

FUND FACTSHEET

NZ Fixed Interest Fund

31st October 2021

Investment Strategy: The Fund provides an exposure to New Zealand Government and Corporate bonds. Kōura invests directly into fixed income securities in New Zealand and aims to replicate the Bloomberg New Zealand Aggregate Index. A fixed interest allocation in a portfolio is important to preserve capital albeit at the expense of returns.

	Fund performance			
	1 mth %	6 mth %	12 mth %	24 mth (% p.a)
Koura NZ Fixed Interest Fund	(2.4%)	(4.0%)	(5.8%)	(1.0%)

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

Monthly Commentary:

The koura Fixed Income Fund return was (2.4%) in October, a disappointing result though better than the broader market that we track. We continue to see rising interest rates pushing bond valuations down, but our fund performance benefited from our shorter dated maturity profile which has allowed us to outperform the market. As bond yields rise, the price of the bond falls, meaning valuations fall, affecting fund performance.

In New Zealand the Reserve Bank is still expected to raise interest rates in the new year, as inflation does not seem to be transitory in nature, but rather ongoing. The New Zealand bond market also takes direction from the US, and despite the high levels of inflation and clarity from the US Federal Reserve around removing economic support, bond markets are still pricing in a low growth, low inflation environment.

Top Ten Holdings:

Top Ten Securities	Issuer	
AIANZ 3.51% 10/10/2024	Auckland Airport	6.6%
WSTP 1.439% 02/24/26	Westpac Bank	6.6%
VCTNZ 3.45% 27/05/2025	Vector Limited	5.4%
AUCKCN 3.338% 27/07/2026	Auckland Council	5.0%
HSBC 1.835% 16/08/2024	HSBC Holdings	4.7%
BZLNZ 3.648% 16/11/2023	BNZ Bank	4.4%
HOUNZ 1.534% 10/09/2035	Housing New Zealand	3.9%
CHRINT 4.13% 24/05/2024	Christchurch Airport	3.7%
FCGNZ 4.15% 14/11/2025	Fonterra	3.6%
TPNZ 3.823% 06/03/2025	Transpower	3.4%

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