

Aurora Dividend Income Trust Performance Report - March 2015



Summary

- The Trust fell by 0.5% in March while the benchmark rose by 0.2%.
- The Australian equity market was also relatively benign with the benefit of franking credits pushing performance positively.
- Similarly, over the month the Trust received most of its dividends following the company reoprtng season in February.

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	-0.5%	4.0%	-0.8%	9.2%	7.7%	7.1%
Benchmark*	0.2%	5.7%	9.2%	10.1%	7.7%	7.0%
Value add	-0.7%	-1.7%	-10.0%	-0.9%	0.0%	0.1%
S&P/ASX 200 Accumulation Index	0.2%	10.9%	15.8%	17.3%	11.7%	8.8%

* 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.

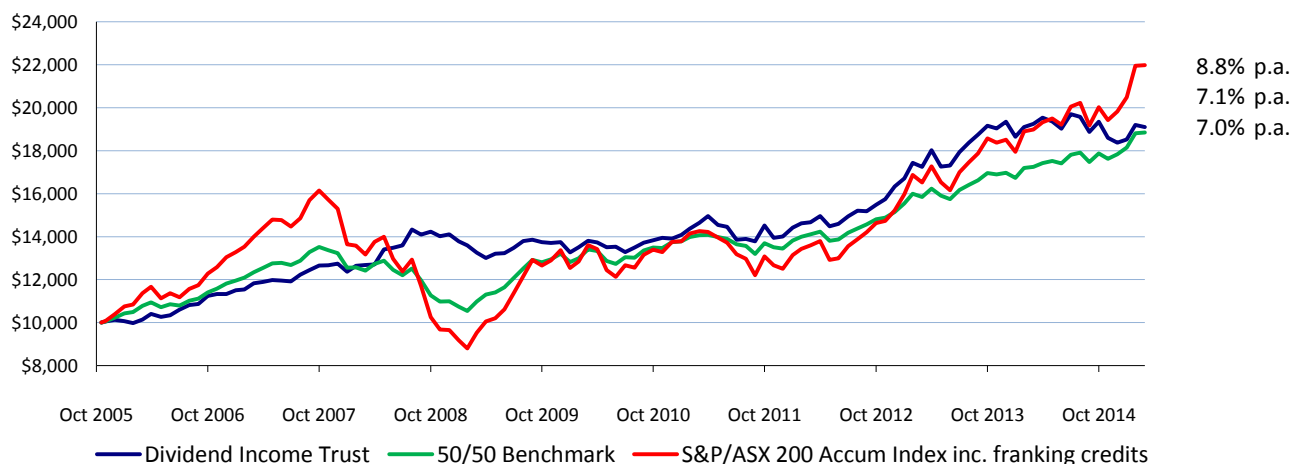
Yield including franking credits	1 month	3 months	12 months	3 yrs (p.a)	Since (p.a.) 31-Dec-10	Since Inception 16-Nov-05 (p.a)
Dividend Income Trust	1.0%	2.3%	8.4%	12.9%	11.7%	11.1%
S&P/ASX 200 Accumulation Index		2.0%	6.6%	6.6%	6.4%	7.5%

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	8.4%	8.5%	7.2%
S&P/ASX 200 Accumulation Index	11.3%	11.5%	14.1%

Historic Performance Chart



Commentary

Domestic investors generally had one eye focused on the Cricket World Cup during the month as Australia rode a roller coaster to the final before having a decisive victory. The Australian equity market also had some bumps along the way before posting a small gain (S&P/ASX 200 Accumulation Index including franking credits up 0.2%). There was a continuation of the thematic of high yielding industrial names performing well but resources and energy names being held back by falling commodity prices.

International markets were mixed; Europe (DAX +5.0%, CAC +1.7%) and Asia (Nikkei +2.2%, Hang Seng +0.3%) were stronger as there appears to be a continued response to looser monetary policy, whilst US markets traded weaker (Dow -2.0%, S&P500 -1.7%) as commentary by Federal Reserve Chair, Janet Yellen, seemed to indicate that the end of quantitative easing was approaching.

Despite the material underperformance of the fund over the last 15 months, the Trust has performed inline with the benchmark with less volatility and materially less volatility than the market over the long term.

Trust Valuations

Trust Size	\$25.0 million
Net Assets Value per Unit-incl. franking	\$0.9125

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)

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.