

QuayStreet Funds Quarterly Fund Update

QuayStreet Fixed Interest Fund

QUARTER ENDED 30 JUNE 2020

The fund update was first made publicly available on 28 July 2020

1. WHAT IS THE PURPOSE OF THIS UPDATE?

This document tells you how the QuayStreet Fixed Interest Fund (Fixed Interest Fund) has performed and what fees were charged. The document will help you to compare the Fund with other funds. QuayStreet Asset Management Limited has 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 Fixed Interest Fund invests in a diversified portfolio of fixed interest and derivative investments, targeting returns above the New Zealand corporate fixed interest market over the long term. The investment objective is to provide a level of return above the Fund's benchmark. The Fund aims to make biannual distributions.

Total Value of the Fund	\$346,510,708
The date the Fund started	31 October 2009

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/investor-basics.

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 June 2020. 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 FIXED INTEREST FUND

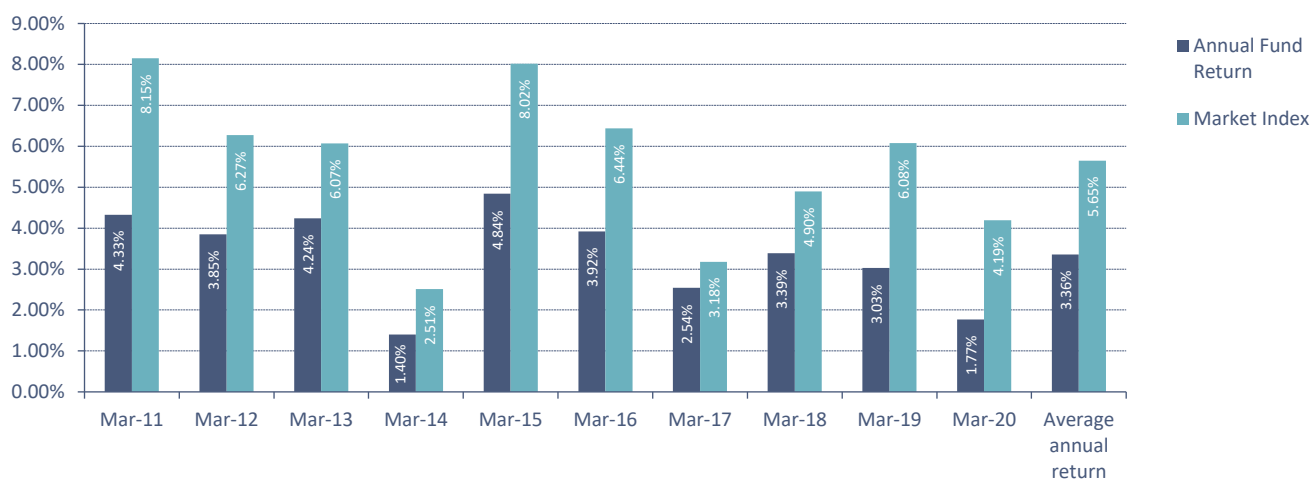


4. HOW HAS THE FUND PERFORMED?

	AVERAGE OVER PAST 5 YEARS	PAST YEAR (TO 30 JUNE 2020)
Annual Return (after deductions for charges and tax)	3.14%	2.84%
Annual Return (after deductions for charges but before tax)	4.38%	3.97%
Market Index Annual Return (reflects no deduction for charges and tax)	5.31%	5.84%

Market Index is the S&P/NZX Investment Grade Corporate Bond Index Total Return. 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



The above graph 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 June 2020.

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 PIR may be lower.

5. WHAT FEES ARE INVESTORS CHARGED?

Investors in the QuayStreet Fixed Interest Fund are charged fund charges. In the year to 31 March 2020 these were:

	% OF NET ASSET VALUE
TOTAL FUND CHARGES ² Which are made up of -	0.78%
Total management and administration charges Including -	0.78%
Managers basic fee	0.66%
Other management and administration charges	0.12%
Total performance-based fees	0.00%

OTHER CHARGES

DESCRIPTION OF HOW CHARGE IS CALCULATED

Brokerage	Up to 0.50% of the amount being traded when the Fund buys or sells securities.
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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.

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

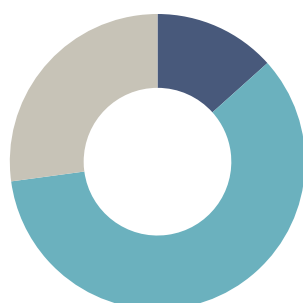
EXAMPLE OF HOW THIS APPLIES TO AN INVESTOR

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 \$1,985.00 (that is 3.97% of her initial \$50,000). Emma did not pay any other charges. This gives Emma a total return after tax of \$1,420.00 for the year.

6. WHAT DOES THE FUND INVEST IN?

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

ACTUAL INVESTMENT MIX (AS AT 30 JUNE 2020)



- Cash and cash equivalents - 13.36%
- New Zealand fixed interest - 59.51%
- International fixed interest - 27.13%

TARGET INVESTMENT MIX

	TARGET	RANGE
CASH AND CASH EQUIVALENTS	0%	0%-40%
NEW ZEALAND FIXED INTEREST	100%	0%-100%
INTERNATIONAL FIXED INTEREST	0%	0%-100%
AUSTRALASIAN EQUITIES	0%	0%-0%
INTERNATIONAL EQUITIES	0%	0%-0%
LISTED PROPERTY	0%	0%-0%
UNLISTED PROPERTY	0%	0%-0%
COMMODITIES	0%	0%-0%
OTHER	0%	0%-0%

TOP 10 INVESTMENTS

ASSET NAME	% OF FUND NET ASSETS	TYPE	COUNTRY	CREDIT RATING
ASB Term Deposit 2.50% 30/11/2020	4.69%	Cash and cash equivalents	New Zealand	
Cash ANZ NZ (NZD)	3.40%	Cash and cash equivalents	New Zealand	
APT Pipelines (March 2025)	3.34%	International fixed interest	Australia	BBB
Sydney Airport Inflation Linked (Nov 2020)	3.20%	International fixed interest	Australia	BBB+
Vector (Mar 2024)	3.11%	New Zealand fixed interest	New Zealand	BBB
ASB Term Deposit 1.5% 25/06/2021	2.89%	Cash and cash equivalents	New Zealand	
ASB (May 2024)	2.88%	New Zealand fixed interest	New Zealand	AA-
Genesis Energy (April 2025)	2.52%	New Zealand fixed interest	New Zealand	BBB+
NZ Govt Inflation Linked (Sep 2025)	2.46%	New Zealand fixed interest	New Zealand	AA+
BNZ (Feb 2024)	2.28%	New Zealand fixed interest	New Zealand	AA-

The Top 10 investments make up 30.77% of the net asset value of the Fund.

CURRENCY HEDGING

The Fund's foreign currency exposure is actively managed in a manner consistent with the investment objectives and the performance benchmark. The current exposure to foreign currencies is 1% compared to the benchmark foreign currency exposure of 0%.

7. KEY PERSONNEL

NAME	CURRENT POSITION	TIME IN CURRENT POSITION	PREVIOUS POSITION	TIME IN PREVIOUS POSITION
James Ring	Investment Manager International Equities	6 year/s and 0 month/s	Investment Manager, Rank Group Limited	1 year/s and 0 month/s
Andrew South	Investment Manager Australasian Equities	6 year/s and 0 month/s	Chief Investment Officer, Brook Asset Management Limited	4 year/s and 1 month/s
Roy Cross	Senior Analyst	6 year/s and 0 month/s	Senior Analyst, Brook Asset Management Limited	8 year/s and 7 month/s
Stefan Stevanovic	Senior Analyst	6 year/s and 0 month/s	Research Analyst, Brook Asset Management Limited	6 year/s and 7 month/s
Xavier Waterstone	Senior Analyst	1 year/s and 10 month/s	Senior Analyst, Diogenes Research Pty Limited	1 year/s and 6 month/s

8. 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.

9. NOTES

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

² Management fees in the QuayStreet Fixed Interest Fund of 0.75% include Supervisor, Custody and Registry charges which are shown here as other management and administration charges. Other management and administration charges also include expenses incurred within the Fund. This percentage will change from year to year.



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