



Aurora Dividend Income Trust Performance Report - November 2015

Summary

- The Trust fell -1.7% over the month as global markets were broadly weaker.
- Over November, Australian bond yields and the AUD strengthened, whereas iron ore (-13%), gold (-7%) and oil (-10%) were hit hard due to a combination of a stronger USD dollar and commodity demand concerns.
- After-tax income remains a core goal in managing the Trust and the November distribution was franked at 191%. Over the course of 2015 the Trust has paid income and franking of 8.4%.

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.

Performance after Fees

Returns including franking credits	1 month	3 months	12 months	3 yrs (p.a)	Since (p.a.) 31-Dec-10	Since Inception 16-Nov-05 (p.a)
Dividend Income Trust ¹	-1.7%	-5.1%	-10.4%	1.9%	3.8%	5.2%
Benchmark*	-0.3%	0.7%	3.0%	6.9%	5.8%	6.1%
Value add	-1.4%	-5.8%	-13.4%	-5.0%	-2.0%	-0.9%

* The Benchmark is calculated as 50% of the return on the S&P/ASX 200 Accumulation Index adjusted to include franking credits plus 50% of the return on the UBS Australia Bank Bill Index. The weights in the benchmark are the same as the target weights of the Trust.

Distributions

The Trust distributes at least 0.5% of net assets in cash per month. In addition, the Trust distributes franking credits monthly.

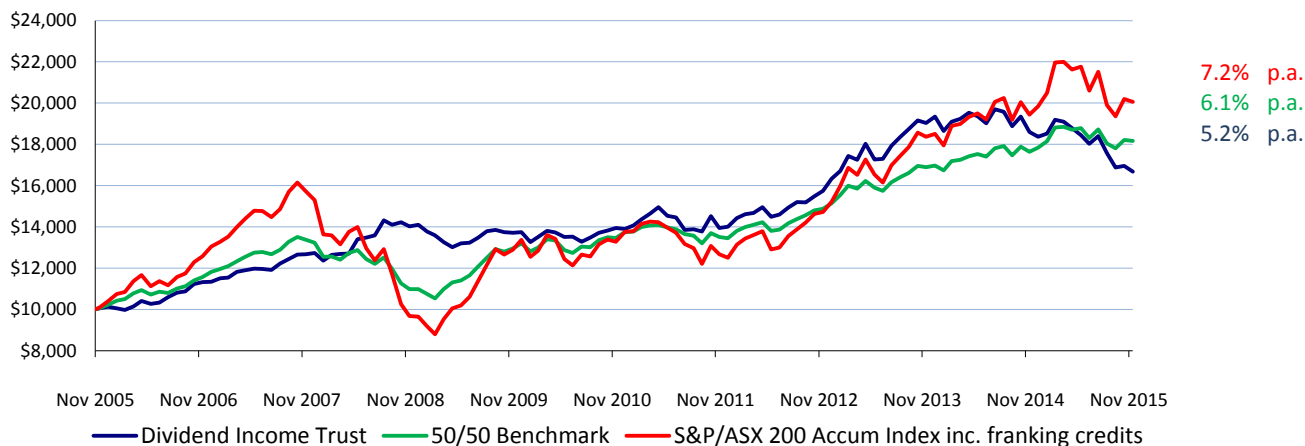
Yield including franking credits	1 month	3 months	12 months	3 yrs (p.a)	Since (p.a.) 31-Dec-10	Since Inception 16-Nov-05 (p.a)
Dividend Income Trust	0.9%	2.7%	8.4%	9.7%	11.3%	10.8%
S&P/ASX 200 Accumulation Index		1.6%	6.0%	6.2%	6.2%	6.1%

Volatility

Volatility is a measure of risk. The volatility of the Trust is expected to be less than the volatility of the market.

Volatility	3 yrs (p.a)	Since (p.a.) 31-Dec-10	Since Inception 16-Nov-05 (p.a)
Dividend Income Trust	9.3%	8.7%	7.5%
S&P/ASX 200 Accumulation Index	12.6%	12.1%	14.1%

Historic Performance Chart



Commentary

Performance Update

Weak performance from the mining sector dragged down the ASX 200 which fell -1.4% over the month of November. The chief contributor was index heavyweight BHP (-21%) that was sold off aggressively after a tailings dam in a joint venture-owned mine in Brazil failed, causing significant damage. Additionally Santos (-21%) announced assets sales, a new CEO and a large capital raising to shore up the company's balance sheet. Over the month the top performing stocks were Magellan (+15%), CSR (+14%) and Caltex (+9%). The weakest performers were Slater + Gordon (-67%), Sims (-31%) and ALS (-24%). Additionally Dick Smith's (-60%) second downgrade in a month will increase investor scepticism towards new IPOs.

Portfolio Performance

The Trust had a weak month falling -1.7%. In November the Trust benefited from long positions in Westpac (+5%), ANZ (+3%) and Caltex (+9%), as well as being short Macquarie (-3%), Newcrest (-11%) and Slater + Gordon (-67%).

The principle detractors from performance was the long position in BHP (-21%), Wesfarmers (-3%) and Rio (-9%), as well as the short position in Sydney Airport (+2%) and CSL (+7%). We are currently conducting a strategic review of the Trust's investment processes in relation to its positioning towards companies paying tax outside Australia.

Portfolio Trading

Early in the month we rebalanced to execute a strategy designed to augment the Trust's distributable franking credits. Maximising after-tax income remains a core goal in managing the Trust and we were pleased that the November distribution was franked at 191%. The earnings quality overlay was again a positive contributor to performance in November.

Trust Valuations

Current Distribution yield	9.00%
Net Assets Value per Unit-incl. franking	\$0.7521

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 ²	0.5% cash + franking

About Aurora

Aurora Funds Management Limited is a fully owned subsidiary of ASX listed, Keybridge Capital (ASX Code: KBC). Aurora is a boutique investment manager that was established in 2003, and has a long track record of producing risk adjusted returns for retail, institutional and high net worth investors. They aim to deliver income whilst also managing the risks associated in investing in Australian and global equities. The investment strategies are offered through both ASX listed investment vehicles and managed funds.

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)
- HHY Fund (ASX Code: HHY)

Aurora Funds Management Limited

Level 4, 1 Alfred Street, Sydney NSW 2000, PO Box R1695, Royal Exchange NSW 1225

Telephone: 1300 553 431, Visit: www.aurorafunds.com.au or Email: enquiries@aurorafunds.com.au

Disclaimer: This information has been prepared by Aurora Funds Management Limited ABN 69 092 626 885 AFSL 222110 in its capacity as Responsible Entity for the Aurora Dividend Income Trust (Managed Fund) (ARSN 151 947 732, the 'Trust'). It has been prepared without taking into account the objectives, financial situation or needs of any investor, which should be considered before investing. 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. While we take all care in the preparation of this newsletter, we expressly reject all liability for any omissions or errors. Investors should consider a copy of the Product Disclosure Statement and seek their own financial advice prior to investing in the Trust. Past performance is not a reliable indication of future performance. Please see www.asx.com.au for more information on the S&P/ASX 200 Index, and www.ubs.com for more information on the UBS Australian Bank Bill Index. The investment objective is expressed after the deduction of fees and before 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 is not guaranteed. See the respective PDS for details on taxation.

Notes:

1. The 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). They assume the reinvestment of distributions and franking credits. 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 were 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.