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INVESTMENT STRATEGIES

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COVID – ARDERN's BIG CON

The breaches that put Auckland back into lockdown have sparked anger across the country, but the Prime Minister says there's nothing she can do about people breaking the rules – that's up to her. Ardern says she understands the country is "*upset, frustrated and angry*" with people who have ignored Covid-19 restrictions and sent Auckland into lockdown, but no new powers will be coming for police. This response is just not acceptable, and Ardern is starting to lose her shine.

Israel has already vaccinated more than half of its 9.3m population, and the US is past 90m – so much for Ardern's 'Go hard, and go early'. Trust in the government is fading fast. New Zealanders feel they have been conned.

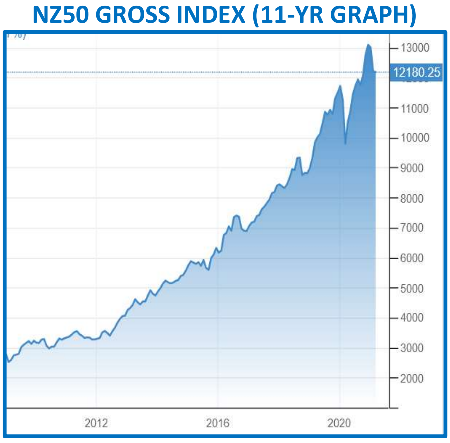
NZX NOW IN CORRECTION MODE

The NZX50 has recorded a fall of 10.2% since its 8th January peak.

We have long advocated caution, because our market has been on an outstanding 12-year bull run since February 2009 (up 349% in total – an average of 29.1% per year).

VERSUS

NZ50 GROSS INDEX (11-YR GRAPH)



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STATISTICS NZ DATA

Estimated population at 30-Dec-2020:	**5,112,300**
Total Arrivals April – Nov 2020 (2019:4.44m)	**77,600**
Total Departures April to Nov (2019:4.43m)	**133,000**
Consumer Price Index Dec-20 year	**1.4%**
GDP Sept-20 quarter **14.0%** Sept-20 year	**-2.2%**
Unemployment Dec-20 quarter (↓ from 5.3%)	**4.9%**
Size of Maori Economy 2018 (2013: $42bn)	**$68.7bn**
Size of NZ Economy Sept-20 year	**$321bn**

December year	Live Births	Fertility rate	Total Deaths	Infant Deaths	Natural increase
2004	58,074	1.98	28,419	324	29,655
2005	57,744	1.97	27,033	297	30,711
2006	59,193	2.01	28,245	300	30,948
2007	64,044	2.18	28,521	318	35,520
2008	64,341	2.19	29,187	321	35,154
2009	62,541	2.13	28,965	309	33,579
2010	63,897	2.17	28,437	324	35,457
2011	61,404	2.09	30,081	291	31,320
2012	61,179	2.10	30,099	258	31,080
2013	58,719	2.01	29,568	261	29,148
2014	57,243	1.92	31,062	327	26,181
2015	61,038	1.99	31,608	252	29,430
2016	59,430	1.87	31,179	210	28,251
2017	59,610	1.81	33,339	228	26,268
2018	58,020	1.71	33,225	219	24,795
2019	59,637	1.72	34,260	270	25,377
2020 P	57,573	1.61	32,613	228	24,960

WEBSITE:
vond.co.nz

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

OUR HEALTH SYSTEM NEEDS RESTRUCTURING

Labour has stated that it intends to restructure (halve) the number of DHB's in New Zealand. They are looking for a more centralized model. However, ***hopes aren't high the Government's health reforms will deliver what sick and suffering Kiwis need.***

There first problem is how they fund new capital builds. From 2019, if a new hospital is built with public funds, because those millions of dollars aren't being applied elsewhere, the DHB is essentially taxed on the net value of its assets. The rate was set at 6%, but has since been dropped to 5%. This capital charge "*is intended to provide DHBs with the incentive to invest and manage capital assets wisely*", then Minister, Clark said. However, with the Reserve Bank's official cash rate of 0.25%, this just looks like a tax upon a tax.

To be fair to Labour, at least they are prepared to address this health reform, whereas National had been most reluctant to do so when they were in government.

Don't be distracted by dry talk of accounting principles; the dollars are important. Given DHBs are primarily funded by population-based funding – a formula based on population and demographic factors such as age, sex, ethnicity and social deprivation – every dollar spent on something else, like building repairs and maintenance, is less money for health services and supplies.

Professor Robin Gauld, Director of University of Otago's Centre for Health Systems and Technology, says healthcare is full of dedicated, caring medical professionals, managers, and leaders whose work needs to be acknowledged and respected. "*But **the system they work in is completely broken***," he said.

The Simpson Report said our health system is under "*serious stress*". Recommended improvements include hospitals and GPs working more closely, and an acceleration of our plodding take-up of digital technology.

"If you've got something like gallstones, in some parts of country you might get them removed in the public sector. In other parts of the country there is absolutely no way on Earth that's ever going to happen." – Dr Robin Gauld.

DHBs were created in 2001 after a failed experiment – resulting in avoidable patient deaths and financial deficits – under regional health authorities and Crown health enterprises. However, we seem to have reached a similar point with DHBs. We do need change – but the risk is that ideological reforms by Labour via centralisation, is unlikely to be the correct solution. This country needs a genuine debate on this issue. Yes – we have to reform, but not just for reforms sake!

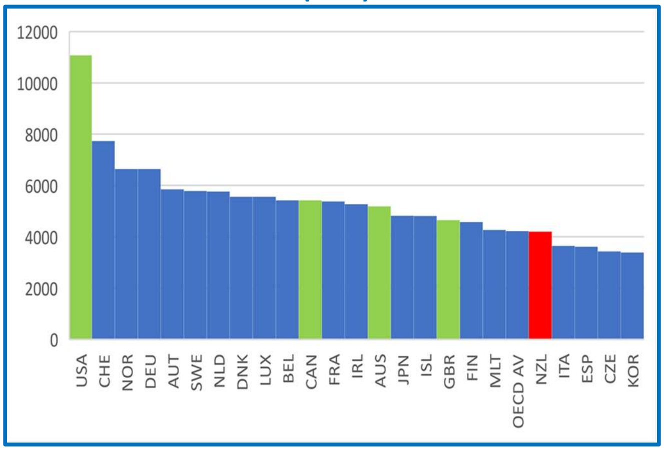
Currently, we have a very siloed health system. Private Health providers are supporting those with the ability to pay, but the current Labour government has gone away from health targets, both fiscal and clinical. Accountability matters, and restructuring without measurable accountability is unlikely to succeed. My worry is that Labour won't countenance measured effectiveness and efficiency based on their ideological values. Yet without this, I believe that we will just waste more money.

OECD COMPARISONS

Health spending measures the final consumption of health care goods and services (i.e. current health expenditure) including personal health care (curative care, rehabilitative care, long-term care, ancillary services and medical goods) and collective services (prevention and public health services as well as health administration), but excluding spending on investments. Health care is financed through a mix of financing arrangements including government spending and compulsory health insurance ("Government/compulsory") as well as voluntary health insurance and private funds such as households' out-of-pocket payments, NGOs and private corporations ("Voluntary"). This indicator is presented as a total and by type of financing ("Government /compulsory", "Voluntary", "Out-of-pocket") and is measured as a share of GDP, as a share of total health spending and in USD per capita (using economy-wide PPPs).

OECD Data (See Graph below) shows New Zealand's per-capita health spending is just under the average for developed countries but more importantly, behind countries that we traditionally compare to, being the like of United States, Canada, Australia and the United Kingdom.

OCED HEALTH SPEND (USD) PER CAPITA - 2019



An OECD overview of this country's health policy two years earlier highlighted concerning health inequities, in which people – particularly those in lower socio-economic categories, Māori and Pasifika – denied treatment in the public system, can't afford to pay for it privately, leading to unmet need.

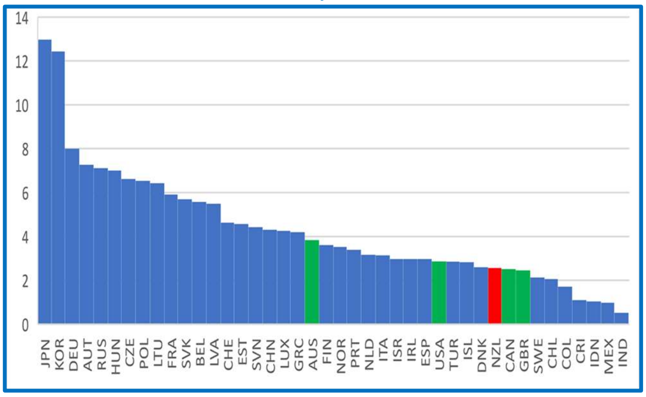
Simpson's report said our health system is under "*serious stress*". Recommended improvements include hospitals and GPs working more closely, and an acceleration of our plodding take-up of digital technology.

HOSPITAL BEDS

This indicator provides a measure of the resources available for delivering services to inpatients in hospitals in terms of number of beds that are maintained, staffed and immediately available for use. Total hospital beds include curative (or acute) care beds, rehabilitative care beds, long-term care beds and other beds in hospitals. The indicator is presented as a total and for curative care and psychiatric care. It is measured in number of beds per 1 000 inhabitants.

New Zealand is comparable to United Kingdom and Canada, but is badly lagging behind Australia (in particular) and USA.

HOSPITAL BEDS PER 1,000 OF POPULATION

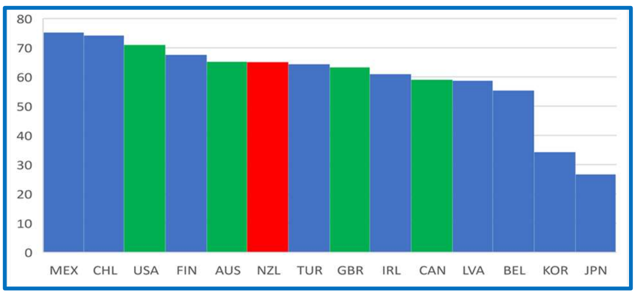


OBESITY

The overweight or obese population is defined as the inhabitants with excessive weight presenting health risks because of the high proportion of body fat. The most frequently used measure is based on the body mass index (BMI), which is a single number that evaluates an individual's weight in relation to height (weight/height, with weight in kilograms and height in metres). Based on the WHO classification, adults with a BMI from 25 to 30 are defined as overweight, and those with a BMI of 30 or over as obese.

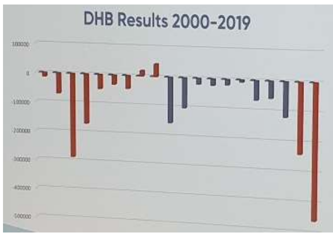
New Zealand sits mid-range of our peers but, when compared to our Asian neighbours, we are becoming increasingly obese.

OVERWEIGHT & OBESE POULATION COMPARISONS



FOUR STRUCTURAL REFORMS SINCE 1983

DHB FINANCIAL PERFORMANCE
Labour v National Governments



New Zealand has had four structural reforms since 1983, and all have been extremely disconcerting for staff, and ultimately very expensive failures. We have to do better – we can't be having this conversation again in 20 years time.

GOVT UNDERFUNDS TRANSPORT BY $500m

SOURCE: Waka Kotahi NZTA

The final GPS 2021 released in September 2020 builds on the GPS 2018 and prioritises safety, better travel options, improving freight connections and climate change. Given the future aspirations of the GPS there doesn't appear to be an effective funding model to support it. There were no increases of petrol tax (fuel excise duty) and road user charges signalled in the first 3 years of GPS 2021. However, with the introduction of Track user charges the revenue for the fund is projected to increase from $4.4 billion in 2021/22 to $5.1 billion in 2030/31.

We now know that the situation is very different to what had been forecast. With the 2021-24 NLTP, Waka Kotahi report that they will effectively begin the first three years of GPS 2021 $250 million "in the red" (i.e. with short-term facilities fully drawn down) and their position will be made more difficult with the lower funding limits of the 11 activity classes requiring a minimum spend of $12.9 billion from a new forecast revenue of $13 billion.

IMPLICATIONS FOR PT, ROAD AND HIGHWAY MAINTENANCE

According to Waka Kotahi unless revenue is materially higher than forecast, the NLTF cannot afford to fund activities in any activity class above the lower limit signalled in the GPS 2021. There will be very limited funding available for new improvement projects given most of the improvement activity classes will be used to meet existing contractual commitments.

For three activity classes - public transport services, local road maintenance and state highway maintenance - the required spend to maintain service levels and meet commitments in 2021-24 exceeds the lower GPS limits by more than $500 million.

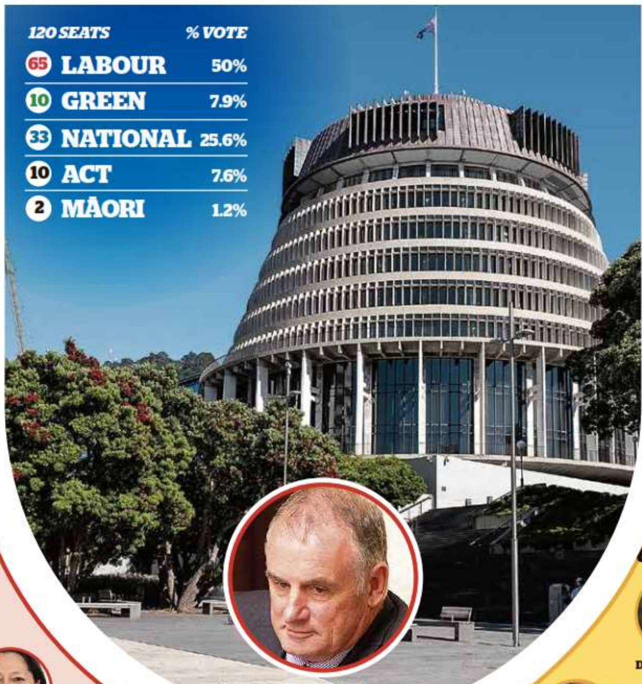
This level of funding is plain crazy. The Bay of Plenty's National Land Transport Fund (signed off by the Regional Transport Committee) allocated $147m over 10 years for Public Transport services and a whopping $192m for walking & cycling improvements. This is appears to me to be absolute madness, but the NLTF has to reflect this current governments continued fetish for unrealistic roading solutions.

THE NEW PARLIAMENT 2021

HOUSE SITTING DAYS

● **Normal sitting hours:** Tuesday and Wednesday 2pm to 6pm, 7pm to 10p m; Thursday 2pm to 5pm.

January	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
February	1	2	3	4	5	6	7	8	**9**	**10**	**11**	12	13	14	15	**16**	**17**	**18**	19	20	21	22	**23**	**24**	**25**	26	27	28	29		
March	1	2	3	4	5	6	7	8	**9**	**10**	**11**	12	13	14	15	**16**	**17**	**18**	19	20	21	22	**23**	**24**	**25**	26	27	28	29	30	31
April	1	2	3	4	5	**6**	**7**	**8**	9	10	11	12	**13**	**14**	**15**	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
May	1	2	3	**4**	**5**	**6**	7	8	9	10	**11**	**12**	**13**	14	15	16	17	**18**	**19**	**20**	21	22	23	24	25	26	27	28	29	30	31
June	**1**	**2**	**3**	4	5	6	7	**8**	**9**	**10**	11	12	13	14	15	16	17	18	19	20	21	**22**	**23**	**24**	25	26	27	28	**29**	**30**	
July	**1**	2	3	4	5	**6**	**7**	**8**	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
August	1	2	**3**	**4**	**5**	6	7	8	9	**10**	**11**	**12**	13	14	15	16	17	18	19	20	21	22	23	**24**	**25**	**26**	27	28	29	30	**31**
September	**1**	**2**	3	4	5	6	**7**	**8**	**9**	10	11	12	13	14	15	16	17	18	19	20	**21**	**22**	**23**	24	25	26	27	**28**	**29**	**30**	
October	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	**19**	**20**	**21**	22	23	24	25	**26**	**27**	**28**	29	30	**31**
November	1	2	3	4	5	6	7	8	**9**	**10**	**11**	12	13	14	15	**16**	**17**	**18**	19	20	21	22	**23**	**24**	**25**	26	27	28	29	30	
December	1	2	3	4	5	6	**7**	**8**	**9**	10	11	12	13	**14**	**15**	**16**	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31



Trevor Mallard
Speaker, Labour list

GOVERNMENT

Adrian Rurawhe *Te Tai Hauāuru*
Damien O'Connor *West Coast-Tasman*
Nanaia Mahuta *Hauraki-Waikato*
Jenny Salesa *Panmure-Ōtāhuhu*
Stuart Nash *Napier*
David Parker *List*
Barbara Edmonds *Mana*
Duncan Webb *Christchurch Central*
Grant Robertson *Wellington Central*
Willow-Jean Prime *Northland*
Kieran McAnulty *Wairarapa*
Jacinda Ardern *Prime Minister, Mt Albert*
Kiritapu Allan *East Coast*
Kris Faafoi *List*
Kelvin Davis *Te Tai Tokerau*
David Clark *Dunedin North*
Peeni Henare *Tāmaki Makaurau*
Megan Woods *Wigram*
Ayesha Verrall *List*
Willie Jackson *List*
Chris Hipkins *Remutaka*
Rino Tirikatene *Te Tai Tonga*
Jan Tinetti *List*
Carmel Sepuloni *Kelston*
Deborah Russell *New Lynn*
Michael Wood *Mt Roskill*
Andrew Little *List*
Anahila Kanongata'a-Suisuiki *List*
Louisa Wall *List*
Poto Williams *Christchurch East*
Liz Craig *List*
Marja Lubeck *List*
Aupito William Sio *Māngere*
Ginny Andersen *Hutt South*
Angie Warren-Clark *List*
Meka Whaitiri *Ikaroa-Rāwhiti*
Paul Eagle *Rongotai*
Greg O'Connor *Ōhāriu*
Phil Twyford *Te Atatū*
Priyanca Radhakrishnan *Maungakiekie*
Vanushi Walters *Upper Harbour*
Tamati Coffey *List*
Camilla Belich *List*
Jo Luxton *Rangitata*
Jamie Strange *Hamilton East*
Angela Roberts *List*
Naisi Chen *List*
Ibrahim Omer *List*
Shanan Halbert *Northcote*
Rachel Brooking *List*
Helen White *List*
Anna Lorck *Tukituki*
Anae Neru Leavasa *Takanini*
Tracey McLellan *Banks Peninsula*
Steph Lewis *Whanganui*
Rachel Boyack *Nelson*
Tangi Utikere *Palmerston North*
Arena Williams *Manurewa*
Ingrid Leary *Taieri*
Sarah Pallett *Ilam*
Gaurav Sharma *Hamilton West*
Emily Henderson *Whangārei*
Terisa Ngobi *Ōtaki*
Glen Bennett *New Plymouth*

James Shaw *List*
Marama Davidson *List*
Julie Anne Genter *List*
Chloe Swarbrick *Auckland Central*
Golriz Ghahraman *List*
Eugenie Sage *List*
Jan Logie *List*
Ricardo Menéndez March *List*
Elizabeth Kerekere *List*
Teanau Tuiono *List*

OPPOSITION

Melissa Lee *List*
Gerry Brownlee *List*
Jacqui Dean *Waitaki*
Todd McClay *Rotorua*
Nicola Willis *List*
Stuart Smith *Kaikōura*
Shane Reti *List*
Maureen Pugh *List*
Todd Muller *Bay of Plenty*
Judith Collins *Opposition Leader, Papakura*
Matt Doocey *Waimakariri*
Simeon Brown *Pakuranga*
Andrew Bayly *Port Waikato*
Scott Simpson *Coromandel*
Nick Smith *List*
Michael Woodhouse *List*
David Bennett *List*
Chris Penk *Kaipara ki Mahurangi*
Louise Upston *Taupō*
Paul Goldsmith *List*
Simon O'Connor *Tāmaki*
Simon Bridges *Tauranga*
Mark Mitchell *Whangaparāoa*
Erica Stanford *East Coast Bays*
Chris Bishop *List*
Barbara Kuriger *Taranaki-King Country*
Ian McKelvie *Rangitīkei*
Tim van de Molen *Waikato*
Nicola Grigg *Selwyn*
Christopher Luxon *Botany*
Joseph Mooney *Southland*
Penny Simmonds *Invercargill*
Simon Watts *North Shore*

Rawiri Waititi *Waiariki*
Debbie Ngarewa-Packer *List*

David Seymour *Epsom*
Nicole McKee *List*
Brooke van Velden *List*
Simon Court *List*
Chris Baillie *List*
James McDowall *List*
Karen Chhour *List*
Mark Cameron *List*
Toni Severin *List*
Damien Smith *List*

The New Zealand Herald

OUR POLITICAL CLIMATE

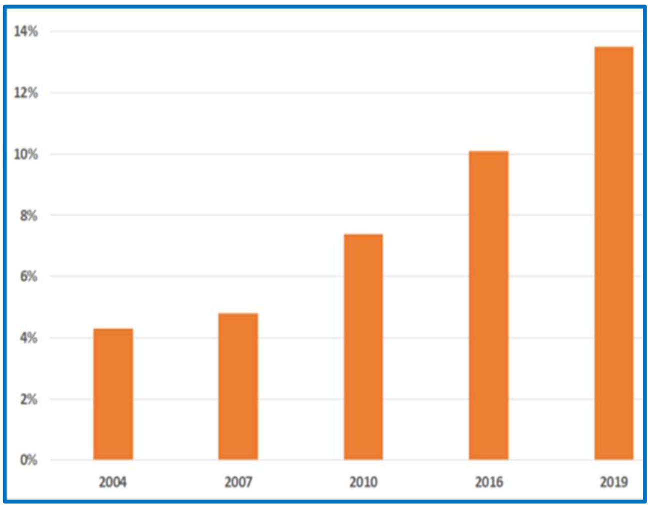
DISPROVING THE BIG LIE

Source: Kiwiblog, 4-Feb-2021

The Government has now rushed through Parliament (under urgency) retrospective legislation that cancels nine local referendums on whether or not to establish a Maori Ward in nine local authorities. This will disenfranchise several hundred thousand New Zealanders.

They effectively argue that it is vital to have Maori wards, because without them, racist New Zealanders will not vote for Maori and they will be under-represented in local Government. Minister Mahuta said that "*Increasing Māori representation is essential to ensuring equity in representation*". This implies that there is a huge under-representation.

MAORI LOCAL GOVT ELECTED REPRESENTATIVES



This graph shows the proportion of local government elected officials who are Maori and the trend is remarkable, and very positive. Since 2004 the proportion of Maori has tripled from 4.2% to 13.5%. This shows that New Zealanders have been electing Maori to local authorities, without needing Maori wards.

This is a good thing. David Farrar (of KiwiBlog) states he is "*proud of the fact that New Zealand has such high levels of representation from the indigenous population – both at central and local Government level. What was arguably a problem in 2007 has been solved through more Maori standing for Councils and more voters voting for them.*"

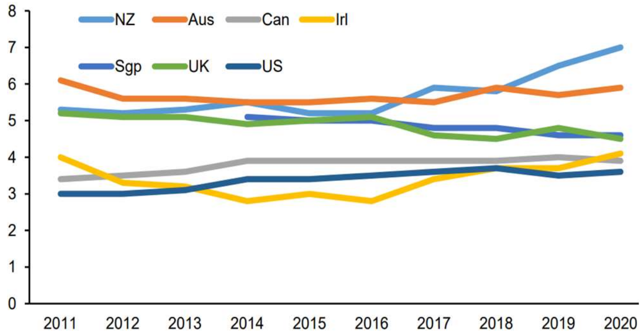
The 2018 census found 13.7% of adult New Zealanders were Maori. And the proportion elected in 2018 was 13.5%. Almost perfectly proportional.

"*So, don't fall for the big lie that Maori wards are needed to get adequate Maori representation on local authorities. It is simply false*", Farrar said.

12 FAMILIES MOVE INTO HOME OWNERSHIP

Moving just 12 families into home ownership in six months, as part of a $400m housing initiative, was trumpeted by Housing Minister Megan Woods' as a success story – naturally social media posts about this Progressive Home Ownership scheme attracted much derision. It just shows that Labour's pledge to fix the housing crisis continues under Minister Woods to be all spin and no substance. Her star is fast falling, heading towards the similar demise Labour's previous Housing Minister, Phil Twyford.

NZ'S HOUSE PRICE TO INCOME RATIOS ARE THE HIGHEST IN THE WORLD



NZers are paying seven times their annual income to buy a house, Demographia data shows (above). That's risen from five times income in just a decade. Not only that, but house price-to-income ratios and household debt levels are also higher than international comparator countries like Australia, Canada, the US and UK. The Reserve Bank points to this data in explaining the risks to financial stability caused by our over-leveraged housing market.

AUCKLAND HOUSING CONSENTS

The past year was the strongest ever for Auckland housing consents, with 17,000 dwellings consented – 14% up on the previous year. Home building levels now exceed those required to keep up with population growth.

CONSTRUCTION COSTS

Construction costs (Stats NZ Data) do not prove to be a big factor in the price of new housing. This just confirms that it is the cost of the land that is the biggest determinant on the rising cost of new housing.

Per Annum Cost Increases	Residential Costruction	Heavy and civil engineering construction	Construction services
2017	4.4%	0.6%	4.0%
2018	5.4%	4.2%	4.2%
2019	3.4%	3.5%	3.5%
2020	2.6%	2.3%	2.3%

GOVT DEBT EXPECTED TO BE $60BN LOWER

Treasurer Grant Robertson said that in September last year, officials expected the Government's overall level of debt to jump from the pre-pandemic roughly 20% range, to 48% in 2034. New data from the Treasury, released by Robertson in early February, shows that figure is now expected to be 36.5%. That represents about $60 billion less debt at the end of the projection period than at the pre-election update.

Robertson also used his speech to tease new Government spending – he said the capital allowance over the next 11 years is roughly $7b. That money, he said, will go towards more next infrastructure spending across the country.

Robertson also specifically spoke about housing – "*There is a crisis when it comes to the housing situation right now in New Zealand*".

He would not give away much about the Government's impending housing announcements in the budget – only that it would build on the Government's current housing programme. But he did say it was time for "*bold action*".

The market has moved quickly and rapidly in a way that is not sustainable. *"We have to confront some tough decisions, and we will do that. Budget 2021 will include a strong focus on making sure spending continues to be carefully prioritised and targeted at the areas and people that require it the most,"* Robertson said.

It's fair to say that many in business viewed Robertson's intention to borrow such a hefty amount — without first undergoing a major cost-benefit analysis — posed a significant risk to a country which has long been fixated on keeping government debt levels down within very tight targets.

But fast-forward to February 2021, it would appear Robertson's decision to borrow up to an additional $50bn has paid dividends. He recently revealed New Zealand's Covid-19 economic recovery would cost $60bn less than the Government was anticipating. The Government's books are considered to be in good shape, hence the temptation for Robertson must be to keep on spending to fund Labour's agenda, which has been to some degree neglected while the focus has been on Covid.

If so, it should be much better targeted than the quality of some of the prior coalition Government's first-term spend, which attracted the attention of the Auditor-General. However, this current Government is still very much about the rhetoric, and continues to use 'spin' with much of its 'spray and walk away' policies that were synonymous of the previous Labour/NZ First Government.

The impact of Covid-19 on the Crown's fiscal outlook was "*unprecedented*" and required a "*substantial increase to the forecast borrowing programme relative to the forecast at the Half Year Economic and Fiscal Upbeat 2019*," was what the New Zealand Debt Management Office said following Robertson's May 2021 Budget announcement.

The poultice of cash thrown at the private sector through wage subsidies proved a godsend to many businesses and a source of OPM (other people's money) to some major corporates that really did not need it. Not all of the $50bn "fund" that has so far been spent has been applied to meet a strict Covid-recovery agenda.

But for much of the private sector — as the current reporting season shows — the Government's decision to stand behind the economy has resulted in the kind of boost to confidence which is needed to invest and employ. The companies which have been severely impacted by the Covid-19 pandemic might not agree.

Robertson's mantra is the Government remains committed to "building back better". Big spending decisions such as Auckland's light rail project and housing investments have still to be unveiled. The rail project is expected to be announced in April and some aspects of Robertson's call on housing have been delayed. He has teased a bold plan for housing to be unveiled in the May Budget.

But the upshot is the expected level of government debt had been slashed dramatically by the Treasury, given New Zealand's strong economic bounce-back.

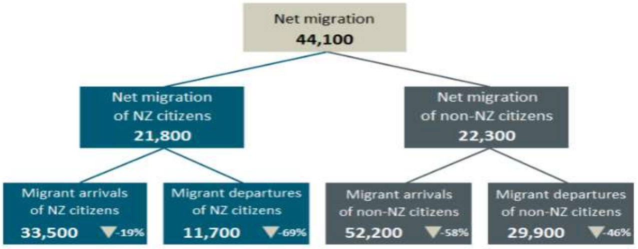
For that the NZ private sector should also take a bow. Three significant shocks this century: the 2007/2008 recession leading into the Global Financial Crisis, the Canterbury earthquakes of 2010 and 2011 and the Covid-19 pandemic have tested New Zealand businesses. They have demonstrated extraordinary resilience.

But the crowning glory, which belongs to Robertson, is the S&P Global announcement that it has awarded New Zealand the first sovereign ratings upgrade since the global Covid-19 pandemic began. International investors will take that as a signal that the NZ economy is in good shape. S&P raised the ratings of New Zealand's foreign and local currency government debt by a notch to "AA+" and "AAA", respectively, from "AA" and "AA+". These are the best ratings NZ has achieved in more than a decade.

MIGRATION UNDER COVID IN NEW ZEALAND

Despite Covid-19, migration continues – albeit at very low levels. In the year to December 2020 Net Migration totalled 44,126 (of which around half (21,800) were returning New Zealand citizens. This compared with a net migration of 94,864 in the March 2020 year (just as Covid was arriving).

INTERNATIONAL MIGRATION ESTIMATES
(Provisional) Year ended December 2020



Notes: Estimates are provisional as of 16 February 2021.
Percentage changes are indicative of the December 2020 year compared with the December 2019 year.
Figures may not sum to totals due to rounding.

2020 Year to	March	December
Migrant Arrivals	189,056	85,757
Migrant Departures	94,192	41,631
Net Migration	94,864	44,126

At December 2020 there was over 1 million kiwis living and working overseas. The roll out of Covid-19 vaccines might reverse this current trend of New Zealanders wanting to come home but, for the year to December 2020, we continue to see many more arrivals than departures – and interestingly this includes in the categories of both NZ citizens and non-NZ citizens (Overseas citizens with NZ Residency.

A WORLD GONE MAD

Our world really has 'gone to the dogs'. Six Dr Seuss books containing racist and insensitive imagery will no longer be published.

First it was 'Noddy & Big Ears' - We are all so PC. It is just getting ridiculous – where will it end.

KIWIS STILL LOVE THEIR CARS

More new vehicles were registered in February than in any previous year. Registrations of 12,358 were 8% up on the previous year. The MTA puts this down to recent stock arrivals and a "resilient local economy" as Kiwis continue to spend what might otherwise be spent on international travel.

BOLLARD CRITCAL OF RMA REFORMS

Allan Bollard, the Government's new infrastructure Czar, at the recent Waikato University Economic Forum, laid out his concerns that the new RMA reforms may make it more difficult to build things in this country, not less.

AN OBITUARY PRINTED IN THE LONDON TIMES... BRILLIANT!!

Today we mourn the passing of a beloved old friend, Common Sense, who has been with us for many years.

No one knows for sure how old he was, since his birth records were long ago lost in bureaucratic red tape. He will be remembered as having cultivated such valuable lessons as:

Knowing when to come in out of the rain;

Why the early bird gets the worm;

Life isn't always fair;

And maybe it was my fault.

Common Sense lived by simple, sound financial policies (don't spend more than you can earn) and reliable strategies (adults, not children, are in charge).

His health began to deteriorate rapidly when well-intentioned but overbearing regulations were set in place. Reports of a 6-year-old boy charged with sexual harassment for kissing a classmate; teens suspended from school for using mouthwash after lunch; and a teacher fired for reprimanding an unruly student, only worsened his condition.

Common Sense lost ground when parents attacked teachers for doing the job that they themselves had failed to do in disciplining their unruly children.

It declined even further when schools were required to get parental consent to administer sun lotion or an aspirin to a student; but could not inform parents when a student became pregnant and wanted to have an abortion.

Common Sense lost the will to live as the churches became businesses; and criminals received better treatment than their victims.

Common Sense took a beating when you couldn't defend yourself from a burglar in your own home and the burglar could sue you for assault.

Common Sense finally gave up the will to live, after a woman failed to realize that a steaming cup of coffee was hot. She spilled a little in her lap, and was promptly awarded a huge settlement.

Common Sense was preceded in death:

by his parents, Truth and Trust,

by his wife, Discretion,

by his daughter, Responsibility,

and by his son, Reason.

He is survived by his 5 stepchildren:

I Know my Rights

I Want It Now

Someone else Is to Blame

I'm a Victim

Pay me for doing nothing

Not many attended his funeral because so few realized he was gone. If you still remember him, pass this on. If not, join the majority and do nothing.

"We will only win if the Market is part of the solution. Central Government has a role, but it won't work if it is only run by the State"
Lord Deben, Chair of the UK Climate Change Commission – on NZ's CC Commission

THE MYTH OF SAINT JACINDA

Source: Oliver Hartwich, The Spectator's February 2021 US edition

Every time I read another excitable media article about New Zealand's prime minister Jacinda Ardern, I am reminded of an old quip: 'Viewed from a distance, everything is beautiful.' That was Publius Cornelius Tacitus (AD 58-120). Were this Roman intellectual and historian alive today, he would make a great *New York Times* columnist. His tactic was to spin political and historical analogies so they could influence public affairs back home.

Tacitus's Germania, for example, was about framing the Germanic tribes as a noble culture so that his Roman compatriots would recognize their own society as corrupt and decadent in contrast. The only problem was that Tacitus had never crossed the Rhine. That did not matter much: most Romans had not travelled far north either.

That is happening again, except this time New Zealanders are the noble savages being lovingly invented by global columnists. Hardly any of these writers actually live in New Zealand, nor understand it. Their op-eds reveal more about them than the country they purport to write about. In normal circumstances, this would not be a problem. But over the past few years, Jacinda Ardern has risen to international stardom. Her rise was based on remote reporting by a progressive world media thirsting for a noble alternative to strongmen leaders.

Anyone wishing for an anti-Trump, an anti-Johnson or an anti-Bolsonaro could not dream up a more suitable figure than Ardern. If she did not exist, she would have to be invented. She ticks all the boxes. As a young woman who became prime minister at the age of 37, she is one of the world's first millennial heads of government. She is only the second world leader to give birth in office (the first was Benazir Bhutto of Pakistan).

Ardern's political tenure is soaked in progressive holy water. The list of her adopted causes is long. She cited child poverty as her reason for entering politics. When she first ran for prime minister in 2017, she declared climate change her 'generation's nuclear free moment'. In early 2019, she promised in the Financial Times to champion a new *"economics of kindness"*. This was demonstrated shortly afterwards in the world's first 'well-being budget'.

Ardern has become the media's poster child of a modern, centre-left politician, not least thanks to her expertise in communicating to every audience. Whether it is a Facebook Live broadcast from her home in her pyjamas or a traditional press conference, Ardern oozes a highly personalised brand of warmth, kindness and empathy.

This PR dexterity helped her steer through two major first-term crises. She found the right words to heal a shocked nation after a terrorist attack on the Christchurch Muslim community in March 2019. Last year, her near-daily TV appearances guided Kiwis through the first months of the coronavirus crisis.

For people watching from afar and sick of dealing with mortal, flawed and ineffective leaders, Ardern's superheroine star shines bright. As the psychologist Jonathan Haidt revealed in "*The Righteous Mind"*, we wish for things to be true, and no amount of counter-evidence will change our minds. Ardern is lucky that humans have this mental bug because on practically every single metric her administration has failed.

She wanted to solve New Zealand's housing crisis by building 100,000 homes over a decade. This unworkable state-run program was abandoned after two years, and house prices have skyrocketed faster than before. A promised light-rail connection from Auckland's central business district to the airport met the same fate: the project was scrapped before it even started. Child poverty also rose under Ardern's leadership, as did carbon emissions. The so-called 'wellbeing budget' earmarked funds to fix mental health — but has still not found any projects on which to spend the money.

Even in the two major crises, actual policy implementation differed immensely from the PR-shaped perception. A gun buyback scheme after the Christchurch attack was a costly fiasco. And the country's success against Covid-19 was more a result of geography than policy. The government failed to manage even basic quarantine facilities.

In the 2020 election campaign, Ardern should have struggled to explain why her grand promises had so utterly failed. Except no one demanded any accountability, and Ardern cruised to an absolute majority based on her saintly image. Ordinary Kiwis, unused to being the global centre of attention, also desperately want this internationalist narrative to be true.

The gap between people's impression of Ardern and her actual performance as a leader has widened to a gulf. So long as enough modern Tacitus's write gushing Ardern portraits, her superstar status will not change.

Oliver Hartwich is executive director of the New Zealand Initiative, a Wellington-based think tank. This article was originally published in The Spectator's *February 2021 US edition.*

CLIMATE CHANGE COMMISSION RECOMMENDATIONS

From left to right: Dr Judy Lawrence, Professor Nicola Shadbolt, Professor James Renwick, Ms Lisa Tumahai (Deputy Chairperson), Dr Rod Carr (Chairperson), Ms Catherine Leining, Dr Harry Clark.

The Climate Change Commission's report is proposing to centrally plan the economy for the next 35 years. It is worth noting that that China tried this for 30 years (1960's), before abandoning it (after millions of its population had starved to death), and replaced it with 40 years of a "free market" model.

Central planning does not work. Free markets are the greatest tool for progress in human history. And yet, the Climate Commission proposes all aspects of the economy will be subject to government edict.

The commission wants planning laws to change so we live in buildings made of wood in "dense" neighbourhoods. The reality is that when faced with an existential threat like global warming why would any government respond by using an economic tool, central planning, that has never worked?

The Climate Change Commission's first package of draft advice would radically change the viability of every business in New Zealand. Commission Chair, Professor Rod Carr said *"Its advice, if accepted by Jacinda Ardern, would make the upheaval of the post-1984 economic revolution look like a trial period."*

On top of this, giving businesses just 37 working days to read the hundreds of pages of documents, and work out how it will affect their operations, is unrealistic timing to respond by.

Yes, we do need to recognise the risk of inaction – but at what cost. New Zealand produces just 0.2% of global emissions, so it is naïve to believe that "*tanking our economy*" for just an ideological value will improve global outcomes makes sound political sense is plain crazy.

The commission has asked for:

- *The closure of aluminium and methanol production.*
- *switch away from coal, diesel and gas to electricity.*
- *dairy and sheep and beef animal numbers each reduced by around 15%.*
- *phase out imports of light internal combustion engine vehicles.*
- *No further natural gas connections to the grid, or bottled LPG.*
- *restaurants, cafes and bars to move away from natural gas.*
- *and more walking, cycling and public transport.*

This is just a few of their first 17 proposed actions.

Global warming will not make central planning successful. Central planning fails not just because we cannot predict the future but because the Climate Commission can never know enough to make better decisions about you, your family or your business than you can.

The commission says "Its decisions will be based not just on science but equity".

Ardern has declared this her "nuclear-free moment", so you can expect Carr's recommendations to be adopted. She has already stated that implementing the Commission's advice "*one of the most significant pieces of work that this Government will undertake*".

And this is just the first step in what the Commission says is a programme to change the way every one of us lives our lives.

The Commission's draft advice goes well beyond the relative humility of the UN's Intergovernmental Panel on Climate Change, the architects of the Kyoto Protocol or the designers of the world's emissions trading schemes (ETS). Each saw climate change as an urgent and existential threat but recognised that a complete solution lies beyond the comprehension of any human mind or committee.

Their strategy was for governments to place sinking lids on net emissions and use markets to price the greenhouse effects of every activity, so the worst emitters would soon become uneconomic while the best and fastest ways to reach net zero would get financial support.

Adopted globally, an ETS would be guaranteed to deliver net zero emissions if politicians stopped meddling in the market, let the carbon price rise to the necessary level and desisted from protecting those emitters with the best lobbyists.

That is not the commission's view. It believes allowing the market to accurately price carbon would lead to the wrong businesses being opened or closed by the wrong people at the wrong time and in the wrong place. The Commission seems to see "*Big brother knows best*", and calls on Ardern's Ministers to finetune decisions about each industry and business.

For every greenhouse gas, the Commission outlines exactly the reductions it wants, and expects a "Soviet" solution to its decision making.

The Commission is very precise on its reduction targets – not just specific reductions for each emission, but also it is very specific for each major industry. For example, 8% of heavy trucks should be electric by 2030 and 69% by 2035. It's different for medium trucks and light vehicles. The average efficiency of light internal combustion engines will improve by 1% each year and average household travel distances drop by 7% by 2030.

For existing homes, the plan relies on energy intensity improving by 6% by 2035. For commercial property it's 30%. The total amount of organic waste going to landfills should fall by 23% by 2030. Farm herds would fall by 15% by 2030, assuming selective breeding reduces biogenic methane emissions by 1.5% by the same year. From 2025, 2,000 hectares of dairy land would be converted to horticulture annually. And on and on it goes.

But that is still not all. The Commission says bluntly that some businesses will need to be closed, but says the benefits of climate action must be shared across society, and for the costs not to fall unfairly on certain groups of people. To achieve this, it says we must consider the connectivity between "*the material and non-material*", between "*the people, the land, the atmosphere and the oceans*" and indeed "*the connectedness of all things, including the past, present and future*". It claims to have in fact taken all this into account when setting budgets for each gas and advice for each industry. It is shear fantasy that we can do this.

Quoting the Report:

THE COMMISSION HAS IDENTIFIED (IN CHAPTER 17 OF THE REPORT) SEVEN KEY AREAS THAT ARE HIGHEST PRIORITY FOR ACTION. These are areas that must be addressed as a matter of urgency in the Emissions Reduction Plan, or Aotearoa will be at risk of not meeting the emissions budgets and targets:

I. Drive low emissions choices through the ETS

To allow the NZ ETS to contribute effectively to drive low emissions choices consistent with our targets, NZ ETS unit volume and price control settings need to be aligned with the desired path for meeting emissions budgets. Key issues include increasing NZ ETS price control settings and considering how best to set up the NZ ETS to contribute to delivering the right amount and type of afforestation. An appropriate market governance regime is needed to safeguard the scheme's effectiveness and should be progressed as a high priority, with the involvement of agencies with financial markets expertise such as MBIE.

II. Align investments for climate outcomes

Policy decisions and investments made now must not lock Aotearoa onto a high emissions future or increase exposure to climate change risks. There are currently insufficient safeguards in place to prevent this from happening. The Government should incorporate long-term abatement cost values that are consistent with climate change goals into cost-benefit and cost-effectiveness analysis, to make sure that policy and investment decisions are compatible with net zero emissions. Local government and private sector use of long-term abatement cost values would also help to make sure that other infrastructure and investment decisions are future proof.

III. Accelerate light electric vehicle uptake

Reducing the emissions of vehicles entering the fleet is a high priority, and the Government needs to take urgent action to stop high emitting vehicles entering the fleet. Meeting the third emissions budget requires significant uptake of EVs, and Aotearoa must be well on this pathway in earlier budgets. To achieve this, light EV uptake needs to be accelerated as fast as possible. The introduction of measures to reduce the upfront costs of EVs would support this. If Aotearoa is to achieve a low emissions vehicle fleet by 2050, all light vehicles entering the country must be low emissions by 2035. Implementing a restriction or ban on new internal combustion engine light vehicles entering Aotearoa would help to achieve this.

IV. Target 60% renewable energy by no later than 2035

While a large proportion of electricity is generated from renewable sources, across the whole energy system only around 40% of energy use comes from renewables. Achieving the 2050 target of net zero long-lived gases means Aotearoa needs to transition away from fossil fuels and rely more heavily on renewable electricity and low emissions fuels like bioenergy and hydrogen, and improve energy efficiency. Setting a broader, system-wide target for renewable energy would signal the scale of emissions reductions required across the whole energy system. The development of a national energy strategy would help ensure that emissions reductions, future energy developments, infrastructure, equitable industry transitions, regional and economic development planning to support the transition of our country's energy system are all considered in a coherent way.

V. Reduce biogenic emissions from agriculture through on-farm efficiency and technologies

Changing on-farm management practices can reduce biological emissions now and will be enough to meet the 2030 biogenic methane target. The Government needs to incentivise and enable farmers to make the necessary efficiency improvements. Government is already working with industry through the He Waka Eke Noa Partnership to develop a farm level pricing system, information and support services. It will be important that these tools can deliver emissions reductions consistent with emission budgets and targets, and that they endure beyond 2025. The successful development of new technologies and practices to reduce biological emissions (such as a methane vaccine) would provide greater flexibility and allow Aotearoa to meet the more ambitious end of the 2050 biogenic methane target. The Government needs to develop a long-term plan for targeted R&D to reduce biogenic emissions from agriculture, and review regulatory regimes to ensure that new technologies can be rapidly deployed as and when they are developed.

VI. Manage forests to provide a long-term carbon sink

Both production forests and new permanent native forests will play an important role in meeting the emissions budgets and targets for Aotearoa. Production forests can help to meet earlier emissions budgets, while new permanent native forests can provide an enduring carbon sink to balance emissions from hard to abate sectors in the long term. The Government will need to introduce measures to ensure that emissions removals by forests are aligned with emissions budgets. Policies should be put in place to encourage new permanent native forests on currently unproductive land. Forestry objectives will need to be achieved through a combination of policies, including amendments to the ETS, other financial incentives like grants and land use planning rules.

VII. Ensure an equitable, inclusive and well-planned climate transition

The transition to a low emissions society needs to be well-signalled, equitable, and inclusive. This will support a transition to a low emissions society that maximises opportunities, minimises disruptions and reduces inequities. This is important to ensure that the transition is enduring. To make sure this happens, the Government will need to develop an evidence base to understand the distributional impacts of climate change policies, and a process for factoring those impacts into policy making.

In addition to these critical priorities, partnership with iwi/Maori throughout the policy process will be critical to success. In developing and implementing its emissions reduction plan, the Government should consider how approaches will impact the four dimensions of wellbeing identified in the He Ara Waiora framework, and partner with whanau, hapu, iwi, and communities to incorporate matauranga and tikanga Maori into the ways solutions are developed and decisions are made.

Summary

The Commission's report does have merit, but it also contains hard-Soviet styled mantra that is too draconian to contemplate.

The Soviet economics Carr seems to have adopted has a record unparalleled in history, not just of causing unnecessary disruption and incalculable costs, but of delivering everything except the outcomes the policy-makers intended.

NATURAL GAS


CCC Chair Dr Rod Carr

Why then would the Climate Change Commission recommend a ban on new natural gas infrastructure so early, and as one of the key ways to decarbonise buildings emissions?

For starters, the emissions impact of natural gas isn't negligible. Residential natural gas use results in 362,000 tonnes of emissions every year. Commercial use is responsible for another 458,000 tonnes. For context, that's just under 5% of non-transport energy emissions. Not massive, but not nothing either.

The real reason for the proposed ban, however, all comes down to stranded assets, Commission chair Rod Carr told Newsroom.

"*The whole pathway for the Commission has focused on letting things reach the end of their natural life - so we're not running around scrapping cars, we're not running around pulling out pipes - but you do have to stop the capital investment that is justified on the basis that it's going to be paid for over a 30-year life*," he said.

However, natural gas infrastructure installed in 2025 is unlikely to last for 30 years, particularly when we're supposed to reach net zero long-lived gas emissions come 2050. Moreover, the cost of natural gas is likely to increase as renewable electricity becomes cheaper.

PRESSURE FOR GOVT MARINE PROTECTION ACTION

New Zealand has clearly been snubbed. It is not on the speaking list at the UN's Climate Ambitions Summit because we had no progress to present - NZ's failure to join a coalition of countries pledging to protect 30% of land and marine area for biodiversity by 2030.

Of 42 industrialised nations that the UN says have a greater obligation to reduce emissions, NZ has experienced the second greatest percentage increase in net emissions since 1990, beaten only by Turkey.

This failure to join a coalition of countries pledging to protect 30% of land and marine area for biodiversity by 2030 has raised alarm among environmentalists, particularly because nearly that much land area is already in Public Conservation Land and Labour promised to protect 30% of New Zealand's oceans during the election campaign.

HOW NATURE CAN SAVE OUR CITIES

SOURCE: Rod Oram, Newsroom 21 Feb 2021

Rod Oram is a rather left-wing commentator, but he does have a good mind, and his views are valued.

As the Climate Change Commission points out: "Around 85% of New Zealanders live in urban areas with populations greater than 50,000. As a result, much of the country's transport emissions occur within these urban areas. Cities can 'grow up' or 'grow out'.

"Historically, cities in Aotearoa have had a tendency to grow out, resulting in growth at the urban boundary rather than the urban centre. The result has been sprawling car-oriented cities in the style typical of Australia or North America, rather than the more compact transit-, cycling-, and pedestrian-oriented cities typical of Europe and many parts of Asia."

But the CC Commission fails to prioritise how we must and can change our urban forms and built environments so they are more beneficial to people and the climate. Pessimistic about us making those changes over the next few decades, it largely bases its modelling, and thus its recommendations, on urban life as we know it. Yes, we'll walk, cycle and take public transport a bit more. But it relies on rapid adoption of electric vehicles to do the heavy lifting of emissions reduction.

Given that inertia, our urban lives will get worse, judging by the population projections the Commission uses for its modelling. Taking the mid-point of Statistic NZ projections, it says we will number 5.524 million people in 2030 and 6.160m in 2050. Our growth from 2018 is 4.841m people would be 14% by 2030 and 27% by 2050.

Auckland would bear the brunt of this. The CC Commission says its population could increase by 1m by 2050, a 60% increase from 2018.

... we build cheaply for the short-term; we squander land; we don't plan strategically for the long-term; and we have yet to create a distinctive Aotearoa style of urbanism.

But the council emphasises that we need big changes in our urban form, built environments and consumer behaviour to meet those goals. To help us shift those, we need the Government to transform how it makes policies and funds projects. If the Government fails to do so, Auckland won't meet even its short-term climate goals.

HAMILTON AND WELLINGTON SHOW THE WAY

Yet, Hamilton and Wellington are showing us the potential of our unique style as they embrace two of the most important concepts in the urban response worldwide to the climate crisis: creation of the 15-minute city; and regeneration of urban ecosystems.

The principle of the first is simple. However large a city is, each neighbourhood offers almost everything its residents needs for their day-to-day life and work within 15-minutes travel by walking, cycling and public transport. No cars required. The concept is spreading fast. Paris is one example, with the 15-Minute City website (http://www.15minutecity.com) offering more.

Hamilton shares the ambition, though in pragmatic Kiwi style it has stretched the definition to the 20-minute city. Hamilton City Council, NZ Transport Agency and Waikato University worked up the plans for it. Last year, Hamilton City submitted to the Government's Covid "shovel-ready" infrastructure fund, meeting all the criteria for projects. They were ready to proceed ($193m worth in the first six months out of $500m in the full plan). This proposal created construction jobs - over the first two years they would create 11,792 FTEs of which 3,378 would be direct, 4,966 indirect and 3,448 induced. It would generate economic activity (every one dollar invested in construction would produce between $2.51 and $3.11 in economic activity, giving a total return of approximately $1.37bn in economic benefits); and they would deliver multiple, identifiable environmental, social, health and other benefits. But Hamilton failed to win any funding. The Government favoured other applications, most of which were distressingly business and climate-as-usual rather than as transformational as Hamilton's. Still, the city council is pressing on piecemeal with a few of the projects as fast as its constrained finances allow.

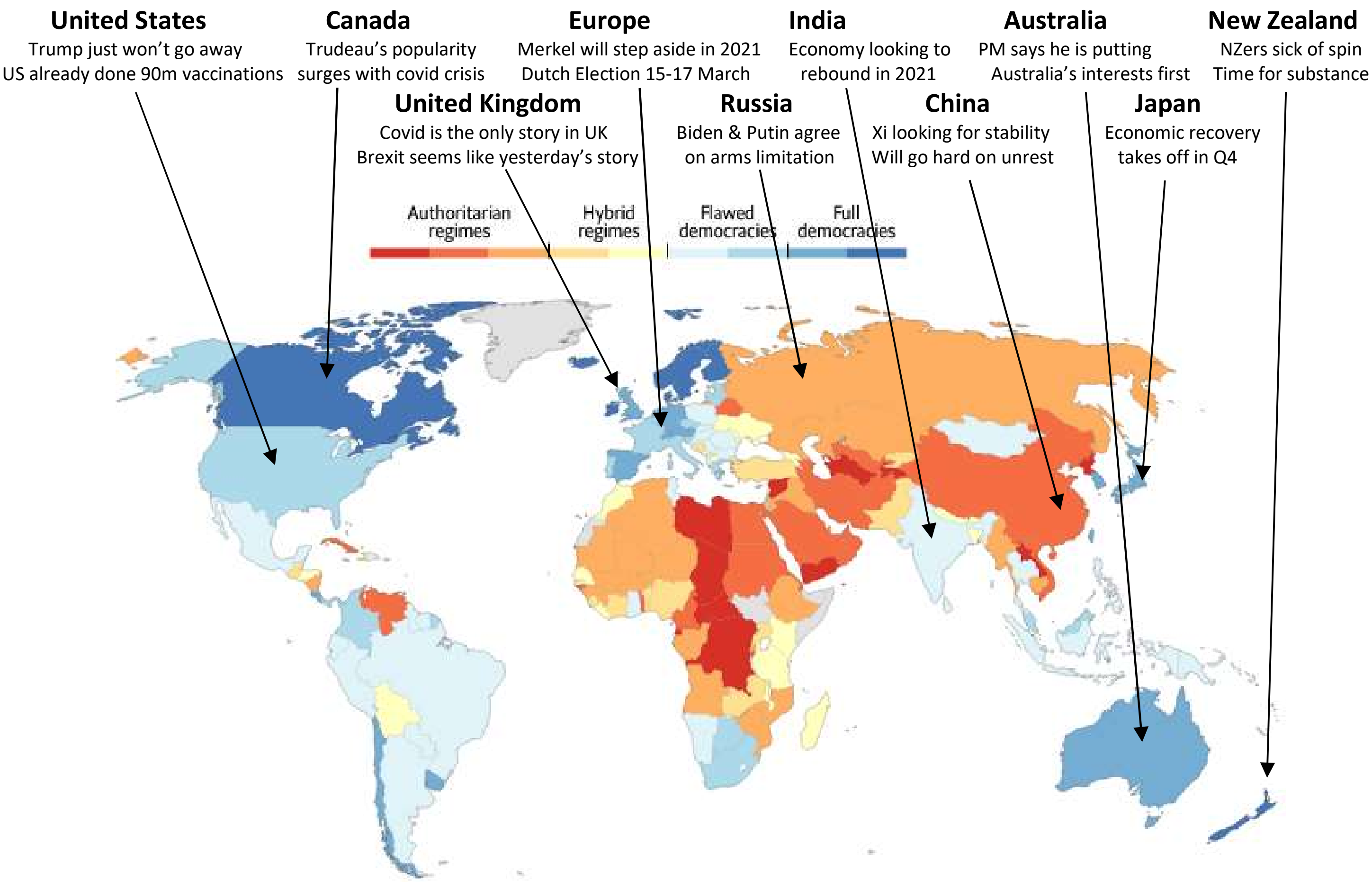
So, yes to EVs. But it is our natural capital which will make our towns and cities liveable, distinctive, climate-resilient and internationally recognised.

"I like evidence, but opinion is fine"

Climate Change Commission Chair, Dr Rod Carr

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, WHEN YOU CONDITIONS ALLOW – YOU WON'T REGRET IT.

THE WORLD AT A GLANCE GLOBAL DEMOCRACY INDEX 2020



THE GLOBAL ECONOMIC OUTLOOK

Contraction of Economy	
United Kingdom	-9.9%
Italy	-8.9%
France	-8.2%
Canada	-5.0%
Japan	-4.8%
United States	-3.3%
Australia	-2.5%

Australia has just announced that it has outperformed all other advanced economies (G20) in the world, over the past year - contracting just 1.1% over the 2020 year. Australia's performance on both the health and economic front is world leading.

Globally, markets are getting very nervous about the prospects of inflation increasing significantly going forward. Reserve Bank Governors around the world are underplaying this, but financial analysts are now breathing caution.

New Zealand's Economic Outlook

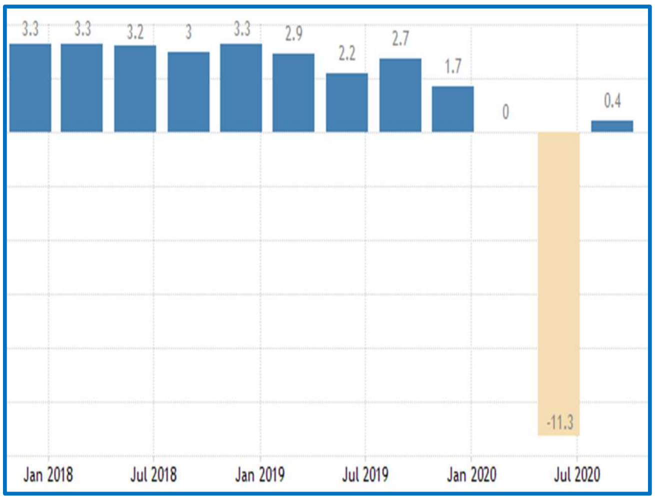
Crown accounts for the seven months to the end of January were better than forecast in the Half Year Economic and Fiscal Update. The Operating Balance before gains and losses deficit is estimated at $4.4bn - $2.9bn better than the previous forecast; and tax revenue was $1.8bn above forecast. Net core Crown Debt was 31.3% of GDP ($3.1bn less than forecast).

Reserve Bank Update 24th Feb

"*Economic activity in New Zealand picked up over recent months, in line with the easing of health-related social restrictions*," Reserve Bank Governor Orr said. "*Households and businesses also benefitted from significant fiscal and monetary policy support, bolstering their cash-flow and spending.*"

"*International prices for New Zealand's exports had also supported export incomes, although the New Zealand dollar exchange rate has offset some of this support. But the economic outlook ahead remained highly uncertain, determined in large part by any future health-related social restrictions*," Orr said. "*This ongoing uncertainty is expected to constrain business investment and household spending growth.*"

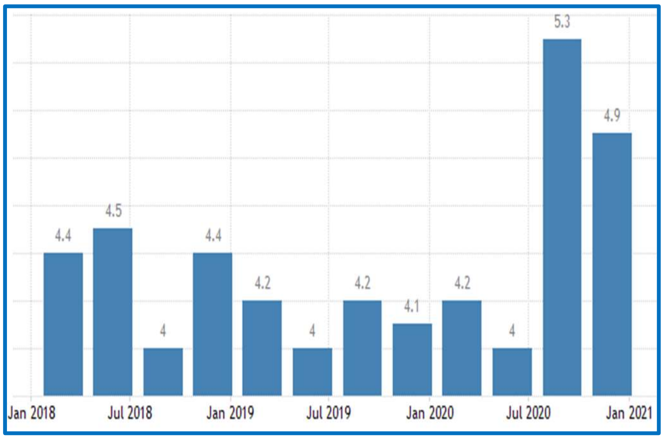
NZ - ANNUAL GDP GROWTH RATE



NOTE: No update to Dec-2020

RBNZ Expects Annual GDP growth accelerates from late 2022, peaking at 3.8%. The unemployment rate is assumed to increase towards 5.2% over 2021 "*as activity in tourism-related industries continues to be weak and is not entirely offset by higher employment in other industries*". But the rate is then assumed to gradually return to 4.6% as economic activity recovers and capacity pressure begins to increase.

NZ UNEMPLOYMENT RATE



The base case assumption sees $50bn of the $62bn government's total fiscal response to Covid-19 being spent.

The Monetary Policy Committee agreed that inflation and employment would likely remain below its remit targets over the medium term in the absence of prolonged monetary stimulus. ASB's Chief Economist said "*We continue to expect the RBNZ will gingerly start lifting the OCR from August 2022*".

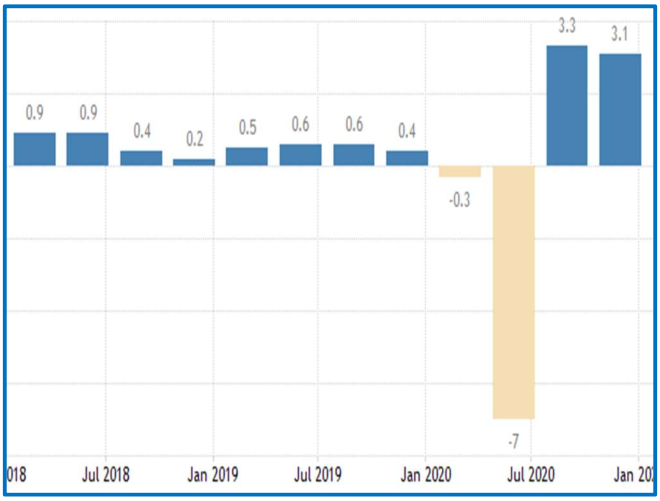
The RBNZ's quantitative programme (Large Scale Asset Purchase (LSAP) Programme of up to $100 billion) and its Funding for Lending Programme (FLP) operation were also left unchanged. The RBNZ has upgraded its baseline forecasts for the economy to reflect the stronger than expected performance since the November MPS. Inflation is assumed to return sustainably to around the 2% target mid-point in 2023. It is currently 1.4%. The base case assumes that domestic economic activity remains around pre-Covid levels until late 2021.

Australian Economic Outlook

Australia has navigated the Covid crisis exceptionally well, and in the quarter to December 2020, GDP reached 3.1%. This is a fantastic Q4, and is the first time in recorded history that Australia has ever recorded two consecutive quarters in GDP above 3%. The economy has recovered 85% of its covid-19 induced fall.

In Australia, as emergency support is tapering off, the private sector is stepping up. In the December Quarter, direct government & state support halved, yet at the same time the economy grew 3.1%. 320,000 new jobs were added, and 2.1m Australian workers graduated off the ‘Job keeper’ scheme.

AUSTRALIA - ANNUAL GDP GROWTH RATE

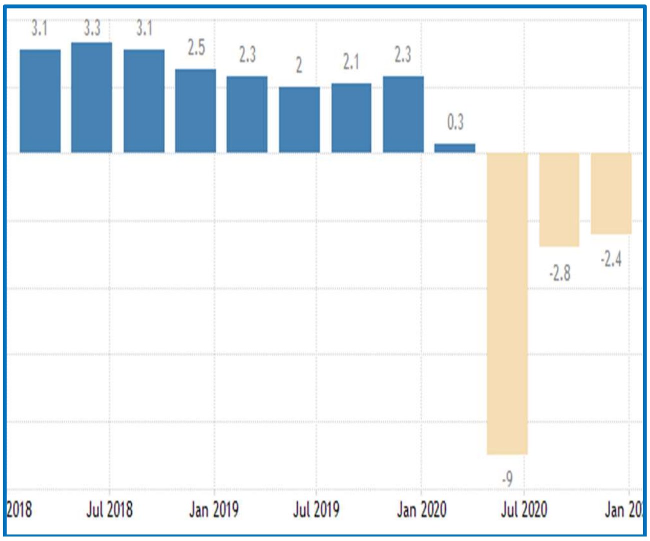


UNITED STATES ECONOMIC OUTLOOK

The U.S. economy started 2021 with a bang as retail sales and factory output accelerated and expectations continue to build for another jolt of government stimulus, setting the stage for what could be the best year of economic growth in nearly four decades.

GDP in the United States contracted 2.4% in the fourth quarter of 2020 over the same quarter of the previous year. However, Goldman Sachs has boosted US GDP forecast to 6.8% in 2021 (up from 6.6%), and now Biden has signed off a US$1.9trillion a coronavirus relief package, including one-off direct payments worth US$1,400 to be sent off to most Americans.

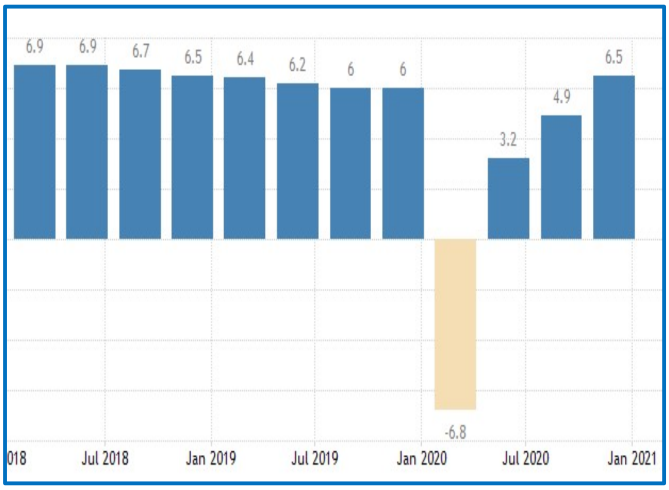
UNITED STATES - ANNUAL GDP GROWTH RATE



CHINESE ECONOMIC OUTLOOK

China reported 2.3% GDP growth for 2020, a stronger-than-expected number that showed a V-shaped recovery from a pandemic-induced economic slump that is still devastating most economies globally. It will be the only G20 economy to post GDP growth for last year. The IMF projects China's economy will grow 8.1% in 2021 and 5.6% in 2022.

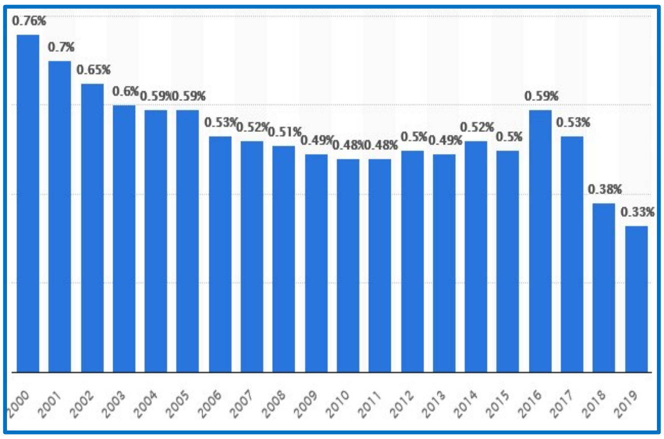
CHINA - ANNUAL GDP GROWTH RATE



DECLINING POPULATION GROWTH IN CHINA

Due to strict birth control measures by the Chinese government as well as changing family and work situations of the Chinese people, population growth has subsided over the past decades. Although the gradual abolition of the one-child policy from 2014 on led to temporarily higher birth figures, growth rates further decreased in the last 3 years. As of 2018, China still ranked the world’s most populous country, but India followed closely and will soon take over. Apart from the receding population growth, a clear growth trend in Chinese cities is visible. By 2018, nearly 60% of Chinese people lived in urban areas, compared to less than 40% in 2002.

POPULATION GROWTH IN CHINA 2000 TO 2019



China is on the rise - Some interesting facts:

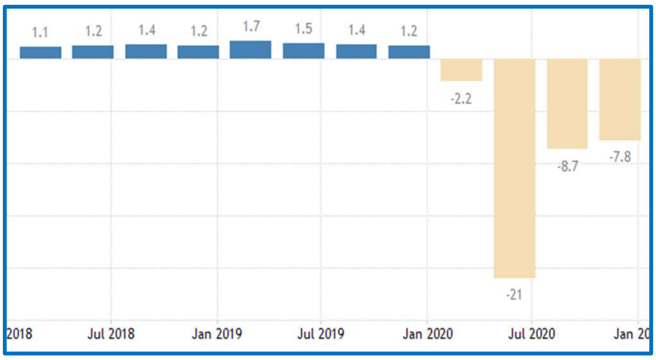
- When you total up all imports and exports, China is now the number one trading nation on the entire planet.
- Overall, the U.S. has run a trade deficit with China over the past decade that comes to more than US$2.3 trillions.
- China has more foreign currency reserves than any other nation on the planet.
- China now has the largest new car market in the entire world. China now produces more than twice as many automobiles as the United States does.
- After being bailed out by U.S. taxpayers, GM is involved in 11 joint ventures with Chinese companies.
- China is the number one gold producer in the world.

- China now consumes more energy than the United States.
- China is now in aggregate the leading manufacturer of goods in the entire world.
- China uses more cement than the rest of the world combined.
- China is now the number one producer of wind and solar power on the entire globe.
- China produces 3 times as much coal and 11 times as much steel as the United States does.
- China produces more than 90% of the global supply of rare earth elements.
- China is now the number one supplier of components that are critical to the operation of any national defence system.
- In published scientific research articles China is expected to become number one in the world very shortly.

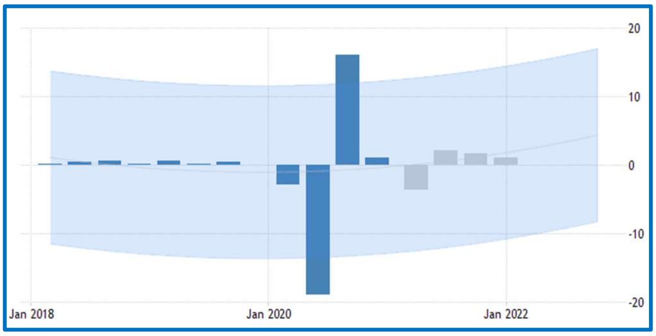
United Kingdom Economic Outlook

GDP Growth Rate in the United Kingdom is expected to be -4.0% by the end of this quarter, according to Trading Economics global macro models and analysts expectations. Looking forward, they estimate GDP Growth Rate in the United Kingdom to stand at 1.0% in 12 months time. In the long-term, the United Kingdom GDP Growth Rate is projected to trend around 0.5% in 2022, according to econometric models.

UNITED KINGDOM - ANNUAL GDP GROWTH RATE



UNITED KINGDOM – FORECAST GDP GROWTH RATE



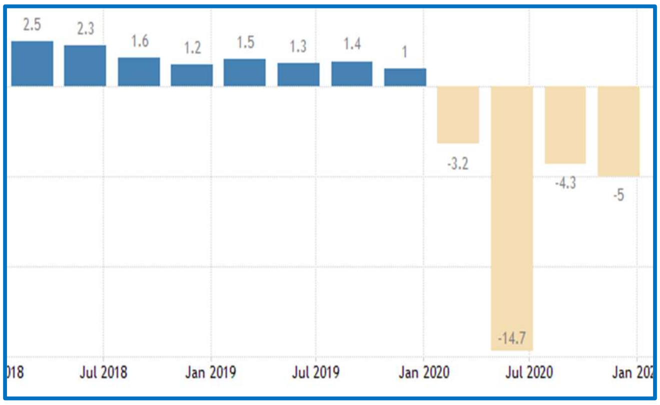
UK UNEMPLOYMENT RATE

The UK's unemployment rate increased to 5.1% in the three months to December of 2020 - from 5% in the previous period. It remains the highest jobless rate since the three months to August 2016, as the country remains under another national coronavirus lockdown since December. Still, unemployment has been held down by the government's Job Retention Scheme which is supporting about 4 million jobs - that is, one in five employees.

EU Economic Outlook

On the EU's expenditure side, household consumption is the main component of GDP and accounts for 54% of its total use, followed by gross fixed capital formation (21%) and government expenditure (20%). Exports of goods and services account for 47% of GDP while imports account for 43%, adding 4% of total GDP.

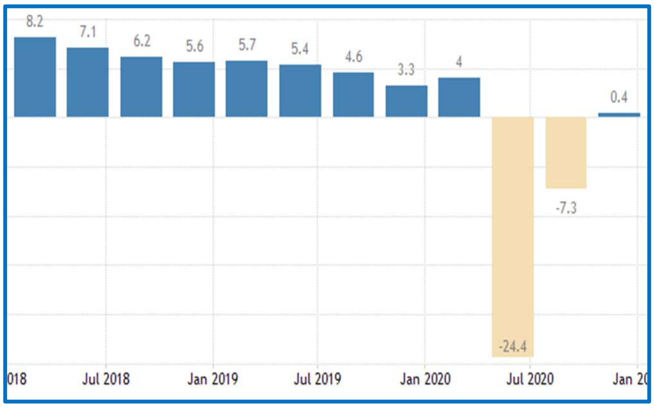
EUROZONE - ANNUAL GDP GROWTH RATE



Indian Economic Outlook

The Indian economy grew 0.4% year-on-year in the last three months of 2020. This is the first expansion in three quarters as the government opened economic activities in phases from June after a Covid-19 lockdown in late-March. On the expenditure side, both private (1% vs -8.3% in Q3) and public (7.2% vs -17.5%) spending rebounded. Gross fixed capital formation also returned to growth (5.9% vs -7%) while exports declined 1.7% (vs -0.1% and imports sank 2% (vs -16.9%). On the production side, gross value added surged 1%, boosted by a rebound in manufacturing (1.6% vs -1.5%), construction (6.2% vs -7.2%), financial, real estate and professional services (6.6% vs -9.5%). Also, the farm sector rose faster (3.9% vs 3%) and utilities output surged (7.3% vs 2.3%). The contraction for financial year 2020/2021 was estimated slightly higher at 8% from 7.7% which would be the biggest drop ever.

INDIA - ANNUAL GDP GROWTH RATE



CURRENCIES

NZD/USD & NZD/AUD

Source: Westpac

INTEREST RATES

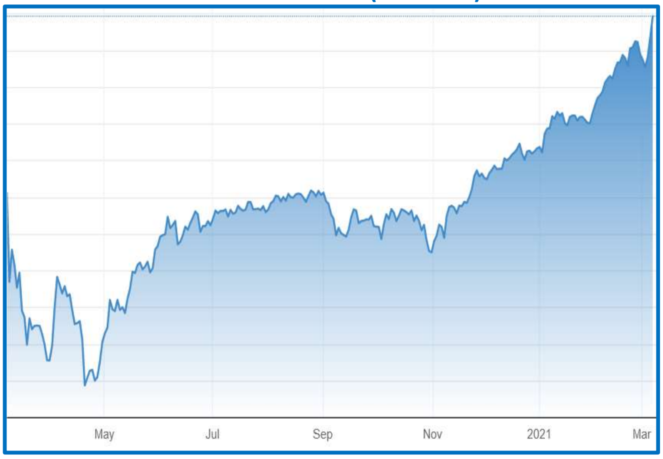
There has recently been a sharp lift in long bond rates. This has been the key macro change over February, with the NZ 10-yr Government bond yield lifting +78bp to 1.9%. Noting this, Jarden remains cautious on the potential downward price impact which may still play out across yield sensitive (LPVs, Gentailers, AIA) and growth stocks (FPH).

Bond market investors are currently thinking differently about the economy vs. central banks, which is why bond interest rates beyond three-year maturities have risen so sharply. There is a risk that longer-maturity interest rates further overshoot, causing more angst for long-maturity bonds, equities and other riskier investments. If longer-maturity interest rates continue to rise, the Fed and the RBNZ will likely see this as an increasing threat to financial stability and step up their buying of longer maturity bonds as part of their remit to ensure orderly market functioning.

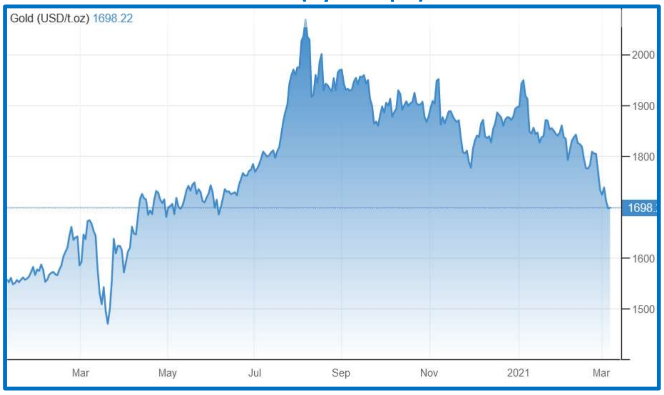
Ultimately, our Jarden NZ economist expects this tussle between central banks and investors to eventually settle on the side of central banks as it becomes increasingly clear the economic scarring from the Covid-19 pandemic is far from over.

COMMODITIES

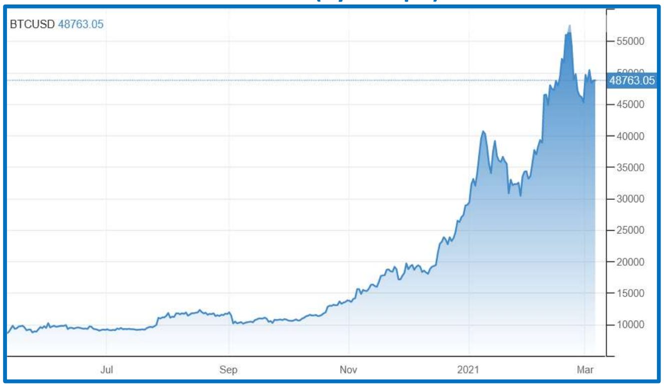
OIL: BRENT CRUDE (ONE YEAR)



GOLD (1yr Graph)



BITCOIN (1yr Graph)



An announcement from Tesla recently advised it had bought US$1.5 billion worth of bitcoin, and that it would start accepting the cryptocurrency as a payment method for its products. The investment represents a significant percentage of Tesla's cash balances, with the company holding US$19 billion in cash and cash equivalents as of the end of 2020.

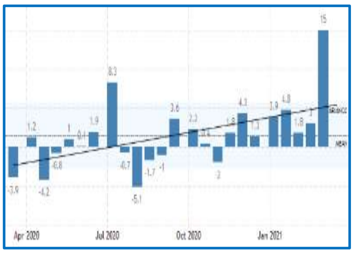
The price of Bitcoin rose more than 13% on the news release - to US$43,024. Despite concerns about Elon Musk's recent activity on Twitter – in which his tweets about another cryptocurrency Dogecoin have propelled its price up by more than 800% - Bitcoin moved even higher, peaking at US$61,520 on 14th March 2021.

AGRIBUSINESS – LOOKING FROM THE OUTSIDE IN

GLOBAL DAIRY TRADES AT SEVEN-YEAR HIGH

Farmers will cheer the latest Global Dairy Trade (GDT) auction result that has seen prices hit a seven-year high and is likely to mean a lift in their payout. Whole milk powder prices settled at US$4,364, the highest level in seven years, while the GDT price index rose 15% to an average selling price of US$4,231 a tonne. The futures market had anticipated a rise of just 6%.

NZ GLOBAL DAIRY TRADE PRICE INDEX



Following news of the latest GDT result, ANZ Bank lifted its farmgate milk price forecast 50c, to $7.70/kg for milk solids. Westpac Bank was even more optimistic, lifting to $7.90/kg. Fonterra has announced a 6% increase to between $7.30 & $7.90/kg.

KEY STATS NZ FACTS (FOR DECEMBER 2020 QUARTER):

- Output producers price index (PPI) rose 0.4%
- Input PPI was flat
- Farm expenses price index (FEPI) rose 0.2%
- Capital goods price index (CGPI) rose 0.6%

HIGHLIGHTED OUTPUT INDUSTRIES:

- Dairy cattle farming rose 2.7%
- Sheep, beef cattle, and grain farming fell 0.8%
- Forestry and logging rose 3.8%

HIGHLIGHTED INPUT INDUSTRIES:

- Dairy product manufacturing rose 2.2%
- Meat and meat product manufacturing fell 0.8%
- Petroleum and coal product manufacturing fell 5.5%

NEW ZEALAND EQUITIES

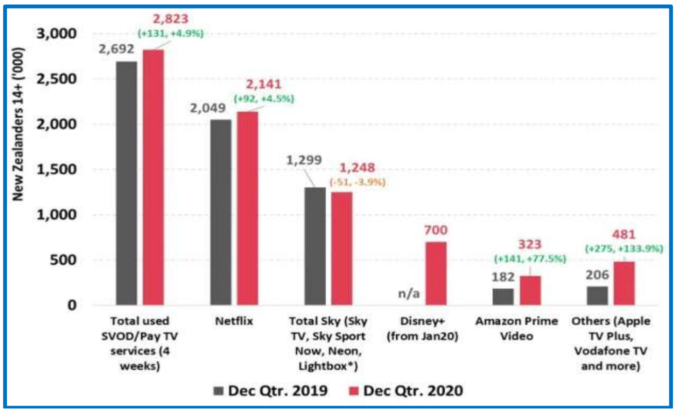
SKY TELEVISION

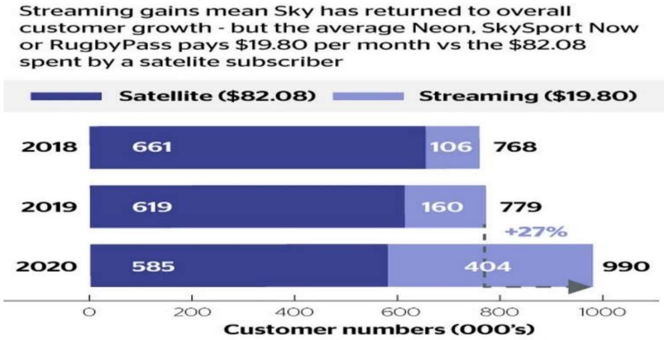
Sky announced that it would be increasing earnings and profit guidance. Financial year 2021 revenue is now expected to be between $695-$715 million, where previously the expected range was $680-$710m.

Net profit after tax is now expected to be between $37.5 - $45.0m (previously $20 - $30m). While some one-off cost savings are partly responsible, ongoing cost control and increased streaming and satellite revenue will continue to serve Sky well going forward.

Investors should consider whether Sky can retain enough flagship sporting content to remain relevant and whether they can capture enough of the streaming market to contribute meaningfully to company growth.

NUMBER OF NZERS WATCHING SUBSCRIPTION TV





The streaming landscape continues to get more complicated for Sky, however, with the recent launch of HBO Max and Discovery+ and the pending Paramount+ crowding the global market - requiring it to share rights or pay more for exclusivity.

EBOS Group

EBOS is Australasia's largest diversified pharmaceutical and veterinary products group. The company has a solid track record of earnings growth which has been driven by both organic growth and astute acquisitions.

Jarden is attracted to the defensiveness of the company's two key divisions – healthcare and animal care. The structural demand story for healthcare products as the population ages remains robust, while pet ownership continues to increase and will provide further growth opportunities.

NZ PROPERTY SECTOR – MONTHLY REVIEW

The NZ LPV sector saw subdued performance over February down 4.3% (outperforming the NZ50G, down 6.9%) with performance over the last three months down 1.7%. The 10-year Govt. bond yield was up to 187bp (vs. 116bp at 31 January and 53bp at 30 October). CDI was the only constituent of the NZREITG index in positive territory during the month with APL (-0.2%) and PFI (-1.3%) also outperforming over the month. KPG (-7.4%), VHP (-6.4%) and PCT (-5.5%) underperformed.

The sharp increase in 10-year Government bond yields (from 0.53% Oct-20 end to ~1.9% currently) has impacted sector performance over recent months. That being said, with the sector down just 1.7% over the last quarter despite the meaningful increase in long-term interest rates, risk is potentially heightened for investors. With a 3.6% sector net dividend yield, spread to 10-year Government bonds has dropped to a little over 150bps, below the ~220bps average spread of the last five years. Stocks like GMT, PFI and VHP are all trading on net dividend yields within ~100bps of spot 10 year Government bonds. There is clearly downside risk if rates hold or continue to increase given the strong relationship between sector performance and Government bond rates over time. There are a couple of things that may explain still more muted response of equity markets.

NZ LPV SECTOR SUMMARY – as at 28th February 2021

Stock	Rating	Price 26 Feb	Target price	P/NTA	P/NAV	12m fwd P/AFFO	Net div yield	Gross div yield	Committed Gearing
APL	Neutral	$0.35	$0.33	0.78x	0.86x	29.1x	5.2%	7.2%	43%
ARG	Overweight	$1.49	$1.55	1.06x	1.16x	24.4x	4.3%	6.0%	37%
GMT	Underweight	$2.20	$2.01	1.21x	1.27x	33.6x	2.5%	3.5%	25%
IPL	Overweight	$2.17	$2.22	1.13x	1.17x	28.8x	3.5%	4.9%	29%
KPG	Overweight	$1.20	$1.28	0.93x	0.99x	18.9x	5.0%	7.0%	33%
PCT	Neutral	$1.63	$1.62	1.06x	1.08x	24.3x	4.1%	5.7%	27%
PFI	Underweight	$2.85	$2.46	1.29x	1.27x	33.7x	2.8%	3.9%	32%
SPG	Overweight	$2.27	$2.38	1.13x	1.04x	24.1x	4.4%	6.1%	32%
VHP	Underweight	$3.07	$2.61	1.20x	1.34x	25.4x	3.0%	4.2%	31%
Average				1.12x	1.17x	27.1x	3.6%	5.0%	30%

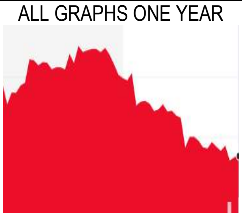
UNLISTED PORTS OF AUCKLAND

100% Auckland Council owned POA is in big trouble. Maersk, the world's biggest container shipping line has withdrawn half its normal calls to Auckland and has said it won't resume standard service until productivity improves.

STOCKS TO WATCH NEW ZEALAND

Prices as at 5th March 2021

ALL GRAPHS ONE YEAR

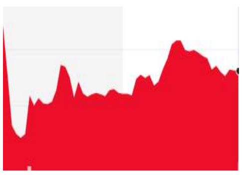


A2 Milk

A2 has had a challenging 1st half. As a result, its share price has been hit hard. Revenue fell 16% to $677m and EBITDA was down 32% to $179m (at margin of 26%) but n line with Jarden's expectation and pre-guidance. Key drivers were daigou disruption, partly offset by growth in China label and improved US losses (lower marketing). Key issues included high inventory and confidence on A2's recovery path. As a result, FY21 outlook reset at lower end of prior range $1.4bn for revenue (in line with Jarden), EBITDA margin weaker at 24-26% (was 26-29%, Jarden 26%) reflecting a range of pressures.

2021 P/E: 29.8   2022 P/E: 23.5

NZX Code: ATM
Share Price: $10.13
12mth Target: ↓ $11.40
Projected return (%)
Capital gain 12.5%
Dividend yield (Net) 0.0%
Total return 12.5%
Rating: OUTPERFORM
52-week price range: 8.92-21.74

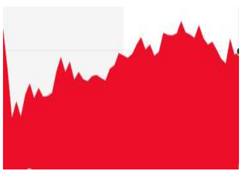


Air New Zealand

Normalised PBT loss of $185m came in less than Jarden's forecast of -$218m, largely driven by better cargo revenue. Importantly, this result included $51m of wage subsidies and $58m of grants under the Government's aviation support package - neither of these elements will continue into the second half. As such, looking forward into 2H, expect AIR to report a higher operating cost base and, reflecting the increase in oil prices, higher jet fuel costs. Given the highly uncertain operating environment AIR did not provide any earnings guidance for the year ahead, however, they did confirm that the scenarios they are modelling suggest they will make a significant loss in FY21.

2021 P/E: (10.1)   2022 P/E: 29.7

NZX Code: AIR
Share Price: $1.58
12mth Target: ↓ $1.15
Projected return (%)
Capital gain -27.0%
Dividend yield (Net) 0.0%
Total return -27.0%
Rating: UNDERPERFORM
52-week price range: 0.80-2.10

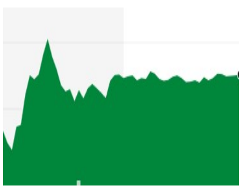


Auckland Airport

Somewhat academic result with international border shut and likely to remain so for balance of FY21. AIA's Balance sheet maintains strong liquidity but Jarden continues to think the start of a trans-Tasman bubble will be an important milestone in FY22 to additional comfort here. At first glance, no real commentary of positioning into next regulatory pricing setting discussion for likely later this CY. FY capex guidance reduced.

2021 P/E: n.m.   2022 P/E: 71.2

NZX Code: AIA
Share Price: $7.14
12mth Target: $6.95
Projected return (%)
Capital gain -20.1%
Dividend yield (Net) 0.0%
Total return -19.3%
Rating: UNDERPERFORM
52-week price range: 4.26-8.25



Comvita

CVT had a solid 1H performance: Underlying EBITDA was $12.1m, +1792% on pcp of $0.6m (Jarden $9.6m). This was driven by an uplift in gross margin (+1080bps) and demonstrates progress against the transformation story. Cash flow inflow of $9.4m benefited from a $14m reduction in inventory, helping reduce net debt slightly and underpins the expected resumption of dividends at full year. Full year guidance was provided for FY21 EBITDA of $20-23m (Jarden $22.7m).

2021 P/E: 27.0   2022 P/E: 19.8

NZX Code: CVT
Share Price: $3.28
12mth Target: ↓ $3.30
Projected return (%)
Capital gain 0.6%
Dividend yield (Net) 1.2%
Total return 1.8%
Rating: NEUTRAL
52-week price range:1.55-4.64

Delegat Group

DGL had a record 1H performance. Operating NPAT was $43.1m, +25% on pcp of $34.4m (Jarden $36.2m), benefiting from record case sales of 1.86m driving a significant improvement in operating leverage. Improved cashflow of $42.9m (+21% on $35.5m pcp) helped reduce net debt to $254.1m (-5% from $267.8m pcp), also improving all key debt metrics. DGL upgraded guidance for FY21 operating NPAT of $67m, implying 2H operating NPAT of $24m. While this appears to imply a weak 2H, management pointed out it was likely full year performance would be particularly 1H skewed.

2021 P/E: 22.8 2022 P/E: 22.7

NZX Code:	**DGL**
Share Price:	**$14.70**
12mth Target: ↑	**$15.80**
Projected return (%)	
Capital gain	7.8%
Dividend yield (Net)	1.2%
Total return	**8.7%**

Rating: OUTPERFORM

52-week price range: 6.39-15.82

EBOS Group

Strong 1H result, across both Healthcare & Animal care segments, with both capturing above-market growth rates, and which has continued into January performance. Underlying EBITDA (pre IFRS16 basis) was A$163m, +9% on pcp. Underlying NPAT: A$94m, +14% on pcp. DPS: NZ42.5cps, +13% on pcp. Record ROCE of 17.5% +40bp, driven by earnings growth and disciplined working capital management. Involved in vaccine distribution: EBO has secured involvement in NZ but details are subject to confidentiality conditions. In Australia, no direct involvement but proactively supporting roll-out for Chemmart pharmacists.

2021 P/E: 24.5 2022 P/E: 23.1

NZX Code:	**EBO**
Share Price:	**$28.22**
12mth Target:	**$30.00**
Projected return (%)	
Capital gain	6.3%
Dividend yield (Net)	4.0%
Total return	**10.3%**

Rating: OUTPERFORM

52-week price range: 18.42-30.00

Freightways

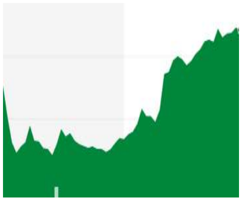
A solid 1H21 result with revenue of $410.3m (+28.7% YoY), EBITDA of $99.8m (+40.0%) and underlying NPAT of $41.2m (+41.0%). While headline growth is clearly impressive, it is important to note that the prior period did not include Big Chill Distribution (acquired 4Q20) or temporary Trans-Tasman air freight activity. Normalising for these elements, revenue increased by a more modest 8.4%. The better result reflected better performance in the Express Package division, largely driven by Big Chill Distribution. FRE announced a fully imputed interim dividend of 15.5cps (+3.3% YoY).

2021 P/E: 24.1 2022 P/E: 21.6

NZX Code:	**FRE**
Share Price:	**$10.89**
12mth Target:	**$10.80**
Projected return (%)	
Capital gain	-0.8%
Dividend yield (Net)	1.4%
Total return	**3.0%**

Rating: NEUTRAL

52-week price range:4.50-11.20



Fletcher Building

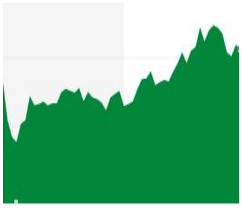
A strong 1H21 result, reporting Revenue of $3.99bn, up 1% from $3.96bn in HY20. EBIT before significant items of $323m, up 47% from $219m in HY20, with Net Profit After Tax of $121m, up 48% from $82m in HY20. FBU reported strong cash flows from operating activities of $428m. FBU has a strong balance sheet, announcing an interim dividend of 12cps. FBU expect a FY21 EBIT (before significant items) within the guidance range $610m to $660m.

2021 P/E: 37.4 2022 P/E: 48.0

NZX Code:	**FBU**
Share Price:	**$6.53**
12mth Target:	**$6.89**
Projected return (%)	
Capital gain	5.5%
Dividend yield (Net)	4.3%
Total return	**9.8%**

Rating: OUTPERFORM

52-week price range:3.05-6.70



Genesis Energy

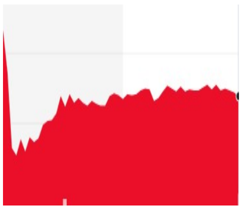
GNE reported 1H21 EBITDA of $217m, up $50m on pcp. This good performance plus current momentum has resulted in management upgrading its FY21 EBITDA guidance range to $415-425m from $395-415m. Jarden's forecast revised downward from $434m to $421m. Interim dividend of 8.6cps (Jarden NZ8.7cps), up 0.9% on pcp. Due to slightly lower earnings estimates Jarden has reduced their DCF-driven 12-month target price for GNE.NZ from $3.84 to $3.75.

2021 P/E: 33.6 2022 P/E: 22.9

NZX Code:	**GNE**
Share Price:	**$3.60**
12mth Target: ↓	**$3.75**
Projected return (%)	
Capital gain	4.2%
Dividend yield (Net)	5.0%
Total return	**9.2%**

Rating: NEUTRAL

52-week price range:1.99-4.00



Kathmandu Holdings

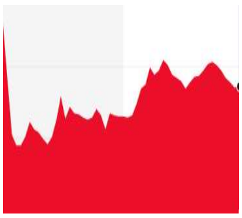
KMD has provided EBITDA guidance (ex-IFRS16) for 1H21 of $47m-$49m. While segment earnings disclosure has not been provided, they expect that this better result reflects the ongoing strength of the Rip Curl business which has more than offset travel related category weakness in the Kathmandu brand. Looking forward, KMD has highlighted strong wholesale orders for in 2H21 for Rip Curl and Oboz wholesale orders well above pre-COVID levels. A strong Balance Sheet should see dividends return likely to return with 1H21 result.

2021 P/E: 14.5 2022 P/E: 11.7

NZX Code:	**KMD**
Share Price:	**$1.22**
12mth Target:	**$1.70**
Projected return (%)	
Capital gain	39.3%
Dividend yield (Net)	4.5%
Total return	**43.8%**

Rating: BUY

52-week price range:0.49-1.98



Kiwi Property Group

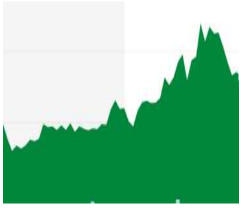
With KPG having recovered from its post Covid lows and trading more broadly in line with NTA, Jarden takes the opportunity for a more critical look at its prospects for future re-rating with a focus on strategy and performance. KPG looks set to exit some of its pure retail assets, with a view to redeploying into its mixed use portfolio. Notwithstanding this tilt in direction, KPG retains what remains a substantial retail exposure. Indeed, over the last five years KPG has invested over $500m in its key retail assets while having been relatively inactive in office. Despite opportunities in its mixed use portfolio, KPG's exposure to retail remains substantial and any repositioning away from it will likely take time.

2021 P/E: 19.9 2022 P/E: 19.9

NZX Code:	**KPG**
Share Price:	**$1.17**
12mth Target:	**$1.28**
Projected return (%)	
Capital gain	8.9%
Dividend yield (Net)	0.0%
Total return	**8.9%**

Rating: OUTPERFORM

52-week price range: 0.74-1.48



Mercury NZ

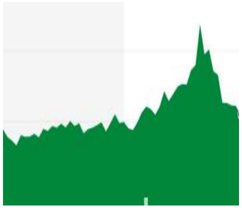
Mercury's 1H21 EBITDA of NZ$294m was up 14% on pcp, the NZ$36m increase driven by retail pricing strength with higher wholesale pricing more than offsetting a 108GWh reduction in renewable generation. Interim dividend of NZ6.8cps, up 6%, on track to meet FY21 guided NZ17.0cps. On the back of a better near-term outlook for retail and wholesale prices plus the announcement that a new initiative will add NZ$30m to normalised earnings, we increase our DCF-driven target price from NZ$5.92 to NZ$6.31 and upgrade our rating from Sell to Neutral.

2021 P/E: 43.3   2022 P/E: 37.3

NZX Code:	**MCY**
Share Price:	**$6.00**
12mth Target: ↑	**$6.31**
Projected return (%)	
Capital gain	5.2%
Dividend yield (Net)	2.8%
Total return	**8.0%**

Rating: NEUTRAL

52-week price range:3.60-7.60



Meridian Energy

Meridian reported a solid 1H21 result with EBITDA at $422m, 9% or $43m lower than a record pcp. The company declared a flat normal interim dividend of 5.70cps. With a $390m Harapaki windfarm investment announced, Jarden sees little scope for dividend growth in the near term (Jarden FY21 div. est. 17.2cps). Due to a dry start to 2H21, they have reduced their FY21 EBITDA forecast from $755m to $720m. The fall in the MEL share price since Jarden's last update has reduced the downside to their target price, hence their upgrade our rating from Sell to Underweight.

2021 P/E: 71.6   2022 P/E: 59.2

NZX Code:	**MEL**
Share Price:	**$5.31**
12mth Target: ↑	**$5.32**
Projected return (%)	
Capital gain	0.2%
Dividend yield (Net)	3.1%
Total return	**4.3%**

Rating: UNDERPERFORM

52-week price range: 3.61-9.94

Michael Hill International

MHJ delivered a broadly in line 1H21 result vs. Jarden expectations. This was a record 1H result for the company, even excluding the benefit from government grants (~A$10m post-tax benefit). Post-AASB 16 EBITDA was exactly in line with our forecast, with the benefit from better operating cost management offsetting the adverse impact of a -117bps miss at the Group gross margin level (~70bps of this miss was driven by a stock provisioning policy change, see below). The company announced a 1.5cps dividend, in line with PCP and expectations.

2021 P/E: 5.8   2022 P/E: 8.0

NZX Code:	**MHJ**
Share Price:	**$0.73**
12mth Target:	**$1.00**
Projected return (%)	
Capital gain	37.0%
Dividend yield (Net)	7.0%
Total return	**44.0%**

Rating: OUTPERFORM

52-week price range: 0.23-0.82

NZME

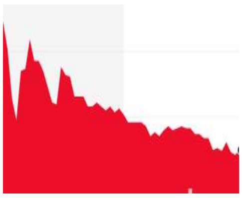
Against the backdrop of meaningful Covid impact (ad revenues down $40m/16% on FY19), NZM delivered a solid FY20 result, well flagged at the end of 2020. EBITDA of $67.3m, with NZM again proving its ability to make meaningful adjustments in the cost base against pressure on revenue. Government support of nearly $10m was a factor in the 3% growth in EBITDA on FY19, albeit that support was still significantly below the Covid-related impact on ad revenues. NZM noted that it expected profit growth in FY21, albeit somewhat qualified "on the basis of continued improvement in economic conditions, Covid-19 recovery, improved revenue trends and permanent cost reductions." With digital display performing well (grew in FY20 despite Covid); radio performing robustly; and NZM's two digital initiatives (subscriptions and One Roof) becoming more meaningful, there are signs for optimism. The biggest risk remains the trajectory for print ad revenues which were 26% down in FY20 with some risk they will not entirely recover ground lost through Covid on bring forward of the structural decline.

2021 P/E: 6.6   2022 P/E: 6.5

NZX Code:	**NZM**
Share Price:	**$0.83**
12mth Target: ↑	**$0.99**
Projected return (%)	
Capital gain	19.3%
Dividend yield (Net)	5.0%
Total return	**24.3%**

Rating: OUTPERFORM

52-week price range: 0.178-0.93



New Zealand Refining

NZR reported EBITDA of $50.4m and $235m in Net Debt - successfully delivering on its cash-neutral objective for a challenging year where earnings have been dictated by processing Fee Floor revenue, reduced refinery operations and need for a large cost-out programme which appears to have been successfully executed. FY21 guidance steers to continuing Fee floor revenue and cashflow neutral operation, as expected, With no meaningful recovery of Asian refining margins on the horizon and the refinery's own uplift over Singapore margins is likely to be heavily reduced. NZR expects to continue operating on a cashflow neutral basis during FY21 under its new simplified operating model. Expect no dividend before 2023. Most significant was the first reveal of the potential to convert Marsden Point to an import terminal. NZR revealed BP has agreed to provisional in-principle terms which are consistent with the indicative outlook. The biggest hurdle to cement valuation support for NZR is its ability to successfully agree similar pricing with both ZEL and Mobil, with whom negotiations continue.

2021 P/E: (8.2)   2022 P/E: N.M

NZX Code:	**NZR**
Share Price:	**$0.47**
12mth Target:	**$1.00**
Projected return (%)	
Capital gain	112.8%
Dividend yield (Net)	0.0%
Total return	**112.8%**

Rating: OUTPERFORM

52-week price range: 0.445-1.13

PGG Wrightson

Solid 1H performance, slightly ahead of expectation but partly due to seasonality: Operating EBITDA (pre-IFRS 16) +32% to $31.3m. Stronger cashflow and a reduced net debt position of $39.2m (-34% on pcp) has led to PGW declaring an interim dividend of 12cps (+33% on pcp), the higher number partly due to no final dividend paid 2H20.

2021 P/E: 16.4   2022 P/E: 16.2

NZX Code:	**PGW**
Share Price:	**$3.12**
12mth Target:	**$3.30**
Projected return (%)	
Capital gain	5.8%
Dividend yield (Net)	4.5%
Total return	**10.3%**

Rating: UNDERPERFORM

52-week price range:1.55-3.65

Port of Tauranga

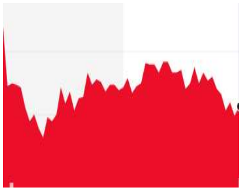
POT has delivered a better-than-expected 1H21 result with NPAT of $49.4m (+2.3% YoY) This is a solid result in a period impacted by supply chain disruption, vessel delays out of Auckland and container yard congestion. Importantly, increased storage revenue helped offset the volume and productivity losses from the congestion issues. Total trade tonnage declined by 1.3% YoY reflecting mixed underlying dynamics; non-log break bulk tonnage grew by 12.2% YoY; offsetting that, container tonnage decreased by 5.1% and log tonnage fell by 2.1% YoY. Management reiterated their expectation of log tonnage of 6.2mT for FY21 (+12% YoY) and noted that there is strong demand from China and the outlook for the second half of the year is positive. POT declared a dividend of 6cps. While Jarden views POT as a high quality infrastructure asset that is well positioned to benefit from structural changes as NZ container trade progressively moves to a hub and spoke model, they believe this appeal is more than captured in the current share price. I say - Maintain POT as a CORE holding.

2021 P/E: 52.5 2022 P/E: 47.5

NZX Code:	**POT**
Share Price:	**$7.60**
12mth Target: ↑	**$5.70**
Projected return (%)	
Capital gain	-25.0%
Dividend yield (Net)	1.6%
Total return	**-23.4%**

My Rating: BUY ON WEAKNESS

52-week price range: 5.40-8.09



Precinct Properties NZ

A meaningful uplift in valuation of the portfolio, together with its divestment of the ANZ Centre. That helped maintain dividend guidance for FY21 at 6.5 cps. While PCT acknowledges some of the concerns around office in the wake of Covid, it did a good job of reiterating the strong defensive characteristics in its portfolio (tenant covenants; long WALT. limited nearer-term lease expiries) and noted only 1 of its 161 office occupiers has sublet premises post Covid. PCT is expecting Generator to make an increasing contribution in coming years (on track to breakeven in Covid impacted FY21, in line with our forecasts). Finally, PCT retains a pipeline of development opportunities that it continues to progress, reflecting its confidence in the Wellington and Auckland occupier markets for premium office space.

2021 P/E: 23.4 2022 P/E: 23.2

NZX Code:	**PCT**
Share Price:	**$1.61**
12mth Target:	**$1.62**
Projected return (%)	
Capital gain	0.3%
Dividend yield (Net)	4.1%
Total return	**4.4%**

Rating: NEUTRAL

52-week price range:1.44-1.94

Property for Industry

Key points of interest were pre-communicated ahead of the result with PFI having finalised the divestment of Carlaw Park for settlement later in 2021 and confirming its valuation uplift. With few moving parts and a low risk defensively positioned portfolio that has withstood the impact of Covid well with a positive outlook going into FY21 on rents, with PFI meeting Net Property Income of $84.2m, up 1% y/y. FY21 dividend guidance of 7.85 - 7.90 cps in line with expectation.

2021 P/E: 29.7 2022 P/E: 30.2

NZX Code:	**PFI**
Share Price:	**$2.85**
12mth Target:	**$2.46**
Projected return (%)	
Capital gain	-13.7%
Dividend yield (Net)	2.8%
Total return	**-10.9%**

Rating: UNDERPERFORM

52-week price range:1.60-3.01

Restaurant Brands NZ

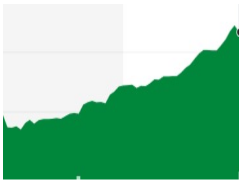
Lower-than-expected FY20 underlying NPAT of $36.7m was -41% below Jarden's forecast. The two main drivers of this miss related to operating costs, being: 1) the non-offset of RBD's US$8.1m (NZ$11.3m) Paycheck Protection Program (PPP) loan against FY20 opex, with a decision regarding the forgiveness of this loan expected in mid-2021; and 2) higher-than-expected G&A at 4.9% of revenue vs. RBD's long-term target of 4.0%. It is, however, worth noting that in 2H20 - a relatively less disrupted trading period vs. 1H20, under the circumstances - opex as a % of revenue reduced to 41.7%, vs. 44.6% in FY19 (44-week December year end, referred to as FY19D hereafter).

2021 P/E: 33.2 2022 P/E: 27.5

NZX Code:	**RBD**
Share Price:	**$12.36**
12mth Target:	**$12.25**
Projected return (%)	
Capital gain	-0.9%
Dividend yield (Net)	0.0%
Total return	**-0.9%**

Rating: NEUTRAL

52-week price range:6.47-13.05



Skellerup Holdings

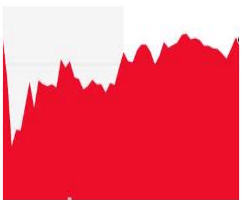
The record 1H performance is more evidence of robust earnings growth across the multiple industries that SKL plays in. SKL turned in a record $19.5m 1H21 NPAT, and increased its full-year guidance amid strong growth across all business divisions. Revenue rose 11% to $136.6m for the H1 to Dec 31st and earnings before interest and tax came to $27.6m - up 23% on pcp. The unaudited net profit was up 61%, and SKL declared an interim dividend of 6.5cps, up 1c on last year. Looking forward, SKL has revised up its full-year expectations, forecasting net profit between $33m& $37m, up from $30m to $35m advised in October last year.

2021 P/E: 9.3 2022 P/E: 32.6

NZX Code:	**SKL**
Share Price:	**$4.40**
12mth Target:	**$4.00**
Projected return (%)	
Capital gain	-9.1%
Dividend yield (Net)	3.5%
Total return	**-5.6%**

Rating: OUTPERFORM

52-week price range: 1.37-4.65



Sky City Entertainment

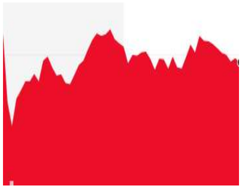
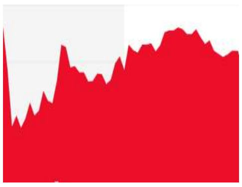
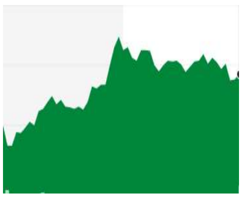
Solid 1H performance, ahead of expectation. Normalised EBITDA -22% to $120m and underpinned by NZ (including online) and a strong improvement from Adelaide. No change to previous guidance for FY21 to be > FY20 ($201m), which would imply a conservative 2H setting, with the caveat on being able to operate without Covid restrictions. For context, Auckland EBITDA at Level 1 is c.$20m/mth but drops to c.$10m under Level 2 restrictions. NZ domestic play has been strong: Auckland EGM revenue was 95% of pcp (ex lockdowns, NZICC fire periods). New Adelaide open and promising. A key surprise factor with Norm EBITDA +83% to A$24m but including A$13m of JobKeeper subsidy.

2021 P/E: 27.5 2022 P/E: 20.3

NZX Code:	**SKC**
Share Price:	**$3.18**
12mth Target:	**$3.40**
Projected return (%)	
Capital gain	6.9%
Dividend yield (Net)	1.7%
Total return	**8.6%**

Rating: OUTPERFORM

52-week price range: 1.14-3.36

	**Sky Network Television** SKT reported a robust 1H21 result supported by a mix of temporary and permanent cost savings - but earnings are about to take another significant downwards turn - 2H21 EBITDA of ~$70m vs. 1H21 $116m. A major increase in Rugby rights costs from 1 January 2020. Jarden is forecasting FY22 EBITDA of $114m. To put this in context SKT's annual EBITDA was $241m in FY19. SKT provided some good colour on improving subscriber trends with its more reliable 5+year tenure satellite customers now accounting for 70% of the base. In 1H21 SKT lost 9k satellite customers vs. 20k in 1H20. Entertainment streaming price points remain largely outside of SKT's control and as SKT's streaming services improve and become more prominent it still presents cannibalisation risk for SKT's premium customer base. Positively SKT continues to generate free cash flow and Jarden forecasts net cash at FY21 at ~$50m. 2021 P/E: 9.3 2022 P/E: 32.6	**NZX Code:** **SKT** **Share Price:** **$0.171** **12mth Target:** **$0.17** **Projected return (%)** Capital gain -0.6% Dividend yield (Net) 0.0% **Total return** **-0.6%** **Rating: UNDERPERFORM** 52-week price range: 0.101-0.297
	**Spark NZ** FY21 dividend of 25cps has been confirmed, and its EBITDAI guidance range moved just $10m up to $1,100-1,130m (from $1,090-1,130m), SPK absorbed a $17m non-recurring provision to refund historical charges, highlighting that underlying business performance was solid against a ~$50m Covid impact (FY20 EBITDAI $1,113m). Underlying mobile services revenue continues to be strong (3.8% growth, ex roaming impact) with 4.6% growth in core IT services revenue and a $30m reduction in operating costs. The only area of disappointment was in the performance of broadband where greater competition is impacting (SPK losing 10k retail customers in the half) and getting less uplift from fixed wireless where adds were limited to 9k vs. FY21 target of 40k. Disappointing is a lack of clarity around the growing cumulative losses in SPK's media strategy. 2021 P/E: 13.7 2022 P/E: 11.4	**NZX Code:** **SPK** **Share Price:** **$4.58** **12mth Target:** ↑ **$4.72** **Projected return (%)** Capital gain 3.1% Dividend yield (Net) 5.4% **Total return** **8.5%** **Rating: OUTPERFORM** 52-week price range: 3.44-5.09
	**Steel & Tube** STU delivered an inline 1H21 normalised EBIT result of $7.6m, up 33% y/y following guidance issued in December. STU noted a return to prior year trading levels in 2Q21 after a Covid impacted 1Q with the benefits of its cost-out programme contributing to a return to earnings growth. Pleasingly, STU reinstated the dividend supported by a strong balance sheet (net cash ofNZ$23.9m) and greater confidence in the near-term trading outlook. 2021 P/E: 25.2 2022 P/E: 19.2	**NZX Code:** **STU** **Share Price:** **$1.04** **12mth Target:** ↑ **$0.93** **Projected return (%)** Capital gain -10.61% Dividend yield (Net) 2.4% **Total return** **-8.2%** **Rating: NEUTRAL** 52-week price range: 0.47-1.10
	**Summerset Group** Solid earnings result in a COVID impacted year with underlying NPAT of $98.3m (-7.4% YoY), inline with Jarden forecast of $98.5m and above the company's guidance range of $96-98m. Notably, this result was achieved in a year of material operational disruption, in which SUM incurred an additional $9.2m of COVID-related expenditure. Key operating metrics were all inline with forecasts and company pre-released operating statistics, while 356 new development units was above SUM's guidance of 300-350. The only notable negative was development margin of 20% which was at the bottom of the company's guidance range of 20-25%. While the company did not provide any specific earnings guidance for the year ahead, they did note that they expect to return to double digit earnings growth. In addition, the company declared a full year dividend of 13.0cps (-7.8% YoY). 2021 P/E: 22.1 2022 P/E: 18.1	**NZX Code:** **SUM** **Share Price:** **$13.03** **12mth Target:** ↑ **$13.30** **Projected return (%)** Capital gain 2.1% Dividend yield (Net) 1.1% **Total return** **3.2%** **Rating: OUTPERFORM** 52-week price range: 3.36-13.25
	**Tourism Holdings** Strong result, given the circumstances: Better-than-expected 1H profitability (underlying loss of $3m), given the challenging rental operating environment. Management have also continued to sell down the fleet, realised good margin and reduced their net debt materially ($22m, FY20YE $128m). Outlook comments unchanged (as per December update) for a full-year loss, net debt lifting to $90m, net capex -$60m. Looking further ahead, a return to profit in FY22 will depend heavily on the timing of international returning. 2021 P/E: (15.1) 2022 P/E: (49.2)	**NZX Code:** **THL** **Share Price:** **$2.23** **12mth Target:** **$2.75** **Projected return (%)** Capital gain 23.3% Dividend yield (Net) 0.0% **Total return** **23.3%** **Rating: OUTPERFORM** 52-week price range: 0.55-2.69
	**Vector** VCT reported 1H21 EBITDA of $273.8m vs $264.5m in the pcp, a result boosted by early banking of future price recovery. The dividend was flat on the pcp at 8.25cps, on track to meet 16.5cps full year guidance. FY21 EBITDA guidance increased by $20m to a range of $500m to $520m. We increase our DCF-driven target price from NZ$3.44 to NZ$3.51 and keep our Sell rating for the stock. 2021 P/E: 26.9 2022 P/E: 28.1	**NZX Code:** **VCT** **Share Price:** **$4.08** **12mth Target:** ↑ **$3.51** **Projected return (%)** Capital gain -14.0% Dividend yield (Net) 4.3% **Total return** **-9.7%** **Rating: UNDERPERFORM** 52-week price range: 2.95-4.65

	**Vital Healthcare Property Trust** Having raised capital at the back end of CY2020 and followed through on the acquisition/divestment activity, the 1H21 result was really just an opportunity to reiterate strategy, update on performance and development which continues to tick up (current projects of $350m with $225m spend remaining, up from $280m/$200m at FY20) and helps support confidence in VHP's outlook for steady growth in AFFO over time. VHP highlighted $560m of potential long-term pipeline in the portfolio. VHP generated a $61m fair value gain (cap rate compression of 20bp to 5.3% accounting for $55m of the gain), which suggests some upside in forecasts given 40% of the portfolio was independently valued. 2021 P/E: 29.4 2022 P/E: 25.5	**NZX Code:** **VHP** **Share Price:** **$3.02** **12mth Target:** ↓ **$2.61** **Projected return (%)** Capital gain -13.6% Dividend yield (Net) 2.9% **Total return** **-10.7%** **Rating: UNDERPERFORM** 52-week price range: 1.90-3.38
	**The Warehouse Group** WHS has provided a second +$20m upgrade to its 1H21 earnings guidance. This comes 7 weeks after its first +$20m upgrade, and follows on the heels of a special dividend announcement 3 weeks ago. Updated gross margin guidance of +185bps YoY implies strong margin outcomes from January trading, given that the GM uplift was run-rating at +170bps in the first 4-5 months of 1H21. This has led to Jarden's upgrade in Target Price, and reflects a stronger-than-expected cash position, near-term operational momentum, and expectation for a modest level of operating cost improvement. Underlying NPAT +12% / +3% / +2% driven by 1H21 guidance upgrade and modest expectation of improved cost management. 2021 P/E: 12.0 2022 P/E: 13.4	**NZX Code:** **WHS** **Share Price:** **$3.32** **12mth Target:** ↑ **$3.60** **Projected return (%)** Capital gain 8.4% Dividend yield (Net) 7.8% **Total return** **16.2%** **Rating: OUTPERFORM** 52-week price range: 1.48-3.42

2021 NZ HERALD BROKER PICKS

Remember: This is just a game, and Broker picks should not be considered a recommendation; nor a portfolio structure. Always seek professional advice, but for me I remain a long-term holder in both Pushpay Holdings and Port of Tauranga.

AvonD Portfolio		Jarden		Craigs IP		Forsyth Barr		Hamilton Hindin		Hobson Health		Share Trader	
Ebos Group	(1.7%)	Ebos Group	(1.7%)	Ebos Group	(1.7%)	Ebos Group	(1.7%)	a2 Milk	(16.1%)	a2 Milk	(6.7%)	a2 Milk	(6.7%)
Port of Tauranga	2.7%	Mainfreight	(2.1%)	F&P Healthcare	0.0%	Genesis	(0.7%)	EBOS Group	(1.7%)	Ryman Healthcare	0.2%	Mainfreight	(2.1%)
Pushpay Holdings	(1.1%)	Spark	(2.6%)	Mainfreight	(2.1%)	Katmandu	(4.7%)	Mainfrieght	(2.1%)	Serko	(1.7%)	Oceania Healthcare	0.0%
Sky Televison	6.2%	Turners Auto	1.0%	Mercury NZ	(8.1%)	Skellerup	20.5%	Ryman Healthcare	0.2%	Spark	(2.6%)	Pacific Edge Biotech	(16.4%)
Z Energy	(15.0%)	Z Energy	(15.0%)	Ryman Healthcare	0.2%	Spark	(2.6%)	Spark	(2.6%)	The Warehouse	(4.0%)	Plexure Group	(28.5%)
TOTAL CHANGE	1.2%		(4.1%)		(2.3%)		2.2%		(4.4%)		(3.0%)		(10.7%)
NZ50 Index	(7.0%)		(7.0%)		(7.0%)		(7.0%)		(7.0%)		(7.0%)		(7.0%)
+/- NZ50 Index	8.2%		2.9%		4.6%		9.2%		2.5%		4.0%		(3.8%)

NOTE: I have not included dividends in the Broker Returns to date. The NZ50 Index does include dividends.

NZ LISTED COMPANIES

1st March 2021

Source: Jarden, CS Group Estimates	Ticker	Mrkt Cap (NZ$m)	Price 01-Mar-21 (NZ$)	Target Price (NZ$)	Price Earnings (x) FY20	Price Earnings (x) FY21	Net Yield (%) FY20	Net Yield (%) FY21
COMMUNICATION SERVICES								
Chorus	CNU	3,527	7.89	7.99	67.4	54.1	3.0%	3.2%
NZME	NZM	164	0.83	0.99	6.5	6.1	0.0%	5.4%
Sky Network Television	SKT	290	0.17	0.18	22.0	21.1	0.0%	0.0%
Spark New Zealand	SPK	8,500	4.59	4.72	-43.4	25.2	5.4%	5.4%
CONSUMER DISCRETIONARY								
Kathmandu Holdings	KMD	908	1.28	1.70	20.1	14.1	0.0%	4.6%
Michael Hill International	MHJ	287	0.74	1.00	29.9	5.6	2.0%	5.4%
Restaurant Brands NZ	RBD	1,527	12.24	12.25	41.7	33.8	0.0%	0.0%
Sky City Entertainment	SKC	2,311	3.04	3.40	29.8	24.3	3.3%	1.6%
The Warehouse Group	WHS	1,162	3.35	3.60	24.8	54.4	0.0%	8.2%
Tourism Holdings	THL	333	2.25	2.75	6.1	n.m.	4.4%	0.0%
Turners Automotive Group	TRA	269	3.14	3.85	34.5	28.5	4.5%	5.7%
CONSUMER STAPLES								
The a2 Milk Company	ATM	7,196	9.69	11.40	18.5	30.9	0.0%	0.0%
Comvita	CVT	227	3.25	3.30	61.2	27.4	0.0%	1.2%
Delegat's Group	DGL	1,456	14.40	15.80	23.9	21.6	1.2%	1.3%
Fonterra Shareholders' Fund	FSF	534	5.02	4.20	21.2	16.0	1.0%	3.2%
New Zealand King Salmon	NZK	200	1.44	1.40	17.8	37.0	1.4%	0.0%
PGG Wrightson	PGW	268	3.55	3.30	29.5	16.4	2.5%	4.5%
Sanford	SAN	413	4.42	4.60	19.7	18.6	1.1%	0.0%
Scales Corporation	SCL	654	4.60	5.40	24.2	21.7	4.1%	4.1%
Seeka Kiwifruit Industries	SEK	157	4.87	4.65	34.7	20.0	4.9%	4.9%
ENERGY								
The New Zealand Refining	NZR	144	0.46	1.00	-3.9	-7.9	0.0%	0.0%
Z Energy	ZEL	1,420	2.73	4.00	-38.0	-55.6	6.0%	0.0%
FINANCIALS								
Heartland Bank	HGH	1,103	1.89	2.20	13.7	13.0	3.7%	5.6%
NZX	NZX	537	1.93	1.50	29.7	29.3	3.2%	3.4%
HEALTHCARE EQUIPMENT & SUPPLIES								
AFT Pharmaceuticals	AFT	440	4.21	6.50	77.2	30.5	0.00%	0.00%
Ebos Group	EBO	4,670	28.45	30.00	25.7	22.2	2.5%	3.0%
Fisher & Paykel Healthcare	FPH	16,858	29.25	36.10	58.5	31.1	0.9%	1.9%
Pacific Edge	PEB	757	1.04	1.40	-37.6	-55.1	0.0%	0.0%
HEALTHCARE PROVIDERS & SERVICES								
Arvida Group	ARV	922	1.70	1.80	16.6	20.3	3.4%	2.9%
Oceania Healthcare	OCA	906	1.45	1.50	20.6	19.4	2.4%	2.6%
Ryman Healthcare	RYM	7,325	14.65	11.50	30.3	30.7	1.7%	1.6%
Summerset Group Holdings	SUM	2,940	12.85	13.30	0.0	0.0	1.00%	1.30%
TRANSPORTATION & LOGISTICS								
Air New Zealand	AIR	1,785	1.59	1.15	-28.5	-5.0	6.9%	0.0%
Auckland International Airport	AIA	11,118	7.55	7.10	51.2	n.m.	0.0%	0.0%
Freightways	FRE	1,755	10.60	10.80	31.3	24.1	1.4%	2.9%
Mainfreight	MFT	6,626	65.80	65.00	42.4	38.4	0.9%	1.0%
Port of Tauranga	POT	5,184	7.62	5.70	54.6	52.8	1.6%	1.5%
INDUSTRIALS								
Fletcher Building	FBU	5,325	6.46	6.89	n.m.	14.7	0.0%	4.3%
Metro Performance Glass	MPG	70	0.38	0.57	6.5	10.2	0.0%	0.0%
Skellerup Holdings	SKL	865	4.43	4.35	4.3	6.1	2.9%	3.5%
Steel & Tube Holdings	STU	164	0.99	0.93	16.7	-15.1	0.0%	2.4%
INFORMATION TECHNOLOGY								
EROAD	ERD	344	4.20	4.90	n.m.	n.m.	0.0%	0.0%
Gentrack Group	GTK	156	1.58	1.40	-7.8	-29.8	0.0%	0.0%
Pushpay Holdings	PPH	1,887	1.71	2.30	29.0	14.1	0.0%	0.0%
Serko	SKO	618	5.73	5.44	-52.1	-32.4	0.0%	0.0%
Vista Group International	VGL	389	1.70	2.00	29.5	29.2	0.0%	0.0%
REAL ESTATE								
Argosy Property	ARG	1,247	1.49	1.55	20.7	18.6	4.3%	4.3%
Asset Plus	APL	125	0.35	0.37	11.1	21.3	7.8%	5.2%
Goodman Property Trust	GMT	3,061	2.20	2.01	32.7	32.4	3.0%	2.5%
Investore Property	IPL	799	2.17	2.22	28.3	27.6	3.5%	3.5%
Kiwi Property Group	KPG	1,875	1.20	1.28	16.7	18.6	3.0%	4.2%
Precinct Properties NZ	PCT	2,141	1.63	1.62	25.8	24.3	3.9%	4.0%
Property For Industry	PFI	1,429	2.85	2.46	28.1	29.5	2.7%	2.8%
Stride Stapled Group	SPG	1,073	2.27	2.38	19.7	22.0	4.4%	4.4%
Vital Healthcare Prop Trust	VHP	1,583	3.07	2.61	14.3	12.0	2.9%	2.9%
UTILITIES								
Genesis Energy	GNE	3,647	3.50	3.75	78.5	33.8	4.9%	5.0%
Infratil	IFT	5,321	7.36	7.50	39.8	n.m.	2.3%	2.3%
Mercury NZ	MCY	8,242	6.05	6.31	50.2	43.3	2.6%	2.8%
Meridian Energy	MEL	14,607	5.70	5.32	46.1	74.2	3.4%	3.0%
Tilt Renewables	TLT	2,321	6.16	6.50	12.9	13.0	0.0%	0.0%
Trustpower	TPW	2,601	8.31	7.62	33.9	26.4	3.9%	4.0%
Vector	VCT	4,000	4.00	3.51	-21.0	39.4	4.1%	4.1%
MARKET AVERAGE					**20.6**	**17.4**	**2.2%**	**2.5%**

JARDEN'S NZ LISTED COMPANIES GROSS DIVIDEND YIELD

AS AT 4TH MARCH 2021

COMPANY	RATING	PRICE (NZ$)	GROSS DIVIDEND YIELD				DIVIDEND COVER				NET DEBT/ EQUITY CURRENT
			FY-1	FY0	FY1	FY2	FY-1	FY0	FY1	FY2	
The Warehouse Group	B	$3.25	0.0%	11.6%	8.5%	8.5%	0.0	1.0	1.3	1.2	-26.6%
Michael Hill	B	$0.74	3.0%	8.0%	10.0%	12.9%	1.6	3.1	1.8	1.4	-7.0%
Turners	B	$3.15	6.2%	7.9%	8.4%	9.0%	1.7	1.3	1.5	1.5	133.0%
Heartland Group	B	$1.86	5.2%	7.8%	8.2%	8.6%	2.0	1.4	1.3	1.3	600.1%
Asset Plus	N	$0.35	11.7%	7.8%	7.8%	7.8%	1.2	0.9	0.7	0.8	5.9%
Spark	O	$4.67	7.2%	7.4%	7.4%	6.8%	0.9	0.8	0.9	1.0	84.5%
NZME	O	$0.84	0.0%	7.4%	9.9%	10.7%	0.0	3.0	2.3	2.1	6.9%
Contact Energy	R										
Seeka	N	$5.04	6.6%	6.6%	9.9%	5.9%	0.7	0.6	0.7	1.4	53.9%
Stride	O	$2.25	6.6%	6.6%	6.6%	6.6%	1.0	1.1	1.0	1.1	25.7%
PGG Wrightson	U	$3.43	3.6%	6.5%	8.1%	8.1%	1.3	1.4	1.1	1.1	19.6%
Argosy Property	O	$1.51	6.3%	6.4%	6.4%	6.4%	1.1	1.2	1.1	1.2	56.5%
Kiwi Property Group	O	$1.18	4.5%	6.3%	7.7%	8.4%	2.0	1.3	1.1	1.1	51.0%
Genesis Energy	N	$3.75	6.0%	6.1%	6.1%	6.2%	0.3	0.6	0.9	0.9	63.4%
Precinct Properties	N	$1.61	5.8%	6.0%	6.2%	6.4%	1.0	1.0	1.0	1.0	45.3%
Fletcher Building	O	$6.54	0.0%	5.9%	6.1%	6.2%	0.0	1.6	1.6	1.6	10.9%
Scales Corporation	B	$4.60	5.7%	5.7%	5.9%	6.3%	1.3	1.0	1.1	1.2	-31.6%
Trustpower	U	$8.42	5.4%	5.4%	5.5%	5.6%	0.7	0.9	1.0	1.0	45.5%
Investore Property	O	$2.12	5.4%	5.4%	5.4%	5.5%	1.0	1.0	1.1	1.1	36.2%
Kathmandu	B	$1.27	0.0%	4.7%	7.9%	8.7%	0.0	1.5	1.3	1.3	-3.1%
NZX	N	$2.00	4.3%	4.5%	4.6%	5.3%	0.9	1.0	1.0	1.0	9.4%
Chorus	N	$8.04	4.1%	4.3%	4.5%	4.6%	0.5	0.6	0.4	0.4	279.6%
Vital Healthcare	U	$3.10	4.2%	4.3%	4.5%	5.0%	1.2	1.2	1.3	1.3	56.6%
Skellerup	O	$4.56	3.5%	4.2%	4.7%	5.1%	1.1	1.2	1.2	1.2	10.2%
Vector	S	$4.14	4.5%	4.2%	4.2%	4.2%	0.7	0.9	0.9	0.9	146.0%
Property For Industry	U	$2.86	4.0%	4.1%	4.2%	4.3%	1.3	1.2	1.2	1.2	34.4%
Freightways	N	$10.65	1.9%	3.9%	5.6%	5.9%	2.3	1.4	1.1	1.1	51.0%
Mercury	N	$6.30	3.5%	3.7%	4.0%	4.3%	0.8	0.8	0.9	0.8	32.7%
Goodman Property	U	$2.20	4.5%	3.7%	3.7%	4.0%	1.0	1.3	1.3	1.2	26.2%
Meridian Energy	U	$5.69	4.1%	3.6%	3.6%	3.6%	0.6	0.4	0.5	0.6	33.3%
Ebos	O	$28.70	2.8%	3.2%	3.4%	3.7%	1.4	1.4	1.4	1.4	21.6%
Fonterra	U	$5.03	1.0%	3.2%	3.4%	3.6%	4.7	2.0	2.0	2.0	66.6%
Arvida	U	$1.67	3.5%	2.9%	3.5%	4.4%	1.8	1.7	2.0	2.0	47.2%
Fisher & Paykel Healthcare	O	$28.84	1.3%	2.7%	2.5%	3.1%	1.8	1.7	1.4	1.3	-7.7%
Infratil	O	$7.28	2.6%	2.6%	2.7%	2.8%	1.1	0.0	0.6	0.6	156.1%
Oceania Healthcare	O	$1.46	2.4%	2.5%	3.2%	4.2%	2.0	2.0	2.0	2.0	44.7%
Steel and Tube	N	$1.02	0.0%	2.4%	3.5%	4.3%	0.0	1.6	1.4	1.4	-13.7%
Sky City	B	$3.13	4.4%	2.2%	4.4%	6.2%	1.0	2.1	1.4	1.3	34.1%
Port of Tauranga	S	$7.57	2.3%	2.1%	2.3%	2.5%	1.1	1.3	1.2	1.3	41.7%
Delegat's Group	O	$15.00	1.6%	1.7%	1.9%	2.0%	3.5	3.5	3.3	3.3	53.2%
Comvita	N	$3.26	0.0%	1.7%	2.3%	3.8%	0.0	3.0	2.9	2.2	4.5%
Ryman Healthcare	S	$15.22	1.6%	1.6%	2.0%	2.1%	2.0	2.0	2.0	2.0	62.9%
Mainfreight	O	$67.12	1.2%	1.4%	1.7%	1.9%	2.6	2.6	2.4	2.4	7.8%
Summerset	O	$13.00	1.0%	1.3%	1.6%	1.9%	3.4	3.3	3.3	3.3	46.4%
AFT Pharmaceuticals	B	$4.17	0.0%	0.0%	2.6%	4.6%	0.0	0.0	2.0	2.0	60.5%
Auckland Airport	N	$7.32	0.0%	0.0%	2.0%	2.9%	0.0	0.0	1.0	1.0	22.6%
Air New Zealand	S	$1.58	9.7%	0.0%	0.0%	5.4%	-0.5	0.0	0.0	1.5	0.7%
a2 Milk	O	$10.10	0.0%	0.0%	0.0%	0.0%	0.0	0.0	0.0	0.0	-50.7%
Eroad	N	$4.10	0.0%	0.0%	0.0%	0.0%	0.0	0.0	0.0	0.0	-6.7%
Gentrack	N	$1.52	0.0%	0.0%	0.0%	2.5%	0.0	0.0	0.0	1.2	-10.4%
Metro Performance Glass	B	$0.36	0.0%	0.0%	0.0%	8.0%	0.0	0.0	0.0	1.5	57.5%
New Zealand King Salmon	U	$1.48	1.9%	0.0%	1.7%	2.1%	4.0	0.0	4.0	4.0	17.4%
New Zealand Refining Company	B	$0.46	0.0%	0.0%	0.0%	40.3%	0.0	0.0	0.0	0.4	41.5%
Pacific Edge	B	$1.03	0.0%	0.0%	0.0%	0.0%	0.0	0.0	0.0	0.0	-66.2%
Pushpay	B	$1.79	0.0%	0.0%	4.6%	10.0%	0.0	0.0	2.0	1.2	-5.1%
Restaurant Brands	N	$12.20	0.0%	0.0%	0.0%	0.0%	0.0	0.0	0.0	0.0	40.4%
Sanford	S	$4.54	1.5%	0.0%	1.5%	3.1%	4.5	0.0	5.9	3.4	29.3%
Serko	N	$5.90	0.0%	0.0%	0.0%	0.0%	0.0	0.0	0.0	0.0	-71.0%
Sky Network Television	U	$0.17	0.0%	0.0%	0.0%	0.0%	0.0	0.0	0.0	0.0	-11.2%
Synlait	U	$3.65	0.0%	0.0%	0.0%	0.0%	0.0	0.0	0.0	0.0	42.9%
Tilt	O	$6.44	0.0%	0.0%	2.1%	2.1%	0.0	0.0	0.1	0.0	37.6%
Vista Group	B	$1.76	0.0%	0.0%	0.0%	2.4%	0.0	0.0	0.0	2.0	-32.6%
Z Energy	B	$2.69	8.5%	0.0%	12.1%	14.5%	0.7	0.0	0.6	0.8	60.3%
MEDIAN			**2.4%**	**3.2%**	**3.8%**	**4.6%**	**0.9**	**1.0**	**1.1**	**1.2**	**34.1%**

Source: Jarden

NOTE: 1. The Net Debt/Equity ratio is calculated as Gross Debt less cash holdings divided by Total Equity. Negative ratios indicate a net cash position.
2. Ratings: O – Outperform, N – Neutral, U – Underperform, R – Restricted.
3. FY0 represents the current financial year

PORTFOLIO CONSTRUCTION AND CHANGES

In response to client feedback and with Jarden's own NZ research coverage more settled post stock re-allocations, they are now taking the opportunity over the next few months to shrink the number of portfolio positions they hold from 37 down to around 30. Key changes on this front have been: (1) remove WBC and ANZ, which have traditionally been neutral carrying positions, (2) further reduce smaller cap positions, particularly in the LPVs but also KMD and NZX. On the flipside, Jarden is introducing HGH at +30bp (from zero portfolio weight) following their recent initiation report and with a Buy rating and a solid 1H21 result. Jarden is reducing their underweight in MEL. Whilst they still see some downside risk in MEL from upcoming indexation changes and the recent sharp lift in bond rates, with the strong price pull back in February, Jarden is halving its prior underweight position to -136bp. This move has been funded by removing WBC and ANZ from the portfolio and trimming our overweight position in SPK by 40bp.

Topping up on existing large cap growth names – Jarden has used the residual funding from exiting smaller cap names to add to their existing overweight conviction in SUM +50bp, MFT +25bp and FPH +25bp. Within Retirement, their sector position is now neutral, with preference for SUM and OCA, offset by underweight in RYM and nil portfolio weight in ARV. Jarden has strengthened their existing overweight positions in MFT and FPH, given softer price performance over February and with continued comfort over their longer-term growth potential and execution ability.

At this stage and notwithstanding the material price pull back post its 1H result, Jarden has resisted the temptation to add to our modest overweight in ATM of 30bp on valuation grounds, until we have stronger conviction on its near-term recovery execution within the daigou channel.

Code	Last Close 01-Mar-21	TSR (12-month)	Active Weight vs Benchmark	Active Weight vs Benchmark	Active contribution (bp, 12-month)	Target Price	Rating
Cash			+0.15	+0.17	+0.04		
Growth			**+4.55**	**+5.00**	**-0.82**		
AFT	$4.17	16.9%	+0.00	+0.00	+0.00	$6.50	Buy
ATM	$9.50	-40.6%	+0.30	+0.30	-0.78	$11.40	Overweight
DGL	$14.19	45.0%	+0.73	+0.73	+0.22	$15.80	Overweight
EBO	$28.31	26.4%	+2.11	+2.11	+0.28	$30.00	Overweight
ERD	$4.28	40.5%	+0.00	+0.00	+0.07	$4.90	Neutral
FPH	$29.71	14.5%	+0.78	+1.03	-0.19	$36.10	Overweight
MFT	$65.22	77.8%	+1.70	+1.95	+0.29	$65.00	Overweight
NZK	$1.49	-23.5%	+0.00	+0.00	+0.01	$1.40	Underweight
PPH	$1.77	69.7%	-0.30	-0.30	-0.61	$2.30	Buy
RBD	$12.30	2.0%	-0.30	-0.30	+0.02	$12.25	Neutral
SCL	$4.60	10.4%	+0.45	+0.40	+0.07	$5.40	Buy
SKL	$4.46	134.5%	-0.64	-0.64	-0.33	$4.35	Overweight
SML	$3.90	-33.0%	-0.27	-0.27	+0.17	$4.60	Underweight
TLT	$6.25	77.3%	+0.00	+0.00	-0.02	$6.50	Overweight
Income			**-3.89**	**-3.89**	**+1.19**		
AIA	$7.58	-0.5%	-0.64	-0.64	+0.42	$7.10	Neutral
ANZ	$28.32	12.4%	-0.00	-0.54	+0.00		not covered
CNU	$7.97	21.8%	-0.00	-0.00	-0.00	$7.99	Neutral
FSF	$5.00	30.0%	-0.42	-0.42	-0.07	$4.20	Underweight
GNE	$3.52	21.8%	+0.00	+0.00	+0.05	$3.75	Neutral
HGH	$1.89	14.1%	-0.78	-0.48	-0.25	$2.20	Buy
IFT	$7.47	47.8%	+0.83	+0.76	+0.20	$7.50	Overweight
MCY	$6.15	30.6%	+0.92	+1.01	+0.33	$6.31	Neutral
MEL	$5.65	28.8%	-2.76	-1.36	+0.05	$5.32	Underweight
NPH	$3.40	-6.0%	-0.24	-0.24	+0.05		not covered
NZX	$2.00	51.2%	+0.00	-0.20	+0.09	$1.50	Neutral
POT	$7.50	18.4%	-1.84	-1.84	-0.21	$5.70	Sell
SKC	$3.05	-5.0%	+0.78	+0.75	+0.13	$3.40	Buy
SPK	$4.70	6.9%	+1.46	+1.06	+0.08	$4.72	Overweight
TPW	$8.39	36.5%	-0.45	-0.45	-0.10	$7.62	Underweight
VCT	$4.00	28.1%	-0.79	-0.79	+0.30	$3.51	Sell
WBC	$25.78	5.3%	-0.00	-0.56	-0.00		not covered
WHS	$3.35	57.5%	+0.00	+0.00	+0.00	$3.60	Buy
Property/Aged Care			**-1.23**	**-1.42**	**+0.95**		
APL	$0.36	-30.6%	+0.00	+0.00	+0.00	$0.33	Neutral
ARG	$1.52	10.8%	+0.39	+0.14	+0.01	$1.55	Overweight
ARV	$1.68	3.1%	-0.72	-0.72	+0.04	$1.80	Underweight
GMT	$2.25	-2.7%	-0.49	-0.49	+0.01	$2.01	Underweight
IPL	$2.12	27.8%	-0.00	-0.00	-0.07	$2.22	Overweight
KPG	$1.19	-16.1%	+0.54	+0.49	+0.05	$1.28	Overweight
OCA	$1.45	30.9%	+0.59	+0.72	+0.10	$1.50	Overweight
PCT	$1.63	-10.5%	-0.34	-0.34	+0.18	$1.62	Neutral
PFI	$2.87	17.3%	-0.67	-0.92	-0.07	$2.46	Underweight
RYM	$14.88	-2.4%	-1.98	-2.00	+0.36	$11.50	Sell
SPG	$2.25	5.9%	+0.34	+0.34	-0.08	$2.38	Overweight
SUM	$13.00	67.2%	+1.50	+2.00	+0.45	$13.30	Overweight
VHP	$3.18	11.1%	-0.42	-0.67	-0.03	$2.61	Underweight
Value - Cyclical			**+0.87**	**+0.57**	**+0.22**		
AIR	$1.60	-25.6%	-0.67	-0.67	+0.11	$1.15	Sell
FBU	$6.48	26.5%	+0.43	+0.50	+0.11	$6.89	Overweight
FRE	$10.78	49.4%	+0.09	-0.00	+0.04	$10.80	Neutral
KMD	$1.27	-39.9%	+0.46	+0.21	-0.39	$1.70	Buy
MHJ	$0.75	27.6%	+0.00	+0.00	+0.00	$1.00	Buy
MPG	$0.37	35.7%	+0.00	+0.00	+0.00	$0.57	Buy
NZM	$0.86	133.8%	+0.00	+0.00	+0.00	$0.99	Overweight
PGW	$3.55	58.3%	+0.00	+0.00	+0.00	$3.30	Underweight
SEK	$4.90	20.4%	+0.00	+0.00	+0.00	$4.65	Neutral
STU	$1.00	29.9%	+0.00	+0.00	+0.00	$0.93	Neutral
THL	$2.21	-9.6%	-0.21	-0.21	+0.00	$2.75	Buy
TRA	$3.13	36.5%	+0.38	+0.40	+0.03	$3.85	Buy
ZEL	$2.72	-32.8%	+0.40	+0.35	+0.32	$4.00	Buy
Value - Option / Turnaround			**-0.44**	**-0.42**	**+0.37**		
CVT	$3.27	54.8%	+0.00	+0.00	+0.00	$3.30	Neutral
GTK	$1.60	-24.8%	+0.00	+0.00	+0.03	$1.40	Neutral
NZR	$0.46	-62.3%	+0.00	+0.00	+0.03	$1.00	Buy
PEB	$1.04	738.7%	+0.38	+0.40	+0.07	$1.40	Buy
SAN	$4.40	-37.5%	-0.28	-0.28	-0.02	$4.60	Sell
SKO	$5.74	47.9%	+0.00	+0.00	+0.01	$5.44	Neutral
SKT	$0.17	-42.0%	-0.23	-0.23	+0.11	$0.18	Underweight
VGL	$1.74	-43.1%	-0.31	-0.31	+0.14	$1.95	Buy

AUSTRALIAN LISTED EQUITIES NET DIVIDEND YIELD   AS AT 4TH MARCH 2021

COMPANY	RATING	PRICE (AU$)	DIVIDEND YIELD				DIVIDEND COVER			
			FY-1	FY0	FY1	FY2	FY-1	FY0	FY1	FY2
Harvey Norman Holdings Limited	U	$5.31	4.6%	7.3%	5.7%	5.6%	1.5	1.6	1.4	1.4
Adairs Limited	B	$3.93	2.7%	6.7%	6.7%	7.2%	2.1	1.6	1.7	1.6
Charter Hall Retail REIT	O	$3.70	6.9%	6.6%	7.0%	7.2%	1.2	1.2	1.1	1.1
GPT Group	N	$4.43	5.4%	6.4%	6.7%	7.0%	1.3	1.2	1.3	1.2
Charter Hall Long Wale REIT	B	$4.75	6.0%	6.2%	6.3%	6.5%	1.0	1.0	1.0	1.0
Pendal Group Limited	N	$6.08	5.7%	6.0%	5.6%	6.1%	1.2	1.2	1.2	1.2
Dexus	O	$9.00	6.0%	6.0%	6.1%	6.2%	1.0	1.0	1.0	1.0
Perpetual Limited	O	$31.89	4.9%	5.4%	6.6%	6.5%	1.3	1.5	1.3	1.3
Platinum Asset Management Limited	U	$4.55	5.5%	5.3%	4.4%	4.4%	1.1	1.2	1.2	1.2
JB Hi-Fi Limited	U	$45.54	3.6%	5.3%	4.1%	4.0%	1.5	1.5	1.3	1.3
Vicinity Centres	U	$1.68	4.9%	5.1%	7.0%	7.8%	1.8	1.5	1.3	1.3
Scentre Group	O	$2.91	2.5%	5.1%	5.5%	5.7%	2.1	1.4	1.4	1.4
Metcash Limited	O	$3.44	3.7%	4.9%	4.8%	5.0%	1.7	1.6	1.6	1.6
Suncorp Group Limited	O	$10.20	3.4%	4.8%	4.8%	5.7%	1.6	1.4	1.3	1.3
Janus Henderson Group	U	$38.05	4.5%	4.5%	4.5%	4.5%	2.2	2.3	2.3	2.4
Medibank Private Limited	N	$2.80	4.3%	4.4%	4.4%	4.6%	1.0	1.3	1.2	1.2
Magellan Financial Group Limited	B	$44.20	4.4%	4.3%	4.8%	5.3%	1.1	1.1	1.1	1.1
Beacon Lighting Group Limited	B	$1.74	2.7%	4.3%	3.8%	3.3%	1.9	2.0	1.6	1.7
QBE Insurance Group Limited	B	$9.28	11.6%	4.2%	4.3%	6.2%	1.1	1.0	1.2	1.2
Insurance Australia Group Limited	B	$4.88	3.8%	4.0%	4.9%	5.3%	1.2	1.5	1.3	1.3
Coles Group Limited	U	$15.59	3.2%	3.6%	3.7%	4.0%	1.3	1.3	1.2	1.2
Homeco Daily Needs REIT	B	$1.26	0.0%	3.4%	6.3%	6.8%		1.1	1.0	1.1
Nib Holdings Limited	N	$5.70	2.4%	3.3%	3.3%	3.8%	1.7	1.5	1.4	1.4
Home Consortium Limited	N	$3.74	3.2%	3.2%	3.5%	4.3%	0.1	1.3	1.0	1.1
Wesfarmers Limited	O	$50.78	3.1%	3.1%	3.1%	3.4%	1.1	1.2	1.2	1.2
Woolworths Group Limited	O	$39.82	2.4%	3.0%	3.2%	3.4%	1.3	1.3	1.3	1.3
Bravura Solutions Limited	U	$2.57	3.8%	3.0%	3.4%	3.7%	1.5	1.5	1.4	1.4
Charter Hall Group	B	$12.17	2.8%	2.9%	3.1%	3.3%	1.9	1.5	1.7	1.7
Treasury Wine Estates Limited	U	$10.52	2.8%	2.8%	3.3%	3.6%	1.4	1.5	1.5	1.5
Kogan.com Limited	O	$14.43	1.5%	2.6%	3.4%	4.1%	1.0	1.0	1.0	1.0
Lovisa Holdings Limited	U	$14.91	1.1%	2.3%	2.3%	2.3%	1.0	0.9	1.5	1.9
Collins Foods Limited	B	$9.69	1.9%	2.0%	2.2%	2.4%	1.8	1.8	1.8	1.7
Costa Group Holdings Limited	O	$4.61	1.2%	2.0%	2.5%	2.9%	1.5	1.7	1.9	1.9
Regis Healthcare Limited	O	$1.97	2.0%	1.9%	4.4%	4.6%	1.8	1.7	1.0	1.0
Goodman Group	U	$17.02	1.7%	1.7%	2.0%	2.1%	1.9	2.2	2.2	2.2
Ramsay Health Care Limited	B	$67.27	0.9%	1.5%	2.2%	2.4%	-2.5	-1.8	-1.8	-1.8
Dominoâ€™s Pizza Enterprises Limited	O	$90.68	1.1%	1.5%	1.8%	2.1%	1.4	1.3	1.3	1.3
Cochlear Limited	O	$214.00	0.7%	1.1%	1.5%	1.7%	1.6	1.5	1.4	1.4
IDP Education Limited	O	$25.09	0.7%	0.7%	1.3%	1.8%	1.6	1.4	1.5	1.4
Domino's Pizza Enterprises Limited	O	$267.00	0.9%	0.7%	1.1%	1.3%	2.3	3.2	2.2	2.2
City Chic Collective Limited	O	$3.86	0.0%	0.6%	1.4%	1.6%		4.0	2.3	2.4
Estia Health Limited	B	$2.07	2.6%	0.5%	4.9%	6.0%	1.9	1.6	1.0	1.0
The Reject Shop Limited	B	$6.31	0.0%	0.0%	0.0%	3.4%				2.0
Temple and Webster Group Limited	O	$9.61	0.0%	0.0%	0.0%	0.0%				
QUBE Holdings Limited	B	$3.10	0.0%	0.0%	0.0%	0.0%				
Qantas Airways Limited	B	$5.03	0.0%	0.0%	0.0%	0.0%				
PointsBet Holdings Limited	B	$14.67	0.0%	0.0%	0.0%	0.0%				
Japara Healthcare Limited	B	$0.84	2.6%	0.0%	0.9%	2.2%	-0.1		1.6	1.5
Harmoney Corporation Limited	B	$2.10	0.0%	0.0%	0.0%	0.0%				
Cleanaway Waste Management Limited	B	$2.24	0.0%	0.0%	0.0%	0.0%				

GLOBAL EQUITIES

BERKSHIRE HATHAWAY

In his annual letter to shareholders, Warren Buffett (The "Oracle of Omaha") said he doesn't like retirees' chances if they are relying on fixed income investments. "*Fixed-income investors worldwide – whether pension funds, insurance companies or retirees – face a bleak future*," Warren Buffett said in his annual letter to Berkshire Hathaway investors.

However, Buffett said he remains confident in the future of the US because "despite some severe interruptions, the US's economic progress has been breathtaking. ***"Never bet against America***" he stated, adding that Apple remains Berkshire Hathaway's biggest equity investment - valued at around US$120 billion.

4 NEW STOCKS IN BERKSHIRE'S PORTFOLIO

Buffett and his team added a few stocks during the fourth quarter:

Company (Symbol)	Shares Bought	Market Value US$
Verizon(NYSE: VZ)	146,716,496	$8.62 billion
Chevron(NYSE: CVX)	48,498,965	$4.10 billion
Marsh & McLennan(NYSE: MMC)	4,267,825	$499 million
EW Scripps(NYSE: SSP)	23,076,923	$364 million

ROCKET LAB CONFIRMS US$4.1B NASDAQ LISTING

SOURCE: NZ Herald, 2 Mar, 2021

Kiwi-American company Rocket Lab, founded by Aucklander Peter Beck, has confirmed plans for a US stock exchange listing at a market cap of US$4.1 billion ($5.7b) during the second quarter.

US$470m will be raised from new investors with the listing, via a special purpose acquisition company (spac or shell company) called Vector. The listed company any will have a cash balance of US$750m, Rocket Lab said in a statement.

Rocket Lab has made its name internationally by launching some 97 micro-satellites into space over 18 launches from Mahia over the past three years on its 12m tall Electron Rocket, which has a payload capacity of around 150kg.

Proceeds from the launch will be used to develop a much larger "medium-lift" rocket, capable of taking an 8 ton (7200kg) payload into space. The new rocket will be "*tailored for mega constellations, deep space missions and human spaceflight*".

The new rocket will put Rocket Lab more closely in competition with Elon Musk's privately-held Space X, which recently raised funds at a US$74b private equity valuation.

Current Rocket Lab investors will retain 82 per cent of shares after the listing. Exact stakes haven't been disclosed, but current investors include Beck - who servers as CEO, early investors Sir Stephen Tindall and Mark Rocket, and the investment wing of ACC, which put money in during a 2018 round US$140m raise at a US$1b private equity valuation.

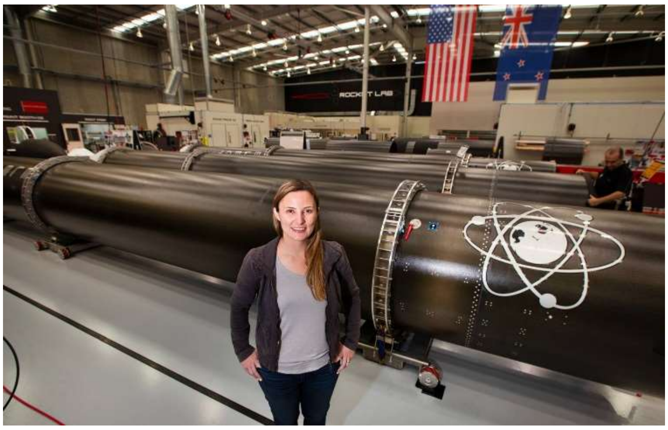
And, on the US side, defence giant Lockheed Martin plus a clutch of Silicon Valley private equity firms including Khosla Ventures, Bessemer Venture Partners, and Data Collective.

LARGER ROCKET FOR HUMAN SPACEFLIGHT

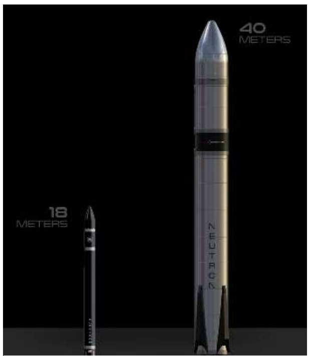
Rocket Lab is currently in the process of recruiting 90 more staff, which will take its full complement to around 700 - around two-thirds of whom are based in New Zealand (the company has its corporate headquarters and its largest production facility - making its Rutherford engines - in Los Angeles - while its assembly plant and mission control are in Auckland and its Launch Complex 1 facility on the Mahia Peninsula).

Beck, who left school to become a Fisher & Paykel Appliances apprentice, founded Rocket Lab in 2006, with Mark Rocket joining him as an early backer.

The pair would later part ways after Rocket's discomfort with the company's US military contracts. The R&D money from US Department of Defense agency Darpa (Defense Advanced Research Projects Agency) and would go on to stage launches for the US Air Force and other Defense-related agencies.



Amanda Stiles, Moon programme director at Rocket Lab in Auckland



1st & Next generation Rockets

2019 FINANCIALS

On February 10 this year, Rocket Lab filed its financials for its 2019 financial year (which coincided with the calendar year). They reveal an operation that was, at the time, breakeven. The accounts show total revenue of $89.9m, up from 2018's $46.3m. Expenses also doubled to $93.9m from the prior year's $47.6m. After depreciation and other factors, Rocket Lab squeaked to a $32,000 profit.

Rocket Lab had six launches in 2019. It would go on to have seven in 2020 and, so far this year, has staged one, with a second in the offing.

In its listing statement, the company said it projected revenue of US$750m by 2025.