



# **Statement of Investment Policy and Objectives (SIPO)**

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**15 August 2024**

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



## About the manager

**Mint Asset Management Limited (Mint) is an independent investment management business based in Auckland, New Zealand.**

It was founded by Rebecca Thomas in 2006 and provides clients with a select range of actively managed investment funds.

The firm prides itself on its people and recognises that employing talented investment decision makers generates superior outcomes. Key staff are shareholders in the business which effectively aligns our investment interests with those of our clients.

Our investment process is driven by detailed fundamental research. While each individual fund will follow a different investment strategy, the core principles remain the same. We approach our investment management role with diligence, care and consistency. We believe that detailed investment analysis and a robust process will ultimately generate superior long-term results for our clients.

## Purpose and Funds covered in this SIPO

This Statement of Investment Policy and Objectives (SIPO) sets out the investment framework, philosophy and objectives for the Mint Asset Management Funds. The Funds are listed below, split out by single-asset class, multi-asset class and alternative asset funds.

| Single-asset Class Funds         | Multi-asset Class Funds      | Alternative Asset Funds            |
|----------------------------------|------------------------------|------------------------------------|
| Mint Australasian Equity Fund    | Mint Diversified Income Fund | Mint Diversified Alternatives Fund |
| Mint New Zealand SRI Equity Fund | Mint Diversified Growth Fund |                                    |
| Mint Australasian Property Fund  |                              |                                    |

## 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 time horizon.
- 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 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.
- 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.

## Investment process

### Single-asset Class Funds – Mint Australasian Equity Fund, Mint New Zealand SRI Equity Fund, Mint Australasian Property Fund

The equity universe for each of the funds is screened on a qualitative and quantitative basis.

#### Qualitative process

The initial qualitative evaluation involves the analysts/portfolio managers (portfolio managers share analyst responsibility) answering a series of in-depth company questions focusing on earnings quality, balance sheet health, management ability and ESG factors. These questions are proprietary and not tick box exercises. In particular, the ESG component requires significant consideration and depth of knowledge to answer.

This screen is completed regularly and yields a qualitative score for the company as well as a qualitative score under each category.

#### Quantitative process

The quantitative piece is drawn from FactSet and focuses on Credit Quality, Earnings per Share Growth, Valuation Rank, Cashflow Rank and Price Rank. Again, a score is generated under each of these categories and then an overall score is generated for each stock.

### Portfolio construction

The combination of the qualitative score and the quantitative score yields an overall conviction score which provides a ranked list of equities. The purpose of this list is to prioritise the stocks rather than generate a final list of holdings. Each stock is assigned to a specific individual within the investment team. From there, the assigned analyst/portfolio manager is responsible for conducting a thorough review of the quantitative and qualitative scoring parameters. This will usually involve a thorough discounted cashflow (DCF) analysis on the highest conviction ideas. A detailed qualitative assessment will involve refining information gained from company visits, competitor research, specialist calls, broker research and industry research. From here, the analyst/portfolio manager can establish a target price and the potential upside in the stock from the current market price.

The portfolio manager has identified the highest conviction/highest upside names, but a further component of the portfolio construction process is risk management. The portfolio of high conviction names is considered through several different risk lenses such as underlying stock liquidity, sector and name concentration, and individual security risk. This then drives the final weightings.

The objective is to create a portfolio which yields the best returns for clients but does so without taking excessive levels of risk.

#### **Multi-asset Class Funds - Mint Diversified Income Fund, Mint Diversified Growth Fund**

The Diversified funds are multi-asset class portfolios investing in Cash and cash equivalents, New Zealand and international fixed interest and Australasian and international equities (including listed property if held). The funds have identified a strategic asset allocation framework using long-term risk and return data to establish a set of asset allocations which meet the risk objectives of the portfolios. The Diversified Income Fund is a low to medium risk vehicle, whereas the Diversified Growth Fund has higher allocations to risk assets and is a medium to high-risk vehicle.

The portfolio management team review both qualitative and quantitative inputs in order to make tactical asset allocation decisions relative to the strategic asset allocation framework based on their assessment of the outlook for each asset class. The emphasis here is on risk management – reducing overall portfolio risk, rather than making major asset class calls which rely on market-timing.

The underlying equity security selection is a function of quantitative assessment and analyst conviction. The team draws upon the conviction scores and assessments generated by the Mint equity team for the Australasian components of the portfolio. For global equity securities, the team utilise the same quantitative screens and then draw upon a network of global analysts with demonstrable sector expertise. The fixed income allocations are chosen as a counterbalance to the risk components – bonds are for income and capital preservation. The funds invest mainly in corporate credit and the emphasis is on the company's ability to repay capital at maturity rather than seeking high yields. Two separate models form the basis for Mint's credit rating process.

Portfolio construction focuses on maximising returns for the mandated level of risk and the team utilise quantitative based models to optimise their allocations.

#### **Alternative Asset Funds – Mint Diversified Alternatives Fund**

The fund provides access to a set of alternative assets which have historically demonstrated low long-term correlation to traditional equity and bond investments.

The first stage of the process is to review the universe of alternative asset classes with attractive risk-adjusted expected returns. These are derived using both historical data and forward looking views. The team then look to populate these identified asset classes with high quality investment managers with demonstrable skill in each alternative asset class strategy.

The starting point for fund identification is to exclude illiquid managers and managers without a sufficient performance track record. A quantitative performance-based screen is then used to filter out the underlying funds for each asset class and identify managers meeting our investment criteria.

A qualitative review is completed on the top funds for each asset class, to determine which factors have made the fund successful and whether those factors will remain consistent going forward such that the fund can continue to perform as expected.

The portfolio is constructed such that each underlying fund contributes an equal amount to the overall fund risk. For example, if we have 10 assets, each asset = 10% of the overall risk. In this way, risky assets will have a lower portfolio weighting and less risky assets will have a higher portfolio weighting, but their contribution to risk will be equal. The final portfolio is designed to be well-diversified with returns driven from multiple different underlying strategies.

## Our approach to Responsible Investment

Responsible investment forms a core part of our philosophy. To evidence our commitment to responsible investing, we are signatories of the UN-supported Principles for Responsible Investment and the Aotearoa New Zealand Stewardship Code, and members of the Responsible Investment Association Australasia.

### Direct investments

As part of our stewardship of client money, we use our position as a long-term shareholder to foster high standards of environmental performance, social performance, and corporate governance in the companies we invest in directly. We believe investing

in companies that incorporate ESG measures into their business can affect the performance of portfolios positively through reducing portfolio risk. Consequently, ESG factors form a material part of our investment process for our direct investments.

### Indirect investments

Where we invest through external managers, we perform a risk assessment on the extent to which each manager incorporates ESG factors. Further information can be found in our Responsible Investment Policy.

## Responsible Investment approach

A summary of the responsible investment approach of each Fund is summarised in the table below.

| Fund                               | Stewardship | ESG Integration | Exclusions | External manager ESG-risk assessment |
|------------------------------------|-------------|-----------------|------------|--------------------------------------|
| Mint Australasian Equity Fund      | ✓           | ✓               | ✓          |                                      |
| Mint New Zealand SRI Equity Fund   | ✓           | ✓               | ✓          |                                      |
| Mint Australasian Property Fund    | ✓           | ✓               | ✓          |                                      |
| Mint Diversified Income Fund       | ✓           | ✓               | ✓          |                                      |
| Mint Diversified Growth Fund       | ✓           | ✓               | ✓          |                                      |
| Mint Diversified Alternatives Fund |             |                 |            | ✓                                    |

Mint's Responsible Investment and Stewardship Policies give a full and comprehensive explanation of our responsible investment approach, including providing detail on the following:

- Full information on Mint's exclusions, including the industries and sectors we exclude.
- The additional responsible investment objectives of Mint's NZ SRI Equity Fund, and where reporting on these objectives can be found.
- The definitions of Stewardship, ESG Integration and Exclusions.
- The assessment we undertake for our external managers.
- The benefits of the initiatives we are signatories to and members of.

Both the Responsible Investment and Stewardship Policies are available at [www.mintasset.co.nz](http://www.mintasset.co.nz) and [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

## Investment strategies and objectives

### Single-asset class Funds

|                              | Mint Australasian Equity Fund                                                                                                                                                                                                                                                                                                                                   | Mint New Zealand SRI Equity Fund                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Mint Australasian Property Fund                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Description</b>           | <p>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 (NZX and ASX) and can also hold cash.</p> <p>The Fund can invest in unlisted securities that have the stated intention of listing on the NZX or ASX within 12 months from the time of investment.</p> | <p>The Fund was designed to meet investor needs for investment in New Zealand companies, which meet specific responsible investment criteria.</p> <p>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&amp;P/NZX50 Gross Index.</p> <p>The Fund can invest in securities listed on the New Zealand stock exchange (NZX), as well as unlisted securities that have the stated intention of listing on the NZX within 12 months from the time of investment.</p> <p>The Fund can also hold cash.</p> | <p>The Fund can invest across a wide universe of New Zealand and Australian listed property and property related securities.</p> <p>These are securities that derive the majority of their earnings from the ownership or control of real estate assets.</p> <p>The Fund can also hold cash.</p> <p>The Fund can also invest in unlisted securities that have the stated intention of listing on the NZX or ASX within 12 months from the time of investment.</p> |
| <b>Objective</b>             | The Fund has an investment objective of outperforming the S&P/NZX50 Gross Index, after fees and expenses, over the medium to long term.                                                                                                                                                                                                                         | The Fund has an investment objective of outperforming the S&P/NZX50 Gross Index, after fees and expenses, over the medium to long term.                                                                                                                                                                                                                                                                                                                                                                                                                                                        | The Fund has an investment objective of outperforming the S&P/NZX All Real Estate (Industry Group) Gross Index, after fees and expenses, over the medium to long term.                                                                                                                                                                                                                                                                                            |
| <b>Benchmark</b>             | The benchmark for the Fund is the S&P/NZX50 Gross Index.                                                                                                                                                                                                                                                                                                        | The benchmark for the Fund is the S&P/NZX50 Gross Index.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | The benchmark for the Fund is the S&P/NZX All Real Estate (Industry Group) Gross Index.                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Target investment mix</b> | Australasian Equities 95%, Cash and Cash Equivalents 5%.                                                                                                                                                                                                                                                                                                        | Australasian Equities 95%, Cash and Cash Equivalents 5%.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Listed Property 95%, Cash and Cash Equivalents 5%.                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>ESG exclusions</b>        | See our RI Policy for applicable exclusions.                                                                                                                                                                                                                                                                                                                    | See our RI Policy for applicable exclusions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | See our RI Policy for applicable exclusions.                                                                                                                                                                                                                                                                                                                                                                                                                      |

| Fund guidelines                  | Mint Australasian Equity Fund | Mint New Zealand SRI Equity Fund | Mint Australasian Property Fund |
|----------------------------------|-------------------------------|----------------------------------|---------------------------------|
| <b>New Zealand Equities*</b>     | 0 – 100%                      | 90 – 100%                        | 0 – 100%                        |
| <b>Australian Equities*</b>      | 0 – 100%                      | n/a                              | 0 – 60%                         |
| <b>Cash and Cash equivalents</b> | 0 – 100%                      | 0 – 10%                          | 0 – 20%                         |
| <b>Single security</b>           | 20%                           | Relevant market index +7%        | n/a                             |

\*Includes equities and listed property securities

## Multi-asset class Funds

These Funds offer investors 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.

|                              | Mint Diversified Growth Fund                                                                                                                                                             | Mint Diversified Income Fund                                                                                                                                                                                                        |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Description</b>           | 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 Fund seeks to provide quarterly income plus modest capital growth. This is achieved by investing across a wide range of asset classes both in New Zealand and internationally. These include cash, fixed interest and equities. |
| <b>Objective</b>             | The Fund has an investment objective of delivering returns in excess of the Consumers Price Index (CPI) by 4.5% per annum, before fees, over the medium to long term.                    | The Fund has an investment objective of delivering a total return (through a combination of income and capital growth) in excess of the Consumers Price Index (CPI) by 3% per annum, before fees, over the medium to long term.     |
| <b>Benchmark</b>             | The Fund uses a relevant market index for measuring returns against. Details can be found below under Strategic Asset Allocation.                                                        | The Fund uses a relevant market index for measuring returns against. Details can be found below under Strategic Asset Allocation.                                                                                                   |
| <b>Target investment mix</b> | International Equities* 60%, Australasian Equities* 20%, Fixed Interest 15%, Cash and Cash Equivalents 5%.                                                                               | Fixed Interest 65%, International Equities* 10%, Australasian Equities* 20%, Cash and Cash Equivalents 5%.                                                                                                                          |
| <b>ESG exclusions</b>        | See our RI Policy for applicable exclusions.                                                                                                                                             | See our RI Policy for applicable exclusions.                                                                                                                                                                                        |

\* Includes Listed Property (if held)



## Strategic Asset Allocation

The Strategic Asset Allocation (SAA) refers to the long-term asset allocations which we believe will enable a Fund to meet its overall investment objectives. A SAA is applied to both the Diversified Income Fund and Diversified Growth Fund. The SAA for each Fund is formally reviewed at least triennially to evaluate volatility correlations and future return expectations of all asset classes.

The relevant market index for each fund is a composite index, derived from each Fund's SAA weights. The table below shows the indices used for this composite index and the weights. Details on the relevant market index can also be found at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

| Asset class                                                 | Benchmark Index                                            |       | Mint Diversified Growth Fund | Mint Diversified Income Fund |
|-------------------------------------------------------------|------------------------------------------------------------|-------|------------------------------|------------------------------|
| Cash and Cash Equivalents                                   | S&P/NZX Bank Bills 90 Day Index                            | SAA   | 5%                           | 5%                           |
|                                                             |                                                            | Range | 0-15%                        | 0-15%                        |
| Fixed Interest                                              | S&P/NZX Investment Grade Corporate Bond Total Return Index | SAA   | 15%                          | 65%                          |
|                                                             |                                                            | Range | 0-40%                        | 40-90%                       |
| Australasian Equities, including Listed Property (if held)  | S&P/NZX 50 Gross Index                                     | SAA   | 20%                          | 20%                          |
|                                                             |                                                            | Range | 0-40%                        | 0-30%                        |
| International Equities, including Listed Property (if held) | S&P Global BMI (NZD Hedged) Net Total Return               | SAA   | 60%                          | 10%                          |
|                                                             |                                                            | Range | 40-90%                       | 0-30%                        |

Both Funds have a wide investment mandate in order to meet their objectives, and as such they do not have hard investment limits on how much can be invested in each asset class. The ranges shown in the table above are soft limits intended to provide guidance. Whilst the SAA reflects our expectations over the course of an economic cycle, we have discretion to make short-term tactical adjustments to the asset class weights to reduce risk and enhance returns, so long as the portfolio remains consistent with the overall Fund objective and risk profile.

The actual investment mix, together with the target investment mix, is available from our website in the quarterly fund updates.

## Alternative Asset Funds

| Mint Diversified Alternatives Fund |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Description</b>                 | <p>The Fund is designed to provide access to alternative asset classes which have a low correlation to traditional assets (equities and fixed interest securities). These alternative asset classes can include, but are not limited to, private equity, real estate, renewable energy, infrastructure, commodities and hedge fund strategies. The use of alternative assets can help diversify and complement more traditional portfolios. The Fund can also hold cash.</p> <p>The investments will primarily be through listed funds but can also include unlisted funds and direct securities.</p> |
| <b>Objective</b>                   | The Fund aims to provide capital growth through returns in excess of the benchmark, after fees and expenses, over the medium to long term.                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Benchmark</b>                   | The benchmark for the Fund is the HFRI Fund of Funds Composite Index (NZD Hedged).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Target investment mix</b>       | Other* 95%, Cash and Cash Equivalents 5%.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>ESG exclusions</b>              | This Fund invests primarily through underlying vehicles. Consequently, our ESG exclusions cannot be applied.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

| Fund guidelines                  | Mint Diversified Alternatives Fund |
|----------------------------------|------------------------------------|
| <b>Other*</b>                    | 70 – 100%                          |
| <b>Cash and Cash Equivalents</b> | 0 – 30%                            |

\*The Fund can invest across a wide range of alternative asset classes. We are an active manager meaning asset class mix can change at any time. We have used "Other" for the target investment mix which represents the non-traditional nature of the investment universe. The underlying funds which the Fund invests in, can invest across the broad spectrum of securities. The permitted aggregate exposure to these asset classes is captured under "Other" in the table above. The actual investment mix shown in the quarterly fund update will specify any investments held at that time which can be represented by more traditional asset classes.

## **Portfolio risk management**

Risk management is integrated into the portfolio construction phase of the investment process. Portfolio construction decisions incorporate any security specific constraints as well as wider portfolio considerations, such as liquidity and volatility factors, which influence the inclusion and potential weight in the portfolio. We then continue to re-evaluate our security analysis to ensure our reasons for owning that security have not changed.

Portfolio returns and risk characteristics are monitored to ensure the Funds continue to be managed in line with their guidelines and objectives.

## **Liquidity risk management**

Daily liquidity requirements are monitored through forecast and actual cash flows. Oversight of Fund liquidity comes through analysis at the monthly portfolio review meetings, and quarterly fund reporting.

Any material change in the liquidity profile of a Fund will be notified to our Audit, Risk and Compliance Committee and to our Supervisor as soon as is practical.

## **Counterparty risk management**

Counterparty exposures are monitored for credit risk. This includes the purchase and sale of securities and foreign exchange contracts. Transactions can only be carried out with approved counterparties. The list is reviewed and updated annually.

## Investment policies for our Funds

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

### Authorised dealers

Only those staff members explicitly authorised to do so are permitted to initiate transactions on behalf of the Funds. We maintain an Authorised Dealers list which is communicated to all counterparties.

### Best execution

Our policy is to ensure that the best interests of our clients are maintained at all times, including timely execution of trades at the best price levels attainable, and at acceptable transaction costs.

All implementation costs affect performance. Good implementation complements and supports good investment research and portfolio construction and as such, is an integral part of the investment process. We believe that clients' best interests are achieved by maximising risk-adjusted returns, not simply focussing on minimising costs. It is the responsibility of the Authorised Dealers to implement portfolio decisions in an optimal manner.

We do not manage any proprietary funds. All transactions on behalf of clients are executed at arm's length through approved counterparties.

### Directed brokerage policy

We do not engage in soft dollar or directed brokerage, and we do not use any client portfolio generated commissions to fund any Mint expenditure. This means we are able to transact exclusively with the brokers who provide the best service to our clients.

### 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.

Settlement risk is minimal, and the settlement of all security transactions is carried out by our custodian.

### Currency hedging

Investments in foreign assets create risk through exposure to currency fluctuations. This risk can be partially or fully offset by hedging using derivatives, which are primarily forward foreign exchange contracts.

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

All currency transactions are governed by International Swaps and Derivatives Association (ISDA) Master Agreements.

### 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 but can also include other derivative instruments which are implemented to manage portfolio risk, currency risk and to provide economic efficiency.

### External manager selection

The Mint Diversified Alternatives Fund will use underlying funds for access to the market. We select managers we believe are best-in-class, through a structured and disciplined manner. Investment due diligence is undertaken by the investment team and incorporates a combination of quantitative and qualitative factors. Operational due diligence is carried out by the operations and compliance team. This process focusses on the liquidity profile and any redemption terms and fees. We then continually monitor the investments as well as the asset class and fund level opportunity set to ensure the key terms and factors behind our investment decision have not changed.

### **Asset Class Rebalancing**

We are active managers and portfolio weights are a function of our fundamental analysis. We do not programmatically adjust portfolio weights. Asset allocation weights in our multi-asset funds as well as underlying security positions within all our funds are regularly reviewed and adjusted as part of our day-to-day investment management process.

### **Leverage**

Our Funds are not permitted to use leverage. The Diversified Alternatives Fund invests in underlying funds which can employ leverage.

### **Unit pricing and asset valuation**

The valuation of underlying securities and pricing of each Fund has been outsourced to Apex Investment Administration (NZ) Limited. 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.

### **Voting policy**

We believe that as an institutional investor we should encourage companies in which we invest to adopt high standards of corporate governance. We proactively communicate our views on company strategy and balance sheet issues to senior management and the Board. Our policy is to vote on all resolutions put forward in an informed and responsible manner.

### **Conflicts of interest**

From the outset, we have committed to strong governance practices. Accordingly, we have adopted appropriate processes to identify and mitigate conflicts of interest.

### **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.

Our policies for managing conflicts of interest, e.g. Personal Account Trading & Restricted Securities Policy and Related Parties Policy, as well as our Asset Valuation and Unit Pricing Policy can be found at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

## Monitoring and compliance

### Investment monitoring

Fund monitoring, which includes performance and risk / return measures, occurs through monthly portfolio review meetings, the investment report presented to each Board meeting, as well as the annual fund review overseen by the Audit, Risk and Compliance Committee. Fund objectives and relative returns are measured after all fees and expenses but before tax.

Unit prices are calculated daily by the fund administrator, Apex Investment Administration (NZ) Limited, who have implemented a number of controls to safeguard the accuracy of asset valuations and unit pricing.

Portfolios are monitored by our operations team, with oversight from our compliance manager and our Supervisor.

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 hold monthly portfolio review 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. Reporting on the performance of the Funds, together with the ESG characteristics of each portfolio are a standing agenda item at each Board meeting.

### SIPO compliance and review

Compliance with this SIPO, our RI Policy and any specific ESG considerations, for example excluded sectors, are monitored internally on a continual basis. This includes the use of front office tools and reviews by our operations and compliance team.

A breach would be reported to our Board and to the Supervisor. Our policy is, to the extent possible, to put the portfolio back within its SIPO limits or to correct a breach of the RI Policy within 5 business days of discovery of the breach. This could include purchasing or selling securities to get a Fund within its limits or divesting from a security which is on the exclusion list in our RI Policy.

Compliance with the SIPO is the responsibility of the Board. The SIPO is formally reviewed annually by senior staff, but ad hoc reviews can also occur where an event has arisen which requires consideration. The review process considers the overall investment strategy and its implementation, the objectives and performance of each Fund, the appropriateness of asset class ranges 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 quarterly fund update. The current version of the SIPO is available on our website [www.mintasset.co.nz](http://www.mintasset.co.nz) and on the disclose register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).





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