

FUND FACTSHEET

US Equities Fund

30th November 2021

Investment Strategy: The Fund aims to replicate the performance of the US share market. kōura achieves this by investing in a single ETF listed in the USA. The US market is by far and away the largest market in the world and therefore is an important component of any balanced portfolio. The fund is hedged 70% to the New Zealand dollar, this means that investors are protected from 70% of the exchange rate movement.

Underlying ETF: iShares ESG Advanced MSCI USA ETF (\$568.3m fund size).

<https://www.ishares.com/us/products/314365/ishares-esg-advanced-msci-usa-etf>

Fund inception: 23rd October 2019

	Fund performance			
	1 mth %	6 mth %	12 mth %	24 mth % (p.a.)
Koura US Equities Fund	0.5	10.1	27.8	18.4

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

Monthly Commentary:

The news of a new Covid variant of concern later named Omicron, hit on Friday 26th November, the day after Thanksgiving in the US. On the day, markets fell 2.5% in the US, wiping out any gains that had been fought through the month. The Koura US Equity Fund ended the month up 0.5%, and has annualized return over two years of 18.4%.

Key points over the month have been:

- The first three weeks of the month saw strong returns with markets up 2.2% off the back of strong economic data and corporate earnings. Before the fall, markets had been up almost 9.5% since the start of October
- Following the Omicron Covid variant announcement, the Russell 2000 (the US Index of smaller companies) was heavily impacted falling almost 6%.
- The Federal Reserve announced it would start reducing the level at which it is purchasing bonds from late November. Central banks purchase bonds to push down interest rates as they become the buyer of last resort. This is a signal they are hoping that interest rates will start to rise. The Fed Funds rate is expected to start lifting from mid - 2022.
- A strengthening of the USD - the USD is strengthening as investors get comfortable on the path and pace of interest rate normalisation in the US

Uncertainty is all around us at the moment. Though it has been with us for the past 12 months and markets have continued to go from strength to strength. It seems as though we will continue to see volatility over the next few months as investors continue to get to grips with interest rates, inflation and the ongoing recovery from Covid.

Top Ten Securities		
Microsoft Corp	Information Technology	12.8%
Nvidia Corp	Information Technology	4.4%
Home Depot Inc	Consumer Discretionary	2.3%
Visa Inc Class A	Information Technology	1.8%
Adobe Inc	Information Technology	1.7%
Salesforce.com Inc	Information Technology	1.5%

Mastercard Inc Class A	Information Technology	1.5%
Thermo Fisher Scientific Inc	Health Care	1.4%
Cisco Systems Inc	Information Technology	1.3%
Pepsico Inc	Consumer Staples	1.2%

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