

# AUSTRALIAN EQUITY FUND

Update as at 31 May 2016

## Fund Description

The 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 Australian share market had another strong month with the S&P/ASX 200 index returning 3.1%. The top performing sector was Health Care (9.4%) which was driven by positive earnings and corporate news flow. Price weakness across Australian specific commodities, such as Iron Ore which fell 23.8%, made Materials (-3.0%) the worst performing sector. Most major banks reported interim results and trading updates which in general were better than the market had anticipated.

The RBA announced a 25bp rate cut to a new historical low of 1.75%, citing that the low inflationary environment as well as changes to housing supply and demand dynamics warranted the move. This caused the AUD to weaken against most major currencies. The annual Australian Federal Budget was also announced and as expected there were no significant surprises with the commentary suggesting the budget remains on track for a surplus by 2021.

The Fund returned 5.4% outperforming its benchmark which returned 3.1%. The best contributors to relative performance were the overweight positions in Mayne Pharma and Ramsay Health Care. The worst contributors were the underweight positions in National Australia Bank and Telstra. During the month we added positions in Cover-More, Eclipx and Next DC to the Fund.

## Monthly Return before fees and tax\*

Australian Equity Fund	5.36%
S&P/ASX 200 Index	3.09%

\*Longer term returns on page 2.

## Australian Equity Fund Facts

Launch Date	30-Nov-10
Management Fee	1.25%
Unit Price (31 May 16)	\$1.3411
Fund NAV (31 May 16)	\$28,571,232

## Investment Ranges

Australian Equity	70-100%
Cash	0-30%

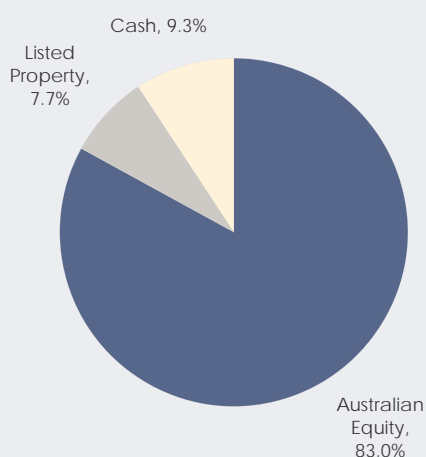
## Benchmark

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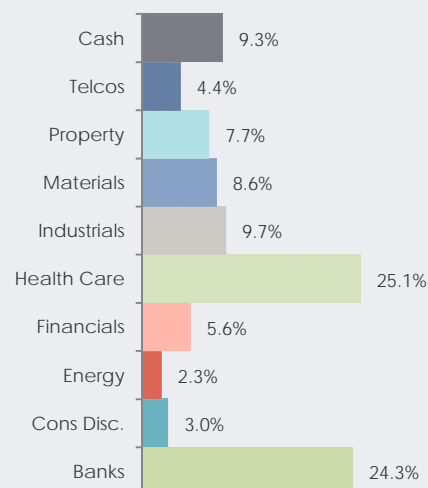
## Top 5 Holdings

	Weight
Commonwealth Bank of Australia	13.25%
CSL	8.00%
Ramsay Health Care	7.54%
Mayne Pharma Group	6.94%
Westpac Banking Corp	6.27%

## Asset Class Allocation



## Sector Allocation



# AUSTRALIAN EQUITY FUND

Update as at

31 May 2016

## Australian Equity Fund Performance as at 31-May-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>	5.36%	10.55%	5.82%	3.93%	7.32%	6.32%	6.94%
Benchmark Return <sup>2</sup>	3.09%	11.60%	6.46%	-2.38%	5.15%	4.49%	4.98%
<b>Returns after fees and tax<sup>3</sup></b>							
Highest PIR tax rate (currently 28%)	5.13%	10.00%	4.89%	2.82%	5.17%	4.17%	4.79%
Medium PIR tax rate (currently 17.5%)	5.17%	10.07%	4.99%	2.73%	5.46%	4.47%	5.09%
Low PIR tax rate (currently 10.5%)	5.20%	10.12%	5.04%	2.67%	5.65%	4.66%	5.29%
Zero PIR tax rate	5.24%	10.20%	5.13%	2.58%	5.94%	4.95%	5.57%

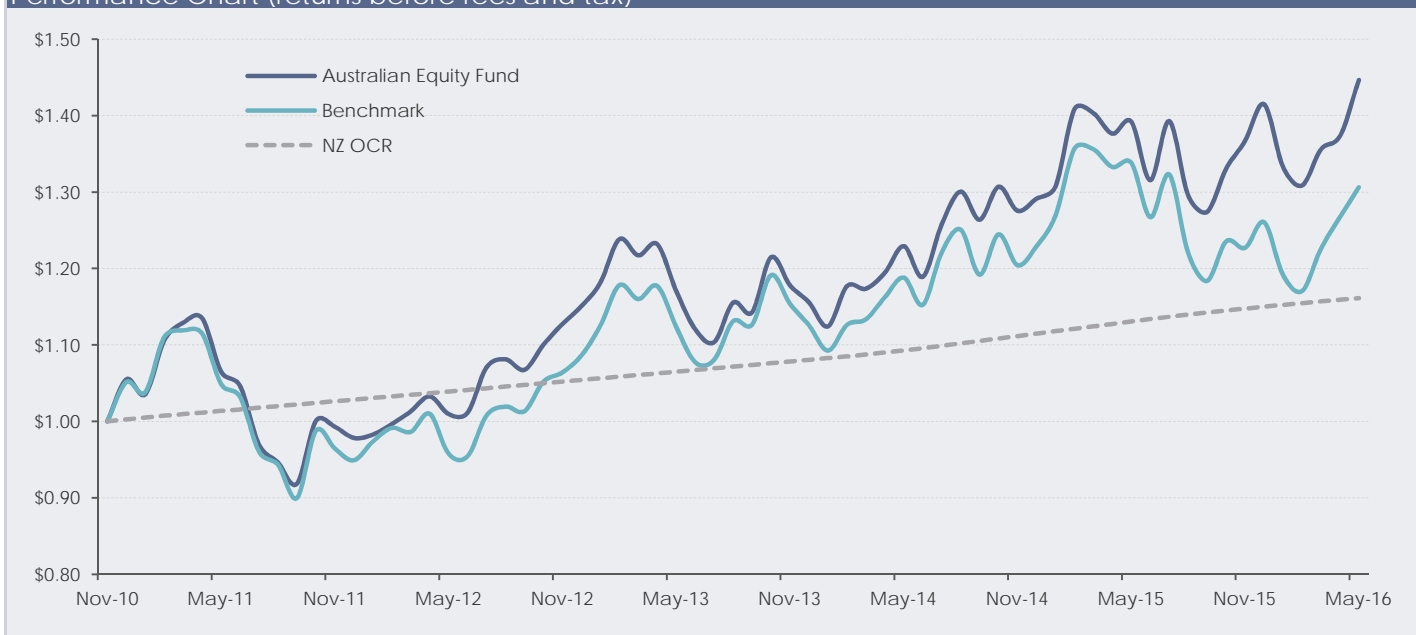
1. Includes imputation credits where applicable

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)



For further information or an investment statement please contact 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.

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