

Aurora Dividend Income Trust Performance Report - August 2013

Summary

- The Trust had a solid month on a risk adjusted basis and returned 2.4% in August
- Since inception, the Trust has outperformed the equity market by 0.7% p.a. after fees with less risk
- Positive contributors included leading retail, energy and resource stocks

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	Dividend Income Trust	2.4%	6.4%	20.8%	10.8%	5.1%	8.1%
inc. franking credits	S&P/ASX 200 Accum Index	2.8%	5.6%	25.7%	11.6%	6.2%	7.4%
Income	Dividend Income Trust		4.1%	9.7%	12.7%	10.7%	11.9%
inc. franking credits	S&P/ASX 200 Accum Index		1.3%	6.8%	6.3%	6.2%	7.7%
Volatility	Dividend Income Trust			8.9%	8.2%	7.5%	7.0%
	S&P/ASX 200 Accum Index			11.3%	11.7%	15.4%	14.5%

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 market exposure.

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

Commentary

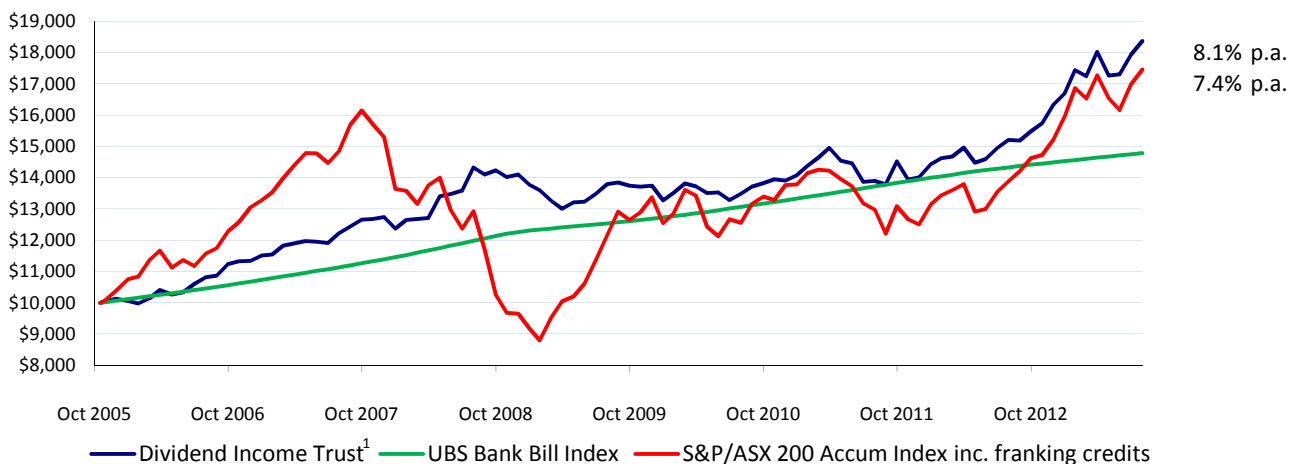
The S&P/ASX 200 Accumulation Index extended July's gains and posted a 2.5% return in August 2013. Comparatively, the Trust rose 2.4%, which was a strong month given its reduced market exposure and lower risk profile.

Themes to impact the broader Australian economy and Trust performance included the RBA's decision to cut rates, the political turbulence in Syria - which helped raise global energy and petroleum prices - and the continued recovery in Chinese manufacturing orders.

Furthermore, solid earnings releases by key holdings proved beneficial. These included leading Consumer Staples companies Wesfarmers and Woolworths, which surprised analysts on the upside after reporting robust profit growth.

The most profitable holdings in August were BHP Billiton, the aforementioned Woolworths Ltd as well as energy focused companies Origin Energy and Woodside Petroleum. Since inception, the Trust has outperformed the equity market by 0.7% p.a. with materially less risk.

Historic Performance Chart



Trust Valuations

Trust Size	\$23 million
Net Assets Value per Unit-incl. franking	\$1.0239

Significant Portfolio Holdings

Company
BHP Billiton
Telstra
Commonwealth Bank
Woolworths
Wesfarmers

Trust Details

ARSN	151 947 732
ASX Code (Quoted Unit)	AOD
APIR Code (Managed Fund)	AFM0010AU
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 had approximately \$640 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 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. These returns describe the consolidated returns after fees of the Trust (established 3 February 2011) and the Aurora Sandringham Dividend Income Trust (ARSN 108 249 154, 'ASDIT' established 16 November 2005). The performance references against the S&P/ASX 200 Accumulation Index plus the value of franking credits as determined by Aurora. The return on the Trust's strategy since inception is 11.00% per annum.
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.