



Statement of Investment Policy and Objectives (SIPO)

Kernel KiwiSaver Plan
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1. Description of the KiwiSaver Plan and its Funds

Kernel Wealth Limited (Kernel) is a licensed fund manager. Kernel KiwiSaver Plan is a registered KiwiSaver scheme (Plan). Each of the Funds in the Plan invests via the equivalent fund in Kernel Funds, a managed investment scheme managed by Kernel. For example, the Plan's Kernel High Growth Fund invests in the Kernel Funds scheme's Kernel High Growth Fund.

More Information is available on the offer register and the scheme register at <https://disclose-register.companiesoffice.govt.nz>.

The Plan offers twenty-five funds (each a Fund, and together the Funds):

- NZ 20 Fund
- NZ Small & Mid Cap Opportunities Fund
- NZ Commercial Property Fund
- NZ 50 ESG Tilted Fund
- Kernel Australia 100 Fund
- Kernel Global Infrastructure Fund
- Kernel Global Infrastructure (NZD Hedged) Fund
- Kernel Global Property (NZD Hedged) Fund¹
- Kernel S&P Global Dividend Aristocrats Fund
- Kernel S&P Global 100 Fund
- Kernel S&P Global 100 (NZD Hedged) Fund
- Kernel S&P 500 (unhedged) Fund
- Kernel S&P 500 (NZD Hedged) Fund¹
- Kernel World ex-US Fund
- Kernel World ex-US (NZD Hedged) Fund
- Kernel S&P Global Clean Energy Fund
- Kernel Global ESG Fund
- Kernel Global ESG (NZD Hedged) Fund
- Kernel Emerging Markets Fund
- Kernel High Growth Fund
- Kernel Balanced Fund
- Kernel Conservative Fund
- Kernel Cash Plus Fund
- Kernel US Bond Fund
- Kernel NZ Bond Fund

Except for the Kernel High Growth Fund, Kernel Balanced Fund, and Kernel Conservative Fund (together, the "Kernel Diversified Funds"), each Fund primarily provides exposure to a single asset class. The Kernel High Growth Fund, Kernel Balanced Fund and Kernel Conservative Fund provide diversified exposure to both income and growth assets, investing mainly in other Kernel Funds. The Kernel Cash Plus Fund, Kernel US Bond Fund, and Kernel NZ Bond Fund (together, the "Kernel Fixed Interest Funds") invest in fixed interest instruments and other cash and cash equivalents designed to generate an investment return that equals or exceeds the return of the relevant benchmark before fees and taxes. All other Funds are equity index funds ("Kernel Equity Funds") designed to generate an investment return that reflects the return of the index being tracked by the relevant Fund before fees and taxes. The supervisor of the Plan is Trustees Executors Limited (Supervisor). The Supervisor is independent of Kernel.

¹ Prior to 4 November 2024, the Kernel Global Property (NZD Hedged) Fund was called the Kernel Global Green Property Fund and the Kernel S&P 500 (NZD Hedged) Fund was called the Kernel S&P 500 Fund.

2. Investment philosophy

The investment philosophy of the Plan is to provide investors with a range of high quality, diversified investment choices that, individually or in combination, can form part of an investor's portfolio, enabling them to tailor a portfolio that suits their unique goals and risk tolerance.

We believe that diversification is essential as it helps reduce risk, enhancing a fund's return potential over the long-term. We aim to reduce costs where possible as costs compound over time, reducing returns.

Each Fund in the Plan invests into the equivalent fund in the Kernel Funds scheme. The Kernel Equity Funds track market indices, primarily providing diversified exposure to a single asset class. Index tracking funds buy and sell securities in proportion to their weightings within the index the fund tracks, rather than managing the fund actively by making an assessment on a particular security or market condition. This structure helps keep costs low which means investors keep a greater proportion of returns.

The Kernel Diversified Funds are designed according to a long-term asset allocation methodology, and intend to stay close to the published target asset allocation rather than drifting for significant periods of time or making tactical bets on the forward macro-economic environment. However, the proportion of New Zealand Fixed Interest and International Fixed Interest in the Conservative and Balanced Fund may be active managed. Diversification across asset classes is intended to reduce the risk and volatility of performance, but as a result may reduce long-term returns.

The Kernel Fixed Interest Funds are intended to provide investment options for those seeking less volatility than a Kernel Equity Fund, and with the benefit of holding a diversified portfolio of bonds and other interest-bearing instruments.

Each Kernel Equity Fund investment strategy is based on a carefully constructed methodology by S&P Dow Jones Indices to systematically assess eligibility and weighting factors. For five of Kernel's funds this includes non-financial factors as independently observed or assessed, and/or reported by listed companies. Those five funds are the Kernel Global Property (NZD Hedged) Fund, Kernel S&P Global Clean Energy Fund, NZ 50 ESG Tilted Fund, Kernel Global ESG Fund, and Kernel Global ESG (NZD Hedged) Fund. The non-financial factors include environmental, social and governance conditions, sometimes called responsible investment. For more information see these Funds' relevant Schedules later in this document, the methodology for the respective index and Kernel's ESG Policy which can be found on the Plan's offer register entry at <https://disclose-register.companiesoffice.govt.nz> and on our website www.kernelwealth.co.nz.

Each Fixed Interest Fund is actively managed to provide a return and risk profile comparable to the specified index from Bloomberg, except the Kernel US Bond Fund which aims to track the underlying index.

3. Investment objectives

The objective of the Plan is to provide investors with a range of high quality Funds to meet their long-term investment objectives.

Further details of each Fund's objectives, authorised investments and strategies are detailed in the Schedules.

4. Investment and other relevant policies

As described above, the Plan's Funds currently wholly invest directly into the equivalent fund in the Kernel Funds scheme. Therefore, the investment policies relating to the Kernel Funds are directly relevant to the Funds in the Plan.

Kernel, as manager of the Plan has determined that it is appropriate to adopt the Kernel Funds investment policies for the Plan as set out in this section.

Rebalancing Funds

The Kernel Equity Funds undertake rebalancing of their assets at a frequency to match the rebalancing of the respective index tracked. Authorised assets for a Kernel Equity Fund include financial products where there is clear indication of the imminent addition of those financial products to the respective index.

The Kernel Diversified Funds rebalance to their target asset allocation with their cashflows or when the allocation is materially above or below their target weight for a period of more than a week.

The Kernel Fixed Interest Funds do not rebalance on a regular basis, but as required with reference to the characteristics of the respective benchmark. The actual asset allocation of a Fund can be anywhere within its target asset allocation range.

Cash Equivalents definition

Different providers, accounting standards and industry standards distinguish Fixed Interest from Cash Equivalents in a variety of ways. For categorisation in Kernel funds, especially relevant for the Cash Plus Fund, the following assets are considered Cash and Cash Equivalents:

- Bank deposits
- Term deposits with less than a year until maturity
- Unsettled asset sales or acquisitions, where proceeds are expected normally within days, but up to one month
- Dividends receivable
- Coupons receivable
- Bonds with less than a year until maturity date
- Commercial Paper with less than a year until maturity date
- Floating Rate Notes where the interest rate is reset at least annually (normally quarterly) and there is an available secondary market
- Interest rate swaps

By comparison, Fixed Interest as an asset class refers to financial instruments which have a common characteristic of paying an agreed (fixed) return on the initial investment. These instruments are debt securities with the borrower obliged to pay regular interest (often referred to as the "coupon") and then to repay the principal at the end of the investment period (maturity date). The interest rate may change periodically as part of the instrument design but is still considered fixed, rather than truly floating. The Fixed Interest asset class is sometimes called the "long-term money market", with investment periods in excess of 12 months. These are then categorised as New Zealand Fixed Interest or International Fixed Interest based on their currency (NZD or not) rather than issuer or custodian.

Derivatives and leverage

Derivatives can be swaps, futures, options or other instruments in any currency, whether listed on an exchange or 'over-the-counter' which means entered into directly with another party.

The Kernel Equity Funds, except for the Kernel Global Property (NZD Hedged) Fund, Kernel Global Infrastructure (NZD Hedged) Fund, Kernel S&P Global 100 (NZD Hedged) Fund, Kernel S&P 500 (NZD Hedged) Fund, and Kernel Global ESG (NZD Hedged) Fund do not currently use derivatives but may do so in the future on a Fund-by-Fund basis.

The Kernel High Growth Fund, Kernel Balanced Fund, Kernel Conservative Fund, Kernel Cash Plus Fund, Kernel Global Property (NZD Hedged) Fund, Kernel Global Infrastructure (NZD Hedged) Fund, Kernel S&P Global 100 (NZD Hedged) Fund, Kernel S&P 500 (NZD Hedged) Fund, Kernel Global ESG (NZD Hedged) Fund, Kernel World ex-US (NZD Hedged) Fund, Kernel US Bond Fund and Kernel NZ Bond Fund may use derivatives to hedge the market risk exposure to foreign currencies.

The Kernel Diversified Funds may use derivatives as part of the composition of their underlying Funds or to directly hedge foreign currency exposures.

The Kernel Fixed Interest Funds may use low-risk derivatives issued by major financial institutions as counterparties to lock the terms of permitted money market instruments. Most commonly, this will be interest rate futures or swaps which will be valued and considered cash equivalents.

In accordance with the trust deed for the Plan (Trust Deed) and the underlying Kernel Funds' establishment deeds, the Kernel Funds only intend to borrow for settlement purposes, but are permitted to borrow for other purposes as long as the total amount of principal moneys borrowed by the relevant fund and outstanding is equal to or less than 25% of the fund value of that fund (calculated in accordance with the Master Trust Deed for the Kernel Funds) or as otherwise agreed with the Supervisor. "Settlement purposes" may include the value of hedging contracts prior to maturity and where the purchase or sale of authorised investments is delayed by Kernel so as to reduce the impact of costs to the Funds from frequent trading. For each Fund, the aggregate borrowing will be included in, and will not exceed, the cash asset category range as detailed in the Fund's respective Schedule.

The Kernel Fixed Interest Funds (other than the Kernel US Bond Fund) may borrow through the use of repurchase agreements for the purposes of managing cash flows and optimising the fixed income portfolios. These funds might also use an interest rate swap or a future that doesn't exactly match the dates of the intended security to be hedged – otherwise known as a proxy hedge – the purpose of this is to enable a more cost-effective hedge than might be achieved with an exact hedge.

Hedging

Hedging involves removing some or all of the foreign currency risk implicit in owning international financial products. This limits the impact of foreign exchange rate movements on investment performance. The Kernel Funds with exposure to international financial products, except for the Kernel US Bond Fund, Kernel NZ Bond Fund, Kernel Cash Plus Fund, Kernel High Growth Fund, Kernel Balanced Fund, Kernel Conservative Fund, Kernel Global Property (NZD Hedged) Fund, Kernel Global Infrastructure (NZD Hedged) Fund, Kernel S&P Global 100 (NZD Hedged) Fund, Kernel S&P 500 (NZD Hedged) Fund, Kernel Global ESG (NZD Hedged) Fund and Kernel World ex-US (NZD Hedged) Fund do not currently hedge but may do so in the future on a Fund by Fund basis.

The Kernel US Bond Fund, Kernel NZ Bond Fund, Kernel Cash Plus Fund, Kernel Global Property (NZD Hedged) Fund, Kernel Global Infrastructure (NZD Hedged) Fund, Kernel S&P Global 100 (NZD Hedged) Fund, Kernel S&P 500 (NZD Hedged) Fund, Kernel Global ESG (NZD Hedged) Fund and Kernel World ex-US (NZD Hedged) Fund's foreign currency exposure are hedged to the New Zealand dollar, as set out in their respective Schedules.

The Kernel High Growth Fund, Kernel Balanced Fund and Kernel Conservative Fund may hedge foreign currency exposures directly or by investment into other Kernel Funds.

Securities lending

Securities lending involves lending of assets to another person, typically through an intermediary. The borrower provides collateral for the benefit of borrowing the asset until the original assets are returned to the fund, together with an amount equal to any dividends that may have become payable over the loan period, plus any fee for borrowing the asset.

The Kernel Funds do not currently undertake securities lending but may do so in the future on a fund-by-fund basis. However, the Funds may invest into underlying funds that undertake securities lending.

The Kernel Fixed Interest Funds (other than the Kernel US Bond Fund) Balanced Fund, and Conservative Fund may use repurchase agreements (repos) to the extent detailed in the Funds' Schedule. Repurchase agreements are where the owner of a security sells it to another party for cash consideration under an agreement obligating the owner to repurchase the security at some

later point in time. At the termination of the agreement, the original owner repurchases the securities at a higher price than the securities were originally sold for. As a result, they are categorised in a similar way to securities lending.

Asset valuation and pricing methodology

Kernel have outsourced the pricing and valuation of the investments to an administration manager, Adminis NZ Limited.

While pricing and valuation are outsourced, Kernel is ultimately responsible for the pricing and valuation of the Funds. The value of the assets held by the Plan and the net asset value of each Fund will be determined in accordance with the Trust Deed and on a consistently applied basis.

The assets held by the Funds are valued each business day based on the fair market price on the day for which the valuation is being made, which is either determined by an exchange or by mid-market methodology. If there is no bid or offer, or such prices are non-market size, then the closing valuation will be based off a best-efforts assessment of available bids and offers in the market, taking into account alternative price sources from reputable providers such as Bloomberg, NZFMA, or alternatively as provided by a bank.

The valuation days, upon which the unit price for each Fund is calculated, are each business day. Kernel also values each Fund on the last day of each calendar month if not a business day, for reporting and fee purposes. Kernel may change the valuation days, or the frequency of valuation days, by giving written notice to the Supervisor. Notice confirming when this has occurred will be made on our website at www.kernelwealth.co.nz.

Kernel may use alternative valuation methods, in consultation with the Supervisor, such as when quoted prices are unavailable, provided the valuation method used is applied on a consistent basis over time.

Investors in the Kernel KiwiSaver Plan will receive the same unit price as investors in the underlying Kernel Fund.

Voting

Kernel will exercise voting powers where it is considered by Kernel to be in the best interests of our investors and when considered that not voting would have an adverse effect on investors. Voting decisions are made on a case-by-case basis. We may decide not to vote or to appoint an independent standing proxy voter.

Conflicts of interest

Kernel takes steps to identify and, wherever possible, prevent conflicts of interest. In order to identify, avoid, and mitigate conflicts, Kernel operates a Conflicts of Interest Policy. All directors and staff are required to adhere to the policy which provides guidance on what a conflict is, how to avoid a conflict, and how to manage it. Staff are required to notify Kernel of any conflicts which could materially impact investment decisions.

Kernel will disclose a conflict of interest, together with the following information, on the Plan's offer register at <https://disclose-register.companiesoffice.govt.nz>:

- the nature of the conflict of interest;
- the Funds that are or may be affected by the conflict of interest;
- the circumstances in which, and how, the conflict of interest would, or could reasonably be expected to, materially influence Kernel's investment decisions in respect of the Plan; and
- the measures that have been, or will be, taken to manage the conflict of interest.

Related party transactions

Related party transactions are regulated under the Financial Markets Conduct Act 2013 (FMC Act). The manager, and any party the manager has contracted some or all of its managerial or administrative functions to, is prohibited from entering into a transaction that provides for a related party benefit unless it is completed within the exceptions under the FMC Act.

The Kernel Board will consider any related party transaction in accordance with the FMC Act. Transactions may be approved on the basis they are on commercial arm's length terms or where the manager has obtained the consent of the Supervisor.

The Supervisor will be notified of any transactions approved by the Board and provided with a copy of the relevant certificate.

Trade management

Kernel follows globally accepted best execution principles, which consider, but are not limited to, price, transaction and settlement cost, and speed. Most trades will target the price at the close of the market on the trade date using a variety of methods. Occasionally, client applications, redemptions or fund rebalancing may create a need for multiple Funds that own the same security to trade in the opposite direction to each other. Where appropriate, and to avoid unnecessary trading costs, Kernel allows Funds to transact between each other at no transaction cost. When an internal trade does occur, Kernel will ensure that the transaction is conducted at a fair market price. All trades must be originated and executed by approved staff.

Where Kernel buys or sells the same security for two or more Funds on the same day, Kernel will allocate trades in the best interests of investors, applying the following principles:

- All trades must be pre-allocated, where possible
- Actual allocation must follow the pre-trade allocation
- In the event that a trade is not fully allocated, actual allocation must be pro-rated based on the pre-trade allocation
- No Fund will receive preferential allocation treatment over another.

Kernel retains discretion to review trades where it is in the best interests of our investors to do so.

ESG Policy

Kernel's approach to sustainability and ESG factors is an important consideration for specific Funds in the Plan. Our ESG Policy at www.kernelwealth.co.nz/resources sets out our approach to defining sustainable and ESG for the collective understanding of investors. It also outlines the principles and policies that underpin the non-financial criteria and features of our sustainable funds.

Our ESG Policy covers Kernel's alignment to the European Commission taxonomy published in 2021 for sustainable finance, the principles Kernel follows for monitoring Kernel's relevant sustainable funds, as well as internal processes it follows to meet the principles. Additionally, our ESG Policy sets out the applicable index methodologies, the relevant exclusions based on various assessments we have applied to measuring the ESG factors, and the minimum reporting publications Kernel will provide for non-financial metrics for the index upon which the fund is based.

5. Investment governance and management

Kernel operates a number of governance policies under a Governance Manual which outline the responsibilities for managing and overseeing the business.

Investment Committee

Kernel maintains an Investment Committee, appointed by the Kernel Board of Directors which is responsible for monitoring and reviewing investment strategies and their compliance with the SIPO. Any breaches of the SIPO are reported to the Supervisor.

The Investment Committee may recommend changes to the SIPO which are submitted to the Board Compliance sub-Committee for approval, within the restrictions (if any) of the Trust Deed.

Quarterly reports for the Plan are reviewed by the Board and provided to the Supervisor.

Supervisor

The independent Supervisor for the Plan is Trustees Executors Limited, who supervises the Plan to protect investor interests.

Custodian

The Supervisor can hold the assets of the Plan or appoint an independent third-party custodian. The Supervisor has appointed Adminis NZ Limited as the custodian for the Plan.

Administration managers

Kernel has outsourced asset valuation, unit pricing, and registry services to an independent administration manager, Adminis NZ Limited. Kernel has also appointed MUFG Pension & Market Services (NZ) Limited, another independent administration manager, to provide administration services relating to Inland Revenue and members' contributions and withdrawals.

6. Investment performance monitoring and reporting

Monitoring and reporting

Kernel monitors performance of the Funds against their respective benchmarks to ensure there are no limit breaches and to monitor performance tracking against the respective benchmark.

Fund performance is monitored over multiple time periods and measured using various methodologies, including on an after-fees and after-tax basis, and an after-fees but before-tax basis. Performance information is available on the Kernel website and is published in the quarterly fund updates. Performance will be reported against the movement of the relevant index the Fund tracks.

Performance is reported to the Investment Committee monthly and Board at least quarterly as part of the ongoing monitoring of the investment performance of the Plan.

7. Investment strategy and SIPO review

Investment Strategy

The investment strategy of each Fund is reviewed annually by the Investment Committee which monitors and reviews investment performance, strategy and compliance. The Investment Committee will consider whether changes are necessary to either the nature or types of investments that can be made and any limits on those and/or any limits on the proportions of each type of asset invested in. The Investment Committee also considers the reference portfolio of the Kernel High Growth Fund, Kernel Balanced Fund and Kernel Conservative Fund.

The investment strategy will be reviewed on an ad hoc basis if there is any material change to a Fund, a significant change in financial markets, a change to relevant law, or if instructed by the Board. All reviews will be reported, along with any proposed changes, to the Board.

SIPO Review

The SIPO is reviewed annually by the Investment Committee. The review considers any required changes to the investment strategy, policies, or changes of relevant law that might affect the SIPO.

The SIPO will also be reviewed on an ad hoc basis if there is a material change to any of the Funds, relevant law, investment strategy and/or policies, or as otherwise instructed by the Board.

All reviews will be reported, along with any proposed changes, to the Compliance sub-Committee of the Board. Any changes to the SIPO are only made after giving prior written notice to the Supervisor.

8. S&P DJI Indices disclaimer

The following disclaimer relates to Kernel's use of S&P indices for the Funds as set out in the Schedules:

The S&P/NZX 20, S&P/NZX Real Estate Select, S&P/NZX Emerging Opportunities, Dow Jones Brookfield Global Infrastructure (NZD and NZD Hedged), S&P Global 100 ex Controversial Weapons (NZD and NZD Hedged), S&P Developed Ex-Korea Dividend Aristocrats Quality Income (NZD), S&P/NZX 50 Portfolio ESG Tilted, Dow Jones Global Select ESG RESI (NZD Hedged), S&P 500 (NZD and NZD Hedged), S&P/ASX 100, S&P World Ex-U.S., Controversial Weapons and Tobacco (NZD and NZD Hedged), S&P World Net Zero 2050 Paris-Aligned ESG Index Ex Non-Pharma Animal Testing (NZD and NZD Hedged), S&P Emerging BMI (NZD) and S&P Developed ex-Korea Clean Energy (NZD) indices are a product of S&P Dow Jones Indices LLC or its affiliates ("SPDJI") and has been licensed for use by Kernel Wealth Limited (Kernel). Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). It is not possible to invest directly in an index. Kernel's NZ 20, NZ Commercial Property, NZ Small & Mid Cap Opportunities, Kernel Global Infrastructure, Kernel Global Infrastructure (NZD Hedged), Kernel S&P Global 100, Kernel Global 100 (NZD Hedged), Kernel S&P Global Dividend Aristocrats, NZ 50 ESG Tilted, Kernel Global Property (NZD Hedged), Kernel S&P 500 (unhedged), Kernel S&P 500 (NZD Hedged), Kernel Australia 100, Kernel World ex-US, Kernel World ex-US (NZD Hedged), Kernel Global ESG, Kernel Global ESG (NZD Hedged), Kernel Emerging Markets and Kernel S&P Global Clean Energy funds are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, or any of their respective affiliates (collectively, "S&P Dow Jones Indices"). S&P Dow Jones Indices does not make any representation or warranty, express or implied, to the owners of the NZ 20, NZ Commercial Property, NZ Small & Mid Cap Opportunities, Kernel Global Infrastructure, Kernel Global Infrastructure (NZD Hedged), Kernel S&P Global 100, Kernel Global 100 (NZD Hedged), Kernel S&P Global Dividend Aristocrats, NZ 50 ESG Tilted, Kernel Global Property (NZD Hedged), Kernel S&P 500 (unhedged), Kernel S&P 500 (NZD Hedged), Kernel Australia 100, Kernel World ex-US, Kernel World ex-US (NZD Hedged), Kernel Global ESG, Kernel Global ESG (NZD Hedged), Kernel Emerging Markets and Kernel S&P Global Clean Energy funds or any member of the public regarding the advisability of investing in securities generally or in the NZ 20, NZ Commercial Property, NZ Small & Mid Cap Opportunities, Kernel Global Infrastructure, Kernel Global Infrastructure (NZD Hedged), Kernel S&P Global 100, Kernel Global 100 (NZD Hedged), Kernel S&P Global Dividend Aristocrats, NZ 50 ESG Tilted, Kernel Global Property (NZD Hedged), Kernel S&P 500 (unhedged), Kernel S&P 500 (NZD Hedged), Kernel Australia 100, Kernel World ex-US, Kernel World ex-US (NZD Hedged), Kernel Global ESG, Kernel Global ESG (NZD Hedged), and Kernel S&P Global Clean Energy funds particularly or the ability of the S&P/NZX 20, S&P/NZX Real Estate Select, S&P/NZX Emerging Opportunities, Dow Jones Brookfield Global Infrastructure (NZD and NZD Hedged), S&P Global 100 ex Controversial Weapons (NZD and NZD Hedged), S&P Developed Ex-Korea Dividend Aristocrats Quality Income (NZD), S&P/NZX 50 Portfolio ESG Tilted, Dow Jones Global Select ESG RESI (NZD Hedged), S&P 500 (NZD and NZD Hedged), S&P/ASX 100, S&P World Ex-U.S., Controversial Weapons and Tobacco (NZD and NZD Hedged), S&P World Net Zero 2050 Paris-Aligned ESG Index Ex Non-Pharma Animal Testing (NZD and NZD Hedged), S&P Emerging BMI (NZD) and S&P Developed ex-Korea Clean Energy (NZD) indices to track general market performance. Past performance of an index is not an indication or guarantee of future results. S&P Dow Jones Indices' only relationship to Kernel with respect to the S&P/NZX 20, S&P/NZX Real Estate Select, S&P/NZX Emerging Opportunities, Dow Jones Brookfield Global Infrastructure (NZD and NZD Hedged), S&P Global 100 ex Controversial Weapons (NZD and NZD Hedged), S&P Developed Ex-Korea Dividend Aristocrats Quality Income (NZD), S&P/NZX 50 Portfolio ESG Tilted, Dow Jones Global Select ESG RESI (NZD Hedged), S&P 500 (NZD and NZD Hedged), S&P/ASX 100, S&P World Ex-U.S., Controversial Weapons and Tobacco (NZD and NZD Hedged), S&P World Net Zero 2050 Paris-Aligned ESG Index Ex Non-Pharma Animal Testing (NZD and NZD Hedged), S&P Emerging BMI (NZD) and S&P Developed ex-Korea Clean Energy (NZD) indices is the licensing of the Indices and certain trademarks, service marks and/or trade names of S&P Dow Jones Indices and/or its licensors. The S&P/NZX 20, S&P/NZX Real Estate Select, S&P/NZX Emerging Opportunities, Dow Jones Brookfield Global Infrastructure (NZD and NZD Hedged), S&P Global 100 ex Controversial Weapons (NZD and NZD Hedged), S&P Developed Ex-Korea Dividend Aristocrats Quality Income (NZD), S&P/NZX 50 Portfolio ESG Tilted, Dow Jones Global Select ESG RESI (NZD Hedged), S&P 500 (NZD and NZD Hedged), S&P/ASX 100, S&P World Ex-U.S., Controversial Weapons and Tobacco (NZD and NZD Hedged), S&P World Net Zero 2050 Paris-Aligned ESG Ex Non-Pharma Animal Testing (NZD and NZD Hedged), S&P Emerging BMI (NZD) and S&P Developed ex-Korea Clean Energy (NZD) indices are determined, composed and calculated by S&P Dow Jones Indices without regard to Kernel or the NZ 20, NZ Commercial Property, NZ Small & Mid Cap Opportunities, Kernel Global Infrastructure, Kernel Global Infrastructure (NZD Hedged), Kernel S&P Global 100, Kernel Global 100 (NZD Hedged), Kernel S&P Global Dividend Aristocrats, NZ 50 ESG Tilted, Kernel Global Property (NZD Hedged), Kernel S&P 500 (unhedged), Kernel S&P 500 (NZD Hedged), Kernel Global ESG, Kernel Global ESG (NZD Hedged), Kernel Emerging Markets

and Kernel S&P Global Clean Energy funds. S&P Dow Jones Indices have no obligation to take the needs of Kernel or the owners of the NZ 20, NZ Commercial Property, NZ Small & Mid Cap Opportunities, Kernel Global Infrastructure, Kernel Global Infrastructure (NZD Hedged), Kernel S&P Global 100, Kernel Global 100 (NZD Hedged), Kernel S&P Global Dividend Aristocrats, NZ 50 ESG Tilted, Kernel Global Property (NZD Hedged), Kernel S&P 500 (unhedged), Kernel S&P 500 (NZD Hedged), Kernel Australia 100, Kernel World ex-US, Kernel World ex-US (NZD Hedged), Kernel Global ESG, Kernel Global ESG (NZD Hedged), Kernel Emerging Markets and Kernel S&P Global Clean Energy funds into consideration in determining, composing or calculating the S&P/NZX 20, S&P/NZX Real Estate Select, S&P/NZX Emerging Opportunities, Dow Jones Brookfield Global Infrastructure (NZD and NZD Hedged), S&P Global 100 ex Controversial Weapons (NZD and NZD Hedged), S&P Developed Ex-Korea Dividend Aristocrats Quality Income (NZD), S&P/NZX 50 Portfolio ESG Tilted, Dow Jones Global Select ESG RESI (NZD Hedged), S&P 500 (NZD and NZD Hedged), S&P/ASX 100, S&P World Ex-U.S., Controversial Weapons and Tobacco (NZD and NZD Hedged), S&P World Net Zero 2050 Paris-Aligned ESG Ex Non-Pharma Animal Testing (NZD and NZD Hedged) S&P Emerging BMI (NZD) and S&P Developed ex-Korea Clean Energy (NZD) indices. S&P Dow Jones Indices are not responsible for and have not participated in the determination of the prices, and amount of the NZ 20, NZ Commercial Property, NZ Small & Mid Cap Opportunities, Kernel Global Infrastructure, Kernel Global Infrastructure (NZD Hedged), Kernel S&P Global 100, Kernel Global 100 (NZD Hedged), Kernel S&P Global Dividend Aristocrats, NZ 50 ESG Tilted, Kernel Global Property (NZD Hedged), Kernel S&P 500 (unhedged), Kernel S&P 500 (NZD Hedged), Kernel Australia 100, Kernel World ex-US, Kernel World ex-US (NZD Hedged), Kernel Global ESG, Kernel Global ESG (NZD Hedged), Kernel Emerging Markets and Kernel S&P Global Clean Energy funds or the timing of the issuance or sale of the NZ 20, NZ Commercial Property, NZ Small & Mid Cap Opportunities, Kernel Global Infrastructure, Kernel Global Infrastructure (NZD Hedged), Kernel S&P Global 100, Kernel Global 100 (NZD Hedged), Kernel S&P Global Dividend Aristocrats, NZ 50 ESG Tilted, Kernel Global Property (NZD Hedged), Kernel S&P 500 (unhedged), Kernel S&P 500 (NZD Hedged), Kernel Australia 100, Kernel World ex-US, Kernel World ex-US (NZD Hedged), Kernel Global ESG, Kernel Global ESG (NZD Hedged), Kernel Emerging Markets and Kernel S&P Global Clean Energy funds or in the determination or calculation of the equation by which the NZ 20, NZ Commercial Property, NZ Small & Mid Cap Opportunities, Kernel Global Infrastructure, Kernel Global Infrastructure (NZD Hedged), Kernel S&P Global 100, Kernel Global 100 (NZD Hedged), Kernel S&P Global Dividend Aristocrats, NZ 50 ESG Tilted, Kernel Global Property (NZD Hedged), Kernel S&P 500 (unhedged), Kernel S&P 500 (NZD Hedged), Kernel Global ESG, Kernel Global ESG (NZD Hedged), Kernel Emerging Markets and Kernel S&P Global Clean Energy funds is to be converted into cash, surrendered or redeemed, as the case may be. S&P Dow Jones Indices have no obligation or liability in connection with the administration, marketing or trading of the NZ 20, NZ Commercial Property, NZ Small & Mid Cap Opportunities, Kernel Global Infrastructure, Kernel Global Infrastructure (NZD Hedged), Kernel S&P Global 100, Kernel Global 100 (NZD Hedged), Kernel S&P Global Dividend Aristocrats, NZ 50 ESG Tilted, Kernel Global Property (NZD Hedged), Kernel S&P 500 (unhedged), Kernel S&P 500 (NZD Hedged), Kernel Australia 100, Kernel World ex-US, Kernel World ex-US (NZD Hedged), Kernel Global ESG, Kernel Global ESG (NZD Hedged), Kernel Emerging Markets and Kernel S&P Global Clean Energy funds. There is no assurance that investment products based on the S&P/NZX 20, S&P/NZX Real Estate Select, S&P/NZX Emerging Opportunities, Dow Jones Brookfield Global Infrastructure (NZD and NZD Hedged), S&P Global 100 ex Controversial Weapons (NZD and NZD Hedged), S&P Developed Ex-Korea Dividend Aristocrats Quality Income (NZD), S&P/NZX 50 Portfolio ESG Tilted, Dow Jones Global Select ESG RESI (NZD Hedged), S&P 500 (NZD and NZD Hedged), S&P/ASX 100, S&P World Ex-U.S., Controversial Weapons and Tobacco (NZD and NZD Hedged), S&P World Net Zero 2050 Paris-Aligned ESG Ex Non-Pharma Animal Testing (NZD and NZD Hedged) S&P Emerging BMI (NZD) and S&P Developed ex-Korea Clean Energy (NZD) indices will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment or tax advisor. 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Schedule 1 – NZ 20 Fund

Description of the Fund

The NZ 20 Fund is designed to track the S&P/NZX 20 Index by investing in financial products listed on the NZX.

Investment objective

The NZ 20 Fund's investment objective is to provide a return (before tax, fees and expenses) that closely matches the return on the S&P/NZX 20 Index.

Investment strategy

Targets investment in financial products in 20 of the largest and most liquid financial products listed on the NZX.

Benchmark asset allocation and ranges

Asset class	Benchmark asset allocation	Range
Cash and cash equivalents	0%	-5% to 10%
New Zealand fixed interest	-	-
International fixed interest	-	-
Australasian equities*	100%	90% to 105%
International equities	-	-
Listed property	-	-
Unlisted property	-	-
Commodities	-	-
Other	-	-

* The Fund may invest in listed property trusts included in the Index. This is included in its asset allocation to Australasian equities.

Authorised investments

The NZ 20 Fund may invest in the following assets:

- the NZ 20 Fund in the Kernel Funds scheme;
- financial products listed on the NZX that are included or to be included in the S&P/NZX 20 Index; and
- cash and cash equivalents issued or guaranteed by New Zealand entities.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments. It may include managed investment products that primarily invest in cash and cash equivalents.

Further information about the S&P/NZX 20 Index, referred to in this document and the fund updates, is available at www.spglobal.com/spdji/en/indices/equity/sp-nzx-20-index.

Schedule 2 – NZ Small & Mid Cap Opportunities Fund

Description of the Fund

The NZ Small & Mid Cap Opportunities Fund is designed to track the S&P/NZX Emerging Opportunities Index by investing in financial products listed on the NZX.

Investment objective

The NZ Small & Mid Cap Opportunities Fund's investment objective is to provide a return (before tax, fees and expenses) that closely matches the return on the S&P/NZX Emerging Opportunities Index.

Investment strategy

Invest in NZX listed financial products whose free-float market capitalisation is greater than \$75 million and who are outside of the S&P/NZX 20 Index.

Benchmark asset allocation and ranges

Asset class	Benchmark asset allocation	Range
Cash and cash equivalents	0%	-5% to 10%
New Zealand fixed interest	-	-
International fixed interest	-	-
Australasian equities*	100%	90% to 105%
International equities	-	-
Listed property	-	-
Unlisted property	-	-
Commodities	-	-
Other	-	-

* The Fund may invest in listed property trusts included in the Index. This is included in its asset allocation to Australasian equities.

Authorised investments

The NZ Small & Mid Cap Opportunities Fund may invest in the following assets:

- the NZ Small & Mid Cap Opportunities Fund in the Kernel Funds scheme;
- financial products listed on the NZX that are included or to be included in the S&P/NZX Emerging Opportunities Index; and
- cash and cash equivalents issued or guaranteed by New Zealand entities.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments. It may include managed investment products that primarily invest in cash and cash equivalents.

Further information about the S&P/NZX Emerging Opportunities Index, referred to in this document and fund updates, is available at www.spglobal.com/spdji/en/indices/equity/sp-nzx-emerging-opportunities-index.

Schedule 3 – NZ Commercial Property Fund

Description of the Fund

The NZ Commercial Property Fund is designed to track the S&P/NZX Real Estate Select Index by investing in financial products listed on the NZX.

Investment objective

The NZ Commercial Property Fund's investment objective is to provide a return (before tax, fees and expenses) that closely matches the return on the S&P/NZX Real Estate Select Index.

Investment strategy

Invest in financial products listed on the NZX.

Benchmark asset allocation and ranges

Asset class	Benchmark asset allocation	Range
Cash and cash equivalents	0%	-5% to 10%
New Zealand fixed interest	-	-
International fixed interest	-	-
Australasian equities	-	-
International equities	-	-
Listed property	100%	90% to 105%
Unlisted property	-	-
Commodities	-	-
Other	-	-

Authorised investments

The NZ Commercial Property Fund may invest in the following authorised investments:

- the NZ Commercial Property Fund in the Kernel Funds scheme;
- financial products listed on the NZX that are included or to be included in the S&P/NZX Real Estate Select Index; and
- cash and cash equivalents issued or guaranteed by New Zealand entities.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments. It may include managed investment products that primarily invest in cash and cash equivalents.

Further information about the S&P/NZX Real Estate Select Index, referred to in this document and fund updates, is available at www.spglobal.com/spdji/en/indices/equity/sp-nzx-real-estate-select.

Schedule 4 – NZ 50 ESG Tilted Fund

Description of the Fund

The NZ 50 ESG Tilted Fund is designed to track the S&P/NZX 50 Portfolio ESG Tilted Index by investing in financial products listed on the NZX.

Investment objective

The NZ 50 ESG Tilted Fund's investment objective is to provide a return (before tax, fees and expenses) that closely matches the return on the S&P/NZX 50 Portfolio ESG Tilted Index.

Investment strategy

Invest in financial products listed on the NZX, where companies are screened on Environmental, Social, and Governance (ESG) characteristics, with company weightings modified to tilt a higher investment to companies with stronger ESG characteristics as calculated by the index.

Benchmark asset allocation and ranges

Asset class	Benchmark asset allocation	Range
Cash and cash equivalents	0%	-5% to 10%
New Zealand fixed interest	-	-
International fixed interest	-	-
Australasian equities*	100%	90% to 105%
International equities	-	-
Listed property		
Unlisted property	-	-
Commodities	-	-
Other	-	-

* The Fund may invest in listed property trusts included in the Index. This is included in its asset allocation to Australasian equities.

Authorised investments

The NZ 50 ESG Tilted Fund may invest in the following authorised investments:

- the NZ 50 ESG Tilted Fund in the Kernel Funds scheme;
- financial products listed on the NZX that are included or to be included in the S&P/NZX 50 Portfolio ESG Tilted Index; and
- cash and cash equivalents issued or guaranteed by New Zealand entities.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments. It may include managed investment products that primarily invest in cash and cash equivalents.

Further information about the S&P/NZX 50 Portfolio ESG Tilted Index, referred to in this document and fund updates, is available from www.spglobal.com/spdji/en/indices/sustainability/sp-nzx-50-portfolio-esg-tilted-index.

Sustainability strategy

The NZ 50 ESG Tilted Fund considers non-financial factors as independently observed or assessed, and/or reported by listed companies. These non-financial factors include environmental, social and governance conditions. The S&P/NZX 50 Portfolio ESG Tilted Index is part of a global series of S&P ESG Tilted Indices, with a globally standardised scoring system. Rather than just an inclusion/exclusion filter, the methodology also overweights (underweights) companies with relatively high (low) S&P DJI ESG Scores. For more information on this see Kernel's ESG Policy which can be found on the Plan's offer register entry at <https://disclose-register.companiesoffice.govt.nz> and on our website www.kernelwealth.co.nz.

Schedule 5 – Kernel Australia 100 Fund

Description of the Fund

The Kernel Australia 100 Fund is designed to track the S&P/ASX 100 Index by investing in Australian financial products listed on the ASX.

Investment objective

The Kernel Australia 100 Fund's investment objective is to provide a return (before tax, fees and expenses) that closely matches the return on the S&P/ASX 100 Index.

Investment strategy

The fund is passively managed and targets investment in financial products in 100 of the largest and most liquid companies listed on the ASX.

Benchmark asset allocation and ranges

Asset class	Benchmark asset allocation	Range
Cash and cash equivalents	0%	-5% to 10%
New Zealand fixed interest	-	-
International fixed interest	-	-
Australasian equities*	100%	90% to 105%
International equities**	0%	0 to 10%
Listed property	-	-
Unlisted property	-	-
Commodities	-	-
Other	-	-

* The Fund may invest in listed property trusts included in the Index. This is included in its asset allocation to Australasian equities.

** Due to having an international stock exchange as the primary jurisdiction for listing, some companies despite being listed on the ASX and meeting the index criteria and fund investment strategy, are more correctly categorised as international equities.

Authorised investments

The Kernel Australia 100 Fund may invest in the following assets:

- financial products listed on the ASX that are included or to be included in the S&P/ASX 100 Index; and
- cash and cash equivalents issued or guaranteed by New Zealand and Australian entities.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments. It may include managed investment products that primarily invest in cash and cash equivalents.

Further information about the S&P/ASX 100 Index, referred to in this document and the fund updates, is available at www.spglobal.com/spdji/en/indices/equity/sp-asx-100-wm.

Schedule 6 – Kernel Global Infrastructure Fund

Description of the Fund

The Kernel Global Infrastructure Fund is designed to track the Dow Jones Brookfield Global Infrastructure (NZD) Index by investing in globally listed financial products.

Investment objective

The Kernel Global Infrastructure Fund's investment objective is to provide a return (before tax, fees and expenses) that closely matches the return on the Dow Jones Brookfield Global Infrastructure (NZD) Index.

Investment strategy

Invest in globally listed pure-play infrastructure companies.

Benchmark asset allocation and ranges

Asset class	Benchmark asset allocation	Range
Cash and cash equivalents	0%	-5% to 10%
New Zealand fixed interest	-	-
International fixed interest	-	-
Australasian equities*	0%	0% to 30%
International equities*	100%	70% to 105%
Listed property	-	-
Unlisted property	-	-
Commodities	-	-
Other	-	-

* The Fund may invest in listed property trusts included in the Index. This is included in its asset allocation to Australasian or International equities as appropriate.

Authorised investments

The Kernel Global Infrastructure Fund may invest in the following authorised investments:

- the Kernel Global Infrastructure Fund in the Kernel Funds scheme;
- financial products that are included or to be included in the Dow Jones Brookfield Global Infrastructure (NZD) Index;
- cash and cash equivalents; and
- exchange traded funds that Kernel considers to be a reasonable proxy for the Dow Jones Brookfield Global Infrastructure Index.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments. It may include managed investment products that primarily invest in cash and cash equivalents.

Further information about the Dow Jones Brookfield Global Infrastructure (NZD) index, referred to in this document and fund updates, is available at www.spglobal.com/spdji/en/indices/equity/dow-jones-brookfield-global-infrastructure-index.

Schedule 7 – Kernel Global Infrastructure (NZD Hedged) Fund

Description of the Fund

The Kernel Global Infrastructure (NZD Hedged) Fund is designed to track the Dow Jones Brookfield Global Infrastructure (NZD Hedged) Index by investing in globally listed financial products.

Investment objective

The Kernel Global Infrastructure (NZD Hedged) Fund's investment objective is to provide a return (before tax, fees and expenses) that closely matches the return on the Dow Jones Brookfield Global Infrastructure (NZD Hedged) Index.

Investment strategy

Invest in globally listed pure-play infrastructure companies. The Fund targets a position of being fully hedged back to New Zealand dollars.

Benchmark asset allocation and ranges

Asset class	Benchmark asset allocation	Range
Cash and cash equivalents	0%	-10% to 10%
New Zealand fixed interest	-	-
International fixed interest	-	-
Australasian equities*	0%	0% to 30%
International equities*	100%	70% to 110%
Listed property	-	-
Unlisted property	-	-
Commodities	-	-
Other	-	-

* The Fund may invest in listed property trusts included in the Index. This is included in its asset allocation to Australasian or International equities as appropriate.

Authorised investments

The Kernel Global Infrastructure (NZD Hedged) Fund may invest in the following authorised investments:

- the Kernel Global Infrastructure Fund in the Kernel Funds scheme;
- financial products that are included or to be included in the Dow Jones Brookfield Global Infrastructure (NZD Hedged) Index;
- derivatives, including futures, options or other instruments in any currency, whether listed on an exchange or 'over-the-counter'
- cash and cash equivalents; and
- exchange traded funds that Kernel considers to be a reasonable proxy for the Dow Jones Brookfield Global Infrastructure Index.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments. It may include managed investment products that primarily invest in cash and cash equivalents.

Hedging

The Fund's foreign currency exposure is hedged to the New Zealand dollar. The target hedging level is 100% (although the actual hedging level may differ because of cash flow, market movements, or where there is limited ability to hedge some currencies). The permitted hedging range for the Fund is 70% to 120%, assessed weekly.

Further information about the Dow Jones Brookfield Global Infrastructure (NZD Hedged) Index, referred to in this document and fund updates, is available at www.spglobal.com/spdji/en/indices/equity/dow-jones-brookfield-global-infrastructure-index.

Schedule 8 – Kernel Global Property (NZD Hedged) Fund

Description of the Fund

The Kernel Global Property (NZD Hedged) Fund is designed to track the Dow Jones Global Select ESG RESI (NZD Hedged) Index by investing in globally listed financial products.

Investment objective

The Kernel Global Property (NZD Hedged) Fund's investment objective is to provide a return (before tax, fees and expenses) that closely matches the return on the Dow Jones Global Select ESG RESI (NZD Hedged) Index.

Investment strategy

Invest in globally listed real estate investment trusts (REITs) and real estate operating companies (REOCs) traded globally. Company weights are modified to tilt a higher investment to companies with stronger ESG characteristics as calculated by GRESB. The Fund targets a position of being fully hedged back to New Zealand dollars.

Benchmark asset allocation and ranges

Asset class	Benchmark asset allocation	Range
Cash and cash equivalents	0%	-10% to 10%
New Zealand fixed interest	-	-
International fixed interest	-	-
Australasian equities	0%	0% to 30%
International equities	0%	0% to 30%
Listed property	100%	70% to 110%

Authorised investments

The Kernel Global Property (NZD Hedged) Fund may invest in the following authorised investments:

- the Kernel Global Property (NZD Hedged) Fund in the Kernel Funds scheme;
- financial products that are included or to be included in the Dow Jones Global Select ESG RESI (NZD Hedged) Index;
- derivatives, including futures, options or other instruments in any currency, whether listed on an exchange or 'over-the-counter'
- cash and cash equivalents; and
- exchange traded funds that Kernel considers to be a reasonable proxy for the Dow Jones Global Select ESG RESI (NZD Hedged) Index.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments. It may include managed investment products that primarily invest in cash and cash equivalents.

Hedging

The Fund's foreign currency exposure is hedged to the New Zealand dollar. The target hedging level is 100% (although the actual hedging level may differ because of cash flow, market movements, or where there is limited ability to hedge some currencies). The permitted hedging range for the Fund is 70% to 120%, assessed weekly.

Further information about the Dow Jones Global Select ESG RESI (NZD Hedged) Index, referred to in this document and fund updates, is available at www.spglobal.com/spdji/en/indices/equity/dow-jones-global-select-esg-tilted-resi.

Sustainability strategy

The Kernel Global Property (NZD Hedged) Fund considers non-financial factors as independently observed or assessed, and/or reported by listed companies. These non-financial factors include environmental, social and governance conditions. The Dow Jones Global Select ESG RESI (NZD Hedged) Index is part of global series of Dow Jones ESG Real Estate Indices designed to measure the performance of publicly traded real estate securities while overweighting those companies with relatively high GRESB total scores and underweighting those with lower or zero total scores. GRESB are a global leader in measuring and assessing the ESG performance of real estate companies. For more information on this see Kernel's ESG Policy which can be found on the Plan's offer register entry at <https://disclose-register.companiesoffice.govt.nz> and on our website www.kernelwealth.co.nz.

Schedule 9 – Kernel S&P Global Dividend Aristocrats Fund

Description of the Fund

The Kernel S&P Global Dividend Aristocrats Fund is designed to track the S&P Developed Ex-Korea Dividend Aristocrats Quality Income (NZD) Index by investing in globally listed financial products.

Investment objective

The Kernel S&P Global Dividend Aristocrats Fund's investment objective is to provide a return (before tax, fees and expenses) that closely matches the return on the S&P Developed Ex-Korea Dividend Aristocrats Quality Income (NZD) Index.

Investment strategy

Invest in high-dividend yielding globally listed companies who have a managed-dividends policy of increasing or maintaining dividends for at least 10 consecutive years.

Benchmark asset allocation and ranges

Asset class	Benchmark asset allocation	Range
Cash and cash equivalents	0%	-5% to 10%
New Zealand fixed interest	-	-
International fixed interest	-	-
Australasian equities*	0%	0% to 30%
International equities*	100%	70% to 105%
Listed property	-	-
Unlisted property	-	-
Commodities	-	-
Other	-	-

* The Fund may invest in listed property trusts included in the Index. This is included in its asset allocation to Australasian or International equities as appropriate.

Authorised investments

The Kernel S&P Global Dividend Aristocrats Fund may invest in the following authorised investments:

- the Kernel S&P Global Dividend Aristocrats Fund in the Kernel Funds scheme;
- financial products that are included or to be included in the S&P Developed Ex-Korea Dividend Aristocrats Quality Income (NZD) Index;
- cash and cash equivalents; and
- exchange traded funds that Kernel considers to be a reasonable proxy for the S&P Developed Ex-Korea Dividend Aristocrats Quality Income (NZD) Index.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments. It may include managed investment products that primarily invest in cash and cash equivalents.

Further information about the S&P Developed Ex-Korea Dividend Aristocrats Quality Income (NZD) Index, referred to in this document and fund updates, is available at www.spglobal.com/spdji/en/indices/dividends-factors/sp-developed-ex-korea-dividend-aristocrats-quality-income-index.

Schedule 10 – Kernel S&P Global 100 Fund

Description of the Fund

The Kernel S&P Global 100 Fund is designed to track the S&P Global 100 ex Controversial Weapons (NZD) Index by investing in globally listed financial products.

Investment objective

The Kernel S&P Global 100 Fund's investment objective is to provide a return (before tax, fees and expenses) that closely matches the return on the S&P Global 100 ex Controversial Weapons (NZD) Index.

Investment strategy

Invest in globally listed multi-national blue-chip companies.

Benchmark asset allocation and ranges

Asset class	Benchmark asset allocation	Range
Cash and cash equivalents	0%	-5% to 10%
New Zealand fixed interest	-	-
International fixed interest	-	-
Australasian equities*	0%	0% to 30%
International equities*	100%	70% to 105%
Listed property	-	-
Unlisted property	-	-
Commodities	-	-
Other	-	-

* The Fund may invest in listed property trusts included in the Index. This is included in its asset allocation to Australasian or International equities as appropriate.

Authorised investments

The Kernel S&P Global 100 Fund may invest in the following authorised investments:

- the Kernel S&P Global 100 Fund in the Kernel Funds scheme;
- financial products that are included or to be included in the S&P Global 100 ex Controversial Weapons (NZD) Index;
- cash and cash equivalents; and
- exchange traded funds that Kernel considers to be a reasonable proxy for the S&P Global 100 ex Controversial Weapons (NZD) Index.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments. It may include managed investment products that primarily invest in cash and cash equivalents.

Further information about the S&P Global 100 ex Controversial Weapons (NZD) Index, referred to in this document and fund updates, is available at www.spglobal.com/spdji/en/indices/custom-indices/sp-global-100-ex-controversial-weapons-index-custom.

Schedule 11 – Kernel S&P Global 100 (NZD Hedged) Fund

Description of the Fund

The Kernel S&P Global 100 (NZD Hedged) Fund is designed to track the S&P Global 100 ex Controversial Weapons Index (NZD Hedged) by investing in globally listed financial products.

Investment objective

The Kernel S&P Global 100 (NZD Hedged) Fund's investment objective is to provide a return (before tax, fees and expenses) that closely matches the return on the S&P Global 100 ex Controversial Weapons Index (NZD Hedged).

Investment strategy

Invest in globally listed multi-national blue-chip companies. The Fund targets a position of being fully hedged back to New Zealand dollars.

Benchmark asset allocation and ranges

Asset class	Benchmark asset allocation	Range
Cash and cash equivalents	0%	-10% to 10%
New Zealand fixed interest	-	-
International fixed interest	-	-
Australasian equities*	0%	0% to 30%
International equities*	100%	70% to 105%
Listed property	-	-
Unlisted property	-	-
Commodities	-	-
Other	-	-

* The Fund may invest in listed property trusts included in the Index. This is included in its asset allocation to Australasian or International equities as appropriate.

Authorised investments

The Kernel S&P Global 100 (NZD Hedged) Fund may invest in the following authorised investments:

- the Kernel S&P Global 100 Fund in the Kernel Funds scheme;
- financial products that are included or to be included in the S&P Global 100 ex Controversial Weapons Index (NZD Hedged);
- derivatives, including futures, options or other instruments in any currency, whether listed on an exchange or 'over-the-counter';
- cash and cash equivalents; and
- exchange traded funds that Kernel considers to be a reasonable proxy for the S&P Global 100 ex Controversial Weapons Index (NZD Hedged).

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments. It may include managed investment products that primarily invest in cash and cash equivalents.

Hedging

The Fund's foreign currency exposure is hedged to the New Zealand dollar. The target hedging level is 100% (although the actual hedging level may differ because of cash flow, market movements, or where there is limited ability to hedge some currencies). The permitted hedging range for the Fund is 70% to 120%, assessed weekly.

Further information about the S&P Global 100 ex Controversial Weapons Index (NZD Hedged), referred to in this document and fund updates, is available at www.spglobal.com/spdji/en/indices/custom-indices/sp-global-100-ex-controversial-weapons-index-custom.

Schedule 12 – Kernel S&P 500 (unhedged) Fund

Description of the Fund

The Kernel S&P 500 (unhedged) Fund is designed to track the S&P 500 (NZD) Index by investing in U.S. listed financial products.

Investment objective

The Kernel S&P 500 (unhedged) Fund's investment objective is to provide a return (before tax, fees and expenses) that closely matches the return on the S&P 500 (NZD) index.

Investment strategy

Invest in large-cap U.S. equities.

Benchmark asset allocation and ranges

Asset class	Benchmark asset allocation	Range
Cash and cash equivalents	0%	-5% to 10%
New Zealand fixed interest	-	-
International fixed interest	-	-
Australasian equities	-	-
International equities*	100%	0% to 105%
Listed property	-	-
Unlisted property	-	-
Commodities	-	-
Other	-	-

* The Fund may invest in listed property trusts included in the Index. This is included in its asset allocation to International equities as appropriate.

Authorised investments

The Kernel S&P 500 (unhedged) Fund may invest in the following authorised investments:

- the Kernel S&P 500 (unhedged) Fund in the Kernel Funds scheme;
- financial products that are included or to be included in the S&P 500 (NZD) Index;
- cash and cash equivalents; and
- exchange traded funds that Kernel considers to be a reasonable proxy for the S&P 500 (NZD) Index.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments. It may include managed investment products that primarily invest in cash and cash equivalents.

Further information about the S&P 500 (NZD) Index, referred to in this document and fund updates, is available at www.spglobal.com/spdji/en/indices/equity/sp-500/.

Schedule 13 – Kernel S&P 500 (NZD Hedged) Fund

Description of the Fund

The Kernel S&P 500 (NZD Hedged) Fund is designed to track the S&P 500 (NZD Hedged) Index by investing in U.S. listed financial products.

Investment objective

The Kernel S&P 500 (NZD Hedged) Fund's investment objective is to provide a return (before tax, fees and expenses) that closely matches the return on the S&P 500 (NZD Hedged) Index.

Investment strategy

Invest in large-cap U.S. equities. The Fund targets a position of being fully hedged back to New Zealand dollars.

Benchmark asset allocation and ranges

Asset class	Benchmark asset allocation	Range
Cash and cash equivalents	0%	-10% to 10%
New Zealand fixed interest	-	-
International fixed interest	-	-
Australasian equities	-	-
International equities*	100%	0% to 110%
Listed property	-	-
Unlisted property	-	-
Commodities	-	-
Other	-	-

* The Fund may invest in listed property trusts included in the Index. This is included in its asset allocation to International equities as appropriate.

Authorised investments

The Kernel S&P 500 (NZD Hedged) Fund may invest in the following authorised investments:

- the Kernel S&P 500 (NZD Hedged) Fund in the Kernel Funds scheme;
- financial products that are included or to be included in the S&P 500 (NZD Hedged) Index;
- currency derivatives, including futures, options or other instruments in any currency, whether listed on an exchange or 'over-the-counter'
- cash and cash equivalents; and
- exchange traded funds that Kernel considers to be a reasonable proxy for the S&P 500 (NZD Hedged) Index.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments. It may include managed investment products that primarily invest in cash and cash equivalents.

Hedging

The Fund's foreign currency exposure is hedged to the New Zealand dollar. The target hedging level is 100% (although the actual hedging level may differ because of cash flow or market movements). The permitted hedging range for the Fund is 70% to 120%, assessed weekly.

Further information about the S&P 500 (NZD Hedged) Index, referred to in this document and fund updates, is available at www.spglobal.com/spdji/en/indices/equity/sp-500/?currency=NZD.

Schedule 14 – Kernel World ex-US Fund

Description of the Fund

The Kernel World ex-US Fund is designed to track the S&P World Ex-U.S., Controversial Weapons and Tobacco (NZD) Index by investing in globally listed financial products outside the United States.

Investment objective

To provide a return (before tax, fees and expenses) that closely matches the return on the S&P World Ex-U.S., Controversial Weapons and Tobacco (NZD) Index.

Investment strategy

The fund is passively managed and invests in a diverse mix of globally listed companies and is designed to approximate the developed global equity market across countries and sectors excluding US-listed products.

Benchmark asset allocation and ranges

Asset class	Benchmark asset allocation	Range
Cash and cash equivalents	0%	-5% to 10%
New Zealand fixed interest	-	-
International fixed interest	-	-
Australasian equities	0%	0% to 10%
International equities*	100%	0% to 110%
Listed property	-	-
Unlisted property	-	-
Commodities	-	-
Other	-	-

* The Fund may invest in listed property trusts included in the Index. This is included in its asset allocation to International equities as appropriate.

Authorised investments

The Kernel World ex-US Fund may invest in the following authorised investments:

- financial products that are included or to be included in the S&P World ex-US (NZD) Index;
- cash and cash equivalents; and
- exchange traded funds that Kernel considers to be a reasonable proxy for the S&P World ex-US (NZD) Index.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments. It may include managed investment products that primarily invest in cash and cash equivalents.

Hedging

The Fund's foreign currency exposure is not hedged.

Further information about the S&P World Ex-U.S., Controversial Weapons and Tobacco (NZD) Index, referred to in this document and fund updates, is available at www.spglobal.com/spdji/en/indices/sustainability/sp-world-ex-us-controversial-weapons-and-tobacco-index

Schedule 15 – Kernel World ex-US (NZD Hedged) Fund

Description of the Fund

The Kernel World ex-US (NZD Hedged) Fund is designed to track the S&P World Ex-U.S., Controversial Weapons and Tobacco (NZD Hedged) Index by investing in globally listed financial products outside the United States.

Investment objective

To provide a return (before tax, fees and expenses) that closely matches the return on the S&P World Ex-U.S., Controversial Weapons and Tobacco (NZD Hedged) Index.

Investment strategy

The fund is passively managed and invests in a diverse mix of globally listed companies and is designed to approximate the developed global equity market across countries and sectors excluding US-listed products. The Fund targets a position of being fully hedged back to New Zealand dollars.

Benchmark asset allocation and ranges

Asset class	Benchmark asset allocation	Range
Cash and cash equivalents	0%	-10% to 10%
New Zealand fixed interest	-	-
International fixed interest	-	-
Australasian equities	0%	0% to 10%
International equities*	100%	0% to 110%
Listed property	-	-
Unlisted property	-	-
Commodities	-	-
Other	-	-

* The Fund may invest in listed property trusts included in the Index. This is included in its asset allocation to International equities as appropriate.

Authorised investments

The Kernel World ex-US (NZD Hedged) Fund may invest in the following authorised investments:

- financial products that are included or to be included in the S&P World ex-US (NZD Hedged) Index;
- currency derivatives, including futures, options or other instruments in any currency, whether listed on an exchange or 'over-the-counter';
- cash and cash equivalents; and
- exchange traded funds that Kernel considers to be a reasonable proxy for the S&P World ex-US (NZD Hedged) Index.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments. It may include managed investment products that primarily invest in cash and cash equivalents.

Hedging

The Fund's foreign currency exposure is hedged to the New Zealand dollar. The target hedging level is 100% (although the actual hedging level may differ because of cash flow or market movements). The permitted hedging range for the Fund is 70% to 120%, assessed weekly.

Further information about the S&P World Ex-U.S., Controversial Weapons and Tobacco, referred to in this document and fund updates, is available at www.spglobal.com/spdji/en/indices/sustainability/sp-world-ex-us-controversial-weapons-and-tobacco-index.

Schedule 16 – Kernel S&P Global Clean Energy Fund

Description of the Fund

The Kernel S&P Global Clean Energy Fund is designed to track the S&P Developed Ex-Korea Clean Energy (NZD) Index by investing in globally listed financial products.

Investment objective

The Kernel S&P Global Clean Energy Fund's investment objective is to provide a return (before tax, fees and expenses) that closely matches the return on the S&P Developed Ex-Korea Clean Energy (NZD) Index.

Investment strategy

Invests in globally listed companies involved in clean energy related businesses, including energy production and energy equipment.

Benchmark asset allocation and ranges

Asset class	Benchmark asset allocation	Range
Cash and cash equivalents	0%	-5% to 10%
New Zealand fixed interest	-	-
International fixed interest	-	-
Australasian equities*	0%	0% to 30%
International equities*	100%	70% to 105%
Listed property	-	-
Unlisted property	-	-
Commodities	-	-
Other	-	-

* The Fund may invest in listed property trusts included in the Index. This is included in its asset allocation to Australasian or International equities as appropriate.

Authorised investments

The Kernel S&P Global Clean Energy Fund may invest in the following authorised investments:

- the Kernel S&P Global Clean Energy Fund in the Kernel Funds scheme;
- financial products that are included or to be included in the S&P Developed Ex-Korea Clean Energy (NZD) Index;
- cash and cash equivalents; and
- exchange traded funds that Kernel considers to be a reasonable proxy for the S&P Developed Ex-Korea Clean Energy (NZD) Index.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments. It may include managed investment products that primarily invest in cash and cash equivalents.

Further information about the S&P Developed Ex-Korea Clean Energy (NZD) Index, referred to in this document and fund updates, is available at www.spglobal.com/spdji/en/indices/sustainability/sp-developed-ex-korea-clean-energy-index.

Sustainability strategy

The Kernel S&P Global Clean Energy Fund considers non-financial factors as independently observed or assessed, and/or reported by listed companies. These non-financial factors include environmental, social and governance conditions. Companies in the tracked S&P Developed ex Korea Clean Energy (NZD) Index must be listed in developed markets and meet the eligibility criteria for specific practices related to clean energy. For more information on this see Kernel's ESG Policy which can be found on the Plan's offer register entry at <https://disclose-register.companiesoffice.govt.nz> and on our website www.kernelwealth.co.nz

Schedule 17 – Kernel Global ESG Fund

Description of the Fund

The Kernel Global ESG Fund is designed to track the S&P World Net Zero 2050 Paris-Aligned ESG Ex Non-Pharma Animal Testing NZD Index ("Global ESG Index") by investing in globally listed financial products.

Investment objective

The Kernel Global ESG Fund's investment objective is to provide a return (before tax, fees and expenses) that closely matches the return on the S&P World Net Zero 2050 Paris-Aligned ESG ex non-pharma Animal Testing (NZD) Index.

Investment strategy

The fund is passively managed and invests in a diverse mix of globally listed companies and is designed to approximate the developed global equity market across countries and sectors. Companies are screened on business activities and company weightings are modified based on a company's environmental, social, and governance (ESG) characteristics and climate alignment scores, as calculated by the index provider.

Benchmark asset allocation and ranges

Asset class	Benchmark asset allocation	Range
Cash and cash equivalents	0%	-5% to 10%
New Zealand fixed interest	-	-
International fixed interest	-	-
Australasian equities*	0%	0% to 30%
International equities*	100%	70% to 105%
Listed property	-	-
Unlisted property	-	-
Commodities	-	-
Other	-	-

* The Fund may invest in listed property trusts included in the Index. This is included in its asset allocation to Australasian or International equities as appropriate.

Authorised investments

The Kernel Global ESG Fund may invest in the following authorised investments:

- the Kernel S&P Global ESG Fund in the Kernel Funds scheme;
- financial products that are included or to be included in the Global ESG Index;
- cash and cash equivalents; and
- exchange traded funds that Kernel considers to be a reasonable proxy for the Global ESG Index.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments. It may include managed investment products that primarily invest in cash and cash equivalents.

Further information about the Global ESG Index, referred to in this document and fund updates, is available at www.spglobal.com/spdji/en/indices/sustainability/sp-world-net-zero-2050-paris-aligned-esg-ex-non-pharma-animal-testing-index.

Sustainability strategy

The Kernel Global ESG Fund considers non-financial factors as independently observed or assessed, and/or reported by listed companies. These non-financial factors include environmental, social and governance conditions. Companies in the tracked Global ESG Index must be listed in developed markets and meet the eligibility criteria based on ESG scores and climate alignment. Companies are selected and weighted to be collectively compatible with a 1.5°C global warming climate scenario at the index level. For more information on this see Kernel's ESG Policy which can be found on the Plan's offer register entry at <https://disclose-register.companiesoffice.govt.nz> and on our website www.kernelwealth.co.nz.

Schedule 18 – Kernel Global ESG (NZD Hedged) Fund

Description of the Fund

The Kernel Global ESG Fund is designed to track the S&P World Net Zero 2050 Paris-Aligned ESG Ex Non-Pharma Animal Testing NZD Hedged Index ("Global ESG Hedged Index") by investing in globally listed financial products.

Investment objective

The Kernel Global ESG Hedged Fund's investment objective is to provide a return (before tax, fees and expenses) that closely matches the return on the S&P World Net Zero 2050 Paris-Aligned ESG ex non-pharma Animal Testing (NZD Hedged) Index.

Investment strategy

The fund is passively managed and invests in a diverse mix of globally listed companies and is designed to approximate the developed global equity market across countries and sectors. Companies are screened on business activities and company weightings are modified based on a company's environmental, social, and governance (ESG) characteristics and climate alignment scores, as calculated by the index provider. The Fund targets a position of being fully hedged back to New Zealand dollars.

Benchmark asset allocation and ranges

Asset class	Benchmark asset allocation	Range
Cash and cash equivalents	0%	-10% to 10%
New Zealand fixed interest	-	-
International fixed interest	-	-
Australasian equities*	0%	0% to 30%
International equities*	100%	70% to 110%
Listed property	-	-

* The Fund may invest in listed property trusts included in the Index. This is included in its asset allocation to Australasian or International equities as appropriate.

Authorised investments

The Kernel Global ESG Hedged Fund may invest in the following authorised investments:

- the Kernel Global ESG Hedged Fund in the Kernel Funds scheme;
- financial products that are included or to be included in the Global ESG Index;
- derivatives, including futures, options or other instruments in any currency, whether listed on an exchange or 'over-the-counter'
- cash and cash equivalents; and
- exchange traded funds that Kernel considers to be a reasonable proxy for the Global ESG Index.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments. It may include managed investment products that primarily invest in cash and cash equivalents.

Hedging

The Fund's foreign currency exposure is hedged to the New Zealand dollar. The target hedging level is 100% (although the actual hedging level may differ because of cash flow or market movements). The permitted hedging range for the Fund is 70% to 120%, assessed weekly.

Further information about the Global ESG Index, referred to in this document and fund updates, is available at www.spglobal.com/spdji/en/indices/sustainability/sp-world-net-zero-2050-paris-aligned-esg-ex-non-pharma-animal-testing-index/#overview.

Sustainability strategy

The Kernel Global ESG (NZD Hedged) Fund considers non-financial factors as independently observed or assessed, and/or reported by listed companies. These non-financial factors include environmental, social and governance conditions. Companies in the tracked Global ESG Hedged Index must be listed in developed markets and meet the eligibility criteria based on ESG scores and climate alignment. Companies are selected and weighted to be collectively compatible with a 1.5°C global warming climate scenario at the index level. For more information on this see Kernel's ESG Policy which can be found on the Plan's offer register entry at <https://disclose-register.companiesoffice.govt.nz> and on our website www.kernelwealth.co.nz.

Schedule 19 – Kernel Emerging Markets Fund

Description of the Fund

The Kernel Emerging Markets Fund is designed to track S&P Emerging BMI (NZD) Index by investing in globally listed financial products.

Investment Objective

To provide a return (before tax, fees and expenses) that corresponds generally to the total return on the S&P Emerging BMI (NZD) Index.

Investment strategy

The fund is passively managed and invests in globally listed financial products.

Benchmark asset allocation and ranges

Asset class	Benchmark asset allocation	Range
Cash and cash equivalents	0%	-5% to 10%
New Zealand fixed interest	-	-
International fixed interest	-	-
Australasian equities	-	-
International equities*	100%	0% to 105%
Listed property	-	-
Unlisted property	-	-
Commodities	-	-
Other	-	-

* The Fund may invest in listed property trusts included in the Index. This is included in its asset allocation to International equities as appropriate.

Authorised investments

The Kernel Emerging Markets Fund may invest in the following authorised investments:

- the Kernel Emerging Markets Fund in the Kernel Funds scheme;
- financial products that are included or to be included in the S&P Emerging BMI (NZD) Index;
- cash and cash equivalents; and
- exchange traded funds that Kernel considers to be a reasonable proxy for the S&P Emerging BMI (NZD) Index.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments. It may include managed investment products that primarily invest in cash and cash equivalents.

Further information about the S&P Emerging BMI (NZD) Index, referred to in this document and fund updates, is available at www.spglobal.com/spdji/en/indices/equity/sp-emerging-bmi.

Schedule 20 – Kernel High Growth Fund

Description of the Fund

The Kernel High Growth Fund is designed to provide investors with a diversified exposure to growth assets by investing in domestically and globally listed financial products.

Investment objective

The Kernel High Growth Fund's investment objective is to invest in growth assets and achieve positive real returns over the long term while lessening volatility through diversification across sectors and geographies.

Investment strategy

A diversified fund comprising several of the Kernel Funds, targeting high growth and suitable for long-term investors comfortable accepting higher volatility.

Benchmark asset allocation and ranges

Asset category	Asset class	Reference Portfolio	Limits	Market Index
Cash	Cash and cash equivalents	1.0%	-5% to 10%	Bloomberg NZ Bond Bank Bill Index
New Zealand fixed interest	New Zealand fixed interest	0%	0% to 5%	-
International fixed interest	International fixed interest	0%	0% to 5%	-
NZ Large equities	Australasian equities	18.0%	10% to 50%	S&P/NZX 20 Index
NZ Medium equities		2.0%		S&P/NZX Emerging Opportunities Index
Australian equities	Australasian equities	4.0%		S&P/ASX 100 index
Global equities	International equities	65.0%	50% to 80%	25.5% S&P Global 100 ex CW (NZD Hedged) Index / 25.5% S&P Global 100 ex CW (NZD) Index 19% S&P World Ex-U.S., Controversial Weapons and Tobacco (NZD Hedged) Index / 19% S&P 500 (NZD) Index / 11% S&P Emerging Markets BMI (NZD) Index
Global Infrastructure		7.5%		Dow Jones Brookfield Global Infrastructure (NZD Hedged) Index
Global Real Estate	Listed property	2.5%	0% to 10%	Dow Jones Global Select ESG RESI (NZD Hedged) Index
	Unlisted property		-	
	Commodities		-	

Authorised investments

The Kernel High Growth Fund may invest in the following authorised investments:

- any Fund in the Kernel Funds scheme;
- financial products that are included or to be included in the market indices listed in the table above;
- derivatives, including futures, options or other instruments in any currency, whether listed on an exchange or 'over-the-counter'
- cash and cash equivalents; and
- exchange traded funds that Kernel considers to be a reasonable proxy for the market indices listed in the table above.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments. It may include managed investment products that primarily invest in cash and cash equivalents.

Schedule 21 – Kernel Balanced Fund

Description of the Fund

The Kernel Balanced Fund is designed to provide investors with a diversified exposure to both income and growth assets by investing in domestic and global listed financial products.

Investment objective

The Kernel Balanced Fund's investment objective is to invest in both income and growth assets and achieve positive real returns over the long term while lessening volatility through diversification across asset classes, sectors and geographies.

Investment strategy

Designed as a 60% growth / 40% income option by investing mainly in several of the other Kernel funds.

Benchmark asset allocation and ranges

Asset category	Asset class	Reference Portfolio	Limits	Market Index
Cash	Cash and cash equivalents	5%	-5% to 20%	Bloomberg NZ Bond Bank Bill Index
New Zealand fixed interest	New Zealand fixed interest	17%	0% to 30%	Bloomberg NZ Bond Composite 0+ Yr Index
International fixed interest	International fixed interest	18%	0% to 30%	Bloomberg Global Aggregate Bond Index
NZ Large equities	Australasian equities	12%	0% to 30%	S&P/NZX 20 Index
Australian equities	Australasian equities	2.5%		S&P/ASX 100 index
Global equities	International equities	35.5%	20% to 60%	25.5% S&P Global 100 ex CW (NZD Hedged) Index / 25.5% S&P Global 100 ex CW (NZD) Index 19% S&P World Ex-U.S., Controversial Weapons and Tobacco (NZD Hedged) Index / 19% S&P 500 (NZD) Index / 11% S&P Emerging Markets BMI (NZD) Index
Global Infrastructure		7.5%		Dow Jones Brookfield Global Infrastructure Index (NZD Hedged) Index
Global Real Estate	Listed property	2.5%	0% to 10%	Dow Jones Global Select ESG RESI (NZD Hedged) Index
	Unlisted property		-	
	Commodities		-	

Authorised investments

The Kernel Balanced Fund may invest in the following authorised investments:

- any Fund in the Kernel Funds scheme;
- financial products that are included or to be included in the market indices listed in the table above;
- individual New Zealand Fixed Interest instruments
- USD denominated Fixed Interest instruments
- NZ, Australian, Global or US Aggregate Bond Funds
- derivatives, including futures, options or other instruments in any currency, whether listed on an exchange or 'over-the-counter'
- cash and cash equivalents; and
- exchange traded funds that Kernel considers to be a reasonable proxy for the market indices listed in the table above.

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments. It may include managed investment products that primarily invest in cash and cash equivalents.

Schedule 22 – Kernel Conservative Fund

Description of the Fund

The Kernel Conservative Fund is designed to provide investors with a diversified exposure to both income and growth assets by investing in domestic and global listed financial products.

Investment objective

The Kernel Conservative Fund's investment objective is to achieve positive real returns over the medium term while lessening volatility through diversification across asset classes, sectors and geographies.

Investment strategy

Designed as a 30% growth / 70% income option by investing mainly in several of the other Kernel funds.

Benchmark asset allocation and ranges

Asset category	Asset class	Reference Portfolio	Limits	Market Index
Cash	Cash and cash equivalents	18%	-5% to 20%	Bloomberg NZ Bond Bank Bill Index
New Zealand fixed interest	New Zealand fixed interest	25%	0% to 50%	Bloomberg NZ Bond Composite 0+ Yr Index
International fixed interest	International fixed interest	27%	0% to 60%	Bloomberg Global Aggregate (NZD Hedged) Index
NZ Large equities	Australasian equities	6%	0% to 20%	S&P/NZX 20 Index
Global equities	International equities	14%	0% to 50%	28.6% S&P Global 100 ex CW (NZD Hedged) Index / 28.6% S&P Global 100 ex CW (NZD) Index 21.4% S&P World Ex-U.S., Controversial Weapons and Tobacco (NZD Hedged) Index / 21.4% S&P 500 (NZD) Index
Global Infrastructure	International equities	7.5%		Dow Jones Brookfield Global Infrastructure Index (NZD Hedged)
Global Real Estate	Listed property	2.5%	0% to 10%	Dow Jones Global Select ESG RESI (NZD Hedged)
	Unlisted property		-	
	Commodities		-	
	Other		-	

Authorised investments

The Kernel Conservative Fund may invest in the following authorised investments:

- any other Fund in the Scheme;
- financial products that are included or to be included in the market indices listed in the table above;
- individual Fixed Interest instruments, issued in Developed countries;
- NZ, Australian, Global or US Aggregate Bond Funds;
- derivatives, including futures, options or other instruments in any currency, whether listed on an exchange or 'over-the-counter';
- exchange traded funds that Kernel considers to be a reasonable proxy for the market indices listed in the table above; and
- cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments. It may include managed investment products that primarily invest in cash and cash equivalents.

Schedule 23 – Kernel Cash Plus Fund

Description of the Fund

The Kernel Cash Plus Fund is designed to invest in cash and cash equivalent investments, and New Zealand interest-bearing assets. It may be suitable for investors who want to minimise potential for investment loss but achieve a better return than a saving account.

Investment objective

The Kernel Cash Plus Fund aims to achieve returns comparable to the Bloomberg NZ Bond Bank Bill Index by investing in cash, selected cash equivalents, and selected New Zealand fixed interest-bearing assets. These kinds of investments will typically be stable in value but may have short periods of negative performance.

Investment strategy

The fund is actively managed and invests in cash and cash equivalent investments, and New Zealand fixed interest-bearing assets.

Benchmark asset allocation and ranges

Asset class	Benchmark asset allocation	Range
Cash and cash equivalents	100%	0% to 100%
New Zealand fixed interest	0%	0% to 60%

Authorised investments

The Kernel Cash Plus Fund may invest in the following authorised investments:

- The Kernel Cash Plus Fund in the Kernel Funds scheme
- Cash, deposits and debt securities issued or guaranteed by:
 - The New Zealand Government or Government Departments;
 - Any New Zealand Registered Bank;
 - Any New Zealand State Owned Enterprise;
 - Any New Zealand Local Authority or Local Government Funding Agency (LGFA);
 - Any unit trusts or corporations incorporated, constituted or registered in either New Zealand or overseas that meet the minimum credit rating criteria;
- New Zealand dollar debt securities issued or guaranteed by foreign Governments or Supranational (i.e., debt securities issued by entities formed by two or more central governments to promote economic development).
- Derivatives products (specifically, interest rate swaps (swaps) bank bill futures and forward rate agreements (FRAs) as an alternative to investing in a physical asset) and financing contracts (specifically, repurchase agreements (repos)). Derivative instruments are limited to contracts related to permitted investments.
- Direct loans to tax poolers that are assessed to offer a similar risk profile as investment grade credit risk by the Investment Committee
- Cash balances held by the Fund's custodian or agents.
- Any other investment that is consistent with the objectives of the Fund and is agreed to by the Investment Committee.

Further information about the Bloomberg NZ Bond Bank Bill Index, referred to in this document and fund updates, is available at www.bloomberg.com/quote/BNZBIL:IND.

Schedule 24 – Kernel US Bond Fund

Description of the Fund

The Kernel US Bond Fund is designed to track the Bloomberg US Aggregate Bond Index Hedged NZD, by investing in U.S. listed financial products and U.S. denominated investment grade fixed interest securities.

Investment objective

The Kernel US Bond Fund's investment objective is to provide a return (before tax, fees and expenses) that closely matches the return on the Bloomberg US Aggregate Bond Index Hedged NZD.

Investment strategy

Invests in USD issued investment grade fixed interest securities with the effects of USD/NZD currency movements reduced.

Benchmark asset allocation and ranges

Asset class	Benchmark asset allocation	Range
Cash and cash equivalents	0%	-10% to 100%
International fixed interest	100%	0% to 110%

Authorised investments

The Kernel US Bond Fund may invest in the following authorised investments:

- Funds that are designed to track the Bloomberg US Aggregate Bond Index;
- Investment grade USD issued fixed interest securities, or listed derivatives thereof;
- Currency derivatives, including futures, options or other instruments in any currency, whether listed on an exchange or 'over-the-counter'.

Hedging

The Fund's foreign currency exposure is hedged to the New Zealand dollar. The target hedging level is 100% (although the actual hedging level may differ because of cash flow, market movements, or where there is limited ability to hedge some currencies). The permitted hedging range for the Fund is 70% to 120%, assessed weekly.

Further information about the Bloomberg US Aggregate Bond Index Hedged NZD, referred to in this document and fund updates, is available at www.bloomberg.com/quote/H00001NZ:IND

Schedule 25 – Kernel NZ Bond Fund

Description of the Fund

The Kernel NZ Bond Fund is designed to invest predominantly in New Zealand interest-bearing assets. It may be suitable for investors who wish to gain exposure to the NZ Bond market.

Investment objective

The Kernel NZ Bond Fund aims to equal or exceed the return (before fees and taxes) of the Bloomberg NZ Bond Composite 0+ Yr Index by investing mostly in New Zealand fixed interest-bearing assets. These kinds of investments will typically be somewhat stable in value but may have periods of negative performance.

Investment strategy

The fund is actively managed and invests mostly in New Zealand fixed interest-bearing assets.

Benchmark asset allocation and ranges

Asset class	Benchmark asset allocation	Range
Cash and cash equivalents	0%	0% to 100%
NZ Fixed interest	100%	0% to 100%
International Fixed interest	0%	0% to 30%

Authorised investments

The Kernel NZ Bond Fund may invest in the following authorised investments:

- Cash, deposits and debt securities issued or guaranteed by:
 - The New Zealand Government or Government Departments;
 - Any New Zealand Registered Bank;
 - Any New Zealand State Owned Enterprise;
 - Any New Zealand Local Authority or Local Government Funding Agency (LGFA);
 - Any unit trusts or corporations incorporated, constituted or registered in either New Zealand or overseas;
- New Zealand dollar debt securities issued or guaranteed by foreign Governments or Supranationals (i.e., debt securities issued by entities formed by two or more central governments to promote economic development);
- Any international fixed interest instrument with a minimum country rating of A to a maximum of 30% of the fund;
- Derivatives products (specifically, interest rate swaps (swaps), bank bill futures and forward rate agreements (FRAs)), and financing contracts (specifically, repurchase agreements (repos)). Derivative instruments are limited to contracts related to permitted investments;
- Currency derivatives, including futures, options or other instruments in any currency, whether listed on an exchange or 'over-the-counter';
- Any NZD issued and exchange listed preference share or perpetual bond;
- Cash balances held by the Fund's custodian or agents;
- Any other investment that is consistent with the objectives of the Fund and is agreed to by the Investment Committee.

Further information about the Bloomberg NZ Bond Composite 0+ Yr Index, referred to in this document and fund updates, is available at www.bloomberg.com/quote/BNZCM0:IND.