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INVESTMENT STRATEGIES

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EQUITY MARKETS

Markets are probably expecting a Labour (or Labour/Green) government, which limits the uncertainty about the election influence. Whether the Greens are part of the coalition and how much influence they have on policy is one area that will worry business.

But don't write off National/Act yet. One week out, Scott Morrison (in the last Australian election) looked dead in the ground, and yet returned with an outstanding win. Generally, markets don't like uncertainty. But once we actually understand what the situation is - as we've seen with Covid, even if we're uncomfortable with it – then we are able to move on.

NZ50 GROSS INDEX (ONE-YR GRAPH)

The risk for our equity market will be if *the greens are included on the government benches?* They remain a huge risk to any economic recovery.

VERSUS

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Positive export news from Stats NZ shows Gold kiwifruit exports up 48%, wine up 17.9%, and dairy up 10.2% in August (versus a year ago) – NZ Inc needs our Agricultural Sector more than ever.

STATISTICS NZ DATA

Estimated population at 8-Octt-2020:	**5,092,394**
Births (58,500) - **Deaths** (33,990) Jun-20 year:	**4,510**
Total Arrivals June-20 quarter: (migrants 3,400)	**21,100**
Net Migration gain (last 4 months to July)	**800**
NZers returning (April -July)	**3,300**
Non-NZers departing (April-July)	**2,500**
Employment	
Unemployment rate June-20 qtr (↓ 0.2%)	**4.0%**
Median Hourly Wage..Men Jun-yr (↑4.7%)	**$28.26**
Median Hourly Wage..Women Jun-yr (↑4.4%)	**$25.57**
Median Weekly Earnings Aug-20yr (↑3%)	**$1,034.87**
Paid jobs Aug-20 yr (↑2.3%)	**2,195,150**
People not in workforce Jun-20 qtr ↑40,000	**1,207,000**
Private sector Wages - Jun-20 year	**+1.7%**
Public sector Wages - Jun-20 year	**+3.0%**
Consumer Price Index Jun-20 year (↓ 1.0%)	**1.5%**
The size of the NZ Economy Jun-20 year: ↑	**$308 bn**
GDP Growth (volume) June-20 year on year:	**-12.4%**

WEBSITE:
vond.co.nz

2020 NZ HERALD BROKER PICKS

My portfolio continues to look great – up 32.5% year to date (Outperforming the NZ50 Index by 29.5% since 31st December 2019). My worst performer is currently (with 3 month to go) Port of Tauranga (down 7.2%), but remember that POT gained 62.7% in the previous year.

AvonD Portfolio		Jarden		Craigs IP		Forsyth Barr		Hamilton Hindin		MSL Capital Mkts	
a2 Milk	2.2%	a2 Milk	2.2%	a2 Milk	2.2%	a2 Milk	2.2%	a2 Milk	2.2%	AFT Pharmaceuticals	44.6%
AFT Pharmaceuticals	44.6%	Eroad	35.4%	Ebos	1.0%	Arvida	(10.4%)	Ebos	1.0%	Arvida	(10.4%)
Infratil	(0.8%)	Infratil	(0.8%)	Freightways	(8.4%)	Contact Energy	(5.6%)	F&P Healthcare	52.3%	Heartland Group	(30.8%)
Port of Tauranga	(7.2%)	Katmandu	(62.6%)	Mainfreight	9.9%	Chorus	38.7%	Meridian Energy	0.0%	Plexure	78.2%
PushPay Holdings	123.6%	Oceania Healthcare	(9.8%)	Meridian Energy	(1.6%)	Sanford	(27.8%)	Z Energy	(20.3%)	Vector	14.7%
TOTAL CHANGE	**32.5%**		**(7.1%)**		**0.6%**		**(0.6%)**		**6.7%**		**19.3%**
NZ50 Index	**2.9%**		**2.9%**		**2.9%**		**2.9%**		**2.9%**		**2.9%**
+/- NZ50 Index	**29.5%**		**(10.1%)**		**(2.3%)**		**(3.5%)**		**3.8%**		**16.3%**

NOTE: My advice is to become a long-term holders in both Pushpay Holdings and Port of Tauranga.

LOCAL ISSUES

All comments regarding Local Government are my personal views, and do not purport to represent the views of our Regional Council – of which I am an elected representative.

I RATE SIMON BRIDGES AS A GOOD FRIEND

Simon moved to Tauranga as a Crown Prosecutor in 2001.

Simon met his wife Natalie, while doing a stint at Oxford University, and having got married, she moved to New Zealand with Simon in 2005.

Natalie spent her early years working for RadioWorks in Tauranga with my partner, Maree. Maree and I consider them both very close friends.

Both Simon and Natalie are highly intelligent, with strong family values. This has underpinned Simon's political career, and underscored his magnanimous response after being seriously undermined (for more than a year) by his opponent in the leadership spill.

He has been a member of the National Party since 1992, when he joined the Young Nats; and remains extremely loyal to our Party and its values.

Simon has shown his true leadership skills by not allowing bitterness to impinge on his commitment to Tauranga and New Zealand.

Simon is an incredibly hard worker, regularly working 100 hours per week as National's Party Leader. His ethos for hard work was also fundamental in his reputation as a high performing senior Cabinet Minister in both the Key and English governments.

Simon is still young (born in 1976) and has a very bright political future going forward. I am sure that he will one day be an exceptional Prime Minister in a future National Government.

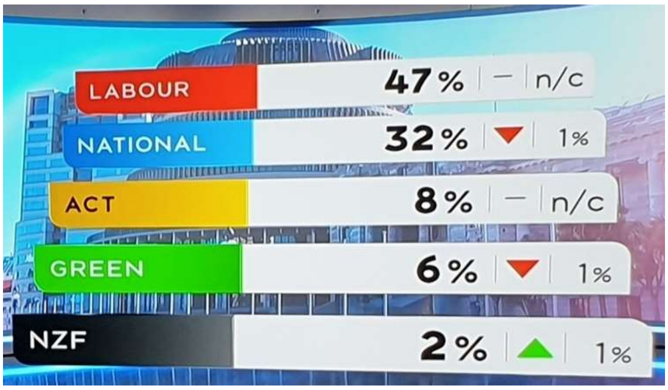
It is with pride that I rate Simon and Natalie as friends, and I have managed Simon's election campaigns for several elections.

"If you don't know jewelry, know the jeweler."

Warren E. Buffett

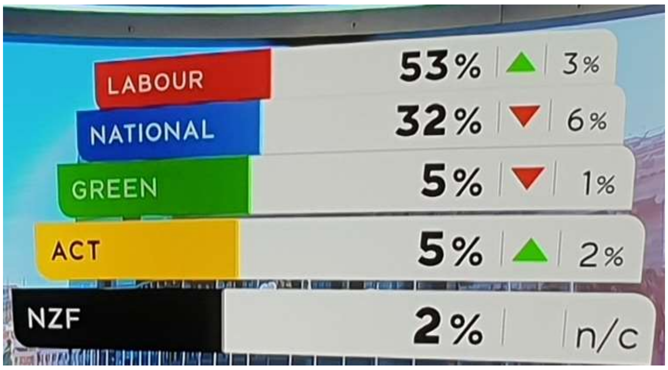
OUR POLITICAL CLIMATE

LATEST COLMAR BRUNTON POLL – 8TH OCTOBER



You might think that this Colmar Brunton Poll looks good for Labour (but, based on this poll might not be able to govern alone). It doesn't look good for National (getting little traction), but momentum is everything, and right now, momentum is swinging to the right (National & Act). Ms. Ardern has lost momentum.

30TH JULY



ONE RULE FOR Ms. ARDERN

Social distancing and masks no issue for Ardern on the campaign trail, under Level 2 rules.

Ms. Ardern and Labour have a dismal track record. Three years in Government, and her transformational spin was just that – no delivery. In 2017 Ms. Ardern elected herself as Minister for Child Poverty Reduction, and three years later – negative progress. In 2018 there were 64,000 children living in severe material hardship (Source: Stats NZ), and one year later (June 2019 – the latest data available) that had moved to 66,100 children.

On Mental Health, Labour allocated $1.9 billion in the 2019 Budget; and yet have still only spent $125 million of that. Ms. Ardern and her Labour friends are all spin, and no delivery.

In the Herald's 2020 Mood of the Boardroom Election Survey, chief executive respondents rated Grant Robertson's performance as finance minister at 4.18/5.

Cabinet Ministers (Inside & Outside Cabinet) Performance - Business CEO's		
1	Grant Robertson (Finance)	83.6%
2	Jacinda Ardern (Prime Minister)	78.2%
3	Kris Faafoi (Commerce)	69.2%
4	Andrew Little (Justice)	64.8%
5	James Shaw (Climate Change)	63.0%
6	Chris Hipkins (Health/Education)	62.4%
7	Megan Woods (Energy/Housing)	61.4%
8	David Parker (Trade/Environment)	60.8%
9	Ron Mark (Defence)	53.8%
10	Damien O'Connor (Agriculture)	53.4%
11	Stuart Nash (Revenue/Small Business)	53.2%
12	Tracey Martin (Children)	52.0%
13	Eugenie Sage (Conservation)	49.4%
14	Winston Peters (Deputy PM/Foreign Affairs)	49.4%
15	Peeni Henare (Civil Defence)	47.6%
16	Carmel Sepuloni (Social Development)	47.4%
17	Julie Anne Genter (Women)	47.4%
18	Nanaia Mahuta (Local Govt)	44.0%
19	Jenny Salesa (Building & Construction)	43.2%
20	Aupito William Sio (Pacific Peoples)	43.0%
21	Poto Williams (Community & Volunteer)	41.2%
22	Shane Jones (Regional Development /Infrastructure)	37.8%
23	Willie Jackson (Employment)	36.0%
24	Phil Twyford (Transport)	32.2%
25	Kelvin Davis (Tourism)	31.8%

This is the highest rating in the Herald survey since 2016 when CEOs scored then National Finance Minister Bill English at 4.51/5. Just one respondent rated his performance as "not impressive".

However, the lack of depth in leadership was also evident, with only 8 Cabinet Ministers rating over 60% in the CEO's Performance ratings – with only three making the 65% mark. Not a pretty picture…

WE MUST LEARN FROM TAIWAN

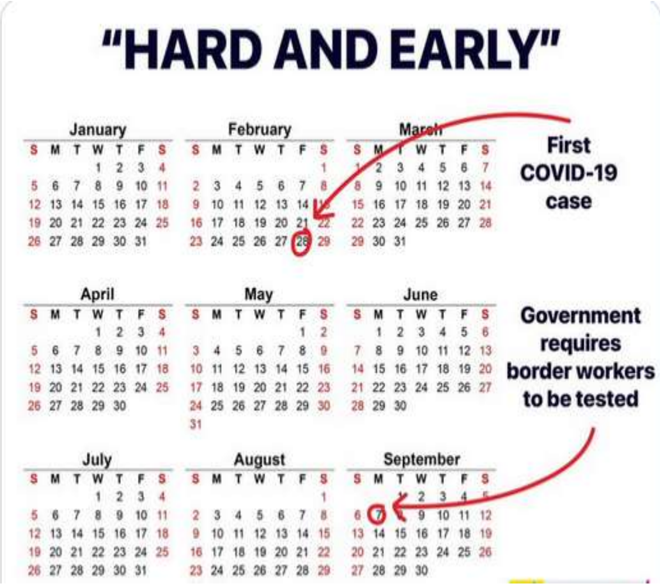
Taiwan, which was able to quickly deploy mass masking and contact tracing and close its borders in response to the coronavirus outbreak in China, spends twice as much on its health system as New Zealand does, per capita.

New Zealander's are starting to see through Ardern's spin of *"going hard and going early."* This is plain nonsense. Taiwan is the benchmark – Not NZ.

Ardern was right when she said "*Our health system is broken,*" in the 2nd Leaders Debate.

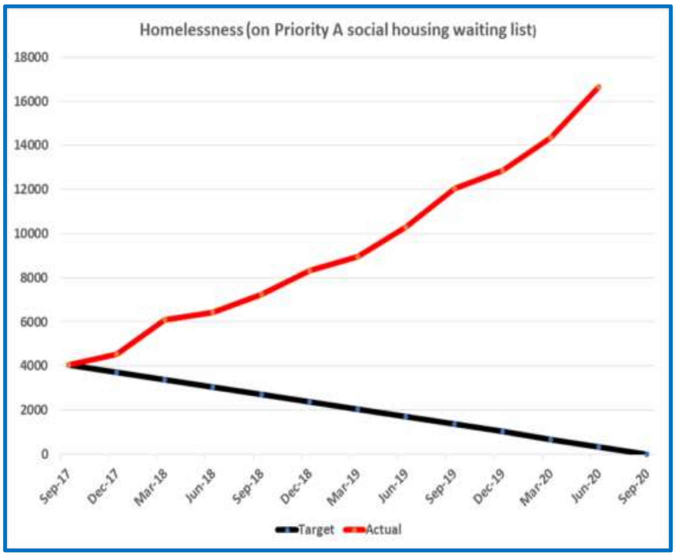
Band-aid fixes just won't cut it anymore; but centralizing everything to Wellington is also not the answer. Our DHB structure is a joke, and we need a brave government to partner with the corporate sector (as we successfully did with the energy sector), to get a game-changing shift. Maybe it is time to contract Tony Ryall (Ex Minister and a fantastic micro-manager) to oversee this restructure – and make DHB's truly accountable to their whole community – just saying…

GO EARLY & GO HARD – YEAH RIGHT



HOMELESSNESS x4 VERSUS 2017 – ANOTHER FAILURE

In September 2017 there were 4,054 on the Priority A waiting list for Housing NZ. These are families who have been assessed as in urgent need of a house. Labour said this number was a scandal. They said they wanted to abolish homelessness.



In June 2020, this has increased to 16,651 families on the Priority A waiting list. Labour has heaped costs onto landlords, and rents have skyrocketed as a result. The outcome sees a 400% increase in those deemed in urgent need of housing. So much for being a transformational government!

THE GREENS TOP DEMANDS

Grant Robertson wouldn't say Labour's tax policy was a bottom line. He wouldn't rule anything in or out. He declined to even use such language.

The Greens have said that their bottom lines in any coalition talks include a "wealth tax" as a "top priority". Labour has refused to rule this neither in nor out. They have used weasel words to downplay it, but if it was ruled out then Ardern would use the same language as she used for Capital Gains Tax – that it will never happen while she is Prime Minister.

He would also be pushing for co-leader Marama Davidson to be a minister and suggested a Green MP hold the agriculture portfolio. Unbelievable – a Minister of Agriculture that hates farmers.

PROSPECTING ON CONSERVATION LAND CONTINUES

On November 8, 2017 in her Speech from the Throne, Prime Minister Arden said there would be no new mines on conservation land. This promise has languished within the coalition Government.

Minister of Conservation Eugenie Sage has previously told Newsroom: "*There are three parties in Government and we've yet to reach agreement on the release of a discussion document. One of the issues is how stewardship land, which is public conservation land, is treated.*" While agreement hasn't been reached, mining applications have been processed as normal.

An Official Information Act request made by Forest & Bird to the Department of Conservation, shows between the speech and July 2020, 7 applications for prospecting have been approved, 15 for exploration and 36 for mining.

NATIONAL'S 1ST 1000 DAYS PACKAGE

National has released a policy for supporting families for the first 1,000 days of a child's life. The parts are:

1. A $3,000 entitlement to commission services to support their child's first 1,000 days of development (up to $6,000 for high need babies)
2. Enhanced screening pre and post birth
3. An entitlement to 3 days stay in hospital after birth
4. An electronic child's health passport
5. Paid parental leave flexibility so both parents can take it at the same time
6. Establish a National Centre for Child Development

The type of services that parents will be able to spend their $3,000 on (under a National Party Government) include:

- Specialist support including lactation consultants, sleep specialists and pelvic health practitioners
- Additional paid parental leave
- More ECE hours for older siblings
- Home-based visits from health professionals
- Registration with Lead Maternity Carers

NATIONAL EXPLAINS:

This new funding, allocated per child rather than directly to service providers, will mean that parental demand will determine which services receive how much of the additional money. National believes this is a better way to allocate funds than it simply being up to Ministers to choose their preferred options. A key is that there is flexibility of having the funding follow the parent.

MIGRATION

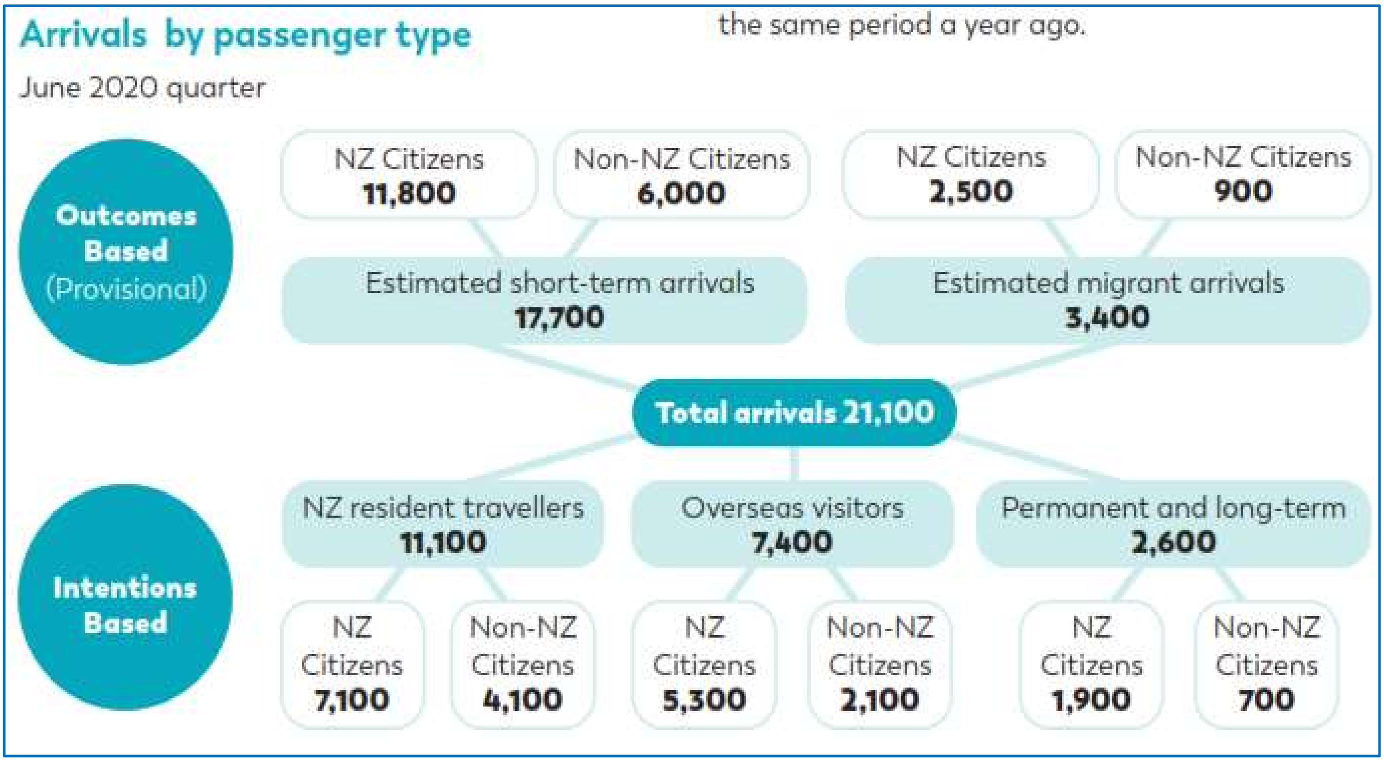
There were nearly 111,000 more departures than arrivals between March and August, and the more recent departures were mainly migrants whose work visas have expired.

In the next month, the first of the RSE (recognised seasonal employer) and working holiday visa holders would start arriving and then building towards high demand at the end of the year.

But Covid-19 border restrictions could result in just a fraction of seasonal worker arrivals, and the shortage has the potential to cripple economic recovery.

On these arrival and departure trends, there are going to be major workforce supply challenges throughout the summer. This does not factor in the big infrastructural projects which will also need specialist migrant labour.

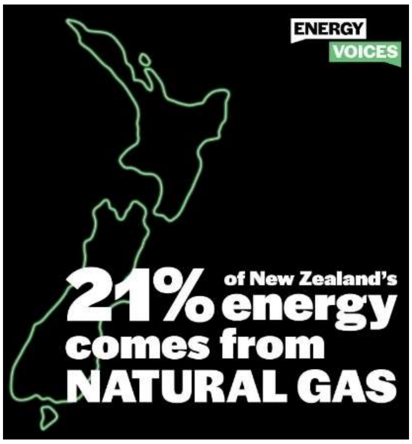
The number of departures since lockdown to the end of August was 462,525 people, and there was a difference of 110,943 fewer arrivals.



"Achieving the rebound we need from Covid-19 means boxing smart.
Even the most secure castle has a drawbridge, otherwise security becomes a siege"

David Cunliffe

LABOUR'S RENEWABLE ENERGY FANTACY LAND



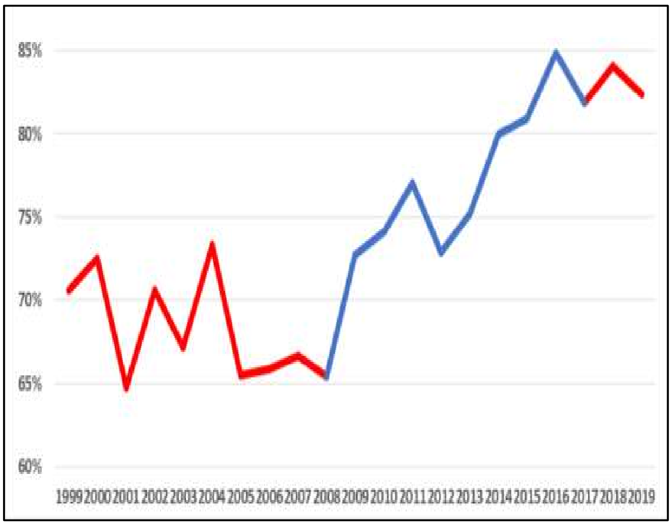
Ms. Ardern and her Labour colleges closed down the Oil & Gas exploration industry, only to import dirty Indonesian coal to fire the Huntley power plant.

Labour is promising to bring forward the Government's 100% renewable electricity generation target by five years (from 2035 to 2030) if they are re-elected.

But to get to this ambitious target, the next government will need to spend $4 billion on an energy generation plan at the bottom of the South Island. The Labour-led Government's policy during this term in power was to have all of New Zealand's electricity renewable by 2035.

They are just dreaming – all spin – and no action, just like Kiwibuild and Auckland Light Rail. Under National, the share of renewable electricity did increase significantly – from 65.4% to 81.9%. That's an increase of 16.5%. Since 2017, it has increased only a further 0.5% in three years.

RENEWABLE SHARE ON ELECTRICITY IN NEW ZEALAND



TIME TO GET REAL – IT'S THE ECONOMY, STUPID

In 2015, the New Zealand government - like almost every other country on the planet - signed us up to the Paris Agreement on climate change. They submitted an interim Nationally Determined Contribution (NDC) or emissions reduction target for the period from 2021 to 2030.

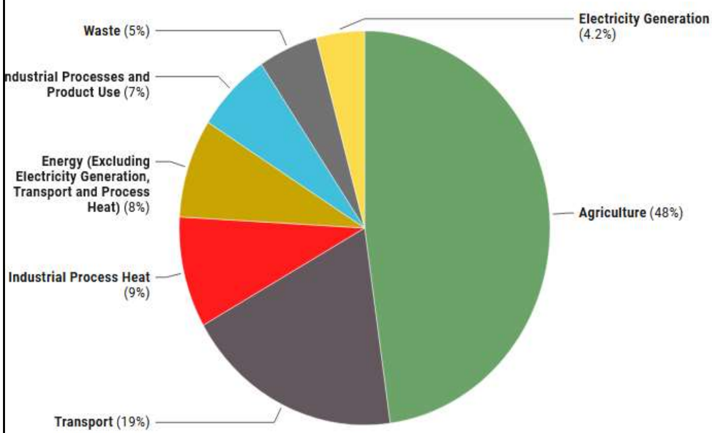
At the time, the target was the subject of significant debate. Current Climate Change Minister James Shaw, then in opposition, called it "*one of the world's weakest and most embarrassing climate targets*".

After three years in Government, however, Shaw has failed to change the target. What he has done is refer it to the Climate Change Commission for a review, due back in 2021.

As it stands, New Zealand has committed to net emissions of 601 million tonnes of greenhouse gases (Mt CO_2e) over the next decade. That's above our emissions over the past decade - which are likely to settle around 573 million tonnes after all the accounting is finalised - but significantly below where the Ministry for the Environment (MfE) expects our emissions to be over the next 10 years. Projections based on current policy settings indicate the country will emit 707 Mt CO2e between 2021 and 2030.

So, our Paris target already looks overly ambitious - although this is more a factor of our failure to halt greenhouse gas emissions growth earlier in the decade (or, indeed, before 2025), than any actual ambition on the part of those who devised it.

NEW ZEALAND's GROSS EMISSIONS PROFILE



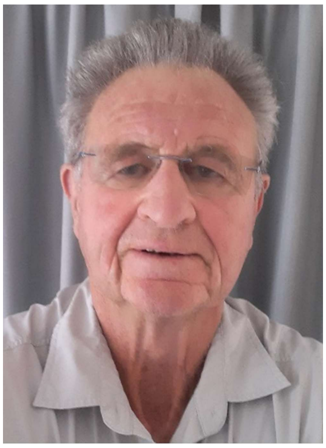
Even now, however, it is clear that no party has so far proposed a path that rises to the challenge of meeting our current Paris target; let alone the MfE-devised target that would be consistent with 1.5° of warming.

Most parties backed the current Government's approach of waiting until 2025 to price emissions, and then doing so at a 95% discount for farmers. MfE found last year, that this strategy would lead to emissions reductions of 95,000 tonnes of CO_2e in 2030. That's out of an expected 35 million tonnes of agricultural emissions that year.

CONCLUSION

With the advent of the Covid-19 pandemic, our world has changed. We are heading rapidly towards the biggest economic deterioration in our living memory. This is a 160-year event. Let's get real, and support our farmers and other exporters to strengthen their fight for New Zealand's economic survival (and all New Zealanders living standards, by putting on hold our "climate change" initiatives, for at least the next 5 or 10 years.

We have to rein in this out of control left-wing ideology, to ensure that all New Zealanders maintain and improve their living standards. These current policies are hurting all New Zealanders, and actually our lower socio-economic group the worst. Let's get real – remember the Greens "Peak oil" arguments – proven to be absolute rubbish – let's not repeat history. We just can't afford it – especially in this post-Covid recovery world.



Source: Kevin Hearle – Kevin has a degree in Pure and Applied Mathematics, with minors in Physics, Geology and Economics. Kevin was a past CEO of the Bay of Plenty Polytechnic, and also worked with me in my sharebroking business.

Covid-19 has wrought economic carnage on the economy, making it vital for the Government to re-evaluate its Emissions Trading Scheme (ETS) and Zero Carbon Act (ZCA). Policies must be focused towards this new economic reality. These policies are detrimental to our economic recovery, and that will affect all New Zealanders.

The ETS/ZCA should be vacated until 2030, at which time they could be reassessed in the light of another 10 years of scientific advance and data in the climate space. Vacating them will have no measurable detrimental effect on the climate. The annual cost per family of these policies is unjustifiable as we fight our way out of the biggest economic crisis in 100 years.

UNILATERAL DECARBONISATION POLICY STANDS IN THE WAY OF ECONOMIC RECOVERY

Western governments have no choice but to abandon costly climate plans that are threatening to burden nations with huge costs and millions of job losses, if they want a strong economic recovery from Covid-19 lockdowns, according to Rupert Darwall, a former special adviser in the UK Treasury. He states -

"Compelling evidence exists that it is not the policies we fail to implement that hold back economic growth. Rather, it is the dreadful policies that our governments all too often put in place". This is the case with the ETS and ZCA; they not only increase taxation, but also add massive cost across the economy, and are regressive (hit the middle class and poor disproportionately); the very opposite of what is required for economic growth in a post-Covid economic recovery. The projected cost of these policies is a staggering 60 times higher than the climate benefits, according to Darwall. They are ideologically driven and predicated on a very shaky scientific foundation. What is required of Government is to increase economic growth, by focusing on increasing aggregate demand and supply/productivity – for example:

- Fiscal policy (cutting taxes/increasing government spending)
- Monetary policy (cutting interest rates)
- Privatisation, deregulation, tax cuts, free trade agreements (free market supply side policies)
- Improved education and training, improved infrastructure.

Demand side policies are important during a recession or period of economic stagnation. Supply side policies are relevant for improving the long run growth in productivity. In our current situation we need both sides of the equation implemented aggressively.

The beauty of vacating the ETS and ZCA is that it provides immediate effect by lowering taxation and hence decreasing prices, and putting more money in the hands of taxpayers whilst at the same time reducing government spending by eliminating the bureaucratic industry that has grown around these policies.

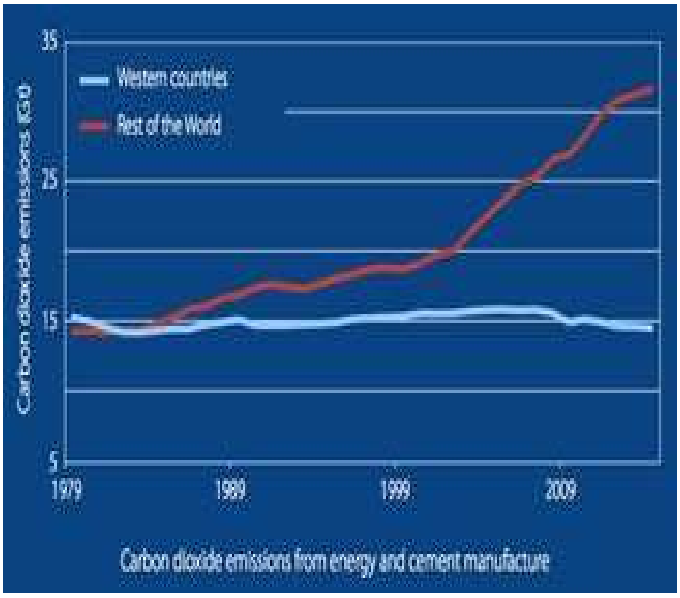
There are effectively no downsides to vacating these policies.

THE PARIS AGREEMENT

Our share of reducing the temperature of the earth through a reduction in CO_2 emissions is 5/10,000th of a degree centigrade 100 years from now - so far into the future that our great, great, great grandchildren will never be able to tell if it was achieved or not, due to the natural variability of the climate over this time scale. This is the most optimistic outcome and it needs to be said that no such optimism is warranted based on the inefficiency of the UN and Governments' ineffective policy implementation.

What is evident, however, is the outrageous cost of the ETS /ZCA to the economy and the inevitable reduction in living standards of all New Zealanders. As fast as the West is burdening its economies with boondoggle climate policies, while Russia, China, India, Africa and the Americas (ex the US and Canada) are driving the CO_2 emissions ever higher. See the graphic below:

THE WEST VERSUS THE REST



CLOUD FEEDBACK, IF THERE IS ANY, IS NEGATIVE

The ability of CO_2 to raise the temperature of the earth is limited as its effect on temperature is logarithmic (the more you add the less each extra part added has on increasing the temperature). If CO_2 concentration went to 1,000ppm, then CO_2 could not raise the temperature by 1° C. The IPCC hypothesis of CO_2 induced CAGW hinges on the proposition that Cloud feedback is positive.

New research evidence using NASA data supports cloud feedback being negative. This is devasting for the IPCC hypothesis of CAGW, and the efficacy of ETS/ZCA policy. NASA data shows that there is a positive correlation between changes in Sea Surface Temperature (SST) and later changes in cloud cover. Clouds have a global cooling effect, and the analysis has shown that as the changes in cloud cover associated with changes in SST increase, they do indeed have a larger cooling effect.

The inescapable conclusion is that any cloud feedback is negative.

The implication for the climate models is devastating. It must be questioned whether they are fit for purpose.

For New Zealand, this research alone destroys the basis of the Governments policy response to rising CO_2.

COST BENEFIT ANALYSIS (CBA)

No CBA has been done on either the ETS or ZCA policies, because it is abundantly clear that they could never pass such a fundamental economic and socially responsible test. Without a CBA it was irresponsible of past and present Governments to implement and maintain these policies in the best of economic times, let alone in our current, dire situation, when we are fighting for our economic and social survival.

CO_2 BENEFITS HUMANITY

Equilibrium Climate Sensitivity (ECS); the Transient Climate Response (TCR); and the Social Cost of Carbon (SCC)

The UN has maintained for the past 30-years that the ECS is 3 (1.5 to 4.5). Research now shows that, the TCR is 1.35 and the ECS is 1.6, and that the TCR is a more useful measure to use over the 21st Century. Using these new values and all the real costs and benefits data for the SCC, it becomes negative i.e. CO_2 becomes a benefit to humanity. The basis on which ETS /ZCA polices were developed is flawed, and therefore they are actually redundant. There is no cost to the climate if we forego these policies. The benefits of vacating the ETS/ ZCA are manifest.

THE UN UNFCC AND IPCC

It has become clear that the UN has an ideological political agenda, as the UN's Christina Figueres succinctly put it -

"*This is the first time in the history of mankind that we are setting ourselves the task of intentionally, within a defined period of time to change the economic development model that has been reigning for at least 150 years, since the industrial revolution*"

This is a swap from the success of capitalism for the proven failure of socialism, state control or international control by unelected, unaccountable bureaucrats at the UN. This is not in our interests, in terms of economics or our sovereignty, and an inappropriate response to Covid 19 recovery.

CO_2 - that colourless, odourless gas that is essential to all life on earth, and increases in its concentration will benefit all mankind (the greening of the earth). It is not to be feared, but rather embraced. This is the reality, and as the disasters predicted by the UN Climate models have failed to materialise, it has been necessary for the UN to shift the goal posts and make ever more urgent and increasing doomsday predictions to keep the narrative alive; supported by the catastrophe driven media.

The scientifically uneducated public are in fear, looking for a saviour, when none is needed.

ENVIRONMENTAL POLICY THAT WILL ASSIST IN ECONOMIC DEVELOPMENT

Generally, we need to focus on our own environment. Forget the ETS, ZCA and international posturing. We cannot afford it. We have environmental problems to solve at home and an existing policy of protecting our soils and waterways, to achieve positive economic, social (employment) and the environmental outcomes.

Plant Trees. Simple, achievable, and already underway - ramp it up.

The climate outcome is that re-afforestation reduces the temperature of the earth as well as providing a carbon dioxide sink. Economically it also supports the Forestry Industry and Exports and hence the balance of payments which will be under pressure as we recover. Socially it creates jobs.

CONCLUSION

The evidence is clear that at this time, **we must vacate the ETS and the ZCA for at least 10 years,** as both are detrimental to our economic recovery.

To get maximum benefit **we must disestablish and defund the climate bureaucracy across Government**, and associated government funded NGO's and the UN and rent-seeking climate Academia.

Leadership by Government in vacating these policies will indicate to industry that they need to focus on their core business, and not be diverted into ideologically driven phantoms of the political climate cabal.

The effect of vacating the ETS/ ZCA will have a vanishingly small, unmeasurable effect on the climate,

Maintaining the ERS/ZCA has a cost to society that is out of all proportion to any imagined benefit to the climate and temperature of the earth.

TAURANGA'S AUGUST RAINFALLS 1898-2020

Rainfalls for the month of August have been recorded in Tauranga since 1898, except for 1904, 1907, 1908 and 1909.

From January 1898 to December 1904, the observation site was described as the Tauranga Harbour, from November 1904 to April 1907 the site was described as simply 'Tauranga'. From January 1910 to December 1923 the site was Waikareao, in Otumoetai; from January 1924 to September 1940 the site was at 148 Waihi Rd, in Judea; from October 1940 to January 1941 the site was at Te Puna; and from February 1941 to now, the site is Tauranga Airport.

The methodology use in adjusting the older sites to the current observing site is published in the 'NZ Meteorological Service Miscellaneous Publication' No 180 in 1984.

It is considered that the homogeneous rainfall series described here is a fair and true record of what the rainfall would have been if the current observation site (Tauranga Airport) had been used since 1898. This should be coupled with the understanding that although standard accepted methodologies have been used, any adjustments are only estimates of what would have occurred if the location of the rainfall records had always been in the same place with the same surroundings and the same or similar recording gauge.

In terms of climate change (such as is it getting wetter or drier, or warmer or colder), the methodology used in computing an 'official' set of climate observations is very important, as otherwise erroneous conclusions may be drawn.

The graph shows the range of rainfalls from an extreme high of 274 mm in 2010 to a low of only 17 mm in 1914.

The second wettest August was 1916 when 263 mm was recorded, and the second driest August was in 1982 when only 31 mm fell.

The long-term average rainfall for Tauranga for August is 124 mm. The rainfall for Tauranga for August 2020 was 106 mm.

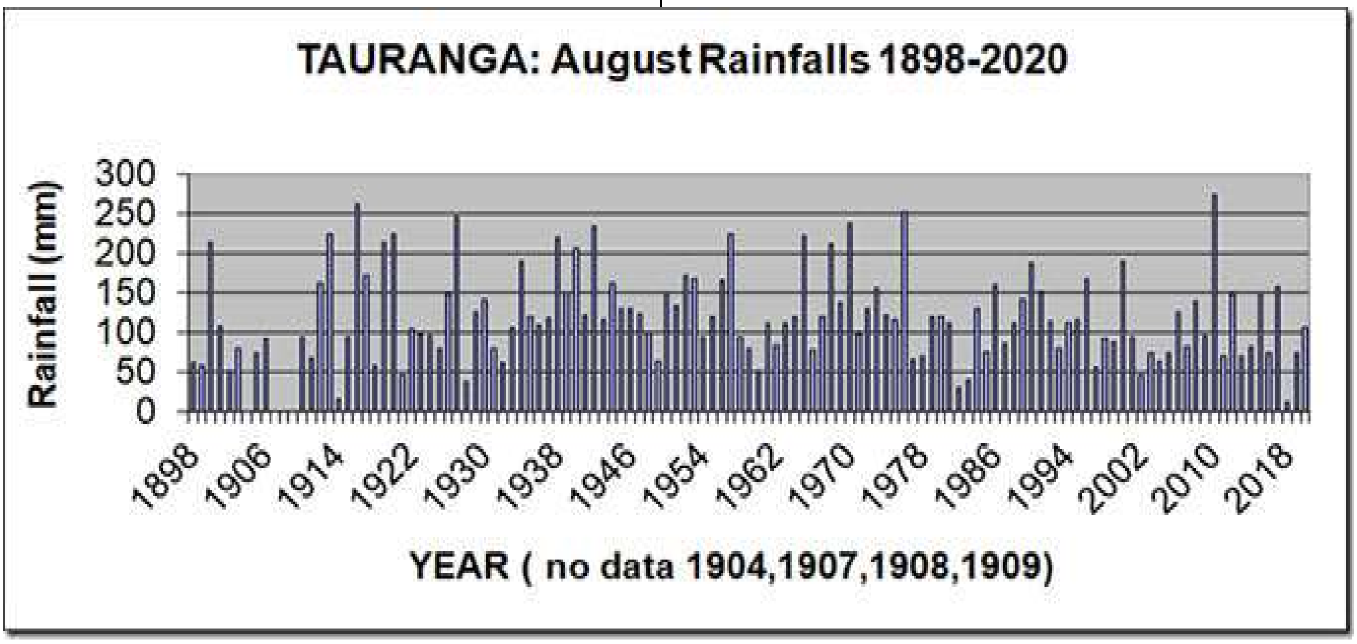
The graph of the August rainfall shows normal variations from year-to-year.

There is a small decrease in the overall August rainfalls during the last 50 years – from 1961-2010 – from an average of 121 mm, compared with an average of 133 mm during the 50 years from 1911-1960. Since 1898, there have been 11 August months with a rainfall of 220 mm or more – with 10 occurring during 1900 to 1976 – and only one August month since then 2010, which was the highest rainfall for any August. Only five August months have had rainfalls of 50 mm or less.

Chronologically, the 11 wettest August months are 1913, 1916, 1920, 1927, 1938, 1942, 1957, 1965, 1970, 1976 and 2010.

In contrast, chronologically the five driest August months are 1914, 1921, 1982, 1983 and 2002.

Dr. John Mauder's extensive experience includes eighty years in the "weather business". His CV reads: University of Otago, the New Zealand Meteorological Service, the University of Victoria in Canada, the University of Missouri, the World Meteorological Organization, the University of Delaware, the 1985 WMO/ICSU/UNEP Villach Conference, the 1979 WMO First World Climate Conference, the 1990 Second World Climate Conference, the Stockholm Environment Institute, the University College Dublin, the weather business in New Zealand, writing several books, many scientific papers and a host of media releases.



THE WORLD AT A GLANCE

United States
Trump looks dead in the water, but don't be sure.

Canada
Economy on the mend but Covid effects certainly not

Europe
Brexit - here we come

India
Covid crisis is resulting in 17% rise in child marriages

China
Better pandemic management delivers better economic outcomes

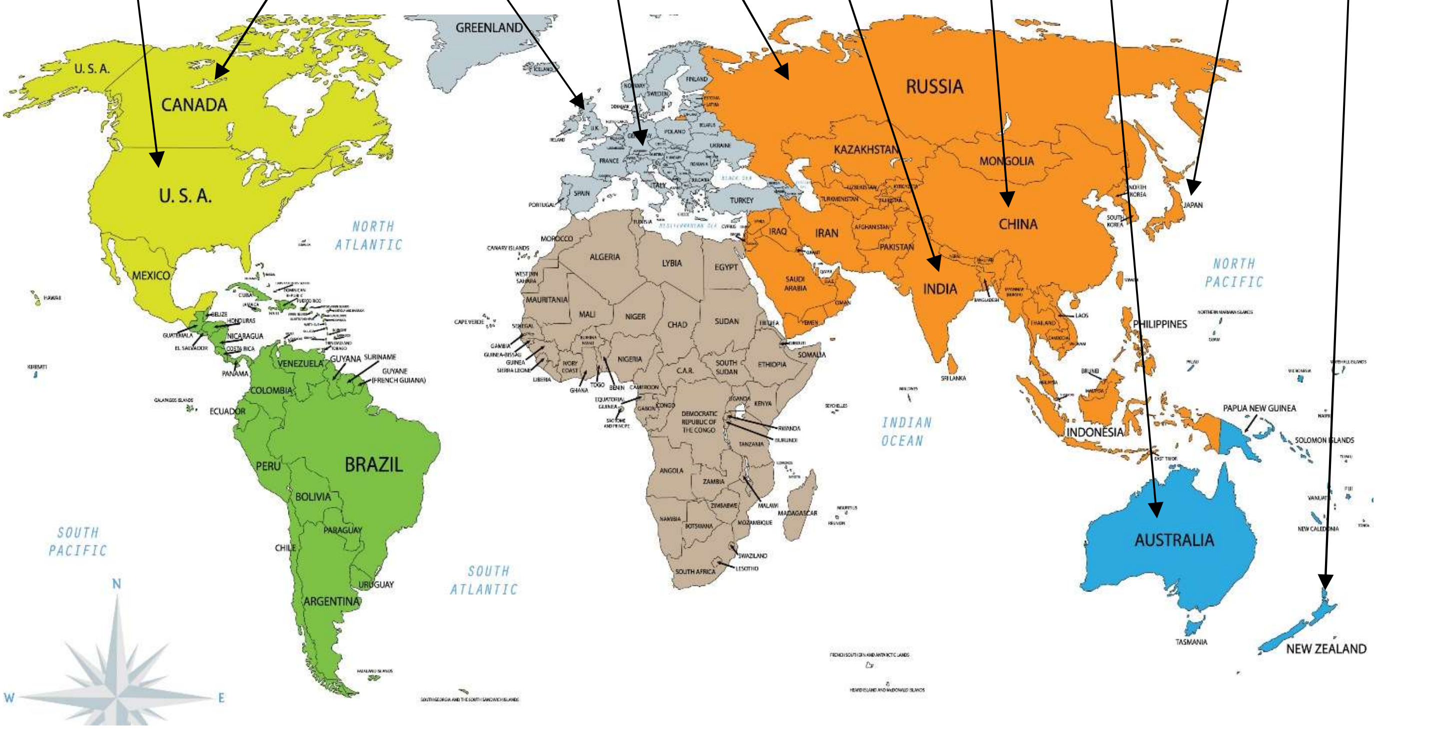
Japan
Japan emerges as a Covid success story

UK
Brexit:7,500 UK finance jobs and £1.2trn in assets move to EU

Russia
Putin – poison is weapon of choice

Australia
Aussies thump NZ in Covid economic management

New Zealand
Ardern all spin, but NZers seem star struck



Stats NZ figures released on 17th September placed NZ in the deepest economic recession in living memory. "*Measures to contain COVID-19 have led to historically large falls in GDP in many parts of the world, with countries' results reflecting the nature and timing of their responses, and the structure of their economies*," Stats NZ said. "*New Zealand's result compares to falls of 7.0% in Australia, 11.5% in Canada, 7.9% in Japan, 20.4% in the United Kingdom, and 9.1% in the United States*."

Rapid population growth on the back of high levels of net migration played a key role in shaping New Zealand's economic fortunes in recent years. However, following the outbreak of Covid-19, the inflow of people into the country has come to an abrupt halt. And with the virus continuing to spread abroad, migration and population growth are likely to remain very low for some time yet. That will severely curtail one of the major drivers of economic growth in recent years. It will also dampen demand in the housing and construction sectors, and will have important implications for the labour market. In the last few months, returning New Zealanders flooded in, and mitigated some of the visitor arrivals; but this has now largely dried up, so we can't expect migration numbers to mask our current poor productivity. It is productivity per capita that remains the underlying driver of a strong economy.

NEW ZEALAND'S ECONOMIC OUTLOOK

New Zealand is officially in its first recession for 11 years, with this country's GDP shrinking by a record 12.2% in the June quarter as the Covid-19 lockdown and border closures stalled economic output.

Stats NZ did not identify the primary sector's part in the dismal GDP figures but agriculture comprises 7% of the country's GDP, which is just over $300 billion annually. Dairy, meat, fruit and seafood all brought in higher export revenues during the seven months from February to September this year, compared to the 2019 corresponding period.

Dairy was up 7% to $9.33 billion; meat up 4% to $5.2bn; fruit up 16% to $3.37bn and seafood up 19% to $1.19bn. Forestry was steady on $3.25bn.

Household spending fell 12.1% over the June quarter. Expenditure on household services such as domestic and international air transport and restaurant and takeaway meals fell sharply.

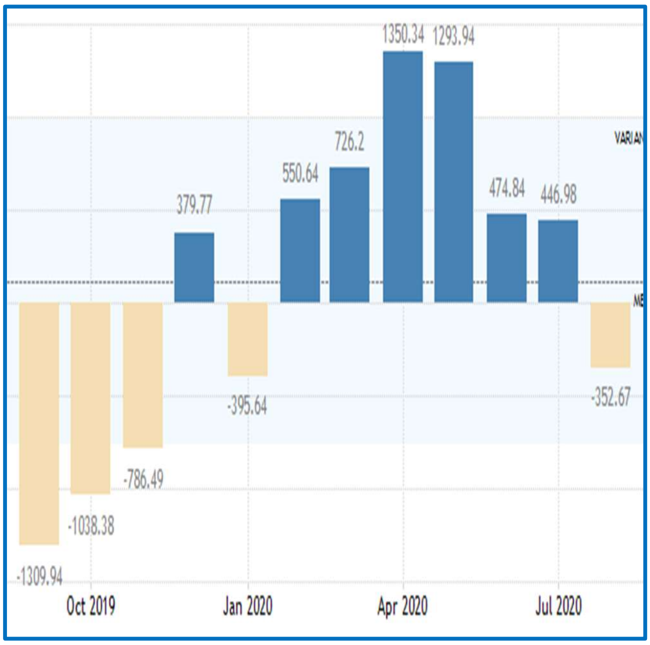
GDP has fallen out of bed, because of the Labour-led Government's policy of "Spray and walk away". It started with the 2017 Coalition agreement to allow a $3 billion (NZ First) bribe to the provinces - that had no Treasury accountability, and continued on despite Labour's Covid response; and included a lack of accountability. If your stimulus isn't productivity led, then this is what you get – no planned recovery (unlike National's GFC response in 2008). Treasury predicts the 2020/21 budget deficit to be $32 billion.

NZ's PRODUCTION-BASED GDP

NEW ZEALAND's BALANCE OF TRADE

New Zealand's trade deficit narrowed to $353 million in August of 2020 from $1,642 million in the same month of the previous year. It was the smallest trade gap since February last year, as imports dropped by $940 million (16%) to $4.8 billion while exports rose by $349 million (8.6%) to $4.4 billion. Covid is responsible for New Zealand recording its largest annual trade surplus in six years in August as imports continue to decline. The country posted a $1,340 billion annual goods trade surplus for the August 2020 year, the largest annual trade surplus since 2014.

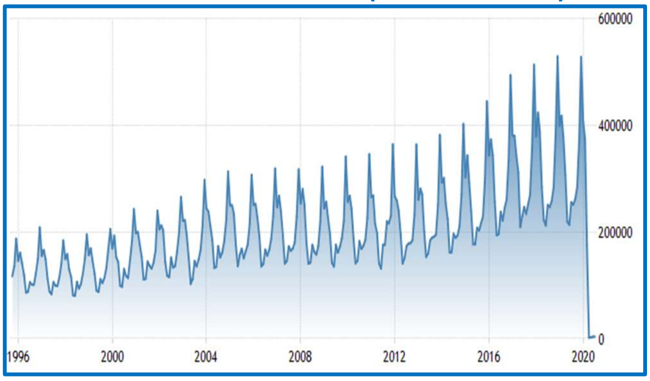
NZ's TRADE BALANCE



NEW ZEALAND TOURIST ARRIVALS

Overseas visitor arrivals in New Zealand dropped by 251,754 (98.5%) year-on-year to 3,831 in July of 2020, as coronavirus travel and border restrictions have reduced migrant arrivals and departures to near zero levels in recent months.

NZ TOURIST ARRIVALS (LAST 25-YEARS)



Australian Economic Outlook

Before the pandemic, some stark local disparities in the Australian economy were obscured by a rosy national picture. Unemployment nationally was 5.2% in March, but it was 39% in Elizabeth, north of Adelaide, and 28% at Logan, south of Brisbane - while nearly one in five were out of work in the western Sydney suburb of Fairfield. Some economists estimate the current jobless rate of 6.8% could hit 8% next year, and may not dip back to 6.8% until 2022-23. The government says the 2020 budget is focused on job creation. The centrepiece of that effort, as well as a wage subsidy for apprentices, is a new time-limited hiring credit for unemployed workers aged between 16 and 35.

The A$98bn of spending and business concessions outlined in the recent budget will see the deficit reach A$213.7bn this year. Net debt is also forecast to peak at a record A$966bn or 44% of GDP by June 2024.

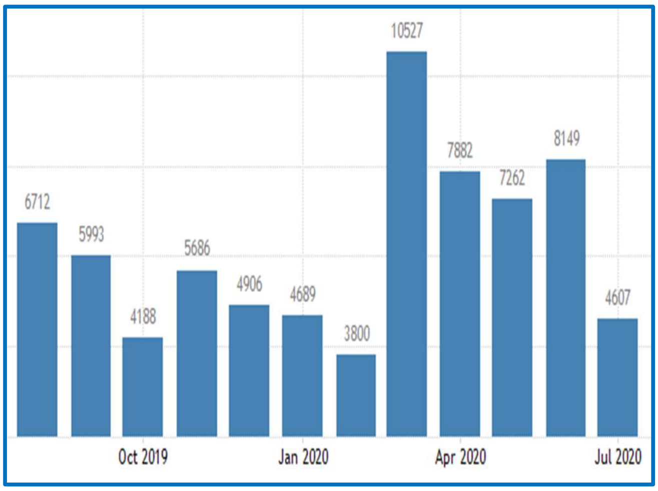
The Morrison Government believes that tax cuts are the most effective way to stimulate the economy at a time when the household saving ratio has hit record highs, but the budget measures include bringing forward stage two of the government's income tax cuts by two years (similar to NZ's National Party stimulus proposal). The government says more than 11 million people will get a tax cut backdated to 1 July compared with the tax settings that applied in 2017-18. The tax cuts reduce receipts by A$17.8bn over the next four years. The proposal involves lifting the 19% threshold from A$37,000 to A$45,000, and lifting the 32.5% threshold from A$90,000 to A$120,000.

AUSTRALIA - ANNUAL GDP GROWTH RATE

AUSTRALIA's BALANCE OF TRADE

Australia's trade surplus fell to A$4.61 billion in July 2020 from a downwardly revised A$8.15 billion in the previous month, and below market consensus of an A$5.4 billion surplus. This was the smallest trade surplus since February, amid the prolonged impact of the COVID-19 pandemic and escalating tensions with China. Exports plunged 4% month-over-month to an over two-year low of A$34.49 billion, while imports jumped 7% to a four-month high of A$29.89 billion. Considering the first seven months of the year, the country's trade surplus widened to A$46.92 billion from A$40.56 billion in the same period of 2019. Note the continuously positive trade balance.

AUSTRALIA's TRADE BALANCE

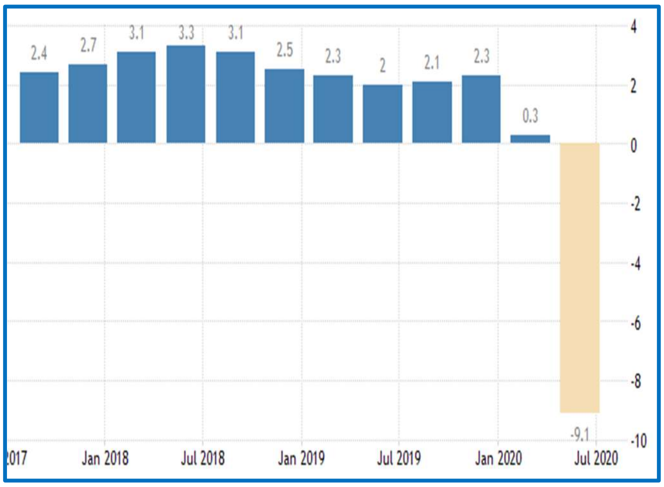


United States Economic Outlook

For all the noise and chaos of the US campaign trail, stock markets are well braced to handle any outcome.

Pie Funds chief executive Mike Taylor says "*I certainly wouldn't expect to see a market crash. Obviously, there'll be intermittent market volatility between now and end of November. But underlying this are things which are removed from the Presidential race … the enormous stimulus – both at a fiscal level and Monetary policy level*." As well as that it was also the big shift to online and the digital economies underpinning the giant US tech stocks.

UNITED STATES ANNUAL GDP GROWTH



Chinese Economic Outlook

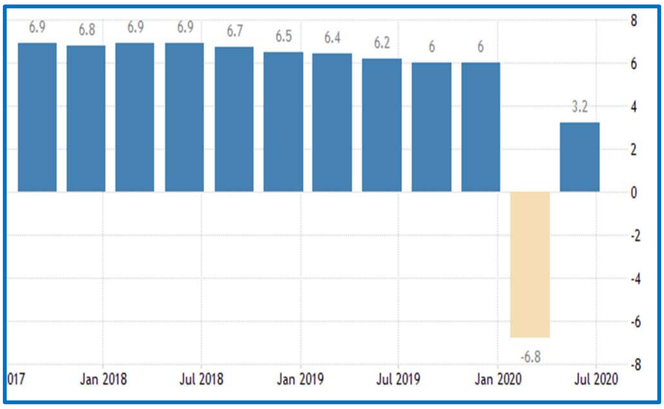
China's economy likely expanded 5.2% in the July-September quarter as a policy-led recovery continues, with growth expected to accelerate from 3.2% during the April-June period, a survey by Nikkei and Nikkei Quick News found.

China has largely contained the spread of the coronavirus, and the economy quickly returned to growth in the April-June period. The survey of 29 economists revealed that most expect July-September growth to expand further, with estimates for the third quarter ranging from 2.5% to 7.1%.

Ricky Choi, principal economist at Bank of China (Hong Kong), predicted that China's gross domestic product increased by 5.1% in the third quarter. The country's management of the COVID-19 outbreak likely will drive a rebound in consumption and production activities, he said.

China is likely to be the only country to reach pre-crisis [economic] level by the end of 2020. Its economy already has reached 80% of the level before the pandemic.

CHINA - ANNUAL GDP GROWTH RATE

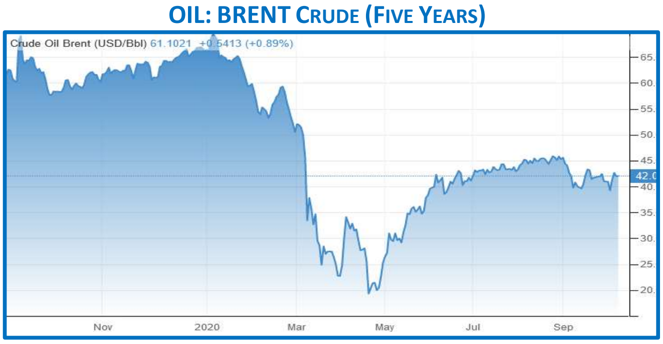


COMMODITIES

OIL

Brent Crude oil is a major benchmark price for purchases of oil worldwide. While Brent Crude oil is sourced from the North Sea the oil production coming from Europe, Africa and the Middle East flowing West tends to be priced relative to this oil. The Brent prices are based on over-the-counter (OTC) and contract for difference (CFD) financial instruments. Brent decreased 24.34 USD/BBL or 36.7% since the beginning of 2020.

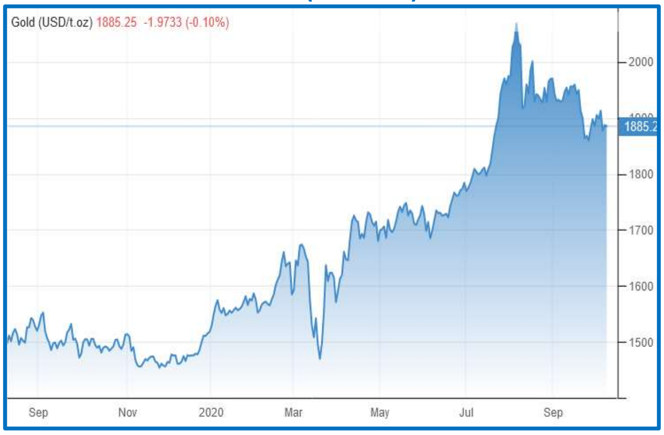
OIL: BRENT CRUDE (FIVE YEARS)



GOLD

Gold is mostly traded on the OTC London market, the US futures market (COMEX) and the Shanghai Gold Exchange (SGE). The standard future contract is 100 troy ounces. Gold is an attractive investment during periods of political and economic uncertainty. Half of the gold consumption in the world is in jewelry, 40% in investments, and 10% in industry. The biggest producers of gold are China, Australia, United States, South Africa, Russia, Peru and Indonesia. The biggest consumers of gold jewelry are India, China, United States, Turkey, Saudi Arabia, Russia and UAE. Gold increased 356.52 USD/t oz. or 23.3% since the beginning of 2020.

GOLD (ONE YEAR)



CURRENCIES

NZD/USD & NZD/AUD

SOURCE: Westpac

AGRIBUSINESS – LOOKING FROM THE OUTSIDE IN

Year ended 30 June	2004	2008	2012	2016	2017	2018	2019	2020F	2021F	2022F	2023F	2024F
Dairy	6,092	10,359	13,379	13,289	14,638	16,655	18,107	19,240	19,330	19,570	19,820	19,970
Annual % Change		17.5%	7.3%	-0.2%	10.1%	13.8%	8.7%	6.3%	0.5%	1.2%	1.3%	0.8%
Meat & wool	6,848	6,934	7,780	9,200	8,355	9,542	10,176	10,210	10,370	10,570	10,680	10,770
Annual % Change		0.3%	3.1%	4.6%	-9.2%	14.2%	6.6%	0.3%	1.6%	1.9%	1.0%	0.8%
Forestry	3,294	3,295	4,332	5,140	5,482	6,382	6,883	5,650	6,010	6,240	6,310	6,290
Annual % Change		0.0%	7.9%	4.7%	6.7%	16.4%	7.9%	-17.9%	6.4%	3.8%	1.1%	-0.3%
Horticulture	2,207	2,892	3,557	5,000	5,165	5,376	6,111	6,290	6,640	6,970	7,360	7,730
Annual % Change		7.8%	5.7%	10.1%	3.3%	4.1%	13.7%	2.9%	5.6%	5.0%	5.6%	5.0%
Seafood	1,257	1,272	1,545	1,768	1,744	1,777	1,963	1,920	2,020	2,170	2,250	2,310
Annual % Change		0.3%	5.4%	3.6%	-1.4%	1.9%	10.4%	-2.2%	5.2%	7.4%	3.7%	2.7%
Arable	94	142	182	210	197	243	236	260	250	250	255	255
Annual % Change		12.7%	7.1%	3.8%	-6.0%	23.2%	-2.7%	10.0%	-3.8%	0.0%	2.0%	0.0%
Other primary sector	1,178	1,578	1,820	2,714	2,638	2,706	2,852	2,980	3,030	3,110	3,190	3,270
Primary industries Total	***20,968***	***26,470***	***32,596***	***37,323***	***38,219***	***42,682***	***46,329***	***46,555***	***47,650***	***48,880***	***49,865***	***50,595***
Annual % Change		6.6%	5.8%	3.6%	2.4%	11.7%	8.5%	0.5%	2.4%	2.6%	2.0%	1.5%

AGRICULTURE POLICY

The Greens co-leader, Marama Davidson wants a Green MP hold the Agriculture portfolio. Yeah right.

NATIONAL'S AGRICULTURE POLICY

Judith Collins has unveiled National's agriculture policy and promised to undo "the stupider stuff" the Labour-led Government has passed relating to the farming sector. In her crosshairs are nine recent freshwater reforms which she pledged to review or replace, shifting the place of agriculture in the Emissions Trading Scheme and seven changes to the Zero Carbon Act.

The changes would include reviewing both the methane target and the use of the level of forestry offset to achieve climate-change targets. Their policy does not suggest it would repeal the Act or all the freshwater reforms, however she is clear that the Paris Accord (signed by the last National Government) specifically said that no actions in reducing emissions will impact on agricultural production.

DAIRY FARMERS ARE FEELING PESSIMISTIC

A DairyNZ survey found 64% of farmers expected their situation to decline over the next three years, while just 6% expected things to improve. More than 40% said regulatory changes were the number one issue impacting their profitability.

LIVE EXPORTS

Since 2015, close to 200,000 cattle have been shipped to countries including Mexico, the Philippines and Sri Lanka. The majority – 94% go to China. Livestock exporters fear farmers will lose valuable income while a Labour proposed independent inquiry into shipments is carried out.

MPI imposed the temporary suspension following the maritime tragedy of the Gulf Livestock 1 off the coast of Japan in early September.

"*This is one time when Government needs to suck it up, give some dispensation and let everyone at least get the immediate crisis sorted*," a live export consultant said.

FONTERRA

Fonterra made a welcome return to profitability in the 2020 financial year, despite the global disruption of covid-19 and directors were able to make a modest 5c a share dividend. Reported profit after tax at $659m was $1.3bn higher than the $562m loss last year.

Chair John Monaghan says the company was match fit when Covid hit, having divested Tip Top and DFE Pharma for good prices beforehand. When those abnormal gains of 32c were deducted, 11c a share was available for dividend and the directors opted to pay out 40% at the lower end of their policy range.

For the first time in several years, Fonterra declared a retention of 38c a share. Coupled with the confirmed $7.14/kg milksolids farm gate milk price, fully shared farmer-suppliers will receive $7.19 for the 2020 season. It is the fourth-best seasonal final payout in the co-operative's 20-year history.

Retiring Chairman, John Monaghan says the board had an option to pay a special dividend from asset sales in future. "*We haven't yet reached our debt target, and we are still in a sales process for China Farms*," he said.

The review of Fonterra's capital structure is a priority, now that the co-operative's vital signs have stabilised and profitability has returned. Without committing to any timeline, outgoing chair John Monaghan and chief executive Miles Hurrell have stated the principles for the capital structure review are now under way.

TATUA DAIRY CO-OP DOES IT AGAIN

Morrinsville based dairy co-op Tatua has once again delivered an impressive result for its 107 farmer-shareholders, reporting record pre-tax earnings of $151m, before retentions for the 12 months ended July. This was up from $140m a year earlier, as revenue rose 4.7% to $381m.

The cooperative confirmed a cash payout of $8.70/kgMS, higher than the $7.14/kgMS paid to Fonterra suppliers; and more than the $7.30/kgMS paid to Synlait Milk farmers. Tatua paid $8.50/kgMS in 2019 and maintains its track record for having the highest annual payout in the dairy sector.

Tatua retained $19.1 million ($1.26/kgMS) to reinvest, and said it remained cautiously optimistic about the year ahead.

A2 MILK

Market heavyweight A2 Milk's shock announcement recently that it's first-half revenue could fall by as much as 10% sent its share price plummeting more than 12%, wiping millions off its market cap in a matter of minutes.

The company blamed the downgrade on the disruption to the daigou trade, as a result of the state of Victoria returning to stage 4 lockdown after a resurgence in Covid-19 infections.

The daigou trade, where Chinese companies buy stock in Australia for sale in China, has been particularly hard hit as a result of Covid.

However, while A2 is forecasting a stronger second half, with annual revenue expected to up between 4% and 9.8%. It's outlook is a dramatic decline from the 32.8% sales growth it reported for the year ended June.

NEW ZEALAND EQUITIES

NZX MARKET WRAP

SKY TELEVISION (SKT.NZ)

It is not surprising to see SKT exit Outside Broadcast. Once an important piece of the competitive moat around SKT the landscape has changed, as evidence by SPK's ability to secure Cricket without it (cricket accounted for ~15% of OSB's broadcast days). With the assets well sweated, we expect only modest proceeds but SKT frees itself from the capital upgrade path. Opex in this area will go up marginally but that will be single $m's.

But some of the details he revealed were gob smacking for what they said about the way the company had been run before he came on the scene.

COMVITA (CVT.NZ)

Comvita is a relatively small company – annual sales were $196m and its market capitalisation is $236.6m at $3.39 a share. And yet the company has 646 stock keeping units!

Banfield mentioned it in the context of plans to cut 200 units, though 446 still seems an awful lot – how many sizes of honey containers, lozenges and honey-based skincare products does the company need?

NZ ELECTRICITY GENERATOR SECTOR

The likelihood of a Tiwai delayed exit has increased (from 20% to 50%), and now the forward electricity hedge market is trading as though a delay is a certainty.

In this note, Jarden reviews their Tiwai exit timing expectation and due to new information gleaned through the recent reporting season modifying their view on forecast builds and demand stimulation, they have rerun their proprietary Hydro Thermal (HT) model with these new adjustments incorporated in their earnings projections.

Key impacting changes to both Jarden's fast and delayed exit scenario assumption are 1,000GWh of demand replacement assumed in the South Island by FY24 and feeding Contact's Tauhara build into the generation stack in smaller increments beginning FY24. This has modestly improved our outlook for both August 2021 and delayed exit scenarios.

Electricity market expecting a delay: The electricity market forward hedge curve is pricing in 100% probability of a delayed Tiwai exit through to CY24. Due to a view that a material transmission pricing cut is required to meet Rio's cost reduction expectation and that this could be politically challenging to achieve, Jarden views a delayed exit as only a 50%probability.

Dividends to fall even in a delay outcome: Even if Tiwai delays its exit we are of the view that the current forward electricity curve is too bullish, as for this wholesale market to eventuate the industry would have to behave optimally (industry rational) on supply decisions as well as a healthy future demand replacement would be needed. We would expect MEL (16cps from 16.9cps) and CEN (35cps from 39cps) to drop their dividends, with deeper reductions (15cps and 32cps respectively) if Rio sticks to the August 2021 deadline. Mercury and Genesis should be able to grow their dividends whether Tiwai delays its exit or not.

Sector attractive yield trade: While our DCF valuations show little upside, except for CEN, if on Tiwai certainty the stocks revert back to how they traded on gross dividend yield relative to the ten-year government bond, then under a delayed scenario a c. 10-15% sector upside could be an outcome. A fast exit outcome should see little downside on this trading basis.

Sector neutral for now: Despite the yield trade market impacts, Jarden remains of the view that under both a delay and immediate exit scenarios, the sector will be on a four to five-year downgrade cycle as demand-supply balance is not achieved and retail wars ensue.

Ahead of a Tiwai firm outcome Jarden is MARKETWEIGHT on the sector, OUTPERFORM on Contact (TP $7.79), UNDERPERFORM Meridian (TP $4.15) and UNDERPERFORM Trustpower (TP $6.04) and NEUTRAL on both Mercury (TP $4.80) and Genesis (TP $2.90). Once we have Tiwai exit timing certainty, and prices react to fully reflect this, Jarden would expect to begin a lengthy sector underweight cycle.

ELECTRICITY SECTOR VALUATION METRICS

	Current Price	DCF Target price		DCF Upside		FY23 dividend cps		Yield trade target price		Yield trade upside	
		Fast exit	Slow exit	Fast exit	Slow exit	Fast exit	Slow exit	Fast exit	Slow exit	Fast exit	Slow exit
Contact	6.46	7.79	8.07	21%	25%	32.0	35.0	6.19	7.01	-4%	9%
Genesis	2.82	2.90	2.99	3%	6%	17.8	17.8	3.31	3.49	17%	24%
Meridian	4.93	4.15	4.23	-16%	-14%	15.0	16.0	5.06	5.86	3%	19%
Mercury	5.14	4.80	4.89	-7%	-5%	16.4	16.9	5.54	5.97	8%	16%
Trustpower	6.95	6.04	6.14	-13%	-12%	32.0	32.0				

SOURCE: COMPANY DATA, JARDEN ESTIMATES

NZ ECONOMICS & STRATEGY - JARDEN'S MODEL PORTFOLIO: SEPTEMBER 2020

Jarden's model portfolio delivered a total return of -2.0% in September, underperforming the benchmark NZX50G index of -1.6%. The portfolio has however delivered a 12-month total return of +8.6%, versus benchmark +7.5%.

Jarden's key winners for the month were over weights in EBO, CEN and SPG and key detractor being our over weights in ATM and underweight in AIA.

ATM & SML were both materially impacted by COVID-19 related disruption to the corporate daigou channel. Jarden believes for ATM, this should prove to be a transitory issue over its 1H, and retain their overweight conviction on valuation and China label performance.

Key catalysts Victoria lock-down easing and 11/11 performance. For SML they retain their nil portfolio position on broader issues around Everyday Dairy and a full balance sheet.

AIA has been a frustrating valuation based underweight for Jarden, battling news flow catalysts on the trans-Tasman and vaccine front.

They still think fundamentally expensive but equally prudent to slim the depth of their current position given enthusiasm of current news flow. Jarden's preference on COVID-19 recoveries remains KPG, SKC and ZEL. Retain zero PW on AIR.

Tactically we have boosted our sector weight on Gentailers consistent with a 75% probability of a much slower Tiwai exit (was 50/50). Merit order CEN, MCY, neutral GNE and reduced underweight in MEL. Funded by trimming VCT, SPK and IFT.

We have also lifted our exposure to house price/activity by moving overweight OCA and reducing our underweights in RYM and FBU. Small cap exits SAN, NZX, ERD and VGL.

Figure 1: Top model portfolio over- and under-weight positions

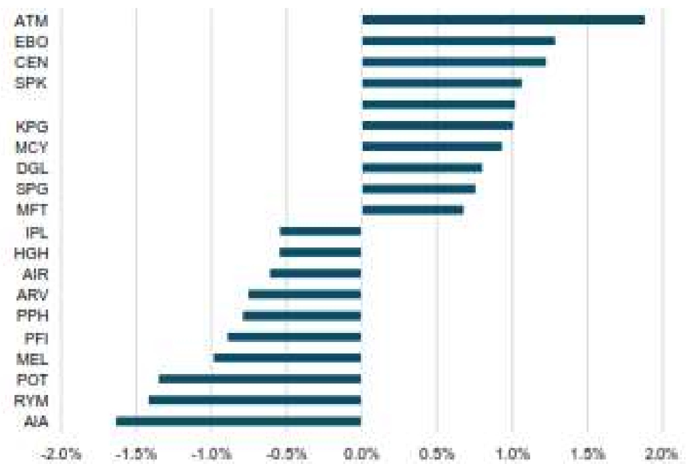
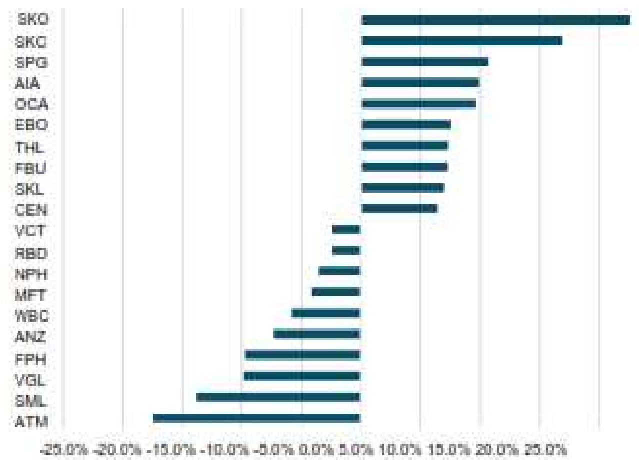


Figure 2: September - NZX50 best & worst performers



ALL ONE YEAR GRAPHS

A2 Milk

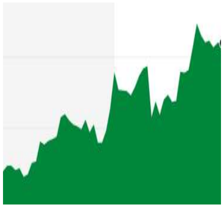
ATM has issued a profit warning which mainly reflects the greater-than-expected COVID-19 disruption to its corporate daigou channel over Sept. This compounds previous weakness in Retail daigou and further pantry un-wind. Given the magnitude of the corporate disruption and lack of replenishment orders (normally expected at this point) management now believe their ANZ revenues (52% of FY20 Infant Formula sales) will be materially below their previous expectation (at 2H result, late Aug) for the 1H. Updated guidance is for 1H group rev of $725m - $775m, FY21 group rev of $1.8bn to $1.9bn (-12% vs Jarden) and FY21 group EBITDA margin of c.31% (in line with Jarden). Margin unchanged, reflects discretionary cost savings, better manufacturing costs and the release of a portion of the inventory provision taken at YE. Critically, management noted within the release and on the analyst call, they believe this downgrade is a single channel impact and likely to be mostly isolated to 1H. Strong performances across the other areas of the business and most notably China MBS channel provide confidence and the context for ATM's 2H forecast to be materially stronger and largely unchanged vs. prior assessment in late Aug. A key highlight being the China MBS channel (24% of FY20 IF sales) which experienced Aug rev growth of +77% on pcp and mostly reflecting SSS growth with some network growth. Management also noted their 2H recovery includes some improvement in daigou but excludes any material re-stocking of this channel.

2021 P/E: 28.0 2022 P/E: 22.4

NZX Code:	**ATM**
Share Price:	**$15.20**
12mth Target:	**$21.00**
Projected return (%)	
Capital gain	38.2%
Dividend yield (Net)	0.0%
Total return	**38.2%**

Rating: OUTPERFORM

52-week price range: 12.19-21.74



AFT Pharmaceutical

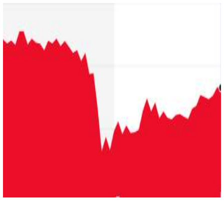
AFT's AGM update (8 Sept) highlighted the good start to the year and that it remains on track to harvest previous R&D efforts. EBIT guidance of $14-18m (ex. new licensing agreements) maintained. Introduction of dividends to be considered in FY22. The product pipeline looks solid with further developments (since FY20 result in May): **Maxigesic IV**: licensed and registered in Germany, Austria, Bulgaria, Cyprus, Czech Republic, Hungary, Romania, Slovakia, and registration in progress for Italy, France. **Maxigesic Cold & Flu**: First filing occurred mid 2020. Additionally, the rescheduling of codeine based medicines will become prescription-only in NZ from November 2020.

2021 P/E: 33.6 2022 P/E: 23.3

NZX Code:	**AFT**
Share Price:	**$5.07**
12mth Target:	**$6.50**
Projected return (%)	
Capital gain	28.2%
Dividend yield (Net)	0.9%
Total return	**29.1%**

Rating: OUTPERFORM

52-week price range: 2.87-5.48



Auckland Airport

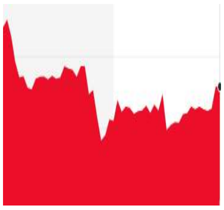
Outside borders re-opening, pax recovery and airline capacity, are keys to maintaining the support to Retailers required, and the reset of these contracts which mature over the next 2-3 years. Jarden estimates already factor some of this construct but more visibility through time will prove to be an important value driver. Critically, in the interim the property business is performing well and AIA is continuing to invest in developments.

2021 P/E: (275.9) 2022 P/E: 102.5

NZX Code:	**AIA**
Share Price:	**$7.36**
12mth Target:	**$5.95**
Projected return (%)	
Capital gain	-18.0%
Dividend yield (Net)	0.0%
Total return	**-18.0%**

Rating: UNDERPERFORM

52-week price range: 4.26-9.48



Contact Energy

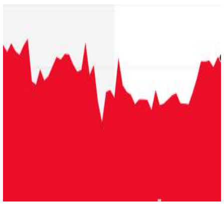
CEN reported a second good month for the start of FY21 as August EBITDA at $49m, up $8.6m on its pcp and ytd now up $14.9m. Revenue rose, with a lift in residential netback margin, up $6/MWh on pcp, offset only slightly by a surprising C&I fall of $2/MWh (this expected to rise). **Costs are down -**Renewable generation is up 10%, from 563GWh to 618GWh, driving unit generation cost down 10% to $39.81.

2021 P/E: 43.5 2022 P/E: 115.6

NZX Code:	**CEN**
Share Price:	**$6.93**
12mth Target:	**$8.01**
Projected return (%)	
Capital gain	15.6%
Dividend yield (Net)	4.8%
Total return	**20.4%**

Rating: OUTPERFORM

52-week price range: 4.54-9.05



Ebos Group

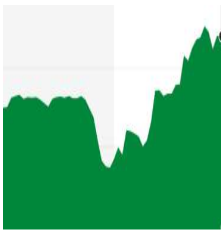
Jarden is attracted to EBO's robust dividend track record and forecast single digit earnings growth over the next three years. The company has a good track record regarding return on capital employed, achieving mid-teen returns (currently 17%) which is in line with management's 15% target for acquisitions. EBO has a sound balance sheet having raised $175 million in FY19, with net debt forecast to fall. Liquidity is strong with bank facilities extended from $200 million to $250 million. It is estimated that EBO has up to $450 million available for acquisitions. While EBO has reasonable organic growth, the key area of growth is via acquisitions.

2021 P/E: 18.0 2022 P/E: 16.6

NZX Code:	**EBO**
Share Price:	**$24.20**
12mth Target:	**$22.50**
Projected return (%)	
Capital gain	-7.0%
Dividend yield (Net)	4.0%
Total return	**-3.0%**

Rating: NEUTRAL

52-week price range: 18.42-25.60



Eroad

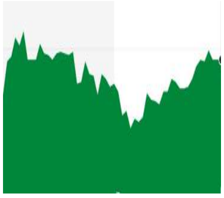
ERD is a quality fleet services provider operating in attractive markets, underpinned by regulation. The business has a largely contracted Revenue base, high gross margins, low client churn and attractive unit economics, leading to strong returns metrics in a steady state. The strong SP performance sees the stock reach Jarden's prior TP; Valuation upside is significant if ERD can demonstrate stronger traction in its offshore markets over the mid-term. Jarden has downgraded ERD to NEUTRAL and revised their Target Price to $4.30. ERD is undertaking a $50m capital raising in conjunction with an ASX listing, with funds used to accelerate product development and add sales and marketing resources, while improving balance sheet flexibility.

2021 P/E: 182.6 2022 P/E: 96.6

NZX Code:	**ERD**
Share Price:	**$4.22**
12mth Target:	**$4.30**
Projected return (%)	
Capital gain	1.9%
Dividend yield (Net)	0.0%
Total return	**1.9%**

Rating: NEUTRAL

52-week price range: 1.80-4.49



Fonterra Shareholders' Fund

FSF achieved near the top end of its 15-25 cps guidance with FY20 adjusted EPS of 24 cps. With FSF targeting FY22 EPS of 40 cps (FY24: 50 cps) Jarden was looking for a step up in FY21 and FSF's guidance of 20 – 35cps indicates that is possible, albeit it needs to make allowance for COVID related uncertainty impacting the food services businesses and stream returns which contributed positively in FY20. FSF's consumer markets in Hong Kong and Chile have been a drag on performance as well. There is an element of smoothing evident in FSF's FY20 result with it not normalizing for ~$100m of impairments and provisions as it looks to build on a path of sustainable growth in normalized earnings. Net economic debt was down to $4.7bn with the potential to come down further (~$400-500m) without a meaningful loss of earnings from successful exits from China Farms and Brazil.

2021 P/E: 13.0 2022 P/E: 11.8

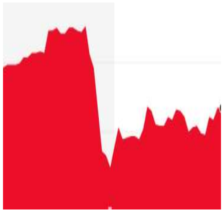
NZX Code:	**FSF**
Share Price:	**$4.00**
12mth Target:	**$4.20**
Projected return (%)	
Capital gain	5.0%
Dividend yield (Net)	4.0%
Total return	**9.0%**
Rating: NEUTRAL	
52-week price range: 3.41-4.35	

Goodman Property Trust

With GMT coming to the end of its land bank, it has been progressing the build out of a value-add portfolio of properties – adding ~$100m each in FY19 and FY20, and now the $70m acquisition of a property adjoining its existing Savill Link estate. This acquisition will take the value-add portfolio over $400m. Unlike the land bank, these value-add assets are being purchased with an income stream and the potential for future development over the medium- to longer-term. That redevelopment potential clearly exists in this site which is currently leased as yard space. While the weighted average lease term is 4.2 years, key tenants have rights of renewal that could potentially push redevelopment out more than 10 years. From a strategic stand point the acquisition is attractive with the site having direct rail access and the potential to support the development of 70,000 sqm of new industrial space over time, complementing GMT's adjoining Savill Link industrial estate (130,000 sqm. of logistics space and a $360m valuation).

2021 P/E: 34.3 2022 P/E: 33.3

NZX Code:	**GMT**
Share Price:	**$2.39**
12mth Target:	**$1.99**
Projected return (%)	
Capital gain	-16.7%
Dividend yield (Net)	2.4%
Total return	**-14.3%**
Rating: UNDERPERFORM	
52-week price range: 1.84-2.52	



Heartland Group Holdings

HGH has delivered a solid FY20 result in a challenging COVID impacted backdrop, with underlying NPAT of $70.5m (-6.1% YoY) +9.3% ahead of Jarden's estimate of $64.5m. While earnings declined year-on-year it is important to note that NPAT included a pre-tax $9.6m adjustment for potential credit losses related to COVID-19. This better result vs. Jarden's forecast was largely driven by higher-than-expected net interest income. In addition, HGH declared a final dividend of 2.5cps, bringing the total dividend to 7cps (down 3cps YoY), the company expects to return to a payout ratio aligning to historic levels once RBNZ restrictions on bank dividends are lifted.

2021 P/E: 8.8 2022 P/E: 8.4

NZX Code:	**HGH**
Share Price:	**$1.33**
12mth Target:	**$1.33**
Projected return (%)	
Capital gain	0.0%
Dividend yield (Net)	6.4%
Total return	**6.4%**
Rating: NEUTRAL	
52-week price range: 0.89-1.93	

Kathmandu

KMD reported a solid FY20 result with underlying EBITDA ($83.4m) and NPAT ($31.5m) 15% and 13% ahead of Jarden expectations, respectively, and compares to guidance of EBITDA to exceed $70m. This was largely driven by better operating cost performance in the Rip Curl business. While $26.8m of Government grants softened the impact of COVID-19 related store lockdown, it is important to note that this compares to an estimated ~$135m revenue impact across all brands. In line with expectations no dividend was declared, however, the company signaled that they expect dividends to resume in FY21.

2021 P/E: 14.9 2022 P/E: 10.9

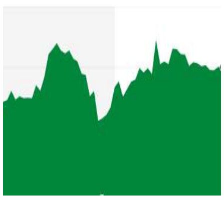
NZX Code:	**KMD**
Share Price:	**$1.24**
12mth Target:	**$1.70**
Projected return (%)	
Capital gain	37.1%
Dividend yield (Net)	5.1%
Total return	**42.2%**
Rating: OUTPERFORM	
52-week price range: 0.60-3.64	

Oceania Healthcare

Upgrade to OUTPERFORM on appealing valuation for attractive growth. From its pre-COVID-19 peak OCA's share price has underperformed its listed peers (ex. MET) by 7%. Importantly, Jarden believes the current share price does not adequately reflect the earnings upside from: (1) the company's aged care repositioning; (2) its attractive near-term development pipeline; and (3) the combined earnings upside from these two elements (an 18.4% three-year underlying NPAT CAGR). In addition, the capital contribution OCA receives from the sell-down of care suites sees only a modest ramp-up in debt, enabling the company to maintain balance sheet flexibility and its attractive dividend payout.

2021 P/E: 16.3 2022 P/E: 12.6

NZX Code:	**OCA**
Share Price:	**$1.19**
12mth Target:	**$1.14**
Projected return (%)	
Capital gain	-4.2%
Dividend yield (Net)	3.3%
Total return	**-0.9%**
Rating: OUTPERFORM	
52-week price range: 0.38-1.39	



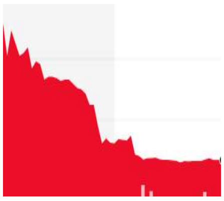
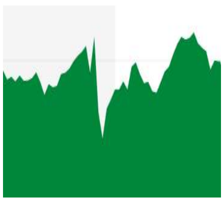
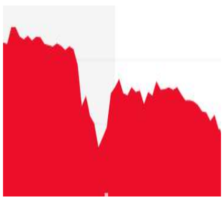
Port of Tauranga

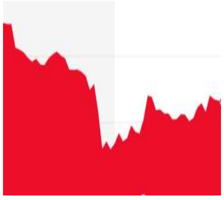
Jarden is predicting a 12%-14% NPAT downgrades for FY21-23, and see POT delivering a broadly flat earnings result in FY21E. Underlying this forecast they expect the lack of cruise ships and further YoY declines in import container volumes to temper the uptick in volume growth across other container product categories and growth in log volumes.

However, I say: **Maintain as a CORE portfolio stock.**

2021 P/E: 51.5 2022 P/E: 45.0

NZX Code:	**POT**
Share Price:	**$7.35**
12mth Target:	**$5.20**
Projected return (%)	
Capital gain	-29.3%
Dividend yield (Net)	1.5%
Total return	**-27.8%**
Rating: ~~UNDERPERFORM~~	
My Rating: BUY ON WEAKNESS	
52-week price range: 4.90-8.14	

	**Pushpay Holdings** FY21 will be a remarkable year in PPH's trajectory, with the shift to digital donations accelerating significantly, and its platform becoming indispensable to clients. Jarden now expects to see ~3-years worth of growth compressed into one, delivering a processing volume increase of 55% and EBITDAF growth of 128%. Based on Jarden's assessment of the FYTD trend, they believe PPH's share of customer wallet is now 65%, or 2500 bp higher than pre-Covid levels, and applying a similar quantum of increase implies 29% industry wide digital penetration. While the acceleration over the last six months is clearly a pull forward of demand that will create a challenging base to cycle in FY22E, they still see a significant runway of opportunity, based on current penetration rates. 2021 P/E: 39.0 2022 P/E: 27.3	**NZX Code:** PPH **Share Price:** $8.62 **12mth Target:** ↑ $9.30 **Projected return (%)** Capital gain 7.9% Dividend yield (Net) 0.9% **Total return 8.8%** **Rating: OUTPERFORM** 52-week price range: 2.36-9.68
	**Restaurant Brands New Zealand** RBD delivered a mixed 1H20 result, with underlying NPAT (post-IFRS 16) of $13.3m declining 37.6% YoY - primarily due to five weeks of COVID-19-driven store closures in RBD's key New Zealand market. While this includes $22.1m of wage subsidies, there remained a labour cost shortfall of $0.5m/week that adversely impacted earnings. 1H20 trading has further highlighted the benefits of RBD's diversification strategy, with US same store sales +8% despite dine-in being unavailable for over half of the period. 2020 P/E: 41.7 2021 P/E: 26.3	**NZX Code:** RBD **Share Price:** $11.88 **12mth Target:** $12.20 **Projected return (%)** Capital gain 2.7% Dividend yield (Net) 0.0% **Total return 2.7%** **Rating: NEUTRAL** 52-week price range: 6.47-14.13
	**Serko** Capital raise to fund growth. SKO has announced a capital raise of $55m to accelerate product development, fund small M&A opportunities and provide additional BS flexibility. This will equate to a step up in monthly cash burn to $2-$4m (from $2m) for the remainder of FY21 and into FY22. Jarden assumes $3m over the balance of FY21E. Long-term opportunity remains compelling. While the recovery will be gradual and include bumps, this period of disruption will pass. SKO has ample cash to withstand a severe downturn over the next 18 months, while maintaining its product investment. The near-term outlook is uncertain; however Jarden expects the leading players in corporate travel to increase share and emerge in a stronger position, and see SKO's alignment as a key positive. 2021 P/E: (22.1) 2022 P/E: (59.7)	**NZX Code:** SKO **Share Price:** $4.77 **12mth Target:** $4.40 **Projected return (%)** Capital gain -7.8% Dividend yield (Net) 0.0% **Total return -7.8%** **Rating: NEUTRAL** 52-week price range: 0.87-5.80
	**Sky Television** FY20 was a bad year for SKT with EBITDA down over 30% and increased costs rather than Covid a key driver of that, in addition to ongoing revenue pressure. Jarden is watching SKT's performance since the May 2020 capital raise with a lot of focus on SKT's updated view on its conservative FY21 earnings scenario. The update was encouraging on revenue but disappointing on costs. Technology-savvy consumers are becoming more demanding and less willing to pay for traditional channel bundles. All these long-term dynamics are putting pressure on the company's operating metrics and cost structure (content, marketing, technology) and forcing management to be more aggressive in the streaming segment. Key uncertainties include: (1) Transition risks on revenue as SKT repositions for a greater streaming future; particularly important given (2) a cost base which has shown little flexibility, under pressure from increasing rights costs and a need to progress a second delivery platform in parallel. (3) How capital light can SKT run and the potential risks associated with reducing capital intensity; if SKT is planning a set-top box upgrade how will it monetize the investment? (4) A move into broadband is late; what is the motivation – it looks hard to generate meaningful earnings and we wonder if broadband can reduce churn in the competitive content aggregation space. 2021 P/E: 11.3 2022 P/E: 33.1	**NZX Code:** SKT **Share Price:** $0.146 **12mth Target:** $0.17 **Projected return (%)** Capital gain 16.4% Dividend yield (Net) 0.0% **Total return 16.4%** **Rating: NEUTRAL** 52-week price range: 0.125-1.12
	**Spark NZ** SPK outlined its three-year strategy with themes and outcomes consistent with the previous strategy. SPK has justified confidence in its execution capability having turned around the business and followed it up with modest revenue and EBITDA growth allowing it to focus on sustaining a high dividend. The re-gearing for select acquisitions and working capital appear to be behind SPK. SPK has re-rated, having also benefited from a rates reduction with SPK trading at a similar premium to 10-year Govt. bond as three years ago. 2021 P/E: 21.4 2022 P/E: 19.4	**NZX Code:** SPK **Share Price:** $4.66 **12mth Target:** $4.38 **Projected return (%)** Capital gain -6.0% Dividend yield (Net) 5.2% **Total return -0.8** **Rating: NEUTRAL** 52-week price range: 3.44-5.09
	**Synlait Milk Group** SML has delivered a solid 2H result (given COVID-19 context) with FY20 NPAT -9% to $75m, slightly below Jarden expectations. The key issue and surprise was the material downgrade to its FY21 outlook, which is a combination of ATM's corporate daigou disruption and the significant cost drag from its recent diversification investments. On the positive side, the core infant business performed well (IFC vol +18% on pcp) and SML note they are close to finalising a new multi-national customer for packaged products, which is expected to provide a positive contribution from FY23 onwards and should also provide some offset to the ATM tail risk, which was recently re-ignited with ATM's potential entry into manufacturing with Mataura Valley Milk. 2021 P/E: 13.5 2022 P/E: 11.1	**NZX Code:** SML **Share Price:** $5.45 **12mth Target:** $6.15 **Projected return (%)** Capital gain 12.8% Dividend yield (Net) 0.0% **Total return 12.8%** **Rating: NEUTRAL** 52-week price range: 4.36-9.97

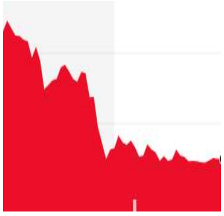


Tourism Holdings

THL has delivered a strong management response to the extreme COVID disruption and in particular patient de-fleeting to materially reduce debt and preserve its operating capability until borders re-open. The digital strategy has also been re-focused to a regional and more cost effective approach. Pre-guided uNPAT -28% to $20m and net debt $128m. No dividend as expected, but existing policy reiterated for when profitability returns (FY22 on Jarden estimates).

2021 P/E: (29.0) 2022 P/E: 27.1

NZX Code:	**THL**
Share Price:	**$2.22**
12mth Target:	**$2.80**
Projected return (%)	
Capital gain	26.1%
Dividend yield (Net)	0.7%
Total return	**26.8%**
Rating: OUTPERFORM	
52-week price range: 0.55-4.20	



Z Energy

ZEL's share price continues to trade near its COVID-induced March 2020 lows despite the economic backdrop having improved. Short-term volumes are tracking back up to normal with better than expected August volumes - retail fuel down 9% and commercial diesel up 6%. Despite the negative impact of the second Auckland lockdown, the company reconfirmed 1H21 EBITDA guidance of $85-$100 million. While retail fuel margins collapsed from 34 cents per litre (cpl) to 21cpl due to COVID-19, margins have recently recovered to around 25cpl. Jarden believes if margins are sustained above 23.5cpl through to 30 September, that the company can achieve the top end of its guidance range. Furthermore, if the surprise surge in commercial diesel volumes can be sustained it would add further upside to Jarden's forecast earnings.

2021 P/E: 55.3 2022 P/E: 13.1

NZX Code:	**ZEL**
Share Price:	**$2.75**
12mth Target:	**$3.93**
Projected return (%)	
Capital gain	42.9%
Dividend yield (Net)	3.1%
Total return	**46.0%**
Rating: OUTPERFORM	
52-week price range: 2.50-5.75	

Listed on both ASX & NZX

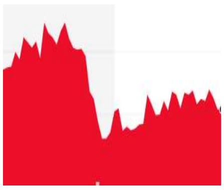
Telstra Corporation

Further NBN investment - While NBN's investment to upgrade 6.0m premises to speeds close to 1.0Gbps at a cost of A$3.5bn is significant, it should have limited impact on the RSPs (and analysts expect they'll pass through higher access costs to end users). Note that NBN hasn't increased its revenue projections in the 2021 Corporate Plan despite the higher investment, and has in fact lowered its near-term forecasts, citing (1) price consultations with RSPs; and (2) the impact of COVID, including relief measures/bonus CVC inclusions. While there may be some concern the investment will impact the penetration of fixed wireless, Jarden views this as unlikely, given fixed wireless is a product aimed at consumers on lower speed tiers.

2021 P/E: 20.1 2022 P/E: 19.2

NZX Code:	**TLS**
Share Price:	**NZ$3.03**
12mth Target:	**NZ$4.05**
Projected return (%)	
Capital gain	33.7%
Dividend yield (Net)	5.6%
Total return	**39.3 %**
Rating: OUTPERFORM	
52-week price range: 2.97-4.09	

ASX Shares



South 32

Adjust earnings on more favourable near-term coal price decks: Jarden's commodities team has modestly upgraded the outlook for coal prices (met and thermal) on the view that China demand remains resilient whilst manufacturing activities ex-China continues to recover. Jarden has bumped the DecQ US$20/t to US$135/t as They see ex-China demand improve and blast Furnaces restart in India, Japan, Europe and Brazil. Keeping a level of conservatism given. The risks around second-waves, especially in Europe, Jarden's are cautious not to be too bullish at this time and forecast HCC to average US$135/t and US$140/t in FY21 and FY22 respectively. Jarden also lift their energy coal prices and with other minor modelling adjustments their EBITDA increases ~4% over the next two years.

2021 P/E: 18.0 2022 P/E: 22.4

ASX Code:	**S32**
Share Price:	**A$2.05**
12mth Target:	**A$2.60**
Projected return (%)	
Capital gain	26.8%
Dividend yield (Net)	2.1%
Total return	**26.9%**
Rating: OUTPERFORM	
52-week price range: A1.58-A2.94	

XERO

Xero has been added to Jarden's ASX Focus List. Xero has appeared on their quantitative screen and following the recent sell-off, the risk/reward proposition appears more appealing. They believe Xero's underlying business is high quality with a recurring revenue model which accounted for 98% of revenue and a self-funding position with free cash flow breakeven achieved in 2H19 and over A$500 million of cash on its balance sheet. Xero also provides exposure to significant structural growth opportunities as businesses move from desktop products to cloud-based products and still relatively low cloud penetration in its offshore markets are expected to drive growth for some years to come. A recent survey showed Xero was the most recommended brand by Accountants in Australia & is challenging Sage in the UK, though is well behind Intuit in the US. While COVID19 presents risks to small-to-medium sized businesses (SME), the current operating environment appears more durable than many feared.

2021 P/E: 161.0 2022 P/E:

ASX Code:	**XRO.ASX**
Share Price:	**A$103.20**
12mth Target:	**A$88.00**
Projected return (%)	
Capital gain	-14.7%
Dividend yield (Net)	0.0%
Total return	**-14.7%**
Rating: OUTPERFORM	
52-week range: A54.69-A104.94	

NZ LISTED COMPANIES 2ND oCTOBER 2020 Source: Jarden, CS Group Estimates	Ticker	Rating	Mrkt Cap (NZ$m)	Price ########## (NZ$)	Target Price (NZ$)	Price Earnings (x) FY20	Price Earnings (x) FY21	Net Yield (%) FY20	Net Yield (%) FY21
COMMUNICATION SERVICES									
Chorus	CNU	NEUTRAL	3,823	$8.60	$8.34	73.4	52.4	2.8%	2.9%
Spark NZ	SPK	NEUTRAL	8,565	$4.66	$4.38	20.0	20.8	5.4%	5.4%
NZME	NZM	OUTPERFORM	106	$0.54	$0.47	6.6	6.6	0.0%	5.6%
Sky Network Television	SKT	NEUTRAL	255	$0.15	$0.17	3.8	11.0	0.0%	0.0%
CONSUMER DISCRETIONARY									
Kathmandu	KMD	OUTPERFORM	879	$1.24	$1.70	19.5	15.2	0.0%	4.3%
Michael Hill International	MHJ	OUTPERFORM	155	$0.43	$0.63	9.1	-39.3	0.0%	0.0%
Restaurant Brands NZ	RBD	NEUTRAL	1,482	$11.88	$12.20	40.8	25.7	0.0%	0.0%
SKYCITY Entertainment Group	SKC	OUTPERFORM	2,296	$3.02	$3.00	30.3	33.4	3.3%	1.3%
The Warehouse Group	WHS	NEUTRAL	777	$2.24	$2.00	10.3	11.3	7.7%	7.1%
Tourism Holdings	THL	OUTPERFORM	329	$2.22	$2.80	16.4	-27.4	4.5%	0.0%
Turners Automotive	TRA	NEUTRAL	216	$2.53	$2.26	9.4	13.6	5.5%	4.8%
FOOD, AGRICULTURE & BEVERAGE									
The a2 Milk Company	ATM	OUTPERFORM	11,287	$15.20	$21.00	28.9	28.3	0.0%	0.0%
Comvita	CVT	NEUTRAL	220	$3.15	$3.65	59.4	16.4	0.0%	2.2%
Delegat Group	DGL	NEUTRAL	1,502	$14.85	$13.55	24.7	23.4	1.1%	1.2%
Fonterra Shareholders' Fund	FSF	NEUTRAL	422	$4.00	$4.20	16.9	12.7	1.3%	4.0%
New Zealand King Salmon	NZK	UNDERPERFORM	238	$1.71	$1.55	21.2	23.9	1.2%	1.2%
PGG Wrightson	PGW	UNDERPERFORM	206	$2.73	$2.05	22.7	19.8	3.3%	4.2%
Sanford	SAN	NEUTRAL	524	$5.60	$6.15	21.4	16.5	1.8%	2.3%
Scales Corporation	SCL	NEUTRAL	693	$4.88	$5.10	25.9	20.8	3.9%	4.1%
Seeka	SEK	NEUTRAL	131	$4.08	$4.15	21.3	17.9	5.9%	5.9%
Synlait Milk	SML	NEUTRAL	977	$5.45	$6.15	13.0	12.9	0.0%	0.0%
ENERGY									
NZ Refining	NZR	OUTPERFORM	191	$0.61	$1.38	-3.7	-7.1	0.0%	0.9%
Z Energy	ZEL	OUTPERFORM	1,430	$2.75	$3.93	25.0	56.3	6.0%	0.0%
FINANCIALS									
Heartland Group Holdings	HGH	NEUTRAL	773	$1.33	$1.33	10.9	9.3	5.3%	5.4%
NZX	NZX	NEUTRAL	442	$1.59	$1.50	24.7	24.1	4.1%	4.1%
HEALTH EQUIPMENT & SUPPLIES									
AFT Pharmaceuticals	AFT	OUTPERFORM	526	$5.07	$6.50	93.1	32.5	0.0%	0.0%
Ebos Group	EBO	NEUTRAL	3,652	$24.20	$20.44	21.5	20.0	3.2%	3.5%
Fisher & Paykel Healthcare	FPH	UNDERPERFORM	19,099	$33.15	$30.00	66.3	48.4	0.8%	1.3%
HEALTHCARE PROVIDERS									
Arvida	ARV	NEUTRAL	944	$1.74	$1.35	17.1	23.4	3.3%	2.9%
Oceania Healthcare	OCA	OUTPERFORM	742	$1.19	$1.30	16.9	17.0	2.9%	2.9%
Ryman Healthcare	RYM	UNDERPERFORM	7,250	$14.50	$10.00	30.0	30.6	1.7%	1.6%
Summerset Group Holdings	SUM	NEUTRAL	2,071	$9.05	$8.05	23.9	19.6	1.4%	1.5%
TRANSPORTATION & LOGISTICS									
Air New Zealand	AIR	UNDERPERFORM	1,673	$1.49	$0.80	-26.7	-6.9	7.4%	0.0%
Auckland Airport	AIA	UNDERPERFORM	10,838	$7.36	$5.95	49.9	n.m.	0.0%	0.0%
Freightways	FRE	NEUTRAL	1,298	$7.85	$7.60	23.9	20.6	1.9%	4.1%
Mainfreight	MFT	NEUTRAL	4,632	$46.00	$45.00	29.7	28.6	1.3%	1.3%
Port of Tauranga	POT	UNDERPERFORM	4,999	$7.35	$5.20	53.4	52.8	1.7%	1.5%
INDUSTRIALS									
Fletcher Building	FBU	NEUTRAL	3,338	$4.05	$3.81	n.m.	21.0	0.0%	2.5%
Metro Performance Glass	MPG	OUTPERFORM	59	$0.32	$0.38	5.4	10.4	0.0%	0.0%
Skellerup Holdings	SKL	OUTPERFORM	553	$2.84	$2.80	19.0	18.0	4.6%	4.8%
Steel & Tube	STU	UNDERPERFORM	101	$0.61	$0.51	-26.8	-62.3	0.0%	0.0%
INFORMATION TECHNOLOGY									
EROAD	ERD	NEUTRAL	334	$4.22	$4.30	n.m.	n.m.	0.0%	0.0%
Gentrack Group	GTK	NEUTRAL	124	$1.26	$1.40	38.2	-23.0	0.0%	0.0%
Pushpay Holdings	PPH	OUTPERFORM	1,630	$8.91	$6.17	n.m.	44.7	0.0%	0.0%
Serko	SKO	OUTPERFORM	442	$4.77	$4.40	-53.2	-23.3	0.0%	0.0%
Vista Group International	VGL	OUTPERFORM	366	$1.60	$2.00	-19.7	37.1	0.0%	0.0%
REAL ESTATE									
Argosy Property	ARG	NEUTRAL	1,151	$1.38	$1.43	19.2	20.8	4.6%	4.6%
Goodman Property Trust	GMT	UNDERPERFORM	3,332	$2.40	$1.99	35.6	35.1	2.8%	2.3%
Investore Property	IPL	NEUTRAL	806	$2.19	$2.06	28.6	29.3	3.5%	3.5%
Kiwi Property Group	KPG	OUTPERFORM	1,718	$1.10	$1.19	15.3	17.5	3.2%	5.1%
Precinct Properties NZ	PCT	NEUTRAL	2,220	$1.69	$1.74	26.7	26.0	3.7%	3.8%
Property for Industry	PFI	UNDERPERFORM	1,352	$2.70	$2.55	26.8	27.3	2.8%	2.9%
Stride Property Group	SPG	OUTPERFORM	778	$2.13	$2.23	20.6	22.2	4.7%	4.7%
Vital Healthcare Property Trus	VHP	NEUTRAL	1,366	$2.99	$2.65	28.7	26.7	2.9%	3.1%
UTILITIES									
Contact Energy	CEN	OUTPERFORM	4,977	$6.93	$8.03	36.9	46.7	5.6%	5.2%
Genesis Energy	GNE	NEUTRAL	3,178	$3.05	$3.09	68.4	42.0	5.6%	5.6%
Infratil	IFT	OUTPERFORM	3,608	$4.99	$5.36	24.6	n.m.	3.5%	3.5%
Mercury NZ	MCY	NEUTRAL	7,016	$5.15	$4.99	42.7	41.9	3.1%	3.3%
Meridian Energy	MEL	UNDERPERFORM	12,736	$4.97	$4.30	40.2	63.4	3.9%	3.4%
TILT Renewables	TLT	NEUTRAL	1,309	$3.75	$3.33	3.4	n.m.	0.0%	0.0%
TrustPower	TPW	UNDERPERFORM	2,241	$7.16	$6.43	29.7	27.3	4.5%	4.5%
Vector	VCT	UNDERPERFORM	4,260	$4.26	$3.44	36.1	32.6	3.9%	3.9%
MARKET AVERAGE*						**22.5**	**18.5**	**2.4%**	**2.5%**

**PE ratios exclude: AFT, AIA, AIR, ERD, FPH, GTK, IFT, STU* **Net Yields exclude*

JARDEN'S NEW ZEALAND EQUITY RECOMMENDATIONS

	UNDERPERFORM	NEUTRAL	OUTPERFORM
COMMUNICATION SERVICES			
		Chorus (CNU) Spark NZ (SPK)	NZME (NZM)
		Sky Network Television(SKT)	
CONSUMER DISCRETIONARY			
		Restaurant Brands NZ (RBD)	Kathmandu (KMD)
		The Warehouse Group (WHS)	Michael Hill International (MHJ)
		Turners Automotive (TRA)	SKYCITY Entertainment (SKC)
			Tourism Holdings (THL)
CONSUMER STAPLES			
	New Zealand King Salmon(NZK)	Comvita (CVT)	The a2 Milk Company(ATM)
	PGG Wrightson (PGW)	Delegat Group (DGL)	
		Fonterra Shareholders' Fund (FSF)	
		Sanford (SAN)	
		Scales Corporation (SCL)	
		Seeka (SEK)	
		Synlait Milk (SML)	
ENERGY			
			NZ Refining (NZR)
			Z Energy (ZEL)
FINANCIALS			
		NZX (NZX)	
		Heartland Group (HGH)	
HEALTH CARE			
	Fisher & Paykel Healthcare (FPH)	Ebos Group (EBO)	AFT Pharmaceuticals (AFT)
			Oceania Healthcare (OCA)
Health Care Providers & Services			
	Ryman Healthcare (RYM)	Arvida (ARV)	
		Summerset Group (SUM)	
INDUSTRIALS			
			Metro Performance Glass (MPG)
			Skellerup Holdings (SKL)
TRANSPORTATION & LOGISTICS			
	Air New Zealand (AIR)	Freightways (FRE)	
	Auckland Airport (AIA)	Mainfreight (MFT)	
	Port of Tauranga (POT)		
INFORMATION TECHNOLOGY			
		EROAD (ERD)	Pushpay Holdings (PPH)
		Gentrack Group (GTK)	Vista Group International (VGL)
MATERIALS			
	Steel & Tube (STU)	Fletcher Building (FBU)	
REAL ESTATE			
	Goodman Property Trust (GMT)	Argosy Property (ARG)	Kiwi Property Group (KPG)
		Investore Property (IPL)	Stride Property Group (SPG)
	Property for Industry (PFI)	Precinct Properties NZ (PCT)	
		Vital Healthcare Property Trust (VHP)	
UTILITIES			
	Meridian Energy (MEL)	Genesis Energy (GNE)	Contact Energy (CEN)
	TrustPower (TPW)	Mercury NZ (MCY)	Infratil (IFT)
	Vector (VCT)	TILT Renewables (TLT)	

Australian Forecasts	Ticker	Market Cap	Price	Target Price	Price Earnings (x)		Net Yield (%)	
2-September-2020			02-Oct-20					
Source: CSFB estimates		(A$m)	(A$)	(A$)	FY20	FY21	FY20	FY21
COMMUNICATION SERVICES								
carsales.com.au	CAR	5,166	A$20.99	A$18.80	43.3	36.7	2.2%	2.5%
Nine Entertainment	NEC	2,950	A$1.73	A$2.35	20.9	21.4	4.0%	3.5%
REA Group	REA	14,905	A$113.16	A$109.00	55.5	47.9	1.0%	1.1%
Seek	SEK	7,544	A$21.37	A$23.10	83.3	153.9	0.6%	0.0%
Telstra Corporation	TLS	32,944	A$2.77	A$3.85	18.1	19.4	5.8%	5.8%
TPG Telecom	TPG	13,573	A$7.30	A$7.40	55.3	29.6	0.5%	2.5%
CONSUMER DISCRETIONARY								
Aristocrat Leisure	ALL	19,041	A$29.82	A$30.00	40.2	25.6	0.0%	2.4%
Crown	CWN	5,939	A$8.77	A$11.10	37.1	-101.0	3.4%	0.0%
Domino's Pizza Enterprises	DMP	6,974	A$80.60	A$60.21	47.7	40.7	1.5%	1.7%
Flight Centre	FLT	2,782	A$13.98	A$14.01	-4.4	-44.8	0.0%	0.0%
JB Hi-Fi	JBH	5,309	A$46.21	A$50.21	16.4	14.8	4.1%	4.4%
Star Entertainment Group	SGR	2,825	A$3.08	A$3.60	23.3	28.8	3.4%	0.0%
Tabcorp Holdings	TAH	7,450	A$3.36	A$4.30	25.2	22.7	3.3%	2.1%
Wesfarmers	WES	50,547	A$44.58	A$51.59	24.2	23.6	3.4%	4.1%
CONSUMER STAPLES								
Coca-Cola Amatil	CCL	6,885	A$9.51	A$10.95	21.9	18.9	3.3%	4.3%
Coles Group Limited	COL	22,757	A$17.06	A$19.97	24.3	21.7	3.4%	3.8%
Treasury Wine	TWE	6,324	A$8.77	A$12.30	20.0	19.1	3.1%	3.4%
Woolworths	WOW	46,090	A$36.49	A$40.31	28.7	24.7	2.6%	2.9%
ENERGY								
Ampol Limited	ALD	5,716	A$22.89	A$25.51	27.9	16.1	2.1%	3.7%
Beach Energy	BPT	2,852	A$1.25	A$1.96	6.2	7.6	1.6%	1.6%
Oil Search	OSH	5,236	A$2.52	A$3.23	39.6	11.4	0.0%	2.1%
Origin Energy	ORG	7,503	A$4.26	A$5.30	7.3	19.2	5.9%	4.7%
Santos	STO	9,728	A$4.67	A$6.63	18.6	13.4	1.0%	1.8%
Woodside Petroleum	WPL	16,165	A$16.80	A$25.20	23.6	18.3	3.2%	4.4%
WorleyParsons	WOR	4,918	A$9.45	A$11.70	14.1	13.5	5.3%	5.6%
COMMERCIAL BANKS								
ANZ Banking Group	ANZ	48,442	A$17.08	A$26.20	14.0	11.1	3.8%	4.9%
Bank of Queensland	BOQ	2,553	A$5.62	A$5.50	12.7	12.2	0.0%	4.4%
Bendigo and Adelaide Bank	BEN	3,180	A$6.00	A$7.00	11.3	14.4	5.2%	4.0%
Commonwealth Bank Austral	CBA	112,800	A$63.72	A$74.80	15.7	16.8	4.7%	3.1%
National Australia Bank	NAB	57,544	A$17.49	A$21.30	15.5	12.9	3.7%	4.1%
Westpac	WBC	59,846	A$16.57	A$20.60	16.5	11.4	2.2%	4.4%
FINANCIALS & CAPITAL MARKETS								
ASX	ASX	15,569	A$80.42	A$73.00	30.3	32.2	3.0%	2.8%
AMP Limited	AMP	4,553	A$1.33	A$1.78	10.4	11.9	7.1%	3.2%
Challenger Limited	CGF	2,554	A$3.78	A$4.25	8.1	10.2	4.6%	5.0%
Macquarie Group	MQG	43,055	A$119.10	A$107.50	15.4	18.8	3.6%	3.0%
Magellan Financial Group	MFG	10,403	A$56.70	A$65.00	23.5	23.1	3.8%	3.9%
INSURANCE								
Medibank Private	MPL	7,078	A$2.57	A$3.00	19.3	18.5	4.7%	4.5%
NIB Holdings	NHF	1,900	A$4.16	A$4.70	17.1	15.9	3.4%	3.8%
HEALTH CARE								
CSL	CSL	129,514	A$284.67	A$333.00	41.4	41.7	1.0%	1.0%
Ansell	ANN	4,749	A$36.95	A$43.00	20.7	20.4	2.0%	2.1%
Cochlear	COH	12,966	A$197.25	A$215.00	76.6	76.8	0.8%	0.3%
ResMed	RMD	42,186	A$23.35	A$28.00	36.1	36.9	1.0%	0.9%
HEALTH CARE PROVIDERS & SERVICES								
Ramsay Health Care	RHC	15,310	A$66.89	A$70.00	42.9	33.8	0.9%	1.2%
Sonic Healthcare	SHL	15,812	A$33.12	A$37.50	29.4	20.8	2.6%	3.4%

	Ticker	Market Cap	Price	Target Price	Price Earnings (x)		Net Yield (%)	
			02-Oct-20					
		(A$m)	(A$)	(A$)	FY20	FY21	FY20	FY21
INDUSTRIALS								
ALS	ALQ	4,448	A$9.22	A$9.75	23.7	24.4	1.9%	2.5%
Brambles	BXB	15,372	A$10.21	A$12.25	21.7	21.0	2.6%	2.7%
Cleanaway Waste Mgment	CWY	4,257	A$2.07	A$2.45	28.2	25.6	2.0%	2.2%
Downer EDI	DOW	3,002	A$4.28	A$4.70	15.6	14.3	3.3%	4.5%
Reliance Worldwide	RWC	3,255	A$4.12	A$4.75	24.9	17.6	1.7%	2.3%
TRANSPORTATION & LOGISTICS								
Atlas Arteria	ALX	5,802	A$6.05	A$7.90	-55.8	21.4	1.8%	4.4%
Aurizon	AZJ	7,965	A$4.16	A$5.40	15.3	15.7	6.6%	6.3%
Qantas	QAN	7,752	A$4.11	A$3.00	-3.2	-8.3	0.0%	0.0%
Qube Holdings	QUB	4,826	A$2.56	A$3.20	41.3	36.5	2.3%	2.3%
Sydney Airport	SYD	15,760	A$5.84	A$4.50	-62.2	n.m.	0.0%	1.9%
Transurban	TCL	38,581	A$14.10	A$12.60	n.m.	-155.5	3.3%	2.2%
INFORMATION TECHNOLOGY								
Appen	APX	4,101	A$33.71	A$30.00	54.3	42.0	0.3%	0.4%
Computershare	CPU	6,610	A$12.22	A$13.90	14.6	17.9	3.8%	3.2%
Link Administration	LNK	1,987	A$3.74	A$5.10	14.1	15.5	2.7%	2.7%
NEXTDC	NXT	5,524	A$12.12	A$11.70	n.m.	n.m.	0.0%	0.0%
WiseTech Global	WTC	8,362	A$25.83	A$28.00	127.9	85.8	0.1%	0.2%
Xero	XRO	14,740	A$103.20	A$88.00	n.m.	n.m.	0.0%	0.0%
MATERIALS & PACKAGING								
Amcor	AMC	24,610	A$15.17	A$15.50	15.9	15.5	4.4%	4.6%
Boral	BLD	5,613	A$4.58	A$4.15	24.1	29.4	2.1%	0.0%
Incitec Pivot	IPL	3,865	A$1.99	A$3.27	15.9	12.8	1.9%	4.1%
James Hardie Industries	JHX	14,881	A$33.52	A$34.90	28.8	26.9	0.5%	0.0%
Orica	ORI	6,311	A$15.55	A$16.59	18.8	15.9	2.9%	4.1%
Orora	ORA	2,317	A$2.40	A$2.40	18.2	17.8	20.5%	4.2%
METALS & MINING								
Alumina	AWC	3,917	A$1.35	A$2.00	13.9	13.2	6.0%	7.7%
BHP Group	BHP	166,592	A$35.12	A$39.00	13.2	11.1	5.0%	4.5%
BlueScope Steel	BSL	6,438	A$12.78	A$13.60	18.5	25.3	1.1%	1.1%
Evolution Mining	EVN	9,961	A$5.83	A$6.55	24.6	14.7	2.7%	3.3%
Fortescue Metals Group	FMG	49,510	A$16.08	A$16.50	7.0	5.5	10.6%	12.0%
Iluka Resources	ILU	3,771	A$8.92	A$10.00	22.1	10.8	0.0%	3.3%
Newcrest Mining	NCM	25,550	A$31.29	A$37.70	22.2	11.5	1.2%	0.7%
Northern Star Resources	NST	10,225	A$13.80	A$16.85	33.0	12.9	1.2%	1.7%
OZ Minerals	OZL	4,344	A$13.38	A$11.15	24.3	14.3	1.7%	1.7%
Rio Tinto	RIO	140,468	A$93.60	A$95.00	9.3	9.0	6.8%	7.2%
South 32	S32	9,935	A$2.05	A$2.60	34.9	17.1	2.3%	2.4%
REAL ESTATE								
Charter Hall Group	CHC	5,999	A$12.88	A$12.21	18.6	25.2	2.8%	2.9%
Dexus	DXS	9,952	A$9.12	A$9.92	16.6	16.1	5.5%	5.5%
Goodman Group	GMG	33,475	A$18.12	A$17.34	31.5	28.8	1.7%	1.7%
GPT Group	GPT	7,850	A$4.03	A$4.29	17.0	14.6	5.0%	5.9%
Lend Lease	LLC	7,475	A$10.86	A$13.31	-21.1	13.8	3.1%	3.6%
Mirvac Group	MGR	8,820	A$2.24	A$2.41	17.0	18.5	4.1%	4.3%
Scentre Group	SCG	11,471	A$2.21	A$2.73	15.5	12.4	4.2%	5.6%
Stockland Group	SGP	9,254	A$3.88	A$3.96	13.3	14.1	6.2%	6.0%
Vicinity Centres	VCX	6,328	A$1.39	A$1.61	11.2	12.8	5.5%	6.3%
UTILITIES								
AGL Energy	AGL	8,411	A$13.50	A$12.60	10.6	13.1	7.3%	7.6%
APA Group	APA	12,177	A$10.32	A$10.70	38.4	39.7	4.8%	4.8%
AusNet Services	AST	7,168	A$1.91	A$1.90	24.2	25.7	5.3%	4.7%
Spark Infrastructure	SKI	3,598	A$2.07	A$2.65	51.0	86.4	6.8%	4.8%
Market Average					**23.0**	**19.3**	**2.9%**	**3.1%**

**PE ratios exclude: XRO*   **Net Yields exclude: ORA*

JARDEN'S AUSTRALIAN EQUITY RECOMMENDATIONS

UNDERPERFORM	NEUTRAL	OUTPERFORM
COMMUNICATION SERVICES		
	carsales.com.au (CAR)	Nine Entertainment (NEC)
	REA Group (REA)	Seek (SEK)
	TPG Telecom (TPG)	Telstra Corporation (TLS)
CONSUMER DISCRETIONARY		
Domino's Pizza Enterprises (DMP)	JB Hi-Fi (JBH)	Aristocrat Leisure (ALL)
		Crown (CWN)
		Flight Centre (FLT)
		Star Entertainment Group (SGR)
		Tabcorp Holdings (TAH)
		Wesfarmers (WES)
CONSUMER STAPLES		
	Coles Group (COL)	Coca-Cola Amatil (CCL)
	Woolworths (WOW)	Treasury Wine (TWE)
ENERGY		
	Ampol (ALD)	Beach Energy (BPT)
	Oil Search (OSH)	Santos (STO)
	Origin Energy (ORG)	Woodside Petroleum (WPL)
		WorleyParsons (WOR)
FINANCIALS		
ASX (ASX)	Macquarie Group (MQG)	AMP Limited (AMP)
		Magellan Financial Group (MFG)
BANKS		
	Bank of Queensland (BOQ)	ANZ Banking Group (ANZ)
	Bendigo and Adelaide Bank (BEN)	National Australia Bank (NAB)
	Commonwealth Bank Australia (CBA)	Westpac (WBC)
INSURANCE		
	NIB Holdings (NHF)	Challenger Limited (CGF)
		Insurance Australia Group (IAG)
		Medibank Private (MPL)
		QBE Insurance Group (QBE)
HEALTH CARE		
	Cochlear (COH)	Ansell (ANN)
	ResMed (RMD)	CSL (CSL)
HEALTH CARE SERVICES & PROVIDERS		
		Ramsay Health Care (RHC)
		Sonic Healthcare (SHL)
BUILDING, CONSTRUCTION & SERVICES		
		ALS (ALQ)
		Brambles (BXB)
		Cleanway Waste Mgment (CWY)
		Incitec Pivot (IPL)
		James Hardie Industries (JHX)
		Reliance Worldwide (RWC)
TRANSPORTATION & LOGISTICS		
Qantas (QAN)		Atlas Arteria (ALX)
Sydney Airport (SYD)		Aurizon (AZJ)
Transurban (TCL)		Qube Holdings (QUB)
INFORMATION TECHNOLOGY		
	Appen (APX)	Link Administration Holdings Limited (LNK)
	Computershare (CPU)	Xero (XRO)
	NEXTDC (NXT)	
	WiseTech Global (WTC)	
METALS & MINING		
OZ Minerals (OZL)	Ammcor (AMC)	BHP Group (BHP)
	Boral (BLD)	BlueScope Steel (BSL)
	Fortescue Metals (FMG)	Evolution Mining (EVN)
	Orora (ORA)	Iluka Resources (ILU)
	Rio Tinto (RIO)	Newcrest Mining (NCM)
		Northern Star Resources (NST)
		South 32 (S32)
PROPERTY & REAL ESTATE		
	Charter Hall Group (CHC)	Dexus (DXS)
	Stockland Group (SGP)	GPT Group (GPT)
	Goodman Group (GMG)	Lend Lease (LLC)
		Mirvac Group (MGR)
		Scentre Group (SCG)
		Vicinity Centres (VCX)
ENERGY UTILITIES		
	APA Group (APA)	Spark Infrastructure Group (SKI)
	AusNet Services (AST)	

Ticker	Security Name	Weight	Sector	Price	Price	PE Ratio	Div Yield	Gross Return % *		
				31-Aug-20	30-Sep-20	x	%	30-Sep-20	1 Year	3 Year (pa)
AIR.FP	Airbus	3.9%	Indus trials	EUR68.84	EUR62.07	36.7	0.0	-9.9	-46.7	-4.7
AMZN.US	Amazon	9.6%	Cons Discretionary	USD3,450.96	USD3,148.73	67.9	0.0	-7.2	71.6	52.8
AAPL.US	Apple	9.5%	Info Tech	USD129.04	USD115.81	31.8	0.7	-8.7	97.6	50.5
ASML.NA	ASML Holding	7.0%	Info Tech	EUR314.30	EUR314.70	43.1	0.9	1.9	32.2	34.8
T.US	AT&T	4.2%	Comm . Serv	USD29.81	USD28.51	8.9	7.3	-2.7	-24.2	-1.7
BP/.LN	BP	2.8%	Energy	GBP2.64	GBP2.25	6.5	9.0	-16.2	-53.3	-15.7
C.US	Citigroup	6.2%	Financials	USD51.12	USD43.11	13.7	4.7	-14.2	-38.9	-11.2
MC.FR	LVMH	4.3%	Cons Discretionary	EUR392.80	EUR399.40	48.7	1.3	1.6	12.8	24.8
MA.US	Mastercard	6.6%	Info Tech	USD358.19	USD338.17	51.3	0.5	-4.0	18.4	38.4
MRK.US	Merck & Co	7.2%	Health Care	USD85.27	USD82.95	13.2	3.1	-0.3	-3.9	15.6
MSFT.US	Microsoft	7.2%	Info Tech	USD225.53	USD210.33	33.7	0.0	-5.1	44.8	47.6
MS.US	Morgan Stanley	6.2%	Financials	USD52.26	USD48.35	10.2	2.9	-5.9	10.4	5.7
ULVR.LN	Unilever	5.1%	Cons Staples	GBP44.60	GBP47.76	21.6	3.1	5.3	0.3	8.5
UNH.US	UnitedHealth Group	8.3%	Health Care	USD312.55	USD311.77	19	1.5	1.9	38.0	22.0
WMT.US	Walmart	6.9%	Cons Staples	USD138.85	USD139.91	26.2	0.0	2.5	13.5	27.6
DIS.US	Walt Disney	5.0%	Comm . Serv	USD131.87	USD124.08	82.9	0.7	-4.3	-9.4	12.5
		100.0%								

* NZD adjusted - inc dividends

In September, the MSCI All-Country World Index benchmark in NZ dollars (NZD) returned -1.5%. The Global Direct portfolio underperformed the benchmark returning -4.2% in NZD. The NZD depreciated by 1.7% against the US dollar and was flat against the Euro (EUR) in September.

SECURITY DESCRIPTIONS

AIRBUS

Airbus SE is a European aerospace corporation which designs, manufactures and sells civil and military aerospace products worldwide. The company employs over 130,000 staff and generates over €65 billion in annual revenue.

AMAZON

Amazon is an American multinational technology company based in Seattle, Washington that focuses on e-commerce, cloud computing, digital streaming and artificial intelligence. It is considered one of the Big Four technology companies along with Google, Apple and Facebook.

APPLE

Apple Inc. is an American multinational technology company headquartered in Cupertino, California, that designs, develops, and sells consumer electronics, computer software, and online services.

ASML HOLDING

ASML Holding develops, produces, markets, sells and services photolithography systems which are used by the semiconductor industry in the production of computer chips. It is currently the largest supplier in the world of photolithography systems for the semiconductor industry.

AT&T

AT&T is an American multinational conglomerate headquartered in Dallas, TX which provides telecommunication, media, and technology services worldwide. The company operates through four segments: Communications, WarnerMedia, Latin America, and Xandr.

BP

BP is one of the top three global integrated oil and gas companies that has both upstream and downstream operations. It is a vertically integrated company operating in all areas of the oil and gas industry, including exploration and production, refining, distribution and marketing, petrochemicals, power generation and trading. It also has renewable energy interests in biofuels and wind power.

CITIGROUP

Citigroup is a large international financial institution with a diversified range of businesses in asset management and investment banking in addition to its traditional consumer and corporate banking businesses. Although Citigroup has a global presence, its business is heavily North American focused, as it accounts for about half of Citigroup's net revenue.

LVMH

LVMH has about 70 luxury brands encompassing wines & spirits, fashion & leather, perfumes & cosmetics as well as watches & jewellery. LVMH enjoys leadership positions in leather goods and fashions (e.g. Louis Vuitton, Christian Dior, Rimowa), Cognac (e.g. Hennessy, which has 49% global market share) and Champagne (e.g. Moet & Chandon, which has 22% global market share).

MASTERCARD

MasterCard is the third largest technology company in the electronic payments processing industry. Its principal business is to process payments worldwide between the banks of merchants and the card issuing banks or credit unions of the purchasers who use the

"MasterCard" brand debit, credit and prepaid to make purchases.

MERCK & CO

Merck & Co., Inc. is a global health care company that delivers health solutions through its prescription medicines, vaccines, biologic therapies, animal health, and consumer care products, which it markets directly and through its joint ventures.

MICROSOFT

Microsoft Corporation develops, manufactures, licenses, supports, and sells computer software, consumer electronics, personal computers, and related services.

MORGAN STANLEY

Morgan Stanley is a financial services corporation that, through its subsidiaries and affiliates, advises, and originates, trades, manages and distributes capital for governments, institutions and individuals. The company operates in three business segments: Institutional Securities, Wealth Management, and Investment Management.

UNILEVER

Unilever is one of the largest consumer staples companies in the world, owning over 400 brands. The company's portfolio includes products in foods, ice cream, tea, laundry, home & hygiene, hair care, skin cleansing, deodorants as well as oral care categories. The top 13 Unilever brands each generate over €1 billion of sales annually and are well known to consumers across the world.

UNITEDHEALTH GROUP

UnitedHealth Group (UNH) is the largest managed health care provider in the US. The company underwrites health care insurance, provides medical care services through its own network of clinics and hospitals as well as managing health care plans for government agencies (e.g. Medicare, Medicaid), military, schools and private companies.

WALMART

Walmart is an American multinational retail corporation that operates a chain of hypermarkets, discount department stores, and grocery stores. The Walt Disney Company Walt Disney is the world's largest integrated media conglomerate in terms of revenue. While Disney is most famous for its theme parks and cartoon characters, its Media Network business has a leading presence in cable television (ESPN, Freeform and Disney Channels) and television broadcasting (ABC and others).

IMPORTANT NOTE

This summary briefly describes the funds and companies represented in the Portfolio Series but it does not, nor does it attempt to, contain everything material that there is to be said about the funds and the companies and their businesses.

Limitations and Disclaimer