

FOUNDATION SERIES HEDGED TOTAL WORLD FUND



Fund Fact Sheet at 31 December 2025

Fund Information	
Description	Single-sector fund targeting high long-run returns by investing in an underlying Exchange-Traded Fund ('ETF') that invests in shares of companies listed on international stock markets. The fund aims to have all foreign currency exposure hedged to the New Zealand dollar.
Objective	To perform broadly in line with the return of the Fund's investment benchmark on a before fees and tax basis.
Benchmark	Morningstar Global All Cap Target Market Exposure NR Hedged NZD Index
Inception	5 February 2024
Fund Type	PIE
Fund Size (NAV)	\$74.7 million
Annual Fund Charges (Estimated, % of NAV)	0.06%
Performance Fee	Nil
Buy/Sell Spreads	Nil
Buy/Sell Transaction Fees	0.50%/0.50%
Unit Price	\$1.3702

Investment Mix



Commentary

The Foundation Series Hedged Total World Fund underperformed its benchmark in December, returning 0.45% after fees and before tax.

Global equity markets ended 2025 on a firm note, delivering steady gains despite intermittent volatility linked to shifting interest-rate expectations and renewed scrutiny of technology-sector valuations. The MSCI All Country World Index returned +3.4% for the December quarter in hedged to NZD terms, reflecting resilient corporate earnings and easing global inflation. While technology valuations prompted a brief correction in late October, markets recovered quickly as sentiment stabilised. Emerging markets outpaced developed peers, rising +5.8%, supported by strength in India and other commodity-linked economies.

Across developed and emerging regions, performance was broadly positive but varied. US equities rose +2.7% in NZD terms, driven by strong earnings and ongoing momentum across mega-cap technology and semiconductor names, although market leadership remained narrow. Europe and the UK posted gains of +2% to +7%, benefiting from declining inflation and resilient corporate results. Japan led major markets with a +12.0% local-currency return, while Australian equities fell -1.0% as rising domestic inflation increased expectations of further RBA tightening. Emerging markets continued to deliver strong gains, supported by solid earnings and favourable currency dynamics for NZ investors.

Regionally, New Zealand and Australia delivered mixed results. New Zealand equities returned +1.9%, supported by improving economic conditions following two OCR cuts late in the year, which eased financial pressures and lifted household and business confidence. Indicators such as retail spending and labour-market data began to stabilise, and corporate updates during the November reporting season pointed to improving conditions across several cyclical and mid-cap sectors. Australia, meanwhile, posted a -1.0% quarterly decline, with technology and banking sectors under pressure as markets priced in the potential for further rate increases. These dynamics reflected the varied but generally stable market environment across the Australasian region during the quarter.

The Fund's strategy is to provide NZ dollar-hedged exposure to a diversified portfolio of 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	Incept (p.a.)
Fund (after fees before tax)	0.45%	3.08%	10.99%	18.44%	18.21%
Fund (after fees and 28% PIR)	0.33%	2.71%	10.21%	16.79%	16.82%
Benchmark (no deductions)	0.63%	3.42%	11.68%	18.83%	18.78%

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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