



Understanding Your Attitude to Risk

INTRODUCING RISK AND RETURN

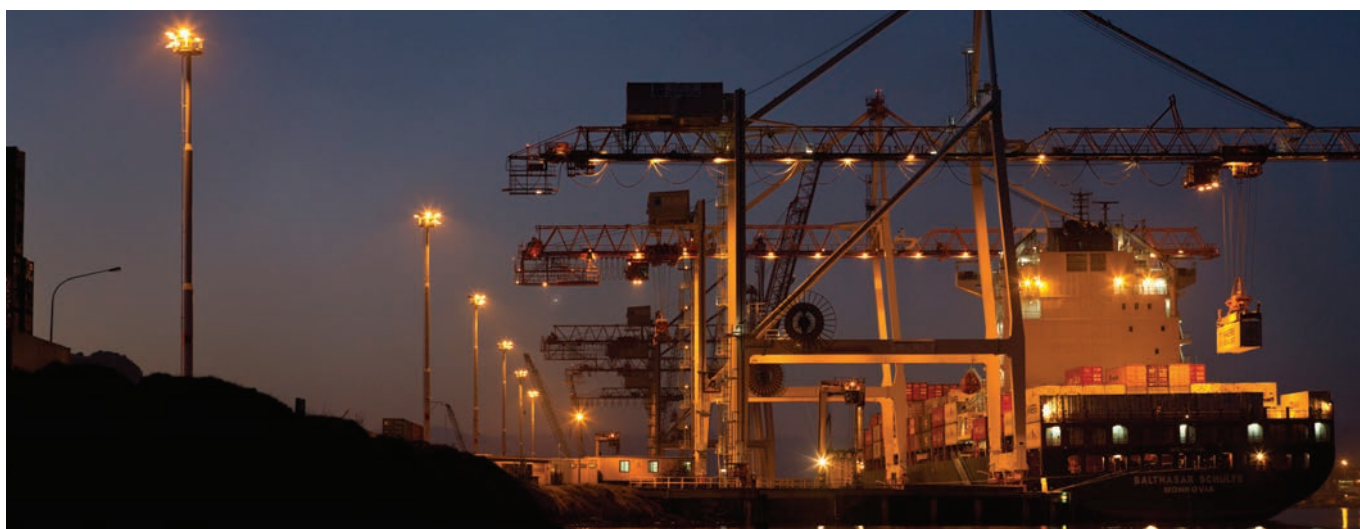
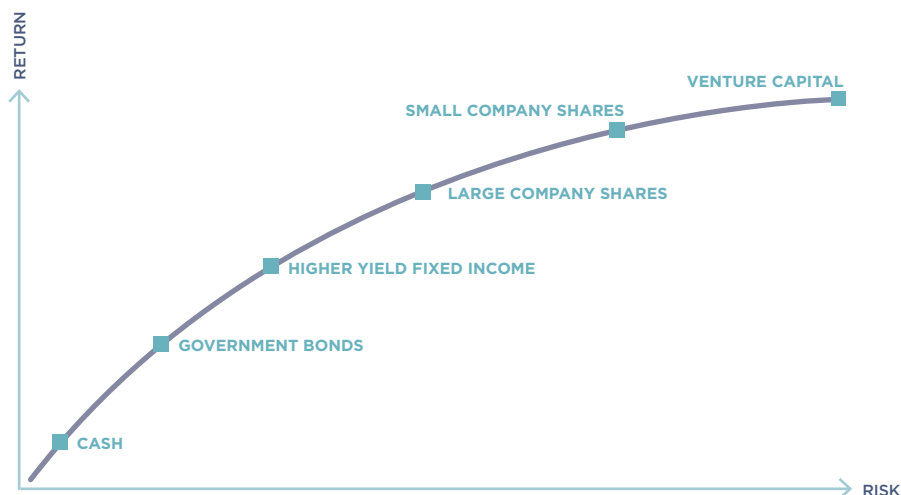
Investing requires a balance between risk and return. The key is determining what level of Investment risk you feel comfortable with before you invest since risk tolerance differs from person to person. Your investment timeframe should also be taken into account when considering what investment is suitable for you. Without ascertaining your appetite for risk, you may expose yourself to too much risk, or possibly not attain the returns you would like, based on your investment timeframe. This document is an introduction to the different risk profiles, and the type of investments that might be appropriate for each.

RISK/RETURN TRADEOFF

A lower level of uncertainty (risk) is generally associated with lower potential returns. Conversely higher levels of uncertainty (risk) are associated with higher potential returns. The risk-return trade off is a key decision in the investment process. An investor's potential returns will be limited by

their tolerance for risk. The information provided here is an introduction and is illustrative only. For further advice, you should speak to an investment adviser to discuss your risk profile, investment goals, and the suitability of particular investments.

RISK AND RETURN



RISK PROFILE GUIDE

EXAMPLE RISK PROFILES

Lower Risk

25% GROWTH 75% DEFENSIVE



MOSTLY DEFENSIVE ASSETS

Some Key Risks

Low inflation protection. Interest rate changes. NZ focussed.

Risk Profile

Often suitable for those who are more interested in capital protection and current income than inflation protection or growth.

Investment Timeframe

Access to funds may be required in the shorter-term.

Investor generally has a shorter investment horizon (3-5 years).

QuayStreet Funds - Lower Risk

- > QuayStreet Income Fund
- > QuayStreet Fixed Interest fund
- > QuayStreet Conservative Fund

Medium Risk

60% GROWTH 40% DEFENSIVE



MIX OF GROWTH AND DEFENSIVE ASSETS

Some Key Risks

Sharemarket volatility. Interest rate changes.

Risk Profile

Suitable for people who have some need for current income but future income and growth is a priority. Need to be comfortable with a medium level of risk.

Investment Timeframe

Access to funds may be required in the medium-term.

Investor has a moderate investment horizon (5-10 years).

QuayStreet Funds - Medium Risk

- > QuayStreet Balanced Fund
- > QuayStreet Socially Responsible Investment Fund

Higher Risk

90% GROWTH 10% DEFENSIVE



MOSTLY GROWTH ASSETS

Some Key Risks

Sharemarket volatility. Exchange rates.

Risk Profile

Suitable for people who have a longer term investing horizon and more focus on future than current income.

They must be able to tolerate a relatively high level of risk.

Investment Timeframe

Access to funds may not be required in the short or medium-term.

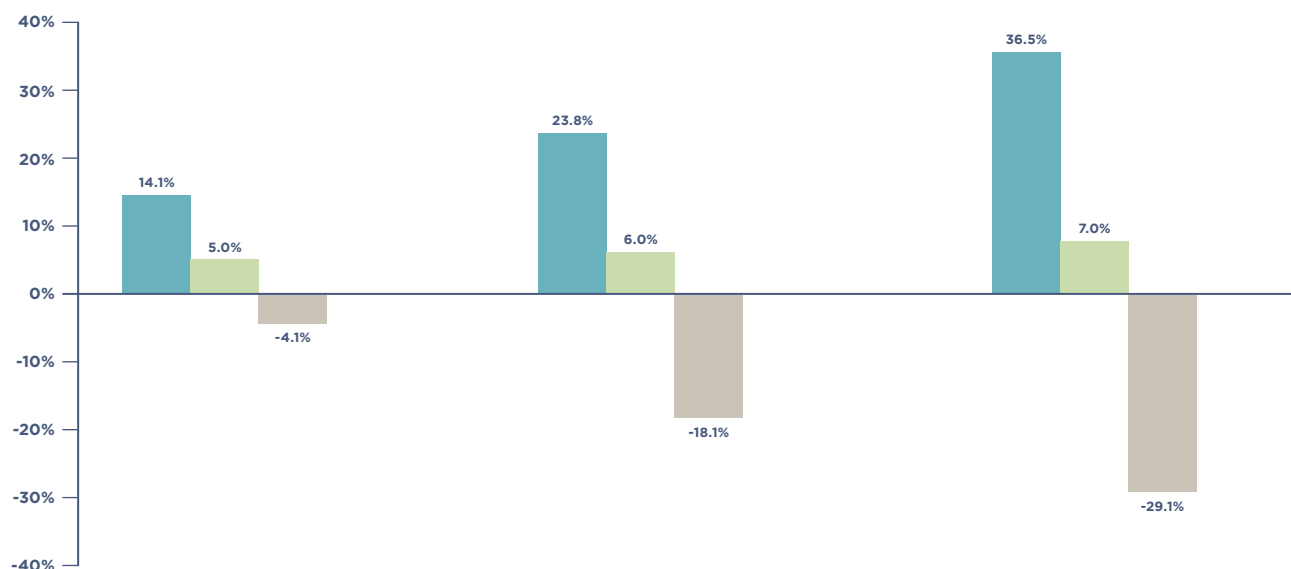
Investor has a long-term investment horizon (approximately 8+ years).

QuayStreet Funds - Higher Risk

- > QuayStreet NZ Equity Fund
- > QuayStreet Australian Equity Fund
- > QuayStreet International Equity Fund
- > QuayStreet Growth Fund
- > QuayStreet Altum Fund

Rolling 12 month returns (best, worst, expecteds)*

BEST 12 MONTH RETURN INDICATIVE AVERAGE RETURN WORST 12 MONTH RETURN



* Using return data since 1993. Returns are before tax and fees



HOW TO IDENTIFY YOUR RISK PROFILE

Complete the following questionnaire.
Circle **one** response per question that is most appropriate for you.

Q1. What age bracket are you in?	CIRCLE ONE
> Under 35 years	10
> 36 to 45 years	7
> 46 to 55 years	4
> Over 56 years	1

Q2. What is your investment time frame?	
> Less than 5 years	1
> Between 5 & 7 years	4
> Between 8 & 10 years	7
> Greater than 10 years	10

Q3. Investment funds may rise and fall in value. Which statement best describes your feelings towards fluctuations in value?	
> I wish to preserve my capital and am unwilling to accept any decline in the value of my investment.	1
> I can accept only marginal fluctuations in the value of my investments.	3
> I understand that pursuing higher returns may mean accepting fluctuations in the value of my Investments.	5
> I can accept a reasonable degree of fluctuations in the value of my investments.	7
> My aim is to achieve long-term growth. I can accept a higher degree of fluctuations in the value of my investments.	10

Q4. Choose the statement that best describes your feelings towards investments	
> I prefer an investment portfolio with virtually no risk, recognising there may be no capital growth potential.	1
> I prefer an investment portfolio of lower to medium-risk funds that offers conservative growth potential.	3
> I prefer an investment portfolio of medium-risk funds that offers balanced growth potential over a medium term.	5
> I prefer an investment portfolio of medium to higher-risk funds with higher potential returns over a longer term.	7
> I prefer higher-risk investments that offer the highest potential returns over the longer term.	10

➔ YOUR TOTAL SCORE.	
Add up the number that corresponds to each of your circled responses for questions 1 to 4.	
	TOTAL

YOUR SCORE	CONSIDER THESE PORTFOLIO OPTIONS
Lower Risk: Less than 15	consider the QuayStreet Income Fund, QuayStreet Fixed Interest Fund or QuayStreet Conservative Fund.
Medium Risk: 16 to 29	consider the QuayStreet Balanced Fund or QuayStreet Socially Responsible Investment Fund.
Higher Risk: 30 and above	consider the QuayStreet Growth Fund, QuayStreet New Zealand Equity Fund, QuayStreet Australian Equity Fund, QuayStreet International Equity Fund or QuayStreet Altum Fund.

Please bear in mind that this is only a guide and is not a substitute for a detailed investment plan. This information is not personalised financial advice and does not take into account your particular situation. We recommend you seek advice before making any investment decision. Investments are subject to risks and returns are not guaranteed. If you have completed this guide, and would like to discuss your findings contact a QuayStreet Asset Management on 0800 782 900.



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