

Fund Description

The guiding philosophy of the QuayStreet Balanced SRI Fund is to endeavour to have a diversified portfolio of investments that are deemed to be environmentally and socially sustainable, whilst still applying our traditional portfolio investment criteria. The Fund invests in a diversified portfolio of defensive and growth assets. The investment objective is to provide a level of return consistent with the target asset allocation and risk profile of the Fund. The Balanced SRI investible universe is smaller and this may affect the Fund's returns and volatility relative to a traditional balanced portfolio. Investment returns will vary considerably from year to year and may be negative.

Monthly Update

Most equity markets finished in negative return territory as rising bond yields and steepening of global yield curves hampered risk sentiment. The MSCI World (NZD) closed -0.3% for the month but the global weakness in fixed interest securities was particularly relevant for the Australasian equity markets given their high exposure to yield sensitive sectors. Both the S&P/NZX50 and S&P/ASX200 indices underperformed significantly and returned -5.4% and 2.2% respectively.

There has been a rise in inflation expectations and increasingly more "hawkish" comments from central banks. There is still a strong consensus view that interest rates will remain low by historical standards for a very long time, but the market is now starting to price in tighter monetary conditions in the future. These changes have resulted in longer term bond yields rising more than short term bond yields.

The Fund returned -1.0% for the month slightly outperforming its benchmark return of -1.1%. The Fund continues to be tilted towards a defensive asset allocation strategy as it maintains a higher cash weighting. This was the primary contributor to relative performance where exposure to Australian equities had the largest negative impact.

Monthly Return before fees and tax*

Balanced SRI Fund	-0.95%
Benchmark	-1.07%

*Longer term returns on page 2.

Balanced SRI Fund Facts

Launch Date	1-Nov-07
Management Fee	1.25%
Unit Price (31 Oct 16)	\$1.5864
Fund NAV (31 Oct 16)	\$26,706,560

Investment Ranges

Growth Assets	40-80%
Defensive Assets	20-60%

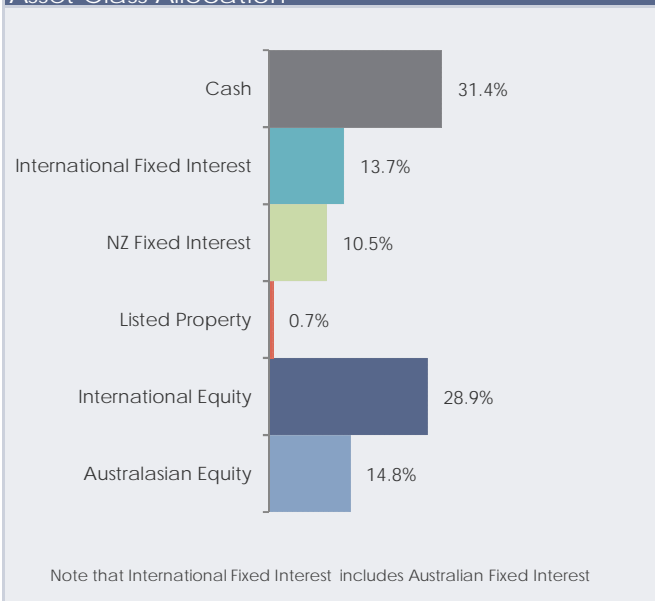
Benchmark

MSCI World Index (NZD)	40.0%
S&P/NZX 50 Index	10.0%
S&P/ASX 200 Index	10.0%
S&P/NZX Investment Grade Corp Bond Index	30.0%
NZX 90 day Bank Bill Index	10.0%

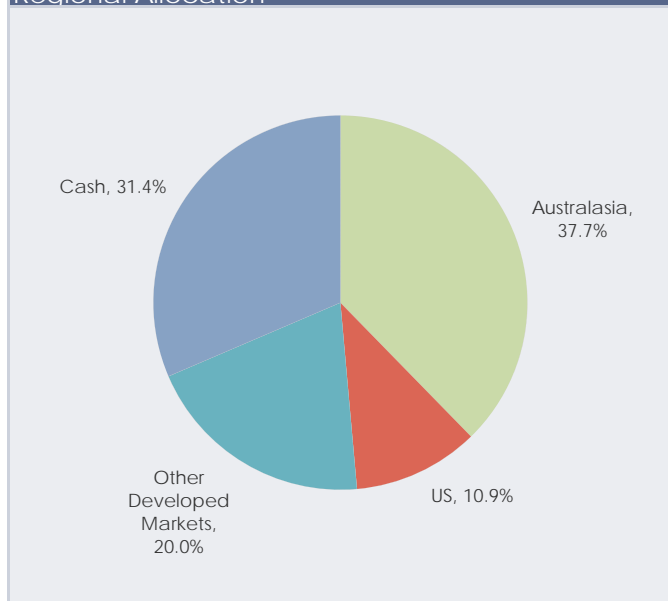
Top 5 Holdings

	Weight
MSCI World ESG TRS	14.25%
Ishares MSCI KLD 400 Social	6.10%
Stockland (Nov 2022)	2.13%
Telstra (Sep 2022)	2.10%
ANZ Green Bond (June 2020)	2.05%

Asset Class Allocation



Regional Allocation



Balanced SRI 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*
Balanced SRI Fund ¹	-0.95%	-0.63%	2.12%	2.48%	7.06%	9.17%	6.87%
Benchmark Return ²	-1.07%	-1.01%	1.36%	2.30%	6.78%	8.66%	4.82%
Returns after fees and tax³							
Highest PIR tax rate (currently 28%)	-1.02%	-1.06%	1.04%	0.98%	4.76%	6.79%	4.35%
Medium PIR tax rate (currently 17.5%)	-1.03%	-1.02%	1.21%	1.05%	5.11%	7.17%	4.79%
Low PIR tax rate (currently 10.5%)	-1.04%	-0.99%	1.31%	1.11%	5.35%	7.41%	4.98%
Zero PIR tax rate	-1.05%	-0.95%	1.46%	1.16%	5.69%	7.78%	5.57%

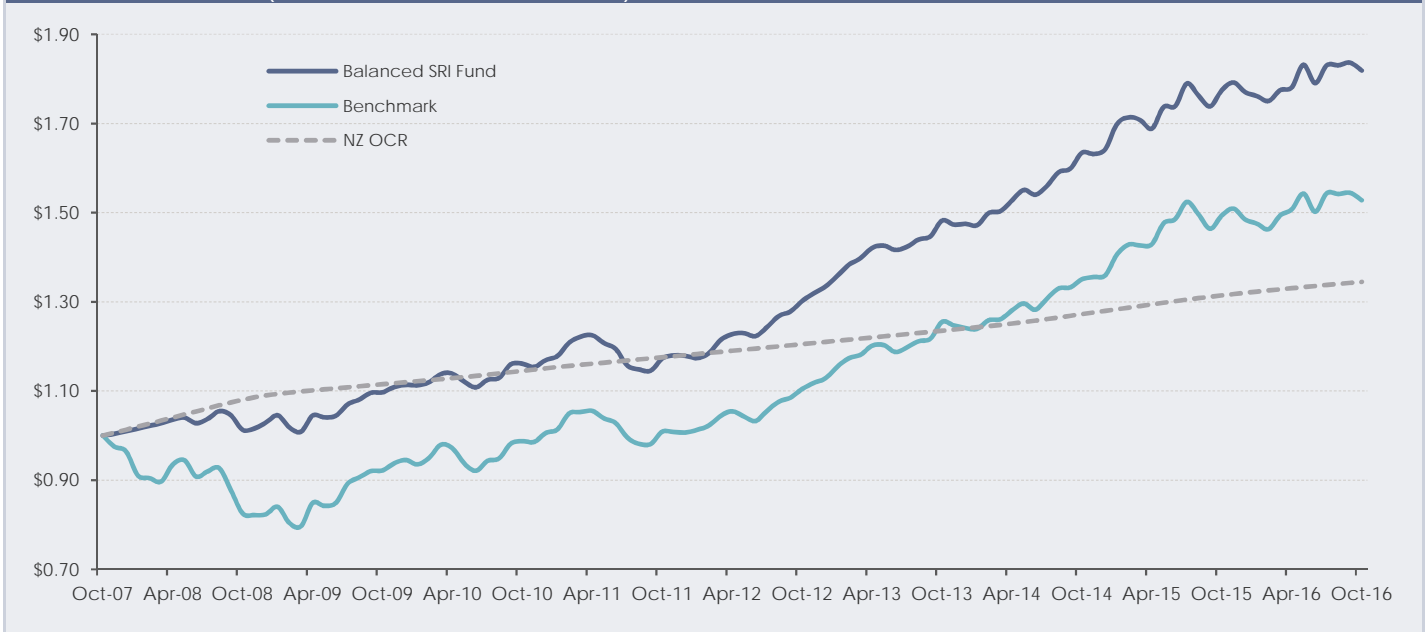
1. Includes imputation credits where applicable

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)



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.

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