

## Key information

Bought and sold from [Kernel directly](#) or via all major wrap platforms

**Structure:** Portfolio Investment Entity (PIE)

**Fund Inception:** 14<sup>th</sup> July 2021

**Number of constituents:** 48

**Morningstar AU Fund code:** 25039

**Morningstar Fund Code:** F0001CKWQ

**Citi Code:** D1RU

**Disclose Register #:** FND23720

**Distribution frequency:** Quarterly

**12 month Yield<sup>1</sup>:** Available June 2022

**Indicative Dividend<sup>2</sup>:** 2.69%

**Management fee<sup>3</sup>:** 0.25% p.a.

## Offer documents

**PDS:** [May 2021](#)

**SIPO:** [May 2021](#)

**ESG Policy:** [click here](#)

**Fund Update:** [September 2021](#)

## Index fundamentals

**Index:** [S&P/NZX 50 Portfolio ESG Tilted Index](#)

**Price to Book:** 0.28

**Trailing P/E:** 17.8

**Projected P/E:** 34.93

**Implied Earnings Yield:** 2.86%

## Risk (index)

**Fund update risk Indicator:** 5

**12 month volatility<sup>4</sup>:** 12.14%

**Beta<sup>5</sup>:** 0.89

**Sortino Ratio:** 1.08

## Monthly returns standard deviation

	+/-1 (68%)	+/-2 (95%)
<b>1 year</b>	3.56%	7.12%
<b>3 years</b>	3.83%	7.67%
<b>5 years</b>	3.20%	6.40%

## Range of 12 month index returns

	1 year	5 years
<b>Worst</b>	-1.29%	-8.37%
<b>Median</b>	16.07%	17.21%
<b>Average</b>	16.67%	16.96%
<b>Best</b>	49.46%	49.46%

## Fund overview

The first index fund in New Zealand to not only exclude companies from controversial industries, but to also both up-weight and down-weight companies based on non-financial metrics including governance practices, fossil fuel exposure, and workplace diversity. Using the internationally acclaimed Corporate Sustainability Assessment from S&P Dow Jones, each company included in the S&P/NZX 50 Portfolio Index is given an ESG score and re-weighted accordingly.

## Benefits

The NZ 50 ESG Tilted Fund can be used in a variety of investment strategies, for example:

- A core allocation to NZ equities with a sustainability focus
- A tactical exposure to New Zealand
- A low cost alternative to other managers

## Performance<sup>6</sup>

	1 month	3 months
<b>Performance</b> (after fees at 0% PIR tax)	-3.14%	-3.44%
<b>Net index difference</b>	-0.01%	-0.10%
<b>Gross tracking difference</b>	+0.02%	+0.01%
<b>Tracking error</b>	0.003%	0.013%
<b>Performance</b> (after fees at 28% PIR tax)	-3.16%	-3.65%

1 year index*	3 years p.a. index	5 years p.a. index
-0.54%*	14.29%*	15.30%*

\*Index returns do not reflect deductions for charges and taxes.

## Index Calendar return

2020	2019	2018	2017	2016
18.67%	31.92%	8.88%	24.47%	N/A

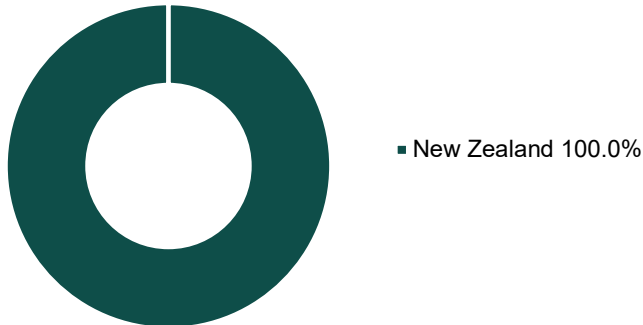
## Index value chart

**\$10,000 invested 5 years ago<sup>7</sup>: \$20,994**



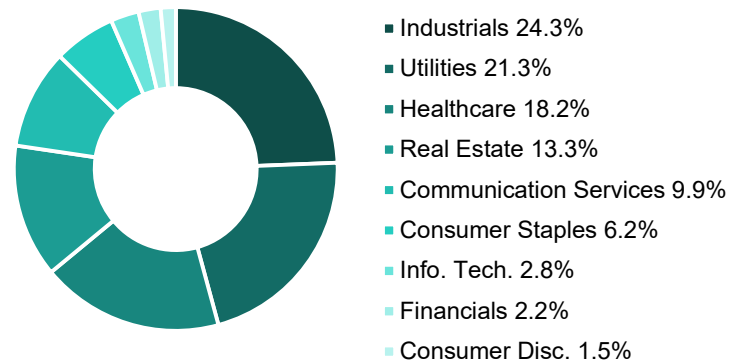
## Where does the fund invest?

This shows the country weight that the fund invests in:



## What does the fund invest in?

This shows the GICS<sup>9</sup> weighting for the fund:



## Asset allocation

Asset	% of fund NAV
Directly held equities	99.86%
Cash and Cash equivalents	0.14%

## Impact

**Carbon Footprint:** 92.42 metric tons per USD1m valuation. 5% below benchmark<sup>8</sup>. Operational and first tier supply chain greenhouse gas emissions

**Carbon Efficiency:** 124 metrics tons / USD1m revenue. 20% lower than benchmark<sup>8</sup>. The index's absolute owned greenhouse gas emissions divided by the sum of revenues.

**Fossil Fuel Reserve Emissions:** 12 metric tons / USD1m invested. 79% below benchmark<sup>8</sup>. Measures the quantity of greenhouse gas emissions that could be generated if the proven and probable fossil fuel reserves owned by index constituents were realised and burned.

## Top 10 investments

Company	% of fund NAV
Auckland Intl Airport	10.81%
Fisher & Paykel Healthcare	9.63%
Meridian Energy	8.88%
Contact Energy	8.26%
Chorus	7.16%
Fletcher Building	5.73%
Goodman Property Trust	4.23%
Kiwi Property Group	4.04%
Mainfreight	3.71%
a2 Milk	3.67%

The Top 10 investments make up 66.11% of the fund

## Index Eligibility Criteria

- Beginning with S&P/NZX 50 Portfolio index as parent index, exclude companies with certain business activities based on Sustainalytics assessment (Controversial Weapons, Thermal coal & Tobacco) and exclude low UNGC Scores or Rep Risks (e.g. Gambling)
- Then upweight and downweight on basis of ESG score while maintaining sector balance of parent index. The S&P DJI ESG Scores are built from the SAM (part of S&P Global) 'Corporate Sustainability Assessment' (CSA). The scores are calculated according to a standardised global industry specific weighting which can be found [here](#)

## 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.

<sup>1</sup> 12 month Yield is calculated as the last 4 quarterly distributions divided by unit price 12 months ago. This is the experience an existing investor would be had.

<sup>2</sup> Indicative Dividend is the index calculation of the underlying dividends in the last 12 months divided by the current valuation

<sup>3</sup> Management fee before rebates.

<sup>4</sup> 12month volatility is the standard deviation of index daily returns, annualised by multiplying by square root of number of periods.

<sup>5</sup> Beta is portfolio by comparison to the S&P/NZX 50 Portfolio index

<sup>6</sup> Performance assumes distributions reinvested. Net index difference is after management fees, stamp duties, and transaction costs

<sup>7</sup> Growth of a hypothetical investment in the index (no allowance for fees or taxes) and no further contributions.

<sup>8</sup> Benchmark is S&P / NZX 50 Portfolio index. See explanation of Trucost [methodology](#)

<sup>9</sup> Global Industry Classification Standard ([GICS](#))