

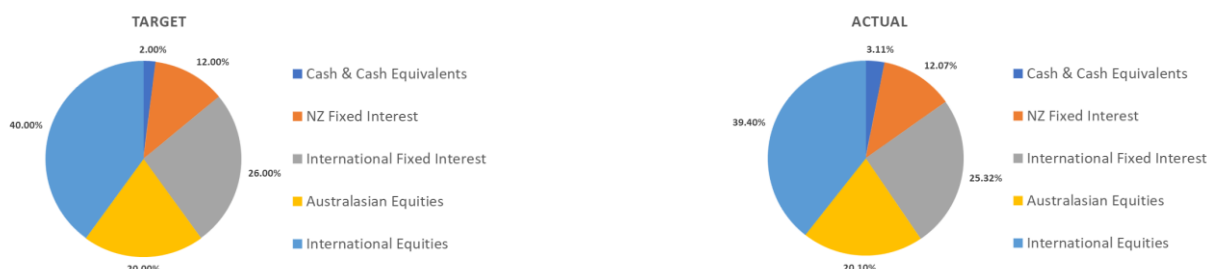
FOUNDATION SERIES BALANCED FUND



Fund Fact Sheet at 31 March 2025

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.
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' SIPO for more details.
Inception	2 September 2020
Fund Type	PIE
Fund Size (NAV)	\$27.8 million
Annual Fund Charges (Estimated, % of NAV)	0.37%
Performance Fee	Nil
Buy/Sell Spread	0.08%/0.11%
Unit Price	\$1.2487

Investment Mix



Commentary

The Foundation Series Balanced Fund slightly outperformed its benchmark in March, returning -2.64% after fees and before tax.

The first quarter of 2025 saw significant volatility in global financial markets, primarily driven by escalating US trade policies. US equities declined in Q1 2025, with the S&P 500 falling -4.3%, led by steep drops in tech and consumer discretionary sectors as AI dominance concerns emerged. China's DeepSeek unveiled a low-cost rival AI model, pressuring the 'Magnificent Seven' and broader tech valuations. Trade tensions escalated as Trump announced tariffs on Mexico, Canada, and key goods, with fears of broader measures unleashed on "Liberation Day" (April 2). The Fed held rates at 4.25% – 4.50% but downgraded 2025 growth and raised inflation forecasts, adding to market uncertainty.

European markets outperformed, with the Euro Stoxx 50 rising +5.9%, led by Germany (+11.3%) as new fiscal stimulus and pro-growth policies under Chancellor Merz boosted sentiment. The European Central Bank cut rates twice, with inflation easing to 2.3%. Financials, energy, and utilities led gains, while US trade tariff fears capped March rallies. UK equities rose, supported by large-cap financials and energy, but small/mid-caps lagged amid economic concerns. Japan's TOPIX fell -3.4%, hit by US auto tariffs and tech weakness, though financials gained on higher yields and corporate reforms. The Bank of Japan hiked rates, while the Bank of England held steady amid global uncertainty.

New Zealand and Australian equities underperformed, with the S&P/NZX 50 falling -6.4% and the ASX 200 dropping -2.8%, as weaker corporate earnings and trade-related uncertainties weighed on sentiment. New Zealand's export sector faced additional pressure from new US tariffs on key goods, though rising commodity prices and a weaker New Zealand dollar provided some offset. The country's economy showed signs of recovery, with GDP growth of 0.7% in the final quarter of 2024, technically ending a recession, but the trade environment remained challenging.

Bond markets experienced mixed performance amid shifting economic conditions. New Zealand investment-grade corporate bonds rose +1% over the quarter, extending their 12-month return to +7.4%, supported by expectations of monetary easing. Global bond markets fluctuated as investors assessed growth risks and inflation trends, with European debt benefiting from central bank rate cuts. Despite volatility, high-quality bonds provided stability, reinforcing their defensive role in portfolios during uncertain periods.

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.)	Incept (p.a.)
Fund (after fees before tax)	-2.64%	-1.88%	1.99%	6.42%	5.54%	5.26%
Fund (after fees and 28% PIR)	-2.73%	-2.21%	2.12%	5.42%	4.95%	4.73%
Benchmark (no deductions)	-2.67%	-1.94%	1.89%	6.48%	5.49%	5.21%

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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