

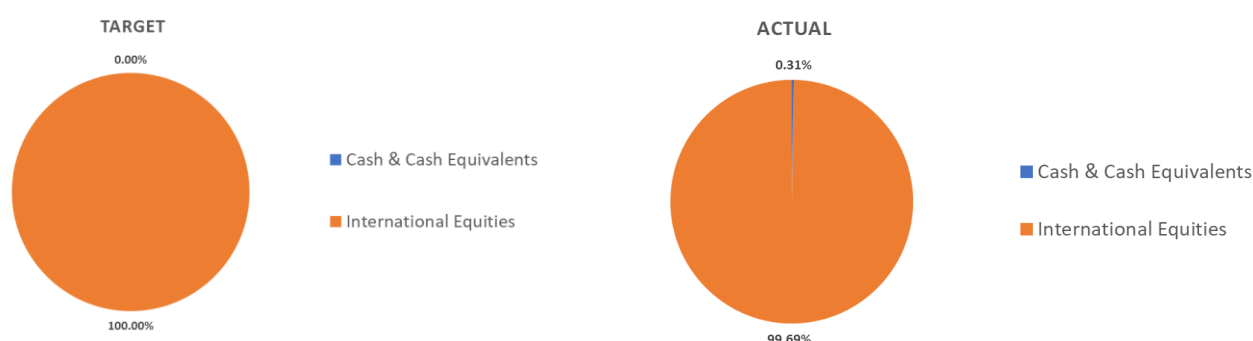
FOUNDATION SERIES US 500 FUND



Fund Fact Sheet at 30 June 2025

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)	\$160.2 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	\$1.6534

Investment Mix



Commentary

The Foundation Series US 500 Fund slightly outperformed its benchmark in June, returning 3.43% after fees and before tax.

The S&P 500 posted a strong 10.6% gain in the June 2025 quarter, though a 7.4% NZD/USD appreciation reduced New Zealand dollar returns to approximately 3.8%. US markets recovered quickly from early volatility to reach new record highs, which were marked by a volatile quarter. April saw a -0.76% decline after President Trump's 'Liberation Day' tariff announcement, imposing tariffs on all imports and up to 50% on select countries, prompting a sharp market sell-off. A 90-day tariff suspension and successful trade negotiations with countries like the UK, China, and Vietnam drove a rebound, with the index rising 5.0% in June. Adding to market turbulence was geopolitical tensions, including US military actions against Iranian nuclear facilities, which briefly pushed oil prices to \$75 USD before settling at \$65 USD after a ceasefire.

Sector performance varied significantly, with nine of eleven sectors recording gains. Information Technology led the way with a 23.5% surge, fuelled by robust corporate earnings, with 77.1% of S&P 500 companies exceeding estimates. Communication Services followed with an 18.2% rise, bolstered by positive outlooks in media and tech-driven firms. Industrials gained 12.6%, supported by infrastructure spending optimism, while Financials rose 5.1%, though tempered by tariff-related concerns. Consumer Staples (-0.5%) and Real Estate (-1.0%) were the only sectors in the red over the quarter, impacted by cautious consumer spending and high interest rates.

The quarter highlighted market resilience amid policy shifts. The Federal Reserve held rates steady at 4.25–4.50%, while Moody's downgraded the US credit rating in May, citing rising debt concerns. Despite a 6.0% earnings decline from Q4 2024, sectors like Energy (4.7%) and Materials (2.6%) rebounded in June, supported by stabilizing commodity prices. Overall, the S&P 500's market value increased by USD 2.34 trillion in June, reaching \$52.5 trillion USD, reflecting broad-based strength despite a volatile VIX averaging 16.73.

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)	3.43%	3.44%	-2.05%	15.05%	21.00%
Fund (after fees and 28% PIR)	3.31%	3.08%	-2.73%	13.44%	19.26%
Benchmark (no deductions)	3.38%	3.85%	-1.84%	15.55%	21.15%

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

Mike Heath – 027 285 9178

mike.heath@investnow.co.nz

Jason Choy – 021 0221 7661

jason.choy@investnow.co.nz

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