

## Fund Description

The Growth Fund invests in a diversified portfolio of predominantly growth assets such as listed property, infrastructure and utility securities and equities, but will include a smaller allocation to defensive assets such as cash, term deposits and fixed interest securities. 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 substantially from year to year and may be negative.

## Monthly Update

Global share markets began the month in negative return territory, but this reversed sharply following an improvement in the Federal Reserve's domestic economic outlook. This raised the likelihood for a June rate hike igniting a USD rally and putting gold under pressure. Australasian share markets also had a strong month as the S&P/ASX 200 returned 3.1% and the S&P/ NZX 50 returned 3.2%.

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. There was no RBNZ OCR meeting in May but the bank did release its Financial Stability Report which highlighted increasing risks in New Zealand. As was the case with the last report, the two domestic areas of concern are house price inflation and the impact of lower commodity prices on New Zealand's exports. Local interest rates finished the month essentially flat.

The Fund returned 3.0% in line with its benchmark. Australasian equity and fixed interest exposure contributed positively where International equity contribution was negative. During the month we increased investment in Australasian and International equities.

## Monthly Return before fees and tax\*

Growth Fund	2.99%
Benchmark	3.02%

\*Longer term returns on page 2.

## Growth Fund Facts

Launch Date	25-Oct-07
Management Fee	1.25%
Unit Price (31 May 16)	\$1.6393
Fund NAV (31 May 16)	\$125,620,656

## Investment Ranges

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

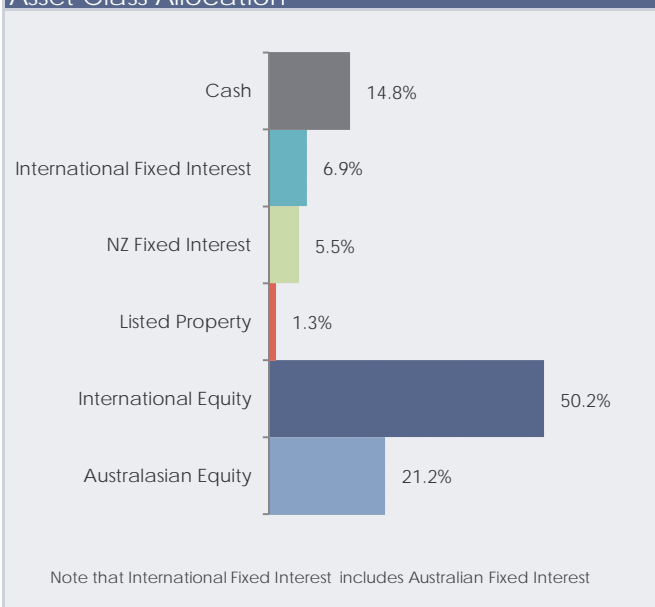
## Benchmark

MSCI World Index (NZD)	55.0%
S&P/NZX 50 Index	12.5%
S&P/ASX 200 Index	12.5%
S&P/NZX Investment Grade Corp Bond Index	15.0%
NZX 90 day Bank Bill Index	5.0%

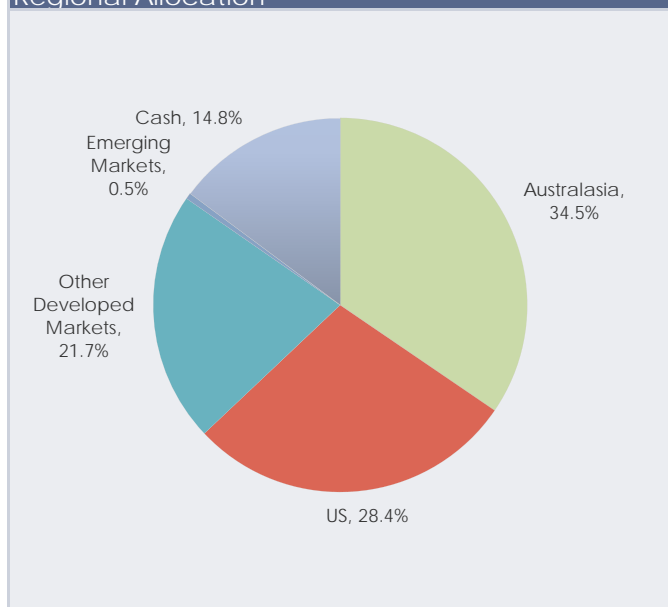
## Top 5 Holdings

	Weight
Ishares Core S&P 500 ETF	24.55%
MSCI EAFE incl Canada TRS	19.49%
Contact Energy	1.49%
SPDR Gold Shares Fund	1.14%
CSL	1.06%

## Asset Class Allocation



## Regional Allocation



## Growth 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*
Growth Fund <sup>1</sup>	2.99%	5.95%	1.65%	5.57%	9.49%	8.96%	7.35%
Benchmark Return <sup>2</sup>	3.02%	6.78%	1.83%	4.00%	9.63%	8.92%	4.61%
<b>Returns after fees and tax<sup>3</sup></b>							
Highest PIR tax rate (currently 28%)	2.74%	5.28%	1.22%	4.23%	7.40%	6.88%	5.07%
Medium PIR tax rate (currently 17.5%)	2.80%	5.43%	1.17%	4.32%	7.80%	7.28%	5.50%
Low PIR tax rate (currently 10.5%)	2.83%	5.52%	1.13%	4.34%	8.07%	7.54%	5.69%
Zero PIR tax rate	2.89%	5.66%	1.09%	4.43%	8.48%	7.95%	6.26%

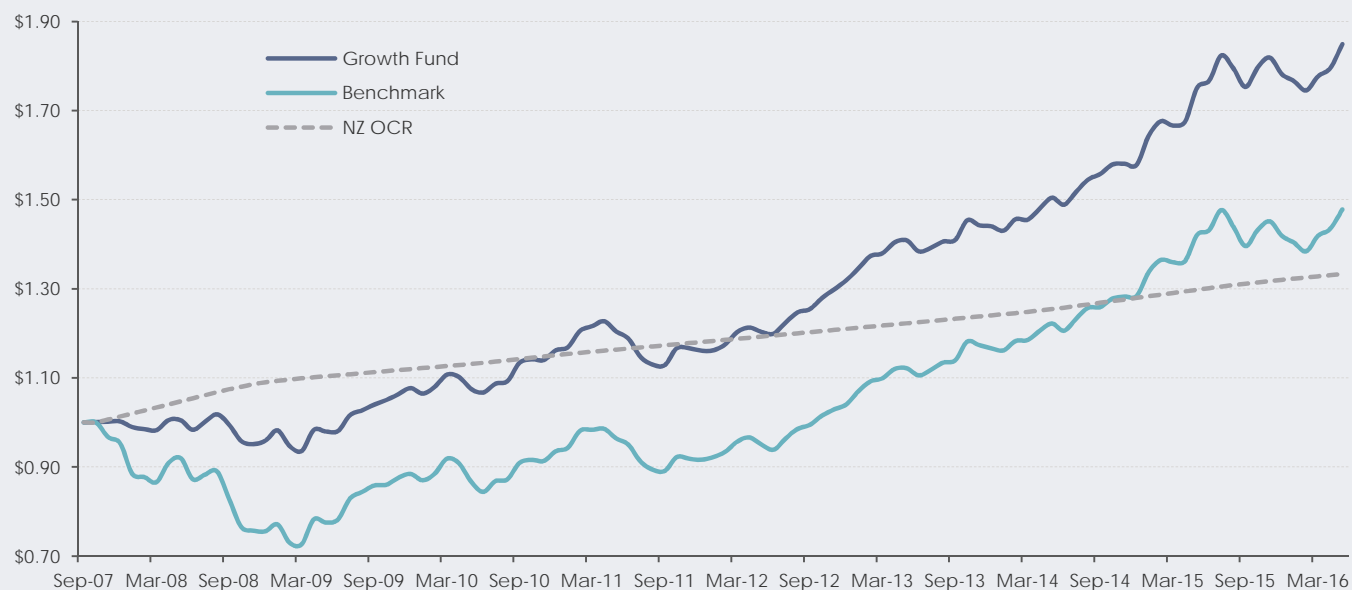
1. Includes imputation credits where applicable

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)



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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