

## Aurora Dividend Income Trust Performance Report - June 2014

### Summary

- The Trust declined by -1.7% in June compared to the market, which fell by -1.5%
- The underperformance of Materials stocks including BHP and Rio Tinto detracted from performance
- The Trust's estimated distribution for the month is 0.5%

### Performance after Fees<sup>1</sup>

		1 month	3 months	12 months	3 yrs (p.a)	Since (p.a.) 31-Dec-10	Since Inception 16-Nov-05 (p.a)
Return inc. franking credits	Dividend Income Trust	-1.7%	-1.1%	10.0%	9.6%	9.4%	7.7%
	S&P/ASX 200 Accum Index	-1.5%	1.2%	18.9%	11.9%	10.0%	7.9%
Income inc. franking credits	Dividend Income Trust		1.8%	8.9%	12.2%	12.4%	11.7%
	S&P/ASX 200 Accum Index		1.2%	6.5%	6.5%	6.3%	7.6%
Volatility	Dividend Income Trust			7.3%	8.6%	8.3%	7.0%
	S&P/ASX 200 Accum Index			9.0%	11.9%	11.2%	14.1%

### 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.

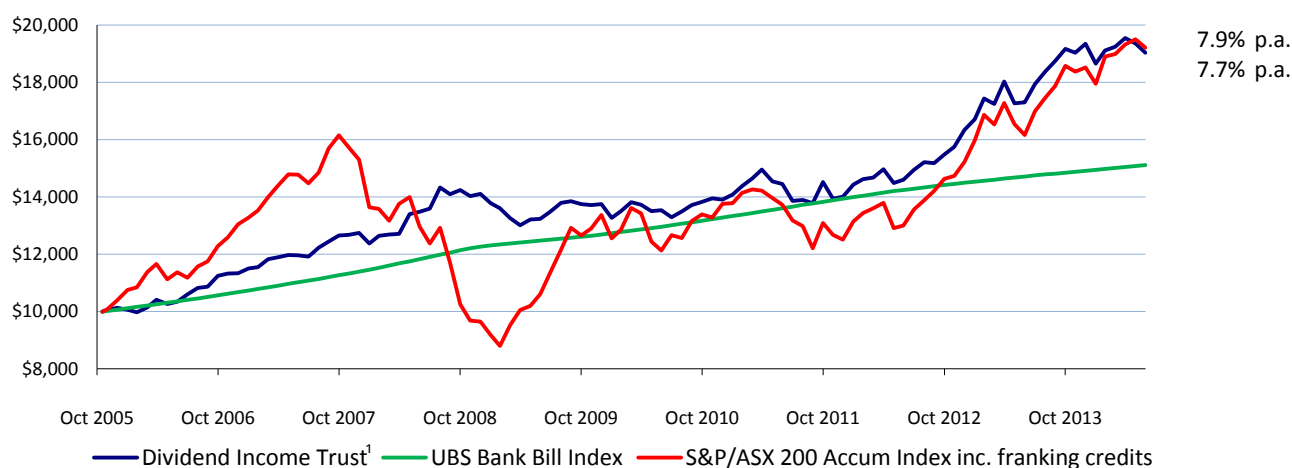
The Australian equity market is measured by the S&P/ASX 200 Accumulation Index adjusted to include franking credits.

### 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

Domestic markets lost ground in June and decreased by -1.5% to end the financial year on a sour note. In contrast, the US Dow Jones (+0.7%) and Shanghai Composite Index (+0.4%) strengthened, although there was weakness in some European markets including German DAX (-1.1%). The US economy continues to rebound, evidenced by robust jobs and improving unemployment levels, which continues to support their local economy to the benefit of other global markets.

Despite these strengths, the Australian stocks failed to fare quite so well. Themes to impact domestic markets included reduced expectations for the mining sector, particularly as cost projections rise and price estimates remain pressured. These factors negatively affected the Trust's positions in BHP, Rio Tinto and Fortescue Metals which led to a significant drag on performance. Alternatively, our short position in CSL (0.30% impact) proved to be profitable.

The Trust fell by -1.7% in June marginally underperformed the broader market. Since inception, the Trust has returned 7.7% p.a. which has performed in-line with the underlying market, and has achieved this with materially less risk.

## Trust Valuations

Trust Size	\$28 million
Net Assets Value per Unit-incl. franking	\$0.9748

## Significant Portfolio Holdings

Company
BHP Billiton
Telstra
Wesfarmers
Woolworths
Commonwealth 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	Monthly
Minimum monthly distribution <sup>2</sup>	0.5% 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 has approximately \$250 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)

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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 0.5% of NAV in cash plus any available franking credits, per month regardless of performance. This means that if there is insufficient net income in a given month, investors may receive a partial (or full) return of capital.