

Aurora Sandringham Dividend Income Trust Performance Report - October 2011

(ASX Code: AOD)



Summary

- The Trust returned 5.36% for October compared to the Benchmark which returned 3.85%
- Since the investment strategy was amended on 1 January 2011, the Trust has returned 4.51% versus the Benchmark which has returned -0.69%. During the same period, the S&P/ASX200 Accumulation Index has returned -6.05%.

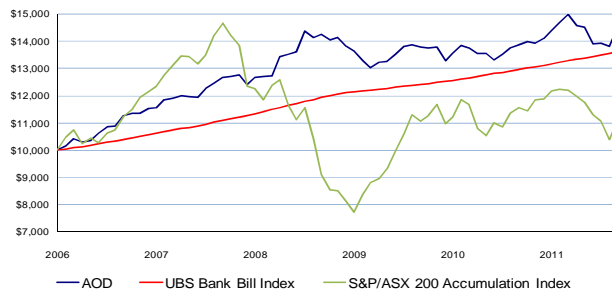
Performance¹

	CYTD	1 month	3 months	6 months	12 months	3 yrs (p.a)	Since Inception (p.a)
Aurora Sandringham Dividend Income Trust	4.51%	5.36%	4.76%	-2.83%	5.09%	0.71%	6.86%
Benchmark	-0.69%	3.85%	0.25%	-2.94%	1.01%	6.25%	4.35%
S&P/ASX200 Accumulation Index	-6.05%	7.25%	-1.25%	-8.72%	-3.65%	6.94%	1.94%
UBS Australia Bank Bill Index	4.17%	0.42%	1.24%	2.51%	5.02%	4.44%	5.59%

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 per Unit per quarter ⁴ .
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	\$23.3 million
Net Assets Value per Unit	\$0.9389
Net Assets Value per Unit-incl. franking	\$0.9540
NAV Accumulation per Unit (since inception)	\$1.6372

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%
30-Jun-11	\$0.0150	\$0.0346 (538%)	19.31%
30-Sep-11	\$0.0140	\$0.0000	5.81%
Total	\$0.3570	\$0.3262	

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)	6.6%
S&P/ASX Accumulation Index (since incep)	15.6%

Portfolio Commentary

The S&P/ASX200 Index completely erased September's losses as the market pre-empted expanded measures from European leaders designed to bring the drawn-out European debt crisis under control. The market was firmly in 'risk on' mode with the cyclical Energy, Materials and Financials sectors far outperforming the defensive Consumer Staples and Healthcare sectors. However, market confidence in the new measures was fractured on the final trading day of the month as Greek political instability threatened to derail crucial austerity plans.

The major Banks were large contributors to the Trusts performance as they outperformed the market ahead of the full-year profit announcements and November dividends for NAB, ANZ and WBC. NAB released results on the 27th October that were generally in-line with market expectations. Its retail banking revenue continued to grow at above system rates as it continued its aggressive pricing strategy.

Woolworths was one of the Trusts weaker positions due to the underperformance of defensives and September quarter sales figures which came in well below expectations. It reported a 1.9% rise in comparable store sales in Australian Food and Liquor which was disappointing compared to Wesfarmers which reported a 5.2% increase over the same period for its Coles Food and Liquor division.

Significant Portfolio Holdings

Company	Weight
BHP Billiton	18.2%
Commonwealth Bank	11.6%
Westpac Banking Corp	10.2%
Aust and NZ Banking Group	8.5%
National Australia Bank	8.5%
Total invested as a % of NAV	99.9%

Dividend Calendar

Company	Forecast Div	Ex Date
Metcash	\$0.11	9/12/2011
Tabcorp Holdings	\$0.24	7/02/2012
Commonwealth Bank	\$1.30	13/02/2012
JB Hi-Fi	\$0.50	13/02/2012
Alumina	\$0.04	15/02/2012
Boral	\$0.08	17/02/2012
Telstra Corp	\$0.14	20/02/2012
Wesfarmers	\$0.70	22/02/2012
Santos	\$0.10	22/02/2012
Woodside Petroleum	\$0.55	27/02/2012

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 over 3,000 Australian and New Zealand investors.

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 6.48%, 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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