

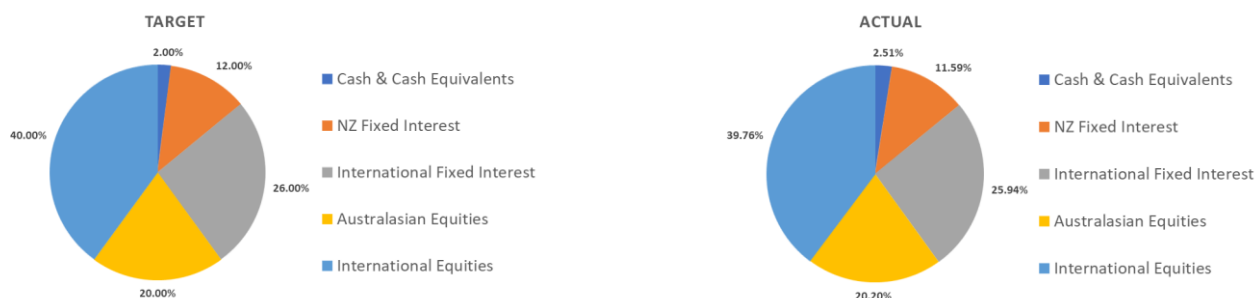
FOUNDATION SERIES BALANCED FUND



Fund Fact Sheet at 30 June 2024

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)	\$22.5 million
Annual Fund Charges (Estimated, % of NAV)	0.37%
Performance Fee	Nil
Buy/Sell Spread	0.08%/0.11%
Unit Price	\$1.1812

Investment Mix



Commentary

The Foundation Series Balanced Fund slightly outperformed its benchmark in June, returning 1.31% after fees and before tax.

Global share markets continued to surge higher in June, fuelled by a handful of US tech stocks with connections to the Artificial Intelligence theme. Both the S&P 500 (+3.6%) and NASDAQ (+6.0%) would notch all-time highs over the month, driven by strong company earnings growth from some familiar names within the 'Magnificent 7'. This included NVIDIA, which over June had surpassed US\$3 trillion in market cap (briefly becoming the most valuable company in the world) and has been responsible for nearly one-third of the S&P 500's +14.5% rise so far in 2024.

Over in wider developed markets, European share markets were mixed over June, despite inflation coming in at only 2.6% year-on-year and the European Central Bank becoming the latest developed market central bank to kick-start its easing cycle, cutting rates 25 bps to 3.75%. UK shares finished the month higher, with the UK economy seeing slowing growth but inflation falling back to the 2% target, less than two years after topping out at 11.1%. Meanwhile, Japanese shares continued their upward trend, although significant depreciation in the yen remains a concern.

The New Zealand share market saw another difficult month, with the S&P/NZX 50 Gross Index (with imputation credits) returning -1.2% over the month and -3.1% over the quarter, and ultimately resulted in 2024's year-to-date falling into the red. Only one-third of the NZ share market produced a positive return in June, as local stocks were dragged down by lower earnings expectations and weak local economic data. This reflects most of NZ's largest stocks being utility and infrastructure type investments, which are sensitive to NZ economic growth and interest rates.

Fixed interest markets were mixed over the June period, as while international investment grade bond returns were largely flat over the quarter, suffering from marked-to-market losses in pricing delays to interest rate cuts, short-term credit and high yield products performed well. Markets also digested another unsurprising hold from the Federal Reserve, with expectations for 2024 rate cuts falling from three at the start the year to just one now. Overall, this saw the Bloomberg Global Aggregate Index hedged to the NZD returning +0.87% over the month, while the Bloomberg NZBond Composite 0+ Yr Index returned +1.0% in June amid a backdrop of NZ once again emerging out of a recession.

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	Incept (p.a.)
Fund (after fees before tax)	1.31%	0.47%	6.31%	10.59%	4.74%
Fund (after fees and 28% PIR)	1.19%	0.15%	5.96%	9.11%	4.28%
Benchmark (no deductions)	1.17%	0.30%	5.98%	10.16%	4.62%

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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