# NZ Small & Mid Cap Opportunities 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:** 28 August 2019
**Number of constituents:** 31
**Morningstar AU Fund code:** 24493
**Morningstar Code:** F00001461Y
**Citi Code:** VGHK
**Disclose Register #:** FND15842

**Total fund value:** $58,313,231
**Distribution frequency:** Quarterly
**12 month Yield[1]:** 4.42%
**Indicative Dividend[2]:** 4.45%
**Management fee:** 0.25% p.a.

## Offer documents[3]

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

## Index fundamentals

**Index:** S&P/NZX Emerging Opportunities
**Price to Book:** 1.01
**Trailing P/E:** 162.00
**Projected P/E:** 17.98
**Implied Earnings Yield:** 5.56%

## Risk (index data)

**Fund update risk Indicator:** 5
**12 month volatility[4]:** 10.54%

### Monthly returns standard deviation

| | +/-1 (68%) | +/-2 (95%) |
|---|---|---|
| **1 year** | 2.69% | 5.38% |
| **3 years** | 4.11% | 8.22% |
| **5 years** | 4.15% | 8.30% |

### Range of 12 month index returns

| | 1 year | 5 years |
|---|---|---|
| **Worst** | 0.49% | -29.94% |
| **Median** | 14.11% | 8.32% |
| **Average** | 14.11% | 2.81% |
| **Best** | 23.71% | 33.99% |

## Fund overview

The Fund provides investors with a diversified exposure to NZX-listed companies outside of the S&P/NZX 20 index, which normally have a market capitalisation of between $100 million and $1 billion and are part of the S&P/NZX Emerging Opportunities Index.

## Benefits

The NZ Small & Mid Cap Opportunities fund can be used in a variety of investment strategies, for example:

- A low cost complement to another NZ equity investment
- A tactical exposure to smaller growth companies
- Portfolio diversification

## Performance[5]

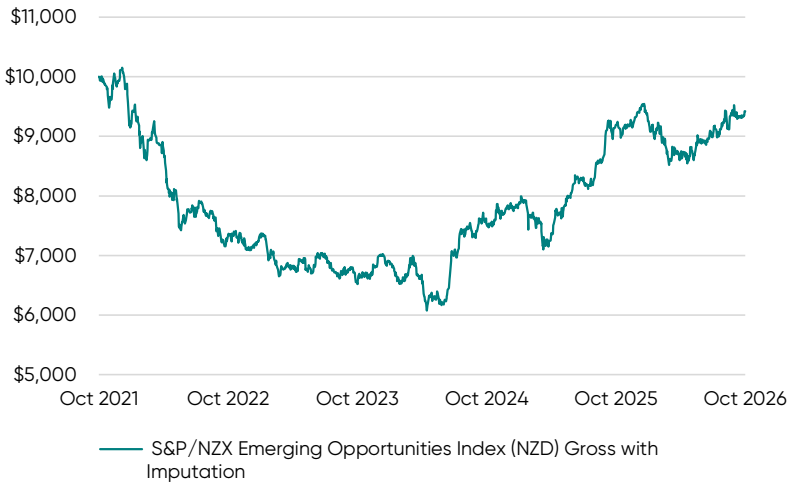
| | 1 month | 3 months | 1 year | 3 years p.a. | 5 years p.a. |
|---|---|---|---|---|---|
| Index total return | -1.07% | 4.81% | 2.47% | 13.05% | -1.18% |
| Fund gross return | -1.11% | 4.75% | 2.45% | 13.02% | -1.16% |
| Gross tracking difference | -0.04% | -0.06% | -0.02% | -0.03% | +0.02% |
| Performance (after fees at 0% PIR tax) | -1.14% | 4.65% | 2.12% | 12.64% | -1.50% |
| Performance (after fees at 28% PIR tax) | -1.15% | 4.35% | 1.06% | 11.51% | -2.54% |

## Index calendar return

| 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| 21.05% | 11.15% | -1.31% | -29.94% | 14.24% |

## Index value chart

**$10,000 invested 5 years ago[6]:** $9,421

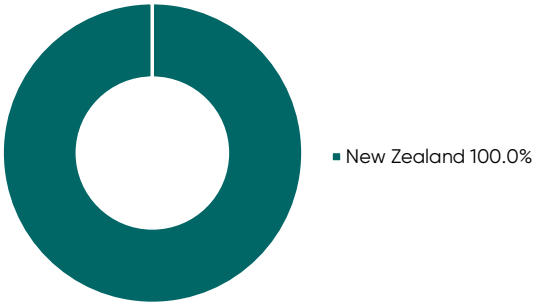


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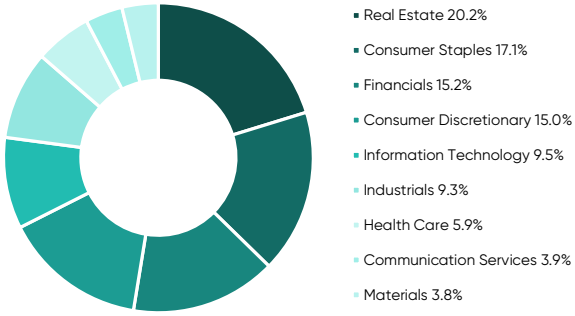
## Where does the fund invest?

This shows the country weight that the fund invests in:




## What does the fund invest in?

This shows the GICS[7] weighting for the fund:




## Asset allocation

| Asset | % of fund NAV |
|---|---|
| Cash and cash equivalents | 0.22% |
| Australasian equities | 99.78% |

## Top 10 investments

| Company | | % of fund NAV |
|---|---|---|
| Vital Healthcare Property | NZ | 7.35% |
| Heartland Group | NZ | 7.16% |
| Fonterra | NZ | 6.38% |
| Scales Corporation | NZ | 6.34% |
| Argosy Property | NZ | 6.00% |
| Sky City Entertainment | NZ | 5.02% |
| Tower | NZ | 4.76% |
| Hallenstein Glasson | NZ | 4.65% |
| Vista Group International | NZ | 4.36% |
| Stride Property | NZ | 4.03% |

The Top 10 investments make up 56.06% of the fund

## 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.

## Index eligibility criteria

To qualify for inclusion in the index, a constituent must be in the S&P/NZX All Index, but not in the S&P/NZX 20 Index.
Constituents must then meet the below criteria:

•Maximum and minimum size between the following:

| Criteria | Eligible Non-Constituents (NZD) | Current Constituents (NZD) |
|---|---|---|
| 3M Average Float Adjusted Capitalization Cap | 1 billion | 1.25 billion |
| 3M Average Float Adjusted Capitalization Floor | 100 million | 75 million |
| 3M Average Total Capitalization Cap | 1.5 billion | 2 billion |

•Minimum six month Median Daily Value Traded above NZD 35,000 for new constituents and NZD 30,000 for existing constituents.

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)