

Key information

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

Structure: Portfolio Investment Entity (PIE)

Fund Inception: 28th August 2019

Number of constituents: 40

Morningstar AU Fund code: [24493](#)

Morningstar Fund Code: F00001461Y

Citi Code: VGHK

Disclose Register #: FND15842

Distribution frequency: Quarterly

12 month Yield¹: 2.59%

Indicative Dividend²: 2.98%

Management fee³: 0.39% p.a.

Offer documents

PDS: [May 2021](#)

SIPO: [May 2021](#)

ESG Policy: [click here](#)

Fund Update: [December 2021](#)

Index fundamentals

Index: [S&P/NZX Emerging Opportunities](#)

Price to Book: 1.55

Trailing P/E: 57.7

Projected P/E: 35.1

Implied Earnings Yield: 2.85%

Risk (index)

Fund update risk Indicator: 5

12 month volatility⁴: 10.18%

Beta⁵: 1.12

Sortino Ratio: 0.47

Monthly returns standard deviation

	+/-1 (68%)	+/-2 (95%)
1 year	4.12%	8.25%
3 years	6.46%	12.92%
5 years	5.17%	10.34%

Range of 12 month index returns

	1 year	5 years
Worst	0.72%	-36.78%
Median	30.36%	8.59%
Average	29.27%	10.86%
Best	95.42%	95.42%

Fund overview

The Fund provides investors with a diversified exposure to NZX-listed companies outside of the S&P/NZX 20 index, which normally have a market capitalisation of between \$100 million and \$1 billion and are part of the S&P/NZX Emerging Opportunities Index.

Benefits

The NZ Small & Mid Cap Opportunities fund can be used in a variety of investment strategies, for example:

- A low cost compliment to another NZ equity investment
- A tactical exposure to smaller growth companies
- Portfolio diversification

Performance⁶

	1 month	3 months	1 year	3 years p.a. index	5 years p.a. index
Performance (after fees at 0% PIR tax)	-3.35%	-6.86%	2.44%	8.18%*	7.83%*
Net index difference	-0.04%	-0.12%	-0.56%	*Index returns do not reflect deductions for charges and taxes.	
Gross tracking difference	0.00%	-0.01%	-0.08%		
Tracking error	0.018%	0.012%	0.020%		
Performance (after fees at 28% PIR tax)	-3.36%	-6.96%	1.73%		

Index Calendar return

2021	2020	2019	2018	2017
14.24%	6.50%	19.16%	-2.79%	21.39%

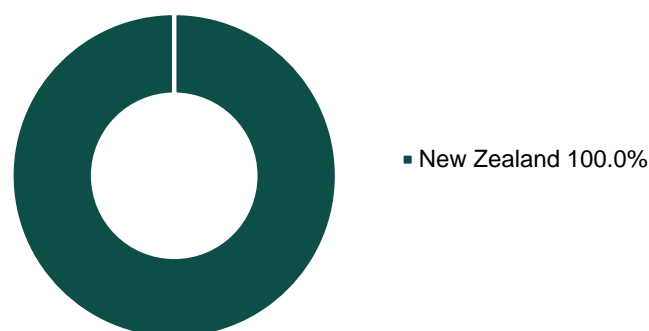
Index value chart

\$10,000 invested 5 years ago⁷: \$14,578



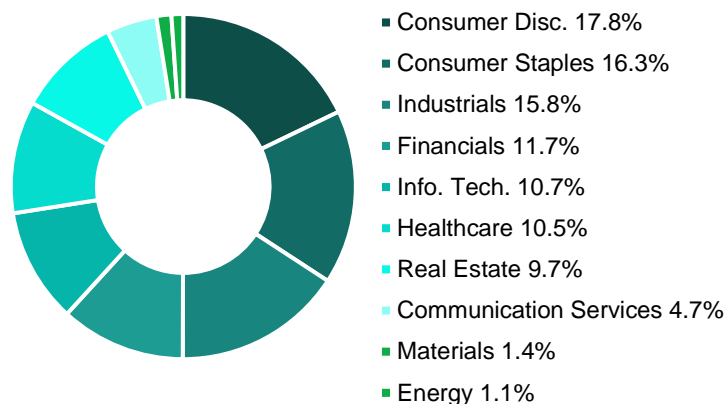
Where does the fund invest?

This shows the country weight that the fund invests in:



What does the fund invest in?

This shows the GICS⁸ weighting for the fund:



Asset allocation

Asset	% of fund NAV
Directly held equities	99.63%
Cash and Cash equivalents	0.37%

Index Eligibility Criteria

To qualify for inclusion in the index, a constituent must be in the S&P/NZX All Index, but not in the S&P/NZX 20 Index.

Constituents must then meet the below criteria:

- Maximum and minimum size between the following:

Criteria	Eligible Non-Constituents (NZD)	Current Constituents (NZD)
3M Average Float Adjusted Capitalization Cap	1 billion	1.25 billion
3M Average Float Adjusted Capitalization Floor	100 million	75 million
3M Average Total Capitalization Cap	1.5 billion	2 billion

- Minimum six month Median Daily Value Traded above NZD 35,000 for new constituents and NZD 30,000 for existing constituents.

Further information

The information is not investment advice. Kernel has taken reasonable steps to ensure that the information in this document is accurate and up-to-date. Kernel does not accept any responsibility for any error or omission or for any loss resulting from the use of this information, except to the extent required by law.

¹ 12 month Yield is calculated as the last 4 quarterly distributions divided by unit price 12 months ago. This is the experience an existing investor would be had.

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

³ Management fee before rebates.

⁴ 12month volatility is the standard deviation of index daily returns, annualised by multiplying by square root of number of periods.

⁵ Beta is portfolio by comparison to the S&P/NZX 50 Index Gross

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

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

⁸ Global Industry Classification Standard (GICS)

Top 10 investments

Company	% of fund NAV
Heartland Group	7.67%
Skellerup	6.87%
Stride Property	5.84%
Kathmandu Holdings	5.50%
Air New Zealand	5.13%
Pacific Edge	4.95%
Oceania Healthcare	4.72%
Scales Corporation	3.89%
Investore Property	3.34%
Sky Network Television	2.90%

The Top 10 investments make up 50.80% of the fund