

## Market overview

Global markets were positive again in December, as the reflation theme remained dominant on positive vaccine news. We enter the new year with an interesting tension between worsening current Covid infection rates but the promise of hope with early vaccine programs underway. The MSCI World index was +4.2%, with the US and Japan both +3.8%. The NZ market was +2.5% and the Australian market +1.2%. Bond yields didn't move much with competing forces between very dovish forward guidance from central banks offset by optimism for an economic rebound as the vaccine programs become more widespread.

2020 has clearly been an extraordinary year. The NZ market is up +13.7% for year, and is up +54% from the Covid low point in late March. The GFC took years to play out in the market. Covid took months. Even though the pandemic continues to rage around the world, the market has implicitly put an awful lot of faith in the central bankers, the vaccine developers, and even the fiscal policy makers to get things right.

We expect the global economy will get worse over the next few months as Covid cases accelerate through the northern winter; however, as long as the vaccines are as effective as their early promise, there should be a strong rebound globally through the middle of the year. With global central banks remaining committed to easy monetary policy, this should be a recipe for strong markets through 2021. The risk to this case is geopolitics getting messier, inconsistent fiscal policy, and possibly delays to the vaccine rollout around the world.

### For more information on our Funds, please contact:

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## Funds at a glance

		1 Month	3 Months	1 Year	5 Years
Mint Australasian Equity Fund	Net*	1.65%	9.07%	15.64%	14.59%
	Gross**	1.77%	9.42%	17.20%	16.27%
Mint Australasian Property Fund	Net	2.94%	9.03%	3.52%	9.91%
	Gross	3.03%	9.32%	4.66%	11.46%
Mint Diversified Income Fund	Net	1.17%	3.26%	5.56%	5.28%
	Gross	1.26%	3.54%	6.76%	6.56%
Mint Diversified Growth Fund	Net	2.61%	7.18%	18.09%	-
	Gross	2.73%	7.56%	19.72%	-

Performance returns greater than 3 months are per annum.

\*Net returns are after fees and before investor tax. Net after tax performance can be found in the latest Quarterly Fund Update, available on our website.

\*\*Gross returns are before fees and excluding imputation credits.

## Investment team



**Head of Investments**  
Anthony Halls



**Portfolio Manager**  
Carlie Eve



**Portfolio Manager**  
David Fyfe



**Portfolio Manager**  
John Middleton



**Portfolio Manager**  
Marek Krzeczowski

## SINGLE SECTOR FUND

# Mint Australasian Equity Fund

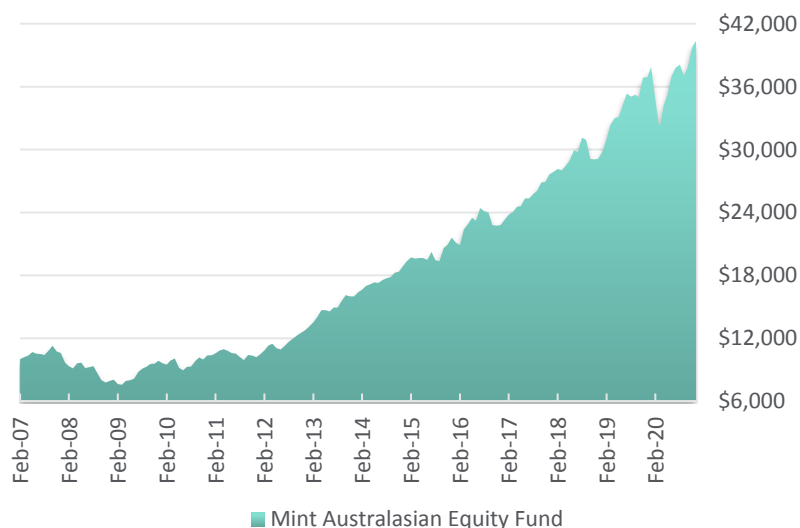
Our portfolio returned 1.65% for the month.

The main positive contributions came from Infratil (IFT +23%), Meridian Energy (MEL +15%), and Mainfreight (MFT +12%). The main negative contributors were the a2 Milk Company (ATM -18%) and F&P Healthcare (FPH -8%).

MEL continued to benefit from offshore investors chasing clean / renewable energy, as did Contact Energy (+14%) and to a lesser extent Mercury Energy (+9%). IFT was strong after announcing early in the month that they were undertaking a strategic review of their holding in Tilt Energy. This announcement was closely followed by news that AustralianSuper had proposed acquiring IFT at \$7.43 (rejected by the IFT board).

On the other side of the ledger, ATM went into trading halt on 18 December and then on December 21 issued a material downgrade to earnings guidance - only a few short weeks after the company AGM at which guidance had been maintained, a very short period for such a large change in expectations.

## \$10,000 invested since inception

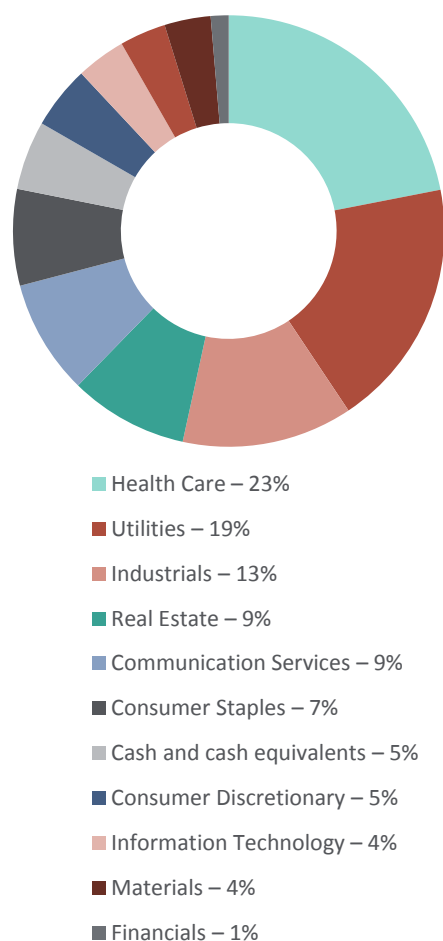


Cumulative performance. Returns are after fees and before investor tax. Fund inception: 15 February 2007.

Unit price		Fund size	
\$4.2674		\$330M	
1 month	3 months	1 year	5 years
1.65%	9.07%	15.64%	14.59%

Net returns

## Sector Allocation



## Top Holdings

a2 Milk Company Ltd.  
Auckland International Airport Limited  
Fisher & Paykel Healthcare Corporation  
Mainfreight Limited  
Mercury NZ Ltd.  
Meridian Energy Limited  
Spark New Zealand Limited

## SINGLE SECTOR FUND

# Mint Australasian Property Fund

Unit price <b>\$2.6361</b>		Fund size <b>\$85M</b>	
1 month	3 months	1 year	5 years
<b>2.94%</b>	<b>9.03%</b>	<b>3.52%</b>	<b>9.91%</b>

Net returns

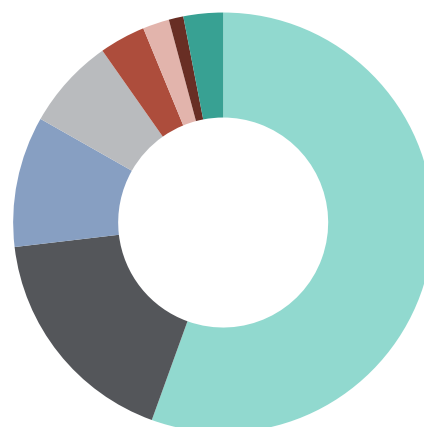
Our portfolio returned 2.94% for the month.

The top contributors were holdings in Stride Property, Vital Healthcare and Kiwi Property Group. The key detractor to performance was Goodman Property Trust.

The NZ listed property sector had a strong month with a return of +3.0% in December, boosting the 12-month return over a tumultuous year to +4.4%. The key stocks to outperform in the month were more exposed to retail and medical assets, with industrial plays underperforming. Argosy settled the long drawn out insurance claim for its 7WQ building in Wellington. PFI and VHP both announced acquisitions, with PFI acquiring an industrial asset in Auckland and VHP a development site in Melbourne.

The Australian Property sector had a small positive month (+0.4%) despite the Sydney northern beaches outbreak, and the sector was down -4.6% for the year. Industrial stocks outperformed over December. During 2020 \$A5.6bn of new equity was raised by the sector – the largest amount since the GFC. The new equity lowered gearing, provided a degree of safety net, and facilitated acquisitions over the second half of the year.

## Sub-Sector Allocation

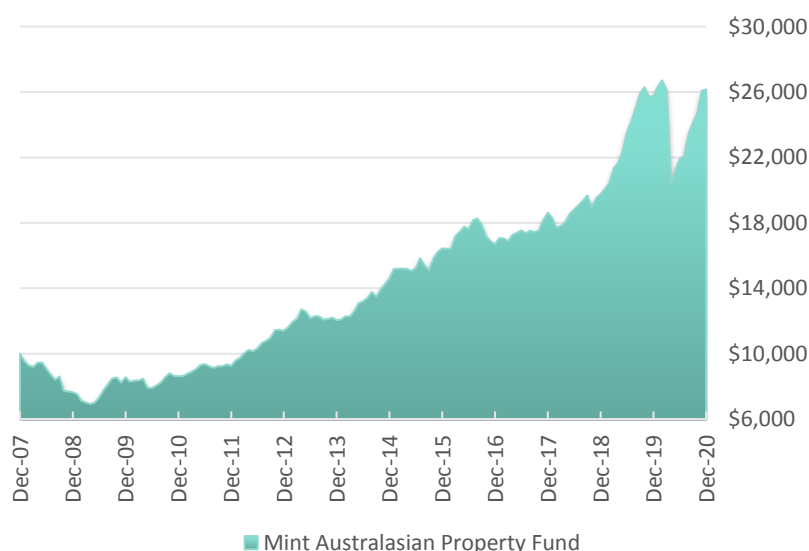


- Diversified REITs – 56%
- Real Estate Operating Companies – 18%
- Industrial REITs – 10%
- Specialised REITs – 7%
- Retail REITs – 4%
- Health Care – 2%
- Residential REITs – 1%
- Cash and cash equivalents – 3%

## Top Holdings

Argosy Property Limited  
 Goodman Property Trust  
 Kiwi Property Group Ltd.  
 Precinct Properties New Zealand Ltd.  
 Property For Industry Limited  
 Stride Property & Stride Invest Mgmt.  
 Vital Healthcare Property Trust

## \$10,000 invested since inception



Cumulative performance. Returns are after fees and before investor tax. Fund inception: 31 December 2007.

## DIVERSIFIED FUND

# Mint Diversified Income Fund

Our portfolio returned 1.17% for the month.

Most asset classes had a positive return in December with Global Equities, Australasian Equities and Listed Property asset classes positive, while Bonds were relatively stable.

The main positive contributions to the performance of the fund were led by the local assets, with Meridian Energy, Stride Property and Contact Energy the strongest contributors. Meridian's strength continued through December, being driven by offshore investors chasing green themed investments through ETFs, which both Meridian and Contact feature heavily in.

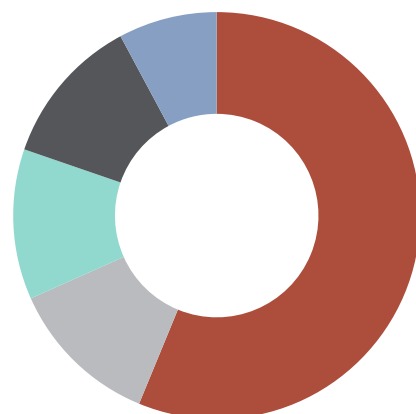
The only significant negative contribution to performance in December came from the a2 Milk Company. a2's share price fell late in the month after downgrading its full year earnings guidance again. The reason for the downgrade appears to be a worse than expected recovery in the diagou sales channel, with little offset from its e-commerce and offline channels, leading as well to a poorer EBTIDA margin outlook.

During the month, we added Skellerup to the portfolio, along with the new bond issued by Ryman Healthcare. We exited small holdings in Scales Corporation and Essity AB.

Unit price		Fund size	
\$1.1277		\$248M	
1 month	3 months	1 year	5 years
1.17%	3.26%	5.56%	5.28%

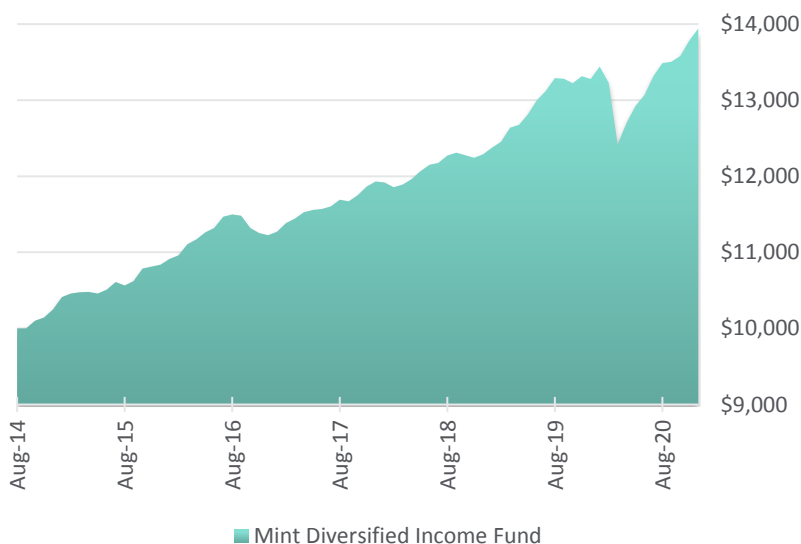
Net returns

## Tactical Asset Allocation



- Fixed interest – 56%
- International equities – 12%
- Cash and cash equivalents – 12%
- Listed property – 12%
- Australasian equities – 8%

## \$10,000 invested since inception



## Top Holdings

Auckland International Airport Limited  
 Contact Energy Limited  
 Gmt Bond Issuer Ltd.  
 iShares TIPS Bond ETF  
 Kiwi Property Group Ltd.  
 Stride Property & Stride Invest Mgmt.  
 Vector Limited

## DIVERSIFIED FUND

# Mint Diversified Growth Fund

Our portfolio returned 2.61% for the month.

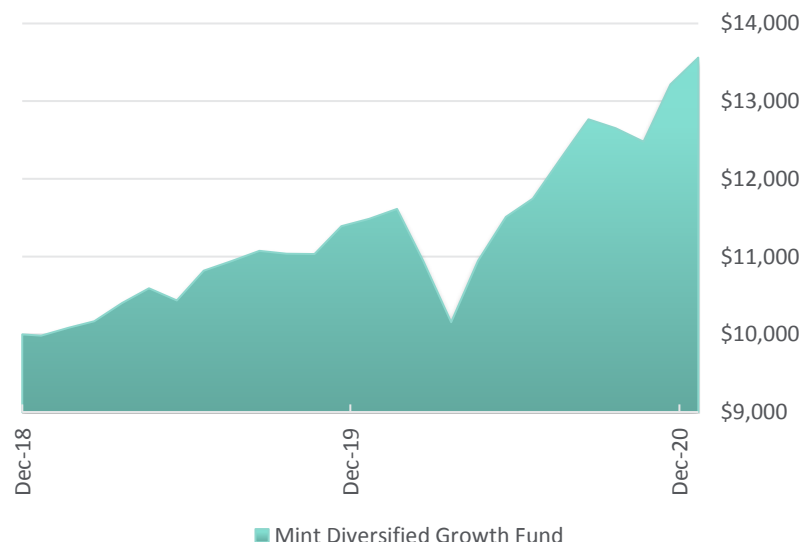
Most asset classes added to the overall performance of the fund with the two main positive contributions from Global Equities and Australasian Equities.

The highest positive contributions to the performance of the fund came from Meridian Energy, Mainfreight, Activision Blizzard, Contact Energy and PayPal. Meridian's strength continued through December, being driven by offshore investors chasing green themed investments through ETFs, which both Meridian and Contact feature heavily in.

The main negative contributions to performance in December came from the a2 Milk Company and FedEx Corporation. a2's share price fell late in the month after downgrading its full year earnings guidance again. The reason for the downgrade appears to be a worse than expected recovery in the diagoou sales channel, with little offset from its e-commerce and offline channels, leading as well to a poorer EBTIDA margin outlook.

During the month, we switched Essity AB and Synopsis into Oracle and Proctor & Gamble. We also switched Arvida and Scales Corp into Skellerup and Summerset Group. In Property, we added Mirvac in place of Centuria Office.

## \$10,000 invested since inception

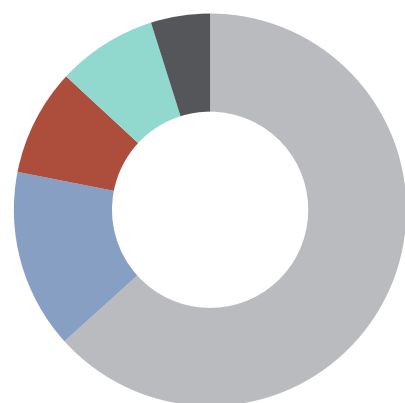


Cumulative performance. Returns are after fees and before investor tax. Fund inception: 10 December 2018.

Unit price <b>\$1.3561</b>		Fund size <b>\$22M</b>	
1 month <b>2.61%</b>	3 months <b>7.18%</b>	1 year <b>18.09%</b>	5 years <b>-%</b>

Net returns

## Tactical Asset Allocation



- International equities – 63%
- Australasian equities – 15%
- Cash and cash equivalents – 9%
- Fixed interest – 8%
- Listed property – 5%

## Top Holdings

Accenture Plc Class A  
Amazon.com, Inc.  
Charles Schwab Corporation  
Comcast Corporation Class A  
iShares TIPS Bond ETF  
Microsoft Corporation  
Thermo Fisher Scientific Inc.



Awarded to the Mint Australasian Equity Fund for New Zealand Fund Manager of the Year, Domestic Equities, New Zealand.

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Awarded to Mint Asset Management for Boutique Manager of the Year. Good Returns Powered by Research IP 2019 - Boutique Fund Manager of the Year.

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