



Kernel Funds

Kernel Global Property (NZD Hedged) Fund

Fund update for the quarter ended 31 December 2025

This fund update was first made publicly available on 4 February 2026.

What is the purpose of this update?

This document tells you how the Kernel Global Property (NZD Hedged) Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Kernel Wealth Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this fund

The Kernel Global Property (NZD Hedged) Fund invests in globally listed real estate investment trusts (REITs) and real estate operating companies (REOCs) traded globally. Company weights are modified to tilt a higher investment to companies with stronger ESG characteristics as calculated by GRESB. The Fund targets a position of being fully hedged back to New Zealand dollars. It is designed to track the Dow Jones Global Select ESG Tilted RESI NZD Hedged index.

Total value of the fund:	\$202,249,767
The date the fund started:	16 June 2021

What are the risks of investing?

Risk indicator for the Kernel Global Property (NZD Hedged) Fund:

Potentially Lower Returns **Potentially Higher Returns**

1 2 3 4 5 **6** 7

Lower Risk

Higher Risk

The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way. To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at sorted.org.nz/tools/investor-profiler.

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data¹ for 5 years to 31 December 2025. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates. See the Product Disclosure Statement - Equity Funds for the Kernel Funds for more information about the risks associated with investing in this fund.

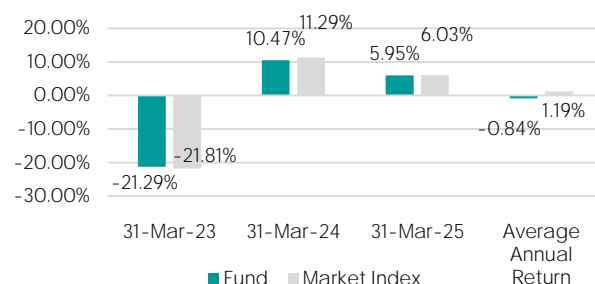
How has the fund performed?

	Past Year
Annual return (after deductions for charges and tax)	4.77%
Annual return (after deductions for charges but before tax)	7.24%
Market index annual return (reflects no deduction for charges and tax)	7.81%

The market index annual return is based on the annual return of the Dow Jones Global Select ESG Tilted RESI NZD Hedged Index. Additional information about the market index is available in the 'Statement of Investment Policy and Objectives' document on the offer register at

www.disclose-register.companiesoffice.govt.nz.

Annual return graph



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 31 December 2025. Important: This does not tell you how the fund will perform in the future. Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged?

Investors in the Kernel Global Property (NZD Hedged) Fund are charged fund charges. In the year to 31 March 2025 these were:

% per annum of fund's net asset value	
Total fund charges	0.25%
Which are made up of:	
Total management and administration charges	0.25%
Including -	
Manager's basic fee	0.25%
Other management and administration charges	0.00%

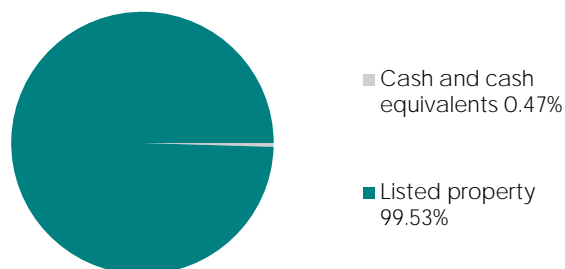
Investors are not charged individual action fees for specific actions or decisions (for example, for withdrawing from funds). All fees are inclusive of GST.

Small differences in fees and charges can have a big impact on your investment over the long term.

What does the fund invest in?

Actual investment mix

This shows the types of assets that the fund invests in.



Example of how this applies to an investor

Emma had \$10,000 in the fund on 1 January 2025 and did not make any further contributions. On 31 December 2025, Emma received a return after fund charges were deducted of \$724 (that is 7.24% of her initial \$10,000). This gives Emma a total return after tax of \$477 for the period.

Target investment mix

This shows the mix of assets that the fund generally intends to invest in.

Asset Category	Target asset mix
Cash and cash equivalents	-
New Zealand fixed interest	-
International fixed interest	-
Australasian equities	-
International equities	-
Listed property	100.00%
Unlisted property	-
Commodities	-
Other	-

Top 10 investments

Name	% of fund's net asset value	Type	Country	Credit rating (if applicable)
ProLogis Inc	8.57%	Listed property	United States	
Welltower Inc	7.42%	Listed property	United States	
Public Storage	6.13%	Listed property	United States	
Simon Property Group A	5.79%	Listed property	United States	
Ventas Inc	5.16%	Listed property	United States	
Equinix REIT Ord	2.91%	Listed property	United States	
Mitsui Fudosan Co	2.57%	Listed property	Japan	
Essex Property Trust	2.24%	Listed property	United States	
Extra Space Storage Inc	2.11%	Listed property	United States	
AvalonBay Communities Inc	2.06%	Listed property	United States	

The top 10 investments make up 44.96% of the fund's net asset value

Currency hedging - The fund is hedged back to New Zealand dollars. As at 31 December 2025, the hedging ratio was 101.15%

Key personnel

This shows the directors and employees who have the most influence on the investment decisions of the fund:

Name	Current position	Years	Months	Previous position	Years	Months
Dean Anderson	Chief Executive	7	3	Smartshares Product Manager, NZX	4	4
Stephen Upton	Chief Operating Officer	6	6	Smartshares Chief Operating Officer - NZX	3	6
Kerry McIntosh	Chairman	6	6	Operating Partner, Zino Ventures (current)	7	10
Helen Skinner	Head of Distribution and Sustainability Strategy	0	9	Head of Responsible Investment, ANZ	2	5
Rhea Prasad	Portfolio Manager	3	1	Investment Dealer, Pie Funds	1	3

Further information

You can also obtain this information, the Product Disclosure Statement - Equity Funds for the Kernel Funds, and some additional information from the offer register at www.disclose-register.companiesoffice.govt.nz.

Notes

¹ Market index returns (as well as actual returns) have been used to complete the risk indicator, as the fund has not been in existence for 5 years. As a result, the risk indicator may provide a less reliable indicator of the potential future volatility of the fund. The risk indicator for the fund uses 6 month(s) of market index returns.