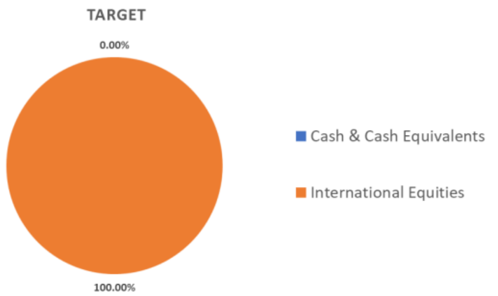
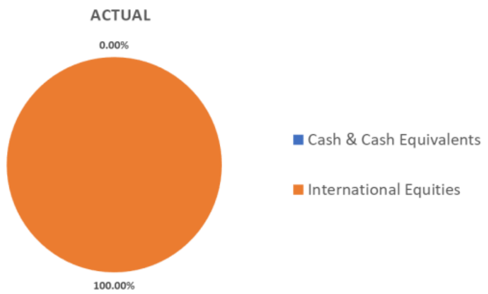
FOUNDATION SERIES US 500 FUND

Fund Fact Sheet at 31 March 2024

Fund Information	
Description	Single-sector fund targeting high-range long-run returns by investing in an underlying Exchange-Traded Fund ('ETF') that invests in shares of the largest companies listed on stock markets in the United States.
Objective	To perform broadly in line with the return of the Fund's investment benchmark on a before fees and tax basis.
Benchmark	Morningstar US Target Market Exposure TR NZD Index
Inception	7 November 2022
Fund Type	PIE
Fund Size (NAV)	$57.8 million
Annual Fund Charges (Estimated, % of NAV)	0.03%
Performance Fee	Nil
Buy/Sell Spread	Nil
Entry/Exit Fee	0.50%/0.50%
Unit Price	$1.3988

Investment Mix





Commentary

The Foundation Series US 500 Fund slightly outperformed its benchmark in March, returning 5.14% after fees and before tax.

March saw the S&P 500 Index finish +3.1% higher in USD terms, rising +10.2% over the quarter – marking only the fifth instance in the last 30 years where first quarter returns exceeded 10%. This included eight new record highs established over March, which compared to zero in 2023 and just one in 2022 – which occurred on the first trading day of the year. The main drivers for this most recent rally included a resilient US economy which was reflected in a strong earnings season, falling inflation (despite pockets of persistence), and a Fed that has an eye towards multiple interest rate cuts in 2024, although they have yet to provide a firm timeline.

The S&P 500 has now notched a five month winning streak, cumulatively rising +25.3% over the period and adding $8.9 trillion USD into shareholders' pockets. While the outstanding growth of the Magnificent Seven (Apple, Amazon, Alphabet, Meta, Microsoft, NVIDIA and Tesla) has pushed the market to new heights, accounting for over a third of the quarter's return – a consolidation has emerged from within into a new 'Gang of Four' – with NVIDIA, Microsoft, Meta and Amazon accounting for 47% of the index's year-to-date returns. The remainder of the S&P 500 is also starting to pick up the slack, as earnings growth expectations for the other 493 companies in the S&P 500 are ramping up and forecasted to be in line with the Magnificent Seven by Q3 this year and far outpace it by Q4.

Over March, all 11 sectors gained for back-to-back months, led by the Energy sector which rose +10.4% over the month and +12.7% over the quarter. Utilities (up +6.3% in March) was the next best performing sector, while Materials (up +6.2% over the month) rounded out the top three. On the other end of the spectrum, Consumer Discretionary performed the worst, barely squeaking out a gain of +0.01% in March, although it was still up +4.8% over the quarter. Meanwhile, Real Estate was the second worst performing sector, up +1.1% in March but it was the only sector to finish the quarter in the red, down -1.4%. Overall, returns were stronger in NZD terms, with the NZD/USD depreciating -1.7% in March.

The Fund's strategy is to provide exposure to a diversified portfolio of US equities, targeting high-range long-run returns by reweighting back to the Fund's benchmark/target investment mix within a cost-effective and tax appropriate investment structure.

Performance	1 Mth	3 Mths	6 Mths	1 Year	Incept (p.a.)
Fund (after fees before tax)	5.14%	16.80%	23.84%	35.61%	27.06%
Fund (after fees and 28% PIR)	5.01%	16.39%	22.96%	33.73%	25.16%
Benchmark (no deductions)	5.03%	16.82%	24.11%	36.32%	27.20%

Investors should also refer to the Quarterly Fund Update, which is available at fundrock.com/fundrock-new-zealand and business.govt.nz/disclose.

Anthony Edmonds – 021 499 466
anthonyedmonds@investnow.co.nz

Jason Choy – 021 0221 7661
jasonchoy@investnow.co.nz