S&P Dow Jones Indices
A Division of S&P Global

CONSULTATION

S&P/NZX 50 High Dividend Index Consultation on Eligibility Criteria, Constituent Selection, Constituent Weighting, and Deletions

SYDNEY, MAY 12, 2026: S&P Dow Jones Indices ("S&P DJI") is conducting a consultation with market participants on potential changes to the S&P/NZX 50 High Dividend Index methodology.

To reduce turnover, S&P DJI proposes adding a 10% momentum screen to the eligibility criteria. In addition, to improve constituent selection, S&P DJI is proposing to change the constituent selection and weighting metric from 12-month gross dividend yield to indicated annual dividend yield, and revise the deletion treatment, as detailed below.

<table>
<tr><th rowspan="2">Proposed Changes</th><th colspan="2">Methodology</th></tr>
<tr><th>Current</th><th>Proposed</th></tr>
<tr><td>Eligibility Factors</td><td>As of the rebalancing reference date, stocks in the index universe must satisfy the following criteria to be eligible for index:

1. Dividend Payout: meet the following requirements:
a. have paid dividends in the past 12 months.
b. have a regular dividend policy in place, and not suspended, cancelled, or omitted the most recent dividend payment.</td><td>As of the rebalancing reference date, stocks in the index universe must satisfy the following criteria to be eligible for index:

1. Dividend Payout: meet the following requirements:
a. have paid dividends in the past 12 months.
b. have a regular dividend policy in place, and not suspended, cancelled, or omitted the most recent dividend payment.

2. Momentum: not rank in the bottom 10% by momentum value.

For more information on momentum value calculation, please refer to the S&P Momentum Indices Methodology, available at www.spglobal.com/spdji.</td></tr>
<tr><td>Constituent Selection</td><td>Select index constituents as follows:

1. Calculate the trailing 12-month gross dividend yield by dividing the company's trailing 12-month gross dividend (including any attached imputation credits) by its price on the reference date. Only regular cash dividends are included in the computation of dividend yield.

2. The top 25 companies with the highest trailing 12-month gross dividend yield form the index, subject to a selection buffer, implemented as follows:
a. Rank the eligible companies in the index universe in descending order by highest trailing 12 month gross dividend yield.
b. Select the 20 highest-ranking companies for index inclusion.
c. Select current constituents ranked within the top 30 in descending order until the constituent count reaches 25.</td><td>Select index constituents as follows:

1. Calculate the indicated annual dividend yield by dividing the company's indicated annual dividend (IAD) by the company's price on the reference date.

2. The top 25 companies with the highest indicated annual dividend yield form the index, subject to a selection buffer, implemented as follows:
a. Rank the eligible companies in the index universe in descending order by IAD yield (IADY).
b. Select the 20 highest-ranking companies for index inclusion.
c. Select current constituents ranked within the top 30 in descending order until the constituent count reaches 25.
d. If, after steps 1-2, the constituent count has not been met, select the highest ranked company remaining until the target constituent count is achieved.</td></tr>
</table>

Proposed Changes	Methodology Current	Methodology Proposed
	d. If, after steps 1-2, the constituent count has not been met, select the highest ranked company remaining until the target constituent count is achieved. 3. If multiple issues of a single company qualify, select the issue with the highest yield.	3. If multiple issues of a single company qualify, select the issue with the highest yield.
Constituent Weighting	At each rebalancing, the initial weight, w, for each index constituent, i, is set proportional to the product of the constituent's gross dividend yield and float-adjusted market capitalization on the reference date. $w_i = \frac{DividendYield * FloatMarketCap}{\sum_{i=1}^{N} DividendYield * FloatMarketCap}$ If the initial weight of any constituent exceeds 10%, the weight is capped at 10% and the excess weight is redistributed to all non-capped constituents on a pro-rata basis. If necessary, this process is repeated until no constituent has a weight in the index greater than 10%.	At each rebalancing, the initial weight, w, for each index constituent, i, is set proportional to the products of the constituent's **indicated annual dividend yield** and float-adjusted market capitalization on the reference date. $w_i = \frac{IADY * FloatMarketCap}{\sum_{i=1}^{N} IADY * FloatMarketCap}$ If the initial weight of any constituent exceeds 10%, the weight is capped at 10% and the excess weight is redistributed to all non-capped constituents on a pro-rata basis. If necessary, this process is repeated until no constituent has a weight in the index greater than 10%.
Deletions	Constituents removed from the S&P/NZX 50 Index remain in the S&P/NZX 50 High Dividend Index until the subsequent semi-annual rebalancing.	Constituents removed from the S&P/NZX 50 Index **are removed from the S&P/NZX 50 High Dividend Index simultaneously**.

IMPACTED INDEX

Index Name	Index Code
S&P/NZX 50 High Dividend Index	SPN5HDP

IMPACT ANALYSIS

S&P DJI conducted an impact analysis of the proposed changes. Please refer to table below for additional details.

	Turnover	
Rebalancing Date	**Current**	**Proposed**
07/24/2023	14.10%	10.07%
01/22/2024	15.85%	15.68%
07/22/2024	19.32%	15.17%
01/20/2025	14.13%	10.71%
07/21/2025	13.89%	10.56%
01/19/2026	23.99%	5.21%
Annualized Average	**33.76%**	**22.47%**

	Indicated Annual Dividend Yield	
Rebalancing Date	**S&P/NZX 50 Index**	**Proposed**
07/24/2023	3.13%	5.44%
01/22/2024	3.09%	5.88%
07/22/2024	3.29%	5.86%
01/20/2025	2.91%	5.47%
07/21/2025	3.11%	5.81%
01/19/2026	3.05%	5.55%
Index Average	**3.10%**	**5.67%**

CONSULTATION

Period*	Annualized Return (NZD) Current	Proposed
1 year	18.26%	19.46%
3 year	7.09%	8.98%
	Annualized Volatility	
	Current	**Proposed**
1 year	10.50%	10.02%
3 year	10.45%	10.47%
	Risk Adjusted Return	
	Current	**Proposed**
1 year	1.74	1.94
3 year	0.68	0.86

**1 year period from 01/16/2025 to 01/16/2026; 3 year period from 01/20/2023 to 01/16/2026.*

Additional data and analysis may be made available in the Client Resource Center *www.spglobal.com/spdji/en/client-services/*, which may be updated from time to time throughout the consultation without notice. The information will be posted for the duration of the consultation and up to 30 days thereafter at S&P DJI's discretion. Additional data and analysis may also be made available upon request.

IMPLEMENTATION TIMING

S&P DJI proposes implementing the previously described methodology changes, if adopted, in conjunction with the next rebalancing which will take effect prior to the market open on **Monday, July 20, 2026**. If adopted, the changes will first be visible to clients in pro-forma files beginning on **Friday, July 10, 2026**.

QUESTIONS

Please answer the following questions and provide S&P DJI with the reasoning behind your answers:

1. **Do you agree with the proposal to add a momentum screen to the Eligibility Factors?**
2. **Do you agree with the proposal to revise the Constituent Selection and Weightings metric to indicated annual dividend yield?**
3. **Do you agree with the proposal to revise the deletion treatment?**
4. **If any of the proposed changes are adopted, do you agree with the proposed implementation date?**
5. **Do you have any other comments or feedback regarding the proposed changes outlined above?**

Participation in this consultation is important as S&P DJI gathers information from various market participants to properly evaluate the market participants' views and preferences. Please respond to this survey by **Tuesday, May 26, 2026**, as S&P DJI does not accept responses post the survey closure date. Prior to the Index Committee's final review, S&P DJI may request clarifications from respondents as part of that review.

To participate in this consultation, please visit the online survey available *here*.

Please be advised that S&P DJI reviews and considers all feedback before a final decision is made. However, S&P DJI makes no guarantees and is under no obligation to comply with any of the *responses. The survey may result in no changes or outcome of any kind. If S&P DJI decides to change the index methodology, the change(s) will be announced to clients and posted on the S&P DJI website with prior notice ahead of the effective date.*

Thank you for taking the time to complete this survey.

For more information about S&P Dow Jones Indices, please visit *www.spglobal.com/spdji*.

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S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

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FOR MORE INFORMATION:

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