# Kernel announces market-first Global ESG Fund aligned with the Paris Agreement

[AUCKLAND], [10 March 2023] – Kernel, one of New Zealand’s fastest growing fund managers, is continuing its innovative approach to the financial services sector by announcing the launch of a market leading Global ESG Fund in response to surging demand for climate-aligned investment products.

The globally diversified index fund aligns with the [2016 Paris Accord](https://unfccc.int/process-and-meetings/the-paris-agreement), which includes strict criteria designed to match investment to listed companies for their commitment to global warming capped to 1.5° Celsius. In addition, companies' ESG scores are captured, with the fund weighted toward those with the highest scores after exclusions for social activities that have been flagged as critical concerns for Kiwis such as controversial weapons, gambling and revenues generated from fossil fuels.

Dean Anderson, Founder & CEO of Kernel, says the Kernel Global ESG Fund is a market leader, providing investors with the tools they demand to align their investments with their values:

“We’re very excited to be announcing a broad global index fund that is both Paris aligned and easily available to KiwiSaver members and investors of all categories. It gives investors the peace of mind they increasingly demand - knowing their funds aren’t benefiting from socially harmful practices and are targeted towards those with a positive effect on people & the planet.”

The Global ESG Fund invests across multiple dimensions of ESG and climate themes, including 11 major Global Industry Classification Standard (GICs) and 24 developed markets. Additional to its ESG and climate weighting, the fund is built to provide what Kernel customers are used to from their existing range:

“This is one of the very few global equity funds available in NZ that is both tax and fee efficient, with fees of just 0.25%. It’s also available in both NZ dollar hedged and unhedged versions.”

“The depth of information able to be accessed on each stock is really astounding. The index methodology also considers where company assets are and what the long-term climate risk to those may be; giving more weight to climate resilient companies.”

The market demand for climate-friendly ESG funds was evident when Kernel began to search for seed investors. The company has been working on the customised index strategy for over a year, requiring a significant investment seed in order to fully replicate the index. Kernel has already built strong demand, to not only secure the large seed but has subsequently secured significant additional commitments.

“This is an institutional quality investment solution with market leading climate and ESG outcomes. The commitments already secured for this fund is a reflection of how serious New Zealand investors and institutions are taking climate action. We are simply providing them the tools they need to do this efficiently and transparently, while delivering on the principal investment needs.”

“Consumer demand, regulatory change, and institutional trends are all moving toward climate and ESG-aligned investment. We’re very excited to be providing a first to the retail market in New Zealand with a sophisticated solution that helps drive the conversation on climate.”

ENDS

**About Kernel Wealth**

Launched in 2019, Kernel is an Auckland-based index fund manager and personal finance platform. Kernel was born out of frustration with the inefficiencies, lack of innovation, and low level of financial literacy holding back the New Zealand financial services sector, and Kiwis’ financial futures. The Kernel team is on a mission to make Kiwis good investors and savers, embedding healthy financial habits for future generations.

*Media assets are available* [*here*](https://drive.google.com/drive/folders/1FI6d2rnjsJgbsNNk6hJI027f7lmU16se)*.*