

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

Summary

- The Trust lost 0.2% for September compared to the Benchmark which returned 1.3%
- For the 12 months to 30 September 2012 the Trust returned 9.9% after fees compared to the Benchmark which returned 9.8%

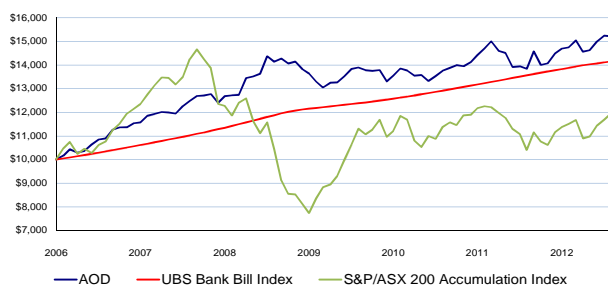
Performance¹

	1 month	3 months	12 months	3 yrs (p.a)	5 yrs (p.a)	Since Inception (p.a)
Investment Strategy (AOD)	-0.2%	4.0%	9.9%	3.1%	4.0%	6.2%
Benchmark ²	1.3%	4.8%	9.8%	3.5%	1.4%	5.4%
S&P/ASX200 Accumulation Index	2.2%	8.8%	14.8%	1.8%	-3.5%	3.9%
UBS Australia Bank Bill Index	0.3%	0.9%	4.4%	4.6%	5.1%	5.7%

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



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.

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 (ARSN 151 947 732, APIR Code: AFM0010AU).

Features

ASX Code	AOD
APIR Code	n.a.
Distribution policy	At least 1.5% of Net Asset Value per Unit per quarter ³ plus franking

Trust Valuations

Strategy Size	\$20 million
Net Assets Value per Unit	\$0.8960
Net Assets Value per Unit-incl. franking	\$0.9042

Historical Volatility

Strategy (since inception)	6.7%
S&P/ASX200 Acc Index (since incep)	15.1%

Distributions (per Unit)⁴

Period	Cash	Franking	Yield (p.a)
FY2007	\$0.0628	\$0.1017	14.4%
FY2008	\$0.0792	\$0.0452	10.8%
FY2009	\$0.0500	\$0.0423	7.9%
FY2010	\$0.0400	\$0.0351	9.1%
FY2011	\$0.0600	\$0.0346	9.5%
30-Sep-11	\$0.0140	\$0.0000	9.4%
31-Dec-11	\$0.0140	\$0.0000	9.4%
31-Mar-12	\$0.0140	\$0.0000	8.9%
30-Jun-12	\$0.0140	\$0.0310	9.0%
Total	\$0.4130	\$0.3572	

Market Review

September was characterised by another round of central bank intervention in the form of quantitative easing. Ben Bernanke put the printing press on full throttle announcing an open ended \$40bn per month round of asset purchasing with the ability to add to purchases if the U.S. labour market does not improve.

Whilst it is difficult to predict the long term effects on the real economy under this policy, the benefits to short term asset prices are clear. The Dow Jones rallied in kind, up 2.6% for the month outperforming the ASX200 Accumulation Index (+2.2%).

The materials sector underperformed over September as a result of investor concern over declining demand for resources from China. This dragged the performance of the Trust down relative to the Benchmark.

Significant Portfolio Holdings

Company	Weight
BHP	18.9%
Telstra	10.9%
Commonwealth Bank	7.5%
Wesfarmers	7.0%
Westpac	6.6%

Dividend Calendar

Company	Forecast Div	Ex Date
Westpac	\$0.85	7/11/2012
ANZ	\$0.78	8/11/2012
Bank Of Queensland	\$0.30	15/11/2012
NAB	\$0.91	16/11/2012
Graincorp	\$0.20	3/12/2012
Metcash	\$0.12	10/12/2012
Tabcorp Holdings	\$0.26	5/02/2013
Alumina	\$0.06	15/02/2013
Telstra	\$0.14	18/02/2013
Commonwealth Bank	\$1.40	18/02/2013

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 \$500 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 Dividend Income Trust
(ARSN 151 947 732)
- 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: 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). 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 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 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 for more information on the S&P/ ASX200 Accumulation Index, and www.ubs.com for more information on the UBS Australian Bank Bill Index.