

# QUAYSTREET AUSTRALIAN EQUITY FUND

Update as at 31 Dec 2016

**FundSource Awards 2016 – Australian Equity Sector – Finalist.**

## 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

The market reaction that was seen last month after the surprise outcome of the US election persisted throughout December. Global fixed income assets continued to fall in value as yields rose and global sharemarkets rallied with some nearing record highs. The S&P/ASX 200 performed strongly returning 4.4% for the month.

The top performing sector on the ASX was Utilities (+7.4%) which was largely influenced by DUET rising 16.1% after receiving a \$3/share takeover offer from Cheung Kong Infrastructure. Healthcare was the worst performing sector but this was also driven by stock specific news flow. 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.

The Fund returned 1.6% underperforming its benchmark which returned 4.4%. For the reasons mentioned above Mayne Pharma and Sirtex were the worst contributors to relative performance. Cover-More was the best positive contributor rising 47.3% after Zurich Insurance made a takeover offer of \$1.95/share. During the month the Fund fully exited its position in Sirtex and added a position in iSelect and increased its exposure in Next DC.

## Monthly Return before fees and tax\*

Australian Equity Fund	1.61%
S&P/ASX 200 Index	4.38%

\*Longer term returns on page 2.

## Australian Equity Fund Facts

Launch Date	30-Nov-10
Management Fee	1.25%
Unit Price (31 Dec 16)	\$1.3694
Fund NAV (31 Dec 16)	\$36,511,928

## Investment Ranges

Australian Equity	70-100%
Cash	0-30%

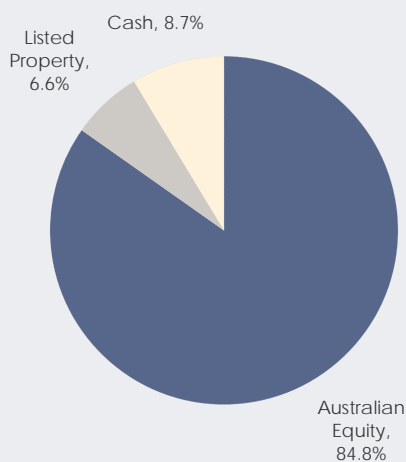
## Benchmark

S&P/ASX 200 Index	100%
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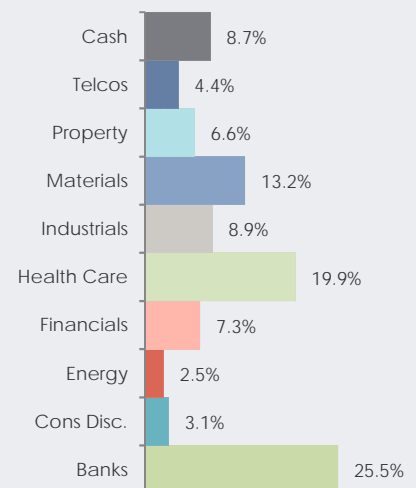
## Top 5 Holdings

	Weight
Commonwealth Bank of Australia	10.99%
Westpac Banking Corp	7.37%
Australia and NZ Banking Group	7.17%
CSL	6.49%
Ramsay Health Care	6.33%

## Asset Class Allocation



## Sector Allocation



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Update as at 31 Dec 2016

## Australian Equity 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*
Australian Equity Fund <sup>1</sup>	1.61%	-1.41%	3.62%	5.24%	8.81%	8.76%	6.76%
Benchmark Return <sup>2</sup>	4.38%	5.18%	10.59%	11.80%	7.78%	8.23%	5.80%
<b>Returns after fees and tax<sup>3</sup></b>							
Highest PIR tax rate (currently 28%)	1.57%	-1.76%	2.71%	3.41%	6.67%	6.63%	4.66%
Medium PIR tax rate (currently 17.5%)	1.54%	-1.75%	2.81%	3.60%	6.95%	6.91%	4.94%
Low PIR tax rate (currently 10.5%)	1.52%	-1.75%	2.85%	3.70%	7.13%	7.09%	5.12%
Zero PIR tax rate	1.50%	-1.73%	2.96%	3.88%	7.41%	7.37%	5.39%

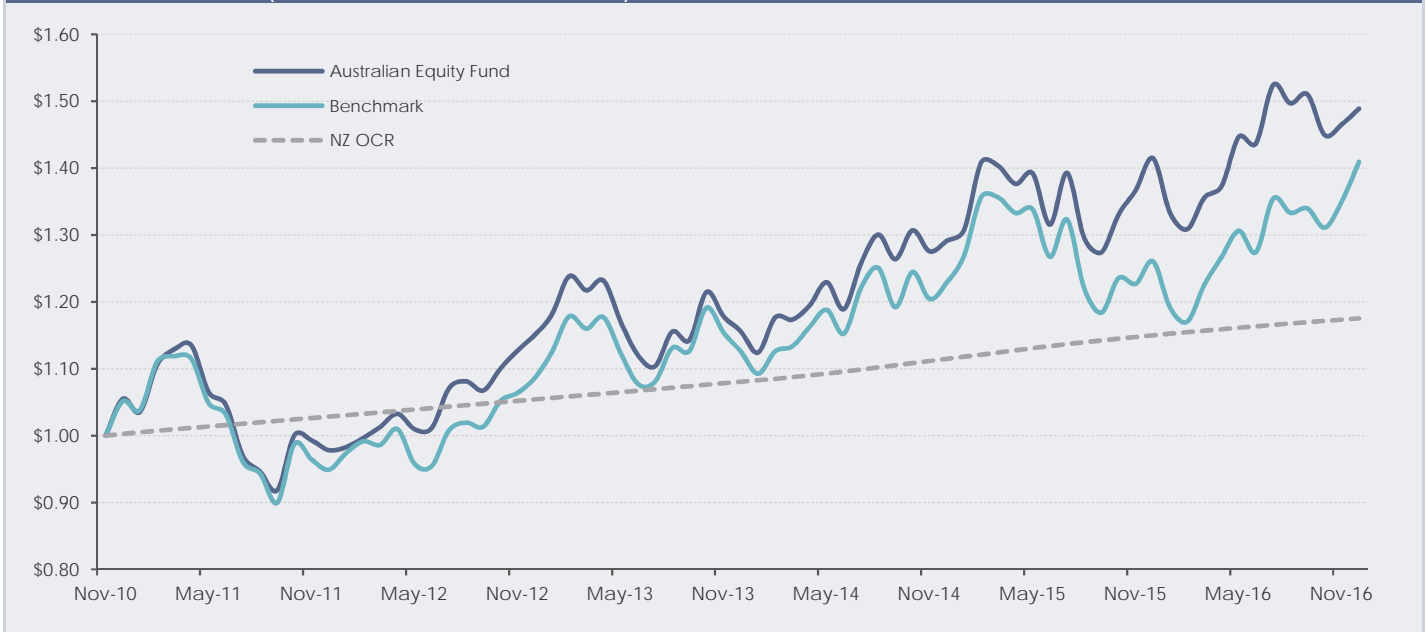
1. Includes imputation credits where applicable

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](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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