

## Aurora Sandringham Dividend Income Trust (ASX Code: AOD) Performance Report - June 2012

### Summary

- The strategy returned 0.5% for June compared to the Benchmark which returned 0.5%
- The Trust announced a distribution of \$0.0450 per Unit for the three months ending 30 June 2012 which represents an annualised yield of 9.4%

### Performance<sup>1</sup>

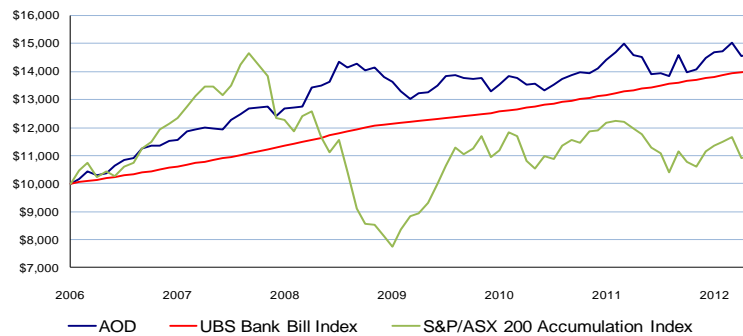
	1 month	3 months	6 months	12 months	3 yrs (p.a)	5 yrs (p.a)	Since Inception (p.a)
Investment Strategy (AOD)	0.5%	-0.8%	4.0%	0.8%	3.3%	4.1%	6.2%
Benchmark <sup>2</sup>	0.5%	-1.8%	2.9%	-0.7%	5.5%	1.2%	4.0%
S&P/ASX200 Accumulation Index	0.7%	-4.7%	3.3%	-6.7%	5.7%	-4.0%	1.5%
UBS Australia Bank Bill Index	0.3%	1.0%	2.2%	4.7%	4.5%	5.3%	5.5%

On January 31 2011 the AOD Trust commenced investing via the unlisted Aurora Dividend Income Trust. The performance information within this newsletter is that of the Aurora Sandringham Dividend Income Trust.

### Investment Objective<sup>\*</sup>

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



### Investment Strategy

The Investment Strategy 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. The Aurora Sandringham Dividend Income Trust invests into the Aurora Dividend Income Trust. (ARSN 151 947 732, APIR Code: AFM0010AU).

### How to Invest

The Investment Strategy can be accessed through either of two ways. The first is through the ASX listed Aurora Sandringham Dividend Income Trust, that was established in November 2005 and trades under the ASX Code: AOD. The second is through an unlisted managed fund, the Aurora Dividend Income Trust.

### Features

ASX Code	AOD
APIR Code	AFM0010AU
Distribution policy	At least 1.5% of Net Asset Value per Unit per quarter <sup>3</sup> .

### Trust Valuations

Strategy Size	\$19.9 million
Net Assets Value per Unit	\$0.8828
Net Assets Value per Unit-incl. franking	\$0.8828

### Historical Volatility

Strategy (since inception)	6.8%
S&P/ASX200 Acc Index (since incep)	15.3%

### Distributions (per Unit)<sup>4</sup>

Period	Cash	Franking (%) <sup>5</sup>	Yield at NAV (p.a)
CY2006	\$0.0617	\$0.1395 (528%)	14.7%
CY2007	\$0.0815	\$0.0591 (169%)	15.9%
CY2008	\$0.0817	\$0.0369 (105%)	12.6%
CY2009	\$0.0400	\$0.0451 (263%)	11.6%
CY2010	\$0.0620	\$0.0111 (42%)	7.2%
31-Mar-11	\$0.0150	\$0.0000	7.6%
30-Jun-11	\$0.0150	\$0.0346 (538%)	9.8%
30-Sep-11	\$0.0140	\$0.0000	10.3%
31-Dec-11	\$0.0140	\$0.0000	10.2%
31-Mar-12	\$0.0140	\$0.0000	9.8%
30-Jun-12	\$0.0140	\$0.031 (516%)	9.4%
<b>Total</b>	<b>\$0.4129</b>	<b>\$0.3573</b>	

## Portfolio Commentary

Unexpectedly positive domestic GDP and employment numbers were not enough to de-couple the local market from global swings in sentiment during June. Attention was again focused in Europe where soaring Spanish and Italian government bond yields forced European leaders to announce new measures aimed at restoring confidence and lowering yields. These included allowing the direct recapitalisation of banks through a Europe wide banking supervisory body and the removal of the preferred creditor status on an earlier Spanish bailout.

These measures were well received by global markets with a late month rally seeing the S&P/ASX200 Accumulation Index finish up 0.7% for the month.

Telecommunications and Consumer Staples were the strategy's best performing sectors while Healthcare and Consumer Discretionary were the worst performing.

The Consumer Discretionary sector underperformed in part due to the strategy's underweight position in Newscorp, which outperformed after announcing that it was considering separating its entertainment and publishing operations which would better realise the value in each unit.

Amongst the strategy's best performing positions was the underweight position in gold miner Newcrest Mining. It reached a new 3-year low as the US Federal Reserve announced that it was extending its 'Operation Twist' program rather than undertaking an additional round of quantitative easing. This reduced gold's appeal as a hedge

## Significant Portfolio Holdings

Company	Weight
BHP Billiton	18.3%
Telstra Corp	10.5%
Commonwealth Bank	7.7%
Wesfarmers	6.6%
Woolworths	6.3%

## Dividend Calendar

Company	Forecast Div	Ex Date
Coca-Cola Amatil	\$0.29	7/08/2012
Tabcorp Holdings	\$0.26	7/08/2012
Alumina	\$0.04	13/08/2012
Rio Tinto	\$0.70	15/08/2012
JB Hi-Fi	\$0.50	17/08/2012
Commonwealth Bank	\$1.80	20/08/2012
Telstra Corp	\$0.14	20/08/2012
Woodside Petroleum	\$0.55	20/08/2012
Wesfarmers	\$0.80	24/08/2012
Bendigo And Adelaide Bank	\$0.31	27/08/2012

Source: Bloomberg. Note: The Trusts 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, and Fortitude Capital Pty Ltd .

The combined group has in excess of \$470 million in funds under management and administration, and provides asset management and responsible entity/trustee services for over 2,500 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)
- van Eyk Blueprint Alternatives Plus (ASX Code: VBP)

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Notes: Since inception (17 Nov 05) the AOD Trust has delivered an annualised return of 6.2%, assuming distributions and franking credits are reinvested. 1. This represents a cumulative return and assumes the reinvestment of distributions and franking credits. 2. 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. 3. The Trust intends to always distribute at least 1.5% of NAV, excluding any franking credits, per quarter regardless of performance. This means that if there is insufficient net income in a given quarter, investors may receive a partial (or full) return of capital. 4. Please note each historical distribution of AOD has been divided by eight to reflect the Unit split carried out in July 2008. 5. 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 respective 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.

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) and the Aurora Dividend Income Trust (ARSN 151 947 732). 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 Statements and seek their own financial advice prior to investing in either 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 Investment Strategy has been altered since inception of the Trust and past performance is not fully reflective of the current Investment Strategy. 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/ ASX200 Accumulation Index, and [www.ubs.com](http://www.ubs.com) for more information on the UBS Australian Bank Bill Index.