

## Fund Description

The QuayStreet Income Fund invests in a diversified portfolio of income producing assets including cash, term deposits, fixed interest securities, listed property, infrastructure and utility securities and equities. The investment objective is to provide investors with a high level of income relative to prevailing short term interest rates. The Fund will make quarterly distributions and aims to preserve the real value of investments relative to inflation over the medium term. Investment returns will vary from year to year and may be negative.

## Monthly Update

It was another good month for Australasian bond markets with yields down slightly and credit spreads continuing to contract. As has been the case for the last few months, investor appetite for yield remains very strong and has led to an increased willingness to invest in riskier assets. This is a global trend and has led to the relative outperformance of corporate bonds to government bonds.

It was a mixed month for local equity markets with New Zealand outperforming Australia, and quite wide variance in sector returns. This was mainly due to stock specific factors as news flow was dominated by company earnings announcements. There was not a large impact on the Fund as there were no significant earnings 'surprises' for the companies in the Fund and the total equity weighting remains relatively low at 12.6%.

The Fund had a return of 0.7% for August which was ahead of its benchmark. All asset classes performed well with the strongest returns from Australian fixed interest securities. During the month the Fund participated in new issues by Mirvac Group and Kiwi Property Group. This was funded by a reduction in cash and also by reduced exposure to subordinated bonds.

## Monthly Return before fees and tax\*

Income Fund	0.66%
NZ OCR + 2%	0.34%

\*Longer term returns on page 2.

## Income Fund Facts

Launch Date	30-Sep-14
Management Fee	0.75%
Unit Price (31 Aug 16)	\$1.0732
Fund NAV (31 Aug 16)	\$63,097,346
Last Distribution (13 Jul 16)	0.65 <i>cpu</i>
Distribution Frequency	3 months
Trailing Gross Distribution Yield	3.36%
<i>(This is the annualised distribution yield based on the last distribution, the current unit price and gross of tax at a PIR of 28%)</i>	

## Investment Ranges

Australasian Equity	0-30%
New Zealand Fixed Interest	0-100%
International Fixed Interest	0-100%
Cash	0-20%

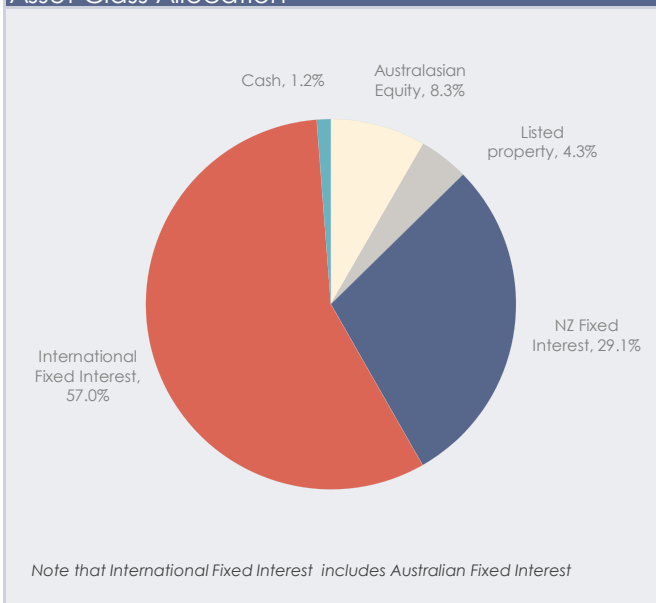
## Benchmark

NZ OCR + 2%	100%
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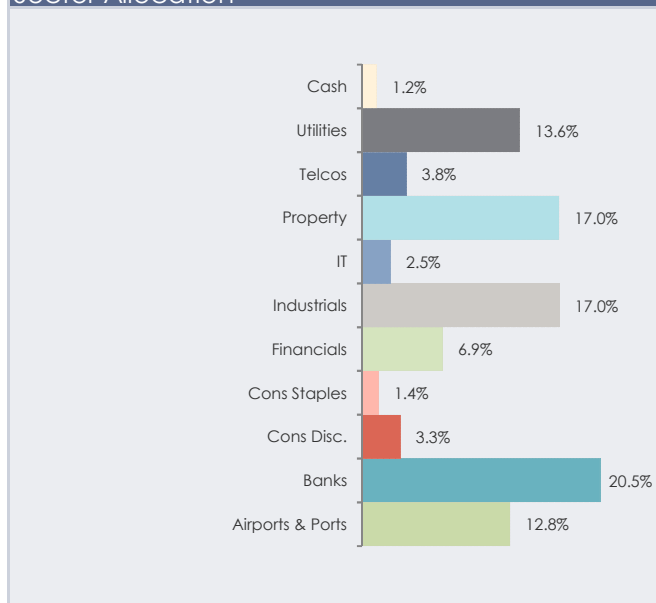
## Top 5 Holdings

Top 5 Holdings	Weight
Sydney Airport Inflation Linked (Nov 2020)	3.46%
Port of Brisbane (June 2023)	2.95%
Kiwi Property Group (Aug 2023)	2.69%
ANZ Subordinated Notes (Jun 2022)	2.68%
Westpac Subordinated Notes (Aug 2022)	2.66%

## Asset Class Allocation



## Sector Allocation



## Income 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
Income Fund <sup>1</sup>	0.66%	2.37%	5.28%	8.18%			7.55%
Benchmark Return <sup>2</sup>	0.34%	1.04%	2.11%	4.46%			4.91%
<b>Returns after fees and tax<sup>3</sup></b>							
Highest PIR tax rate (currently 28%)	0.43%	1.69%	3.84%	5.84%			5.28%
Medium PIR tax rate (currently 17.5%)	0.49%	1.88%	4.24%	6.40%			5.82%
Low PIR tax rate (currently 10.5%)	0.53%	1.99%	4.49%	6.78%			6.18%
Zero PIR tax rate	0.59%	2.17%	4.88%	7.35%			6.72%

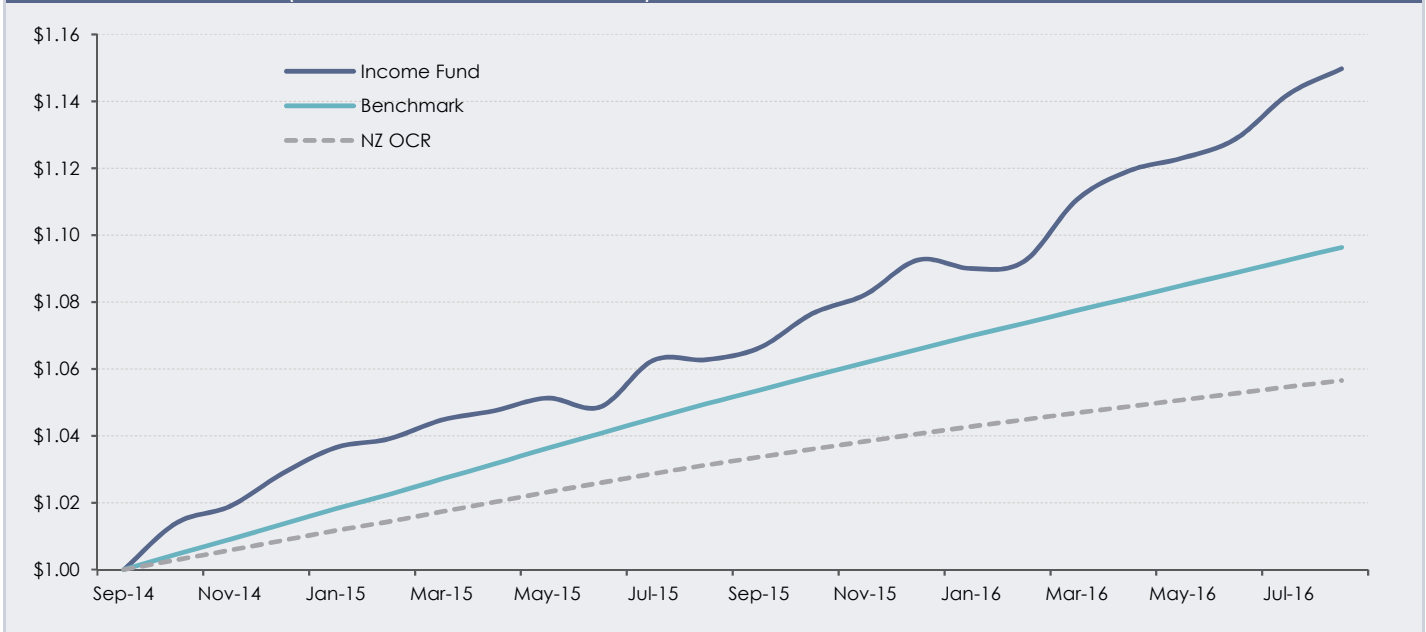
1. Includes imputation credits where applicable

2. Historic performance based on the benchmark that was effective at the time (currently the NZ OCR + 2%)

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](http://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.

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