



Aurora Sandringham Dividend Income Trust ASX Code: AOD

Performance Report - 28 February 2010

Summary

- The Trust has returned 7.86% p.a. since strategy inception versus the S&P/ASX200 Accumulation Index which has returned 2.87% p.a.
- Since inception the Trust has paid distributions totalling \$0.5455 per Unit in cash and franking credits



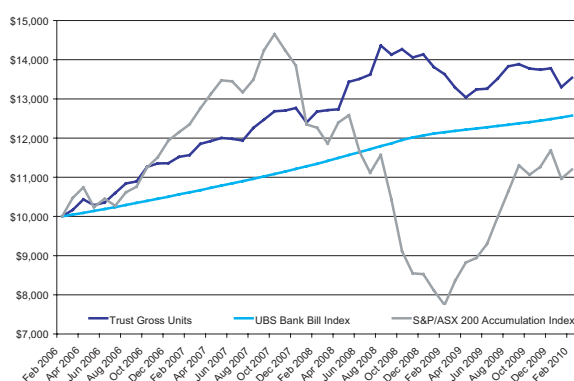
Performance¹

	1 mth	3 mths	6 mths	12 mths	3 yrs	Since strategy inception (p.a.)
Aurora Sandringham Dividend Income Trust	1.79%	-1.50%	-2.10%	-0.66%	5.39%	7.86%
S&P/ASX200 Accumulation Index	2.16%	-0.56%	5.29%	44.70%	-3.21%	2.87%
UBS Bank Bill Index	0.35%	1.02%	1.87%	3.48%	5.80%	5.88%

Investment objective

The Aurora Sandringham Dividend Income Trust (the Trust) is an ASX listed investment trust that aims to provide investors with gross income returns in excess of the cash rate while minimising capital risk.

Investment performance



Investment strategy

The Trust seeks to achieve the Investment Objective by investing in companies paying dividends and franking credits. Broadly, once a dividend has been earned by the Trust, the investment is realised thereby freeing up capital to invest in another dividend paying company. The holding period is typically more than 45 days. Investments are predominantly chosen from the 30 largest companies traded on the ASX.

The Trust is generally hedged in the order of 65% of share holdings at any given time. When opportunities exist, such as during the peak company reporting seasons of February-March and August-September, the Trust may use gearing to increase exposure to the strategy.

Investment Manager

Sandringham Capital Pty Limited ABN 97 112 639 648, AFSL 314178 (Sandringham) is the Investment Manager to the Trust. Sandringham is a funds management business which specialises in structured investments for institutional and wholesale investors. Sandringham, which was founded in January 2005, now manages in excess of \$50 million.

Sandringham's executives have significant experience in capital markets, structured products and equities investment.

Trust features

Unit pricing	Monthly.
Distribution frequency	Quarterly.
Distribution policy	At least 1.5% of Net Asset Value plus any franking credits. ²
Applications	Investors may acquire Units on the ASX or via the current Product Disclosure Statement.
Redemptions	On market by selling on the ASX or off-market at the end of each month.

Trust valuations

Fund Size	\$43.9 million
Net Assets Value per Unit	\$1.0256
Net Assets Value per Unit – incl. franking	\$1.0332
NAV Accumulation per Unit (since inception)	\$1.5787

Trust distributions (per Unit)³

Period	Cash	Franking	Total
30 Jun 06	\$0.0430	\$0.0673	\$0.1103
31 Dec 06	\$0.0188	\$0.0722	\$0.0910
30 Jun 07	\$0.0440	\$0.0295	\$0.0735
31 Dec 07	\$0.0375	\$0.0296	\$0.0671
30 Jun 08	\$0.0417	\$0.0156	\$0.0573
31 Dec 08	\$0.0400	\$0.0213	\$0.0613
30 Jun 09	\$0.0100	\$0.0210	\$0.0310
31 Dec 09	\$0.0300	\$0.0240	\$0.0540
Total since inception	\$0.2649	\$0.2806	\$0.5455

Portfolio commentary

After testing the low point of the our recent trading range early in the month, the market rallied strongly with the S&P/ASX200 Accumulation Index finishing up 2.16%.

Overall, the earning results were strong, particularly in the resource, financials and consumer staples sectors, allowing the market to stage a recovery once fears over Greece default risk and China credit tightening subsided. For the month, significant wins were on Wesfarmers, RIO and Fosters; significant losses were on Telstra, QBE and Bluescope Steel.

Whilst the Trust's performance can be negatively affected in the short run due to the timing of the investment schedule, over the cycle the strategy has remained effective in delivering excess return over the Benchmark. The case in point being this month's outperformance versus the previous month's underperformance. The Trust was fully invested when the global pullback in equity markets occurred in January. However, excess returns from the announcement risk premium and franking credits allowed the Trust to maintain the long-term outperformance to the Benchmark.

In accordance with its investment strategy the Trust was invested at 106.2% of net assets during February and gained 1.79% for the month. The Trust's performance since inception of positive 7.86% per annum continues to outperform both equity market and cash returns of 2.87% and 5.88% per annum respectively.

Significant portfolio holdings

Company	Weight
Fosters	15.4%
Woolworths	14.7%
Woodside	13.6%
BHP	8.2%
Suncorp	7.4%
Total invested as a % of NAV	106.2%

Dividend calendar

Company	Forecast dividend	Forecast ex date
ASX	\$0.0227	1 Mar 10
BHP	\$0.4764	1 Mar 10
Fairfax	\$0.011	1 Mar 10
Origin	\$0.25	2 Mar 10
CSL	\$0.35	9 Mar 10
Oilsearch	\$0.02	11 Mar 10
Brambles	\$0.125	12 Mar 10
Leightons	\$0.65	15 Mar 10
Sims Metal	\$0.10	15 Mar 10
Woolworths	\$0.53	22 Mar 10

Source: www.asx.com.au

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

About Aurora

Aurora Funds Management (Aurora) is an investment management and distribution group owned and operated by a group of professionals with considerable experience in retail funds management, stockbroking, margin lending, corporate advisory and investment banking.

Aurora aims to source, package and distribute carefully researched investment strategies that are managed by specialist wholesale investment managers.

Aurora is also the issuer and/or distributor of the:

- Aurora Sandringham Australian Equity Income Trust (ASX Code: ABW)
- Aurora Sandringham Global Income Trust (ARSN 131 291 499)
- Aurora Global Infrastructure 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 Management

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Notes: Since inception (17 Nov 05) the Trust has delivered an annualised return of 7.3%, assumes distributions and franking credits are reinvested. . 1. This number represents a cumulative return and assumes the reinvestment of distributions and franking credits. 2. 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. 3. Please note each historical distribution has been divided by eight to reflect the share split carried out in July 08

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, past performance prior to this date has little bearing on future performance and is not shown. The payment of franking credits to Unitholders is subject to the Trust achieving a taxable profit in that year. Please see www.asx.com.au for more information on the S&P/ASX 200 Accumulation Index.