

## Kernel Funds

### Kernel Global Infrastructure Fund

#### Fund update for the quarter ended 30 June 2021

This fund update was first made publicly available on 26 July 2021

#### What is the purpose of this update?

This document tells you how the Kernel Global Infrastructure 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.

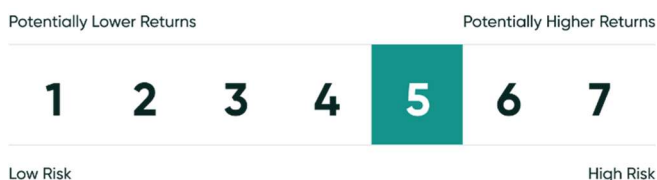
#### Description of this fund

The Kernel Global Infrastructure Fund invests in globally listed pure-play infrastructure companies and is designed to track the Dow Jones Brookfield Global Infrastructure Index (NZD).

|                            |                 |
|----------------------------|-----------------|
| Total value of the fund:   | \$57,577,114.56 |
| The date the fund started: | 15 July 2020    |

#### What are the risks of investing?

Risk indicator for the Kernel Global Infrastructure 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 [www.sorted.org.nz/tools/investor-kickstarter](http://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 data<sup>1</sup> for 5 years to 30 June 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      |
|--|----------------|
| <b>Annual return</b><br>(after deductions for charges and tax)                   | Not applicable |
| <b>Annual return</b><br>(after deductions for charges but before tax)            | Not applicable |
| <b>Market index annual return</b><br>(reflects no deduction for charges and tax) | 9.40%          |

The market index annual return is based on the annual return of the Dow Jones Brookfield Global Infrastructure 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](http://www.disclose-register.companiesoffice.govt.nz).

#### What fees are investors charged?

Investors in the Kernel Global Infrastructure Fund are charged fund charges. In the period to 31 March 2021 these were:

|  | % per annum of fund's net asset value |
|--|---------------------------------------|
| <b>Total fund charges</b>                          | <b>0.39%</b>                          |
| Which are made up of:                              |                                       |
| <b>Total management and administration charges</b> | 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.

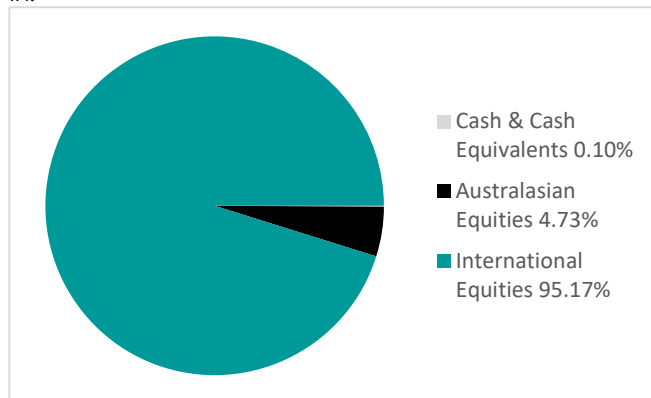
#### Example of how this applies to an investor

Emma had \$10,000 in the fund on 15 July 2020 and did not make any further contributions. On 30 June 2021, Emma received a return after fund charges were deducted of \$891.10 (that is 8.91% of her initial \$10,000). This gives Emma a total return after tax of \$781.74 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) |
|---------------------|-----------------------------|-----------------|----------------|-------------------------------|
| American Tower Corp | 9.84%                       | Global equities | United States  |                               |
| Crown Castle Intl   | 6.76%                       | Global equities | United States  |                               |
| Enbridge            | 6.51%                       | Global equities | Canada         |                               |
| Vinci               | 4.20%                       | Global equities | France         |                               |
| National Grid PLC   | 3.89%                       | Global equities | United Kingdom |                               |
| TC Energy           | 3.89%                       | Global equities | Canada         |                               |
| Sempra Energy       | 3.34%                       | Global equities | United States  |                               |
| Kinder Morgan       | 2.84%                       | Global equities | United States  |                               |
| SBA Communications  | 2.79%                       | Global equities | United States  |                               |
| Cellnex Telecom SA  | 2.77%                       | Global equities | Spain          |                               |

The top 10 investments make up 46.84% 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         | 2     | 9      | Smartshares Product Manager, NZX           | 4     | 4      |
| Stephen Upton  | Chief Operating Officer | 2     | 0      | Smartshares Chief Operating Officer - NZX  | 3     | 6      |
| Kerry McIntosh | Director                | 2     | 0      | Operating Partner, Zino Ventures (current) | 3     | 4      |
| Paul Hocking   | Director                | 2     | 0      | Director, Trustees Executors Limited       | 10    | 9      |

### 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](http://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 4 years and 1 month of market index returns.