



Summary

- The Trust declined -1.6% in October, which whilst better than the ASX200's decline of -2.2%, was below the blended benchmark. All sectors fell on macroeconomic concerns other than resources; which posted modest gains. Given the Trusts minimal exposure to resources and higher weight to the defensive dividend paying stocks; the Trust performed in-line with expectations.
- In October we were able to frank the Trust's monthly distribution at the rate of 95% due to some franking capture trades and we anticipate delivering higher franking in both November and December.

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 and greater stability in distributions.

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

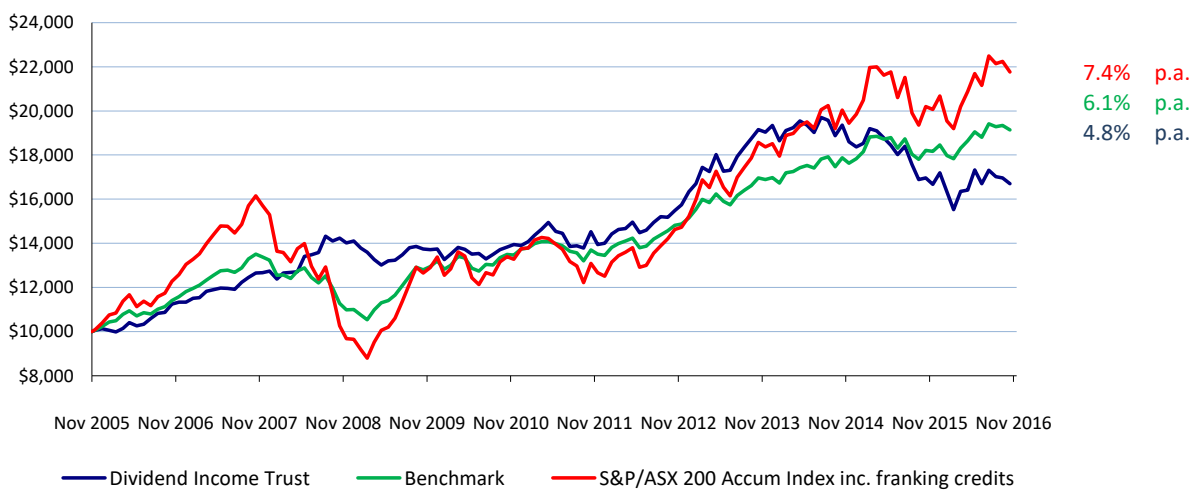
Performance after Fees

Returns including franking credits	1 month	3 months	12 months	3 yrs (p.a)	Since Inception 16-Nov-05 (p.a)
Dividend Income Trust ¹	-1.6%	-3.5%	-1.6%	-4.5%	4.8%
Benchmark*	-1.0%	-1.4%	5.1%	4.1%	6.1%

* 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.

Volatility	3 yrs (p.a)	Since Inception 16-Nov-05 (p.a)
Dividend Income Trust	10.0%	8.0%
S&P/ASX 200 Accumulation Index	12.6%	14.1%

Historic Performance Chart



Commentary

Performance Update

The Australian stock market fell -2.2% as bonds rallied and concerns increased over the outcome of the November US election. The defensive sectors were sold off hard, in particular healthcare and listed property, with resources posting a gain, courtesy of a 15% increase in the iron ore price.

The top performing stocks in October were Tatts (+11%), Fortescue (+11%) and Alumina (+8%). The weakest performers were the downgrading Healthscope (-28%) and the gaming stocks impacted by arrests in China; namely Star (-17%) and Crown (-17%).

Portfolio Performance

The Trust fell -1.6% in a month where the defensive sectors underperformed and resources outperformed. Whilst we avoided the major "torpedo" stocks over the month, the lack of resource companies in the portfolio (with more volatile earnings) and a high weight to defensives, resulted in a decline in the unit price.

The biggest drivers of positive performance were positions in Westpac (+3%), QBE (+8%), Incitec Pivot (+5%), as well as short positions in Spotless (-7%) and Link Admin (-13%).

On the negative side of the ledger performance was hurt by not owning resource stocks and positions in defensive dividend paying companies such as CSL (-6%), Transurban (-8%), Amcor (-3%) and Macquarie (-3%).

Portfolio Trading

Over the month we closed out of a short in Henderson (-2%) after the announcement of the proposed merger with Janus. Additionally stock was tendered into the Telstra (-4%) off-market share buy-back at the start of the month, which will augmented franking credits.

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

Trust Valuations

Current Distribution yield	7.8%
Net Assets Value per Unit-incl. franking	\$0.6965

About Aurora

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)

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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 1st March 2016.
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.