

Fund Update

For the quarter ended 30 June 2026

- Foundation Series Funds
- Foundation Series Balanced Fund

This fund update was first made publicly available on: 29 July 2026

What is the purpose of this update?

This document tells you how the Foundation Series Balanced 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 before fees and tax over the long-term. The long-term returns from the Foundation Series Balanced Fund are likely to be lower and more stable than those of the Foundation Series Growth Fund.

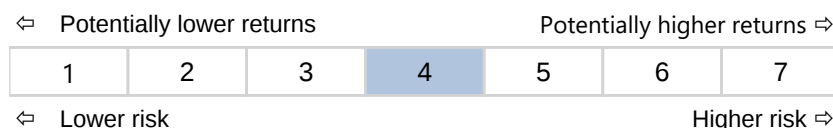
Strategy: Aims for mid-range long-run returns by investing in a diversified portfolio with a balance of income and growth assets.

The Fund incorporates certain responsible investment considerations and is exposed to investment strategies that seek to limit exposure to companies involved in specific business practices.

Total value of the fund	\$43,138,698
The date the fund started	2 September 2020

What are the risks of investing?

Risk indicator for the Foundation Series Balanced 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 <https://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 30 Jun 2026. 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?

	Average over past 5 years	Past year
Annual return (after deductions for charges and tax)	5.80%	11.95%
Annual return (after deductions for charges but before tax)	6.56%	13.25%
Market index annual return (reflects no deduction for charges and tax)	6.65%	13.65%

The market index return is the weighted average return of the asset class benchmark indices. 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 <https://disclose-register.companiesoffice.govt.nz>.



Annual Return Graph See note 2



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 30 June 2026.

Important: This does not tell you how the fund will perform in the future.

Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged? See note 1

Investors in the Foundation Series Balanced Fund are charged fund charges. In the year to 31 March 2026 these were:

	% of net asset value (inc. GST)
Total fund charges	0.38%
Which are made up of:	
Total manager and admin charges (inc. GST)	0.38%
Including:	
Manager's basic fee (inc. GST)	0.11%
Other management and administration charges	0.27%
Total performance-based fees	0.00%



"Other management and administration charges" 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 may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the PDS for the Foundation Series Balanced Fund on the offer register at <https://disclose-register.companiesoffice.govt.nz> for more information about those fees.

Example of how this applies to an investor

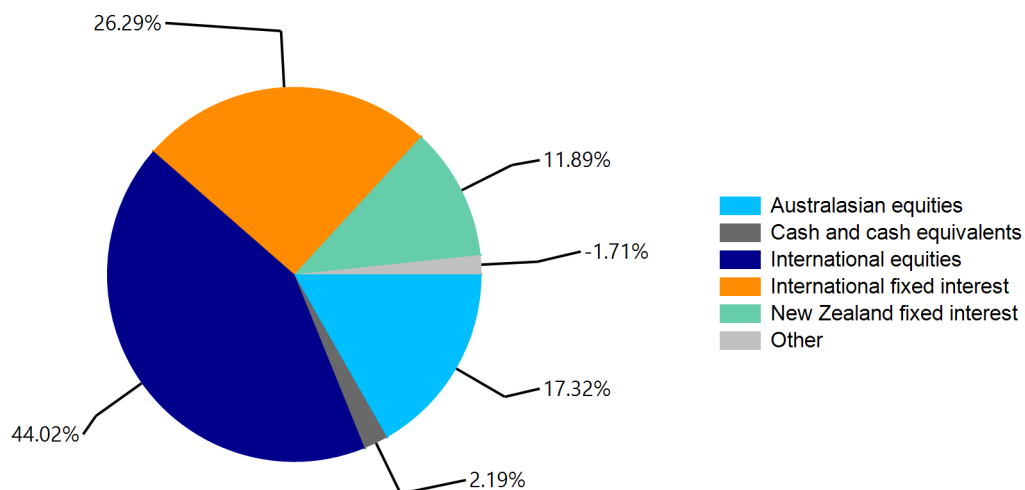
Small differences in fees and charges can have a big impact on your investment over the long term.

Anthony had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Anthony received a return after fund charges were deducted of \$1,325 (that is 13.25% of his initial \$10,000). This gives Anthony a return after tax of \$1,195 for the year.

What does the fund invest in?

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

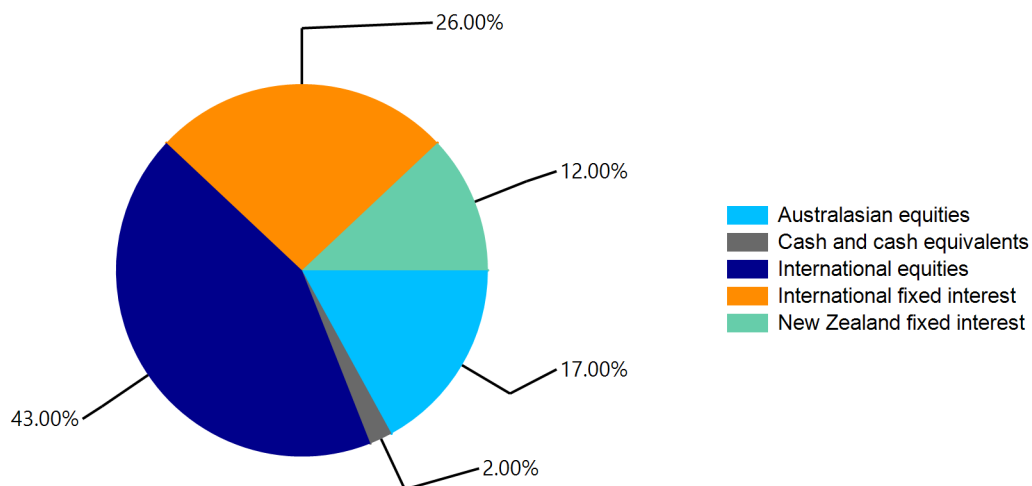
Actual Investment Mix



Foreign currency exposure was 68.65% hedged to New Zealand dollars as at 30 June 2026

The fund has foreign currency exposure and targets currency positions being fully hedged on international fixed interest assets and 50% hedged on international equity assets.

Target Investment Mix





Top 10 investments See note 3

	Asset Name	% of Fund net assets	Type	Country	Credit Rating (if applicable)
1	Vanguard ESG US Stock ETF	29.05%	International equities	US	
2	iShares Global Aggregate Bond ESG SRI UCITS ETF	25.98%	International fixed interest	IE	
3	Harbour Sustainable NZ Shares Fund	17.21%	Australasian equities	NZ	
4	Vanguard ESG INTL Stock ETF	14.45%	International equities	US	
5	Mercer Macquarie NZ Fixed Interest Fund	11.81%	New Zealand fixed interest	NZ	
6	Mercer Macquarie NZ Cash Fund	1.50%	Cash and cash equivalents	NZ	
7	Cash at Bank (BNZ)	0.50%	Cash and cash equivalents	NZ	AA-

The top 10 investments make up 100.50% of the net asset value of the fund.

Key Personnel

Name	Current position	Time in current position	Previous or other current position	Time in previous or other current position
Chris Douglas	Investment Committee Member	2 months	Principal, Mapua Wealth	7 years 10 months
Jason Choy	Investment Committee Member	3 years 11 months	Senior Portfolio Manager, InvestNow	4 years
Kimi David	Investment Committee Member	1 year 5 months	Data and Reporting Manager, FundRock NZ	4 years 2 months
Mike Heath	Investment Committee Member	6 years 3 months	General Manager, InvestNow	8 years 3 months

Chris Douglas has not been named as a key personnel in a previous fund update for the Fund.

Further information

You can also obtain this information, the PDS for the Foundation Series Funds, and some additional information from the offer register at <https://disclose-register.companiesoffice.govt.nz>.



Notes

1. Underlying fund fees and expenses are reflected in the unit prices of the underlying funds that are used when calculating the unit price of the fund. Estimates of these fees and expenses have been made based on information provided by underlying fund managers of each underlying fund's actual costs as a percentage of the average net asset value that was charged, for each underlying fund's previous financial year.
2. The bar chart shows fund returns after deducting fees and tax. Tax is deducted at the highest Prescribed Investor Rate of 28%. However, the market index returns are shown before deducting fees and tax.
3. The top 10 assets may add up to more than 100% of NAV as the fund also has liabilities which offsets these assets.