

Fund Description

The QuayStreet Conservative Fund invests in a diversified portfolio of predominantly defensive assets such as cash, term deposits and fixed interest securities but will include a smaller allocation to growth assets such as listed property, infrastructure and utility securities and equities. The investment objective is to provide a level of return consistent with the target asset allocation and risk profile of the Fund. Investment returns will vary from year to year and may be negative.

Monthly Update

Despite the unexpected vote by the UK to leave the EU, the FTSE 100 share index remarkably ended June at its highest level since mid-April. The shock was mostly absorbed by the devaluation of the Pound Sterling which was down -8.1% for the month. This also partially explains why there was an unusually good share market reaction as more than 50.0% of companies in the UK market derive their sales outside of the UK. Australasian sharemarkets were negatively affected as the S&P/ASX 200 and S&P/NZX 50 declined 2.5% and 2.0% respectively.

Fixed Income assets performed well given heightened risk aversion as long term interest rates fell in most developed markets. New Zealand followed suit with the 10 year government bond yield falling 26 basis points to just below 2.4% and hit an all-time low during the month. The government bond yield curve is now essentially flat and market pricing is implying an OCR cut before the end of the year.

The Fund returned -0.3% slightly outperforming its benchmark which returned -0.4%. The Fund's bias towards a defensive tilt, including cash holdings and strong performance from specific stock positions contributed to the outperformance. During the course of the month there were no significant changes made to the Fund.

Monthly Return before fees and tax*

Conservative Fund	-0.30%
Benchmark	-0.38%

*Longer term returns on page 2.

Conservative Fund Facts

Launch Date	25-Oct-07
Management Fee	0.75%
Unit Price (30 Jun 16)	\$1.5533
Fund NAV (30 Jun 16)	\$55,049,376

Investment Ranges

Growth Assets	0-40%
Defensive Assets	60-100%

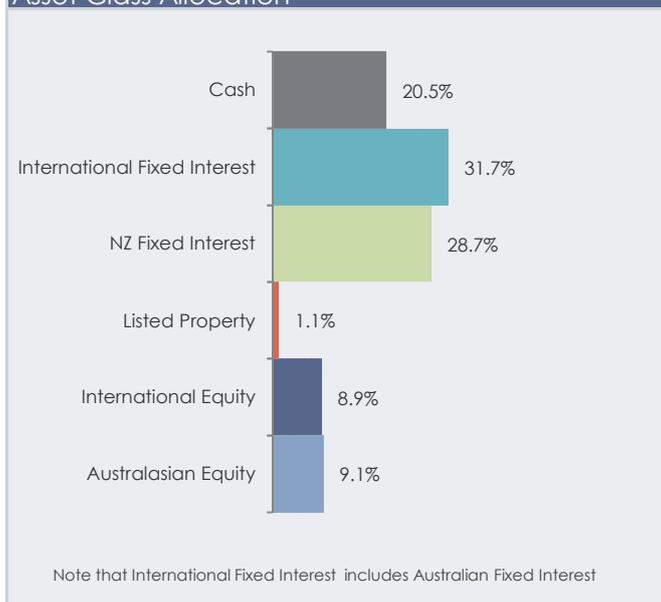
Benchmark

MSCI World Index (NZD)	10.0%
S&P/NZX 50 Index	5.0%
S&P/ASX 200 Index	5.0%
S&P/NZX Investment Grade Corp Bond Index	60.0%
NZX 90 day Bank Bill Index	20.0%

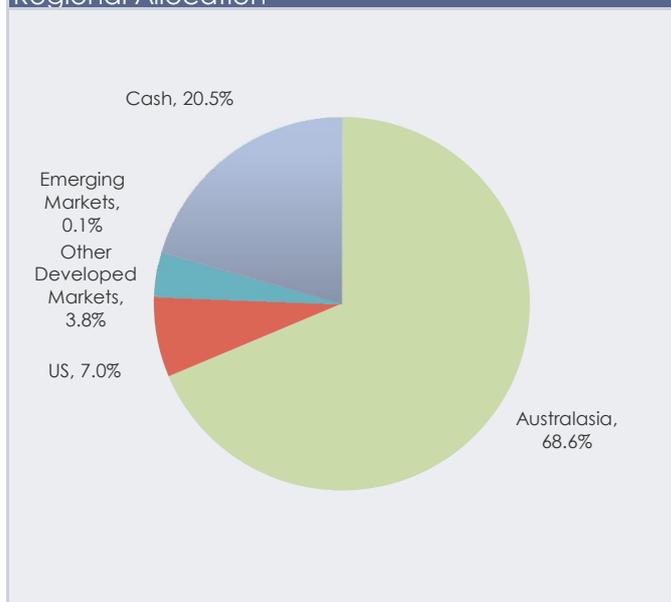
Top 5 Holdings

	Weight
Ishares Core S&P 500 ETF	4.38%
MSCI EAFE incl Canada TRS	3.38%
Apple Inc (August 2019)	1.97%
NAB (May 2021)	1.58%
Lend Lease (Nov 2018)	1.57%

Asset Class Allocation



Regional Allocation



QUAYSTREET CONSERVATIVE FUND

Update as at **30 June 2016**

Conservative Fund Performance as at 30-Jun-2016

Returns before fees and tax	1 Month	3 Months	6 Months	1 Year	3 Years*	5 Years*	Inception*
Conservative Fund ¹	-0.30%	1.53%	3.16%	5.73%	6.70%	6.45%	6.09%
Benchmark Return ²	-0.38%	1.20%	3.04%	4.61%	6.57%	6.29%	5.60%
Returns after fees and tax³							
Highest PIR tax rate (currently 28%)	-0.38%	1.08%	2.12%	3.87%	4.77%	4.54%	4.00%
Medium PIR tax rate (currently 17.5%)	-0.37%	1.18%	2.37%	4.29%	5.26%	5.00%	4.48%
Low PIR tax rate (currently 10.5%)	-0.36%	1.26%	2.56%	4.60%	5.59%	5.31%	4.71%
Zero PIR tax rate	-0.35%	1.36%	2.81%	5.03%	6.06%	5.76%	5.33%

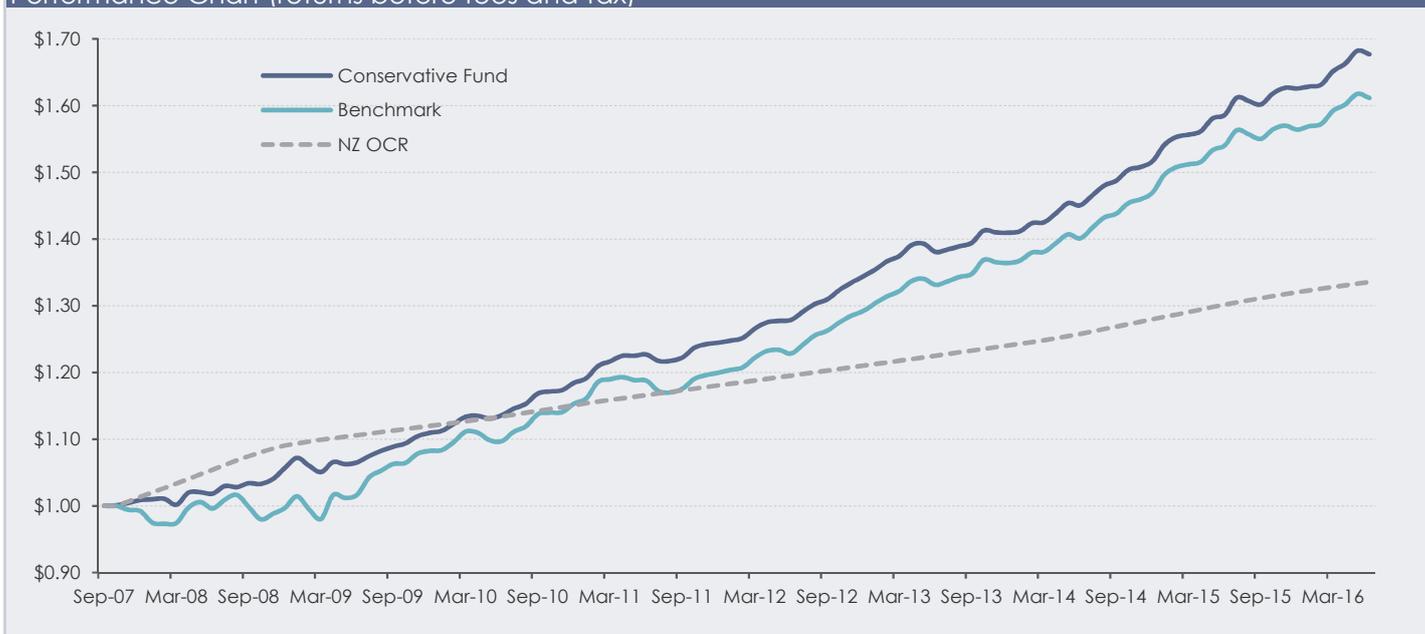
1. Includes imputation credits where applicable

2. Historic performance based on the benchmark that was effective at the time

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.

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