

# QuayStreet KiwiSaver Scheme Quarterly Fund Update

## QuayStreet Altum Fund

QUARTER ENDED 31 MARCH 2020

This is a replacement fund update to replace the version dated 29 April 2020 which was made publicly available on 29 April 2020. Changes have been made to Section 4 'How has the fund performed?' to the Annual return graph to update the annual fund return for March 2020 and to include the credit ratings for the top 10 investments in Section 7 What does the fund invest in. This fund update was first made publicly available on 22 February 2021.

### 1. WHAT IS THE PURPOSE OF THIS UPDATE?

This document tells you how the QuayStreet Altum Fund (Altum 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

A concentrated portfolio of shares from Australia and New Zealand which can at times include cash and fixed interest investments and derivatives, targeting a long-term return above the New Zealand Official Cash Rate regardless of share market returns.

Total Value of the Fund	\$3,130,677
Number of Investors	238
The date the Fund started	06 October 2014

### 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](http://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 31 March 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 ALTUM FUND

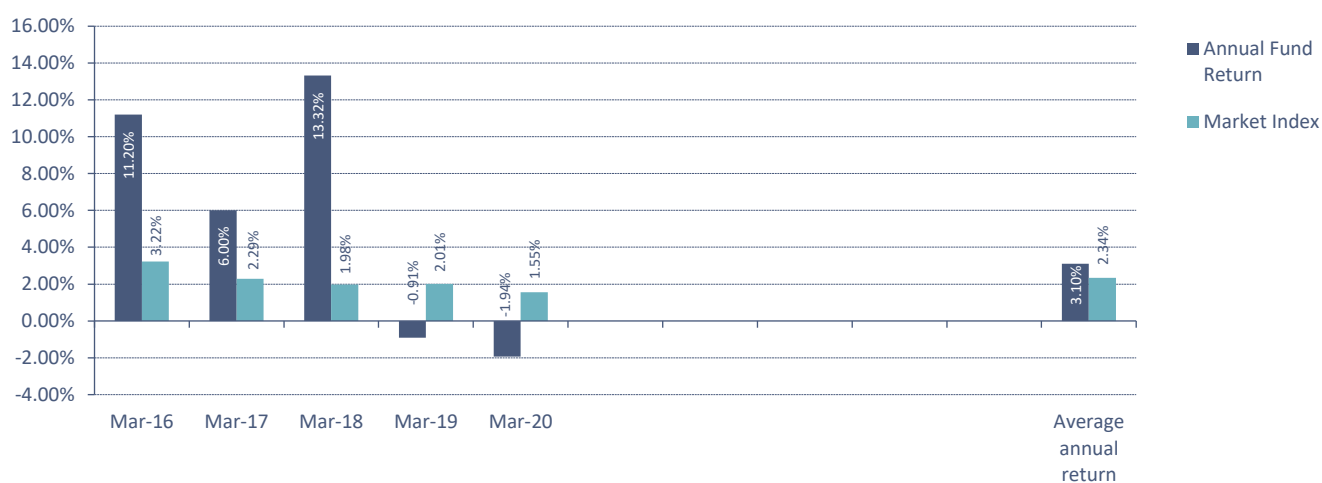


## 4. HOW HAS THE FUND PERFORMED?

	AVERAGE OVER PAST 5 YEARS	PAST YEAR (TO 31 MARCH 2020)
Annual Return (after deductions for charges and tax)	5.35%	-1.94%
Annual Return (after deductions for charges but before tax)	5.47%	-1.88%
Market Index Annual Return (reflects no deduction for charges and tax)	2.21%	1.55%

Market Index is the NZ 90 day Bank Bill Index<sup>1</sup>. More information on the market index is available in the Other Material Information available at [quaystreet.com](http://quaystreet.com) or the offer register for the QuayStreet KiwiSaver Scheme at [disclose-register.companiesoffice.govt.nz](http://disclose-register.companiesoffice.govt.nz).

ANNUAL RETURN GRAPH<sup>2</sup>



This shows the return after fund charges and tax for each full year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 31 March 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) of tax for an individual New Zealand resident. Your PIR may be lower.

## 5. WHAT FEES ARE INVESTORS CHARGED?

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

	% OF NET ASSET VALUE
<b>TOTAL FUND CHARGES<sup>3</sup></b> Which are made up of -	1.58%
<b>Total management and administration charges including -</b>	1.29%
Manager's basic fee	1.15%
Other management and administration charges	0.14%
<b>Total performance-based fees<sup>4</sup></b>	0.29%

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

OTHER CHARGES	DESCRIPTION OF HOW CHARGE IS CALCULATED
Administration Fee	Up to \$30.00 per annum per member charged to your member account in September and March.
Scheme Expenses	Approximately \$5.49 per annum per member. This estimate has been based on the total amount of costs and expenses recovered during the Scheme's previous financial year on a per member basis. The actual expenses incurred will vary from time to time and are recovered on a per member basis.

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 KiwiSaver Scheme for more information about those fees.

## 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 incurred a loss after fund charges were deducted of \$940.00 (that is -1.88% of her initial \$50,000). Emma also paid \$35.49 in other charges. This gives Emma a total loss after tax of \$1,005.49 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 31 MARCH 2020)



- Cash and cash equivalents - 45.73%
- Australasian equities - 49.96%
- International equities - 4.31%

### TARGET INVESTMENT MIX

	TARGET	RANGE
CASH AND CASH EQUIVALENTS	0%	0%-100%
NEW ZEALAND FIXED INTEREST	0%	0%-100%
INTERNATIONAL FIXED INTEREST	0%	0%-100%
AUSTRALASIAN EQUITIES	100%	0%-100%
INTERNATIONAL EQUITIES	0%	0%-100%
LISTED PROPERTY	0%	0%-100%
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
Cash ANZ (NZD)	20.61%	Cash and cash equivalents	New Zealand	AA-
A2 Milk Company	11.81%	Australasian equities	New Zealand	
Cash Citibank (USD)	10.00%	Cash and cash equivalents	New Zealand	BBB+
Fisher & Paykel Healthcare	8.04%	Australasian equities	New Zealand	
CSL	6.18%	Australasian equities	Australia	
ASB Term Deposit 2.50% 30/11/2020	5.20%	Cash and cash equivalents	New Zealand	AA-
ANZ New Zealand Term Deposit 2.15% 20/08/2020	4.55%	Cash and cash equivalents	New Zealand	AA-
Cash Citibank (AUD)	4.39%	Cash and cash equivalents	New Zealand	BBB+
Alphabet Inc-Cl A	4.31%	International equities	United States	
Macquarie Group	3.87%	Australasian equities	Australia	

The Top 10 investments make up 78.96% 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 15% compared to the benchmark foreign currency exposure of 0%.

## 8. KEY PERSONNEL

NAME	CURRENT POSITION	TIME IN CURRENT POSITION	PREVIOUS POSITION	TIME IN PREVIOUS POSITION
James Ring	Investment Manager International Equities	5 year/s and 9 month/s	Investment Manager, Rank Group Limited	1 year/s and 0 month/s
Andrew South	Investment Manager Australasian Equities	5 year/s and 9 month/s	Chief Investment Officer, Brook Asset Management Limited	4 year/s and 1 month/s
Roy Cross	Senior Analyst	5 year/s and 9 month/s	Senior Analyst, Brook Asset Management Limited	8 year/s and 7 month/s
Stefan Stevanovic	Senior Analyst	5 year/s and 9 month/s	Research Analyst, Brook Asset Management Limited	6 year/s and 7 month/s
Xavier Waterstone	Senior Analyst	1 year/s and 7 month/s	Senior Analyst, Diogenes Research Pty Limited	1 year/s and 6 month/s

## 9. FURTHER INFORMATION

You can also obtain this information, the PDS for the QuayStreet Kiwisaver Scheme, and some additional information from the offer register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz).

## 10. NOTES

<sup>1</sup> The benchmark return for performance fee calculations is not the NZ 90 day Bank Bill Index. The performance fee calculation uses the NZ OCR + 6%.

<sup>2</sup> Market Index returns do not reflect deductions of any fees or taxes.

<sup>3</sup> Management fees in the QuayStreet Altum Fund of 1.25% 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.

<sup>4</sup> A performance fee was not charged in the year ended 31 March 2020. The performance fee is calculated as an average of the last five years fees since inception of the fund.



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