

Key information

Bought and sold from Kernel directly or via all major wrap platforms

Structure: Portfolio Investment Entity (PIE)

Fund Inception: 14 July 2021

Number of constituents: 45

Morningstar AU Fund code: 25039

Morningstar Code: F00001CKWQ

Citi Code: D1RU

Disclose Register #: FND23720

Total fund value: \$41,083,555

Distribution frequency: Quarterly

12 month Yield¹: 3.33%

Indicative Dividend²: 3.30%

Management fee: 0.25% p.a.

Offer documents³

PDS: November 2024

SIPO: November 2024

ESG Policy: April 2024

Fund Update: December 2024

Index fundamentals

Index: S&P/NZX 50 Portfolio ESG Tilted

Price to Book: 0.25

Trailing P/E: 92.72

Projected P/E: 25.11

Implied Earnings Yield: 3.98%

Risk (index data)

Fund update risk Indicator: 6

12 month volatility⁴: 11.89%

Monthly returns standard deviation

	+/-1 (68%)	+/-2 (95%)
1 year	2.28%	4.55%
3 years	3.16%	6.32%
5 years	3.73%	7.45%

Range of 12 month index returns

	1 year	5 years
Worst	-2.35%	-15.56%
Median	5.85%	5.45%
Average	5.78%	5.91%
Best	16.85%	49.47%

Fund overview

A New Zealand equity fund which not only exclude companies from controversial industries, but also up-weights and down-weights companies based on non-financial metrics including governance practices, fossil fuel exposure, and workplace diversity. Using the internationally acclaimed Corporate Sustainability Assessment from S&P Dow Jones, each company included in the S&P/NZX 50 Portfolio Index is given an ESG score and re-weighted accordingly.

Benefits

The NZ 50 ESG Tilted Fund can be used in a variety of investment strategies, for example:

- A core allocation to NZ equities
- A tactical exposure to NZ blue-chips
- A low-cost alternative to other active managers

Performance⁵

	1 month	3 months	1 year	3 years p.a.
Index total return	-0.17%	2.65%	7.84%	4.75%
Fund gross return	-0.17%	2.65%	8.33%	4.95%
Gross tracking difference	+0.00%	+0.00%	+0.49%	+0.20%
Performance (after fees at 0% PIR tax)	-0.20%	2.58%	7.97%	4.61%
Performance (after fees at 28% PIR tax)	-0.19%	2.49%	7.12%	3.64%

5 years p.a. index

3.83%*

*Index returns do not reflect deductions for charges and taxes.

Index calendar return

2023	2022	2021	2020	2019
6.96%	-8.13%	-1.35%	18.67%	31.92%

Index value chart

\$10,000 invested 5 years ago⁶: \$12,066



— S&P/NZX 50 Portfolio ESG Tilted Index (NZD) Gross with Imputation

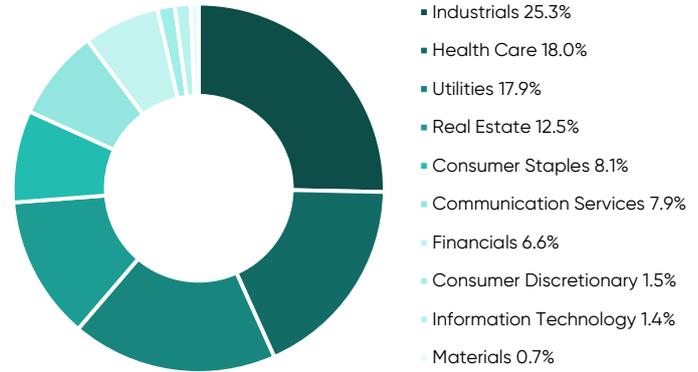
Where does the fund invest?

This shows the country weight that the fund invests in:



What does the fund invest in?

This shows the GICS⁷ weighting for the fund:



Asset allocation

Asset	% of fund NAV
Cash and cash equivalents	0.03%
Australasian equities	99.97%

Impact⁸

Carbon Footprint:

86.33 metric tons per USD1m invested. 44% higher than above benchmark. Operational and first tier supply chain greenhouse gas emissions.

Carbon Efficiency:

89.54 metrics tons / USD1m revenue. 6% higher than benchmark. The index's absolute owned greenhouse gas emissions divided by the sum of revenues.

Fossil Fuel Reserves:

0 metric tons per USD1m invested. 100% below benchmark. The carbon footprint that could be generated if the proven and probable fossil fuel reserves owned by index constituents were burned per USD 1 million invested.

Top 10 investments

Company		% of fund NAV
Fisher & Paykel Healthcare	NZ	12.90%
Auckland Intl. Airport	NZ	11.37%
Fletcher Building	NZ	9.32%
Contact Energy	NZ	8.00%
Meridian Energy	NZ	6.79%
The a2 Milk Company	NZ	4.26%
Spark New Zealand	NZ	3.98%
Chorus	NZ	3.90%
Goodman Property Trust	NZ	3.32%
Fonterra Shareholders' Fund	NZ	3.05%

The Top 10 investments make up 66.89% of the fund

Index eligibility criteria

- Beginning with S&P/NZX 50 Portfolio index as parent index, exclude companies with certain business activities based on Sustainalytics assessment (Controversial Weapons, Thermal coal & Tobacco) and exclude low UNGC Scores or Rep Risks
- Then upweight and downweight on basis of ESG score while maintaining sector balance of parent index. The S&P DJI ESG Scores are built from the SAM (part of S&P Global) 'Corporate Sustainability Assessment' (CSA). The scores are calculated according to a standardised global industry specific weighting which can be found here.

Further information

The information is not investment advice. Kernel has taken reasonable steps to ensure that the information in this document is accurate and up-to-date. Kernel does not accept any responsibility for any error or omission or for any loss resulting from the use of this information, except to the extent required by law.

1. 12 month Yield is the last 4 quarterly distributions divided by unit price 12 months ago. This is the experience an existing investor would have had.
2. Indicative Dividend is the index calculation of the underlying dividends in the last 12 months divided by the current valuation.
3. The offer documents are available at www.kernelwealth.co.nz
4. 12 month volatility is the standard deviation of daily returns, annualised by multiplying by square root of number of periods.
5. Performance assumes distributions reinvested. Gross tracking difference is before fees, expenses and tax. Rounding may cause a difference of 0.01%.
6. Growth of a hypothetical investment in the index (no allowance for fees or taxes) and no further contributions.
7. Global Industry Classification Standard (GICS)
8. Benchmark is S&P/NZX 50 Gross. See explanation of Trucost methodology.