

Fund Description

The QuayStreet 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

It was a mixed month across global equity markets where most major indices finished in negative territory. Rising bond yields and steepening of global yield curves hampered risk sentiment and saw most equity markets and defensive sectors pull back. The Australian S&P/ASX 200 underperformed global markets as it fell 2.2% for the month.

In Australia the market was primarily focused on corporate news flow with a number of quarterly operational announcements and the start of the AGM season. The top performing sector was Materials (+1.3%) as coal prices continued to surge upwards and a number of large cap mining companies reported strong quarterly production numbers. The worst performing sector was Healthcare (-8.3%) driven partly by weakness in offshore healthcare stocks and local earnings downgrades. Domestic economic highlights included a fall in the unemployment rate to 5.6% from 5.7% and a higher than expected CPI of 1.3% year on year, still well below the RBA's 2%-3% target range.

The Fund returned -4.0% and underperformed its benchmark which returned -2.2%. The overweight exposure to Healthcare was the primary contributor to negative relative performance for the reasons mentioned above. Early in the month the Fund reduced its underweight position in Materials by adding further exposure to BHP Billiton and Rio Tinto and added a new position in ResMed.

Monthly Return before fees and tax*

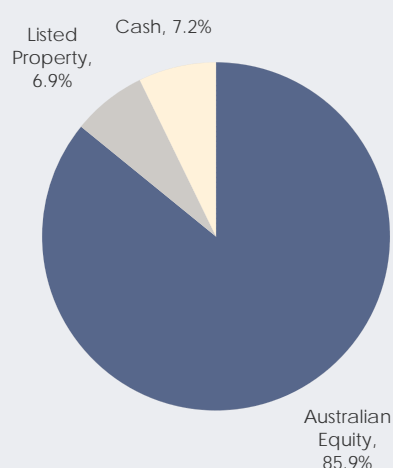
Australian Equity Fund	-4.02%
S&P/ASX 200 Index	-2.15%

*Longer term returns on page 2.

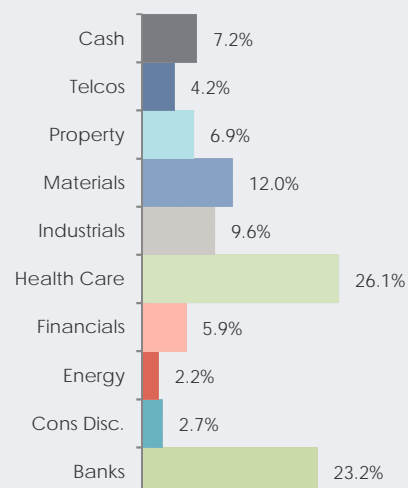
Australian Equity Fund Facts

Launch Date	30-Nov-10
Management Fee	1.25%
Unit Price (31 Oct 16)	\$1.3363
Fund NAV (31 Oct 16)	\$29,305,376
Investment Ranges	
Australian Equity	70-100%
Cash	0-30%
Benchmark	
S&P/ASX 200 Index	100%
Top 5 Holdings	
Commonwealth Bank of Australia	12.16%
Mayne Pharma Group	7.38%
Ramsay Health Care	7.37%
CSL	6.72%
Westpac Banking Corp	6.03%

Asset Class Allocation



Sector Allocation



Australian Equity Fund Performance as at 31-Oct-2016

Returns before fees and tax	1 Month	3 Months	6 Months	1 Year	3 Years*	5 Years*	Inception*
Australian Equity Fund ¹	-4.02%	-4.90%	5.57%	8.93%	6.07%	7.69%	6.47%
Benchmark Return ²	-2.15%	-3.20%	3.46%	6.11%	3.24%	5.83%	4.68%
Returns after fees and tax³							
Highest PIR tax rate (currently 28%)	-4.12%	-5.42%	4.63%	6.95%	3.98%	5.57%	4.36%
Medium PIR tax rate (currently 17.5%)	-4.13%	-5.34%	4.72%	7.18%	4.25%	5.86%	4.65%
Low PIR tax rate (currently 10.5%)	-4.13%	-5.29%	4.79%	7.30%	4.43%	6.04%	4.84%
Zero PIR tax rate	-4.13%	-5.22%	4.88%	7.53%	4.71%	6.31%	5.11%

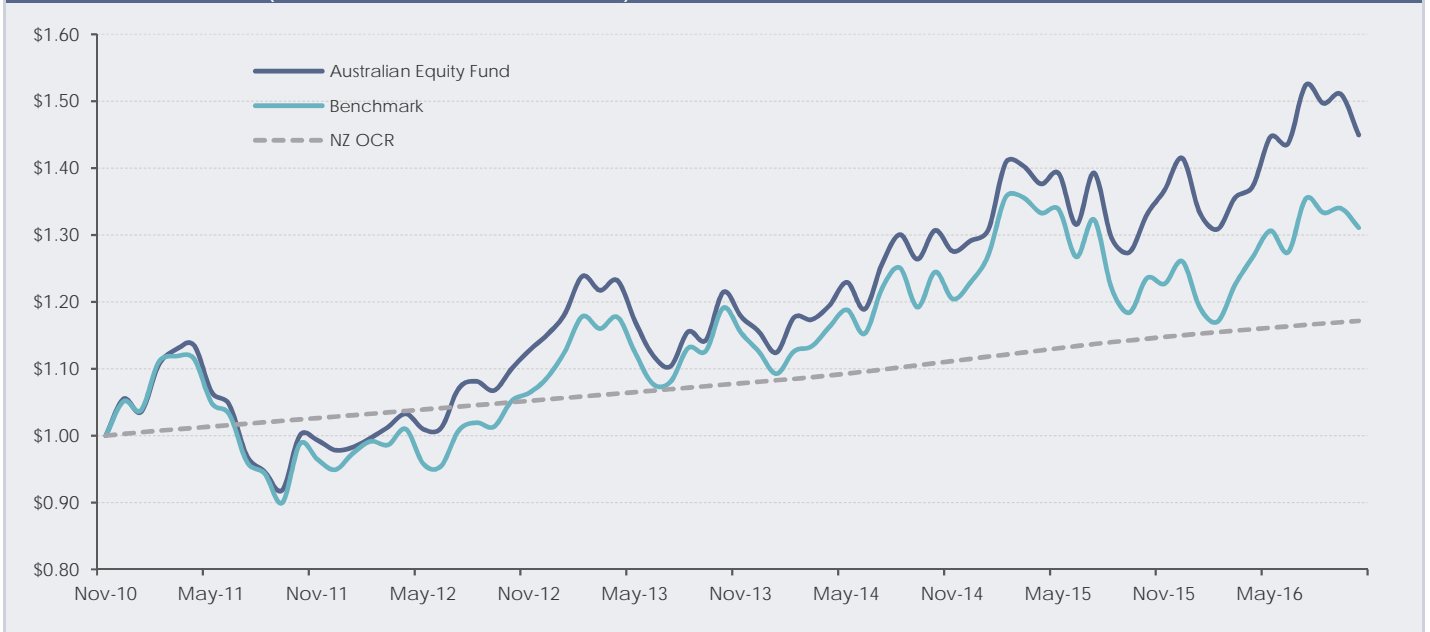
1. Includes imputation credits where applicable

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)



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.

Past performance is not a reliable guide to future performance. Returns or performance are not guaranteed by QSAM, 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 PDS and seek professional assistance from an Authorised Financial Adviser.

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