

FOUNDATION SERIES GLOBAL ESG FUND



Fund Fact Sheet at 30 June 2025

Fund Information	
Description	Single-sector fund targeting high-range long-run returns by investing in underlying Exchange-Traded Funds ('ETFs') that invests in shares of large, mid-sized and small companies listed on international stock markets. Incorporates certain responsible investment considerations and is exposed to investment strategies that seek to limit exposure to companies involved in particular business practices.
Objective	To perform broadly in line with the return of the Fund's investment benchmark on a before fees and tax basis.
Benchmark	67% FTSE USA All Cap Choice TR NZD Index, 33% FTSE Global All Cap ex USA Choice TR NZD Index
Inception	4 March 2025
Fund Type	PIE
Fund Size (NAV)	\$0.6 million
Annual Fund Charges (Estimated, % of NAV)	0.10%
Performance Fee	Nil
Buy/Sell Spread	Nil
Entry/Exit Fee	0.50%/0.50%
Unit Price	\$1.0081

Investment Mix



Commentary

The Foundation Series Global ESG Fund slightly outperformed its benchmark in June, returning 3.30% after fees and before tax.

The June 2025 quarter was a rollercoaster for global equities, with the US market leading the charge. The S&P 500 surged 10.9% in local currency, driven by robust corporate earnings, particularly in technology, which rallied 23.7%. Early April saw a sharp -10% drop following President Trump's 'Liberation Day' tariff announcement, imposing tariffs on imports and up to 50% on select countries. A 90-day tariff pause and successful trade talks with the UK, China, and Vietnam sparked a strong recovery, pushing the MSCI All Country World Index up 9.2% over the quarter in local terms. However, a 7.4% NZD/USD exchange rate gain muted returns for New Zealand investors to 4.1%.

Developed markets outside the US delivered solid but varied performances. Japan's equity market shone, supported by structural growth and corporate governance reforms, with the Nikkei 225 hitting new highs. Europe saw a 3.3% gain, with Germany's DAX 40 jumping 7.9%, fuelled by increased defence and infrastructure spending. The European Central Bank's two rate cuts bolstered confidence, though export-heavy economies faced trade war risks. Despite volatility, global markets showed resilience, with investor sentiment recovering post-April. Emerging markets like China gained 3.3%, supported by stimulus, though valuations remain attractive compared to the US.

The S&P/NZX 50 posted a modest +2.7% return, trailing global peers amid lingering domestic headwinds. High interest rates continued to weigh on consumer demand and corporate earnings, though defensive sectors – like utilities and dividend-paying stocks – provided stability. The RBNZ's OCR cut to 3.25% in May and hints of further easing laid groundwork for recovery, but growth remains sluggish. Across the Tasman, Australia's S&P/ASX 200 surged +9.5%, rebounding from a weak Q1 as the RBA signalled deeper rate cuts and trade tensions eased. The divergence highlights NZ's reliance on a slower-moving domestic cycle, though improving sentiment and falling rates suggest better days ahead.

The Fund's strategy is to provide exposure to a diversified portfolio of ESG-screened international 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	Inception
Fund (after fees before tax)	3.30%	4.63%	–	–	0.94%
Fund (after fees and 28% PIR)	3.17%	4.27%	–	–	0.50%
Benchmark (no deductions)	3.03%	4.96%	–	–	1.13%

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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