

## Aurora Dividend Income Trust (ADIT)

Performance <sup>1</sup>	1 month	3 months	FYTD
Aurora Dividend Income Trust	-16.34%	-16.38%	-15.89%
Benchmark	2.83%	6.04%	3.34%
Outperformance	-19.17%	-22.42%	-19.23%

### Investment Objective

The Aurora Dividend Income Trust ("Fund") seeks to provide investors with returns in excess of the S&P/ASX 200 Accumulation Index, adjusted to include the value of franking credits, over rolling 5 year periods, distribute more income and franking credits each year and to do so with less volatility.

### Investment Strategy

The Fund will invest in a portfolio of companies and opportunities listed on the ASX that are expected to pay fully franked dividends while employing a risk management overlay to reduce the net exposure to equity market risk.

The Fund will invest in opportunities that are considered to offer attractive risk return characteristics with a focus on potential catalysts that seek to generate a profitable return regardless of the market direction. The Fund may opportunistically short sell securities that may be overpriced or to reduce risk on the overall portfolio.

### Distribution History

Quarter End	Dollars per Unit	Franking
30 June 2020	\$0.0075	16%
31 March 2020	\$0.0086	25%
31 December 2019	\$0.0088	0%
30 September 2019	\$0.0074	0%
30 June 2019	\$0.0070	7%

### Fund Overview

ASX Code	AOD
NAV per Unit	\$0.4199
Structure	Fund
Investment Universe	Domestic
Inception Date	16 November 2005
Management fee (incl.GST)	0.97375%
Performance (incl.GST)	Nil
Buy / sell spread	+/- 0.20%
Entry / Exit fees	Nil
Benchmark	S&P ASX 200 Accumulation Index
Distributions	0.5% cash + franking per month

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**Fund Update**

RNY has been suspended from trading on the Australian Securities Exchange (ASX) since 1 April 2019, due to delays experienced in finalising its audited financial statements for the year ended 31 December 2018 and half year ended 30 June 2019, followed by the Audit Disclaimer Opinion issued in relation to the year ended 31 December 2019. Aurora understands that RNY is due to release its Audit Reviewed financial statements for the half year ended 30 June 2020. In the event a clear audit review statement is issued, Aurora understands that RNY will then be in a position to apply for recommencement of trading on the ASX.

On 23 September 2019, RNY announced it had completed an independent valuation of its 5 commercial office properties in the New York tri-state area, resulting in a 16% uplift on previous valuations and a material uplift in RNY's Net Tangible Asset (NTA) backing. Given RNY's suspension from trading on the ASX, there was no actively traded market available for Aurora to determine the market value for RNY's securities. As such, the independent valuation obtained by RNY was considered the most appropriate basis on which to determine the carrying value of RNY, with Aurora's direct investments being carried at a small discount to RNY's improved NTA.

On 29 June 2020, Keybridge Capital Limited (Keybridge) announced its intention to make an off-market all scrip takeover bid for RNY at an implied offer price of \$0.011 per RNY unit<sup>1</sup> (Keybridge Offer), with its Bidder's Statement being dispatched on 28 August 2020. On 28 September 2020, Keybridge issued a substantial holder notice stating it had acquired a relevant interest of 1.01% in RNY (from parties other than Aurora) through acceptances into the Keybridge Offer. Aurora has also elected to accept a portion of its Funds holdings into the Keybridge Offer. Consistent with its previous "truth in takeovers" statement, Aurora has limited its acceptances into the Keybridge Offer at 41,450,000 RNY units.

As a consequence of the acceptances into the Keybridge Offer, the implied offer price of \$0.011 per RNY unit is now the most readily observable price for RNY securities. As such, this has resulted in the carrying value of Aurora's direct investments in RNY being reduced from \$0.044 to \$0.011 per RNY unit, across its various Funds.

Following the recommencement of trading in RNY securities on the ASX, Aurora will continue to adjust its direct investment in RNY to reflect the last traded market price.

**About Aurora**

Aurora Funds Management Limited ("Aurora") is the Responsible Entity and Investment Manager of the Fund. Aurora is an Australian-based alternative asset manager that specialises in managing absolute-return strategies for high net worth, retail and institutional investors. Aurora specialises in value-orientated event-driven investments that aim to provide investors with positive risk-adjusted returns that are independent of benchmarks or investment cycles.

Aurora is also the Responsible Entity of the:

- Aurora Fortitude Absolute Return Fund (APIR Code: AFM0005AU)
- Aurora Absolute Return Fund (ASX Code: ABW)
- Aurora Property Buy-Write Income Trust (ASX Code: AUP)
- Aurora Global Income Trust (ASX Code: AIB)
- HHY Fund (ASX Code: HHY)

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**For further information, please contact:**

**Aurora Funds Management Limited** | 1300 553 431 | email: [enquiries@aurorafunds.com.au](mailto:enquiries@aurorafunds.com.au) | website: [www.aurorafunds.com.au](http://www.aurorafunds.com.au)

1. This number represents a cumulative return and assumes reinvestment of distributions and is generated with compounded monthly returns/net of fees.

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 Fund (ARSN 151 947 732). 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 carefully review the Product Disclosure Statement (PDS) for the Fund and seek their own financial advice prior to investing in the Fund. The information in this Performance Report 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 objective for the Fund is expressed after the deduction of fees and before taxation. See the PDS for details on taxation. The investment 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 the Fund will aim to achieve the objective, the objective and returns are not guaranteed. The payment of franking credits to investors is subject to the Fund achieving a taxable profit in that year.