



Legacy Aurora Balanced Strategy

QUARTERLY UPDATE MARCH 2024

We still need your consent

YOU'RE MISSING OUT ON DETAILED QUARTERLY REPORTING

We emailed you in September 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 first three months of 2024 offered encouraging signs that the global economy is on track to achieve the much desired 'soft landing,' where inflation declines, growth ticks along steadily and a crash in employment is dodged. The United States (U.S) economy continued to show resilience, while growth in China made a comeback in 2023, after struggling with pandemic-induced challenges. After a strong 2023, global equity markets continued to boom, rising over 10% in the first three months of 2024, taking 12 month returns to just shy of a whopping 30%.

Investor sentiment has been mixed, however. Sentiment has swung between optimism for a string of rate cuts and concerns over the economic resilience we're seeing, especially in the U.S. Too much economic resilience could mean that the rate cuts already priced into markets may not be justified. With peak inflation behind us in most countries, central banks are navigating the tricky path of easing monetary policies without triggering a recession or reigniting inflation. Central bank actions have diverged as a result. The Swiss National Bank cut rates towards the end of March, becoming the first developed market central bank to do so. On the contrary, the Bank of Japan raised interest rates for the first time in 17 years. Meanwhile, the United States Federal Reserve held rates steady. Global bond prices were relatively flat during the quarter, indicating a market waiting for clearer directional cues.

By contrast, New Zealand's economy continued to weaken, contracting by 0.1% in the final quarter of 2023, bringing the annual growth rate to a mere 0.6%. This downturn has led to the country falling into another technical recession, characterized by two consecutive quarters of negative GDP growth. The impact is more pronounced on an individual level, with GDP per capita dropping by 0.7% as the population grew by 0.6%. Reflecting these economic difficulties, the NZ equity market significantly lagged global equities, posting a 2.8% gain for the quarter. The Official Cash Rate (OCR) held constant at 5.5% through the first quarter of the year, however, our view is that the prevailing weak economic data may lead to rates being cut sooner than previously expected.

How your money is helping the planet

Financial performance returns

LEGACY AURORA BALANCED STRATEGY AS AT 31 MARCH 2024

	RETURNS		
	3 month %	6 month %	1 year %
Strategy Return*	3.80	9.99	9.69
Strategy Objective**	1.32	3.96	8.06

*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 31 December 2023.

Questions?

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

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