

## Aurora Sandringham Dividend Income Trust (ASX Code: AOD) Performance Report - September 2011



### Summary

- The Trust Announced a cash distribution of \$0.0140 for the three months ending 30 September 2011, which represented an annualised yield of 5.81%
- Since the investment strategy was amended on 1 January 2011, the Trust has returned -0.81% versus the Benchmark which has returned -4.37%. During the same period, the S&P/ASX200 Accumulation Index has returned -12.40%.

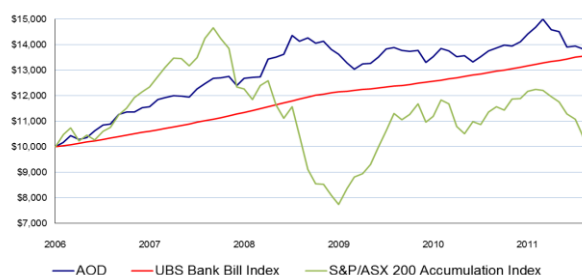
### Performance<sup>1</sup>

	CYTD	1 month	3 months	6 months	12 months	3 yrs (p.a)	Since Inception (p.a)
Aurora Sandringham Dividend Income Trust	-0.81%	-0.78%	-4.65%	-5.84%	0.59%	-0.71%	5.97%
Benchmark	-4.37%	-2.84%	-5.19%	-6.49%	-1.65%	2.85%	3.72%
S&P/ASX200 Accumulation Index	-12.40%	-6.13%	-11.58%	-15.13%	-8.56%	-0.11%	0.70%
UBS Australia Bank Bill Index	3.73%	0.39%	1.24%	2.48%	5.02%	4.54%	5.59%

### Investment Objective\*

To provide investors with returns in excess of the S&P/ASX 200 Accumulation Index including the value of franking credits over rolling 5 year periods with around half the volatility.

### Investment Performance



### Investment Strategy

The Trust seeks to achieve the investment objective by investing in an actively managed portfolio of fully franked dividend paying companies listed on the Australian Securities Exchange while hedging the market exposure to around 50% of net assets.

### Historical Volatility

AOD (since inception)	6.3%
S&P/ASX Accumulation Index (since incep)	15.4%

### Trust Features

Unit pricing	Monthly.
Distribution policy	At least 1.5% of Net Asset Value per Unit per quarter <sup>4</sup> .
Applications	Investors may acquire Units on the ASX
Redemptions	On market by selling on the ASX or off-market at the end of each month.

### Trust Valuations

Fund Size	\$22.2 million
Net Assets Value per Unit	\$0.8907
Net Assets Value per Unit-incl. franking	\$0.9055
NAV Accumulation per Unit (since inception)	\$1.6027

### Trust Distributions (per Unit)<sup>5</sup>

Period	Cash	Franking (%) <sup>6</sup>	Yield at NAV (p.a)
30-Jun-06	\$0.0430	\$0.0673 (367%)	14.70%
31-Dec-06	\$0.0188	\$0.0722 (899%)	15.90%
30-Jun-07	\$0.0440	\$0.0295 (154%)	12.60%
31-Dec-07	\$0.0375	\$0.0296 (184%)	11.60%
30-Jun-08	\$0.0417	\$0.0156 (87%)	9.90%
31-Dec-08	\$0.0400	\$0.0213 (124%)	10.40%
30-Jun-09	\$0.0100	\$0.0210 (491%)	5.30%
31-Dec-09	\$0.0300	\$0.0240 (188%)	10.20%
31-Mar-10	\$0.0160	\$0.0100 (146%)	9.90%
30-Jun-10	\$0.0160	\$0.0011 (16%)	6.60%
30-Sep-10	\$0.0150	\$0.0000	6.00%
31-Dec-10	\$0.0150	\$0.0000	6.06%
31-Mar-11	\$0.0150	\$0.0000	6.06%
30-Jun-11	\$0.0150	\$0.0346 (538%)	19.31%
30-Sep-11	\$0.0140	\$0.0000	5.81%
<b>Total</b>	<b>\$0.3710</b>	<b>\$0.3262</b>	

## Portfolio Commentary

The S&P/ASX200 Accumulation Index reached new 2-year lows before finishing down 6.1% for the month. Daily volatility was extremely high as markets debated the ability of European leaders to adequately contain the escalating debt crisis. Markets also faced the prospect of a global slowdown in growth with data from China showing that manufacturing contracted for the third consecutive month. Combined, this led to a broad unwind in risk and a rout of commodity prices.

As a result, Materials were clearly the worst performing sector within the S&P/ASX200 Materials Index (down 13.6% for the month) while the defensive Telecommunications and Consumer Staples sectors outperformed. Financials were a large contributor to the Trusts performance as the Banks outperformed the Index while those financials more exposed to markets significantly underperformed.

Gold Miner Newcrest Mining - the portfolio's largest underweight position - was the Trusts best performing position as the gold price fell sharply amid USD strength and an unwind in the crowded Long Gold/Short USD trade. The Trust also benefited from its underweight position in hearing implant manufacturer Cochlear which fell 20% in 1 day after announcing a voluntary recall of one of its implants.

## Significant Portfolio Holdings

Company	Weight
BHP Billiton	18.49%
Westpac Bank	11.69%
Commonwealth Bank	10.13%
ANZ Bank	8.42%
National Aust Bank	8.09%
Total invested as a % of NAV	99%

## Dividend Calendar

Company	Forecast Div	Ex Date
GPT Group	\$0.04	26/10/2011
Fortescue Metals Group	\$0.15	31/10/2011
Macquarie Group Limited	\$1.00	7/11/2011
Westpac Bank	\$0.70	9/11/2011
CSR Limited	\$0.12	9/11/2011
ANZ Group	\$0.78	10/11/2011
National Aust Bank	\$0.89	11/11/2011
Origin Energy	\$0.53	11/11/2011
Bank of Queensland	\$0.26	14/11/2011
Incitec Pivot Limited	\$0.05	18/11/2011

Source: Bloomberg. Note: The Trust may or may not make investments in the above companies

## 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, Fortitude Capital Pty Ltd and Sandringham Capital Pty Ltd.

The combined group has in excess of \$400 million in funds under management and administration, and provides asset management and responsible entity/trustee services for

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)
- CORALS Commodities Fund (ARSN 131 196 882)
- van Eyk Blueprint Alternatives Plus (ASX Code: VBP)

## Aurora Funds Limited

Level 2, 350 George Street, Sydney NSW 2000 PO Box R1695, Royal Exchange NSW 1225

Telephone: 1300 553 431, Visit: [www.aurorafunds.com.au](http://www.aurorafunds.com.au) or Email: [enquiries@aurorafunds.com.au](mailto:enquiries@aurorafunds.com.au)

Notes: Since inception (17 Nov 05) the Trust has delivered an annualised return of 5.97%, assuming distributions and franking credits are reinvested. 1. This represents a cumulative return and assumes the reinvestment of distributions and franking credits. 2. Calendar Year to Date. 3. The Benchmark return is calculated daily as 50% of the return of the UBS Australia Bank Bill Index plus 50% of the return of the S&P/ASX 200 Accumulation Index. 4. The Trust intends to always distribute at least 1.5% of NAV, excluding any franking credits, per quarter regardless of Trust performance. This means that if the Trust has insufficient net income in a given quarter, investors may receive a partial (or full) return of capital. 5. Please note each historical distribution has been divided by eight to reflect the Unit split carried out in July 2008. 6. The percentage franked is based on a relative comparison to a Company that may pay a 100% franked dividend. A Unit Trust can accumulate franking credits and pass these through to Unitholders. Trusts can have distributions which include franking at more than 100%. \*The investment objective is expressed after the deduction of fees and before taxation. See the PDS for details on taxation. The objective is not intended to be a forecast, and is only an indication of what the investment strategy aims to achieve over the medium to long term. While we aim to achieve the objective, the objective and returns are not guaranteed.

Disclaimer: This information has been prepared by Aurora Funds Management Ltd ABN 69 092 626 885 AFSL 222110 in its capacity as Responsible Entity for the Aurora Sandringham Dividend Income Trust (ARSN 108 249 154). It has been prepared without taking into account the objectives, financial situation or needs of any investor, which should be considered before investing. Investors should consider a copy of the Product Disclosure Statement and seek their own financial advice prior to investing in the Trust. The information in this newsletter is of a summary nature only and does not constitute advice of any kind, nor is it an offer of any financial product. Past performance is not a reliable indication of future performance. In particular as the Investment Strategy was altered in February 2006 and in January 2011, past performance prior to these dates has little bearing on future performance. Franking credits if available will be distributed at the end of each financial year. Please see [asx.com.au](http://asx.com.au) for more information on the S&P/ASX200 Accumulation Index, and [www.ubs.com](http://www.ubs.com) for more information on the UBS Australian Bank Bill Index.