MORNINGSTAR®

Economic Update: New Zealand
October 2022

Morningstar Research
Oct. 25, 2022

Outlook for Investment Markets

Both bonds and equities have suffered further losses as interest rates have continued to climb: Central banks in a wide range of countries (other than Japan) have been tightening monetary policy to address inflation, which was been way above the banks' target levels and which has continued to surprise in its persistence and scale. Looking ahead, further interest-rate rises look highly probable, putting ongoing pressure on the valuation of other asset classes. The central banks' tighter stance is contributing to a widely expected global economic slowdown in 2023, and risks to the outlook remain tilted to the downside, given uncertainties such as the Russia-Ukraine war, China's ongoing lockdowns, and potential financial fragility legacies from the days of very low-cost debt. Although currently in good shape from a gross domestic product growth and unemployment perspective, the local economy is expected to slow down in 2023 as too-high local inflation means that the Reserve Bank of New Zealand, like its overseas counterparts, will also be tightening. Corporate profits will be under pressure.

Important Disclosure
The conduct of Morningstar's analysts is governed by Code of Ethics/Code of Conduct Policy, Personal Security Trading Policy (or an equivalent of), and Investment Research Policy. For information regarding conflicts of interest, please visit: https://shareholders.morningstar.com

New Zealand Cash and Fixed Interest — Review

Short-term interest rates have risen further, and the 90-day bank bill rate is now just under 4.1%, a rise of just over 3% for the year. Bond yields have reached new highs for the year: The 10-year government-bond yield is now 4.6%, well above its previous peak of 4.25% back in June. The kiwi dollar has been weak, largely because of its 17.1% year-to-date decline against the U.S. dollar, but it has also depreciated against most other major currencies other than the yen, and in overall trade-weighted terms it is now 6.9% lower for the year.

New Zealand Cash and Fixed Interest — Outlook

The outlook for short-term interest rates has been materially altered by the news that inflation in the September quarter, far from dropping to the 6.5% that forecasters had expected, had remained high at 7.2%, only marginally down from June's 7.3%. Worse, the 'nontradables,' or domestically generated, rate of inflation picked up from June's 6.3% to 6.6%. Forecasters, and the futures market, rapidly reassessed their view of what the Reserve Bank of New Zealand, or RBNZ, now needs to do to get this unexpectedly persistent inflation back under control, and their current view is that the official cash rate, or OCR, will have to be raised to somewhere around the 5.0% mark over the next six months.

Bond yields had been rising even before the bad inflation data, tracking rising yields in offshore markets, and have moved higher again on the latest news. For the year to date, the S&P New Zealand Aggregate Bond Index has lost 7.9%, and the prospect of tighter monetary policy combined with persistent high inflation suggests that bond investors will continue to face headwinds in coming months. At some point, the RBNZ will work the OCR to a high enough level to put the brakes on the economy and reduce inflationary pressures, at which time, bonds may re-enter the equation as a more attractive option when growth-exposed assets will be facing the impact of an economic slowdown, but that is likely a story for mid- to late 2023.

The kiwi dollar continues to be hostage to wider global developments, notably the 'risk off' behaviour of foreign-exchange investors in a difficult year that has favoured safer-haven options like the U.S. dollar and (at least until the last few days) interest-rate differentials favouring the USD, given the Fed's strong stance to do whatever it takes to bring U.S. inflation under control through higher U.S. interest rates. The RBNZ, if it indeed moves to 0.75% hikes in the OCR as expected, could deal to the interest differential issue, but there is a real prospect that the 'risk off' lack of interest could continue to hold the kiwi dollar down in the near term. The median view of the big bank forecasters is that the kiwi will recover only slightly from its recent USD selloff, to U.S. 58.55 cents from its current U.S. 56.7 cents level, by mid-2023 but could appreciate thereafter to around 62.5 cents by the end of next year.

New Zealand Property — Review

New Zealand listed property shares continue to perform very poorly, and for the year to date, the S&P / NZX All Real Estate Index has made a 26.4% capital loss and delivered an overall loss including dividends of 24.1%, a result well adrift of the wider share market's 18.8% capital loss and overall loss of 16.8%.

New Zealand Property — Outlook

Barring any sudden drop in inflation and a consequent retreat by the RBNZ from its monetary-policy-tightening path—at the moment an unlikely prospect—the outlook for the sector remains difficult. Valuations remain under pressure from rising interest rates. As an example, Colliers, in its latest (October) monthly research report, drew a comparison between the yield on prime industrial property and two alternative investor yield benchmarks, 90-day bank bills plus 2%, and the 10-year government-bond yield. Industrial property now offers less than the bills measure, when historically it has offered more, and there is only a very small pickup in yield from industrial property compared with bonds, where there is usually a comfortable margin. As Colliers put it, "With the RBNZ now increasing interest rates, at pace, in an inflationary environment, a recalibration of yields has begun," with higher yields likely to lead to further capital losses (industrial, with its low vacancy rates and rising rents, will be hit less than most). The sector is likely to remain under pressure until yields have risen to levels competitive with interest rates, and that may take well into next year.

Australian & International Property — Review

Although the wider Australian sharemarket has held up relatively well by international standards, the A-REIT sector has behaved in line with the very weak performance of global listed property, and the S&P / ASX200 A-REITs Index is down by 28.0% in capital value and has returned an overall loss of 25.8% including dividends, significantly worse than the S&P / ASX 200's 8.9% loss and 5.3% overall loss.

Global listed property has underperformed global equities as a whole: The FTSE EPRA-NAREIT Global Index in U.S. dollars is down by 31.2% (29.1% including dividends), compared with the MSCI World's loss of 23.9% (22.6% with dividends). In U.S. dollar terms, there were some remarkably large setbacks for eurozone REITs (an overall loss including dividends of 48.3%) and U.K. REITs (overall loss of 46.4%) as sharply weaker local currencies amplified the impact of lower local REIT prices. The key U.S. market, which accounts for over half of the index, had an overall loss of 27.6%.

© 2022 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. Any general advice or 'regulated financial advice' under New Zealand law has been prepared by Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or Morningstar Research Ltd, subsidiaries of Morningstar, Inc, without reference to your objectives, financial situation or needs. For more information refer to our Financial Services Guide (AU) and Financial Advice Provider Disclosure Statement (NZ) at www.morningstar.com.au/s/fsg.pdf and www.morningstar.com.au/s/fapds.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a professional financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.

Australian & International Property — Outlook

The A-REIT sector got a very brief benefit from the unexpectedly small 0.25% interest-rate hike by the RBA on Oct. 4, but since then it has resumed its slide, and the outlook remains demanding. As the September quarter ANZ Bank / Property Council of Australia sector survey showed, nearly everyone (90%) in the industry expects further interest-rate increases; the sector also expects cap rates (used to value property) to rise, causing capital losses; and it is also pessimistic about the outlook for economic growth. There are some subsector upsides: Respondents still expect some capital growth for retirement villages, industrial property, and the recovering tourist trade, but there are losses expected for shopping centres and offices. The office sector has now taken over from tourism as the sector seen as most vulnerable to adverse COVID-19 impacts, presumably because tourism is seen as entering a borders-reopened upswing, whereas offices look to be taking a more structural hit from more permanent changes to work practices. The setback to the A-REITs thus far has improved valuations—the forward-looking P/E ratio is 13.7 times expected earnings according to Standard & Poor's—but it may not be enough to trigger sufficient investor interest to reverse the sector's fortunes.

The outlook for global listed property is also tough in the face of rising interest rates and a slowing global economy. In the United Kingdom, for example, Goldman Sachs thinks commercial property prices could drop by between 15% and 20% in the two years to mid-2024, and other markets are also likely to be under the same pressures for some time. Colliers' latest (October) *Global Real Estate Insights* said that, although prices have fallen, there is more to come: Globally, "yields/cap rates will need to move out by a further 75bps, on average. This converts to a 15% correction in capital values, which could be higher, and we expect a range of at least 0%-30% as other factors come into play. The timing at which these changes unfold will vary from 6 to 24 months. By the end of 2023 we should see investment activity bottom out and recover."

Global Infrastructure — Review

Global listed infrastructure has conventionally proved some downside protection, and for the year to date, it has indeed fared better than global equities as a whole—as late as mid-September, it was still trading around the levels of the start of the year—but in a deeply bearish year for shares, even its relatively defensive orientation has not saved it from also recording losses. For the year to date, the S&P Global Infrastructure Index in U.S. dollars is down by 11.8% and has delivered a net return loss, including taxed dividends, of 9.8%. Hedging back into kiwi dollars reduced the net loss to 4.1%.

Global Infrastructure — Outlook

Infrastructure still has useful defensive characteristics: It tends to be less volatile than equities as a whole, it provides downside risk through the dependability of long-duration income streams and the ongoing use of utilities even through bad times, and it offers a degree of inflation protection as infrastructure operators can readjust their tariffs either through the regulatory process (albeit with a lag) or though terms in commercial contracts with their users. In a year like 2022, these attributes would be expected to rank high in investors' minds. This no doubt helped the sector outperform on a relative basis, but even defensive options like listed infrastructure have wilted under the ongoing pressure of rising

© 2022 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. Any general advice or 'regulated financial advice' under New Zealand law has been prepared by Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or Morningstar Research Ltd, subsidiaries of Morningstar, Inc, without reference to your objectives, financial situation or needs. For more information refer to our Financial Services Guide (AU) and Financial Advice Provider Disclosure Statement (NZ) at www.morningstar.com.au/s/fsg.pdf and www.morningstar.com.au/s/fapds.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a professional financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.

bond yields. Even after the latest fall in prices, the yield on listed infrastructure (3.85% at the end of September, according to Standard & Poor's) does not compare well with the 4.0% available on the benchmark U.S. 10-year Treasury. Like global listed property, the sector may remain pressured until yield differentials become more competitive.

Australasian Equities — Review

Like their overseas counterparts, New Zealand shares have had a difficult year. The S&P/NZX 50 Index has dropped by 18.8% in capital value and has delivered an overall loss of 16.8% including dividends. Among the big names, only Spark (up 12.6%) is clearly ahead for the year, while there have been large losses for Fisher & Paykel Healthcare (down 40.4%), Fletcher Building (down 32.5%), Ryman Healthcare (down 31.4%) and Mainfreight (down 30.7%). In aggregate, the top 10 are down by 18.4%, while the mid-caps are down by 20.1% and the small caps down by 21.3%. The defensive utilities have been relatively resistant in a weak market and are down by 8.3%.

Australian shares have also sold off, but less so than many other equity markets, and the S&P/ASX200 Index has shed 8.9% in capital value and recorded an overall loss of 5.3% including dividends. It has helped that the relatively large financials sector—five of the top 10 stocks by market cap are banks—has held up well, and the financials ex the A-REITs are down by only 2.9%. The miners have also been relatively strong, and the S&P/ASX300 Metals and Mining Index is down by only 4.7%. At the other end of the spectrum, IT shares have suffered from the global wariness towards the sector and are down by 31.9%, while the cyclically exposed consumer discretionary shares are down by 22.0%.

Australasian Equities — Outlook

The New Zealand economy is starting from a reasonably good position. The economy grew by a faster than expected 1.7% in the June quarter; the borders have reopened, benefiting the tourism and international education sectors; households' employment situation is strong, given the very tight labour market (the unemployment rate was only 3.3% in the June quarter); and export commodity prices are still high by historical standards and in September were up by 17.9% in NZD terms on a year ago. The latest (September) BNZ / BusinessNZ indexes of manufacturing and services sector performance showed that, while manufacturing output may have been marking time, the much larger services sector was strong, and the BNZ reckoned that the indexes were pointing to around 1% GDP growth in the September quarter.

But that was then, and the outlook from here looks tougher. As the ANZ put it, commenting on its September business survey, "Demand has not yet rolled over as feared as the Reserve Bank has raised interest rates. But insofar as the RBNZ can just keep on going until they see the cooling in demand they need to tame inflation, that's likely to be a temporary reprieve." The slowdown may be moderate—the IMF in its latest *World Economic Outlook* expects New Zealand's growth rate to slow from 2.3% this year to 1.9% in 2023—but combined with ongoing input cost and wage pressures and higher debt costs, business profitability will be challenged: In both the ANZ business survey and the latest (September) New Zealand Institute of Economic Research Quarterly Survey of Business Opinion, the

© 2022 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. Any general advice or 'regulated financial advice' under New Zealand law has been prepared by Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or Morningstar Research Ltd, subsidiaries of Morningstar, Inc, without reference to your objectives, financial situation or needs. For more information refer to our Financial Services Guide (AU) and Financial Advice Provider Disclosure Statement (NZ) at www.morningstar.com.au/s/fsg.pdf and www.morningstar.com.au/s/fapds.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a professional financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.

readings on profitability remained pessimistic. As with overseas equity markets, local shares may not yet have felt the full impact of the monetary tightenings to date and the further hikes yet to come.

In Australia, again the economy is starting from a strong point. The September monthly business survey from National Australia Bank, or NAB, for example, was outright robust: "Business conditions strengthened further in September on the back of very high trading conditions and are now above their pre-COVID peak. Both the employment and profitability indexes also remain elevated." The labour market remains strong, with the unemployment rate at only 3.5%, and NAB's September quarterly 'consumer stress' survey found that consumer stress remains below average: "Despite higher consumer stress associated with cost of living (now at its highest point since 2018), this was offset by a further easing in stress related to job security (near 4-year lows)." Export commodity prices, though down from their record peak in July, are still very high and in AUD terms are up 30% on a year ago.

But this strong environment looks to weaken into 2023. While the NAB consumer stress survey looked solid, other readings show consumers in a wary mood: The Westpac Melbourne Institute October survey, for example, showed household confidence "in deeply pessimistic territory … The key drags on confidence continue to come from a surge in the cost of living, rising interest rates, and concerns about the near-term outlook for the economy … the [monetary policy] tightening cycle still has significantly further to run. That is likely to keep the Consumer Sentiment Index firmly in deeply pessimistic territory in coming months." The Westpac Melbourne Institute leading indicator weakened again in September, and Westpac said that "This signal is broadly in line with Westpac's forecast that economic growth will slow from 3.4% in 2022 to 1.0% in 2023, highlighted by a sharp slowdown in consumer spending." Australia does not look like it is headed for a recession—like Westpac, the IMF also thinks that, while Australia will slow down in 2023 to 1.9%, it will keep some modest growth going—but it is heading for a more difficult part of the business cycle, and shares will for now continue to face headwinds.

International Fixed Interest — Review

International fixed interest has continued to fare very poorly as bond yields have continued to rise in several major markets, always excluding Japan, which has clung to its policy of keeping bond yields unusually low (its 10-year government-bond yield is only 0.26%). In the United States, for example, the 10-year Treasury yield has risen to 4%, a 2.5% increase for the year, and in the U.K., the misguided Truss / Kwarteng minibudget saw the 10-year yield hit 4.5% amid scenes of bond market stress, and although it is now back down to just under 4%, the yield is still up by 3.0% for the year. Eurozone yields are also higher: The German 10-year yield is 2.3%, up 2.5% for the year (it started off in negative yield territory). Overall, significant yield rises have translated into heavy capital losses, and for the year to date, the Bloomberg Global Aggregate in U.S. dollars is down by 20.9%.

International Fixed Interest — Outlook

The immediate near-term outlook for bonds remains challenging as inflation outcomes have continued to disappoint and as central banks look more likely to push interest rates higher than previously anticipated.

© 2022 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. Any general advice or 'regulated financial advice' under New Zealand law has been prepared by Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or Morningstar Research Ltd, subsidiaries of Morningstar, Inc, without reference to your objectives, financial situation or needs. For more information refer to our Financial Services Guide (AU) and Financial Advice Provider Disclosure Statement (NZ) at www.morningstar.com.au/s/fsg.pdf and www.morningstar.com.au/s/fapds.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a professional financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.

In the U.S., for example, the September inflation rate was 8.2%, only slightly less than August's 8.3%, but, more significantly, the 'core' rate of inflation, ex volatile food and energy prices, accelerated to 6.6% from August's 6.3% and was the highest rate of core inflation since August 1982. Unsurprisingly, the financial markets concluded that the Fed will have to counter with further significant interest-rate rises: Its current target range for the federal-funds cash rate is 3.0% to 3.25%, and the most recent pricing in the futures market (as summarised by the FedWatch tool) says there is an 80% probability of the range being hiked by 1.5% by the end of this year and a strong 75% chance of a further increase of either 0.25% or 0.5% in the first half of next year. In the U.K., the inflation outcomes have been worse again, with a headline 10.1% rate in September and a 'core' reading of 6.5%, up from August's 6.3%, and the Bank of England will also have to move more actively than previously expected.

The more medium-term outlook for bonds may be improving. In the October Bank of America, or BoA, global fund manager survey, the respondents agreed that the fed-funds target range would indeed move higher than they had previously anticipated, but they also felt that the peak point of monetary tightening will be earlier in the piece (first quarter of next year), rather than the second-quarter peak they had previously picked, and a small but growing minority think that short-term interest rates will be lower in 12 months' time than they are today. If there is indeed this 'pivot' from the Fed (and from other central banks in the same position) towards an earlier than expected easing—if, for example, economies show signs of falling into serious recessions and/or inflation has finally started to ease—then bonds could potentially rally next year.

International Equities — Review

Although there have been intermittent rallies, overall global equities have continued to fall this year, and to date the MSCI World Index is down by 23.9% in U.S. dollars. All of the major markets are down by substantial amounts in U.S. dollar terms, ranging at the low end from the 21.6% fall in the U.K.'s FTSE100 index and the 22.0% fall in the U.S. S&P500, through to, at the high end, the 31.1% fall in the U.S. Nasdaq and the 30.3% fall in Germany's DAX. A benefit of the sharp fall in the kiwi dollar, however, is that it has helped to shield local investors in overseas shares from the worst of the impact; and in NZD terms, the MSCI World is down by 8.3%.

Emerging markets have been even weaker, and the MSCI Emerging Markets Index is down 28.6% in U.S. dollars. Apart from some small petroeconomies, which have been beneficiaries of high world oil prices, the only other good news has been the Brazilian market, which has benefited from strong commodity prices and which helped the local Bovespa benchmark index to a 17.4% gain in U.S. dollars. The other key emerging markets—China, India, and Russia—all registered USD losses: India's Sensex is off by 8.4%, the Shanghai Composite by 25.3%, and Russia's RTS by 34.8%.

International Equities — Outlook

Potential sources of support for world shares are limited. One is the current earnings reporting season, where businesses' operating results are still holding up reasonably well, albeit reflecting a period largely predating the latest rounds of monetary policy tightening. Another is the strength of the energy shares: For the year to date, the FTSE Global index of oil and gas producers is up 24.0%, and suppliers to the

© 2022 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. Any general advice or 'regulated financial advice' under New Zealand law has been prepared by Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or Morningstar Research Ltd, subsidiaries of Morningstar, Inc, without reference to your objectives, financial situation or needs. For more information refer to our Financial Services Guide (AU) and Financial Advice Provider Disclosure Statement (NZ) at www.morningstar.com.au/s/fsg.pdf and www.morningstar.com.au/s/fapds.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a professional financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.

energy trade are doing reasonably well, with oil equipment and services up by 8.8%. And, as noted in the international fixed-interest section, some investors are beginning to anticipate an eventual loosening of monetary policy sometime next year.

Otherwise, however, the immediate outlook has darkened. The global economic business cycle has weakened markedly. The J.P. Morgan Global Composite Index, a good measure of aggregate global business activity, showed that business activity actually contracted in both August and September, led by falls in output in the real estate industry and in parts of heavy industry (forestry and paper, construction materials, chemicals, and cars). And a range of forecasters have weighed in with lower expectations, notably the IMF in its latest *World Economic Outlook*, which said that "More than a third of the global economy will contract this year or next, while the three largest economies—the United States, the European Union, and China—will continue to stall. In short, the worst is yet to come, and for many people 2023 will feel like a recession." The latest (October) *Wall Street Journal* quarterly poll of U.S. forecasters is picking that the American economy will go through a short recession next year, with GDP expected to fall in both the March and June quarters.

The latest surveys of the big institutional fund managers are also downbeat. S&P Global's October survey of U.S. fund managers showed that while very short-term (next 30 days) risk appetite had picked up, a function of ongoing earnings performance and improved valuations, equity managers otherwise expected a poor outlook: "The improvement in near-term market performance is not expected to last, however, with the survey panel on average expecting the US equity market to lose further value by the end of the year. The degree of pessimism recorded for US equities is nevertheless the least marked for any major market. The UK is suffering the greatest extent of bearish views, followed by the EU and then China, the latter notably seeing a reversal of prior bullishness recorded in the summer."

The October Bank of America fund manager survey was bleaker again. A large majority of those surveyed think a global recession is likely, and in response, they are holding much higher levels of cash than usual (the highest in 20 years) and are taking a highly defensive approach to the assets they have deployed. They like utilities, consumer staples, and healthcare, and they are avoiding tech, industrials and consumer discretionary shares. They are also heavily underweighting the regions they think will fare worst in coming months (notably the eurozone and the U.K.). Eventually, improved valuations on further price weakness, and a turnaround in the global monetary policy tightening cycle, will put a floor under prices, but for now conditions remain difficult.

.

Performance periods unless otherwise stated generally refer to periods ended Tuesday, Oct. 18, 2022.

© 2022 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. Any general advice or 'regulated financial advice' under New Zealand law has been prepared by Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or Morningstar Research Ltd, subsidiaries of Morningstar, Inc, without reference to your objectives, financial situation or needs. For more information refer to our Financial Services Guide (AU) and Financial Advice Provider Disclosure Statement (NZ) at www.morningstar.com.au/s/fsg.pdf and www.morningstar.com.au/s/fapds.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a professional financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.

Copyright, Disclaimer and Other Information

This report has been issued and distributed by Morningstar Australasia Pty Ltd ABN: 95 090 665 544, AFSL: 240892 and/or Morningstar Research Limited NZBN: 9429039567505, subsidiaries of Morningstar, Inc.

To the extent the report contains any general advice or 'regulated financial advice' under New Zealand law this has been prepared by Morningstar Australasia Pty Ltd and/or Morningstar Research Ltd, without reference to your objectives, financial situation or needs. For more information please refer to our Financial Services Guide for Australian users and our Financial Advice Provider Disclosure Statement for New Zealand users. These are available at: www.morningstar.com.au/s/fsg.pdf and www.morningstar.com.au/s/fapds.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement

Copyright

©The material contained in this document is copyright of Morningstar, Inc., its licensors and any related bodies corporate that are involved in the document's creation. All rights reserved. Except as permitted by the Copyright Act 1968 (Australia) or Copyright Act 1994 (New Zealand), you may not reproduce, transmit, disseminate, sell or publish this information without the written consent of Morningstar, Inc.

Trademarks

Morningstar and the Morningstar logo are registered trademarks of Morningstar, Inc.

Disclaimer

All care has been taken in preparing this report. However, please note we base our financial product research on current information provided to us by third parties (including financial product issuers) which we cannot necessarily verify. While we use all reasonable efforts to obtain information from reliable sources, we do not guarantee the data or content contained herein to be accurate, complete or timely. To the extent that our research is based on information received from other parties, no liability is accepted by Morningstar, its affiliates nor their content providers for errors contained in the report or omissions from the report. Morningstar determines its ratings on information disclosed to it by financial product issuers and on past performance of products. Past performance is no guarantee of future performance.

More Information

If you wish to obtain further information regarding this report, licensing and our services, please contact us on:

Morningstar.com.au subscribers
Tel: 1800 03 44 55
Email: help.au@morningstar.com

Advisers/Institutions/Others
Tel: +61 2 9276 4446
Email: helpdesk.au@morningstar.com

For further information on our analysts and research methodologies, we recommend you visit:
www.global.morningstar.com/au/researchdocuments

© 2022 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. Any general advice or 'regulated financial advice' under New Zealand law has been prepared by Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or Morningstar Research Ltd, subsidiaries of Morningstar, Inc, without reference to your objectives, financial situation or needs. For more information refer to our Financial Services Guide (AU) and Financial Advice Provider Disclosure Statement (NZ) at www.morningstar.com.au/s/fsg.pdf and www.morningstar.com.au/s/fapds.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a professional financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.