

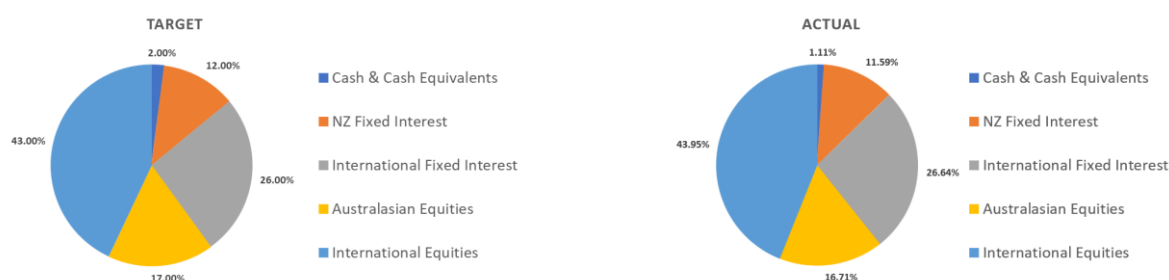
FOUNDATION SERIES BALANCED FUND



Fund Fact Sheet at 30 September 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)	\$46.3 million
Annual Fund Charges (Estimated, % of NAV)	0.37%
Performance Fee	Nil
Buy/Sell Spreads	0.00%/0.00%
Unit Price	\$1.4539

Investment Mix



Commentary

The Foundation Series Balanced Fund underperformed its benchmark in the September quarter, returning -0.49% after fees and before tax.

Global markets delivered modest returns during the September quarter despite a challenging backdrop of renewed Middle East conflict, higher energy prices, rising inflation concerns, and additional central bank tightening. While oil prices remained elevated for much of the quarter, the global economy proved resilient. Consumer spending and labour markets stayed relatively strong, while investment in artificial intelligence (AI) themes continued at pace particularly in the US, which saw the S&P 500 Index gain +2.3% in USD terms over the quarter.

Outside the United States, returns were mixed but generally positive. Japanese equities were among the strongest performers, supported by semiconductor companies, exporters, and improving business confidence. European shares lagged other developed markets as investors focused on the impact of higher interest rates and energy costs, with the European Central Bank raising its deposit rate to 2.5%. Emerging markets consolidated following their exceptionally strong first half of the year, with Taiwan and South Korea continuing to benefit from strong AI-related semiconductor demand. This saw the MSCI All Country World Index finish the quarter +2.4% higher.

Closer to home, the S&P/NZX 50 Index gained +1.9%, supported by positive returns from Auckland Airport, Fisher & Paykel Healthcare and Meridian Energy. However, rising interest rates and inflation created a more challenging environment for many domestically focused companies. The Reserve Bank of New Zealand increased the Official Cash Rate twice during the quarter, taking it to 2.75%. Australian shares performed slightly better, with the S&P/ASX 200 returning +2.5% in unhedged NZD terms, supported by strength in financials and energy.

Fixed interest markets struggled as inflation concerns and further monetary tightening pushed bond yields higher. The Bloomberg Global Aggregate Bond Index (hedged to NZD) returned -2.9%, while the S&P/NZX A-Grade Corporate Bond Index declined -1.1%, illustrating the pressure rising interest rates can place on bond prices.

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)	-0.01%	-0.49%	8.27%	7.00%	11.81%	6.20%	6.63%
Fund (after fees and 28% PIR)	0.07%	-0.74%	7.59%	5.77%	10.38%	5.41%	5.88%
Benchmark (no deductions)	0.00%	-0.10%	9.08%	7.40%	12.04%	6.35%	6.73%

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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