

Aurora Dividend Income Trust

Performance Report - November 2014

Summary

- The Trust declined by 3.9% in November while the market declined by 3.0%.
- A surprise announcement by OPEC not to reduce production resulted in oil prices falling to 2008 levels.
- The Trust's underperformance for the month was driven by poor performing resources stocks.

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	-3.9%	-5.0%	-2.3%	10.1%	7.7%	7.1%
Benchmark*	-1.4%	-1.6%	4.4%	9.3%	6.6%	5.4%
Value add	-2.5%	-3.4%	-6.6%	0.8%	1.1%	1.7%
S&P/ASX 200 Accumulation Index	-3.0%	-4.0%	5.8%	15.3%	9.2%	7.6%

* 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.

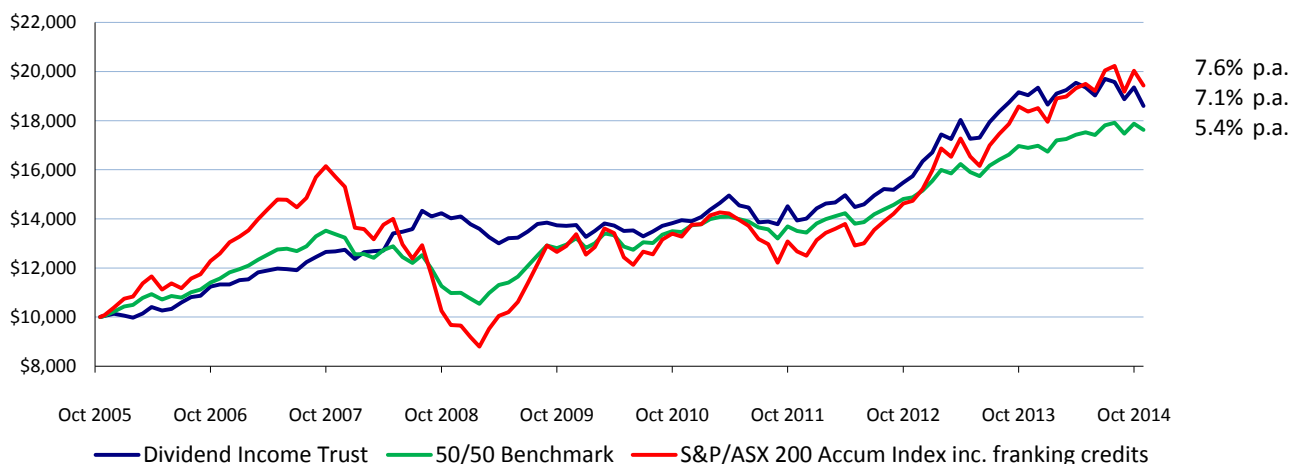
Yield including franking credits	1 month	3 months	12 months	3 yrs (p.a)	Since (p.a.) 31-Dec-10	Since Inception 16-Nov-05 (p.a)
Dividend Income Trust	0.7%	2.7%	9.6%	13.1%	12.0%	11.6%
S&P/ASX 200 Accumulation Index		1.6%	5.9%	6.5%	6.3%	7.5%

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	8.2%	8.7%	7.2%
S&P/ASX 200 Accumulation Index	11.0%	11.5%	14.1%

Historic Performance Chart



Commentary

A surprise announcement by OPEC not to reduce production saw crude oil prices fall to levels not seen since 2008. This was seen as a boost for economic growth in most developed economies and equity markets reacted accordingly (DOW +2.5%, FTSE +2.7%, DAX +7.0%, Nikkei +6.4%), but coming on top of the continued fall in other commodity prices the S&P/ASX 200 Accumulation Index including franking credits fell 3.0%.

With the Trust's long positions in BHP, RIO and other resource companies that pay fully franked dividends, the Trust underperformed the market and benchmark. This has been an ongoing theme over 2014.

Since inception, the Trust has returned 7.1% p.a. which is marginally below the underlying market. Relative to benchmark the Trust has outperformed by 1.7% per annum.

Trust Valuations

Trust Size	\$26 million
Net Assets Value per Unit-incl. franking	\$0.9140

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
BHP Billiton
Telstra
Wesfarmers
Woolworths
Commonwealth Bank

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 has in excess of \$230 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)

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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.