

QUAYSTREET BALANCED FUND

Update as at 31 Mar 2017

Fund Description

The QuayStreet Balanced 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. Investment returns will vary considerably from year to year and may be negative.

Monthly Update

Global equities were generally positive in local currency terms, however the US market finished flat for the month. Better equity performances were found outside the US, generally where a combination of factors were evident: monetary policies being more accommodative, competitive currencies and corporate earnings trends that are more compelling. Europe remains a good example of this, a region where the Fund is well represented. Political risk also appears to be subsiding with the anti-European Union forces not as disruptive as feared in the recent Dutch elections and slipping further behind in the polls in France.

It was a good month for fixed interest markets with government bond yields down slightly with a continued contraction in credit spreads. Local economic data has been mixed recently with GDP numbers for the fourth quarter below market expectations, dairy prices have been weak in the recent auctions and there is evidence that the residential property market is cooling. Market pricing reflects a neutral outlook for short term interest rates, with the first interest rate hike not being priced in until next year.

The Fund had a solid return of 2.0% but was slightly behind its benchmark. Unhedged international equity provided the strongest returns so the Fund lost some relative performance due to currency hedging. The Fund also has a relatively high cash weight which diluted the impact of positive equity market returns. Fixed interest securities performed well but were in-line with market benchmarks.

Monthly Return before fees and tax*

Balanced Fund	1.99%
Benchmark	2.40%

*Longer term returns on page 2.

Balanced Fund Facts

Launch Date	25-Oct-07
Management Fee	1.00%
Unit Price (31 Mar 17)	\$1.6736
Fund NAV (31 Mar 17)	\$153,115,205

Investment Ranges

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

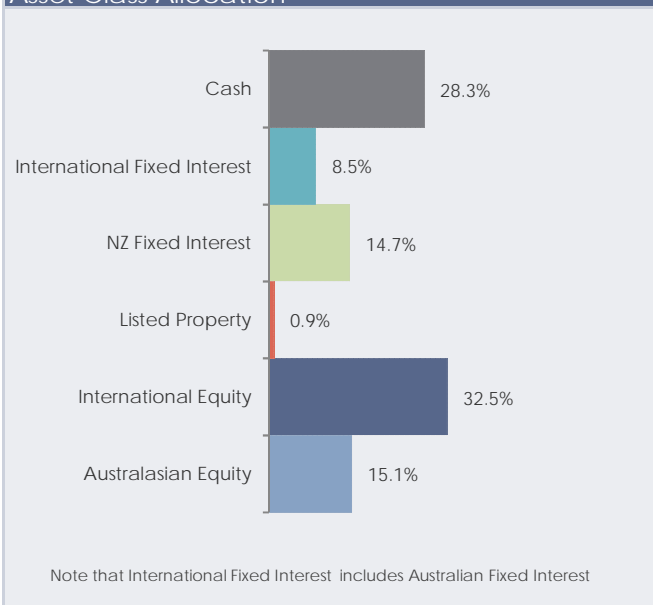
Benchmark

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%

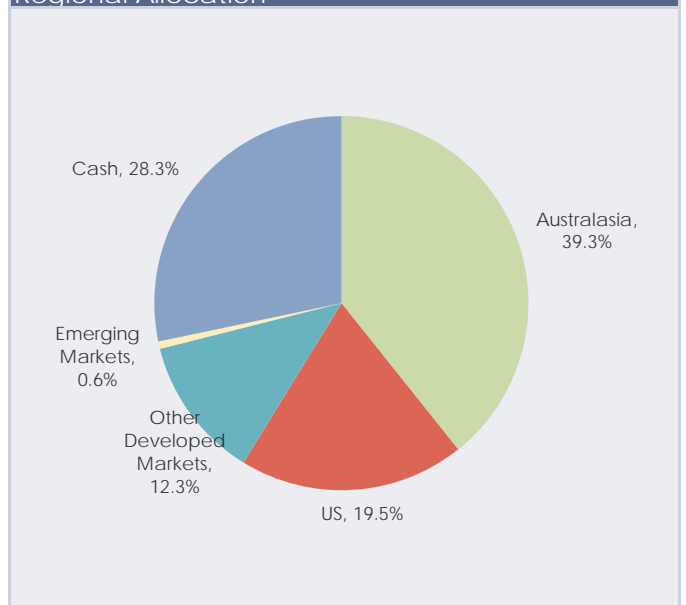
Top 5 Holdings

	Weight
Ishares Core S&P 500 ETF	16.40%
MSCI EAFE incl Canada TRS	11.84%
SPDR Gold Shares Fund	1.20%
CSL	0.93%
Fisher & Paykel Healthcare	0.88%

Asset Class Allocation



Regional Allocation



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Balanced Fund Performance as at 31-Mar-2017

Returns before fees and tax	1 Month	3 Months	6 Months	1 Year	3 Years*	5 Years*	Inception*
Balanced Fund ¹	1.99%	3.50%	4.21%	8.09%	9.21%	9.10%	6.78%
Benchmark Return ²	2.40%	3.99%	5.90%	9.51%	9.06%	9.39%	5.32%
Returns after fees and tax³							
Highest PIR tax rate (currently 28%)	1.68%	2.86%	3.15%	6.12%	7.10%	7.15%	4.61%
Medium PIR tax rate (currently 17.5%)	1.78%	3.01%	3.37%	6.49%	7.56%	7.58%	5.07%
Low PIR tax rate (currently 10.5%)	1.85%	3.12%	3.52%	6.75%	7.88%	7.88%	5.29%
Zero PIR tax rate	1.95%	3.29%	3.78%	7.17%	8.34%	8.31%	5.90%

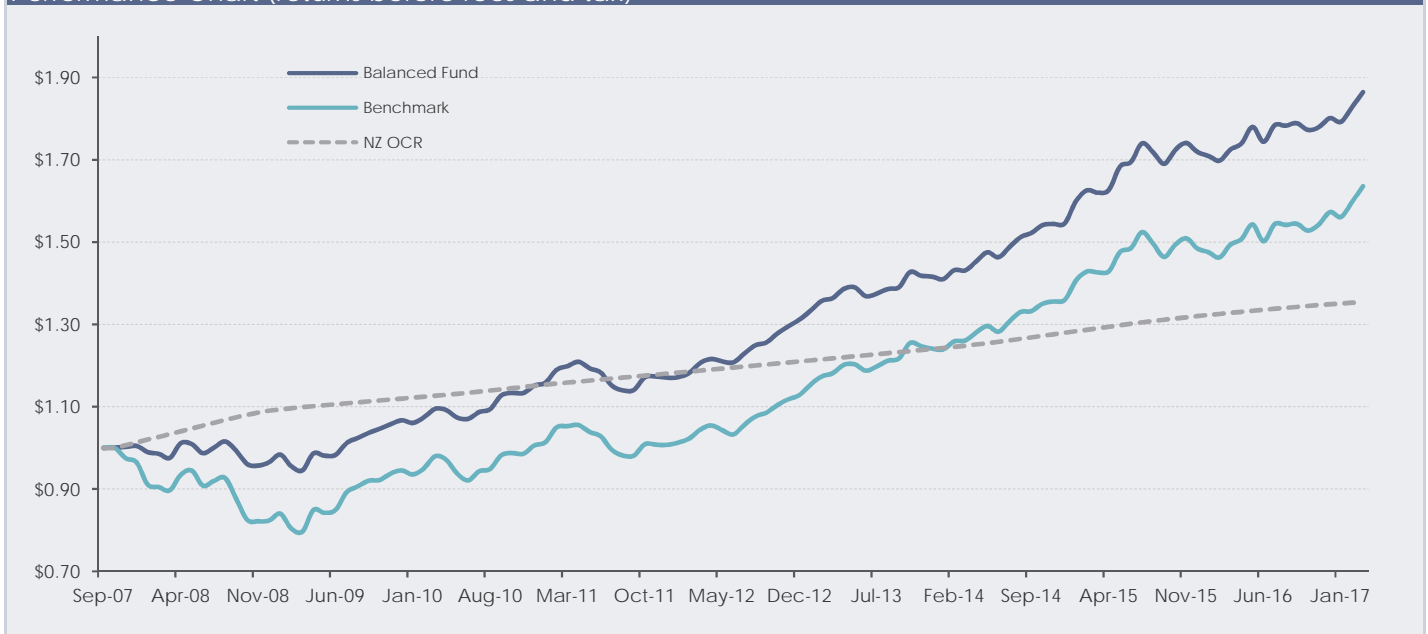
1. Includes imputation credits where applicable

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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