

Morningstar® New Zealand Multi-Sector Market Indices

Key Benefits

- ▶ Enable much more accurate and appropriate comparisons and contrasts between the funds in each Multi-Sector Morningstar Category
- ▶ These indices are available in Morningstar Adviser Research Centre¹, Morningstar Direct², and on Morningstar's proprietary fund profiles.

Multi-Sector Fund Performance Benchmarks

Morningstar calculates and publishes proxy market benchmarks for multi-sector funds. These Morningstar Multi-Sector Market Indices incorporate weighted averages of existing market indices. These indices enable investors and their advisers to make accurate and appropriate comparisons between multi-sector funds and provide a meaningful performance benchmark for the five Morningstar multi-sector fund categories.

These five Multi-Sector Market Indices are:

- ▶ Morningstar NZ Msec Conservative TR NZD F00000NOGT 95260
- ▶ Morningstar NZ Msec Moderate TR NZD F00000NOGV 95262
- ▶ Morningstar NZ Msec Balanced TR NZD F00000NOGS 95259
- ▶ Morningstar NZ Msec Growth TR NZD F00000NOGU 95261
- ▶ Morningstar NZ Msec Aggressive TR NZD F00000NOGR 95258

These indices are available in Morningstar[®] Adviser Research Centre[™], Morningstar Direct[™], and on Morningstar's proprietary fund profiles.

How They're Calculated

We use identical calculations to determine daily returns for the five indices. We begin the calculation process by breaking each index into seven broad asset classes. We then assign a weighting to these asset classes on the basis of the category's average asset allocation, and then apply a widely-used market index to each broad asset class. Finally, we add these asset classes together to construct the daily return for each Multi-Sector Market Index. Each category's average asset allocation is updated six-monthly (on 30 June and 31 December) and the market indices for each asset class are updated daily. Please note that the international property market index is converted to NZD.

More Information

Due to the retirement of the UBS Global Investors index series, the market index for International Listed Property was replaced with the FTSE EPRA/NAREIT Developed NR Hdg AUD. The historical Multi-Sector Market Index returns were adjusted accordingly in July 2015.

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| Asset Class Components and Market Indices | Asset Class | Market Index |
|---|---------------------------------|---------------------------------------|
| | ● Australasian Shares | 50% S&P/NZX 50 & 50% S&P/ASX 200 |
| | ● International Shares | MSCI World Ex Australia GR USD |
| | ● New Zealand Listed Property | S&P/NZX All Real Estate Index TR NZD |
| | ● International Listed Property | FTSE EPRA/NAREIT Developed NR Hdg AUD |
| | ● New Zealand Fixed Interest | S&P/NZX NZ Govt Bond GR NZD |
| | ● International Fixed Interest | Barclays Global Aggregate TR Hdg NZD |
| | ● Cash | S&P/NZX 90D B-Bill GR NZD |

Multi-Sector Index Asset Allocation as at 31 December 2019



| Asset Class % | NZ Multi-Sector Conservative Index | NZ Multi-Sector Moderate Index | NZ Multi-Sector Balanced Index | NZ Multi-Sector Growth Index | NZ Multi-Sector Aggressive Index |
|---------------------------------|------------------------------------|--------------------------------|--------------------------------|------------------------------|----------------------------------|
| ● New Zealand Fixed Interest | 20.71 | 22.68 | 13.97 | 7.83 | 2.97 |
| ● Australasian Shares | 5.38 | 9.04 | 17.03 | 24.34 | 24.49 |
| ● International Shares | 12.06 | 19.36 | 34.21 | 44.58 | 57.77 |
| ● International Listed Property | 0.64 | 1.74 | 2.81 | 3.02 | 3.67 |
| ● International Fixed Interest | 37.34 | 24.62 | 19.21 | 10.59 | 1.79 |
| ● New Zealand Listed Property | 0.47 | 1.38 | 1.78 | 2.59 | 3.42 |
| ● Cash | 23.40 | 21.18 | 10.99 | 7.05 | 5.89 |