

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



Summary

- The Trust returned -2.73% for May compared to the Benchmark which returned -0.77%
- The Trust has returned 7.45% p.a since inception vs the Benchmark which has returned 5.15% p.a

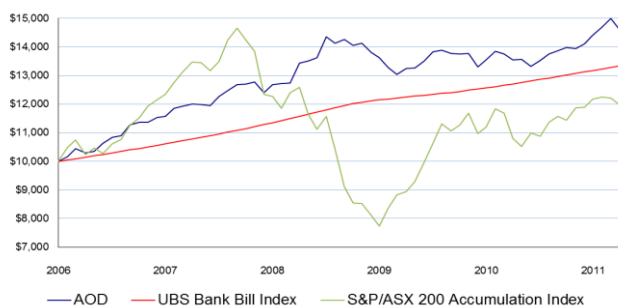
Performance¹

	1 month	3 months	12 months	3 yrs (p.a)	5 yrs (p.a)	Since Inception (p.a)
Aurora Sandringham Dividend Income Trust ²	-2.73%	1.23%	7.74%	2.78%	7.23%	7.45%
Benchmark (50% of UBS Aus B'Bill/S&PASX200 Acc Index) ³	-0.77%	-0.14%	8.11%	2.23%	5.01%	5.15%
S&P/ASX200 Accumulation Index	-1.97%	-1.60%	10.84%	-1.64%	3.18%	3.49%
UBS Australia Bank Bill Index	0.43%	1.24%	4.97%	4.86%	5.63%	5.63%

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



Trust Features

Unit pricing	Monthly.
Distribution policy	At least 1.5% of Net Asset Value plus any franking credits ⁴ per Unit per quarter.
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	\$26 million
Net Assets Value per Unit	\$0.9808
Net Assets Value per Unit-incl. franking	\$1.0204
NAV Accumulation per Unit (since inception)	\$1.6540

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 incep)	6.2%
S&P/ASX Accumulation Index (since incep)	15.5%

Trust Distributions (per Unit)⁵

Period	Cash	Franking (%) ⁶	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%
Total	\$0.3420	\$0.2917	

Portfolio Commentary

Weak global sentiment combined with disappointing local economic releases to push equities lower during May with commodity and energy prices also down sharply in a broad based selloff.

The consumer discretionary sector was the worst performing sector as the RBA left rates on hold and maintained its stance that further tightening would likely be required. Financials were also weak as the European debt crisis flared up once again and local economic releases pointed to a softening domestic housing market. Generally, the defensive sectors outperformed the cyclical sectors with telecommunications the strongest.

The Trust returned -2.73% versus the S&P/ASX200 Accumulation Index return of -1.97% with the large banks a key source of underperformance. The Trust benefitted from the outperformance of consumer staples with Fosters one of the best performers as it spun off Treasury Wine Estates and speculation continued about a possible bid for the remaining business. The Trust's performance since inception of 7.45% per annum continues to outperform both equity market and cash returns of 3.49% and 5.15% per annum respectively.

Significant Portfolio Holdings

Company	Weight
BHP Billiton	19.25%
Commonwealth Bank Australia	14.14%
National Australia Bank	12.57%
Wesfarmers	8.27%
Rio Tinto	8.18%
Total invested as a % of NAV	139%

Dividend Calendar

Company	Forecast Div	Ex Date
METCASH LTD	\$0.16	20/06/11
TABCORP HOLDINGS LTD	\$0.24	9/08/2011
RIO TINTO LTD	\$0.51	10/08/2011
COCA-COLA AMATIL LTD	\$0.23	12/08/2011
ALUMINA LTD	\$0.04	15/08/2011
METCASH LTD	\$0.16	20/06/11
TABCORP HOLDINGS LTD	\$0.24	9/08/2011
RIO TINTO LTD	\$0.51	10/08/2011
COCA-COLA AMATIL LTD	\$0.23	12/08/2011
ALUMINA LTD	\$0.04	15/08/2011

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 \$500 million in funds under management and administration, and provides asset management and responsible entity/trustee services for

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

- Aurora Fortitude Absolute Return Fund (ARSN 145 894 800)
- Aurora Absolute Return Fund (ASX Code: ABW)
- Aurora Sandringham Global Income Trust (ARSN 131 291 499)
- 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 or Email: enquiries@aurorafunds.com.au

Notes: Since inception (17 Nov 05) the Trust has delivered an annualised return of 7.37%, assumes distributions and franking credits are reinvested. 1. This represents a cumulative return and assumes the reinvestment of distributions and franking credits. 2. Returns based on Estimated Unit Price. 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%.

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 for more information on the S&P/ASX200 Accumulation Index, and www.ubs.com for more information on the UBS Australian Bank Bill Index.