

# Fund Update

For the quarter ended 31 December 2023

- **Foundation Series Funds**
- **Foundation Series US 500 Fund**

This fund update was first made publicly available on: 13 February 2024

## What is the purpose of this update?

This document tells you how the Foundation Series US 500 Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. FundRock NZ Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

## Description of this fund

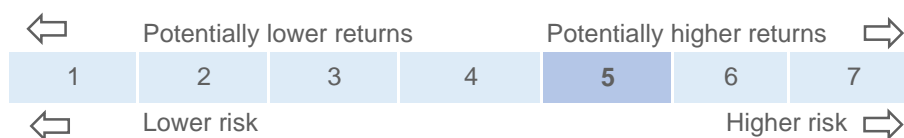
Objective: To perform broadly in line with the return of its investment benchmark Morningstar US Target Market Exposure TR NZD before fees and tax over the long-term.

Strategy: The fund aims for high long-run returns by investing in an underlying Exchange-Traded Fund ("ETF") that invests in shares of the largest companies listed on exchanges in the United States.

Total value of the fund	\$NZ 39,715,578
The date the fund started	7 November 2022

## What are the risks of investing?<sup>1</sup>

Risk indicator for the Foundation Series US 500 Fund.



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at [www.sorted.org.nz](http://www.sorted.org.nz)

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for 5 years to 31 December 2023. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

## How has the fund performed?

	Past year
Annual return (after deductions for charges and tax)	24.44%
Annual return (after deductions for charges but before tax)	26.21%
Market index annual return (reflects no deduction for charges and tax)	27.04%

The market index return is the Morningstar US Target Market Exposure TR NZD. This has been the market index since the inception of the fund. Additional information about the market index is available on the offer register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

## What fees are investors charged?

Investors in the Foundation Series US 500 Fund are charged fund charges which are:

	% of net asset value (including GST)
Total fund charges <sup>2</sup>	0.03%
Which are made up of:	
Total manager and administration charges	0.03%
Including:	
Manager's basic fee (including GST)	0.03%
Other management and administration charges	0.00%

Manager's basic fee includes an estimate of the charges incurred in the underlying fund in which the Fund invests. The estimate incorporates information provided by the underlying fund manager as well as information sourced from the underlying fund's disclosure documents.

Investors are charged each time they buy (entry fee) or sell (exit fee) units in the fund. These fees cover fees paid to FundRock NZ, investment manager and all underlying brokerage, foreign currency exchange and transaction fees associated with investing in the underlying ETFs. Current entry and exit fees are 0.50%.

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the Core Equity Funds PDS for the Foundation Series Funds on the offer register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz) for more information about those fees.

## Example of how this applies to an investor

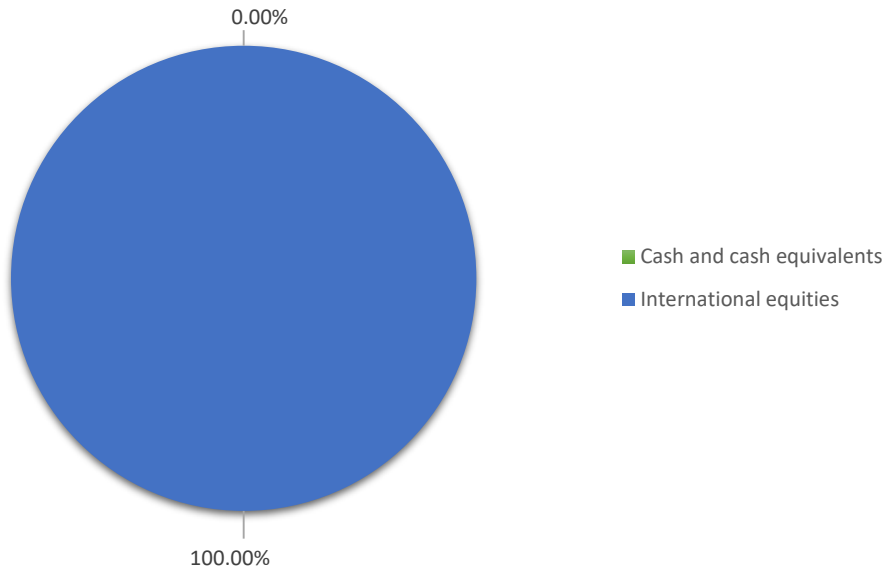
Small differences in fees and charges can have a big impact on your investment over the long term.

Anthony had \$10,000 in the fund at the start of the year and did not make any further contributions. He is charged an entry fee of 0.50%. This brings starting value of his investment to \$9,950. At the end of the year, Anthony received a return after fund charges were deducted of \$2,608 (that is 26.21% of his initial \$10,000). This gives Anthony a total return after tax of \$2,432 for the year.

### What does the fund invest in?

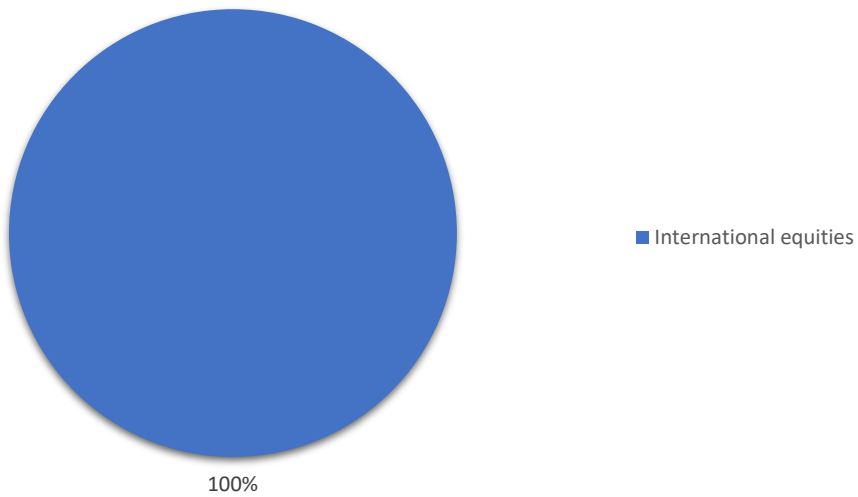
This shows the types of assets that the fund invests in.

#### Actual investment mix



The fund does not undertake any currency hedging.

#### Target investment mix



## Top 10 investments

	Name	% of Fund net assets	Type	Country	Credit rating (if applicable)
1	Vanguard S&P 500 ETF	100.00%	International equities	US	N/A

The top 10 investments make up 100.00% of the net asset value of the fund.

## Key personnel

This shows the directors and employees who have the most influence on the investment decisions of the fund.

Name	Current position	Time in current position	Previous or other current position	Time in previous or other current position
<b>Mike Heath</b>	Investment Committee Member	3 years 9 months	General Manager, InvestNow	5 years 9 months
<b>Anthony Edmonds</b>	Investment Committee Member	3 years 9 months	Director, FundRock NZ and InvestNow	13 years 1 months
<b>Anthony Sowerby</b>	Investment Committee Member	3 years 9 months	Head of Investment Management Oversight, FundRock NZ	2 years 3 months
<b>Jason Choy</b>	Investment Committee Member	1 years 5 months	Senior Portfolio Manager, FundRock NZ and InvestNow	1 years 7 months

## Further information

You can also obtain this information, the Core Equity Funds PDS for the Foundation Series Funds, and some additional information from the offer register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

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## Notes

<sup>1</sup> A combination of actual fund returns and market index returns have been used to determine the risk indicator as the fund has not been operating for the required five years. The risk indicator may therefore provide a less reliable indicator of the fund's future volatility. Market index returns have been used until 30 November 2022 and fund returns thereafter.

<sup>2</sup> As the fund only started accepting contributions on 07 November 2022, historical fee information is not available.