

## Aurora Dividend Income Trust Performance Report - October 2013

### Summary

- The Trust outperformed the broader market on a risk adjusted basis to return 2.2% in October
- Domestic markets surged following the abatement of significant overseas risk concerns
- Financials (ANZ and Westpac Bank), BHP Billiton and Telstra were our largest profit drivers

### Performance after Fees<sup>1</sup>

		1 month	3 months	12 months	3 yrs (p.a)	Since (p.a.) 31-Dec-10	Since Inception 16-Nov-05 (p.a)
Return	Dividend Income Trust	2.2%	6.8%	23.8%	11.5%	12.0%	8.5%
inc. franking credits	S&P/ASX 200 Accum Index	3.9%	9.3%	27.0%	11.5%	11.2%	8.1%
Income	Dividend Income Trust		2.4%	10.7%	13.0%	13.3%	12.0%
inc. franking credits	S&P/ASX 200 Accum Index		1.9%	6.8%	6.3%	6.3%	7.7%
Volatility	Dividend Income Trust			8.7%	8.3%	8.5%	7.0%
	S&P/ASX 200 Accum Index			11.5%	11.6%	11.2%	14.4%

### 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.

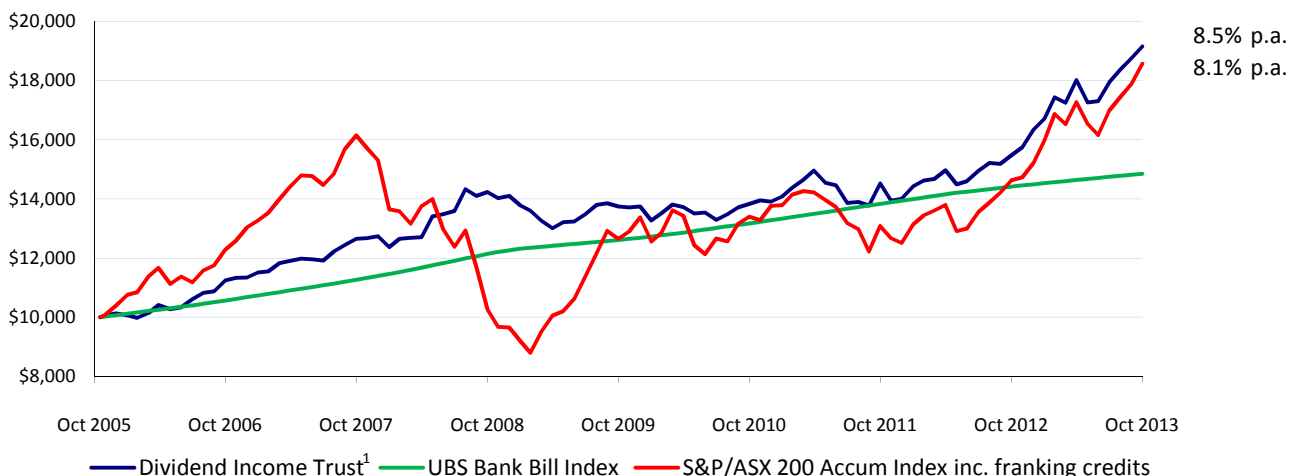
### Commentary

The S&P/ASX200 Accumulation Index charged ahead during October with Financials a standout sector (+5.5%) prior to their earnings releases and dividend payouts scheduled early November.

The rise in the Index also reflected strong sentiment in domestic house prices which recorded a +3.6% gain for the September quarter. Interest rates were on hold as expected in light of a strong Aussie dollar and subdued economic activity. Elsewhere, US and European equity markets surged, particularly once concerns over the US debt ceiling and Government shutdown were addressed. The S&P 500 finished up +4.5% whilst the Euro Stoxx Index rose +6%.

The Trust outperformed the broader market on a risk adjusted basis and rose +2.2% in October. Financials (ANZ, Westpac and the National Australia Bank), Materials (BHP Billiton and Rio Tinto), Telstra and Wesfarmers were our main profit drivers. In the past 12 months, the Trust has fallen just shy of emulating the underlying equity market to return 23.8% with materially less risk.

### Historic Performance Chart



## Trust Valuations

Trust Size	\$24 million
Net Assets Value per Unit-incl. franking	\$1.0437

## Significant Portfolio Holdings

Company
BHP Billiton
Telstra
Westpac Bank
ANZ Bank
National Australia Bank

## 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 <sup>2</sup>	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 \$670 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)
- van Eyk Blueprint Alternatives Plus (ASX Code: VBP)

## Aurora Funds 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](http://www.aurorafunds.com.au) or Email: [enquiries@aurorafunds.com.au](mailto:enquiries@aurorafunds.com.au)

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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.