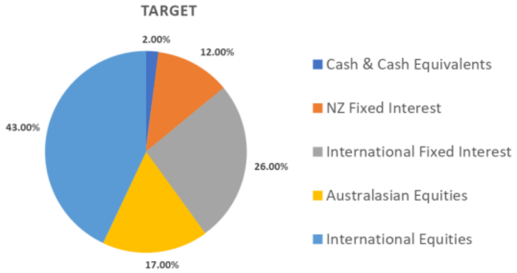
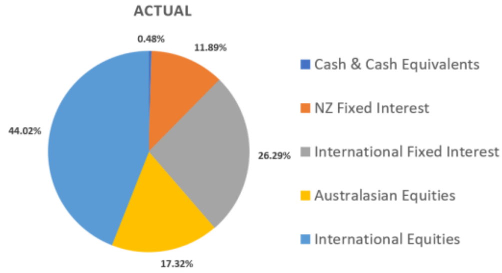
FOUNDATION SERIES BALANCED FUND

Fund Fact Sheet at 30 June 2026

Fund Information	
Description	Diversified fund targeting mid-range long-run returns by investing in a diversified portfolio with a balance of income and growth assets. Incorporates certain responsible investment considerations and is exposed to investment strategies that seek to limit exposure to companies involved in particular business practices.
Objective	To perform broadly in line with the return of the weighted average return of the asset class benchmark indices on a before fees and tax basis.
Benchmark	Composite blend of indices that represent the Fund's target investment mix. Please refer to the Foundation Series Funds' Statement of Investment Policy and Objectives (SIPO) for more details.
Inception	2 September 2020
Fund Type	PIE
Fund Size (NAV)	$43.1 million
Annual Fund Charges (Estimated, % of NAV)	0.37%
Performance Fee	Nil
Buy/Sell Spreads	0.00%/0.00%
Unit Price	$1.4623

Investment Mix





Commentary

The Foundation Series Balanced Fund underperformed its benchmark in the June quarter, returning 8.81% after fees and before tax.

Global markets delivered strong gains during the June quarter despite ongoing geopolitical tensions, and uncertainty around inflation and interest rates. As concerns surrounding the Middle East conflict eased and oil prices retreated from their highs, investor focus returned to economic growth and company earnings. The MSCI World Index rose +14.9% in NZD terms, supported by a weaker New Zealand dollar. The United States led global markets, with the S&P 500 gaining +15.2%, driven by resilient corporate earnings and continued AI enthusiasm.

Outside the US, most major markets also produced positive returns. European equities rebounded as fears of a prolonged energy shock faded, while Japanese shares benefited from strong performance in technology and semiconductor-related companies. Emerging markets were standout performers, with the MSCI Emerging Markets Index gaining +24.4% in USD terms, supported by exceptional returns from Taiwan and South Korea as demand for AI infrastructure and advanced semiconductor components accelerated.

Closer to home, the S&P/NZX 50 Index gained +5.5%, supported by improving business confidence and a resilient economy. The Reserve Bank of New Zealand kept the Official Cash Rate unchanged at 2.25%, despite inflation remaining above the midpoint of its target range. Australian shares also rose, with the S&P/ASX 200 returning +4.0%, although gains lagged global markets as higher interest rates and weakness in some resource and financial companies weighed on performance.

Fixed interest markets also delivered positive returns. Falling bond yields supported gains across many fixed income sectors as inflation concerns moderated through the quarter. New Zealand government bonds returned +3.2%, while New Zealand investment-grade corporate bonds gained +2.4%. Global bonds were more subdued, returning approximately +1.0% in NZD-hedged terms, but nevertheless provided diversification benefits alongside strong equity market performance.

The Fund's strategy is to provide a well-diversified portfolio targeting mid-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	3 Years (p.a.)	5 Years (p.a.)	Incept (p.a.)
Fund (after fees before tax)	1.74%	8.81%	5.63%	13.25%	11.22%	6.56%	7.02%
Fund (after fees and 28% PIR)	1.83%	8.39%	4.45%	11.95%	9.85%	5.80%	6.28%
Benchmark (no deductions)	1.66%	9.19%	5.53%	13.65%	11.31%	6.65%	7.06%

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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