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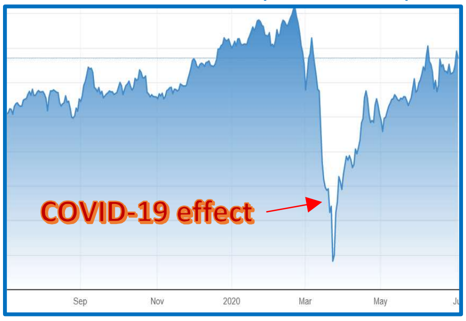
INVESTMENT STRATEGIES

Volume 46

July 2020

NZ50 GROSS INDEX (ONE-YR GRAPH)



NZ STATISTICS REPORTS:

In the March 2020 quarter:

- NZ economy – down 1.6%
- Service industries – down 1.1%
- Primary industries – down 1.0%
- Goods-producing industries – down 2.7%
- GDP per capita – down 2.2%
- Real gross disposable national income – down 1.6%

New Zealanders made huge sacrifices to defeat Covid-19, and it has proved so disappointing to learnt just how poor our border security has been.

That said our equity markets are heading back into record territory, mainly because, while many companies are struggling to beat off the effects of this recession (only matched by the Great Recession of the 1920's), the reality for investors is that low interest rates means that our equity Markets offer a compelling investment option.

Locally, Tauranga remains out of favour, when it comes to Government Covid support – but that is to be expected, as political parties vie for votes. Labour knows that there a very few votes for them in the Western Bay of Plenty.

VERSUS

WEBSITE:
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CONTENTS	PAGE

STATISTICS NZ DATA

Bay of Plenty Population	2018	2013	2006
European	73.6%	75.7%	67.1%
Māori	29.1%	27.5%	27.5%
Pacific peoples	3.5%	3.1%	2.6%
Asian	7.2%	5.2%	3.2%
Middle Eastern/Latin American /African	0.7%	0.5%	0.3%
Other ethnicity	1.1%	1.8%	12.3%

Estimated population at 1-July-2020: **5,008,428**
Births less Deaths Dec-19 year: **25,377**
Net long-term migration Dec-19 year: (non NZrs) **43,765**

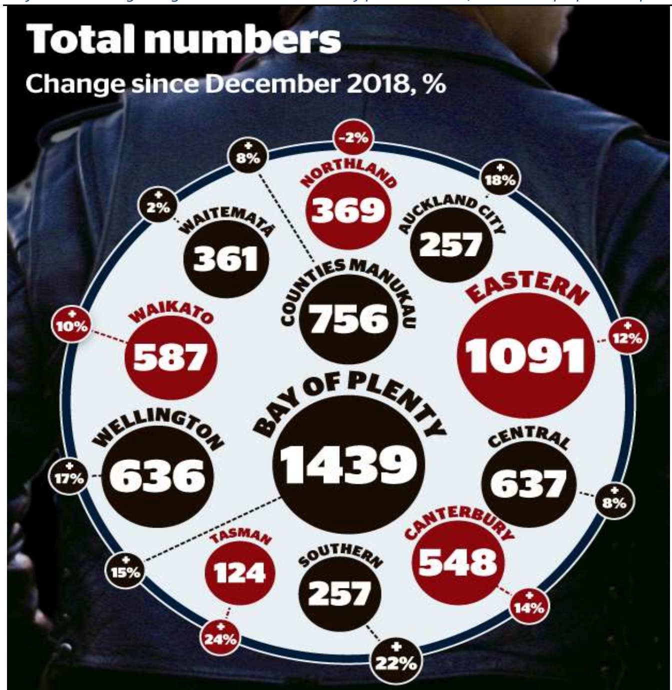
Employment

Unemployment rate Mar-20 qtr (↑0.2%) **4.2%**
Average (Public) Hourly Wage Mar-20 year **$41.59**
Average (Private) Hourly Wage Mar-20 year **$30.99**
Ave Weekly Earnings Mar-20 year (↑3.4%) **$1,285.50**
People not in workforce Mar-20 qtr **1,167,000**
Consumer Price Index Mar-20 year (↑1.0%) **2.5%**

The size of the NZ Economy Mar-20 year: ↓ **$303 bn**
GDP per capita Dec-19 quarter: **0.2%**
GDP Growth (volume) Dec-19 quarter: **0.5%**
GDP Growth (volume) Dec-19 year: **2.3%**

The impacts of COVID-19 will be seen in the June 2020 quarter results and in subsequent quarters.

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



NORTHLAND -2%
Aotearoa Native, Bandidos MC, Comanchero MC, Black Power, Filthy Few MC, Head Hunters MC, Hells Angels MC, Highway 61 MC, Killer Beez, King Cobra, Mongrel Mob, Mothers MC, NZ Nomad, Outcasts MC, Rebels MC, Stormtrooper, Tribesmen MC

WAITEMATA +2%
Bandidos MC, Black Power, Comanchero MC, Greazy Dogs,MC, Head Hunters MC, Hells Angels MC, Highway 61 MC, Killer Beez, King Cobra, Mongrel Mob, NZ Nomad, Rebels MC, Tribesmen MC

COUNTIES MANUKAU +8%
Bandidos MC, Black Power, Comanchero MC, Greazy Dogs MC, Head Hunters MC, Hells Angels MC, Highway 61 MC, Killer Beez, King Cobra, Mongrel Mob, NZ Nomad, Rebels MC, Stormtrooper, Tribesmen MC

WELLINGTON +17%
Aotearoa Native, Bandidos MC, Black Power, Filthy Few MC, Head Hunters MC, Hells Angels MC, Highway 61 MC, Hu Hu MC, Killer Beez, King Cobra, Mongrel Mob, Mothers MC, NZ Nomad, Rebels MC, Satans Slaves MC, Stormtrooper, Tribal Huk, Tribesmen MC

CANTERBURY +22%
Aotearoa Native, Bandidos MC, Black Power, Comancheros MC, Devils Henchmen MC, Greazy Dogs MC, Head Hunters MC, Hells Angels MC, Highway 61 MC, Killer Beez, King Cobra, Mongrel Mob, NZ Nomad, Outlaws MC, Rebels MC, Road Knights MC, Southern Viking MC, Stormtrooper, Tribesmen MC

BAY OF PLENTY +15%
Bandidos MC, Black Power, Comanchero MC, Filthy Few MC, Greazy Dogs MC, Head Hunters MC, Hells Angels MC, Highway 61 MC, Hu Hu MC, Killer Beez, Mongrel Mob, Mothers MC, NZ Nomad, Rebels MC, Stormtrooper, Tribesmen MC

AUCKLAND CITY +18%
Bandidos MC, Black Power, Comanchero MC, Greazy Dogs MC, Head Hunters MC, Hells Angels MC, Killer Beez, King Cobra, Mongrel Mob, New Zealand Nomad, Rebels MC, Stormtropper, Tribesmen MC

EASTERN +12%
Aotearoa Native, Bandidos MC, Black Power, Head Hunters MC, Hells Angels MC, Highway 61 MC, Killer Beez, Mongrel Mob, NZ Nomad, Outcasts MC, Rebels MC, Tribesmen MC

WAIKATO +12%
Bandidos MC, Black Power, Comanchero MC, Filthy Few MC, Greazy Dogs MC, Head Hunters MC, Hells Angels MC, Highway 61 MC, Killer Beez, King Cobra, Mongrel Mob, NZ Nomad, Outcasts MC, Rebels MC, Stormtrooper, Tribal Huk, Tribesmen MC

CENTRAL +8%
Aotearoa Native, Bandidos MC, Comanchero MC, Black Power, Filthy Few MC, Head Hunters MC, Hells Angels MC, Highway 61 MC, Killer Beez, King Cobra, Mongrel Mob, Mothers MC, NZ Nomad, Outcasts MC, Rebels MC, Stormtrooper, Tribesmen MC

SOUTHERN +8%
Bandidos MC, Black Power, Comancheros MC, Devils Henchmen MC, Head Hunters MC, Hells Angels MC, Highway 61 MC, Killer Beez, King Cobra, Mongrel Mob, NZ Nomad, Rebels MC, Road Knights MC, Southern Vikings MC, Stormtrooper, Tr'men MC

TASMAN +24%
Aotearoa Native, Bandidos MC, Black Power, Comanchero MC, Head Hunters MC, Hells Angels MC, Killer Beez, King Cobra, Mongrel Mob, NZ Nomad, Outlaws MC, Rebels MC, Southern Vikings MC, Stormtrooper, Tribesmen MC

Source / NZ Police. Herald Network graphic

The Mongols motorcycle gang have been at the centre of gang conflict in the Bay of Plenty (and Christchurch) since influential members were deported from Australia, and established chapters here. Detectives from the Tauranga-based squad of the National Organised Crime Group (NOCG) have executed search warrants targeting the homes and associates of the notorious gang - raiding homes in Papamoa and Te Puke – with multiple arrests following.

There is also a strong Australian 501 deportee group of the Comancheros Gang, based close to Matata.

A Mongols chapter of the Australian gang was established in New Zealand last year after influential members were deported, and the Mongols were soon in conflict with other gangs in the Bay of Plenty and Christchurch. Be assured that these 501's are hardened criminals, who have a reputation for excessive aggressive violence to achieve their aims.

The NOCG Police squad was set up in the Bay of Plenty two years ago to specifically target the threat of motorcycle gangs, in particular the arrival of Australian groups, and smuggling channels through our port.

Bay of Plenty residents are at the "front-line" of this gang warfare, and anyone who thinks a "softly, softly" approach by police will work, is seriously deluded.

Tauranga MP, Simon Bridges has led a drive to get tough on gangs, and most of Tauranga's community strongly supports him.

Gangs and member numbers

December 2019

7027 gang members in New Zealand. making a **50%** increase since December 2016

7027	6212	5568	4679
in 2019	in 2018	in 2017	in 2016

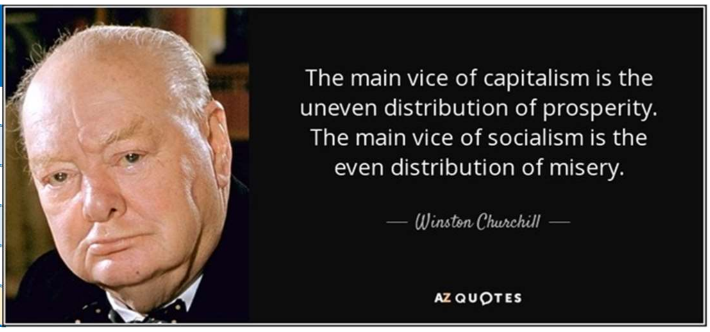
2020 NZ HERALD SHAREMARKET CHALLENGE

My portfolio continues to look great (now up 31.6% since 31st December 2019), considering the current pandemic crisis. The NZ50 Index is currently down 3.2% for the same period. Remember, we are only half way through 2020.

AvonD Portfolio		Jarden		Craigs IP		Forsyth Barr		Hamilton Hindin		MSL Capital Mkts	
a2 Milk	29.4%	a2 Milk	29.4%	a2 Milk	29.4%	a2 Milk	29.4%	a2 Milk	29.4%	AFT Pharmaceuticals	11.1%
AFT Pharmaceuticals	11.1%	Eroad	4.4%	Ebos	(10.5%)	Arvida	(24.5%)	Ebos	(10.5%)	Arvida	(24.5%)
Infratil	(6.2%)	Infratil	(6.2%)	Freightways	(18.8%)	Contact Energy	(13.6%)	F&P Healthcare	44.1%	Heartland Group	(34.6%)
Port of Tauranga	(6.5%)	Katmandu	(65.6%)	Mainfreight	(7.6%)	Chorus	22.3%	Meridian Energy	0.0%	Plexure	23.1%
PushPay	130.1%	Oceania Healthcare	(31.8%)	Meridian Energy	(3.6%)	Sanford	(21.4%)	Z Energy	(27.0%)	Vector	(2.9%)
CHANGE @ 26-June-20	**31.6%**		**(13.9%)**		**(2.2%)**		**(1.5%)**		**6.5%**		**(5.6%)**

NOTE: My advice is to become a long-term holder in stocks that (1) you understand, and (2) have strong fundamentals.

My 2019 Picks	Price 31-Dec-18	Price 31-Dec-19	Dividend	% Gain
The a2 Milk Company	$11.15	$15.02	$0.00	34.7%
AFT Pharmaceuticals	$2.15	$3.50	$0.00	62.8%
Fletcher Building	$4.88	$5.09	$0.23	9.0%
Port of Tauranga	$5.00	$7.95	$0.18	62.7%
Pushpay Holdings	$3.15	$4.02	$0.00	27.6%
Portfolio average percentage gain				39.4%



OUR POLITICAL CLIMATE

Ardern and Broomfield both need to learn that ***"You can fool all of the people some of the time, and some of the people all of the time, but you can't fool all of the people all of the time."*** Abraham Lincoln

The worm is beginning to turn, and without a team behind her, the cracks are opening on Ardern. It isn't rocket science - we have squandered our lockdown sacrifices - by an incompetent administration. Test, test, test – and effectively isolate anyone coming in, by an effective lockdown. Ardern and Bloomfield have been hoodwinking us for weeks.

Our border quarantine rules are a joke - and a total shambles - risking Ardern's so-called team of 5 million. She has let us down. Bloomfield has let us down. The glitter has been exposed. The bottom line is we can't trust this government to do anything right, when it comes to implementation. This is a government of spin and glitter. We deserve better. We need to get New Zealanders working again – but we need to do it safely.

QUARANTINE DEBARCLE

The Ministry of Health finally revealed, after seven days of asking, that 51 of 55 people who were let out of quarantine early for compassionate reasons between June 9 and 16 had not been tested, with two of the remaining four tested on the day of departure before results were returned.

By 24th June, 4 of the remaining 51 have still not been tested, emphasising again just how hard it is control, test and be humane to thousands of people at a time; as well as contain a virus that does not respect the usual rules of society, government and the economy.

The Government was also forced to tighten restrictions on Air New Zealand crew returning from America through Australia, given some were skipping off to bars and restaurants on arrival.

This has proved to be a huge embarrassment to the Ardern Government, and reeks of poor decision-making and poor transparency by Cabinet Ministers. Clark is once again missing in action on holding his ministry (Health) to account – and yet Ardern still hasn't got the bottle to sack him. Her credibility diminishes daily.

STOP PRESS – Clark has finally fallen on his sword.

MANAGED ISOLATION 'A SYSTEM UNDER EXTREME STRESS'

The review of the Government's managed isolation and quarantine operations reported that the system was "*not readily able to respond to the increasing demands being placed upon it*" under Level 1 and was "*under extreme stress*".

Increased flows of arrivals, combined with the difficulty of balancing Level 4 conditions inside facilities with lax restrictions in the surrounding communities, have left staff demoralised and the broader system failing.

LIGHT RAIL NOT DEAD, JUST STILL-BORN

Source: *Stuff*

Another deadline for the Government's troubled Auckland light rail project has passed. It was the last Cabinet meeting before the pre-election period kicked in on June 19th.

That deadline has been kicked around – mainly by the Opposition – as the last possible day Cabinet would sign off on light rail, given the convention for governments to restrain their decision-making in the three months leading up to an election.

But light rail is the policy equivalent of Monty Python's black knight: After each bout of terrible news, it rises to its feet, crying "I'm not dead yet".

And technically they're right: Light rail, unlike the capital gains tax, or the "feebate" electric car scheme, hasn't been killed. Those projects were consulted on, axed by NZ First, and Labour and the Greens moved on. This is different: to this day, the Government continues to receive briefings on the project and Cabinet papers are still being prepared. Officially, this project is "now stalled" until after the election; but not "dead".

To be killed off, you have to have been born in the first place, and hence light rail is more akin to still born. They promised light rail would be complete to Mt Roskill within four years and after three years they have yet to even decide how to proceed, if at all.

It is arguably a higher degree of incompetence that Kiwibuild.

Latest - Both proposals for light rail have been withdrawn in a stunning about-face by the Government. The Auckland Light Rail dream appears to be no more, with both NZTA and NZ Super proposals set to be taken off the table.

DO NOT TRUST WINSTON PETERS

Political ructions inside the coalition government are heating up again, with NZ First reported to have pulled its support for commercial rent relief legislation.

Leader Winston Peters is demonstrating his abilities to potential National party swing voters as a handbrake on Labour and Green ambitions. Unfortunately for Peters, National Party activists know better than to trust Peters and NZ First. Insiders doubt that NZ First can escape the electoral corruption allegations that the Serious Fraud Squad is investigating – and expected to determine before the 19th September Election as to whether there is a case to answer. Peters has a history of slippery behaviour, but this time he does look to be in big trouble, and won't be able to "pull a rabbit out of the hat" this time.

THE GREENS CUNNING PLAN

Faced with Ardern's pledge that there will be no Capital Gains Tax in her time as Prime Minister (thanks to coalition partner NZ First refusal to agree to it), the Greens have returned with a 'net asset tax' that would slap an impost on capital without being a CGT. The bottom line, therefore, is that a vote for a Labour/Greens Government after 19th September, is still in fact a vote for a reworded Capital Gains Tax. We know that we can't trust the Greens, but equally Labour has also proven to be untransparent and untrustworthy.

"REVENGE IS A DISH BEST SERVED COLD"

French diplomat Charles Maurice de Talleyrand-Périgord (1754–1838)

IHUMAMTAI RESOLUTION ANOTHER OF LABOUR'S ARCHILIES HEEL'S

A deal is said to be close to being signed on Auckland's long-disputed Ihumātao with the Government reported to be about to pay more than $30 million to buy the property from owner Fletcher Living. The Government is "closing" on a deal to resolve the dispute over the land occupied for years by Save Our Unique Landscape (Soul) after Prime Minister Jacinda Ardern "became personally involved". However, Finance Minister Grant Robertson's office said nothing had yet been decided.

How Labour can get NZ First across the line at Ihumatai remains the mystery, but if they do that will be another nail in Winston Peters' coffin.

EUROPEAN UNION EFFECTIVELY DISMISSES NZ

Source: *NZ Herald*

Trade Minister David Parker is accusing the European Union of agricultural protectionism and questioning whether the trading bloc is committed to completing a free-trade deal. Recent European trade publications revealed details of what they said were being offered by European Union trade negotiators to New Zealand officials for dairy quotas under a possible free-trade agreement.

Although details of the offer are unclear, one commentator said it included tariff rate quotas for 15,000 tonnes of cheese over a decade. Parker, speaking at a trade event in Wellington, was scathing, describing the offer as "paltry".

In 2019 the EU exported the equivalent of just under 1kg of cheese to New Zealand for every New Zealander, tariff free. In contrast, the offer the EU had put on the table would allow New Zealand to export the equivalent of about three grams of cheese for every European Union citizen annually, and "even then it's subject to volume restrictions and highly prohibitive tariffs," Parker said.

I never expected the EU to offer us anything near a decent agreement. They have always been hugely protectionist – especially for their farmers.

BORIS JOHNSON CONTINUES HIS BREXIT HARD LINE

Boris Johnson has told French President Emmanuel Macron that he sees little point prolonging UK-EU talks on a future trading relationship into the autumn. No 10 said Johnson had welcomed a recent agreement to intensify talks on the issue in July. However, comments dismissing the idea of "prolonged negotiations" suggest that Johnson is increasingly prepared to end the talks without an agreement and thinks both sides would need time to prepare for this rather than make last-minute adjustments in December when the existing transition period expires.

The two sides remain locked over the degree to which the UK will have to accept the EU's level playing field.

The talks also ended without an announcement from Downing Street, over quarantine requirements. At present most visitors to the UK, including from France, must isolate for 14 days after arrival. Some ministers are pushing the idea of "air bridges" where a few countries would be exempt.

THE GERMAN ECONOMIC MIRACLE AND THE "SOCIAL MARKET ECONOMY"

NOTE: The German crisis recovery (as at the end of WWII) gives an insight of the dangers of Ardern's Left-wing socialism as a Covid-19 recovery strategy.

There is No Third Option between Government Control and Free Markets

When the war ended in Europe in 1945, Germany was in a shambles, with Its major cities having been destroyed either from Allied bombing or urban combat. Millions of its citizens had died in the war, and millions more were turned into empty-handed refugees. Food was almost nonexistent, and starvation gripped most of the population. The Nazis had imposed a comprehensive system of economic controls on prices, wages, and production. They had turned to the printing press to finance a good part of the costs of war [similar to NZ's Covid response – including printing money], resulting in a "repressed inflation" under the stranglehold of the price regulations. The increasingly scarce goods were rationed or simply disappeared from the stores. By the time Germany surrendered in May 1945, the National Socialist version of the planned economy, and above all the war, had brought Germany to a state of social and economic collapse.

Now the country was under the joint occupation of the four Allied Great Powers: United States, Soviet Union, Great Britain, and France. In the American and British zones Soviet-style brutality was rarely practiced, but the German population was viewed as "the enemy" to whom excessive sympathy and generosity were not to be shown. Moreover, the Nazi system of price and production controls was kept in place. A small band of German free-market advocates had survived the war, led by Walter Eucken, who was a professor at the University of Freiberg. One of Eucken's protégés was an economist named LUDWIG ERHARD. He was appointed economics minister in the American zone in Bavaria in 1946. For two years he used this position as a platform to advocate market reforms. In radio broadcasts he frequently exhorted the German people to accept that they had brought their current tragic circumstances on themselves and only hard work, savings, and self-responsibility could restore their prosperity and gain them a new place among the civilized nations of the world.

In 1948 the British and American zones were combined into one administrative unit, with Erhard as director of economics. In June he instituted a major currency reform to restore monetary stability and to end the inflationary after-effects from the Nazi period. Not only was a new currency put in place, but it was done through a process of reducing the money supply. In June 1948 Germans in the Western zone could exchange ten of the old marks for one new mark.

Shortly after this, Erhard introduced the other essential element of any successful economic-reform project: abolition of the price and production controls. On a Sunday, while all the Allied occupation authorities were out of their offices, Erhard announced on the radio that the next morning virtually all price controls would be abolished. General Lucius Clay, commander of American forces in Germany, called Erhard into his office and said, "*Herr Erhard, my advisers tell me you're making a terrible mistake*." Erhard replied, "*Don't listen to them, General. My advisers tell me the same thing*."

Recovery Begins

Hoarded goods in short supply suddenly came out of their hiding places, now that they could be sold at market-based prices. In the second half of 1948 industrial production increased 46% from its June level. And a year later, at the end of 1949, that production was 81% above what it had been when the reforms had been implemented in the middle of 1948. After an initial spike in prices when the controls were abolished, by the end of 1950 the greater industrial and agricultural output that was offered on a more open market significantly reduced the cost of living. Germany's economic-recovery path assured that well into the 1960s its rate of growth in output and productivity would place it far ahead of virtually all the other countries of western Europe, including those, like Great Britain, that had been victors in the war.

The reforms brought about this economic miracle because they eliminated the worst institutional features of what had been Nazi central planning. But West Germany was not transformed into a real free-market society. Its intellectual architects, including Walter Eucken, Wilhelm Röpke, and Ludwig Erhard were advocates of a "middle way" between a truly free market and socialist planning. They believed that a large welfare state, the "social market economy," was necessary and desirable to assure social harmony. They supported government regulation of the size and composition of large enterprises. They supported urban and rural planning. And they introduced the system of "co-determination," under which all large enterprises and corporations were legally required to have trade-union representatives included in the decision-making bodies of businesses.

Thus, from the start the institutional order in postwar Germany was one that opened the door to special-interest-group politics, compulsory income redistribution, union-power blackmail over business, and a general culture of political paternalism.

The real nature of this system was insightfully explained by Mises: *[T]he supporters of the most recent variety of interventionism, the German "soziale Marktwirtschaft" [social market economy], stress that they consider the market economy to be the best possible and most desirable system of society's economic organization. . . [But] it is necessary, they say, that the state interfere with the market phenomena whenever and wherever the "free play of the economic forces" results in conditions that appear as "socially" undesirable. . . . If it is in the jurisdiction of the government to decide whether or not definite conditions of the economy justify its intervention, no sphere of operation is left to the market. . . .That means the market is free as long as it does precisely what the government wants it to do.*

Sixty years after these German reformers introduced the "social market economy," it is clear that they were only planting the seeds of new forms of government control and corruption. The market is either free or it is under the regulation of the government. Either individuals are free persons who may peacefully go about their lives and associate with others through voluntary exchange, or they are pawns on a political chessboard, open to manipulation and control whenever their actions do not follow what those in power demand. There is no third way.

I STRONGLY RECOMMEND THAT YOU "GET OFF THE BEATEN TRACK" IN JAPAN (I DID SO IN THE 80'S).
TOKYO IS NOT JAPAN. PLEASE SUPPORT JAPAN CUSTOM TOURS – YOU WON'T REGRET IT.

THE WORLD AT A GLANCE

United States
US economy bounces, created 4.8m new jobs in June alone

Canada
A deep recession is now hitting Canada

Europe
Europe opens its borders Will there be a 2nd/3rd wave?

India
Will tensions with China spilling into global trade?

China
China plays hardball with Australia – will this affect NZ?

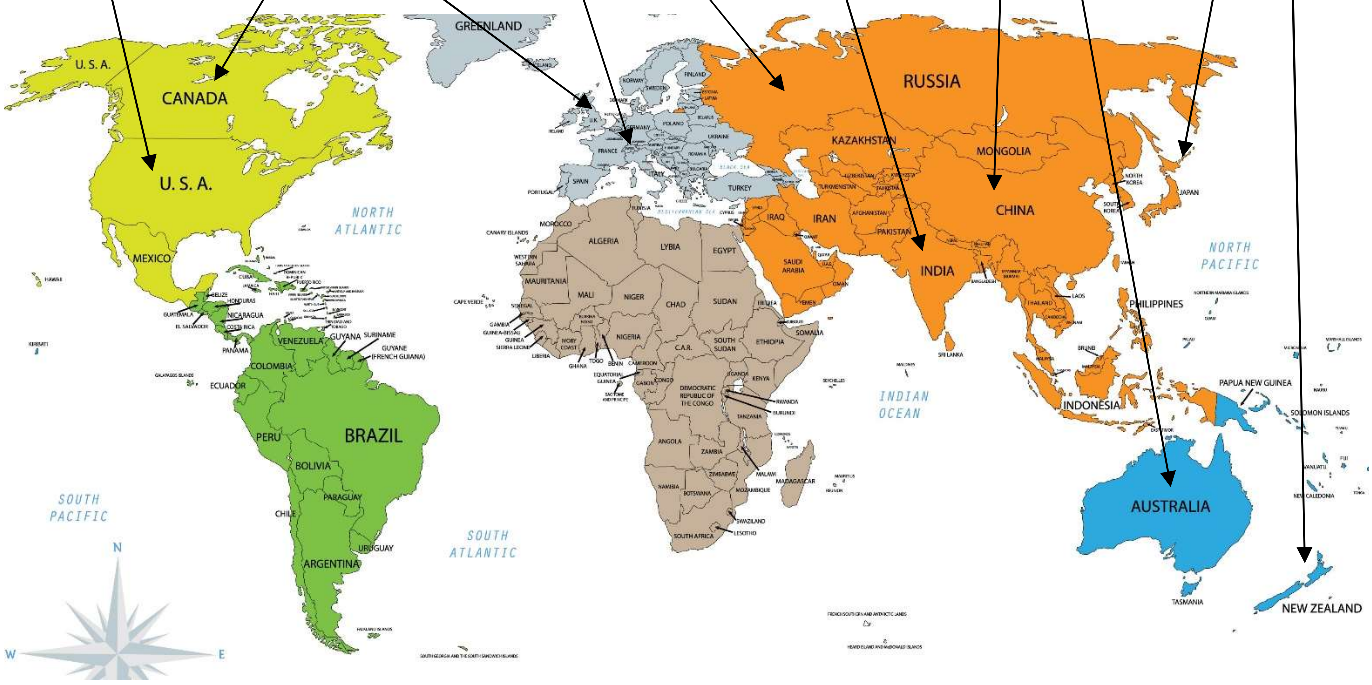
Japan
A 2nd wave of Covid but no emergency

UK
Spanish desperate for for UK tourists

Russia
Putin – the dictator; Russia votes President for life

Australia
Morrison now on 68% approval rating

New Zealand
Peters looks like 'Dead man walking'



G20 GDP GROWTH (% YEAR ON YEAR)

	2019	Single-hit scenario 2020	Single-hit scenario 2021	Double-hit scenario 2020	Double-hit scenario 2021
World	2.7	-6.0	5.2	-7.6	2.8
Australia	1.8	-5.0	4.1	-6.3	1.0
Canada	1.7	-8.0	3.9	-9.4	1.5
Euro area	1.3	-9.1	6.5	-11.5	3.5
Germany	0.6	-6.6	5.8	-8.8	1.7
France	1.5	-11.4	7.7	-14.1	5.2
Italy	0.3	-11.3	7.7	-14.0	5.3
Japan	0.7	-6.0	2.1	-7.3	-0.5
Korea	2.0	-1.2	3.1	-2.5	1.4
United Kingdom	1.4	-11.5	9.0	-14.0	5.0
United States	2.3	-7.3	4.1	-8.5	1.9

	2019	Single-hit scenario 2020	Single-hit scenario 2021	Double-hit scenario 2020	Double-hit scenario 2021
G20	2.9	-5.7	5.5	-7.3	3.1
Argentina	-2.2	-8.3	4.1	-10.1	1.7
Brazil	1.1	-7.4	4.2	-9.1	2.4
China	6.1	-2.6	6.8	-3.7	4.5
India[1]	4.2	-3.7	7.9	-7.3	8.1
Indonesia	5.0	-2.8	5.2	-3.9	2.6
Mexico	-0.1	-7.5	3.0	-8.6	2.0
Russia	1.4	-8.0	6.0	-10.0	4.9
Saudi Arabia	0.4	-6.6	3.8	-8.3	1.5
South Africa	0.2	-7.5	2.5	-8.2	0.6
Turkey	0.9	-4.8	4.3	-8.1	2.0

NON-G20 GDP GROWTH (% YEAR ON YEAR)

	2019	Single-hit scenario 2020	Single-hit scenario 2021	Double-hit scenario 2020	Double-hit scenario 2021
Austria	1.5	-6.2	4.0	-7.5	3.2
Belgium	1.4	-8.9	6.4	-11.2	3.4
Chile	1.0	-5.6	3.4	-7.1	1.9
Colombia	3.3	-6.1	4.3	-7.9	2.8
Costa Rica	2.1	-4.1	2.7	-4.9	1.5
Czech Republic	2.5	-9.6	7.1	-13.2	1.7
Denmark	2.4	-5.8	3.7	-7.1	0.9
Estonia	4.4	-8.4	4.3	-10.0	1.6
Finland	0.9	-7.9	3.7	-9.2	2.4
Greece	1.9	-8.0	4.5	-9.8	2.3
Hungary	4.9	-8.0	4.6	-10.0	1.5
Iceland	1.9	-9.9	4.6	-11.2	3.0
Ireland	5.5	-6.8	4.8	-8.7	-0.2
Israel	3.5	-6.2	5.7	-8.3	2.6

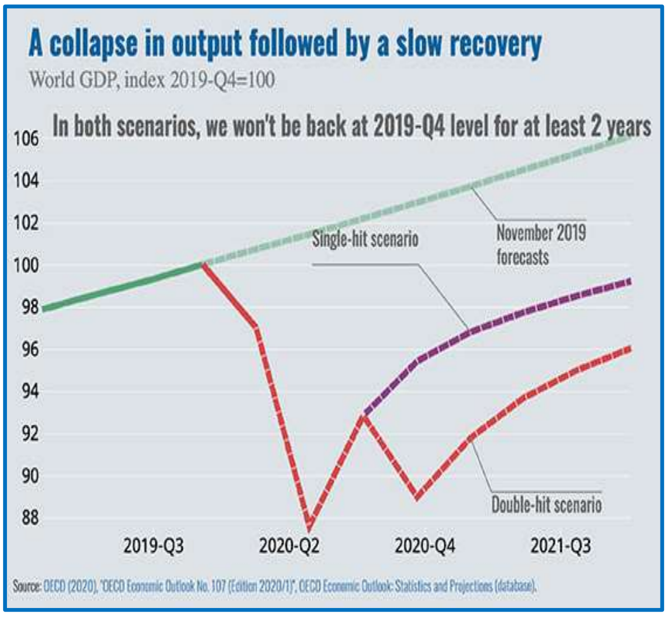
	2019	Single-hit scenario 2020	Single-hit scenario 2021	Double-hit scenario 2020	Double-hit scenario 2021
Latvia	2.2	-8.1	6.3	-10.2	2.0
Lithuania	3.9	-8.1	6.4	-10.4	3.4
Luxembourg	2.3	-6.5	3.9	-7.7	0.2
Netherlands	1.8	-8.0	6.6	-10.0	3.4
New Zealand	2.2	-8.9	6.6	-10.0	3.6
Norway	1.2	-6.0	4.7	-7.5	1.3
Poland	4.1	-7.4	4.8	-9.5	2.4
Portugal	2.2	-9.4	6.3	-11.3	4.8
Slovak Republic	2.4	-9.3	6.4	-11.1	2.1
Slovenia	2.4	-7.8	4.5	-9.1	1.5
Spain	2.0	-11.1	7.5	-14.4	5.0
Sweden	1.2	-6.7	1.7	-7.8	0.4
Switzerland	1.0	-7.7	5.7	-10.0	2.3

SOURCE: OECD

A new global OECD report praises New Zealand's "swift and decisive" response to Covid-19 but says the hit to the economy will be worse than most other advanced economies. OECD said the global economy was "*on a tightrope*". OECD, made up of 37 leading economies, said Covid-19 had triggered "*the most severe economic recession in nearly a century*".

The report paints two scenarios; one where the current wave of infections is the worst of the crisis, and an alternate scenario where another wave of infections hits before the end of the year. In either scenario New Zealand is likely to see a sharper economic contraction than most other members of the OECD, and a much larger hit than Australia.

Even if a second wave of global infections is avoided, the OECD predicts the New Zealand economy will shrink by 8.9% in 2020, with only eight of the OECD's 37 members contracting more. If the global economy does see a second wave, New Zealand's economy would shrink by 10%. In both scenarios, all of the economies expected to see a larger contraction than New Zealand are in Europe. Australia meanwhile is expected to see a 5% contraction this year or a 6.3% hit if there is a second wave, with only South Korea facing a smaller hit.



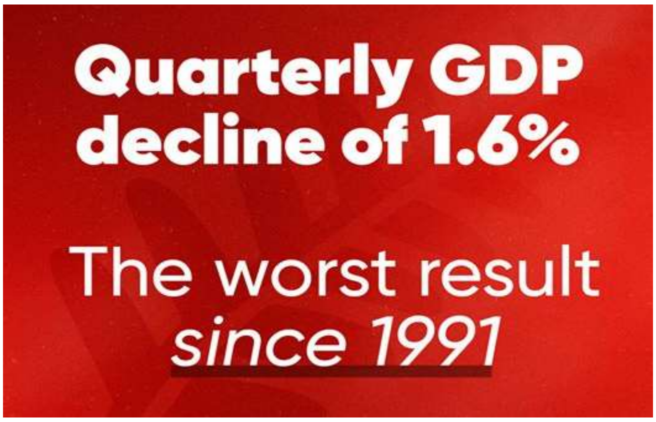
New Zealand's Economic Outlook

The impact on the economy of Covid-19 has been severe. The strict containment measures brought a number of sectors of the economy to a sudden stop. In the first half of April, New Zealanders cut back visits to retailers and recreational areas more than in any other OECD country with available data. The tourism sector, which accounted for about 10% of GDP and 20% of exports in 2019, was particularly hard hit, as both international and domestic demand evaporated. Both exports and imports have fallen sharply. By late April, employers were receiving wage subsidies for 1.7 million workers (two-thirds of private-sector employment) to preserve their jobs. Business confidence plummeted to record lows, although it started to recover by late May. The fiscal response package amounting to $12.1 billion (4% of GDP) announced on 17 March was followed up by a $50 billion fund announced in the May 2020 Budget, of which more than $30 billion having been already been allocated. Major support measures include a large wage subsidy scheme (which was extended from June to September in a more targeted form), a loan guarantee scheme for SMEs, under which the government bears 80% of the credit risk, tax deferrals and reliefs, increased social benefits as well as increased support for the health-care and aviation sectors. A six-month interest and principal payment deferral scheme has also been established by banks for borrowers having debt-servicing difficulties. Legislation providing insolvency relief for companies and other entities has been passed. These measures are helping to preserve jobs and prevent viable firms from going bankrupt. Meanwhile, the RBNZ having previously cut the policy rate by 75 basis points, to 0.25%, delayed implementation of planned increases in bank capital-adequacy requirements and began a Large-Scale Asset Purchase Programme of central and local government bonds amounting to up to $60 billion (20% of annual GDP) to reduce long-term interest rates.

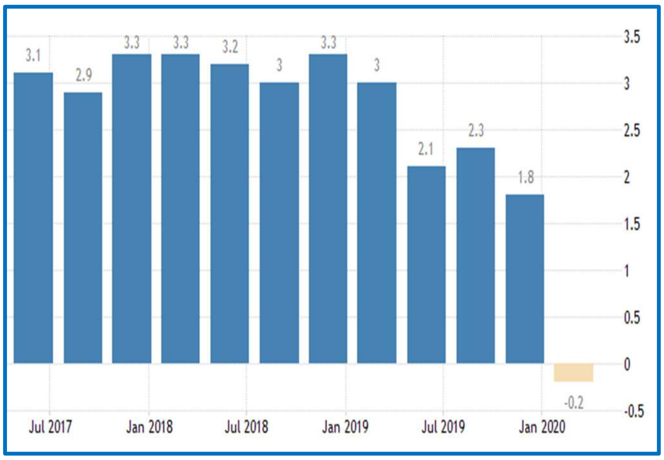
The recovery will be gradual and vulnerable to the effects of new waves of infection. The economy has started to recover, but even in the absence of further virus outbreaks (single-hit scenario) will only regain the pre-crisis level of output by end-2021 at the earliest. A surge in unemployment following the scaling back and subsequent termination of the wage subsidy scheme, together with a large reduction in net inward migration and a loss in housing wealth, will hold back private consumption. Business investment will remain subdued, reflecting weak business confidence and low capacity utilisation. Goods exports will increase on the back of strong global demand for food, but tourism exports will be extremely slow to recover, because the border is likely to remain closed to foreign visitors until at least 2021.

New Zealand's domestic economy is too small to sustain strong economic growth with borders closed or without a strong global economy driving export demand. Although, with Government stimulus and super-low interest rates, it can last a few more months.

That will send the electorate into the polling booths with a sense the economy has outperformed - albeit from low expectations.

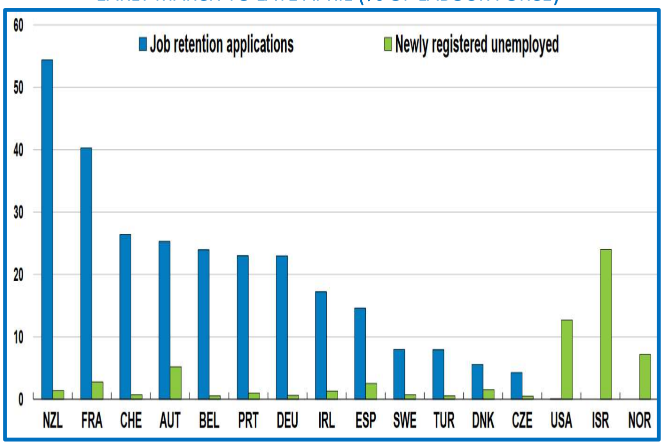


NZ ANNUAL GDP GROWTH RATE



NEWLY REGISTERED UNEMPLOYED & APPLICATIONS IN JOB RETENTION SCHEMES

EARLY MARCH TO LATE APRIL (% OF LABOUR FORCE)

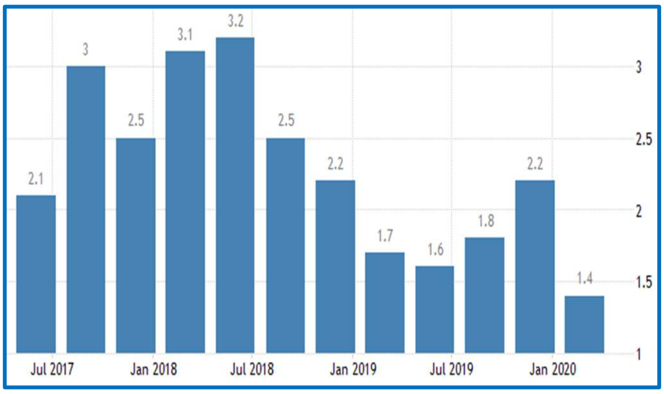


Re-opening borders looked like a good policy just last month, but the lack of effective border measures, coinciding with a Covid surge in Victoria (Australia), and the Oppositions call looks a bit hollow. Right now, though, the economic costs of another lockdown outweigh the benefits of looser borders. However, we shouldn't let the border debate overshadow the basic structural problem our economy faces.

AUSTRALIAN ECONOMIC OUTLOOK

Economic activity collapsed in the second quarter of 2020, as lockdown measures to fight the pandemic required many businesses to suspend activities and consumers to stay home. However, confinement has been less strict than elsewhere thanks to the relatively mild virus outbreak. Massive macroeconomic policy support, including a temporary wage subsidy, is limiting the economic shock. Most economic restrictions were planned to be unwound by July. However, should widespread contagion resume (as in Victoria), with a return of lockdowns, confidence would suffer and cash-flow would be strained. In that double-hit scenario, GDP could fall by 6.3% in 2020. Even in the absence of a second outbreak, GDP could fall by 5% in 2020. There is ample fiscal space to support the economic recovery as needed.

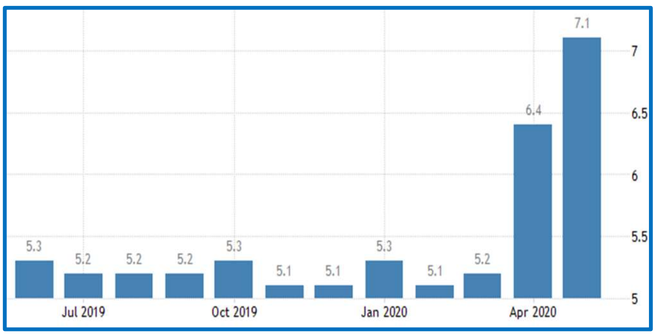
AUSTRALIA - ANNUAL GDP GROWTH RATE



UNEMPLOYMENT

Australia reported 227,000 job losses in the month of May, which was more than double expectations. The unemployment rate there rose to 7.1%, but would have been 11% with the same labour force participation as in March. This was from an upwardly revised 6.4% in April. It was the highest jobless rate since October 2001, amid business closures and lockdowns due to the COVID-19 pandemic. The number of unemployed soared by 85,700 to an over 26-year high of 927,600. People looking for full-time rose by 60,400 to 695,900 and those looking for only part-time work went up 25,200 to 231,700. Employment fell by 227,700 to 12,154,100, compared with estimates of a 125,000 fall, as full-time employment dropped by 89,100 to 8,540,000, while part-time employment was down by 138,600 to 3,614,100. The participation rate fell to 62.9%, the lowest since January 2001.

AUSTRALIA - UNEMPLOYMENT RATE

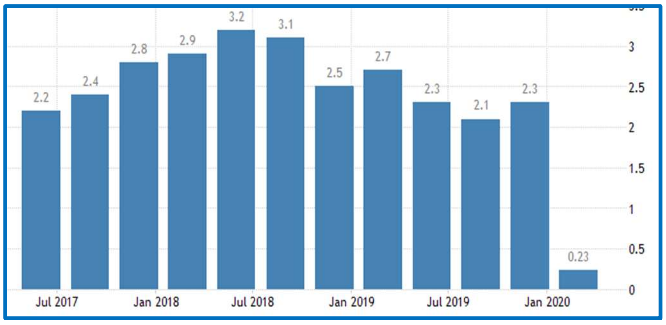


UNITED STATES ECONOMIC OUTLOOK

The COVID-19 outbreak has brought the longest economic expansion on record to a juddering halt. GDP contracted by 5% in the first quarter at an annualised rate, and the unemployment rate has risen precipitously. If there is another virus outbreak later in the year, GDP is expected to fall by over 8% in 2020 (the double-hit scenario). If, on the other hand, the virus outbreak subsides by the summer and further lockdowns are avoided (the single-hit scenario), the impact on annual growth is estimated to be a percentage point less. The unemployment rate will remain elevated after states lift their shelter-in-place orders, reflecting ongoing difficulties in sectors such as hospitality and transportation, and the sheer scale of job losses. With unemployment remaining high, inflation is projected to stay low, although less so if subsequent lockdowns are avoided.

Massive monetary and fiscal responses have shielded households and businesses, but more will be needed to reduce lingering effects such as large numbers of bankruptcies and labour-market exits.

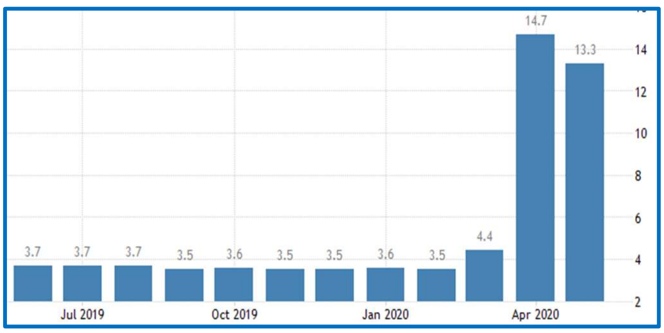
UNITED STATES ANNUAL GDP GROWTH



UNEMPLOYMENT

The US unemployment rate dropped to 11% in June from 14.7% in April, which was the largest in records back to 1939 and below market expectations of 19.8%, as the economy reopened. The number of unemployed persons fell by 2.1 million to 21.0 million as those who were on temporary layoff decreased by 2.7 million to 15.3 million. Among those not on temporary layoff, the number of permanent job losers increased by 295,000 to 2.3 million. The number of employed rose by 3.8 million to 137.2 million and the labor force participation rate increased to 60.8%, after hitting the lowest since January 1973 the month before. Since February, the unemployment rate rose by 9.8%, but seems to have peaked, with more positive June data.

UNITED STATES - UNEMPLOYMENT RATE

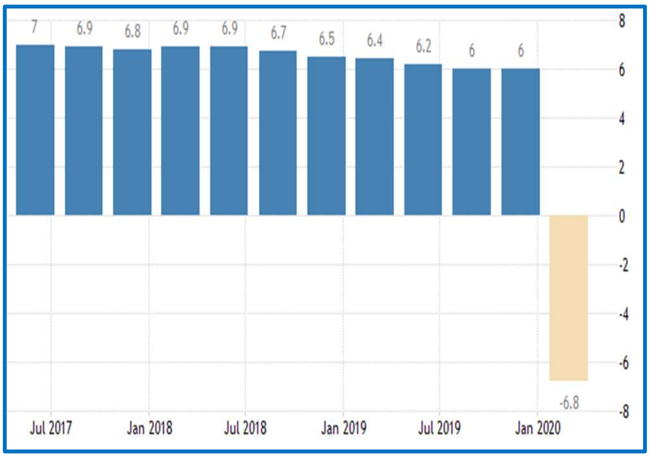


Chinese Economic Outlook

Following the steepest quarterly collapse on record in the first quarter, GDP will fall by around 3.7% in 2020 if there is a second virus outbreak later in the year and by a percentage point less if a further outbreak is avoided, before rebounding in 2021. The COVID-19 outbreak disrupted economic activities around the country and many businesses remain shut even though lockdown measures have been lifted. The pandemic triggered an increase in precautionary saving and eroded consumer confidence, weakening short-term consumption prospects. Infrastructure investment will hold up growth amid collapsing private investment and foreign demand. If the virus outbreak returns, the second shock to the economy will be much smaller than during the first outbreak, which occurred during the holiday season when most people were away and thereby were not able to return to work due to lockdowns.

Lockdown measures have been lifted, but tourism-related industries and firms heavily dependent on foreign demand are far from fully resuming activities. As smaller firms are over-represented in these activities, they are hit disproportionately, pushing up unemployment.

CHINA - ANNUAL GDP GROWTH RATE



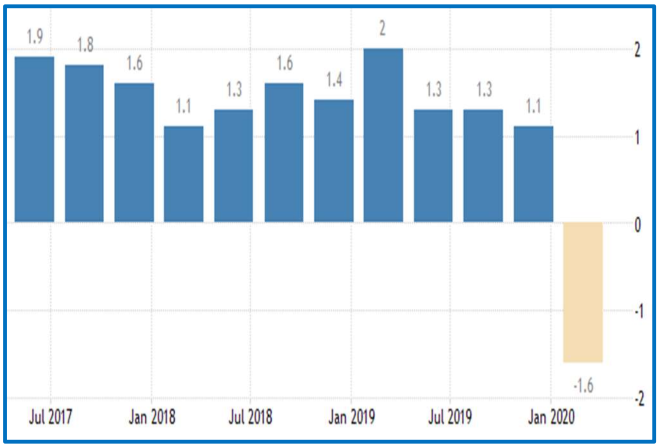
United Kingdom Economic Outlook

The Bank of England has expanded its coronavirus crisis quantitative easing (QE) programme by £100bn, taking the total since March to £300bn. The move is "designed to oil the wheels of financial markets and maintain low borrowing costs."

The COVID-19 crisis has led to a severe economic contraction. GDP is projected to fall by 14% in 2020 if there is a second virus outbreak later in the year (the double-hit scenario). An equally likely single-hit scenario would still see GDP fall sharply by 11.5%. In the double-hit scenario, the unemployment rate is set to more than double to 10% and remain elevated throughout 2021, despite widespread use of furloughing. Measures to limit the effects of the crisis in that scenario would push the fiscal deficit up to at least 14% of GDP in 2020.

The government swiftly put in place a comprehensive economic support package. Fiscal measures include income support for workers and self-employed, around GBP 330 billion in state loan guarantees to keep firms in business, tax deferrals, and an improved dispute resolution mechanism as an alternative to bankruptcy.

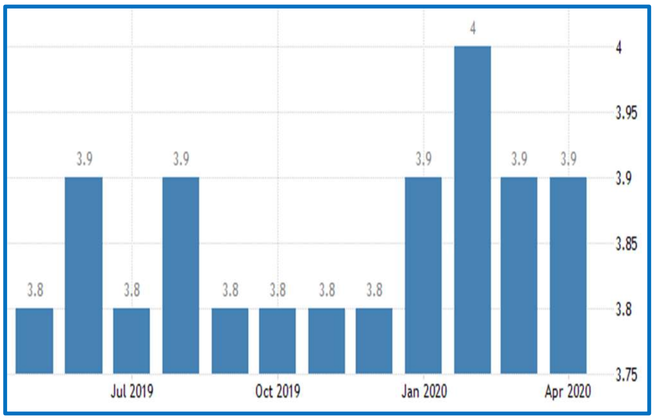
UK - ANNUAL GDP GROWTH RATE



UNEMPLOYMENT

The UK unemployment rate was at 3.9% in the three months to April 2020, the same as in the previous period and below market expectations of 4.7%, as the government Coronavirus Job Retention Scheme helped fund employees wages during lockdown. The number of people out of work fell by 8,000 to 1.34 million, while the number of employed people rose by 6,000 to 32.99 million. The activity rate was at 79.5%, lower than March's all-time high of 79.8%. However, the number of people on company payrolls fell by 1.7% in May and job vacancies dropped at a record 476K between March and May (-342K than in the previous quarter).

UNITED KINGDOM - UNEMPLOYMENT RATE



European Economic Outlook

Lockdown measures to suppress the COVID-19 pandemic have led to a major recession. If a second pandemic wave takes place later this year (the double-hit scenario), GDP is projected to contract sharply by 11.5% in 2020, and the unemployment rate will exceed

12% by end-2020, despite widespread use of short-time work schemes. If the virus remains contained after the end of lockdowns in spring 2020 (the single-hit scenario), GDP will fall by over 9% this year, the unemployment rate will reach double digits and average Maastricht public debt will exceed 100% of GDP by the end of the projection horizon. Substantial monetary and fiscal support will underpin the recovery once the lockdowns are lifted, but output and employment will still be much below pre-pandemic levels by end-2021, especially in the double-hit scenario, heightening risks of persistent scarring effects, including larger divergence across the area.

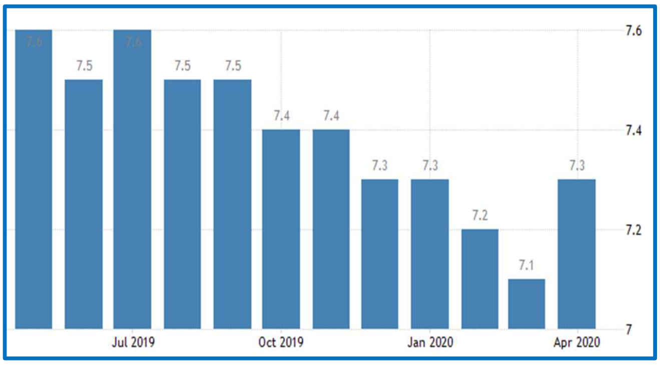
Monetary and fiscal policies should remain supportive until at least end-2021, as any premature backtracking might derail the recovery. However, both national fiscal policies and the common monetary policy might become overburdened, especially in the case of a second outbreak.

EUROZONE – ANNUAL GDP GROWTH RATE

UNEMPLOYMENT – EURO AREA

The Euro Area seasonally-adjusted unemployment rate rose to 7.3% in April 2020 from a downwardly revised 7.1% in the previous month, but well below market expectations of 8.2%, as the number of unemployed persons increased by 211,000 to 11.92 million. April was the second month after COVID-19 containment measures were implemented by most member states. Among the bloc's largest economies, the highest unemployment rates were recorded in Spain (14.8%) and France (8.7%) while the lowest rates were observed in Germany (3.5%) and Italy (6.3%). The youth unemployment rate, which measures job seekers aged 15 to 24, went up to 15.8% from 15.1% in March.

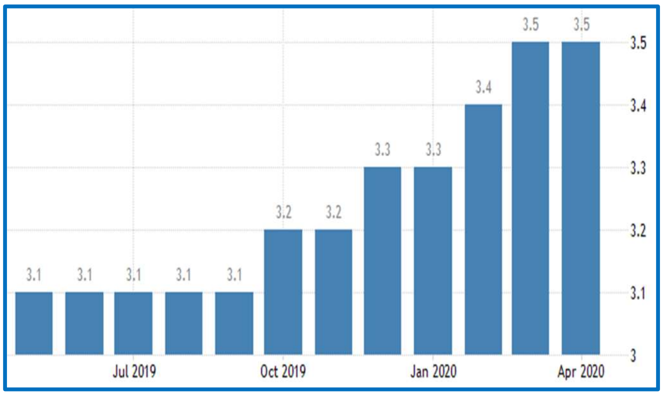
EURO AREA - UNEMPLOYMENT RATE



UNEMPLOYMENT - GERMANY

Germany's seasonally adjusted harmonised unemployment rate stood at 3.5% in April 2020, unchanged from the previous month's two-year high, as the number of unemployed rose by 1.9% from the previous month to 1.6 million while employment was flat at 42.7 million. Youth unemployment rate, measuring job-seekers under 25 years old, remained unchanged at 5.3% in April.

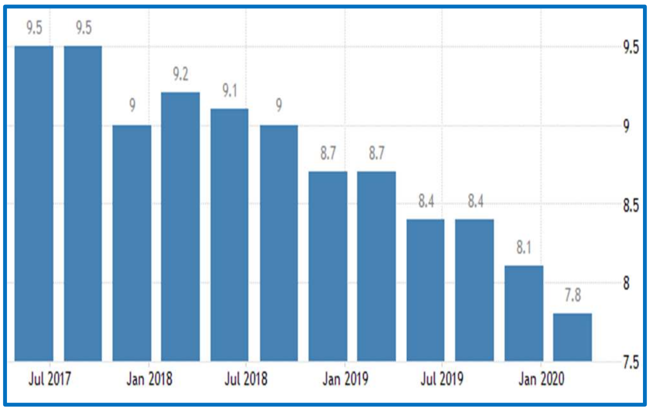
GERMANY - UNEMPLOYMENT RATE



UNEMPLOYMENT - FRANCE

The unemployment rate in France declined to 7.8% in the first quarter of 2020, the lowest level since the three months to December 2008, and below market expectations of 8.4%, due to a sharp fall in the number of unemployed declaring themselves available or actively looking for work during the period of lockdown. In metropolitan France only, the unemployment rate stood at 7.6%. The rate diminished significantly among persons aged 15 to 24 (-0.7 points) and those aged 50 and over (-0.4 points). The long-term unemployment rate dropped to 3.0% from 3.2%. Meantime, the employment rate was stable at 66%, while the activity rate decreased by 0.2% to 71.7%.

FRANCE - UNEMPLOYMENT RATE



UNEMPLOYMENT - ITALY

Italy's unemployment rate decreased to 6.3% in April of 2020, the lowest since November of 2007 and below market expectations of 9.5%, as the number of inactive people increased by 746,000 to 14.58 million, its highest since November of 2011, due to the coronavirus crisis. The number of unemployed people fell by 484,000 to 1.54 million and employment decreased by 274,000 to 22.9 million. The youth unemployment rate, measuring job-seekers between

15 and 24 years old, decreased to 20.3%, the lowest since January of 2008, from 26.5% in March. The employment rate, one of the lowest in the Euro Area, went down to 57.9% from 58.6%.

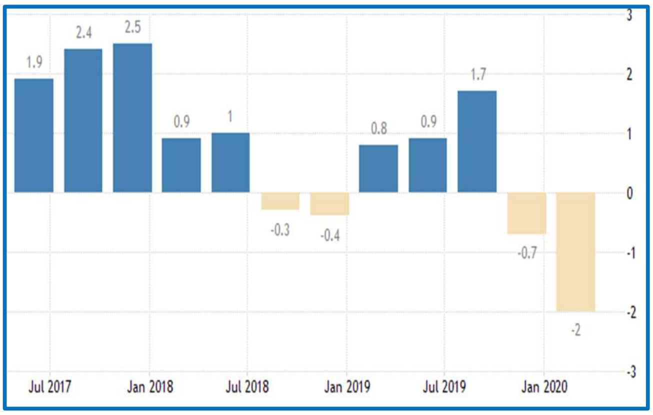
ITALY - UNEMPLOYMENT RATE

Japanese Economic Outlook

In 2020, Japan is on course to experience its deepest recession of the post-war era, with at best a modest recovery in 2021. Economic activity has plummeted in the first half of 2020, reflecting the impact of incrementally stepped-up confinement measures and lower external demand. Large-scale fiscal support and the gradual lifting of the confinement measures will help to partially reverse the collapse but, in the event of a second outbreak later in the year, re-confinement would impart another economic blow. GDP is expected to fall by 6% in 2020 in the single-hit scenario and by 7¼ per cent in the double-hit scenario. Headline inflation is projected to turn negative in 2020, reflecting considerable economic slack and a fall in energy prices.

The government has launched a range of measures to support households and protect businesses and employment, including cash handouts to households, increased subsidies for special paid leave, rent subsidies, deferrals of tax and social insurance premiums, and emergency loans and credit guarantees.

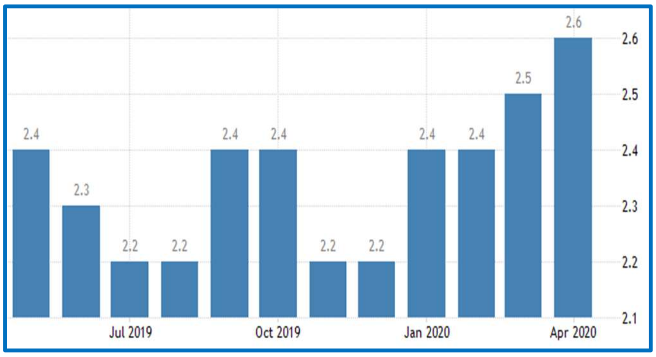
JAPAN - ANNUAL GDP GROWTH RATE



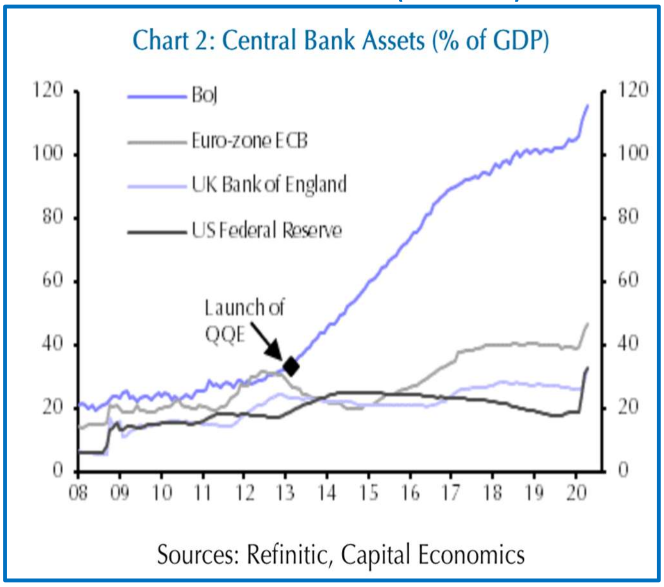
UNEMPLOYMENT - JAPAN

The unemployment rate in Japan edged up to 2.6% in April 2020 compared to 2.5% in the prior month. Japan, historically, has always maintained a very low unemployment rate. However, this is the highest jobless rate since December of 2017, as the number of unemployed increased by 3.5% to 1.78 million while employment declined by 1.6% to 66.25 million. The jobs-to-applications ratio declined sharply to 1.32, the lowest since March 2016, as the Covid-19 crisis escalated.

JAPAN - UNEMPLOYMENT RATE



CENTRAL BANK ASSETS (% OF GDP)



SOURCE: Refinitic, Capital Economics

The above graph shows how Japan has printed madly, and yet without generating inflation. The main reason inflation has remained stubbornly low is that the huge expansion in the Bank's balance sheet has translated into only modest gains in bank lending and broad money. The Bank of Japan's assets have surged by nearly 90% of GDP since it launched Quantitative and Qualitative Easing (QQE) in April 2013. That increase is about three times as large as the increase in the assets of other major central banks since the global financial crisis. Most of that increase was driven by the BoJ's large-scale purchases of government bonds. That policy brought deflation to an end but price gains have remained slower than in other large advanced economies.

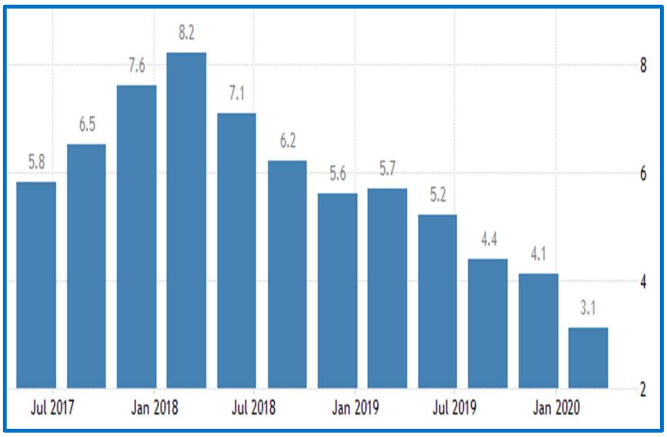
Indian Economic Outlook

The single hit scenario assumes that the 10-week general lockdown, followed by some targeted lockdowns, succeeds in avoiding an acute health crisis. In the double-hit scenario, a renewed virus outbreak will require a new general shutdown in the autumn.

New restrictions on internal migration and disruptions in supply chains would have severe consequences on activity and income while external demand would falter again. In this case, GDP is projected to fall by 7.3% in FY 2020-21, compared to 3.7% in the single-hit scenario. The poor, informal workers and small enterprises will suffer disproportionately; weak bank and corporate portfolio positions will keep the investment rate low, weighing on growth prospects. Inflation remains under control given economic slack and low oil prices. Public deficit will spike, reflecting faltering tax receipts and needed spending to support people, banks and small enterprises.

Protecting human lives is the immediate priority and requires additional health care resources and generous support to the poor. Getting activity back and avoiding a durable effect from the crisis on income and jobs require promoting access to credit.

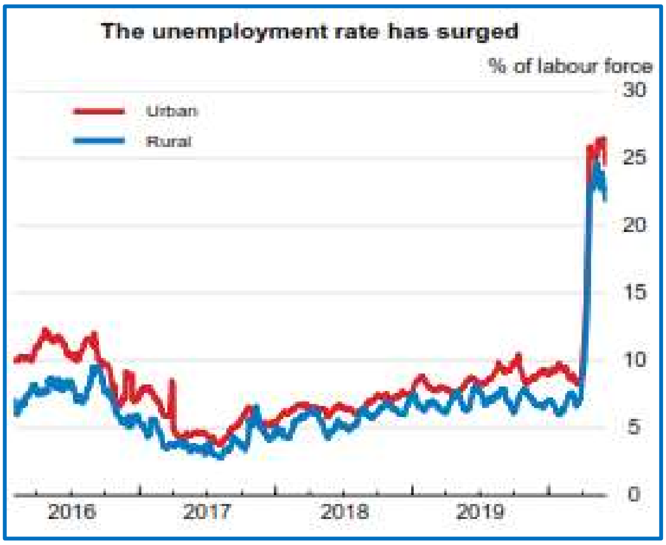
INDIA - ANNUAL GDP GROWTH RATE



UNEMPLOYMENT - INDIA

India's unemployment rate was unchanged at 23.5% in May 2020, the highest level on record, with the urban jobless rate hitting a new all-time high as the country remains under lockdown amid a spike in the number of COVID-19 cases. Meanwhile, there was a drop in rural unemployment following the unlocking of rural economy and better fund allocation under rural job scheme.

INDIA - UNEMPLOYMENT RATE



COMMODITIES

OIL: WTI CRUDE (ONE YEAR)

GOLD (ONE YEAR)

CURRENCIES

The Kiwi dollar has jumped to a six-month high of USc65.7 after the US Federal Reserve pledged to keep short term interest rates at zero percent for another two years and keep printing US$120b a month to keep long term rates low. The New Zealand Dollar has bounced 17% in the last three months. That is removing some of the monetary policy stimulus being pumped into our economy by our Reserve Bank, which has also pledged to buy NZ$60bn worth of our Government bonds before March next year. That is equivalent to about 20% of our GDP. But from a markets point of view, New Zealand's money printing is not keeping up with the rest of the world.

NZD/USD & NZD/AUD

SOURCE: Westpac

AGRIBUSINESS – LOOKING FROM THE OUTSIDE IN

NZ$m year to 30 June	2004	2008	2012	2016	2017	2018	2019	2020F	2021F
Dairy	6,092	10,359	13,379	13,289	14,638	16,655	18,107	19,630	19,450
Meat & Wool	6,848	6,939	7,781	9,201	8,355	9,542	10,176	10,430	10,680
Forestry	3,294	3,295	4,332	5,140	5,482	6,382	6,883	6,000	6,600
Horticulture	2,212	2,896	3,560	5,002	5,165	5,376	6,111	6,400	6,530
Seafood	1,257	1,272	1,545	1,768	1,744	1,777	1,963	2,090	2,210
Arable	94	142	182	210	197	243	236	260	255
Other primary exports	1,114	1,525	1,773	2,612	2,638	2,706	2,852	3,060	3,140
Primary Industries Total	20,911	26,428	32,552	37,222	38,219	42,681	46,328	47,870	48,865
Per annum % Change		6.6%	5.8%	3.6%	2.7%	11.7%	8.5%	3.3%	2.1%

FONTERRA

The Fonterra Shareholders' Council, watchdog of the interests of the co-operative's 10,000 owners, is subject of an in-house review of its performance, relevance and cost - $50m over 19 years - said in a newsletter that some shareholders were "*looking for more progress*" on the capital structure review.

The call last year for a capital structure review follows Fonterra's recovery effort after two disastrous financial years and at least $4bn of wealth destruction for its farmer-owners - the result of poor investment decisions offshore and a poorly executed business strategy.

Replacement chief executive Miles Hurrell and a largely new board have implemented a back-to-basics rescue business strategy with the focus on New Zealand milk. Interim 2020 results in March indicated the slide had been reversed. Fonterra's 2020 financial year ends on July 31. It will report FY20 results in September. While Fonterra is owned by its shareholding suppliers, under a 2012-introduced regime called Trading Among Farmers (TAF), outside investors can buy units in farmer shares. These are listed. Managed by the Fonterra Shareholders' Fund, they are dividend-carrying but unit-holders cannot vote. (This structure inherently creates tension: Farmers want the highest milk price Fonterra can deliver from earnings; unit holders focus on the dividend.) However in urging the capital structure review, Coull said TAF was a tool - it was not Fonterra's capital structure.

Structure extends across the entire business from capital structure to governance, [shareholder] representation and management, to milk price and beyond. While some shareholders are said to want progress on a review, others have told the Herald the call for it was simply a distraction tactic from last year's $605m net loss and the previous year's first ever loss of $196m. Nevertheless, the sharemarket is eyeing the review with interest. Jarden believes getting consensus on capital structure will be difficult and the process will take time.

Fundamentally Jarden sees these decisions as being linked to the size and scope of the co-operative's activities and they continue to think the best option will see Fonterra commit to downsizing the business around its core NZ ingredients engine while continuing to grow the Asia/Greater China food service and consumer business that feeds from NZ-sourced milk.

Mark Lister, head of private wealth research for Craigs, said Fonterra's capital structure and governance were probably part of its "mediocre" financial performance. "*[There's] too much debt in the company, too high a cost structure and near the top of the list, pretty poor decisions in terms of strategic-level investment. Then there's the conflict between farmer-shareholders and [unit] investors* ..."

As a co-operative, Fonterra can't do capital raisings like normal listed companies. "*The conflicts will always be there. It's really hard to see a time when they won't have those, or governance limitations*," Lister said. "*While you will have a group of forward-thinking farmers happy to consider all options, there will be a big group of traditionalists who don't want to relinquish any control or voting rights*." Lister said while the Fonterra unit regime had not proven profitable for investors in recent times, the primary sector was under-represented on the sharemarket and Fonterra was a big business in one of New Zealand's most important industries. "*People would like to find a way to get that exposure*."

HORTICULTURE

Zespri Group is upbeat about the current financial year despite the impact of the Covid-19 pandemic, having reported a 12% increase in annual profit and returned almost $2 billion to the industry.

Net profit rose to $200.8m in the year to March 31 (from $178.9m a year earlier). Operating revenue was $3.36b with fruit sales of $3.14b. Zespri sold 164.4m trays of New Zealand and non-New Zealand-grown kiwifruit, a 2% decline on the year. The board expects to pay a dividend of 94 cents a share (up from 92 cents the prior year).

Zespri has 2,800 growers in New Zealand and 1,800 growers based elsewhere. "*Overall, 2019/20 was another strong year for Zespri with continued growth in our largest markets including Japan, Greater China and Europe*," said chief executive Dan Mathieson.

Optimistic Outlook

Mathieson said 2020/21 is shaping up to be another solid year despite the impact of Covid-19. Zespri was named an essential service and was able to keep operating throughout the lockdown after it implemented safety protocols.

"The response from the industry to Covid-19 has been incredible, coming together to ensure we could get fruit off the vines and into market in spite of the restrictions both here and offshore," he said.

The coming season is one of the largest by volume – albeit with smaller green varieties due to dry weather – and global demand is significant, he added.

"Risks to our outlook include wider concerns around consumer purchasing power being negatively affected by the global economic turmoil, changes to the normal flow of fruit trade and also potential disruption across our global supply chains. Zespri remains focused on ensuring we're able to respond to such eventualities and on delivering returns to growers," he said.

DAIRY HOLDINGS SELL DOWN TO CANADIANS

Giant Quebec public service pension fund manager PSP Investments (via Sooke Investments Inc) has bought a major stake (24.99%) in New Zealand's biggest corporate dairy farmer, Dairy Holdings. Dairy Holdings is NZ's largest dairy farmer, milking more than 50,000 cows. It's cornerstone shareholders are Colin and Dale Armer (who live at Mt Maunganui), with a combined holding of 42%, and Murray and Margaret Turley (Temuka), who hold 33% of the company.

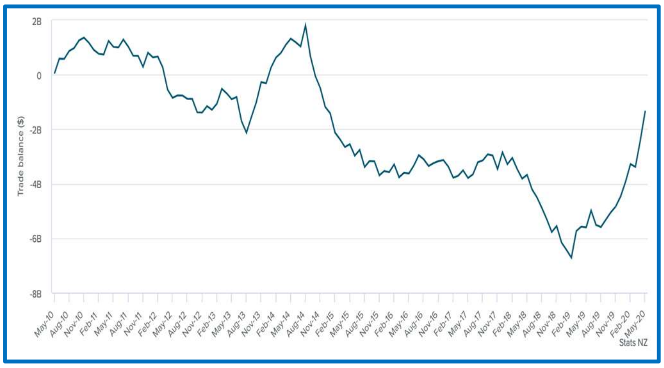
The Sooke buy-in follows the exit from Dairy Holdings a year ago of Jagewi Ltd, owned by JD & RD Wallace Ltd, John Luxton and Luxton family interests and Auckland businessman Paul Benjamin. A passive investor, Sooke, through PSP Investments, has existing interests in New Zealand, including in forestry heavyweight Kaingaroa Timberlands, and it also owns Global Herd Ltd.

WHEN BEES GROW MORE MONEY THAN SHEEP

Our exporters have done fantastically well this year, helping create a trade surplus with the help of lower imports. Bees can take a lot of credit too.

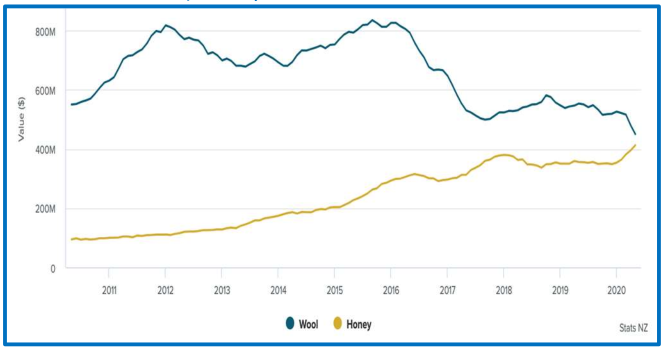
ANNUAL TRADE BALANCE

YEAR ENDED MAY2010-MAY2020



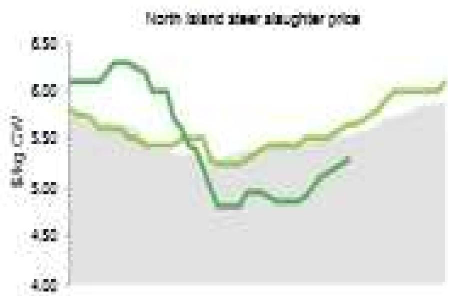
HONEY & WOOL EXPORTS

MONTHLY $ VALUES, YEAR ENDED MAY 2010 – MAY 2020



BEEF

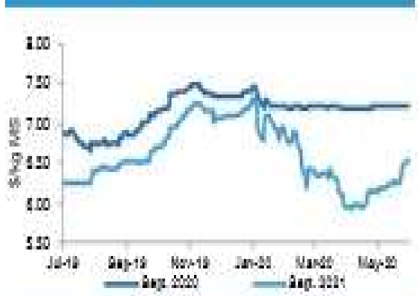
Slaughter price (NZ$/kg)	Last week	Prior week	Last year
NI Steer (300kg)	5.30	5.25	5.65
NI Bull (300kg)	5.35	5.35	5.35
NI Cow (200kg)	4.00	3.95	4.30
SI Steer (300kg)	4.70	4.65	5.30
SI Bull (300kg)	4.65	4.60	5.05
SI Cow (200kg)	3.30	3.10	3.85
Export markets (NZ$/kg)			
US imported 95CL bull	8.38	8.70	7.99
US domestic 90CL cow	8.79	8.76	7.46



SHEEP MEAT

Slaughter price (NZ$/kg)	Last week	Prior week	Last year
NI lamb (17kg)	7.05	7.00	7.80
NI mutton (20kg)	4.85	4.90	5.35
SI lamb (17kg)	6.80	6.75	7.60
SI mutton (20kg)	4.50	4.50	5.25
Export markets (NZ$/kg)			
UK CKT lamb leg	9.56	9.63	9.94

MILK PRICE FUTURES



DAIRY FUTURES (US$/T)

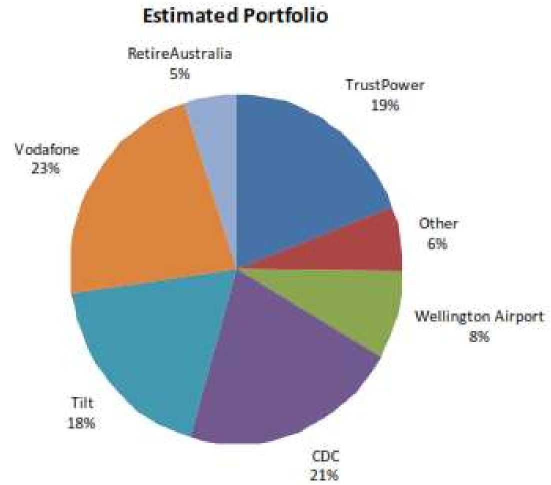
Nearby contract	Last price*	Prior week	vs 4 weeks ago
WMP	2875	2885	2640
SMP	2620	2620	2525
AMF	4050	4050	4000
Butter	3650	3650	3650
Milk Price	7.22	7.22	7.22

*price as at close of business on Thursday

INFRATIL (IFT.NZ)

OUTPERFORM $4.73 **12-mth TARGET:** $5.45

INFRATIL Year to 31 March		2020A	2021F	2022F	2023F
Adj Earnings	NZ$m	129	9	86	86
Earnings/Share	NZc	20.3	1.2	11.9	11.8
PE Ratio	x	25.5	422.5	43.3	43.7
Cash/Share	NZc	15.8	16.0	32.6	34.5
Gross Dividend	NZc	3.6	3.6	3.7	3.7



EBITDA Breakdown

Year to 31 Mar	2019A	2020A	2021F	2022F	2023F
Trust Power	222.2	186.5	202.5	201.6	198.2
Wellington Airport	101.4	103.2	24.1	103.9	109.5
NZ Bus	17.4	0.0	0.0	0.0	0.0
Tilt	144.4	125.9	91.4	108.2	115.7
RetireAustralia	9.2	8.9	45.2	41.5	32.6
CDC	83.9	161.0	29.1	43.2	62.9
Vodafone	0.0	-24.7	4.6	40.7	39.4
Other continuing	92.4	16.8	17.6	11.9	-0.7
Parent costs	-131.4	-169.5	-87.6	-89.4	-89.7
Continuing EBITDA	**539.4**	**408.1**	**326.7**	**461.6**	**467.9**

Jarden was surprised at IFT's $300m equity raising announcement in early June, given its capital position looked adequate to service both its parent debt and the already large program of organic growth underway at its subsidiaries. Management still assesses IFT's capital position as “comfortable”. Instead, this raising will create "dry powder" to accelerate projects within subsidiaries, or to secure bolt-on acquisitions. Jarden thinks a large parent-driven acquisition is unlikely, as management still doesn’t see compelling opportunities at current valuations.

Wellington City Council has confirmed it will invest an extra $25.76m into Infratil-controlled Wellington International Airport if required, as part of a shareholder support package. The council owns 34% of the airport, which has been severely affected by the covid-19 global pandemic.

Infratil, which owns 66% of the airport, is also committing to a capital injection of $50m under the same support arrangement. The equity underwrite is in the form of redeemable preference shares and the airport will only draw down the funds if required. The commitment lasts for two years.

- Jarden’s read is that acceleration of data-centre rollouts at CDC (beyond the confirmed EC3 28MW and NZ 1&2 10MW DCs in FY21 & FY22, for further growth at EC and Hume campuses), and maybe a distressed European renewable asset/vehicle to kick-off Galileo Green Energy, seem like high probability destinations for this capital.
- The equity capital raising is by way of a $250m underwritten placement to institutions at a $4.76/share offer price, and a non-underwritten $50m SPP at lower of offer price or 2.5% discount to 5-day IFT VWAP up to and including the 25th June closing date.
- After allowing for the expected receipt of $179m TLT capital return, a number of other cash inflows/outflows over the next two months, and the retirement of $53mn debt facilities in July, our Net Debt estimates imply ~$665m liquidity available to IFT.
- Jarden thinks the $4.76/share offer price seems attractive, when compared to their $5.32/share fully-diluted post-raising IFT NEV estimate (and fair versus their indicative $4.79/share trading guideline, which deducts a 10% historical trading discount from NEV). Jarden’s NEV is arguably conservative against potential sale value of IFT's CDC stake. In the first instance their forecast revisions treat this capital raising as a simple parent cash inflow and issuance of shares. Jarden has left their subsidiary valuations unchanged, pending confirmation of which accelerated growth options proceed. Jarden sets a fully-diluted target price of $5.36/share, and retain their Outperform rating.

AFT PHARMACEUTICAL (AFT.NZ)

OUTPERFORM $3.89 **12-mth TARGET:** $4.34

AFT is raising $10m through a discounted share placement. At the same time, long-time shareholder Capital Royal Group is selling all of its 16% stake, worth around $58m, while the founders' Atkinson Family Trust is also selling $3.5m worth of shares, or 1.3 per%.

AFT is also carrying out a $2m share purchase plan. And it has raised the prospect of paying a dividend from 2022, if it hits targets.

The placement and share sales are at a floor price of $3.65, a 22% discount to the last price of $4.70 when announced.

The transactions will increase the free float from 11% to approximately 31%. Both shareholders opted to sell due to "significant investor interest".

AFT is forecasting an operating profit in the range of $14m to $18m in the 2021 financial year, which represents growth of up to 58% before any upfront licensing fees.

Once the debt levels are down to "satisfactory levels", AFT's board will look at paying a dividend, it said. The immediate focus for surplus cash is to target net debt of $23m-to-$28m. AFT will "assess potential for a dividend policy in FY2022 once debt is retired to satisfactory level," the company said in an investor presentation.

Full-year result, 12 months to March 31, 2020

	2020	2019	Change
Net profit / (loss)	$12.7m	($2.4m)	629% ▲
Operating profit	$21.2m	$9.8m	116% ▲
Revenue	$105.6m	$85.1m	24.1% ▲

STOCKS TO WATCH NEW ZEALAND

JUST STOCKS WITH UPDATES SINCE APRIL

Prices as at 1st July 2020

ALL ONE YEAR GRAPHS

Air New Zealand

In its first earnings update since suspending guidance on 9 March, AIR has stated that it expects to report an underlying PBT loss of up to -$120m (inclusive of ~$79m of wage subsidies). On a like-for-like basis, this update is broadly in line with Jarden's forecast. Importantly, AIR did not provide any update on its current available liquidity or cash burn. Assuming that there has been no material change, the cash burn profile Jarden expect AIR to finish FY20 with is ~$500m of available liquidity (excl. Crown loan) and for cash burn to reduce to ~$100m / month in early FY21. In the absence of a material capital injection, Jarden expects AIR would need to access the Crown loan facility in 1Q FY21 or early 2Q FY21.

2021 P/E: (21.6) 2022 P/E: (8.6)

NZX Code: AIR
Share Price: $1.37
12mth Target: $0.85
Projected return (%)
Capital gain -38.0%
Dividend yield (Net) 0.0%
Total return -38.0%
Rating: UNDERPERFORM
52-week price range: 3.05-0.80

Argosy Property

ARG announced that it has unconditionally sold its recently upgraded property at 180-202 Hutt Rd in Wellington for $23.5m, 11% above book value. The asset sold with a passing yield of around 4%, a market yield around 5% and a WALT of nine years. Solid private investor interest in these assets is encouraging and Jarden sees potential for ARG to divest a couple of additional industrial properties over the coming months as it looks to bring its gearing down. Given the uncertainty that is currently prevailing, this sale is an encouraging start to ARG's FY21 efforts to bring gearing down.

2021 P/E: 17.7 2022 P/E: 17.4

NZX Code: ARG
Share Price: $1.19
12mth Target: $1.24
Projected return (%)
Capital gain 4.2%
Dividend yield (Net) 5.3%
Total return 9.5%
Rating: NEUTRAL
52-week price range: 1.54-0.74

EROAD

Jarden retains its OUTPERFORM rating. ERD is a high-quality fleet management provider operating in attractive markets, underpinned by regulatory drivers. Jarden views the persistent discount in the market's valuation of the business, largely framed by historic issues, as far too punitive given the company's considerable progress over the last several years, evidenced by strong unit and revenue growth and solid operating metrics. The business today is significantly lower-risk than it was five years ago, and with its market value largely unchanged, they see a compelling investment case.

2021 P/E: n.m. 2022 P/E: 30.3

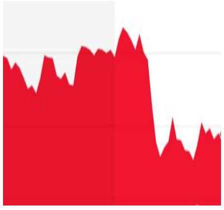
NZX Code: ERD
Share Price: $3.19
12mth Target: $4.39
Projected return (%)
Capital gain 37.6%
Dividend yield (Net) 0.0%
Total return 37.6%
Rating: OUTPERFORM
52-week price range: 3.40-1.80

Fisher & Paykel Healthcare

A strong FY20 result, with NPAT +37% to $287m. Key outperformance has been unprecedented COVID-19 demand through the Hospital division – both Hardware and an accelerated adoption profile for Nasal High Flow (NHF). Homecare 2H performance was more mixed, with lower diagnostic rates being offset by strong mask re-supply. COVID-19 has been a key change factor. Step change in demand and entrenching FPH's first-mover advantage in Hospital. Jarden likes the quality and growth outlook of FPH but continues to believe this is well priced in, on their DCF framework.

2021 P/E: 52.9 2022 P/E: 51.7

NZX Code: FPH
Share Price: $34.32
12mth Target: $25.08
Projected return (%)
Capital gain -26.9%
Dividend yield (Net) 1.3%
Total return -25.6%
Rating: UNDERPERFORM
52-week price range: 35.45-14.85

	**Fletcher Building** FBU, as expected, outlined a challenging outlook for its business in the wake of COVID. FBU announced plans to cut ~1,500 jobs. In this environment, downside risks clearly exist. The prospect of a break-even EBIT result in 4Q20 (usually represents 40-45% of Group EBIT) highlights the downside associated with lock down measures (which have continued to ease) and provide a backdrop for FBU to move towards new normal levels of activity. FBU also announced major cuts to capex although it will continue to progress with the Wallboards facility. 2020 P/E: 21.8 2021 P/E: 23.2	**NZX Code:** **FBU** **Share Price:** **$3.69** **12mth Target:** **$3.78** **Projected return (%)** Capital gain 2.4% Dividend yield (Net) 2.7% **Total return** **5.1%** **Rating: NEUTRAL** 52-week price range: 5.70-3.05
	**Infratil** In its briefing, IFT explained that it still believed its capital adequacy remains comfortable. The rationale for extra funds is to instead permit possible acceleration among its existing subsidiary growth programs, or to undertake opportunistic acquisitions. However, Jarden notes that a large parent-driven purchase of a new investment platform seems very unlikely, with management still not seeing compelling acquisition opportunities at current valuations. The equity capital raising will be by way of a $250m underwritten placement to institutions today at a $4.76/share offer price, and a non-underwritten $50mn SPP at the lower of offer price or 2.5% discount to the five-day volume weighted IFT price up to and including the 25th June closing date. 2021 P/E: n.m 2022 P/E: 43.3	**NZX Code:** **IFT** **Share Price:** **$4.69** **12mth Target:** **$5.36** **Projected return (%)** Capital gain 14.3% Dividend yield (Net) 3.6% **Total return** **17.9%** **Rating: OUTPERFORM** 52-week price range: 5.66-3.00
	**Kiwi Property Group** KPG provided a brief update highlighting activity levels had returned to pre-COVID-19 levels at its shopping centres. KPG has progressed rent relief measures with tenants and is comfortable that abatements are expected to be in line with the guidance provided at the Y20 results a month ago, having an FFO impact of ~$20m. Having decided not to pay a final dividend in FY20, progress since the result appears to have been sufficient for KPG to confirm to investors early, its intention to resume dividends. KPG intends to pay an interim 1H21 dividend at 90-100% of AFFO. No earnings guidance has been provided. 2021 P/E: 17.1 2022 P/E: 14.3	**NZX Code:** **KPG** **Share Price:** **$1.04** **12mth Target:** **$1.19** **Projected return (%)** Capital gain 14.4% Dividend yield (Net) 5.5% **Total return** **17.9%** **Rating: OUTPERFORM** 52-week price range: 1.70-0.74
	**Metro Performance Glass** MPG's FY20 normalised, pre-IFRS16 EBIT of $21.2m was down 16% on the prior year, with lower earnings in New Zealand partly offset by a modest improvement in the loss-making Australian business. NZ Commercial revenues were down 24% as MPG pursues its plan to focus on lower-risk small projects with revenues in NZ residential and Retrofit broadly flat. The NZ business will clearly be under pressure in a likely post-COVID-19 downturn, compounded by increased competition as existing operators compete in a smaller market and APL's entry adds to existing supply. Both these factors were reflected in a $87m impairment of NZ intangibles. Australia beat expectations, achieving revenue growth over FY19 and a positive EBITDA result in the second half despite soft market conditions. MPG was upbeat about the Australian business following a difficult transformation, with positive changes to the National Building Code expected to drive double-glazing take-up from 2022/23. 2021 P/E:7.2 2022 P/E: 30.5	**NZX Code:** **MPG** **Share Price:** **$0.19** **12mth Target:** **$0.38** **Projected return (%)** Capital gain 100.0% Dividend yield (Net) 0.0% **Total return** **100.0%** **Rating: OUTPERFORM** 52-week price range: 0.42-0.15
	**NZ Refining** NZR has updated the market on the progress of its Strategic Review, as it seeks to adapt to an extended outlook of low refining margins. The one-page release indicates NZR has had extensive engagement with its fuel retailer customers and other stakeholders since April. This update points clearly towards the import terminal model being the preferred direction, but is very light on details, timing, costs or benefits. While Jarden remains optimistic that the Strategic Review will serve as a positive catalyst for NZR, they don't yet see enough information here to properly size the opportunity – in particular the likely capex required for import terminal conversion, and indicative commercial pricing with customers. 2020 P/E: (5.2) 2021 P/E: (11.8)	**NZX Code:** **NZR** **Share Price:** **$0.73** **12mth Target:** **$1.71** **Projected return (%)** Capital gain 134.2% Dividend yield (Net) 0.0% **Total return** **134.2%** **Rating: OUTPERFORM** 52-week price range: 2.20-0.62
	**Port of Tauranga** As has been seen in previous cycles, POT is not immune from influences on global trade flows but is similarly well placed to continue to benefit from its strong structural advantages. A key competitive advantage includes POT extending its Kotahi strategic alliance to mid-2031 - with Kotahi managing freight on behalf of more than 40 of New Zealand's importers and exporters, including its shareholders Fonterra and Silver Fern Farms. There are no issues around core profitability nor the balance sheet, and any market weakness in POT likely represents a rare opportunity to purchase a high-quality infrastructure business at reasonable value. 2020 P/E: 47.5 2021 P/E: 41.2	**NZX Code:** **POT** **Share Price:** **$7.57** **12mth Target:** **$5.47** **Projected return (%)** Capital gain -27.7% Dividend yield (Net) 2.4% **Total return** **-25.3%** **Rating: ~~UNDERPERFORM~~** **My Rating: BUY ON WEAKNESS** 52-week price range: 8.14-4.90

Precinct Properties NZ

As PCT comes towards the end of a major development phase, Jarden reviews the performance of its portfolio which comprises mature office portfolios in Auckland and Wellington; the recently opened Commercial Bay (CB) which accounts for ~ one third of portfolio value; and developing precincts at Wynyard in Auckland and Bowen St in Wellington, both of which are part way through development. PCT has a relatively small amount of remaining leasing risk associated with current development activity (CB; Wynyard Stage 2 and ANZ backfill) going into a pending downturn while its wider portfolio is well positioned for a downturn with quality tenant covenants; long WALTs and well-structured leases. Covid-19 will impact the earnings trajectory in FY21 (support allowances required for the meaningful CB retail exposure), but still expect attractive earnings and dividend growth over the next few years.

2020 P/E: 25.2 2021 P/E: 24.5

NZX Code:	**PCT**
Share Price:	**$1.56**
12mth Target:	**$1.73**
Projected return (%)	
Capital gain	10.9%
Dividend yield (Net)	4.1%
Total return	**15.0%**

Rating: NEUTRAL

52-week price range: 1.95-1.44

Pushpay Holdings

A positive for PPH shareholders is that this company does not have any net debt. Its high ROE already points to a high-quality business, but the lack of debt is a cherry on top. After all, when a company has a strong balance sheet, it can often find ways to invest in growth, even if it takes some time. PPH improved its revenue over the last year from US$98.4m to US$129.8m (up 32%). Covid-19 offers an opportunity for this online church tithing company, because church goers are reluctant to pass around tithing baskets.

2021 P/E: 43.2 2022 P/E: 29.0

NZX Code:	**PPH**
Share Price:	**$8.72**
12mth Target:	**R**
Projected return (%)	
Capital gain	%
Dividend yield (Net)	0.0%
Total return	**%**

Rating: OUTPERFORM

52-week price range9.68-2.36

Sanford

Jarden has maintained an OUTPERFORM rating on a revised TP of $7.98 (from $7.65). The 1H20 result modestly below Jarden's expectations, but this can largely be attributed to toothfish (adverse catch/price impact), upside from recent initiatives has generally been slow to emerge. Wild catch volatility and COVID-19 continue to make near-term trading difficult to assess. However, progress is evident in SAN's aquaculture business (salmon and mussels) which are expected to make a meaningful contribution to group earnings as production expands. Key risks include currency (particularly NZD/USD), the oil price, weather, changes to the Total Allowable Catch, and risks to property rights including indigenous claims and environmental regulation.

2020 P/E: 18.3 2021 P/E: 14.3

NZX Code:	**SAN**
Share Price:	**$6.37**
12mth Target:	**$7.98**
Projected return (%)	
Capital gain	25.3%
Dividend yield (Net)	3.0%
Total return	**28.3%**

Rating: OUTPERFORM

52-week price range: 8.20-5.55

Sky Network Television

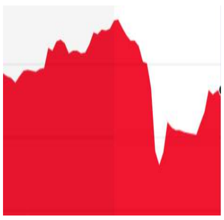
SKT has emerges from the equity raise with little net debt and a ~$300m market cap. It will reinvest available free cash flow over FY20 and FY21 but the ongoing decline in earnings which has been accelerated by COVID makes for an unflattering near-term outlook. If the best decision for SKT is to put short-term profitability and cash flow aside and reset for the future then Jarden is unclear on capacity with bank lenders, noting capitalised lease payments are about to increase on a new satellite lease. They have very little line of sight in the near and medium-term on SKT's ability to generate the ~$30m of sustainable free cash flow required to support market cap and see that visibility being some time away, regardless of the approach SKT takes to stabilizing the business.

2020 P/E: 31.0 2021 P/E: 76.8

NZX Code:	**SKT**
Share Price:	**$0.15**
12mth Target:	**$0.17**
Projected return (%)	
Capital gain	13.3%
Dividend yield (Net)	0.0%
Total return	**13.3%**

Rating: UNDERPERFORM

52-week price range: 1.30-0.14



Turners Automotive

Automotive retail continued to demonstrate robust performance under difficult conditions. Positive momentum exists in Finance/Insurance given improving underwriting standards. Expect a strong recovery staged as social distancing restrictions have been relaxed following a sharp collapse in early FY21 (operating profit run-rates across March/April/May have been ~50%/>100%/35% below average FY20 levels, respectively). Jarden understands June MTD trading is tracking ahead of the pcp. An uplift in the Credit Management business is expected as corporate debt loads are released for collection.

2021 P/E: 11.9 2022 P/E: 9.6

NZX Code:	**TRA**
Share Price:	**$2.12**
12mth Target:	**$2.20**
Projected return (%)	
Capital gain	3.8%
Dividend yield (Net)	5.8%
Total return	**9.6%**

Rating: NEUTRAL

52-week price range: 2.93-1.13

Z Energy

Completing its $290m placement, and announcing $74$96m of FY21cost help and $55m pa permanent cost saving from FY22 are useful for both debt and equity holders. The $350m equity raising total (with SPP) primarily to be used to repay $180m of drawn bank debt. Additional measures include a larger working capital facility (increased $150m to $500m, $430m undrawn at FY20 end) and debtholder agreements to covenant relief at test dates relating to FY21. Retail margin outlook remains uncertain, but ZEL trades at levels implying long-run margins 5-6cpl lower, which Jarden thinks would be an overly conservative outlook. They have retained their OUTPERFORM for ZEL.

2021 P/E: 48.2 2022 P/E: 14.4

NZX Code:	**ZEL**
Share Price:	**$2.68**
12mth Target:	**$5.00**
Projected return (%)	
Capital gain	86.6%
Dividend yield (Net)	1.2%
Total return	**87.8%**

Rating: OUTPERFORM

52-week price range: 6.85-2.50

NZ LISTED COMPANIES 29th June 2020		Recom	Mrkt Cap	Price 29-Jun-20	Target Price	Price Earnings (x)		Net Yield (%)	
Source: Jarden, CS Group Estimates	Ticker		(NZ$m)	(NZ$)	(NZ$)	FY20	FY21	FY20	FY21
TELE-COMMUNICATIONS									
Chorus	CNU	N	3,360	7.56	6.40	63.4	54.8	3.2%	3.3%
Spark NZ	SPK	N	8,138	4.43	4.05	20.0	18.8	5.6%	5.6%
COMMUNICATION SERVICES - MEDIA									
NZME	NZM	O	59	0.30	0.40	5.8	4.5	0.0%	0.0%
Sky Network Television	SKT	U	265	0.15	0.16	12.6	27.2	0.0%	0.0%
CONSUMER DISCRETIONARY - TOURISM									
Restaurant Brands New Zealan	RBD	U	1,497	12.00	10.75	27.2	22.3	0.0%	0.0%
SKYCITY Entertainment Group	SKC	-	1,922	2.60	-	19.7	20.8	3.8%	7.7%
Tourism Holdings Ltd	THL	O	296	2.00	3.79	12.3	8.5	10.6%	12.0%
CONSUMER DISCRETIONARY - RETAIL									
Kathmandu	KMD	O	815	1.15	1.40	-54.6	24.0	0.0%	0.0%
Michael Hill International	MHJ	O	129	0.36	0.96	4.8	4.4	7.5%	12.1%
The Warehouse Group	WHS	N	711	2.05	2.00	9.5	10.3	8.5%	7.8%
Turners Automotive	TRA	N	177	2.07	2.26	7.7	11.2	6.8%	5.8%
CONSUMER STAPLES									
The a2 Milk Company	ATM	N	14,382	19.44	17.65	36.4	30.6	0.0%	1.0%
Delegat Group	DGL	U	1,270	12.56	10.58	23.8	20.0	1.4%	1.7%
Comvita	CVT	N	187	2.68	2.24	-30.3	n.m.	0.0%	0.0%
Fonterra Shareholders' Fund	FSF	N	390	3.72	3.97	14.7	11.6	3.5%	4.3%
New Zealand King Salmon	NZK	N	259	1.86	2.25	19.2	16.7	2.7%	3.1%
PGG Wrightson	PGW	U	204	2.70	2.32	13.8	13.5	6.2%	6.3%
Sanford	SAN	O	584	6.25	7.98	16.8	13.2	2.4%	3.7%
Scales Corporation	SCL	N	688	4.85	4.78	19.8	18.9	4.3%	4.5%
Seeka	SEK	O	135	4.20	6.01	15.5	13.1	5.7%	5.7%
Synlait Milk	SML	O	1,273	7.10	7.70	16.5	12.9	0.0%	0.0%
ENERGY									
NZ Refining	NZR	O	232	0.74	1.71	-4.2	-9.5	0.0%	0.0%
Z Energy	ZEL	O	1,410	2.71	5.00	24.6	41.9	6.1%	0.0%
FINANCIALS									
Heartland Group Holdings	HGH	N	703	1.21	1.35	10.8	15.3	5.0%	3.3%
NZX	NZX	N	386	1.39	1.37	22.4	21.5	4.5%	4.6%
HEALTH CARE SERVICES									
AFT Pharmaceuticals	AFT	N	401	3.89	4.34	71.4	31.6	0.0%	0.0%
Ebos Group	EBO	N	3,304	21.70	21.50	19.6	18	3.6%	4.0%
Fisher & Paykel Healthcare	FPH	U	18,388	32.00	14.38	69.8	61.2	0.9%	1.1%
HEALTH CARE PROVIDERS									
Arvida	ARV	N	787	1.45	1.35	14.3	19.5	4.0%	3.4%
Oceania Healthcare	OCA	N	553	0.90	1.23	11.7	14.1	5.1%	3.9%
Ryman Healthcare	RYM	U	6,450	12.90	10.00	26.6	27.4	1.9%	1.8%
Summerset Group Holdings	SUM	N	1,436	6.30	8.25	13.4	12.4	2.2%	2.4%
INDUSTRIALS									
Metro Performance Glass	MPG	O	36	0.19	0.38	3.3	6.3	0.0%	0.0%
Skellerup Holdings	SKL	N	417	2.14	2.03	14.3	13.2	6.1%	6.5%
TRANSPORT & LOGISTICS									
Air New Zealand	AIR	U	1,448	1.29	0.85	-17.5	-7.0	0.0%	0.0%
Auckland Airport	AIA	N	9,174	6.23	5.75	46.2	n.m.	0.0%	0.0%
Freightways	FRE	N	1,141	6.90	8.20	18.4	14.6	4.5%	5.6%
Mainfreight	MFT	N	3,952	39.25	37.50	25.3	30.4	1.6%	1.6%
Port of Tauranga	POT	U	5,054	7.43	5.47	52.9	45.8	2.2%	2.3%
INFORMATION TECHNOLOGY									
EROAD	ERD	O	225	3.30	4.39	n.m.	30.4	0.0%	0.0%
Gentrack Group	GTK	N	143	1.45	1.61	-36.4	46.1	0.0%	1.8%
Pushpay	PPH	O	1,633	9.25	3.93	n.m.	52.6	0.0%	0.0%
Serko	SKO	O	311	3.35	4.45	-37.4	-17.9	0.0%	0.0%
Vista Group International	VGL	N	357	1.56	2.04	-9.3	34.8	0.0%	0.0%
MATERIALS									
Fletcher Building	FBU	N	2,967	3.6	3.78	23.8	25.4	0.0%	2.8%
Steel & Tube	STU	N	105	0.63	0.84	17.1	9.8	4.8%	7.9%
REAL ESTATE									
Asset Plus	APL	N	57	0.36	0.43	11.4	12.8	7.6%	2.1%
Argosy Property	ARG	N	972	1.17	1.24	16.2	17.4	5.4%	5.4%
Goodman Property Trust	GMT	U	2,889	2.09	1.94	31.0	30.6	3.2%	2.6%
Investore Property	IPL	N	666	1.81	1.83	23.6	23.8	4.2%	4.2%
Kiwi Property Group	KPG	O	1,648	1.05	1.19	14.7	16.8	3.4%	5.4%
Precinct Properties NZ	PCT	N	2,102	1.6	1.8	23.5	21.9	3.9%	4.1%
Property for Industry	PFI	U	1,185	2.37	2.21	26.2	24.4	3.2%	3.3%
Stride Property Group	SPG	O	647	1.77	2.07	17.1	19.4	5.6%	5.6%
Vital Healthcare Property Trust	VHP	N	1,110	2.45	2.6	24.0	21.8	3.6%	3.7%
UTILITIES									
Contact Energy	CEN	O	4,460	6.21	8.09	33.1	28.5	6.3%	6.3%
Genesis Energy	GNE	U	3,107	3	2.88	58.7	39.1	5.8%	5.8%
Infratil	IFT	O	3,369	4.73	5.36	23.4	n.m.	3.6%	3.6%
Mercury NZ	MCY	U	6,267	4.6	4.54	34.5	33.3	3.4%	3.5%
Meridian Energy	MEL	U	12,352	4.82	3.9	39.0	48.7	4.4%	4.6%
TILT Renewables	TLT	N	1,517	3.45	3.33	3.2	n.m.	0.0%	0.0%
TrustPower	TPW	U	2,160	6.9	5.86	28.6	24.1	4.7%	4.7%
Vector	VCT	U	3,620	3.62	3.21	28.9	30.9	4.6%	4.7%
MARKET AVERAGE*						**18.9**	**21.2**	**3.1%**	**3.3%**

**PE ratios exclude: AFT, AIA, AIR, CVT, ERD, GTK, IFT, KMD* **Net Yields exclude*

JARDEN'S AUSTRALIAN EQUITIES PORTFOLIOS *AS AT 1ST JUNE 2020*

Ticker	Company Name	Core Plus	Diversified	Sector
ALL.AU	Aristocrat Leisure	9.7%	10.1%	Consumer Discretionary
AMC.AU	Amcor	11.1%	11.6%	Materials
BXB.AU	Brambles	10.1%	9.0%	Industrials
CBA.AU	Commonwealth Bank of Australia	11.2%	7.8%	Financials
CSL.AU	CSL	11.7%	9.5%	Health Care
CWY.AU	Cleanaway Waste Management	8.8%	6.0%	Industrials
LLC.AU	Lendlease Group		4.5%	Real Estate
ORG.AU	Origin Energy	10.9%	8.4%	Energy
RMD.AU	Resmed	12.0%	10.1%	Health Care
S32.AU	South32		6.3%	Materials
SCG.AU	Scentre Group	8.4%	7.8%	Real Estate
TWE.AU	Treasury Wine Estates	6.1%	5.2%	Consumer Staples
WOR.AU	Worley		3.7%	Energy
		100.0%	100.0%	

Note: The Core Plus portfolio is not adequately diversified to be used as a stand-alone portfolio. Source: Jarden

COMPANY PERFORMANCE

Ticker	Company Name	30 Apr	31 May	PE Ratios (x)		Div Yield %*	Gross Returns %		
		Price ($)	Price ($)	Pros	Pros +1	Pros	May-20	1 Year	2 Year pa
AMC.AU	Amcor	14.07	14.88	15.3	13.8	4.7	7.0	-5.5	7.9
ALL.AU	Aristocrat Leisure	25.49	25.72	38.2	21.8	0.0	0.9	-10.5	-6.0
BXB.AU	Brambles	11.08	11.64	22.6	18.0	2.7	5.1	-0.6	16.9
CBA.AU	Commonwealth Bank of Australia	62.69	63.75	16.7	17.3	5.5	1.7	-13.3	2.2
CSL.AU	CSL	309.44	276.22	41.2	32.9	1.1	-10.7	35.8	23.1
CWY.AU	Cleanaway Waste Management	1.87	1.95	26.7	21.9	2.1	4.3	-10.8	11.3
FLT.AU	Flight Centre	10.99	13.08	-6.8	253.4	0.0	19.0	-64.4	-47.2
LLC.AU	Lendlease Group	12.36	12.93	14.0	14.4	3.7	4.6	-5.1	-13.7
ORG.AU	Origin Energy	5.56	5.89	10.1	27.5	4.6	5.9	-13.8	-19.1
RMD.AU	Resmed	23.40	23.72	38.6	36.7	1.0	1.5	46.3	33.3
S32.AU	South32	1.99	1.91	29.3	21.6	2.3	-3.8	-40.7	-24.4
SCG.AU	Scentre Group	2.33	2.23	10.6	10.1	9.1	-4.3	-35.4	-20.0
TWE.AU	Treasury Wine Estates	10.15	9.66	22.5	23.8	2.8	-4.8	-33.2	-20.8
WOR.AU	Worley	9.00	8.40	10.3	8.8	5.0	-6.7	-33.2	-24.1

Prices and returns are in Australian dollars. Source Jarden
* Australian dividend yields are net.

AMCOR
Amcor (AMC) is a global packaging company with operations across Australasia, North America, Latin America, Europe and Asia. AMC offers a range of packaging related products and services, including packaging for beverages, food, healthcare, personal and homecare, tobacco, and industrial applications.

ARISTOCRAT LEISURE
Aristocrat Leisure Limited (ALL) develops and manufactures slot machines. The business has a strong presence in the key North American market (54% of earnings). Other core markets include Australia (11%). Around 28% of earnings are derived from its digital business which consists of online casinos and online gaming.

BRAMBLES
Brambles (BXB) is a supply-chain logistics group specializing in the pooling of unit-load equipment and associated services. The company focuses on the outsourced management of pallets, crates and containers, across 60+ countries.

COMMONWEALTH BANK OF AUSTRALIA
Commonwealth Bank of Australia (CBA) is a provider of financial services, including retail, business and institutional banking, funds management, superannuation, life insurance, general insurance, broking services and finance company activities. CBA conducts its operations primarily in Australia, New Zealand and Asia Pacific region. It also operates in several other countries including the UK and US.

CLEANAWAY WASTE MANAGEMENT
Cleanaway Waste Management (CWY) is Australia's largest total waste management company. CWY services customers ranging from small businesses to large multinational commercial and industrial organisations across a range of different industries (recycling, solid waste management, liquid and hazardous waste management, industrial services, waste equipment manufacturing).

CSL
CSL's core business is the manufacture of products derived from human blood plasma. CSL is one of the largest plasma fractionators globally, with operations in the US, Europe and Australia. CSL produces and distributes a range of vaccines and related pharmaceuticals, including seasonal flu vaccine. CSL invests significantly in research and development.

LEND LEASE GROUP
Lend Lease Group (LLC) is a global real estate company that undertakes construction, development (residential, office and retail), and investment management (including on behalf of third parties). The group primarily operates in the UK, US and Australia, with a lesser exposure to the balance of Asia Pacific.

ORIGIN ENERGY
Origin Energy (ORG) is an integrated Australian utilities company. Its integrated utilities business generates electricity to sell into the National Electricity market, and also sells electricity, gas and LPG to almost 3.9 million customers. ORG's other key asset is a 37.5% stake in the 9mtpa Australia Pacific LNG project in Queensland.

RESMED
ResMed is a medical equipment company, primarily involved in equipment related to the treatment of sleep-related breathing disorders, including sleep apnoea, chronic obstructive pulmonary disease, and other respiratory conditions.

SCENTRE GROUP
Scentre Group's (SCG) principal activities include the ownership, development, design, construction, asset management, leasing and marketing activities with respect to its Australian and New Zealand portfolio of shopping centre properties.

SOUTH32
South32 (S32) is a mining and metals company that was spun out of BHP Billiton in 2015. S32's has a diversified portfolio of quality assets producing alumina, aluminium, coal, manganese, nickel, silver, lead and zinc.

TREASURY WINES
Treasury Wine Estates (TWE) is a global winemaking and distribution business. It was formerly the wine division of international brewing company Foster's Group.

WORLEY
Worley (WOR) provides engineering and other professional services to the oil, gas, mining, power, and infrastructure sectors. Worley's activities include planning (design, engineering, feasibility), development (procurement, construction management), operations (maintenance, modifications) and project de-commissioning.

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.

JARDEN'S AUSTRALIAN EQUITY FOCUS LIST

AS AT 24TH JUNE 2020

Index / Stock Name	Code	24-June-20 Price $	Target Price A$	Target Return %	Gross Stock Performance %			Date added to Focus List	Price when added	ASX Index when added	Return since added	Index return since added	Over/(under) Performance
					Month	Quarter	Year						
ASX100 Index	ASX100	16,580			8.8	25.2	-7.4						
Amcor	AMC	14.63	15.65	7.0%	1.9	24.4	-2.9	13-May-20	14.39	15,062	2.9%	10.1%	-7.2%
Aristocrat Leisure	ALL	26.19	28	6.9%	2.6	53.2	-14.3	02-Apr-19	25.5	16,584	4.0%	0.0%	4.1%
BHP	BHP	35.9	39	8.6%	4.6	26.4	-7.7	24-Jun-20	35.9	16,580	0.0%	0.0%	0.0%
Cimic	CIM	24.28	35	44.2%	1.9	10.9	-44.6	24-Jun-20	24.28	16,580	0.0%	0.0%	0.0%
Cleanaway Waste Management	CWY	2.16	2.3	6.5%	16.1	43.5	-5.6	12-Apr-18	1.44	14,759	54.0%	12.3%	41.6%
Coles	COL	16.6	18.63	12.2%	10.3	2.9	30.7	13-May-20	15.22	15,062	9.1%	10.1%	-1.0%
Goodman Group	GMG	15.26	14.76	-3.3%	4.2	34.1	1.6	16-Jan-20	14.46	19,374	5.5%	-14.4%	20.0%
James Hardie	JHX	27.6	30.9	12.0%	17.2	63.6	45.2	03-Sep-19	22.75	17,879	21.8%	-7.3%	29.1%
Magellan Financial Group	MFG	58.08	47	-19.1%	3.8	69.3	19	22-May-18	23.47	15,398	163.1%	7.7%	155.5%
Resmed	RMD	26.48	26	-1.8%	9.5	20.5	53.6	20-May-19	16.35	17,349	62.7%	-4.4%	67.1%
Santos	STO	5.36	6.61	23.3%	5.5	52.3	-23.3	04-Oct-19	7.28	17,799	-26.4%	-6.8%	-19.5%
Treasury Wines	TWE	10.85	9.35	-13.8%	13.7	14.7	-24.6	04-Oct-19	17.92	17,799	-39.5%	-6.8%	-32.6%

Source: IRESS, Credit Suisse, Jarden

Note: *The above information summary on the subject companies does not, and does not attempt to, contain everything material there is to be said about the companies or the business of the companies.*

BHP

BHP has been added to the Focus List. BHP ranks highly on our quantitative screen and appears to offer value relative to the broader equity market. BHP is the world's largest diversified resources company, although iron ore contributes 65% of earnings. Iron-ore prices have rallied on supply disruptions in Brazil. While it is only expected to result in modest earnings upside in FY20 for BHP, the tailwind is significant if prices stay elevated for longer. The iron ore price has averaged US$89/t year-to-date, with the spot price now over US$100/t. The expectation is that prices will soften as Brazil recovers from its supply issues and restrictions are eased in South Africa and India. However, we would note that Brazil is severely impacted by COVID-19 and still struggling to control the pandemic, hence the risk to second half 2020 exports remains elevated. On the demand side, the fundamentals for iron ore remain supportive. China, which accounts for 70% of seaborne demand of iron ore, has quickly recovered from COVID-19 which has boosted demand. In addition, China's iron ore port stocks have declined by 19Mt year to date, confirming the underlying tightness in the seaborne market.

While rest of world (i.e. ex-China) steel output & consumption remains weak, most major import markets are now easing mobility restrictions so a modest recovery from current levels can be expected, but not a full recovery anytime soon. An emerging risk for Australian exports is the increasing tension between Australia & China. We prefer BHP in the materials sector. BHP is focusing on lowering costs by improving productivity and releasing latent capacity through better use of technology. Outside of weather disruptions, BHP's operational performance has improved over the past 12 months. BHP should also benefit from its diversified exposure with copper contributing 14% to earnings, coal 10% and petroleum 11%. We expect the prices for copper, coal and oil to rise over the course of 2020 after falling due to reduced demand from COVID-19. The balance sheet is strong, permitting BHP to pay forecast dividends of 6%-8% in FY21. As a downside scenario with US$30/bbl oil and US$70/t iron ore, we estimate BHP could still achieve a 5% dividend yield assuming a 70% pay-out ratio.

BHP is now trading on a 5.8x 12-month forward EV/EBITDA versus a 20-year average of 6.5x. As such, BHP appears to be pricing in a long-term iron ore price of around US$50/t, all else being equal.

CIMIC (CIM)

CIM has been added to the Focus List. CIM is the dominant civil construction company in the Australian infrastructure market. Despite the relatively mature nature of Australia's current infrastructure cycle, state governments are expected to look to further accelerate projects to support the country's economic recovery.

CIM has encountered a number of issues in recent years, including significant construction project issues, slowing demand for mining services, Middle Eastern business woes, corruption allegations and boardroom battles. The company's strength over this period has been its scale, long-term relationships, and balance sheet strength that has allowed it to maintain high levels of work. CIM has restructured and is now focused on engineering and construction infrastructure work, particularly from the transport sector, in addition to mining and services. In March, major shareholder Hochtief increased its stake in CIM to 75.6% from 72.7%. As such, there is a real possibility CIM is fully acquired and potentially at a premium. However, there is also the risk minority shareholder interests will simply become increasingly marginalised. In its 1Q19 trading update, CIM reported revenue fell by 3% on 1Q19 to $3.3 billion, when growth was expected. Work-in-hand fell in the quarter from $37.5 billion at the end of December to $36.1 billion, with only $2.5 billion in new contracts awarded. The company did not reiterate its previous 2020 profit guidance for A$810-850 million. Instead, CIM stated that despite the short-term impacts from the evolving COVID-19 situation, the outlook across its core markets remains positive. If required, the company will update guidance once it has better visibility on the profit impact from COVID-19. From a valuation perspective, it is estimated that a bear, base and bull case scenario could result in net profit of $496 million, $724 million and $853 million respectively. In turn, we believe this would derive valuations of $24, $35 and $41 respectively. CIM's current share price is at the bottom end of this range at $24 per share. Consequently, the risk-reward proposition appears attractive. The balance sheet has deteriorated further following the company's exit from the Middle East which cost $1.5 billion. As a result, net debt/EBITDA has increased from a net cash position to 0.3x. CIM retains strong liquidity with gross cash of $4.5 billion at the end of March and net debt repayments of less than $200 million due in the next year. As a construction company, CIM is a higher risk investment proposition. Risks include lower project win rates, higher levels of competition, share buybacks, worse project execution, commodity price exposure in contract mining, and the COVID-19 impacts.

RECENT NEWS

Cleanaway Waste Management (CWY)

On 6 May 2020, Cleanaway presented at a company conference stating the Toxfree (synergies A$35 million) and SKM Assets integrations will both be fully done by June 2020, it retains a strong balance sheet and significant liquidity with over $370 million of committed headroom, and Net Debt/EBITDA and interest cover ratios are well within debt covenants.

James Hardie Industries (JHX)

On 22 June 2020, JHX delivered a strong trading update for the first 6 weeks of Q1 with exterior volumes down just 3% and guided to an increase of 4% for the remaining 6 weeks. Management noted the strength was due to new housing activity, rather than repairs and renovations. As a result, the company has increased margin guidance from 24.5% at the midpoint to 28%.

Magellan Financials Group (MFG)

On 4 June 2020, Magellan announced it has experienced net outflows of $288 million in May, which included net retail inflows of $228 million and net institutional outflows of $516 million.

FOCUS LIST PURPOSE AND CONSTRUCTION

Stocks on the Focus List are selected from Australia's 100 largest companies. The Focus List is not designed to represent an Australian share portfolio and therefore should not be treated or construed as a portfolio. The key reason is that diversification is not taken into account, with the stocks being selected individually, and no consideration being given to the other stocks on the Focus List. Hence, the stocks on the Focus List could become highly concentrated in a particular sector or provide exposure to a narrow theme which is attractive at the time.

An investor with a very high risk tolerance and probably a short term time horizon may be quite comfortable with a portfolio which comprises the current Focus List. However, the average equity investor and those with a different tolerance to risk, time horizon and financial circumstances probably would not.

The performance horizon for the stocks selected is short – that is, three to six months. Individual stocks may be on the Focus List for slightly shorter or longer periods. The Focus List should therefore generally only be used as a source of ideas for potential inclusion in an existing portfolio. Clients who actively trade stocks may be interested in the investment ideas which are presented on a fortnightly basis.

JARDEN GLOBAL INVESTMENT TRUST RECOMMENDATIONS

JARDEN GLOBAL INVESTMENT TRUST RECOMMENDATIONS

Category	Investment Trust	Comment
International	The Bankers ITC	Attractive way for investors to gain a diversified exposure to global markets and companies with an emphasis on dividend growth.
	Monks ITC	A diversified portfolio of growth companies with the "potential to deliver superior operational performance".
America	JP Morgan American	A core holding for investors looking for more than just a benchmarked US play and providing access to enormous research resources.
Japan	JP Morgan Japanese	The Company has generated superior returns over the longer term and is the lowest-cost Company in the sector, the discount to peers seems unwarranted.
Europe	JPM European (Growth)	A blue-chip product for retail investors offering a diversified portfolio of Continental European growth and value stocks.
Asia	Schroder AsiaPacific	An experienced, well-resourced team and has a good track record generated from a stock-picking approach.
	Edinburgh Dragon	One of the largest, most liquid Far East ex Japan investment trusts with conservative and strong management.
Emerging Markets	JPMorgan Emerging Markets	Performance driven through stock selection rather than macro exposure.
	Templeton Emerging Markets	Less risky diversified exposure to emerging markets.
Special Situations	Worldwide Healthcare	A diversified portfolio of large cap pharmaceutical companies, and large to mid-cap healthcare companies.

JARDEN GLOBAL DIRECT EQUITY RECOMMENDATIONS

Ticker	Security Name	Weight	Sector
AIR.FP	Airbus	3.7%	Industrials
AMZN.US	Amazon	8.1%	Cons Discretionary
AAPL.US	Apple	8.7%	Info Tech
T.US	AT&T	4.9%	Comm. Serv
BP/.LN	BP	4.0%	Energy
C.US	Citigroup	7.5%	Financials
INTC.US	Intel	7.1%	Info Tech
MC.FR	LVMH	6.1%	Cons Discretionary
MA.US	Mastercard	6.4%	Info Tech
MRK.US	Merck & Co	7.5%	Health Care
MSFT.US	Microsoft	9.3%	Info Tech
MS.US	Morgan Stanley	6.1%	Financials
UNH.US	UnitedHealth Group	8.8%	Health Care
WMT.US	Walmart	6.7%	Cons Staples
DIS.US	Walt Disney	5.1%	Comm. Serv
		100.0%	

TAXATION

Global equities held by New Zealand tax payers typically generate foreign investment fund (FIF) income for tax purposes. FIF income is calculated using the fair dividend rate (FDR) or comparative value (CV) method. Using the FDR, FIF income equals 5% of the opening market value of the Global Equities portfolio as at 1st April each year. Equities bought during the year are ignored for the purpose of this calculation. Actual dividends received from companies falling under the FIF rules are ignored for the purposes of calculating FIF income. Applying the CV method, FIF income is calculated as the change in value of the portfolio of global equities over the year to 31 March which were held at the start of the year plus dividends received. Equities bought during the year are ignored for the purpose of this calculation. FIF income is calculated as the minimum of the income calculated using the FDR and CV method and tax is payable on the FIF income. If the comparative value turns out to be negative, no tax would be payable on the global equity investments that financial year. There are also specific rules to deal with equities that are bought and sold in the same year - called 'quick sales'. Essentially, trading gains that occur within a 12-month period are taxable whether or not the investor is deemed to be a share trader. Any non-resident withholding tax deductions are available as a tax credit in NZ.

Individual investors holding less than $50,000 worth of Global Equities (the 'de minimis' amount) do not need to comply with FIF income – meaning dividends received remain taxable in NZ. Family trusts are not entitled to apply the de minimis test.

In many cases, withholding tax will be deducted from distributions paid to NZ shareholders by overseas companies. Any withholding tax deducted can be used to offset tax payable in New Zealand on overseas income.

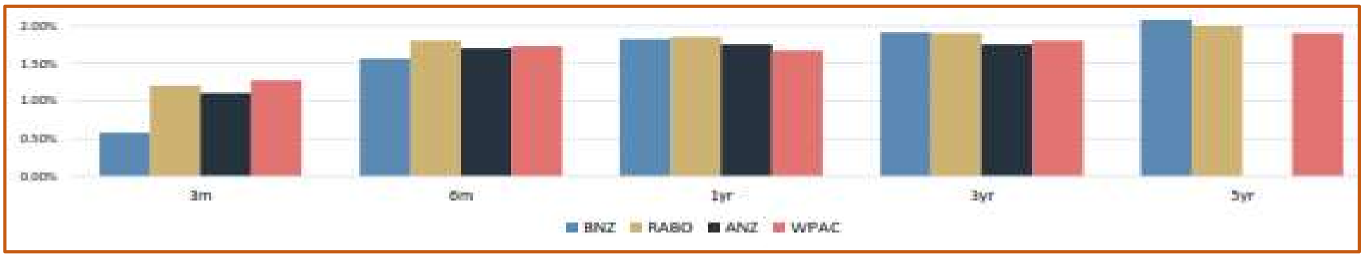
In the absence of an estate duty treaty between the US and New Zealand there is a risk that estate duty could be levied on the US assets of an individual deceased New Zealander (trusts and companies are not affected by estate duty). Jarden believes the risk is particularly high if the assets are held directly rather than in custody. However, even if the assets are held in custody there is no certainty that estate duty will not be levied. A similar situation potentially arises in the UK and other countries. While they are not aware of any situations where estate duty has been levied on a deceased New Zealander's offshore assets, they advise that clients seek their own legal and tax advice on this issue.

FIXED INTEREST SECONDARY MARKET – INDICATIVE ONLY AS AT 1ST JULY 2020

NOTE: You will notice a pretty dramatic reduction in the yield (campared to the previous 3 months)

BBB+, BBB, BBB- Issuer	NZDX Code	Maturity Date	Coupon %	CPN Freq	Credit Rating	Type	01-Jul Yield	02-Jun Yield	08-May Yield	09-Apr Yield
Wellington Intl Airport	WIA020	15-May-21	7.50%	2	BBB	Senior	1.90%	1.80%	2.69%	3.20%
Z Energy	ZEL040	01-Nov-21	4.01%	4	BBB-(NR)	Senior	2.00%	2.58%	2.93%	4.00%
TrustPower	TPW140	15-Dec-21	5.63%	4	BBB-(NR)	Senior	1.86%	2.00%	2.23%	3.05%
Precinct Properties	PCT010	17-Dec-21	5.54%	2	BBB+(NR)	Senior	1.84%	2.38%	2.45%	3.45%
Heartland Bank	HBL010	08-Sep-22	4.50%	4	BBB	Senior	2.05%	2.43%	2.74%	4.40%
SkyCity Entertainment	SKC040	28-Sep-22	4.65%	4	BBB-	Senior	3.10%	3.53%	3.70%	5.50%
TrustPower	TPW150	15-Dec-22	4.01%	4	BBB-(NR)	Senior	1.62%	1.79%	2.35%	3.50%
Wellington Intl Airport	WIA030	12-May-23	4.25%	2	BBB+	Senior	1.68%	1.90%	2.35%	3.44%
Summerset	SUM010	11-Jul-23	4.78%	4	BBB-(NR)	Senior	1.83%	2.46%	2.84%	4.30%
Kiwi Property Group	KPG020	07-Sep-23	4.00%	2	BBB+	Senior	1.69%	1.94%	2.60%	3.35%
Heartland Bank	HBL020	12-Apr-24	3.55%	4	BBB	Senior	2.15%	2.29%	2.90%	4.15%
Investore Property	IPL010	18-Apr-24	4.40%	4	BBB(NR)	Senior	1.92%	2.54%	2.51%	3.60%
Z Energy	ZEL060	03-Sep-24	4.00%	4	BBB-(NR)	Senior	2.10%	2.55%		
Precinct Properties	PCT020	27-Nov-24	4.42%	2	BBB+(NR)	Senior	1.85%	1.85%	2.82%	3.77%
Property for Industry	PFI010	28-Nov-24	4.59%	4	BBB(NR)	Senior	1.90%	2.00%	2.35%	3.00%
Wellington Intl Airport	WIA050	16-Jun-25	5.00%	2	BBB+	Senior	1.85%	1.83%	2.35%	3.48%
Summerset	SUM020	24-Sep-25	4.20%	4	BBB-(NR)	Senior	2.06%	2.40%	2.75%	4.55%
Argosy Property	ARG010	27-Mar-26	4.00%	4	BBB(NR)	Senior	2.09%	2.47%	2.91%	4.20%
Metlifecare	MET010	30-Sep-26	3.00%	4	BBB-(NR)	Senior	2.16%	2.71%	2.80%	4.50%
Argosy Property	ARG020	29-Oct-26	2.90%	4	BBB+(NR)	Senior	2.22%	2.59%	2.91%	4.30%
Chorus	CNU020	06-Dec-28	4.35%	4	BBB	Senior	1.75%	1.90%	2.11%	3.50%
Trustpower	TPW170	22-Feb-29	3.97%	4	BBB-(NR)	Senior	2.10%	2.23%	2.85%	3.72%
Wellington Intl Airport	WIA060	01-Apr-30	4.00%	2	BBB+	Senior	2.40%	2.35%	2.79%	3.87%
Issuer BB+, BB, BB-	**NZDX Code**	**Maturity Date**	**Coupon**	**CPN Freq**	**Credit Rating**	**Type**	**01-Jul Yield**	**02-Jun Yield**	**08-May Yield**	**09-Apr Yield**
Fletcher Building Industries	FBI150	15-May-21	4.75%	2	BB+(NR)	Subord	3.75%	4.00%	4.00%	
Infratil	IFT220	15-Jun-21	4.90%	4	BB(NR)	Subord	3.10%	3.70%	4.25%	6.10%
Turners Automotive Group	TRA100	30-Sep-21	5.50%	4	BB-(NR)	Subord	4.20%	6.00%	6.20%	5.50%
Fletcher Building Industries	FBI160	15-Mar-22	5.00%	2	BB+(NR)	Subord	3.20%	3.90%	5.00%	5.60%
Infratil	IFT190	15-Jun-22	6.85%	4	BB(NR)	Subord	3.20%	3.74%	4.53%	6.05%
Infratil	IFT210	15-Sep-23	5.25%	4	BB(NR)	Subord	3.20%	3.77%	4.70%	6.00%
Infratil	IFT230	15-Jun-24	5.50%	4	BB(NR)	Subord	3.00%	3.60%	4.50%	6.00%
Synlait Milk	SML010	17-Dec-24	3.83%	4	BB-(NR)	Subord	3.31%	3.77%	3.83%	4.70%
Infratil	IFT250	15-Jun-25	6.15%	4	BB(NR)	Subord	3.30%	3.71%	4.64%	5.75%
Infratil	IFT280	15-Dec-26	3.35%	4	BB(NR)	Subord	3.35%	3.85%	4.72%	5.31%

TERM DEPOSITS



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