Monthly Fund Fact Sheet
Diversified Funds

mint
ASSET MANAGEMENT

As of 31 May 2023

Market overview

For more information on our Funds, please contact:

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May was a soft month for markets with most global indices flat to down. The month was one for growth stocks with the technology sector leading the way as investors rotated to names that can continue to grow in tougher economic times. Another key feature of this was the huge upgrade from NVIDIA in the US driven by increasing chip demand from Artificial Intelligence applications. The focus on the US banking sector has subsided to some degree but potential risks around commercial real estate loans have not disappeared with talks of many banks willing to sell down these loans to reduce their direct exposure. Additionally, we saw the Fed Funds rate rise another 25bps, in line with expectations but triggering US treasury yields to rise across the yield curve.

The S&P/NZX50 and S&P/ASX200 ended May down -1.7% and -2.5% respectively. In New Zealand the market return was skewed by the largest name in the index - F&P Healthcare. While expectations of softer earnings was seen as likely, it was the magnitude and weaker near-term outlook that saw a significant derate in the stock. On the flip side we saw strength in the retirement sector with all the key names up double digit percents with reported earnings at least meeting expectations and capital management (largely dividend cuts) the common theme throughout. Locally, May saw the RBNZ hike rates as expected, but we did see the Governments' budget released which saw the 2-year swap rate curve (the basis for where many kiwis fix their mortgage rate) jump 50bps with expectations the budget will push the RBNZ to hike further. In Australia, we began to see signs of a weakening consumer emerge with some reasonable earnings downgrades from a few retailers (Baby Bunting and Adairs etc.) as the impact from recent RBA rate hikes flowed through. While the consumer discretionary sector underperformed, like the US, the technology sector was strong across many names. The RBA hiked 25bps in May which surprised many. Stubborn inflation saw the RBA continue to hike another 25bps in early June with homeowners set to see a further squeeze to their wallets.

Into June, we have already seen plenty of market action locally with a couple of significant earnings downgrades from the healthcare sector (Pacific Edge and EBOS) as well as an easily absorbed capital raise for Infratil giving further indications where investor preferences continue to lie at this point in the cycle. Focus back onto the central banks remains with the RBA continuing to push ahead with a more hawkish tone as the ever-eager RBNZ seems to have got closer to its OCR end game as we wait on further inflation data to support this.

Funds at a glance

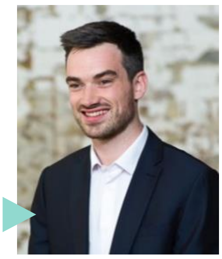
	1 Month	3 Months	1 Year	3 Years	Since inception
Mint Diversified Income Fund	-0.16%	1.42%	1.87%	1.18%	3.45%
Composite Index	-0.22%	1.54%	0.96%	0.07%	4.53%
Mint Diversified Growth Fund	-1.38%	1.42%	0.66%	5.86%	7.21%
Composite Index	-0.45%	1.90%	1.47%	6.07%	6.64%

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.

Investment Team

Portfolio Manager
Marek Krzeczkowski

Senior Analyst
Ryan Falls



Investment Analyst
Henry Morrison-Jones

As of 31 May 2023

DIVERSIFIED FUND

Mint Diversified Income Fund

Last Month Review

Our portfolio returned -0.16% for the month. Asset Class performance was mixed, with Australasian Equities (+0.1%) contributing mildly positive returns in May and Listed Property finishing up roughly flat for the month. Meanwhile, contribution from Fixed Income (-0.1%) came in narrowly negative after a rather turbulent month for the asset class, which included back and forth revisions to economist's cash rate forecasts and a more dovish than expected RBNZ. Global Equities (-0.1%) also had a negative month in May, although market sentiment surrounding the potential for AI caused divergent performance within the asset class itself.

Domestically, both Serko (+46%) and Summerset (+12%) were standout performers for the fund, with the former indicating stronger-than-expected Booking.com-related revenue growth, and the latter rallying in sympathy with Ryman Healthcare's strong FY23 result. Within Global Equities, Amazon (+14%) was an outperformer, as it benefited from the AI-related tech rally as well as speculation that the company was in talks with various wireless providers to offer low-cost mobile plans to its US customers. Within Fixed Income, bonds were mixed, initially losing ground as economists revised their OCR forecasts higher before clawing back some of their losses as the RBNZ hinted that it was done with interest rate hikes.

Among the underperformers, Estee Lauder (-25%) was the largest negative contributor during the month, following disappointing guidance in their Q3 update. Mainfreight (-3%) also underperformed, as management primed expectations for a weaker year ahead during their FY earnings announcement.

During the month we added no new names to the portfolio.

Outlook and Asset Allocation

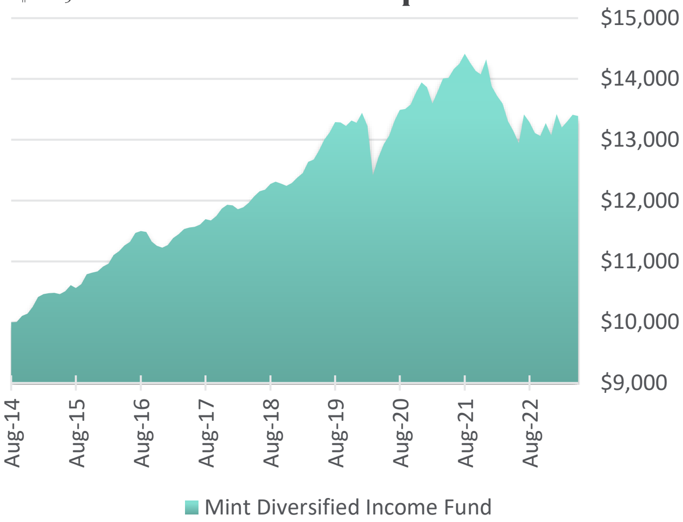
- Growth has remained resilient this year, despite recent developments, including tighter monetary policy and stresses in the banking system. As central banks continue to indicate a "higher for longer" approach, we recognise that the probability of additional negative growth shocks remains elevated. However, with inflation rapidly retreating, we expect central bank policy to turn more favourable should any shocks to growth materialise. This optionality should allow positive returns for both equities and bonds over a 12-month horizon.

- We believe that the current level of interest rates offers an attractive risk/return profile for bonds. For equities, we continue to prefer high-quality growth names with strong balance sheets and pricing power.

Unit price		Fund size	
$1.0023		$170M	
1 month	3 months	1 year	5 years
-0.16%	1.42%	1.87%	2.21%

Net returns and prices

$10,000 invested since inception



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

Key Fund Facts

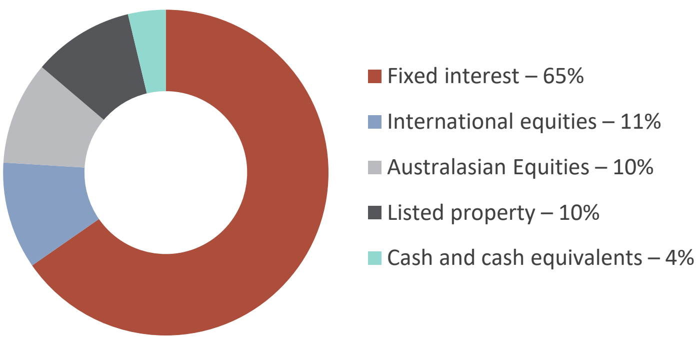
Key features:	Combination of income and capital growth
Strategic Asset Allocation:	30% Growth 70% Income
Return objective:	CPI + 3.0%
Date of inception:	31 August 2014
Yield to Maturity:	5.6%
Effective Duration:	4.4
Latest bond grade:	100% Senior
Latest FX hedging:	99%
Total fund fee:	0.95%

Risk Indicator

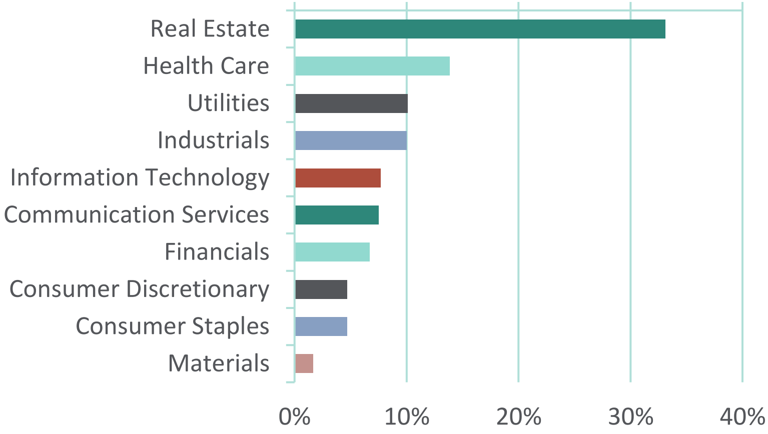
Potentially lower returns						Potentially higher returns
1	2	3	4	5	6	7
Lower risk						Higher risk

As of 31 May 2023

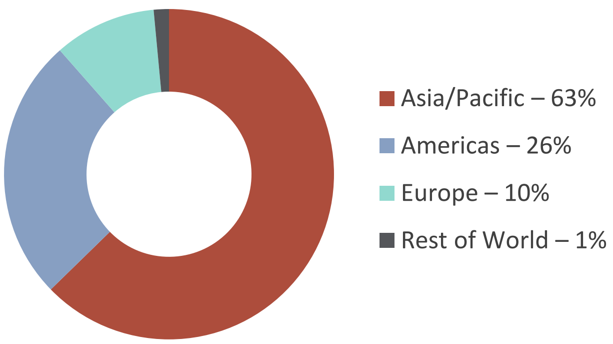
Current Asset Allocation



Equity Sectors



Geographic Diversification (1)



(1) Based on the revenue exposure of all equity holdings.

10 Largest equity positions

Name	Sector	Weight
Stride Property Ltd	Real Estate	2.1%
Precinct Properties New Zealand Ltd.	Real Estate	1.9%
Kiwi Property Group Ltd.	Real Estate	1.9%
Goodman Property Trust	Real Estate	1.8%
CSL Limited	Health Care	1.3%
Mainfreight Limited	Industrials	1.2%
Spark New Zealand Limited	Communication Services	1.2%
Infratil Limited	Utilities	1.1%
Meridian Energy Limited	Utilities	1.0%
Contact Energy Limited	Utilities	1.0%

5 Largest bond issuers

Name	Weight
Auckland International Airport	4.8%
Chorus Limited	4.4%
Government of New Zealand	4.1%
Mercury NZ Limited	4.1%
Meridian Energy Limited	3.9%

As of 31 May 2023

DIVERSIFIED FUND

Mint Diversified Growth Fund

Unit price		Fund size	
$1.3652		$102M	
1 month	3 months	1 year	3 years
-1.38%	1.42%	0.66%	5.86%

Net returns and prices

Last Month Review

Our portfolio returned -1.38% for the month. Asset Class performance was largely negative, despite some standout wins among the underlying equity holdings. Global Equities (-1.1%) were the largest detractor from performance in May, with divergence between AI beneficiaries and the rest of the equity universe making for an interesting month. Australasian Equities (-0.1%) were another negative contributor, as the New Zealand index was dragged down by its largest constituent (Fisher and Paykel Healthcare) falling 16%. Meanwhile, despite a turbulent month for interest rates, Listed Property and Fixed Income ended up roughly flat for the month.

Out of the underlying holdings, Advanced Micro Devices (+32%) was the strongest performer for the fund, as chip manufacturers continued to benefit from tailwinds related to the prospects for artificial intelligence. Accenture (+9%) was another outperformer for the month, as analysts continued to highlight that IT Services firms will also likely benefit from AI and its potential for disruption in the tech sector. Domestically, Serko (+46%) and Summerset (+12%) were the standouts, with the former indicating stronger-than-expected Booking.com revenue growth in their FY23 results.

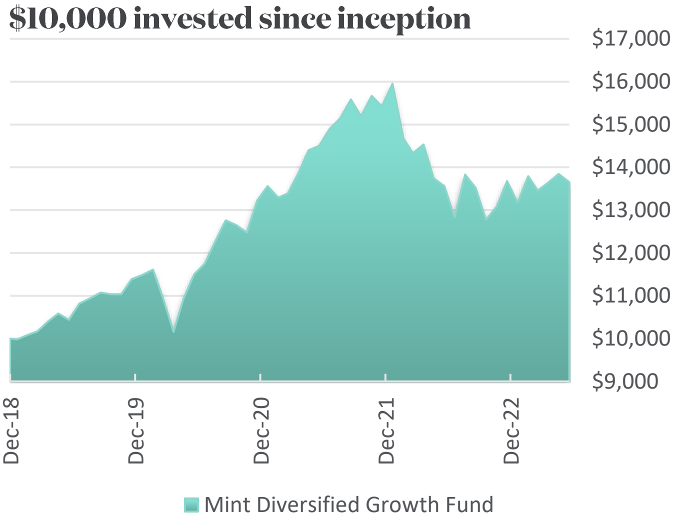
On the other end of the return spectrum, Estee Lauder (-25%) was the largest negative contributor during the month, following disappointing guidance in their Q3 update. Among the domestic names, Fisher and Paykel Healthcare (-16%) led the laggards, as the company's FY earnings (and gross margin in particular) came in below expectations.

During the month we added Netflix and EBOS to the portfolio and sold out of our position in Pushpay.

Outlook and Asset Allocation

- Growth has remained resilient this year, despite recent developments, including tighter monetary policy and stresses in the banking system. As central banks continue to indicate a "higher for longer" approach, we recognise that the probability of additional negative growth shocks remains elevated. However, with inflation rapidly retreating, we expect central bank policy to turn more favourable should any shocks to growth materialise. This optionality should allow positive returns for both equities and bonds over a 12-month horizon.
- We believe that the current level of interest rates offers an attractive risk/return profile for bonds. For equities, we continue to prefer high-quality growth names with strong balance sheets and pricing power.

$10,000 invested since inception



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

Key Fund Facts

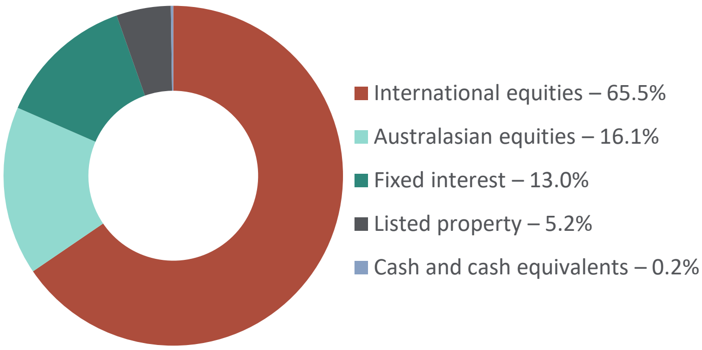
Key features:	Capital growth
Strategic Asset Allocation:	80% Growth 20% Income
Return objective:	CPI + 4.5%
Date of inception:	10 December 2018
Latest bond grade:	100% Senior
Latest FX hedging:	99%
Total fund fee:	1.19%

Risk Indicator

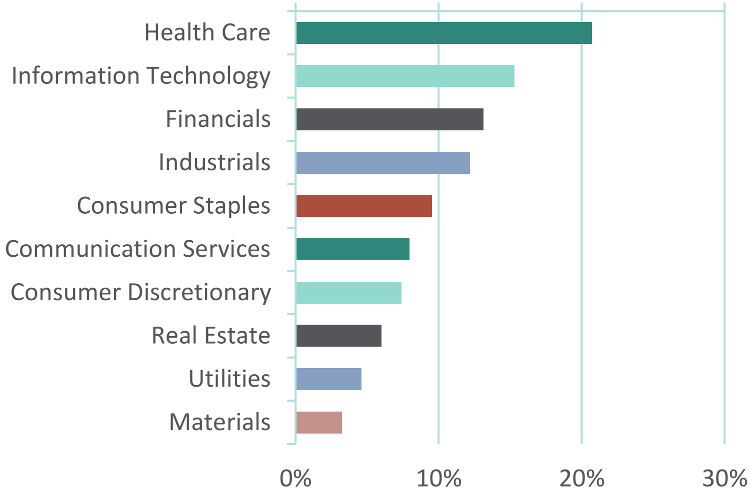
Potentially lower returns						Potentially higher returns
1	2	3	4	5	6	7
Lower risk						Higher risk

As of 31 May 2023

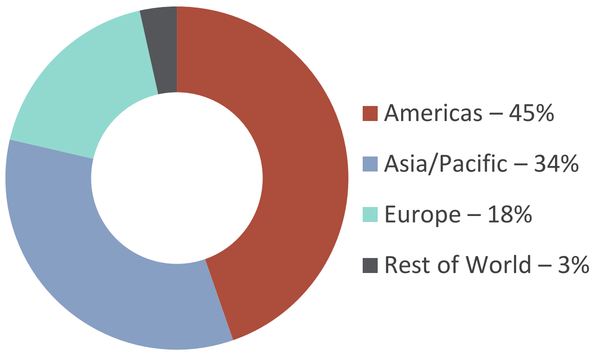
Current Asset Allocation



Equity Sectors



Geographic Diversification (1)



(1) Based on the revenue exposure of all equity holdings.

10 Largest equity positions

Name	Sector	Weight
Accenture Plc Class A	Information Technology	2.3%
Microsoft Corporation	Information Technology	2.2%
Thermo Fisher Scientific Inc.	Health Care	1.9%
Visa Inc. Class A	Financials	1.9%
Canadian National Railway Company	Industrials	1.9%
Novo Nordisk A/S Class B	Health Care	1.9%
Reckitt Benckiser Group plc	Consumer Staples	1.9%
Estee Lauder Companies Inc. Class A	Consumer Staples	1.9%
LVMH Moet Hennessy Louis Vuitton SE	Consumer Discretionary	1.9%
London Stock Exchange Group plc	Financials	1.8%

Became members of RIAA in March 2023

Achieved our Toitū net carbonzero certification in June 2022

The Principles for Responsible Investment (PRI) is the world's leading proponent of responsible investment.

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