

Aurora Dividend Income Trust (ASX.AOD)

Performance ¹	1 month	3 months	FYTD
Aurora Dividend Income Trust	-3.22%	-5.32%	2.24%
Benchmark	-1.30%	1.00%	7.73%
Outperformance	-1.92%	-6.32%	-5.49%

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 Fund.

Investment Objective

The Aurora Dividend Income Trust (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 that are expected to pay fully franked dividends while employing a risk management overlay to reduce the net exposure to equity market risk.

The Fund will invest in opportunities that are considered to offer attractive risk return characteristics with a focus on potential catalysts that seek to generate a profitable return regardless of the market direction. The Fund may opportunistically short sell securities that may be overpriced or to reduce risk on the overall portfolio.

Distribution History

Quarter End	Dollars per Unit	Franking
31 March 2017	\$0.0134	64%
31 December 2016	\$0.0145	85%
30 September 2016	\$0.0143	69%
30 June 2016	\$0.0157	103%

Fund Overview

ASX Code	AOD
NAV per Unit	\$0.6576
Structure	Fund
Investment Universe	Domestic
Inception Date	16 November 2005
Management fee (incl.GST)	0.97375%
Performance (incl.GST)	Nil
Buy / sell spread	+/- 0.10%
Entry / Exit fees	Nil
Benchmark	50% UBS Bank Bill Rate / 50% ASX 200
Distributions	0.5% cash + franking per month

Fund performance summary

- The Fund returned -3.22% for the month, underperforming its benchmark return of -1.30%, whilst the broader S&P/ASX200 Index returned -2.75%.
- The Fund wasn't able to capture any significant amounts of franking credits during the month given the minimal dividends paid over the period; consequently this month's distribution was unfranked.
- The key contributors to performance for the month were the Fund's short positions in Commonwealth Bank of Australia (ASX:CBA), Australia and New Zealand Banking Group Limited (ASX:ANZ), Woolworths Limited (ASX:WOW) and National Australia Bank Limited (ASX:NAB), as the Australian market declined during the month.
- The key detractor from performance was 8IP Emerging Companies Limited (ASX:8EC), which declined -3.1% after reporting a significant fall (-9.5%) in its underlying NTA for the month of April. As at the end of the month, 8EC was trading at \$0.95 versus its last reported NTA of \$1.016 (pre-tax). Other detractors included Clime Capital Limited (ASX:CAM) (-2.3%) and a short position in Qantas Airways Limited (ASX:QAN), which rallied 18.2% during the month of May.
- On-market trading for AOD is suspended while the Product Disclosure Statement is being refreshed. Investors can continue to make off market redemptions in AOD in the ordinary course.

About Aurora

Aurora Funds Management Limited ("Aurora") is the Responsible Entity and Investment Manager of the Fund. 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 Responsible Entity 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)

For further information, please contact:

Aurora Funds Management Limited | 1300 553 431 | email: enquiries@aurorafunds.com.au | website: www.aurorafunds.com.au

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 Fund (ARSN 151 947 732). 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 carefully review the Product Disclosure Statement (PDS) for the Fund 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 for the Fund is expressed after the deduction of fees and before taxation. See the PDS for details on taxation. The investment 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 the Fund will aim to achieve the objective, the objective and returns are not guaranteed. The payment of franking credits to investors is subject to the Fund achieving a taxable profit in that year.