

QUAYSTREET BALANCED SRI FUND

Update as at 28 Feb 2017

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

US GDP grew by 1.9% in the 4th quarter year on year. While under consensus, it demonstrated the economy is quite robust in the face of a mixed global economy. In Japan, Abenomics seems to be finally working. Domestic growth is improving, deflation pressures have eased and earnings revisions are the best in the world. Europe is likely to be entering a volatile period with the Dutch, French and Italian elections this year.

Relative to international peers the Australian and New Zealand share markets did not perform as strongly, however both the S&P/NZX 50 and S&P/ASX 200 still made reasonable returns of 1.7% and 2.2% (local currency) respectively.

February was a good month for fixed interest markets both locally and globally. Bond yields in New Zealand fell slightly across most maturities and when combined with a continued tightening in credit spreads, resulted in solid returns for corporate bonds. The RBNZ left the OCR unchanged at 1.75% as expected but did highlight an improving global outlook for both growth and inflation.

The Fund returned 2.0% relative to its benchmark which returned 2.3%. Across all asset classes results were near or above the respective benchmarks with Australian equities having the best relative performance.

Monthly Return before fees and tax*

Balanced SRI Fund	1.97%
Benchmark	2.32%

*Longer term returns on page 2.

Balanced SRI Fund Facts

Launch Date	1-Nov-07
Management Fee	1.25%
Unit Price (28 Feb 17)	\$1.6291
Fund NAV (28 Feb 17)	\$30,236,883

Investment Ranges

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

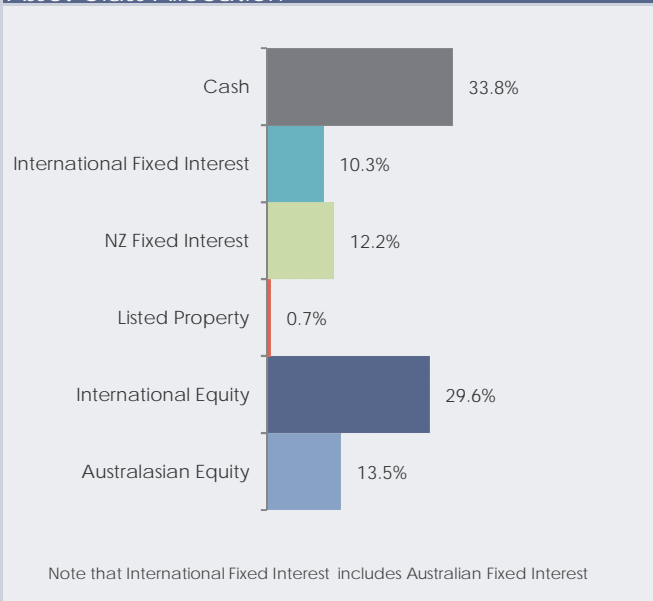
Benchmark

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%

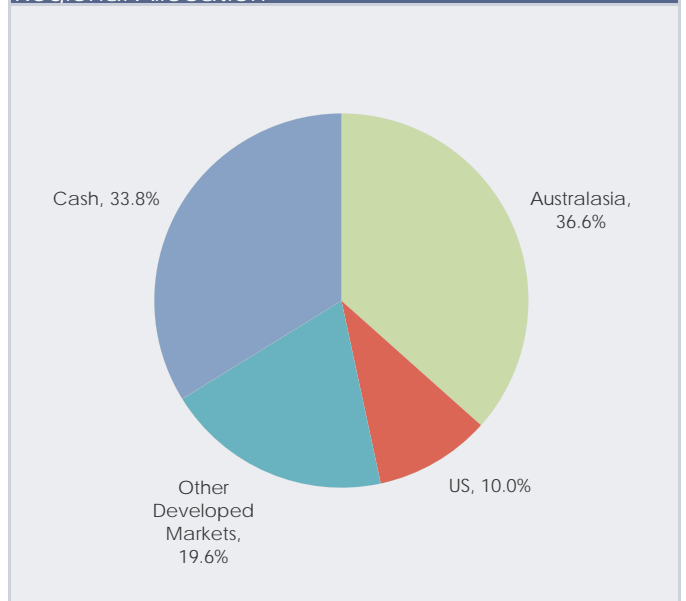
Top 5 Holdings

	Weight
MSCI World ESG TRS	14.73%
Ishares MSCI KLD 400 Social	6.90%
Telstra (Sep 2022)	1.85%
Stockland (Nov 2022)	1.84%
ANZ Green Bond (June 2020)	1.79%

Asset Class Allocation



Regional Allocation



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Balanced SRI 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*
Balanced SRI Fund ¹	1.97%	2.52%	2.50%	7.19%	7.77%	9.63%	6.97%
Benchmark Return ²	2.32%	3.53%	3.60%	9.19%	8.26%	9.33%	5.15%
Returns after fees and tax³							
Highest PIR tax rate (currently 28%)	1.66%	1.88%	1.37%	4.78%	5.34%	7.20%	4.44%
Medium PIR tax rate (currently 17.5%)	1.74%	2.00%	1.55%	5.19%	5.73%	7.59%	4.89%
Low PIR tax rate (currently 10.5%)	1.79%	2.07%	1.67%	5.44%	6.00%	7.85%	5.08%
Zero PIR tax rate	1.87%	2.19%	1.85%	5.81%	6.39%	8.24%	5.67%

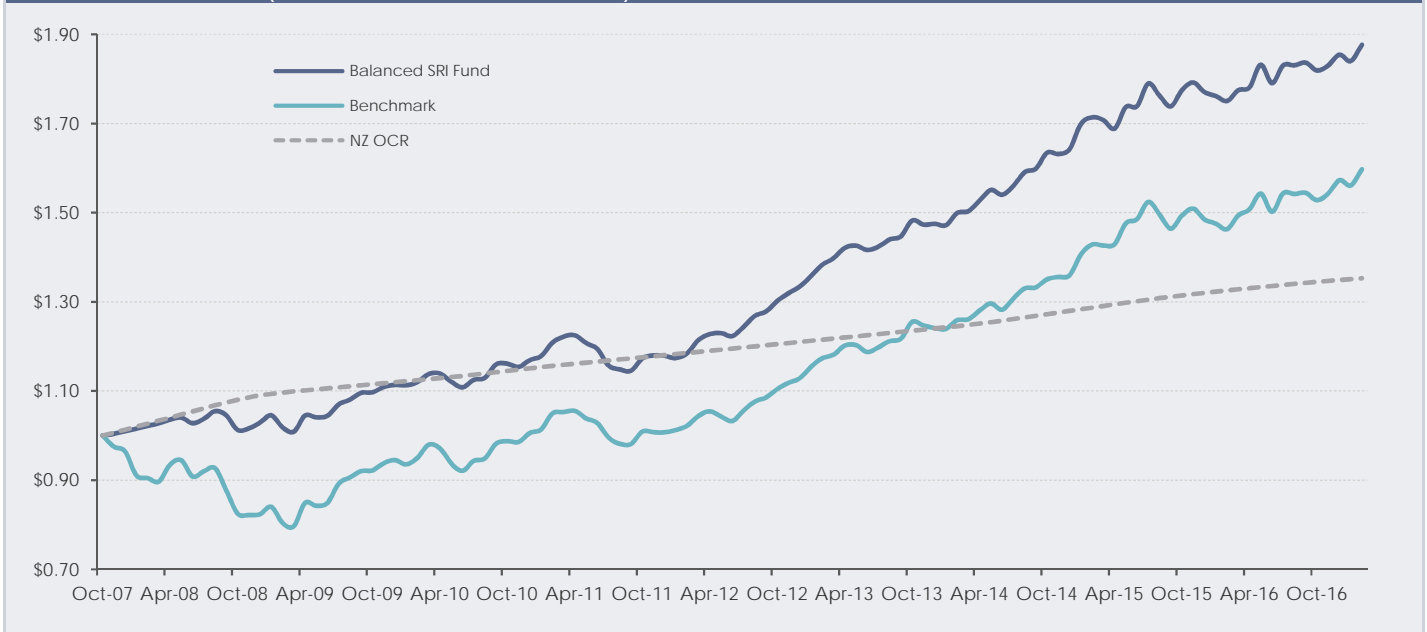
1. Includes imputation credits where applicable

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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