

Monthly Fund Fact Sheet

Single Sector Funds

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	5 Years	Since inception
Mint Australasian Equity Fund	-4.89%	-10.14%	-2.53%	3.76%	7.83%
S&P/NZX 50 Gross	-4.77%	-10.77%	-5.12%	4.21%	6.07%
Mint NZ SRI Equity Fund	-4.49%	-8.94%	-2.22%	4.97%	5.57%
S&P/NZX 50 Gross	-4.77%	-10.77%	-5.12%	4.21%	4.87%
Mint Australasian Property Fund	-4.24%	-13.28%	-6.90%	1.43%	4.59%
S&P/NZX All Real Estate (Industry Group) Gross	-4.70%	-13.79%	-7.49%	1.78%	5.65%

Performance returns greater than 3 months are per annum. 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

John Middleton



Portfolio Manager

David Fyfe



Senior Analyst

Tom Deacon



Investment Analyst

Sam Arcand



SINGLE SECTOR FUND



Mint Australasian Equity Fund

Unit Price \$3.5021		Fund Size \$177M	
1 month -4.89%	3 months -10.14%	1 year -2.53%	5 years 3.76%

Net returns and prices.

Last Month Review

October was another difficult month for equities with the NZX50 and ASX200 laggards to international markets (S&P500 -2.2% and Nasdaq -2.8%). The Australasian equity fund traded in line with the market -4.9%.

In weak markets Lynas (+3.8%) and IDP Education (+1.3%) stood out in the minority of stocks that were actually up in the month. The main positive attribution for the fund came from underweight positions in Heartland Group (-14%), Chorus (-5.4%), a2 Milk (-8.3%) and Mercury (-3.3%). The main negative attributors were CSL (-7.4%), Meridian (-6%) and Megoport (-19%).

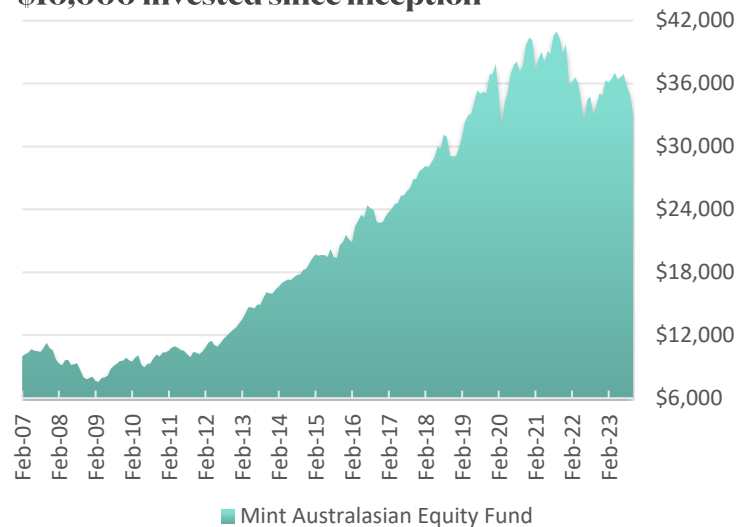
The disappointing feature of the month was that our defensive holdings in the healthcare sector (CSL, Resmed, Fisher and Paykel Healthcare and to a certain extent Aroa) failed to hold up in a down market due to ongoing concerns about GLP1s. GLP1s (Glucagon-like Peptide 1 agonists) are drugs such as Wegovy and Ozempic that have historically been used to treat diabetes, but have been found to help users lose weight (up to 10-25% of body weight) through lowering their blood sugar and GLP1s have also shown some benefits in treating kidney disease. We hope that GLP1s do prove to be wonder drugs, but fear there are a number of issues that could get in the way 1) weight loss appears to plateau after 12 months of use 2) the treatment cost is materially higher than incumbent solutions (6x more than CPAP) 3) we consider insurers unlikely to foot the bill 4) while losing a few pounds is good for most people, unfortunately it cannot cure everything. Furthermore, we believe the impact on incumbent suppliers of products to treat sleep apnea (Resmed -33%) and kidney dialysis (CSL -25%) since June is overdone notwithstanding the move in bond yields.

During the month we added Stride Property Group back into the portfolio, continued to add to our Megoport position as well as healthcare names adversely impacted by GLP1s and infrastructure names such as Port of Tauranga and Chorus. We funded this through taking some profit in Australian investments (NextDC, IDP Education and AUB).

Outlook

- Inflation and interest rates now appear at peak cycle levels, combining this with weak business and consumer sentiment we expect domestic cyclicals and property exposed names to remain subdued with elevated earnings risks.
- Given inflation is likely to trend lower over the course of the year and higher rates are increasingly priced in, we expect the narrative to shift towards corporate margins and earnings as the most important driver of share prices.
- We will maintain a growth bias to our investing and focus on high quality defensive growth names with strong balance sheets, pricing power and above average liquidity.

\$10,000 invested since inception

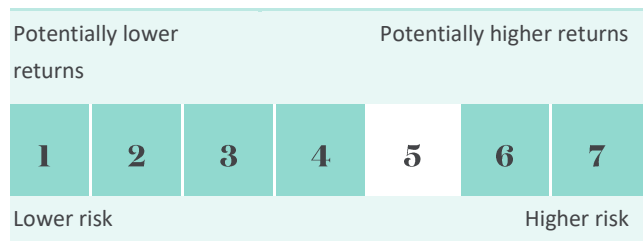


Cumulative performance. Returns are after fees and before investor tax. Fund inception: 15 February 2007.

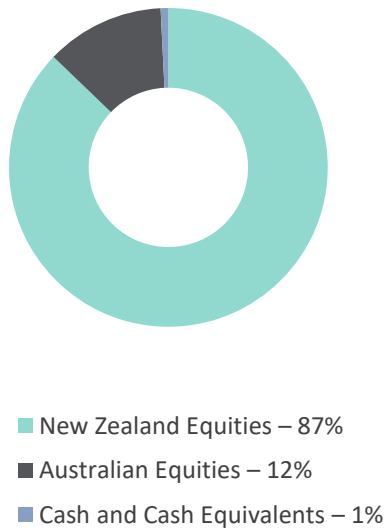
Key Fund Facts

Key features:	New Zealand and Australian listed equities
Minimum suggested time frame:	5 years plus
Return objective:	Outperform the S&P/NZX50 Gross Index after fees and expenses
Date of inception:	15 February 2007
Latest FX hedging:	102%
Total fund fee:	1.19%

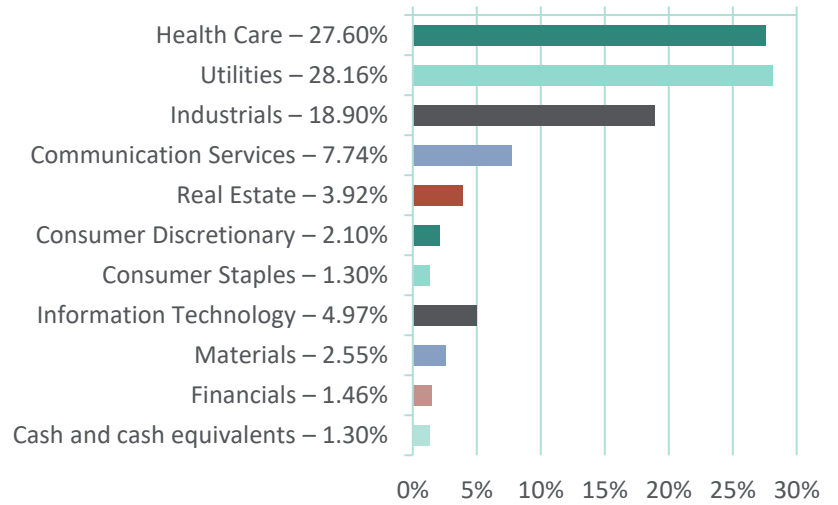
Risk Indicator



Asset Exposures



Sector Allocation



Largest Active Weights

Top 5 Overweight	Top 5 Underweight
CSL Limited	Mercury NZ Limited
Infratil Limited	Chorus Limited
Meridian Energy Limited	EBOS Group Limited
Contact Energy Limited	a2 Milk Company Limited
Summerset Group Holdings Limited	Spark New Zealand Limited

SINGLE SECTOR FUND



Mint New Zealand SRI Equity Fund

Last Month Review

October saw weaker performance from the mid-caps names with industrials the worst followed by utilities and healthcare. Within the month we saw softer updates from both Port of Tauranga and Freightways and imports and economic activity appears soft heading into the key Xmas trading period.

Stride Property Group was the funds best attributor in the month, regaining much of its losses in the prior month to finishing up +7.1%. During the month Stride provided an update on the fair value of its property portfolio, down -\$70m or 6.6% as its cap rate expanded to 6.3%. Our underweights in Heartland Bank and Fletcher Building also proved helpful and both underperformed down -14% and -8% respectively. Fletcher Building had a busy month with its shares entering a trading halt as a Western Australian building firm BGC provided a briefing on the potential liability for Fletcher's from bursting pipes. While BGC talked up some large numbers of over \$1bn, in Fletcher's response they blamed the leaks on poor installation but either way investors remain focused on potential remediation outcomes and the uncertainty that creates near term.

The worst attributor for the month was our underweight in EBOS which trading update saw underlying profit growth ahead of expectations driven by strong cost control in a tough environment. Tourism Holdings underperformed for the fund as its AGM update which appeared to meet expectations, faltered on talk of softer RV sales in North America. This aside the company announced a \$100m FY26 NPAT target on the back of organic growth with resilient tourism demand and solid rental yield expectations. Over the month, we added to Chorus, Port of Tauranga and Stride Property on weakness. We reduced our electricity sector exposure through Mercury as well as trimming our positions in Freightways and The a2 Milk Company.

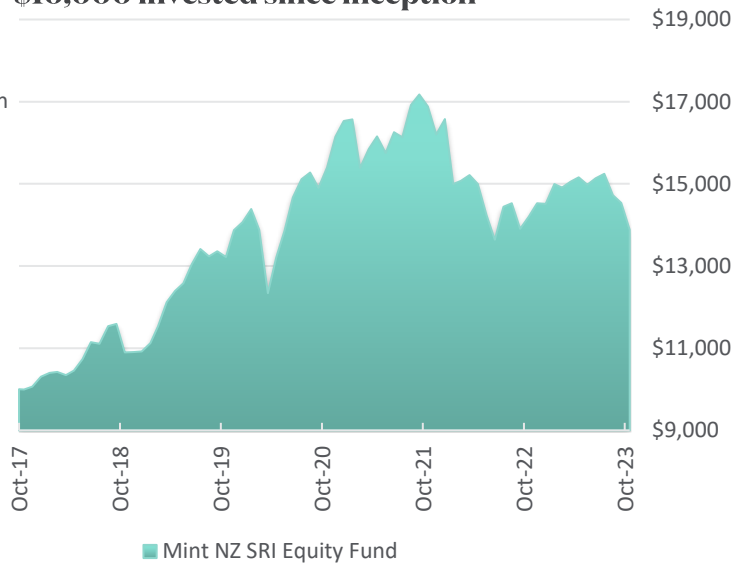
Outlook

- We see several attractive entry points for new opportunities following recent market weaknesses.
- Inflation and interest rates now appear at peak cycle levels, combining this with weak business and consumer sentiment we expect domestic cyclicals and property exposed names to remain subdued with elevated earnings risks.
- We maintain exposure to high quality defensive growth names (Infratil, Contact Energy) with strong balance sheets, pricing power and above average liquidity.
- Over the month our ESG position improved vs our internal scorecard as we reduced our holding in Mainfreight EBOS Group (weak governance score) and increased our Spark Meridian position (strong social environmental and governance credentials).

Unit Price		Fund Size	
\$1.3884		\$114M	
1 month	3 months	1 year	5 years
-4.49%	-8.94%	-2.22%	4.97%

Net returns and prices.

\$10,000 invested since inception



Cumulative performance. Returns are after fees and before investor tax. Fund inception: 12 October 2017

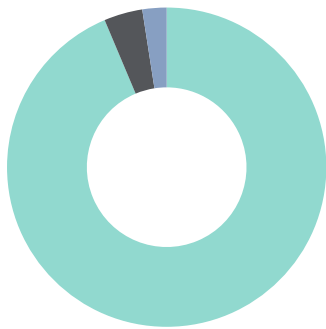
Key Fund Facts

Key features:	New Zealand listed equities
Minimum suggested time frame:	5 years plus
Return objective:	Outperform the S&P/NZX50 Gross Index after fees and expenses
Date of inception:	12 October 2017
Total fund fee:	0.95%

Risk Indicator

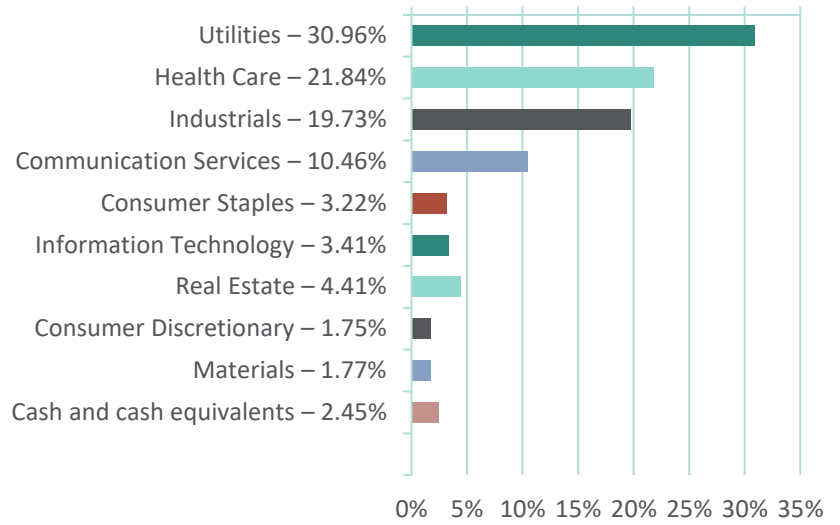
Potentially lower returns			Potentially higher returns			
1	2	3	4	5	6	7
Lower risk			Higher risk			

Asset Exposures



- New Zealand Equities – 94%
- Listed Property – 4%
- Cash and Cash Equivalents – 2%

Sector Allocation



Largest Active Weights

Top 5 Overweight	Top 5 Underweight
Infratil Limited	Mercury NZ Limited
Contact Energy Limited	Goodman Property Trust Units
Summerset Group Holdings Limited	Chorus Limited
Meridian Energy Limited	EBOS Group Limited
Serko Limited	Fletcher Building Limited

SINGLE SECTOR FUND



Mint Australasian Property Fund

Unit Price		Fund Size	
\$2.0350		\$22M	
1 month	3 months	1 year	5 years
-4.24%	-13.28%	-6.90%	1.43%

Net returns and prices.

Last Month Review

For the third month in a row, the property market came under further pressure over the month as rising interest rates continued to squeeze the sector. The NZ Property sector was down -4.6% in October, combining for a horrific 3 months, down 13.6%. The ASX 200 A-REIT index hasn't fared any better down 4.4% for the month.

The sector has faced a challenging last 3 months including the removal of tax deductions for depreciation on non-residential building as well as the headwind of climbing interest rates. Since May, the bank bill 90 days futures curve has increased over 100bps for CY25 to CY28, this is pertinent given that this is the benchmark for pricing interest rates, and the period many of the NZ REIT's will be looking to roll interest rate hedging. In effect, while many still talk of peak rates, the impact from higher rates is still yet to come for many names in the sector.

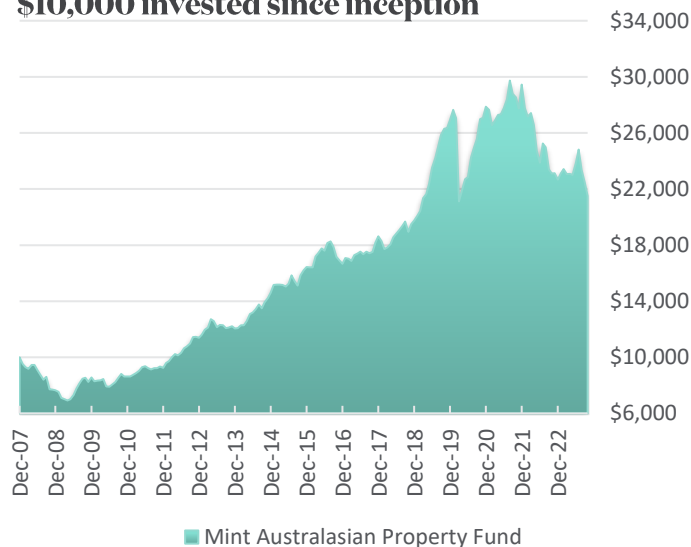
The fund itself was down 4.2% in October, ahead of the index. The key driver of this was our overweight in Stride Property. Stride was up 7% after a particularly soft September and provided an update on its last portfolio valuation, down 4.7%. Our key underweights in Investore (-10%) and Kiwi Property Group (-8%) proved useful as they underperformed the NZ Property market. The fund's key Australian exposure in Charter Hall (-8%) was challenged given the direction of rates. We believe Charters is one of the most leveraged REITs in Australia to a compression in bond yields and a rebound in transaction markets which, while yet to occur, we feel is closer than it's been in a while.

Over the month we reduced our holdings in Investore and Vital Healthcare. Additionally, we increased our exposure to Precinct Properties and Goodman Property Trust.

Outlook

- With more confidence we are near peak RBNZ / RBA policy rates, attention now turns to re-leasing and ability to drive rental growth. If rates stay higher for longer, some operators may need to divest some assets in order to relieve gearing pressure.
- Near term pressures from US yield curve moves continue to provide upward pressures on NZ rates.
- We remain overweight Office and Industrial REITs and underweight retail.
- Election outcomes are still being resolved but minimal impact expected.

\$10,000 invested since inception

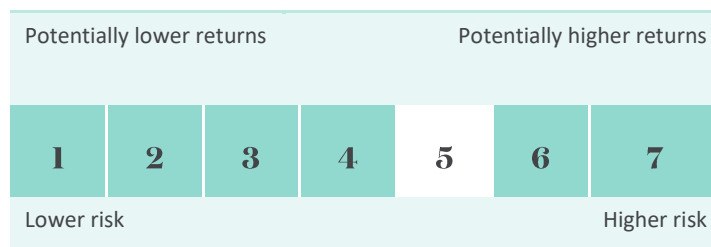


Cumulative performance. Returns are after fees and before investor tax. Fund inception: 31 December 2007.

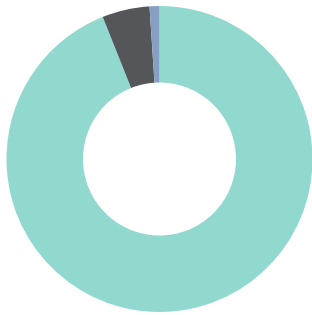
Key Fund Facts

Key features:	New Zealand and Australian listed property securities
Minimum suggested time frame:	5 years plus
Return objective:	Outperform the S&P/NZX All Real Estate (Industry Group) Gross Index after fees and expenses
Date of inception:	31 December 2007
Latest FX hedging:	101%
Total fund fee:	0.98%

Risk Indicator

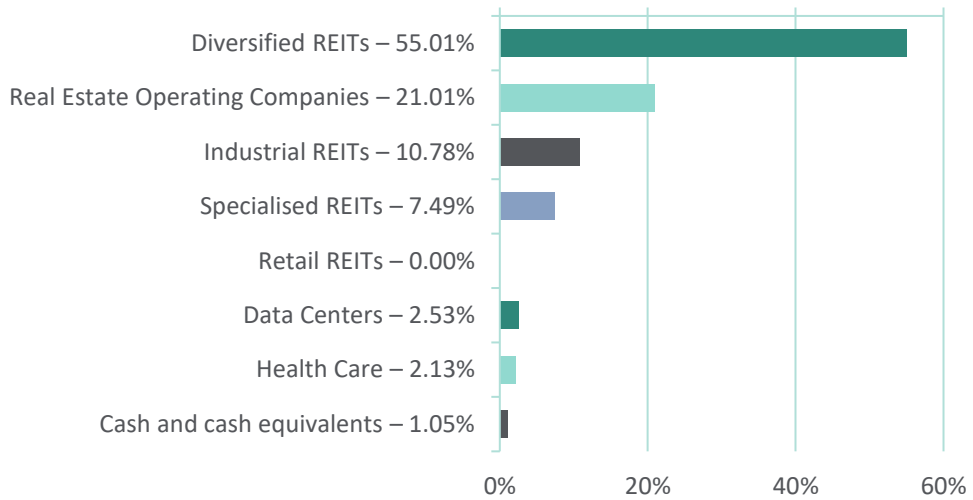


Asset Exposures



- New Zealand Equities – 94%
- Australian Equities – 5%
- Cash and Cash Equivalents – 1%

Sub-Sector Allocation



Largest Active Weights

Top 5 Overweight	Top 5 Underweight
Precinct Properties New Zealand Limited	Investore Property Limited
Nextdc Limited	Vital Healthcare Property Trust
Goodman Property Trust Units	Kiwi Property Group Limited
Goodman Group	Argosy Property Limited
Summerset Group Holdings Limited	Property For Industry Limited

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Became members of RIAA in March 2023



Achieved our Toitū net carbonzero certification in June 2022

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