Kernel Cash Plus Fund

For the month ending 31 October 2026

Key information

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

Structure: Portfolio Investment Entity (PIE)
Fund Inception: 7 November 2022
Morningstar AU Fund code: 25445
Morningstar Code: F00001EVGT
Citi Code: X2T7
Disclose Register #: FND40596

Total fund value: $285,539,921
Distribution frequency: Quarterly
Indicative net yield [1]: 3.25%
Duration[2]: 0.30
Management fee: 0.25% p.a.

Offer documents [3]

PDS: September 2026
SIPO: September 2026
ESG Policy: September 2026
Fund Update: September 2026

Benchmark fundamentals

Benchmark: Bloomberg NZ Bond Bank Bill Index
Benchmark yield: 2.97%
Benchmark duration: 0.13

Risk

Fund update risk Indicator: 1
12 month volatility [4]: 0.11%

Target investment mix

Asset	Target	Actual
Cash and cash equivalents[5]	100%	90.10%
New Zealand fixed interest[6]		9.90%

Fund overview

The Kernel Cash Plus Fund is designed as a stable investment and is likely to achieve a better return than a savings account. The fund invests in New Zealand term deposits and other interest-generating assets. These kinds of investments will typically be stable in value but may have short periods of negative performance. The Cash Plus Fund aims to achieve returns comparable to the Bloomberg NZ Bond Bank Bill Index. It may be suitable for investors who want to minimise potential for investment loss but achieve a better return than a savings account.

Distributions

The fund intends to pay quarterly distributions based on the prevailing Official Cash Rate (OCR) at the time of the distribution, paid on or near 16 January, 16 April, 16 July, and 16 October.

Strategy

The Kernel Cash Plus Fund can be used in a variety of investment strategies:

- As a core component of a portfolio to reduce its risk and volatility
- To gain exposure to New Zealand short-term interest-bearing assets
- As an alternative to term deposits or cash management accounts

Market overview

NZ fixed interest enjoyed a recovery rally in October, possibly reflecting a somewhat oversold market from September. The fundamentals of a credible central bank, sustainable government finances and weak economic conditions are supportive of the NZ bond market. Despite the rally, the curve still prices in some further hikes, whether they are actually delivered to the extent priced remains to be seen.

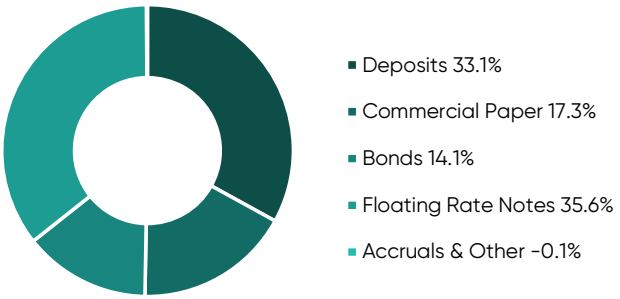
Performance

	1 month	3 months	1 year	5 years p.a.
Performance (after fees before tax)	0.33%	0.82%	3.01%	N/A
Benchmark[7]	0.28%	0.75%	2.67%	3.82%

Note that benchmark returns do not reflect deductions for charges and taxes.

Portfolio composition

This shows the allocation of the portfolio by type of instrument:



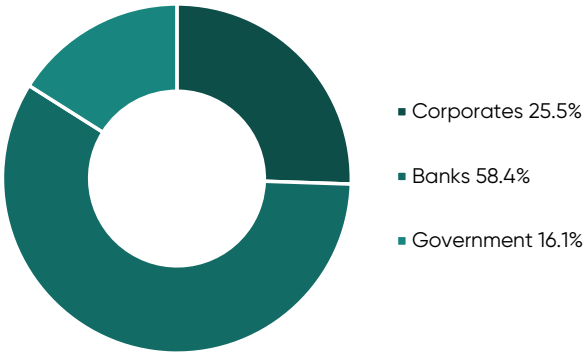
*Note: Deposits are net of expected settlements and include those held with banks or Inland Revenue (IRD).

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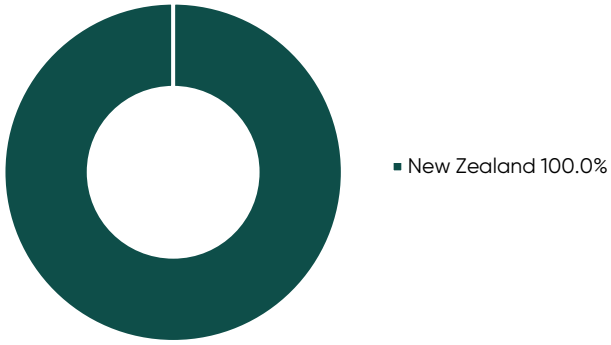
Issuer composition

This shows the allocation of the portfolio by type of issuer:



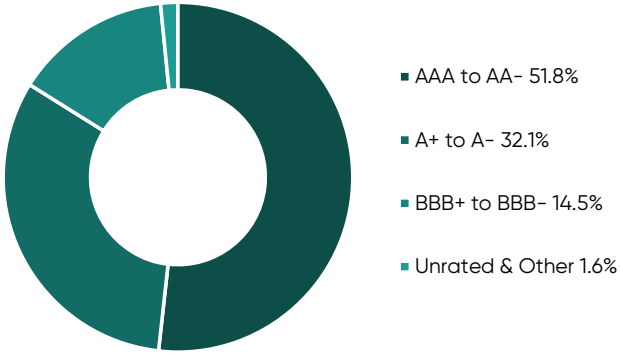
Where does the fund invest?

This shows the currency of the portfolio holdings:



Credit rating

This shows the allocation of the fund by issuer credit rating (S&P or equivalent[8]):



Largest holdings

Bank of China Deposit	13.94%
Kiwibank FRN	7.06%
Auckland Council FRN	3.79%
ASB FRN	3.52%
Southland Builiding Society CP	3.49%

About the Portfolio Manager

Matthew Winton joined Kernel in June 2022 and actively manages Kernel's fixed income funds. He has over 15 years experience as a Fixed Income specialist. Matthew started his career as a derivatives trader at Citibank Auckland and Sydney, followed by Tokyo and London. Prior to joining Kernel, he was the Head of USD derivatives and US Treasury Trading for BNP Paribas London where he successfully led a team of swaps and bond traders. Matthew's expertise and research contributes to broader investment decision making across the Kernel Funds.

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. Annualised indicative weighted average yield (net of fees, but before PIE tax) of the portfolio.
2. Duration is the weighted average time to maturity of the portfolio, but may be adjusted to properly reflect likely risk factors in the case of an inflation linked security
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. Cash equivalents includes securities with maturities less than 365 days and floating rate notes with interest rate resets at least annually.
6. New Zealand Fixed Interest is defined as NZ dollar denominated debt instruments paying a fixed interest rate and with a maturity of at least 365 days and includes hybrid securities such as preference shares and convertible bonds.
7. Calculations for benchmark returns are based off the last business day of each month rather than the last day of the month as indices are not published for non-business days. This will create an immaterial variation to relative performance as unit prices include the accrual of interest over non-business days at the end of the month.
8. Ratings may be estimated by Kernel based on equivalent ratings from other agencies, derived from equivalent issued securities where a direct rating is unavailable, or based on other information