

# QUAYSTREET INTERNATIONAL EQUITY FUND

Update as at 31 Mar 2017

## Fund Description

The QuayStreet International Equity Fund invests in a diversified portfolio of shares selected from global markets. The investment objective is to provide investors with a long run level of return consistent with international share markets as well as diversification away from New Zealand dollar denominated investments. Investment returns will vary substantially from year to year and may be negative.

## Monthly Update

While the first quarter of the year saw a powerful rally in the US stock market and the so called Trump reflation trade, all the gains occurred in January and February. In March the market was flat on the realisation that many of Trumps policy initiatives could be difficult to legislate into law or at least significantly delayed and/or diluted.

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. Like Japan, corporate earnings estimates are on the rise in Europe coupled with relatively attractive valuation metrics.

The Fund had another strong month rising 4.2% although slightly lagging its benchmark. The Funds unhedged US dollar assets were a big positive contributor due to the fall in the kiwi dollar however the Euro currency hedge detracted from performance. The Fund's Indian investment contributed strongly in March recapturing all the lost ground from last year's big sell off following Prime Minister Modi's assault on local tax evasion and the re-issuance of a new currency.

## Monthly Return before fees and tax\*

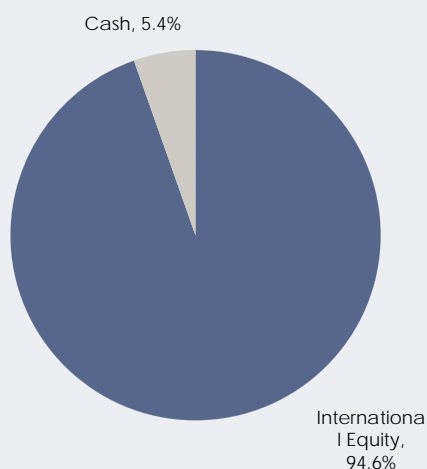
International Equity Fund	4.15%
MSCI World Net Index (NZD)	4.56%

\*Longer term returns on page 2.

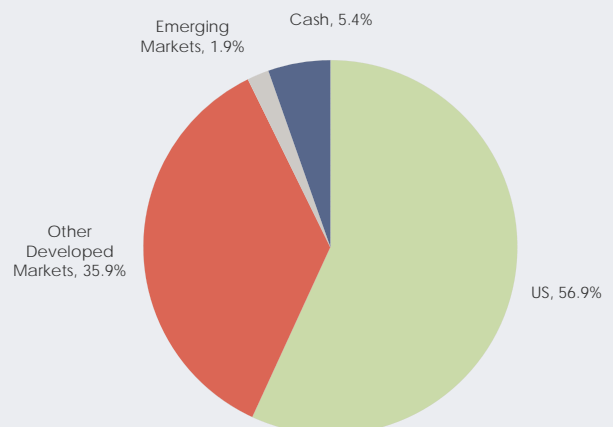
## International Equity Fund Facts

Launch Date	31-Oct-09
Management Fee	1.25%
Unit Price (31 Mar 17)	\$1.7456
Fund NAV (31 Mar 17)	\$179,658,710
<b>Investment Ranges</b>	
Australasian Equity	0-50%
International Equity	0-100%
Cash	0-80%
<b>Benchmark</b>	
MSCI World Net Index (NZD)	100%
<b>Top 5 Holdings</b>	
Ishares Core S&P 500 ETF	47.80%
MSCI EAFE incl Canada TRS	34.50%
SPDR Gold Shares Fund	3.50%
Ishares MSCI INDIA ETF	1.88%
Google Inc-CI A	0.71%

## Asset Class Allocation



## Regional Allocation



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## International Equity 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*
International Equity Fund <sup>1</sup>	4.15%	6.01%	11.77%	12.61%	11.49%	11.59%	9.38%
Benchmark Return <sup>2</sup>	4.56%	6.11%	12.71%	13.99%	11.08%	11.86%	9.07%
<b>Returns after fees and tax<sup>3</sup></b>							
Highest PIR tax rate (currently 28%)	3.47%	4.95%	9.66%	9.59%	8.95%	9.33%	7.12%
Medium PIR tax rate (currently 17.5%)	3.68%	5.22%	10.19%	10.21%	9.42%	9.77%	7.53%
Low PIR tax rate (currently 10.5%)	3.82%	5.40%	10.53%	10.57%	9.72%	10.04%	7.78%
Zero PIR tax rate	4.03%	5.67%	11.07%	11.19%	10.19%	10.47%	8.19%

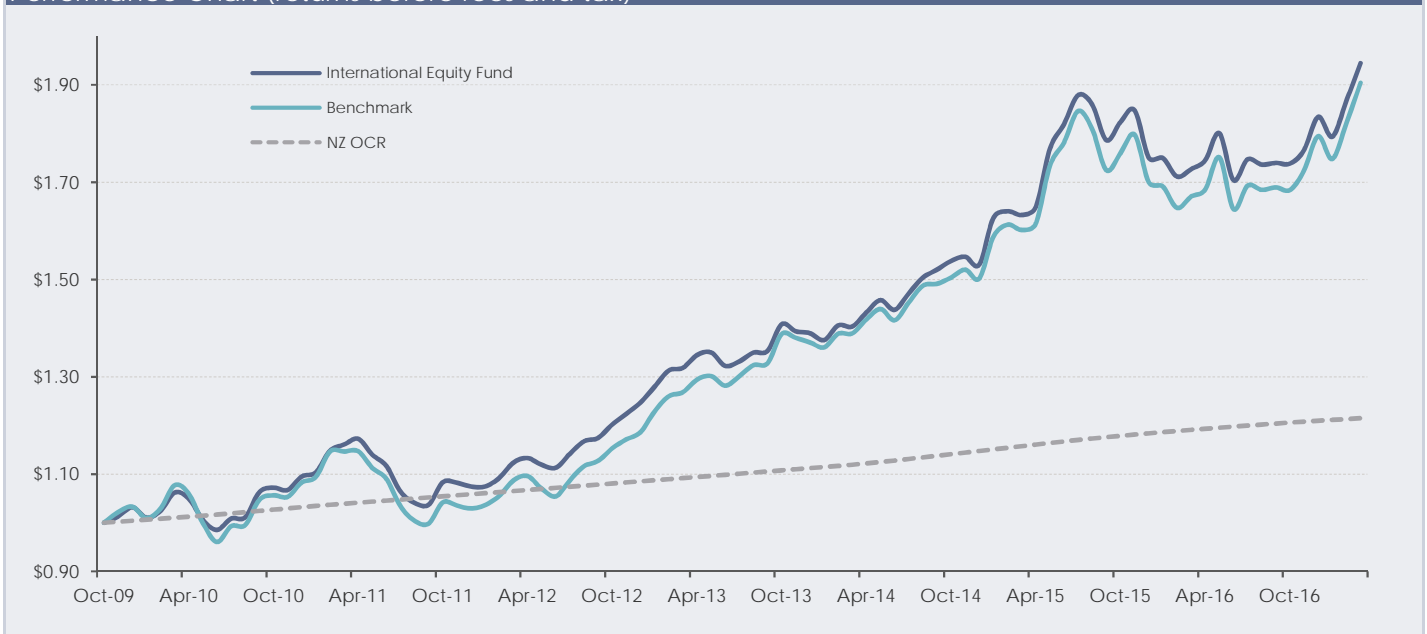
1. Includes imputation credits where applicable

2. Historic performance based on the benchmark that was effective at the time (currently the MSCI World Net Index in NZD)

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](http://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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