

Mint Asset Management Funds

Mint Diversified Income Fund (Retail)

Fund Update for the quarter ended
30 September 2018

This Fund Update was first made publicly available on 26 October 2018

What is the purpose of this update?

This document tells you how the Mint Diversified Income Fund (Retail) 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 is to deliver a total return (through income and capital growth) in excess of the Consumers Price Index by 3% per annum on a rolling 3 year basis in New Zealand dollar terms.

Total value of the fund	\$38,971,873
The date the fund started	31 August 2014

What are the risks of investing?

To determine the risk indicator, actual returns and returns from a 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
Annual return (after deductions for charges and tax)	4.95%
Annual return (after deductions for charges but before tax)	5.65%
Market index annual return (reflects no deduction for charges and tax)	7.53%

The market index return shows a composite index comprised of S&P/NZX Corporate Bond Index (40%); Barclays Global Aggregate - Corporates (20%); S&P/NZX 50 Gross Index (15%); S&P/NZX Property Gross Index (20%); MSCI World Index (5%), being the fund's relevant benchmark stated in the Statement of Investment Policy and Objectives (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>.

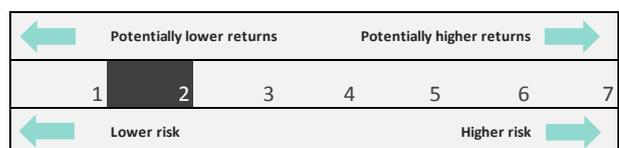
The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

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.

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.

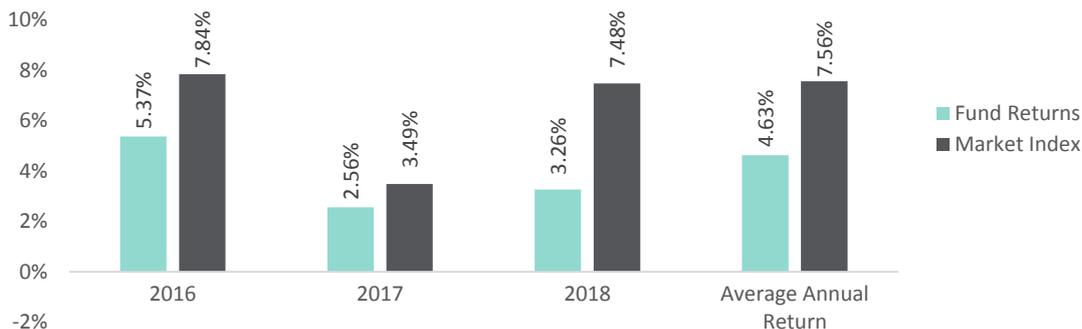
This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the past 5 years' performance history ending 30 September 2018. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

Risk indicator for the Mint Diversified Income Fund (Retail):



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 September 2018.

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.

What fees are investors charged?

Investors in the Mint Diversified Income Fund (Retail) are charged fund charges. In the year to 31 March 2018, these were:

	% of net asset value
Total fund charges*	1.22%
Which are made up of -	
Total management and administration charges	
including-	
Manager's basic fee	0.86%
Other management and administration charges	0.36%
Total performance-based fees	0.00%
Other charges	\$ amount per investor
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.

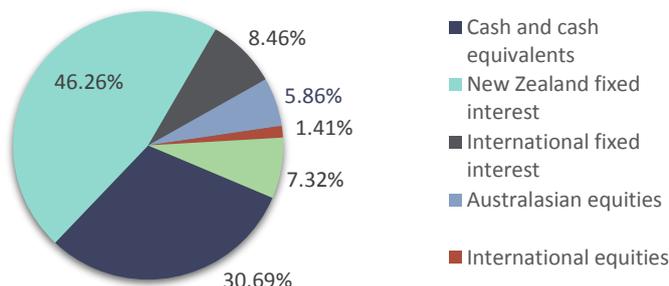
Example of how this applies to an investor

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 \$565 (that is 5.65% of her initial \$10,000). Annie did not pay any other charges. This gives Annie a total return after tax of \$495 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	40.0%
International fixed interest	20.0%
Australasian equities	15.0%
International equities	5.0%
Listed property	20.0%

Currency hedging

Hedging is at the Fund Managers' discretion. The default position is that material non-New Zealand dollar exposures will be hedged within a range of 90% - 105% to neutralise, as much as possible, any currency impact.

Top 10 Investments

	Name	% of fund net assets	Type	Country	Credit rating (if applicable)
1	Westpac NZD	18.18%	Cash and cash equivalents	New Zealand	AA-
2	MERINZ NFIX3FRA + 175 29/10/2019	6.30%	New Zealand fixed interest	New Zealand	BBB+
3	BNP AUD	5.02%	Cash and cash equivalents	Australia	A
4	WBC Cash at Call	4.12%	Cash and cash equivalents	New Zealand	AA-
5	CENNZ 4.4% 15/11/2021	4.00%	New Zealand fixed interest	New Zealand	BBB
6	WATERC 5.685% 26/10/2018	3.18%	New Zealand fixed interest	New Zealand	AA
7	AIANZ NFIX3FRA + 75 11/04/2020	3.13%	New Zealand fixed interest	New Zealand	A-
8	ANZNZ NFIX3FRA + 95 08/03/2020	3.12%	New Zealand fixed interest	New Zealand	AA-
9	ANZNZ 5.43 27/02/2019	2.96%	New Zealand fixed interest	New Zealand	AA-
10	MERINZ 4.21% 27/06/2025	2.55%	New Zealand fixed interest	New Zealand	BBB+

The top 10 investments make up 52.56% 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	Portfolio Manager	5 years	1 months Manager investment analysis	6 years
Paul Richardson	Chief Investment Officer	5 years	1 months Chief Investment Officer	10 years

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>