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

SPIVA® New Zealand Scorecard

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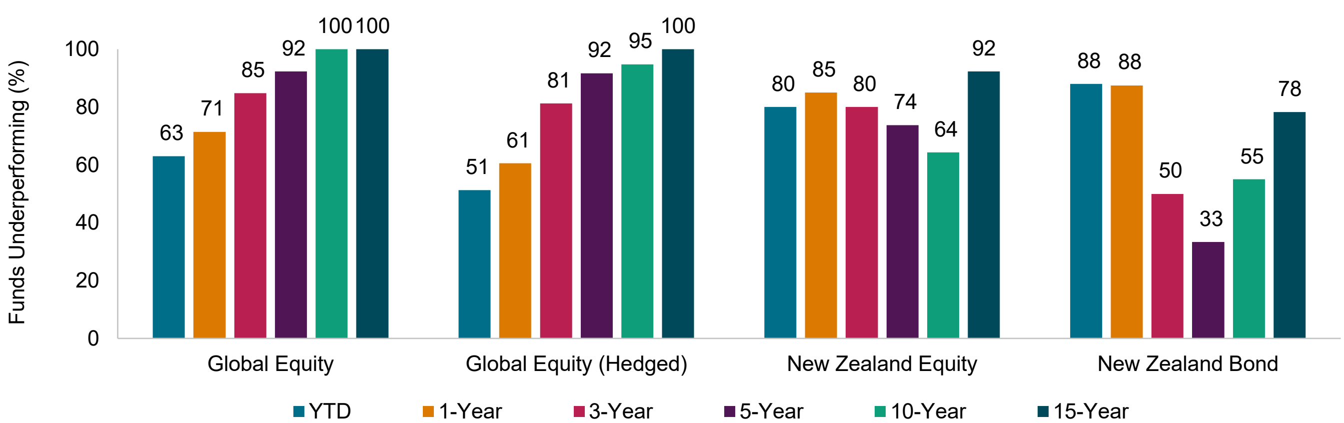
Experience the active vs. passive debate on a global scale.

Since the first publication of the S&P Indices Versus Active (SPIVA) U.S. Scorecard in 2002, S&P Dow Jones Indices has been the de facto scorekeeper of the ongoing active versus passive debate. The SPIVA New Zealand Scorecard measures the performance of actively managed funds offered in New Zealand against benchmarks over various time horizons, covering both equity and bond funds.

Mid-Year 2026 Highlights

The first half of 2026 proved challenging for active funds in New Zealand. A majority underperformed their assigned benchmarks in most reported categories, with particularly high underperformance rates among domestic equity and bond funds. Global Equity (Hedged) delivered the strongest relative results, although half of funds still failed to beat the benchmark. While short-term outcomes varied, a majority of active funds in each category underperformed over 10- and 15-year horizons.

Exhibit 1: Percentage of Underperforming Active New Zealand Funds



Sources: S&P Dow Jones Indices LLC, Morningstar. Data as of June 30, 2026. The S&P World Index (NZD) and the S&P World NZD Hedged Index were launched on Oct. 25, 2024. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Chart 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.

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- **Global Equity Funds:** Global equities delivered solid gains during the first half of 2026. The S&P World Index rose 10.6%, while the average actively managed Global Equity fund returned 8.9% on an equal-weighted basis and 8.7% on an asset-weighted basis. Consequently, 63% of funds underperformed the benchmark. Long-term results remained unfavorable, with all funds underperforming over the 10- and 15-year horizons.

- **Global Equity (Hedged) Funds:** Currency-hedged global equity funds recorded the lowest underperformance rate among the reported categories, at 51% in H1 2026. The average actively managed Global Equity (Hedged) fund returned 7.0% on an equal-weighted basis and 8.4% on an asset-weighted basis, compared with a 9.1% gain for the S&P World NZD Hedged Index. Underperformance rates rose sharply over longer horizons, reaching 95% over 10 years and 100% over 15 years.

- **New Zealand Equity Funds:** The S&P/NZX 50 Index gained 0.5% (0.8% with imputation credits), while the average actively managed New Zealand Equity fund declined 0.7% on an equal-weighted basis and 0.5% on an asset-weighted basis. As a result, 80% of funds underperformed the benchmark. Although the underperformance rate was lower over the 10-year horizon, 64% of funds still failed to beat the benchmark, while more than 90% underperformed over 15 years.

- **New Zealand Bond Funds:** The S&P/NZX Composite Investment Grade Bond Index gained 2.4%, while the average New Zealand Bond fund returned 1.9% on an equal-weighted basis and 2.1% on an asset-weighted basis. Consequently, 88% of funds underperformed during the first half of 2026. This result represented a marked deterioration relative to recent years,[1] although longer-term outcomes remained comparatively better than those seen in the equity categories, with 55% and 78% of funds underperforming over the 10- and 15-year horizons, respectively.

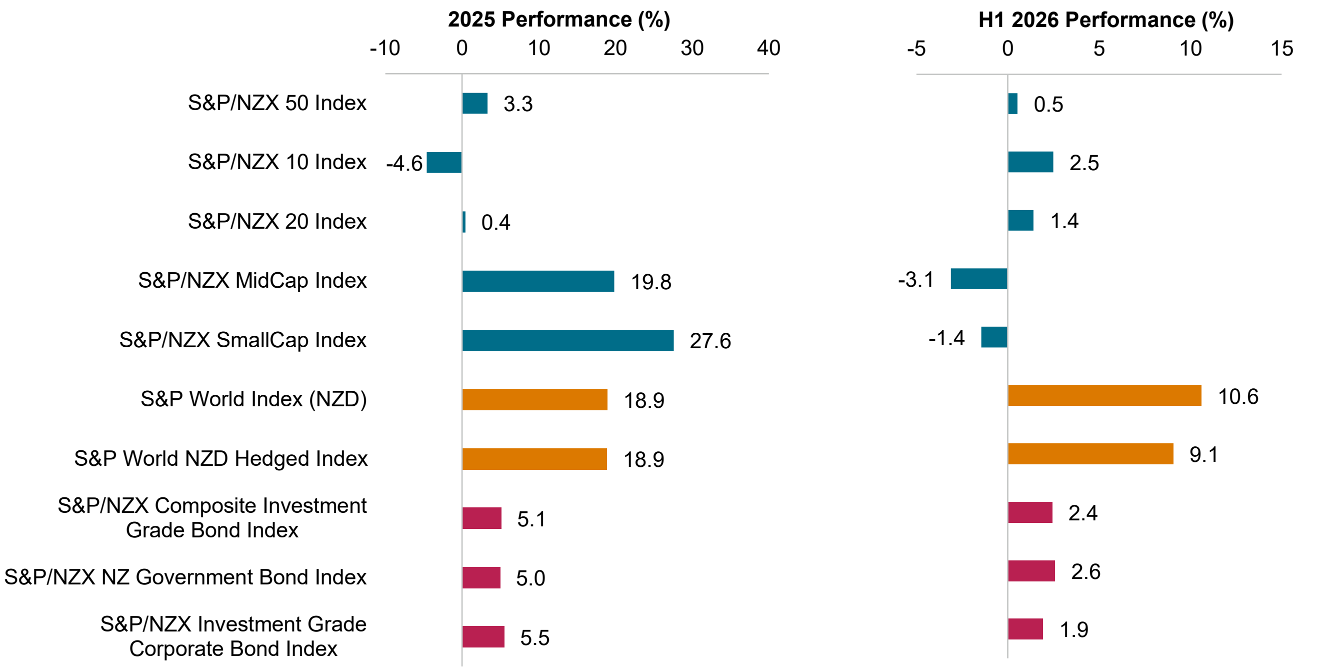
- **Fund Survivorship:** Fund survivorship remained exceptionally high during the first half of 2026. All 130 funds across the reported categories survived through June 30, 2026 (see Report 2). However, survivorship declined substantially over longer horizons. After 15 years, fewer than half of all funds remained in operation, highlighting the importance of accounting for fund closures when evaluating long-term fund performance.

[1] Lee, Sue, et al., "SPIVA New Zealand Year-End 2024," S&P Dow Jones Indices LLC, March 2025.

Market Context

New Zealand equities continued to lag global peers during the first half of 2026. The S&P/NZX 50 Index gained only 0.5%, or 0.8% with imputation credits, considerably below the 10.6% performance from the S&P World (NZD). Within New Zealand equities, market leadership shifted back toward larger companies. The S&P/NZX 10 Index rose 2.5%, while the S&P/NZX MidCap Index and S&P/NZX SmallCap Index declined 3.1% and 1.4%, respectively, following double-digit gains in 2025. Meanwhile, fixed income markets were positive, with the S&P/NZX Composite Investment Grade Bond Index advancing 2.4% (see Exhibit 2).

Exhibit 2: Performance of New Zealand Fund Category Benchmarks and Select Indices

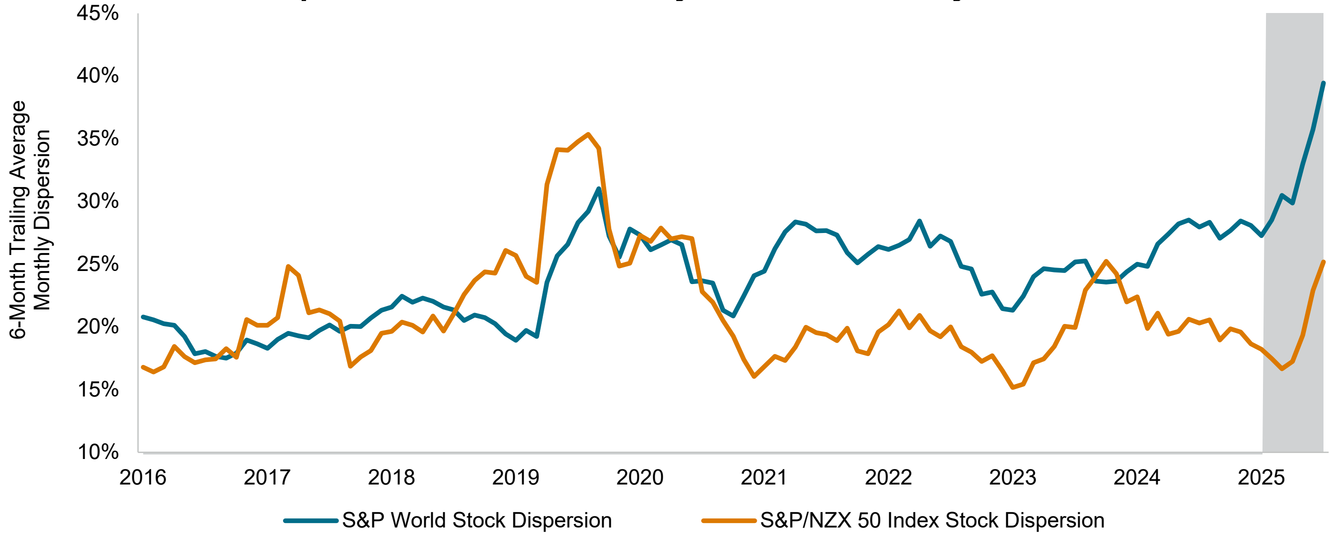


Source: S&P Dow Jones Indices LLC. Data as of June 30, 2026. Index performance based on total return. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

The market environment appeared generally supportive of active equity funds, particularly those with global mandates. Dispersion,[2] which measures the degree to which constituent returns vary around the index average, increased substantially within the S&P World, reaching levels comparable to those observed during earlier periods of market stress (see Exhibit 3). Elevated uncertainty surrounding artificial intelligence, energy prices and long-term bond yields contributed to substantial performance differences across sectors and companies. Nevertheless, most active equity funds did not translate this wider opportunity set into benchmark outperformance.

[2] Index dispersion is calculated as the annualized, index-weighted standard deviation of the monthly returns of index constituents. For further insight, see "Index Dashboard: Dispersion, Volatility & Correlation," S&P Dow Jones Indices LLC, July 2026, and Edwards, Tim, "Dispersion: Measuring Market Opportunity," S&P Dow Jones Indices LLC, December 2013.

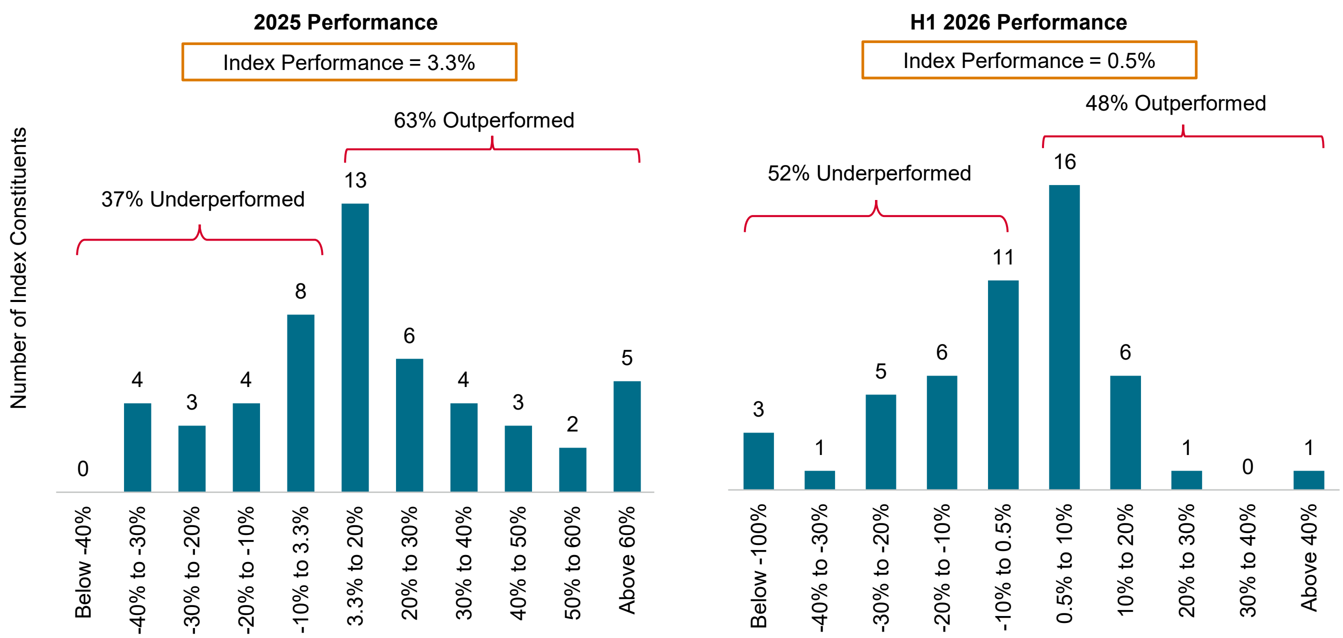
Exhibit 3: Stock Dispersion Widened Globally as well as Locally



Source: S&P Dow Jones Indices LLC. Data from Dec. 31, 2016, to June 30, 2026. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

For active domestic equity funds, the potential benefit of higher dispersion was offset by narrower market breadth. As several large-cap companies generated relatively strong returns, the proportion of stocks outperforming the benchmark declined to 48% in H1 2026, compared with 63% in 2025 (see Exhibit 4). With fewer stocks outperforming the index, active funds had a narrower set of potential outperformers from which to select, creating a more challenging environment for stock selection.

Exhibit 4: Stock Return Distribution in the S&P/NZX 50 Index in H1 2026 versus 2025

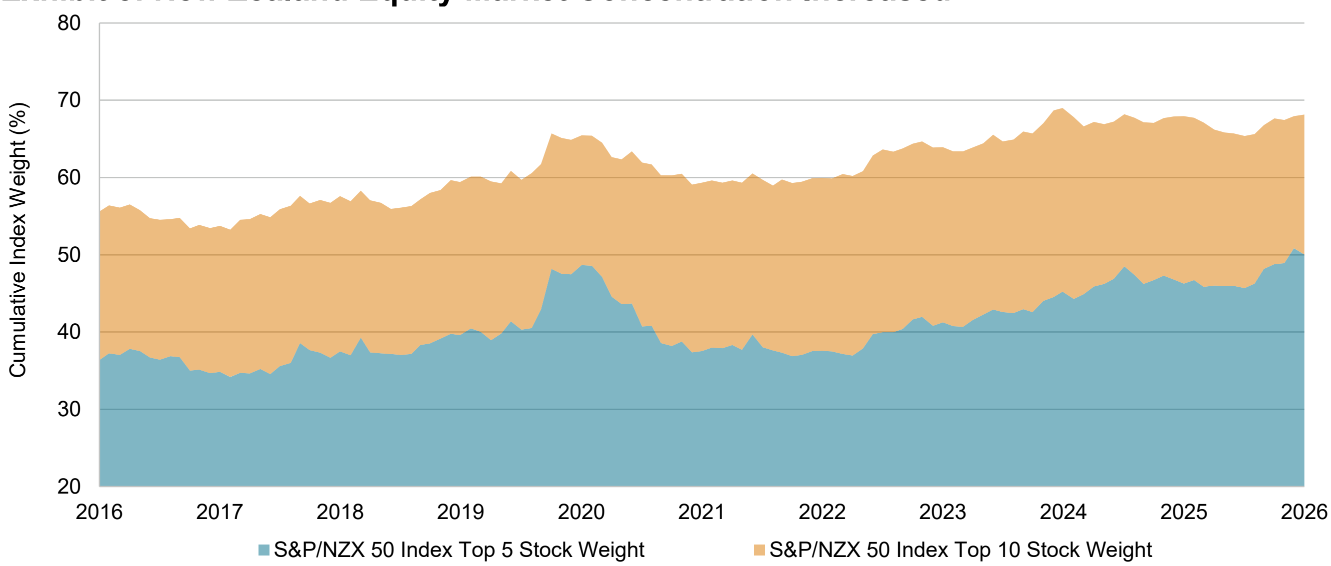


Source: S&P Dow Jones Indices LLC, Bloomberg. Data as of June 30, 2026. Past performance is no guarantee of future results. Charts are provided for illustrative purposes.

A related challenge was the increased concentration of the New Zealand equity market. As shown in Exhibit 5, the cumulative weight of the largest companies within the S&P/NZX 50 Index has increased steadily over the past decade, with the combined weight of the top 10 constituents reaching nearly 70% as of June 30, 2026. This increase in concentration amplified the influence of the largest stocks on benchmark performance and made active funds' relative performance more dependent on their positioning in a relatively small number of stocks. Funds that were underweight in these stocks relative to the benchmark may therefore have faced additional performance headwinds.

Against this backdrop, 80% of New Zealand Equity funds underperformed the S&P/NZX 50 Index during the first half of 2026. Despite the benchmark's modest gains, active funds generally struggled to generate sufficient excess returns through security selection or allocation decisions.

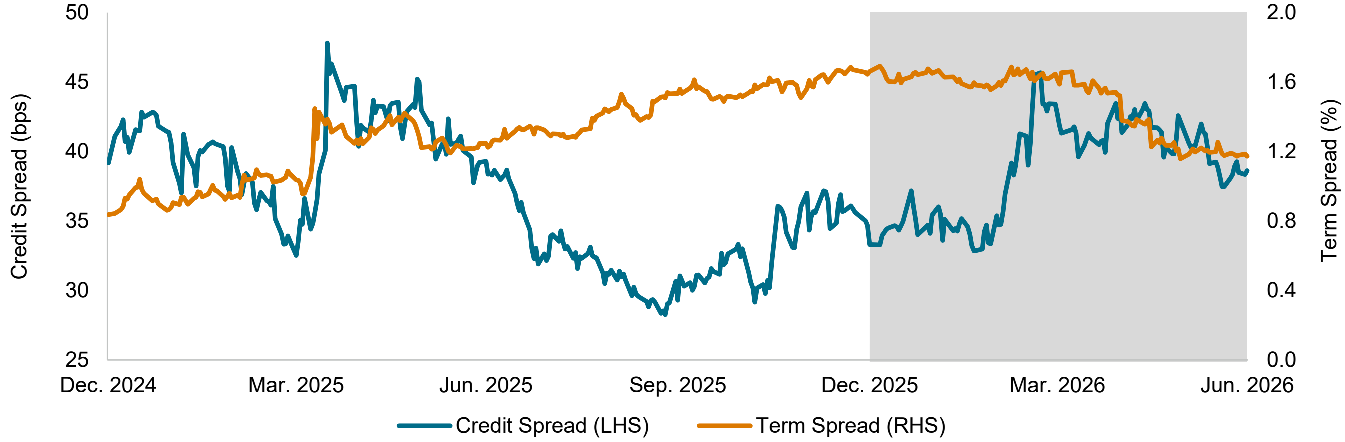
Exhibit 5: New Zealand Equity Market Concentration Increased



Source: S&P Dow Jones Indices LLC. Data from June 30, 2016, to June 30, 2026. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

The backdrop for active bond management became more challenging than recent years, with 88% of actively managed New Zealand Bond funds underperforming their benchmark during the first six months of 2026. Credit spreads on New Zealand corporate bonds fluctuated and ended modestly higher, potentially creating headwinds for funds with greater credit exposure. Meanwhile, the yield curve remained upward sloping but flattened amid shifting expectations for monetary policy (see Exhibit 6).

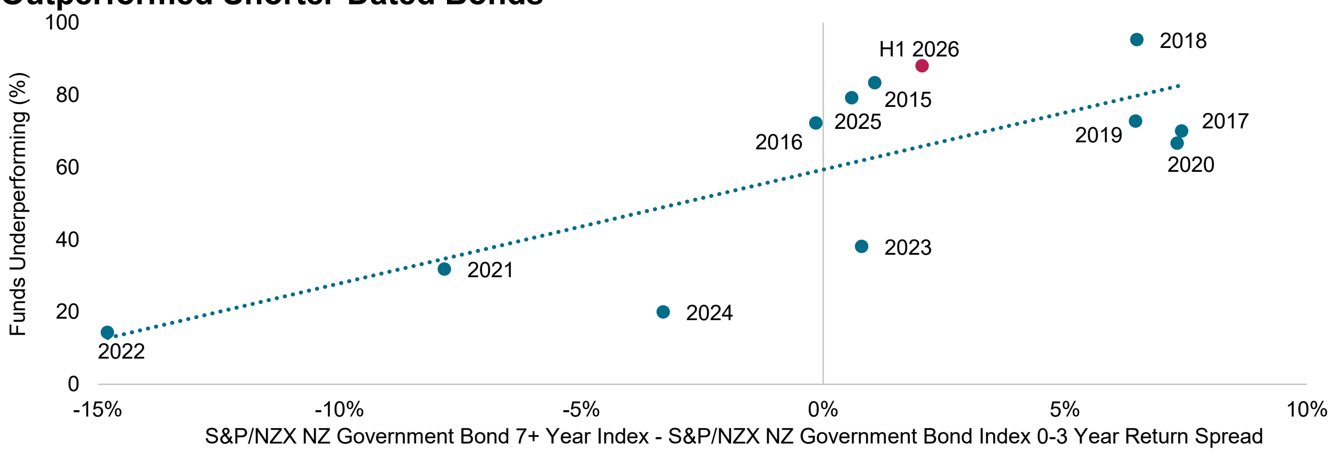
Exhibit 6: New Zealand Credit Spreads Widened while the Yield Curve Flattened



Source: S&P Dow Jones Indices LLC. Data as of June 30, 2026. Credit spread is calculated as the yield differential between the S&P/NZX Investment Grade Corporate Bond Index and a composition of the S&P/NZX NZ Government Bond 0-5 Year Index and the S&P/NZX NZ Government Bond 3-7 Year Index whose duration is matched to that of the S&P/NZX Investment Grade Corporate Bond Index. Term spread is calculated as the yield differential between the S&P/NZX NZ Government Bond 7+ Year Index and the S&P/NZX NZ Government Bond 0-3 Year Index. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

Historically, New Zealand Bond funds tended to have higher underperformance rates when longer-dated bonds outperformed shorter-dated bonds, consistent with a shorter-duration bias relative to the benchmark. Funds with such a bias faced headwinds in the first half of 2026 as longer-dated bonds outperformed shorter-dated ones (see Exhibit 7). Together, these conditions may have reduced the effectiveness of bond funds' traditional active duration and credit-positioning decisions.

Exhibit 7: More New Zealand Bond Funds Underperformed when Longer-Dated Bonds Outperformed Shorter-Dated Bonds

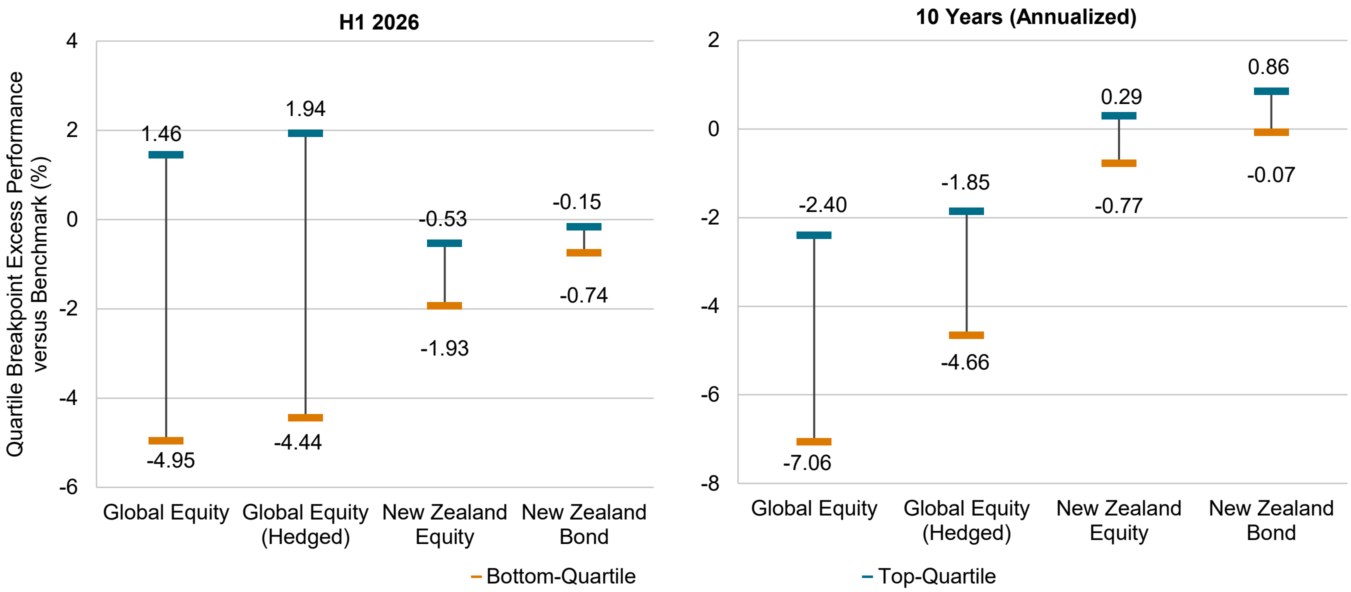


Source: S&P Dow Jones Indices LLC. Data as of June 30, 2026. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

An examination of fund return distributions provides further insight into fund selection risk. Exhibit 8 shows funds' excess returns at the top- and bottom-quartile breakpoints relative to the benchmark over the 6-month and 10-year periods ending June 30, 2026. These results highlight the asymmetry of active fund selection risk over both short and long horizons.

During H1 2026, the quartile breakpoints indicated greater downside than upside across all categories, implying that the downside associated with selecting a weaker fund exceeded the upside associated with selecting a stronger one. This pattern was evident even in the Global Equity (Hedged) category, which recorded the lowest underperformance rate, at 51%. Many outperforming funds exceeded the benchmark only marginally, while underperforming funds tended to lag it by substantially larger margins.

Exhibit 8: Excess Returns by Quartile for Each Fund Category



Note: Funds that did not survive are excluded from this analysis. Over the 10-year period, only 81.8% of funds across all categories survived, meaning that 18.2% of the original fund universe was excluded from the quartile return calculations. Hence, the returns of surviving funds may present a more favorable view of active fund performance than the experience of the full opportunity set.
Source: S&P Dow Jones Indices LLC, Morningstar. Data as of June 30, 2026. The S&P World Index (NZD) and the S&P World NZD Hedged Index were launched on Oct. 25, 2024. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Charts are provided for illustrative purposes and reflect 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.

Over the 10-year period, the challenge was even more pronounced for active global equity funds, as the top-quartile breakpoints for Global Equity and Global Equity (Hedged) fell short of their respective benchmarks. Notably, underperformance was more severe among Global Equity funds than Global Equity (Hedged) funds. One possible contributing factor was that some funds in the Global Equity category employed partial currency hedging, which may have detracted from returns relative to the unhedged benchmark over this period.[3] Meanwhile, New Zealand Bond funds stood out as the only category in which the upside at the top-quartile breakpoint exceeded the downside at the bottom-quartile breakpoint: the top-quartile breakpoint represented an annualized excess return of 0.9%, while the bottom-quartile breakpoint represented an annualized shortfall of 0.1%.

[3] For this period between June 30, 2016, and June 30, 2026, the S&P World NZD Hedged Index posted an annualized gain of 13.77%, compared to a 16.22% gain of the S&P World Index (NZD) in total return. See Report 3 for the performance of benchmarks over different periods.

A Unique Scorecard for the Active Versus Passive Debate

For over two decades, S&P Dow Jones Indices' SPIVA Scorecards have compared the performance of actively managed funds to appropriate benchmarks. Initially covering just U.S.-domiciled funds, our scorecards now cover funds operating in markets from New Zealand to Chile. They are rooted in the following fundamental principles:

– **Survivorship Bias Correction**: Many funds might be liquidated or merged during a period of study. However, for someone making an investment decision at the beginning of the period, these funds are part of the opportunity set. Unlike other commonly available comparison reports, SPIVA Scorecards account for the entire opportunity set—not just the survivors—thereby eliminating survivorship bias.

– **Apples-to-Apples Comparison**: Fund returns are often compared to popular benchmarks such as the S&P 500®, regardless of size or style classification. SPIVA Scorecards avoid this pitfall by measuring a fund's returns against the returns of a benchmark appropriate for that particular investment category.

– **More than Just Underperformance Rates**: As well as the most quoted statistics of percentage underperformance rates, SPIVA Scorecards also include additional data on average fund returns, quartile ranges, survivorship rates and other factors—including the market context—to offer a robust perspective on active performance.

– **Data Cleaning**: SPIVA Scorecards avoid double-counting multiple share classes in all count-based calculations, using only the share class with greater assets. Since this is meant to be a scorecard for active managers, it excludes index funds, leveraged and inverse funds and other index-linked products.

Reports

Report 1a: Percentage of Funds Underperforming Their Benchmarks (Based on Absolute Return)

Fund Category	Comparison Index	YTD (%)	1-Year (%)	3-Year (%)	5-Year (%)	10-Year (%)	15-Year (%)
Global Equity	S&P World	63.0	71.4	84.8	92.3	100.0	100.0
Global Equity (Hedged)	S&P World NZD Hedged Index	51.3	60.5	81.3	91.7	94.7	100.0
New Zealand Equity	S&P/NZX 50 Index	80.0	85.0	80.0	73.7	64.3	92.3
New Zealand Bond	S&P/NZX Composite Investment Grade Bond Index	88.0	87.5	50.0	33.3	55.0	78.3

Sources: S&P Dow Jones Indices LLC, Morningstar. Data for periods ending June 30, 2026. Fund and benchmark returns are all in NZD. The S&P World (NZD) and S&P World NZD Hedged Index were launched on Oct. 25, 2024. 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.

Report 1b: Percentage of Funds Underperforming Their Benchmarks (Based on Risk-Adjusted Return)

Fund Category	Comparison Index	3-Year (%)	5-Year (%)	10-Year (%)	15-Year (%)
Global Equity	S&P World	90.9	96.2	100.0	100.0
Global Equity (Hedged)	S&P World NZD Hedged Index	84.4	70.8	84.2	83.3
New Zealand Equity	S&P/NZX 50 Index	80.0	73.7	71.4	84.6
New Zealand Bond	S&P/NZX Composite Investment Grade Bond Index	36.4	28.6	55.0	73.9

Sources: S&P Dow Jones Indices LLC, Morningstar. Data for periods ending June 30, 2026. Fund and benchmark returns are all in NZD. Risk-adjusted return is computed as annualized average monthly return divided by annualized standard deviation of the monthly returns for the measured periods. Results not shown for periods in which the benchmark return was negative. The S&P World Index (NZD) and S&P World NZD Hedged Index were launched on Oct. 25, 2024. 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.

Report 2: Survivorship of Funds

Fund Category	Number of Funds at Start	Survivorship (%)
YTD		
Global Equity	46	100.0
Global Equity (Hedged)	39	100.0
New Zealand Equity	20	100.0
New Zealand Bond	25	100.0
All Categories	**130**	**100.0**
1-Year		
Global Equity	42	100.0
Global Equity (Hedged)	38	100.0
New Zealand Equity	20	100.0
New Zealand Bond	24	100.0
All Categories	**124**	**100.0**
3-Year		
Global Equity	33	100.0
Global Equity (Hedged)	32	96.9
New Zealand Equity	20	95.0
New Zealand Bond	22	90.9
All Categories	**107**	**96.3**
5-Year		
Global Equity	26	96.2
Global Equity (Hedged)	24	91.7
New Zealand Equity	19	94.7
New Zealand Bond	21	90.5
All Categories	**90**	**93.3**
10-Year		
Global Equity	13	92.3
Global Equity (Hedged)	19	84.2
New Zealand Equity	14	85.7
New Zealand Bond	20	70.0
All Categories	**66**	**81.8**
15-Year		
Global Equity	25	32.0
Global Equity (Hedged)	12	83.3
New Zealand Equity	13	53.8
New Zealand Bond	23	43.5
All Categories	**73**	**47.9**

Sources: S&P Dow Jones Indices LLC, Morningstar. Data for periods ending June 30, 2026. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Report 3: Average Fund Performance (Equal-Weighted)

Index/Fund Category	YTD (%)	1-Year (%)	3-Year (%)	5-Year (%)	10-Year (%)	15-Year (%)
S&P World	10.60	29.50	22.79	16.61	16.22	14.25
Global Equity	8.87	21.97	17.71	10.90	13.05	11.67
S&P World NZD Hedged Index	9.07	21.35	19.31	12.15	13.77	12.94
Global Equity (Hedged)	6.96	15.76	15.29	8.88	11.16	10.20
S&P/NZX 50 Index	0.84	8.83	5.35	2.26	7.97	10.71
New Zealand Equity	-0.70	5.44	4.87	1.78	7.86	10.63
S&P/NZX Composite Investment Grade Bond Index	2.45	5.45	5.79	1.55	2.36	3.51
New Zealand Bond	1.92	4.74	5.91	2.29	2.66	3.50

Sources: S&P Dow Jones Indices LLC, Morningstar. Data for periods ending June 30, 2026. Fund and benchmark returns are all in NZD. The S&P World Index (NZD) and S&P World NZD Hedged Index were launched on Oct. 25, 2024. 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.

Report 4: Average Fund Performance (Asset-Weighted)

Index/Fund Category	YTD (%)	1-Year (%)	3-Year (%)	5-Year (%)	10-Year (%)	15-Year (%)
S&P World	10.60	29.50	22.79	16.61	16.22	14.25
Global Equity	8.72	23.49	18.02	11.50	13.35	12.14
S&P World NZD Hedged Index	9.07	21.35	19.31	12.15	13.77	12.94
Global Equity (Hedged)	8.37	18.41	16.46	10.10	11.85	10.82
S&P/NZX 50 Index	0.84	8.83	5.35	2.26	7.97	10.71
New Zealand Equity	-0.46	5.42	4.77	1.79	8.02	10.58
S&P/NZX Composite Investment Grade Bond Index	2.45	5.45	5.79	1.55	2.36	3.51
New Zealand Bond	2.10	4.80	6.14	2.52	2.80	3.76

Sources: S&P Dow Jones Indices LLC, Morningstar. Data for periods ending June 30, 2026. Fund and benchmark returns are all in NZD. The S&P World Index (NZD) and the S&P World NZD Hedged Index were launched on Oct. 25, 2024. 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.

Report 5: Quartile Breakpoints of Fund Performance

Fund Category	Third Quartile	Second Quartile	First Quartile
YTD			
Global Equity	5.65	9.41	12.06
Global Equity (Hedged)	4.63	8.87	11.01
New Zealand Equity	-1.09	-0.55	0.30
New Zealand Bond	1.71	2.06	2.29
1-Year			
Global Equity	17.25	24.16	29.82
Global Equity (Hedged)	13.02	19.11	23.33
New Zealand Equity	4.89	6.32	8.34
New Zealand Bond	4.43	4.97	5.28
3-Year			
Global Equity	14.45	18.15	21.20
Global Equity (Hedged)	11.03	15.66	18.96
New Zealand Equity	4.04	4.44	5.24
New Zealand Bond	5.64	5.88	6.20
5-Year			
Global Equity	8.01	11.09	13.48
Global Equity (Hedged)	5.45	8.32	10.78
New Zealand Equity	1.22	1.73	2.47
New Zealand Bond	1.62	2.05	2.70
10-Year			
Global Equity	9.16	11.87	13.82
Global Equity (Hedged)	9.11	11.13	11.92
New Zealand Equity	7.19	7.72	8.26
New Zealand Bond	2.29	2.62	3.22
15-Year			
Global Equity	9.30	10.24	12.16
Global Equity (Hedged)	9.10	10.42	11.14
New Zealand Equity	9.85	10.19	10.59
New Zealand Bond	3.28	3.52	3.76

Sources: S&P Dow Jones Indices LLC, Morningstar. Data for periods ending June 30, 2026. Returns based on total returns and annualized for periods greater than one year. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Appendix A

SPIVA Styles and Morningstar Fund Classifications

Data from Morningstar are obtained for all managed funds[4] domiciled in New Zealand for which month-end data are available during the performance period. The data include information on active funds and funds that have been merged or liquidated over the chosen period. Funds are classified based on the Morningstar fund classification system, and the SPIVA New Zealand Scorecard covers New Zealand-domiciled funds in the Global Equity, Global Equity (Hedged), New Zealand Equity and New Zealand Bond categories. Morningstar categories have been mapped to SPIVA peer groups as follows.

Exhibit 9: New Zealand Funds – SPIVA and Morningstar Categories

SPIVA Category	Morningstar Category
Global Equity	NZ OE Equity Region World
Global Equity (Hedged)	NZ OE Equity Region World - Hedged
New Zealand Equity	NZ OE Equity Region NZ
New Zealand Bond	NZ OE NZ Bonds

Source: S&P Dow Jones Indices LLC, Morningstar. Table is provided for illustrative purposes.

Benchmarks

The chosen benchmarks are shown in Exhibit 10. Index returns are total returns (i.e., including dividend reinvestment) in New Zealand dollars, except for the S&P/NZX 50 Index (Gross with Imputation) whose returns also include imputation credits. There has been no deduction from index returns to account for fund investment expenses. It is important to note that active fund returns are after expenses, but they do not include loads and entry fees. To ensure the study is robust and fair, representative benchmarks were selected for each fund category, although individual funds may not use the benchmarks assigned in this report. Many funds, however, use either the assigned benchmarks or similar alternatives.

[4] Includes open-ended managed funds and ETFs.

Exhibit 10: SPIVA New Zealand Categories and Their Benchmarks

SPIVA Category	Benchmark Index
Global Equity	S&P World Index
Global Equity (Hedged)	S&P World NZD Hedged Index
New Zealand Equity	S&P/NZX 50 Index
New Zealand Bond	S&P/NZX Composite Investment Grade Bond Index

Source: S&P Dow Jones Indices LLC, Morningstar. Table is provided for illustrative purposes.

S&P World Index

The S&P World Index tracks the performance of large- and mid-cap stocks from 24 developed markets. With data extending over several economic cycles, the index provides a consistent universe for historical market analysis and back-testing investment strategies. Subindices are broken down by GICS® sector, style and currency, allowing market participants to track the developed market opportunity set from more targeted perspectives.

S&P/NZX 50 Index (Gross with Imputation)

The S&P/NZX 50 Index is designed to measure the performance of the 50 largest eligible stocks listed on the Main Board of the NZX by float-adjusted market capitalization. The index covers approximately 90% of New Zealand equity market capitalization. The gross with imputation version reinvests the regular dividends, as reported on the ex-dividend date, along with any associated imputation credits, as declared by the respective company.

S&P/NZX Composite Investment Grade Bond Index

The S&P/NZX Composite Investment Grade Bond Index is a composite index combining the S&P/NZX investment grade corporate and government bond indices.

Appendix B: Glossary

Percentage of Funds Underperforming the Index

To correct for survivorship bias, we use the opportunity set available at the beginning of the period as the denominator. We determine the count of funds that have survived and beat the index. We then report percentage of funds that did not survive and beat the index.

Survivorship (%)

The survivorship measure represents the percentage of funds in existence at the beginning of the time period that are still active at the end of the time period.

Equal-Weighted Fund Performance

Equal-weighted returns for a particular style category and time horizon are determined by compounding the simple average of the monthly returns of all active funds that were available at the start of the period.

Asset-Weighted Fund Performance

Asset-weighted returns for a particular style category are calculated similarly, except based on a weighted average return of fund returns each month, with each fund's return weighted by its total net assets. Asset-weighted returns can be a better indicator of category performances because they reflect the returns of the total money invested across the sample of funds.

Quartile Breakpoints

The p^{th} percentile for a set of data is the value that is greater than or equal to p% of the data but is less than or equal to (100-p)% of the data. In other words, it is a value that divides the data into two parts: the lower p% of the values and the upper (100-p)% of the values. The first quartile is the 75^{th} percentile, which is the value separating the elements of a population into the lower 75% and the upper 25%. The second quartile is the 50^{th} percentile, and the third quartile is the 25^{th} percentile. For fund category quartiles in a particular time horizon, the data used is the return of the largest surviving share class of the fund net of fees, excluding loads.

Survivorship Bias

Many funds might liquidate or merge during a period of study. This usually occurs due to continued poor performance by the fund. Therefore, if index returns were compared to fund returns using only surviving funds, the comparison would be biased in favor of the fund category. The SPIVA reports remove this bias in three ways. The first method to remove the bias is to use the entire investment opportunity set, made up of all funds in that particular category at the outset of the period, as the denominator for outperformance calculations. The second is explicitly to show the survivorship rate in each category. The final way is to construct a peer average return series for each category based on all available funds at the outset of the period.

Fees

The fund returns used are net of fees, excluding loads.

Indices

A benchmark index provides an investment vehicle against which fund performance can be measured.

Performance Disclosure/Back-Tested Data

The S&P World Index (NZD) and the S&P World NZD Hedged Index were launched October 25, 2024. All information presented prior to an index's Launch Date is hypothetical (back-tested), not actual performance, and is based on the index methodology 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. In addition, forks have not been factored into the back-test data with respect to the S&P Cryptocurrency Indices. For the S&P Cryptocurrency Top 5 & 10 Equal Weight Indices, the custody element of the methodology was not considered; the back-test history is based on the index constituents that meet the custody element as of the Launch Date. Also, the treatment of corporate actions in back-tested performance may differ from treatment for live indices due to limitations in replicating index management decisions. Complete index methodology details are available at www.spglobal.com/spdji. 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.

S&P Dow Jones Indices defines various dates to assist our clients in providing transparency. The First Value Date is the first day for which there is a calculated value (either live or back-tested) for a given index. The Base Date is the date at which the index is set to a fixed value for calculation purposes. The Launch Date designates the date when the values of an index are first considered live: index values provided for any date or time period prior to the index's Launch Date are considered back-tested. S&P Dow Jones Indices defines the Launch Date as the date by which the values of an index are known to have been released to the public, for example via the company's public website or its data feed to external parties. For Dow Jones-branded indices introduced prior to May 31, 2013, the Launch Date (which prior to May 31, 2013, was termed "Date of introduction") is set at a date upon which no further changes were permitted to be made to the index methodology, but that may have been prior to the Index's public release date.

Typically, when S&P DJI creates back-tested index data, S&P DJI uses actual historical constituent-level data (e.g., historical price, market capitalization, and corporate action data) in its calculations. As ESG investing is still in early stages of development, certain datapoints used to calculate S&P DJI's ESG indices may not be available for the entire desired period of back-tested history. The same data availability issue could be true for other indices as well. In cases when actual data is not available for all relevant historical periods, S&P DJI may employ a process of using "Backward Data Assumption" (or pulling back) of ESG data for the calculation of back-tested historical performance. "Backward Data Assumption" is a process that applies the earliest actual live data point available for an index constituent company to all prior historical instances in the index performance. For example, Backward Data Assumption inherently assumes that companies currently not involved in a specific business activity (also known as "product involvement") were never involved historically and similarly also assumes that companies currently involved in a specific business activity were involved historically too. The Backward Data Assumption allows the hypothetical back-test to be extended over more historical years than would be feasible using only actual data. For more information on "Backward Data Assumption" please refer to the FAQ. The methodology and factsheets of any index that employs backward assumption in the back-tested history will explicitly state so. The methodology will include an Appendix with a table setting forth the specific data points and relevant time period for which backward projected data was used.

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