

QuayStreet Funds Quarterly Fund Update

QuayStreet Balanced Fund

QUARTER ENDED 30 SEPTEMBER 2021

This fund update was first made publicly available on 29 October 2021.

1. WHAT IS THE PURPOSE OF THIS UPDATE?

This document tells you how the QuayStreet Balanced Fund (Balanced Fund) has performed and what fees were charged. The document will help you to compare the Fund with other funds. QuayStreet Asset Management Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

2. DESCRIPTION OF THIS FUND

The QuayStreet Balanced Fund invests in a diversified portfolio with a balance between fixed interest and growth assets such as shares. The investment objective is to provide a return above the Fund's benchmark over the long term.

| | |
|---------------------------|-------------------|
| Total Value of the Fund | \$315,286,772 |
| The date the Fund started | 30 September 2007 |

3. WHAT ARE THE RISKS OF INVESTING?

The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at quaystreet.com/risk-profiler.

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for a 5 year period to 30 September 2021. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

See the Product Disclosure Statement (PDS) for more information about the risks associated with investing in this Fund.

RISK INDICATOR FOR THE BALANCED FUND

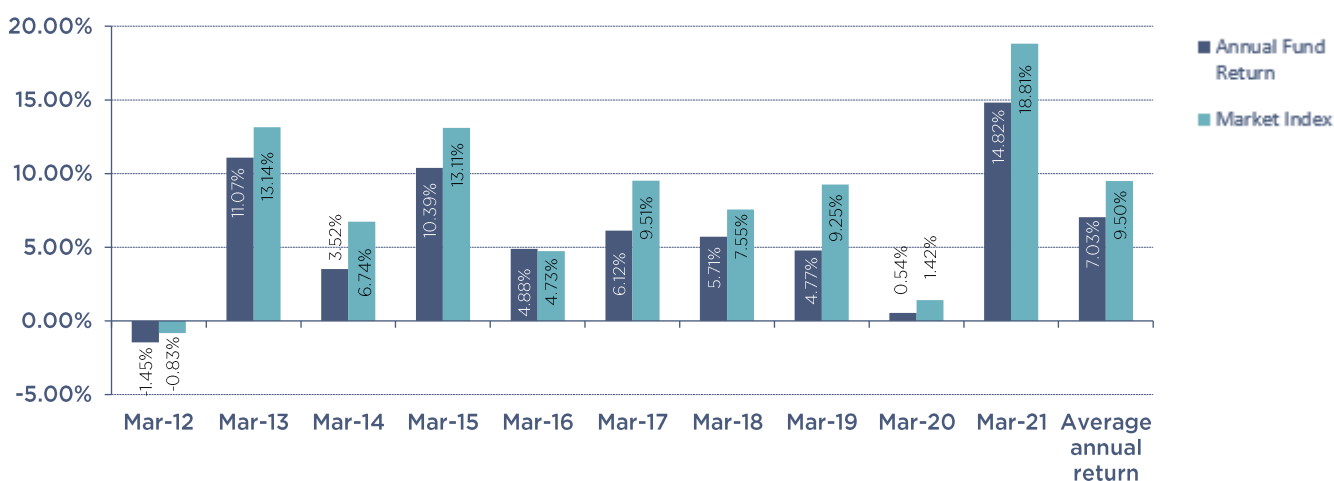


4. HOW HAS THE FUND PERFORMED?

| | AVERAGE OVER PAST 5 YEARS | PAST YEAR (TO 30 SEPTEMBER 2021) |
|--|---------------------------|-------------------------------------|
| Annual Return (after deductions for charges and tax) | 6.56% | 10.53% |
| Annual Return (after deductions for charges but before tax) | 7.53% | 11.66% |
| Market Index Annual Return (reflects no deduction for charges and tax) | 9.51% | 12.12% |

Market Index weighted 40% MSCI World (NZD) Net Total Return Index, 10% S&P/NZX 50 Gross Index, 10% S&P/ASX 200 Total Return Index, 30% S&P/NZX Investment Grade Corporate Bond Total Return Index and 10% S&P/NZX Bank Bills 90-Day Total Return Index. More information on the market index is available in the Other Material Information available at quaystreet.com or the offer register for the QuayStreet Funds at disclose-register.companiesoffice.govt.nz.

ANNUAL RETURN GRAPH¹



This shows the return after fund charges and tax for each of the last 10 years ending 31 March. The last bar shows the average annual return for the last 10 years, up to 30 September 2021.

IMPORTANT: This does not tell you how the Fund will perform in the future. Returns in this update are after tax at the highest prescribed investor rate (PIR) for an individual New Zealand resident. Your tax may be lower.

5. WHAT FEES ARE INVESTORS CHARGED?

Investors in the QuayStreet Balanced Fund are charged fund charges. In the year to 31 March 2021 these were:

| | % OF NET ASSET VALUE |
|--|----------------------|
| TOTAL FUND CHARGES² Which are made up of - | 1.04% |
| Total management and administration charges including - | 1.01% |
| Manager's basic fee | 0.97% |
| Other management and administration charges | 0.04% |
| Total performance-based fees³ | 0.03% |

See the product disclosure statement for more information about the basis on which performance fees are charged.

| OTHER CHARGES | DESCRIPTION OF HOW CHARGE IS CALCUCATED |
|---|---|
| There are no additional charges. | - |

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the PDS for the QuayStreet Funds for more information about those fees.

The QuayStreet Balanced Fund invests in the QuayStreet Altum Fund which is managed by QuayStreet Asset Management Limited ('the Manager'). The Manager is entitled to charge a performance fee in respect of investments in the QuayStreet Altum Fund, which is reflected above. See the PDS for more information about the basis on which performance fees are charged within the QuayStreet Altum Fund.

6. EXAMPLE OF HOW THIS APPLIES TO AN INVESTOR

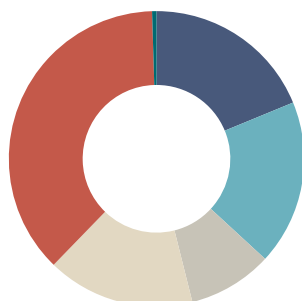
Small differences in fees and charges can have a big impact on your investment over the long term.

Emma had \$50,000 in the Fund at the start of the year and did not make any further contributions. At the end of the year, Emma received a return after fund charges were deducted of \$5,830.00 (that is 11.66% of her initial \$50,000). Emma did not pay any other charges. This gives Emma a total return after tax of \$5,265.00 for the year.

7. WHAT DOES THE FUND INVEST IN?

This shows the types of assets that the Fund invests in.

ACTUAL INVESTMENT MIX (AS AT 30 SEPTEMBER 2021)



- Cash and cash equivalents - 18.78%
- New Zealand fixed interest - 18.07%
- International fixed interest - 9.24%
- Australasian equities - 16.17%
- International equities - 37.26%
- Listed property - 0.48%

TARGET INVESTMENT MIX

| | TARGET | RANGE |
|------------------------------|--------|--------|
| CASH AND CASH EQUIVALENTS | 10% | 0%-60% |
| NEW ZEALAND FIXED INTEREST | 30% | 0%-60% |
| INTERNATIONAL FIXED INTEREST | 0% | 0%-60% |
| AUSTRALASIAN EQUITIES | 20% | 0%-80% |
| INTERNATIONAL EQUITIES | 40% | 0%-80% |
| LISTED PROPERTY | 0% | 0%-40% |
| UNLISTED PROPERTY | 0% | 0%-40% |
| COMMODITIES | 0% | 0%-0% |
| OTHER | 0% | 0%-0% |

TOP 10 INVESTMENTS

| ASSET NAME | % OF FUND NET ASSETS | TYPE | COUNTRY | CREDIT RATING |
|-------------------------------------|----------------------|----------------------------|---------|---------------|
| Cash ANZNZ (NZD) | 16.13% | Cash and cash equivalents | NZ | AA- |
| Alphabet | 1.87% | International equities | US | |
| Apple | 1.69% | International equities | US | |
| Microsoft | 1.52% | International equities | US | |
| CSL | 1.31% | Australasian equities | AU | |
| Amazon.com | 1.26% | International equities | US | |
| Macquarie Group | 1.24% | Australasian equities | AU | |
| Mainfreight | 1.16% | Australasian equities | NZ | |
| Cash Citibank (USD) | 1.14% | Cash and cash equivalents | NZ | BBB+ |
| NZ Govt Inflation Linked (Sep 2025) | 1.04% | New Zealand Fixed Interest | NZ | AAA |

The Top 10 investments make up 28.36% of the net asset value of the Fund.

CURRENCY EXPOSURE - The Fund's foreign currency exposure is actively managed in a manner consistent with the investment objectives and the performance benchmark. The current (after derivatives) exposure to foreign currencies is 39% compared to the benchmark foreign currency exposure of 40%.

8. KEY PERSONNEL

| NAME | CURRENT POSITION | TIME IN CURRENT POSITION | PREVIOUS POSITION | TIME IN PREVIOUS POSITION |
|---------------------------------|-----------------------------------|--------------------------|---|---------------------------|
| Andrew South⁴ | Director/Chief Investment Officer | 0 year/s and 2 month/s | Investment Manager Australasian Equities, QuayStreet Asset Management Limited | 7 year/s and 1 month/s |
| Roy Cross | Head of Fixed Interest | 0 year/s and 2 month/s | Senior Analyst, QuayStreet Asset Management Limited | 7 year/s and 1 month/s |
| Stefan Stevanovic | Head of International Equity | 0 year/s and 2 month/s | Senior Analyst, QuayStreet Asset Management Limited | 7 year/s and 1 month/s |
| Xavier Waterstone | Head of Research | 0 year/s and 2 month/s | Senior Analyst, QuayStreet Asset Management Limited | 2 year/s and 11 month/s |
| Craig Smith⁵ | Fixed Income Analyst | 0 year/s and 2 month/s | Senior Analyst, Melville Douglas Investment Management Limited | 5 year/s and 11 month/s |

9. FURTHER INFORMATION

You can also obtain this information, the PDS for the QuayStreet Funds, and some additional information from the offer register at disclose-register.companiesoffice.govt.nz.

10. NOTES

¹ Market Index returns do not reflect deductions of any charges or taxes.

² Management fees in the QuayStreet Balanced Fund of 1.00% include Supervisor, Custody and Registry charges which are shown here as other management and administration charges. Other management and administration changes also include expenses incurred within the Fund. This percentage will change from year to year.

³The Performance Fee is an estimate and is based on the fee charged for the year ended 31 March 2021.

⁴Andrew South was appointed a director of QuayStreet Asset Management Limited in August 2021.

⁵Craig Smith joined the Investment Team in August 2021.



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