

FUND FACTSHEET

Emerging Markets Equities Fund

30th November 2021

Investment Strategy: This Fund provides exposure to emerging markets including Eastern Europe, the Middle East, South America, Africa, and Asia including China. The major exposure of this fund is made up of China, Taiwan, and Korea. Emerging market funds are to capture the potential growth of countries in an emerging growth phase and offer high potential return with higher risks than developed markets. Kōura invests directly into an ETF listed in the US to provide this exposure.

Underlying asset: iShares ESG Advanced MSCI Emerging Markets ETF (\$21.6m fund size).
<https://www.ishares.com/us/products/316020/ishares-esg-advanced-msci-em-etf>

	Fund performance			
	1 mth %	6 mth %	12 mth %	24 mth % p.a.
kōura EM Equities Fund	3.2	1.2	13.8	10.5

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

Monthly Commentary:

The kōura Emerging markets Fund was up 3.2% in November and is up 13.8% over the year. The performance was driven by a weakening NZ Dollar (this fund is unhedged), which has increased the value of the holding in NZ Dollar terms. The underlying ETF that we invest in fell by 2.05% during the month driven largely by falls in China and India.

Over the past two years months, the fund has delivered a 10.5% annualised return. Within the Emerging Markets category there are different themes at play:

- Taiwan continues to perform strongly with an economy and market highly leveraged to the technology and micro chip sectors, this was the only positive market performance this month
- India stock market has been soaring with investors buying into the financial, industrial and technology companies that dominate its listings. India had its largest IPO in November with Paytm raising \$2.5b valuing the company at \$20b, however upon listing plunged 25%
- China continues to be impacted by regulatory uncertainty with and a crackdown in the property sector (which makes up 30% of GDP)

Valuation differences between Emerging Markets and developed markets have opened up to all time highs due to the nervousness around China and the potential impact of rising interest rates on Emerging Markets debt.

Top Ten holdings:

Company	Sector	Weight %
Taiwan Semiconductor Manufacturing	Information Technology	5.0%
Meituan	Consumer Discretionary	4.1%
Infosys Ltd	Information Technology	2.5%
China Construction Bank Corp H	Financials	2.1%
Nio American Depositary Shares Rep	Consumer Discretionary	1.8%
Sk Hynix Inc	Information Technology	1.7%
Mediatek Inc	Information Technology	1.7%
Wuxi Biologics Cayman Inc	Health Care	1.6%
Tata Consultancy Services Ltd	Information Technology	1.4%
Netease Inc	Communication	1.2%

Top Country weightings market performance:

Market	Portfolio weight	Performance %			
		1 mth %	6 mth %	12 mth %	24 mth (%pa)
China	30.2%	-5.9	-19.1	-16.9	5.9
Taiwan	20.3%	2.6	4.6	30.5	27.0
India	13.7%	-3.8	10.5	30.6	19.5
South Korea	8.3%	-3.0	-11.8	8.4	18.0
Brazil	4.3%	-1.5	-19.3	-6.4	-3.0

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