

# SPIVA<sup>®</sup> New Zealand Scorecard

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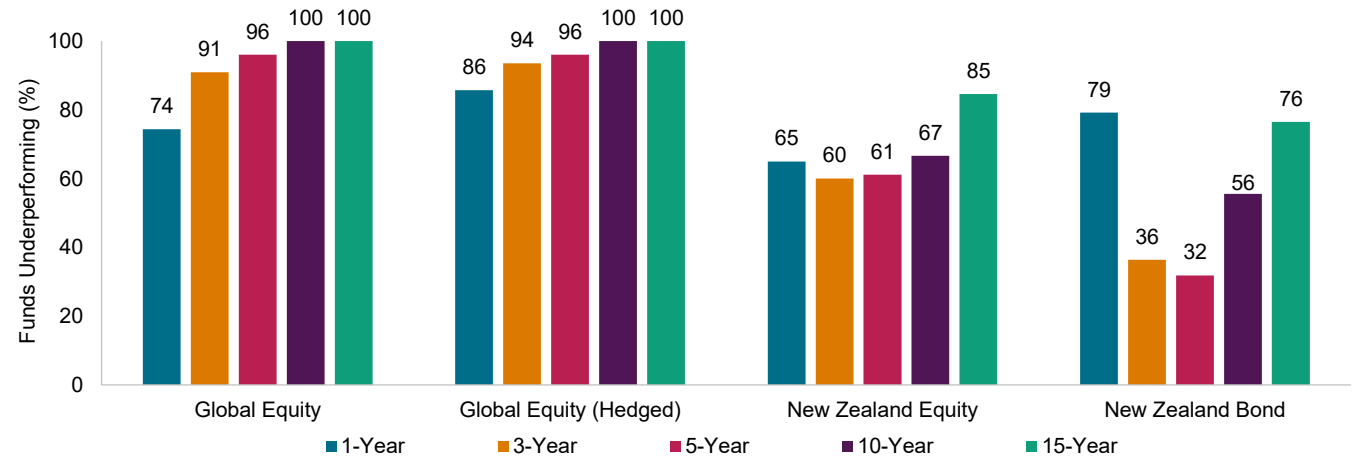
**Experience the  
active vs. passive debate  
on a global scale.**

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.

## 2025 Highlights

2025 proved to be another challenging year for active funds in New Zealand, with a firm majority of funds underperforming relevant benchmarks across global and domestic equities, as well as domestic bonds. Notably, 79% of New Zealand Bond funds underperformed, marking a significant departure from their majority outperformance over the past four calendar years. Exhibit 1 summarizes the results across all reported categories over the 1- to 15-year periods ending December 2025.

**Exhibit 1: Percentage of Underperforming Active New Zealand Funds**

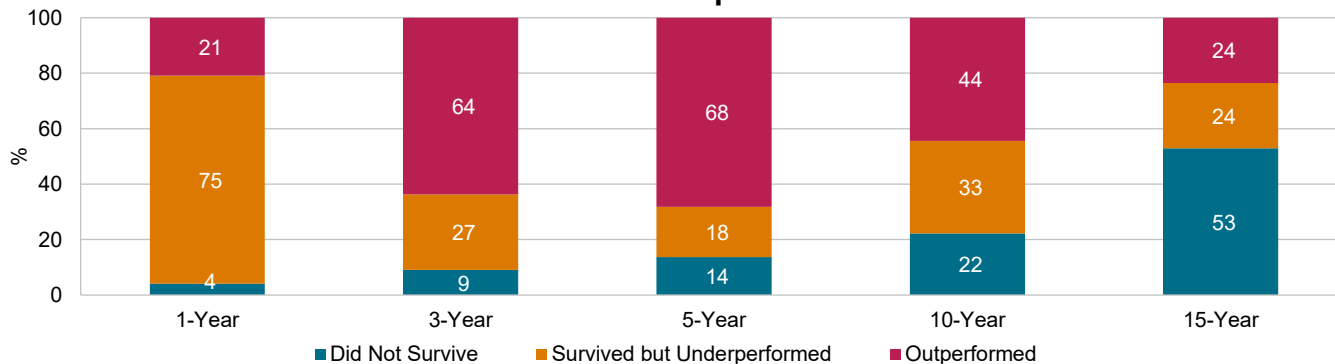


Sources: S&P Dow Jones Indices LLC, Morningstar. Data as of Dec. 31, 2025. The S&P World Index (NZD) and the S&P World NZD Hedged Index were launched Oct. 25, 2024. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Chart is provided for 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:** Despite relatively resilient results in the first half of 2025,<sup>1</sup> active funds lost ground in the second half, recording a 74% full-year underperformance rate. The [S&P World Index](#) posted an 18.9% gain in New Zealand dollar terms (and a similar level of performance with currency hedging), compared to 22.1% in U.S. dollar terms. Actively managed Global Equity funds posted an average return of 15.4% on an asset-weighted basis. Global Equity (Hedged) funds returned 14.5%, with an 86% underperformance rate. Over the 10- and 15-year periods, all funds underperformed in both hedged and unhedged categories.
- **New Zealand Equity Funds:** The [S&P/NZX 50 Index](#) gained 3.3% (or 4.1% with imputation credits), while 65% of actively managed New Zealand Equity funds underperformed it. The funds in this category delivered an asset-weighted average return of 1.9%. Over the 15-year horizon, 85% of funds underperformed.
- **New Zealand Bond Funds:** After a strong track record of outperformance over the past four years, actively managed New Zealand Bond funds faced challenges in 2025, with 79% of funds underperforming. Larger funds fared relatively better, raising the category’s asset-weighted average return to 5.0%, compared to 4.8% on an equal-weighted basis, nearly matching the 5.1% gain of the [S&P/NZX Composite Investment Grade Bond Index](#). Over the 15-year period, 76% of funds lagged the benchmark.
- **Fund Survivorship:** The number of active funds in New Zealand continued to grow, driven primarily by the launch of global equity funds. Fund liquidation remained minimal, with only 1 of 118 funds across all reported categories failing to survive. However, the attrition rate increased over longer time horizons; 16% and 47% of funds across all categories either merged or liquidated over the 10- and 15-year periods, respectively (see Report 5). Fund closures significantly affected the fund underperformance rate in the long term, as illustrated by the example of the New Zealand Bond category in Exhibit 2.

**Exhibit 2: New Zealand Bond Fund Survivorship and Relative Performance**



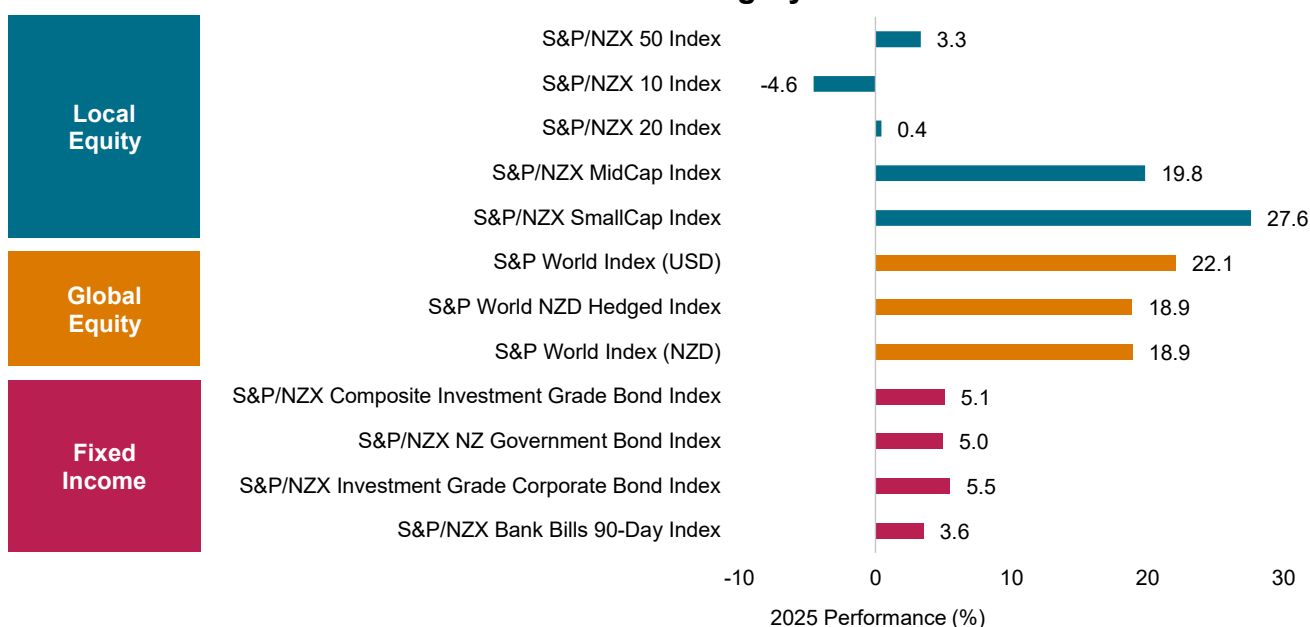
Sources: S&P Dow Jones Indices LLC, Morningstar. Data as of Dec. 31, 2025. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

<sup>1</sup> Lee, Sue et al., “[SPIVA New Zealand Mid-Year 2025 Scorecard](#),” S&P Dow Jones Indices LLC, Sept. 24, 2025.

# Market Context

In 2025, New Zealand equities continued to lag other developed markets, even as the Reserve Bank of New Zealand implemented aggressive rate cuts, lowering the official cash rate from 4.25% to 2.25%. The S&P/NZX 50 Index delivered a modest gain of 3.3% for the year, while broader developed equities, as measured by the S&P World, surged 22.1% in U.S. dollar terms and 18.9% in New Zealand dollar terms. New Zealand bonds fared better than local large-cap equities, with the S&P/NZX Composite Investment Grade Bond Index posting a 5.1% gain (see Exhibit 3).

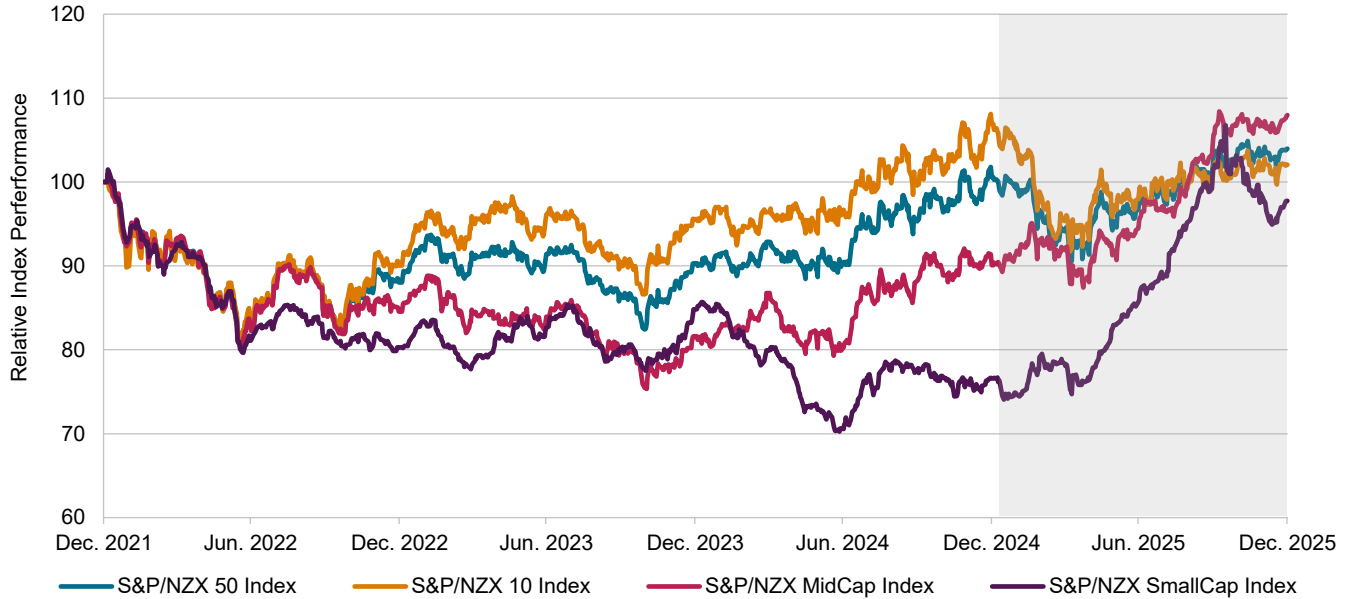
**Exhibit 3: Performance of New Zealand Fund Category Benchmarks and Select Indices**



Source: S&P Dow Jones Indices LLC. Data from Dec. 31, 2024, to Dec. 31, 2025. Index performance based on total return. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

**One of the most notable developments in the New Zealand equity market in 2025 was the resurgence of smaller companies** (see Exhibit 4). In recent years, the market has become increasingly concentrated, with the largest 10 stocks accounting for 68% of the S&P/NZX 50 at the start of 2025, thereby amplifying their influence on benchmark performance. However, this trend reversed during the year; the [S&P/NZX 10 Index](#) was significantly outpaced by the [S&P/NZX MidCap Index](#) (which includes the 40 stocks from the S&P/NZX 50 that are not part of the S&P/NZX 10) and the [S&P/NZX SmallCap Index](#) (comprising smaller companies outside of the S&P/NZX 50), as the three largest stocks—Fisher & Paykel Healthcare, Auckland International Airport and Infratil—all posted losses. This environment may have been more supportive for active managers seeking returns beyond the largest stocks.

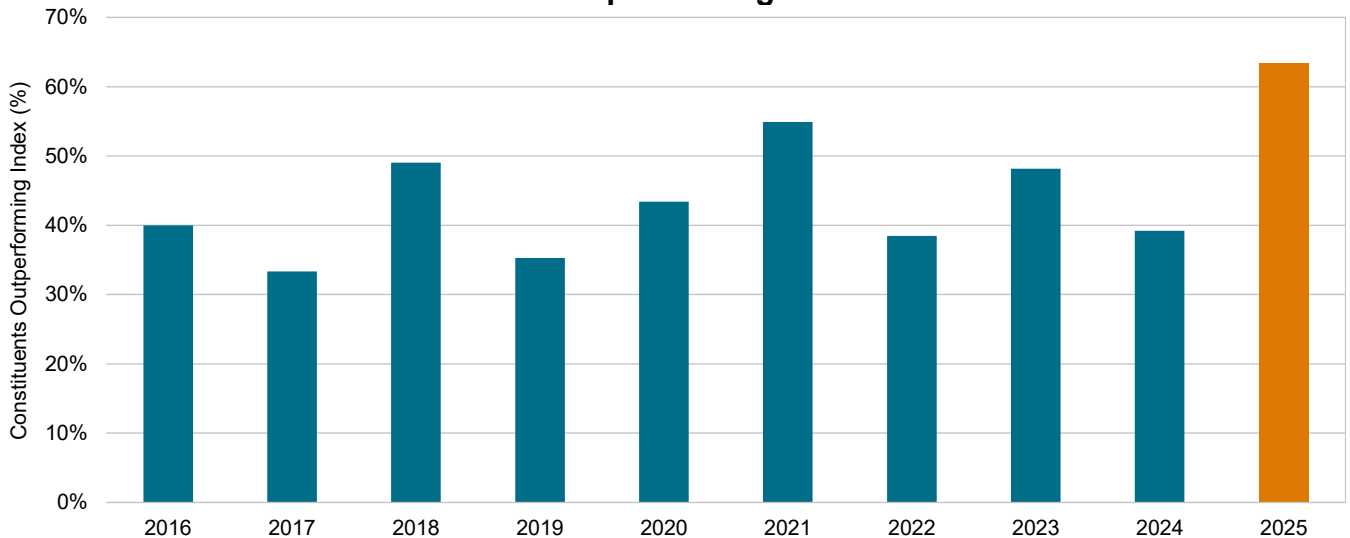
### Exhibit 4: Relative Performance of New Zealand Equity Indices across the Market Capitalization Spectrum



Source: S&P Dow Jones Indices LLC. Data from Dec. 31, 2024, to Dec. 31, 2025. Index performance based on total return in NZD. Shaded area represents the year 2025. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

The underperformance of the largest stocks resulted in a greater proportion of index constituents outperforming the benchmark. In 2025, 63% of S&P/NZX 50 Index constituents outperformed the index, the highest level in the past decade (see Exhibit 5). This suggests that the odds of selecting winning stocks in New Zealand were much more favorable in 2025. Despite this backdrop, 65% of New Zealand Equity funds underperformed, indicating that most active funds failed to capitalize on these opportunities.

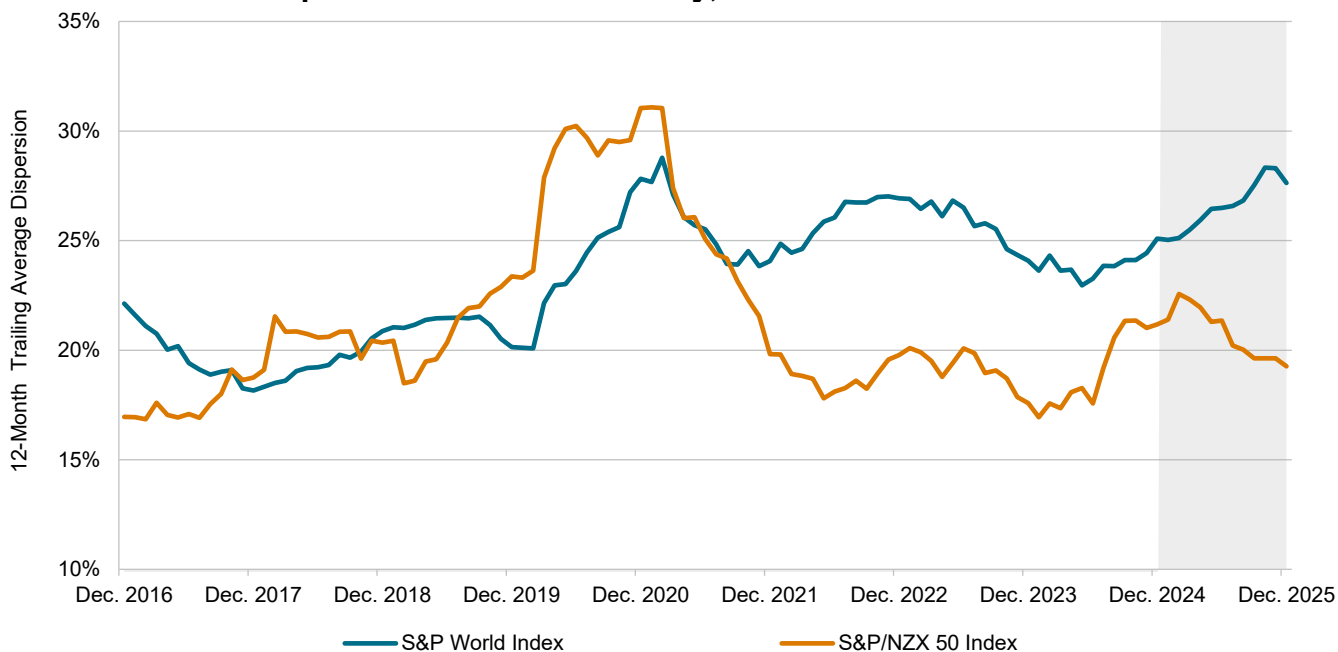
### Exhibit 5: S&P/NZX 50 Constituents Outperforming Index



Source: S&P Dow Jones Indices LLC, Bloomberg. Data as of Dec. 31, 2025. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

**Globally, stocks moved increasingly differently from one another, highlighting the potential benefits of stock picking and active management.** Dispersion<sup>2</sup> among S&P World constituents expanded to levels last seen during the 2020 COVID-19 pandemic, driven in part by large-cap U.S. stocks reaching their highest dispersion since 2009.<sup>3</sup> In contrast, the S&P/NZX 50 Index experienced a decline in dispersion over the same period (see Exhibit 6).

**Exhibit 6: Stock Dispersion Increased Globally, but Not in New Zealand**



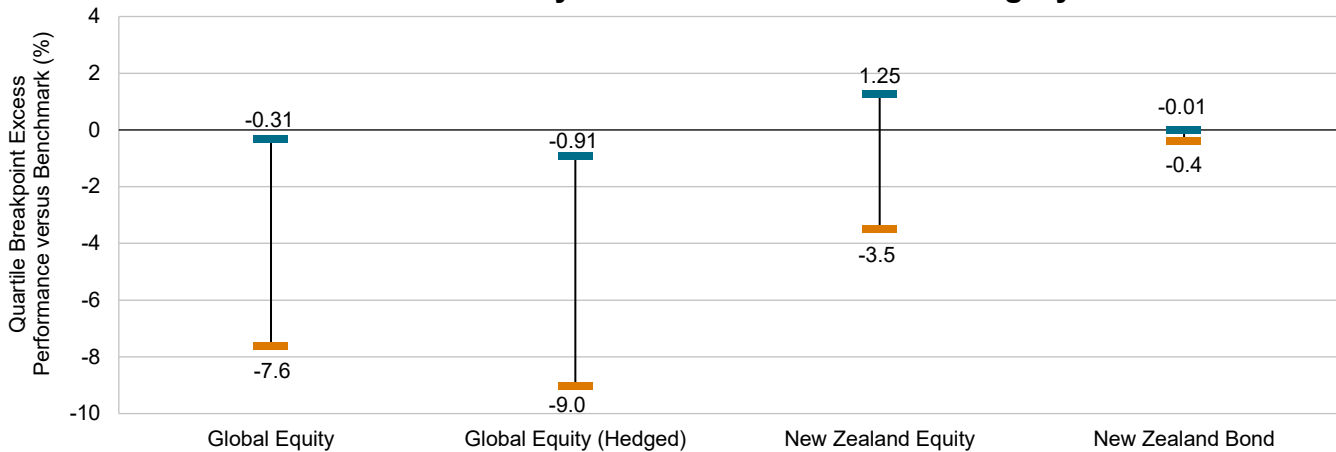
Source: S&P Dow Jones Indices LLC. Data from Dec. 31, 2015, to Dec. 31, 2025. Index dispersion is calculated as the standard deviation of the monthly return of index constituents, weighted by each constituent’s index weighting. Shaded area represents the year 2025. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

This divergence in stock dispersion was reflected in fund performance. Exhibit 7 shows the top- and bottom-quartile fund breakpoints’ excess return against their assigned benchmarks in 2025. The interquartile ranges were materially wider in the Global Equity and Global Equity (Hedged) categories, due to greater dispersion across the global stock universe. Notably, these interquartile ranges were significantly skewed to the downside, indicating that while high stock dispersion can create greater opportunities for skilled managers, it also increases risks for those lacking skill.

<sup>2</sup> Dispersion gauges the extent to which stocks deviate from the average performance. For further insight, see Edwards, Tim et al., “Dispersion: Measuring Market Opportunity,” S&P Dow Jones Indices LLC, December 2013.

<sup>3</sup> Ganti, Anu et al., “SPIVA U.S. Scorecard Year-End 2025,” S&P Dow Jones Indices LLC, March 3, 2026.

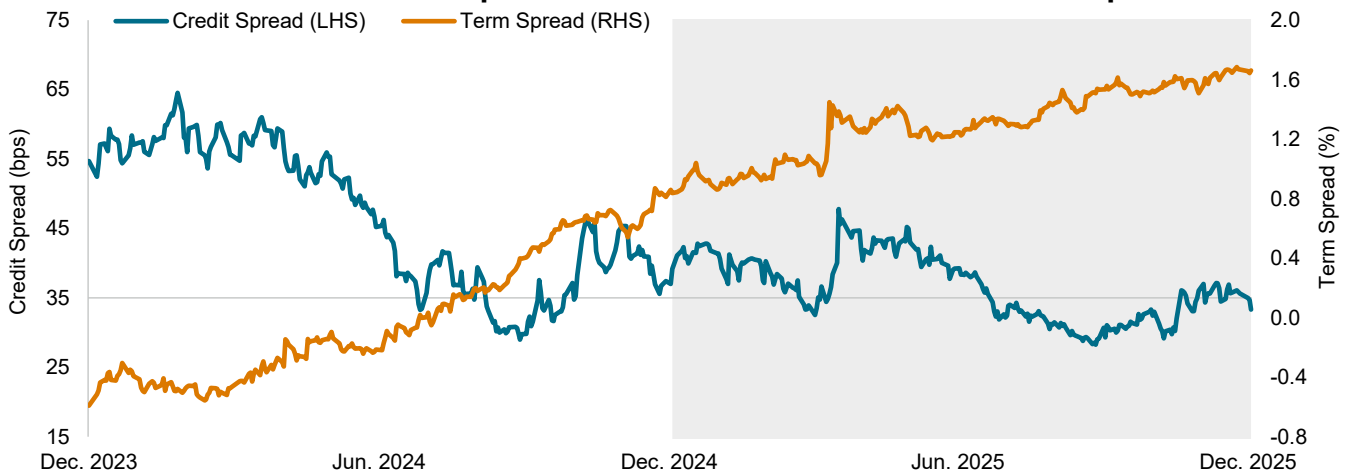
### Exhibit 7: One-Year Excess Return by Quartile for Each Fund Category



Source: S&P Dow Jones Indices LLC, Morningstar. Data as of Dec. 31, 2025. Chart is provided for illustrative purposes. Past performance is no guarantee of future results.

Active bond managers faced increasingly challenging market conditions in 2025. A series of rate cuts by the central bank compressed short-term yields, steepening the yield curve. This shift penalized managers who had reduced duration risk—a strategy that worked well in prior years. Additionally, credit spreads remained volatile and stopped narrowing, reducing opportunities for outperformance through increased credit exposure. As a result, 79% of New Zealand Bond funds underperformed their benchmark, a dramatic increase from 20% in 2024.<sup>4</sup> Looking ahead to 2026, market conditions remain uncertain, with persistent inflation pressures suggesting the Reserve Bank of New Zealand may shift toward tightening, which presents a new test for active bond managers navigating this evolving environment.

### Exhibit 8: New Zealand Credit Spreads Fluctuated while Yield Curve Steepened



Source: S&P Dow Jones Indices LLC. Data from Dec. 31, 2023, to Dec. 31, 2025. 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.

<sup>4</sup> Lee, Sue et al., "SPIVA New Zealand Year-End 2024 Scorecard," S&P Dow Jones Indices LLC, March 17, 2025.

# 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 performance 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	1-Year (%)	3-Year (%)	5-Year (%)	10-Year (%)	15-Year (%)
Global Equity	S&P World	74.4	90.9	96.0	100.0	100.0
Global Equity (Hedged)	S&P World NZD Hedged Index	85.7	93.5	96.0	100.0	100.0
New Zealand Equity	S&P/NZX 50 Index (Gross with Imputation)	65.0	60.0	61.1	66.7	84.6
New Zealand Bond	S&P/NZX Composite Investment Grade Bond Index	79.2	36.4	31.8	55.6	76.5

Sources: S&P Dow Jones Indices LLC, Morningstar. Data for periods ending Dec. 31, 2025. Fund and benchmark returns are all in NZD. The S&P World (NZD) and S&P World NZD Hedged Index were launched 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	93.9	96.0	100.0	100.0
Global Equity (Hedged)	S&P World NZD Hedged Index	80.6	76.0	89.5	83.3
New Zealand Equity	S&P/NZX 50 Index (Gross With Imputation)	65.0	61.1	73.3	84.6
New Zealand Bond	S&P/NZX Composite Investment Grade Bond Index	22.7	27.3	50.0	76.5

Sources: S&P Dow Jones Indices LLC, Morningstar. Data for periods ending Dec. 31, 2025. 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. The S&P World (NZD) and S&P World NZD Hedged Index were launched 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 (%)
<b>1-Year</b>		
Global Equity	39	100.0
Global Equity (Hedged)	35	100.0
New Zealand Equity	20	100.0
New Zealand Bond	24	95.8
<b>All Categories</b>	<b>118</b>	<b>99.2</b>
<b>3-Year</b>		
Global Equity	33	100.0
Global Equity (Hedged)	31	93.5
New Zealand Equity	20	95.0
New Zealand Bond	22	90.9
<b>All Categories</b>	<b>106</b>	<b>95.3</b>
<b>5-Year</b>		
Global Equity	25	96.0
Global Equity (Hedged)	25	88.0
New Zealand Equity	18	94.4
New Zealand Bond	22	86.4
<b>All Categories</b>	<b>90</b>	<b>91.1</b>
<b>10-Year</b>		
Global Equity	12	100.0
Global Equity (Hedged)	19	84.2
New Zealand Equity	15	80.0
New Zealand Bond	18	77.8
<b>All Categories</b>	<b>64</b>	<b>84.4</b>
<b>15-Year</b>		
Global Equity	20	40.0
Global Equity (Hedged)	12	83.3
New Zealand Equity	13	53.8
New Zealand Bond	17	47.1
<b>All Categories</b>	<b>62</b>	<b>53.2</b>

Sources: S&P Dow Jones Indices LLC, Morningstar. Data for periods ending Dec. 31, 2025. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

**Report 3: Average Fund Performance (Equal-Weighted)**

Index/Fund Category	1-Year (%)	3-Year (%)	5-Year (%)	10-Year (%)	15-Year (%)
S&P World	18.91	25.94	17.86	14.70	13.47
Global Equity	15.03	19.77	12.01	12.09	10.79
S&P World NZD Hedged Index	18.87	21.81	13.26	12.80	12.62
Global Equity (Hedged)	13.58	17.13	10.15	10.29	9.78
S&P/NZX 50 Index (Gross with Imputation)	4.08	6.54	1.46	8.88	11.00
New Zealand Equity	2.58	6.80	1.64	8.80	10.99
S&P/NZX Composite Investment Grade Bond Index	5.11	5.54	0.51	2.67	3.70
New Zealand Bond	4.84	6.03	1.52	2.91	3.64

Sources: S&P Dow Jones Indices LLC, Morningstar. Data for periods ending Dec. 31, 2025. Fund and benchmark returns are all in NZD. The S&P World (NZD) and S&P World NZD Hedged Index were launched 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	1-Year (%)	3-Year (%)	5-Year (%)	10-Year (%)	15-Year (%)
S&P World	18.91	25.94	17.86	14.70	13.47
Global Equity	15.36	20.30	12.74	12.21	11.34
S&P World NZD Hedged Index	18.87	21.81	13.26	12.80	12.62
Global Equity (Hedged)	14.50	18.48	11.10	10.84	10.32
S&P/NZX 50 Index (Gross with Imputation)	4.08	6.54	1.46	8.88	11.00
New Zealand Equity	1.88	6.83	1.57	8.89	10.83
S&P/NZX Composite Investment Grade Bond Index	5.11	5.54	0.51	2.67	3.70
New Zealand Bond	5.00	6.30	1.69	3.08	3.96

Sources: S&P Dow Jones Indices LLC, Morningstar. Data for periods ending Dec. 31, 2025. Fund and benchmark returns are all in NZD. The S&P World (NZD) and the S&P World NZD Hedged Index were launched 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**

<b>Fund Category</b>	<b>Third Quartile</b>	<b>Second Quartile</b>	<b>First Quartile</b>
<b>1-Year</b>			
Global Equity	11.31	15.19	18.60
Global Equity (Hedged)	9.83	14.60	17.96
New Zealand Equity	0.58	2.27	5.33
New Zealand Bond	4.72	4.82	5.11
<b>3-Year</b>			
Global Equity	15.35	20.67	23.89
Global Equity (Hedged)	14.98	17.51	19.41
New Zealand Equity	5.67	6.24	7.77
New Zealand Bond	5.47	6.02	6.50
<b>5-Year</b>			
Global Equity	8.24	11.85	15.06
Global Equity (Hedged)	6.71	9.64	11.89
New Zealand Equity	0.83	1.35	2.02
New Zealand Bond	0.63	1.05	2.09
<b>10-Year</b>			
Global Equity	9.16	10.75	12.35
Global Equity (Hedged)	9.26	10.02	10.96
New Zealand Equity	8.23	8.80	9.39
New Zealand Bond	2.60	2.90	3.41
<b>15-Year</b>			
Global Equity	8.86	9.71	11.63
Global Equity (Hedged)	8.73	9.72	10.74
New Zealand Equity	10.25	10.66	11.34
New Zealand Bond	3.42	3.58	3.85

Sources: S&P Dow Jones Indices LLC, Morningstar. Data for periods ending Dec. 31, 2025. 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<sup>5</sup> domiciled in New Zealand for which month-end data is available during the performance period. The data include the most comprehensive fund data on active and finalized (merged or liquidated) funds 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 in the following manner.

### 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, but not all funds adopt the benchmarks stipulated. However, many funds do set their performance hurdle based on either the assigned benchmarks in this report, or a similar alternative.

<sup>5</sup> 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
Global Equity (Hedged)	S&P World NZD Hedged Index
New Zealand Equity	S&P/NZX 50 Index (Gross with Imputation)
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**

The S&P World 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 investing 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  $p^{\text{th}}$  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<sup>th</sup> 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<sup>th</sup> percentile, and the third quartile is the 25<sup>th</sup> 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](http://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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