

# Aurora Sandringham Dividend Income Trust ASX Code: AOD Performance Report - 30 September 2010

## Summary

- The Trust returned 1.67% for September compared to the S&P/ASX200 Accumulation Index which returned 4.62%
- The Trust announced a cash distribution of \$0.015 per Unit for the three months ending 30 September 2010 which represented an annualised yield of 6.04%



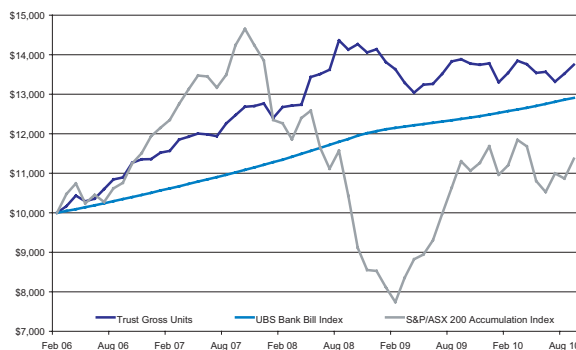
## Performance<sup>1</sup>

	1 mth	3 mths	6 mths	12 mths	3 yrs (p.a)	Since strategy inception (p.a.)
Aurora Sandringham Dividend Income Trust	1.67%	1.34%	-0.71%	-0.98%	3.30%	7.18%
S&P/ASX200 Accumulation Index	4.62%	8.04%	-4.00%	0.61%	-7.23%	2.84%
UBS Australian Bank Bill Index	0.37%	1.20%	2.34%	4.30%	5.41%	5.72%

## 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<sup>1</sup>



## 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 50 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.

## Trust features

Unit pricing	Monthly.
Distribution policy	At least 1.5% of Net Asset Value plus any franking credits <sup>2</sup> 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	\$37.8 million
Net Assets Value per Unit	\$0.9849
Net Assets Value per Unit – incl. franking	\$0.9909
NAV Accumulation per Unit (since inception)	\$1.5945

## Trust distributions (per Unit)<sup>3</sup>

Period	Cash	Franking (%) <sup>4</sup>	Yield at NAV (p.a.)
30 Jun 06	\$0.0430	\$0.0673 (367%)	14.7%
31 Dec 06	\$0.0188	\$0.0722 (899%)	15.9%
30 Jun 07	\$0.0440	\$0.0295 (154%)	12.6%
31 Dec 07	\$0.0375	\$0.0296 (184%)	11.6%
30 Jun 08	\$0.0417	\$0.0156 (87%)	9.9%
31 Dec 08	\$0.0400	\$0.0213 (124%)	10.4%
30 Jun 09	\$0.0100	\$0.0210 (491%)	5.3%
31 Dec 09	\$0.0300	\$0.0240 (188%)	10.2%
31 Mar 10	\$0.0160	\$0.0100 (146%)	9.9%
30 Jun 10	\$0.0160	\$0.0011 (16%)	6.6%
30 Sep 10	\$0.0150	\$0.0000	6.0%
<b>Total</b>	<b>\$0.3119</b>	<b>\$0.2917</b>	

## Portfolio commentary

Equities and commodities markets rallied in September as confidence was restored by good economic data and expectations of further quantitative easing in the US. Locally, economic data was very strong with unemployment in particular dropping to 5.1%. Cyclical assets outperformed as risk appetites increased with the Industrials and Materials sectors strong while the Telecommunications and Health sectors underperformed.

During the month, the Trust added exposure to ANZ, NAB and WBC ahead of their earnings updates in October. These investments performed well with Financials outperforming the broader market.

As at the end of September, the Trust was invested at 42.7% of Net Assets and returned 1.67% for the month. The Trust's performance since inception of 7.18% per annum continues to outperform both equity market and cash returns of 2.84% and 5.72% per annum respectively.

## Significant portfolio holdings

Company	Weight
NAB	10.9%
BHP	10.7%
Westpac	10.7%
ANZ	10.5%
Total invested as a % of NAV	42.7%

## Dividend calendar

Company	Forecast dividend	Forecast ex date
CSR	\$0.06	3 Nov 10
ANZ	\$0.56	4 Nov 10
Newscorp	\$0.0694	4 Nov 10
Telecom NZ	\$0.0412	5 Nov 10
Westpac	\$0.65	8 Nov 10
Macquarie Group	\$1.00	8 Nov 10
Orica	\$0.41	11 Nov 10
NAB	\$0.74	12 Nov 10
Incitec Pivot	\$0.018	15 Nov 10
Metcash	\$0.11	9 Dec 10

Source: [asx.com.au](http://asx.com.au) Note: The Trust may or may not make investments in the above companies.

## Investment Manager

Aurora Funds Limited ('Aurora', ASX Code: AFV) issues and distributes investment funds to retail, wholesale and institutional investors throughout Australia and New Zealand. Aurora was listed on the ASX in July 2010, following the merger of Aurora Funds Management Limited (established in 2003), Fortitude Capital Pty Ltd (established in 2004) and Sandringham Capital Pty Ltd (established in 2005).

Aurora has offices in Sydney and Melbourne, and manages in excess of \$500 million in domestic equity, international equity, property, infrastructure and alternative asset classes for over 3,500 investors.

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

- Aurora Fortitude Absolute Return Fund (ARSN 145 894 800)
- 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 6.70%, assumes distributions and franking credits are reinvested. 1. This 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 Unit split carried out in July 08. 4. The percentage franked is based on a relative comparison to a Company that may pay a 100% franked dividend. A Trust can accumulate franking credits and pass these through to Unitholders. Trusts can have distributions which are franked 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, past performance prior to this date has little bearing on future performance and is not shown. 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/ASX 200 Accumulation Index, and [www.ubs.com](http://www.ubs.com) for more information on the UBS Australian Bank Bill Index.