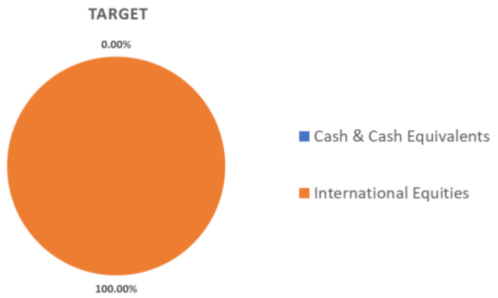
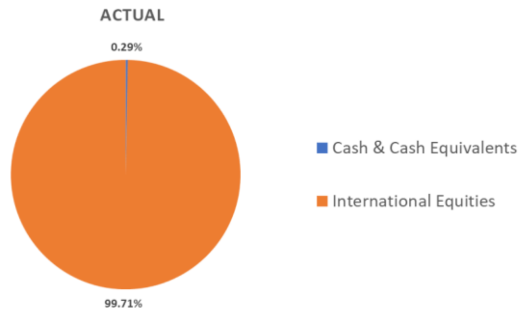
FOUNDATION SERIES HEDGED US 500 FUND

Fund Fact Sheet at 30 September 2025

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)	$36.2 million
Annual Fund Charges (Estimated, % of NAV)	0.03%
Performance Fee	Nil
Buy/Sell Spread	Nil
Entry/Exit Fee	0.50%/0.50%
Unit Price	$1.3514

Investment Mix





Commentary

The Foundation Series Hedged US 500 Fund slightly outperformed its benchmark in June, returning 4.97% after fees and before tax.

The S&P 500 extended its rally in the third quarter of 2025 as key macroeconomic drivers aligned to fuel investor optimism. The quarter was defined by a pivotal shift in monetary policy, with the Fed reigniting the easing cycle, which bolstered confidence in a sustainable economic expansion. This was complemented by resilient corporate earnings, which set new quarterly records, and a significant cooling of trade tensions, with the index staging a remarkable +34.2% recovery since the April lows. Over the quarter, while the New Zealand dollar hedged return was a strong +7.8%, the unhedged return surged to +13.0%, reflecting a substantial tailwind from a weaker NZD against the USD during the period.

Performance across sectors was notably divergent, with leadership once again concentrated in technology-oriented growth areas. The Information Technology sector was the standout performer, skyrocketing +60.6% since the April low and gaining +7.2% in September alone. Communication Services also posted formidable gains, leading all sectors year-to-date at +23.7%. This outsized impact was driven by the "Magnificent 7" cohort, including Nvidia, Microsoft, and Alphabet, which alone accounted for 64% of the index's total return in September, underscoring their immense market influence and the market's continued bet on the AI and digital transformation themes.

In contrast, more defensive and cyclical sectors significantly lagged the broader market's advance. While all 11 sectors participated in the rebound from the April low, Consumer Staples was the relative worst performer, up only +4.0% over that period. Materials also struggled, finishing September as the worst-performing sector for the month with a -2.3% decline. This sectoral churn highlights a market that, while broad in its participation off the bottom, remains heavily reliant on mega-cap tech earnings and growth narratives. The health of the U.S. consumer and the trajectory of interest rates will be critical to watch to determine if leadership can broaden out in the coming quarters.

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	Incept (p.a.)
Fund (after fees before tax)	3.42%	7.82%	18.10%	15.55%	19.70%
Fund (after fees and 28% PIR)	3.30%	7.44%	17.78%	15.83%	18.67%
Benchmark (no deductions)	3.61%	7.92%	19.74%	17.10%	20.90%

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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