

QUAYSTREET ALTUM FUND

Update as at 31 Dec 2016

Fund Description

The QuayStreet Altum Fund invests in a concentrated portfolio of shares, predominantly listed in New Zealand and Australia. The investment objective is to provide investors with a high level of return over the long term regardless of sharemarket returns. Investment returns will vary substantially from year to year and may be negative.

Monthly Update

Global sharemarkets continued to surge in December on continued optimism on what impact Trump's potential economic policies may have on US and global growth. The Australian share market performed strongly as the S&P/ASX 200 rose 4.4% for the month however the global rally did not seem to have any impact in New Zealand as the S&P/NZX 50 underperformed with a return of -0.2%.

The Fund returned -1.1% underperforming its benchmark which returned 0.6%. The bulk of the Fund's underperformance was driven by a few Healthcare positions. Sirtex fell 48.7% after the company downgraded its FY17 earnings outlook and Mayne Pharma fell 15.7% after a US antitrust lawsuit was filed by a coalition of 20 US states against it and a number of other generic drug manufacturers. Positions that outperformed were Next DC which returned 15.2% and Scottish Pacific which returned 12.8%; making a slight recovery from its decline in November after the company downgraded its earnings guidance.

During the month the Fund increased its position in Fisher & Paykel Healthcare. This was funded by exiting the positions in Sirtex and Tegel. We continue to hold a relatively high cash position in the Fund as we believe volatility will remain high in the near term which may create attractive investment opportunities.

Monthly Return before fees and tax*

Altum Fund	-1.06%
NZ OCR + 6%	0.64%

*Longer term returns on page 2.

Altum Fund Facts

Launch Date	22-Sep-14
Management Fee	1.25%*
Unit Price (31 Dec 16)	\$1.2093
Fund NAV (31 Dec 16)	\$31,991,439

Investment Ranges

Australasian Equity	0-100%
Cash	0-100%

Benchmark

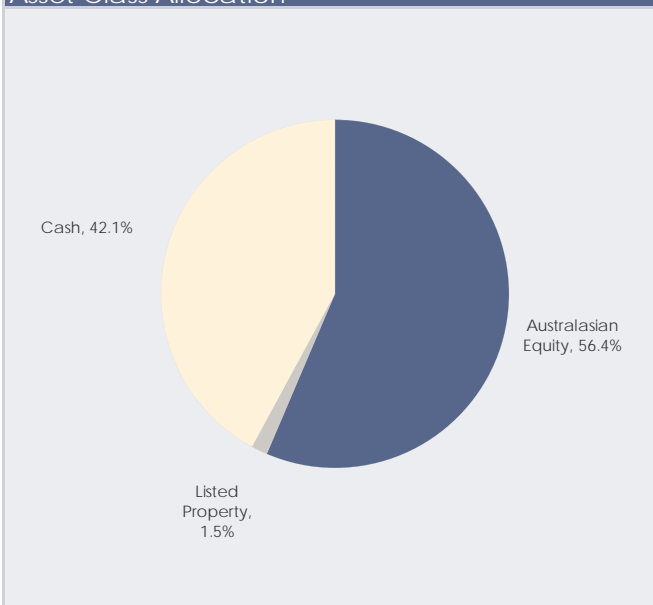
NZ OCR + 6%	100%
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Top 5 Holdings

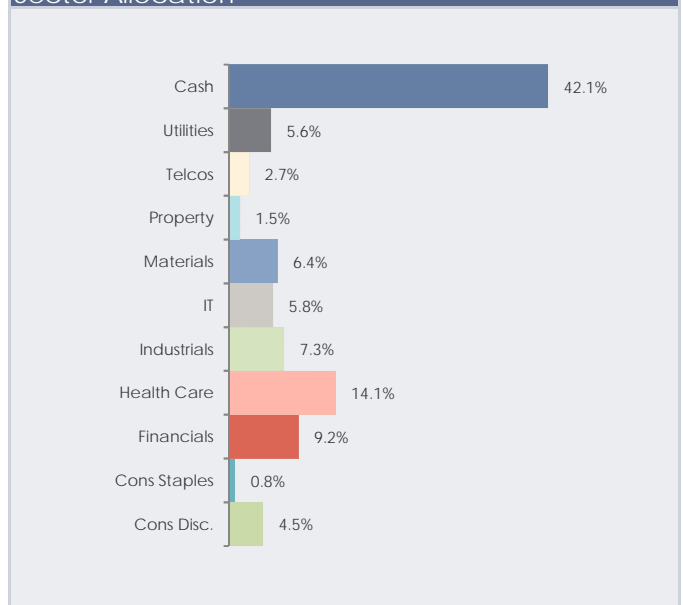
	Weight
Contact Energy	5.58%
Fisher & Paykel Healthcare	5.33%
oOH Media Group	4.51%
Mayne Pharma Group	4.46%
Eclix	4.21%

* A performance fee of 15% of the excess return (before tax) above the benchmark is payable to the manager of the Fund. A high water mark applies. Please refer to the QuayStreet Product Disclosure Statement (PDS), under the section titled "What are the fees?" for further explanation.

Asset Class Allocation



Sector Allocation



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Altum Fund Performance as at 31-Dec-2016

Returns before fees and tax	1 Month	3 Months	6 Months	1 Year	3 Years*	5 Years*	Inception
Altum Fund ¹	-1.06%	-6.72%	-1.51%	4.58%			10.78%
Benchmark Return ²	0.64%	1.94%	3.96%	8.20%			8.78%
Returns after fees and tax³							
Highest PIR tax rate (currently 28%)	-1.25%	-6.63%	-1.98%	2.89%			8.67%
Medium PIR tax rate (currently 17.5%)	-1.22%	-6.46%	-1.88%	3.07%			8.80%
Low PIR tax rate (currently 10.5%)	-1.20%	-6.35%	-1.82%	3.18%			8.86%
Zero PIR tax rate	-1.16%	-6.17%	-1.73%	3.34%			8.98%

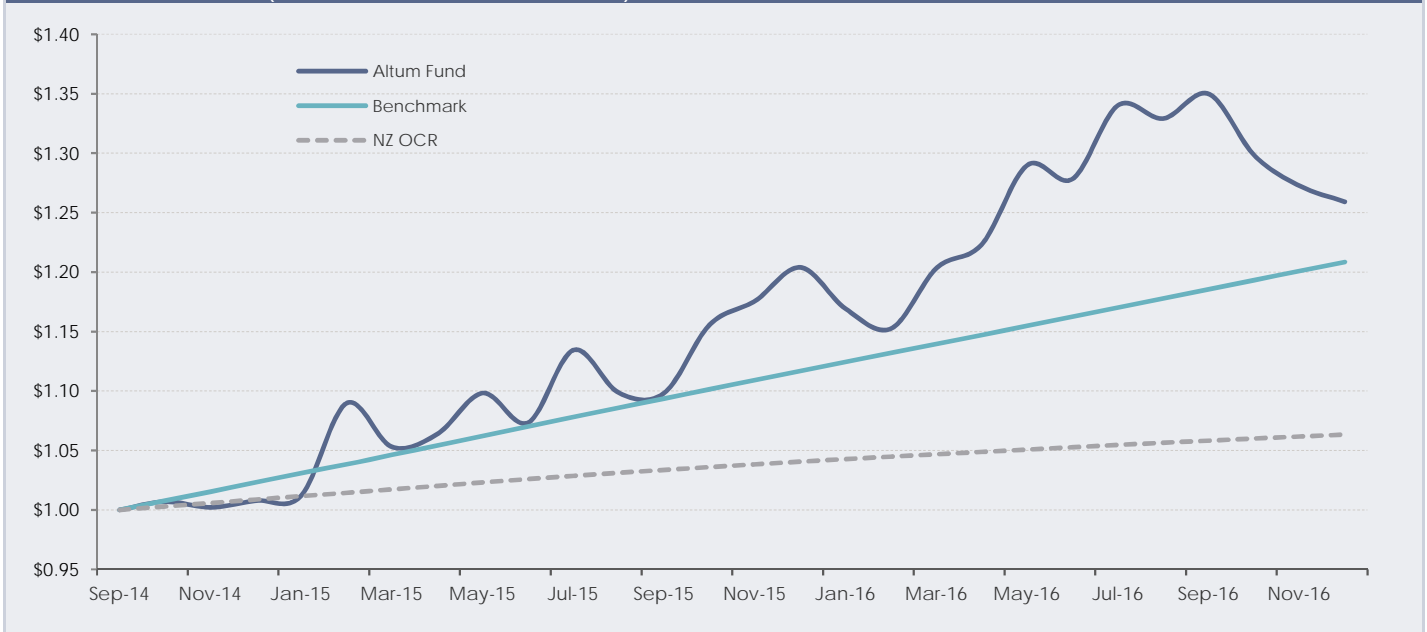
1. Includes imputation credits where applicable

2. Historic performance based on the benchmark that was effective at the time (currently NZ OCR + 6%)

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.

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