

Aurora Dividend Income Trust Performance Report - March 2014

Summary

- The Trust increased by 0.7% in March to outperform the broader market which rose by 0.3%
- The Trust announced a quarterly distribution of 1.5% in cash and 0.6% in franking credits
- The Trust will commence monthly income and franking credit distributions at the end of April 2014

Performance after Fees¹

		1 month	3 months	12 months	3 yrs (p.a)	Since (p.a.) 31-Dec-10	Since Inception 16-Nov-05 (p.a)
Return inc. franking credits	Dividend Income Trust	0.7%	-0.5%	11.6%	9.5%	10.5%	8.1%
	S&P/ASX 200 Accum Index	0.3%	2.4%	14.7%	9.9%	10.4%	7.9%
Income inc. franking credits	Dividend Income Trust		2.1%	11.1%	13.2%	12.8%	11.9%
	S&P/ASX 200 Accum Index		1.6%	6.1%	6.2%	6.3%	7.6%
Volatility	Dividend Income Trust			9.2%	8.7%	8.4%	7.0%
	S&P/ASX 200 Accum Index			11.5%	12.0%	11.6%	14.2%

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.

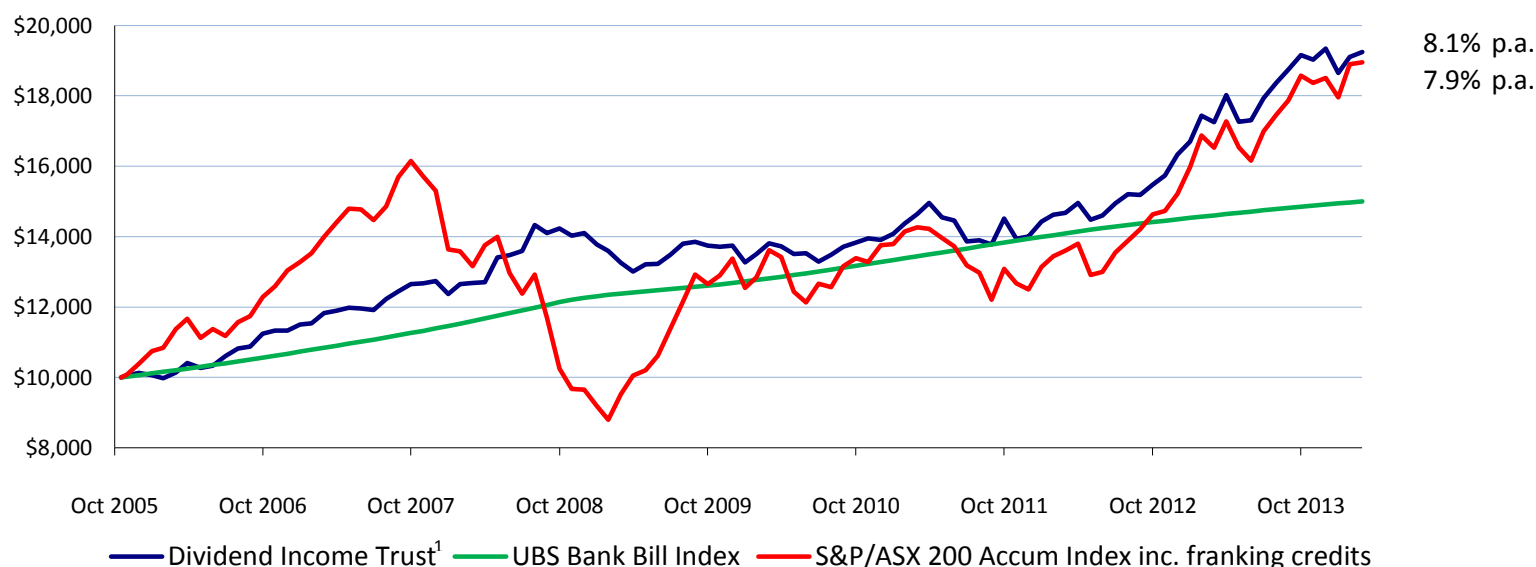
The Australian equity market is measured by the S&P/ASX 200 Accumulation Index adjusted to include franking credits.

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.

Historic Performance Chart



Commentary

After broad weakness in the early part of March the S&P ASX 200 Accumulation Index rallied to end the month in positive territory (+0.3%). The underlying themes to concern investors were the Ukrainian political crisis and subdued Chinese growth outlooks, although these issues abated as the month progressed.

However, despite some alleviation of the aforementioned risks the Materials sector underperformed the broader market and declined by -4.2%, which led to losses in the Trust's positions in BHP and Rio Tinto. In contrast the Financials sector (+2.3%) was one of the market's leading sectors, which supported the Trust through its holdings in the Commonwealth Bank, Westpac Bank and Suncorp.

The Trust announced a quarterly distribution of 1.5% in cash and 0.6% in Franking Credits in March 2014. The Trust will commence monthly income and franking credit distributions from the end of April 2014.

Overall, the Trust rose by 0.7% in March to deliver 0.4% of alpha compared to the broader market. Since inception, the Trust has returned 8.1% p.a. which has outperformed the underlying market, with materially less risk.

Trust Valuations

Trust Size	\$28 million
Net Assets Value per Unit-incl. franking	\$1.0044

Significant Portfolio Holdings

Company
BHP Billiton
Telstra
Commonwealth Bank
Westpac Bank
Wesfarmers

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	Quarterly
Minimum quarterly distribution ²	1.5% cash + franking

About Aurora

Aurora Funds Limited ('Aurora', ASX Code: AFV) was listed on the ASX in July 2010. Aurora comprises the combined businesses of Aurora Funds Management Limited and Fortitude Capital Pty Ltd.

The combined group had approximately \$229 million in funds under management and administration, and provides asset management and responsible entity/trustee services for Australian and New Zealand investors.

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 Limited

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Notes:

1. This represents a cumulative return and assumes the reinvestment of distributions and franking credits. These 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). 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 was modified on 31 December 2010.
2. The Trust intends to always distribute at least 1.5% of NAV in cash plus any available franking credits, per quarter regardless of performance. This means that if there is insufficient net income in a given quarter, investors may receive a partial (or full) return of capital.