



# Aurora Sandringham Dividend Income Trust ASX Code: AOD

## Performance Report - 31 July 2009

### Summary

- The Trust returned -0.8% for the year to 31 July 09 versus the S&P / ASX200 Accumulation Index which returned -10.2%
- The Trust returned +9.2% p.a. since inception versus the S&P / ASX200 Accumulation Index which returned -0.1% p.a.



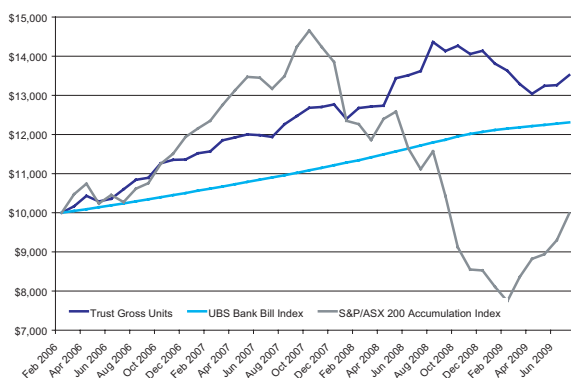
### Monthly Performance

								Mar 06	Apr 06	May 06	Jun 06	4 mths
								1.67%	2.62%	-1.37%	-0.18%	3.6% <sup>1</sup>
Jul 06	Aug 06	Sep 06	Oct 06	Nov 06	Dec 06	Jan 07	Feb 07	Mar 07	Apr 07	May 07	Jun 07	12 mths
2.33%	2.29%	0.47%	3.40%	0.79%	0.06%	1.42%	0.40%	2.47%	0.60%	-0.67%	-0.18%	15.7% <sup>1</sup>
Jul 07	Aug 07	Sep 07	Oct 07	Nov 07	Dec 07	Jan 08	Feb 08	Mar 08	Apr 08	May 08	Jun 08	12 mths
-0.36%	2.69%	1.73%	1.69%	0.16%	0.50%	-2.88%	2.23%	0.29%	0.17%	5.51%	0.56%	12.8% <sup>1</sup>
Jul 08	Aug 08	Sep 08	Oct 08	Nov 08	Dec 08	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	12 mths
0.81%	5.40%	-1.60%	0.96%	-1.47%	0.57%	-2.29%	-1.32%	-2.49%	-1.88%	1.55%	0.15%	-1.8% <sup>1</sup>
Jul 09												1 mth
1.93%												1.93%

### 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 is the Investment Manager of the Trust. Sandringham is a boutique investment manager specialising in structured investments. The Managing Director of Sandringham, Mr Steuart Roe, is a portfolio manager of the Trust's investment strategy.

### Trust features

Unit pricing	Monthly.
Distribution frequency	Half yearly.
Distribution policy	The Trust will distribute 100% of its net realised gains each year.
Distribution Reinvestment Plan	Available.
Applications	Investors may acquire Units on market 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

Market capitalisation	\$44,895,978
Net Asset Value (NAV) – incl. franking	\$45,290,917
Units on issue	41,763,700
Net Assets Value per Unit	\$1.0817
Net Assets Value per Unit – incl. franking	\$1.0844
NAV plus distributions paid (since inception)	\$1.5758

## Trust distributions (per Unit)\*

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
<b>Total since inception</b>	<b>\$0.1949</b>	<b>\$0.2352</b>	<b>\$0.4914</b>

\*Please note each historical distribution has been divided by eight to reflect the share split carried out in July 08.

## Investment Manager commentary

By Sandringham Capital Pty Ltd

The The S&P/ASX 200 Accumulation Index performance of 7.3% for July was exceptionally strong, as equity markets around the world re-priced risk on earnings results and surprisingly benign economic data.

With the Trust invested at 209% of net assets, in accordance with its investment strategy, the Trust gained 1.9% in July. The month-end investment level is higher than the 200% level due to the uplift in portfolio's stock prices over the month. The Trust's performance since inception of positive 9.2% per annum continues to materially outperform both equity market and cash returns of minus 0.1% and positive 6.3% per annum respectively.

## Investment performance

The table below highlights the investment performance of the Trust, the Australian share market and property indices for the previous 12 months as well as for the last 3 years.

	1 year to Jul 09	3 years to Jul 09
Aurora Sandringham Dividend Income Trust	-0.8%	8.4%
S&P/ASX 200 Accumulation Index	-10.2%	-1.0%
S&P/ASX 200 Property Trust Accumulation Index	-37.8%	-22.7%
UBS Australian Bank Bill Index	5.1%	6.3%

The Trust has achieved consistent returns in both a rising and a falling Australian share market environment.

## Significant portfolio holdings

	Weight (NAV%)
Commonwealth Bank	17.3
Woodside	16.7
Santos	16.4
Suncorp Metway	16.0
Telstra	15.9
<b>Total invested as a % of NAV</b>	<b>209.2</b>

## Dividend calendar

Company	Forecast dividend (\$)	Forecast ex date
Amcor	0.17	24 August 09
Boral	0.06	24 August 09
Telstra	0.14	24 August 09
Woodside	0.55	24 August 09
Ansell	0.16	25 August 09
Origin Energy	0.25	25 August 09
Pacific Brands	0.03	25 August 09
Telecom NZ	0.07	25 August 09
Wesfarmers	0.60	25 August 09
QBE	0.62	26 August 09

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 of the:

- Aurora Buy-Write Income Trust (ASX code: ABW)
- Aurora Infrastructure Buy-Write Income Trust (ASX code: AIB)
- Aurora Property Buy-Write Income Trust (ASX code: AUP)
- van Eyk Blueprint Alternatives Plus (ASX code: VBP)

## Aurora Funds Management

Level 11, 88 Phillip 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 8.4%, assumes dividends and franking credits are reinvested. Monthly performance prior to March 06 is not shown as the Investment Strategy was refined on 28 February 2006.  
1. The total 12 month return represents the compounding of each monthly return.

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. The payment of franking credits to Unitholders is subject to the Trust achieving a taxable profit in that year.