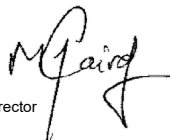


QuayStreet Funds

Financial Statements For the year ended 31 March 2021

Manager's Statement

In the opinion of the Manager, the accompanying Financial Statements are prepared so as to present fairly the financial position of the QuayStreet Funds as at 31 March 2021, and their results for the year ended on that date in accordance with the requirements of the QuayStreet Funds Trust Deed dated 1 June 2016 (which consolidated and amended the original QuayStreet Funds Trust Deed dated 19 September 2007 and amended 31 August 2009 and 18 September 2014).



Director

QuayStreet Asset Management Limited
Tuesday, 22 June 2021

Additional Unitholder Information

Notice of Trust Deed Amendment

Under clause 33.3 of the Trust Deed governing the QuayStreet Funds and the Financial Markets Conduct Act 2013 ("FMC Act"), the Manager, QuayStreet Asset Management Limited is required to advise Unitholders in summary form of any amendments to the Trust Deed or Establishment Deed specific to each Fund.

On 1 April 2020, the Establishment Deed for the QuayStreet International Equity Fund was amended and restated effective 1 April 2020 to enable the Manager's management fee to be reduced. On 1 April 2020 the QuayStreet International Equity Fund management fee changed from 1.25% to 1.15% per annum.

There were no other material changes to the Master Trust Deed during the year ended 31 March 2021.

Statements of Comprehensive Income

\$ For the year ended 31 March	Notes	Conservative Fund		Balanced Fund		Growth Fund		Socially Responsible Fund		Fixed Interest Fund	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Investment income											
Interest income on financial assets at amortised cost		135,020	209,631	108,014	407,597	71,871	201,779	114,625	309,456	778,966	1,321,678
Interest income on financial assets at fair value through profit and loss		-	-	-	-	-	-	436,109	247,162	10,899,017	8,436,892
Dividends and distributions		563,946	822,467	608,585	932,803	339,378	488,180	317,650	386,795	-	-
Net gain/(loss) on financial instruments at fair value through profit or loss		7,177,034	(52,805)	35,674,531	(406,966)	45,060,977	(325,683)	6,978,228	(115,191)	4,916,920	(1,928,459)
Other income		-	-	-	-	-	-	2	8,695	103,750	780
Total investment income		7,876,000	979,293	36,391,130	933,434	45,472,226	364,276	7,846,614	836,917	16,698,653	7,830,891
Expenses/(recoveries)											
Management fees	6.2	27,864	(14,707)	140,284	79,457	539,758	328,346	515,700	466,148	2,904,504	2,108,571
Brokerage		-	-	-	-	-	-	15,589	18,258	-	(12,500)
Other expenses		219	344	830	894	319	941	8,836	7,334	48,065	31,586
Total expenses/(recoveries)		28,083	(14,363)	141,114	80,351	540,077	329,287	540,125	491,740	2,952,569	2,127,657
Total comprehensive income/(loss) attributable to Unitholders		7,847,917	993,656	36,250,016	853,083	44,932,149	34,989	7,306,489	345,177	13,746,084	5,703,234

\$ For the year ended 31 March	Notes	International Equity Fund		NZ Equity Fund		Australian Equity Fund		Altum Fund		Income Fund	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Investment income											
Interest income on financial assets at amortised cost		694,905	2,209,566	79,817	207,283	5,592	101,788	133,705	341,359	600,745	885,004
Interest income/(expense) on financial assets at fair value through profit and loss		(582,153)	(1,417,060)	-	-	-	-	34,326	-	8,078,750	6,348,908
Dividends and distributions		3,233,283	3,516,627	2,231,789	2,059,770	1,234,359	1,705,192	461,127	628,147	686,697	707,540
Net gain/(loss) on financial instruments at fair value through profit or loss		66,799,411	9,827,532	20,711,106	(1,035,945)	14,598,965	(7,963,602)	16,588,353	(1,116,503)	13,434,147	(10,824,205)
Other income		-	8,123	-	40	2	11,219	-	-	73,525	50,556
Total investment income		70,145,446	14,144,788	23,022,712	1,231,148	15,838,918	(6,145,403)	17,217,511	(146,997)	22,873,864	(2,832,197)
Expenses											
Management fees	6.2	3,722,186	3,608,912	1,507,647	1,045,725	682,164	723,158	847,496	772,581	2,036,824	1,532,734
Performance fees	6.2	-	-	-	-	-	-	285,233	-	-	-
Brokerage		232,039	75,915	194,566	135,744	34,748	101,338	106,305	91,412	79,876	99,176
Other expenses		24,856	13,737	16,114	9,474	9,256	9,032	8,676	6,681	37,689	33,149
Total expenses		3,979,081	3,698,564	1,718,327	1,190,943	726,168	833,528	1,247,710	870,674	2,154,389	1,665,059
Total comprehensive income/(loss) attributable to Unitholders		66,166,365	10,446,224	21,304,385	40,205	15,112,750	(6,978,931)	15,969,801	(1,017,671)	20,719,475	(4,497,256)

The accompanying notes are an integral part of these Financial Statements.



Statements of Changes in Net Assets Attributable to Unitholders

\$	Notes	Conservative Fund		Balanced Fund		Growth Fund		Socially Responsible Fund		Fixed Interest Fund	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
For the year ended 31 March											
Net assets attributable to Unitholders at the beginning of the year											
		92,503,718	77,020,449	217,014,200	203,391,251	221,529,143	200,920,942	43,901,014	41,969,586	319,652,392	224,758,808
Applications		40,778,375	28,839,943	58,129,672	49,954,170	51,294,715	50,201,055	10,243,844	10,710,780	151,985,629	135,672,077
Withdrawals		(19,460,786)	(14,323,712)	(34,185,920)	(37,168,456)	(26,921,513)	(29,627,541)	(5,493,601)	(9,103,865)	(66,499,346)	(42,625,190)
Distributions		-	-	-	-	-	-	-	-	(2,693,989)	(3,491,251)
Resident and foreign withholding taxes	3.9	-	19	14	19	-	26	(27,414)	(23,152)	-	19,050
Unitholder tax (liabilities)/asset	3.9	(77,017)	(26,637)	(75,883)	(15,867)	(25,140)	(328)	(20,164)	2,488	(1,114,045)	(384,336)
Net increase in Unitholder funds											
		21,240,572	14,489,613	23,867,883	12,769,866	24,348,062	20,573,212	4,702,665	1,586,251	81,678,249	89,190,350
Total comprehensive income/(loss) for the year		7,847,917	993,656	36,250,016	853,083	44,932,149	34,989	7,306,489	345,177	13,746,084	5,703,234
Net assets attributable to Unitholders at the end of the year											
		121,592,207	92,503,718	277,132,099	217,014,200	290,809,354	221,529,143	55,910,168	43,901,014	415,076,725	319,652,392
Units											
For the year ended 31 March											
Units on issue											
Balance at the beginning of the year		51,131,141	43,261,108	114,315,829	108,072,184	113,096,109	103,298,501	23,677,256	22,892,373	230,549,379	163,787,560
Applications - units		21,148,457	15,701,871	27,744,522	25,178,533	23,473,170	24,197,796	5,038,363	5,468,744	106,301,972	97,763,923
Withdrawals - units		(10,211,982)	(7,831,838)	(16,202,730)	(18,934,888)	(12,233,388)	(14,400,188)	(2,697,207)	(4,683,861)	(47,184,517)	(31,002,104)
Balance at the end of the year		62,067,616	51,131,141	125,857,621	114,315,829	124,335,891	113,096,109	26,018,412	23,677,256	289,666,834	230,549,379
\$											
As at 31 March											
Unit Price		1.9590	1.8091	2.2019	1.8984	2.3389	1.9588	2.1489	1.8541	1.4329	1.3865

The accompanying notes are an integral part of these Financial Statements.



Statements of Changes in Net Assets Attributable to Unitholders

\$	Notes	International Equity Fund		NZ Equity Fund		Australian Equity Fund		Altum Fund		Income Fund	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
For the year ended 31 March											
Net assets attributable to Unitholders at the beginning of the year		291,125,069	245,454,213	84,016,655	68,369,175	46,576,267	54,182,577	58,253,757	56,125,183	241,344,545	142,777,081
Applications		11,771,297	47,293,263	60,935,237	21,808,153	3,021,971	10,174,737	4,404,631	9,949,110	97,699,461	142,228,641
Withdrawals		(21,146,943)	(11,493,338)	(8,623,630)	(6,213,075)	(4,080,600)	(10,763,400)	(6,272,997)	(6,801,036)	(67,782,848)	(36,295,126)
Distributions		-	-	-	-	-	-	-	-	(3,579,133)	(3,312,535)
Resident and foreign withholding taxes	3.9	(504,871)	(501,766)	-	(420)	(5,394)	(22,821)	(4,019)	(1,316)	(52,717)	(38,697)
Unitholder tax (liabilities)/asset	3.9	(237,018)	(73,527)	47,707	12,617	(6,754)	(15,895)	14,540	(513)	(1,916,252)	482,437
Net increase/(decrease) in Unitholder funds		(10,117,535)	35,224,632	52,359,314	15,607,275	(1,070,777)	(627,379)	(1,857,845)	3,146,245	24,368,511	103,064,720
Total comprehensive income/(loss) for the year		66,166,365	10,446,224	21,304,385	40,205	15,112,750	(6,978,931)	15,969,801	(1,017,671)	20,719,475	(4,497,256)
Net assets attributable to Unitholders at the end of the year		347,173,899	291,125,069	157,680,354	84,016,655	60,618,240	46,576,267	72,365,713	58,253,757	286,432,531	241,344,545
Units											
For the year ended 31 March											
Units on issue											
Balance at the beginning of the year		139,029,982	121,519,237	28,444,146	23,493,866	35,902,753	35,739,479	42,614,447	40,259,745	213,198,347	124,013,093
Applications - units		5,005,244	22,807,743	16,784,008	6,953,611	1,944,595	6,815,922	2,782,885	7,015,001	82,552,772	120,082,979
Withdrawals - units		(9,119,252)	(5,296,998)	(2,445,937)	(2,003,331)	(2,833,159)	(6,652,648)	(4,049,269)	(4,660,299)	(58,515,355)	(30,897,725)
Balance at the end of the year		134,915,974	139,029,982	42,782,217	28,444,146	35,014,189	35,902,753	41,348,063	42,614,447	237,235,764	213,198,347
\$											
As at 31 March											
Unit Price		2.5733	2.0940	3.6845 *	2.9537	1.7312	1.2973	1.7100 *	1.3670	1.2074	1.1320

*The redemption price of the respective Fund at 31 March 2021 differs from the total net assets of the Fund divided by the units in the Statement of Financial Position. The difference reflects final year end accruals included in the financial statements which did not form part of the daily unit price calculation.

The accompanying notes are an integral part of these Financial Statements.



Statements of Financial Position

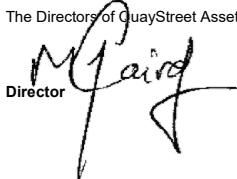
\$ As at 31 March	Notes	Conservative Fund		Balanced Fund		Growth Fund		Socially Responsible Fund		Fixed Interest Fund	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Assets											
Cash and cash equivalents		31,410,424	5,251,715	36,626,981	3,730,543	29,341,254	5,711,216	16,803,153	6,480,702	4,586,091	15,601,119
Cash collateral deposits		-	-	-	1,767,057	-	2,431,749	978,744	2,292,184	2,733,724	1,458,392
Term deposits		-	5,000,000	-	9,296,218	-	-	2,250,000	5,900,000	32,000,000	48,258,603
Financial assets at fair value through profit or loss	7.1	90,284,622	82,478,594	240,461,508	203,874,935	261,527,688	215,629,352	35,902,466	29,713,594	377,229,498	252,642,404
Due from brokers		-	-	-	-	-	-	251,902	481,520	-	770,432
Unitholder tax rebates receivable		1,014	2,017	8	3,153	-	2,676	1	5,695	58,700	39,945
Other receivables		2,758	137,077	196,396	228,085	27,305	432,931	119,200	251,150	2,845,937	3,242,611
Total assets		121,698,818	92,869,403	277,284,893	218,899,991	290,896,247	224,207,924	56,305,466	45,124,845	419,453,950	322,013,506
Liabilities											
Related party payables	6.2	11,826	(1,290)	23,844	2,332	61,753	27,181	50,376	39,628	287,194	214,837
Due to brokers		-	-	-	-	-	-	251,902	-	-	-
Withdrawals payable		16,754	109,260	53,059	72,852	-	186,187	25	-	163,691	209,293
Financial liabilities at fair value through profit or loss	7.2	-	229,061	-	1,791,587	-	2,462,409	72,831	1,180,997	2,753,595	1,512,703
Unitholder tax liabilities payable		78,031	28,654	75,891	19,020	25,140	3,004	20,164	3,206	1,172,745	424,281
Total liabilities		106,611	365,685	152,794	1,885,791	86,893	2,678,781	395,298	1,223,831	4,377,225	2,361,114
Net assets attributable to Unitholders		121,592,207	92,503,718	277,132,099	217,014,200	290,809,354	221,529,143	55,910,168	43,901,014	415,076,725	319,652,392

\$ As at 31 March	Notes	International Equity Fund		NZ Equity Fund		Australian Equity Fund		Altum Fund		Income Fund	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Assets											
Cash and cash equivalents		101,144,610	50,260,070	20,608,404	15,691,662	3,876,781	8,537,505	17,462,509	19,611,754	17,088,882	13,121,500
Cash collateral deposits		9,295,550	34,618,881	-	-	1,373,674	1,796,905	1,090,068	1,655,806	2,627,804	2,263,321
Term deposits		-	70,254,233	-	-	-	-	3,000,000	5,612,120	27,734,746	30,655,250
Financial assets at fair value through profit or loss	7.1	237,337,055	161,288,025	136,566,236	67,849,382	55,832,517	36,200,703	51,401,786	31,697,670	242,780,874	196,432,183
Due from brokers		-	60,758	-	-	1,195,182	-	1,638,641	-	-	674,128
Unitholder tax rebates receivable		-	6,267	47,711	12,653	86	-	14,540	25	364	482,437
Other receivables		50,253	632,791	691,472	560,341	244,487	191,320	42,882	166,463	1,568,183	1,858,451
Total assets		347,827,468	317,121,025	157,913,823	84,114,038	62,522,727	46,726,433	74,650,426	58,743,838	291,800,853	245,487,270
Liabilities											
Related party payables	6.2	357,840	310,249	176,845	93,597	69,029	52,649	366,708	64,144	195,916	165,024
Due to brokers		-	-	-	-	1,195,182	-	1,638,641	-	-	926,143
Withdrawals payable		58,711	62,354	22,615	3,750	-	3,000	-	-	157,631	32,952
Financial liabilities at fair value through profit or loss	7.2	-	25,543,559	34,005	-	633,436	78,622	279,364	425,400	3,098,159	3,018,606
Unitholder tax liabilities payable		237,018	79,794	4	36	6,840	15,895	-	537	1,916,616	-
Total liabilities		653,569	25,995,956	233,469	97,383	1,904,487	150,166	2,284,713	490,081	5,368,322	4,142,725
Net assets attributable to Unitholders		347,173,899	291,125,069	157,680,354	84,016,655	60,618,240	46,576,267	72,365,713	58,253,757	286,432,531	241,344,545

The accompanying notes are an integral part of these Financial Statements.

The Directors of QuayStreet Asset Management Limited authorised these Financial Statements for issue on 22 June 2021.

Director



Director




Statements of Cash Flows

\$	Notes	Conservative Fund		Balanced Fund		Growth Fund		Socially Responsible Fund		Fixed Interest Fund	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Cash flows from operating activities											
Proceeds from sale of financial instruments at fair value through profit or loss		-	678,170	9,296,421	6,098,885	131	3,343,551	8,513,364	6,770,245	134,314,587	64,236,507
Interest received		177,828	181,155	110,174	409,044	71,871	203,674	652,861	519,027	11,739,051	8,848,570
Dividends and distributions		563,946	822,467	608,585	932,803	339,378	488,180	271,147	367,251	-	-
Other income		-	-	-	-	-	-	2	8,695	103,750	780
Net movement in term deposits		5,000,000	-	-	-	-	-	3,650,000	(1,900,000)	16,258,603	(25,546,242)
Net movement in cash collateral deposits		-	-	1,630,157	(1,644,509)	2,239,004	(2,257,605)	1,050,442	(1,168,561)	(1,346,703)	(280,581)
Purchase of financial instruments at fair value through profit or loss		(793,214)	(15,339,351)	(2,403,067)	(43,665,093)	(2,805,689)	(31,199,044)	(7,678,737)	(10,921,639)	(251,994,001)	(124,561,958)
Operating expenses		(14,967)	11,800	(119,602)	(95,921)	(505,505)	(335,123)	(529,377)	(485,532)	(2,880,212)	(2,047,789)
Net cash inflow/(outflow) from operating activities	9	4,933,593	(13,645,759)	9,122,668	(37,964,791)	(660,810)	(29,756,367)	5,929,702	(6,810,514)	(93,804,925)	(79,350,713)
Cash flows from financing activities											
Proceeds from applications		40,869,886	28,745,674	58,159,201	49,728,245	51,700,341	49,768,124	10,269,447	10,682,407	152,321,235	135,315,232
Redemption of units		(19,553,292)	(14,214,452)	(34,205,713)	(37,095,604)	(27,107,700)	(29,441,354)	(5,493,576)	(9,103,865)	(66,544,948)	(42,486,933)
Distributions		-	-	-	-	-	-	-	-	(2,693,989)	(3,491,251)
Unitholder tax		(26,637)	(45,962)	(15,867)	(32,836)	(328)	(8,567)	2,488	(6,584)	(384,336)	(600,186)
Withholding tax deducted		-	19	14	19	-	26	(27,414)	(23,152)	-	19,050
Net cash inflow/(outflow) from financing activities		21,289,957	14,485,279	23,937,635	12,599,824	24,592,313	20,318,229	4,750,945	1,548,806	82,697,962	88,755,912
Net increase/(decrease) in cash and cash equivalents		26,223,550	839,520	33,060,303	(25,364,967)	23,931,503	(9,438,138)	10,680,647	(5,261,708)	(11,106,963)	9,405,199
Cash and cash equivalents at the beginning of the year		5,251,715	4,411,143	3,730,543	29,252,815	5,711,216	15,372,252	6,480,702	11,700,686	15,601,119	6,039,824
Foreign exchange gain/(loss) on cash and cash equivalents denominated in foreign currencies		(64,841)	1,052	(163,865)	(157,305)	(301,465)	(222,898)	(358,196)	41,724	91,935	156,096
Cash and cash equivalents at the end of the year		31,410,424	5,251,715	36,626,981	3,730,543	29,341,254	5,711,216	16,803,153	6,480,702	4,586,091	15,601,119

The accompanying notes are an integral part of these Financial Statements.



Statements of Cash Flows

\$	Notes	International Equity Fund		NZ Equity Fund		Australian Equity Fund		Altum Fund		Income Fund	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Cash flows from operating activities											
Proceeds from sale of financial instruments at fair value through profit or loss		91,935,910	34,629,696	15,712,759	14,414,057	4,361,782	19,147,445	17,647,858	16,940,919	130,517,481	73,671,212
Interest received		576,793	827,894	79,817	208,130	5,592	102,456	204,248	326,795	9,086,382	6,461,659
Dividends and distributions		3,305,741	3,451,458	1,617,254	1,734,029	966,308	1,723,171	365,260	590,437	536,524	591,200
Other income		-	8,123	-	40	2	11,219	-	-	73,525	50,556
Net movement in term deposits		47,163,627	(8,163,627)	-	-	-	-	2,612,120	(39,510)	2,920,504	(16,155,250)
Net movement in cash collateral deposits		23,485,260	(26,351,171)	-	-	193,971	(746,661)	360,670	(1,423,933)	(504,826)	(850,665)
Purchase of financial instruments at fair value through profit or loss		(99,436,521)	(33,477,327)	(51,381,838)	(21,953,907)	(8,497,703)	(16,038,200)	(20,361,417)	(13,037,848)	(163,241,073)	(158,060,368)
Operating expenses		(3,931,490)	(3,624,468)	(1,635,079)	(1,163,573)	(709,788)	(833,856)	(945,146)	(861,230)	(2,123,497)	(1,583,852)
Net cash inflow/(outflow) from operating activities	9	63,099,320	(32,699,422)	(35,607,087)	(6,761,224)	(3,679,836)	3,365,574	(116,407)	2,495,630	(22,734,980)	(95,875,508)
Cash flows from financing activities											
Proceeds from applications		11,817,336	47,241,524	49,119,385	21,787,048	3,028,250	10,167,615	4,426,714	9,925,527	97,603,935	142,250,981
Redemption of units		(21,150,586)	(11,430,984)	(8,604,765)	(6,209,325)	(4,083,600)	(10,760,400)	(6,272,997)	(6,801,036)	(67,658,169)	(36,292,174)
Distributions		-	-	-	-	-	-	-	-	(3,579,133)	(3,312,535)
Unitholder tax		(73,527)	(68,846)	12,617	(31)	(15,895)	(24,971)	(512)	(6,008)	482,437	(436,054)
Withholding tax deducted		(504,871)	(501,766)	-	(420)	(5,394)	(22,821)	(4,019)	(1,316)	(52,717)	(38,697)
Net cash inflow/(outflow) from financing activities		(9,911,648)	35,239,928	40,527,237	15,577,272	(1,076,639)	(640,577)	(1,850,814)	3,117,167	26,796,353	102,171,521
Net increase/(decrease) in cash and cash equivalents		53,187,672	2,540,506	4,920,150	8,816,048	(4,756,475)	2,724,997	(1,967,221)	5,612,797	4,061,373	6,296,013
Cash and cash equivalents at the beginning of the year		50,260,070	44,124,531	15,691,662	6,875,680	8,537,505	5,670,951	19,611,754	13,903,569	13,121,500	6,682,004
Foreign exchange gain/(loss) on cash and cash equivalents denominated in foreign currencies		(2,303,132)	3,595,033	(3,408)	(66)	95,751	141,557	(182,024)	95,388	(93,991)	143,483
Cash and cash equivalents at the end of the year		101,144,610	50,260,070	20,608,404	15,691,662	3,876,781	8,537,505	17,462,509	19,611,754	17,088,882	13,121,500

The accompanying notes are an integral part of these Financial Statements.



Notes to the Financial Statements

1. General information

Reporting Entities

These Financial Statements show the financial position as at and performance for the year ended 31 March 2021 for the following entities:

- QuayStreet Conservative Fund ("Conservative Fund")
- QuayStreet Balanced Fund ("Balanced Fund")
- QuayStreet Growth Fund ("Growth Fund")
- QuayStreet Socially Responsible Investment Fund ("Socially Responsible Fund")
- QuayStreet Fixed Interest Fund ("Fixed Interest")
- QuayStreet International Equity Fund ("International Equity Fund")
- QuayStreet New Zealand Equity Fund ("NZ Equity Fund")
- QuayStreet Australian Equity Fund ("Australian Equity Fund")
- QuayStreet Altum Fund ("Altum Fund")
- QuayStreet Income Fund ("Income Fund")

Prior to 15 August 2018 the QuayStreet Socially Responsible Investment Fund ("Socially Responsible Fund") was known as QuayStreet Balanced SRI Fund ("Balanced SRI Fund").

The Master Trust Deed between QuayStreet Asset Management Limited as Manager (the "Manager") and New Zealand Guardian Trust Company Limited as Supervisor (the "Supervisor") and each of the existing Establishment Deeds were amended to comply with the Financial Markets Conduct Act 2013 ("FMC Act") on 1 June 2016.

The Conservative, Balanced and Growth Funds were established on 19 September 2007. The Socially Responsible Fund was established on 8 October 2007. These Funds commenced operation in October 2007.

The International Equity and Fixed Interest Funds were established on 30 September 2009. These Funds commenced operation in October 2009.

The NZ Equity Fund and Australian Equity Fund were established on 27 October 2010. These Funds commenced operation on 1 December 2010.

The Altum Fund and Income Fund were established on 9 September 2014. These Funds commenced operation on 24 September 2014.

The registered office of the Manager is 158 Cameron Road, Tauranga. The Funds are domiciled in New Zealand.

The Funds aim to provide investors with capital and income returns through actively managed investments, as per the objectives stated in the Product Disclosure Statement.

Statutory Base

The QuayStreet Funds are a managed investment scheme that is governed by a Trust Deed dated 1 June 2016. The scheme comprises ten funds which are registered on the register of managed investment schemes under the FMC Act and are governed by the provisions of that Act.

These Financial Statements have been prepared in accordance with the requirements of the Financial Reporting Act 2013, the Financial Markets Conduct Act 2013 and the Trust Deed. These financial statements have been prepared in accordance with the New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS") as appropriate for profit-oriented entities.

The Financial Statements were authorised for issue by the Directors of the Manager on 22 June 2021.

2. Basis of preparation

(a) Statement of compliance

The Financial Statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards as appropriate for profit-oriented entities. They also comply with International Financial Reporting Standards (IFRS) and have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss.

The impacts of COVID-19 were assessed during the preparation of the financial statements. These included assessing whether there were any indicators effecting the Funds' ability to operate as a going concern. No such indicators were identified that would negatively influence the Funds as a going concern.

(b) Use of estimates and judgements

The preparation of Financial Statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires the Directors of the Manager to exercise judgement in the process of applying the Funds' accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in Note 4.

The impacts of COVID-19 and the resulting estimates due to these uncertainties are mainly related to fair value measurement (refer note 11).



Notes to the Financial Statements

2. Basis of preparation (continued)

(c) Functional and presentation currency

Items included in the Funds' Financial Statements are measured using the currency of the primary economic environment in which the Funds operate (the "functional currency"). This is the New Zealand dollar, which reflects the currency of the economy in which the Funds are regulated. The New Zealand dollar is also the Funds' presentation currency, unless otherwise stated and rounded to the nearest dollar.

The Manager considers the New Zealand dollar the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The New Zealand dollar is the currency in which the Funds measure their performance and report their results, as well as the currency in which the Funds receive subscriptions from investors.

(d) Standards and amendments to existing standards effective 1 April 2020 impacting the Funds

There are no new standards or amendments to existing standards that are effective for the year commencing on 1 April 2020 that have a material effect on the Financial Statements of the Fund.

3. Significant accounting policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied throughout the periods presented, unless otherwise stated.

3.1 Classification as an investment entity

An entity is not required to consolidate an investment in a subsidiary where such an entity meets the definition of an investment entity as defined in NZ IFRS 10, 'Consolidated Financial Statements'. Such investments held in subsidiaries are classified as financial assets at fair value through profit or loss and measured at fair value.

The Funds meet the definition of an investment entity as defined by NZ IFRS 10 because of the following characteristics:

- They obtain funds from one or more unitholders for the purpose of providing those unitholders with a managed investment product;
- They have committed to their investors via their documented investment strategy that their business purpose is to invest funds solely for returns from capital appreciation, investment income or a combination of both; and
- The Funds measure the performance of their investments on a fair value basis.

The Funds also display all four typical characteristics that are associated with an investment entity:

- They hold more than one investment;
- They have more than one investor;
- They have investors that are not related to the Funds; and
- Ownership interest in the Funds are represented by units of equity interests.

3.2 Financial instruments at fair value through profit or loss

(a) Classification

Financial assets

Financial assets are recognised initially at fair value. After initial recognition, financial assets are measured at fair value or amortised cost, determined on the basis of both (a) the Fund's business model for managing the financial assets; and (b) the contractual cash flow characteristics of the financial asset.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss can be either designated as such upon initial recognition or mandatorily measured at fair value in accordance with NZ IFRS 9 Financial Instruments. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Funds are primarily focused on fair value information and use that information to assess the assets' performance and to make decisions. The contractual cash flows of the Funds' debt securities are solely principal and interest, however, the debt securities other than term deposits are neither held for the purpose of collecting cash flows nor held both for collecting cash flows and for sale. The collection of cash flows is only incidental in achieving the Funds' business model. As a result, these debt securities are classified as financial assets at fair value through profit or loss. All financial assets are mandatorily measured at fair value through profit or loss. Financial assets at fair value through profit or loss comprise of listed equities and listed and unlisted trusts, fixed interest securities, options, forward foreign exchange contracts, equity index options, interest rate swaps and total return swaps.



Notes to the Financial Statements

3. Significant accounting policies (continued)

3.2 Financial instruments at fair value through profit or loss (continued)

(a) Classification (continued)

(i) Financial assets at amortised cost

(a) **Cash and cash equivalents** include cash in hand and deposits held at call with banks, denominated in New Zealand dollars and in foreign currencies.

(b) **Receivables** are amounts representing assets owing to the Funds and may include amounts due for interest or dividends, contributions receivable, or amounts due from brokers for securities sold that have been contracted for but not yet settled or delivered at year end.

(c) **Term deposits** are debt instruments where the business model is held for collection only; the contractual terms only give rise to cash flows that are solely payments of principal and interest. The "hold to collect" model is applied to these financial assets as collection of contractual cash flows are not incidental, there is no intention to sell the term deposits and they are used to effectively manage cash reserves.

Financial liabilities

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss can be either designated as such upon initial recognition or mandatorily measured at fair value in accordance with NZ IFRS 9. The portfolio of financial liabilities is managed and performance is evaluated on a fair value basis. All financial liabilities are mandatorily measured at fair value through profit or loss. Foreign exchange contracts that have a negative fair value are presented as financial liabilities at fair value through profit or loss.

(ii) Financial liabilities at amortised cost

(a) **Payables** are amounts representing liabilities and accrued expenses owing by the Funds at period end and may include related party fees and withdrawals payable and amounts due to brokers for purchase of unsettled securities at year end.

(b) Recognition, measurement and derecognition

(i) Financial assets and liabilities at fair value through profit or loss

The Funds recognise financial assets at fair value through profit or loss on the date they become parties to the contractual agreement. Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the Statement of Comprehensive Income. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value are recognised in the Statements of Comprehensive Income when they arise. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Funds have transferred substantially all of the risks and rewards of ownership. Any gain or loss arising on derecognition of the financial asset at fair value through profit or loss is included in the Statements of Comprehensive Income in the year the item is derecognised.

(ii) Financial assets and liabilities at amortised cost

The Funds recognise financial assets and liabilities at amortised cost on the date they become parties to the contractual agreement. Financial assets and liabilities at amortised cost are initially recognised at fair value.

Subsequent to initial recognition, all financial assets and liabilities at amortised cost are measured at amortised cost less any impairment. Any impairment charge is recognised in the Statement of Comprehensive Income. At each reporting date, the Funds measure the loss allowance of amounts due from brokers at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Funds shall measure the loss allowance at an amount equal to 12 month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due or a counterparty credit rating which has fallen below BBB/Baa. Any contractual payment which is more than 90 days past due is considered credit impaired.

Financial assets at amortised cost are derecognised when the rights to receive cash flows from the investments have expired or the Funds have transferred substantially all of the risks and rewards of ownership. Financial liabilities at amortised cost are derecognised when the obligation under the liability is discharged, cancelled or expires. Any gain or loss arising on derecognition of the financial asset or financial liability at amortised cost is included in the Statement of Comprehensive Income in the year the item is derecognised.

(c) Fair value estimation

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.

· Fair value in an active market

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date.

· Fair value in an inactive or unquoted market

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Funds use a variety of methods and make assumptions that are based on market conditions existing at the end of each reporting period. Valuation techniques used include the use of recent arm's length market transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

The fair value of derivatives that are not exchange-traded is estimated at the amount that the Funds would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as the net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

The fair value of investments in unlisted trusts is recorded at the redemption value as reported by the manager of the trust.

(d) Cash Collateral

Cash collateral provided by the Fund is identified in the statement of financial position as margin cash and is not included as a component of cash and cash equivalents. For collateral other than cash, if the party to whom the collateral is provided has the right by contract or custom to sell or re-pledge the collateral, the Fund classifies that asset in its statement of financial position separately from other assets and identifies the asset as pledged collateral. Where the party to whom the collateral is provided does not have the right to sell or re-pledge, a disclosure of the collateral provided is made in the notes to the financial statements.



Notes to the Financial Statements

3. Significant accounting policies (continued)

3.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statements of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

3.4 Net assets attributable to Unitholders

The Funds issue units that are redeemable at the Unitholders' option and have identical features and are therefore classified as equity. The units can be redeemed at any time for cash, based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if Unitholders exercised their right to redeem. As stipulated in the Trust Deed, each unit represents an individual share in the Funds and does not extend to a right in the underlying assets of the Funds. There are no separate classes of units within the Funds and each unit has the same rights attaching to it as all other units in the Funds.

Applications received for units in the Funds are recorded net of any entry fees payable prior to the issue of units in the Funds. 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 prices based on the Funds net asset value per unit at the time of issue or redemption. The Funds' net asset value per unit is calculated by dividing the net assets attributable to the holders of the Funds with the total number of outstanding units of the Funds. In accordance with the provisions of the offering documents, investment positions are valued based at the appropriate market price for the purpose of determining the net asset value per unit for subscriptions and redemptions.

In accordance with the Trust Deed, the Manager has full discretion as to whether to distribute any income of the Funds. Income that is not distributed is invested as part of the assets of the Funds or may be used later to make distributions to Unitholders.

3.5 Investment income

Interest income on financial assets at amortised cost and financial assets at fair value are included as interest in the Statements of Comprehensive Income using the effective interest method. Changes in fair value for such instruments are recorded in accordance with the policies described in Note 3.2. Dividend income is recognised on the ex-dividend date with any related withholding tax recorded in the Statements of Net Assets Attributable to Unitholders. Funds distributions are recognised on a present entitlement basis.

3.6 Net changes in fair value of financial assets

Realised and unrealised gains and losses are reflected in the Statements of Comprehensive Income as net gain/(loss) on financial instruments at fair value through profit or loss.

Unrealised gains or losses include the change in net market value of investments held at the end of the reporting period and the reversal of prior periods' unrealised gains or losses on investments that have been realised in the current period. Realised gains or losses are calculated based on the gross sale proceeds and the weighted average cost of the investments sold.

3.7 Expenses

All expenses, including the Funds' management fees, are recognised in the Statements of Comprehensive Income on an accruals basis.

3.8 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses are translated into the functional currency using the exchange rates prevailing at the end of the reporting period. Foreign exchange gains or losses arising from translation are included in the Statements of Comprehensive Income within net gain/(loss) on financial instruments at fair value through profit or loss.

The Funds do not isolate that portion of gains or losses on securities and derivative financial instruments that are measured at fair value through profit or loss and which are due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included with the net gains or losses on financial instruments at fair value through profit or loss.

3.9 Income tax

The Funds qualify as and have elected to be Portfolio Investment Entities (PIE) for tax purposes. Under the PIE regime income is effectively taxed in the hands of the Unitholders and therefore the Funds have no income tax expense. Accordingly, no income tax expense is recognised in the Statements of Comprehensive Income. Income is disclosed gross of any resident and foreign withholding taxes deducted at source and the taxes are included in the Statements of Changes in Net Assets Attributable to Unitholders.

Under the PIE regime, the Manager attributes the taxable income of the Funds to Unitholders in accordance with the proportion of their interest in the Funds. The income attributed to each Unitholder is taxed at the Unitholder's "prescribed investor rate" (which is capped at 28%) on redemptions and annually as at 31 March.

Unitholder tax liabilities disclosed in the Statements of Changes in Net Assets Attributable to Unitholders consist of withdrawals to meet Unitholder tax liabilities (or contributions from Unitholder rebates) under the PIE regime.

The current tax balances in the Statements of Financial Position represent any tax payable/receivable on behalf of the Unitholders under the PIE regime.

3.10 Goods and services tax ("GST")

The Funds are not registered for GST. The Statements of Comprehensive Income, Statements of Changes in Net Assets Attributable to Unitholders and Statements of Cash Flows have been prepared so that all components are stated inclusive of GST. All items in the Statements of Financial Position are stated inclusive of GST.



Notes to the Financial Statements

3. Significant accounting policies (continued)

3.11 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the Financial Statements.

For the year ended 31 March 2020, cash collateral deposits balances were presented in cash and cash equivalents for Balanced Fund, Growth Fund, Socially Responsible Fund, Fixed Interest Fund, International Equity Fund, Australian Equity Fund, Altum Fund and Income Fund.

In the Financial Statements for the year ended 31 March 2021, comparatives have been restated to separate out cash collateral deposits from cash and cash equivalents.

This has an impact on the cash and cash equivalent and cash collateral deposits balances in the Statements of Financial Position and Statements of Cashflows as at 31 March 2020.

There is no impact on the Statements of Financial Performance or the net asset value of the Funds, it is only a balance sheet reclassification.

	Prior year FS	Current year FS
	<u>31-Mar-20</u>	<u>31-Mar-20</u>
Balanced Fund		
Cash and cash equivalents	5,497,600	3,730,543
Cash collateral deposits	0	1,767,057
Growth Fund		
Cash and cash equivalents	8,142,965	5,711,216
Cash collateral deposits	0	2,431,749
Socially Responsible Fund		
Cash and cash equivalents	8,772,886	6,480,702
Cash collateral deposits	0	2,292,184
Fixed Interest Fund		
Cash and cash equivalents	17,059,511	15,601,119
Cash collateral deposits	0	1,458,392
International Equity Fund		
Cash and cash equivalents	84,878,951	50,260,070
Cash collateral deposits	0	34,618,881
Australian Equity Fund		
Cash and cash equivalents	10,049,468	8,537,505
Cash collateral deposits	284,942	1,796,905
Altum Fund		
Cash and cash equivalents	20,560,383	19,611,754
Cash collateral deposits	707,177	1,655,806
Income Fund		
Cash and cash equivalents	15,384,821	13,121,500
Cash collateral deposits	0	2,263,321



Notes to the Financial Statements

4. Critical accounting estimates and judgements

The Manager of the Funds makes estimates and assumptions that affect the reported amounts of assets and liabilities. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Funds' accounting policy of estimates and judgements is disclosed in Note 3.2(c).

Fair value of derivative financial instruments

The Funds may, from time to time, hold financial instruments that are not quoted in active markets, such as over the counter derivatives. Fair values for such instruments are determined by using valuation techniques. Valuation techniques use observable data to the extent possible. However, areas such as credit risk, volatilities and correlations require management to make estimates. Changes or assumptions about these factors could affect the reported fair value of financial instruments.

Fair value of securities not quoted in an active market

The fair value of such securities not quoted in an active market may be determined by the Funds using reputable pricing sources (such as pricing agencies) or indicative prices from bond/debt market makers. Broker quotes obtained from pricing sources may be indicative and not executable or binding. The Manager exercises judgement and makes estimates on the quantity and quality of pricing sources used. Where no market data is available, the Funds may price positions using their own models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. The models for debt securities are based on net present values of estimated future cash flows, adjusted as appropriate for liquidity and credit and market risk factors.

Models use observable data to the extent possible. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The fair value of investments in other funds that are not quoted in active markets is determined by reference to the redemption price per unit of the underlying funds. Where restrictions on redemptions from other funds exist, any underlying liquidity risk is appropriately reflected in investment carrying values. As a result, the carrying values of investments in other funds may not be indicative of the values ultimately realised on redemption.

For certain other financial instruments, including amounts due from/to brokers, accounts payable and accrued expenses, the carrying amounts approximate fair value due to the immediate or short term nature of these financial instruments.

5. Commitments and contingent liabilities

There are no contingencies or commitments as at 31 March 2021 (31 March 2020: nil).

6. Related Parties

6.1 General

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Under the Trust Deed the management fees payable to the Manager are payable monthly in arrears and the supervisor fees to the Supervisor are payable quarterly in arrears. Performance fees payable to the Manager in respect of the Altum Fund are payable annually in arrears.

The Manager of the Funds has agreed to pay both the supervisor fees and audit fees for the current and prior reporting periods, and will review this decision on an annual basis. The supervisor fee paid for the current year was \$644,469 (31 March 2020: \$535,794) and the audit fees paid for the current year were \$77,464 (31 March 2020: \$75,080). These amounts are not reflected in the Statements of Comprehensive Income.

The Funds hold investments in other Funds managed by the Manager as disclosed in 6.3 below. Where the Funds invest into other funds managed by the Manager, the management fees charged in those funds are rebated to the Funds as set out in 6.2 below.

Craigs Investment Partners Limited is the parent company of the Manager. Sale and purchase transactions are settled via Craigs Investment Partners Limited and other brokers. On 30 June 2020 Deutsche Bank AG, Sydney sold their entire 49.9% stake in Craigs Investment Partners Limited to CIP Holdings Limited. CIP Holdings Limited is the ultimate owner of Craigs Investment Partners Limited. Deutsche Bank Group provides transaction execution services to, and enters into derivative transactions with, the Funds. At 31 March 2021, the notional value of derivatives held with Deutsche Bank Group was \$108,228,060 (31 March 2020: \$47,291,422) and was a net asset \$1,586,510 (31 March 2020: a liability of \$3,411,868).



Notes to the Financial Statements

6. Related Parties (continued)

6.2 Related party fees

The Funds have incurred the following fees/(rebates) with related parties:

\$		Conservative Fund		Balanced Fund		Growth Fund		Socially Responsible Fund		Fixed Interest Fund	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
For the year ended 31 March											
QuayStreet Asset Management Limited	Management fees	794,092	657,851	2,544,715	2,269,893	3,294,525	2,863,009	515,700	466,148	2,904,504	2,108,571
QuayStreet Asset Management Limited	Management fee rebates	(766,228)	(672,558)	(2,404,431)	(2,190,436)	(2,754,767)	(2,534,663)	-	-	-	-
Total		27,864	(14,707)	140,284	79,457	539,758	328,346	515,700	466,148	2,904,504	2,108,571

Craigs Investment Partners Limited	Brokerage	-	-	-	-	-	-	1,326	1,463	-	-
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\$		International Equity Fund		NZ Equity Fund		Australian Equity Fund		Altum Fund		Income Fund	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
For the year ended 31 March											
QuayStreet Asset Management Limited	Management fees	3,722,186	3,608,912	1,507,647	1,045,725	682,164	723,158	847,496	772,581	2,036,824	1,532,734
QuayStreet Asset Management Limited	Performance fees	-	-	-	-	-	-	285,233	-	-	-
Total		3,722,186	3,608,912	1,507,647	1,045,725	682,164	723,158	1,132,729	772,581	2,036,824	1,532,734

Craigs Investment Partners Limited	Brokerage	-	-	70,148	35,197	16,624	6,855	25,771	9,759	26,123	7,646
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The Funds have the following outstanding balances with related parties at year end date:

\$		Conservative Fund		Balanced Fund		Growth Fund		Socially Responsible Fund		Fixed Interest Fund	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
As at 31 March											
QuayStreet Asset Management Limited	Management fees	83,101	61,375	253,446	196,485	326,830	248,254	50,376	39,628	287,194	214,837
QuayStreet Asset Management Limited	Management fee rebates	(71,275)	(62,665)	(229,602)	(194,153)	(265,077)	(221,073)	-	-	-	-
Total		11,826	(1,290)	23,844	2,332	61,753	27,181	50,376	39,628	287,194	214,837

\$		International Equity Fund		NZ Equity Fund		Australian Equity Fund		Altum Fund		Income Fund	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
As at 31 March											
QuayStreet Asset Management Limited	Management fees	357,840	310,249	176,845	93,597	69,029	52,649	81,475	64,144	195,916	165,024
QuayStreet Asset Management Limited	Performance fees	-	-	-	-	-	-	285,233	-	-	-
Total		357,840	310,249	176,845	93,597	69,029	52,649	366,708	64,144	195,916	165,024



Notes to the Financial Statements

6. Related Parties (continued)

6.3 Related party investments

The Funds held the following investments issued by related parties at the end of the year:

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund	
	2021	2020	2021	2020	2021	2020
QuayStreet Fixed Interest Fund	57,476,797	55,183,359	59,297,389	56,931,306	23,877,092	22,924,349
QuayStreet International Equity Fund	12,135,464	9,875,126	111,774,020	90,955,115	153,890,416	125,226,958
QuayStreet NZ Equity Fund	5,182,773	4,154,236	20,178,351	16,173,897	20,381,609	16,336,818
QuayStreet Australian Equity Fund	5,947,116	4,456,558	19,909,859	14,919,743	20,079,747	15,047,052
QuayStreet Altum Fund	-	-	17,419,446	13,925,370	31,336,074	25,050,534
QuayStreet Income Fund	9,542,472	8,809,315	11,882,443	10,969,504	11,962,750	11,043,641
Total	90,284,622	82,478,594	240,461,508	203,874,935	261,527,688	215,629,352

The Socially Responsible, Fixed Interest, International Equity, NZ Equity, Australian Equity, Altum and Income Funds do not hold investments in related parties.

6.4 Related party income

The Funds received the following income from investments issued by related parties during the year:

\$ For the year ended 31 March	Conservative Fund		Balanced Fund		Growth Fund	
	2021	2020	2021	2020	2021	2020
QuayStreet Fixed Interest Fund	2,293,438	1,167,280	2,366,083	1,279,398	952,743	512,666
QuayStreet International Equity Fund	2,260,338	412,657	20,818,905	3,066,192	28,663,458	4,315,729
QuayStreet NZ Equity Fund	1,028,537	19,072	4,004,454	178,500	4,044,791	190,838
QuayStreet Australian Equity Fund	1,490,558	(616,414)	4,990,115	(2,399,624)	5,032,695	(2,489,480)
QuayStreet Altum Fund	-	-	3,494,076	(248,483)	6,285,540	(559,973)
QuayStreet Income Fund	733,157	(61,207)	912,939	(66,614)	919,109	(73,808)
Total	7,806,028	921,388	36,586,572	1,809,369	45,898,336	1,895,972

6.5 Directors and key management personnel interests

Directors and key management personnel for the Manager, along with their families and other prescribed interests have investment holdings of \$2,379,233 (2020: \$1,863,487), contributions of \$192,129 and withdrawals of \$65,912 via the QuayStreet KiwiSaver Scheme and the Craigs Investment Partners KiwiSaver Scheme which invest directly in the QuayStreet Funds in accordance with their investment policy.



Notes to the Financial Statements

7. Financial instruments at fair value through profit or loss

7.1 Financial assets at fair value through profit or loss

\$	Notes	Conservative Fund		Balanced Fund		Growth Fund		Socially Responsible Fund		Fixed Interest Fund	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Financial assets at fair value through profit or loss											
Listed equities		-	-	-	-	-	-	11,573,235	7,827,995	-	-
Listed funds/trusts		-	-	-	-	-	-	11,704,533	10,141,343	-	-
Fixed interest securities	11(a)	-	-	-	-	-	-	12,213,760	11,700,846	376,018,949	248,628,939
Unlisted trusts	6.3	90,284,622	82,478,594	240,461,508	203,874,935	261,527,688	215,629,352	-	-	-	-
Forward foreign exchange contracts	10.1	-	-	-	-	-	-	153,864	43,410	-	630,137
Interest rate swaps	10.3	-	-	-	-	-	-	-	-	1,210,549	3,383,328
Total return swaps	10.4	-	-	-	-	-	-	257,074	-	-	-
Total financial assets at fair value through profit or loss		90,284,622	82,478,594	240,461,508	203,874,935	261,527,688	215,629,352	35,902,466	29,713,594	377,229,498	252,642,404

\$	Notes	International Equity Fund		NZ Equity Fund		Australian Equity Fund		Altum Fund		Income Fund	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Financial assets at fair value through profit or loss											
Listed equities		49,297,391	23,951,091	136,566,236	67,849,382	55,832,517	35,976,678	49,695,389	31,600,862	20,772,280	5,672,049
Listed funds/trusts		184,046,776	131,848,528	-	-	-	-	-	-	-	2,069,622
Fixed interest securities	11(a)	-	-	-	-	-	-	1,668,702	-	220,741,121	185,950,623
Unlisted trusts	6.3	-	-	-	-	-	-	-	-	-	-
Forward foreign exchange contracts	10.1	1,945,485	5,448,329	-	-	-	224,025	-	96,808	-	360,056
Equity index options	10.2	143	40,077	-	-	-	-	37,695	-	-	-
Interest rate swaps	10.3	-	-	-	-	-	-	-	-	1,267,473	2,379,833
Total return swaps	10.4	2,047,260	-	-	-	-	-	-	-	-	-
Total financial assets at fair value through profit or loss		237,337,055	161,288,025	136,566,236	67,849,382	55,832,517	36,200,703	51,401,786	31,697,670	242,780,874	196,432,183

7.2 Financial liabilities at fair value through profit or loss

\$	Notes	Conservative Fund		Balanced Fund		Growth Fund		Socially Responsible Fund		Fixed Interest Fund	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Financial liabilities at fair value through profit or loss											
Forward foreign exchange contracts	10.1	-	(229,061)	-	(1,791,587)	-	(2,462,409)	(72,831)	(84,940)	(845,547)	(27,320)
Interest rate swaps	10.3	-	-	-	-	-	-	-	-	(1,908,048)	(1,485,383)
Total return swaps	10.4	-	-	-	-	-	-	-	(1,096,057)	-	-
Total financial liabilities at fair value through profit or loss		-	(229,061)	-	(1,791,587)	-	(2,462,409)	(72,831)	(1,180,997)	(2,753,595)	(1,512,703)

\$	Notes	International Equity Fund		NZ Equity Fund		Australian Equity Fund		Altum Fund		Income Fund	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Financial liabilities at fair value through profit or loss											
Forward foreign exchange contracts	10.1	-	-	(34,005)	-	(633,436)	(78,622)	(279,364)	(425,400)	(883,350)	-
Interest rate swaps	10.3	-	-	-	-	-	-	-	-	(2,214,809)	(3,018,606)
Total return swaps	10.4	-	(25,543,559)	-	-	-	-	-	-	-	-
Total financial liabilities at fair value through profit or loss		-	(25,543,559)	(34,005)	-	(633,436)	(78,622)	(279,364)	(425,400)	(3,098,159)	(3,018,606)



Notes to the Financial Statements

8. Financial instruments by category

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Socially Responsible Fund		Fixed Interest Fund	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Financial assets at fair value through profit or loss Financial assets mandatorily measured at fair value through profit or loss	90,284,622	82,478,594	240,461,508	203,874,935	261,527,688	215,629,352	35,902,466	29,713,594	377,229,498	252,642,404
Financial assets at amortised cost										
Other receivables	2,758	137,077	196,396	228,085	27,305	432,931	119,200	251,150	2,845,937	3,242,611
Due from broker	-	-	-	-	-	-	251,902	481,520	-	770,432
Cash and cash equivalents	31,410,424	5,251,715	36,626,981	3,730,543	29,341,254	5,711,216	16,803,153	6,480,702	4,586,091	15,601,119
Cash collateral deposits	-	-	-	1,767,057	-	2,431,749	978,744	2,292,184	2,733,724	1,458,392
Term deposits	-	5,000,000	-	9,296,218	-	-	2,250,000	5,900,000	32,000,000	48,258,603
Total financial assets at amortised cost	31,413,182	10,388,792	36,823,377	15,021,903	29,368,559	8,575,896	20,402,999	15,405,556	42,165,752	69,331,157
Total financial assets	121,697,804	92,867,386	277,284,885	218,896,838	290,896,247	224,205,248	56,305,465	45,119,150	419,395,250	321,973,561
Financial liabilities at fair value through profit and loss Financial liabilities mandatorily measured at fair value through profit or loss	-	229,061	-	1,791,587	-	2,462,409	72,831	1,180,997	2,753,595	1,512,703
Financial liabilities at amortised cost										
Related party payables	11,826	(1,290)	23,844	2,332	61,753	27,181	50,376	39,628	287,194	214,837
Due to brokers	-	-	-	-	-	-	251,902	-	-	-
Withdrawals payable	16,754	109,260	53,059	72,852	-	186,187	25	-	163,691	209,293
Total financial liabilities at amortised cost	28,580	107,970	76,903	75,184	61,753	213,368	302,303	39,628	450,885	424,130
Total financial liabilities	28,580	337,031	76,903	1,866,771	61,753	2,675,777	375,134	1,220,625	3,204,480	1,936,833



Notes to the Financial Statements

8. Financial instruments by category (continued)

\$ As at 31 March	International Equity Fund		NZ Equity Fund		Australian Equity Fund		Altum Fund		Income Fund	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Financial assets at fair value through profit or loss										
Financial assets mandatorily measured at fair value through profit or loss	237,337,055	161,288,025	136,566,236	67,849,382	55,832,517	36,200,703	51,401,786	31,697,670	242,780,874	196,432,183
Financial assets at amortised cost										
Other receivables	50,253	632,791	691,472	560,341	244,487	191,320	42,882	166,463	1,568,183	1,858,451
Due from brokers	-	60,758	-	-	1,195,182	-	1,638,641	-	-	674,128
Cash and cash equivalents	101,144,610	50,260,070	20,608,404	15,691,662	3,876,781	8,537,505	17,462,509	19,611,754	17,088,882	13,121,500
Cash collateral deposits	9,295,550	34,618,881	-	-	1,373,674	1,796,905	1,090,068	1,655,806	2,627,804	2,263,321
Term deposits	-	70,254,233	-	-	-	-	3,000,000	5,612,120	27,734,746	30,655,250
Total financial assets at amortised cost	110,490,413	155,826,733	21,299,876	16,252,003	6,690,124	10,525,730	23,234,100	27,046,143	49,019,615	48,572,650
Total financial assets	347,827,468	317,114,758	157,866,112	84,101,385	62,522,641	46,726,433	74,635,886	58,743,813	291,800,489	245,004,833
Financial liabilities at fair value through profit and loss										
Financial liabilities mandatorily measured at fair value through profit or loss	-	25,543,559	34,005	-	633,436	78,622	279,364	425,400	3,098,159	3,018,606
Financial liabilities at amortised cost										
Related party payables	357,840	310,249	176,845	93,597	69,029	52,649	366,708	64,144	195,916	165,024
Due to brokers	-	-	-	-	1,195,182	-	1,638,641	-	-	926,143
Withdrawals payable	58,711	62,354	22,615	3,750	-	3,000	-	-	157,631	32,952
Total financial liabilities at amortised cost	416,551	372,603	199,460	97,347	1,264,211	55,649	2,005,349	64,144	353,547	1,124,119
Total financial liabilities	416,551	25,916,162	233,465	97,347	1,897,647	134,271	2,284,713	489,544	3,451,706	4,142,725



Notes to the Financial Statements

9. Reconciliation of total comprehensive income/(deficit) to net cash flow from operating activities

\$ For the year ended 31 March	Conservative Fund		Balanced Fund		Growth Fund		Socially Responsible Fund		Fixed Interest Fund	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Total comprehensive income attributable to Unitholders	7,847,917	993,656	36,250,016	853,083	44,932,149	34,989	7,306,489	345,177	13,746,084	5,703,234
Non cash items:										
Unrealised (gain)/loss on financial instruments at fair value through profit or loss	(7,471,143)	203,031	(37,769,574)	1,807,274	(48,021,368)	1,353,310	(6,986,481)	1,506,835	5,250,175	1,620,295
Foreign exchange gain/(loss) on cash and cash equivalents denominated in foreign currencies	64,841	(1,052)	163,865	48,107	301,465	68,796	358,196	(167,571)	(91,935)	(282,029)
Distributions reinvested	-	-	-	-	-	-	(50,723)	(22,067)	-	-
	(7,406,302)	201,979	(37,605,709)	1,855,381	(47,719,903)	1,422,106	(6,679,008)	1,317,197	5,158,240	1,338,266
Movements in working capital items:										
Net change in accrued income and receivables	42,808	(28,476)	2,160	1,447	-	1,895	106,347	(35,068)	61,068	(910,000)
Net change in payables	13,116	(2,563)	21,512	(15,570)	34,572	(5,836)	10,748	6,208	72,357	79,868
Net movement in term deposits	5,000,000	-	-	-	-	-	3,650,000	(1,900,000)	16,258,603	(25,546,242)
Net movement in cash collateral deposits	-	-	1,768,134	(1,644,509)	2,433,302	(2,257,605)	1,314,809	(1,168,561)	(1,271,606)	(280,581)
Net change in cost of investments	(563,946)	(14,810,355)	8,686,555	(39,014,623)	(340,930)	(28,951,916)	220,317	(5,375,467)	(127,829,671)	(59,735,258)
	4,491,978	(14,841,394)	10,478,361	(40,673,255)	2,126,944	(31,213,462)	5,302,221	(8,472,888)	(112,709,249)	(86,392,213)
Net cash inflow/(outflow) from operating activities	4,933,593	(13,645,759)	9,122,668	(37,964,791)	(660,810)	(29,756,367)	5,929,702	(6,810,514)	(93,804,925)	(79,350,713)

\$ For the year ended 31 March	International Equity Fund		NZ Equity Fund		Australian Equity Fund		Altum Fund		Income Fund	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Total comprehensive income attributable to Unitholders	66,166,365	10,446,224	21,304,385	40,205	15,112,750	(6,978,931)	15,969,801	(1,017,671)	20,719,475	(4,497,256)
Plus non cash items:										
Unrealised (gain)/loss on financial instruments at fair value through profit or loss	(65,709,317)	18,761,805	(18,257,209)	2,669,234	(15,162,548)	8,845,053	(13,340,573)	(1,625,097)	(8,328,870)	12,826,121
Foreign exchange (loss)/gain on cash and cash equivalents denominated in foreign currencies	2,303,132	(5,370,423)	3,408	66	(95,751)	(333,532)	182,024	(102,962)	93,991	(277,265)
Distributions reinvested	-	-	(590,487)	(409,119)	(208,605)	(5,491)	(161,148)	-	(129,080)	(193,927)
	(63,406,185)	13,391,382	(18,844,288)	2,260,181	(15,466,904)	8,506,030	(13,319,697)	(1,728,059)	(8,363,959)	12,354,929
Movements in working capital items:										
Net change in accrued income and receivables	536,499	(29,781)	(24,048)	84,225	(59,446)	24,138	101,498	(52,273)	385,794	(694,667)
Net change in payables	47,591	74,096	83,248	27,370	16,380	(328)	302,564	9,444	30,892	81,207
Net movement in term deposits	47,163,627	(8,163,627)	-	-	-	-	2,612,120	(39,510)	2,920,504	(16,155,250)
Net movement in cash collateral deposits	25,336,577	(26,351,171)	-	-	424,312	(746,661)	566,547	(1,423,933)	(359,490)	(850,665)
Net change in cost of investments	(12,745,154)	(22,066,545)	(38,126,384)	(9,173,205)	(3,706,928)	2,561,326	(6,349,240)	6,747,632	(38,068,196)	(86,113,806)
	60,339,140	(56,537,028)	(38,067,184)	(9,061,610)	(3,325,682)	1,838,475	(2,766,511)	5,241,360	(35,090,496)	(103,733,181)
Net cash inflow/(outflow) from operating activities	63,099,320	(32,699,422)	(35,607,087)	(6,761,224)	(3,679,836)	3,365,574	(116,407)	2,495,630	(22,734,980)	(95,875,508)



Notes to the Financial Statements

10. Derivative financial instruments

The use of financial derivatives is governed by the Manager's policies, which provide written principles on the use of financial derivatives.

The Funds may enter into transactions in derivative instruments to manage risk and to gain exposures in foreign markets. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, stock market and indices, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

10.1 Forward foreign exchange contracts

Forward foreign exchange contracts are contractual obligations to buy or sell one currency on a future date in exchange for a second currency at a specified forward foreign exchange rate which is established in an organised market. The forward contracts are agreed between the parties to the contract and are not traded on an exchange. The Funds' open positions in forward contracts at balance date are outlined below:

\$	Conservative Fund		Balanced Fund		Growth Fund		Socially Responsible Fund		Fixed Interest Fund		
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
As at 31 March											
Forward foreign exchange contracts (notional value in NZ\$)											
Sell AUD/Buy NZD	-	-	-	-	-	-	7,086,775	6,429,042	73,632,801	46,240,964	
Sell NZD/Buy USD	-	-	-	-	-	-	5,568,644	6,578,393	-	-	
Sell USD/Buy NZD	-	-	-	-	-	-	-	-	5,923,089	11,968,175	
\$											
As at 31 March											
Forward foreign exchange contracts (fair value in NZ\$)											
Sell AUD/Buy NZD	-	-	-	-	-	-	(72,831)	43,410	(770,517)	280,973	
Sell NZD/Buy USD	-	(229,061)	-	(1,791,587)	-	(2,462,409)	153,864	(84,940)	-	-	
Sell USD/Buy NZD	-	-	-	-	-	-	-	-	(75,030)	321,844	



Notes to the Financial Statements

10. Derivative financial instruments (continued)

10.1 Forward foreign exchange contracts (continued)

\$	International Equity Fund		NZ Equity Fund		Australian Equity Fund		Altum Fund		Income Fund	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
As at 31 March										
Forward foreign exchange contracts (notional value in NZ\$)										
Sell AUD/Buy NZD	-	-	3,230,252	-	56,388,556	40,738,645	26,661,644	14,798,060	67,162,828	60,715,974
Sell NZD/Buy AUD	-	-	-	-	-	-	-	1,238,863	-	-
Sell NZD/Buy USD	70,583,297	100,249,662	-	-	-	-	-	-	-	-
Sell USD/Buy NZD	-	-	-	-	1,749,611	1,355,965	-	-	9,100,505	903,473

\$	International Equity Fund		NZ Equity Fund		Australian Equity Fund		Altum Fund		Income Fund	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
As at 31 March										
Forward foreign exchange contracts (fair value in NZ\$)										
Sell AUD/Buy NZD	-	-	(34,005)	-	(583,629)	224,025	(279,364)	73,932	(701,094)	300,553
Sell NZD/Buy AUD	-	-	-	-	-	-	-	22,876	-	-
Sell NZD/Buy USD	1,945,485	5,448,329	-	-	-	-	-	(425,400)	-	-
Sell USD/Buy NZD	-	-	-	-	(49,807)	(78,622)	-	-	(182,256)	59,503

10.2 Exchange traded options

Exchange traded options are contracts that give the purchaser the right (but not the obligation) to buy (a call option) or sell (a put option) an underlying asset or instrument at a specified strike price on or before a specified date, depending on the details of the option. Exchange traded options have standardised contract terms that facilitate trading on an options exchange.

\$	Socially Responsible Fund		International Equity Fund		Altum Fund	
	2021	2020	2021	2020	2021	2020
As at 31 March						
Exchange traded options (notional value in NZ\$)						
USD and AUD Equity indices	-	-	9,281,074	35,034,157	6,125,509	-
Exchange traded options (fair value in NZ\$)						
USD and AUD Equity indices	-	-	143	40,077	37,695	-



Notes to the Financial Statements

10. Derivative financial instruments (continued)

10.3 Interest rate swaps

An interest rate swap is an agreement between two parties to exchange interest rate cash flows, based on a specified notional amount, until an agreed maturity date. The parties may agree to exchange a fixed rate for a floating rate (or vice versa) or from one floating rate to another or even a fixed or floating rate in one currency for a fixed or floating rate in a second currency.

\$	Conservative Fund		Balanced Fund		Growth Fund		Socially Responsible Fund		Fixed Interest Fund		
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
As at 31 March											
Interest rate swaps (notional value in NZ\$)											
Receive Floating/Pay Fixed	-	-	-	-	-	-	-	-	69,206,716	41,024,289	
Receive Floating/Pay Floating	-	-	-	-	-	-	-	-	69,000,000	44,000,000	
Interest rate swaps (fair value in NZ\$)											
Receive Floating/Pay Fixed	-	-	-	-	-	-	-	-	316,105	(762,258)	
Receive Floating/Pay Floating	-	-	-	-	-	-	-	-	(1,013,604)	2,660,203	

\$	International Equity Fund		NZ Equity Fund		Australian Equity Fund		Altum Fund		Income Fund		
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
As at 31 March											
Interest rate swaps (notional value in NZ\$)											
Receive Floating/Pay Fixed	-	-	-	-	-	-	-	-	76,659,238	37,927,975	
Receive Floating/Pay Floating	-	-	-	-	-	-	-	-	36,000,000	49,035,465	
Interest rate swaps (fair value in NZ\$)											
Receive Fixed/Pay Floating	-	-	-	-	-	-	-	-	-	-	
Receive Floating/Pay Fixed	-	-	-	-	-	-	-	-	(403,125)	(2,649,149)	
Receive Floating/Pay Floating	-	-	-	-	-	-	-	-	(544,211)	2,010,376	

10.4 Total return swaps

A total return swap is an agreement between two parties in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income it generates and any capital gains. In total return swaps, the underlying asset, referred to as the reference asset, is usually an equity index, loans, or bonds. This is owned by the party receiving the set rate payment.

\$	Socially Responsible Fund		International Equity Fund	
	2021	2020	2021	2020
As at 31 March				
Total return swaps (notional value in NZ\$)	7,491,446	7,578,118	99,815,399	106,659,034
Total return swaps (fair value in NZ\$)	257,074	(1,096,057)	2,047,260	(25,543,559)



Notes to the Financial Statements

11. Financial risk management

The Trust Deed for the Funds requires the Manager to invest the assets of the Funds in accordance with the investment guidelines, as agreed with the Trustee from time to time, in order to manage risk. The Funds' activities expose them to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk). The Funds' overall risk management programme seeks to maximise the return 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 may use derivative financial instruments to moderate certain risk exposures.

The Funds use different methods to measure and manage the various types of risk to which it is exposed. These methods are explained below.

(a) Credit risk

Credit risk is the potential risk of financial loss resulting from the failure of counterparties to honour fully the terms and conditions of a contract with the Funds. The Funds are primarily exposed to credit risk through its investment activities. The maximum credit risk of financial instruments is considered to be the fair value. The Supervisor regularly reviews and approves an investment strategy that is implemented by the Manager.

The investment strategy incorporates an appropriate diversification of investments so that the Funds have no significant concentration of credit risk. An analysis of fixed interest securities by rating is set out in the table below.

With respect to forward currency contracts, the Funds' credit risk is managed by limiting the counterparties to a group of international banks and the Funds do not expect to incur any losses as a result of non-performance by these counterparties.

The table below shows the equivalent Standard & Poors credit rating for fixed interest securities designated at fair value through profit or loss:

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Socially Responsible Fund		Fixed Interest Fund	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
AAA+ to A-	-	-	-	-	-	-	4,865,734	5,908,801	176,113,384	113,166,170
BBB+ to BBB-	-	-	-	-	-	-	6,443,530	4,415,452	180,507,057	111,371,449
Unrated	-	-	-	-	-	-	904,496	1,376,593	19,398,508	24,091,320
Total	-	-	-	-	-	-	12,213,760	11,700,846	376,018,949	248,628,939

\$ As at 31 March	International Equity Fund		NZ Equity Fund		Australian Equity Fund		Altum Fund		Income Fund	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
AAA+ to A-	-	-	-	-	-	-	-	-	18,540,349	18,204,190
BBB+ to BBB-	-	-	-	-	-	-	-	-	153,917,324	116,943,962
Unrated	-	-	-	-	-	-	1,668,702	-	48,283,448	50,802,471
Total	-	-	-	-	-	-	1,668,702	-	220,741,121	185,950,623

All cash balances in the Funds are held with banks with a credit rating in the range AAA+ to A- according to Standard & Poor's.

Term deposits are held with banks with a credit rating in the range AAA+ to A- according to Standard & Poor's.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. Management consider the probability of default to be close to zero as the instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on expected credit losses as any such impairment would be wholly insignificant to the Fund.



Notes to the Financial Statements

11. Financial risk management (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Funds may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Liquidity management is designed to ensure that the Funds have the ability to generate sufficient cash in a timely manner to meet their financial commitments and normal level of redemptions. The Funds have a benchmark liquidity level which is monitored and maintained given normal investment conditions. Liquidity risk is managed by investing the majority of their assets in investments that are traded in an active market and can be readily disposed to enable them to meet liabilities as they fall due and unit redemptions when requested. In the event of abnormal levels of redemptions, timing of payment may be dependent on the ability of the Funds to realise their underlying investments on a timely basis. The Funds may periodically invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Funds may not be able to liquidate their investments in these investments at an amount close to their fair value to meet their liquidity requirements, or be able to respond to specific events such as deterioration in the creditworthiness of any particular issue. At 31 March 2021 and 31 March 2020, the Funds held no investments that are considered illiquid.

The Funds also have the ability in extraordinary situations to impose discretionary redemption restrictions, which include the ability to suspend redemptions or withhold varying amounts of any redemption requested. It is the intention of the Funds to exercise this ability only in instances where the payment of redemptions would put the remaining Unitholders in a disadvantageous position, or if the Funds are unable to liquidate their investments that would allow the Funds to pay redemptions as they fall due. The Funds have not withheld redemptions during the year (31 March 2020: nil).

The Funds have not experienced a higher number of client withdrawals as a result of COVID-19 nor have further withdrawal restrictions been imposed on members. The Funds remains appropriately liquid, having considered the liquidity of the underlying investments and level of potential withdrawals.

Other payables and outstanding settlements are due for settlement within one month of the end of the reporting period with the exception of performance fees which are paid annually in arrears. The table below shows the net undiscounted contracted cash outflows for the Funds' financial liabilities held at fair value through profit or loss:

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Socially Responsible Fund		Fixed Interest Fund	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Financial liabilities at fair value through profit or loss										
Carrying amount	-	(229,061)	-	(1,791,587)	-	(2,462,409)	(72,831)	(1,180,997)	(2,753,595)	(1,512,703)
<i>Undiscounted cash flows:</i>										
Less than 1 year	-	(229,061)	-	(1,791,587)	-	(2,462,409)	(72,831)	(1,180,997)	(1,096,164)	1,127,175
1-5 years	-	-	-	-	-	-	-	-	766,587	(984,377)
Over 5 years	-	-	-	-	-	-	-	-	682,438	78,982

\$ As at 31 March	International Equity Fund		NZ Equity Fund		Australian Equity Fund		Altum Fund		Income Fund	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Financial liabilities at fair value through profit or loss										
Carrying amount	-	(25,543,559)	(34,005)	-	(633,436)	(78,622)	(279,364)	(425,400)	(3,098,159)	(3,018,606)
<i>Undiscounted cash flows:</i>										
Less than 1 year	-	(25,543,559)	(34,005)	-	(633,436)	(78,622)	(279,364)	(425,400)	(1,552,432)	(501,323)
1-5 years	-	-	-	-	-	-	-	-	142,003	(2,529,997)
Over 5 years	-	-	-	-	-	-	-	-	370,700	(389,452)



Notes to the Financial Statements

11. Financial risk management (continued)

(c) Currency risk

The Funds may hold both monetary and non-monetary assets denominated in currencies other than the New Zealand dollar. Foreign currency risk, as defined in NZ IFRS 7, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. NZ IFRS 7 considers the foreign currency exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, management monitors the exposure on all foreign currency denominated assets and liabilities.

Currency risk management is undertaken by the Funds' Manager within the guidelines provided by the Supervisor. The Funds may enter into foreign exchange derivatives both to economically hedge the foreign currency risk implicit in the value of the portfolio securities denominated in foreign currency and to secure a particular exchange rate for a planned purchase or sale of securities. The terms and conditions of these contracts rarely exceeds one year. As the nature of these contracts is to manage the international investment activities of the Funds, they are accounted for by marking to market at year end date in a manner consistent with the valuation of the underlying securities. If applicable, the face value and fair value of derivatives are shown in Note 10 and included within the investments amount on the Statements of Financial Position.

At the balance date the Fund had the following foreign currency exposures due to holdings of monetary assets and liabilities (expressed in NZD equivalents):

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Socially Responsible Fund		Fixed Interest Fund	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Monetary assets/(liabilities)										
Australia (AUD)	-	-	-	-	-	-	(3,928,645)	(2,686,641)	(734,918)	(669,264)
United States (USD)	357,603	422,414	1,699,967	1,922,737	2,734,370	3,228,393	10,835,430	10,152,184	71,294,890	42,724,115
United Kingdom (GBP)	-	-	-	-	-	-	51,699	40,476	-	-
Europe (EUR)	-	-	-	-	-	-	29,347	17,968	-	-
Switzerland (CHF)	-	-	-	-	-	-	6,722	-	-	-
Japan (JPY)	-	-	-	-	-	-	113,405	115,962	-	-
Hong Kong (HKD)	-	-	-	-	-	-	188,012	2,149	-	-

\$ As at 31 March	International Equity Fund		NZ Equity Fund		Australian Equity Fund		Altum Fund		Income Fund	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Monetary assets/(liabilities)										
Australia (AUD)	8,418	7,992	(3,215,324)	7,396	(54,717,457)	(34,955,167)	(19,626,260)	(10,919,221)	(4,209,379)	(5,991,857)
Canada (CAD)	291,110	-	-	-	-	-	-	-	-	-
United States (USD)	107,585,742	157,292,105	-	-	153,972	135,882	3,833,433	6,259,743	39,020,462	42,171,350
United Kingdom (GBP)	2,968,461	137,805	-	-	-	-	-	-	-	-
Europe (EUR)	2,116,162	11,560	-	-	-	-	-	-	-	-
Switzerland (CHF)	84,528	53,545	-	-	-	-	5,599	-	-	-
Japan (JPY)	798	1,679,060	-	-	-	-	-	-	-	-
Hong Kong (HKD)	4,083	18,040	-	-	-	-	-	-	-	-

Sensitivity Analysis

The table below summarises the impact on the Statement of Comprehensive Income and Net Assets Attributable to Unit Holders on monetary assets and liabilities at balance date, had the exchange rates between the New Zealand dollar and the foreign currencies increased or decreased by 5% with all other variables held constant. The analysis is based on the Manager's best estimate of a reasonable possible shift in exchange rates with regard to historical volatility.

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Socially Responsible Fund		Fixed Interest Fund	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
All amounts in NZD equivalents										
Monetary assets/(liabilities)										
Exchange rates increased by 5%	(17,029)	(20,115)	(80,951)	(91,559)	(130,208)	(153,733)	(347,427)	(363,909)	(3,359,999)	(2,002,612)
Exchange rates decreased by 5%	18,821	22,232	89,472	101,197	143,914	169,915	383,998	402,216	3,713,683	2,213,413

Notes to the Financial Statements

11. Financial risk management (continued)

(c) Currency risk (continued)

\$	International Equity Fund		NZ Equity Fund		Australian Equity Fund		Altum Fund		Income Fund	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
As at 31 March										
Monetary assets/(liabilities)										
Exchange rates increased by 5%	(5,383,776)	(7,580,957)	153,111	(352)	2,598,261	1,658,061	751,773	221,880	(1,657,671)	(1,722,833)
Exchange rates decreased by 5%	5,950,490	8,378,953	(169,228)	389	(2,871,762)	(1,832,594)	(830,907)	(245,236)	1,832,162	1,904,184

At the balance date the Fund had the following foreign currency exposures due to holdings of non-monetary assets and liabilities (expressed in NZD equivalents):

\$	Conservative Fund		Balanced Fund		Growth Fund		Socially Responsible Fund		Fixed Interest Fund	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
As at 31 March										
Non monetary assets/(liabilities)										
Australia (AUD)	-	-	-	-	-	-	5,238,909	2,793,989	208,869	-
United States (USD)	-	-	-	-	-	-	9,887,911	7,004,271	(71,253,080)	(43,222,239)
United Kingdom (GBP)	-	-	-	-	-	-	597,778	487,784	-	-
Europe (EUR)	-	-	-	-	-	-	2,922,683	2,426,514	-	-
Switzerland (CHF)	-	-	-	-	-	-	92,894	-	-	-
Japan (JPY)	-	-	-	-	-	-	421,300	327,256	-	-
Hong Kong (HKD)	-	-	-	-	-	-	-	173,075	-	-

\$	International Equity Fund		NZ Equity Fund		Australian Equity Fund		Altum Fund		Income Fund	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
As at 31 March										
Non monetary assets/(liabilities)										
Australia (AUD)	-	-	3,646,611	-	55,832,517	35,976,678	20,537,305	10,927,870	4,963,582	1,954,367
Canada (CAD)	2,222,134	-	-	-	-	-	-	-	-	-
United States (USD)	221,847,497	123,233,743	-	-	-	-	6,670,013	2,508,722	(37,817,606)	(40,733,311)
United Kingdom (GBP)	-	1,748,302	-	-	-	-	-	-	-	-
Europe (EUR)	4,375,968	2,143,285	-	-	-	-	-	-	-	-
Switzerland (CHF)	4,872,447	1,754,740	-	-	-	-	3,883,544	-	-	-
Japan (JPY)	-	-	-	-	-	-	-	-	-	-
Hong Kong (HKD)	2,073,524	1,416,067	-	-	-	-	-	-	-	-

The table below summarises the impact on the Statement of Comprehensive Income and Net Assets Attributable to Unit Holders on non-monetary assets at balance date, had the exchange rates between the New Zealand dollar and the foreign currencies increased or decreased by 5% with all other variables held constant. The analysis is based on the Manager's best estimate of a reasonable possible shift in exchange rates with regard to historical volatility.

\$	Conservative Fund		Balanced Fund		Growth Fund		Socially Responsible Fund		Fixed Interest Fund	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
As at 31 March										
Non monetary assets/(liabilities)										
Exchange rates increased by 5%	-	-	-	-	-	-	(912,451)	(637,427)	3,383,058	2,058,202
Exchange rates decreased by 5%	-	-	-	-	-	-	1,008,499	704,524	(3,739,169)	(2,274,855)

\$	International Equity Fund		NZ Equity Fund		Australian Equity Fund		Altum Fund		Income Fund	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
As at 31 March										
Non monetary assets/(liabilities)										
Exchange rates increased by 5%	(11,209,122)	(6,204,578)	(173,648)	-	(2,658,691)	(1,713,175)	(1,480,517)	(639,838)	1,564,477	1,846,616
Exchange rates decreased by 5%	12,389,030	6,857,691	191,927	-	2,938,554	1,893,509	1,636,361	707,189	(1,729,159)	(2,040,997)



Notes to the Financial Statements

11. Financial risk management (continued)

(d) Cash flow and fair value interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows. The Funds may hold investments in interest earning financial instruments that expose the Funds to fair value interest rate risk. The Funds may also hold cash and cash equivalents that expose the Funds to cash flow interest rate risk. The interest rate risk arising from these investments is managed by the underlying Fund's Manager.

The table below summarises the sensitivity of the Funds net assets attributable to Unitholders to interest rate movements. The analysis is based on an interest rate movement of 1% which represents managements best estimate of a reasonable shift in interest rates having regard to historical volatility. If the interest rates at 31 March 2021 had increased or decreased by 1% (31 March 2020: +/-1%) with all other variables held constant, this would have increased/decreased comprehensive income and net assets attributable to Unitholders by approximately:

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Socially Responsible Fund		Fixed Interest Fund	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Impact on Profit and Loss if interest rates increased by 1%	314,104	52,517	366,270	49,885	293,413	81,430	(230,599)	(282,930)	(14,514,651)	(7,018,646)
Impact on Profit and Loss if interest rates decreased by 1%	(314,104)	(52,517)	(366,270)	(49,879)	(293,413)	(81,430)	218,103	240,021	15,097,119	7,281,873

\$ As at 31 March	International Equity Fund		NZ Equity Fund		Australian Equity Fund		Altum Fund		Income Fund	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Impact on Profit and Loss if interest rates increased by 1%	1,011,446	836,143	206,084	156,917	38,768	100,495	174,625	205,604	(7,513,301)	(4,615,209)
Impact on Profit and Loss if interest rates decreased by 1%	(1,011,446)	(836,129)	(206,084)	(156,917)	(38,768)	(100,495)	(174,625)	(205,604)	8,728,957	4,893,313

(e) Price risk

The Funds are exposed to the risk of price movements, mainly from exchange traded securities and unit trusts. This arises from investments held by the Funds for which prices in the future are uncertain. Where non-monetary financial instruments, i.e. equities and options - are denominated in currencies other than the New Zealand dollar (NZD), the price initially expressed in foreign currency and then converted into NZD will also fluctuate because of changes in foreign exchange rates. Paragraph (c) 'Currency risk' sets out how this component of price risk is managed and measured.

Price risk is managed through diversification and selection of securities and other financial instruments within specified limits and in accordance with mandates and overall investment strategy.

The majority of the Funds' equity investments and listed debt assets are publicly traded and are included within the New Zealand and Australian Stock Exchanges. The overall market position is monitored by the Funds' Manager. Compliance with the Funds' investment policies are reported to the Board of the Manager.

Following the impact of COVID-19 and the resulting volatility in financial markets the Manager has reviewed this price risk sensitivity analysis and at the date of this report believe the price range sensitivity remains appropriate.

The table below summarises the sensitivity of the Funds net assets attributable to Unitholders to equity security, listed debt and unit trust price movements, including the effect of movements in foreign currency exchange rates on equity securities prices, as at 31 March. The analysis is based on a price move of 5% which represents managements best estimate of a reasonable shift in prices having regard to historical volatility.

If the prices of equity securities (including options and total return swaps), listed debt and unit trusts in which the Funds invest in at 31 March 2021 had increased or decreased by 5% (31 March 2020: +/-5%) with all other variables held constant, this would have increased/decreased comprehensive income and net assets attributable to Unitholders by approximately:

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Socially Responsible Fund		Fixed Interest Fund	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Effect on Funds equity of a 5% increase in security prices	4,514,231	4,123,930	12,023,075	10,193,747	13,076,384	10,781,468	1,808,590	1,549,407	4,727,699	3,717,960
Effect on Funds equity of a 5% decrease in security prices	(4,514,231)	(4,123,930)	(12,023,075)	(10,193,747)	(13,076,384)	(10,781,468)	(1,808,590)	(1,549,407)	(4,727,699)	(3,717,960)

\$ As at 31 March	International Equity Fund		NZ Equity Fund		Australian Equity Fund		Altum Fund		Income Fund	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Effect on Funds equity of a 5% increase in security prices	16,657,985	13,122,933	6,828,312	3,392,469	2,791,626	1,798,834	2,570,089	1,580,043	5,515,090	4,403,671
Effect on Funds equity of a 5% decrease in security prices	(16,657,985)	(13,122,933)	(6,828,312)	(3,392,469)	(2,791,626)	(1,798,834)	(2,570,089)	(1,580,043)	(5,515,090)	(4,403,671)



Notes to the Financial Statements

11. Financial risk management (continued)

(f) Fair value estimation

The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the end of the reporting period. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker or pricing service, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Funds use a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used for non-standard financial instruments such as over the counter derivatives include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, options pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity specific inputs.

For instruments for which there is no active market, the Funds may use internally developed models which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted equity, debt securities and other debt instruments for which markets were or have been inactive during the year. Some of the inputs to these models may not be market observable and therefore estimated based on assumptions.

The fair value hierarchy has the following levels:

- (i) Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- (ii) Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices)
- (iii) Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The level in the fair value hierarchy within the fair value measurement is categorised in its entirety is determined on the basis of the lowest input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

There have been no changes to the fair value hierarchy classification of investments as a result of the impact of COVID-19 and the level remains as disclosed below.

The determination of what constitutes 'observable' requires significant judgement by the Manager. The Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable and provided by independent sources that are actively involved in the relevant market. The following table analyses within the fair value hierarchy the Funds financial assets and liabilities (by class) measured at fair value at 31 March 2021. There are no Level 3 financial instruments.

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Socially Responsible Fund		Fixed Interest Fund	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Level 1 Assets										
<i>Financial assets mandatorily measured at fair value through profit or loss</i>										
Listed equities	-	-	-	-	-	-	11,573,235	7,827,995	-	-
Listed funds/trusts	-	-	-	-	-	-	11,704,533	10,141,343	-	-
Total Level 1 Assets	-	-	-	-	-	-	23,277,768	17,969,338	-	-
Level 2 Assets										
<i>Financial assets mandatorily measured at fair value through profit or loss</i>										
Unlisted trusts	90,284,622	82,478,594	240,461,508	203,874,935	261,527,688	215,629,352	-	-	-	-
Fixed interest securities	-	-	-	-	-	-	12,213,760	11,700,846	376,018,949	248,628,939
Forward foreign exchange contracts	-	-	-	-	-	-	153,864	43,410	-	630,137
Interest rate swaps	-	-	-	-	-	-	-	-	1,210,549	3,383,328
Total return swaps	-	-	-	-	-	-	257,074	-	-	-
Total Level 2 Assets	90,284,622	82,478,594	240,461,508	203,874,935	261,527,688	215,629,352	12,624,698	11,744,256	377,229,498	252,642,404
Level 2 Liabilities										
<i>Financial liabilities mandatorily measured at fair value through profit or loss</i>										
Forward foreign exchange contracts	-	(229,061)	-	(1,791,587)	-	(2,462,409)	(72,831)	(84,940)	(845,547)	(27,320)
Interest rate swaps	-	-	-	-	-	-	-	-	(1,908,048)	(1,485,383)
Total return swaps	-	-	-	-	-	-	-	(1,096,057)	-	-
Total Level 2 Liabilities	-	(229,061)	-	(1,791,587)	-	(2,462,409)	(72,831)	(1,180,997)	(2,753,595)	(1,512,703)



Notes to the Financial Statements

11. Financial risk management (continued)

(f) Fair value estimation (continued)

\$ As at 31 March	International Equity Fund		NZ Equity Fund		Australian Equity Fund		Altum Fund		Income Fund	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Level 1 Assets										
<i>Financial assets mandatorily measured at fair value through profit or loss</i>										
Listed equities	49,297,391	23,951,091	136,566,236	67,849,382	55,832,517	35,976,678	49,695,389	31,600,862	20,772,280	5,672,049
Listed funds/trusts	184,046,776	131,848,528	-	-	-	-	-	-	-	2,069,622
Equity index options	143	40,077	-	-	-	-	37,695	-	-	-
Total Level 1 Assets	233,344,310	155,839,696	136,566,236	67,849,382	55,832,517	35,976,678	49,733,084	31,600,862	20,772,280	7,741,671
Level 2 Assets										
<i>Financial assets mandatorily measured at fair value through profit or loss</i>										
Fixed interest securities	-	-	-	-	-	-	1,668,702	-	220,741,121	185,950,623
Forward foreign exchange contracts	1,945,485	5,448,329	-	-	-	224,025	-	96,808	-	360,056
Interest rate swaps	-	-	-	-	-	-	-	-	1,267,473	2,379,833
Total return swaps	2,047,260	-	-	-	-	-	-	-	-	-
Total Level 2 Assets	3,992,745	5,448,329	-	-	-	224,025	1,668,702	96,808	222,008,594	188,690,512
Level 2 Liabilities										
<i>Financial liabilities mandatorily measured at fair value through profit or loss</i>										
Forward foreign exchange contracts	-	-	(34,005)	-	(633,436)	(78,622)	(279,364)	(425,400)	(883,350)	-
Interest rate swaps	-	-	-	-	-	-	-	-	(2,214,809)	(3,018,606)
Total return swaps	-	(25,543,559)	-	-	-	-	-	-	-	-
Total Level 2 Liabilities	-	(25,543,559)	(34,005)	-	(633,436)	(78,622)	(279,364)	(425,400)	(3,098,159)	(3,018,606)

There were no transfers between levels during the year.

12. Subsequent Events

There have been no events subsequent to balance date that require adjustment to, or disclosure of, in these financial statements.





Independent Auditor's Report

To the Unitholders of QuayStreet Funds, which comprise:

- QuayStreet Conservative Fund
- QuayStreet Balanced Fund
- QuayStreet Growth Fund
- QuayStreet Socially Responsible Investment Fund
- QuayStreet Fixed Interest Fund
- QuayStreet International Equity Fund
- QuayStreet New Zealand Equity Fund
- QuayStreet Australian Equity Fund
- QuayStreet Altum Fund
- QuayStreet Income Fund

Report on the audit of the financial statements

Opinion

In our opinion, the accompanying financial statements of the QuayStreet Funds (the 'Funds') on pages 3 to 30:

- i. Present fairly in all material respects the Funds' financial positions as at 31 March 2021 and their financial performance and cash flows for the year ended on that date; and
- ii. Comply with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

We have audited the accompanying financial statements which comprise:

- The statements of financial position as at 31 March 2021;
- The statements of comprehensive income, changes in net assets attributable to unitholders and cash flows for the year then ended; and
- Notes, including a summary of significant accounting policies and other explanatory information.



Basis for opinion

We conducted our audits 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 opinions.

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.

The audit fees are currently paid by the Funds' manager, QuayStreet Asset Management Limited, for whom statutory audit services are performed. Our firm has also provided other services to the Funds in relation to assurance services. Subject to certain restrictions, partners and employees of our firm may also deal with the Funds on normal terms within the ordinary course of trading activities of the business of the Funds. These matters have not impaired our independence as auditor of the Funds. The firm has no other relationship with, or interest in, the Funds.

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

Existence and valuation of investments

Refer to Note 7.1 to the Financial Statements.

Investments are the Funds' main assets, and existence and valuation of these investments is the most important aspect of preparing the financial statements.

As described in Note 7.1, the Funds' investments comprise liquid investments including:

- Listed equities;
- Listed funds/trusts;
- Unlisted trusts;
- Forward foreign exchange contracts;
- Equity index options;
- Interest rate swaps; and
- Total return swaps

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 custodian, investment accounting and registry service provider by obtaining and reading the service organisation reports issued by an independent auditor on design and operation of those controls throughout the period;
- Agreeing the valuation of listed equities, listed unit trusts and fixed interest securities to independent third-party confirmations;
- Agreeing the valuation of unlisted unit trusts to the redemption value per unit as reported by the individual external Fund Managers;
- Agreeing the valuation of cash accounts and term deposits to bank confirmations or third-party evidence;
- With support of our valuation specialists, agreeing the reasonableness of valuation of forward exchange contracts, equity index options, interest rate swaps and total return swaps to independent third-party sources; and
- Consideration of the fair value hierarchy level assigned to each investment and the appropriateness of the valuation information available.

We did not identify any material differences from our procedures.



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, is 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) and International Financial Reporting Standards;
- Implementing necessary internal control to enable the preparation of a set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- Assessing the ability of each Fund 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 audits 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-4/>

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

The engagement partner on the audit resulting in this independent auditor's report is Glenn Keaney.

For and on behalf of



KPMG
Tauranga

22 June 2021