

## Mint Asset Management Funds

### Mint Diversified Income Fund

Fund Update for the quarter ended

30 June 2019

This Fund Update was first made publicly available on 18 July 2019

#### What is the purpose of this update?

This document tells you how the Mint Diversified Income Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Mint Asset Management Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

#### Description of this fund

The Fund has a broad mandate which permits investments into New Zealand and international fixed interest, cash and cash equivalents, Australasian and international equities and listed property. The objective of the Fund as presented in the Product Disclosure Statement (effective 10 December 2018) is to deliver regular income and moderate capital growth at a relative low risk. The relevant market index for the Fund is a composite index derived from the underlying asset classes of the Fund that make up the Fund's Strategic Asset Allocation.

|                                  |                       |
|----------------------------------|-----------------------|
| <b>Total value of the fund</b>   | <b>\$114,106,602</b>  |
| <b>The date the fund started</b> | <b>31 August 2014</b> |

#### What are the risks of investing?

To determine the risk indicator, actual returns and returns from the composite index were used as this Fund has not been in operation for the required 5 years (inception 1 September 2014). As a result, the risk indicator may provide a less reliable indicator of the potential future volatility of the Fund.

#### How has the fund performed?

|   | Past year |
|---|-----------|
| <b>Annual return</b> (after deductions for charges and tax)                   | 6.14%     |
| <b>Annual return</b> (after deductions for charges but before tax)            | 7.20%     |
| <b>Market index annual return</b> (reflects no deduction for charges and tax) | 10.38%    |

The market index return shows a composite index comprised of S&P/NZX Bank Bills 90 Day Index (5%); S&P Investment Grade Corporate Bond Total Return Index (65%); S&P/NZX 50 Gross Index (5%); S&P/NZX All Real Estate (Industry Group) Gross Index (15%); S&P Global BMI (NZD Hedge) Net Total return (10%), being the fund's relevant benchmark stated in the SIPO.

Additional information about the market index is available in the Benchmark Indices document on the offer register at <http://www.business.govt.nz/disclose>.

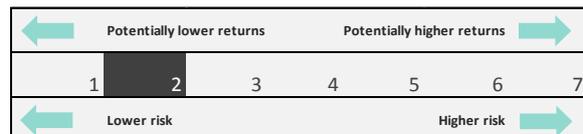
The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at [www.sorted.org.nz/tools/investor-kickstarter](http://www.sorted.org.nz/tools/investor-kickstarter).

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

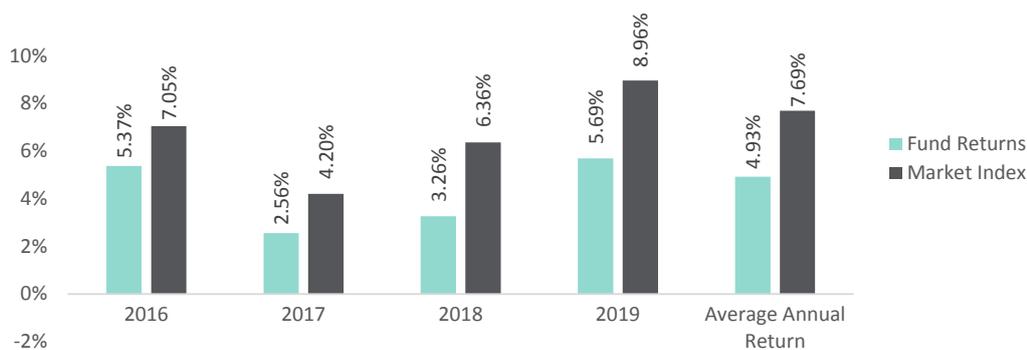
This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the past 5 years' performance history ending 30 June 2019. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

Risk indicator for the Mint Diversified Income Fund:



See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

## Annual Return Graph



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 30 June 2019.

**Important:** This does not tell you how the fund will perform in the future.

Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower. Historical market index returns are based on the composite index effective from 10 December 2018 as stated in the SIPO.

## What fees are investors charged?

Investors in the Mint Diversified Income Fund are charged fund charges. In the year to 31 March 2019, these were:

|  | % of net asset value          |
|--|-------------------------------|
| <b>Total fund charges*</b>                         | <b>1.18%</b>                  |
| Which are made up of -                             |                               |
| <b>Total management and administration charges</b> |                               |
| including-   |                               |
| Manager's basic fee                                | 0.87%                         |
| Other management and administration charges        | 0.31%                         |
| <b>Total performance-based fees</b>                | <b>0.00%</b>                  |
| <b>Other charges</b>                               | <b>\$ amount per investor</b> |
| Other charges                                      | \$0                           |

\*Fund charges are inclusive of GST

See the PDS for more information about the basis on which performance fees are charged.

Small differences in fees and charges can have a big impact on your investment over the long term.

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawal from or switching funds), although these are not currently charged. See the PDS for more information about those fees.

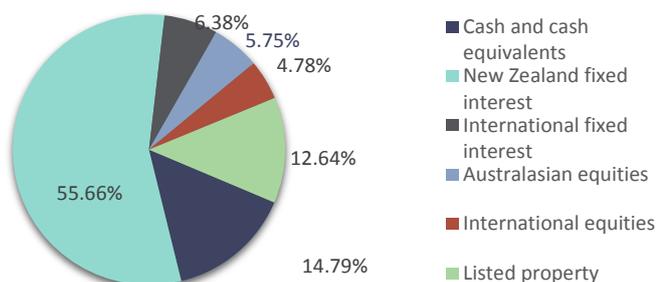
## Example of how this applies to an investor

Annie had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Annie received a return after fund charges were deducted of \$720 (that is 7.2% of her initial \$10,000). Annie did not pay any other charges. This gives Annie a total return after tax of \$614 for the year.

## What does the fund invest in?

This shows the types of assets that the fund invests in.

### Actual investment mix



### Target investment mix

|                              |       |
|------------------------------|-------|
| New Zealand fixed interest   | 50.0% |
| International fixed interest | 15.0% |
| Cash and cash equivalents    | 5.0%  |
| Australasian equities        | 5.0%  |
| International equities       | 15.0% |
| Listed property              | 10.0% |

The Target investment mix for the Fund has amended effective 10 December 2018 as stated in the PDS

## Currency hedging

The fund's exposure to assets denominated in foreign currencies was 38% of which 98% was hedged back to NZD.

## Top 10 Investments

|    | Name                             | % of fund net assets | Type                       | Country                  | Credit rating (if applicable) |
|----|----------------------------------|----------------------|----------------------------|--------------------------|-------------------------------|
| 1  | HOUSNZ 2.247% 05/10/2026         | 6.02%                | New Zealand fixed interest | New Zealand              | AA+                           |
| 2  | MERINZ NFIX3FRA + 175 29/10/2019 | 5.92%                | New Zealand fixed interest | New Zealand              | BBB+                          |
| 3  | Westpac NZD                      | 3.92%                | Cash and cash equivalents  | New Zealand              | AA-                           |
| 4  | BNP AUD                          | 3.91%                | Cash and cash equivalents  | Australia                | A+                            |
| 5  | CENNZ 4.4% 15/11/2021            | 3.82%                | New Zealand fixed interest | New Zealand              | BBB                           |
| 6  | BNP USD                          | 3.37%                | Cash and cash equivalents  | United States of America | A+                            |
| 7  | KPGNZ 4.06% 12/11/2025           | 3.09%                | New Zealand fixed interest | New Zealand              | BBB+                          |
| 8  | AIANZ NFIX3FRA + 75 11/04/2020   | 2.96%                | New Zealand fixed interest | New Zealand              | A-                            |
| 9  | ANZNZ NFIX3FRA + 95 08/03/2020   | 2.95%                | New Zealand fixed interest | New Zealand              | AA-                           |
| 10 | MERINZ 4.21% 27/06/2025          | 2.53%                | New Zealand fixed interest | New Zealand              | BBB+                          |

The top 10 investments make up 38.49% of the net asset value of the fund.

## Key personnel

This shows the directors and employees who have the most influence on the investment decisions of the fund.

| Name              | Current Position   | Time in current position | Previous or other position  | Time in previous or other position |
|-------------------|--------------------|--------------------------|-----------------------------|------------------------------------|
| Anthony Halls     | Head of Investment | 0 years 9 months         | Manager investment analysis | 5 years                            |
| Marek Krzeczowski | Portfolio Manager  | 0 years 2 months         | Quantitative Analyst        | 1 year, 8 months                   |

## Further information

You can also obtain this information, the PDS for the Mint Asset Management Funds, and some additional information from the offer register at <https://www.business.govt.nz/disclose>