

Kernel March 2027 NZ Bond Fund

Fund update for the quarter ended 31 March 2026

This fund update was first made publicly available on 1 May 2026.

What is the purpose of this update?

This document tells you how the Kernel March 2027 NZ Bond 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 March 2027 NZ Bond Fund is designed to invest in New Zealand interest-bearing assets and to terminate and fully distribute on or around 15 March 2027 as the Fund Maturity Date.

Total value of the fund:	\$4,632,521
The date the fund started:	07 March 2024

What are the risks of investing?

Risk indicator for the Kernel March 2027 NZ Bond Fund:



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.

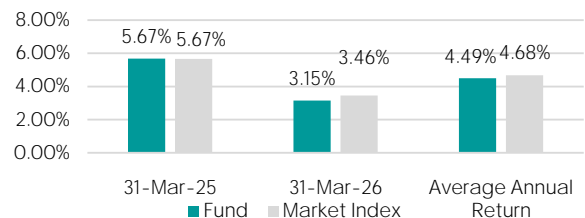
This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data¹ for 5 years to 31 March 2026. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates. See the Product Disclosure Statement - Diversified & Other 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)	3.15%
Annual return (after deductions for charges but before tax)	4.45%
Market index annual return (reflects no deduction for charges and tax)	3.46%

The market index annual return is based on the annual return of 50% Bloomberg NZ Bond Bank Bill Index & 50% Bloomberg NZ Bond Composite 0+ Yr 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 March 2026. 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 March 2027 NZ Bond Fund are charged fund charges. In the year to 31 March 2026 these were*:

% per annum of fund's net asset value	
Total fund charges	0.50%*
Which are made up of:	
Total management and administration charges	0.50%
Including -	
Manager's basic fee	0.50%
Other management and administration charges	0.00%

*The management fees for the fund were reduced on 6 August 2025 from 0.50%p.a. to 0.25%p.a. Therefore the fees for the year to 31 March 2026 were 0.34%p.a.

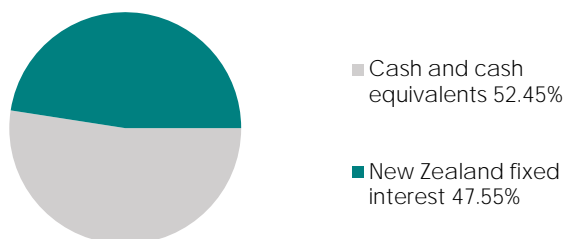
Investors are not charged individual action fees for specific actions or decisions (for example, for withdrawing from funds). All fees are inclusive of GST.

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 April 2025 and did not make any further contributions. On 31 March 2026, Emma received a return after fund charges were deducted of \$445 (that is 4.45% of her initial \$10,000). This gives Emma a total return after tax of \$315 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	100%
International fixed interest	-
Australasian equities	-
International equities	-
Listed property	-
Unlisted property	-
Commodities	-
Other	-

Top 10 investments

Name	% of fund's net asset value	Type	Country	Credit rating (if applicable)
GMT 4.74% 14/04/2027	14.83%	New Zealand fixed interest	New Zealand	BBB+
Bank of China Deposit	14.55%	Cash and cash equivalents	New Zealand	A
Christchurch Intl Airport Ltd 5.53% 05/04/2027	11.01%	New Zealand fixed interest	New Zealand	A-
Southland Building Society 4.32% 18/03/2027	10.91%	Cash and cash equivalents	New Zealand	A-
TSB Bank TD 3.900% 20 Jul 2026	5.40%	Cash and cash equivalents	New Zealand	BBB+
Vector 3.69% 26/11/2027	4.11%	New Zealand fixed interest	New Zealand	BBB+
Rabobank FRN 05/04/2027	3.09%	Cash and cash equivalents	New Zealand	AA
NZ LGFA 2.25% 15/05/2028	2.30%	New Zealand fixed interest	New Zealand	AAA
KiwiBank TD 3.350% 22 Oct 2026	2.19%	Cash and cash equivalents	New Zealand	AA-
KiwiBank Ltd FRN 15/03/2028	1.98%	Cash and cash equivalents	New Zealand	AA-

The top 10 investments make up 70.37% of the fund's net asset value

Currency hedging - The fund is not hedged for currency.

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	6	Smartshares Product Manager, NZX	4	4
Stephen Upton	Chief Operating Officer	6	9	Smartshares Chief Operating Officer - NZX	3	6
Kerry McIntosh	Chairman	6	9	Operating Partner, Zino Ventures (current)	8	1
Helen Skinner	Head of Distribution and Sustainability Strategy	1	0	Head of Responsible Investment, ANZ	2	5
Matthew Winton	Portfolio Manager	3	10	Europe Head of Linear Interest Rate Products, BNP Paribas, London	7	0

Further information

You can also obtain this information, the Product Disclosure Statement - Diversified & Other 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 3 year(s) of market index returns.