

# **Aurora Dividend Income Trust (Managed Fund)**

**ARSN 151 947 732**

## **Annual Report For the year ended 30 June 2015**

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# Corporate Governance Statement

The Aurora Dividend Income Trust (Managed Fund) (the “Trust”) is a registered managed investment scheme under the *Corporations Act 2001* whose units are quoted and traded on the Australian Securities Exchange (ASX). The Trust is quoted on the ASX via the AQUA platform. Aurora Funds Management Limited (“Aurora”) is the Responsible Entity and Investment Manager of the Trust, and is a wholly-owned subsidiary of Keybridge Capital Limited (“Keybridge Group”).

The Responsible Entity’s directors and management recognize the importance of good corporate governance. The Responsible Entity’s corporate governance framework, policies and practices are designed to ensure the effective management and operation of the Trust, and will remain under regular review.

The Corporate Governance Statement reports against the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations (“ASX Recommendations”). To the extent that they are relevant to the Trust, the ASX Recommendations have been adopted by the Trust. Where, after due consideration, the Trust’s corporate governance practice departs from an ASX Recommendation, the Corporate Governance Statement will set out the reasons for departure.

## 1. Lay solid foundations for management and oversight

### Role and responsibilities of the Board

The primary role of the Board of the Responsible Entity is to operate the Trust in accordance with the Constitution, the ASX AQUA rules and the *Corporations Act 2001*. The Board must ensure it acts in the best interests of unitholders and that the activities of the Trust are conducted in a proper and efficient manner.

Key responsibilities of the Board include:

- reviewing the performance of management, including the Portfolio Manager and the adequacy of resources allocated to Aurora;
- providing input into the final approval of management’s strategy and performance objectives for the Trust;
- reviewing and if appropriate approving significant transactions;
- reviewing the Trust’s policies and procedures;
- oversight and ensuring compliance with best practice corporate governance requirements;
- ensuring the risk management systems, including internal controls, operating systems and compliance processes, are operating efficiently and effectively; and
- establishing formal committees to assist such as the Compliance Committee.

### Role of management

Management is responsible for all matters not specifically the responsibility of the Board and for implementing the strategy and performance objectives of the Trust and its day to day operations.

The Board has granted specific delegated authorities to management, including developing and implementing the Trust’s investment strategy, managing the risk and compliance framework, the day to day management and administration of the Trust and ensuring compliance with applicable laws and regulations. The Board oversees the activities of management and provides strategic guidance.

## 2. Structure the board to add value

The appointment of Directors of the Responsible Entity is governed by the Constitution and the *Corporations Act 2001*. The Board’s policy and procedure for the selection of Directors is included in the Board charter.

The Board currently comprises three executive directors: Simon Lindsay, John Corr and Ian Steuart Roe. The independence obligations of the Board are fulfilled by the Compliance Committee. The Board considers all relevant circumstances in determining whether a Compliance Committee member is independent, including:

- units owned directly or indirectly by the committee member;
- employment by the Responsible Entity (or its associates) of the committee member (or a family member);
- business relationship between the Responsible Entity (or associates of the committee member (or a family member) or business entity associated with the committee member or with service providers in whom the committee member has an interest;
- any material contractual relationship with the Responsible Entity or its associates other than as a committee member; and
- any other interest or relationship (e.g. as a material supplier or customer) which could interfere with the committee member’s ability to act in the best interests of the Responsible Entity.

# Corporate Governance Statement

## 2. Structure the board to add value (continued)

The Compliance Committee operates under a Compliance Committee Charter, and is responsible for monitoring the Responsible Entity's compliance with the Compliance Plan and reporting any breaches to the Board and ASIC. It is also responsible for reviewing the operations of the Responsible Entity.

### Compliance Committee Composition

The Compliance Committee for the Responsible Entity comprises:

- Mr David Lewis (external)
- Mr Mark Hancock (external)

Mr David Lewis is a qualified actuary and has over 43 years' experience in financial services, predominantly in administration and consulting to fund management companies. David serves on the compliance committees of a number of Responsible Entities.

Mr Mark Hancock is a qualified actuary and has over 31 years' experience in the securities and funds management industry. Mark has significant applied research experience in Australian Equity markets accumulated from a variety of roles over a period of some 20 years. He was previously an equity portfolio manager with NRMA and MMI Insurance.

The external members of the Compliance Committee are nominated and remunerated by the Responsible Entity. The Committee is convened and serviced by Aurora's CFO, Betty Poon. The Compliance Committee Charter is available at Aurora's website [www.aurorafunds.com.au](http://www.aurorafunds.com.au).

The details of Aurora's directors during the financial year, including their respective skills, experience, relevant expertise and term of office, are set out on page 9.

## 3. Promote ethical and responsible decision making

### Code of Conduct

Aurora has established a Code of Conduct which outlines the acceptable standards of behaviour and attitudes expected from staff. The purpose of this Code of Conduct is to:

- Articulate the high standards of honest, ethical and law-abiding behavior that Aurora expects of its staff;
- Encourage the observance of those standards so as to protect and promote the interests of unitholders;
- Set out the responsibilities and accountabilities of Directors to report and investigate reports of unethical practices.

### Security Trading

Aurora has established a Security Trading Policy which applies to all staff, Directors and Officers. The aim of the policy is to ensure that public confidence is maintained in Aurora's employees and the trading of units in the Trust.

The Security Trading Policy prohibits trading in the Trust's units by persons in possession of non-public inside information and regulates trading during trading windows and blackouts.

Under the policy, staff, Directors and Officers must provide details of any trade of units in the Trust to the Company Secretary.

### Diversity

The Keybridge Group has a Diversity Policy to promote diversity in the workplace.

The objective of the policy is to promote a culture that draws on the diverse and relevant experience, skills, expertise, backgrounds and perspectives of its directors and employees. It recognizes the importance of gender diversity within its Board and management team.

It is the responsibility of all staff to understand and comply with the Diversity Policy.

The Keybridge Group currently has 17 employees, five of whom are female, and two of which hold senior management roles.

# Corporate Governance Statement

## 4. Safeguard integrity in financial reporting

In accordance with section 295A of the *Corporations Act 2001*, the Chief Executive Officer and Chief Financial Officer have declared in writing to the Board that the financial records of the Trust for the financial year have been properly maintained and the Trust's financial statements present a true and fair view of the financial position and performance and are in accordance with relevant accounting standards.

Deloitte Touche Tohmatsu is the current auditor for the Responsible Entity, the Trust and the Compliance Plan. The Board reviews the results of the external audit process of the Trust and the Compliance Plan to ensure:

- The Trust and Compliance auditor are appropriately qualified and legally eligible to act at all times;
- The terms of their appointment are appropriate and accord with the *Corporations Act 2001*; and
- The auditors have access to all relevant information as required.

The external auditors are invited to attend Board and Compliance Committee meetings where financial reports and compliance plan audits are discussed.

As at the date of this statement, no board committees have been established by Aurora.

## 5. Make timely and balanced disclosure

As the Responsible Entity of an ASX quoted Trust, the Trust must comply with the continuous disclosure provisions of the ASX AQUA rules.

The Trust is required to immediately notify the ASX of any information concerning the Trust of which it is or becomes aware, which a reasonable person would expect to have a material effect on the price or value of units in the Trust.

The Managing Director and the Company Secretary have been appointed as the persons responsible for communicating with the ASX. These people are also responsible for ensuring compliance with the continuous disclosure requirements in the ASX AQUA rules.

## 6. Respect the rights of unitholders

The Trust has procedures in place to ensure that all unitholders have access to timely information concerning the operations of the Trust. The Managing Director and Company Secretary are the primarily responsible for ensuring communications with unitholders.

The Trust principally communicates with unitholders through its website, which contains the following information:

- Current and archived annual and half year financial statements;
- ASX announcements;
- Significant developments relating to the Trust; and
- Current and archived monthly performance reports.

## 7. Recognise and manage risk

The Board and management recognise that having a well-developed system in place for risk management is an integral part of good management practice. Aurora actively promotes a culture of compliance and risk management awareness with the aim of ensuring all activities comply with laws, regulations, policies and procedures.

Aurora has designed and implemented a risk management and internal control process to manage its business risks and the business risks of the managed investment schemes that it operates.

# Corporate Governance Statement

## Compliance Plan

The purpose of the compliance plan is to set out key processes, systems and measures the Responsibility Entity will apply to ensure compliance with:

- The Corporations Act;
- The Constitution of the Trust;
- Industry practice standards relevant to the Trust; and
- Internal policies and procedures.

The Compliance Plan describes the key obligations that the Responsible Entity must meet under the *Corporations Act 2001* and the Constitution of the Trust, the measures in place to comply with these obligations and how compliance with these measures is monitored.

In respect of the financial year end, the Board has received the following certifications:

- Certification from the Chief Executive Officer and Chief Financial Officer that the Trust's financials statements and notes represent a true and fair view of its financial position and performance, and comply with the requirements of the *Corporations Act 2001*, and Accounting Standards; and
- The risk management and internal compliance control systems are sound, appropriate, operating efficiently and effectively managing material business risks.

The Compliance Plan of the Trust is audited each year. The audit report, which is lodged with ASIC, includes an assessment on:

- Whether the procedures and controls set out in the Compliance Plan sufficiently address the requirements of the *Corporations Act 2001*; and
- If the controls and procedures described in the Compliance Plan have been in place and operating effectively over the financial year.

## 8. Remunerate fairly and responsibly

Members of the senior executive team of the Responsible Entity signs a formal employment contract at the time of their appointment covering a range of matters including their duties, rights, responsibilities and any entitlements on termination. The standard contract refers to a specific formal job description.

The Board is responsible for the review of the performance of the Board and senior management. The review of the managing director is carried out, and approved by, the Board. The performance of senior management (that is, those who report directly to the Managing Director) is reviewed at the end of each financial year by the Executive Directors.

At the review:

- (a) performance objectives and development plans are set (having regard to both the corporate goals set by the Board and individual performance goals) for the forthcoming financial year; and
- (b) individual performance is assessed against last year's performance objectives and the amount of "at risk" remuneration to be paid and securities to be granted under the parent entity's incentive plan is determined by reference to that individual's performance.

# Directors' Report

The Directors of Aurora Funds Management Limited (ABN 69 092 626 885), (the "Responsible Entity") of Aurora Dividend Income Trust (Managed Fund) ("the Trust"), present their report together with the financial statements of the Trust for the financial year ended 30 June 2015.

## Principal activities

The Trust invests in equities in accordance with the provision of the Trust Constitution and current Product Disclosure Statement (PDS).

The Trust did not have any employees during the year.

The Trust has two classes of units; an unlisted class and an AQUA quoted class.

The Responsible Entity's Australian Financial Services Licence permits it to facilitate the Trust investing in itself (via 'Treasury Units') in order to provide trading liquidity. The Responsible Entity manages a market making service for the Trust, and offers units for sale and bids to purchase units. Treasury unit trading is conducted to facilitate applications and redemptions through the ASX platform.

There were no significant changes in the nature of the Trust's activities during the year.

## Directors

The following persons held office as directors of Aurora Funds Management Limited during the year and up to the date of this report unless otherwise indicated:

Simon Lindsay

John Corr

Ian Steuart Roe (resigned 7 September 2015)

Oliver Morgan (resigned 28 April 2015)

Betty Poon (appointed 7 September 2015)

## Review and results of operations

During the year, the Trust continued to invest in accordance with target asset allocations as set out in the governing documents of the Trust and in accordance with the provisions of the Trust Constitution.

## Financial results for the year

The performance of the Trust, as represented by the results of its operations, was as follows:

	2015 \$	2014 \$
Operating profit before finance costs attributable to unitholders	(2,072,778)	1,580,447
Distributions paid and payable	1,560,918	1,540,599
<b>Unquoted units</b>		
Distribution - quarter ended 30 September	1.50	1.45
Distribution - quarter ended 31 December	1.41	1.53
Distribution - quarter ended 31 March	1.36	1.55
Distribution - quarter ended 30 June	1.05	1.51
<b>Quoted units</b>		
Distribution - quarter ended 30 September	1.50	1.45
Distribution - quarter ended 31 December	1.41	1.53
Distribution - quarter ended 31 March	1.36	1.55
Distribution - quarter ended 30 June	1.35	1.51

# Directors' Report

## Financial position

Net Tangible Assets per unit as disclosed to the ASX are shown as follows:

	30 Jun 2015 \$	30 Jun 2014 \$
At 30 June	0.8448	0.9748
High during period	1.0092	1.0638
Low during period	0.8427	0.9748

## Reconciliation of net assets for unit pricing and financial reporting purposes

The key differences between net assets for unit pricing purposes and net assets as reported in the financial statements prepared under Australian Accounting Standards have been outlined below:

	30 Jun 2015 \$	30 Jun 2014 \$
<b>Net assets for unit pricing purposes</b>	<b>23,605,155</b>	<b>27,636,879</b>
Difference between net assets for unit pricing and bid/ask price held at fair value through profit or loss	(111,012)	30,407
Distribution payable	(121,355)	(142,324)
Franking credits included in unit pricing	(23,631)	(36,893)
Other adjustments	26,612	-
<b>Net assets under Australian Accounting Standards</b>	<b>23,375,769</b>	<b>27,488,069</b>

## Information on underlying performance

The performance of the Trust is subject to the performance of the Trust's underlying portfolio. There has been no change to the investment strategy of the Trust during the year, and the Trust continues to invest in accordance with target asset allocations as set out in the governing documents of the Trust and in accordance with the provisions of the Trust Constitution.

## Strategy and future outlook

The Trust is predominately invested in listed equities, with a focus on Australian equity securities. This is expected to continue. As markets are subject to fluctuations, it is imprudent to provide a detailed outlook statement or statement of expected results of operations. The Trust provides regular updates, including monthly NTA announcements, which can be found in the announcement section of the ASX website.

The Trust will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Trust and in accordance with the provisions of the Trust Constitution.

The results of the Trust's operations will be affected by a number of factors, including the performance of investment markets in which the Trust invests. Investment performance is not guaranteed and future returns may differ from past returns.

## Significant changes in state of affairs

In the opinion of the Directors, other than the matters already referred to in this report, there were no significant changes in the state of affairs of the Trust that occurred during the financial year.



# Directors' Report

## **Matters subsequent to the end of the financial year**

No matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect:

- (i) the operations of the Trust in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Trust in future financial years.

## **Indemnity and insurance of Aurora Funds Management Limited**

No insurance premiums are paid for out of the assets of the Trust in regards to insurance cover provided to either the officers of Aurora Funds Management Limited or the auditors of the Trust. So long as the officers of Aurora Funds Management Limited act in accordance with the Trust Constitution and the Law, the officers remain indemnified out of the assets of the Trust against losses incurred while acting on behalf of the Trust.

## **Indemnity of auditors**

The auditors of the Trust are in no way indemnified out of the assets of the Trust.

## **Fees paid and interests held in the Trust by the Responsible Entity or its associates**

Fees paid to the Responsible Entity and its associates out of Trust property during the year are disclosed in Note 13 to the financial statements.

No fees were paid out of Trust property to the Directors of the Responsible Entity during the year.

The number of interests in the Trust held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 13 to the financial statements.

## **Interests in the Trust**

The movement in units on issue in the Trust during the year is disclosed in Note 8 of the financial statements.

The values of the Trust's assets and liabilities are disclosed on the Statement of Financial Position and derived using the basis set out in Note 2 of the financial statements.

## **Environmental regulation**

The operations of the Trust are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

# Directors' Report

## Information on directors

The following persons were Directors during the year and were Directors of the Responsible Entity during the whole or part of the year and up to the date of this report.

### ***Simon Lindsay***

B. BUS, Managing Director, Head of Distribution, Age 44

Simon is the Managing Director and a founding director of Aurora Funds Management Limited. In addition to his Managing Director responsibilities, Simon is also responsible for the Australian and New Zealand distribution of Aurora Funds Management Limited's products. He brings to the Company over 21 years' experience in financial services, and has an extensive knowledge of the Australian financial planning market from his previous business development experience at both Challenger International Limited and Ord Minnett Limited.

### ***John Corr***

B Comm, Executive Director, Chief Investment Officer, Age 52

John is the Executive Director and Chief Investment Officer of Aurora Funds Management Limited. John is also the founder of Fortitude Capital Pty Ltd, a related company to the Responsible Entity until its sale to Keybridge Capital Limited. John has over 28 years' experience in the financial markets. Prior to establishing Fortitude Capital, he was a director at Citigroup Global Markets Australia. He worked in proprietary trading for eight years, trading local and overseas equities and equity derivatives, and was responsible for the management and development of a team of equity proprietary traders. John is responsible for the overall portfolio and risk management of Aurora's various investment funds.

### ***Ian Steuart Roe (resigned 7 September 2015)***

BSc MAppFin, Executive Director, Age 48

Steuart was Executive Director of Aurora Funds Management Limited up until his resignation on 7 September 2015. Steuart continues to be employed by Aurora Funds Management Limited as member of the Portfolio Management team. Steuart was a founder of Sandringham Capital Pty Limited, a related company to the Responsible Entity until its sale to Keybridge Capital Limited. Steuart was Executive Director and Head of Equity Risk Management Products for UBS in Australasia. His responsibilities included the origination, structuring and distribution of equity derivative and cash products to corporate, financial intermediaries and retail clients. From 1992 to 2001 he worked for Citigroup (formerly Salomon Smith Barney and County NatWest) holding numerous roles including, Director and Head of Corporate and Retail Equity Derivative Products, Head of Equity Risk Management, Associate Director and Portfolio Manager Structured investments.

### ***Oliver Morgan (resigned 28 April 2015)***

B.E. Civil B.A. Accounting, Grad Dip Fin PI, Current Independent Non-Executive Chairman of the Board, Age 70

Oliver is a founder of Aurora Funds Management Limited and was Chairman (Independent Non-Executive Director) of Aurora Funds Management Limited up until his resignation on 28 April 2015. Oliver has over 41 years' experience in stockbroking, corporate banking and funds management. Prior to his appointment as Chairman, Oliver served as an Executive Director of Aurora Funds Management Limited and has held numerous business development roles in stockbroking, local and international banks and financial services companies. Oliver is responsible for the existence of an effective strategic planning program and for the consideration of future development possibilities of the Company.

### ***Betty Poon (appointed 7 September 2015)***

BBus Accounting, Executive Director, Company Secretary, Age 43

Betty was appointed as an Executive Director of Aurora Funds Management Limited on 7 September 2015. She joined Aurora Funds Management Limited in May 2013 as Chief Financial Officer and was appointed Company Secretary on 31 January 2014. Prior to joining Aurora, Betty held a number of senior finance roles at ANZ Banking Group, JP Morgan, Aviva Investors and Pitcher Partners.

# Directors' Report

## **Interests held by the Responsible Entity and Directors**

The number of units in the Trust held by the Responsible Entity, their related parties and Directors at the date of this report are disclosed in Note 13 to the financial statements.

## **Proceedings on behalf of the Trust**

No person has applied for leave of Court to bring proceedings on behalf of the Trust or intervene in any proceedings to which the Trust is a party for the purpose of taking responsibility on behalf of the Trust for all or any part of those proceedings. The Trust was not a party to any such proceedings during the year.

## **Auditor's Independence Declaration**

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 11 of this financial report.

The report is made in accordance with a resolution of the Directors.



Simon Lindsay  
Managing Director  
30 September 2015

Board of Directors  
Aurora Funds Management Limited  
Level 4, 1 Alfred Street  
SYDNEY NSW 2000

30 September 2015

Dear Directors

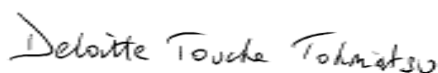
**Independence Declaration – Aurora Dividend Income Trust (Managed Fund)**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Aurora Funds Management Limited, the Responsible Entity of Aurora Dividend Income Trust (Managed Fund).

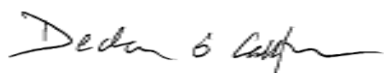
As lead audit partner for the audit of the financial statements of Aurora Dividend Income Trust (Managed Fund) for the financial year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Declan O'Callaghan  
Partner  
Chartered Accountants

# Financial Statements

## Statement of profit or loss and other comprehensive income for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
<b>Investment income</b>			
Interest income		299,132	299,350
Dividends and distribution income		1,296,746	1,463,584
Net gains/(losses) on financial instruments held at fair value through profit or loss	7	(2,807,215)	676,456
Other operating income		-	2,350
<b>Total net investment income</b>		<b>(1,211,337)</b>	<b>2,441,740</b>
<b>Expenses</b>			
Responsible Entity fees	13	332,918	317,515
Dividend expense sold short		434,934	452,914
Transaction costs		17,270	18,084
Other operating expense	5	76,319	72,780
<b>Total operating expenses</b>		<b>861,441</b>	<b>861,293</b>
<b>Operating profit/(loss)</b>		<b>(2,072,778)</b>	<b>1,580,447</b>
<b>Finance costs attributable to unitholder</b>			
Distribution to unitholders	9	(1,560,918)	(1,540,599)
(Increase)/decrease in net assets attributable to unitholders	8	3,633,696	(39,848)
<b>Profit/ (loss) for the year</b>		<b>-</b>	<b>-</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# Financial Statements

## Statement of financial position

as at 30 June 2015

	Notes	2015 \$	2014 \$
<b>Assets</b>			
Cash and cash equivalents	10	12,116,760	14,573,008
Receivables		91,240	348,026
Due from brokers – receivables for securities sold		4,560,422	-
Financial assets held at fair value through profit or loss	11	22,220,007	26,473,938
<b>Total assets</b>		<b>38,988,429</b>	<b>41,394,972</b>
<b>Liabilities</b>			
Distributions payable		121,355	142,324
Due to brokers – payable for securities		4,253,849	-
Financial liabilities held at fair value through profit or loss	12	11,161,821	13,610,541
Other payables		75,635	154,038
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>15,612,660</b>	<b>13,906,903</b>
<b>Net assets attributable to unitholders</b>		<b>23,375,769</b>	<b>27,488,069</b>
<b>Liabilities attributable to unitholders</b>		<b>(23,375,769)</b>	<b>(27,488,069)</b>
<b>Net assets</b>		<b>-</b>	<b>-</b>

The above statement of financial position should be read in conjunction with the accompanying notes.

# Financial Statements

## Statement of changes in equity for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
<b>Balance at the beginning of the financial year</b>			
Profit/(loss) for the year		-	-
Other comprehensive income		-	-
<b>Total comprehensive income</b>		-	-
Transactions with unitholders in their capacity as unitholders		-	-
<b>Total equity at the end of the financial year</b>		-	-

Under Australian Accounting Standards, net assets attributable to unitholders are classified as liability rather than equity. As a result, there was no equity at the start or end of the financial year.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

# Financial Statements

## Statement of cash flows for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
<b>Cash flows from operating activities</b>			
Proceeds from sale of financial instruments held at fair value through profit or loss		24,857,844	33,113,860
Purchase of financial instruments held at fair value through profit or loss		(26,019,785)	(34,249,689)
Transaction costs on purchase of financial instruments at fair value through profit or loss		(17,270)	(18,084)
Dividends and distributions received		1,539,894	1,344,553
Interest received		312,826	294,181
Other income		-	2,350
Stock loan fees paid		(74,826)	(65,785)
Dividend expense short sold		(489,585)	(405,608)
Management fees paid		(331,653)	(311,611)
Other operating expenses paid		(3,206)	(12,329)
<b>Net cash inflow/(outflow) from operating activities</b>	14(a)	<b>(225,761)</b>	<b>(308,162)</b>
<b>Cash flows from financing activities</b>			
Proceeds from applications by unitholders (excluding treasury units)	8	3,237,345	5,440,272
Payments for redemptions by unitholders (excluding treasury units)	8	(1,374,010)	(25,983)
Proceeds from treasury unit applications	8	3,385,026	5,701,155
Payments for treasury unit redemptions	8	(6,091,756)	(5,738,937)
Distributions paid		(1,387,092)	(1,483,366)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>(2,230,487)</b>	<b>3,893,141</b>
Net increase/(decrease) in cash and cash equivalents		<b>(2,456,248)</b>	3,584,979
Cash and cash equivalents at the beginning of the year		<b>14,573,008</b>	10,988,029
<b>Cash and cash equivalents at the end of the financial year</b>		<b>12,116,760</b>	14,573,008
<b>Non-cash financing activities</b>		<b>194,794</b>	247,710

The above statement of cash flows should be read in conjunction with the accompanying notes.



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# Notes to the Financial Statements

## 1. General information

These financial statements cover Aurora Dividend Income Trust (Managed Fund) ("the Trust") as an individual entity. The Trust commenced operations on 8 February 2011 and is domiciled in Australia.

The Responsible Entity of the Trust is Aurora Funds Management Limited (the "Responsible Entity"). The Responsible Entity's registered office is Level 4, 1 Alfred Street, Sydney, NSW 2000. The financial statements are presented in the Australian currency.

It is recommended that these financial statements are considered together with the current product disclosure document and in accordance with the provisions of the governing documents of the Trust, and any public announcements made by the Trust during the year ended 30 June 2015 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

The principal activities of the Trust during the financial year was establishing its investment strategy in accordance with the provision of the Trust Constitution and the Product Disclosure Statement.

The financial statements were authorised for issue by the directors as at the date of the directors' report. The Directors of the Responsible Entity have the power to amend and reissue the financial statements.

## 2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

### (a) Basis of preparation

#### Statement of compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001* in Australia. Aurora Dividend Income Trust (Managed Fund) is a for-profit unit trust for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to unitholders. The amount expected to be recovered or settled within twelve months after the end of each reporting period cannot be reliably determined.

#### Compliance with International Financial Reporting Standards

The financial statements of the Trust also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

#### New and amended standards

The Trust has adopted all the new and revised Standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to the operations and effective for the financial year:

##### *AASB 1031 'Materiality'*

The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework for the Preparation and Presentation of Financial Statements (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations, and once all of these references have been removed, AASB 1031 will be withdrawn. The adoption of AASB 1031 does not have any material impact on the disclosure or the amounts recognized in the Trust's financial statements.

# Notes to the Financial Statements

## 2. Summary of significant accounting policies (continued)

### *AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'*

This standard amends AASB 136 to require the disclosure of additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. As the Trust does not have any impaired assets, the application of the amendments does not have any material impact on the financial statements.

### *AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (Amendments to AASB 132)'*

This standard addresses inconsistencies in current practice when applying the offsetting criteria in AASB 132 'Financial Instruments: Presentation' and clarifies the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'. As the Trust does not have any offsetting arrangements in place, the application of the amendments does not have any material impact on the financial statements.

### *AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting'*

This standard amends AASB 139 'Financial Instruments: Recognition and Measurement' to permit the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. As the Trust does not use hedge accounting, the application of the amendments does not have any material impact on the financial statements.

### *AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities'*

This standard provides an exemption from consolidation of subsidiaries under AASB 10 'Consolidated Financial Statements' for entities which meet the definition of an 'investment entity', such as certain investment trusts. Instead, such entities would measure their investment in a particular subsidiaries at fair value through profit or loss in accordance with AASB 9 'Financial Instruments' or AASB 139 'Financial Instruments: Recognition and Measurement'. The application of the amendments does not have any material impact on the financial statements.

### *AASB 2014-1 'Amendments to Australian Accounting Standards [Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles]*

The Annual Improvements 2010-2012 Cycle includes a number of amendments to various AASBs. The key amendments relevant to the Trust include changes to AASB 13 – short-term receivables and payables and AASB 124 – key management personnel. The adoption of these amendments has not had a material impact on the Trust.

### *AASB 2014-1 "Amendments to Australian Accounting Standards' (Part C: Materiality)*

This amending standard makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031, which historically has been referenced in each Australian Accounting Standard. The adoption of amending standard does not have any material impact on the disclosures or the amounts recognised in the Trust's financial statements.

#### **(b) New accounting standards and interpretations not yet adopted**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting period and have not been early adopted by the Trust as disclosed in the table below.

<b>Standard/Interpretation</b>	<b>Effective for annual reporting periods beginning on or after</b>	<b>Expected to be initially applied in the financial year ending</b>
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers'	1 January 2017	30 June 2018

# Notes to the Financial Statements

## 2. Summary of significant accounting policies (continued)

The Trust has not yet assessed the potential impact of these standards.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

### (c) Financial instruments

#### (i) Classification

The Trust's investments are classified as at fair value through profit or loss. They comprise financial instruments designated at fair value through profit or loss upon recognition, including:

- financial assets that are not held for trading purposes and which may be sold; and
- investments in listed equities and unit trusts.

The Trust may sell securities short in anticipation of a decline in fair value of that security. When the Trust sells a security short, it must borrow the security sold short and deliver it to the broker-dealer through which it made the short sale. At the reporting date, the liability for the obligation to replace the borrowed security is valued at the net fair value. The Trust pays a security borrowing fee for short sales which are recognised in the Statement of Profit or Loss and Other Comprehensive income on an accruals basis.

Financial assets designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Trust's documented investment strategy. The Trust's policy is for the Responsible Entity to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

#### (ii) Recognition / derecognition

The Trust recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognise changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Trust has transferred substantially all risks and rewards of ownership.

#### (iii) Measurement

##### *Financial assets and liabilities held at fair value through profit or loss*

At initial recognition, the Trust measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit or Loss and Other Comprehensive Income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statement of Profit or Loss and Other Comprehensive Income within net gains/(losses) on financial instruments held at fair value through profit or loss in the period in which they arise.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets and liabilities traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets held by the Trust is the current bid price and the quoted market price for financial liabilities is the current asking price.

The fair value of financial assets and liabilities that are not traded in an active market are determined using valuation techniques. The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making.

# Notes to the Financial Statements

## 2. Summary of significant accounting policies (continued)

### (c) Financial instruments (continued)

Further details on how the fair values of financial instruments are determined are disclosed in Note 4.

#### (iv) *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

The Trust has no offsetting arrangement in place during the financial year 30 June 2105 (2014: nil).

### (d) Net assets attributable to unitholders

Units are redeemable at the unitholders option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders. The units are classified as financial liabilities as the Trust is required to distribute its distributable income. The units can be put back to the Trust at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to redeem units in the Trust.

### (e) Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in the Statement of Financial Position.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Trust's main income generating activity.

### (f) Investment income

Interest income is recognised in profit or loss for all financial instruments that are not held at fair value through profit or loss using the effective interest method. Interest income on assets held at fair value through profit or loss is included in the net gains/(losses) on financial instruments. Other changes in fair value for such instruments are recorded in accordance with the policies described in Note 2(c).

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Trust estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Dividend income is recognised on the ex-dividend date, inclusive of any related foreign withholding tax. The Trust currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax in the Statement of Profit or Loss and Other Comprehensive Income.

Dividends declared on securities sold short are recorded as a dividend expense on the ex-dividend date. Trust distributions are recognised on an entitlements basis.

### (g) Expenses

All expenses, including Responsible Entity's fees and custodian fees, are recognised in the Statement of Profit or Loss and Other Comprehensive Income on an accruals basis.

# Notes to the Financial Statements

## 2. Summary of significant accounting policies (continued)

### (h) Income tax

Under current legislation, the Trust is not subject to income tax as unitholders are presently entitled to the income of the Trust. The benefit of imputation credits and foreign tax paid is passed on to unitholders.

### (i) Distributions

The Trust distributes its distributable income in accordance with the Trust Constitution, to unitholders by cash or reinvestment. The distributions are recognised in profit or loss as finance costs attributable to unitholders.

### (j) Increase/decrease in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the Statement of Profit or Loss and Other Comprehensive Income as finance costs.

### (k) Foreign currency translation

#### (i) Functional and presentation currency

Items included in the Trust's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Trust competes for funds and is regulated. The Australian dollar is also the Trust's presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates, of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the Statement of Profit or Loss and Other Comprehensive Income on a net basis within net gains/(losses) on financial instruments held at fair value through profit or loss.

### (l) Due from brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. Trades are recorded on trade date, and for equities normally settled within three business days. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Trust will not be able to collect all amounts due from the relevant broker. Indicators that the amount due from brokers is impaired include significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation and default in payments.

### (m) Receivables

Receivables may include amounts for dividends, interest, trust distributions and securities sold where settlement has not yet occurred. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in Note 2(f). Amounts are generally received within 30 days of being recorded as receivables.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial.

# Notes to the Financial Statements

## 2. Summary of significant accounting policies (continued)

### (m) Receivables (continued)

The amount of the impairment loss is recognised in the Statement of Profit or Loss and Other Comprehensive Income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Statement of Profit or Loss and Other Comprehensive Income.

### (n) Payables

Payables include liabilities and accrued expenses owing by the Trust which are unpaid as at the end of the reporting period.

As the Trust has a contractual obligation to distribute its distributable income, a separate distribution payable is recognised in the Statement of Financial Position as at the end of each reporting period where this amount remains unpaid as at the end of the reporting period

### (o) Applications and redemptions

Applications and redemptions for units can be conducted on the AQUA market (on market) or by using the current PDS (off market).

#### On market

Unitholders may instruct their stockbroker or financial adviser to purchase or sell units on the AQUA market. These applications and redemptions are traded using the Treasury Units, where the Responsible Entity will offer units for sale at a small spread above, and bids to purchase units at a small spread below, the net tangible asset value.

#### Off Market

Applications received for units in the Trust are recorded net of any entry fees payable prior to the issue of units in the Trust. Redemptions from the Trust are recorded gross of any exit fees payable after the cancellation of units redeemed.

Unit redemption prices are determined by reference to the net assets for the Trust, divided by the number of units on issue.

#### Treasury Units

The Responsible Entity's Australian Financial Services Licence permits it to facilitate the Trust investing in itself (via 'Treasury Units') in order to provide trading liquidity. The Responsible Entity manages a market making service for the Trust, and offers units for sale and bids to purchase units. Treasury unit trading is conducted to facilitate applications and redemptions through the AQUA platform. The Trust recognises the Treasury Units on the settlement date.

### (p) Goods and Service Tax (GST)

The GST incurred on the costs of various services provided to the Trust by third parties, have been passed onto the Trust. The Trust qualifies for Reduced Input Tax Credits (RITCs) at a rate of 55% or 75%; hence management fees, custodial fees and other expenses have been recognised in the Statement of Profit or Loss and Other Comprehensive Income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the Statement of Financial Position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

### (q) Use of estimates

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

No estimates and assumptions were used that offset the reported amounts of assets and liabilities in the financial statements. For the majority of the Trust's financial instruments, quoted market prices are readily available. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For certain other financial instruments, including amounts due from/to brokers and payables, the carrying amounts approximate fair value due to the immediate or short term nature of these financial instruments.

# Notes to the Financial Statements

## 2. Summary of significant accounting policies (continued)

### (r) Segment information

The Trust is organised into one main business segment which operates solely in the business of investment management within Australia. While the Trust operates within Australia only (the geographical segment), the Trust may have asset exposures in different countries and across different industries.

The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

## 3. Financial risk management

The Trust's activities expose it to a variety of financial risks which is reflected in the Trust's net gains/losses: market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk.

The Trust's overall risk management program focuses on ensuring compliance with the Trust's Product Disclosure Statement and seeks to maximise the returns derived for the level of risk to which the Trust is exposed. Financial risk management is carried out by the investment management department of the Responsible Entity under policies approved by the Board of Directors of the Responsible Entity ("the Board").

The Trust uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of price risk and ratings analysis for credit risk.

### (a) Market risk

#### (i) Price risk

Price risk is the risk that the value of the Trust's investment portfolio will fluctuate as a result of changes in market prices. This risk is managed by the Responsible Entity through ensuring that all activities are transacted in accordance with mandates, overall investment strategy and within approved limits. Market price risk analysis is conducted regularly by the investment manager on a total portfolio basis, which includes the effect of derivatives.

## 3. Financial risk management (continued)

### (a) Market risk (continued)

The Trust is exposed to equity securities price risk. This arises from investments held by the Trust for which prices in the future are uncertain. Investments are classified in the Statement of Financial Position as at fair value through profit or loss. All securities investments present a risk of loss of capital. Except for equities sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from equities sold short can be unlimited.

The Investment Strategy is predominantly to invest in a portfolio of fully franked dividend paying companies listed on the Australian Securities Exchange (ASX) while employing a risk management overlay to limit the exposure to Australian equities to around 50% of the net assets of the Trust.

A sensitivity analysis was performed showing how the effect of a 10 per cent increase (2014: 10 per cent) and a 10 per cent decrease (2014: 10 per cent) in market prices would have increased/decreased the impact on operation profit/net assets attributable to unitholders as at 30 June 2015. The results of this analysis are disclosed in 'Note 3(b) - summarised sensitivity analysis'.

#### (ii) Foreign exchange risk

Foreign exchange risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates. The Trust has no direct exposure to foreign currency and no sensitivity analysis was performed.



# Notes to the Financial Statements

## 3. Financial risk management (continued)

### (iii) Cash flow and fair value interest rate risk

The Trust is exposed to cash flow interest rate risk on financial instruments with variable interest rates.

The Trust's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis. The only financial asset held by the Trust subject to interest rate risk is cash and cash equivalents.

The Trust has direct exposure to interest rate changes on the valuation and cash flows of its interest bearing assets and liabilities. However, it may also be indirectly affected by the impact of interest rate changes on the earnings of certain companies in which the Trust invests and impact on the valuation of certain assets that use interest rates as input in their valuation model. Therefore, the sensitivity analysis may not fully indicate the total effect on the Trust's net assets attributable to unitholders of future movements in interest rates.

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. There is no significant direct interest rate risk in the Trust as the Trust does not hold interest rate sensitive financial instruments. The interest rates on deposits at bank and on bank overdrafts are both rates referenced to the RBA cash rate.

A sensitivity analysis was performed showing how the effect of a 100 basis point increase (2014: 100 basis point) and a 100 basis point decrease (2014: 100 basis point) in interest rates on cash and cash equivalents would have increased/decreased the impact on operation profit/net assets attributable to unitholders as at 30 June 2015. The results of this analysis are disclosed in 'Note 3(b)'.

The following table summarises the Trust's exposure to interest rate risks. It includes the Trust's assets and liabilities at fair value, categorised by the earlier of contractual repricing or maturity dates.

	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
2015	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	12,116,760	-	-	12,116,760
Due from brokers - receivables for securities sold	-	-	4,560,422	4,560,422
Receivables	-	-	91,240	91,240
Financial assets held at fair value through profit or loss	-	-	22,220,007	22,220,007
<b>Financial liabilities</b>				
Distributions payable	-	-	(121,355)	(121,355)
Due to brokers – payables for securities purchased	-	-	(4,253,849)	(4,253,849)
Other payables	-	-	(75,635)	(75,635)
Financial liabilities held at fair value through profit or loss	-	-	(11,161,821)	(11,161,821)
<b>Net exposure</b>	<b>12,116,760</b>	<b>-</b>	<b>11,259,009</b>	<b>23,375,769</b>

# Notes to the Financial Statements

## 3. Financial risk management (continued)

### (a) Market risk (continued)

	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
2014	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	14,573,008	-	-	14,573,008
Due from brokers - receivables for securities sold	-	-	-	-
Receivables	-	-	348,026	348,026
Financial assets held at fair value through profit or loss	-	-	26,473,938	26,473,938
<b>Financial liabilities</b>				
Distributions payable	-	-	(142,324)	(142,324)
Other payables	-	-	(154,038)	(154,038)
Financial liabilities held at fair value through profit or loss	-	-	(13,610,541)	(13,610,541)
<b>Net exposure</b>	<b>14,573,008</b>	<b>-</b>	<b>12,915,061</b>	<b>27,488,069</b>

### (b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Trust's operating profit and net assets attributable to unitholders to price risk and interest rate risk. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates, foreign exchange rates and historical market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of and/or correlation between the performance of the economies, markets and securities in which the Trust invests. As a result, historic variations in risk variables should not be used to predict future variations in the risk variables.

	Price Risk		Interest rate risk	
	Impact on operating profit/net assets attributable to unitholders			
	-10%	+10%	-100bps	+100bps
	\$	\$	\$	\$
30 June 2015	(1,105,819)	1,105,819	(121,168)	121,168
30 June 2014	(1,286,340)	1,286,340	(145,730)	145,730

In determining the impact of an increase/decrease in net assets attributable to unitholders arising from market risk, the Responsible Entity has considered prior period and expected future movements of the portfolio information in order to determine a reasonably possible shift in assumptions

### (c) Credit risk

The Trust is exposed to credit risk which is the risk that the counterparty will be unable to pay amounts in full when fall due.

The main concentration of credit risk to which the Trust is exposed arises from cash and cash equivalents and amounts due from other receivables.

Concentrations of credit risk are minimised primarily by:

- ensuring counterparties, together with the respective credit limits, are approved; and
- ensuring transactions are undertaken with a large number of counterparties.

# Notes to the Financial Statements

## 3. Financial risk management (continued)

### (c) Credit risk (continued)

The Trust has a prime brokerage agreement with UBS, the Trust's prime broker, and some of the Trust's assets will be pledged as collateral for amounts drawn under the overdraft facility. There was no overdraft position as at 30 June 2015.

Certain assets of the Trust will be held by the Custodian in segregated accounts together with assets deposited by it on behalf of other customers of the Custodian or Prime Broker. Such assets will not be mixed with the property of the Custodian or the Prime Broker and should not be available to third party creditors of the Custodian or Prime Broker in the event of insolvency of the Custodian or Prime Broker (as the case may be). However, the assets of the Trust held by a Custodian will be subject to a charge to secure the Trust's obligations to the Prime Broker.

The main concentration of credit risk to which the Trust is exposed arises from cash and cash equivalents. The Trust has a material credit risk exposure to the banks (Westpac and UBS) that hold the Trust's cash assets at 30 June 2015.

An analysis of exposure by rating is set out in the table below:

Cash at bank with broker and short term bank deposits	2015 \$	2014 \$
AA	351,101	132,206
A	11,765,659	14,440,802
<b>Total</b>	<b>12,116,760</b>	<b>14,573,008</b>

#### (i) Settlement of securities transactions

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once purchase on the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

#### (ii) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of A or higher.

In accordance with the Trust's policy, the investment manager monitors the Trust's credit position of a daily basis, and the Board of Directors reviews it on a quarterly basis.

#### (iii) Other

The Trust is not materially exposed to credit risk on other financial assets.

The maximum exposure to credit risk at the end of each reporting period is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

### (d) Liquidity risk

Liquidity risk is the risk that the Trust may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Trust is exposed to daily cash redemptions of redeemable units and daily margin calls on derivatives. It therefore primarily holds investments that are traded in an active market and can be readily disposed. Only a limited proportion of its assets are held in investments not actively traded on a stock exchange.

The majority of the Trust's listed securities are considered readily realisable, as they are listed on the Australian Securities Exchange.

Any securities purchased or short sold must be issued by or over companies from within the S&P/ASX 200 Index.

In order to manage the Trust's overall liquidity, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

Units are redeemed on demand at the unitholder's option. However, the Board of Directors of the Responsible Entity does not envisage that the contractual maturity disclosed in the table below will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

# Notes to the Financial Statements

## 3. Financial risk management (continued)

### (d) Liquidity risk (continued)

The table below analyses the Trust's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month \$	1 to 6 months \$	6 to 12 months \$	1 to 2 years \$	Total \$
<b>2015</b>					
<b>Liabilities</b>					
Distributions payable	121,355	-	-	-	121,355
Financial liabilities held at fair value through profit or loss	11,161,821	-	-	-	11,161,821
Payables	4,329,484	-	-	-	4,329,484
Net assets attributable to unitholders	23,375,769	-	-	-	23,375,769
<b>Contractual cash flows (excluding gross settled derivatives)</b>	<b>38,988,429</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,988,429</b>

	Less than 1 month \$	1 to 6 months \$	6 to 12 months \$	1 to 2 years \$	Total \$
<b>2014</b>					
<b>Liabilities</b>					
Distributions payable	142,324	-	-	-	142,324
Financial liabilities held at fair value through profit or loss	13,610,541	-	-	-	13,610,541
Payables	154,038	-	-	-	154,038
Net assets attributable to unitholders	27,488,069	-	-	-	27,488,069
<b>Contractual cash flows (excluding gross settled derivatives)</b>	<b>41,394,972</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,394,972</b>

## 4. Fair value measurement

The Trust measures and recognises the following assets and liabilities at fair value on a recurring basis through profit or loss (FVTPL).

AASB 13 requires disclosure of fair value measurements by level of the following fair value hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

### (i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Trust values its investments in accordance with the accounting policies set out in Note 2. For the majority of its investments, the Trust relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets held by the Trust is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price. When the Trust holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

# Notes to the Financial Statements

## 4. Fair value measurement (continued)

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

### (ii) Fair value in an inactive or unquoted market (level 2 and level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Trust for similar financial instruments.

### Recognised fair value measurements

The following table presents the Trust's assets and liabilities measured and recognised at fair value for the year ended 30 June 2015 and 30 June 2014.

	Level 1	Level 2	Level 3	Total
2015	\$	\$	\$	\$
<b>Financial assets</b>				
Financial assets designated at fair value through profit or loss:				
Listed equity securities	22,107,841	-	-	22,107,841
Listed unit trusts	112,166	-	-	112,166
<b>Total financial assets</b>	<b>22,220,007</b>	<b>-</b>	<b>-</b>	<b>22,220,007</b>
<b>Financial liabilities</b>				
Financial liabilities held for trading:				
Listed equity securities sold short	10,009,781	-	-	10,009,781
Listed unit trusts sold short	1,152,040	-	-	1,152,040
<b>Total financial liabilities</b>	<b>11,161,821</b>	<b>-</b>	<b>-</b>	<b>11,161,821</b>
<b>2014</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>				
Financial assets designated at fair value through profit or loss:				
Listed equity securities	19,930,955	-	-	19,930,955
Listed unit trusts	6,542,983	-	-	6,542,983
<b>Total financial assets</b>	<b>26,473,938</b>	<b>-</b>	<b>-</b>	<b>26,473,938</b>
<b>Financial liabilities</b>				
Financial liabilities held for trading:				
Listed equity securities sold short	9,988,064	-	-	9,988,064
Listed unit trusts sold short	3,622,477	-	-	3,622,477
<b>Total financial liabilities</b>	<b>13,610,541</b>	<b>-</b>	<b>-</b>	<b>13,610,541</b>

# Notes to the Financial Statements

## 4. Fair value measurement (continued)

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and certain listed unit trusts.

### *Transfers between levels*

There have been no transfers between levels for the year ended 30 June 2015 and 30 June 2014.

## 5. Other operating expenses

	2015 \$	2014 \$
Stock loan fees	74,825	65,785
Other expenses	1,494	6,995
<b>Total other expenses</b>	<b>76,319</b>	<b>72,780</b>

## 6. Remuneration of auditors

During the year the following fees were paid or payable by the Responsible Entity on behalf of the Trust for services provided by the auditor of the Trust. The auditor of the Trust is Deloitte Touche Tohmatsu.

	2015 \$	2014 \$
<b>Audit and other assurance services</b>		
Audit and review of financial statements	12,870	12,720
Audit of compliance plan	4,000	3,000
<b>Total remuneration for audit and other assurance services</b>	<b>16,870</b>	<b>15,720</b>
<b>Taxation services (non-audit)</b>		
Tax compliance services	3,000	2,600
<b>Total remuneration for taxation services</b>	<b>3,000</b>	<b>2,600</b>
<b>Total remuneration of Deloitte Touche Tohmatsu</b>	<b>19,870</b>	<b>18,320</b>

## 7. Net gains on financial instruments held at fair value through profit or loss

	2015 \$	2014 \$
Net realised gain on financial assets and liabilities at fair value through profit or loss	377,521	637,922
Net unrealised gain on financial assets and liabilities at fair value through profit or loss	(3,184,736)	38,534
<b>Total net gain on financial instruments held at fair value through</b>	<b>(2,807,215)</b>	<b>676,456</b>

The net realised gain of \$377,521 (2014: \$637,922) is recognized on disposal of financial assets and liabilities against their fair value upon initial recognition. The unrealized loss of \$3,184,736 (2014: gain of \$38,534) is the market movement of financial assets and financial liabilities held during the financial year ended 30 June 2015.

# Notes to the Financial Statements

## 8. Net assets attributable to unitholders

Movements in the number of units and net assets attributable to unitholders during the year were as follows:

	2015 No.	2014 No.	2015 \$	2014 \$
<b>Opening balance - excluding treasury units</b>	<b>28,272,818</b>	22,760,465		
Applications	7,433,654	10,975,118		
Redemptions	(8,070,950)	(5,708,872)		
Units issued upon reinvestment of distributions	205,749	246,107		
<b>Closing balance - excluding treasury units</b>	<b>27,841,271</b>	28,272,818		
<b>Opening balance - treasury units</b>	<b>1,257,510</b>	1,191,818		
Applications	6,627,362	5,682,567		
Redemptions	(3,806,631)	(5,616,875)		
Cancellation of treasury units	(2,985,019)	-		
<b>Closing balance - treasury units</b>	<b>1,093,222</b>	1,257,510		
<b>Opening balance - including treasury units</b>	<b>29,530,328</b>	23,952,283	<b>27,488,069</b>	21,824,004
Applications	14,061,016	16,657,685	<b>6,792,371</b>	11,141,427
Redemptions	(11,877,581)	(11,325,747)	<b>(7,465,769)</b>	(5,764,920)
Units issued upon reinvestment of distributions	205,749	246,107	<b>194,794</b>	247,710
Cancellation of treasury units	(2,985,019)	-	-	-
Increase in net assets attributable to unitholders	-	-	<b>(3,633,696)</b>	39,848
<b>Closing balance - including treasury units</b>	<b>28,934,493</b>	<b>29,530,328</b>	<b>23,375,769</b>	<b>27,488,069</b>

As stipulated within the Trust Constitution, each unit represents a right to an individual share in the Trust and does not extend to a right to the underlying assets of the Trust.

## Capital risk management

The Trust considers its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Trust is subject to daily applications and redemptions at the discretion of unitholders.

Daily applications and redemptions are reviewed relative to the liquidity of the Trust's underlying assets on a daily basis by the Responsible Entity. Under the terms of the Trust Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

## 9. Distributions to unitholders

The distributions for the year were as follows:

	2015		2014	
	\$	cpu	\$	cpu
<b>Quoted units</b>				
Distributions paid	1,305,309	5.18	1,325,400	5.54
Distributions payable	101,532	0.44	130,285	0.50
<b>Total distributions - quoted units</b>	<b>1,406,841</b>	<b>5.62</b>	<b>1,455,685</b>	<b>6.04</b>
<b>Unquoted units</b>				
Distributions paid	134,254	5.18	72,875	5.54
Distributions payable	19,823	0.44	12,039	0.50
<b>Total distributions - unquoted units</b>	<b>154,077</b>	<b>5.62</b>	<b>84,914</b>	<b>6.04</b>

# Notes to the Financial Statements

<b>10. Cash and cash equivalents</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	<b>12,116,760</b>	14,573,008
<b>Total cash and cash equivalents</b>	<b>12,116,760</b>	14,573,008

<b>11. Financial assets held at fair value through profit or loss</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Listed at fair value through profit or loss</b>		
Australian listed equity securities	<b>22,107,841</b>	19,930,955
Australian listed unit trusts	<b>112,166</b>	6,542,983
<b>Total financial assets held at fair value through profit or loss</b>	<b>22,220,007</b>	26,473,938

An overview of the risk exposure relating to financial assets at fair value through profit or loss is included in Note 3.

<b>12. Financial liabilities held at fair value through profit or loss</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Listed at fair value through profit or loss</b>		
Australian listed equity securities sold short	<b>10,009,781</b>	8,645,208
Foreign listed equity securities sold short	-	1,342,856
Australian listed unit trusts sold short	<b>1,152,040</b>	3,622,477
<b>Total financial liabilities held at fair value through profit or loss</b>	<b>11,161,821</b>	13,610,541

An overview of the risk exposure relating to financial liabilities at fair value through profit or loss is included in Note 3.

## 13. Related party transactions

### Responsible Entity

The Responsible Entity of Aurora Dividend Income Trust (Managed Fund) is Aurora Funds Management Limited.

### Key management personnel unitholdings

The key management personnel of Aurora Dividend Income Trust held units in the Trust as follows:

	No. of units held opening	No. of units held closing	Fair value of investment	Interest held	No. of units acquired	No. of units disposed	Distributions paid/payable by the Trust
<b>2015</b>							
Simon Lindsay	4,994	5,300	4,447	0.20%	306	-	317
<b>2014</b>							
Simon Lindsay	-	4,994	4,868	0.02%	4,994	-	25

### Key management personnel compensation

Key management personnel are paid by Aurora Funds Management Limited. Payments made from the Trust to Aurora Funds Management Limited do not include any amounts directly attributable to the compensation of key management personnel.



# Notes to the Financial Statements

## 13. Related party transactions (continued)

### Related party unitholdings

There was no interest in the Trust held by other management investment schemes also managed by the Responsible Entity.

The Trust may purchase and sell units in itself as part of its Treasury Unit trading activities. Details of the Trust's investments in itself are set out below:

	No. of units held opening	No. of units held closing	Fair value of investment	Interest held	No. of units acquired	No. of units disposed	Distributions paid/payable by the Trust
<b>2015</b>							
Aurora Dividend Income Trust	1,257,510	1,093,222	923,614	4.47%	6,627,362	6,791,650	93,799
<b>2014</b>							
Aurora Dividend Income Trust	1,191,818	1,257,510	1,225,821	4.26%	5,682,567	5,616,875	64,280

### Other transactions within the Trust

During the financial year ended 30 June 2013, the Trust transferred the unit registry functions to Registry Direct which is part owned by one of the Directors of the Responsible Entity, Stuart Roe. The transactions between Registry Direct and the Responsible Entity are detailed below:

	2015 \$	2014 \$
Fees paid to Registry Direct by the Responsible Entity on behalf of the Trust	56,757	54,443

There was no compensation paid directly by the Trust to the Responsible Entity for unit registry services.

Apart from those details disclosed in this note, no other key management personnel have entered into a material contract with the Trust during the financial year and there were no material contracts involving key management personnel's interests existing at year end.

### Responsible entity's/manager's fees and other transactions

Under the terms of the Trust Constitution, the Responsible Entity is entitled to receive fees, calculated by reference to the average daily net assets (excluding net assets attributable to unitholders) of the Trust as follows:

- (i) management fee payable to the Responsible Entity is 1.2812% (GST inclusive, net of RITC) per annum.
- (ii) the Responsible Entity may recover the normal operating expenses of the Trust capped at 0.3075% (GST inclusive) per annum.

All expenses in connection with the preparation of accounting records and the maintenance of the unit register are reimbursed in accordance with the Trust Constitution.

The transactions during the year and amounts payable at year end between the Trust and the Responsible Entity were as follows:

	2015 \$	2014 \$
Management fees for the year paid by the Trust to the Responsible Entity	252,290	242,509
Normal operating expenses for the year paid by the Trust to the Responsible Entity	80,628	75,006
Aggregate amounts payable to the Responsible Entity for management fees and administration expenses at the end of the reporting period	33,851	23,005

No amounts were paid by the Trust directly to the key management personnel of Aurora Funds Management Limited.

# Notes to the Financial Statements

## 14. Reconciliation of net profit/(loss) to net cashflows from operating activities

	2015 \$	2014 \$
<b>(a) Reconciliation of net profit/(loss) to net cashflows from operating activities</b>		
Profit/(loss) for the year	-	-
Increase in net assets attributable to unitholders	(3,633,696)	39,848
Distributions to unitholders	1,560,918	1,540,599
Proceeds from sale of financial instruments held at fair value through profit or loss	24,881,204	33,113,860
	(26,019,785)	(34,249,689)
Payments from purchase of financial instruments held at fair value through profit or loss		
Net gains on financial instruments held at fair value through profit or loss	2,807,215	(676,456)
Net change in receivables	256,786	(131,406)
Net change in payables	(78,403)	55,082
Net cash inflow/(outflow) from operating activities	(225,761)	(308,162)
<b>(b) Non-cash financing activities</b>		
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	194,794	247,710

As described in Note 2(i), income not distributed is included in net assets attributable to unitholders. The change in this amount each year (as reported in (a) above) represents a non-cash financing cost as it is not settled in cash until such time as it becomes distributable.

## 15. Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Trust disclosed in the Statement of Financial Position as at 30 June 2015 or on the results and cash flows of the Trust for the year ended on that date.

## 16. Commitments

There were no commitments for expenditure at 30 June 2015 (2014: Nil).

## 17. Contingent assets and liabilities

There were no contingent assets and liabilities at 30 June 2015 (2014: Nil).

# Directors' Declaration

The directors of the Responsible Entity declare that:

- (a) In the directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable;
- (b) In the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards as stated in Note 2(a) to the financial statements;
- (c) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Trust; and
- (d) The directors have been given the declarations of the Responsible Entity made pursuant to s295(5) of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.



Simon Lindsay  
Managing Director  
30 September 2015

## Independent Auditor's Report to the Unitholders of Aurora Dividend Income Trust (Managed Fund)

We have audited the accompanying financial report of Aurora Dividend Income Trust (Managed Fund) ("the Trust"), which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Trust as set out on pages 12 to 34.

### *Directors' Responsibility for the Financial Report*

The directors of the Responsible Entity, Aurora Funds Management Limited, are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors of the Responsible Entity also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

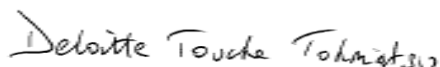
### *Auditor's Independence Declaration*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Responsible Entity, would be in the same terms if given to the directors as at the time of this auditor's report.

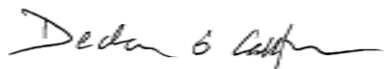
## *Opinion*

In our opinion:

- (a) the financial report of Aurora Dividend Income Trust (Managed Fund) is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Trust's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 2.



DELOITTE TOUCHE TOHMATSU



Declan O'Callaghan  
Partner  
Chartered Accountants  
Sydney, 30 September 2015

# Unitholder Information

The unitholder information set out below was applicable as at 28 September 2015.

## Distribution of holdings

Range	Total holders	Units	% of issued units
1 to 1,000	69	17,049	0.05
1,001 to 5,000	132	438,704	1.40
5,001 to 10,000	169	1,364,601	4.35
10,001 to 100,000	512	14,944,773	47.61
100,001 and over	36	8,895,011	46.59
<b>Total</b>	<b>918</b>	<b>31,390,331</b>	<b>100.00</b>

## Largest Unitholders

The names of the 20 largest unitholders of ordinary units as at 28 September 2015 are listed below:

Unitholder	Number held	% of issued units
ASGARD CAPITAL MANAGEMENT LTD	5,285,917	16.84
UBS NOMINEES PTY LTD	2,694,351	8.58
MANATEE PTY LTD	998,000	3.18
MR BAILEY HUNTER + MRS BEVERLEY HUNTER	427,688	1.36
KALAM ENTERPRISES PTY LTD	381,900	1.22
BOND STREET CUSTODIANS LIMITED	300,000	0.96
NAVIGATOR AUSTRALIA LTD	275,895	0.88
HOWELL THE THIRD PTY LTD	226,919	0.72
MR JONATHAN TWISTON CRISP + MS KARINA LEE SMITH	213,464	0.68
PETCOL NOMINEES PTY LIMITED	203,256	0.65
ELACROFT PTY LIMITED	203,256	0.65
MR JON PAUL DICKSON + MRS JANETTE DICKSON	200,000	0.64
ASGARD CAPITAL MANAGEMENT LTD	194,155	0.62
NETWEALTH INVESTMENTS LIMITED	179,809	0.57
MR PETER DAVID CROOKS	175,500	0.56
ASGARD CAPITAL MANAGEMENT LTD	171,803	0.55
MACSIN PTY LTD	170,000	0.54
TRICOUNTRY INVESTMENTS PTY LTD	153,938	0.49
BOND STREET CUSTODIANS LIMITED	142,784	0.45
HEATHROB NOMINEES PTY LTD	137,280	0.44
<b>Total</b>	<b>12,713,915</b>	<b>40.58</b>

## Substantial Holders

The substantial shareholders of the Trust as at 28 September 2015 are listed below:

Unitholder	Number of units	%
ASGARD CAPITAL MANAGEMENT LTD	5,285,917	16.84
<b>Total</b>	<b>5,285,917</b>	<b>16.84</b>

# Corporate Directory

**Directors of Responsible Entity**

Simon Lindsay  
John Corr  
Betty Poon

**Company Secretary**

Betty Poon

**Registered Office**

Level 4, 1 Alfred Street  
Sydney, NSW 2000

**Share Register**

Registry Direct  
Level 2, Professional Chambers  
120 Collins Street  
Melbourne, VIC 3000

**Auditor and Taxation Advisor**

Deloitte Touche Tohmatsu  
Grosvenor Place  
225 George Street  
Sydney, NSW 2000

**Solicitors**

Baker & McKenzie  
Level 27, AMP Centre  
50 Bridge Street  
Sydney, NSW 2000

**Securities Exchange Listing**

Australian Securities Exchange (ASX)  
ASX Code: (AOD)

**Website**

<http://www.aurorafunds.com.au>