Aurora Capital

Aurora Growth Fund

QUARTERLY UPDATE JUNE 2025

Financial performance returns

AURORA GROWTH FUND AS AT 30 JUNE 2025

	RETURNS			
	3 month %	6 month %	1 year %	3 year %
Fund (after fees, before taxes)	3.65	1.66	9.19	9.45
Fund Objective*	1.52	3.46	6.67	7.71

** Fund objective is CPI+4.00%. CPI is the headline Consumer Price Index. Latest CPI is used, as at 30 June 2025.*

The Aurora Growth Fund delivered a strong return of +3.7% for the second quarter of 2025, nearly double its performance objective. This outcome highlights the strength of our diversified investment approach and the value of maintaining a long-term perspective, particularly in a quarter shaped by volatility and mixed asset class performance.

Market environment and portfolio performance

The quarter began under pressure as markets reacted sharply to the US administration's "Liberation Day" tariff package on 2 April. Equity markets declined, bond yields rose, and fears of a renewed global trade war triggered a flight to safety. However, sentiment quickly stabilised following the announcement of a 90-day suspension of reciprocal tariffs and renewed trade negotiations, especially with China.

As confidence returned, risk assets rebounded. By quarter-end, all asset classes in the portfolio had contributed positively to performance. Global equities were the standout, with our global equity portfolio rising +7.4%, supported by the renewed risk appetite. Australasian equities added +2.6%. Private debt, listed infrastructure, and global bonds delivered steady returns of +1.6%, +1.5%, and +1.5%, respectively, demonstrating the portfolio's balance across asset types.

Staying the course amid uncertainty

While markets recovered over the quarter, the backdrop remains complex. Concerns around stagflation, sluggish growth coupled with persistent inflation, are resurfacing and could weigh on sentiment. Elevated equity valuations in the US also increase the risk of volatility to the downside, particularly if earnings expectations fall short. Meanwhile, rising protectionism and ongoing tariff threats continue to pose headwinds to global trade.

Our commitment to long-term discipline

In this environment, Aurora Capital remains focused on what we can control: maintaining a well-diversified portfolio, managing risk prudently, and staying anchored to a long-term investment philosophy. We believe this disciplined approach is the most reliable path to preserving and growing your capital through all market cycles.

We appreciate your continued trust and remain committed to helping you achieve your long-term financial goals.

How your money is helping the planet

Climate and sustainability measures of performance

We monitor the climate and environment impact of the investments in the portfolio through relevant metrics, using independent third-party sources. The metrics are currently provided for the equity (including listed infrastructure) component of the portfolio. We focus on measuring the carbon emissions of the portfolio, which can then be compared against the relevant equity index or 'benchmark.' We also look at how much the portfolio is aligned with the UN's Sustainable Development Goals (SDGs) and how this compares with the relevant global equity index. You can read more about the SDGs and why we look at each portfolio's contribution to SDGs here.

AURORA FIRST HOME BUYERS STRATEGY AS AT 30 JUNE 2025

CARBON IN THE PORTFOLIO

	Portfolio Temperature Alignment (Based on portfolio carbon footprint)	Portfolio Carbon Intensity (Tonnes per $1m of portfolio value)
Portfolio	3.8 °C	1414
Market Index*	3.7 °C	575

*MSCI All Country World Index (ACWI) is used.

SOURCE

EMMI

CONTRIBUTION TO THE UNITED NATIONS SDGs

Contribution to Sales (%)	SDG 7 Affordable & clean energy	SDG 9 Industry, innovation, & infrastructure	SDG 11 Sustainable cities & communities	SDG 13 Climate action	ALL Sustainable development goals
Portfolio	8.5%	5.0%	14.7%	4.1%	69.9%
Market Index*	3.2%	5.0%	10.1%	2.6%	57.1%

SOURCE

SUSTAINABLE PLATFORM

WHAT THIS MEANS FOR YOU?

The Temperature Alignment is the temperature scenario that the portfolio is currently in line with, based on its current carbon footprint. It's currently applied only on the equity component (including listed infrastructure) of the portfolio.

The temperature alignment is calculated from its carbon emissions and the current carbon budgets associated with three globally acknowledged climate scenarios: 1.5°C, 2.0°C, and 4.0°C. These scenarios have been adopted by international climate science bodies. For more information click here.

In order for the planet to avoid a catastrophic climate crisis, global warming needs to be limited to between 1.5°C and 2°C. The current temperature alignment of the portfolio is relatively higher, at 3.8°C, however this reflects the portfolio's exposure to companies that are in the process of transitioning to a low carbon world. Of note, the portfolio's current temperature alignment is lower than the MSCI All Country World Index (MSCI ACWI). This is a global equity index we use for benchmarking that tracks the performance of large and mid-sized companies in 47 countries, covering about 85% of the global investible share market.

Portfolio Carbon Intensity is a measure of carbon dioxide equivalents emitted by a portfolio per $1 million of assets under management. It's currently applied only on the equity component (including listed infrastructure) of the portfolio.

The metric allows us to look directly at the carbon impact of the equity part of the portfolio and to compare that with market indexes, such as the MSCI ACWI. For more information click here.

The portfolio currently has a much lower carbon intensity than the MSCI ACWI.

The contribution to the UN Sustainable Development Goals (SDGs) looks at how much of the portfolio is aligned with the UN's Sustainable Development Goals (SDGs), based on annual sales of the underlying companies. It's currently applied only on the equity component (including listed infrastructure) of the portfolio.

The SDGs are a set of 17 goals established by the United Nations in 2015 as part of the 2030 Agenda for Sustainable Development We believe that all SDG's are important for a better and sustainable future, so we look at the portfolio's contribution to all 17 SDGs (see final column of the table above). However, we are most interested in how well the portfolio is aligned to the four SDGs that can positively impact the climate and environment. In our view, these are SDG 7,9, 11, and 13, and represent our focus SDGs. For more information click here.

Currently, 69.9% of the portfolio's sales are contributing to sustainability goals, which is above the MSCI ACWI. The portfolio is also making a positive contribution to the four focus SDGs.

Questions?

If you have questions about this report, please contact your adviser who will be happy to help.

We welcome all feedback and would like to hear from you if you have any questions or concerns about your investment, as this can form the basis of future articles and reports that we write.

We also invite you to ask us questions through our website at www.aurora.co.nz.

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