Monthly Fund Fact Sheet

mint ASSET MANAGEMENT

As of 31 October 2021

Market overview

Inflation data was very strong in October and central banks around the world started to react. The Bank of Canada stopped QE, the Reserve Bank of Australia stepped back from yield curve control and the Reserve Bank of New Zealand raised the Official Cash Rate. Futures markets imply that the US Federal Reserve will raise US rates in July and December of 2022. Inflation not so transitory after all? Headline CPI in the USA is now 5.4% year-on-year. Labour mobility remains constrained (for now) and so the current inflation pulse could well spread into wages. But the re-opening overseas is seeing increasing capacity unblocking supply constraints (outside this very hermit kingdom of ours). Semi-conductor production is increasing and the number of container ships on order is at a 10-year high; and these new ships will be delivered over the next two years. The Baltic Dry index has already fallen from peaks. Inflation should drop next year from these high levels – the question is how far, how soon and will that itself prove transitory?

For more information on our Funds, please contact:

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Despite the inflation and other risks, global markets rallied sharply with global equities up 5% and US equities up 7% amidst a strong reporting season and a US 10-year yield that was stable (after rising 0.24% in September). Australasian markets under-performed the rest of the world – Australia was flat and NZ down 1.3%. In contrast to the US, our bond yields rose sharply. Australia's 10-year yield rose 0.6% (after rising 0.3% in September) and NZ's rose 0.5%. In Australia gold stocks and some technology stocks out-performed; while in NZ small caps outperformed larger caps and our yield-heavy market struggled in the face of sharply rising rates.

Funds at a glance

		1 Month	3 Months	1 Year	5 Years
Mint Australasian Equity Fund	*Net**	-1.77%	3.67%	6.20%	13.27%
	*Gross***	-1.68%	3.97%	7.52%	14.86%
Mint New Zealand SRI Equity Fund	*Net*	-1.73%	4.60%	9.59%	-
	Gross	-1.66%	4.85%	10.65%	-
Mint Australasian Property Fund	*Net*	-0.86%	0.51%	5.75%	9.48%
	Gross	-0.78%	0.75%	6.82%	10.92%
Mint Diversified Income Fund	*Net*	-0.89%	-0.80%	4.07%	4.65%
	Gross	-0.83%	-0.57%	5.12%	5.86%
Mint Diversified Growth Fund	*Net*	3.15%	3.45%	25.55%	-
	Gross	3.25%	3.78%	27.28%	-

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 Krzeczkowski

Investment Analyst
Henry Morrison-Jones

As of 31 October 2021

SINGLE SECTOR FUND

Mint Australasian Equity Fund

Unit price		Fund size	
$4.2512		$285M	
1 month	3 months	1 year	5 years
-1.77%	3.67%	6.20%	13.27%

Net returns

Our portfolio returned -1.77% for the month.

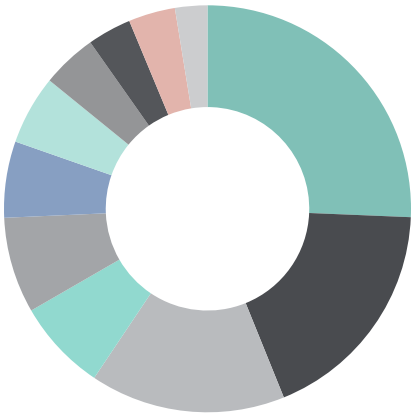
The main positive contributions came from OZ Minerals, Macquarie Group, Infratil and Auckland Airport. The main laggards were Mainfreight, Codan, Spark and F&P Healthcare.

Again macro themes held sway over performance with interest rate exposed commodity plays and financials performing well, while the yield heavy New Zealand market struggled as the RBNZ increased rates on 6th October.

October brought a number of investor conferences and AGM updates as well as the launch of a number of IPOs. For the most part these updates were encouraging even if the themes of high freight rates and rising labour costs were a constant. A2 Milk held a virtual investor conference where new CEO David Bortolussi shared his thoughts about the medium term prospects of the business. Unfortunately his margin expectations were below those of the market which saw the share price give back all of its gains for the month (at one point A2 was +20% in the month).

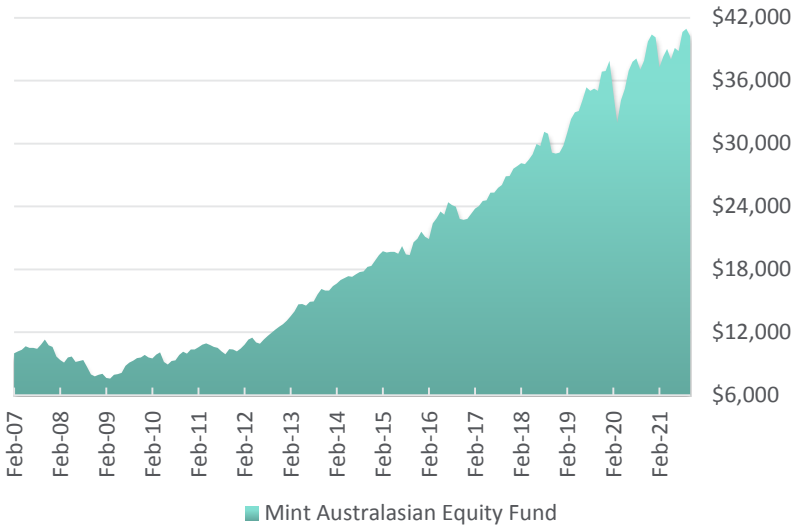
During the month we participated in a number of capital raises (Arvida and Aristocrat) added to our position in Fletcher Building and Infratil, while exiting positions in in Hub and Xero.

Sector Allocation



- Health Care – 26%
- Utilities – 18%
- Industrials – 16%
- Information Technology – 7%
- Materials – 8%
- Communication Services – 6%
- Consumer Discretionary – 6%
- Real Estate – 4%
- Consumer Staples – 3%
- Financials – 4%
- Cash and cash equivalents – 3%

$10,000 invested since inception



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

Top Holdings

Auckland International Airport Limited

Contact Energy Limited

Fisher & Paykel Healthcare Corporation

Mainfreight Limited

Meridian Energy Limited

Spark New Zealand Limited

Summerset Group Holdings Limited

As of 31 October 2021

SINGLE SECTOR FUND

Mint New Zealand SRI Equity Fund

Unit price		Fund size	
$1.6879		$93M	
1 month	3 months	1 year	5 years
-1.73%	4.60%	9.59%	-%

Net returns

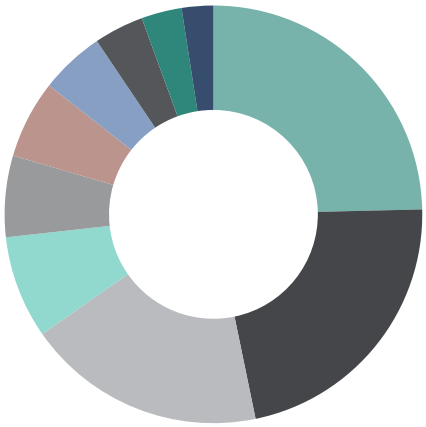
Our portfolio returned -1.73% for the month.

Our top performers for the month were Infratil, Skellerup and Auckland Airport. Infratil was busy buying a majority stake in Auckland Radiology Group to join its existing investments (QScan and Pacific Radiology) in this space. They also announced a ~250m NZD investment in an early stage UK data centre, Kao Data, as they reinvest the proceeds from the recent Tilt Renewables sale. A2 Milk held a virtual investor day, which focused on its future; including key end markets, product pipeline as well as marketing and brand support. Outside of this, a recent trading update disappointed versus market expectations.

The detractors of the month were Mainfreight, Spark and Fisher & Paykel Healthcare (FPH). Mainfreight come down off its recent highs, as investors came to grips with how long elevated freight rates would support near term extranormal profits.

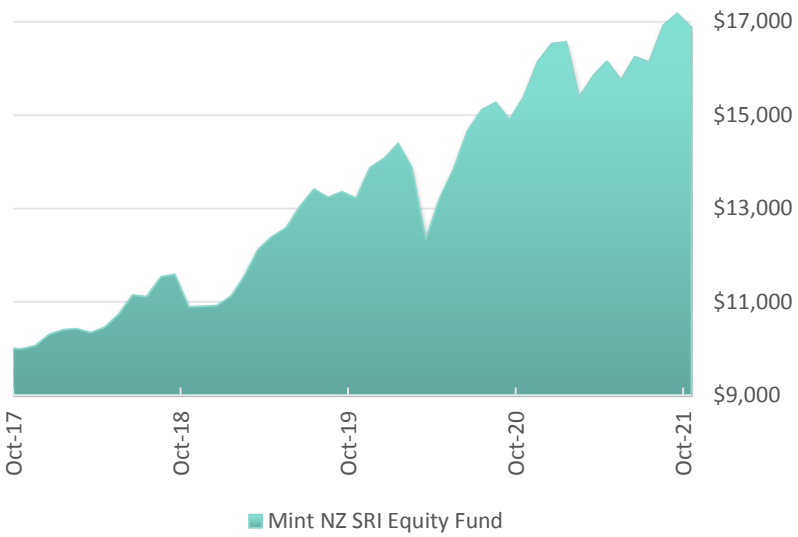
Over the month, we increased our positions in Pushpay, Infratil and Meridian Energy. Additionally, we added Arvida Group to the fund as we participated in a placement to fund an acquisition of a 345m retirement village portfolio. We reduced our position in Mercury Energy while exiting our Oceania Healthcare holding.

Sector Allocation



- Health Care – 25%
- Utilities – 22%
- Industrials – 19%
- Communication Services – 8%
- Real Estate – 6%
- Information Technology – 6%
- Materials – 5%
- Consumer Staples – 4%
- Consumer Discretionary – 3%
- Cash and cash equivalents – 2%

$10,000 invested since inception



Cumulative performance. Returns are after fees and before investor tax. Fund inception: 13 October 2017.

Top Holdings

Contact Energy Limited

Fisher & Paykel Healthcare Corporation

Infratil Limited

Mainfreight Limited

Meridian Energy Limited

Spark New Zealand Limited

Summerset Group Holdings Limited

As of 31 October 2021

SINGLE SECTOR FUND

Mint Australasian Property Fund

Unit price	Fund size
$2.6995	$70M

1 month	3 months	1 year	5 years
-0.86%	0.51%	5.75%	9.48%

Net returns

Our portfolio returned -0.86% for the month.

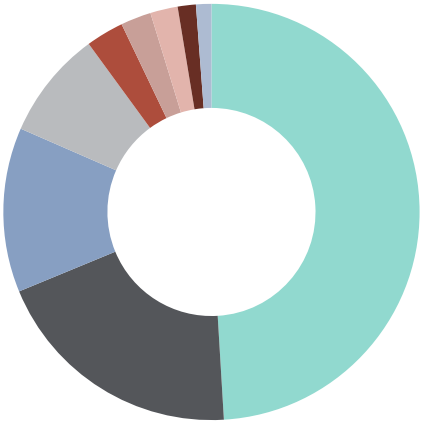
The top contributors were holdings in Goodman Property Trust and Kiwi Property Group. The key detractors to performance were holdings in Vital Healthcare and Argosy Property.

The NZ listed property sector posted a small negative performance over October of -0.6%. The AU listed property sector returned 0.4% (in AUD). Both index performances were constrained by ongoing increases in interest rates.

Vital Healthcare raised $140m mid-October to fund the acquisition of a Cancer Centre in Adelaide for A$93m (4.7% yield). The capital raise will also improve Vital's balance sheet capacity, while AFFO guidance was maintained.

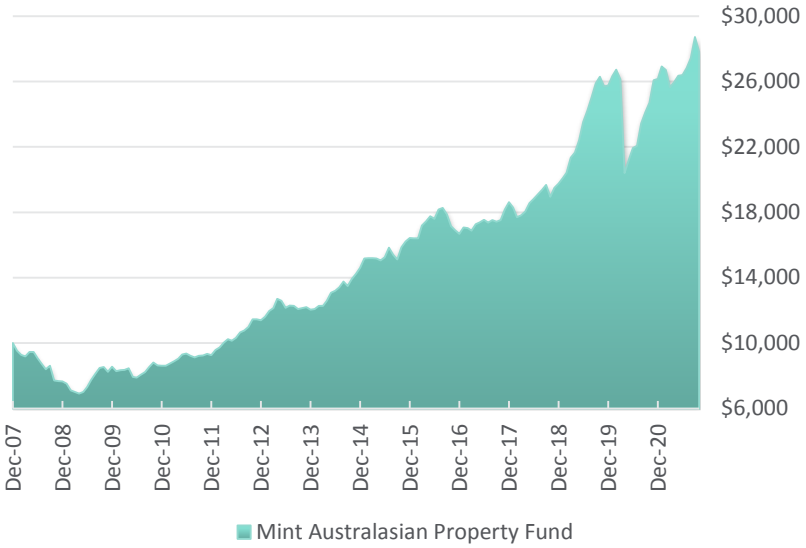
In Australia the retail sector was the top performer as Australia reopened post lockdowns. Stronger than anticipated transactions in the retail sector also supported performance. The residential sector has also remained resilient. Corporate activity was again elevated with HomeCo Daily Needs REIT announcing a proposal to acquire Aventus, creating an A$4bn daily needs and large format retail entity.

Sub-Sector Allocation



- Diversified REITs – 49%
- Real Estate Operating Companies – 20%
- Industrial REITs – 13%
- Specialised REITs – 8%
- Health Care – 3%
- Cash and cash equivalents – 2%
- Retail REITs – 2%
- Residential REITs – 1%
- Diversified Real Estate Activities – 1%

$10,000 invested since inception



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

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

As of 31 October 2021

DIVERSIFIED FUND

Mint Diversified Income Fund

Unit price	Fund size
$1.1125	$281M

1 month	3 months	1 year	5 years
-0.89%	-0.80%	4.07%	4.65%

Net returns

Our portfolio returned -0.89% for the month.

Asset class performance was mixed with a positive contribution from Global Equities (+0.8%) and a negative contribution from other assets: Fixed Income (-1.1%), Australasian Equities (-0.2%) and Listed Property (-0.1%)

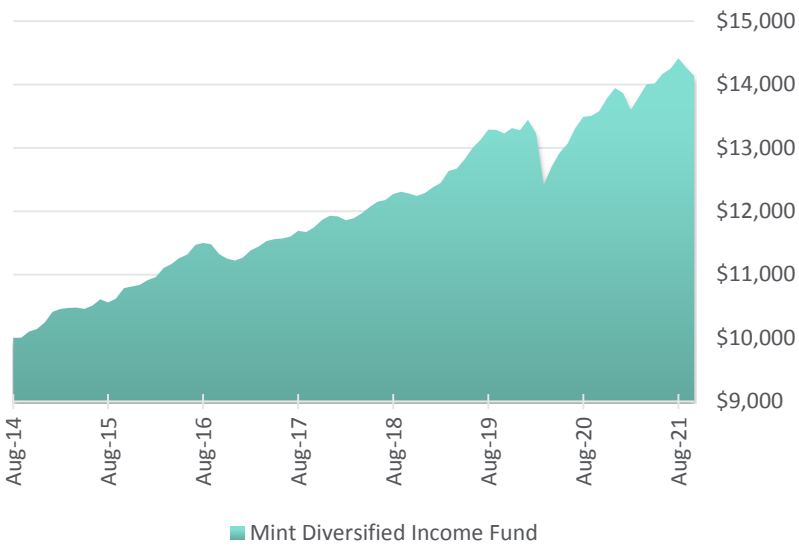
New Zealand Fixed Income had a very weak month after the interest rate hike and strong inflation data. The NZ Investment Grade Corporate Bond Index was down -2.6%. The long duration bonds were hit hard in the portfolio, with some names down more than 3%. For example, the Oceania Healthcare 2027 bond was down 5.5% during the month.

The top positive contributions were global stocks from Information Technology (Microsoft and Accenture Plc) and Financials (Moody's and Charles Schwab). However, this was largely offset by PayPal Holdings, which retracted considerably on the news of the potential acquisition of the Pinterest social media platform.

Following a selloff in Fixed Income, we have reduced our long-standing underweight allocation to bonds. We sold Mercury and added to Kathmandu.

Tactical Asset Allocation

$10,000 invested since inception



Cumulative performance. Returns are after fees and before investor tax. Fund inception: 31 August 2014.

Top Holdings

Auckland International Airport Limited

Chorus Limited

Contact Energy Limited.

Kiwibank Limited

New Zealand Local Government Bonds.

Transpower New Zealand Ltd.

Vector Limited

As of 31 October 2021

DIVERSIFIED FUND

Mint Diversified Growth Fund

Unit price		Fund size	
$1.5669		$55M	
1 month	3 months	1 year	5 years
3.15%	3.45%	25.55%	-%

Net returns

Our portfolio returned 3.15% for the month.

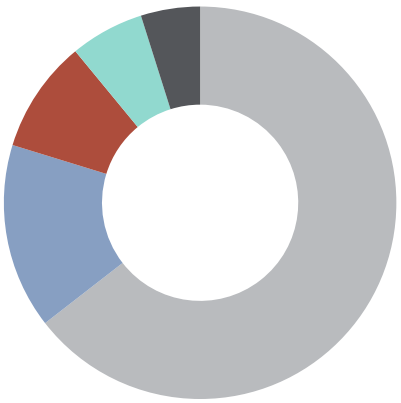
Asset class performance was mixed with a substantial contribution from Global Equities (+4%) and a negative contribution from Australasian Equities (-0.5%) and Fixed Income (-0.2%)

October was a solid month, with most global companies in the portfolio reporting strong quarterly results. The top contributions to the performance were global stocks from Information Technology (Microsoft, Advanced Micro Devices and Accenture Plc) and Financials (Moody's and Charles Schwab) sectors. The most notable underperformance came from stocks within Communication Services where investors were shifting away from broadband and cable operators. The two largest holdings within the sector, Charter Communications and Comcast, were down over 10% in October.

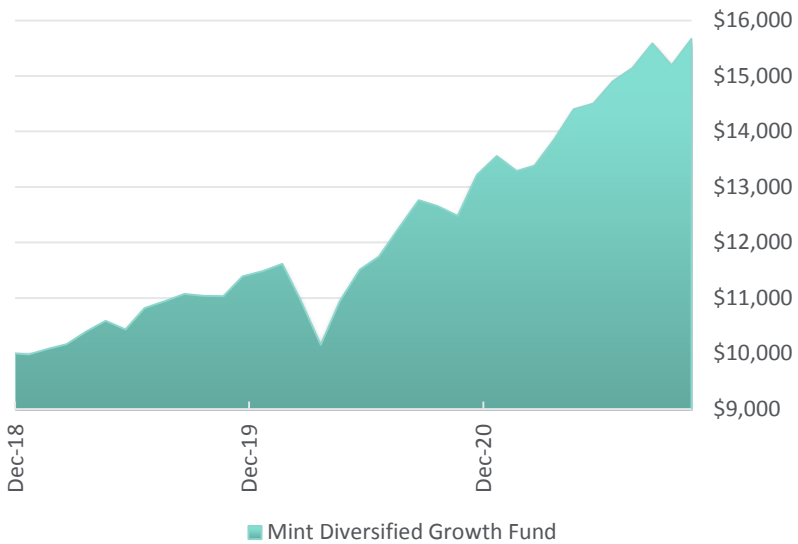
In addition, PayPal retracted considerably on the news of the potential acquisition of the Pinterest social media platform. Investors were sceptical of the possible deal, and whilst PayPal later said it is not exploring an investment, the shares were down almost 15% in October.

Following a selloff in Fixed Income, we have reduced our long-standing underweight allocation to bonds. We exited our position in Aon Plc.

Tactical Asset Allocation



$10,000 invested since inception



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

Top Holdings

Accenture Plc. Class A

Amazon.com, Inc.

Charles Schwab Corporation

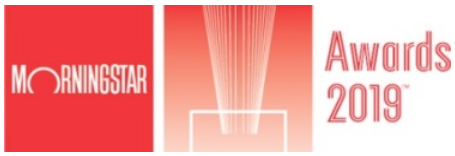
Comcast Corporation Class A

Microsoft Corporation

Thermo Fisher Scientific Inc.

Visa Inc. Class A

Nominated for Best New Ethical Fund, the Mint New Zealand SRI Equity Fund, at the 2021 Mindful Money Awards.



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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