



# Aurora Sandringham Dividend Income Trust ASX Code: AOD

## Performance Report - 30 June 2009

### Summary

- The Trust announced a estimated distribution of \$0.01 in cash and \$0.023 in franking for the 6 months to 30 June 09, representing a total distribution per Unit for the 08/09 year of \$0.0943 at a yield of 8.03%
- The Trust returned +8.58% p.a. for the 3 years to 30 June 09 and outperformed the S&P / ASX200 Accumulation Index which returned -3.81% p.a.



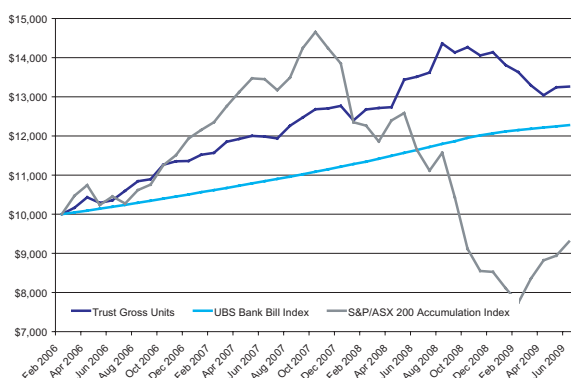
### Monthly Performance

|        |        |        |        |        |        |        |        | 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> |

### 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                         | \$46,042,293 |
| Net Asset Value (NAV) – incl. franking        | \$47,115,949 |
| Units on issue                                | 43,030,180   |
| Net Assets Value per Unit*                    | \$1.0713     |
| Net Assets Value per Unit – incl. franking*   | \$1.0950     |
| NAV plus distributions paid (since inception) | \$1.5554     |

\*Estimated NAV. Includes the estimated distribution for the period to 30 June 09

## 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        | \$0.0230        | \$0.0330        |
| <b>Total since inception</b> | <b>\$0.1949</b> | <b>\$0.2372</b> | <b>\$0.4934</b> |

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

\*\*Estimated distribution.

## Investment Manager commentary

By Sandringham Capital Pty Ltd

The S&P/ASX 200 Index managed to break through the 4000 level but this proved not to be sustainable. By the middle of the month, concerns on valuation and global economic growth prospect pushed the index back down. The financial year ended on a mini-rally to deliver a respectable 4% return for June.

With the Trust invested at 14% of net assets, in accordance with its investment strategy, the Trust gained 0.15% in June. The Trust's performance since inception of positive 8.8% per annum continues to materially outperform both equity market and cash returns of -2.2% and +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 since the Trust's strategy inception.

|   | 1 year to Jun 09 | 3 years to Jun 09 |
|---|------------------|-------------------|
| Aurora Sandringham Dividend Income Trust      | -1.8%            | 8.6%              |
| S&P/ASX 200 Accumulation Index                | -20.1%           | -3.8%             |
| S&P/ASX 200 Property Trust Accumulation Index | -42.3%           | -22.6%            |
| UBS Australian Bank Bill Index                | 5.5%             | 6.4%              |

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

## Significant portfolio holdings

|                                     | Weight (NAV%) |
|-------------------------------------|---------------|
| CBA                                 | 14.8          |
| <b>Total invested as a % of NAV</b> | <b>14.8</b>   |

## Dividend calendar

| Company           | Forecast dividend (\$) | Forecast ex date |
|-------------------|------------------------|------------------|
| Westfield         | 0.53                   | 11 August 09     |
| Tabcorp           | 0.47                   | 12 August 09     |
| AXA               | 0.09                   | 18 August 09     |
| Commonwealth Bank | 1.53                   | 18 August 09     |
| ASX               | 0.94                   | 20 August 09     |
| ERA               | 0.08                   | 20 August 09     |
| Leighton          | 0.85                   | 21 August 09     |
| Boral             | 0.17                   | 25 August 09     |
| Coca-Cola Amatil  | 0.17                   | 25 August 09     |
| Pacific Brands    | 0.03                   | 25 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

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Notes: Since inception (17 Nov 05) the Trust has delivered an annualised return of 8.0%, 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.