



# Legacy Aurora Balanced Strategy

QUARTERLY UPDATE SEPTEMBER 2024

# We still need your consent

## YOU'RE MISSING OUT ON DETAILED QUARTERLY REPORTING

We've been trying to contact you to let you know that we've improved the way that the Aurora Strategies are setup. However, we need your consent to transfer your KiwiSaver investment in the legacy Aurora Balanced Strategy (Legacy Strategy) to a new, equivalent 'multi-fund investment option.' Giving consent should give you a better and easier experience with your KiwiSaver investment. We encourage you to read the PDS, which is available [here](#) and on the Aurora Capital website.

There is no benefit to staying in the Legacy Strategy. When you provide your consent to move to the new, equivalent multi-fund investment option, you'll receive more detailed quarterly reporting and an overall improved experience compared with staying in the Legacy Strategy.

Providing consent is super easy. It should only take a minute of your time. You can click [here](#) to get started.

If you have any questions about this, please contact your adviser or call Aurora Client Care on [0800 242 023](tel:0800242023). We're here to help!

## Investment markets

### WHAT HAS DRIVEN INVESTMENT MARKETS?

The third quarter of 2024 delivered another strong performance for most asset classes, continuing the positive momentum from earlier in the year. Global equities rose by 4.8% (NZD-hedged) in the quarter, bouncing back after a brief scare in August. As interest rates started to decline, interest-rate sensitive sectors like small-caps and listed infrastructure outperformed. However, the global market outlook remains uncertain, with risks including Middle Eastern conflict escalation and the upcoming US elections.

Market leadership shifted during the quarter, with the technology sector, previously driven by the AI boom, taking a backseat. Small-cap stocks led the charge, with the Russell 2000 index climbing 9.3%, while the tech-heavy Nasdaq 100 posted a more modest gain of 2.1%. Smaller companies tend to benefit more from lower interest rates, as they often rely heavily on borrowing to fuel growth. Likewise, infrastructure stocks performed strongly, gaining 13.5% due to declining bond yields and rising demand for stable, long-term cash flows.

Central bank policy impacted market sentiment during the quarter. The Federal Reserve made a notable move by cutting rates by 50 basis points in September, the first reduction in four years. This marked a shift in priorities, with the key concern moving from inflation to slowing economic growth. Closer to home, the Reserve Bank of New Zealand cut the Official Cash Rate (OCR) by 25 basis points in August. Bond yields fell in response, helping both the Global Aggregate Bond Index (NZD-hedged) and the NZ Bond Index post positive returns for the quarter, gaining 4.2% and 3.9%, respectively.

New Zealand's economy continued to struggle, with GDP contracting by 0.2% in the June quarter, and performing even worse on a per capita basis, falling by 0.5%. Despite this, business confidence has rebounded following the OCR cut, with August marking the highest level of confidence in a decade, and September rising further by an additional 10 points. The NZ stock index (NZX50) also posted positive returns for the quarter, gaining 6.0%, helped by falling interest rates.

# Financial performance returns

LEGACY AURORA BALANCED STRATEGY AS AT 30 SEPTEMBER 2024

	RETURNS		
	3 month %	6 month %	1 year %
Strategy Return*	3.95	4.52	14.96
Strategy Objective**	1.23	2.72	6.73

*\*Strategy returns are after fees, before taxes and are derived from the returns of the funds into which the strategy invests.*

*Strategy returns are calculated based on the target allocation to underlying funds.*

*\*\*Strategy objective is CPI+3.40%. CPI is the headline Consumer Price Index. Latest CPI is used, as at 30 June 2024.*

## Questions?

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

**Sean Henaghan**

Aurora Chief Investment Officer





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