

FUND FACTSHEET

NZ Equities Fund

31st January 2022

Investment Strategy: The fund provides exposure to the New Zealand share market. Kōura invests directly into NZ equities and follows an adjusted version of the Morningstar New Zealand index (holdings are capped at 7% at the start of each month). The fund expects to deliver a negative return once in every 3-5 years.

Benchmark: Morningstar New Zealand Gross return index

Fund inception: 23rd October 2019

	Fund performance			
	1 mth %	6 mth %	12 mth %	24 mth (% p.a.)
NZ Equities Fund	(8.6)	(5.7)	(10.4)	1.0

These performance numbers are calculated by kōura Wealth and are net of fees and gross of tax.

Monthly Commentary:

The New Zealand market underperformance of the past two years was compounded by the fall in global markets in January. The Kōura NZ Equity Fund fell (-8.6%) in January which was a positive on the NZ market which was down (-9.1%).

The New Zealand market in January was driven by inflation and interest rates concerns. At the end of the month CPI data showed inflation up to an annual 5.9% which continues to suggest that inflationary pressures are broad and sustained. This signals that risks continue to point to higher interest rates possibly at a faster pace than previously thought.

This outlook heavily impacted retail stocks, as well as property stocks, the sectors most affected by rising costs and interest rates. The Omicron Covid variant also continues to be a concern for investors. The New Zealand market had very few positive stock returns by the end of the month.

January also saw the NZD fall (-4.08%) against the USD, as data out of the US continues to support the Federal Reserve plan to normalise monetary policy over the coming months.

Volatility is common in investing, and tightening financial conditions as well as the Covid outlook in New Zealand is likely to deliver further volatility in coming months.

Top Ten Securities	Holding % of portfolio
Spark New Zealand Ltd	7.1
Auckland International Airport Ltd	6.9
Mainfreight Ltd	6.7
Fisher & Paykel Healthcare Ltd	6.4
Contact Energy Ltd	6.0
Ebos Group Ltd	6.0
Infratil Ltd	5.6
Fletcher Building Ltd	5.4
Meridian Energy Limited	5.3
Ryman Healthcare Ltd	4.2

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