

The background of the entire slide is a photograph of a beach scene. In the foreground, several colorful wooden Adirondack chairs (blue, green, yellow, and orange) are arranged on a sandy dune. Behind the chairs, there is a dense patch of tall, green beach grass. The sky is a clear, bright blue. A semi-transparent green and blue gradient overlay covers the bottom half of the image, where the title and subtitle are placed.

Aurora Conservative Fund

QUARTERLY UPDATE MARCH 2025

Financial performance returns

AURORA CONSERVATIVE FUND AS AT 31 MARCH 2025

| RETURNS | | | | |
|---------------------------------|-----------|-----------|----------|----------|
| | 3 month % | 6 month % | 1 year % | 3 year % |
| Fund (after fees, before taxes) | 0.08 | 1.10 | 4.94 | 2.74 |
| Fund Objective* | 1.55 | 2.73 | 5.03 | 6.69 |

**Fund objective is CPI+2.50%. CPI is the headline Consumer Price Index. Latest CPI is used, as at 31 March 2025.*

The Aurora Conservative Fund continued to deliver positive returns across all reported periods, demonstrating the strength of a well-diversified portfolio in a quarter marked by market volatility and mixed asset class performance.

Key contributors and detractors

The standout contributor to returns was the Fund’s allocation to listed infrastructure. Our Responsible Listed Infrastructure investment posted a 4.7% gain for the quarter, benefiting from a backdrop of falling US bond yields and a more supportive interest rate environment. Global bonds also added value, delivering a 1.0% return as geopolitical uncertainty and tariff-related concerns increased demand for high-quality fixed income.

In contrast, equity markets were a drag on performance. Australasian equities declined by 4.8% and global equities fell 0.4%, though both outperformed their respective benchmarks. Investor concerns around slowing growth and persistent inflation weighed heavily on sentiment, particularly in the latter part of the quarter. The implementation of new US tariff policies added pressure to global trade and, by extension, impacted Australia and New Zealand through their strong economic ties to China.

Maintaining a long-term perspective

The volatility seen across markets reaffirms the value of a diversified approach. While equities faced headwinds, the strength in global bonds and infrastructure supported the resilience of the Fund, reinforcing the importance of holding a mix of complementary assets.

Looking ahead, global markets remain challenged by a range of macroeconomic risks. Stagflation fears—defined by a combination of sluggish growth and elevated inflation—are gaining traction, putting pressure on both equity and bond markets. In the US, elevated stock valuations present a limited margin for error should corporate earnings disappoint. Meanwhile, rising protectionism and tariff escalations threaten to further disrupt global supply chains and suppress trade activity, contributing to continued volatility.

In this environment, Aurora Capital remains firmly committed to a disciplined investment approach—one that prioritises diversification, prudent risk management, and long-term perspective to help safeguard and grow our investors’ wealth.



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 31 MARCH 2025

CARBON IN THE PORTFOLIO






| | Portfolio Temperature Alignment | Portfolio Carbon Intensity |
|---------------|---|--|
| |  Based on portfolio carbon footprint |  Tonnes per \$1m of portfolio value |
| Portfolio | 3.2 °C | 380 |
| Market Index* | 3.6 °C | 535 |

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

SOURCE



CONTRIBUTION TO THE UNITED NATIONS SDGs

| | SDG7 Affordable & clean energy | SDG9 Industry, innovation, & infrastructure | SDG11 Sustainable cities & communities | SDG13 Climate action | ALL Sustainable development goals |
|---------------|---|---|---|---|---|
| |  |  |  |  |  |
| Portfolio | 7.1% | 5.1% | 16.5% | 4.1% | 71.3% |
| Market Index* | 3.4% | 4.8% | 10.1% | 2.5% | 57.4% |

SOURCE



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 3.2°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 SDGs 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 4 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, 71.3% of the portfolio's sales are contributing to sustainability goals, which is well 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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