

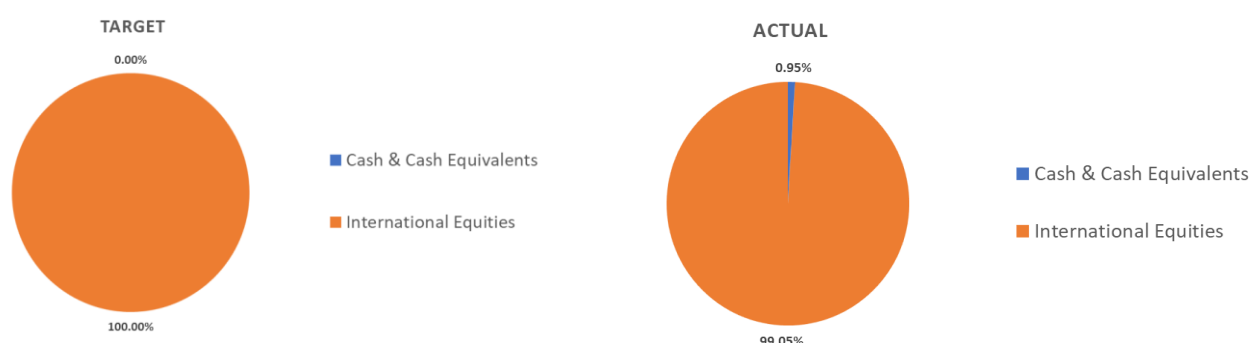
FOUNDATION SERIES US DIVIDEND EQUITY FUND



Fund Fact Sheet at 30 June 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 high dividend yielding shares issued by companies in the United States that have a record of consistently paying dividends.
Objective	To perform broadly in line with the return of the Fund's investment benchmark on a before fees and tax basis.
Benchmark	Dow Jones U.S. Dividend 100 Index (NZD) TR
Inception	4 March 2025
Fund Type	PIE
Fund Size (NAV)	\$3.4 million
Annual Fund Charges (Estimated, % of NAV)	0.06%
Performance Fee	Nil
Buy/Sell Spread	Nil
Entry/Exit Fee	0.50%/0.50%
Unit Price	\$0.8894

Investment Mix



Commentary

The Foundation Series US Dividend Equity Fund slightly outperformed its benchmark in June, returning 0.56% after fees and before tax.

US markets and particularly dividend-focused stocks experience a tough quarter over June 2025 amid significant market turbulence. April's volatility, driven by President Trump's tariff announcement imposing import levy of up to 50% on select countries, led to a temporary dip in high-dividend stocks. A 90-day tariff suspension and trade talks with the UK, China, and Vietnam spurred a recovery, with dividend-focused stocks seeing a modest gain in June, although materially underperforming the S&P 500. High-dividend-yielding U.S. companies with strong fundamentals, such as cash flow to total debt and return on equity were supported by their stability, with the Financials (3.7%) and Consumer Staples (0.8%) leading sector contributions. However, a 7.4% NZD/USD appreciation muted New Zealand dollar returns for local investors.

Key holdings like Goldman Sachs (17.9%) and IBM (13.8%) drove gains, reflecting strength in financials and technology. The Energy (6.5%) and Materials (2.6%) sectors also rebounded in June, supported by stabilizing commodity prices post-geopolitical tensions, including U.S. military actions against Iran, which briefly spiked oil prices to \$75 USD a gallon before settling at \$65 USD. The broader market's USD 2.34 trillion value increase supported dividend stocks, though their defensive nature limited upside compared to the S&P 500's 10.6% growth-heavy rally.

Despite underperforming the S&P 500, dividend-focused stocks offered stability, with lower volatility than growth-oriented indices. Consumer Discretionary (1.71%) and Health Care (0.55%) lagged due to cautious spending and persistent high interest rates, as the Federal Reserve held rates at 4.25–4.50%. A Moody's U.S. credit rating downgrade in May added pressure, but high dividend yields, often exceeding 3%, provided a cushion for income-focused investors. Diversified exposure across sectors helped mitigate risks in a volatile quarter marked by trade and geopolitical uncertainties.

The Fund's strategy is to provide exposure to a diversified portfolio of high dividend yielding 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
Fund (after fees before tax)	0.56%	-10.69%	–	–	-10.42%
Fund (after fees and 28% PIR)	0.56%	-10.90%	–	–	-10.72%
Benchmark (no deductions)	0.44%	-10.64%	–	–	-10.38%

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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