

Fund Description

The QuayStreet Australian Equity Fund invests in a diversified portfolio of Australian shares. The investment objective is to provide investors with a level of return consistent with the Australian sharemarket over the long term. Investment returns will vary substantially from year to year and may be negative.

Monthly Update

It was a volatile month in the Australian sharemarket due to the condensed flow of corporate earnings announcements. There were not many surprises in company revenues but there were a few positive surprises in terms of cost control. This was primarily a theme across the Materials and Energy sectors. The S&P/ASX 200 returned -1.6% in AUD terms and underperformed most global markets.

The Information Technology (+5.2%) and Energy (+3.1%) sectors were the best performers where the high yield sectors such as Telecommunications (-6.5%) and Utilities (-5.7%) were the worst as concerns over the US Federal Reserve raising rates heightened. Economic data was mixed with softer retail sales offset by stronger consumer confidence and employment. The RBA revised down its inflation forecasts in its Monetary Policy Statement and reduced the OCR by 25bp to 1.5%, a new historical low.

The Fund returned -1.8% slightly underperforming its benchmark. Top contributors to relative performance were the overweight positions in Ramsay Healthcare and Cleanaway where the worst were the overweight positions in Mayne Pharma and Ooh! Media Group. There were no significant changes made to the Fund during the month except a slight increase in Brambles post reporting.

Monthly Return before fees and tax*

Australian Equity Fund	-1.79%
S&P/ASX 200 Index	-1.55%

*Longer term returns on page 2.

Australian Equity Fund Facts

Launch Date	30-Nov-10
Management Fee	1.25%
Unit Price (31 Aug 16)	\$1.3830
Fund NAV (31 Aug 16)	\$29,999,967

Investment Ranges

Australian Equity	70-100%
Cash	0-30%

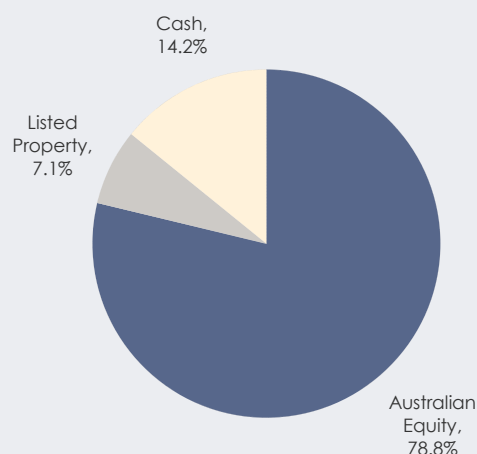
Benchmark

S&P/ASX 200 Index	100%
-------------------	------

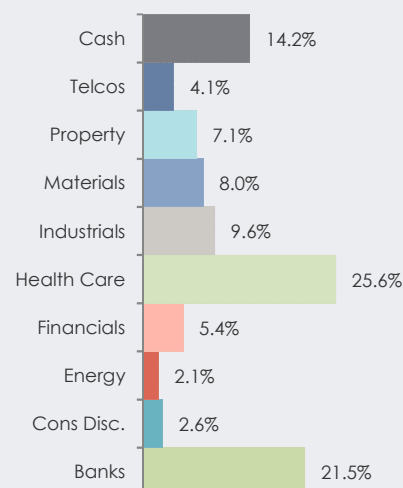
Top 5 Holdings

	Weight
Commonwealth Bank of Australia	11.32%
Ramsay Health Care	7.93%
Mayne Pharma Group	7.92%
CSL	6.88%
Westpac Banking Corp	5.55%

Asset Class Allocation



Sector Allocation



QUAYSTREET AUSTRALIAN EQUITY FUND

Update as at **31 August 2016**

Australian Equity Fund Performance as at 31-Aug-2016

Returns before fees and tax	1 Month	3 Months	6 Months	1 Year	3 Years*	5 Years*	Inception*
Australian Equity Fund ¹	-1.79%	3.47%	14.38%	15.57%	9.02%	9.61%	7.27%
Benchmark Return ²	-1.55%	2.07%	13.91%	9.30%	5.64%	7.16%	5.13%
Returns after fees and tax³							
Highest PIR tax rate (currently 28%)	-2.03%	3.09%	13.40%	13.53%	6.86%	7.41%	5.13%
Medium PIR tax rate (currently 17.5%)	-1.98%	3.11%	13.50%	13.75%	7.14%	7.72%	5.43%
Low PIR tax rate (currently 10.5%)	-1.95%	3.12%	13.56%	13.87%	7.33%	7.91%	5.61%
Zero PIR tax rate	-1.91%	3.14%	13.65%	14.09%	7.61%	8.20%	5.89%

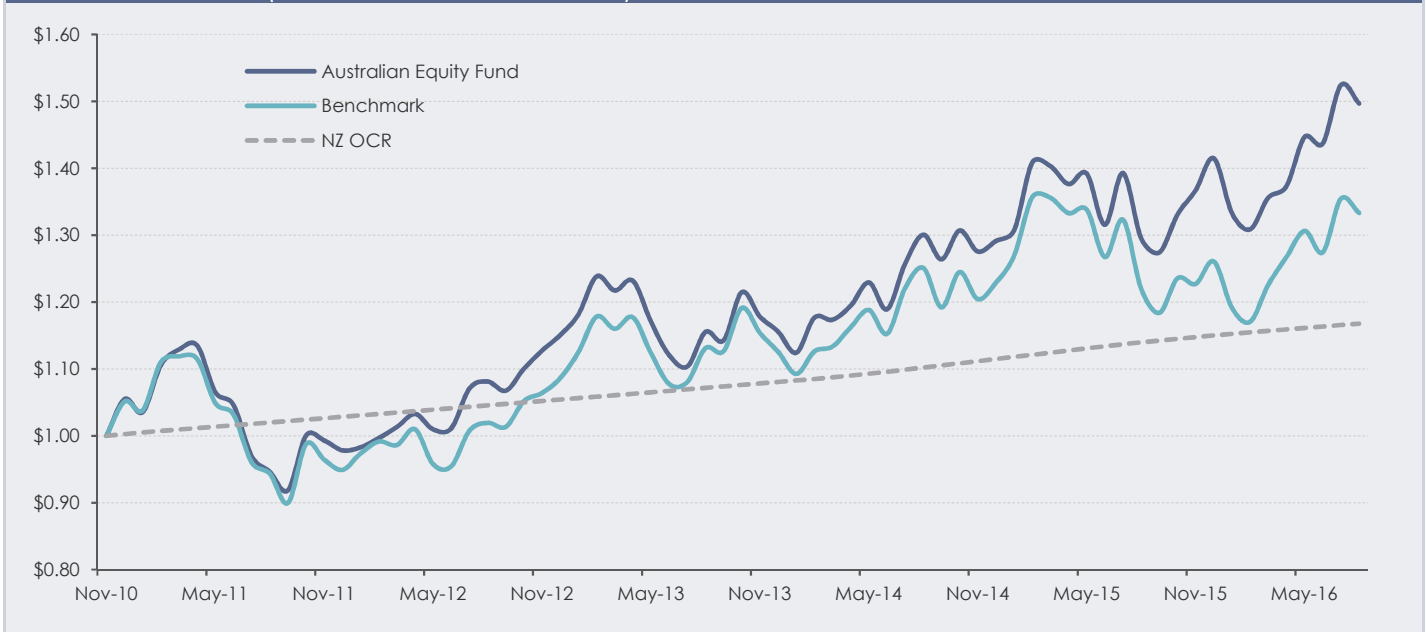
1. Includes imputation credits where applicable

2. Historic performance based on the benchmark that was effective at the time (currently the S&P/ASX 200 Index)

3. Includes all fees and tax deducted at the Fund level but not advisory or any other third party expenses

* Return calculations are annualised

Performance Chart (returns before fees and tax)



QuayStreet Asset Management Limited (QSAM) is the Manager and Issuer of the QuayStreet Funds. A Product Disclosure Statement (PDS) is available by contacting our Client Services team on 0800 782 900 or visit www.quaystreet.com. Disclosure statements are available on request and free of charge.

This information is intended to provide a general overview of the fund and whilst the information is believed to be accurate and complete at the time of issue no guarantee or warranty is given nor responsibility accepted in this respect. Asset allocations can be changed from time to time and may be different because of factors such as market conditions and our ability to buy or sell assets at that time. Investments are subject to risks, the values can go down as well as up and investors may not get back the full amount invested.

Past performance is not a reliable guide to future performance. Returns or performance are not guaranteed by QSAM, Craigs Investment Partners Limited, The New Zealand Guardian Trust Company Limited, any related companies or any other person. This information is not a substitute for professional advice and does not take into account the investment objectives, financial situation or particular needs of any particular person. We recommend you read the PDS and seek professional assistance from an Authorised Financial Adviser.

This report refers to indices that are products of S&P Dow Jones Indices LLC and are licenced for use by QuayStreet Asset Management. A full disclaimer for the use of these products can be found at www.quaystreet.com/Terms-and-Conditions.aspx