

Interim reports and financial statements

**FOUNDATION GLOBAL INCOME AND GROWTH FUND**  
(A sub-fund of Foundation Fund series, an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)

For the period ended 30 June 2025

FOUNDATION GLOBAL INCOME AND GROWTH FUND  
(A sub-fund of Foundation Fund Series)

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FOUNDATION GLOBAL INCOME AND GROWTH FUND  
(A sub-fund of Foundation Fund Series)

For the period ended 30 June 2025

ADMINISTRATION AND MANAGEMENT

**MANAGER**

Foundation Asset Management (HK) Limited  
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Admiralty  
Hong Kong

**DIRECTORS OF THE MANAGER**

Liang Jiang, Michael  
Mui Tze Wah, Vivian

**LEGAL COUNSEL TO THE MANAGER**

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979 King's Road  
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**TRUSTEE**

ICBC (Asia) Trustee Company Limited  
33/F, ICBC Tower  
3 Garden Road  
Central, Hong Kong

**CUSTODIAN**

Industrial and Commercial Bank of China (Asia) Limited  
33/F, ICBC Tower  
3 Garden Road  
Central, Hong Kong

**REGISTRAR AND TRANSFER AGENT**

ICBC (Asia) Trustee Company Limited  
33/F, ICBC Tower  
3 Garden Road  
Central, Hong Kong

**AUDITOR**

Ernst & Young  
27/F, One Taikoo Place,  
979 King's Road,  
Quarry Bay, Hong Kong

FOUNDATION GLOBAL INCOME AND GROWTH FUND  
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REPORT OF THE MANAGER

**Global Market Review**

The global markets experienced a positive first six months of 2025, driven by lower expectations of future inflation and the growing influence of artificial intelligence. The 10-year treasury yield stabilized around 4.3%. The reduced expectations of future inflation allowed investors to use a lower normalized risk-free rate, resulting in a positive rerating for equity indexes. Additionally, the resilient consumer and services demand contributed to a lower probability of a US recession in 2025. As a result, the S&P 500 P/E multiple increased to 25X.

During this period, the S&P 500 index saw a 5.5% increase, ultimately rebounded after a series of twists and turns. After experiencing market and political turbulence, the Nasdaq continues to reach new historical highs, growing by 5.5% and maintaining an upward trend. Among them, technology remains the leading sector, with a growth rate of 8.6%, while the consumer and industrial sectors show an overall stable performance. In the fixed income space, 20-year US Treasuries (+4.8%), convertible bonds (+6.1%), and high yield credit (+2.5%) all delivered positive absolute returns. Due to various factors such as inflation and political issues, the price of gold against the dollar has surged by 25.8%.

**Portfolio Strategy Review**

Foundation Global Income and Growth Fund achieved a solid 39.1% return since its inception in March 2020, whilst the benchmark (50% MSCI ACWI Index + 50% Bloomberg Barclays Global Aggregate Total Return Index Value Unhedged USD) increased by 48.1% during the same period. For investors who opted for share classes with distribution, a consistent monthly distribution of 0.55% has been delivered since the fund's inception. The Fund demonstrated strong downside protection with a low annualized volatility of 10.8% since inception. In terms of sectors, the fund identifies long-term value in software, semiconductor, and consumer sectors due to their multi-year secular growth momentum.

Our approach to investing is to seek businesses with durable competitive strengths “moat”, able and high-grade management, sound financial standings, good returns on the net tangible assets, opportunities for high-quality growth, and finally, a sensible stock price. No matter the macro situation, these principals are ingrained in Foundation's way of investing. As long as our companies continue to deliver good results, we do not need to make material changes to our positions. In other words, we can sail through the stormy seas with a focus on the long-term horizon.

In terms of fixed income, short duration fixed income instruments delivered strong returns amid Fed rate hikes. We remain selected in longer duration fixed income securities.

**Market Outlook**

The political risks associated with tariffs have gradually decreased, but uncertainty still exists, and the trade landscape remains variable, significantly affecting the chip industry. Inflation concerns are easing, and the Federal Reserve has also put interest rate cuts on the agenda; however, the frequency and magnitude of these cuts are still under debate.

Geopolitical and economic risks have increased, but companies with strong balance sheets, resilient margins, and earnings are expected to support growth. Valuation differences within the markets remain wide, providing opportunities for stock selection. As active managers, the team is optimistic about prospects for stock selection and continuously seeks new ideas that meet our stringent criteria for quality and value creation.

FOUNDATION GLOBAL INCOME AND GROWTH FUND  
(A sub-fund of Foundation Fund Series)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 June 2025

	For the period ended 30 June 2025 USD	For the period ended 30 June 2024 USD
INCOME		
Dividend income	52,574	142,449
Interest income on bank deposits	9,740	38,715
	<u>62,314</u>	<u>181,164</u>
EXPENSES		
Management fees	(52,813)	(104,540)
Trustee fees	(4,401)	(8,712)
Custodian fees	(18,354)	(19,154)
Professional fees	(16,253)	(14,629)
Commission and transaction fee	(18,573)	(21,526)
Withholding tax expense	(5,971)	(10,239)
Other operating expenses	(1,267)	(1,114)
	<u>(117,632)</u>	<u>(179,914)</u>
NET LOSS/(GAIN) BEFORE INVESTMENT AND EXCHANGE DIFFERENCES	(55,318)	1,250
INVESTMENT AND EXCHANGE DIFFERENCES		
Net realised (loss)/gain on financial assets and financial liabilities at fair value through profit or loss	(611,087)	1,296,274
Net change in unrealised gain on financial assets and financial liabilities at fair value through profit or loss	1,105,253	1,858,498
Net foreign exchange differences	(1,853)	404
	<u>492,313</u>	<u>3,155,176</u>
FINANCE COST		
Distribution to unitholders	(69,823)	(79,149)
NET INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE PERIOD	<u>367,172</u>	<u>3,077,277</u>

FOUNDATION GLOBAL INCOME AND GROWTH FUND  
(A sub-fund of Foundation Fund Series)

STATEMENT OF NET ASSETS (UNAUDITED)

As at 30 June 2025

	30 June 2025 USD	31 December 2024 USD
<b>ASSETS</b>		
Financial assets at fair value through profit or loss	6,138,881	9,398,512
Due from brokers	-	256,380
Dividend receivables	-	7,466
Interest receivable on bank deposits	-	13
Cash and cash equivalents	231,711	134,422
<b>TOTAL ASSETS</b>	<b>6,370,592</b>	<b>9,796,793</b>
<b>LIABILITIES</b>		
Due to brokers	-	46,530
Management fees payable	7,539	12,985
Trustee fee payable	1,228	2,107
Redemption payable	48,879	61,895
Accrued expense and other payables	38,679	50,960
Withholding tax payable	-	1,988
<b>TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<b>96,325</b>	<b>176,465</b>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<b>6,274,267</b>	<b>9,620,328</b>
<b>NUMBER OF UNITS IN ISSUE</b>		
Class A HKD	631,164.97	966,181.27
Class A HKD (Dist)	1,899,163.87	2,089,675.22
Class A USD	2,957,911.77	5,669,655.00
Class A USD (Dist)	1,783,775.23	1,898,598.87
<b>NET ASSET VALUE PER UNIT</b>		
Class A HKD	HKD 1.4145	HKD 1.3039
Class A HKD (Dist)	HKD 1.0422	HKD 0.9941
Class A USD	USD 1.3912	USD 1.2962
Class A USD (Dist)	USD 1.0052	USD 0.9699

FOUNDATION GLOBAL INCOME AND GROWTH FUND  
(A sub-fund of Foundation Fund Series)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)

For the period ended 30 June 2025

	Class A HKD USD	Class A HKD (Dist) USD	Class A USD USD	Class A USD (Dist) USD	Total USD
At 1 January 2025	162,199	267,457	7,349,068	1,841,604	9,620,328
Subscription of units	7,049	19,260	86,625	7,892	120,826
Redemption of units	(64,077)	(42,376)	(3,611,664)	(116,139)	(3,834,257)
Dividend reinvest	-	198	-	-	198
	<u>105,171</u>	<u>244,539</u>	<u>3,824,029</u>	<u>1,733,357</u>	<u>5,907,095</u>
Increase in net assets attributable to unitholders during the period	<u>8,566</u>	<u>7,613</u>	<u>291,175</u>	<u>59,818</u>	<u>367,172</u>
At 30 June 2025	<u><u>113,737</u></u>	<u><u>252,152</u></u>	<u><u>4,115,204</u></u>	<u><u>1,793,175</u></u>	<u><u>6,274,267</u></u>

	Class A HKD USD	Class A HKD (Dist) USD	Class A USD USD	Class A USD (Dist) USD	Total USD
At 1 January 2024	49,833	564,459	19,980,117	2,225,133	22,819,542
Subscription of units	337,170	241,236	157,613	472,326	1,208,345
Redemption of units	(52,458)	(473,340)	(13,960,694)	(823,186)	(15,309,678)
Dividend reinvest	-	4,382	-	-	4,382
	<u>334,545</u>	<u>336,737</u>	<u>6,177,036</u>	<u>1,874,273</u>	<u>8,722,591</u>
Increase in net assets attributable to unitholders during the period	<u>21,937</u>	<u>73,100</u>	<u>2,668,820</u>	<u>313,420</u>	<u>3,077,277</u>
At 30 June 2024	<u><u>356,482</u></u>	<u><u>409,837</u></u>	<u><u>8,845,856</u></u>	<u><u>2,187,693</u></u>	<u><u>11,799,868</u></u>

FOUNDATION GLOBAL INCOME AND GROWTH FUND  
(A sub-fund of Foundation Fund Series)

STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 30 June 2025

	For the period ended 30 June 2025 USD	For the period ended 30 June 2024 USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net increase in net assets attributable to unitholders for the period	367,172	3,077,277
Adjustments:		
Interest income on bank deposits	(9,740)	(38,715)
Dividend income, net of withholding tax	(46,603)	(132,210)
Distribution to unitholders	69,823	79,149
	<u>380,652</u>	<u>2,985,501</u>
Working capital adjustments:		
Decrease in financial assets at fair value through profit or loss	3,259,631	11,079,948
Decrease in due from brokers	256,380	91,398
Decrease in financial liabilities at fair value through profit or loss	-	(58,940)
Decrease in management fees payable	(5,446)	(14,764)
Decrease in trustee fee payable	(879)	(2,436)
Decrease in accrued expense and other payables	(12,281)	(7,533)
Decrease in due to brokers	(46,530)	-
Cash flows generated from operations	<u>3,831,527</u>	<u>14,073,174</u>
Interest received	9,753	38,777
Dividend received, net of withholding tax	52,081	136,628
Net cash flows generated from operating activities	<u>3,893,361</u>	<u>14,248,579</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of units	121,024	1,199,290
Payments on redemption of units	(3,847,273)	(15,318,797)
Distribution paid to unitholders	(69,823)	(79,149)
Net cash flows used in financing activities	<u>(3,796,072)</u>	<u>(14,198,656)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	97,289	49,923
Cash and cash equivalents at beginning of the period	<u>134,422</u>	<u>1,253,001</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u>231,711</u>	<u>1,302,924</u>
<b>ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS</b>		
Cash at bank	231,711	1,302,924
	<u>231,711</u>	<u>1,302,924</u>



FOUNDATION GLOBAL INCOME AND GROWTH FUND  
(A sub-fund of Foundation Fund Series)

For the period ended 30 June 2025

**NOTES TO THE FINANCIAL STATEMENTS**

**1. THE FUND AND THE SUB-FUND**

Foundation Fund Series (the "Trust") was constituted as an open-ended unit trust established as an umbrella fund under the laws of Hong Kong pursuant to a trust deed dated 20 September 2018, as amended and restated on 31 December 2019. Foundation Global Income and Growth Fund (the "Sub-Funds") is sub-fund under the Trust.

The manager of the Trust is Foundation Asset Management (HK) Limited (the "Manager") and the trustee is ICBC (Asia) Trustee Company Limited (the "Trustee"). The custodian is Industrial and Commercial Bank of China (Asia) Limited (the "Custodian").

The Trust and the Sub-Fund have been authorised by the Securities and Futures Commission of Hong Kong (the "SFC") under section 104(1) of the Hong Kong Securities and Futures Ordinance and are required to comply with the Code on Unit Trusts and Mutual Funds (the "SFC Code") established by the SFC. Authorisation by the SFC does not imply official approval or recommendation. As at 30 June 2025, the Trust has one sub-fund namely Foundation Global Income and Growth Fund, in respect of which separate class of unit was issued. Foundation Global Income and Growth Fund was launched on 18 March 2020 (date of commencement of operations).

The investment objective of Foundation Global Income and Growth Fund is to provide income distribution and long-term capital growth by investing in global equities and debt securities.

**2. BASIS OF PREPARATION**

The financial statements of the Sub-Fund have been prepared in accordance with IFRSs as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Accounting Standards Committee of the IASB, and the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions specified in Appendix E to the SFC Code.

The financial statements have been prepared on a historical basis, except for financial assets and liabilities (including derivatives financial instruments) at fair value through profit or loss ("FVPL") that have been measured at fair value. The financial statements are presented in United States dollars ("USD ") and all values are rounded to the nearest USD except where otherwise indicated.

The Sub-Fund has adopted for the first time all the applicable and effective IFRSs.

The accounting policies and methods applied in preparation of these interim financial statements are consistent with those applied in annual financial statements of the year ended 31 December 2024.

The interim financial statements are not audited.

FOUNDATION GLOBAL INCOME AND GROWTH FUND  
(A sub-fund of Foundation Fund Series)

For the period ended 30 June 2025

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**3. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

The consideration received or paid for units issued or re-purchased respectively is based on the value of the Sub-Fund's net asset value per unit at the date of the transaction. In accordance with the provisions of the Trust Deed, Sub-Fund investment positions are valued based on the last traded market price or closing price for the purpose of determining the trading net asset value per unit for subscriptions and redemptions. The Sub-Fund's net asset value per unit is calculated by dividing the Sub-Fund's net assets with the total number of outstanding units.

Redeemable units can be issued and redeemed on each valuation day, i.e. every business day of the calendar year. The holders of redeemable units may subscribe or redeem the redeemable units on any business day by no later than 4:00p.m. (Hong Kong time) on the relevant business day. Both subscription and redemption prices are calculated by reference to the net asset value per unit of the relevant class as at the valuation day.

With a view to protecting the interests of all unitholders, the Manager may limit the number of units of any sub-fund redeemed on any redemption day to 10% of the total number of units of the relevant sub-fund in issue. In this event, the limitation will apply pro rata so that all unitholders of the relevant sub-fund who have validly requested to redeem units of the Sub-Fund on that redemption day will redeem the same proportion of such units of the Sub-Fund.

The movement of the units held by the unitholders during the period is as follows:

	Class A HKD	Class A HKD (Dist)	Class A USD	Class A USD (Dist)	Total
	Units	Units	Units	Units	Units
At 1 January 2025	966,181.27	2,089,675.22	5,669,655.00	1,898,598.87	10,624,110.36
Subscription of units	41,849.86	159,927.34	66,927.96	8,174.84	276,880.00
Redemption of units	(376,866.16)	(352,035.95)	(2,778,671.19)	(122,998.48)	(3,630,571.78)
Dividend Reinvest	-	1,597.26	-	-	1,597.26
At 30 June 2025	<u>631,164.97</u>	<u>1,899,163.87</u>	<u>2,957,911.77</u>	<u>1,783,775.23</u>	<u>7,272,015.84</u>

  

	Class A HKD	Class A HKD (Dist)	Class A USD	Class A USD (Dist)	Total
	Units	Units	Units	Units	Units
At 1 January 2024	336,515.57	4,690,584.76	17,472,052.21	2,434,268.38	24,933,420.92
Subscription of units	1,928,505.90	1,801,176.27	120,284.01	451,121.66	4,301,087.84
Redemption of units	(294,952.00)	(3,649,372.28)	(11,261,093.75)	(859,724.40)	(16,065,142.43)
Dividend Reinvest	-	36,033.30	-	-	36,033.30
At 30 June 2024	<u>1,970,069.47</u>	<u>2,878,422.05</u>	<u>6,331,242.47</u>	<u>2,025,665.64</u>	<u>13,205,399.63</u>

FOUNDATION GLOBAL INCOME AND GROWTH FUND  
(A sub-fund of Foundation Fund Series)

For the period ended 30 June 2025

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**3. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (CONTINUED)**

A reconciliation of the net assets attributable to unitholders as reported in the statement of assets to the net assets attributable to unitholders determined for the purposes of processing unit subscriptions and redemptions is provided below:

	30 June 2025 USD	31 December 2024 USD
Published net assets attributable to unitholders (calculated in accordance with Sub-Fund's Trust Deed)	6,274,267	9,620,328
Adjustment for establishment costs	-	-
Net assets attributable to unitholders (calculated in accordance with IFRSs)	<u>6,274,267</u>	<u>9,620,328</u>

The published net asset value per unit issued is calculated in accordance with the explanatory memorandum of the Sub-Fund while the net asset value per unit as reported in the statement of net assets included audit adjustment for recognition of all establishment costs incurred in profit or loss for the period ended 30 June 2025 and 31 December 2024.

	30 June 2025	
	Unit price (per financial statements)	Published unit price:
Class A HKD units		
Net assets attributable to unitholders per unit	<u>HKD 1.4145</u>	<u>HKD 1.4145</u>
Class A HKD (Dist) units		
Net assets attributable to unitholders per unit	<u>HKD 1.0422</u>	<u>HKD 1.0422</u>
Class A USD units		
Net assets attributable to unitholders per unit	<u>USD 1.3912</u>	<u>USD 1.3912</u>
Class A USD (Dist) units		
Net assets attributable to unitholders per unit	<u>USD 1.0052</u>	<u>USD 1.0052</u>
	31 December 2024	
	Unit price (per financial statements)	Published unit price:
Class A HKD units		
Net assets attributable to unitholders per unit	<u>HKD 1.3039</u>	<u>HKD 1.3039</u>
Class A HKD (Dist) units		
Net assets attributable to unitholders per unit	<u>HKD 0.9941</u>	<u>HKD 0.9941</u>
Class A USD units		
Net assets attributable to unitholders per unit	<u>USD 1.2962</u>	<u>USD 1.2962</u>
Class A USD (Dist) units		
Net assets attributable to unitholders per unit	<u>USD 0.9699</u>	<u>USD 0.9699</u>

FOUNDATION GLOBAL INCOME AND GROWTH FUND  
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INVESTMENT PORTFOLIO (UNAUDITED)

As at 30 June 2025

	Holding/ Nominal value	Fair value USD	% of net assets on fair value
<b><u>COLLECTIVE INVESTMENT SCHEMES</u></b>			
<b>United States of America</b>			
iShares Bitcoin Trust ETF	8,308	508,533	8.11%
		508,533	8.11%
<b><u>OPEN END FUND</u></b>			
<b>Ireland</b>			
HSBC Global Liquidity Funds plc - US Dollar ESG Liquidity Fund - Class A	1,400,000	1,400,000	22.31%
		1,400,000	22.31%
<b><u>EQUITY SECURITIES</u></b>			
<b>United States of America</b>			
Circle Internet Group Inc	3,388	614,211	9.79%
Coinbase Global Inc - Class A	1,978	693,269	11.05%
Galaxy Digital Inc	28,228	618,193	9.85%
MARA Holdings Inc	32,765	513,755	8.19%
MicroStrategy Inc	1,416	572,390	9.12%
Reddit Inc	3,799	572,015	9.12%
Robinhood Markets Inc	6,905	646,515	10.30%
		4,230,348	67.42%
Total investment	1,486,787	6,138,881	97.84%
Other net assets		135,386	2.16%
Net assets attributable to unitholders as at 30 June 2025		6,274,267	100.00%
Total investment, at cost		5,518,969	

FOUNDATION GLOBAL INCOME AND GROWTH FUND  
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STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

For the period ended 30 June 2025

	<u>Movement in holdings</u>			
	At 1 January 2025	Additions	Disposals	At 30 June 2025
<b><u>COLLECTIVE INVESTMENT SCHEMES</u></b>				
<b><u>EXCHANGE TRADE FUND</u></b>				
ARK 21Shares Bitcoin ETF	-	4,733	(4,733)	-
Bitwise Bitcoin ETF	-	8,681	(8,681)	-
Grayscale Bitcoin Trust BTC ETF	-	5,988	(5,988)	-
iShares 1-3 Year Treasury Bond ETF	10,742	-	(10,742)	-
iShares Bitcoin Trust ETF	-	8,308	-	8,308
JPMorgan Ultra-Short Income ETF	17,462	-	(17,462)	-
<b><u>OPEN-END FUND</u></b>				
Foundation China Equity Fund - Class A USD	2,106,356	-	(2,106,356)	-
HSBC Global Liquidity Funds plc - US Dollar Liquidity Fund - Class A	-	1,400,000	(1,400,000)	-
HSBC Global Liquidity Funds plc - US Dollar ESG Liquidity Fund - Class A	421,383	1,400,000	(421,383)	1,400,000
<b><u>EQUITY SECURITIES</u></b>				
Circle Internet Group Inc	-	3,388	-	3,388
Coinbase Global Inc - Class A	-	1,978	-	1,978
Fidelity Wise Origin Bitcoin Fund	-	5,412	(5,412)	-
Galaxy Digital Inc	-	28,228	-	28,228
MARA Holdings Inc	-	32,765	-	32,765
Meta Platforms Inc - Class A	1,447	-	(1,447)	-
Microsoft Corp	2,045	-	(2,045)	-
MicroStrategy Inc	-	1,416	-	1,416
NVIDIA Corp	6,271	1,794	(8,065)	-
Reddit Inc	-	3,799	-	3,799
Robinhood Markets Inc	-	6,905	-	6,905
Salesforce Inc	2,650	-	(2,650)	-
Taiwan Semiconductor Manufacturing Co Ltd	4,540	1,320	(5,860)	-
Visa Inc	2,771	-	(2,771)	-
<b><u>FUTURES</u></b>				
CME E-Mini NASDAQ 100 Index Future Mar25	(1)	3	(2)	-
CME E-Mini NASDAQ 100 Index Future Jun25	-	3	(3)	-
	<u>2,575,666</u>	<u>2,914,721</u>	<u>(4,003,600)</u>	<u>1,486,787</u>