

Fund Description

The International Equity Fund invests in a diversified portfolio of shares selected from global markets. The investment objective is to provide investors with a long run level of return consistent with international share markets as well as diversification away from New Zealand dollar denominated investments. 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. The Fed's sudden change in tone implies that if economic data continues to improve and inflation progresses towards the Committee's 2.0% objective, then a June rate hike may be appropriate.

The positive outlook ignited a USD rally against most major currencies and caused gold to fall 6.0%. Performance across commodities was mixed, but oil continued its rising momentum as the WTI crude oil benchmark price managed to break the US\$50/barrel mark (+6.9%). Emerging markets underperformed due to the increased likelihood of a US rate hike, USD strength and weak trade data from China.

The Fund returned 3.1% underperforming its benchmark which returned 3.9%. The Fund's exposure to gold, cash and put options were the primary drivers of underperformance. We took the opportunity to reduce the Fund's exposure to gold by exiting the position in Barrick Gold whose return since our investment in mid-January has been over 100%. We added new positions in Avangrid, ABB and Deere which contain exposure to themes we currently favour.

Monthly Return before fees and tax*

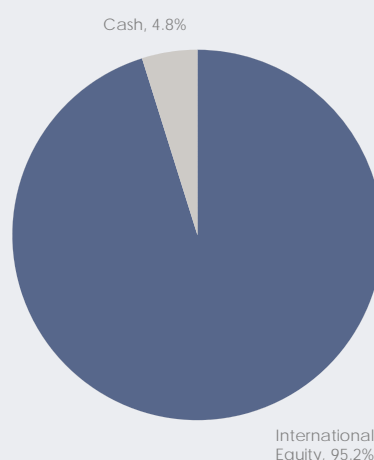
International Equity Fund	3.20%
MSCI World Net Index (NZD)	3.94%

*Longer term returns on page 2.

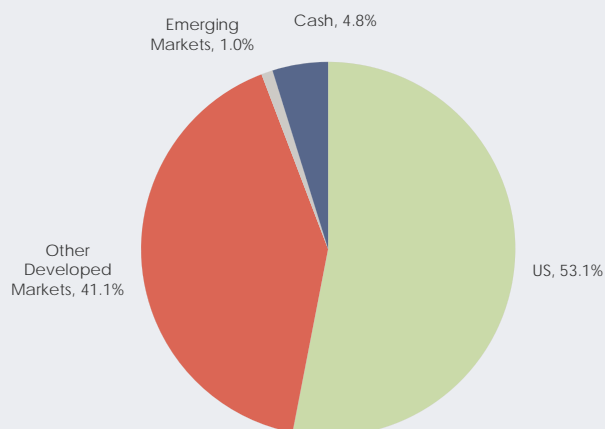
International Equity Fund Facts

Launch Date	31-Oct-09
Management Fee	1.25%
Unit Price (31 May 16)	\$1.6369
Fund NAV (31 May 16)	\$158,138,509
Investment Ranges	
Australasian Equity	0-50%
International Equity	0-100%
Cash	0-80%
Benchmark	
MSCI World Net Index (NZD)	100%
Top 5 Holdings	
	Weight
Ishares Core S&P 500 ETF	46.54%
MSCI EAFE incl Canada TRS	36.94%
SPDR Gold Shares Fund	2.17%
Ishares MSCI INDIA ETF	0.98%
Google Inc-CI A	0.73%

Asset Class Allocation



Regional Allocation



INTERNATIONAL EQUITY FUND

Update as at

31 May 2016

International 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*
International Equity Fund ¹	3.20%	5.20%	-2.55%	1.80%	10.08%	9.58%	9.35%
Benchmark Return ²	3.94%	6.31%	-2.60%	1.00%	10.40%	9.49%	8.88%
Returns after fees and tax³							
Highest PIR tax rate (currently 28%)	2.83%	4.32%	-2.61%	0.72%	7.83%	7.33%	7.14%
Medium PIR tax rate (currently 17.5%)	2.93%	4.53%	-2.81%	0.65%	8.26%	7.75%	7.54%
Low PIR tax rate (currently 10.5%)	2.99%	4.65%	-2.97%	0.59%	8.53%	8.01%	7.78%
Zero PIR tax rate	3.08%	4.86%	-3.18%	0.51%	8.95%	8.41%	8.18%

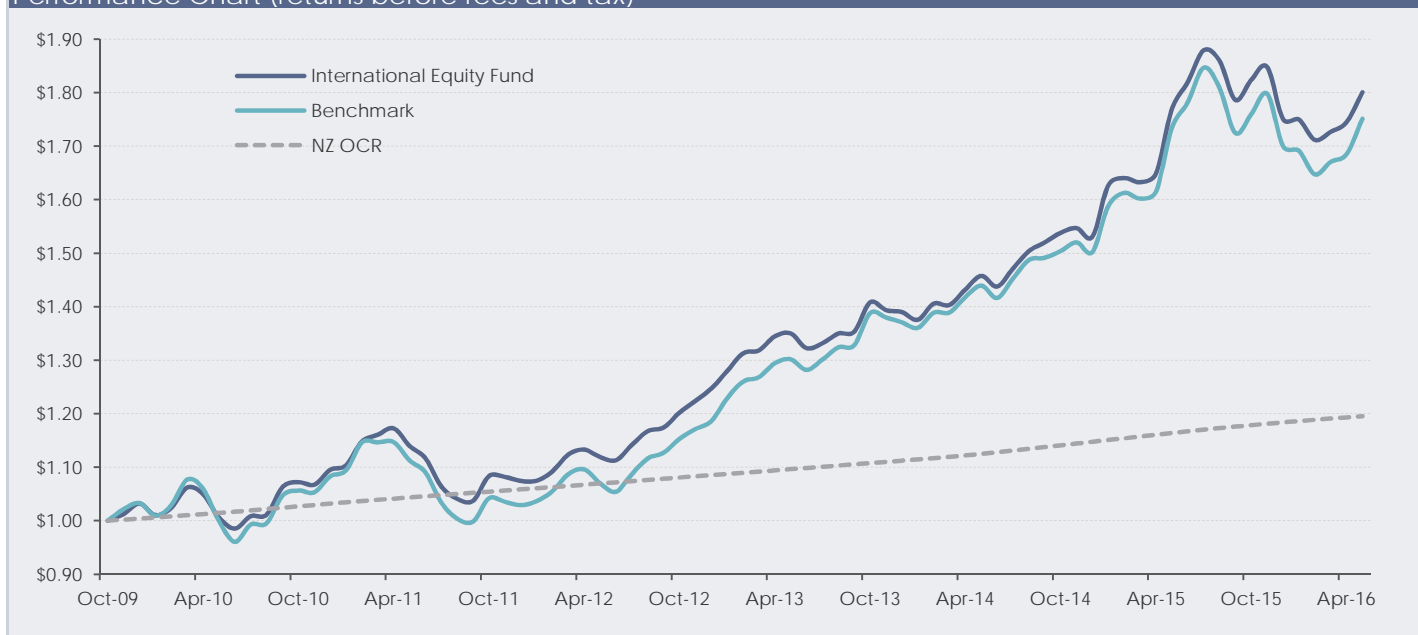
1. Includes imputation credits where applicable

2. Historic performance based on the benchmark that was effective at the time (currently the MSCI World Net Index in NZD)

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. 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 QuayStreet Asset Management Limited, 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 Investment Statement and seek professional assistance from an Authorised Financial Adviser.

The funds or securities referred to herein are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such funds or securities. Please refer to www.msci.com/legal for further details.

This report refers to indices that are products of S&P Dow Jones Indices LLC and are licenced for use by QuayStreet Asset Management. A full disclaimer for the use of these products can be found at www.quaystreet.com/Terms-and-Conditions.aspx