

# Monthly Fund Fact Sheet

## Diversified Alternatives Fund

### Market overview

All major global markets were again down in October with the NZX 50 down -4.8% and the ASX200 down -3.8%. This was driven by further volatility at the long end of the yield curve with the US 10-year yield breaching 5% twice in the month. Although it ended only +33bps higher than last month after worse than expected unemployment data saw the market reprice the risk of additional rate increases sharply downwards. The Israeli-Hamas war also heightened market anxieties with WTI/Brent oil price increasing as investors repriced the risk of contagion within the Middle East. The conflict still has potential to keep oil prices elevated though slowing global demand is increasingly offsetting this factor.

In ANZ, the RBNZ kept the OCR at 5.5% and recent data (unemployment rate +30bps to 3.9%) supports the view that OCR increases are likely done. In Australia the 10-year bond yield was up ~160bps over the last 6 months. More than 80% of this was driven by the rise in real yields as the market has pivoted from pricing RBA cuts to the risk that more hikes may be needed. In line with expectations, the RBA hiked 25bps to 4.35% in November. Market pricing suggests about 50% chance of another hike by May 2024.

### Funds at a glance

	1 Month	3 Months	1 Year	3 Years	Since inception
Mint Diversified Alternatives Fund	-2.81%	-3.59%	n/a	n/a	-6.00%
HFRI Fund of Funds Composite Index (NZD Hedged)	-1.06%	-1.55%	n/a	n/a	-0.45%

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



DIVERSIFIED FUND



# Mint Diversified Alternatives Fund

## Last Month Review

Fund performance was negative this month, with mixed underlying asset class performance as equity and bond markets struggled against a backdrop of increasing interest rates in October. Managed Futures, and Global Discretionary Macro came in positive this month with the remaining asset classes coming in negative.

Managed Futures had a strong October, benefiting from strong momentum signals in both bonds and equities. This led strategies to maintain a net short position throughout the month, significantly contributing to their performance. Furthermore, the strategies long exposure to the USD helped in achieving positive results. The Global Discretionary Macro strategy capitalized on increased interest rate and currency volatility - particularly in EUR and GBP, which helped the strategy come in positive for the month.

Private Equity and Real Estate had a negative month, primarily due to concerns surrounding the impact of rising interest rates on the valuation of underlying fund assets. Additionally, assets with longer cashflows, such as Renewables and Infrastructure, were adversely affected, despite the Renewables strategy's positive update. This update included an announcement of a new offshore wind farm investment with a significantly high Internal Rate of Return (IRR), making it an attractive prospect relative to other wind assets in the market.

Finally, we exited our Intellectual Property strategy due to concerns regarding its continuity following a shareholder revolt related to an asset sale. Additionally, we increased our exposure to the Event Driven strategy over the course of October.

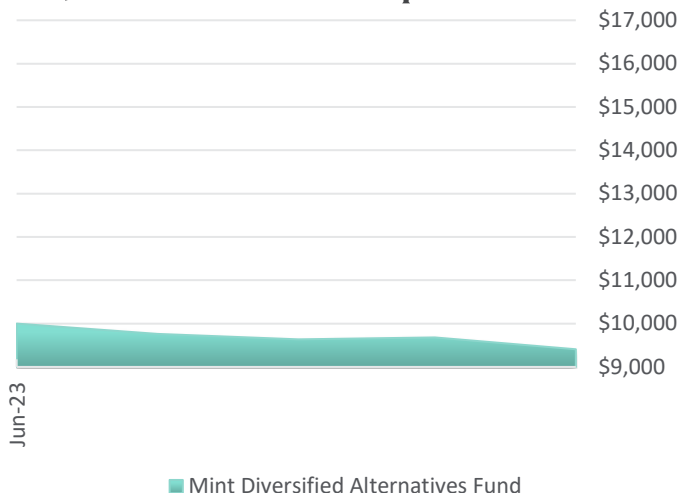
## Outlook and Asset Allocation

- 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.
- We maintain confidence that the alternative asset classes should provide attractive risk adjusted returns in the current macro-economic environment. As the return on risk free assets decreases (normalising monetary policy) we believe this will provide a further tailwind for Alternative assets.

<b>Unit Price</b>		<b>Fund Size</b>	
<b>\$0.9410</b>		<b>\$378K</b>	
<b>1 month</b>	<b>3 months</b>	<b>1 year</b>	<b>5 years</b>
<b>-2.81%</b>	<b>-3.59%</b>	<b>n/a</b>	<b>n/a</b>

Net returns and prices.

## \$10,000 invested since inception

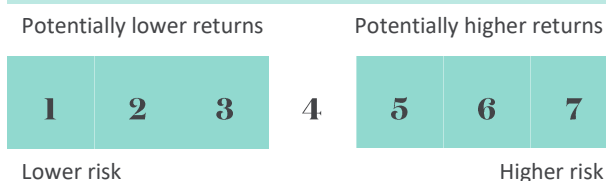


Cumulative performance. Returns are after fees and before investor tax. Fund inception: 30 June 2023.

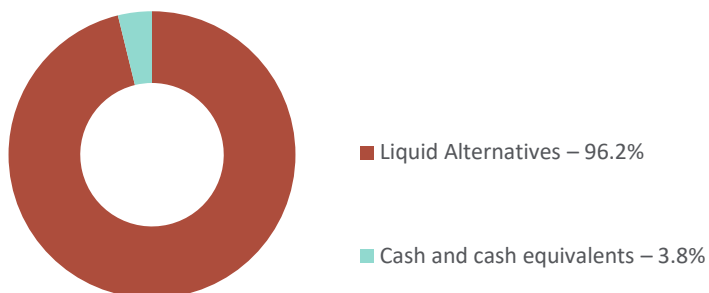
## Key Fund Facts

<b>Key features:</b>	Capital growth
<b>Strategic Asset Allocation:</b>	95% Alternatives
<b>Return objective:</b>	Outperform HFRI Fund of Funds Composite Index (NZD Hedged)
<b>Date of inception:</b>	30 June 2023
<b>Latest FX hedging:</b>	100%
<b>Total fund fee:</b>	1.85%

## Risk Indicator



## Current Asset Allocation



## Contribution to Return by Asset Class

Asset Class	Contribution to Return	Portfolio Weight
Global Discretionary Macro	0.3%	14.4%
Managed Futures	0.1%	21.3%
Event Driven	0.0%	6.7%
Absolute Return	-0.2%	14.6%
Renewables	-0.3%	13.1%
Infrastructure	-0.4%	9.8%
Real Estate	-0.4%	7.2%
Cash	-0.4%	4.1%
Private Equity	-0.5%	8.9%
Intellectual Property	-0.9%	0.0%
<b>Total</b>	<b>-2.7%</b>	<b>100%</b>

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

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Responsible  
Investment  
Association  
Australasia

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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