Foundation Series Funds

Annual Report

For the year ended 31 March 2026

31 July 2026

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1. Details of scheme

- Name: Foundation Series Funds ("Scheme")
- Type: Managed Investment Scheme
- Manager: FundRock NZ Limited ("we", "us", "our")
- Supervisor: Public Trust
- Product Disclosure Statement ("PDS"): The latest PDSs are:
    - Foundation Series Funds – Diversified Funds PDS, dated 30 January 2026
    - Foundation Series Funds – Core Equity Funds #1 PDS, dated 30 January 2026
    - Foundation Series Funds – Core Equity Funds #2 PDS, dated 30 January 2026

  The offer is open for applications.
- The latest fund update for any Fund to which the Scheme relates is for the quarter ended 30 June 2026.
- The financial statements, including the auditor's report, for the Scheme for the year ended 31 March 2026 have been lodged on the Disclose Register.

2. Information on contributions and scheme participants

The number of managed investment products on issue at 31 March 2025 was nine. The number of managed investment products on issue at 31 March 2026 was ten. These funds, with the number of units on issue, were:

Managed Investment Product	Number of units on issue at 1 April 2025[1]	Number of units on issue at 31 March 2026
Foundation Series Balanced Fund	22,261,567	33,877,532
Foundation Series Global ESG Fund	249,343	5,260,585
Foundation Series Growth Fund	38,308,598	41,944,661
Foundation Series Hedged Total World Fund	29,237,603	63,318,330
Foundation Series Hedged US 500 Fund	19,252,170	31,664,206
Foundation Series High Growth Fund	527,134	9,113,205
Foundation Series Total World Fund	111,406,877	282,972,550
Foundation Series US 500 Fund	90,017,888	129,138,751
Foundation Series US Dividend Equity Fund	2,109,246	9,874,468
Foundation Series Nasdaq-100 Fund	-	22,429,374

3. Changes relating to the scheme

[1] Opening units on issue as at 1 April 2025 are the closing units on issue as at 31 March 2025.

Changes to the Trust Deed

There have been no material changes to the trust deed over the accounting period.

Changes to the terms of the offer of the Funds

The following details material changes to the nature of the Scheme, including changes to the investment options offered to investors.

26 May 2025

Foundation Series Diversified Funds:

- Clarified disclosure around the Scheme's responsible investment approach, in particular the negative screens that the Foundation Series High Growth Fund is exposed to, which aim to limit exposure to certain business practices.

Foundation Series Core Equity Funds #2:

- Added the Foundation Series Nasdaq-100 Fund to the Scheme.
- Clarified disclosure around the Scheme's responsible investment approach, in particular the negative screens that the Foundation Series Global ESG Fund is exposed to, which aim to limit exposure to certain business practices.

1 October 2025

Foundation Series Diversified Funds:

- Updated the Foundation Series Balanced Fund's:
  - Investment strategy to incorporate responsible investment considerations
  - Buy/Sell Spread from 0.08%/0.11% to 0.00%/0.00%
  - Example of how fees apply to remove the buy spread
- Updated the Foundation Series Growth Fund's:
  - Investment strategy to incorporate responsible investment considerations
  - Buy/Sell Spread from 0.10%/0.11% to 0.00%/0.00%
- Clarified disclosure around the Scheme's responsible investment approach, in particular to highlight that the negative screens aim to limit exposure to specific business practices (with an updated exclusions list covering common exclusions across the fund range)
- Added Passive Management Risk to Other Investment Risks

Foundation Series Core Equity Funds #1:

- Added Passive Management Risk to Other Investment Risks
- Updated the Foundation Series Hedged Total World Fund's:
  - Risk indicator from 6 to 5.

Foundation Series Core Equity Funds #2:

- Clarified disclosure around the Scheme's responsible investment approach, in particular to highlight the negative screens that the Foundation Series Global ESG Fund is exposed to aim to limit exposure to specific business practices.
- Added Passive Management Risk to Other Investment Risks

30 January 2026

All 3 Foundation Series Funds PDS:

- Updated disclosure and naming conventions for individual action fees and trading costs to clarify that they apply for each investment into and redemption out of the fund.

Foundation Series Core Equity Funds #1:

- Updated the Foundation Series Total World Fund's:
  - Market Index from Morningstar Global All Cap Target Market Exposure NR NZD Index to the FTSE Global All Cap Unhedged to NZD Net Tax (US RIC) Index.
- Updated the Foundation Series Hedged Total World Fund's:
  - Market Index from Morningstar Global All Cap Target Market Exposure NR Hedged NZD Index to the FTSE Global All Cap 100% Hedged to NZD Net Tax (US RIC) Index.

Changes to the Statement of Investment Policy and Objectives ("SIPO")

The following details material changes to the SIPO over the accounting period.

26 May 2025

- Included new 'Fund Investment Objectives and Strategies' section for the new Foundation Series Nasdaq-100 Fund.
- Included disclosure around the Scheme's responsible investment approach, in particular, the International Equities' Coal, Oil and Gas exclusions criteria, following an update to the exclusion criteria from the underlying solutions.

1 October 2025

- Update the Scheme's Responsible Investment section to:
  - Updated the 'Australasian Equities' exclusions methodology to add new 'Thermal Coal' and 'Palm Oil' exclusions.
  - Updated the 'International Equities' exclusions methodology to incorporate new exclusions to secondary products and services to controversial weapons
  - Added a new 'International Fixed Interest' exclusions methodology to reflect the exclusions approach of the Foundation Series Balanced Fund and Foundation Series Growth Fund's new international fixed interest solution.
- Updated the Foundation Series Balanced Fund's:
  - Investment strategy to incorporate responsible investment considerations
  - Australasian Equities' target asset mix from 20% to 17%, range from 10%-30% to 7%-27% and asset class benchmark from the S&P/NZX 50 Index (gross and including imputation credits) to the S&P/NZX 50 Portfolio Index (gross and including imputation credits)
  - International Equities' target asset mix from 40% to 43%, range from 25%-55% to 28%-58% and asset class benchmark from the MSCI World Net Index (50% hedged to NZD) to a composite index consisting of 33.5% FTSE USA All Cap Choice TR NZD Index, 33.5% FTSE USA All Cap Choice TR 100% Hedged

    - to NZD Index, 16.5% FTSE Global All Cap ex USA Choice TR NZD Index and 16.5% FTSE Global All Cap ex USA Choice TR 100% Hedged to NZD Index.
    - Addition of a 30%-50% income assets range.
    - Addition of a 50%-70% growth assets range.
    - Note that BNZ is responsible for execution of currency hedging policy.
- Updated the Foundation Series Growth Fund's:
    - Investment strategy to incorporate responsible investment considerations.
    - Australasian Equities' target asset mix from 26% to 23%, range from 16%-36% to 13%-33% and asset class benchmark from the S&P/NZX 50 Index (gross and including imputation credits) to the S&P/NZX 50 Portfolio Index (gross and including imputation credits).
    - International Equities' target asset mix from 54% to 57%, range from 39%-69% to 42%-72% and asset class benchmark from the MSCI World Net Index (50% hedged to NZD) to a composite index consisting of 33.5% FTSE USA All Cap Choice TR NZD Index, 33.5% FTSE USA All Cap Choice TR 100% Hedged to NZD Index, 16.5% FTSE Global All Cap ex USA Choice TR NZD Index and 16.5% FTSE Global All Cap ex USA Choice TR 100% Hedged to NZD Index.
    - Addition of a 10%-30% income assets range.
    - Addition of a 70%-90% growth assets range.
    - Note that BNZ is responsible for execution of currency hedging policy.
- Updated the Foundation Series High Growth Fund's:
    - Addition of a 0%-10% income assets range.
    - Addition of a 90%-100% growth assets range.
    - Note that BNZ is responsible for execution of currency hedging policy.

30 January 2026

- Update the Foundation Series Total World Fund's:
    - Market Index from Morningstar Global All Cap Target Market Exposure NR NZD Index to the FTSE Global All Cap Unhedged to NZD Net Tax (US RIC) Index.
- Updated the Foundation Series Total World Fund's:
    - Market Index from Morningstar Global All Cap Target Market Exposure NR Hedged NZD Index to the FTSE Global All Cap 100% Hedged to NZD Net Tax (US RIC) Index.
- Updated the Scheme's Responsible Investment section to:
    - Updated the 'Australasian Equities' exclusions methodology to update descriptions around tobacco, cannabis, adult entertainment, civilian firearms and controversial weapons exclusions.
    - Updated the 'International Equities' exclusions methodology to update descriptions around controversial weapons exclusions.

Related party transactions

There were no related party transactions entered into during the accounting period that were not on arm's-length terms.

4. Other information for particular types of managed funds

The following table provides the unit prices of the managed investment products at 31 March 2025 and 31 March 2026:

Managed Investment Product	Unit prices 1/4/25[2]		Unit prices 31/3/26	
	Entry	Exit	Entry	Exit
Foundation Series Balanced Fund	1.2497	1.2473	1.3444	1.3444
Foundation Series Global ESG Fund	0.9642	0.9642	1.1355	1.1355
Foundation Series Growth Fund	1.3626	1.3597	1.4869	1.4869
Foundation Series Hedged Total World Fund	1.1384	1.1384	1.3442	1.3442
Foundation Series Hedged US 500 Fund	1.1405	1.1405	1.3112	1.3112
Foundation Series High Growth Fund	0.9685	0.9685	1.0961	1.0961
Foundation Series Total World Fund	1.5117	1.5117	1.8181	1.8181
Foundation Series US 500 Fund	1.5993	1.5993	1.8650	1.8650
Foundation Series US Dividend Equity Fund	1.0030	1.0030	1.0948	1.0948
Foundation Series Nasdaq-100 Fund	-	-	1.1529	1.1529

5. Changes to persons involved in the scheme

Manager
FundRock NZ Limited was the manager of the Scheme throughout the accounting period.

On 26 March 2026, Michael Courtney resigned as director of the FundRock NZ Limited Board. On 26 March 2026, Donna Mason was appointed as director of the FundRock NZ Limited Board.

On 26 March 2026, Michael Courtney resigned as General Manager of FundRock NZ Limited. On 26 March 2026, Rebecca Palmer was appointed as Managing Director of FundRock NZ Limited.

There were no other changes to directors and key personnel throughout the accounting period.

[2] Opening price as at 1 April 2025 is the closing price as at 31 March 2025.

Supervisor
Public Trust was the supervisor of the Scheme throughout the accounting period. Public Trust does not have directors pursuant to the Companies Act 1993 but has board members pursuant to the Public Trust Act 2001.

Karen Price was appointed as Chair of the Board of Public Trust effective 1 June 2025 having previously served as Acting Chair from 1 April 2025. William Peet was appointed to the Board of Public Trust effective 1 June 2025.

There were no other changes to the directors of the supervisor.

Administration Manager
Adminis NZ Limited ("Adminis") was the administration manager and securities registrar of the Scheme throughout the accounting period.

Investment Manager
InvestNow Saving and Investment Service Limited ("InvestNow") was the investment manager of the Scheme throughout the accounting period. InvestNow was also the distributor of the Scheme with responsibility for promoting the Scheme and managing client relationships.

Custodian
Adminis was the custodian of the Scheme throughout the accounting period.

Auditor
KPMG was the auditor of the Scheme throughout the accounting period.

6. How to find further information

Further information relating to the Scheme and the managed investment products (including the trust deed, scheme establishment deed, financial statements, SIPO, PDS and other material information document) is available on the offer register and the scheme register at www.disclose-register.companiesoffice.govt.nz. A copy of information on the offer register or scheme register is available on request to the Registrar of Financial Service Providers.

You can also obtain the following information free of charge:

Information	How to obtain
Fund information relevant to you	You can inspect documents we hold that are relevant to you, and other documents that are legally required to be provided to you, at our offices during normal business hours, or request an extract of those documents, by written request to us.

Fund updates	Once available, the fund updates for the funds in the scheme will be publicly available from our website (https://www.fundrock.com/fundrock-new-zealand/) and can be requested from us.

You can find general information about the Scheme and us on our website.

7. Contact details and complaints

Contact details
The manager can be contacted at:

FundRock NZ Limited
Level 2, Woodward House
1 Woodward Street
PO Box 25003
Wellington 6140

Attention: Rebecca Palmer – Managing Director, FundRock NZ
Telephone: (04) 499 9654
Email: contact@fundrock.com

Please contact Rebecca Palmer with any queries or complaints regarding the Scheme.

The supervisor can be contacted at:

General Manager
Corporate Trustee Services
Public Trust
Private Bag 5902
Wellington 6140

Telephone: 0800 371 471
Email: CTS.Enquiry@PublicTrust.co.nz

Adminis provides securities registrar services and can be contacted at:

Level 1
125 Featherston Street
PO Box 2555
Wellington 6140
Telephone: 04 909 7655

Complaints

Any complaints or problems with the investment should be directed to us (using our contact details above) for resolution through our internal dispute resolution process.

If you are not satisfied with the outcome of your complaint to us, you may refer the matter to the supervisor for resolution through its internal dispute resolution process:

Call: 0800 371 471 during normal business hours
Write to: General Manager Corporate Trustee Services
Public Trust
Private Bag 5902
Wellington 6140

The supervisor is a member of an approved dispute resolution scheme operated by Financial Services Complaints Limited ("FSCL") - A Financial Ombudsman Service. If your complaint to the supervisor has not been resolved, you can refer it to FSCL by phoning 0800 347 257 or writing to:

Financial Services Complaints Limited - A Financial Ombudsman Service
PO Box 5967
Wellington 6140

Telephone: 0800 347 257
Email: complaints@fscl.org.nz

The FSCL scheme is an independent external ombudsman and dispute resolution service that has been approved by the Minister of Consumer Affairs under the Financial Service Providers (Registration and Dispute Resolution) Act 2008. FSCL will not charge a fee to any complainant to investigate or resolve a complaint.

If your complaint is not able to be resolved through our internal dispute resolution process or that of the supervisor you may refer your complaint to the dispute resolution scheme operated by the Insurance and Financial Services Ombudsman, an approved dispute resolution scheme under the Financial Service Providers (Registration and Dispute Resolution) Act 2008. We are a registered financial service provider and member of this scheme. The Insurance and Financial Services Ombudsman's service is provided at no cost to you (the scheme will not charge a fee to any complainant to investigate or resolve a complaint). The contact details for the dispute resolution scheme are:

Insurance and Financial Services Ombudsman
Level 2, Solnet House
70 The Terrace
PO Box 10-845
Wellington 6143
Telephone: 0800 888 202
Email: info@ifso.nz