

QUAYSTREET AUSTRALIAN EQUITY FUND

Update as at 28 Feb 2017

FundSource Awards 2016 – Australian Equity Sector – Finalist.

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

The Trump rally continued to maintain its course as global share markets posted another strong positive month. Relative to its peers the Australian share market did not perform as strongly however the S&P/ASX 200 index still made a reasonable return of 2.3% in local currency terms. Market activity was largely driven by the February financial reporting season.

Of the companies that reported their earnings, more have exceeded consensus estimates relative to those that missed. The general message was the market can expect some level of revenue growth in the near term while the focus on cost control continues. Comments on the outlook and level of optimism varies across sectors but in general can best be described as cautious. The top performing sector was Consumer Staples (+4.3%) where the worst was Materials (-3.7%), despite announcing overall good operating results and a backdrop of rising commodity prices.

The Fund returned 3.1% outperforming its benchmark which returned 2.3%. The top relative performer was the overweight position in Mayne Pharma where the worst was the underweight position in Wesfarmers. During the month we exited the position in Brambles post its disappointing 1H17 result announcement. The company has recently experienced challenges with its North American pallets business and this seems to have deteriorated further. Given this and the appointment of new management and officially withdrawing the FY19 ROIC target of 20% we have decided to fully exit the position.

Monthly Return before fees and tax*

Australian Equity Fund	3.10%
S&P/ASX 200 Index	2.25%

*Longer term returns on page 2.

Australian Equity Fund Facts

Launch Date	30-Nov-10
Management Fee	1.25%
Unit Price (28 Feb 17)	\$1.3964
Fund NAV (28 Feb 17)	\$37,491,733

Investment Ranges

Australian Equity	70-100%
Cash	0-30%

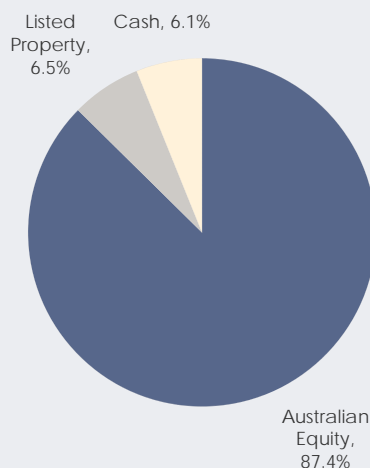
Benchmark

S&P/ASX 200 Index	100%
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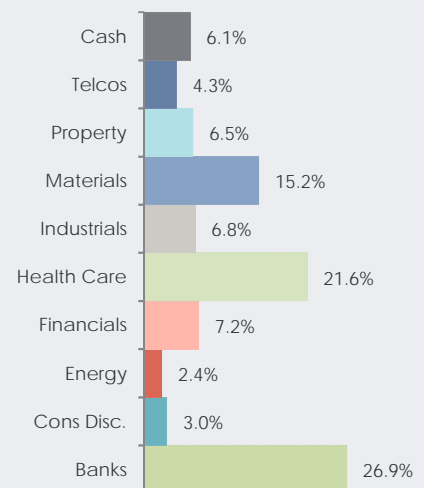
Top 5 Holdings

	Weight
Commonwealth Bank of Australia	10.95%
Westpac Banking Corp	8.65%
CSL	7.60%
Australia and NZ Banking Group	7.26%
Ramsay Health Care	6.44%

Asset Class Allocation



Sector Allocation



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Australian Equity Fund Performance as at 28-Feb-2017

Returns before fees and tax	1 Month	3 Months	6 Months	1 Year	3 Years*	5 Years*	Inception*
Australian Equity Fund ¹	3.10%	3.84%	1.66%	16.28%	8.95%	8.84%	6.95%
Benchmark Return ²	2.25%	5.88%	7.22%	22.13%	8.28%	7.59%	5.88%
Returns after fees and tax³							
Highest PIR tax rate (currently 28%)	2.87%	3.47%	0.77%	14.27%	6.81%	6.72%	4.84%
Medium PIR tax rate (currently 17.5%)	2.92%	3.48%	0.86%	14.47%	7.09%	7.00%	5.13%
Low PIR tax rate (currently 10.5%)	2.95%	3.49%	0.91%	14.60%	7.27%	7.17%	5.31%
Zero PIR tax rate	3.00%	3.51%	1.01%	14.80%	7.54%	7.44%	5.58%

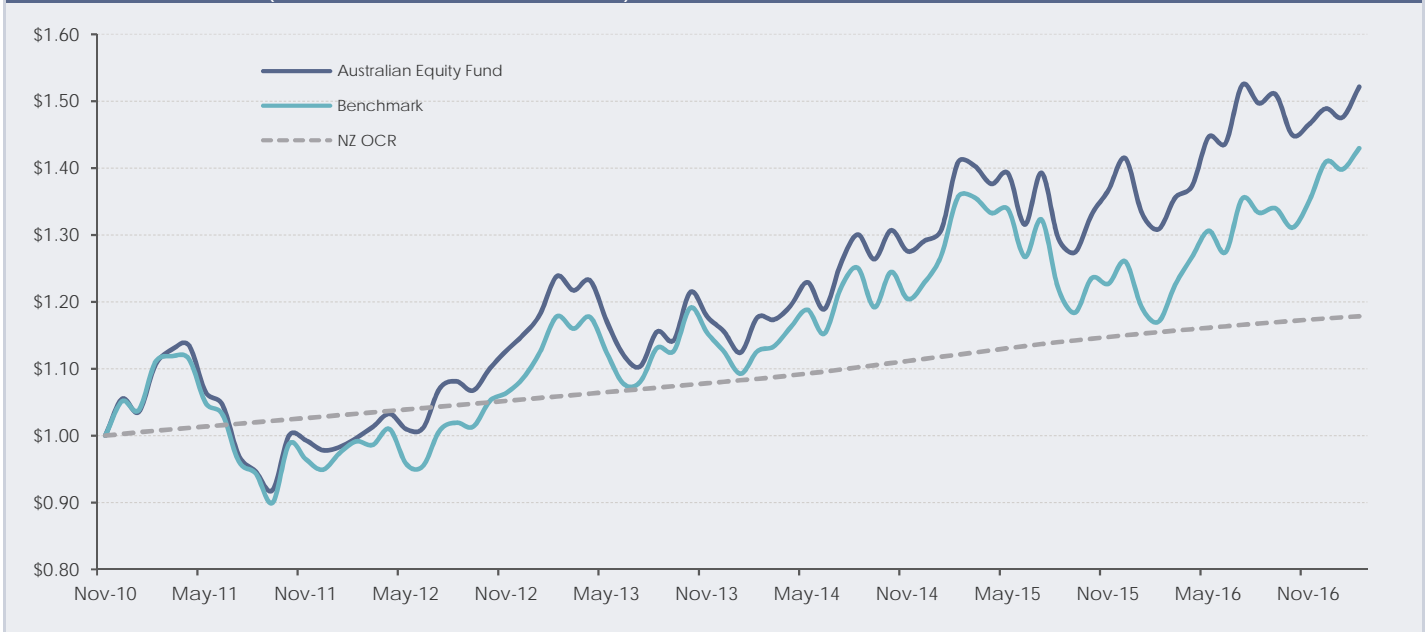
1. Includes imputation credits where applicable

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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