

Aurora Dividend Income Trust (ASX.AOD)

Performance ¹	1 month	3 months	FYTD
Aurora Dividend Income Trust	0.18%	2.97%	-0.67%
Benchmark	-0.32%	3.54%	2.11%
Outperformance	0.50%	-0.57%	-2.78%

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.

Investment Objective

The 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 the Investment Manager expects will pay fully franked dividends while employing a risk management overlay to reduce the net exposure to equity market risk.

The Fund invests in opportunities that it considers to offer attractive risk return characteristics with a focus on potential catalysts that seeks to generate a profitable return regardless of the market direction. The Fund may opportunistically short sell securities that it believes to be overpriced or to reduce risk on the overall portfolio.

Distribution History

Quarter End	Cents per Unit	Franking
31 December 2016	\$0.0106	85%
30 September 2016	\$0.0143	69%
30 June 2016	\$0.0157	103%
31 March 2016	\$0.0186	164%

Trust Overview

ASX Code	AOD
NAV per Unit	\$0.7067
Structure	Trust
Investment Universe	Domestic
Inception Date	16 November 2005
Management / Performance fee (excl.GST)	0.95% / Nil
Buy / sell spread	+/- 0.10%
Entry / Exit fees	Nil
Benchmark	50% UBS Bank Bill Rate / 50% ASX 200
Distributions¹	0.5% cash + franking per month

Fund performance summary

- The Aurora Dividend Income Trust returned +0.18% for the month, outperforming its benchmark return of -0.32%, whilst the broader S&P/ASX200 Index fell -0.79%.
- We were pleased to see the Trust provide positive performance and outperform its benchmark in its first month under new management.
- The Trust exited a number of long and short positions, leaving a large weighted average cash balance and a market exposure in the lower end of target range.
- The portfolio continues to be repositioned to reflect a group of companies and opportunities that are consistent with the implementation of the portfolio managers new fund strategy.
- No short positions were held during the month, primarily due to an already sufficient cash weighting. The manager will continue to take a portfolio approach to managing its cash and short positions with a view to optimising portfolio return within its mandate.
- The Trust benefited from capital growth and fully-franked income from initial positions in CAM and WDE. These two listed investment companies were purchased at substantial discounts to their underlying portfolio of ASX-listed assets, whilst also providing a recurring fully-franked income stream. We believe that by holding fully-franked dividend paying companies at a discount to underlying value provides broader downside protection, yield enhancement, whilst also the added opportunity of outperformance from the narrowing of discount.

About Aurora

Aurora Funds Management Limited ("Aurora") is an Australian based alternative asset manager that specialises in managing absolute-return strategies for high net worth, retail and institutional investors. Aurora utilises a value-orientated approach to select suitable investments that aim to provide investors with positive risk-adjusted returns that are independent of benchmarks or investment cycles.

Aurora is also the issuer 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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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 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. Investors should consider a copy of the Product Disclosure Statement (PDS) 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 is expressed after the deduction of fees and before taxation. See the PDS for details on 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 and returns are not guaranteed. The payment of franking credits to Unit holders is subject to the Fund achieving a taxable profit in that year.