

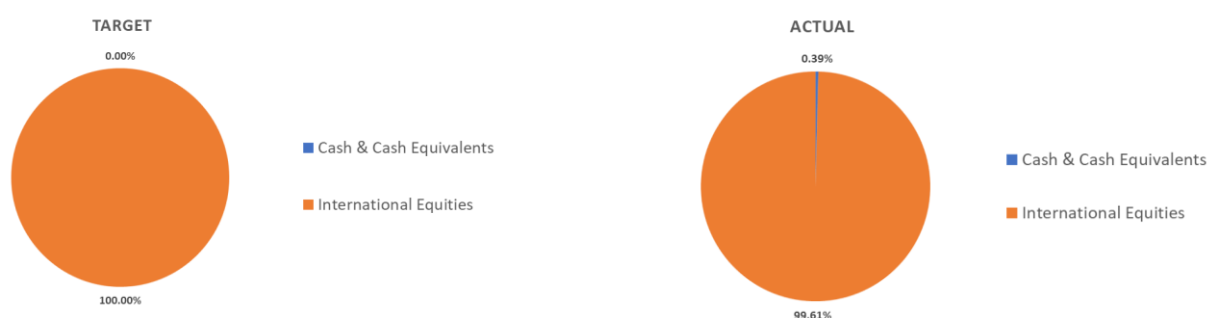
# FOUNDATION SERIES HEDGED US 500 FUND



## Fund Fact Sheet at 31 March 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)	\$41.5 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	\$1.3112

### Investment Mix



### Commentary

The Foundation Series Hedged US 500 Fund outperformed its benchmark in the March quarter, returning -5.04% after fees and before tax.

US equities faced significant headwinds in the first quarter of 2026, as early optimism was erased by a sharp escalation in geopolitical risk. The defining event was the conflict in Iran and the closure of the Strait of Hormuz, which triggered a massive energy shock and sent Brent crude oil prices rising over 70.0% in NZD terms. This reignited global inflation fears and forced a rapid reversal in interest rate cut expectations. Sentiment was further dampened by a major shift in trade policy following a Supreme Court ruling, leading to the implementation of a 10.0% flat tariff. Consequently, the S&P 500 Index returned -4.3% in USD terms over the quarter, while NZD hedged investors faced a further drag.

Sector performance was highly bifurcated as investors rotated away from high-valuation growth sectors toward defensive and commodity-linked exposures. Energy was the standout performer, surging almost 40.0% as global supply disruptions drove oil and gas prices to their highest levels since 2022. Conversely, the technology and growth-oriented sectors that led the market in 2025 faced heavy selling. Technology stocks were hit hard as investors scrutinized AI-related capital expenditure and its immediate impact on corporate profitability. While Financials were mixed to lower due to private credit concerns, defensive factors provided a significant cushion, outperforming the broader market.

Individual company performance reflected growing scepticism regarding the structural risks and immediate returns of artificial intelligence. A broad reassessment of valuations occurred within the software industry, where the emergence of AI-written code began to be viewed as a threat to established firms, causing some US software stocks to fall more than 20.0% during the quarter. In contrast, the market's move toward safety benefited high-yield companies. Overall, the quarter served as a stark reminder of how quickly geopolitical events can shift market narratives from growth to inflation risk.

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)	-5.36%	-5.04%	-2.89%	14.68%	13.29%
Fund (after fees and 28% PIR)	-5.47%	-5.37%	-3.17%	14.05%	12.39%
Benchmark (no deductions)	-5.32%	-5.28%	-3.30%	15.79%	13.94%

Investors should also refer to the Quarterly Fund Update, which is available at [fundrock.com/fundrock-new-zealand](https://fundrock.com/fundrock-new-zealand) and [business.govt.nz/disclose](https://business.govt.nz/disclose).

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