

NEW ZEALAND EQUITY FUND

Update as at 31 May 2016

Fund Description

The New Zealand Equity Fund invests in a diversified portfolio of New Zealand shares. The investment objective is to provide investors with a level of return consistent with the New Zealand sharemarket over the long term. Investment returns will vary substantially from year to year and may be negative.

Monthly Update

The New Zealand equity market performed strongly with the S&P/NZX 50 rising by 3.2% in May and it is now up 11.3% for the year to date. It was a busy month for corporate news flow with a number of companies releasing their 2016 full year earnings results.

The Fund had a very good month with a return of 5.1% and was well ahead of its benchmark. The main driver of outperformance was securities not held in the Fund. Negative returns from Sky Television, A2 Milk and Air New Zealand caused significant drag on the benchmark but not on the Fund. However, there were also strong returns from securities in the Fund with the standouts being Fisher & Paykel Healthcare, Z Energy and Xero. The main drags on relative returns were underweight positions in Kiwi Property Group, Auckland International Airport and Metlifecare, all of which had higher returns than the benchmark.

We have reduced the cash weight of the Fund from 8.5% to 5.3% as a result of investments in Comvita, Xero, Tegel Holdings and Vista Group. We also participated in the Sky City entitlement offer on a pro-rata basis, although this is a relatively small position in the Fund.

Monthly Return before fees and tax*

New Zealand Equity Fund	5.14%
S&P/NZX 50 Index	3.21%

*Longer term returns on page 2.

New Zealand Equity Fund Facts

Launch Date	30-Nov-10
Management Fee	1.25%
Unit Price (31 May 16)	\$2.1090
Fund NAV (31 May 16)	\$47,022,271

Investment Ranges

NZ Equity	70-100%
Cash	0-30%

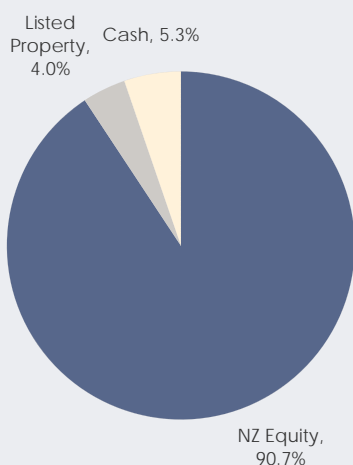
Benchmark

S&P/NZX 50 Index	100%
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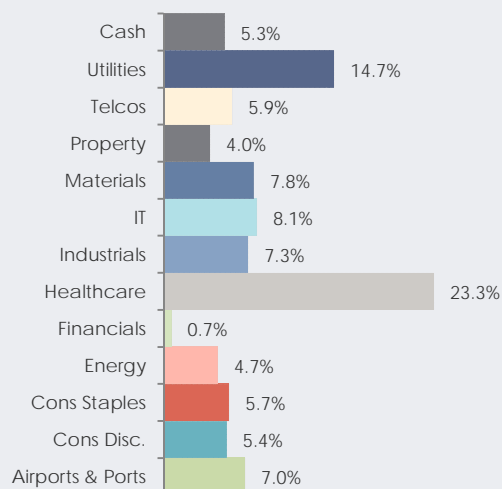
Top 5 Holdings

	Weight
Fisher & Paykel Healthcare	9.03%
Fletcher Building	7.80%
Contact Energy	7.21%
Spark New Zealand	5.93%
Ryman Healthcare	5.75%

Asset Class Allocation



Sector Allocation



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31 May 2016

New Zealand 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*
New Zealand Equity Fund ¹	5.14%	15.45%	17.65%	26.13%	17.40%	17.09%	17.49%
Benchmark Return ²	3.21%	12.98%	15.40%	20.44%	15.77%	14.36%	14.62%
Returns after fees and tax³							
Highest PIR tax rate (currently 28%)	5.01%	14.73%	16.41%	23.13%	14.54%	14.25%	14.68%
Medium PIR tax rate (currently 17.5%)	5.01%	14.86%	16.60%	23.65%	15.06%	14.76%	15.17%
Low PIR tax rate (currently 10.5%)	5.02%	14.95%	16.72%	24.00%	15.40%	15.10%	15.51%
Zero PIR tax rate	5.02%	15.08%	16.87%	24.50%	15.90%	15.60%	16.00%

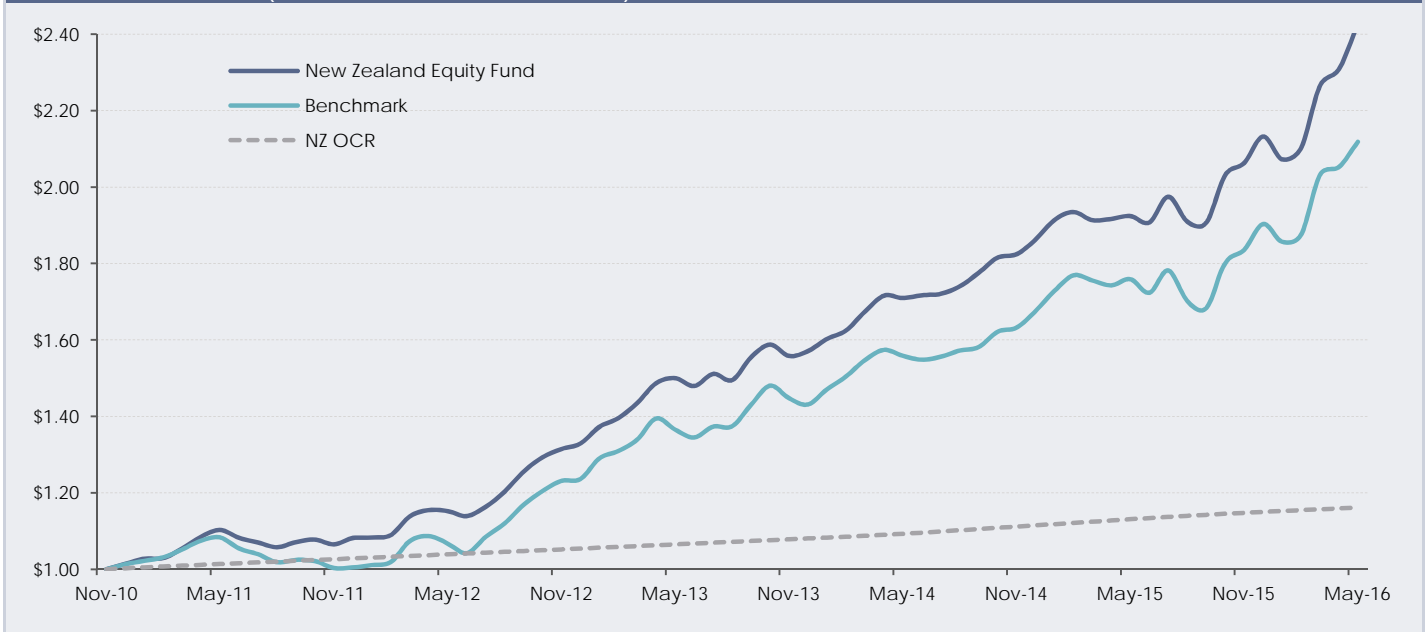
1. Includes imputation credits where applicable

2. Historic performance based on the benchmark that was effective at the time (currently the S&P/NZX 50 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. 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.

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