



**Aurora
Capital**

June 2024 update

Presented by:
Sean Henaghan

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Aurora Capital

Oct 2021

Launch date

\$277m*

Funds under
management

11,450

Active members

** 10 June 2024*

Why Aurora Capital



We're focussed on **generating competitive long-term returns**



We believe that **managing environmental risk effectively** leads to not only a healthier planet, but also better returns in the future.



Unique access to \$5 trillion Australian market / Fund managers



We're big on **communication and education**, keeping you and your clients in the loop.



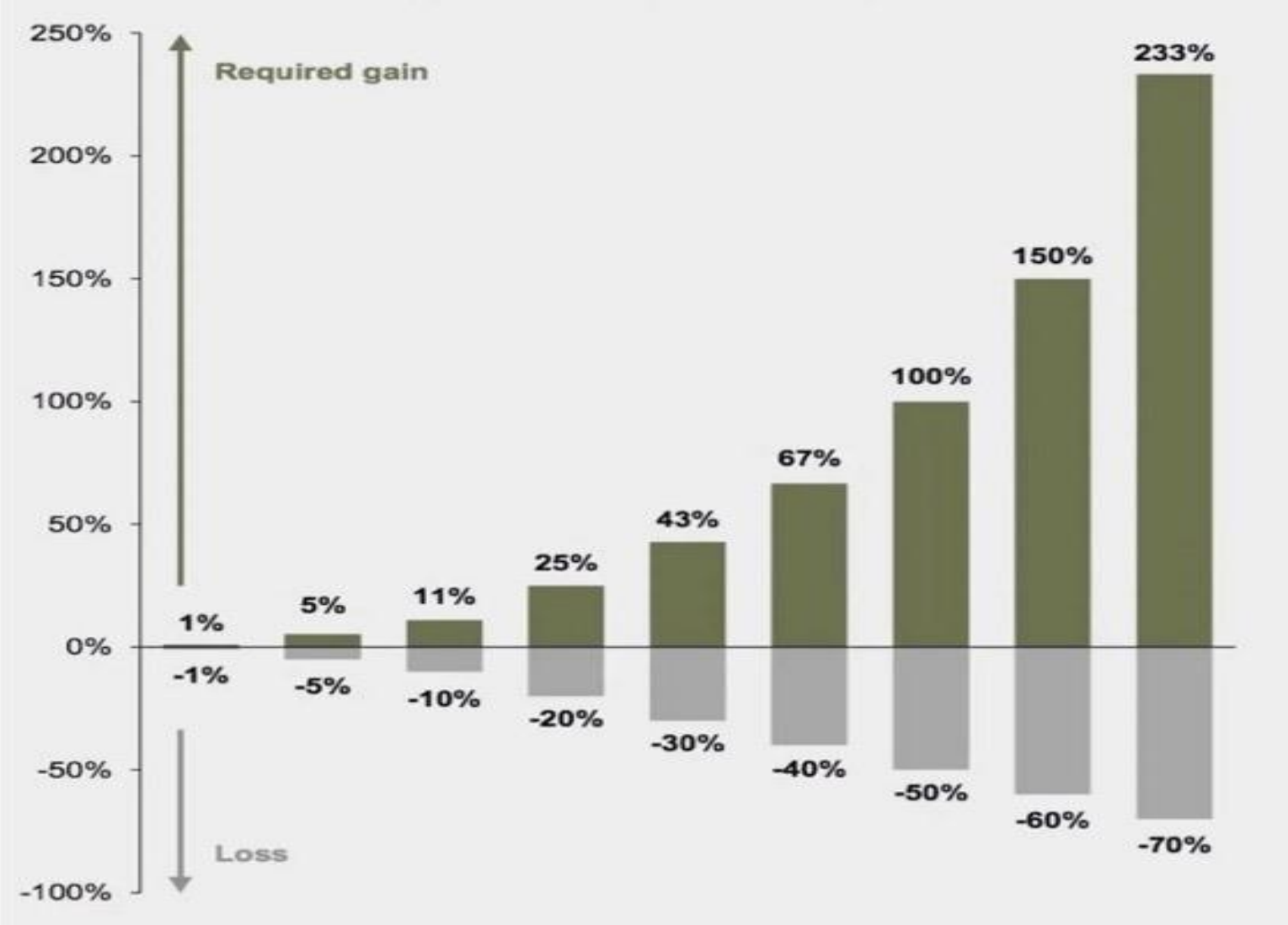
We are dedicated to **sustainable investing**, making sure your investments make a positive difference to both your future and the environment.



We are a **young and a fast-growing** KiwiSaver provider.

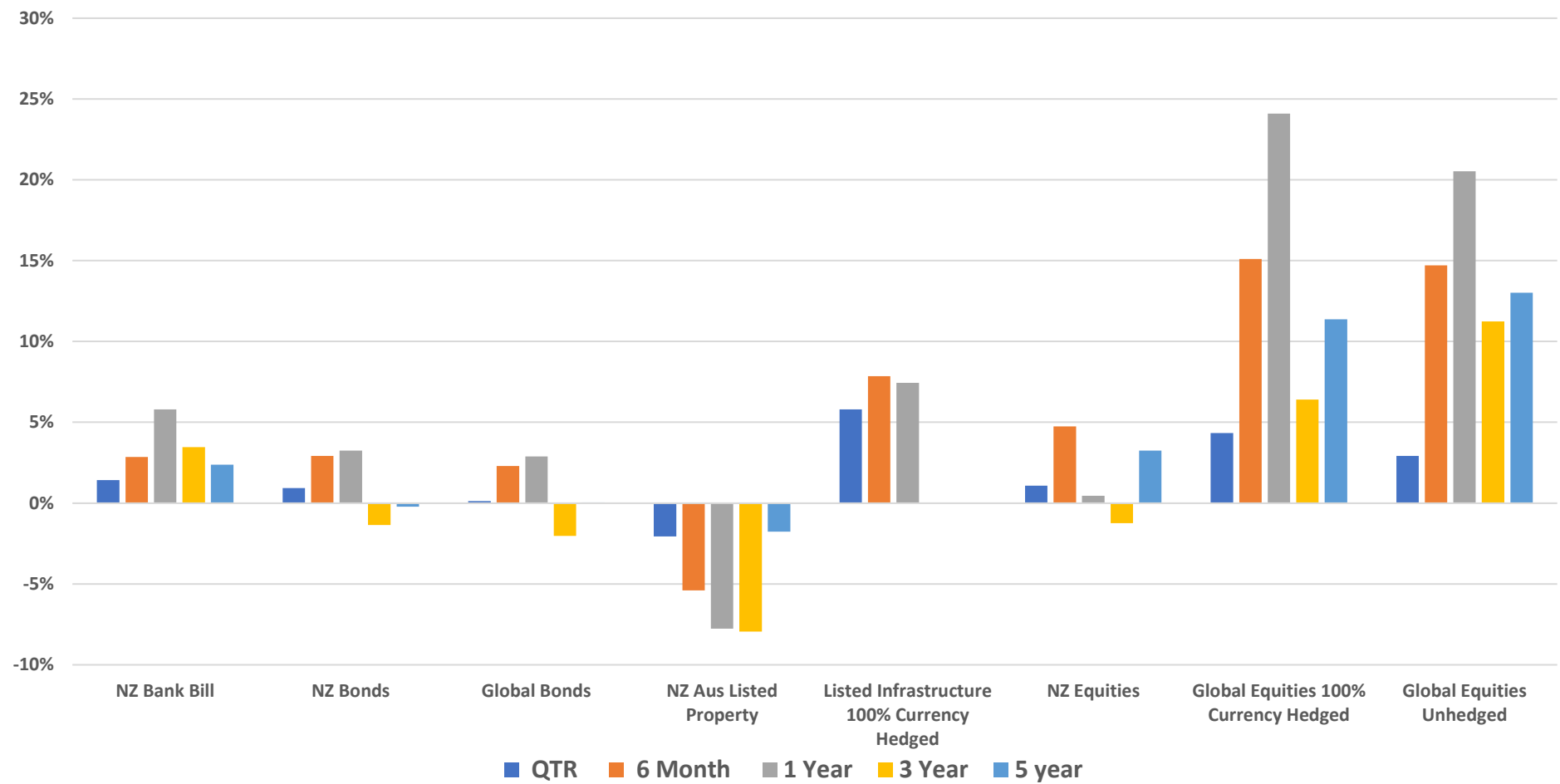
Percentage gain
required to recover
from a loss

“Same destination,
smoother journey”



Market performance to 31 May 2024

Asset Class Returns (NZ\$)



- Positive performance from markets in the quarter, with all asset classes rising except global bonds
- Standout performance for the quarter was Listed Infrastructure, as the possibility of rate cuts looked more likely.
- Listed property, NZ equities and bonds continue to struggle.

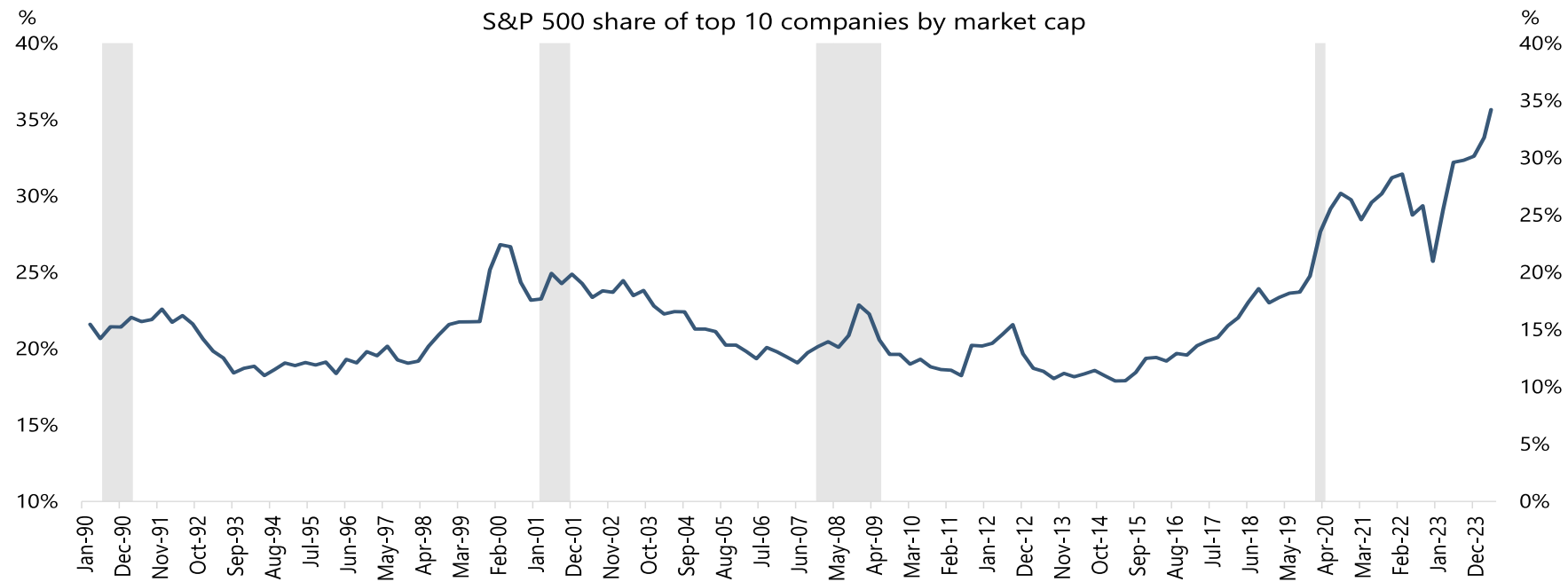
Market snapshot

- Investor sentiment was buoyed by a moderation in inflation in the US and a fall in the oil price. Investors remained hopeful that interest rates in the US and elsewhere could be lowered later this year.
- More central banks have started to cut rates, with Bank of Canada and European Central Bank cutting in early June.
- New Zealand's economy grew by 0.2% in the first quarter of 2024, annual growth of 0.2%. While we are out of technical recession, on a per capita basis; GDP fell 0.3%.
- The Official Cash Rate (OCR) held constant at 5.5%, with inflation continuing to be above target; at 4%, despite weakness in the NZ economy.
- The US Stock market has continued to reach new heights, as Nvidia has become the most valuable company, overtaking Microsoft.

Global share markets remains extremely concentrated

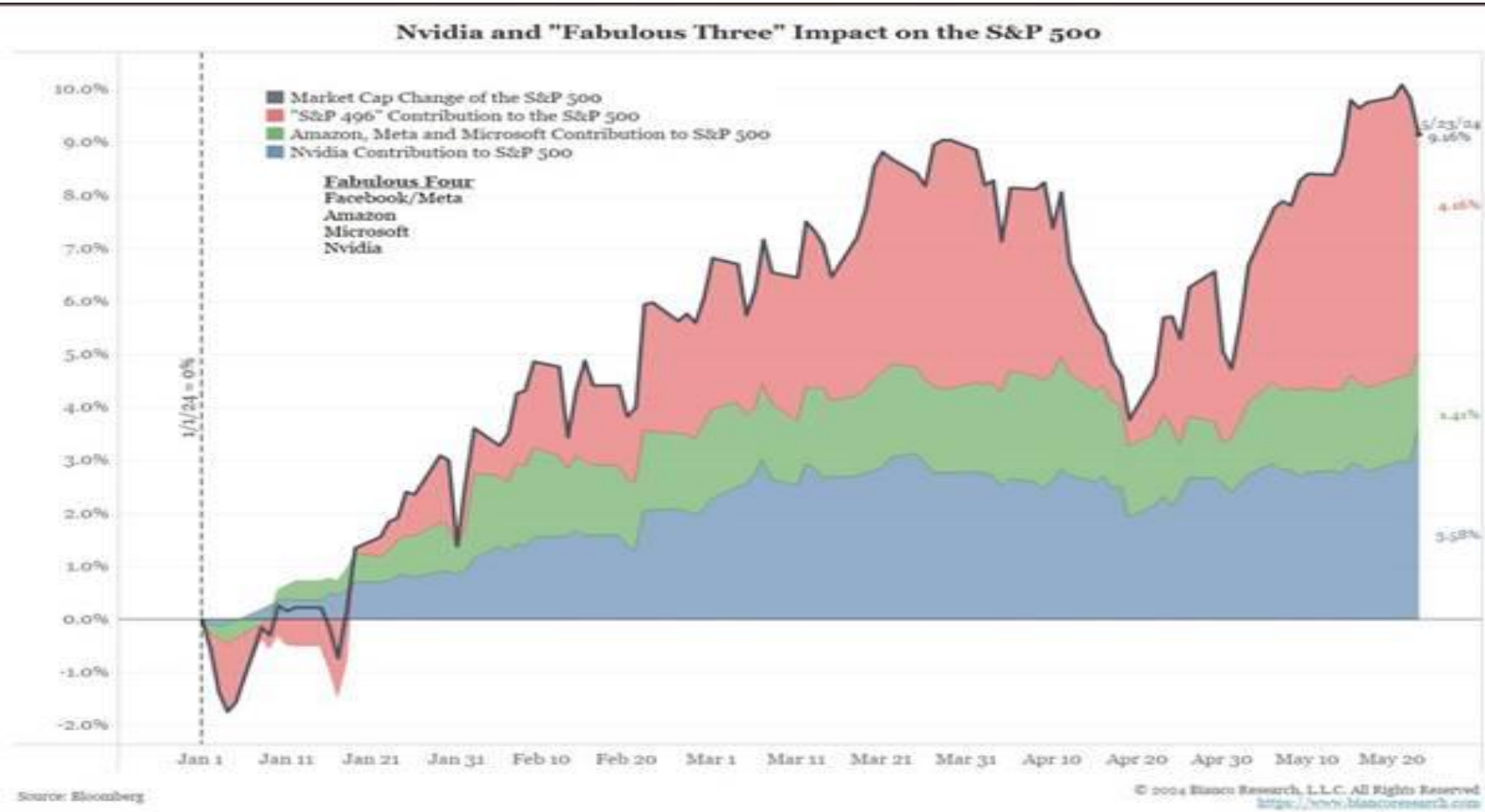
The concentration in the S&P 500 is more and more extreme

APOLLO



Source: Bloomberg, Apollo Chief Economist

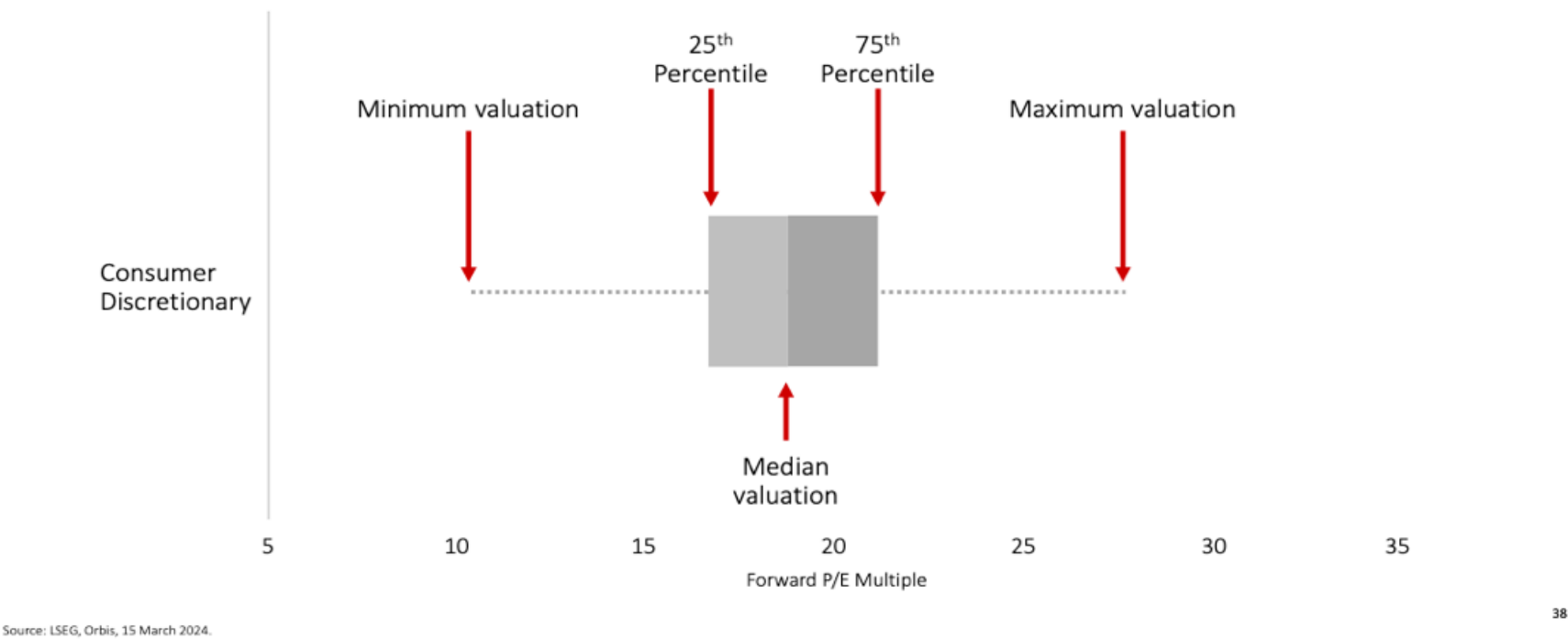
Global share markets remains extremely concentrated



And expensive

ALLAN GRAY

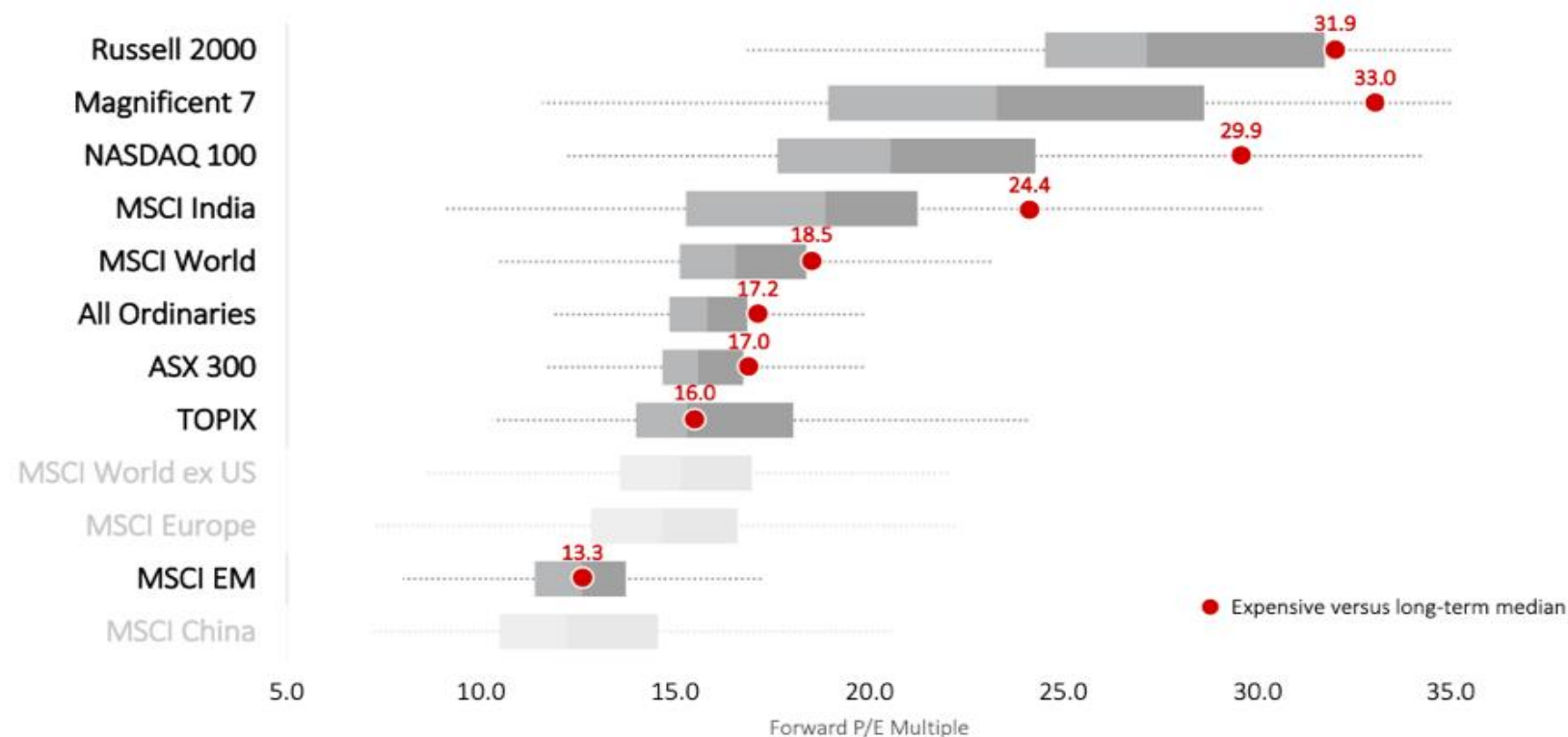
A box and whisker plot of a sector's historical forward price / earnings ratio



And expensive

ALLAN GRAY

Not many cheap sharemarkets

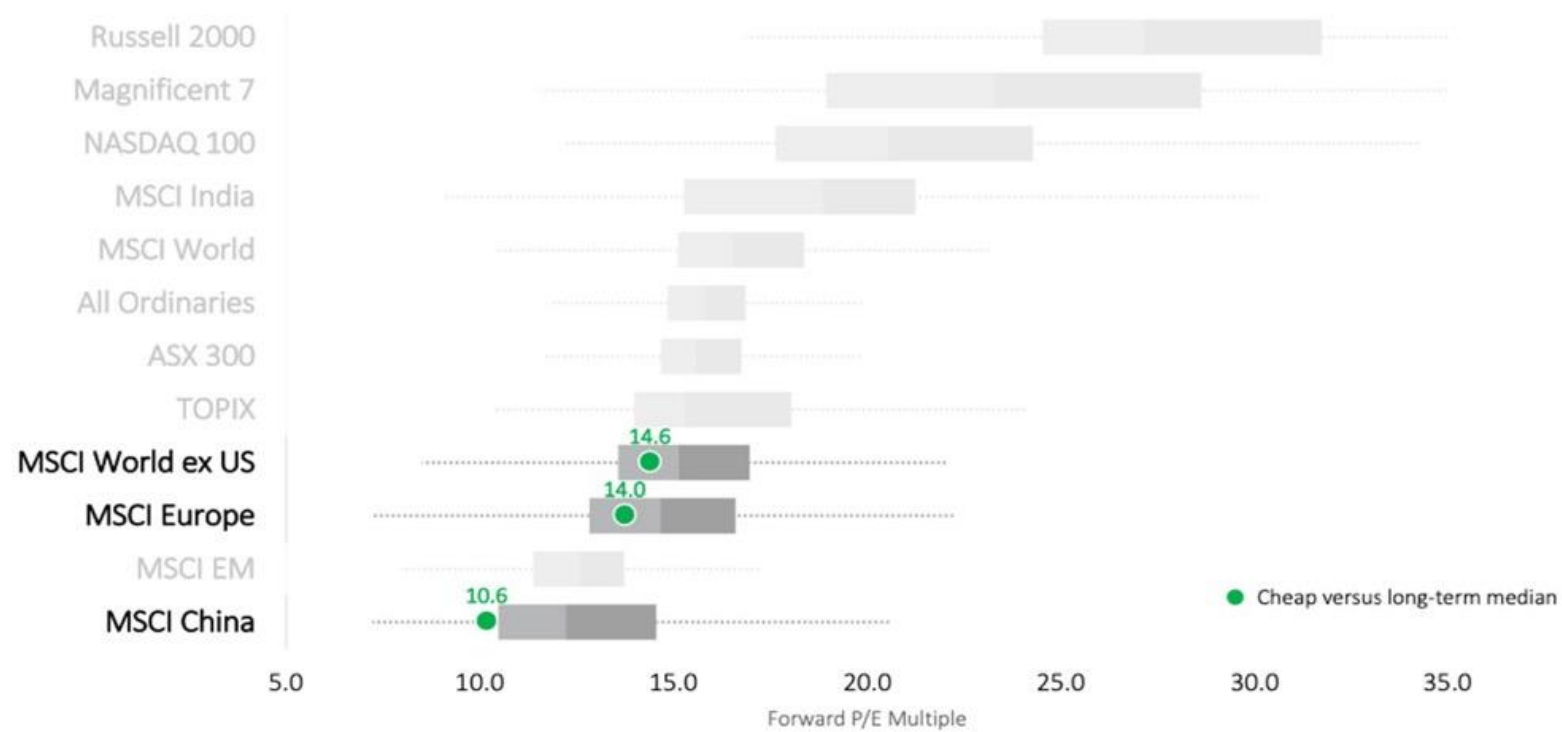


Source: LSEG, Orbis, 15 March 2024.

And expensive

ALLAN GRAY

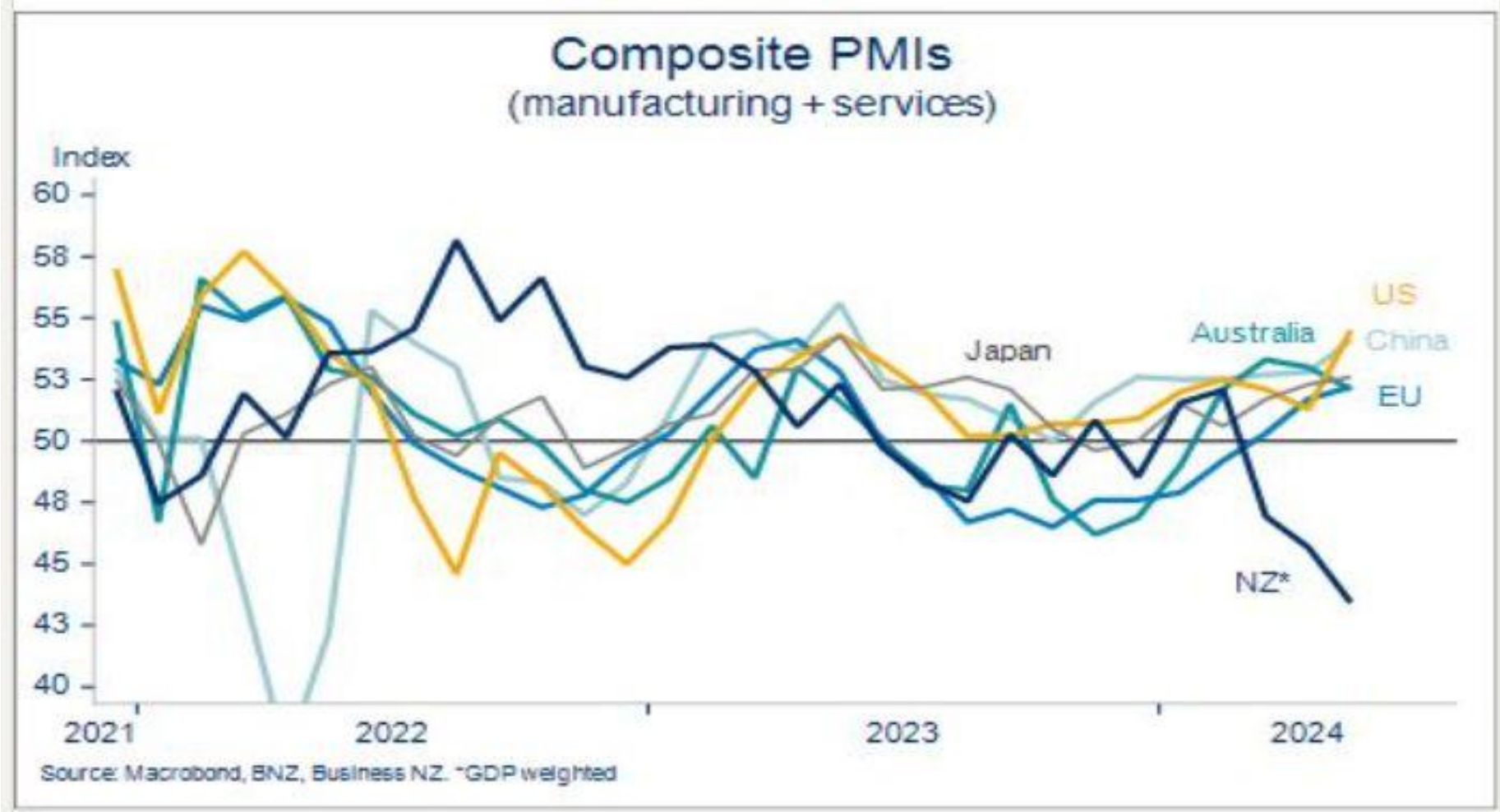
But there are some outside the US trading at a discount



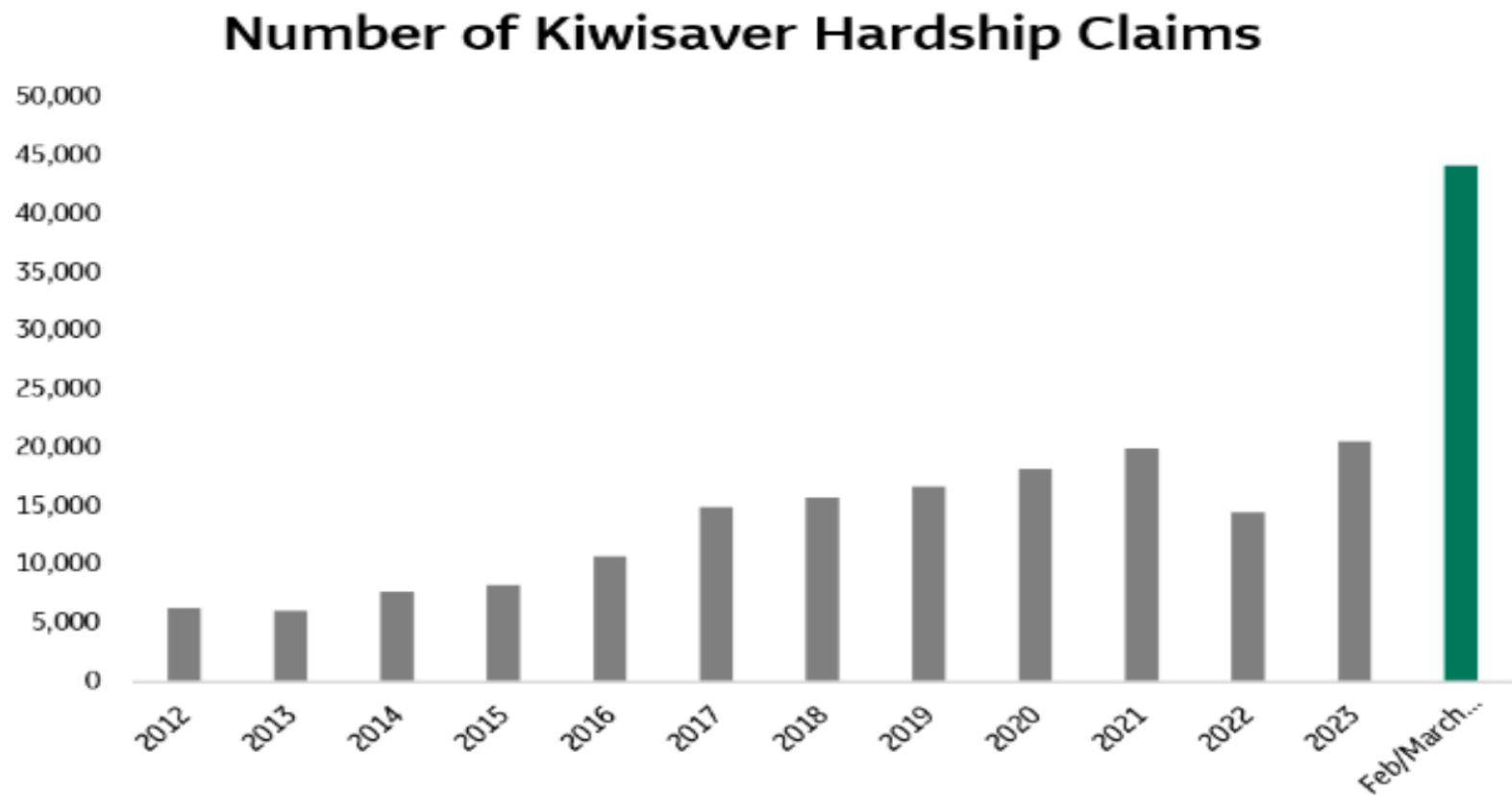
Source: LSEG, Orbis, 15 March 2024.

45

NZ economy continues to struggle

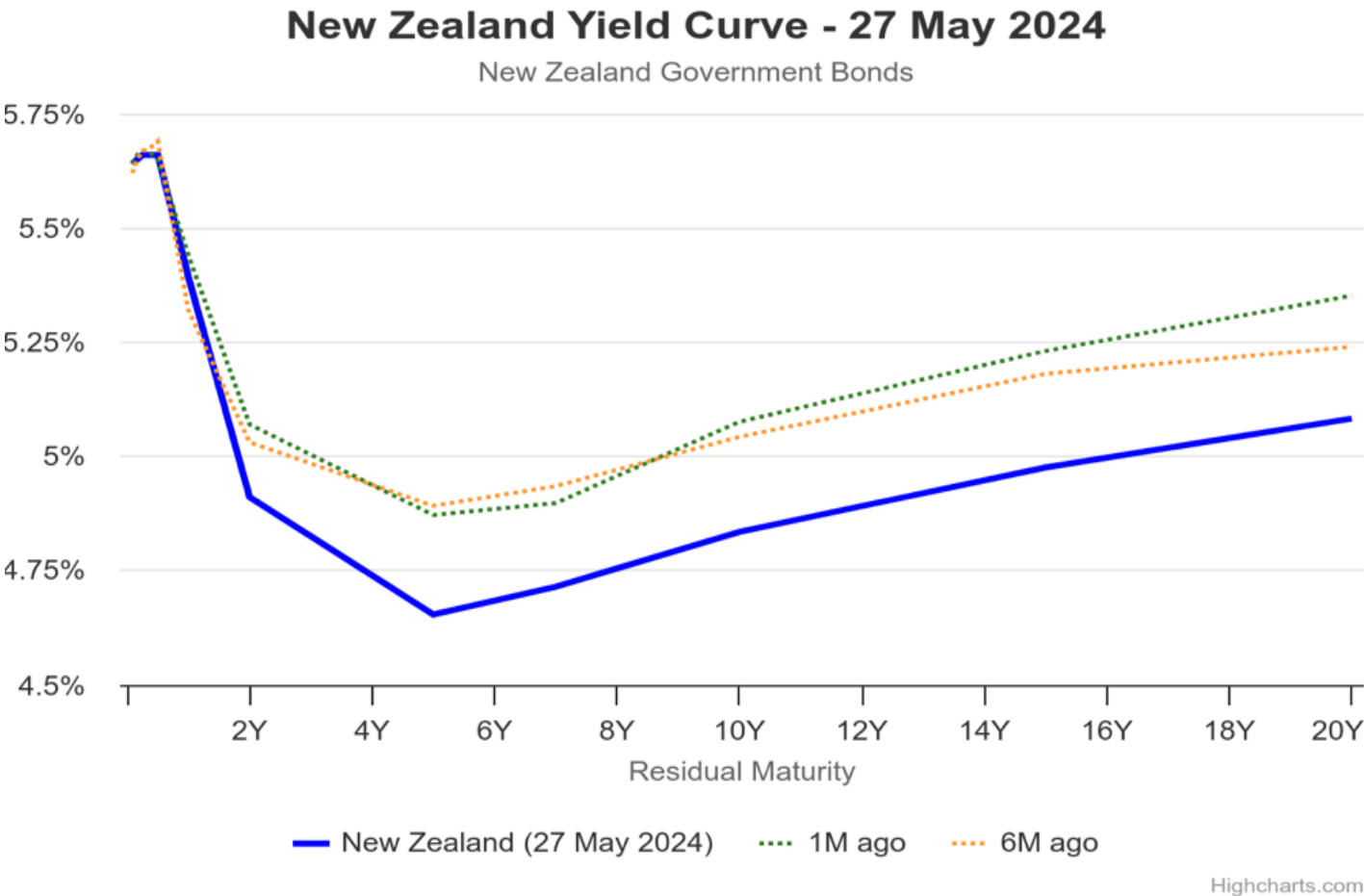


NZ economy continues to struggle

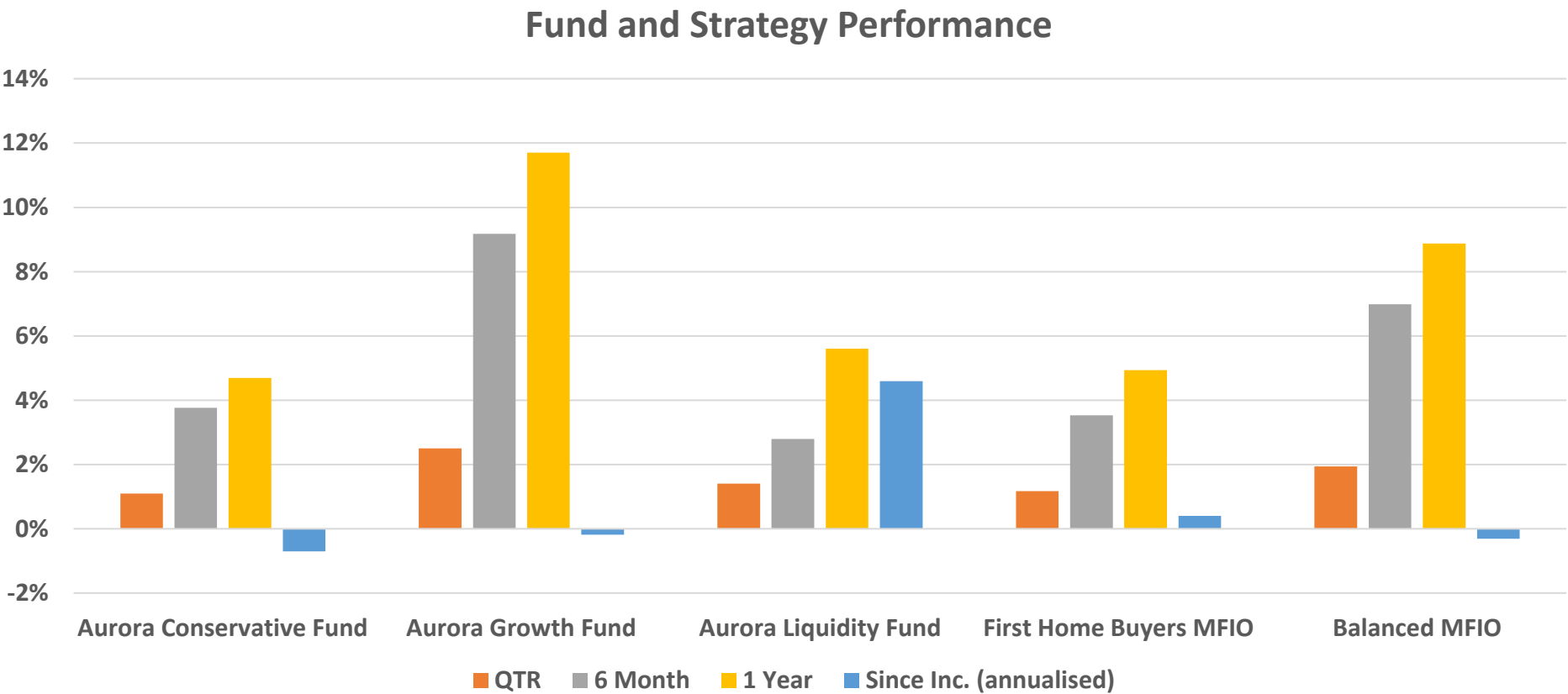


Source: NZ IRD

NZ economy continues to struggle



Fund performance to 31 May 2024



- All portfolios have delivered positive returns for the quarter, 6-mth, and 1-year periods.

Returns after fees before tax

Our equity managers' performance to 31 May 2024

Manager	3 Month %	6 Month %	1 Year %	3 Years % p.a.
Mint Australasian Equity	4.01	9.93	6.05	0.92
Benchmark	1.07	4.74	0.46	-1.24
Stewart Leaders Sustainable	1.95	12.82	12.27	-
Benchmark	2.92	14.71	20.53	11.23
Dimensional Global Sustainable	2.72	16.40	22.46	-
Benchmark	2.92	14.71	20.53	11.23
First Sentier Listed Infrastructure	7.48	7.18	7.23	0.97
Benchmark (NZD hedged)	5.80	7.85	7.45	-
PCG Private Debt	3.06	6.58	12.42	-
OCR + 4%	2.39	4.85	9.92	-

Returns after fees before tax



Our bond managers' performance to 31 May 2024

Manager	3 Month %	6 Month %	1 Year %	3 Years % p.a.
Macquarie NZ Fixed Interest	0.76	2.69	2.91	-1.56
Benchmark	0.92	2.92	3.25	-1.36
Affirmative Global Impact Bonds	-0.27	1.17	1.15	-4.04
Benchmark (NZD Hedged)	0.12	2.29	2.89	-2.02
Macquarie Cash Fund	1.43	2.84	5.77	3.42
Benchmark	1.42	2.85	5.80	3.47



Returns after fees before tax

Non-financial metrics – carbon emissions

Conservative Fund

	Portfolio Temperature Alignment	Portfolio Carbon Intensity
	 Based on portfolio carbon footprint	 Tonnes per \$1m of portfolio value
Portfolio	3.2 °C	417
Market Index*	3.6 °C	608

Growth Fund

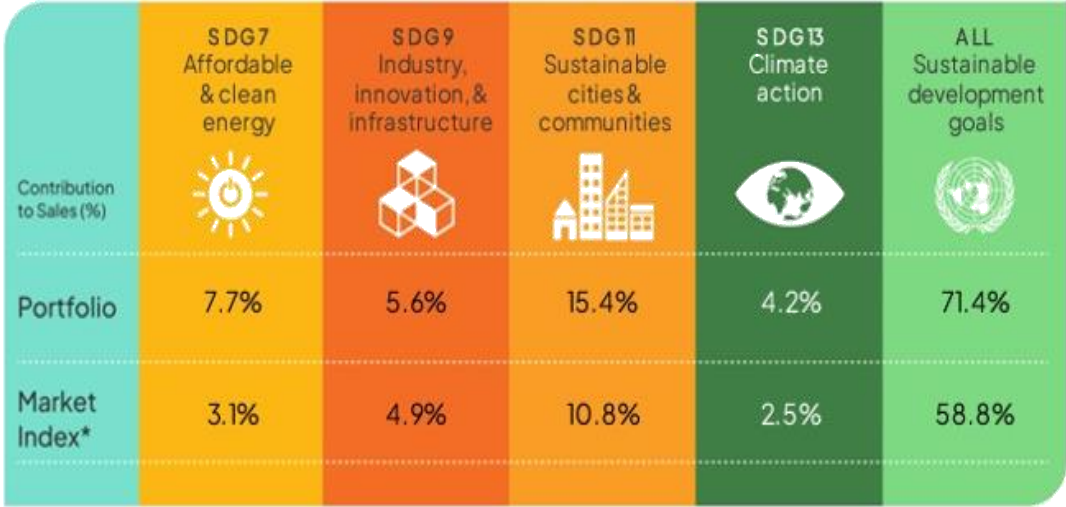
	Portfolio Temperature Alignment	Portfolio Carbon Intensity
	 Based on portfolio carbon footprint	 Tonnes per \$1m of portfolio value
Portfolio	3.2 °C	438
Market Index*	3.6 °C	608

Source: EMMI

Non-financial metrics – sustainable development goals

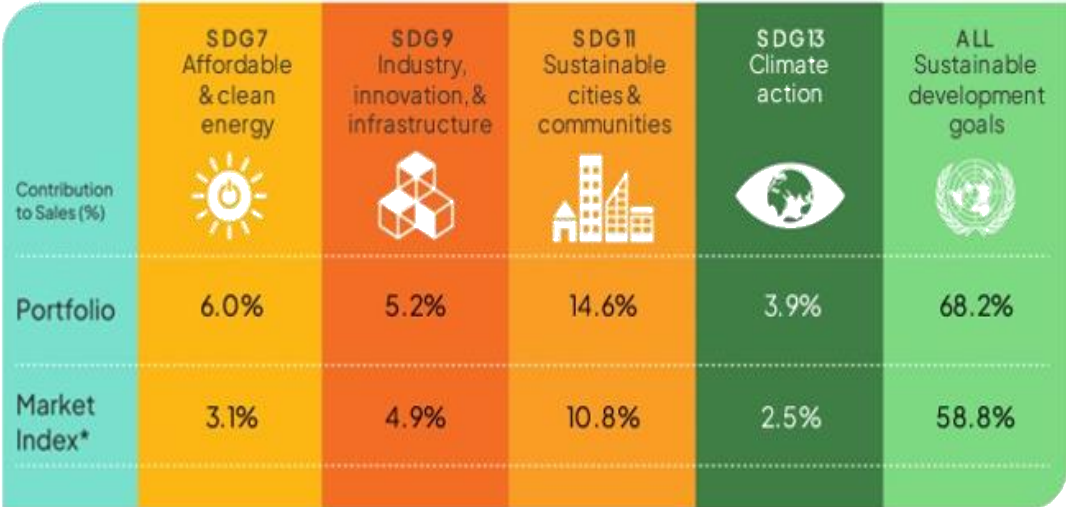
Conservative Fund

CONTRIBUTION TO THE UNITED NATIONS SDGs



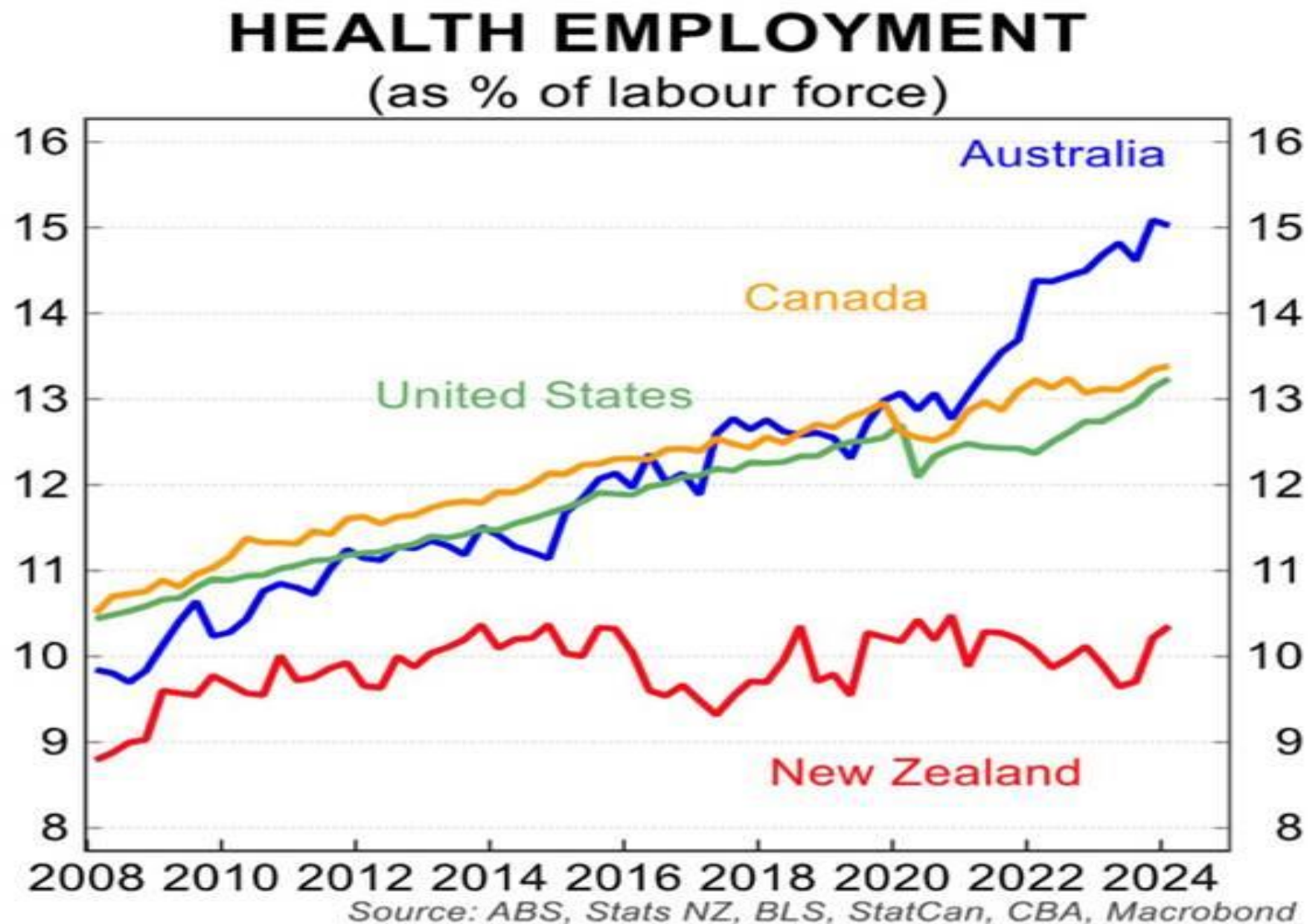
Growth Fund

CONTRIBUTION TO THE UNITED NATIONS SDGs

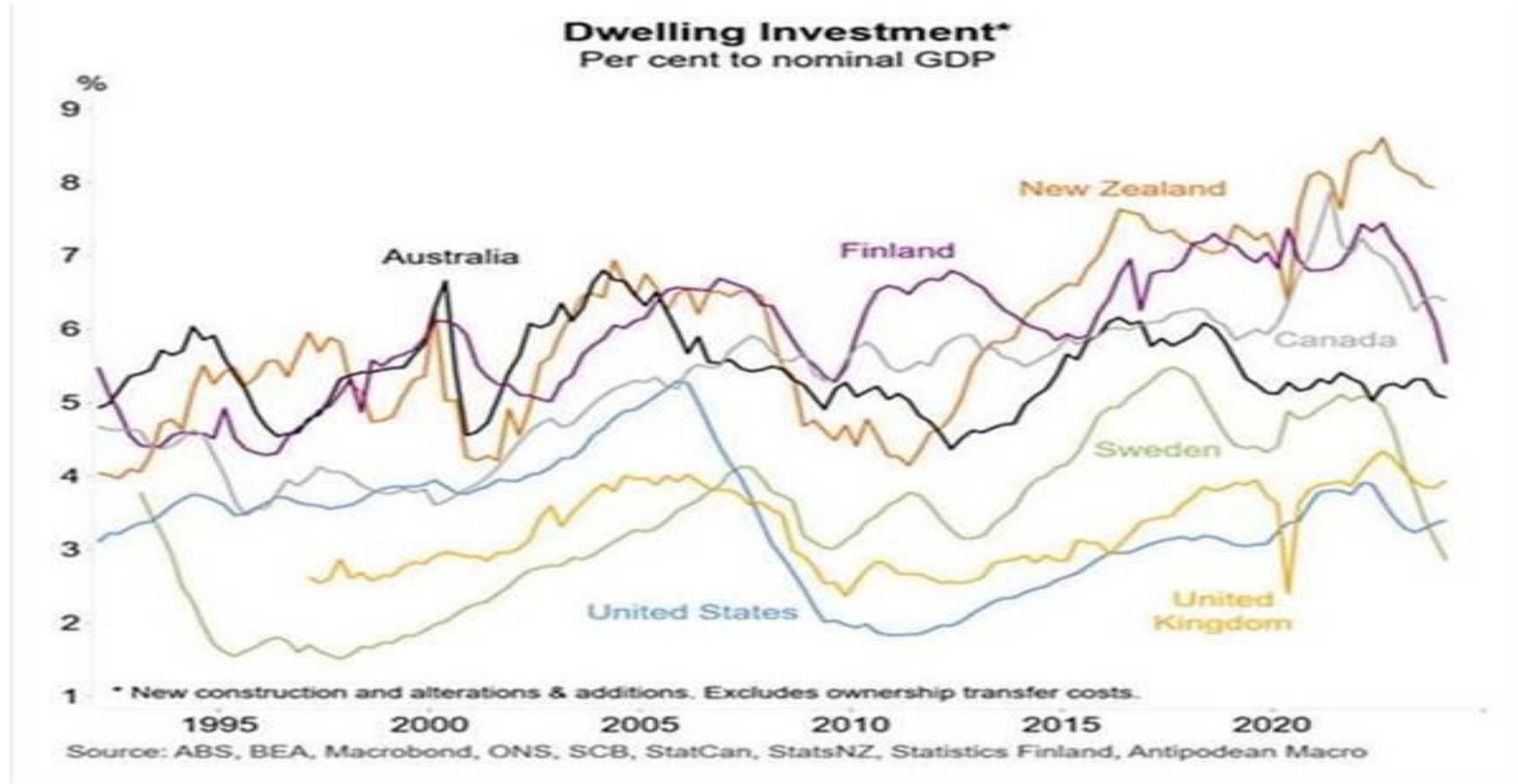


Source: Sustainable Platform

Don't get sick
in NZ



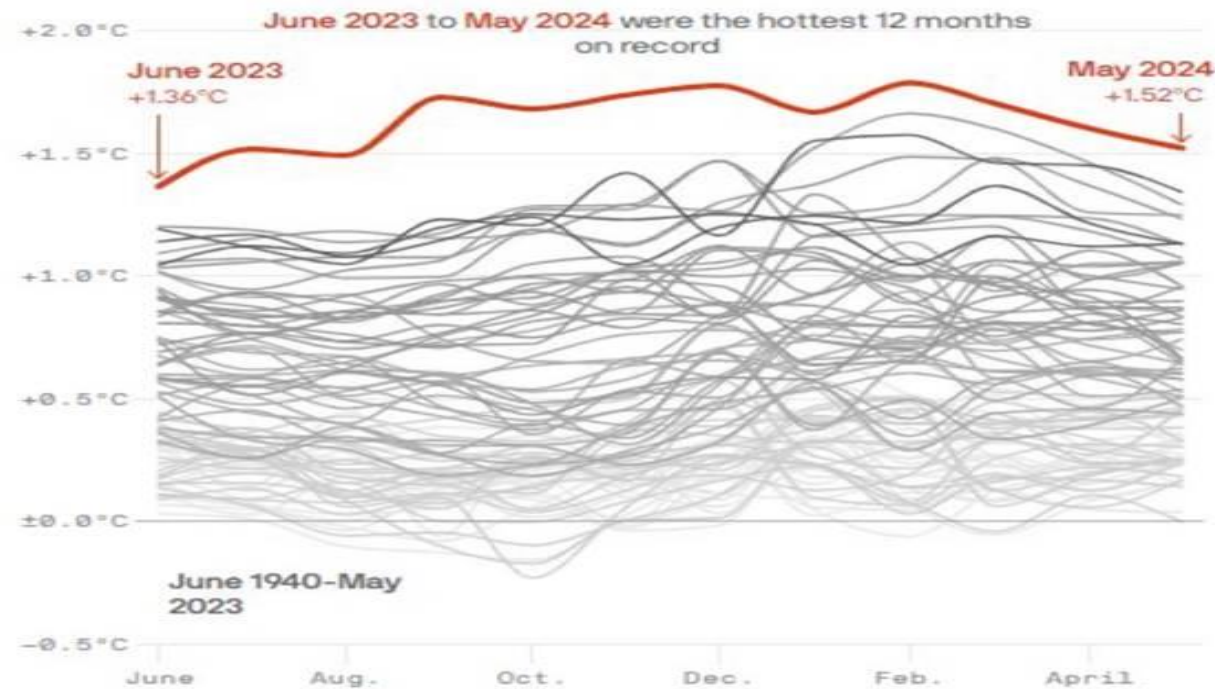
But we invest a lot in housing



The world is heating fast – new denial is delaying

Global surface air temperature anomalies

Monthly, June 1940 to May 2024; Compared to 1850–1900 mean



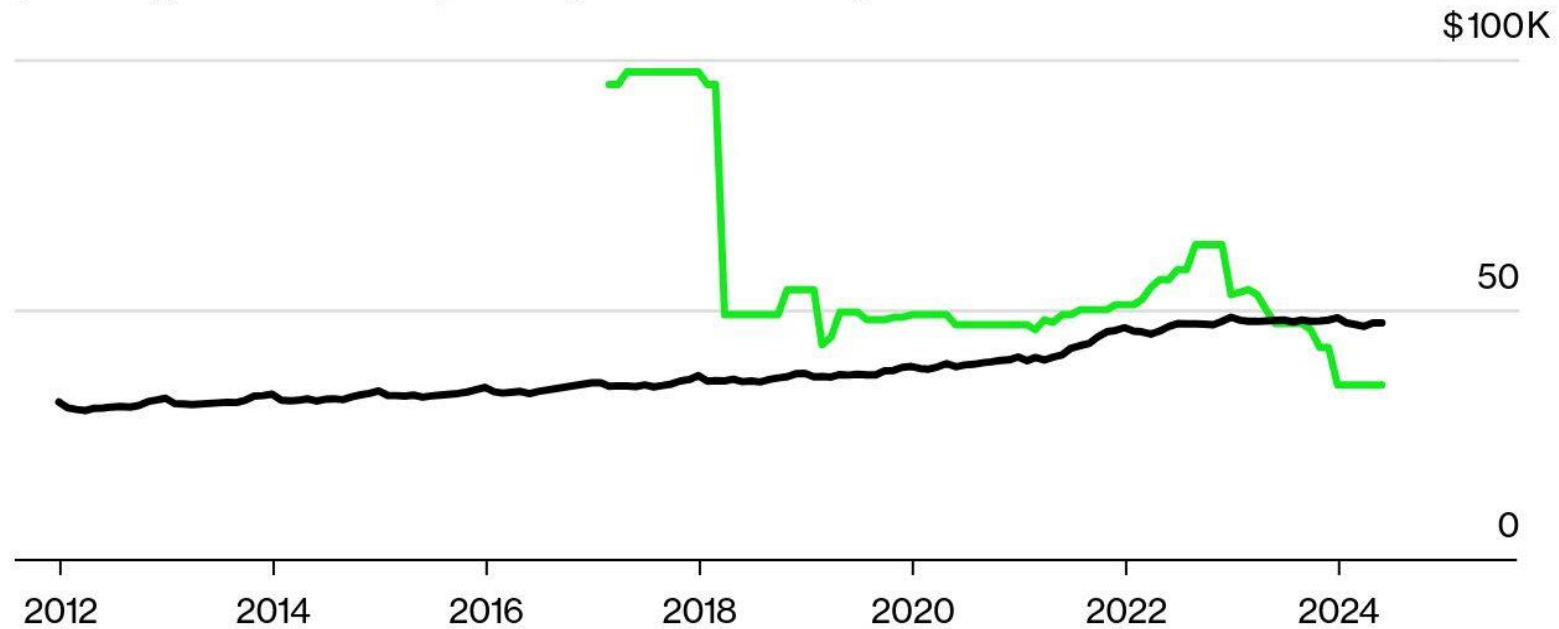
Data: ERA5; Chart: Tory Lysik / Axios Visuals

A tipping point?

EVs Pass a Key Measure of Price Parity in US

Several 300-mile range EVs now cost less than the average new car

Average US Car Price Cheapest 300-mile range EV



Source: Bloomberg Green, Edmunds

Note: EV prices don't include government incentives

Bloomberg Green

Make the invasion of Ukraine look like a walk in the park





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Thank you!
Question time?