PORTFOLIO FACTSHEET

Growth portfolio

31st January 2022

Investment Strategy: kōura KiwiSaver has six Funds that clients can invest in. Unlike other providers kōura portfolios are customised for each client, into a mix of these six funds using our digital advice tool. These portfolio fact sheets have been prepared to allow an investor to compare how a kōura "growth fund" equivalent portfolio might have compared against other funds.

This is a portfolio of kōura funds that is appropriate for a Growth Investor with a long term investment horizon. This portfolio is suitable for people that are at least 10 years away from retirement and have a higher tolerance for risk.

Performance				
	1 mth	6 mth	12 mth	24 mth (p.a.)
Koura Growth Fund	(5.89%)	(3.12%)	5.80%	6.54%

Performance kōura Funds to 31st January 2022 and allocation

		Performance			
	Allocation	1 mth	6 mth	12 mth	24 mth (p.a.)
Kōura Fixed Interest fund	**20.0%**	(0.6%)	(3.6%)	(4.8%)	(1.0%)
Kōura NZ Equities fund	**20.0%**	(8.6%)	(5.7%)	(10.4%)	1.0%
Kōura US Equities fund	**37.0%**	(8.5%)	(2.7%)	18.2%	13.3%
Kōura Rest of World fund	**15.6%**	(6.0%)	(2.4%)	10.2%	4.9%
Kōura Emerging Markets fund	**7.2%**	1.0%	1.8%	6.9%	11.5%

These performance numbers are calculated by kōura Wealth based on a blend of the performance of the underlying Koura Wealth Investment Funds as applicable above, the performance is gross of fees and tax.

The kōura Growth Portfolio is up 5.8% over the past year, and is up 6.5% p.a. annualised over 2 years. This is following a rather significant 5.9% pull back during the month of January.

Global markets fell significantly in January as investors reacted to concerns over rising inflation. US inflation was reported at 7.5% in early January which confirmed to investors that Central Banks will definitely need to accelerate their path of interest rate normalisation. It is no longer a question of if, and when, they will raise rates, but it is a question of how fast they will move.

For a long time, asset prices have been buoyed by low interest rates and it now appears that those days might be over. The most impacted companies are technology stocks whose valuations are predicated on significant earnings growth. Higher interest rates makes those earnings less valuable which has resulted in their valuations falling.

Emerging markets had a stronger month than other markets due to their current valuation fundamentals. They had a tough 2021, so a significant amount of the bad news was already priced in, and higher interest rates have not fundamentally changed the story.

One standout market in the month was the UK (sits in our Rest of World Fund). This was due largely to the makeup of its market, it is a very traditional market with a significant exposure to energy, resources and consumer discretionary stocks all of which are currently doing very well.

Rising interest rates continue to hurt the fixed income element of this portfolio. As interest rates rise, the value of the bonds that we hold fall making things more difficult.

For further information on the performance of the underlying markets please refer to the underlying market factsheets which are available at https://www.kourawealth.co.nz/documents.