

# Product update

18 February 2016

## 1. Change of Benchmark and name for iShares MSCI Australia 200 ETF (IOZ)

On 1 December 2015, the iShares MSCI Australia 200 ETF became the iShares S&P/ASX200 ETF as its benchmark changed from the MSCI Australia 200 Index to the S&P/ASX 200 Index. The fund's ASX code remains IOZ.

The iShares S&P/ASX 200 ETF comprises of the 200 largest securities by market capitalisation and liquidity, including foreign companies listed on the ASX. The benchmark change involves small but important changes in IOZ's portfolio, ensuring that the fund has tighter tracking to most Australian investors' reference benchmark.

### What does this mean for you?

If you have a current holding in the IOZ ETF via our Direct Share Trading platform, the benchmark has changed from the MSCI Australia 200 Index to the S&P/ASX 200 Index. This change means that the IOZ ETF now follows the most widely tracked benchmark of Australian stocks.

A key difference arising from the change of benchmark from the MSCI Australia 200 Index to the S&P/ASX 200 Index is that the treatment of foreign companies listed on the S&P/ASX 200 Index includes foreign-domiciled entities which are cross-listed on the ASX, such as News Corp and ResMed. There is no change to the risk label for IOZ which remains high with a risk band of 6.

## 2. Change of Benchmark and name for UBS IQ Research Preferred Australian Share Fund Exchange Traded Fund ('ETF')

On 1 February 2016, the UBS IQ Research Preferred Australian Share Fund ETF became the UBS IQ Morningstar Australia Quality ETF as its benchmark changed from the UBS Research Preferred Index to the Morningstar® Australia Moat Focus Index™. The fund's ASX code remains 'ETF'.

### What does this mean for you?

If you have a current holding in ETF via our Direct Share Trading platform, the benchmark has changed from the UBS Research Preferred Index to the Morningstar® Australia Moat Focus Index™. The investment fee, which is reflected in the performance of the investment option, for the underlying fund has been reduced from 0.70% p.a. to 0.30% p.a. There is no change to the risk label for ETF which remains high with a risk band of 6.

The Morningstar® Australia Moat Focus Index™ is a rules-based, equal-weighted index intended to offer exposure to quality companies that Morningstar determines have sustainable competitive advantages based on a proprietary methodology that considers quantitative and qualitative factors.

The Index is designed to target exposure to approximately 25 wide and narrow 'moat' stocks in the Morningstar Australia Index™ with the lowest ratios of current market price to fair value price to fair value price determined under an independent research process by the Morningstar Equity Research team. The fair value estimate is based primarily on Morningstar's proprietary three-stage discounted cash-flow model. Morningstar checks its fair value estimates against other valuation measures, such as sum-of-the-parts, multiples and yields, among others.