



Kernel Funds

Kernel NZ Commercial Property Fund

Fund update for the quarter ended 31 March 2025

This fund update was first made publicly available on 1 May 2025.

What is the purpose of this update?

This document tells you how the Kernel NZ Commercial Property 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 NZ Commercial Property Fund invests in property assets listed on the NZX Main Board and is designed to track the return on the S&P/NZX Real Estate Select Index.

Total value of the fund:	\$97,087,038
The date the fund started:	28 August 2019

What are the risks of investing?

Risk indicator for the Kernel NZ Commercial Property Fund:

Potentially Lower Returns Potentially Higher Returns

1 2 3 4 **5** 6 7

Lower Risk

Higher Risk

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 sorted.org.nz/tools/investor-profiler.

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.

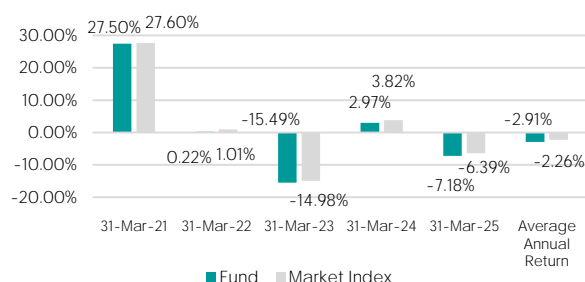
This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data¹ for 5 years to 31 March 2025. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates. See the Product Disclosure Statement - Equity Funds 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)	-7.18%
Annual return (after deductions for charges but before tax)	-6.60%
Market index annual return (reflects no deduction for charges and tax)	-6.39%

The market index annual return is based on the annual return of the S&P/NZX Real Estate Select Index. 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.

Annual return graph



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 31 March 2025. Important: This does not tell you how the fund will perform in the future. Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged?

Investors in the Kernel NZ Commercial Property Fund are charged fund charges. In the year to 31 March 2025 these were:

	% per annum of fund's net asset value
Total fund charges	0.25%
Which are made up of:	
Total management and administration charges	0.25%
Including -	
Manager's basic fee	0.25%
Other management and administration charges	0.00%

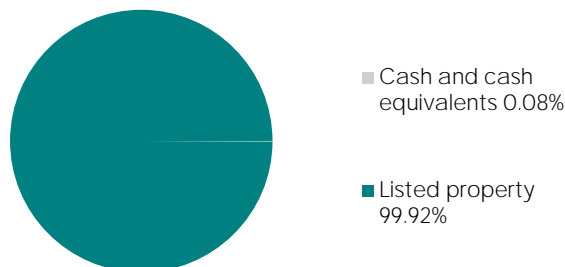
Investors are not charged individual action fees for specific actions or decisions (for example, for withdrawing from funds). All fees are inclusive of GST.

Small differences in fees and charges can have a big impact on your investment over the long term.

What does the fund invest in?

Actual investment mix

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



Example of how this applies to an investor

Emma had \$10,000 in the fund on 1 April 2024 and did not make any further contributions. On 31 March 2025, Emma incurred a loss after fund charges were deducted of \$660 (that is -6.6% of her initial \$10,000). This gives Emma a total loss after tax of \$718 for the period.

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

Top 10 Investments

Name	% of fund's net asset value	Type	Country	Credit rating (if applicable)
Goodman Property Trust	17.57%	Listed property	New Zealand	
Precinct Properties New Zealand Limited	17.48%	Listed property	New Zealand	
Kiwi Property Group Limited	17.29%	Listed property	New Zealand	
Property for Industry Limited	13.92%	Listed property	New Zealand	
Argosy Property Ltd	10.91%	Listed property	New Zealand	
Vital Healthcare Property	10.44%	Listed property	New Zealand	
Stride Property Limited	8.15%	Listed property	New Zealand	
Investore Property Limited	4.16%	Listed property	New Zealand	
Cash and Cash Equivalents	0.08%	Cash and cash equivalents	New Zealand	

The top 10 investments make up 100.00% of the fund's net asset value

Currency hedging - As the fund invests only in NZ dollar investments, currency hedging is not required.

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	6	6	Smartshares Product Manager, NZX	4	4
Stephen Upton	Chief Operating Officer	5	9	Smartshares Chief Operating Officer - NZX	3	6
Kerry McIntosh	Chairman	5	9	Operating Partner, Zino Ventures (current)	7	1
Vicki Dale	Investment Committee Member	2	4	Risk and Compliance Manager, Kernel Wealth (current)	3	5
Rhea Prasad	Portfolio Manager	2	4	Investment Dealer, Pie Funds	1	3

Further information

You can also obtain this information, the Product Disclosure Statement - Equity Funds for the Kernel Funds, and some additional information from the offer register at www.disclose-register.companiesoffice.govt.nz.

Notes

¹ Fund returns have been used to complete the risk indicator, as the fund has been in existence for 5 years.