

# QuayStreet Funds Quarterly Fund Update

## QuayStreet Income Fund

QUARTER ENDED 31 DECEMBER 2023

This fund update was first made publicly available on 12 February 2024.

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

This document tells you how the QuayStreet Income Fund (Income Fund) has performed and what fees were charged. The document will help you to compare the fund with other funds. Smartshares 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 Income Fund will invest in a diversified portfolio with an emphasis on income producing assets such as New Zealand and International fixed interest investments and derivatives. The fund may include an allocation to growth assets. The investment objective is to provide a level of return above the fund's benchmark over the long term. The fund aims to make quarterly distributions.

Total value of the fund	\$211,674,533
The date the fund started	30 September 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.formsbyair.com/forms/risk-profiler](http://quaystreet.formsbyair.com/forms/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 December 2023. 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 INCOME FUND

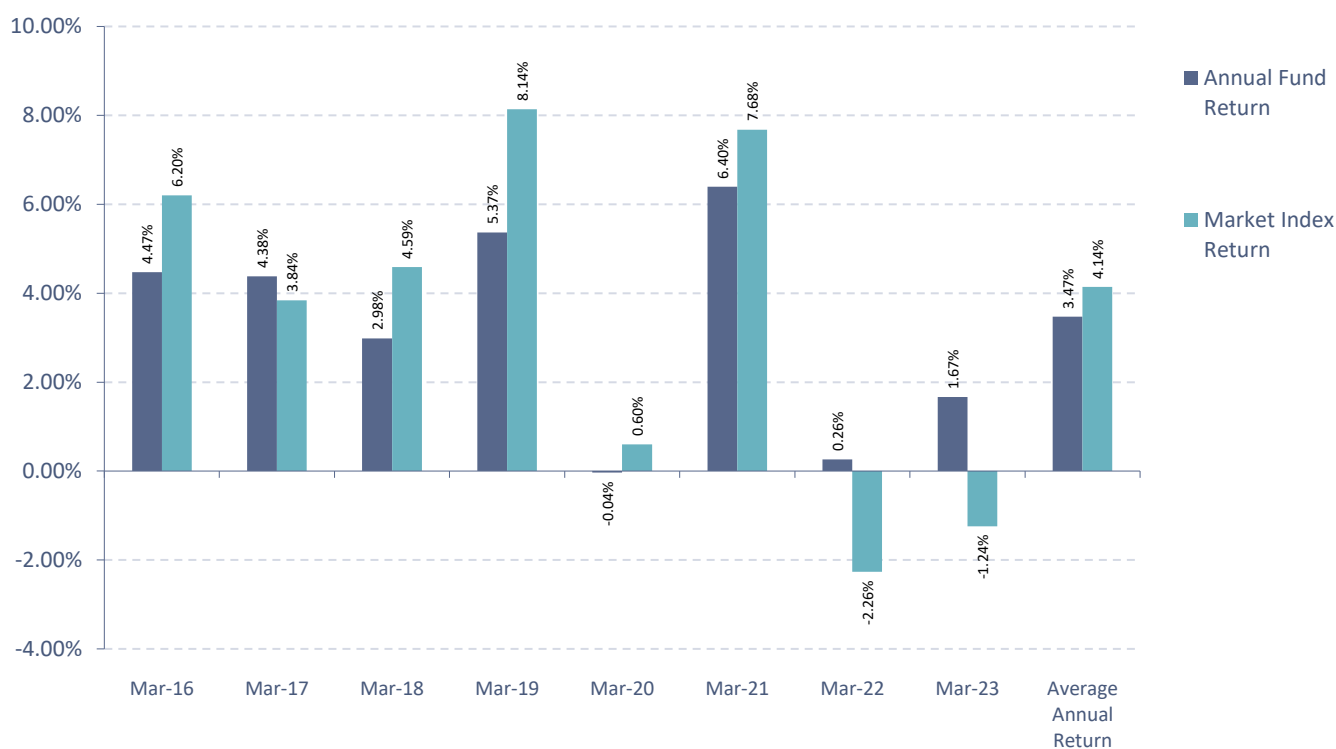


## 4. HOW HAS THE FUND PERFORMED?

	AVERAGE OVER PAST 5 YEARS	PAST YEAR (TO 31 DECEMBER 2023)
Annual Return (after deductions for charges and tax)	2.87%	4.98%
Annual Return (after deductions for charges but before tax)	3.87%	7.05%
Market Index Annual Return (reflects no deduction for charges and tax)	2.70%	7.61%

The market index is a composite index consisting of 5% S&P/NZX 50 Gross Index, 5% S&P/ASX 200 Total Return Index, 5% S&P/ASX 200 A-REIT Total Return Index, 5% S&P/NZX All Real Estate Index, 70% S&P/NZX Investment Grade Corporate Bond Total Return Index and 10% S&P/NZX Bank Bills 90-Day Total Return Index. Additional information about the market index is available in the 'Other Material Information' document on the offer register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz).

### ANNUAL RETURN GRAPH<sup>1</sup>



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 31 December 2023.

**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 tax may be lower.

## 5. WHAT FEES ARE INVESTORS CHARGED?

Investors in QuayStreet Income Fund are charged fund charges. In the year to 31 March 2023 these were:

	% OF NET ASSET VALUE
<b>TOTAL FUND CHARGES</b>	0.76%
Which are made up of -	
<b>Total management and administration charges<sup>2</sup></b>	0.76%
including -	
Manager's basic fee	0.65%
Other management and administration charges	0.11%
<b>Total performance-based fees</b>	0.00%

OTHER CHARGES	DESCRIPTION OF HOW CHARGE IS CALCULATED
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.

## 6. EXAMPLE OF HOW THIS APPLIES TO AN INVESTOR

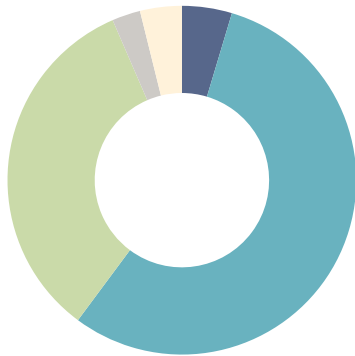
Small differences in fees and charges can have a big impact on your investment over the long term.

Emma had \$10,000 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 but before tax of \$705 (that is 7.05% of Emma's initial \$10,000). This gives Emma a total return after tax of \$498 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 December 2023)



- Cash and cash equivalents - 4.63%
- New Zealand fixed interest - 55.53%
- International fixed interest - 33.34%
- Australasian equities - 2.63%
- International equities - 0.00%
- Listed property - 3.87%
- Unlisted property - 0.00%
- Commodities - 0.00%
- Other - 0.00%

TARGET INVESTMENT MIX

	TARGET	RANGE
CASH AND CASH EQUIVALENTS	10.00%	0% to 20%
NEW ZEALAND FIXED INTEREST	35.00%	0% to 100%
INTERNATIONAL FIXED INTEREST	35.00%	0% to 100%
AUSTRALASIAN EQUITIES	10.00%	0% to 30%
INTERNATIONAL EQUITIES	0.00%	0% to 30%
LISTED PROPERTY	10.00%	0% to 30%
UNLISTED PROPERTY	0.00%	0% to 0%
COMMODITIES	0.00%	0% to 0%
OTHER	0.00%	0% to 0%

### TOP 10 INVESTMENTS

NAME	% OF FUND NET ASSETS	TYPE	COUNTRY	CREDIT RATING
AUSTRALIAN GAS NETWORKS INFLATION LINKED (AUG 2025)	4.67%	International fixed interest	Australia	AA
KIWIBANK AU (OCT 2027)	4.60%	New Zealand fixed interest	New Zealand	A+
CHORUS (DEC 2028)	4.08%	New Zealand fixed interest	New Zealand	BBB
APT PIPELINES (MARCH 2025)	3.87%	International fixed interest	Australia	BBB
GOODMAN PROPERTY TRUST (SEP 2028)	3.58%	New Zealand fixed interest	New Zealand	BBB+
NZ GOVT INFLATION LINKED (SEP 2040)	3.32%	New Zealand fixed interest	New Zealand	AAA
ASB SUBORDINATED NOTES (JUNE 2032)	2.94%	New Zealand fixed interest	New Zealand	A-
LEND LEASE (MAY 2026)	2.92%	International fixed interest	Australia	BBB-
VECTOR (MAR 2024)	2.87%	New Zealand fixed interest	New Zealand	BBB+
NZ GOVT INFLATION LINKED (SEP 2035)	2.80%	New Zealand fixed interest	New Zealand	AAA

The Top 10 investments make up 35.65% 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 of the fund. As at 31 December 2023, the fund's exposure to assets denominated in foreign currencies was 52.02%, of which 52.02% was hedged. This means the fund's unhedged foreign currency exposure was 0% of the net asset value of the fund. See the current SIPO on the offer register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz) for more information on the fund's currency hedging strategy.

## 8. KEY PERSONNEL

NAME	CURRENT POSITION	TIME IN CURRENT POSITION	PREVIOUS OR OTHER CURRENT POSITION	TIME IN PREVIOUS OR OTHER CURRENT POSITION
<b>Alister John Williams</b>	Director	8 years and 1 month	Investment Manager - Trust Management	5 years and 4 months
<b>Stuart Kenneth Reginald Millar</b>	Chief Investment Officer - Smartshares	4 years and 7 months	Head of Portfolio Management - ANZ Investments	6 years and 4 months
<b>Stefan Stevanovic</b>	Head of International Equities	10 months	Head of International Equity, QuayStreet Asset Management Limited	1 year and 7 months
<b>Xavier Waterstone</b>	Head of Australasian Equities	10 months	Head of Research, QuayStreet Asset Management Limited	1 year and 7 months
<b>Ross Hunt</b>	Head of Fixed Income Interest and Cash	11 months	Senior Portfolio Manager, Fixed Interest and Cash, Smartshares Limited	7 months

## 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](https://disclose-register.companiesoffice.govt.nz).

## 10. NOTES

<sup>1</sup> Market Index returns do not reflect deductions of any charges or taxes.

<sup>2</sup> Management fees in the QuayStreet Income Fund of 0.76% 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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