

Aurora Dividend Income Trust Performance Report - September 2013

Summary

- The Trust had another solid month on a risk adjusted basis and returned 2.0% in September
- September month-end distributions of 1.4% in Cash and 0.9% in Franking Credits were made to investors
- Financials (ANZ, Westpac and NAB) and Materials (BHP and Rio Tinto) were leading sectors

Performance after Fees¹

		1 month	3 months	12 months	3 yrs (p.a)	Since (p.a.) 31-Dec-10	Since Inception 16-Nov-05 (p.a)
Return	Dividend Income Trust	2.0%	8.3%	23.5%	11.0%	11.5%	8.3%
inc. franking credits	S&P/ASX 200 Accum Index	2.3%	10.6%	25.8%	10.7%	10.0%	7.6%
Income	Dividend Income Trust		2.4%	10.7%	13.0%	13.6%	12.1%
inc. franking credits	S&P/ASX 200 Accum Index		1.9%	6.8%	6.3%	6.4%	7.7%
Volatility	Dividend Income Trust			8.7%	8.3%	8.6%	7.0%
	S&P/ASX 200 Accum Index			11.3%	11.5%	11.8%	14.4%

Objective

The objective of the Trust, relative to the Australian equity market, is to provide investors with:

- greater total returns over rolling 5 year periods;
- more income and franking credits each year; and
- less volatility.

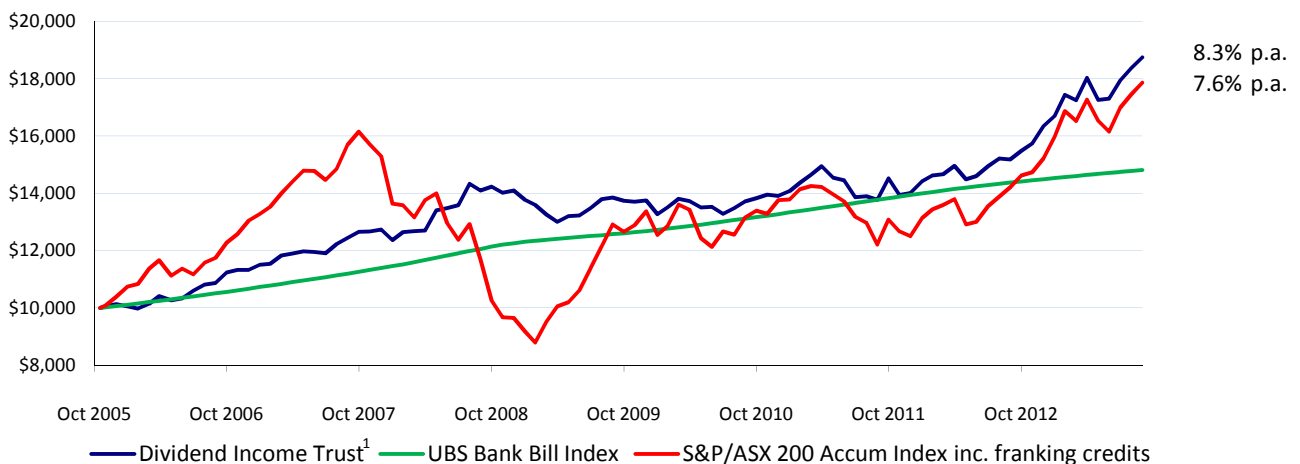
The Australian equity market is measured by the S&P/ASX 200 Accumulation Index adjusted to include franking credits.

Investment Strategy

The Trust seeks to achieve the objective by investing in an actively managed portfolio of fully franked dividend paying companies listed on the Australian Securities Exchange while hedging part of the market exposure.

Consequently, the Trust is expected to outperform when the market is weak and underperform when the market is strong.

Historic Performance Chart



Commentary

Tony Abbott's September election victory was widely anticipated and allowed markets to find solid footing, despite persistent global and macro risks. Namely, these included the probable US government shutdown and the potential breach of US national debt-ceiling limits.

Also bolstering market confidence was the US Federal Reserve's decision to defer the tapering of Quantitative Easing measures in the form of bond purchases, as was the expected appointment of staunch stimulus advocate Janet Yellen as Fed Chairwoman. In other news, Chinese manufacturing indicators reached a 6 month high and leading European economies continued to recover.

Domestically, the S&P/ASX 200 Accumulation Index posted a +2.3% September month to cap off a strong quarter. The Trust had another solid month on a risk adjusted basis and rose +2.0%. Financials (ANZ, Westpac and the National Australia Bank) and Materials (BHP Billiton and Rio Tinto) were the main sectors to drive return. Since inception, the Trust has outperformed the equity market by 0.7% per annum with materially less risk.

Trust Valuations

Trust Size	\$23 million
Net Assets Value per Unit-incl. franking	\$1.0210

Significant Portfolio Holdings

Company
BHP Billiton
Telstra
Westpac Bank
ANZ Bank
National Australia Bank

Trust Details

ARSN	151 947 732
ASX Code (Quoted Unit)	AOD
APIR Code (Managed Fund)	AFM0010AU
Minimum suggested timeframe	5 Years
Entry Fee	Nil
Exit Fee	Nil
Buy/Sell Spread	0.1%/0.1%
Total Management Cost	1.3% p.a.
Distribution frequency	Quarterly
Minimum quarterly distribution ²	1.5% cash + franking

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 had approximately \$650 million in funds under management and administration, and provides asset management and responsible entity/trustee services for 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)

Aurora Funds Limited

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Notes:

1. This represents a cumulative return and assumes the reinvestment of distributions and franking credits. These returns describe the consolidated returns after fees of the Trust and the Aurora Sandringham Dividend Income Trust (ARSN 108 249 154, 'ASDIT' established 16 November 2005). The performance references against the S&P/ASX 200 Accumulation Index plus the value of franking credits as determined by Aurora. The investment strategy of these trusts was modified on 31 December 2010.
2. The Trust intends to always distribute at least 1.5% of NAV in cash plus any available 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.