



Product Disclosure Statement

Equity Funds

Offer of units in the Kernel Funds
1 September 2026

Issued by Kernel Wealth Limited

This is a replacement product disclosure statement, which replaces the product disclosure statement dated 15 June 2026.

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on <https://disclose-register.companiesoffice.govt.nz>.

Kernel Wealth Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial advice provider to help you to make an investment decision.

1 Key information summary

What is this?

This is a managed investment scheme. Your money will be pooled with other investors' money and invested in various investments. Kernel Wealth Limited ('Kernel') will invest your money and charge you a fee for its services. The returns you receive are dependent on the investment decisions of Kernel and the performance of the investments. The value of those investments may go up or down. The types of investments and the fees you will be charged are described in this document.

What will your money be invested in?

The Kernel Funds ('Scheme') offers twenty-nine (29) funds ('Funds') for you to invest in. You can choose to invest in one Fund or a combination of Funds in amounts of your choosing. Twenty of the Funds are contained in this Product Disclosure Statement ('PDS').

These investment options are summarised over the page. More information about the investment objectives and strategy for each of these investment options is provided at Section 3, 'Description of your investment options'.

The Kernel PIE Save Fund is described in a separate PDS. The other eight Funds are detailed in the *Diversified and Other Funds* PDS for the Scheme.

Who manages the Scheme?

Kernel Wealth Limited ('Kernel' 'we', 'our', 'us') is the manager of the Scheme. See Section 7, 'Who is involved?' for more information.

What are the returns?

The return on your investment comes from:

- any increase or decrease in a Fund's unit price; and
- any distributions made to you from a Fund.

All Funds in this PDS intend to pay quarterly distributions (of accrued net income, although distributions from capital may be paid). All distributions are at our discretion. Unless otherwise chosen by you, distributions paid will be automatically reinvested into new units. See Section 2, 'How does this investment work?' for more information.

How can you get your money out?

Your investment in the Funds is redeemable. You can usually withdraw part or all of your investment at any time by completing an online withdrawal form at www.kernelwealth.co.nz.

Withdrawals will be processed in accordance with our regular investment cycle (which may change).

In certain circumstances, we may suspend, defer, or partially restrict withdrawals.

See Section 2, 'How does this investment work?' for more information about withdrawals.

Your investment in these units in the Funds can be sold but there is no established market for trading these financial products. This means that you may not be able to find a buyer for your investment.

How will your investment be taxed?

Each Fund is a portfolio investment entity ('PIE').

The amount of tax you pay in respect of a PIE is based on your prescribed investor rate ('PIR'). This can be 0%, 10.5%, 17.5%, or 28%. See Section 6 of this PDS (What taxes will you pay?) on page 11 for more information.

Where can you find more key information?

We are required to publish quarterly updates for each Fund. The updates show the returns, and the total fees actually charged to investors, during the previous year. The latest fund updates are available at www.kernelwealth.co.nz. We will also give you copies of those documents on request.

See Section 4, 'What are the risks of investing?' for an explanation of the risk indicator and for information about other risks that are not included in the risk indicator. To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz/tools/investor-profiler.

Fund	Description and investment objective	Annual fund charges* (percentage of net asset value)**	Risk Indicator***						
The investment objective of each Fund is to provide a return that closely matches the return of the particular index that the Fund is designed to track, before taking into account tax, fees, and expenses.									
Kernel Total World Fund	Designed to track the FTSE Global All Cap (NZD) Index by investing in globally listed financial products	0.12% p.a.	Potentially Lower Returns 1 2 3 4 5 6 7 Potentially Higher Returns Lower Risk Higher Risk						
NZ 20 Fund	Designed to track the S&P/NZX 20 Index by investing in financial products listed on the NZX.	0.25% p.a.							
NZ 50 ESG Tilted Fund	Designed to track the S&P/NZX 50 Portfolio ESG Tilted Index by investing in financial products listed on the NZX.	0.25% p.a.							
NZ Commercial Property Fund	Designed to track the S&P/NZX Real Estate Select Index by investing in financial products listed on the NZX.	0.25% p.a.							
NZ Small & Mid Cap Opportunities Fund	Designed to track the S&P/NZX Emerging Opportunities Index by investing in financial products listed on the NZX.	0.25% p.a.							
Kernel Australia 100 Fund	Designed to track the S&P/ASX 100 Index by investing in Australian-listed financial products.	0.25% p.a.							
Kernel S&P Global 100 Fund	Designed to track the S&P Global 100 ex Controversial Weapons (NZD) Index by investing in globally listed financial products.	0.25% p.a.							
Kernel S&P Global 100 (NZD Hedged) Fund	Designed to track the S&P Global 100 ex Controversial Weapons (NZD Hedged) Index by investing in globally listed financial products.	0.25% p.a.							
Kernel World ex-US Fund	Designed to track the S&P World Ex-U.S., Controversial Weapons and Tobacco (NZD) Index by investing in globally listed financial products.	0.25% p.a.							
Kernel World ex-US (NZD Hedged) Fund	Designed to track the S&P World Ex-U.S., Controversial Weapons and Tobacco (NZD Hedged) Index by investing in globally listed financial products.	0.25% p.a.							
Kernel Global ESG Fund	Designed to track the S&P World PAB ESG Ex-Non-Pharma Animal Testing Index by investing in globally listed financial products.	0.25% p.a.							
Kernel Global ESG (NZD Hedged) Fund	Designed to track the S&P World PAB ESG Ex-Non-Pharma Animal Testing (NZD Hedged) Index by investing in globally listed financial products.	0.25% p.a.							
Kernel Global Infrastructure Fund	Designed to track the Dow Jones Brookfield Global Infrastructure (NZD) Index by investing in globally listed financial products.	0.25% p.a.							
Kernel Global Infrastructure (NZD Hedged) Fund	Designed to track the Dow Jones Brookfield Global Infrastructure (NZD Hedged) Index by investing in globally listed financial products.	0.25% p.a.							
Kernel S&P Global Dividend Aristocrats Fund	Designed to track the S&P Developed Ex-Korea Dividend Aristocrats Quality Income (NZD) Index by investing in globally listed financial products.	0.25% p.a.							
Kernel Emerging Markets Fund	Designed to track the S&P Emerging BMI (NZD) Index by investing in globally listed financial products.	0.45% p.a.							
Kernel Global Property (NZD Hedged) Fund	Designed to track the Dow Jones Global Select ESG Tilted RESI (NZD Hedged) Index by investing in globally listed financial products.	0.25% p.a.	Potentially Lower Returns 1 2 3 4 5 6 7 Potentially Higher Returns Lower Risk Higher Risk						
Kernel S&P 500 (unhedged) Fund	Designed to track the S&P 500 (NZD) Index by investing in US listed financial products.	0.25% p.a.							
Kernel S&P 500 (NZD Hedged) Fund	Designed to track the S&P 500 (NZD Hedged) Index by investing in US listed financial products.	0.25% p.a.							
Kernel S&P Global Clean Energy Fund	Designed to track the S&P Developed Ex-Korea Clean Energy (NZD) Index by investing in globally listed financial products.	0.45% p.a.							

*We may from time to time waive or reduce the annual fund charges in relation to a particular investor, category of investors, or particular transaction.

**Swing pricing may apply to large withdrawals – see page 10.

*** The risk indicators are based on actual returns data for the 5 years to 30 June 2026 for the Kernel NZ 20, Kernel NZ Commercial Property, Kernel NZ Small & Mid Cap Opportunities, Kernel Global Infrastructure, Kernel S&P Global Dividend Aristocrats, Kernel S&P Global 100, Kernel S&P Global Clean Energy and Kernel Global Property (NZD Hedged) funds. The remaining Funds have not been in existence for 5 years, so the risk indicators have been completed using market index returns for: 1 month (for the Kernel NZ 50 ESG Tilted Fund), 10 months (for the Kernel S&P 500 (NZD Hedged) Fund), 1 year and 1 month (for the Kernel Global Infrastructure (NZD Hedged) Fund), 1 year and 5 months (for the Kernel S&P Global 100 (NZD Hedged) Fund), 2 years and 1 month (for the Kernel Global ESG and Kernel Global ESG (NZD Hedged) Funds), 3 years and 5 months (for the Kernel Emerging Markets and Kernel S&P 500 (unhedged) Funds), 4 years and 2 months (for the Kernel Australia 100, Kernel World ex-US and Kernel World ex-US (NZD Hedged) Funds) and 5 years (for the Kernel Total World

Fund), with actual returns used for the balance of the 5-year period; and market index returns have been used for the full 5-year period for each other Fund. As a result, the risk indicators may provide a less reliable indicator of the potential future volatility of these Funds.

Table of contents

1	Key information summary	1
2	How does this investment work?	4
3	Description of your investment options	7
4	What are the risks of investing?	10
5	What are the fees?	11
6	What taxes will you pay?	12
7	Who is involved?	12
8	How to complain	13
9	Where you can find more information	13
10	How to apply	14

2 How does this investment work?

The Scheme and Funds

The Scheme is a managed investment scheme under the Financial Markets Conduct Act 2013. It offers twenty-nine (29) Funds for you to select. Twenty of the Funds are described in this PDS, with eight other Funds described in the *Diversified and Other Funds* PDS. The *PIE Save Fund* is detailed in a separate PDS.

The key benefits of investing in the Scheme:

- **Flexible investment** – choose a Fund or mix of Funds that best meet your goals and risk appetite, and you control when you invest, switch, or withdraw. You can also opt to automatically reinvest distributions, without incurring transaction costs.
- **Diversification** – the Funds invest in a range of listed financial products on your behalf, providing better diversification and lowering the overall risk of your investment.
- **Convenience** – the Funds enable you to access global equities using New Zealand dollars, without having to directly manage international tax.

Structure of the Scheme

The Scheme and the Funds are governed by a master trust deed and establishment deeds between us and Trustees Executors Limited (the Scheme's supervisor ('Supervisor')) and each Fund is established as a separate trust.

We are responsible for managing the Scheme and the Funds, and the Supervisor is responsible for supervising us in doing so.

You invest in the Scheme by buying units that represent your share in the relevant Fund(s), although you don't acquire an interest in any particular asset of the Scheme or asset of any particular Fund. This means that your money is pooled with other investors' money and then invested by us.

Each Fund's assets are held on trust by a custodian appointed by the Supervisor, which is independent from Kernel.

Each Fund is legally separate and distinct. This means that the assets of one Fund are not available to meet the liabilities of any other Fund.

Returns

Generally, the return on your investment is the difference between the price you buy your units for and the value of your units when you make a withdrawal. Each Fund's issue price and withdrawal value is determined by the market value of its assets, less fees and expenses.

All Funds in this PDS intend to pay quarterly distributions.

All or part of the income (for example, dividends) received by each distributing Fund, less tax, fees and costs, will be paid to you as distributions. Distributions from capital may also be made from remaining cash held in those Funds on completion of the application process. Unless otherwise chosen by you, distributions paid will be automatically reinvested into new units.

All distributions are at our discretion and we may change our distribution policy for any Fund at any time.

Making investments

How to make an investment

You can invest in the Funds either through the Kernel service at www.kernelwealth.co.nz or by contacting a financial adviser to facilitate your investment in the Funds through a separate administration service. Contact us for a list of eligible administration services and financial advisory firms at any time. We may accept applications from investors directly at our discretion.

The Kernel Total World Fund is only available to investors that have signed up for the Plus or Premium subscription on the Kernel Platform or using an administration service accepted by Kernel. For further information visit www.kernelwealth.co.nz/pricing.

Eligible investors can invest by making lump sum investments and/or through regular contributions. See the 'Other Material Information' ('OMI') document on the Scheme's offer register entry at <https://disclose-register.companiesoffice.govt.nz> and our website www.kernelwealth.co.nz for more information.

We can set minimum contribution and withdrawal amounts and minimum balances for the Funds. The minimum initial and regular savings plan contribution amount is currently \$1 per contribution. This minimum applies on a per Fund basis. Contributions must be made by direct credit. Once you have invested, you must maintain a minimum balance of at least \$1 per Fund you choose to invest in.

We could change these minimums in the future. While there's no requirement to give notice to you, our normal practice is to do so. We publish our up-to-date minimum amounts on our website at www.kernelwealth.co.nz. We can, at our discretion, accept payment for units in a form other than cash, including existing investments. We may refuse or reject any application for units, and are not required to give reasons.

Investing through an administration service

Any investment made through an administration service will be held by the administration service's custodian on your behalf. Different minimum investment levels may apply to the particular service that you use. You will need to make payments to the provider of that service by following the process it has. The provider will be able to provide you with details.

Processing payments

We will process your valid application as follows:

- applications we receive before 12pm on a valuation day will be processed and units issued at the issue price based on the value of the relevant Fund's assets on that valuation day; and
- otherwise, your application will be processed using the issue price applicable to the next valuation day.

A 'valuation day' is a day on which we value the relevant Fund for the purposes of unit pricing. Valuation days currently occur each business day in Auckland and Wellington. We also value each Fund on the last day of each calendar month, if not a business day, for reporting and fee purposes. We may change the valuation days, or the frequency of valuation days, by giving written notice to the Supervisor.

Whilst processing your application, your money will be held on trust for you in the subscriptions bank account until units are allotted to you. Any interest earned on the application amount pending issue of your units will be credited to us to cover the costs of administering the subscriptions bank account.

See the OMI document on the Scheme's offer register entry at <https://disclose-register.companiesoffice.govt.nz> for more information.

Withdrawing your investments

How to make a withdrawal

You can usually withdraw part or all of your investment at any time by completing an online withdrawal form at www.kernelwealth.co.nz. If you invest in the Kernel Total World Fund and cancel your Plus or Premium subscription you can still withdraw part or all of your investment in the Kernel Total World Fund.

You must maintain a minimum balance of \$1 per Fund you choose to invest in. We may require you to make a full withdrawal if the requested withdrawal would reduce the value of your investment in the relevant Fund below \$1. Swing pricing may apply to large withdrawals – see page 10.

If you are investing through an administration service, you will need to request a withdrawal by following the process the provider of that service has. Different

withdrawal minimums may apply to the particular service you use through your financial adviser or equivalent. They will be able to provide you with details of that process.

Period for processing withdrawals

Withdrawals will be processed as soon as practicable following receipt by us of a completed online withdrawal request subject to our regular investment cycle, and in any case will be processed within 15 business days of receipt of that withdrawal request.

We typically determine the price at which units are redeemed on the day the withdrawal request is processed. This means that:

- a valid withdrawal request received before 12pm on any valuation day will generally be processed and units redeemed using the unit value of the relevant Fund on that valuation day; and
- otherwise, your withdrawal request will generally be processed and units redeemed using the unit value applicable to the next valuation day.

We will complete a withdrawal request by redeeming units and paying you the amount withdrawn in cash to your nominated bank account.

Suspending or deferring withdrawals and switches

We may, with prior notice to the Supervisor, suspend withdrawal requests or defer payment of withdrawals where, due to certain circumstances arising (for example, political or market conditions), we form the opinion that it is not practicable or would be prejudicial to the general interests of investors to give effect to withdrawals, or that suspension is desirable for the Fund. We may also separate out certain assets within a Fund's portfolio and make special arrangements for those assets. This may affect you accessing part of your investment.

See the OMI document on the Scheme's offer register entry at <https://disclose-register.companiesoffice.govt.nz> for more information about withdrawals.

How to switch between Funds

You can switch between Funds by completing an online withdrawal request for the Fund you wish to switch out of, and completing an online application for units in the Fund you wish to switch into. You can only switch into the Kernel Total World Fund if you have a Plus or Premium subscription on the Kernel Platform or using an administration service accepted by Kernel.

Switches will occur in accordance with our regular investment cycle. Because we process switches as a withdrawal from one Fund and an application for another, your switch may take more than one valuation day to process. All the conditions and restrictions on applications and withdrawals will also therefore apply.

See the OMI document on the Scheme's offer register entry at <http://disclose-register.companiesoffice>

[.govt.nz](https://www.govt.nz) for more information about switching Funds. We don't charge any fees for switches including between Funds in this PDS and those described in the *Diversified and Other Funds* PDS.

3 Description of your investment options

This table shows details of each Fund available to investors under this PDS:

Name	Summary of investment objectives and strategy	Risk indicator category*	Minimum suggested investment time frame
Kernel Total World Fund	Investment objective To provide a return (before tax, fees and expenses) that closely matches the return on the FTSE Global All Cap (NZD) Index Investment strategy The fund is passively managed and invests in globally listed companies.	5	Long term (5 to 10 years)
NZ 20 Fund	Investment objective To provide a return (before tax, fees and expenses) that closely matches the return on the S&P/NZX20 Index. Investment strategy The fund is passively managed and targets investment in financial products in 20 of the largest and most liquid companies listed on the NZX.	5	Long term (5 to 10 years)
NZ 50 ESG Tilted Fund**	Investment objective 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 The fund is passively managed and invests in financial products listed on the NZX. 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 provider.	5	Long term (5 to 10 years)
NZ Commercial Property Fund	Investment objective 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 The fund is passively managed and invests in financial products listed on the NZX.	5	Long term (5 to 10 years)
NZ Small & Mid Cap Opportunities Fund	Investment objective To provide a return (before tax, fees and expenses) that closely matches the return on the S&P/NZX Emerging Opportunities Index. Investment strategy The fund is passively managed and invests in financial products listed on the NZX whose normal free-float market capitalisation is greater than \$75 million and who are outside of the S&P/NZX 20 Index.	5	Long term (5 to 10 years)
Kernel Australia 100 Fund	Investment objective To provide a return (before tax, fees and expenses) that closely matches the return of the S&P/ASX 100 Index by investing in Australian-listed financial products. Investment strategy The fund is passively managed and aims to invest in financial products in 100 of the largest and most liquid companies listed on the ASX.	5	Long term (5 to 10 years)
Kernel S&P Global 100 Fund	Investment objective 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 The fund is passively managed and invests in globally listed multi-national blue-chip companies.	5	Long term (5 to 10 years)
Kernel S&P Global 100 (NZD Hedged) Fund	Investment objective To provide a return (before tax, fees and expenses) that closely matches the return on the S&P Global 100 ex Controversial Weapons (NZD Hedged) Index. Investment strategy The fund is passively managed and invests in globally listed multi-national blue-chip companies. The Fund targets a position of being fully hedged back to New Zealand dollars.	5	Long term (5 to 10 years)

Kernel World ex-US Fund	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.	5	Long term (5 to 10 years)
	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.		
Kernel World ex-US (NZD Hedged) Fund	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.	5	Long term (5 to 10 years)
	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.		
Kernel Global ESG Fund**	Investment objective To provide a return (before tax, fees and expenses) that closely matches the return on the S&P World PAB ESG Ex-Non-Pharma Animal Testing NZD Index.	5	Long term (5 to 10 years)
	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.		
Kernel Global ESG (NZD Hedged) Fund**	Investment objective To provide a return (before tax, fees and expenses) that closely matches the return on the S&P World PAB ESG Ex-Non-Pharma Animal Testing (NZD Hedged) Index.	5	Long term (5 to 10 years)
	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.		
Kernel Global Infrastructure Fund	Investment objective To provide a return (before tax, fees and expenses) that closely matches the return on the Dow Jones Brookfield Global Infrastructure (NZD) Index.	5	Long term (5 to 10 years)
	Investment strategy The fund is passively managed and invests in globally listed pure-play infrastructure companies.		
Kernel Global Infrastructure (NZD Hedged) Fund	Investment objective To provide a return (before tax, fees and expenses) that closely matches the return on the Dow Jones Brookfield Global Infrastructure (NZD Hedged) Index.	5	Long term (5 to 10 years)
	Investment strategy The fund is passively managed and invests in globally listed pure-play infrastructure companies. The Fund targets a position of being fully hedged back to New Zealand dollars.		
Kernel S&P Global Dividend Aristocrats Fund	Investment objective 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.	5	Long term (5 to 10 years)
	Investment strategy The fund is passively managed and invests in high-dividend yielding globally listed companies who have a managed-dividends policy of increasing or maintaining dividends for at least 10 consecutive years.		

Kernel Emerging Markets Fund	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.	5	Long term (5 to 10 years)
Kernel Global Property (NZD Hedged) Fund **	Investment objective To provide a return (before tax, fees and expenses) that closely matches the return on the Dow Jones Global Select ESG Tilted RESI (NZD Hedged) Index. Investment strategy The fund is passively managed and invests 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.	6	Long term (5 to 10 years)
Kernel S&P 500 (unhedged) Fund	Investment objective To provide a return (before tax, fees and expenses) that closely matches the return on the S&P 500 (NZD) Index. Investment strategy The fund is passively managed and invests in US listed financial products.	6	Long term (5 to 10 years)
Kernel S&P 500 (NZD Hedged) Fund	Investment objective To provide a return (before tax, fees and expenses) that closely matches the return on the S&P 500 (NZD Hedged) Index. Investment strategy The fund is passively managed and invests in US listed financial products. The Fund targets a position of being fully hedged back to New Zealand dollars.	6	Long term (5 to 10 years)
Kernel S&P Global Clean Energy Fund**	Investment objective 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 The fund is passively managed and invests in globally listed companies that are involved in clean energy related businesses, including energy production and energy equipment.	6	Long term (5 to 10 years)

* The risk indicators are based on actual returns data for the 5 years to 30 June 2026 for the Kernel NZ 20, Kernel NZ Commercial Property, Kernel NZ Small & Mid Cap Opportunities, Kernel Global Infrastructure, Kernel S&P Global Dividend Aristocrats, Kernel S&P Global 100, Kernel Global Property (NZD Hedged) and Kernel S&P Global Clean Energy funds. The remaining Funds have not been in existence for 5 years, so:

- a combination of market index returns (for 1 month) and actual returns (for the balance of the 5-year period) have been used to complete the risk indicators for the Kernel NZ 50 ESG Tilted
- a combination of market index returns (for 10 months) and actual returns (for the balance of the 5-year period) have been used to complete the risk indicator for the Kernel S&P 500 (NZD Hedged) Fund;
- a combination of market index returns (for 1 year and 1 month) and actual returns (for the balance of the 5-year period) have been used to complete the risk indicator for the Kernel Global Infrastructure (NZD Hedged) Fund;
- a combination of market index returns (for 1 year and 5 months) and actual returns (for the balance of the 5-year period) have been used to complete the risk indicators for the Kernel S&P Global 100 (NZD Hedged) Fund;
- a combination of market index returns (for 2 years and 1 month) and actual returns (for the balance of the 5-year period) have been used to complete the risk indicators for the Kernel Global ESG and Kernel Global ESG (NZD Hedged) Funds;
- a combination of market index returns (for 3 years and 5 months) and actual returns (for the balance of the 5-year period) have been used to complete the risk indicators for the Kernel Emerging Markets and Kernel S&P 500 (unhedged) Funds and
- a combination of market index returns (for 4 years and 2 months) and actual returns (for the balance of the 5-year period) have been used to complete the risk indicators for Kernel Australia 100, Kernel World ex-US, and Kernel World ex-US (NZD Hedged) funds.
- 5 years of market index returns have been used to complete the risk indicators for each of the other Funds.

As a result, the risk indicators may provide a less reliable indicator of the potential future volatility of these Funds.

**These Funds have investment strategies which include non-financial factors such as environmental, social and governance considerations. We manage this in accordance with Kernel's ESG Policy which can be found on the Scheme's offer register entry at <https://disclose-register.companiesoffice.govt.nz> and on our website www.kernelwealth.co.nz.

Changes to the SIPO

Further information about the investment policy and objectives for each Fund, the index each Fund is designed to track, and the investment manager, investment style and philosophy, is set out in the Statement of Investment Policy and Objectives ('SIPO') for the Scheme, which covers each Fund. We

may amend or replace the SIPO from time to time only after giving prior written notice to the Supervisor.

We will give you at least 30 days' prior notice of any material changes. See the Scheme's scheme register entry at <https://disclose-register.companiesoffice.govt.nz> or www.kernelwealth.co.nz for a copy of the

current SIPO. A summary of material changes to the SIPO will be included in the Scheme's annual report.

Further information about the assets in the Funds can be found in the fund updates at www.kernelwealth.co.nz.

4 What are the risks of investing?

Understanding the risk indicator

Managed funds in New Zealand must have a standard risk indicator. The risk indicator is designed to help investors understand the uncertainties both for loss and growth that may affect their investment. You can compare funds using the risk indicator.

See the table on page 2 for the filled-in risk indicator for each Fund. A blank risk indicator is shown below.

Potentially Lower Returns				Potentially Higher Returns			
1	2	3	4	5	6	7	
Lower Risk				Higher Risk			

The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the Fund's assets goes up and down (volatility). A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz/tools/investor-profiler.

Note that even the lowest category does not mean a risk-free investment, and there are other risks (described under the heading 'Other specific risks') that are not captured by this rating. This risk indicator is not a guarantee of a Fund's future performance. The risk indicator is based on the returns data for the five years to 30 June 2026. While risk indicators are usually relatively stable, they do shift from time to time. You can see the most recent risk indicator in the latest fund update for each Fund.

General investment risks

Some of the things that may cause a Fund's value to move up and down, which affect the risk indicator, are:

- **Market risk:** Financial markets can fluctuate, affecting returns in most asset classes. You should be prepared for declines in the value of your units, especially in the short term.
- **Currency risk:** The risk that changes in exchange rates cause the value of an international investment to reduce. Hedging can reduce, but not eliminate, the risk of currency fluctuations. The currency management policy for each Fund is detailed in the SIPO.
- **Liquidity risk:** The risk that an investment is difficult to buy or sell and a Fund suffers a loss as a result.
- **Company risk:** The risk that changes in the financial condition, other material event of a company or the credit rating of an issuer of a

financial product, causes the value of the investment held by a Fund to decline.

- **Economic risk:** The risk that changes in the financial condition, or other material event, in the broader New Zealand and/or global economy causes the value of the investment held by a Fund to decline.

Other specific risks

There are other factors that may impact investors' returns that are not reflected in the risk indicator.

The risks associated with passive investment management

The Funds are passively managed. This means we buy and sell financial products to track an index. We do not make active investment decisions and will not sell a financial product because the issuer is in financial trouble, unless that asset is removed from the index being tracked by the relevant Fund. There is a risk that this could result in lower returns.

Tracking difference risk

The Funds are designed to track specific indices. However, a Fund will not always be able to exactly match the index. This could be for a variety of reasons, including the liquidity of the assets held by the Fund and operational error. There is a risk that this could result in returns being lower than the return on the index.

Non-financial impact risk

The NZ 50 ESG Tilted, Kernel Global Property (NZD Hedged), Kernel Global ESG, Kernel Global ESG (NZD Hedged), and Kernel S&P Global Clean Energy Funds ('ESG Funds') consider non-financial factors. This criteria is partially based on qualitative, forward-looking or self-reported data which may not meet the desired non-financial outcome. For each Fund, the non-financial factors do differ slightly – see the ESG Policy for more information.

ESG selection risk

Each ESG Fund replicates an index which has a methodology to determine the eligibility and weighting of companies. There is a risk that this criteria especially around non-financial factors is different to an investor's expectation or that the data used is imperfect. More information and mitigants are contained in the ESG Policy and index methodologies.

ESG fund performance risk

ESG Funds are not designed to achieve higher returns or lower volatility than an equivalent broader market index. There is a risk that these Funds achieve lower returns or have higher volatility than that broader market index.

For more information about these and other risks, see the OMI document on the Scheme's offer

5 What are the fees?

You will be charged fees for investing in the Funds. Fees are deducted from your investment and will reduce your returns. The fees you pay will be charged in two ways:

- regular charges (for example, annual fund charges). Small differences in these fees can have a big impact on your investment over the long term;
- one-off fees (for example, contribution fees). We do not currently charge one-off fees.

The Funds' fees are as follows:

Name	Annual fund charges (percentage of net asset value)*
Kernel Total World Fund	0.12% p.a.
NZ 20 Fund	0.25% p.a.
NZ 50 ESG Tilted Fund	0.25% p.a.
NZ Commercial Property Fund	0.25% p.a.
NZ Small & Mid Cap Opportunities Fund	0.25% p.a.
Kernel Australia 100 Fund	0.25% p.a.
Kernel S&P Global 100 Fund	0.25% p.a.
Kernel S&P Global 100 (NZD Hedged) Fund	0.25% p.a.
Kernel World ex-US Fund	0.25% p.a.
Kernel World ex-US (NZD Hedged) Fund	0.25% p.a.
Kernel Global ESG Fund	0.25% p.a.
Kernel Global ESG (NZD Hedged) Fund	0.25% p.a.
Kernel Global Infrastructure Fund	0.25% p.a.
Kernel Global Infrastructure (NZD Hedged) Fund	0.25% p.a.
Kernel S&P Global Dividend Aristocrats Fund	0.25% p.a.
Kernel Emerging Markets Fund	0.45% p.a.
Kernel Global Property (NZD Hedged) Fund	0.25% p.a.
Kernel S&P 500 (unhedged) Fund	0.25% p.a.
Kernel S&P 500 (NZD Hedged) Fund	0.25% p.a.
Kernel S&P Global Clean Energy Fund	0.45% p.a.

* We may from time to time waive or reduce the annual fund charges in relation to a particular investor, category of investors, or particular transaction.

The fee is calculated as at each valuation day and charged monthly in arrears. The fees outlined above cover the following:

Fee	What it covers
Annual fund charge	The annual fund charge is deducted from, and reflected in the value of, each Fund.
	The annual fund charge includes: ▪ the fees and costs charged by us, the Supervisor, custodian, administration manager and registrar (together with the fees and costs charged by other funds we invest in); and

register entry at <https://disclose-register.companiesoffice.govt.nz>.

- charges and expenses such as legal, fund accounting and audit fees.

All fees are disclosed GST inclusive. GST may be included in some expenses, where applicable. We retain any interest earned on the application amount pending issue of your units and cash held by the Funds pending distribution.

Individual action fees

We do not charge contribution, withdrawal, establishment, or termination fees. We do not charge any fees on an individual basis for investor-specific decisions or actions other than the financial adviser fees described below.

Financial Adviser Fees

You will only be charged a financial adviser fee if you have a financial adviser and have agreed with your adviser that they will be paid a fee from your investment in the Scheme for providing you financial advice.

The amount of this fee and when it is paid is to be agreed between you and your financial adviser, subject to a maximum of 0.50% per annum including GST of your account balance. It will be disclosed to you by your financial adviser. This fee will be calculated as at each valuation date and charged monthly in arrears and deducted from your account. Your adviser can also charge you additional fees for other services, but these cannot be paid from the Scheme.

Swing pricing for large withdrawals

We may charge "swing pricing" directly to an investor if the investor's withdrawal request causes what we consider to be material cost to the relevant Fund (and therefore disadvantages other investors). The actual transaction costs attributable to the investor's withdrawal will be deducted from the amount withdrawn, ordinarily expected to be 0.10% or less of the amount withdrawn. The amount deducted will be credited to the Fund and not to us. The impacted investor will be consulted and informed of the estimated amount to be deducted prior to the acceptance of the withdrawal request, where practicable.

For more information about fees, see the Scheme's OMI document on the offer register at <https://disclose-register.companiesoffice.govt.nz>.

Example of how fees apply to an investor

Emma invests \$10,000 in the Kernel Emerging Markets Fund.

She is charged management and administration fees, which work out to about \$45 (0.45% of \$10,000). These fees might be more or less if her

account balance has increased or decreased over the year.

Over the next year, Emma pays other charges of \$0.

Estimated total fees for the first year

Individual action fees: \$0

Fund charges: \$45

Other charges: \$0

See the latest fund update for an example of the actual returns and fees investors were charged over the past year.

This example applies only to the Kernel Emerging Markets Fund. If you are considering investing in other Funds, this example may not be representative of the actual fees you may be charged.

change the fees and charges payable by an investor at any time. Where we increase a fee or charge, we will give you at least one month's notice of the change.

We can also at any time and from time to time waive or reduce the annual fund charges either generally or in relation to a particular investor, category of investors, or particular transaction.

Although we do not intend to do so, we can also introduce contribution, withdrawal, establishment, switching, or transfer fees in the future, subject to the maximum fees set out in the master trust deed for the Scheme (where relevant).

We must publish a fund update for each Fund showing the fees actually charged during the most recent year. Fund updates, including past updates, are available at www.kernelwealth.co.nz.

The fees can be changed

We can change the annual fund charges (including when they are deducted from the Funds). We may

6 What taxes will you pay?

Each Fund is a portfolio investment entity. The amount of tax you pay is based on your prescribed investor rate ('PIR'). To determine your PIR, go to www.ird.govt.nz/roles/portfolio-investment-entities/find-my-prescribed-investor-rate. If you are unsure of your PIR, we recommend you seek professional advice or contact the Inland Revenue Department. It is your responsibility to tell us your PIR when you invest or if your PIR changes. If you do not tell us, a default rate may be applied. If the rate applied to your PIE income is lower than your correct PIR, you will be required to pay any tax shortfall as part of the income tax year-end process. If you are an individual investor and the rate applied to your PIE income is higher than your PIR, any tax over-

withheld will be used to reduce any income tax liability you may have for the tax year and any remaining amount will be refunded to you. Other investors will not receive a refund of any over-withheld tax.

Some of the Funds are registered with Inland Revenue as foreign variable-rate PIEs for eligible Notified Foreign Investors. Please contact us for more information.

For more information about the tax consequences of an investment in the Funds, see Section 4 of the OMI document on the Scheme's offer register entry at <https://disclose-register.companiesoffice.govt.nz>.

7 Who is involved?

About Kernel Wealth Limited

The manager of the Scheme is Kernel Wealth Limited. We are responsible for managing and administering the Scheme.

Call: 0800 537 635 (0800 KERNEL) during normal business hours.

Email: support@kernelwealth.co.nz

Who else is involved?

	Name	Role
Supervisor	Trustees Executors Limited	Responsible for supervising us, acting on behalf of investors, and ensuring the Funds' assets are appropriately held.
Custodian	Adminis NZ Limited	Holds each Fund's assets on behalf of investors.

Administration Manager and Registrar	Adminis NZ Limited	Appointed by us to carry out some of the administration functions including registry services and unit pricing for the Scheme.
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8 How to complain

If you have any concerns, you can lodge a complaint with us:

Call: 0800 537 635 (0800 KERNEL) during normal business hours.

Email: complaints@kernelwealth.co.nz

You can also make a complaint to the Supervisor.

Call: 09 308 7100 during normal business hours

Write to:

Trustees Executors Limited,
Level 11, 51 Shortland Street
Auckland 1010
Attn: Business Manager Corporate Trust

We are a member of the Financial Services Complaints Ltd ('FSCL'), an approved independent dispute resolution scheme. The Supervisor is also a member of FSCL. If you have complained to us or the Supervisor and your complaint has not been resolved, or you are not happy with the resolution, you can contact FSCL who may be able to consider your complaint.

Call: 0800 347 257 during normal business hours

Email: complaints@fscl.org.nz

Write to:

Financial Services Complaints Ltd
Level 4, 101 Lambton Quay
PO Box 5967
Wellington 6140

FSCL will not charge a fee to any complainant to investigate or resolve a complaint.

9 Where you can find more information

Further information relating to the Scheme and the Funds including financial statements, annual reports, quarterly fund updates, the Scheme's master trust deed and each Fund's establishment deed, and the SIPO is available on the Scheme's offer register entry and/or the scheme register at <https://disclose-register.companiesoffice.govt.nz>.

You are entitled to a copy of the information on the offer register or scheme register on request to the Registrar of Financial Service Providers.

The above information is also available free of charge on our website at www.kernelwealth.co.nz or by contacting us.

You will also receive, free of charge:

- confirmation information – to be provided on a continuous basis such as when you change your

contact details, or make a contribution or withdrawal;

- a copy of the Scheme's annual report (or a statement letting you know where you can access it online); and
- an annual PIE Tax Statement which will include the amount of PIE income attributed to you and the amount of PIE tax paid at your PIR. You will also be asked to confirm your IRD number and PIR.

You can obtain details of your investment at www.kernelwealth.co.nz or request it by contacting us. This information is available free of charge by emailing support@kernelwealth.co.nz.

You can obtain general information about us and the Funds on our website at www.kernelwealth.co.nz.

10 How to apply

It's easy to start investing, you'll need to either:

- read and accept the terms of the Kernel service and complete the online application at www.kernelwealth.co.nz; or
- you can also speak to a financial adviser about the Funds, as many advisers can facilitate your investment in the Funds through their administration service providers.

