

Aurora Dividend Income Trust (Managed Fund)

ARSN 151 947 732

Interim Financial Report For the half-year ended 31 December 2017

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Directors' Report

The Directors of Aurora Funds Management Limited (ABN 69 092 626 885), the "Responsible Entity" of Aurora Dividend Income Trust (Managed Fund) ("the Trust"), present their interim report together with the condensed financial statements of the Trust for the half-year ended 31 December 2017, and the auditor's report thereon.

The condensed financial report has been prepared for the Trust as it is a disclosing entity under the *Corporations Act 2001*.

Principal activities

The Trust invests in equities and derivatives in accordance with the provision of the Trust Constitution and current Product Disclosure Statement.

The Trust did not have any employees during the half-year.

The Trust has two classes of units; an unlisted class and an AQUA quoted class.

The Responsible Entity's Australian Financial Services License permits it to facilitate the Trust investing in itself (via 'Treasury Units') in order to provide trading liquidity. The Responsible Entity manages a market making service for the Trust, and offers units for sale and bids to purchase units. Treasury unit trading is conducted to facilitate applications and redemptions through the ASX platform.

There were no significant changes in the nature of the Trust's activities during the half-year.

Directors

The following persons held office as directors of Aurora Funds Management Limited during the half-year and up to the date of this report unless otherwise indicated:

John Patton

Jeffrey Schwarz (appointed 25 July 2017)

Victor Siciliano (appointed 9 January 2018)

Jim Hallam (resigned 25 July 2017)

Betty Poon (removed 27 November 2017)

Units on Issue

Units on Issue in the trust at the end of the half-year are set out below:

	31 December 2017	30 June 2017
Units on issue	13,363,864	15,705,782

Review and results of operations

During the half-year, the Trust continued to invest in accordance with target asset allocations as set out in the governing documents of the Trust and in accordance with the provisions of the Trust Constitution.

The investment policy of the Trust continues to be that detailed in the current Product Disclosure Statement and in accordance with the provisions of the governing documents of the Trust.

Financial position

Net Tangible Assets per unit as disclosed to the ASX are shown as follows:

	31 December 2017 \$	30 June 2017 \$
At reporting period	0.6359	0.6217
High during period	0.6563	0.7367
Low during period	0.6236	0.6217

Directors' Report (continued)

Financial results for the half-year

The performance of the Trust, as represented by the results of its operations, was as follows:

	Half-year ended	
	31 December 2017	31 December 2016
	\$	\$
Operating profit before finance costs attributable to unitholders	596,865	314,952
Distributions paid and payable	234,512	(372,391)
<i>Distributions</i>		
Distribution – (cents per units) – 31 July	0.31	0.36
Distribution – (cents per units) - 31 August	0.31	0.37
Distribution – (cents per units) - 30 September	0.31	0.36
Distribution – (cents per units) - 31 October	0.33	0.36
Distribution – (cents per units) - 30 November	0.33	0.35
Distribution – (cents per units) - 31 December	0.33	0.35

The Trust distributes all its net income each year to unitholders. The Trust distributes 0.5% of the Net Asset Value ('NAV') per unit each month. Should the Trust not generate sufficient net income to cover the distribution in any financial year, then part or all of any distribution may be a return of capital.

Information on underlying performance

The performance of the Trust is subject to the performance of the Trust's underlying portfolio. There has been no change to the investment strategy of the Trust during the half-year, and the Trust continues to invest in accordance with target asset allocations as set out in the governing documents of the Trust and in accordance with the provisions of the Trust Constitution.

Strategy and future outlook

The Trust is predominately invested in listed equities, with a focus on Australian equity securities. This is expected to continue. As markets are subject to fluctuations, it is imprudent to provide a detailed outlook statement or statement of expected results of operations. The Trust provides regular updates, including monthly NTA announcements, which can be found in the announcement section of the ASX website.

The Trust will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Trust and in accordance with the provisions of the Trust's Constitution.

The results of the Trust's operations will be affected by a number of factors, including the performance of investment markets in which the Trust invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further information on likely developments in the operations of the Trust and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Trust.

Significant changes in state of affairs

In the opinion of the Directors, other than matters already referred to in this report, there were no significant changes in the state of affairs of the Trust that occurred during the financial half-year.

Matters subsequent to the end of the half-year

No matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect:

- (i) the operations of the Trust in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Trust in future financial years.

Directors' Report (continued)

Indemnity and insurance of Aurora Funds Management Limited

No insurance premiums are paid for out of the assets of the Trust in relation to insurance cover provided to either the officers of Aurora Funds Management Limited or the auditors of the Trust. So long as the officers of Aurora Funds Management Limited act in accordance with the Trust Constitution and the Law, the officers remain indemnified out of the assets of the Trust against losses incurred while acting on behalf of the Trust.

Indemnity of auditors

The auditors of the Trust are in no way indemnified out of the assets of the Trust.

Fees paid and interests held in the Trust by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Trust property during the half-year are disclosed in the Condensed Statement of Profit or Loss and Other Comprehensive Income as "Management fees".

No fees were paid out of Trust property to the Directors of the Responsible Entity during the half-year.

Interests in the Trust

The movement in units on issue in the Trust during the half-year is disclosed in Note 5 of the condensed financial statements.

The values of the Trust's assets and liabilities are disclosed on the Condensed Statement of Financial Position and derived using the basis set out in Note 2 of the interim report.

Environmental regulation

The operations of the Trust are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Proceedings on behalf of the Trust

No person has applied for leave of Court to bring proceedings on behalf of the Trust or intervene in any proceedings to which the Trust is a party for the purpose of taking responsibility on behalf of the Trust for all or any part of those proceedings. The Trust was not a party to any such proceedings during the half-year.

Auditor's Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5 of this financial report.

The report is made in accordance with a resolution of the Directors.



John Patton
Managing Director
28 February 2018

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Auditor's Independence Declaration to the Directors of Aurora Funds Management Limited as the responsible entity of Aurora Dividend Income Trust

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Aurora Dividend Income Trust for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B A Mackenzie
Partner – Audit & Assurance

Melbourne, 28 February 2018

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Financial Statements

Condensed Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2017

	Notes	Half-year ended	
		31 December 2017 \$	31 December 2016 \$
Investment income			
Interest income		3,207	23,115
Dividends and distribution income		188,092	321,261
Net gains/(losses) on financial instruments held at fair value through profit or loss		654,280	172,318
Total net investment income		845,579	516,694
Expenses			
Management fees	10	50,485	78,515
Dividend expenses		-	40,813
Transaction costs		3,777	9,079
Other operating expenses	10, 11	194,452	73,335
Total operating expenses		248,714	201,742
Operating profit/(loss)		596,865	314,952
Finance costs attributable to unitholder			
Distribution to unitholders	6	(234,512)	(372,391)
(Increase)/decrease in net assets attributable to unitholders	5	(362,353)	57,439
Profit/ (loss) for the half-year		-	-
Other comprehensive income		-	-
Total comprehensive income		-	-
Earnings per unit (Basic/ Diluted)		\$0.04	\$0.02

The above Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Financial Statements

Condensed Statement of Financial Position

as at 31 December 2017

		As at	
	Notes	31 December 2017 \$	30 June 2017 \$
Assets			
Cash and cash equivalents	7	613,927	1,948,347
Dividends Receivables		6,752	2,855
Receivables		66,202	49,711
Due from brokers – receipts for securities sold		59,227	116,649
Financial assets held at fair value through profit or loss	8	6,734,014	7,081,995
Total assets		7,480,122	9,199,557
Liabilities			
Distributions payable		37,393	198,248
Dividend payable		-	8,703
Due to brokers – payable for securities purchased		-	82,370
Financial liabilities held at fair value through profit or loss	9	197,730	772,060
Redemption Payable		7,965	-
Other payables		105,521	59,464
Total liabilities (excluding net assets attributable to unitholders)		348,609	1,120,845
Net assets attributable to unitholders		7,131,513	8,078,712
Liabilities attributable to unitholders		(7,131,513)	(8,078,712)
Net assets		-	-

The above Condensed Statement of Financial Position should be read in conjunction with the accompanying notes.

Financial Statements

Condensed Statement of Changes in Equity for the half-year ended 31 December 2017

		Half-year ended	
	Notes	31 December 2017 \$	31 December 2016 \$
Balance at the beginning of the period			
Profit/(loss) for the half-year		-	-
Other comprehensive income		-	-
Total comprehensive income		-	-
Transactions with unitholders in their capacity as unitholders		-	-
Total equity at the end of the period		-	-

Under Australian Accounting Standards, net assets attributable to unitholders are classified as liability rather than equity. As a result, there was no equity at the start or end of the half-year.

The above Condensed Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Financial Statements

Condensed Statement of Cash Flows

for the half-year ended 31 December 2017

	Notes	Half-year ended	
		31 December 2017 \$	31 December 2016 \$
Cash flows from operating activities			
Proceeds from sale of financial instruments held at fair value through profit or loss		2,971,507	22,892,360
Purchase of financial instruments held at fair value through profit or loss		(2,568,522)	(18,087,105)
Transaction costs on sale and purchase of financial instruments at fair value through profit or loss		(3,778)	(9,079)
Dividends and distributions received		184,195	509,233
Dividends and distributions paid		(8,703)	(40,813)
Interest received		3,053	25,845
GST recovered/paid		(16,335)	(13,360)
Management fees paid		(43,720)	(81,862)
Other operating expenses paid		(155,163)	(2,851)
Net cash inflow/(outflow) from operating activities		362,534	5,192,368
Cash flows from financing activities			
Proceeds from applications by unitholders		-	2,704,196
Payments for redemptions by unitholders		(935,011)	(2,811,492)
Proceeds from treasury unit applications		84,967	121,171
Payments for treasury unit redemptions		(519,536)	(3,382,387)
Distributions paid to unitholders		(327,374)	(386,758)
Net cash inflow/(outflow) from financing activities		(1,696,954)	(3,755,270)
Net increase/(decrease) in cash and cash equivalents		(1,334,420)	1,437,098
Cash and cash equivalents at the beginning of the period		1,948,347	3,301,708
Cash and cash equivalents at the end of the period	7	613,927	4,738,806
Non-cash financing activities		67,992	67,196

The above Condensed Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

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Notes to the Financial Statements

1. General information

The condensed interim financial statements cover Aurora Dividend Income Trust (Managed Fund) (“the Trust”) as an individual entity. The Trust commenced operations on 8 February 2011 and is domiciled in Australia.

The Responsible Entity of the Trust is Aurora Funds Management Limited (the “Responsible Entity”). The Responsible Entity’s registered office is Suite 613, 370 St Kilda Road, Melbourne, Vic 3004. The condensed interim financial statements are presented in the Australian currency.

It is recommended that these condensed interim financial statements are considered together with the current product disclosure document and in accordance with the provisions of the governing documents of the Trust, and any public announcements made by the Trust during the half-year ended 31 December 2017 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

The principal activities of the Trust during the half-year was establishing its investment strategy in accordance with the provision of the Trust Constitution, the Product Disclosure Statement and any Fund Updates.

2. Significant Accounting Policies

The principal accountings policies applied in the preparation of this condensed interim financial report are set out below.

These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation

The accounting policies applied by the Trust in this condensed interim financial report are the same as those applied by the Trust in its Financial Report as at, and for, the year ended 30 June 2017.

Statement of compliance

The condensed interim financial statements are a general purpose financial report prepared in accordance with AASB 134 Interim Financial Reporting and the *Corporations Act 2001*.

The interim financial report does not include all the information required for a full annual financial report and should be read in conjunction with the annual financial report as at, and for, the year ended 30 June 2017.

The condensed interim financial statements comply with IAS 34 Interim Financial Reporting.

The condensed interim financial statements were authorised for issue by the directors as at the date of the directors’ report. The Directors of the Responsible Entity have the power to amend and reissue the condensed interim financial statements.

3. Adoption of new and revised Accounting Standards

New, revised or amending Accounting Standards and Interpretations adopted

The Trust has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (‘AASB’) that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Trust for the annual reporting period ended 30 June 2017. The Trust’s assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Trust, as set out below.

Notes to the Financial Statements

3. Adoption of new and revised Accounting Standards (continued)

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. This standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. New simpler hedge accounting requirements are intended to more closely align with the risk management activities of the Trust. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognize an allowance.

The Trust intends to apply the standard from 1 July 2018 and is currently working through the financial statement impact of this new standard. The magnitude of the financial impacts on transition and on the comparative financial year is yet to be determined, as a result, at this time the Trust cannot make a reasonable quantitative estimate of the effects of the new standard.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standards is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer.

The Trust will adopt this standard from 1 July 2018. The changes in revenue recognition requirements in AASB 15 are not expected to have a significant impact on the timing and amount of revenue recorded in the financial statements or result in significant additional disclosures.

Notes to the Financial Statements

4. Fair value measurement

The Trust measures and recognises the following assets and liabilities at fair value on a recurring basis through profit or loss (FVTPL).

AASB 13 requires disclosure of fair value measurements by level of the following fair value hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

(i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Trust values its investments in accordance with the accounting policies set out in Note 2. For the majority of its investments, the Trust relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets held by the Trust is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price. When the Trust holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(ii) Fair value in an inactive or unquoted market (level 2 and level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Trust for similar financial instruments.

Notes to the Financial Statements

4. Fair value measurement (continued)

Recognised fair value measurements

The following table presents the Trust's assets and liabilities measured and recognised as at the half-year ended 31 December 2017 and the year ended 30 June 2017.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
31 December 2017				
Financial assets				
Financial assets designated at fair value through profit or loss:				
Listed equity securities	6,731,962	-	-	6,731,962
Listed options	2,052	-	-	2,052
Total financial assets	6,734,014	-	-	6,734,014
Financial liabilities				
Financial liabilities held for trading:				
Listed equity securities sold short	197,730	-	-	197,730
Total financial liabilities	197,730	-	-	197,730

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
30 June 2017				
Financial assets				
Financial assets designated at fair value through profit or loss:				
Listed equity securities	6,814,495	-	-	6,814,495
Listed unit trusts	267,500	-	-	267,500
Total financial assets	7,081,995	-	-	7,081,995
Financial liabilities				
Financial liabilities held for trading:				
Listed equity securities	772,060	-	-	772,060
Total financial liabilities	772,060	-	-	772,060

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and certain listed unit trusts.

Transfers between levels

There have been no transfers between levels for the half-year ended 31 December 2017 and the year ended 30 June 2017.

Notes to the Financial Statements

5. Net assets attributable to unitholders

Movements in the number of units and net assets attributable to unitholders during the half-year were as follows:

	31 December 2017 No.	30 June 2017 No.	31 December 2017 \$	30 June 2017 \$
Opening balance – excluding treasury units	13,305,214	18,662,289		
Applications	131,363	4,795,800		
Redemptions	(2,278,629)	(10,318,142)		
Units issued upon reinvestment of distributions	105,039	165,267		
Closing balance – excluding treasury units	11,262,987	13,305,214		
Opening balance – treasury units	2,400,568	2,392,859		
Applications	831,672	5,390,906		
Redemptions	(131,363)	(183,197)		
Cancellation of treasury units	(1,000,000)	(5,200,000)		
Closing balance – treasury units	2,100,877	2,400,568		
Opening balance – including treasury units	15,705,782	21,055,148	8,078,712	13,209,755
Applications	963,035	10,186,706	84,967	3,417,032
Redemptions	(2,409,992)	(10,501,339)	(1,462,511)	(7,270,392)
Units issued upon reinvestment of distributions	105,039	165,267	67,992	121,724
Cancellation of treasury units	(1,000,000)	(5,200,000)	-	-
Increase/(Decrease) in net assets attributable to unitholders	-	-	362,353	(1,399,407)
Closing balance – including treasury units	13,363,864	15,705,782	7,131,513	8,078,712

As stipulated within the Trust Constitution, each unit represents a right to an individual share in the Trust and does not extend to a right to the underlying assets of the Trust.

6. Distributions to unitholders

The distributions declared for the half-year were as follows:

	Half-year ended			
	31 December 2017 \$	31 December 2017 cpu	31 December 2016 \$	31 December 2016 cpu
Quoted units				
Distributions paid	193,274	1.59	309,683	1.80
Distributions payable	37,393	0.33	53,319	0.35
Total distributions – quoted units	230,667	1.92	363,002	2.15
Unquoted units				
Distributions paid	3,090	1.59	7,927	1.80
Distributions payable	755	0.33	1,462	0.35
Total distributions – unquoted units	3,845	1.92	9,389	2.15
Total distributions	234,512	1.92	372,391	2.15

The Trust distributes all its net income each year to unitholders. The Trust distributes 0.5% of the Net Asset Value ('NAV') per unit each month. Should the Trust not generate sufficient net income to cover the distribution in any financial year, then part or all of any distribution may be a return of capital.

Notes to the Financial Statements

7. Cash and cash equivalents

	31 December 2017 \$	As at 30 June 2017 \$
Cash at bank	613,927	1,948,347
Total cash and cash equivalents	613,927	1,948,347

8. Financial assets held at fair value through profit or loss

	31 December 2017 \$	As at 30 June 2017 \$
Listed at fair value through profit or loss		
Equity securities		
Australian listed equity securities	6,731,962	6,814,495
Australian listed unit trusts	-	267,500
Australian listed options	2,052	-
Total financial assets	6,734,014	7,081,995

9. Financial liabilities held at fair value through profit or loss

	31 December 2017 \$	As at 30 June 2017 \$
Listed at fair value through profit or loss		
Equity securities		
Australian listed equity securities	197,730	772,060
Total financial liabilities	197,730	772,060

10. Related party transactions

Responsible Entity

The Responsible Entity of Aurora Dividend Income Trust (Managed Fund) is Aurora Funds Management Limited. In the period to 31 December 2017, Aurora Funds Management Limited acquired units in Aurora Dividend Income Trust, as set out below.

Key management personnel unitholdings

No key management personnel of Aurora Dividend Income Trust (Managed Fund) held units in the Trust.

Key management personnel compensation

Key management personnel are paid by Aurora Funds Management Limited. Payments made from the Trust to Aurora Funds Management Limited do not include any amounts directly attributable to the compensation of key management personnel.

Notes to the Financial Statements

10. Related party transactions (continued)

Related party unitholdings

The interests in the Trust held by other management investment schemes also managed by the Responsible Entity are shown as follows:

Investments

31 December 2017	No. of units held opening	No. of units held closing	Fair value of investment	Interest held	No. of units acquired	No. of units disposed	Distributions paid/payable by the Trust
Aurora Fortitude Absolute Return Fund	1,015,258	-	-	-	-	1,015,258	\$10,821

30 June 2017

Aurora Fortitude Absolute Return Fund	-	1,015,258	\$631,186	6.46%	4,482,740	3,467,482	\$57,507
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Treasury Unit

31 December 2017	No. of units held opening	No. of units held closing	Fair value of investment	Interest held	No. of units acquired	No. of units disposed	Distributions paid/payable by the Trust
Aurora Dividend Income Trust	2,400,568	2,100,877	\$1,335,948	15.72%	831,672	1,131,363	-

30 June 2017

Aurora Dividend Income Trust	2,392,859	2,400,568	\$1,492,433	15.28%	5,390,906	5,383,197	-
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The interests in the Trust held by the Responsible Entity are shown as follows:

31 December 2017	No. of units held opening	No. of units held closing	Fair value of investment	Interest held	No. of units acquired	No. of units disposed	Distributions paid/payable by the Trust
Aurora Funds Management Limited	144,885	-	-	-	-	144,885	\$1,826

30 June 2017

Aurora Funds Management Limited	-	144,885	\$90,075	0.92%	144,885	-	\$5,892
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Notes to the Financial Statements

10. Related party transactions (continued)

Other related party information

Seventh Orion

Seventh Orion Pty Ltd as Trustee for the Aurora Investments Unit Trust (Seventh Orion) owns 100% of the ordinary shares of Aurora Funds Management Limited, being the Responsible Entity of Aurora Dividend Income Trust.

Seventh Orion Pty Ltd is 50% owned by John Patton, the Managing Director of Aurora Funds Management Limited.

Directorships

Mr John Patton was appointed to the Boards of the following listed entities held by other managed investment schemes also managed by the Responsible Entity:

- Mr Patton was appointed to the Board of Keybridge Capital as a Non-Executive Director on 10 August 2016 and was subsequently appointed to the role of Executive Chairman on 13 October 2016; and
- Mr Patton was appointed to the Board of Metgasco Limited as a Non-Executive Director on 19 September 2016.

Investments

The Trust did not hold any investments in any schemes which are also managed by the Responsible Entity.

Responsible entity's/manager's fees and other transactions

Under the terms of the Trust Constitution, the Responsible Entity is entitled to receive fees, calculated by reference to the average daily net assets (excluding net assets attributable to unitholders) of the Trust as follows:

- management fee payable to the Responsible Entity is 0.97375% (including GST, net of RITC) per annum;
- the Responsible Entity may recover the normal operating reimbursable expenses of the Trust; and
- the Responsible Entity may recover the normal indirect costs of the Trust.

All expenses in connection with the preparation of accounting records and the maintenance of the unit register are reimbursed in accordance with the Trust Constitution.

The transactions during the half-year and amounts payable at half-year end between the Trust and the Responsible Entity were as follows:

	Half-year ended	
	31 December 2017 \$	31 December 2016 \$
Management fees for the half-year paid/payable by the Trust to the Responsible Entity	50,485	78,515
Responsible Entity fees for the half-year paid/payable by the Trust to the Responsible Entity	33,886	33,886
Other expenses for the half-year paid/payable by the Trust to the Responsible Entity	160,565	32,257
Aggregate amount payable to the Responsible Entity at the end of the reporting period	105,521	12,099

No amounts were paid by the Trust directly to the key management personnel of Aurora Funds Management Limited.

Notes to the Statements

11. Other operating expenses

	31 December 2017 \$	31 December 2016 \$
Stock loan fees	2,782	6,971
Bank fees	340	121
Responsible entity fees	33,886	33,886
Legal Fees	35,265	-
Recovery Fees	122,179	32,357
Total operating expenses	194,452	73,335

12. Contingent assets and liabilities

There were no contingent assets and liabilities at 31 December 2017 (30 June 2017: Nil).

13. Events occurring after the reporting period

Other than the events mentioned in the Directors' Report, no significant events have occurred since the end of the reporting period which would impact on the financial position of the Trust disclosed in the Condensed Statement of Financial Position as at 31 December 2017 or on the results and cash flows of the Trust for the half-year ended on that date.

Directors' Declaration

The directors of the Responsible Entity declare that:

- (a) In the directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable;
- (b) In the directors' opinion, the attached condensed financial statements are in compliance with International Financial Reporting Standards as stated in Note 2 to the condensed financial statements;
- (c) In the directors' opinion, the attached condensed financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position as at 31 December 2017 and of its performance for the financial half-year ended on that date; and
- (d) The directors have been given the declarations of the Responsible Entity made pursuant to s295(5) of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

On behalf of the Responsible Entity, Aurora Funds Management Limited.



John Patton
Managing Director
28 February 2018

Independent Auditor's Review Report to the Unitholders of Aurora Dividend Income Trust

Report on the Half Year Financial Report

Conclusion

We have reviewed the accompanying half year financial report of Aurora Dividend Income Trust (the Entity), which comprises the statement of financial position as at 31 December 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Aurora Dividend Income Trust does not give a true and fair view of the financial position of the Entity as at 31 December 2017, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial reporting*.

Responsibilities of the Directors of the Responsible Entity ("RE") for the Half Year Financial Report

The Directors of the RE are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Entity's financial position as at 31 December 2017 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Aurora Dividend Income Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B A Mackenzie
Partner - Audit & Assurance

Melbourne, 28 February 2018