

# FUND FACTSHEET

## NZ Equities Fund

31<sup>st</sup> October 2021

**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	(1.4%)	3.6%	9.2%	10.5%

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

### Monthly Commentary:

The Koura NZ Equity Fund was down 1.4% in the month, following the overall market lower.

During the month a number of stocks fell, with large cap stocks Mainfreight and Fisher and Paykel Healthcare both dragging the index lower. Other notable decliners were in the Retirement and Property sectors as a result of rising interesting rates and nervousness around property valuations. On the positive side A2 Milk was stronger and Auckland Airport and Air New Zealand ended the month higher with post Covid travel looking likely on the horizon.

Over the past 2 years the New Zealand market has not seen the rally enjoyed by many other markets. As we have talked about in the past this is due to the market structure; a high exposure to a small number of companies (Fisher & Paykel Healthcare and previously A2 Milk), very few high growth tech companies and a high exposure to the infrastructure sector. At this stage in the cycle and with the structure of the NZ market, it is hard to see that changing. Though these characteristics should mean that the NZ market holds up well if we do see another market downturn.

Top Ten Securities	Holding
Auckland International Airport	7.5%
Fisher and Paykel Healthcare	6.8%
Spark New Zealand	6.7%
Mainfreight Limited	6.6%
Contact Energy	5.9%
Ryman Healthcare	5.7%
Meridian Energy Limited	5.7%
Infratil Limited	5.6%
Fletcher Building Limited	5.5%
A2 Milk Limited	4.6%

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