



Statement of Investment Policy and Objectives (SIPO)

25 March 2021

This document sets out the investment philosophy, investment policies, procedures and objectives of Mint Asset Management Limited, when investing clients' funds.

The manager

Mint Asset Management Limited (Mint) is an independent boutique funds management business, incorporated in 2006, based in Auckland, New Zealand. Mint is focused on offering investors a select range of investment funds, managed by a group of highly experienced investment professionals. Our business is wholly owned by staff, aligning our interests with those of our clients.

We are an active manager, which means we use fundamental research as the basis of our investment portfolios.

The Vision of Mint is to be a successful independent firm specialising in active investment management, where success means adding value for our clients over the long term.

Key facets of our business are:

- we are owned and operated by the staff of the business. There are no third party investors
- we have no corporate shareholder
- we outsource certain functions such as fund accounting and registry
- the business serves both institutional and retail clients through a range of managed funds and segregated mandates
- our funds are PIE registered.

Funds covered in this SIPO

This SIPO covers both our single-asset class Funds and multi-asset class Funds:

Single-asset class Funds

- Mint Australasian Equity Fund
- Mint New Zealand SRI Equity Fund
- Mint Australasian Property Fund

Multi-asset class Funds

- Mint Diversified Income Fund
- Mint Diversified Growth Fund

(from here referred to as the Funds).

The Funds have different risk and return profiles, providing clients with a range of investment alternatives that are managed with the same diligence, care and consistency of approach.

Investment philosophy

We follow a clearly defined, consistent investment philosophy across all our strategies:

- We believe longer-term investors can outperform investors with a shorter-term focus
- As active managers, we prefer to know and understand our investments rather than owning something because it is in a market index
- Different asset classes provide different investment attributes. Equities (or risk assets) provide the opportunity for capital growth but come with higher volatility and require a long investment horizon. Bonds (or defensive assets) are primarily for income and capital preservation purposes and provide diversification to a portfolio of risk assets
- Accordingly, when selecting equities, we prefer securities with secular growth, competitive advantage and sound capital structure. When selecting bonds, we prefer securities with strong credit quality plus income
- We believe environmental, social, and governance (ESG) practices have a material impact on a company's long-term sustainability and prosperity
- The consequence of our philosophy is that we are bottom-up stock pickers. We seek to invest in companies that we believe have strong and sustainable earnings growth potential.

Our approach to responsible investment

We believe that investing in companies that incorporate ESG measures into their business can affect the performance of portfolios positively through reducing portfolio risk. Our overarching approach and integration of responsible investing into our investment process is governed by our Socially Responsible Investing Policy (SRI Policy), which is applied to all Mint Funds. This includes a firm-wide exclusion screen for unacceptable sectors, activities and securities.

Mint is a signatory to the “Principles for Responsible Investment” established by the United Nations (UNPRI) which aims to provide a consistent framework for reviewing business practices across industries and companies. Mint reports on its ESG investment process framework and its controls to the UNPRI.

This is evaluated by UNPRI annually and the report is available on our website or by contacting us.

SRI is a core part of Mint’s investment process. All members of the investment team routinely implement SRI through the ESG factors in our research processes.

All team members stay current with SRI trends through their normal research function, and ESG factors form a material component of our research process.

The current list of excluded sectors for each Fund is below. These can change; further information on our exclusions and ESG approach can be found in our SRI Policy at www.mintasset.co.nz.

Excluded Sectors and Activities

Sector	 Mint Australasian Equity Fund	 Mint NZ SRI Equity Fund	 Mint Australasian Property Fund	 Mint Diversified Growth Fund	 Mint Diversified Income Fund
Tobacco production	✓	✓	✓	✓	✓
Armament production	✓	✓	✓	✓	✓
Uranium Mining	✓	✓	✓	✓	✓
Pornography production	✓	✓	✓	✓	✓
Whaling	✓	✓	✓	✓	✓
Fossil Fuel Extraction	✓	✓	✓	✓	✓
Casinos/Gambling		✓			

Investment process

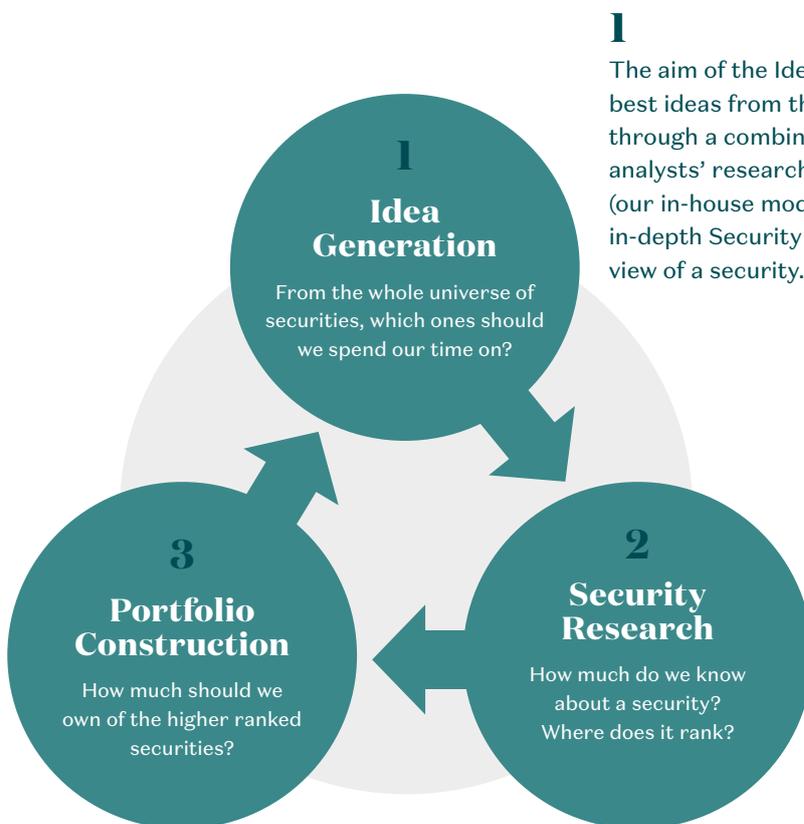
Our investment process reflects our fundamental active management philosophy.

We source information from a range of sources, and assimilate our views into a company scorecard from which we can consistently review different companies across different industries. The aim of our research effort is to derive a long-term view on a security –

i.e. our conviction in that security. The objective of the investment process is to deliver the best overall portfolio in line with the objectives and constraints of each Fund.

We do not use leverage in our Funds to amplify returns and we do not short sell securities.

The investment process occurs over three stages as demonstrated in the below diagram.



1

The aim of the Idea Generation phase is to source the best ideas from the investment universe. This is done through a combination of qualitative assessment (our analysts' research efforts) and quantitative analysis (our in-house models and database). The next stage, in-depth Security Research, allows us to formalise our view of a security.

2

The research process involves our analysts producing a Conviction score in a systematic framework using metrics across:

- earnings growth;
- cash flows;
- the company's competitive position;
- balance sheet and credit strength;
- governance and management strength;
- environment and social factors;
- business plan and sustainability of growth; and
- the sustainability of yield (for the cash, and fixed interest asset classes).

3

Following the research process, we look at how the best investment ideas get into a portfolio and what weight should be ascribed to them. This is the Portfolio Construction phase. The recommended portfolio weighting is a reflection of our conviction in a security and our view of the value of that security, taking into account macroeconomic, liquidity and volatility factors.

Single-asset class Funds

Investment objectives

Mint Australasian Equity Fund

This Fund typically invests in New Zealand and Australian listed equities and has an investment objective of outperforming the S&P/NZX50 Gross Index by 3% per annum, before fees, over the medium to long-term.

The Fund has a wide investment mandate and can invest across the broad spectrum of securities listed on the New Zealand and Australian stock exchanges. The Fund can also hold cash, and depending upon market conditions and the outcomes of the investment process, there may be times where the levels of cash held are elevated.

Mint New Zealand SRI Equity Fund

The Fund typically invests in New Zealand listed equities and has an investment objective of outperforming the S&P/NZX50 Gross Index by 2% per annum, before fees, over the medium to long-term.

The Fund was designed to meet investor needs for investment in New Zealand companies, which meet specific responsible investment criteria. To achieve this, we aim to build a portfolio where the holdings in aggregate, generate a better ESG score in our systems than the benchmark S&P/NZX50 Gross Index.

Mint Australasian Property Fund

This Fund typically invests in New Zealand and Australian listed property securities and has an investment objective to outperform the S&P/NZX All Real Estate (Industry Group) Gross Index by 1% per annum, before fees, over the medium to long-term.

The Fund can invest across a wide universe of property related securities, which are listed on the New Zealand and Australian stock exchanges. This includes securities that derive the majority of their earnings from the ownership or control of real estate assets.

Fund guidelines

We have constructed the Funds with investment limits commensurate with the Funds' objectives, and with investment ranges to help achieve the Funds' objectives over the long term. The below tables set out the limits and ranges for each single-asset class Fund.

Compliance with investment limits is monitored daily by both the investment team and the operations team at Mint, as well as monthly by our Supervisor.

We do not use leverage in our funds to amplify returns and we do not short sell securities.



Mint Australasian Equity Fund



Mint NZ SRI Equity Fund



Mint Australasian Property Fund

	Mint Australasian Equity Fund	Mint NZ SRI Equity Fund	Mint Australasian Property Fund
New Zealand Equities	0 – 100%	90 – 100%	0 – 100%*
Australian Equities	0 – 100%		0 – 60%*
Cash and Cash Equivalents	0 – 100%	0 – 10%	0 – 20%
Single Security	20%	Relevant market index + 7%	
Relevant Market Index	S&P/NZX 50 Gross Index	S&P/NZX 50 Gross Index	S&P/NZX All Real Estate (Industry Group) Gross Index

* Listed Property and property related Equities

Multi-asset class Funds

These Funds offer a diversified portfolio by investing across a number of different asset classes. They have been designed to complement each other, so that they can be invested in individually or combined to meet your overall objectives. The investment process comprises three segments that, together, we believe will meet the Funds' return objectives at an appropriate level of risk.

- Strategic Asset Allocation (SAA), which is the long-term asset class allocation.
- Security selection of direct securities (as we do for the single-asset class Funds described above)
- Tactical Asset Allocation (TAA), which seeks to reduce risk and enhance returns through short-term adjustments to the asset class weights within the portfolio.

Investment objectives

Mint Diversified Growth Fund

This Fund aims to provide capital growth over the long term. The Fund invests primarily in New Zealand and international equities, but will also hold cash and fixed interest securities. The objective of the Fund is to deliver returns in excess of the Consumers Price Index (CPI) by 4.5% per annum, before fees, over the medium to long term.

Authorised investments include equity and property securities listed on recognised exchanges around the world, fixed income securities, and cash.

Mint Diversified Income Fund

This Fund invests across a number of asset classes both in New Zealand and internationally. These include cash, fixed interest, listed property, and equities. The objective of the Fund is to deliver a total return (through a combination of income and capital growth) in excess of the CPI by 3% per annum, before fees, over the medium to long term.

The Fund has the lowest risk profile of our Funds and we aim to achieve a level of volatility below 4% p.a.

Strategic Asset Allocation

The relevant market index for each Fund is made up of a composite index derived from the Fund's SAA weights. The table below shows the indices used for the composite index and the weights. Details on the relevant market index can also be found at www.business.govt.nz/disclose



Mint Diversified
Growth Fund



Mint Diversified
Income Fund

Asset Class	Relevant Market Index	Mint Diversified Growth Fund	Mint Diversified Income Fund
Cash and Cash Equivalents	S&P/NZX Bank Bills 90 Day Index	5%	5%
Fixed Interest	S&P/NZX Investment Grade Corporate Bond Total Return Index	15%	65%
Australasian Equities	S&P/NZX 50 Gross Index	15%	5%
Listed Property	S&P/NZX All Real Estate (Industry Group) Gross Index	5%	15%
International Equities	S&P Global BMI (NZD Hedged) Net Total Return	60%	10%

Tactical Asset Allocation ranges

There is no minimum asset allocation range for either Fund.



Mint Diversified
Growth Fund



Mint Diversified
Income Fund

Asset Class	Max	Max
Cash and Cash Equivalents	100%	100%
Fixed Interest	30%	75%
Australasian Equities	30%	10%
Listed Property	15%	25%
International Equities	80%	15%

Portfolio risk management

Portfolio risk management is integrated into the investment process where we assess factors such as the liquidity impact and the volatility impact of including a security in the Fund. Once a security has been included in a portfolio, it is re-evaluated regularly to ensure our reasons for owning that security have not changed and it has not exceeded our valuation target.

The outputs of the investment process and portfolio construction are discussed formally at the regular Investment Committee meetings and informally on a daily basis. Fund returns and risk characteristics are monitored separately by both the investment team and by the operations team, ensuring the prevailing strategy is appropriate to the Fund's objectives.

Our policy is to ensure that the best interests of our clients are maintained at all times, including timely execution at the best price levels attainable, and at acceptable transaction costs. All transactions on behalf of clients are executed at arm's length through approved counterparties. Importantly, Mint does not participate in activities, such as "soft dollar arrangements", which could introduce potential conflicts of interest in the way we trade on our clients' behalf.

Investment policies for our Funds

Below are the key investment policies we follow when investing client monies and managing each of the Funds.

Currency hedging

The Funds invest in foreign securities which rank highly in the investment process, creating an exposure to currency fluctuations relative to the New Zealand dollar. This risk can be partially or fully offset by hedging using forward foreign exchange contracts.

Hedging is at our discretion, however, the default position is that the non-New Zealand dollar exposures will be hedged, within a range of 90% to 105%, to neutralise, as much as practicable, any currency impact.

Derivatives

The Funds are permitted to use derivatives, however, their use must be consistent with the Funds' investment objectives and risk profile, and with our Derivatives Policy. Predominantly these are forward foreign exchange contracts as described above, but can also include other derivative instruments which are implemented to manage portfolio risk, currency risk and to provide economic efficiency. Further information on our use of these instruments can be found in our Derivatives Policy at www.business.govt.nz/disclose.

Trade allocation and settlement

It is our policy to ensure equitable treatment between all Funds and client accounts. The trading process does not allow differential pricing between accounts and where an order to purchase or sell a security is only partially completed, the order will be pro-rated across the Funds according to their original orders. The dispersion of returns between Funds are reviewed at the regular Investment Committee meetings by the Head of Investments to monitor any differences.

Settlement risk is minimal and transactions are overseen by our custodian.

Unit pricing and asset valuation

The valuation of underlying securities and pricing of each Fund has been outsourced. These functions are performed daily and are carried out in accordance with the Service Agreements and policies which set out the appropriate methodology and controls. The processes and services supplied through outsourced agreements are regularly monitored, and reviewed annually, by Mint.

Conflicts of interest

From the outset Mint has been committed to strong governance, and accordingly it has appropriate processes in place to identify and mitigate conflicts of interest. The company has adopted policies which set out the principles and procedures to ensure the personal interests of members of staff do not interfere with our clients' interests.

Restrictions on borrowings

The Supervisor shall have no borrowing powers (of the nature described in the Master Trust Deed, or any other) in respect of any of the Funds except for when the Supervisor is directed to do so by Mint.

Investment monitoring

Fund performance is reviewed monthly at Mint by our operations team, where Fund returns are reconciled against returns independently calculated by our Administrator. In monitoring the performance of the Mint Asset Management Funds in this SIPO, returns are calculated after all fees and expenses but before tax. As well as the absolute performance of a Fund, we also monitor how the Funds have fared against the returns of the relevant market index, along with risk metrics such as fund volatility. These reviews take into account returns over both the short and long term.

We also hold regular Investment Committee meetings to evaluate investment decisions and their impact on returns, how the portfolios are positioned, and to ensure the Funds are being managed in line with their investment objectives. For the NZ SRI Equity Fund this includes a review of its ESG objectives to ensure it remains true to label. The outcomes of this review are reported to Mint's Board.

For the multi-asset class Funds, the broad asset class exposures are reviewed at the Investment Committee meetings, and the SAA is reviewed annually.

SIPO compliance

Mint's Board is ultimately responsible for Mint's ability to meet its statutory obligations under the Financial Markets Conduct Act 2013 (FMCA) and other legislation. There is a standing agenda item at each Board meeting to confirm that all offering documents remain current and this includes confirmation that there have been no breaches of SIPO guidelines. Ongoing adherence to SIPO guidelines is maintained through internal control procedures at Mint and monthly reviews by the Supervisor.

Investment strategy review

It is intended that any SAA setting should remain in force for a minimum of three years. However, the existing SAA mix is reviewed annually by Mint's investment team, by analysing performance, volatility correlations and future return expectations of all asset classes.

SIPO review

The SIPO is reviewed annually by senior management and the Investment Committee. Ad hoc reviews can also occur where an event has arisen which requires consideration. The review process takes into account the investment strategy and its implementation, the objectives and performance of each Fund and an assessment of any other significant events, such as regulatory changes or a change in market conditions.

The SIPO may only be amended following approval from our Board and after prior written notice is given to the Supervisor. Investors will be notified of any material changes in the next Fund Update. The most current version of the SIPO is available on the disclose register at www.business.govt.nz/disclose and on our website www.mintasset.co.nz.



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