australian dollar denominated financial assets. For example, at the start of the month one Australian dollar was worth close to \$1.04 US dollars. At the end of the month the depreciation took it towards the \$0.96 US dollar mark.

Underpinning the movement was concern surrounding Australia's ailing manufacturing industry and the perceived softening in commodity prices, particularly as China transforms into a consumption based economy. In addition, the US recovery appeared to gain traction, evidenced by higher corporate debt yields which may act as a substitute for income focused domestic equities.

These factors caused investors - including those from abroad - to take profits in selected stocks which form part of our core holdings (however, we expect these companies to find support once the dollar stabilises). Consequently, the Trust decreased by 4.2% which outperformed our long term benchmark by 0.10%, despite its reduced exposure.

Trust Valuations

Trust Size	\$22 million
Net Assets Value per Unit-incl. franking	\$1.0018

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 ²	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 approximately \$480 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 (Managed Fund) (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)

Aurora Funds Limited

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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 is 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.