

Foundation Series Funds

Financial Statements

For the year ended 31 March 2024

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Directory

The Manager

FundRock NZ Limited
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PO Box 25003
Wellington, New Zealand 6140

Investment Manager

InvestNow Saving and Investment Service Limited
Level 2, Woodward House
1 Woodward Street
PO Box 25003
Wellington, New Zealand 6140

Directors of the Manager

Anthony Edmonds
Jeremy Valentine
Gareth Fleming
Hugh Stevens (from 1 July 2023)
Ian Russon (ceased 1 July 2023)

The Supervisor

Public Trust
Level 2, 22 Willeston Street
Private Bag 5902
Wellington, New Zealand 6140

Administration Manager

Adminis NZ Limited
Level 1
125 Featherston Street
PO Box 25555
Wellington, New Zealand 6140

Auditor

KPMG
44 Bowen Street
PO Box 996
Wellington, New Zealand 6011

Correspondence

All correspondence and enquiries about the Funds should be addressed to the Manager, Fund Rock NZ Limited, at the above address.



Independent Auditor's Report

To the unitholders of:

- Foundation Series Hedged Total World Fund
- Foundation Series Hedged US 500 Fund
- Foundation Series Total World Fund
- Foundation Series US 500 Fund
- Foundation Series Balanced Fund
- Foundation Series Growth Fund

Collectively Foundation Series Funds (the 'funds')

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of the funds on pages 6 to 20 present fairly, in all material respects:

- the funds' financial position as at 31 March 2024 and its financial performance and cash flows for the period ended on that date;

in accordance with New Zealand Equivalents to International Financial Reporting Standards issued by the New Zealand Accounting Standards Board.

We have audited the accompanying financial statements which comprise:

- the statement of financial position as at 31 March 2024;
- the statements of comprehensive income, changes in funds attributable to unit holders and cash flows for the period then ended; and
- notes, including a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the funds in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

Other than in our capacity as auditor we have no relationship with, or interests in, the funds. Subject to certain restrictions, partners and employees of our firm may also deal with the fund on normal terms within the ordinary course of trading activities of the business of the fund. These matters have not impaired our independence as auditor of the fund. The firm has no other relationship with, or interest in, the fund.

Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually



and on the financial statements as a whole. The materiality for the financial statements as a whole was set at 1% of total assets for the funds. We chose the benchmark because, in our view, this is a key measure of the funds' performance.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the unitholders as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the financial statements as a whole and we do not express discrete opinions on separate elements of the financial statements.

The key audit matter **How the matter was addressed in our audit**

Valuation and existence of investments for Foundation Series Diversified Funds

Refer to Note 2 Summary of significant accounting policies and Note 5 Financial assets and liabilities at fair value through profit and loss (for existence and valuation) of the financial statements.

The fund's portfolio of investments is the most significant asset making up in excess of 90% of total assets. These comprise liquid investments including unlisted unit trusts and listed exchange traded funds (ETFs).

The investment portfolio in total, due to its materiality in the context of the financial statements as a whole, is our most significant area of audit focus.

Our audit procedures included:

- documenting and understanding the processes in place to record investment transactions and to value the portfolio. This included evaluating the control environment in place at the administration manager by obtaining and reading a report issued by an independent auditor on the design and operation of those controls;
- agreeing the valuation of unlisted unit trusts to confirmations received from the investment manager;
- agreeing the 31 March 2024 valuation of listed ETFs to externally quoted prices;
- agreeing investment holdings to confirmations received from the custodian; and
- checking the accuracy of fair value hierarchy disclosure as disclosed in the financial statements.

Other information

The Manager, on behalf of the fund, are responsible for the other information included in the entity's financial statements. Other information includes the Directory. Our opinion on the financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Use of this independent auditor's report

This independent auditor's report is made solely to the unitholders as a body. Our audit work has been undertaken so that we might state to the unitholders those matters we are required to state to them in the



independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the unitholders as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of the Manager for the financial statements

The Manager, on behalf of the funds, are responsible for:

- the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) issued by the New Zealand Accounting Standards Board;
- implementing necessary internal control to enable the preparation of a set of financial statements that is free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-2/>

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Gavin Silva

For and on behalf of

KPMG
Wellington

31 July 2024

Statements of comprehensive income

for the year ended 31 March 2024

in New Zealand Dollars

	Note	Foundation Series Hedged Total World Fund	Foundation Series Hedged US 500 Fund	Foundation Series Total World Fund		Foundation Series US 500 Fund		Foundation Series Balanced Fund		Foundation Series Growth Fund	
		2 months 2024 \$	2 months 2024 \$	2024 \$	5 months 2023 \$	2024 \$	5 months 2023 \$	2024 \$	2023 \$	2024 \$	2023 \$
Income											
Interest income - amortised cost		2	26	769	3	602	12	5,724	2,529	7,638	3,479
Distribution income		6,890	6,670	795,442	45,179	436,710	36,460	347,579	260,728	568,768	329,812
Fee rebates		-	-	-	-	-	-	28,880	22,710	58,399	34,408
Net gains/(losses) on financial assets at fair value through profit or loss	4	75,857	83,076	10,139,512	364,652	9,828,460	218,983	1,676,743	(628,025)	4,867,314	(319,775)
Other foreign currency (losses)/gains, net		(65)	(54)	(11,881)	995	(12,096)	6,359	-	-	(12)	-
Total income/(loss)		82,684	89,718	10,923,842	410,829	10,253,676	261,814	2,058,926	(342,058)	5,502,107	47,924
Expenses											
Management fees	8	-	-	-	-	-	-	20,530	12,959	52,244	27,004
Other expenses		-	-	120	-	45	-	-	-	-	-
Supervisor fees	8	-	-	-	-	-	-	(467)	2,810	(619)	3,857
Total expenses		-	-	120	-	45	-	20,063	15,769	51,625	30,861
Net profit/(loss) attributable to unit holders		82,684	89,718	10,923,722	410,829	10,253,631	261,814	2,038,863	(357,827)	5,450,482	17,063
Other comprehensive income		-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the year attributable to unit holders		82,684	89,718	10,923,722	410,829	10,253,631	261,814	2,038,863	(357,827)	5,450,482	17,063

This statement is to be read in conjunction with the notes to the financial statements.

Statements of financial position

as at 31 March 2024
in New Zealand Dollars

	Note	Foundation Series Hedged Total World Fund	Foundation Series Hedged US 500 Fund	Foundation Series Total World Fund	Foundation Series US 500 Fund	Foundation Series Balanced Fund	Foundation Series Growth Fund				
		2024 \$	2024 \$	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$		
Assets											
Cash and cash equivalents	3	322,879	107,288	495,183	208,270	408,841	412,885	261,964	192,193	503,724	342,033
Financial assets at fair value through profit or loss	5	3,558,827	2,636,854	70,251,522	13,104,844	57,795,267	8,605,679	17,410,615	13,246,206	37,998,588	27,190,503
Other receivables	6	-	-	-	-	-	28,651	9,272	5,269	14,951	10,530
PIE tax receivable		-	-	-	-	-	-	-	598	-	213
Total assets		3,881,706	2,744,142	70,746,705	13,313,114	58,204,108	9,047,215	17,681,851	13,444,266	38,517,263	27,543,279
Liabilities											
Financial liabilities at fair value through profit or loss	5	50,300	45,885	-	-	-	-	-	-	-	-
Other payables	7	322,348	88,982	497,600	210,702	407,576	436,069	-	3,290	1,609,169	1,108
Related party payables	8	-	-	-	-	-	-	2,021	1,689	3,329	3,164
PIE tax payable		-	-	1,214	497	1,308	726	807	-	374	-
Total liabilities		372,648	134,867	498,814	211,199	408,884	436,795	2,828	4,979	1,612,872	4,272
Net assets		3,509,058	2,609,275	70,247,891	13,101,915	57,795,224	8,610,420	17,679,023	13,439,287	36,904,391	27,539,007
Represented by:											
Net assets attributable to unit holders		3,509,058	2,609,275	70,247,891	13,101,915	57,795,224	8,610,420	17,679,023	13,439,287	36,904,391	27,539,007

These financial statements were authorised for issue by the Manager, FundRock NZ Limited:



Director **Anthony Edmonds**

July 30, 2024 | 1:38 AM BST

Date



Director **Hugh Stevens**

July 30, 2024 | 11:40 AM NZST

Date

Statements of changes in funds attributable to unit holders

for the year ended 31 March 2024

in New Zealand Dollars

	Foundation Series Hedged Total World Fund		Foundation Series Hedged US 500 Fund		Foundation Series Total World Fund		Foundation Series US 500 Fund		Foundation Series Balanced Fund		Foundation Series Growth Fund	
	2 months		2 months		2024	5 months	2024	5 months	2024	2023	2024	2023
	2024		2024		2024	2023	2024	2023	2024	2023	2024	2023
	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Net assets attributable to unit holders at the start of the year	-		-		13,101,915	-	8,610,420	-	13,439,287	10,839,303	27,539,007	14,698,313
Applications	3,426,890		2,537,722		49,542,129	12,706,292	41,857,679	8,413,463	4,135,054	4,072,867	11,300,408	15,845,131
Redemptions	(516)		(18,165)		(3,318,559)	(14,709)	(2,925,088)	(64,131)	(1,933,211)	(1,115,654)	(7,385,132)	(3,021,757)
Unit holders tax	-		-		(1,316)	(497)	(1,418)	(726)	(970)	598	(374)	257
Net increase from unit holder transactions	3,426,374		2,519,557		46,222,254	12,691,086	38,931,173	8,348,606	2,200,873	2,957,811	3,914,902	12,823,631
Total comprehensive income/(loss) for the year	82,684		89,718		10,923,722	410,829	10,253,631	261,814	2,038,863	(357,827)	5,450,482	17,063
Net assets attributable to unit holders at the end of the year	3,509,058		2,609,275		70,247,891	13,101,915	57,795,224	8,610,420	17,679,023	13,439,287	36,904,391	27,539,007
	2024		2024		2024	2023	2024	2023	2024	2023	2024	2023
	Units		Units		Units	Units	Units	Units	Units	Units	Units	Units
Units on issue at the start of the year	-		-		12,493,460	-	8,324,794	-	12,999,181	10,113,964	25,182,792	12,983,575
Units issued	3,293,997		2,473,856		42,731,081	12,508,261	35,415,457	8,388,982	3,940,126	3,980,668	10,634,352	15,067,485
Units redeemed	(500)		(17,126)		(2,839,914)	(14,801)	(2,422,587)	(64,188)	(1,908,783)	(1,095,451)	(6,969,136)	(2,868,268)
Units on issue at the end of the year	3,293,497		2,456,730		52,384,627	12,493,460	41,317,664	8,324,794	15,030,524	12,999,181	28,848,008	25,182,792

This statement is to be read in conjunction with the notes to the financial statements.

Statements of cash flows

for the year ended 31 March 2024
in New Zealand Dollars

	Note	Foundation Series Hedged Total World Fund	Foundation Series Hedged US 500 Fund	Foundation Series Total World Fund	5 months	Foundation Series US 500 Fund	5 months	Foundation Series Balanced Fund	2023	Foundation Series Growth Fund	2023
		2 months 2024	2 months 2024	2024	2023	2024	2023	2024	2023	2024	2023
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash was provided from											
Sale of investments		-	-	627,638	-	466,735	1,174	1,029,461	245,566	2,774,088	1,156,167
Interest income		2	26	769	3	602	12	5,724	2,529	7,638	3,479
Fee rebate income		-	-	-	-	-	-	4,823	20,750	10,008	29,119
Distribution income		6,950	6,670	791,930	45,386	465,894	7,992	347,579	260,728	568,768	329,812
Cash was provided to											
Purchase of investments		(3,104,589)	(2,410,967)	(47,347,859)	(12,529,011)	(39,867,918)	(7,950,191)	(3,497,073)	(3,421,588)	(8,670,889)	(14,156,884)
Settlement of forward contracts		(5,652)	(8,164)	-	-	-	-	-	-	-	-
Operating expenses		-	-	(120)	-	(45)	-	(19,731)	(17,983)	(51,460)	(34,353)
Net cash outflow from operating activities	9	(3,103,289)	(2,412,435)	(45,927,642)	(12,483,622)	(38,934,732)	(7,941,013)	(2,129,217)	(2,909,998)	(5,361,847)	(12,672,660)
Cash flows from financing activities											
Proceeds from units issued		3,426,890	2,537,722	49,542,129	12,706,292	41,857,679	8,413,463	4,135,054	4,072,867	11,300,396	15,845,131
Redemptions		(516)	(17,828)	(3,318,559)	(14,709)	(2,914,795)	(64,131)	(1,936,501)	(1,112,364)	(5,777,071)	(3,020,649)
PIE tax paid		-	-	(599)	-	(836)	-	435	(20)	213	(316)
Net cash inflow from financing activities		3,426,374	2,519,894	46,222,971	12,691,583	38,942,048	8,349,332	2,198,988	2,960,483	5,523,538	12,824,166
Net cash inflow		323,085	107,459	295,329	207,961	7,316	408,319	69,771	50,485	161,691	151,506
Net cash and cash equivalents at the beginning of the year		-	-	208,270	-	412,885	-	192,193	141,708	342,033	190,527
Foreign exchange (losses)/gains on cash and cash equivalents		(206)	(171)	(8,416)	309	(11,360)	4,566	-	-	-	-
Net cash and cash equivalents at the end of the year		322,879	107,288	495,183	208,270	408,841	412,885	261,964	192,193	503,724	342,033

This statement is to be read in conjunction with the notes to the financial statements.

Notes to the financial statements

1. GENERAL INFORMATION

Reporting entity	<p>The following are the Foundation Series Funds (the "Funds"), unit trusts registered in New Zealand, that are included in these financial statements:</p> <ul style="list-style-type: none"> - Foundation Series Balanced Fund) together the "Diversified Funds" - Foundation Series Growth Fund - Foundation Series Total World Fund - Foundation Series US 500 Fund) together the "Core Equity Funds" - Foundation Series Hedged Total World Fund - Foundation Series Hedged US 500 Fund <p>The Foundation Series Balanced Fund and Foundation Series Growth Fund were established on 1 May 2020 and commenced operations on 2 September 2020. The Foundation Series Total World Fund and Foundation Series US 500 Fund were established on 20 September 2022 and commenced operations on 7 November 2022. The Foundation Series Hedged Total World Fund and Foundation Series Hedged US 500 Fund were established on 14 November 2023 and commenced operations on 5 February 2024.</p> <p>The Funds are governed by a Master Trust Deed dated 1 December 2016 between FundRock NZ Limited (the "Manager") and Public Trust (the "Supervisor") and a Scheme Establishment Deed dated 1 December 2016 (together, the "Trust Deed"). The Funds are for-profit entities.</p> <p>The Investment Manager is InvestNow Saving and Investment Service Limited (the "Investment Manager"). The Investment Manager defines the Funds' investment mandate and selects an appropriate investment manager(s) for that mandate, reviews the mandates and provides promotion and distribution support to the Funds.</p> <p>The financial statements for the Foundation Series Balanced Fund and the Foundation Series Growth Fund are for the year ended 31 March 2024, with comparatives for the year ended 31 March 2023. The financial statements for the Foundation Series Total World Fund and the Foundation Series US 500 Fund are for the year ended 31 March 2024, with comparatives for the 5 month period ended 31 March 2023. The financial statements for the Foundation Series Hedged Total World Fund and the Foundation Series Hedged US 500 Fund are for the 2 month period ended 31 March 2024, with no comparatives.</p>
Separate funds	<p>The Trust Deed provides that each Fund is a separate and distinct Fund with separate assets and liabilities governed by the terms and conditions of the Trust Deed. The Funds each have their own objectives as set out in the Product Disclosure Statement ("PDS"). The Investment Manager sets the investment policy and investment guidelines for each Fund and obtains the Supervisor's approval to any material change to the guidelines.</p> <p>The aim of the Foundation Series Balanced Fund is to provide investors with the potential for mid-range long-run returns by investing in a diversified portfolio with a balance of income and growth assets. The investment objective of the Foundation Series Balanced Fund is to perform broadly in line with the return of its investment benchmark before fees and tax over the long-term.</p> <p>The aim of the Foundation Series Growth Fund is to provide investors with the potential for high long-run returns by investing in a diversified portfolio weighted towards growth assets but with some income asset exposure. The investment objective of the Foundation Series Growth Fund is to perform broadly in line with the return of its investment benchmark before fees and tax over the long-term.</p> <p>The aim of the Foundation Series Total World Fund is to provide investors with high long-run returns by investing in an underlying Exchange Traded Fund ("ETF") that invests in shares of large, mid-sized and small companies listed on international stockmarkets. The investment objective of the Foundation Series Total World Fund is to perform broadly in line with the return of its investment benchmark before fees and tax over the long-term.</p> <p>The aim of the Foundation Series US 500 Fund is to provide investors with high long-run returns by investing in an underlying ETF that invests in shares of the largest companies listed on exchanges in the United States. The investment objective of the Foundation Series US 500 Fund is to perform broadly in line with the return of its investment benchmark before fees and tax over the long-term.</p> <p>The aim of the Foundation Series Hedged Total World Fund is to provide investors with high long-run returns by investing in an ETF that invests in shares of large, mid-sized and small companies listed on international stock markets. 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.</p> <p>The aim of the Foundation Series Hedged US 500 Fund is to provide investors with high long-run returns by investing in an ETF that invests in shares of the largest companies listed on stock markets in the United States. 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.</p>
Statutory Base	<p>The financial statements for the Funds have been prepared in accordance with the Trust Deed and the Financial Markets Conduct Act 2013 ("FMCA").</p>
Basis of preparation	<p>The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand and other legislative requirements as appropriate for for-profit entities. The financial statements comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), and other New Zealand accounting standards and authoritative notices applicable to entities that apply NZ IFRS. The financial statements also comply with International Financial Reporting Standards ("IFRS").</p> <p>The financial statements have been prepared under the historical cost basis, as modified by the revaluation of financial instruments at fair value through profit or loss. The methods used to measure fair value are discussed further below. The accrual basis of accounting has been applied, as has the going concern assumption.</p> <p>The assets and liabilities in the financial statements have been presented in order of their liquidity. All assets and liabilities either have a maturity of less than a year or have no fixed maturity and are therefore considered current assets/liabilities.</p>

Notes to the financial statements - continued

1. GENERAL INFORMATION - CONTINUED

New standards and amendments to existing standards effective in the current year	There are no new or amended standards for the year ended 31 March 2024 that have had a material impact on the financial statements.
New accounting standards and interpretations not adopted	No other standards and amendments to existing standards and interpretations that are not yet in effect are expected to have a material impact on the financial statements of the Funds.
Significant accounting estimates and judgements	<p>The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires the Manager to exercise its judgment in the process of applying the Funds' accounting policies.</p> <p>The investments of the Funds have been valued at the relevant redemption price established by underlying investment managers, therefore the Manager has not made any material accounting estimates or judgements in relation to the carrying value of these assets.</p>
Climate related risks and opportunities	The Manager is a Climate Reporting Entity pursuant to the provisions of the Financial Markets Conduct Act 2013, as modified by the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021. Climate-related disclosures for the Funds were prepared in accordance with Aotearoa New Zealand Climate Standards and are available at the Climate-Related Disclosures Register. The Funds are exposed to climate related risks, which are managed through the strategies and processes described in the climate-related disclosures available at the Climate-Related Disclosures Register. There are no material climate related impacts relevant to the current year financial statements.
Comparative information	A disclosure error was identified in Note 8. Related Parties in the prior year financial statements. The related party holdings for the Foundation Series Growth Fund were understated. Accordingly, in Note 8. Related Parties of these financial statements, the Foundation Series Growth Fund comparatives (2023) related party closing units has been restated from 171,253 to 6,150,247 units, and the closing fair value restated from \$187,276 to \$6,725,684 as a correction of this error.
Functional and presentation currency	The financial statements are presented in New Zealand dollars, which is the Funds' functional currency. All amounts have been rounded to the nearest dollar.
Financial instruments	<p>(a) Classification</p> <p><i>Financial assets at fair value through profit or loss</i></p> <p>The Funds classify their investments in listed ETFs, New Zealand unlisted unit trusts and forward foreign exchange contracts as financial assets at fair value through profit or loss. The Funds classify their investments based on both the Funds' business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Funds' investment strategies, policies and guidelines are established by the Manager. The portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Funds' investment strategies.</p> <p>Derivative instruments, which are predominantly forward foreign exchange contracts, are classified as financial assets or liabilities at fair value through profit or loss. The use of derivatives is governed by investment guidelines which are set by the Manager with the approval of the Supervisor. Where derivative instruments are used to economically hedge currency risk, hedge accounting is not applied and derivatives are recognised at their fair value.</p> <p>The Manager and investment manager are primarily focused on fair value information and use that information to assess the assets' performance and to make decisions. The Funds have not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income.</p> <p><i>Financial assets and liabilities at amortised cost</i></p> <p>The Funds' cash and cash equivalents and other receivables are classified as financial assets at amortised cost based on the Funds' business models for managing those financial assets and the contractual cash flow characteristics.</p> <p>Financial liabilities at amortised cost comprise related party payables and other payables.</p> <p>(b) Recognition</p> <p>Purchases and sales of investments are recognised on the trade date, the date on which the Funds commit to purchase or sell the investment. Financial assets at fair value through profit or loss are initially recognised at fair value and, subsequent to initial recognition, measured at fair value. Gains and losses arising from changes in fair value are recognised in the Statements of Comprehensive Income when they arise. Interest, dividend and distribution income are separately recognised in the Statements of Comprehensive Income. Transaction costs are expensed as incurred in the Statements of Comprehensive Income.</p> <p>(c) Fair Value Measurement</p> <p>'Fair Value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Funds had access at that date. The fair value also includes non-performance risk.</p> <p><i>Fair value in an active market</i></p> <p>The fair value of investments traded in active markets is based on their quoted market prices at the balance date without any deduction for estimated future selling costs. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume. The quoted market price used for listed equities is the current last sale price except where this price falls outside the bid-ask spread, in which case the bid price is used.</p>

Notes to the financial statements - continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments - continued	<p>(c) Fair Value Measurement - continued <i>Fair value of unlisted unit trusts</i> The fair value of investments in unlisted unit trusts is determined using the last available redemption unit prices for those funds at balance date. The Manager of the Funds may make adjustments based on considerations such as the liquidity of the underlying investments and any restrictions on redemptions.</p> <p><i>Fair value of forward foreign exchange contracts</i> The fair value of forward foreign exchange contracts is determined using valuation techniques based on spot exchange rates and forward points supplied by the counterparty. The Funds recognise a gain or loss equal to the change in fair value at the balance date.</p> <p>(d) Derecognition Financial assets are derecognised upon maturity or disposal of the asset. Any gain or loss arising on derecognition of the asset is recognised in the Statements of Comprehensive Income in the year the item is derecognised. Gains or losses are calculated as the difference between the disposal proceeds and the carrying amount of the item.</p>
Fair value hierarchy	<p>Fair value measurements are categorised into a three level hierarchy that reflects the significance of the inputs used in making the measurements. Transfers between levels of the fair value hierarchy (if any) are deemed to have occurred at the beginning of the period.</p> <p><i>Level one - fair value in an active market</i> The fair value of financial assets traded in active markets for the same instruments based on their quoted market prices at balance date without any deduction for estimated future selling costs. Generally, a level one category asset will have the most independent, reliable basis for measurement.</p> <p><i>Level two - fair value in an inactive or unquoted market using valuation techniques and observable market data</i> The fair value of financial assets that are not traded in an active market is determined using valuation techniques for which all significant inputs are based on observable market data. The Funds' investments in unlisted unit trusts are valued at fair value which is based on the latest available redemption prices of the units in each respective underlying fund. The Manager reviews the details of the reported information obtained from each of the underlying investments and considers:</p> <ul style="list-style-type: none"> - the liquidity of the Fund's holding in that investment, or it's underlying investments; - the value date of the net asset value ("NAV") provided; and - any restrictions on withdrawals. <p><i>Level three - fair value in an inactive or unquoted market using valuation techniques without observable market data</i> The fair value of financial assets that are not traded in an active market is determined using valuation techniques for which any significant input is not based on observable market data.</p>
Foreign currencies	<p>Transactions denominated in foreign currencies are recognised at the exchange rates at the date of the transactions. Monetary assets and liabilities at balance date denominated in foreign currencies are translated at the foreign currency exchange rates at that date. Realised and unrealised exchange gains and losses on financial assets at amortised cost during the financial year are recognised in the Statements of Comprehensive Income within 'Other foreign currency (losses)/gains, net'.</p>
Income recognition	<p>Interest income is recognised in the Statements of Comprehensive Income as the interest accrues using the effective interest rate method. Interest income is earned on short term deposits, bank balances and margin accounts.</p> <p>Dividend and distribution income is recognised in the Statements of Comprehensive Income when the Funds' right to receive payment is established.</p> <p>Dividend and interest income is disclosed net of any foreign tax credits and resident withholding taxes deducted at source, as these tax credits are allocated to unit holders under the PIE regime.</p> <p>Fee rebate income is received from underlying investment managers as a discount to the standard fee charged to the unlisted unit trusts and reflected in their unit prices. Fee rebates are accrued daily, based on the fair value of unlisted unit trusts and recognised in the Statements of Comprehensive Income when the Funds' right to receive payment is established.</p> <p>Foreign exchange gains and losses on cash and cash equivalents, other receivables, and other payables are recognised in the Statements of Comprehensive Income within 'Other foreign currency (losses)/gains, net'.</p> <p>Any unrealised gains or losses arising from the revaluation of investments and any realised gains or losses from the sale of investments during the year are included in the Statements of Comprehensive Income.</p>
Expenses	<p>Expenses include management fees and supervisor fees which are accrued for daily, based on the Funds' net asset value ("NAV"). All other expenses, including investment accounting fees, custody fees, audit fees and other fees are paid for by the Manager out of the management fee.</p>

Notes to the financial statements - continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Cash and cash equivalents	Cash and cash equivalents comprise cash balances and short-term deposits with an original maturity of 90 days or less and are initially measured at fair value. Subsequent to initial recognition, all cash and cash equivalents are measured at amortised cost.
Other payables	Other payables include liabilities and accrued expenses owed by the Funds that are unpaid at balance date. Under NZ IFRS 9 - Financial Instruments ("NZ IFRS 9"), payables are initially recognised at fair value and subsequently stated at amortised cost using the effective interest method.
Related party payables	Payables to related parties include accrued expenses owed to related parties which are unpaid at balance date. Under NZ IFRS 9, related party payables are initially recognised at fair value and subsequently stated at amortised cost using the effective interest method.
Taxation	<p>The Funds are Portfolio Investment Entities ("PIEs"). Under the PIE regime income is effectively taxed in the hands of the unit holders and therefore the Funds have no tax expense. Accordingly, no income tax expense is recognised in the Statements of Comprehensive Income.</p> <p>Under the PIE regime, the Manager attributes the taxable income of the Funds to unit holders in accordance with the proportion of their interest in the overall Funds. The income attributed to each unit holder is taxed at the unit holder's prescribed investor rate ("PIR") which is currently capped at 28%. Any PIE tax payable/refundable on full withdrawals is paid/received by the Manager on behalf of unit holders and deducted from or added to the withdrawal proceeds paid. Units are cancelled/issued to the value of the tax paid/refunded upon determination of the unit holders' annual PIE tax liabilities/assets at 31 March each year.</p> <p>At 31 March each year, the unit holders' net tax position is accrued and the value of unit holders' funds is adjusted to reflect the impact of tax payable/receivable on the value of the unit holders' interest in the Funds. Unit holders' PIE tax amounts disclosed in the Statements of Changes in Funds Attributable to Unit Holders include withdrawals to meet unit holder tax liabilities and application representing unit holder tax refunds under the PIE regime.</p> <p>The PIE tax attributable to unit holders at balance date is calculated on the basis of the tax laws enacted or substantively enacted at balance date.</p>
Goods and Services tax	The Funds are not registered for GST and consequently all components of the financial statements are stated inclusive of GST where appropriate.
Statements of cash flows	<p>Definitions of the terms used in the Statements of Cash Flows are:</p> <p>(a) Operating activities comprise all transactions and other events that are not financing activities and includes purchases and sales of investments;</p> <p>(b) Financing activities are those activities that result in changes in the size and composition of unit holders' funds. This includes elements of unit holders' funds not falling within the definition of cash. Distributions paid in relation to unit holders' funds are included in financing activities.</p>
Applications and redemptions	Applications received for units in the Funds are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Funds are recorded gross of any exit fees payable after the cancellation of the units redeemed. Units are issued and redeemed at the holder's option at the unit price for that day. The unit price for each Fund is determined as the net asset value ("NAV") divided by the number of units on issue.
Unit holders' funds	<p>The units issued by the Funds are puttable instruments and meet the definition of an equity instrument, defined as:</p> <p>(a) unit holders are entitled to a pro rata share of the Funds' net assets in the event of the Funds' liquidation;</p> <p>(b) it is in the class of instruments that is subordinate to all other classes of instruments;</p> <p>(c) all units have identical rights and are puttable;</p> <p>(d) apart from the contractual obligation of the issuer to redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability;</p> <p>(e) the total expected cash flows attributable to the instrument over its life is based substantially on the profit or loss, the change in the recognised net assets or the change in fair value of the recognised and unrecognised net assets of the Fund over the life of the instrument.</p> <p>The Funds issue redeemable units which are redeemable at the holder's option and are classified as equity and reported as unit holders' funds.</p>

Notes to the financial statements - continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Related parties

A party is related to the Funds if:

- (a) directly or indirectly through one or more of its intermediaries, it controls, is controlled by, or is under common control with, the Funds;
- (b) it has an interest in or relationship with the Fund that gives it significant influence over the Funds;
- (c) the Funds have an interest in or relationship with the party that gives significant influence over the party; or
- (d) they are a member of the key management personnel.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Funds. This includes the Board and members of senior leadership team of the Manager, Investment Manager, and the Supervisor.

3. CASH AND CASH EQUIVALENTS

	Foundation Series Hedged Total World Fund		Foundation Series Hedged US 500 Fund		Foundation Series Total World Fund		Foundation Series US 500 Fund		Foundation Series Balanced Fund		Foundation Series Growth Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash and cash equivalents												
Cash - New Zealand dollars	534	18,795	111	6	10,601	11	261,964	192,193	503,724	342,033		
Margin account - New Zealand dollars	322,348	81,826	494,928	208,152	244,669	412,882	-	-	-	-		
Margin account - United States dollars	(3)	6,667	144	112	153,571	(8)	-	-	-	-		
Total cash and cash equivalents	322,879	107,288	495,183	208,270	408,841	412,885	261,964	192,193	503,724	342,033		

4. NET GAINS/(LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Foundation Series Hedged Total World Fund		Foundation Series Hedged US 500 Fund		Foundation Series Total World Fund		Foundation Series US 500 Fund		Foundation Series Balanced Fund		Foundation Series Growth Fund	
	2 months 2024	2 months 2024	2024	5 months 2023	2024	5 months 2023	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial instruments at fair value through profit or loss												
Forward foreign exchange contracts	(55,792)	(54,049)	-	-	-	-	-	-	-	-	-	-
Unlisted unit trusts	-	-	-	-	-	-	1,676,743	(628,025)	4,867,314	(319,775)		
Listed ETFs	131,649	137,125	10,139,512	364,652	9,828,460	218,983	-	-	-	-		
Total net gains/(losses) on financial assets at fair value through profit or loss	75,857	83,076	10,139,512	364,652	9,828,460	218,983	1,676,743	(628,025)	4,867,314	(319,775)		

5. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Foundation Series Hedged Total World Fund		Foundation Series Hedged US 500 Fund		Foundation Series Total World Fund		Foundation Series US 500 Fund		Foundation Series Balanced Fund		Foundation Series Growth Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets at fair value through profit or loss												
Forward foreign exchange contracts	160	-	-	-	-	-	-	-	-	-	-	-
Unlisted unit trusts	-	-	-	-	-	-	17,410,615	13,246,206	37,998,588	27,190,503		
Listed ETFs	3,558,667	2,636,854	70,251,522	13,104,844	57,795,267	8,605,679	-	-	-	-		
Total financial assets at fair value through profit or loss	3,558,827	2,636,854	70,251,522	13,104,844	57,795,267	8,605,679	17,410,615	13,246,206	37,998,588	27,190,503		
Financial liabilities at fair value through profit or loss												
Forward foreign exchange contracts	(50,300)	(45,885)	-	-	-	-	-	-	-	-	-	-
Total financial liabilities at fair value through profit or loss	(50,300)	(45,885)	-	-	-	-	-	-	-	-	-	-

Notes to the financial statements - continued

5(A). FAIR VALUE HIERACHY

Level 1 fair value determination The fair value of listed ETFs are valued using quoted market prices in an active market and are included within level 1 of the fair value hierarchy.

Level 2 fair value determination The fair value of units held by the Funds' in unlisted unit trusts is determined by reference to published unit prices calculated by those funds' administration managers and are included within level 2 of the fair value hierarchy.

Foreign exchange forward contracts are valued using a forward rate determined from a spot rate and forward points provided by Refinitiv and are included within level 2 of the fair value hierarchy.

There have been no transfers between the levels of the fair value hierarchy.

6. OTHER RECEIVABLES

	Foundation Series Hedged Total World Fund		Foundation Series Hedged US 500 Fund		Foundation Series Total World Fund		Foundation Series US 500 Fund		Foundation Series Balanced Fund		Foundation Series Growth Fund	
	2024 \$		2024 \$		2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$
Fee rebates receivable	-		-		-	-	-	-	6,799	5,269	14,951	10,530
Dividends receivable	-		-		-	-	-	28,651	-	-	-	-
Unsettled trades	-		-		-	-	-	-	2,473	-	-	-
Total other receivables	-		-		-	-	-	28,651	9,272	5,269	14,951	10,530

All other receivable balances are current assets. Other receivables are classified as financial assets at amortised cost under NZ IFRS 9.

7. OTHER PAYABLES

	Foundation Series Hedged Total World Fund		Foundation Series Hedged US 500 Fund		Foundation Series Total World Fund		Foundation Series US 500 Fund		Foundation Series Balanced Fund		Foundation Series Growth Fund	
	2024 \$		2024 \$		2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$
Unsettled trades	322,348		88,645		497,600	210,702	397,283	436,069	-	-	-	-
Redemptions payable	-		337		-	-	10,293	-	-	3,290	1,609,169	1,108
Total other payables	322,348		88,982		497,600	210,702	407,576	436,069	-	3,290	1,609,169	1,108

All other payable balances are current liabilities.

8. RELATED PARTIES

Related parties comprise the Manager, the Supervisor and their related entities.

Manager and Supervisor fees As outlined in the Funds' PDS, the Funds incur Annual Fund Charges for which the Diversified Funds are capped at 0.37% (2023: 0.37%), the Foundation Series Total World Fund and the Foundation Series Hedged Total World Fund is capped at 0.07% (2023: 0.07%), the Foundation Series US 500 Fund and the Foundation Series Hedged US 500 Fund is capped at 0.03% (2023: 0.03%) of the net asset value. The Fixed Annual Fund Charges include any fees within underlying funds or securities that the Funds may invest into, as well as fees paid to the Investment Manager, the Supervisor, the Auditor, the Custodian and the Administration Manager, bank charges and other various costs and expenses incurred. Where there is a shortfall, the Manager will pay the shortfall on behalf of the Funds and will recover the shortfall from the Investment Manager.

Supervisor fees paid by the Funds and the Manager for the year ended 31 March 2024 were \$25,755 (2023: \$16,292).

Total Management fees and Supervisor fees paid by the Diversified Funds for the period are disclosed in the Statements of Comprehensive Income.

As outlined in the Core Equity Funds' PDS, the Manager is entitled to entry and exit fees, payable by the unitholder, when applications and redemptions are actioned on the Core Equity Funds. The fees are calculated at 0.50% of each application or redemption. Entry and exit fees paid to the Manager for the year totalled \$520,405 (2023: \$105,320).

Notes to the financial statements - continued

8. RELATED PARTIES - CONTINUED

Related party payables	Foundation Series Hedged Total World Fund		Foundation Series Hedged US 500 Fund		Foundation Series Total World Fund		Foundation Series US 500 Fund		Foundation Series Balanced Fund		Foundation Series Growth Fund	
	2024		2024		2024	2023	2024	2023	2024	2023	2024	2023
	\$		\$		\$	\$	\$	\$	\$	\$	\$	\$
Management fees payable	-		-		-	-	-	-	2,021	1,689	3,329	3,164
Total related party payables	-		-		-	-	-	-	2,021	1,689	3,329	3,164

All related party payable balances are current liabilities.

Related party holdings in the Funds Holdings in the Funds by directors and key management personnel of the Manager, Investment Manager and their immediate family members are:

	Foundation Series Hedged Total World Fund		Foundation Series Hedged US 500 Fund		Foundation Series Total World Fund		Foundation Series US 500 Fund		Foundation Series Balanced Fund		Foundation Series Growth Fund	
	2 months		2 months		2024	5 months	2024	5 months	2024	2023	2024	2023
	2024		2024		Units	Units	Units	Units	Units	Units	Units	Units
Opening units	-		-		31,754	-	24,483	-	49,667	153,030	6,150,247	252,594
Applications	49,750		49,750		16,405	31,754	16,775	24,483	154,085	10,887	733,970	6,006,134
Redemptions	-		-		-	-	-	-	-	(114,250)	(2,504,325)	(108,481)
Closing units	49,750		49,750		48,159	31,754	41,258	24,483	203,752	49,667	4,379,892	6,150,247
	2024		2024		2024	2023	2024	2023	2024	2023	2024	2023
	\$		\$		\$	\$	\$	\$	\$	\$	\$	\$
Opening fair value	-		-		33,300	-	25,323	-	51,349	164,005	6,725,684	285,952
Applications	49,750		49,750		18,873	33,236	19,546	25,146	160,634	11,065	828,350	6,229,267
Redemptions	-		-		-	-	-	-	-	(114,032)	(3,172,632)	(113,704)
Change in fair value	3,256		3,089		12,408	64	12,843	177	27,672	(9,689)	1,221,662	324,169
Closing fair value	53,006		52,839		64,581	33,300	57,712	25,323	239,655	51,349	5,603,064	6,725,684

9. RECONCILIATION OF NET PROFIT ATTRIBUTABLE TO UNIT HOLDERS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Foundation Series Hedged Total World Fund		Foundation Series Hedged US 500 Fund		Foundation Series Total World Fund		Foundation Series US 500 Fund		Foundation Series Balanced Fund		Foundation Series Growth Fund	
	2 months		2 months		2024	5 months	2024	5 months	2024	2023	2024	2023
	\$		\$		\$	\$	\$	\$	\$	\$	\$	\$
Net profit/(loss) attributable to unit holders	82,684		89,718		10,923,722	410,829	10,253,631	261,814	2,038,863	(357,827)	5,450,482	17,063
Adjustments for:												
Purchase of investments	(3,104,589)		(2,410,967)		(47,347,859)	(12,529,011)	(39,867,918)	(7,950,191)	(3,497,073)	(3,421,588)	(8,670,889)	(14,156,884)
Sale of investments	-		-		627,638	-	466,735	1,174	1,029,461	245,566	2,774,088	1,156,167
Net (gains)/losses on financial assets at fair value through profit or loss	(75,857)		(83,076)		(10,139,512)	(364,652)	(9,828,460)	(218,983)	(1,676,743)	628,025	(4,867,314)	319,775
Other foreign currency (gains)/losses, net	125		54		8,369	(788)	12,629	(6,176)	-	-	12	-
Non-cash purchase of investments (fee rebate reinvestment)	-		-		-	-	-	-	(22,527)	-	(43,970)	-
Changes in payables and receivables:												
Dividends receivable	-		-		-	-	28,651	(28,651)	-	-	-	-
Fee rebates receivable	-		-		-	-	-	-	(1,530)	(1,960)	(4,421)	(5,289)
Accounts payable	-		-		-	-	-	-	332	(2,214)	165	(3,492)
Net cash outflow from operating activities	(3,103,289)		(2,412,435)		(45,927,642)	(12,483,622)	(38,934,732)	(7,941,013)	(2,129,217)	(2,909,998)	(5,361,847)	(12,672,660)

Notes to the financial statements - continued

10. DERIVATIVE FINANCIAL INSTRUMENTS

The Funds holds the following derivative instruments:

Forward foreign exchange contracts Forward foreign exchange contracts are agreements between two parties to exchange two designated currencies at a specific time in the future at a fixed price. These contracts always take place on a date after the date that the spot contract settles and are used to protect the buyer from fluctuations in currency prices. Forward contracts are not traded on exchanges, and standard amounts of currency are not traded in these agreements. They cannot be cancelled except by the mutual agreement of both parties involved. The Funds use forward contracts to reduce foreign currency exposure. The counterparty to the forward contracts held by the Funds is Bank of New Zealand Limited. All forward foreign exchange contracts have a maturity date of 30 days or less.

	Foundation Series Hedged Total World Fund	Foundation Series Hedged US 500 Fund	Foundation Series Total World Fund		Foundation Series US 500 Fund		Foundation Series Balanced Fund		Foundation Series Growth Fund	
	2024	2024	2024	2023	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fair value										
AUD	(3,138)	-	-	-	-	-	-	-	-	-
CAD	(2,346)	-	-	-	-	-	-	-	-	-
CHF	(10)	-	-	-	-	-	-	-	-	-
EUR	(4,045)	-	-	-	-	-	-	-	-	-
GBP	(1,631)	-	-	-	-	-	-	-	-	-
HKD	(2,691)	-	-	-	-	-	-	-	-	-
JPY	(928)	-	-	-	-	-	-	-	-	-
USD	(35,351)	(45,885)	-	-	-	-	-	-	-	-
Notional value										
AUD	219,682	-	-	-	-	-	-	-	-	-
CAD	127,623	-	-	-	-	-	-	-	-	-
CHF	76,127	-	-	-	-	-	-	-	-	-
EUR	339,481	-	-	-	-	-	-	-	-	-
GBP	124,255	-	-	-	-	-	-	-	-	-
HKD	163,534	-	-	-	-	-	-	-	-	-
JPY	217,161	-	-	-	-	-	-	-	-	-
USD	2,135,275	2,530,285	-	-	-	-	-	-	-	-

Offsetting The Funds may enter into derivative contracts, which use the standard ISDA master agreement. In the normal course of business derivative financial instruments are net settled in each foreign currency on maturity date. Accordingly, the fair value of derivatives in different currencies are presented gross on the statement of financial position. In certain circumstances such as an event of default, the derivative financial instruments in different currencies are able to be offset.

	Foundation Series Hedged Total World Fund	Foundation Series Hedged US 500 Fund	Foundation Series Total World Fund		Foundation Series US 500 Fund		Foundation Series Balanced Fund		Foundation Series Growth Fund	
	2024	2024	2024	2023	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements:										
Gross amounts of recognised financial assets	160	-	-	-	-	-	-	-	-	-
Gross amounts of recognised financial liabilities set-off in the Statement of Financial Position	-	-	-	-	-	-	-	-	-	-
Net amounts of financial assets presented in the Statement of Financial Position	160	-	-	-	-	-	-	-	-	-
<i>Related amounts not set-off in the Statements of Financial Position</i>										
Financial instruments	(160)	-	-	-	-	-	-	-	-	-
Net amount	-	-	-	-	-	-	-	-	-	-
Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements:										
Gross amounts of recognised financial liabilities	(50,300)	(45,885)	-	-	-	-	-	-	-	-
Gross amounts of recognised financial assets set-off in the Statement of Financial Position	-	-	-	-	-	-	-	-	-	-
Net amounts of financial liabilities presented in the Statement of Financial Position	(50,300)	(45,885)	-	-	-	-	-	-	-	-
<i>Related amounts not set-off in the Statements of Financial Position</i>										
Financial instruments	160	-	-	-	-	-	-	-	-	-
Cash collateral	-	-	-	-	-	-	-	-	-	-
Net amount	(50,140)	(45,885)	-	-	-	-	-	-	-	-

Notes to the financial statements - continued

11. FINANCIAL RISKS

Financial risk factors

The Funds' activities expose them to a variety of financial risks: market risk (including market price risk, currency risk and interest rate risk), credit risk and liquidity risk.

The Funds each have their own investment objectives, strategies and guidelines as outlined in the Scheme Establishment Deed, PDS and Statement of Investment Policy and Objectives ("SIPO"). The Manager sets the investment policy and investment guidelines for each Fund and obtains the Supervisor's approval for any material change to these guidelines. The overall risk management programme seeks to maximise the returns derived for the level of risk to which the Funds are exposed and seeks to minimise potential adverse effects on the Funds' financial performance. The Funds' policy allows them to use derivative instruments to moderate certain risk exposures.

All securities investments present a risk of loss of capital. The maximum loss of capital on unlisted unit trusts and listed ETFs is limited to the fair value of those positions.

11(A). MARKET RISK

Price risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Funds invest in listed ETFs and other unlisted unit trusts and are susceptible to market price risk arising from uncertainties about future values of those underlying investments.

Price risk - sensitivity analysis

At 31 March, the net fair value of financial instruments is exposed to price risk. The Manager considers the volatility of the fair value of investments in portfolios to be in the 10% range which is the Manager's assessment of reasonable movement with regard to historical volatility. If the price of the Funds' investments increased or decreased by 10%, the Funds' net assets attributable to unit holders and net profit/(loss) would increase or decrease as follows:

	Foundation Series Hedged Total World Fund		Foundation Series Hedged US 500 Fund		Foundation Series Total World Fund		Foundation Series US 500 Fund		Foundation Series Balanced Fund		Foundation Series Growth Fund	
	2024 \$	2024 \$	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$
Financial assets at fair value through profit or loss												
Unlisted unit trusts	-	-	-	-	-	-	-	-	17,410,615	13,246,206	37,998,588	27,190,503
Listed ETFs	3,558,667	2,636,854	70,251,522	13,104,844	57,795,267	8,605,679	-	-	-	-	-	-
Total	3,558,667	2,636,854	70,251,522	13,104,844	57,795,267	8,605,679	17,410,615	13,246,206	37,998,588	27,190,503		
Sensitivity analysis												
10% increase in prices	355,867	263,685	7,025,152	1,310,484	5,779,527	860,568	1,741,062	1,324,621	3,799,859	2,719,050		
10% decrease in prices	(355,867)	(263,685)	(7,025,152)	(1,310,484)	(5,779,527)	(860,568)	(1,741,062)	(1,324,621)	(3,799,859)	(2,719,050)		

Currency risk

Currency risk is the risk that the value of the financial instruments will fluctuate due to changes in foreign exchange rates.

The Core Equity Funds hold financial instruments denominated in currencies other than New Zealand dollar, the functional currency. They are therefore exposed to currency risk, as the value of the financial instruments denominated in other currencies will fluctuate due to change in exchange rates. The Core Equity Funds may enter into foreign exchange derivatives to hedge the foreign currency risk implicit in the value of the portfolio securities denominated in foreign currency.

The Diversified Funds do not hold financial instruments denominated in currencies other than New Zealand dollar, the functional currency. The Diversified Funds are therefore not directly exposed to currency risk. The Diversified Funds are, however, exposed indirectly to currency risk through their holdings in unlisted unit trusts.

Notes to the financial statements - continued

11(A). MARKET RISK - CONTINUED

Currency risk - sensitivity analysis At 31 March, had the exchange rates between the New Zealand dollar and the foreign currencies increased or decreased by 5% (which is the Manager's assessment of a reasonable movement with regard to historical volatility) with all other variables held constant, the Funds' net assets attributable to Unit Holders and net profit/(loss) would increase or decrease as follows:

	Foundation Series Hedged Total World Fund		Foundation Series Hedged US 500 Fund		Foundation Series Total World Fund		Foundation Series US 500 Fund		Foundation Series Balanced Fund		Foundation Series Growth Fund	
	2024 \$		2024 \$		2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$
<i>Net monetary assets</i>												
Cash and cash equivalents	(3)		6,667		144	112	153,571	(8)	-	-	-	-
Other receivables	-		-		-	-	-	28,651	-	-	-	-
Other payables	-		6,819		(1)	-	(153,937)	(24,355)	-	-	-	-
<i>Non monetary assets</i>												
Listed ETFs	3,558,667		2,636,854		70,251,522	13,104,844	57,795,267	8,605,679	-	-	-	-
Forward foreign exchange contracts	(50,140)		(45,885)		-	-	-	-	-	-	-	-
Total	3,508,524		2,604,455		70,251,665	13,104,956	57,794,901	8,609,967	-	-	-	-
Sensitivity analysis												
USD exchange rates increase by 5%	(4,738)		(2,676)		(3,339,727)	(624,046)	(2,747,539)	(409,998)	-	-	-	-
USD exchange rates decrease by 5%	5,857		3,414		3,703,635	689,735	3,046,920	453,156	-	-	-	-

Interest rate risk Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Funds hold cash in accordance within agreed limits specified in the Investment Mandate for each Fund. Funds are exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flow.

Interest rate risk - sensitivity analysis The following table details the interest rate re-pricing profiles of the financial assets held by the Funds. The table also details, based on exposures at 31 March, the effect of an interest rate increase or decrease by 1.50% (2023: 5.00%) (which is the Manager's assessment of a reasonable movement with regard to the New Zealand Official Cash Rate which has moved 0.75% over the last twelve months (2023: 4.50%)) with all other variables held constant, on the cash flows of cash and cash equivalents, and the related change in net assets attributable to unit holders and net profit/(loss):

	Foundation Series Hedged Total World Fund		Foundation Series Hedged US 500 Fund		Foundation Series Total World Fund		Foundation Series US 500 Fund		Foundation Series Balanced Fund		Foundation Series Growth Fund	
	2024 \$		2024 \$		2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$
Re-pricing profiles												
Cash and cash equivalents												
Up to 90 days	322,879		107,288		495,183	208,270	408,841	412,885	261,964	192,193	503,724	342,033
Total	322,879		107,288		495,183	208,270	408,841	412,885	261,964	192,193	503,724	342,033
Sensitivity analysis												
Impact on cash flow to changes in interest rates												
Interest rates increase by 1.50% (2023: 5.00%)	4,843		1,609		7,428	10,414	6,133	20,644	3,929	9,610	7,556	17,102
Interest rates decrease by 1.50% (2023: 5.00%)	(4,843)		(1,609)		(7,428)	(10,414)	(6,133)	(20,644)	(3,929)	(9,610)	(7,556)	(17,102)

Notes to the financial statements - continued

11(B). LIQUIDITY RISK

Liquidity risk is the risk that the Funds will not be able to meet their financial obligations as they fall due.

The Funds are exposed to daily redemptions of redeemable units. They therefore invest the majority of their assets in investment funds that can be readily disposed. The Funds will generally retain sufficient cash and cash equivalent balances to satisfy their accrued expenses as they fall due.

The Funds' financial liabilities consist of related party payables which are short term in nature and classified as current liabilities at balance date.

11(C). CREDIT RISK

Credit risk represents the risk that counterparty to the financial instrument will fail to perform contractual obligations under a contract and cause the Funds to incur a financial loss. Financial instruments that subject the Funds to credit risk are cash and cash equivalents and other receivables.

With respect to credit risk arising from the financial assets of the Fund, the Funds' exposure to credit risk arises from the default of the counterparty, with the current exposure equal to the fair value of these instruments as disclosed in the Statements of Financial Position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

There is no material risk of default relating to applications receivable by the Funds (if any) as this receivable has arisen only due to timing between the date of receipt of the funds and when the units are allocated and the receipts processed.

The Funds do not use credit derivatives to mitigate credit risk.

The Funds' cash and cash equivalents are held with Bank of New Zealand (S&P Global credit rating: AA-) (2023: same).

At 31 March 2024, all cash and cash equivalents are held with counterparties with high credit ratings and all financial instruments measured at amortised cost are short-term in nature (i.e. no longer than 12 months) and of high credit quality. The Manager considers the probability of default to be close to zero as the counterparties have strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Funds (2023: same).

As at 31 March 2024, there were no financial assets past due or impaired (2023: none).

11(D). CAPITAL RISK MANAGEMENT

The Funds' capital is represented by net assets attributable to unit holders. The Manager's objectives when managing capital are to provide returns for unit holders through capital growth. The Funds do this by investing in diversified asset classes and liquid market instruments.

The Funds strive to invest the subscriptions of unit holder funds in investments that meet each Fund's objectives while maintaining sufficient liquidity to meet unit holder redemptions.

The Funds do not have any externally imposed capital requirements. Units may be redeemed on a daily basis, or such other date as the Manager shall from time to time determine.

12. CONTINGENT LIABILITIES & COMMITMENTS

The Funds have no material commitments or material contingencies at 31 March 2024 (2023: none).

13. AUDIT FEE

KPMG are entitled to a fee for the services it provides as auditor of these financial statements. Total fees paid to the auditor for the period ending 31 March 2024 were \$85,762 (2023: \$59,506).

14. EVENTS SUBSEQUENT TO BALANCE DATE

There are no significant subsequent events that require adjustment to or disclosure in these financial statements.