



Summary

- The Trust fell by -1.6% in April trailing the benchmark which declined by -0.8%.
- The Australian equity market was weak and trailed global equity markets which mostly recorded strong gains.
- At a sector level April saw a wide dispersion of returns on the ASX with energy and mining outperforming financials and health.

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.

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	-1.6%	1.4%	-3.9%	7.9%	7.2%	6.9%
Benchmark*	-0.8%	3.1%	7.3%	9.5%	7.4%	6.8%
Value add	-0.8%	-1.7%	-11.2%	-1.6%	-0.2%	0.1%
S&P/ASX 200 Accumulation Index	-1.7%	5.5%	11.8%	16.1%	11.0%	8.5%

* 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.

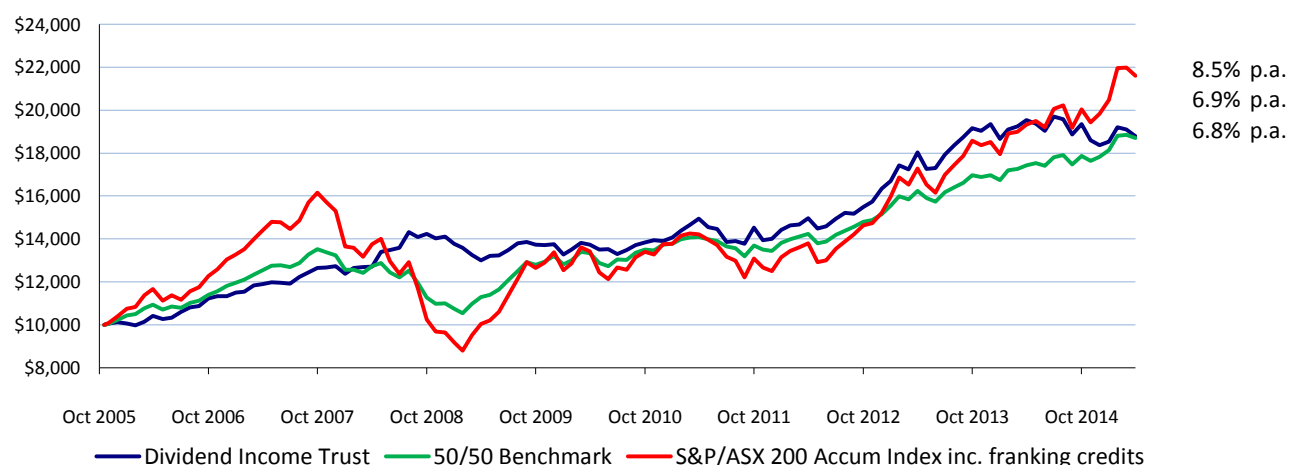
Yield including franking credits	1 month	3 months	12 months	3 yrs (p.a)	Since (p.a.) 31-Dec-10	Since Inception 16-Nov-05 (p.a)
Dividend Income Trust	0.6%	2.3%	8.1%	13.0%	11.6%	11.0%
S&P/ASX 200 Accumulation Index		1.9%	6.3%	6.5%	6.3%	6.1%

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	8.5%	8.5%	7.2%
S&P/ASX 200 Accumulation Index	11.4%	11.5%	14.1%

Historic Performance Chart



Commentary

The Australian equity market was on one of the weakest markets globally, trailing the S&P500 (+0.9%) and MSCI Europe (+4.6%). The primary reason for this was weakness in the Australian banks; whose share prices fell on concerns about increased regulation to curb growth in house prices and the spectre of dilutive equity issuance to top up bank capital.

At a sector level on the ASX energy, utilities and materials were the top performers, with financials, healthcare and listed property trusts lagging. "Beaten up" energy companies Worley (+20%), Santos (+16%) and Origin (+13%) were the strongest performers, benefiting from a bounce in the oil price. Bringing up the rear were BlueScope (-16%) and Metcash (-15%) which fell due to deteriorations in the steel and grocery markets. Resmed (-13%) declined after a disappointing quarterly result.

In April the Trust's long positions in BHP, Santos and QBE added value, as well as being short Brambles, Resmed and CSL. The main detractor of performance were our long positions in the major banks, which despite trading cum a fully franked dividend fell for the reasons detailed above.

Trust Valuations

Trust Size	\$25.0 million
Net Assets Value per Unit-incl. franking	\$0.8923

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

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.

Significant Portfolio Holdings

Company
Telstra
BHP Billiton
Commonwealth Bank
Wesfarmers
Westpac

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. The investment strategies are offered through both ASX listed investment vehicles and managed funds. They aim to deliver income whilst also managing the risks associated in investing in Australian and global equities.

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. 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.