

Aurora Dividend Income Trust Performance Report - April 2014

Summary

- The Trust increased by 1.6% in April to marginally underperform the market
- The performance was pleasing given the equity market exposure of the Trust is 50% hedged
- The Trust announced a distribution of 0.5% in cash and 0.1% in franking credits for the month of April

Performance after Fees¹

		1 month	3 months	12 months	3 yrs (p.a)	Since (p.a.) 31-Dec-10	Since Inception 16-Nov-05 (p.a)
Return inc. franking credits	Dividend Income Trust	1.6%	4.9%	8.5%	9.3%	10.8%	8.3%
	S&P/ASX 200 Accum Index	1.8%	7.4%	11.7%	10.7%	10.7%	8.1%
Income inc. franking credits	Dividend Income Trust		2.8%	11.4%	13.4%	12.7%	11.9%
	S&P/ASX 200 Accum Index		1.7%	5.9%	6.3%	6.2%	7.6%
Volatility	Dividend Income Trust			8.4%	8.7%	8.3%	7.0%
	S&P/ASX 200 Accum Index			10.9%	12.0%	11.4%	14.1%

Objective

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

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

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

Investment Strategy

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

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

Commentary

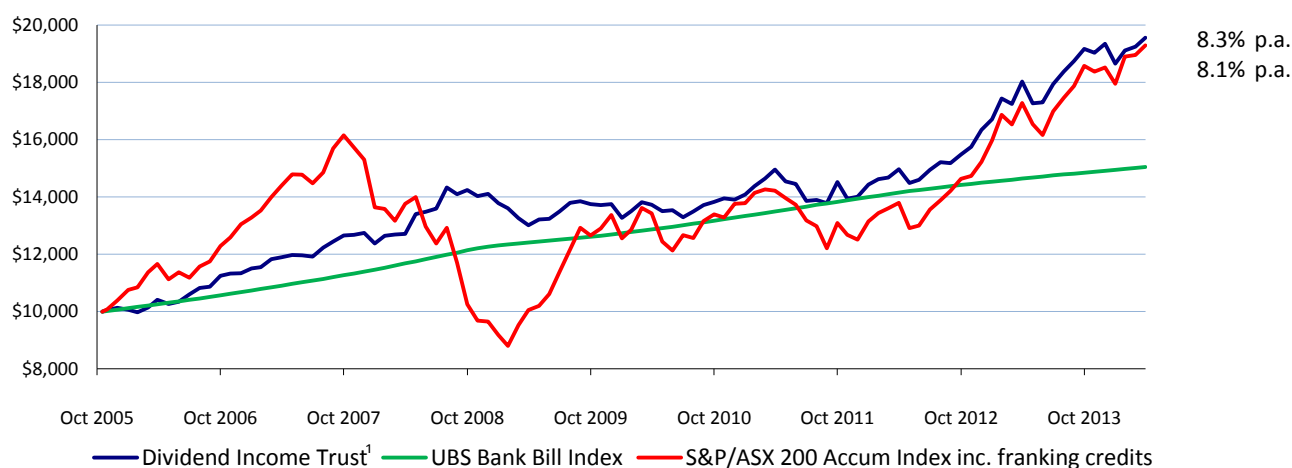
The S&P ASX/200 Accumulation Index managed a gain of +1.8% during April despite profit taking in some of the high PE multiple momentum stocks and the loss of Twenty-First Century FOX from the local market. Aussie small caps and high PE stocks followed the lead of the US tech-heavy Nasdaq, which was down -2%, as high valuations were rebased.

By contrast, the broader US S&P500 market managed a +0.6% gain. Asia was mixed (Nikkei -3.5%, Singapore +2.4%) and Europe performed well (FTSE +2.8%). Our market was supported by strong performance by most of the banks in the lead up to their May profit reporting and dividend periods.

The Trust announced a monthly distribution of 0.5% in cash and 0.1% in Franking Credits for April 2014.

Overall, the Trust rose by 1.6% in April to marginally underperform the broader market. Since inception, the Trust has returned 8.3% p.a. which has outperformed the underlying market, with materially less risk.

Historic Performance Chart



Trust Valuations

Trust Size	\$28 million
Net Assets Value per Unit-incl. franking	\$1.0152

Significant Portfolio Holdings

Company
BHP Billiton
Telstra
Commonwealth Bank
Westpac Bank
Wesfarmers

Trust Details

ARSN	151 947 732
ASX Code (Quoted Unit)	AOD
APIR Code (Managed Fund)	AFM0010AU
Minimum suggested timeframe	5 Years
Entry Fee	Nil
Exit Fee	Nil
Buy/Sell Spread	0.1%/0.1%
Total Management Cost	1.3% p.a.
Distribution frequency	Quarterly
Minimum quarterly distribution ²	1.5% cash + franking

About Aurora

Aurora Funds Limited ('Aurora', ASX Code: AFV) was listed on the ASX in July 2010. Aurora comprises the combined businesses of Aurora Funds Management Limited and Fortitude Capital Pty Ltd.

The combined group had approximately \$235 million in funds under management and administration, and provides asset management and responsible entity/trustee services for Australian and New Zealand investors.

Aurora is also the issuer of the:

- Aurora Fortitude Absolute Return Fund (ARSN 145 894 800)
- Aurora Absolute Return Fund (ASX Code: ABW)
- Aurora Global Income Trust (ASX Code: AIB)
- Aurora Property Buy-Write Income Trust (ASX Code: AUP)

Aurora Funds Limited

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Notes:

1. This represents a cumulative return and assumes the reinvestment of distributions and franking credits. These returns describe the consolidated returns after fees of the Trust and the Aurora Sandringham Dividend Income Trust (ARSN 108 249 154, 'ASDIT' established 16 November 2005). The performance references against the S&P/ASX 200 Accumulation Index plus the value of franking credits as determined by Aurora. The investment strategy of these trusts was modified on 31 December 2010.
2. The Trust intends to always distribute at least 1.5% of NAV in cash plus any available franking credits, per quarter regardless of performance. This means that if there is insufficient net income in a given quarter, investors may receive a partial (or full) return of capital.