

# S&P/NZX 20 Index: New Zealand's Larger-Cap Barometer

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The [S&P/NZX 20 Index](#) can be seen as the “big brother” to the New Zealand equity market’s flagship [S&P/NZX 50 Index](#). Both indices are from the same DNA with a similar objective: to measure New Zealand’s investable capital market.

Yet with fewer constituents, the S&P/NZX 20 Index offers more distinctive size, liquidity and trading characteristics that are ideal for index-linked investment products and exchange-traded derivative contracts.

The S&P/NZX 50 Index is seen as New Zealand’s pre-eminent market benchmark, used by a large number of mutual funds, KiwiSaver and exchange-traded funds. It covers the vast majority of New Zealand’s listed capital market at 97.7%, however it can include some smaller, less liquid companies.

Typically, broad market indices and flagship benchmarks aim for an 80%-85% coverage of total stock market capitalization to best reflect the capital market while providing broad market representation, as well as investability and liquidity.

The S&P/NZX 20 Index covers approximately 83% of the S&P/NZX All Share Index, which means the index is composed of larger, more liquid companies, with an average constituent market capitalization of more than double the S&P/NZX 50 Index.

**Exhibit 1: Market Coverage of Key S&P Dow Jones Indices.**

Index Name	Number of Constituents	Index Universe	Market Cap Coverage
S&P/NZX 20 Index	20	112	82.9%
S&P/NZX 50 Index	50	112	97.7%
S&P/ASX 200	200	500	88.2%
S&P 500	500	3844	88.5%
S&P/TSX 60	60	220	79.5%
S&P Global 1200	1219	15,410	79.7%

Source: S&P Dow Jones Indices LLC. Data as of March 31, 2026. Market cap coverage is percentage of free float market capitalization compared to universe index. Universe index for S&P/NZX 20 Index and S&P/NZX 50 Index is the S&P/NZX All Share Index; universe index for the S&P/ASX 200 is the All Ordinaries (total market capitalization); universe index for the S&P 500 is the S&P Total Market Index; universe index for the S&P/TSX 60 is the S&P/TSX Composite; universe index for the S&P Global 1200 is S&P Global BMI. Table is provided for illustrative purposes.

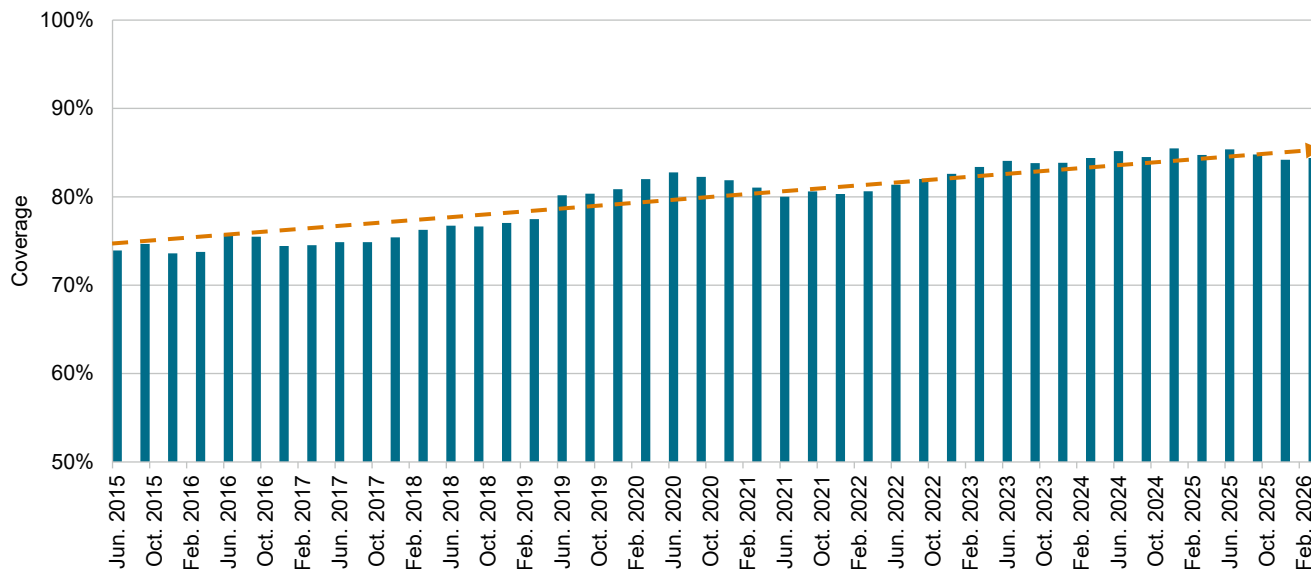
**Exhibit 2: Key Size Characteristics of S&P/NZX 20 Index and S&P/NZX 50 Index**

Size Characteristic (NZD Billion)	S&P/NZX 20 Index	S&P/NZX 50 Index
Total Market Cap	130.93	157.89
Float-Adjusted Market Cap	111.78	131.77
Largest Company	16.64*	21.96
Average	5.59	2.64
Median	4.23	1.03
Smallest Company	1.44	0.13

Source: S&P Dow Jones Indices LLC. Data as of March 31, 2026. The S&P/NZX 20 Index has a single stock cap of 15%, which has limited the size of the largest company. Table is provided for illustrative purposes.

Furthermore, market dynamics over the past 10 years have seen more concentration of market capitalization move into the top 20 stocks. This has resulted in the S&P/NZX 20 Index's coverage of the S&P/NZX 50 Index to increase from 74% to 84% since June 2015.

### Exhibit 3: Market Capitalization Coverage of the S&P/NZX 20 Index versus the S&P/NZX 50 Index



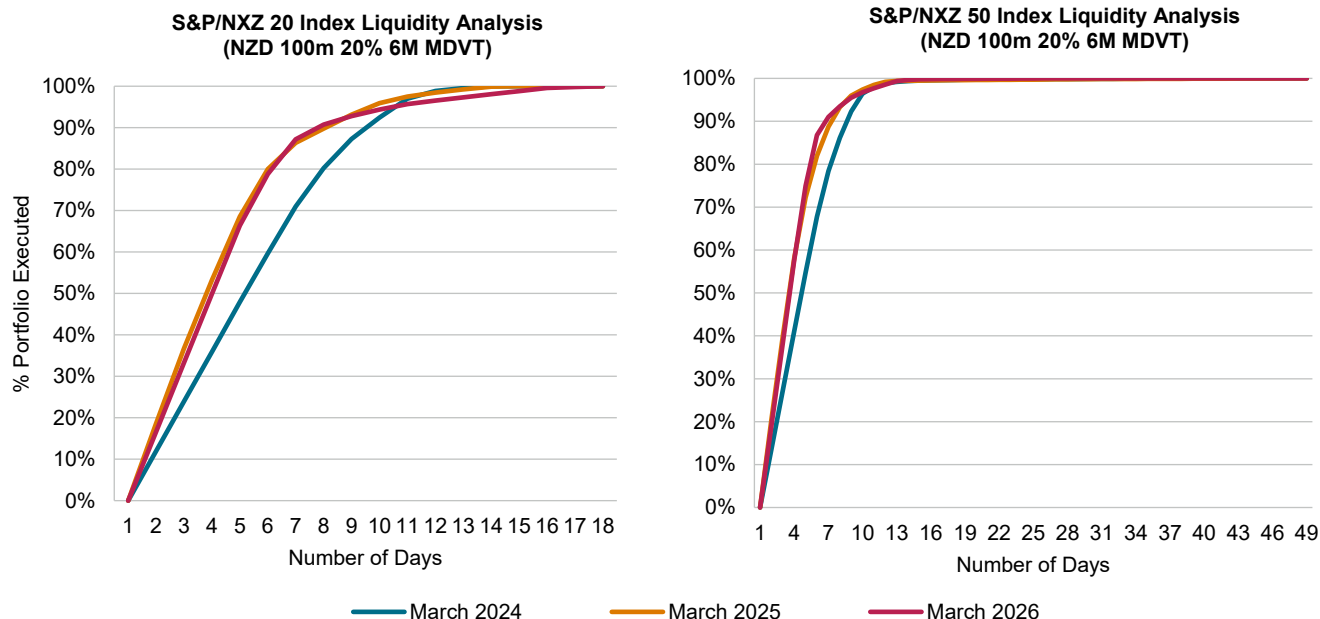
Source: S&P Dow Jones Indices LLC. Data as of March 31, 2026. Chart is provided for illustrative purposes.

A consequence of this trend has been less market capitalization in the smaller names in the S&P/NZX 50 Index. This has also resulted in less trading volume among smaller names in New Zealand’s flagship market index.

Exhibit 4 demonstrates how many days it theoretically takes to fully invest (or liquidate) an NZD 100 million portfolio as of the March rebalance date over the past three years. Both the S&P/NZX 20 Index and S&P/NZX 50 Index can be over 95% traded within 9-10 days; however, the S&P/NZX 50 Index has a long tail of companies with very low liquidity, which can take a further 30 days or more to fully trade a position based on the index weight.

Therefore, the S&P/NZX 20 Index is well placed to be linked to exchange-traded derivative contracts, where the spot price is represented by the underlying 20 securities. A liquid underlying market helps ensure efficient pricing and can enable effective hedging, while minimizing transaction costs and risks for participants.

### Exhibit 4: Liquidity – Days to Trade the S&P/NZX 20 Index and S&P/NZX 50 Index



Source: S&P Dow Jones Indices LLC, Factset. Data as of March 31, 2026. Past performance is no guarantee of future results. Charts are provided for illustrative purposes.

## Characteristics of the S&P/NZX 20 Index Compared to the S&P/NZX 50 Index

The S&P/NZX 20 Index and S&P/NZX 50 Index have the same top 10 constituents. A key difference is the S&P/NZX 20 Index has a single stock cap of 15%, allowing more representation across its constituents. Outside of the top 10, approximately 21.4% of index weight is spread across the remaining 10 constituents. Meanwhile, the S&P/NZX 50 Index has 32.3% of index weight spread across the remaining 40 constituents.

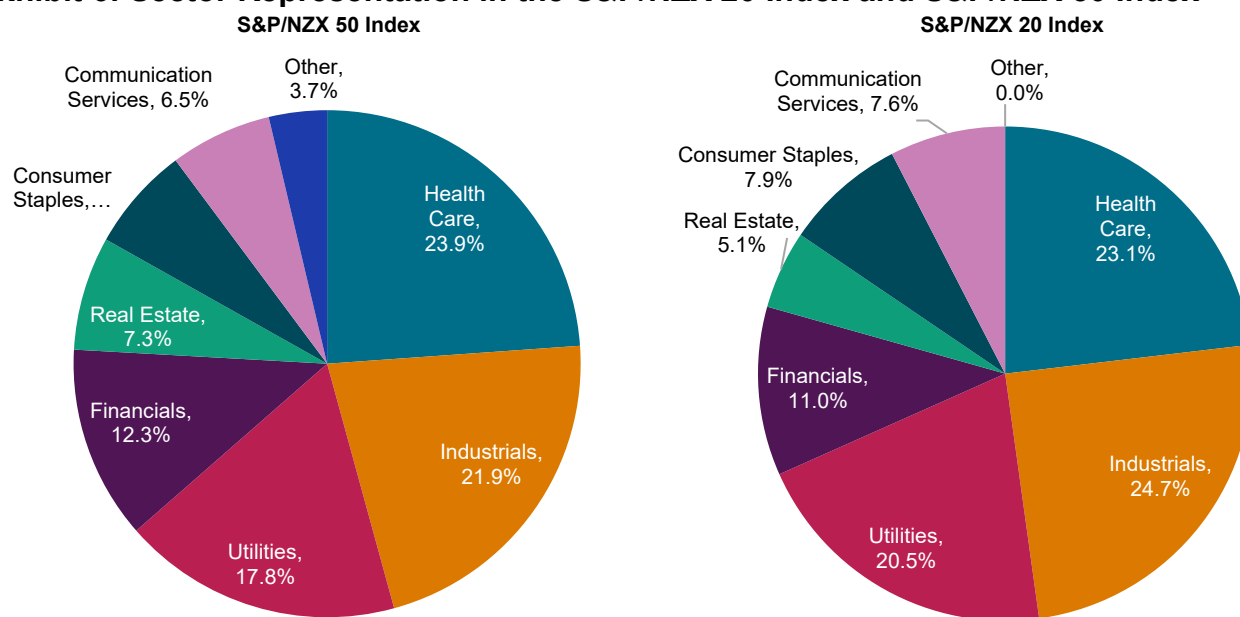
**Exhibit 5: Top 10 Constituents within the S&P/NZX 20 Index and S&P/NZX 50 Index**

Company Name	Sector	S&P/NZX 20 Index	S&P/NZX 50 Index
		Index Weight (%)	Index Weight (%)
Fisher & Paykel Healthcare Corp Ltd	Health Care	14.89	16.66
Auckland Intl Airport Ltd	Industrials	12.81	10.25
Infratil Ltd	Financials	11.04	8.83
Contact Energy Ltd	Utilities	8.35	6.68
a2 Milk Co Ltd	Consumer Staples	7.94	6.36
Meridian Energy Ltd	Utilities	6.78	5.43
Mainfreight Limited	Industrials	4.52	3.62
EBOS Group Ltd	Health Care	4.33	3.46
Mercury NZ Limited	Utilities	4.11	3.29
Chorus Ltd.	Communication Services	3.86	3.09
<b>Total Weight</b>		<b>78.62</b>	<b>67.68</b>
<b>Remaining Weight in #10 and #40 Constituents</b>		<b>21.38</b>	<b>32.32</b>

Source: S&P Dow Jones Indices LLC. Data as of March 31, 2026. Table is provided for illustrative purposes.

At the sector level, both the S&P/NZX 50 Index and S&P/NZX 20 Index have their largest seven sectors weighted in the same order of Health Care, Industrials, Utilities, Financials, Real Estate, Consumer Staples and Communications Services. A key difference is that the S&P/NZX 50 Index has 3.7% of index weight across Consumer Discretionary, Energy, Information Technology and Materials.

**Exhibit 6: Sector Representation in the S&P/NZX 20 Index and S&P/NZX 50 Index**



Source: S&P Dow Jones Indices LLC. Data as of March 31, 2026. Charts are provided for illustrative purposes.

While the two benchmarks are similar, even small weight differences to securities exhibiting significantly large gains or drawdowns can result in performance deviations.

However, by-and-large, correlation is high (0.99) and tracking error is low (<2%) meaning S&P/NZX 20 Index-linked exchange-traded products could be used as tools by investment managers with strategies aligned with the broader S&P/NZX 50 Index as a means to adjust their New Zealand equity exposure, hedge and help manage risk.

### Exhibit 7: Performance, Risk and Regression Comparison

Period	S&P/NZX 20 Index	S&P/NZX 50 Index	Relative
<b>Annualized Total Return (%)</b>			
YTD	-4.3	-4.7	0.4
6-Month	-3.2	-2.9	-0.4
1-Year	3.4	5.2	-1.8
3-Year	1.9	2.8	-0.9
5-Year	0.8	0.6	0.3
10-Year	7.4	6.7	0.7
15-Year	10.2	9.2	0.9
<b>Risk (Annualized Standard Deviation; %)</b>			
3-Year	9.2	9.4	0.2
5-Year	10.3	10.4	0.1
10-Year	11.0	11.0	0.0
15-Year	10.5	10.4	-0.1
<b>Risk-Adjusted Return</b>			
3-Year	0.21	0.30	-0.09
5-Year	0.08	0.05	0.03
10-Year	0.68	0.61	0.07
15-Year	0.97	0.89	0.08
<b>Regression Analysis (S&amp;P/NZX 20 Index versus S&amp;P/NZX 50 Index)</b>			
Period	Tracking Error (%)	Beta (%)	Correlation (%)
3-Year	1.4	0.97	0.99
5-Year	1.5	0.98	0.99
10-Year	1.9	0.98	0.99
15-Year	1.9	0.99	0.98

Source: S&P Dow Jones Indices LLC. Data as of March 31, 2026. Index performance based on total return in NZD. The S&P/NZX 20 Index was launched April 23, 2012. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Table is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

# Conclusion

The S&P/NZX 20 Index offers sufficient coverage of New Zealand's capital market and comprises larger, more liquid companies than the broader S&P/NZX 50 Index, making it a viable benchmark to underlie investment products and exchange-traded derivative contracts.

## Performance Disclosure/Back-Tested Data

The S&P/NZX 20 Index was launched April 23, 2012. All information presented prior to an index's Launch Date is hypothetical (back-tested), not actual performance. The back-test calculations are based on the same methodology that was in effect on the index Launch Date. However, when creating back-tested history for periods of market anomalies or other periods that do not reflect the general current market environment, index methodology rules may be relaxed to capture a large enough universe of securities to simulate the target market the index is designed to measure or strategy the index is designed to capture. For example, market capitalization and liquidity thresholds may be reduced. Complete index methodology details are available at [www.spglobal.com/spdji](http://www.spglobal.com/spdji). Past performance of the Index is not an indication of future results. Back-tested performance reflects application of an index methodology and selection of index constituents with the benefit of hindsight and knowledge of factors that may have positively affected its performance, cannot account for all financial risk that may affect results and may be considered to reflect survivor/look ahead bias. Actual returns may differ significantly from, and be lower than, back-tested returns. Past performance is not an indication or guarantee of future results. Please refer to the methodology for the Index for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations. Back-tested performance is for use with institutions only; not for use with retail investors.

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