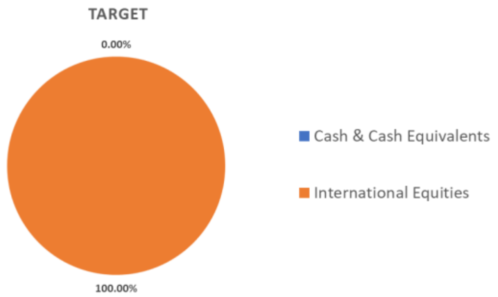
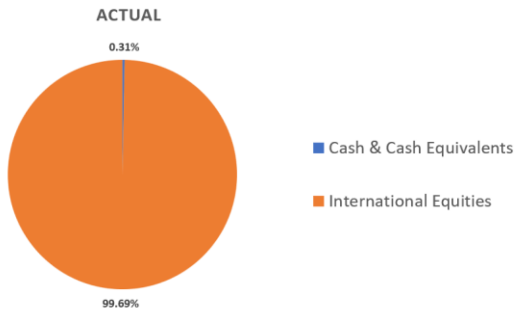
FOUNDATION SERIES HEDGED US 500 FUND

Fund Fact Sheet at 30 June 2026

Fund Information	
Description	Single-sector fund targeting high-range long-run returns by investing in an underlying Exchange-Traded Fund ('ETF') that invests in shares of the largest companies listed on stock markets in the United States. 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 US Target Market Exposure TR Hedged NZD Index
Inception	5 February 2024
Fund Type	PIE
Fund Size (NAV)	$51.9 million
Annual Fund Charges (Estimated, % of NAV)	0.03%
Performance Fee	Nil
Buy/Sell Spreads	Nil
Buy/Sell Transaction Fees	0.50%/0.50%
Unit Price	$1.4985

Investment Mix





Commentary

The Foundation Series Hedged US 500 Fund underperformed its benchmark in the June quarter, returning 14.35% after fees and before tax.

US equities delivered a powerful rebound during the June quarter despite ongoing geopolitical tensions, volatility in energy markets, and uncertainty surrounding inflation and monetary policy. Investor sentiment improved as tensions in the Middle East eased and oil prices retreated from their highs, allowing markets to refocus on economic fundamentals. Corporate earnings remained resilient, economic activity continued to expand, and enthusiasm surrounding AI showed little sign of slowing. Against this backdrop, the S&P 500 Index returned +15.2% in USD terms.

Technology-related sectors remained the primary drivers of performance. Continued investment in AI infrastructure, cloud computing, semiconductors, and data centres supported strong gains across Information Technology and Communication Services. Market leadership remained concentrated among a relatively small group of mega-cap technology companies, although strong earnings growth helped justify much of the enthusiasm. Broader market participation also improved through the quarter as investor concerns about inflation and the economic impact of higher oil prices gradually diminished, supporting gains across a wider range of industries.

Company-specific developments continued to reinforce the importance of AI as a long-term investment theme. Several of the largest technology businesses announced substantial increases in planned capital expenditure, much of it directed toward AI infrastructure and computing capacity. Investor optimism was further boosted by the high-profile public listing of SpaceX, which briefly became one of the world's most valuable listed companies following its debut. While debate continued around valuations and the sustainability of AI-related spending, strong earnings results and healthy corporate balance sheets provided ongoing support for share prices.

The Fund's strategy is to provide NZ dollar-hedged exposure to a diversified portfolio of US 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)	-1.08%	14.35%	8.58%	19.72%	18.22%
Fund (after fees and 28% PIR)	-1.20%	13.95%	7.83%	18.54%	17.21%
Benchmark (no deductions)	-1.02%	14.37%	8.33%	19.35%	18.83%

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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