Monthly Fund Fact Sheet
Diversified Funds

mint
ASSET MANAGEMENT

As of 30 June 2023

Market overview

June saw some green shoots across markets with strong performances from most major indices. Both the S&P500 and the NASDAQ gained over +6%. After June's performance, the NASDAQ is now up an incredible 38.8% year to date! Once again, the technology sector drove much of the market's gains.

In the US, while markets maintained a positive track, they did seesaw around various economic data releases. This ranged from falling treasury yields on easing headline inflation data, to a quick retreat on Fed chairman Powell's comments that taming inflation "has a long way to go." Markets then took comfort in strong consumer confidence and a rise in durable goods orders, both of which should be supportive of economic activity. While the US equity markets ran strong, US yields also had a big month with the US 2-year government bond increasing 48bps, topping off a rather hawkish month for central banks, although both the US and NZ had no rate decisions during the month.

The NZ economy technically fell into recession, with a second quarterly negative read for GDP albeit only slightly negative. While activity is faltering, the strong labour market and elevated inflation levels (although moving downward slowly) continue to put pressure on the RBNZ to hold rates higher for longer. However, markets expect the RBNZ to begin lowering rates, with bond market pricing in 2 cuts from mid next year, having previously expected cuts from February. Many mortgage holders will be hoping for cuts sooner than that with the recent upward swing in retail mortgage rates now pushing above 7%. In Australia, we saw a hawkish RBA hike another 25bps. Towards month end we did see a big miss on inflation with the CPI read well below expectations at 5.6% vs an expected 6.1%. In early July, the RBA paused it's rate hikes – although with more expected by markets before the year is out.

Into July, we have already seen plenty of movement in rates with the NZ 2-year swap rates having jumped up to near 5.6% the highest level seen in over a decade with most of the retail banks moving mortgage rates to match. It could be a dark winter those with sizable debt especially those rolling soon, hence the focus on the consumer and belt tightening is likely to remain for some time with the RBNZ holding the keys to unlock this.

Responsible Investing Update

Since the appointment of Rachel Tinkler as Mint's Head of Responsible Investment, we have increased our participation in global collaborative engagements. We have joined FAIRR – an investor network focused on building a sustainable global food system, with current engagements on anti-microbial resistance and factory working conditions. We have also joined a Microfibre engagement where our role is to investigate the legislative position on microplastic filters in New Zealand. We look forward to updating you on the progress made by these engagements in future fact sheets.

Funds at a glance

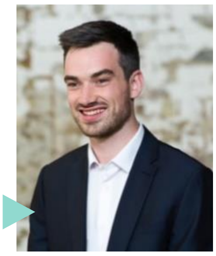
	1 Month	3 Months	1 Year	3 Years	Since inception
Mint Diversified Income Fund	0.49%	1.16%	3.93%	0.98%	3.48%
Composite Index	0.71%	1.49%	3.46%	0.17%	4.60%
Mint Diversified Growth Fund	3.22%	3.26%	9.86%	6.26%	7.82%
Composite Index	3.58%	4.25%	11.07%	6.45%	7.34%

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



As of 30 June 2023

DIVERSIFIED FUND

Mint Diversified Income Fund

Unit price		Fund size	
$1.0072		$159M	
1 month	3 months	1 year	5 years
0.49%	1.16%	3.93%	2.16%

Net returns and prices

Last Month Review

Our portfolio returned 0.49% for the month. Asset Class performance was mostly positive, with Global Equities (+0.4%) contributing the most in June. Listed Property and Australasian Equities also contributed to overall performance, (+0.3%) and (+0.1%) respectively. Meanwhile, contribution from Fixed Income (-0.3%) came in slightly negative, with yields being pushed higher globally off the back of strong economic data.

Domestically, Serko (+23%) continued its strong performance from May into June as management confirmed solid guidance for FY24. Meridian Energy Ltd (+5.5%) and Summerset Group (+5.2%) were also good performers domestically with the former benefitting from a strong month for energy generation and positive news on a deal with Tiwai Point. Within Global Equities, Cigna Group (+13.4%) was an outperformer, as management were expected to confirm their latest earnings figures for FY23 and several analysts raised price targets during June.

Within Fixed Income, bond returns were mixed, with the longer duration names taking more pain due to yields increasing over the month. The drivers of yields were predominately overseas (NZ 5Y swap +18bps over June) as there was news of strong inflation (UK/Eurozone) and strong growth (Q1 GDP revised to 2%) and labour numbers in the US, and no major economic releases for NZ.

The detractors within Global Equities were AMD (-5.8%) and Roche (-5.1%), with the former losing some steam after announcing a drop in price for one of their leading graphics cards. Within the Australasian equities exposure, CSL had a tough month (-8.9%) after announcing FY24 earnings were going to come in lower than expectations.

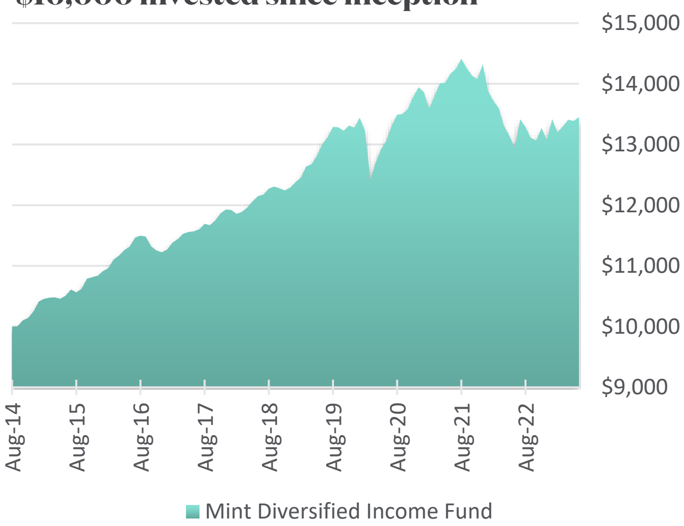
During the month, in Global Equities, we added PepsiCo, SAP and Nutrien and removed Paypal and PPG.

Outlook and Asset Allocation

- Growth has remained resilient this year, in spite of 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: 31 August 2014.

Key Fund Facts

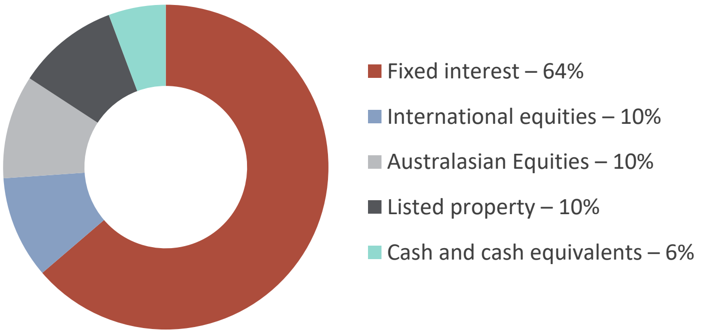
Key features:	Combination of income and capital growth
Strategic Asset Allocation:	30% Growth 70% Income
Return objective:	CPI + 3.0%
Date of inception:	31 August 2014
Yield to Maturity:	5.84%
Effective Duration:	4.37
Latest bond grade:	100% Senior
Latest FX hedging:	97%
Total fund fee:	0.94%

Risk Indicator

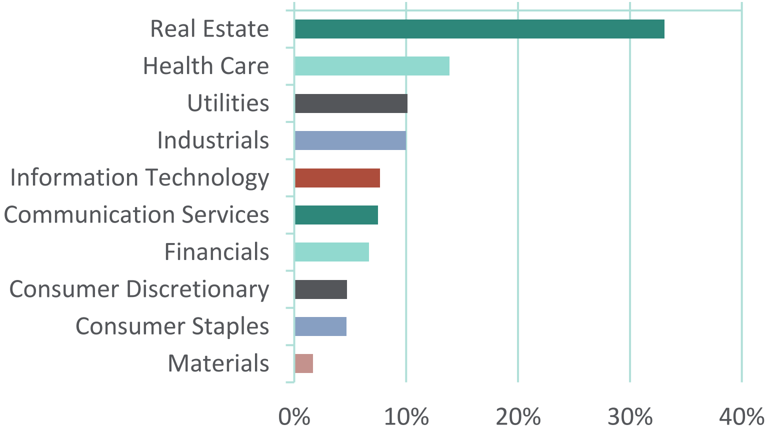
Potentially lower returns						Potentially higher returns
1	2	3	4	5	6	7
Lower risk						Higher risk

As of 30 June 2023

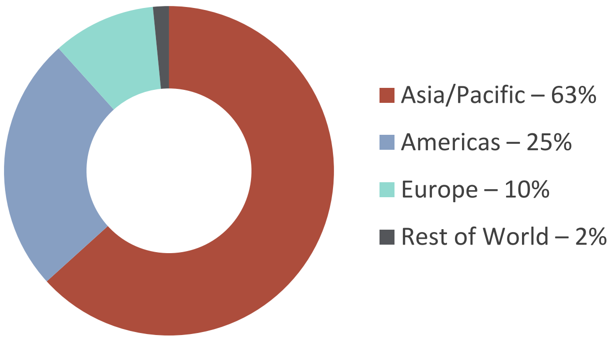
Current Asset Allocation



Equity Sectors



Geographic Diversification (1)



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

10 Largest equity positions

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

5 Largest bond issuers

Name	Weight
Mercury NZ	4.3%
Government of New Zealand	4.2%
Chorus Limited	4.0%
Housing New Zealand	3.9%
Auckland International Airport	3.8%

As of 30 June 2023

DIVERSIFIED FUND

Mint Diversified Growth Fund

Last Month Review

Our portfolio returned 3.22% for the month. Asset Class performance was largely positive for the fund. Global Equities (+2.2%) were the largest positive contributor for performance in June, Australasian Equities (+0.2%) and Listed Property (+0.2%) followed suit. Fixed Income (-0.1%) had more of a mixed month, as global factors and data releases drove interest rates higher, which pushed bond prices down.

Within Global Equities, Cigna Group (+13.4%) was an outperformer, as management were expected to confirm their latest earning figures for FY23 and several analysts raised price targets during June. Martin Marietta Materials also had a robust month (+13.6%) on the back of renewed optimism in US housing – specifically in new build part of the market. Domestically, Serko (+23%) continued its strong performance from May into June as management confirmed solid guidance for FY24. Meridian Energy Ltd (+5.5%) and Summerset Group (+5.2%) were also good performers domestically with the former benefitting from a strong month for energy generation and positive news on a deal with Tiwai Point.

On the other end of the return spectrum, AMD (-5.8%) was the largest negative contributor during the month within Global Equities, following news on a price reduction for one of their flagship graphic cards. Among the domestic names, EBOS Group (-12.7%) led the laggards, after announcing that they had recently lost the contract to supply Chemist Warehouse prescription drugs from July 2024. Finally with interest rates increasing in NZ as a function of overseas market movements, (5Y swap increased 18bps), our longer duration bonds dropped slightly.

During the month in Global Equities, we added PepsiCo, SAP and Veeva and removed Paypal and PPG.

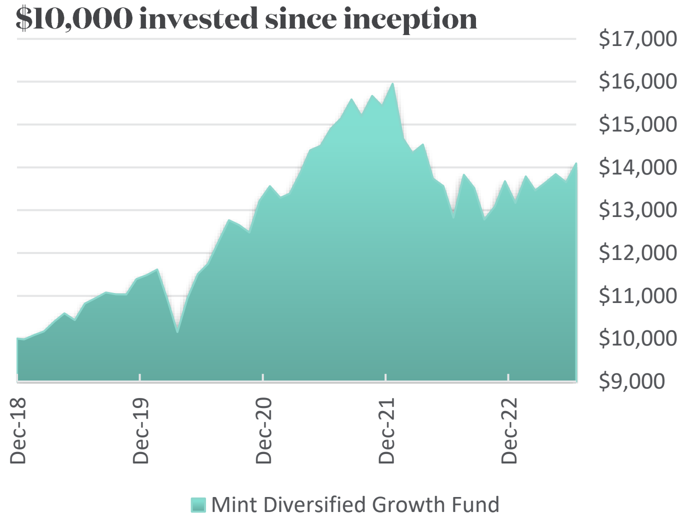
Outlook and Asset Allocation

- Growth has remained resilient this year, in spite of 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	
$1.4092		$107M	
1 month	3 months	1 year	3 years
3.22%	3.26%	9.86%	6.26%

Net returns and prices

$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:	97%
Total fund fee:	1.18%

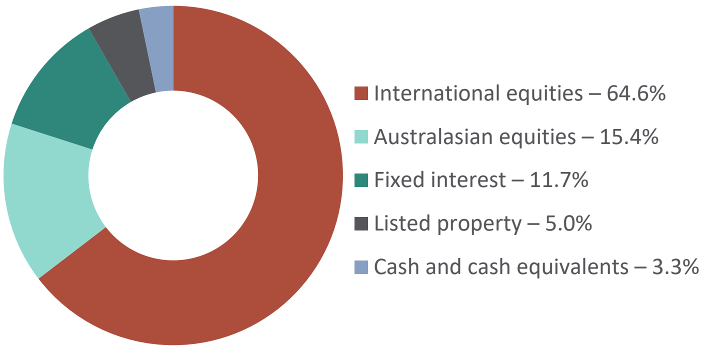
Risk Indicator

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

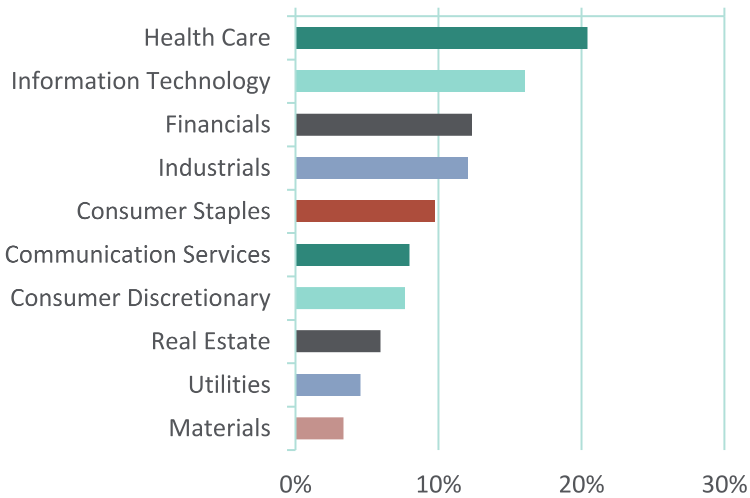
As of 30 June 2023

mint ASSET MANAGEMENT

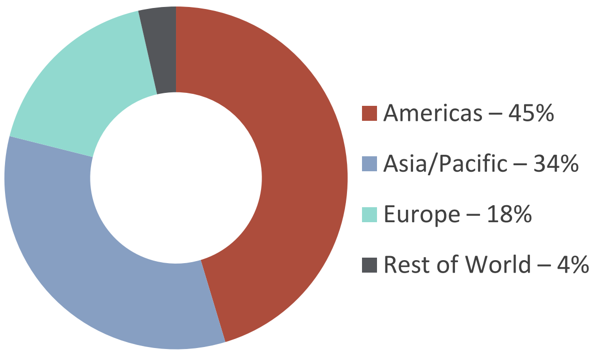
Current Asset Allocation



Equity Sectors



Geographic Diversification (1)



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

10 Largest equity positions

Name	Sector	Weight
Visa Inc. Class A	Financials	1.9%
Microsoft Corporation	Information Technology	1.8%
LVMH Moet Hennessy Louis Vuitton SE	Consumer Discretionary	1.8%
Comcast Corporation Class A	Communication Services	1.8%
Accenture Plc Class A	Information Technology	1.7%
Canadian National Railway Company	Industrials	1.7%
Estee Lauder Companies Inc. Class A	Consumer Staples	1.6%
Boston Scientific Corporation	Health Care	1.6%
Novo Nordisk A/S Class B	Health Care	1.6%
Diageo plc	Consumer Staples	1.6%

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Became members of RIAA in March 2023

Achieved our Toitū net carbonzero certification in June 2022

Signatory of:

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

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