

FOUNDATION SERIES HEDGED TOTAL WORLD FUND



Fund Fact Sheet at 31 March 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)	\$85.1 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	\$1.3442

Investment Mix



Commentary

The Foundation Series Hedged Total World Fund outperformed its benchmark in the March quarter returning -1.83% after fees and before tax.

Global equity markets faced a challenging and volatile environment in the first quarter of 2026. Geopolitical instability in the Middle East led to the closure of the Strait of Hormuz, a critical trade artery, causing Brent crude oil prices to surge over 70.0% in NZD terms. This supply shock rapidly shifted the market narrative from growth to inflation risk, leading investors to price in a "higher for longer" interest rate environment. Furthermore, US trade policy underwent a major shift with the implementation of a 10.0% flat tariff on all imports. These factors contributed to broad market weakness, with the MSCI All Country World Index returning -3.1% in NZD hedged terms for the quarter.

Performance across developed markets was primarily negative as investors rotated away from high-valuation growth sectors. The S&P 500 fell -4.3% in USD terms (-3.8% in NZD terms), weighed down by a sharp correction in the technology sector where AI-related enthusiasm faced increased scrutiny. Consequently, global growth stocks fell -7.7% in NZD terms, significantly underperforming value stocks which rose +2.1%. In Europe, markets declined -3.0% in NZD terms due to renewed energy supply concerns. In contrast, Japanese equities gained +3.6% in Yen terms, buoyed by pro-growth stimulus expectations and a weak currency. Emerging markets remained resilient relative to developed markets, ending the quarter flat at 0.0% in NZD terms.

Domestic equity markets were not immune to the global risk-off sentiment, with the S&P/NZX 50 Index falling -4.5%. Although the RBNZ maintained the Official Cash Rate at 2.25%, the market reacted to a more cautious central bank stance and rising bond yields. Notable local movers included A2 Milk (+7.0%) and Infratil (+5.0%), which gained on specific corporate news, while Fletcher Building (-20.0%) and KMD Brands (-60.0%) suffered from deteriorating retail and construction outlooks. Australian equities returned -1.6% in AUD terms, despite the commodity-heavy ASX 200 benefited from rising oil and material prices.

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)	-5.62%	-1.83%	1.19%	18.45%	14.97%
Fund (after fees and 28% PIR)	-5.73%	-2.16%	0.49%	16.80%	13.59%
Benchmark (no deductions)	-6.67%	-2.64%	0.69%	18.61%	15.01%

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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