

Key information

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

Fund Inception: 14th July 2021

Number of constituents: 48

Morningstar AU Fund code: 25039

Morningstar Fund Code: F00001CKWQ

Citi Code: D1RU

Disclose Register #: FND23720

Distribution frequency: Quarterly

12 month Yield¹: Available June 2022

Indicative Dividend²: 2.56%

Management fee³: 0.25% p.a.

Offer documents

PDS: [May 2021](#)

SIPO: [May 2021](#)

ESG Policy: [click here](#)

Fund Update: Available mid-October 2021

Index fundamentals

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

Price to Book: 0.3

Trailing P/E: 21.3

Projected P/E: 35.75

Implied Earnings Yield: 2.80%

Risk (index)

Fund update risk Indicator: 5

12 month volatility⁴: 12.60

Beta⁵: 0.89

Sortino Ratio: 1.11

Monthly returns standard deviation

	+/-1 (68%)	+/-2 (95%)
1 year	3.47%	6.94%
3 years	3.92%	7.85%
5 years	3.22%	6.43%

Range of 12 month index returns

	1 year	5 years
Worst	5.21%	-8.37%
Median	16.62%	17.44%
Average	18.25%	17.40%
Best	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

Performance⁶

	1 month	3 months index	1 year index	3 years p.a. index	5 years p.a. index
Performance (after fees before tax)	0.65%	4.00%	15.03%	14.33%	15.21%
Net index difference⁶	-0.10%	N/A	N/A	N/A	N/A
Gross tracking difference	-0.05%	N/A	N/A	N/A	N/A
Tracking error	From 3 months	N/A	N/A	N/A	N/A
Performance (after fees & 28% tax)	0.45%	N/A	N/A	N/A	N/A

Index Calendar return

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

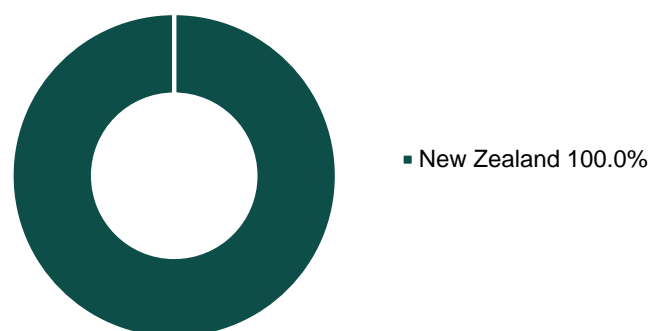
Index value chart

\$10,000 invested 5 years ago⁷: \$19,723



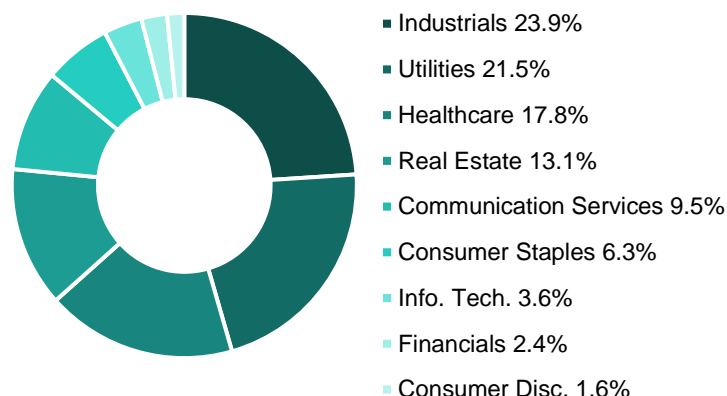
Where does the fund invest?

This shows the country weight that the fund invests in:



What does the fund invest in?

This shows the GICS⁹ weighting for the fund:



Asset allocation

Asset	% of fund NAV
Directly held equities	99.60%
Cash and Cash equivalents	0.40%

Impact

Carbon Footprint: 92.26 metric tons per USD1m valuation. 4% below benchmark⁸. Operational and first tier supply chain greenhouse gas emissions

Carbon Efficiency: 115.91 metrics tons / USD1m revenue. 21% lower than benchmark⁸. The index's absolute owned greenhouse gas emissions divided by the sum of revenues.

Fossil Fuel Reserve Emissions: 11.55 metric tons / USD1m invested. 79% below benchmark⁸. 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	10.22%
Fisher & Paykel Healthcare	8.83%
Meridian Energy	8.80%
Contact Energy	8.50%
Chorus	6.75%
Fletcher Building	5.82%
Goodman Property Trust	3.97%
Kiwi Property Group	3.86%
Mainfreight	3.76%
a2 Milk	3.69%

The Top 10 investments make up 64.20% 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 an 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.

¹ 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.

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

³ Management fee before rebates.

⁴ 12month volatility is the standard deviation of index daily returns, annualised by multiplying by square root of number of periods. The same measure annualised for 5 years is used for the Risk Indicator.

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

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

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

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

⁹ Global Industry Classification Standard ([GICS](#))