

Kernel Funds

Kernel S&P Global Dividend Aristocrats Fund

Fund update for the quarter ended 30 September 2021

This fund update was first made publicly available on 28 October 2021

What is the purpose of this update?

This document tells you how the Kernel S&P Global Dividend Aristocrats 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 S&P Global Dividend Aristocrats Fund invests in globally listed multi-national, blue chip companies and is designed to track the S&P Global Dividend Aristocrats Quality Income DM ex KR Index (NZD).

Total value of the fund:	\$4,777,917
The date the fund started:	15 July 2020

What are the risks of investing?

Risk indicator for the Kernel S&P Global Dividend Aristocrats Fund:

Risk Indicator*



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 www.sorted.org.nz/tools/investor-kickstarter.

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 30 September 2021. 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 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)	27.74%
Annual return (after deductions for charges but before tax)	29.49%
Market index annual return (reflects no deduction for charges and tax)	27.78%

The market index annual return is based on the annual return of the S&P Global Dividend Aristocrats Quality Income DM ex KR Index (NZD). 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.

What fees are investors charged?

Investors in the Kernel NZ S&P Global Dividend Aristocrats Fund are charged fund charges. In the period to 31 March 2021 these were:

	% per annum of fund's net asset value
Total fund charges	0.39%
Which are made up of:	
Total management and administration charges	0.39%
Including -	
Manager's basic fee	0.39%
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.

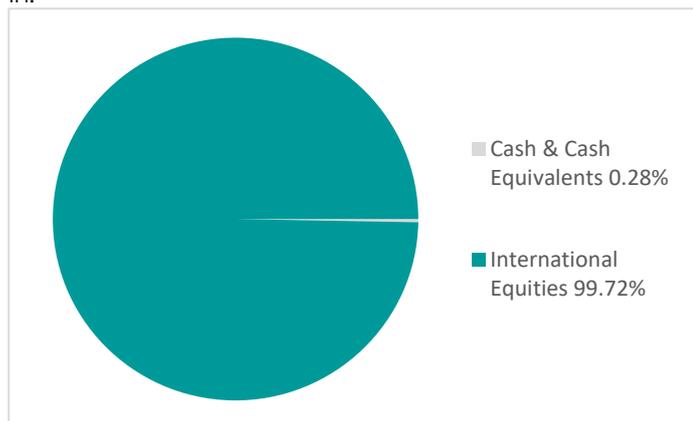
Example of how this applies to an investor

Emma had \$10,000 in the fund on 1 October 2020 and did not make any further contributions. On 30 September 2021, Emma received a return after fund charges were deducted of \$2,948.73 (that is 29.49% of her initial \$10,000). This gives Emma a total return after tax of \$2,774 for the period.

What does the fund invest in?

Actual investment mix

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



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	100.00%
Listed property	-
Unlisted property	-
Commodities	-
Other	-

Top 10 investments

Name	% of fund's net asset value	Type	Country	Credit rating (if applicable)
Exxon Mobil Corporation	3.11%	Global equities	United States	
Brandywine Realty Trust	2.44%	Global equities	United States	
B&G Foods	2.35%	Global equities	United States	
Japan Tobacco	2.32%	Global equities	Japan	
AT & T	2.29%	Global equities	United States	
Interpublic Group	2.19%	Global equities	United States	
Mitsubishi UFJ Financial Group	2.17%	Global equities	Japan	
Japan Retail Fund Investment	2.16%	Global equities	Japan	
Sankyo	2.12%	Global equities	Japan	
Bouygues	2.12%	Global equities	France	

The top 10 investments make up 23.27% 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	3	0	Smartshares Product Manager, NZX	4	4
Stephen Upton	Chief Operating Officer	2	3	Smartshares Chief Operating Officer – NZX	3	6
Kerry McIntosh	Director	2	3	Operating Partner, Zino Ventures (current)	3	7
Paul Hocking	Director	2	3	Director, Trustees Executors Limited	10	9
Julian Knights (new)	Director	0	10	Founding Partner, Ironbridge Capital	17	8

Further information

You can also obtain this information, the Product Disclosure Statement 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 years and 10 months of market index returns.