

Fund Update

For the guarter ended 30 September 2024

- Foundation Series Funds
- Foundation Series Hedged US 500 Fund

This fund update was first made publicly available on: 29 October 2024

This is a replacement fund update. It replaces the previous fund update for the quarter ending 30 September 2024, first made publicly available on 29 October 2024. This replacement has corrected the total value of the fund in the "Description of this fund" section.

What is the purpose of this update?

This document tells you how the Foundation Series Hedged US 500 Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. FundRock NZ Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this fund

Objective: The fund's objective is to perform broadly in line with the return of its investment benchmark before fees and tax over the long-term. The fund aims to have all foreign currency exposure hedged to the New Zealand dollar. The fund's investment benchmark is the Morningstar US Target Market Exposure TR Hedged NZD Index.

Strategy: The fund aims for high long-run returns by investing in an Exchange-Traded Fund ('ETF') that invests in shares of the largest companies listed on stock markets in the United States.

| Total value of the fund | \$11,287,436 | | |
|---------------------------|-----------------|--|--|
| The date the fund started | 5 February 2024 | | |

What are the risks of investing? See note 1

Risk indicator for the Foundation Series Hedged US 500 Fund.

| ← Potentially lower returns | | | Poten | Potentially higher returns ⇒ | | | |
|-----------------------------|---|---|-------|------------------------------|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| | | | | | | | |

The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at https://sorted.org.nz/.



Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for 5 years to 30 Sep 2024. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

How has the fund performed?

| | Past year |
|--|-----------|
| Annual return (after deductions for charges and tax) | N/A |
| Annual return (after deductions for charges but before tax) | N/A |
| Market index annual return (reflects no deduction for charges and tax) | 34.92% |

The market index return is Morningstar US Target Market Exposure TR Hedged NZD. This has been the market index since the inception of the fund.

Additional information about the market index is available on the offer register at https://disclose-register.companiesoffice.govt.nz.

What fees are investors charged? See note 2

Investors in the Foundation Series Hedged US 500 Fund are charged fund charges which are:

| | % of net asset value (inc. GST) |
|---|---------------------------------|
| Total fund charges | 0.03% |
| Which are made up of: | |
| Total manager and admin charges (inc. GST) | 0.03% |
| Including: | |
| Manager's basic fee (inc. GST) | 0.03% |
| Other management and administration charges | 0.00% |
| Total performance-based fees | 0.00% |

The charges outlined above represent the fees charged within the ETFs (external management fees) and have been estimated based on information in the ETFs' disclosure documents. Note that the fees within the ETFs are not tax deductible. Investors are charged each time they buy (entry fee) or sell (exit fee) units in the fund. These fees are charged to cover the costs of the underlying brokerage, foreign currency exchange, transaction fees and investment management service fees associated with investing in the underlying investments. Current entry and exit fees are 0.50%.



Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the PDS for the Foundation Series Hedged US 500 Fund on the offer register at https://disclose-register.companiesoffice.govt.nz for more information about those fees.

Example of how this applies to an investor

Small differences in fees and charges can have a big impact on your investment over the long term.

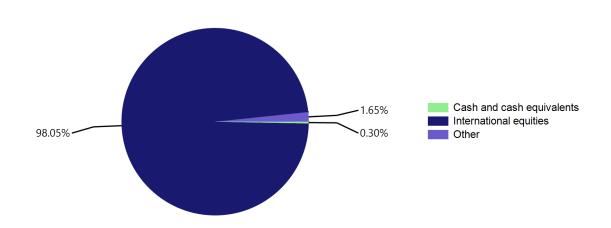
Anthony had \$10,000 in the fund when the fund received its first contribution, 05 February 2024 and did not make any further contributions. At the end of the period to 30 September 2024, Anthony received a return after fund charges were deducted of \$1,679 (that is 16.79% of his initial \$10,000). This gives Anthony a return after tax of \$1,485 for the period.



What does the fund invest in?

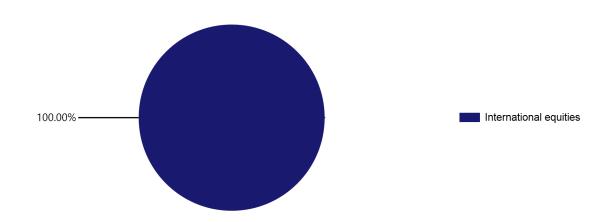
This shows the types of assets that the fund invests in.

Actual Investment Mix



Foreign currency exposure was 99.56% hedged to New Zealand dollars as at 30 September 2024 Note: "Other" includes currency contracts.

Target Investment Mix





Top 10 investments See note 3

| | Asset Name | % of Fund net assets | Туре | Country | Credit Rating (if applicable) |
|---|----------------------|----------------------------|---------------------------|---------|-------------------------------------|
| 1 | Vanguard S&P 500 ETF | 98.05% | International equities | US | |
| 2 | Forward Contract | 1.65% | Other | NZ | |
| 3 | Cash at Bank (BNZ) | 0.30% | Cash and cash equivalents | NZ | AA- |

The top 10 investments make up 100.00% of the net asset value of the fund.

Key Personnel

| Name | Current position | Time in current position | Previous or other current position | Time in previous or other current position |
|-----------------|--------------------------------|--------------------------|--|--|
| Anthony Edmonds | Investment Committee Member | 4 years 6 months | Business Development Director, Apex New Zealand | 2 months |
| Anthony Sowerby | Investment Committee Member | 4 years 6 months | Head of Investment Management Oversight, FundRock NZ | 3 years |
| Jason Choy | Investment Committee Member | 2 years 2 months | Senior Portfolio Manager, FundRock NZ and InvestNow | 2 years 4 months |
| Mike Heath | Investment Committee Member | 4 years 6 months | General Manager, InvestNow | 6 years 6 months |

Further information

You can also obtain this information, the PDS for the Foundation Series Funds, and some additional information from the offer register at https://disclose-register.companiesoffice.govt.nz.



Notes

- A combination of actual fund returns and market index returns have been used to determine the risk indicator as the fund has not been operating for the required five years. Market index returns have been used until 29 February 2024 and fund returns thereafter. The risk indicator may therefore provide a less reliable indicator of the fund's future volatility.
- 2. As the fund only started accepting contributions on 5 February 2024, historical fee information is not available.
- 3. The top 10 assets may add up to more than 100% of NAV as the fund also has liabilities which offsets these assets.