



# QuayStreet Income Fund

**NOTE CHANGE:  
RATING REMOVED**

 RESEARCHIP Rating



**RIPPL Effect**

This report does not constitute a recommendation to buy or sell the relevant financial product(s) and should be read in conjunction with the Disclaimers, Disclosures and Warnings at the end of this document.

This report is based on publicly available information and/or data sourced directly from the Fund Manager. Any views or opinions expressed in this document are believed to be accurate at the time of publishing.

[Glossary of Terms - please explain the jargon in this report](#)

25 JANUARY 2023

 **RESEARCHIP**  
*Search Research Transact*

## Meet the Manager

QuayStreet is a specialist funds management firm with a team based in Auckland, New Zealand. QuayStreet offers a range of diversified and sector specific investment funds for investors with varying investment needs and timeframes. More information can be found on their [online profile](#).

QuayStreet's [investment philosophy](#) believes that an actively managed fund with a concentrated selection of investments can provide investors with better returns than market benchmarks.

QuayStreet is a signatory to the United Nations Principles of [Responsible Investment](#) (UNPRI). QuayStreet chose to become a signatory to publicly demonstrate their commitment to the Principles for Responsible Investing, an internationally agreed framework for investment decision making. This will position the Socially Responsible Investment Fund for the long-term and further strengthen QuayStreet's current approach to responsible and sustainable investment.

QuayStreet manages 10 retail funds, including:

- QuayStreet Fixed Interest Fund
- [QuayStreet Income Fund](#)
- QuayStreet Conservative Fund
- QuayStreet International Equity Fund
- QuayStreet Balanced Fund
- QuayStreet Socially Responsible Investment Fund
- QuayStreet Growth Fund
- QuayStreet NZ Equity Fund
- QuayStreet Australian Equity Fund
- QuayStreet Altum Fund



Access the full range of [investment options here](#).



The investment objective is to provide returns above the Fund's benchmark taking into account the prevailing short-term interest rates while preserving the real value of investments relative to inflation. The Fund aims to make quarterly distributions. Investment returns may vary from year to year and may be negative.

### Fund Description

<CLICK> TO VIEW LATEST FACTSHEET



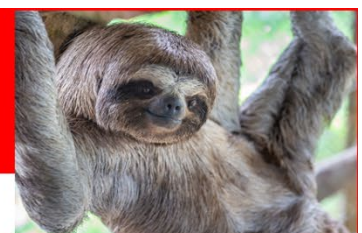
# RESEARCHIP

Helping you  
navigate Fund  
Managers



CONSULTING SERVICES

**DON'T BE A SLOTH, BE QUICK**  
**<CLICK> TO ADVERTISE ON THIS PAGE**



 RESEARCHIP

We strongly recommend that potential investors read the Product Disclosure Statement or Information Memorandum. This information must be read in conjunction with the warning, disclaimer and disclosure at the end of this document. This report supersedes all prior reports and is considered valid for 12 months from the date of issue. This information is not personal financial advice and should not be relied upon as a substitute for detailed advice from your authorised financial adviser. Research IP Pty Ltd ABN 81 602 947 562 Corporate Authorised Representative AFSL 481674. Research IP is a registered Financial Services Provider (FSP) in New Zealand: 710351. Copyright: Research IP Pty Ltd.

## The Fund's Profile

The QuayStreet Income Fund ("the Fund") invests in a diversified portfolio with an emphasis on income producing assets which may include listed property, equities and derivatives. The investment objective is to provide returns above the Fund's benchmark taking into account the prevailing short-term interest rates while preserving the real value of investments relative to inflation. The Fund aims to make quarterly distributions. Investment returns may vary from year to year and may be negative.

*<Any missing data points have not yet been supplied by the manager>*

Fund Information	QuayStreet Income Fund
Who is ultimately accountable for the Fund performance?	Roy Cross
<p>Roy has considerable investment experience with more than 15 years in the New Zealand market and is currently portfolio manager of the QuayStreet Income and Fixed Interest Funds. Prior to QuayStreet, Roy was a Senior Analyst at Brook Asset Management and jointly managed the Brook Income Fund.</p> <p>Qualifications: BMS (Hons); MBS; CFA Charterholder</p>	
When did the named individual(s) assume accountability?	30/09/2014
Is the Portfolio Manager invested in the Fund?	No
Asset manager's full name	QuayStreet Asset Management
ISIN Code	<no supplied response>
APIR Code	QUA6052NZ
Responsible Entity / Trustee / Supervisor	The New Zealand Guardian Trust Company Limited
Legal Domicile of the Fund	New Zealand
Legal Structure	Unit Trust
Is the Fund a registered NZ PIE structure?	Yes
Is the Fund open to new or existing investors?	Open
The asset class that the Fund primarily invests in is	Multi Asset
Product's investment style	<no supplied response>
Geographical focus of the Fund	Global
Investment focus	Income/Capital preservation
Manager's ownership structure	Privately Owned
How many years has this Manager been managing this asset class?	Privately Owned
Country Registered for Sale	New Zealand;
Date of the latest PDS	23/11/2022

## Under the Bonnet

The Fund will target assets that can provide a sustainable level of income with low levels of volatility in total return. The investments are spread across multiple asset types, geographies, markets, issuers, sectors and maturities to provide a higher level of diversification. The Fund does have the ability to invest in other funds and may use derivatives for the purposes of risk management or to obtain desired market exposures. The Fund's return will be measured in New Zealand dollars and currency exposure will be actively managed in a manner consistent with the investment objectives.

Overview	QuayStreet Income Fund
Product's public published benchmark	NZ OCR + 2%
The product's internal targeted excess return is	N/A
Minimum investment horizon	1-3 years
Does the product charge a performance fee?	No
Product's performance fee	N/A
Hurdle before a performance fee is charged	N/A
Is there a high water mark?	No
Product's current buy spread	0.00%
Product's current sell spread	0.00%
Does the manager have the ability to change the Buy/Sell spread?	Yes
Distributions per year	4
Distribution Dates	Mar, Jun, Sep, Dec
Normal pricing frequency	Daily
Product inception date	09/09/2014
Strategy inception date	09/09/2014

Management Fees	Historic	Estimate
GST - inclusive or exclusive	inc GST	inc GST
Management Fee (MER) / Manager's basic fee	0.65%	0.77%
Other Fees and Costs	0.11%	inc
Performance Fee	0.00%	N/A
<b>Total Fund Charges (i.e. TER/ICR)</b>	<b>0.76%</b>	<b>0.77%</b>
<b>Date</b>	<b>31/03/2022</b>	<b>23/11/2022</b>

We strongly recommend that potential investors read the Product Disclosure Statement or Information Memorandum. This information must be read in conjunction with the warning, disclaimer and disclosure at the end of this document. This report supersedes all prior reports and is considered valid for 12 months from the date of issue. This information is not personal financial advice and should not be relied upon as a substitute for detailed advice from your authorised financial adviser. Research IP Pty Ltd ABN 81 602 947 562 Corporate Authorised Representative AFSL 481674. Research IP is a registered Financial Services Provider (FSP) in New Zealand: 710351. Copyright: Research IP Pty Ltd.

## Does Size Matter?

FUM	QuayStreet Income Fund	@Date
Fund currency	NZD	
Current size of the Fund (\$m) NZD	\$302	31/10/2022
Current FUM in the strategy, including mandates (\$m)	<no supplied response>	28/02/2021
Current total FUM of the Manager (\$m)	<no supplied response>	28/02/2021

See our view on the Research IP blog [Does Size Matter](#). The investible universe for a fund can be limited by some or all of these attributes:

- Asset class (e.g. cash, bonds, shares etc)
- Geography (e.g. Australia, New Zealand, global etc)
- Size of issue (e.g. minimum issue size of bonds, market capitalisation of shares)
- Liquidity
- or other factors like credit ratings, issuer types etc.

## The Downside

The Manager is aware of the broad range of risks, as identified in the [Product Disclosure Statement \(PDS\)](#), and is mindful of them when constructing and managing the portfolio.

Investors should note that all investments carry risk. Different investment strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk. See our views on [what investment risks to look out for](#) on the Research IP blog.




The **Risk Indicator** is sourced directly from the manager and is rated from 1 (low) to 7 (high). The rating reflects how much the value of the Fund's assets goes up and down (volatility). A higher risk generally means higher potential returns over time, but more ups and downs along the way. 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 the latest 5 year period. If the fund does not have a 5-year return history market index returns are used to supplement the return series. The risk ranking applies to NZ PIE fund structures only, Research IP does not apply the risk ranking methodology to replicate this outcome in any other jurisdiction.

<CLICK> TO VIEW LATEST PERFORMANCE

We strongly recommend that potential investors read the Product Disclosure Statement or Information Memorandum. This information must be read in conjunction with the warning, disclaimer and disclosure at the end of this document. This report supersedes all prior reports and is considered valid for 12 months from the date of issue. This information is not personal financial advice and should not be relied upon as a substitute for detailed advice from your authorised financial adviser. Research IP Pty Ltd ABN 81 602 947 562 Corporate Authorised Representative AFSL 481674. Research IP is a registered Financial Services Provider (FSP) in New Zealand: 710351. Copyright: Research IP Pty Ltd.

## Is it Ticking?

 Responsible investing has become front of mind for many investors, but there is a minefield of green washing out there. We share the views of the Research IP team on sustainable investing, the 17 Sustainable Development Goals (SDGs), Environmental, Social and Governance (ESG) considerations and the United Nations Principles for Responsible Investment (UN PRI) on the [Research IP blog](#).

ESG Information	QuayStreet Income Fund
Which EU Sustainable Finance Disclosure Regulation (SFDR) classification best describes this product?	<no supplied response>
Is the Manager a signatory to the UNPRI?	Yes
UNPRI Rating : Strategy & Governance	A
UNPRI Rating : Listed Equity – Incorporation	A
UNPRI Rating : Listed Equity – Active Ownership	B
Are the UN Sustainable Development Goals considered in the investment process?	Yes
Does the Manager incorporate ESG factors into analysis and decisions?	Yes
Does the Manager implement negative screening?	Yes
Does the Manager implement positive, best-in-class or norms-based screening?	<no supplied response>
Does the Manager focus specifically on sustainability themed investments?	<no supplied response>
Does the Manager invest for impact? i.e. target non-financial outcomes that are intentional, measurable and additional.	<no supplied response>
Does the Manager integrate corporate engagement and proxy voting into their investment approach?	Yes
Is the Fund RIAA Certified?	No
RIAA Primary Investment Approach	n/a
RIAA Secondary Investment Approach	n/a
Link to RIAA Fund Profile	n/a
Link to Disclose information on Sorted (NZ only)	<a href="https://smartinvestor.sorted.org.nz/kiwisaver-and-managed-funds/SCH10414/OFR10416/FND321">https://smartinvestor.sorted.org.nz/kiwisaver-and-managed-funds/SCH10414/OFR10416/FND321</a>
Link to Mindful Money (NZ only)	<a href="https://mindfulmoney.nz/managed/FND321/quaystreet-income-fund">https://mindfulmoney.nz/managed/FND321/quaystreet-income-fund</a>

You can find fund manager [Public Signatory Reports](#) on the UNPRI site.

 [Click here to access the full qualitative research report on this fund](#)



RESEARCH IP

**Qualitative Fund Research**  
QuayStreet Income Fund  
26 January 2023

**NOTE CHANGE: RATING REMOVED**

 RESEARCH IP Rating



*The views and opinions in this document are considered valid from one year from the date published.*

We strongly recommend that potential investors read the Product Disclosure Statement or Information Memorandum. This information must be read in conjunction with the warning, disclaimer and disclosure at the end of this document. This report supersedes all prior reports and is considered valid for 12 months from the date of issue. This information is not personal financial advice and should not be relied upon as a substitute for detailed advice from your authorised financial adviser. Research IP Pty Ltd ABN 81 602 947 562 Corporate Authorised Representative AFSL 481674. Research IP is a registered Financial Services Provider (FSP) in New Zealand: 710351. Copyright: Research IP Pty Ltd.



## Check the Pulse

Philosophy & Process	QuayStreet Income Fund
<b>Research Philosophy</b> Fundamental Bottom Up	
<b>Guidelines for filtering the universe</b> Various proprietary internal screens as part of the investment process (idea generation)	
<b>Research Approach</b> QuayStreet follows the same general investment process across all of its funds which has a strong focus on the underlying investment fundamentals of the company or issuer. Regardless of whether the investment being considered is an equity or debt security, we spend a great deal of time understanding all aspects of the investment case. The team uses a combination of internal and externally generated research in this process. This is supplemented by regular meetings with company executives, research analysts, industry contacts, and attendance at industry conferences. Portfolio construction is dominated by a 'bottom up' security selection process where asset allocation is more of an outcome than a specific target. However there is a 'top down' overlay that is specific to The Fund. This involves consideration of macroeconomic factors and asset class correlations and volatility. As with security selection, the team utilises a combination of internal and external research and models for this purpose.	
<b>Specific inputs to the research process</b> There are a variety of internal models and screens that are used to identify new investment ideas and evaluate current positions. Depending on the specific security or sector this could include; company specific valuation models, scenario analysis, sector relative value screens or liquidity analysis. There are also macroeconomic inputs which include yield curve and inflation modelling and expected returns by asset class.	
Third party inputs used	There are a variety of third party inputs that fall into 3 broad categories 1) Sell side equity and fixed interest research 2) Credit rating agencies and 3) Independent research providers.
Primary valuation approach	Yield
Secondary valuation approach (if applicable)	Earnings
In constructing the portfolio the manager is...	Benchmark Unaware
Biases present in the product	Corporate Bonds
Number of securities in the investment universe	~500 Issuers
Number of securities fully researched	~100 Issuers
Typical number of holdings in the portfolio	40-80 Securities (currently 57 securities and 47 issuers)
Anticipated portfolio turnover	20-50%
Typical level of cash held in the portfolio?	10%, Fund does have a cash asset allocation target

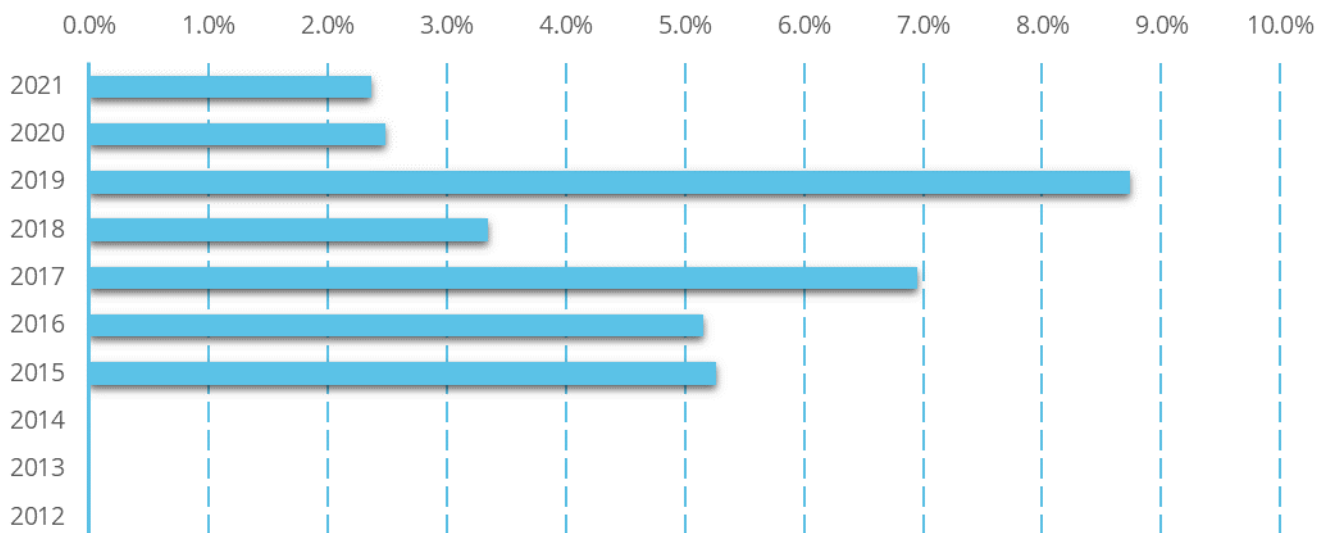
<CLICK> TO READ OUR LATEST OPINIONS



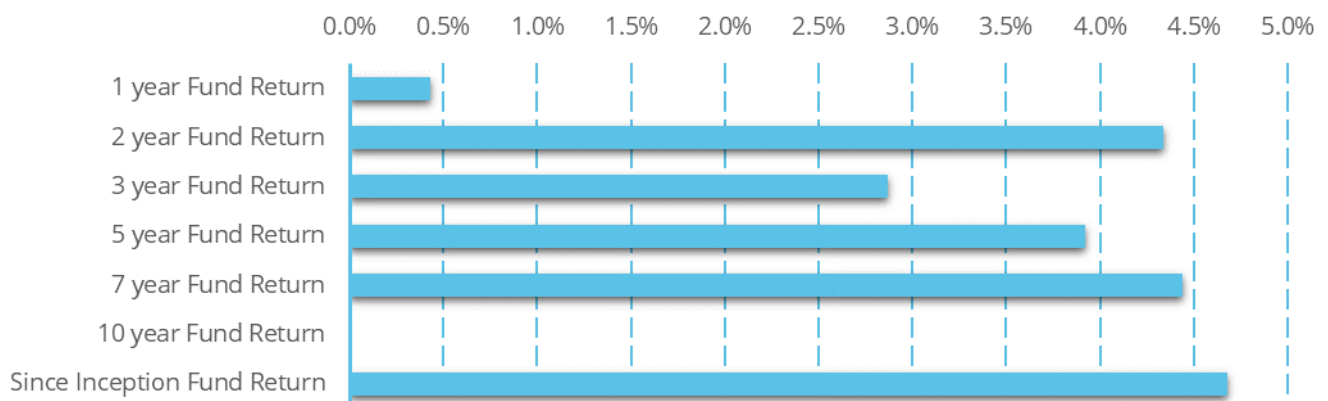
## Is it Working?

Performance	QuayStreet Income Fund
"Performance to" date	31/03/2022
	7 years, 6 months, 18 days
Inception date of the performance?	24/09/2014
Negative Months (3 Years)	22%
Negative Months (5 Years)	18%
Negative Months (7 Years)	18%
Negative Months (10 Years)	n/a
Max Gain Since Inception	9.7%
Max Loss Since Inception	-5.8%
Max Drawdown Since Inception	-5.8%
Volatility (3 Years)	4.0%
Beta (3 Years)	0.77
Sharpe (3 Years)	0.00

### Annual Performance



### Annualised Performance



We strongly recommend that potential investors read the Product Disclosure Statement or Information Memorandum. This information must be read in conjunction with the warning, disclaimer and disclosure at the end of this document. This report supersedes all prior reports and is considered valid for 12 months from the date of issue. This information is not personal financial advice and should not be relied upon as a substitute for detailed advice from your authorised financial adviser. Research IP Pty Ltd ABN 81 602 947 562 Corporate Authorised Representative AFSL 481674. Research IP is a registered Financial Services Provider (FSP) in New Zealand: 710351. Copyright: Research IP Pty Ltd.

## About Research IP

---

Research IP has been providing clients with investment governance, financial product research and investment technology solutions since 2015. By leveraging the skills of our team of specialists, Research IP is able to provide innovative and tailored financial services solutions to clients. We are a specialist investment research provider which is used and trusted by charities, not-for-profit organisations, family offices, & financial advisers for investment, Superannuation and other Pension schemes throughout the Asia Pacific region.

Our experience has been gained in well over 20 years of roles across different facets of the industry, so we understand the key drivers and challenges for people trusted with the management of investments.

Client focused outcomes are underpinned by the belief that the role of business model innovation and accelerating technological change opens up new possibilities, to put client interests at the centre of the financial services industry focus. We have strong philosophical alignment with John Hagel's work on the possibilities for "Disruption by Trusted Advisors" and John Kay's views in "Other People's Money: Masters of the Universe or Servants of the People".

Some of the consulting services we provide to financial advisers, charities, not-for-profit organisations and other investors include:

- AFSL reviews
- Platform and Financial Adviser Software reviews
- Fee negotiations for better client outcomes
- Investment committee terms of reference / charter
- Investment committee skills assessment
- Investment policy development
- Investment committee implementation review
- Chair or independent investment committee member
- Investment manager review
- Investment manager / adviser selection
- Quarterly reporting and commentary
- Sustainability and ESG policy development
- Sustainability and ESG investment selection / implementation of strategies.

If you would like to discuss one or a number of these consulting services, please contact [info@research-ip.com](mailto:info@research-ip.com).

Our [privacy policy](#) and [ESG](#) can be viewed on our [website](#).

<CLICK> TO SUBSCRIBE FOR UPDATES



**Contact:**

[www.Research-IP.com](http://www.Research-IP.com)

Email: [info@research-ip.com](mailto:info@research-ip.com)

We strongly recommend that potential investors read the Product Disclosure Statement or Information Memorandum. This information must be read in conjunction with the warning, disclaimer and disclosure at the end of this document. This report supersedes all prior reports and is considered valid for 12 months from the date of issue. This information is not personal financial advice and should not be relied upon as a substitute for detailed advice from your authorised financial adviser. Research IP Pty Ltd ABN 81 602 947 562 Corporate Authorised Representative AFSL 481674. Research IP is a registered Financial Services Provider (FSP) in New Zealand: 710351. Copyright: Research IP Pty Ltd.

# Disclaimers, Disclosures and Warnings

## RESEARCH IP STRONGLY RECOMMENDS THIS DOCUMENT BE READ IN CONJUNCTION WITH THE RELEVANT PRODUCT DISCLOSURE STATEMENT OR INFORMATION MEMORANDUM.

**IMPORTANT NOTICE:** This document is published by Research IP Pty Ltd (Research IP) ABN 81 602 947 562, a Corporate Authorised Representative of AUSTRALIAN WEALTH HOLDINGS PTY LTD, AFSL 481674. Research IP is also a registered Financial Services Provider (FSP) in New Zealand : 710351. Please read the following before making any investment decision about any financial product mentioned in this document.

**Disclosure at the date of publication:** Research IP may have received a fee from the fund manager or product issuer(s) for researching the financial product(s) set out in this document, using objective criteria. Research IP may also receive a fee from the fund manager or product issuer(s) for subscribing to research content and other Research IP services. Research IP's fee is not linked to the rating(s) outcome. Research IP and/or its representatives and/or their associates may hold the product(s) referred to in this document, but details of these holdings may not be known to the Analyst(s). Research IP considers such holdings not to be sufficiently material to compromise the rating.

**Disclosure of Investment Consulting services:** Research IP may receive fees for providing investment consulting services to clients, which includes constructing model portfolios and approved product lists. Research IP may also receive fees from a fund manager or product issuer for consulting services. The investment consulting services are carried out under separate arrangements and processes to the research process adopted for the review of this financial product. Policies are available on request.

**Warnings:** This report does not constitute a recommendation to purchase, redeem or sell the relevant financial product(s). Before making an investment decision based on the rating(s), the reader must consider whether it is personally appropriate in light of his or her financial circumstances or should seek financial advice on its appropriateness. If the information in this report leads to the acquisition or possible acquisition of particular financial product(s), the reader should obtain and consider the Product Disclosure Statement, Information Memorandum, or Prospectus for each financial product before making any decision about whether to acquire a financial product. Research IP's research process relies upon the participation of the fund manager or product issuer(s). Should the fund manager or product issuer(s) no longer be an active participant in Research IP's research process, Research IP reserves the right to withdraw the document at any time and discontinue future coverage of the financial product(s). The rating in this publication relates to the fund outlined which may have related funds or be associated with other funds and platforms. The rating may only be applied to the fund outlined in this publication at first instance and whether it applies to related or associated funds and platforms should be investigated by your financial adviser before you make an investment decision in relation to the related or associated funds and platforms. You should be aware that the mandate, fees, underlying investments, the issuers of the related and associated funds and platforms may be different from the fund specified in this publication. You should satisfy yourself that the related and associated funds and platforms meet your financial circumstances, needs and objectives before making an investment decision.

**Disclaimer:** This document is for the exclusive use of the person to whom it is provided by Research IP and must not be used or relied upon by any other person. No representation, warranty or undertaking is given or made in relation to the accuracy or completeness of the information presented in this document, which is drawn from public information and third party sources, including fund managers, and is not necessarily verified by Research IP. Financial conclusions, ratings and advice are reasonably held at the time of completion but subject to change without notice. Research IP assumes no obligation to update this document following publication. Except for any liability which cannot be excluded, Research IP, its Directors, officers, employees and agents disclaim all liability for any error or inaccuracy in, misstatement or omission from, this document or any loss or damage suffered by the reader or any other person as a consequence of relying upon it.

**Copyright ©2021:** This report is subject to copyright of Research IP. Except for the temporary copy held in a computer's cache and a single permanent copy for your personal reference or other than as permitted under the Copyright Act 1968 (Cth). No part of this report may, in any form or by any means (electronic, mechanical, micro copying, photocopying, recording or otherwise), can be reproduced, stored or transmitted without the prior written permission of Research IP. This report may also contain third party supplied material that is subject to copyright. Any such material is the intellectual property of that third party or its content providers. The same restrictions applying above to Research IP copyrighted material, applies to such third party content.

**Analyst Disclosure and Certification:** Analyst remuneration is not linked to the research or rating outcome. Analyst holdings may change during the life of this document. The Analyst(s) certify that the views expressed in this document accurately reflect their professional opinion about the matters and financial product(s) to which this document refers.

### For Australian investors and advisers:

Past performance is not a reliable indicator of future performance. Any express or implied rating or advice presented in this document is limited to "General Advice" (as defined in the Corporations Act 2001(Cth)) and based solely on consideration of the investment merits of the financial product(s) alone, without taking into account the investment objectives, financial situation and particular needs ("financial circumstances") of any particular person.

### For New Zealand investors and advisers:

Past performance is not a reliable indicator of future performance. Any information, opinions, views or recommendations in this report are 'regulated financial advice' under New Zealand law. Our publications, ratings products and services should be viewed as an additional investment resource, not as your sole source of information. Before making any decision to acquire a particular financial product, you should obtain and carefully consider the relevant product disclosure statement. This report should not be relied upon as a substitute for advice from your financial adviser.

**We recommend you obtain appropriate financial, legal and taxation advice before making any financial investment decision.**

© Research IP Pty Ltd 2022

v3.5

We strongly recommend that potential investors read the Product Disclosure Statement or Information Memorandum. This information must be read in conjunction with the warning, disclaimer and disclosure at the end of this document. This report supersedes all prior reports and is considered valid for 12 months from the date of issue. This information is not personal financial advice and should not be relied upon as a substitute for detailed advice from your authorised financial adviser. Research IP Pty Ltd ABN 81 602 947 562 Corporate Authorised Representative AFSL 481674. Research IP is a registered Financial Services Provider (FSP) in New Zealand: 710351. Copyright: Research IP Pty Ltd.