

FOUNDATION SERIES GLOBAL ESG FUND



Fund Fact Sheet at 31 December 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)	\$5.1million
Annual Fund Charges (Estimated, % of NAV)	0.10%
Performance Fee	Nil
Buy/Sell Spreads	Nil
Buy/Sell Transaction Fees	0.50%/0.50%
Unit Price	\$1.1797

Investment Mix



Commentary

The Foundation Series Global ESG Fund slightly underperformed its benchmark in December, returning 0.70% after fees and before tax.

Global equity markets posted solid gains over the December quarter, rounding out a strong year despite episodic volatility linked to interest-rate expectations and concerns around elevated technology-sector valuations. The MSCI All Country World Index returned +4.3% in unhedged NZD terms, with a weaker New Zealand dollar enhancing offshore returns. For ESG-tilted indices, performance also benefited from the market environment's continued support for ethical themes. Emerging markets outperformed developed markets, rising +5.8%, and contributed positively to globally diversified ESG portfolios.

Across major equity regions, returns were positive but varied. US equities delivered a +2.7% quarterly gain (NZD terms), driven by strong earnings and persistent momentum in mega-cap technology and semiconductor companies – areas where ESG-screened benchmarks often retain meaningful exposure due to their strong environmental and governance profiles. European and UK markets produced gains of +2% to +7%, supported by easing inflation and stable corporate earnings. Japan was a standout, rising +12.0% in local-currency terms. Australia lagged with a -1.0% return as rising domestic inflation increased expectations of further RBA tightening. Emerging markets added breadth to ESG portfolios, as several markets with improving sustainability disclosures and governance standards showed resilient earnings.

In the Australasian region, New Zealand equities returned +1.9% for the quarter. The domestic environment improved following two Official Cash Rate cuts in October and November, which supported confidence across households and businesses. Retail activity and labour-market indicators began to stabilise, while corporate updates during the November reporting season signalled improving conditions across several cyclical and mid-cap sectors. Australian equities declined -1.0%, with technology and banking sectors under pressure as interest-rate expectations shifted.

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)	0.70%	4.08%	17.18%	–	18.28%
Fund (after fees and 28% PIR)	0.58%	3.71%	16.37%	–	16.94%
Benchmark (no deductions)	0.91%	4.24%	17.51%	–	18.84%

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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