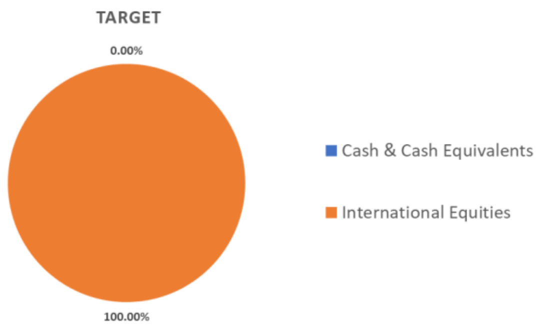
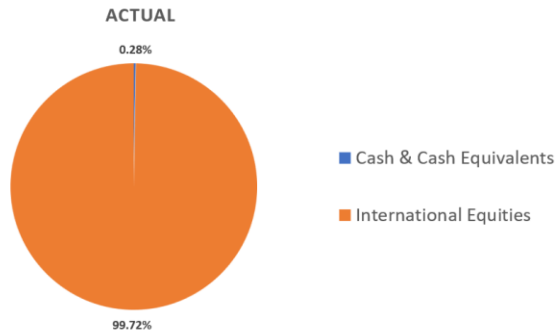
FOUNDATION SERIES US 500 FUND

Fund Fact Sheet at 30 June 2026

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)	$303.5 million
Annual Fund Charges (Estimated, % of NAV)	0.03%
Performance Fee	Nil
Buy/Sell Spreads	Nil
Buy/Sell Transaction Fees	0.50%/0.50%
Unit Price	$2.1552

Investment Mix





Commentary

The Foundation Series US 500 Fund slightly outperformed its benchmark in the June quarter, returning 15.62% after fees and before tax.

US equities delivered an exceptionally strong quarter despite a backdrop of geopolitical tensions, elevated energy prices and uncertainty around inflation and interest rates. Early concerns stemming from the Middle East conflict and a sharp rise in oil prices gradually receded as diplomatic progress reduced fears of a prolonged disruption to global energy markets. Investors instead focused on resilient economic growth, strong corporate earnings and continued investment in AI. As a result, the S&P 500 Index returned +15.2% in USD terms and even higher in NZD unhedged terms, with a weaker New Zealand dollar providing an additional boost for local investors.

Performance across sectors reflected continued enthusiasm for technology and AI-related investment. Information Technology and Communication Services were among the strongest performers as investors responded positively to ongoing spending on cloud computing, data centres and AI infrastructure. Large technology companies continued to dominate market returns, with the so-called "Magnificent Seven" remaining key contributors to overall index performance. While concerns around market concentration persisted, strong earnings results and significant capital expenditure commitments helped support valuations.

At the company level, heavy investment in AI remained a defining market theme. Major technology companies announced plans to significantly increase spending on AI infrastructure and related technologies, reinforcing investor confidence in long-term growth prospects. The quarter also featured the landmark NASDAQ listing of SpaceX, which became one of the largest public offerings in history and highlighted the market's continued appetite for growth-oriented businesses. Although some investors questioned whether lofty valuations fully reflected future profit potential, strong earnings growth and robust corporate profitability helped underpin the rally.

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	3 Years (p.a.)	Incept (p.a.)
Fund (after fees before tax)	4.27%	15.62%	11.40%	30.58%	23.62%	23.54%
Fund (after fees and 28% PIR)	4.14%	15.22%	10.63%	28.77%	21.90%	21.78%
Benchmark (no deductions)	4.26%	15.56%	11.05%	29.84%	23.63%	23.46%

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

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