

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



### Summary

- The Trust returned 0.22% for August compared to the Benchmark which returned -0.65%
- Since the investment strategy was amended on 1 January 2011, the Trust has returned -0.02% versus the Benchmark which has returned -1.57%. During the same period, the S&P/ASX200 Accumulation Index has returned -6.67%.

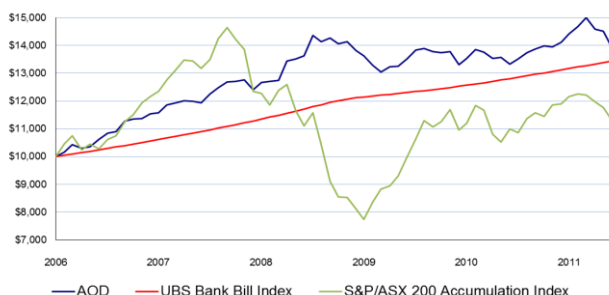
### Performance<sup>1</sup>

	CYTD <sup>2</sup>	1 month	3 months	6 months	12 months	3 yrs (p.a)	Since Inception (p.a)
Aurora Sandringham Dividend Income Trust	-0.02%	0.22%	-4.44%	-3.26%	3.09%	-0.99%	6.22%
Benchmark <sup>3</sup>	-1.57%	-0.65%	-3.08%	-3.20%	3.75%	2.21%	4.32%
S&P/ASX200 Accumulation Index	-6.67%	-1.91%	-7.51%	-8.98%	1.92%	-1.44%	1.87%
UBS Australia Bank Bill Index	3.33%	0.43%	1.25%	2.51%	5.00%	4.61%	5.61%

### Investment Objective<sup>\*</sup>

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)	6.4%
S&P/ASX Accumulation Index (since incep)	15.3%

### 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	\$23.2 million
Net Assets Value per Unit	\$0.9152
Net Assets Value per Unit-incl. franking	\$0.9270
NAV Accumulation per Unit (since inception)	\$1.6102

### 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%
<b>Total</b>	<b>\$0.3570</b>	<b>\$0.3262</b>	

## Portfolio Commentary

The S&P/ASX200 Accumulation index staged a strong recovery in the second half of August to finish down 1.9% after being down almost 10% early in the month. The local market outperformed global equity markets which were dealing with an escalating European situation and a worsening economic picture in the US which culminated in a downgrade of the US credit rating by Standard & Poor's from 'AAA' to 'AA+'.

The local reporting season provided a welcome distraction from global shocks. Among the best performers was Wesfarmers which announced a strong result underpinned by continuing positive earnings momentum and margin expansion in its Coles business. Local banks also significantly outperformed their global counterparts as they reported increasing net interest margins driven by re-pricings and cost control.

Resources were the Trust's weakest sector as they were dragged down by global developments and falling commodity prices. Rio underperformed after missing earnings estimates with a result that was below consensus in all operating divisions.

The Trust returned 0.22% for August versus the S&P/ASX200 Accumulation Index return of -1.91%.

## Significant Portfolio Holdings

Company	Weight
BHP Billiton	20.08%
Commonwealth Bank	12.94%
Westpac Bank	11.84%
Anz Limited	8.37%
Woolworths	8.33%
Total invested as a % of NAV	116%

## Dividend Calendar

Company	Forecast Div	Ex Date
Challenger Limited	\$0.09	15/09/2011
Mirvac Group	\$0.02	26/09/2011
Investa Office Fund	\$0.01	26/09/2011
David Jones Limited	\$0.19	5/10/2011
GPT Group	\$0.04	26/10/2011
Foster's Group Limited	\$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

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)

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Notes: Since inception (17 Nov 05) the Trust has delivered an annualised return of 5.86%, 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.

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