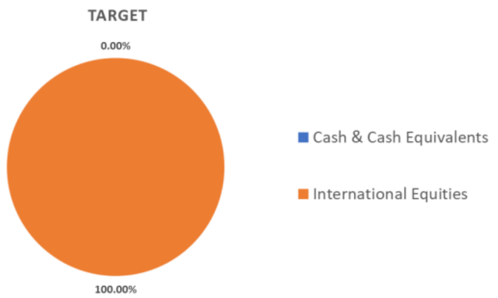
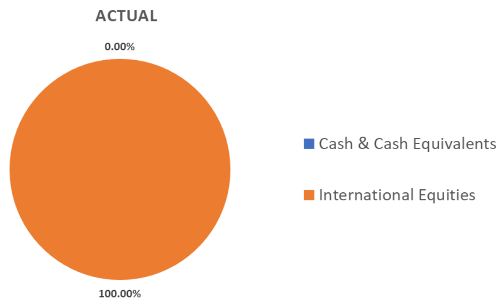
# FOUNDATION SERIES HEDGED TOTAL WORLD FUND

## Fund Fact Sheet at 30 June 2026

| 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) | $115.0 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 | $1.5240 |

### Investment Mix




### Commentary

The Foundation Series Hedged Total World Fund underperformed its benchmark in the June quarter returning 13.4% after fees and before tax.

Global equity markets delivered a strong recovery during the June quarter despite ongoing uncertainty surrounding the conflict in the Middle East, elevated oil prices, and concerns that inflation could remain persistent. As the quarter progressed, easing geopolitical tensions and falling energy prices helped improve investor sentiment, allowing attention to return to company earnings, economic growth, and technological innovation. The MSCI All Country World Index returned +14.0% in NZD hedged terms, reflecting the strength of global equity markets without the additional benefit of a weaker New Zealand dollar. US equities led the rally, with the S&P 500 rising +15.2%, supported by strong corporate earnings and continued enthusiasm for AI-related investment.

International markets broadly participated in the advance. European equities rebounded as energy price concerns moderated, while Japanese shares benefited from strong performance in technology and semiconductor sectors. Emerging markets were standout performers, with the MSCI Emerging Markets Index gaining +24.4% in USD terms, driven by Taiwan and South Korea's important role in global AI supply chains. Strong demand for semiconductors, memory chips, and related infrastructure supported earnings growth across many technology-focused companies. Although market gains extended across most regions, performance remained heavily influenced by a small number of companies.

Closer to home, the S&P/NZX 50 Index gained +5.5%, supported by improving economic confidence and resilient domestic growth. The Reserve Bank of New Zealand left the Official Cash Rate unchanged at 2.25% during the quarter, though inflation remained above target and policymakers maintained a cautious stance. Australian equities also rose, with the S&P/ASX 200 returning +4.0%, but lagged global markets as higher interest rates continued to create challenges for interest-rate-sensitive sectors. Despite these headwinds, positive returns across New Zealand, Australia, and international markets contributed to a strong quarter for globally diversified investors.

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 | Inception (p.a.) |
|---|---|---|---|---|---|
| Fund (after fees before tax) | 0.33% | 13.40% | 11.33% | 23.57% | 19.37% |
| Fund (after fees and 28% PIR) | 0.21% | 13.00% | 10.55% | 21.85% | 17.92% |
| Benchmark (no deductions) | -0.01% | 14.40% | 11.37% | 24.38% | 19.85% |

*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