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INVESTMENT STRATEGIES

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VERSUS

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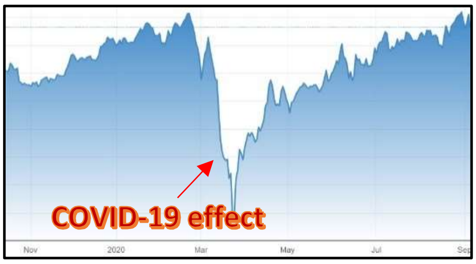
EQUITY MARKETS

Global Equity markets continue to rebound, as investors continue to look for alternatives to lower and lower interest rates.

New Zealanders can't travel overseas, so most are saving more, and this is also re-igniting pressure on non-productive assets like housing.

NZ50 GROSS INDEX (ONE-YR GRAPH)



PRODUCTIVITY

Productivity has been a significant issue for NZ Inc, and with continued lockdowns, there is no sign that this Labour-led Government is willing to address it.

MIGRATION

33,000 New Zealanders have now returned to New Zealand since the Covid-19 pandemic emerged. Of course, immigration of foreign workers etc had stood at 70,000 per year before Covid-19 closed our borders. These 33,000 returning New Zealanders are maintaining pressure on our housing stocks, albeit with lower demand than we felt in 2019 and before.

% CHANGE IN GDP	Mar-20 Quarter	Annual Change
New Zealand	**-1.6**	**-0.2**
Australia	-0.3	1.4
Canada	-2.1	-0.9
Euro area (19 countries)	-3.6	-3.1
Japan	-0.6	-1.9
OECD – Total	-1.8	-0.8
United Kingdom	-2	-1.6
United States	-1.3	0.3

KEY DATES

12th September – PERFU Date (the opening of our govt books)
3rd October – Advanced Voting begins
17th October – Election Day
30th October – Preliminary referendum results released

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STATISTICS NZ DATA

Estimated population at 6-Sept-2020:	**5,030,468**
Births (58,500) - **Deaths** (33,990) Jun-20 year:	**4,510**
Net long-term migration Jun-20 year:	**79,400**
Employment	
Unemployment rate June-20 qtr (↓ 0.2%)	**4.0%**
Median Hourly Wage - Men Jun-20 year	**$28.26**
Median Hourly Wage - Women Jun-20 year	**$25.57**
Private sector Wages - Jun-20 year	**+1.7%**
Public sector Wages - Jun-20 year	**+3.0%**
Ave Weekly Earnings Jun-20 year ↓	**$1,248.88**
People not in workforce Jun-20 qtr ↑40,000	**1,207,000**
Consumer Price Index Jun-20 year (↓ 1.0%)	**1.5%**
The size of the NZ Economy Mar-20 year: ↓	**$303 bn**
GDP per capita Mar-20 quarter:	**-2.2%**
GDP per capita Mar-20 year:	**-0.2%**
GDP Growth (volume) Mar-20 quarter:	**-1.6%**
GDP Growth (volume) Mar-20 year:	**1.5%**

LOCAL ISSUES

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

ONE YEAR ON FROM THE LOCAL BODY ELECTIONS

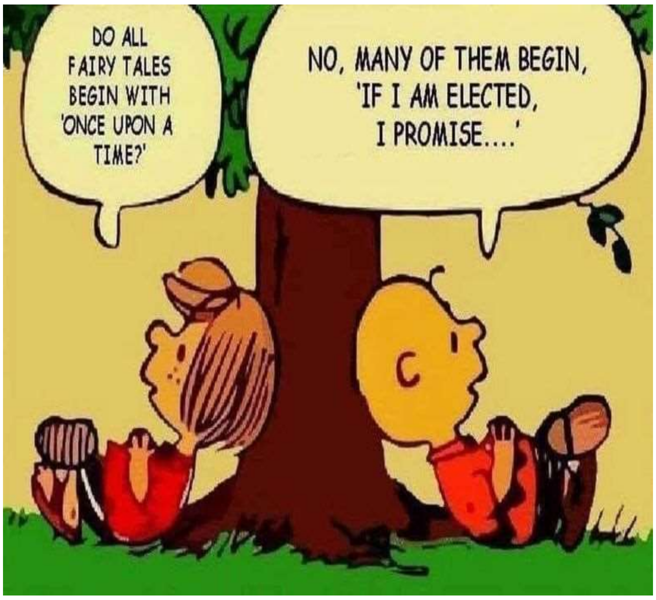
With the General Election just 40 days away, being a local government politician in the Bay of Plenty is also ramping up. If we get a new (widely predicted) Labour Government, then the implications for us all is for more centralization; including our City Council losing control over drinking and waste water, and our farmers expecting a "big stick" and added cost, over the three waters.

Labour continues to make big promises, encouraging transformational urban development, but what worries me is their track record of lack of delivery.

We have big issues in the Western Bay - with continued focus on urban growth. Smartgrowth (and UFTI) talk about our city doubling in population over the next 30-odd years; but my concern is the ability of our city to cope with that level of growth. Our challenge will be to ensure that we don't lose all "*the best things we all love about living in Tauranga*". We must address these big issues – congestion and the lack of green space to mention just two huge issues.

I really worry about the ease of advocating for modal shift, with our bureaucrats doing all the "desktop modelling". Getting our residents out of their cars will never be easy, with the geographic constraints of multiple isthmuses of this harbour city. Labour tells us that they won't help fund us without significant modal shift, but this will remain a huge challenge.

As a Regional Council, we now have more buses travelling our streets than does Hamilton (who have 20,000 more people), and yet our residents remain slow to take to using our buses, as a viable transport mode. Our challenge now is to ensure reliability of service, and to do that we need better infrastructure. This will be no easy fix, but be assured, as Chair of Public Transport for our Regional Council, I am committed to getting it done.



OUR POLITICAL CLIMATE

GO EARLY & GO HARD – YEAH RIGHT

Lockdown has proven to be a very blunt instrument that clobbers the economy; we cannot use it repeatedly, despite its public health benefits. The reality was that exiting Auckland from Level 3 after their second lockdown, was absolutely a political (and not a health) decision. Ardern says we can still move up levels, but it seems unlikely that level 3, and certainly level 4, will be visited again on such a wide swath of New Zealanders.

Auckland (representing a third of the population) left this lockdown despite continued, though apparently low level, "community transmission" of the resurgent virus. Government is beginning to feel that lockdowns get the balance wrong. While it is hopeful that other measures, like masks and contact tracing, can finish the elimination job this time, there is also a greater acceptance of risk – and most of that risk is political… the election is looming.

NEW ZEALAND FACES WORST ECONOMIC DOWNTURN IN 160 YEARS

Source: NZ Herald, Steven Joyce

The failure of the Government to properly manage the border has provided many New Zealanders with a strong sense of deja vu. If you are experiencing that feeling, don't worry. We have in fact been here before, more than once.

I [Steven Joyce] went back and re-read a column I wrote two months ago about the round of border failures at that time, and the hapless then-Health Minister Dr David Clark. The sad part is that every word still applies. Just swap in the name Hipkins for Clark and we are almost exactly where we were. Except it's worse.

I've tried to apply my knowledge of how government works, to determine how such a repeated comprehensive failure of the government apparatus to do what it said it was doing, could unfold. And I think it comes down to about three things.

First, the Government and its Covid response is being run by a way too small group. The Prime Minister and her group of three core ministers hardly trust anyone to make decisions outside their inner circle. While there is always a core group, in this instance even senior portfolio ministers are being sidelined. The whole Government currently seems to come down to the PM, Robertson, Hipkins, Woods, Bloomfield, and the ever-present Brian Roche and Heather Simpson.

Second, Chris Hipkins has a ridiculous workload. Speaking as someone who has held a few portfolios in my time, the idea that any single individual could successfully manage Health, Education, the State Sector, and Parliament's business all at once is truly ludicrous. And so it has proven. Chris Hipkins is a capable individual but he is clearly not completely across his health brief.

Finally, the PM and her ministers need to stop thinking that politics is a game of how to spin your way out of absolutely everything. This has been their Achilles heel.

They have been caught too often saying one thing one week, and something completely different a couple of weeks later, all in the hope that the public have the memories of goldfish.

It is a politician's job to put a positive spin on most things, but you can't keep arguing that black is white when it obviously isn't. This just makes people stop believing you.

Seven weeks after the Government promised to regularly test all border-facing workers, it was nowhere close to having done so. How did the Government so badly botch its border testing promise?

Health Minister Chris Hipkins admitted on 20th August that he hasn't read the Ministry of Health's COVID-19 testing strategy. This just highlights the level of ineptness that all Labour Ministers display. This is just totally unacceptable, and he needs to resign. Of course, he won't; and Ardern doesn't have the stomach to force the issue.

It comes after Newshub revealed on Wednesday (19th August) the Government was told testing all border workers was "not thought to be viable" - advice sitting in plain sight in the Ministry of Health's official testing strategy.

ARDERN – A MASTER OF SPIN

Ardern is an acknowledged master of political spin. We see that at the 1pm daily press conferences where, ever alert to Ashley Bloomfield saying a word out of line, she steps across him with an explanation, checks him with a direct look, and even proffers her own advice on issues like personal protection when the health chief ventures into tricky political territory. He should be doing that himself.

But while she is vested in the day-to-day fray, she has been caught short when it comes to ensuring that what she promotes at the press conferences is actually delivered. That was obvious with the inept failures at the border earlier this year.

Ardern relied on the bureaucrats' words. But even after Cabinet Minister Megan Woods was parachuted in as the Prime Minister's point person, the checking remained woeful.

- Ardern is trusting. But this is basic
- And the Government still dropped the ball
- Ardern must front up to this debate

A year ago, her Government's failure to execute in a timely fashion on key policies, combined with an inability to stoke business confidence, contributed to an overall loss of confidence in the New Zealand economy.

This is happening again. Small businesses are pitched against an inflexible environment where public servants at the Ministry of Business, Innovation and Employment decide which sectors are essential and which are not.

There is no public strategy which underpins how New Zealand will engage with the rest of the world when Covid dissipates. Or considers the industries that might replace tourism and international education.

National has finally declared their strategy to combat Covid-19, and we still await Labour's solution. Instead of spin, all 5 million Kiwis. deserve to see genuine actions – a robust plan to defeat this virus. …….. This election matters.

Simon Bridges
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GOVT FAILS TO DELIVER FOR MENTAL HEALTH AS NEED GROWS

Labour promised big on mental health but has failed to even come close to delivering, particularly with the demand for services set to grow as a result of Covid-19. The Government announced $1.9 billion for mental health as part of Budget 2019. But more than 15 months later they've only spent $125 million, just under seven per cent.

LABOUR PUTS SAVING OWN SKIN AHEAD OF SENSIBLE SPENDING

Reports that indicate Education Minister Chris Hipkins gave verbal sign off for the Green School funding shows Labour is more interested in saving its own skin than looking after taxpayer money,

Funding this project has shown how loose Labour is with how taxpayer money is spent. Chris Hipkins and Finance Minister Grant Robertson knew funding the Green School was wrong, but they let it happen anyway.

LABOUR TRANSFORMATIONAL - NOT

Source: BOP Times

Two reports came out last week that made for grim reading. One was the UN Children's Fund rankings that looks at different measures of child wellbeing.

Physical and mental health, basic literacy and numeracy, child abuse, government policies designed to support parents and children — it's a comprehensive report.

And what the report says is that we are failing our children. Our youth suicide rate is the second highest in the developed world — more than twice the average among the countries surveyed.

Too many of our young children are overweight or obese. On physical wellbeing, we were 33rd out of the 41 countries surveyed. More than a third of the nation's 15-year-olds (36 per cent) don't have basic proficiency in reading and maths. On and on it went. Fail, fail, fail.

The only area where we could take some pride was being number one for the quality of the environment, which measures air pollution and water quality. Whoopdedoo.

The second report out, from Auckland University, showed that mental health problems among our young people had more than doubled in the past 20 years — and will only get worse as the impact from the response to Covid-19 takes effect. Experts say the issues around our young people's poor mental health predate the Covid response but Covid has come along and poured "psychological gasoline" on an already vulnerable group.

Nearly a quarter of the young people surveyed were mentally unwell and, overall, nearly 6% of the nearly 8000 13 to 19-year-olds surveyed had attempted to take their own lives. What a damning indictment on our society.

And this is after Labour promised $1.9bn in the 2019 Budget for Mental Health. They have only spent $250m to date. A lot of spin, but little in the way of outcomes.

STUFF WRONG ON MAORI SEATS

Source: Kiwiblog

The Stuff headline stated **"Most agree Māori Parliament seats should be kept" -** but their own data contradicts this. Now it was an unscientific survey so doesn't represent the views of all NZers, but the headline should reflect their own data. Here's what the six main identity groups said on the Maori seats:

ETHNICITY	Keep	Abolish
NZ European	34%	39%
New	23%	51%
Pakeha	70%	12%
Maori	71%	19%
Pasifika	60%	20%
Asian	33%	36%
OVERALL	**35%**	**39%**

UNDERSTANDING ETHNICITY VOTING

European, New Zealander and Pakeha. Technically all the same group in terms of ethnicity but which term you identify with reveals a lot.

NZ Europeans are split fairly evenly between National and Labour (4% more say Labour)

New Zealanders split to National by 15% over Labour

Pakeha favour Labour by 36% over National

Maori and Pasifika also favour Labour greatly

Asians slightly favour National

Green support changes massively by self-identity. 17% of "Pakeha" say they vote Green while just 2.2% of "New Zealanders". Conversely ACT gets 11.5% of New Zealanders and just 3.1% of Pakeha.

The data isn't surprising in that people who embrace Pakeha as a label tend to vote left, and those who see themselves as a New Zealander rather than Pakeha or European tend to vote right, but having some numbers around it is useful.

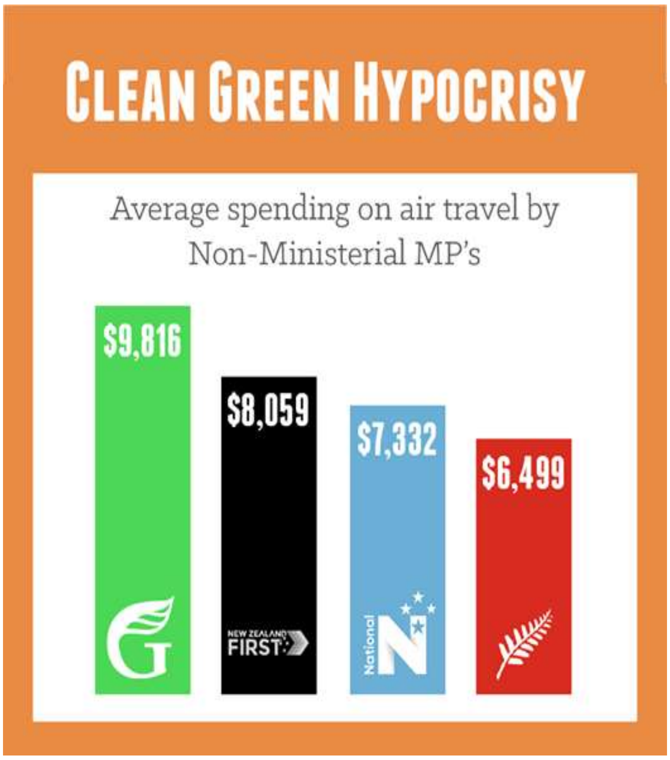
NOVEMBER ELECTIONS ARE THE NORM

Source: Kiwiblog

	July	August	September	October	November	Notes
1946					■	
1949					■	
1951			■			Snap election
1954					■	
1957					■	
1960					■	
1963					■	
1966					■	
1969					■	
1972					■	
1975					■	
1978					■	
1981					■	
1984	■					Snap election
1987		■				Latest possible
1990				■		Latest possible
1993					■	
1996				■		Early to avoid by-election
1999					■	
2002	■					
2005			■			Latest possible
2008					■	
2011					■	
2014			■			Early to avoid G20
2017			■			

DOUBLE STANDARDS FROM THE GREENS

The Greens are in trouble over James Shaw's funding decision of Taranaki's Green School. This hypocrisy is not a first.



EUROPE'S LOCKDOWN LESSONS

Source: Newsroom Pro, Dr Oliver Hartwich – ***Dr. Hartwich is the Executive Director of The New Zealand Initiative.***

Germany is a federal republic, which means individual states like NRW have played an important role in the pandemic. The Covid-19 response was run at the state-level, not in Berlin.

It was state health ministers like Laumann, who belongs to Chancellor Angela Merkel's CDU party, managing Germany's Covid-19 response.

So, what did Laumann say? When asked about the recent rise of infections and fears of a second virus wave, he said on German TV, "*I believe if we had known in mid-March what we know now, then we would not have done a lockdown as we did*."

The problem for Laumann, as for every other health minister then, was insufficient information. "*Look,*" he said, "*back then, I really had no idea how many beds we really have in ICU. We had no statistics for that. Yes, we had a hospital management plan, but we did not know what was really happening on the ground*."

Months later, the state's health minister is now told the exact number of available beds each morning. But that was only because the state created an information system – after Covid-19 emerged.

Today, Laumann said, we all know more. The German state has better information about the disease, hospital capacity and crisis management. And based on that, he explained that Germany's politicians would not go for the kind of lockdown they implemented in mid-March. Instead of bringing the whole country to a standstill, they would have smaller, targeted and regional interventions. In particular, the reflex would no longer be to shut down schools and kindergartens.

Politicians are not always as self-reflective and self-critical as Laumann. His statements are even more remarkable given the trend of infection numbers. Germany's daily Covid-19 cases are higher today than in mid-March when the country entered lockdown.

The state minister's views, however, follow other changing views about the pandemic. The Germans, and most Europeans, are now used to dealing with Covid-19. The early panic, which resulted from a lack of information, has gone. In its stead, countries are making more informed decisions based on their health systems' capacity.

The economic consequences of lockdown are the other side of the coin. Again, the change of tune is driven by a realisation of the economic and social costs of lockdown. These worries were most clearly expressed by French President Emmanuel Macron.

In an interview with *Paris Match*, Macron revealed he would not re-enact lockdown in a potential second wave of Covid-19. "We can't shut the country down because the collateral damage of lockdown is considerable."

After the experience of France's lockdown earlier this year – one of the strictest in Europe – Macron now says: "*Zero risk never exists in any society. We must respond to this anxiety without falling into the doctrine of zero risk*."

Laumann and Macron spoke as new infections in their countries rise rapidly. Yet their conclusions this time are different. Instead of trying to eliminate the virus, the aim is to manage it.

The calmer response is helped by lower death numbers. Despite rising infections, deaths are not surging at the same rate. Of course, deaths lag infections by a few weeks. But even adjusting for this time lag, it does not look like the virus is getting out of control in Europe.

European politicians are now better informed about their healthcare systems' capacities. They better understand the costs and benefits linked to lockdown. They also realise this new wave of infections is not as deadly this time.

Europe has left the early stage of the pandemic behind. With more information at hand, European countries are managing Covid-19 in a controlled way. It is a step towards normality on a long road ahead.

The lesson for New Zealand out of this is – Stop the spin (Go hard. Go early). We failed to learn anything much from our first lockdown – we never protected our borders. Our testing was inadequate, and still is. We are still not prepared if we do get a substantial infection rate – our hospital and medical facilities remain inadequate.

Labour has failed us, and won't face up to their inadequacy. We deserve the truth. We deserve robust border control. Our businesses deserve to be better supported.

TRUMP BACKS KIWI FOR TOP OECD ROLE

Source: BOP Times

US President Donald Trump has announced his intention to nominate New Zealander Chris Liddell to the position of Secretary General of the Organisation for Economic Cooperation and Development (OECD), the White House said.

Liddell currently serves as assistant to the President and deputy chief of staff for policy co-ordination at the White House. He previously served as assistant to the President and director of strategic initiatives.

"*As the Secretary General of the OECD, Liddell will draw upon decades of executive-level experience in the public and private sector to lead the OECD as it navigates post-covid challenges*," the White House said.

Before joining the Trump Administration, Liddell served as vice-chairman and chief financial officer at General Motors, chief financial officer and senior vice-president of Microsoft Corporation, and chief financial officer of International Paper.

Liddell, a dual citizen of the United States and New Zealand, holds a Bachelor of Engineering from the University of Auckland and a Master of Philosophy from Oxford. The OECD is a global organisation with 37 member states that promotes policies that will improve the people's economic and social wellbeing.

"Public servants say, always with the best of intentions, "What greater service we could render if only we had a little more money and a little more power." But the truth is that outside of its legitimate function, government does nothing as well or as economically as the private sector."

Ronald Regan

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

THE WORLD AT A GLANCE

United States
Trump is doing his best to lose election, but don't count on it

Canada
Trudeau's wife hit with Covid. He's in quarantine

Europe
15th October deadline for Brexit trade deal

India
4m now have Covid
Getting uglier by the day

China
China moves back to growth trade talks with US resume

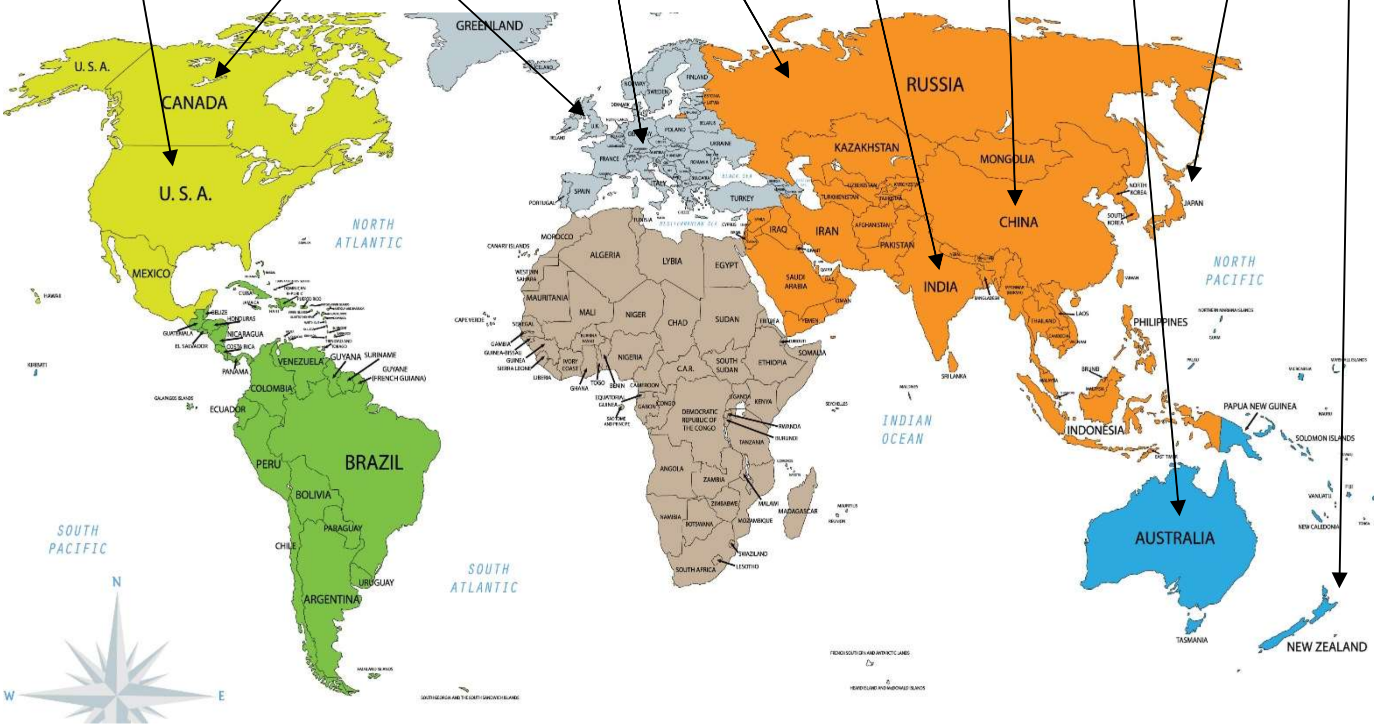
Japan
Typhoon replaces Covid on Japanese news

UK
Will Covid response Undo Boris Johnson

Russia
Putin – this dictator is incredibly ruthless

Australia
Covid is particularly challenging for Victoria

New Zealand
Ardern has charmed NZers, but talk is cheap



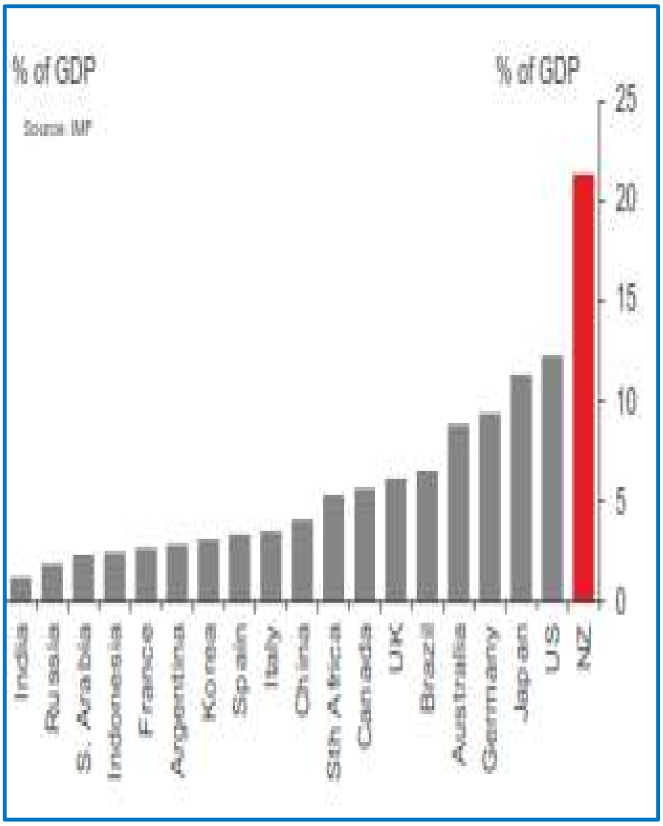
THE GLOBAL ECONOMIC OUTLOOK

A stark divergence has opened up across economies in the wake of Covid-19. Countries like China, which acted early and implemented successful lockdowns now find their economies on firmer footing. In contrast, those countries that had less stringent lockdowns, like the US, are facing continuing outbreaks and lingering weakness in economic conditions.

Countries that have implemented successful lockdowns are generally doing much better than countries that have not. While the downturn in the global economy through the first half of the year has been massive, it would have been much worse if not for significant support from monetary and fiscal policy. Governments around the world have rolled out a range of support measures, with a particular focus on protecting jobs and incomes. A number of governments have also introduced policies to support lending to businesses.

In countries like Australia, Japan and the US, recently introduced spending has dwarfed the stimulus measures rolled out during the Global Financial Crisis. It will be difficult for any form of stimulus to offset the disruptions to economic activity unless there are also comprehensive measures in place to protect public health.

ANNOUNCED COVID-RELATED FISCAL SUPPORT MEASURES

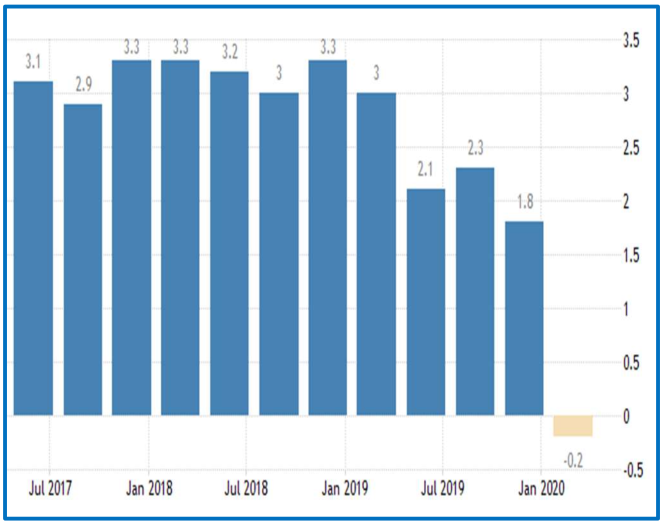


Most notably, continued low confidence and related reductions in investment spending could be a drag on productive capacity, which would weigh on output and income growth in future years. It is this lack of productivity that is the biggest drag of our New Zealand economy.

NEW ZEALAND'S ECONOMIC OUTLOOK

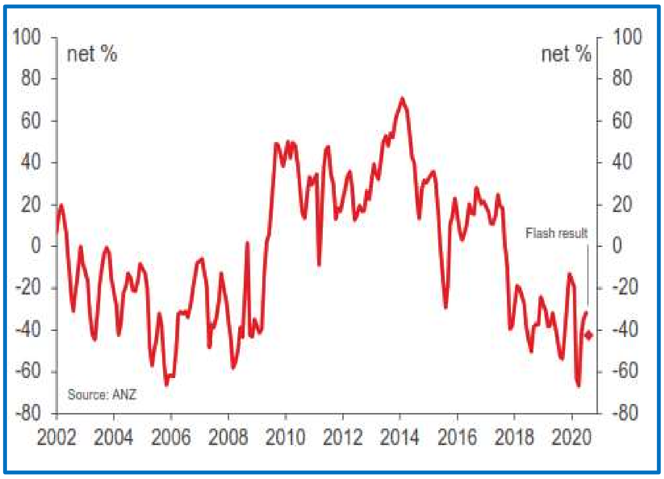
New Zealand's economy contracted 0.2% year-on-year in the first quarter of 2020, after growing 1.8% in the previous period, as COVID restrictions took a toll. It was the first contraction since the third quarter of 2009, mainly explained by a 3% decline in manufacturing and a 5% contraction in construction. Within services, transport, postal & warehousing fell 4.6%. In contrast, media & telecommunications expanded 5.2%. On a quarterly basis, GDP shrank 1.6% on quarter in the three months to March 2020 following a 0.5% increase in the previous period.

NZ ANNUAL GDP GROWTH RATE



ANZ BUSINESS CONFIDENCE OUTLOOK – 31ST AUGUST

Business confidence and expectations, for trading activity, both ticked down in August's "flash" business confidence report. While off the lows reached during the Level 4 lockdown, business activity gauges remain at very low levels.



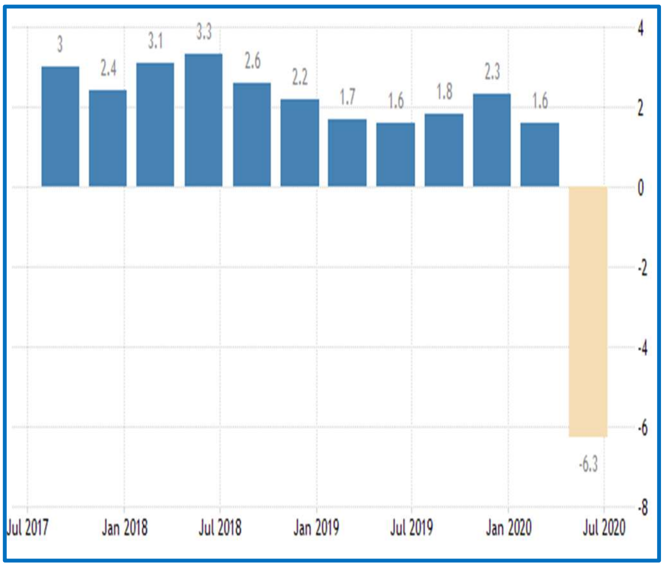
Since the flash report, the COVID Alert level has been dialled back up again. As a result, the final read is likely to be down on the flash result. However, the survey will only capture a fraction of the second lockdown and its full impact will not be evident until the next survey.

Overall, business confidence is back at levels last reached prior to the 2008 Election (when Labour last lost power to National).

Australian Economic Outlook

Australia's economy shrank 6.3% year-on-year in the second quarter of 2020, following an upwardly revised 1.6% expansion in the previous period. It was the sharpest contraction on record as the coronavirus pandemic hit the economy.

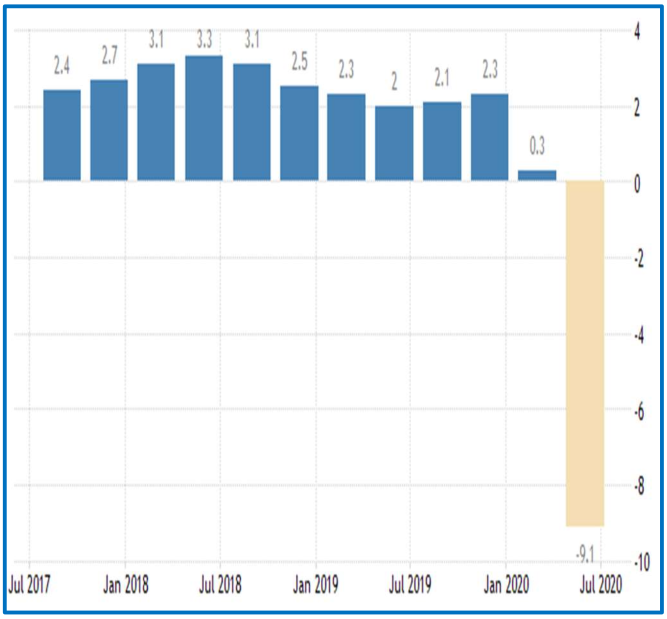
AUSTRALIA - ANNUAL GDP GROWTH RATE



United States Economic Outlook

United States is the world's largest economy. Yet, in the last two decades, like in the case of many other developed nations, its growth rates have been decreasing. If in the 50's and 60's the average growth rate was above 4%, in the 70's and 80's dropped to around 3%. In the last ten years, the average rate has been below 2%, and since the second quarter of 2000 has never reached the 5% level. The Gross Domestic Product (GDP) in the United States contracted 9.1% in the second quarter of 2020 over the same quarter of the previous year.

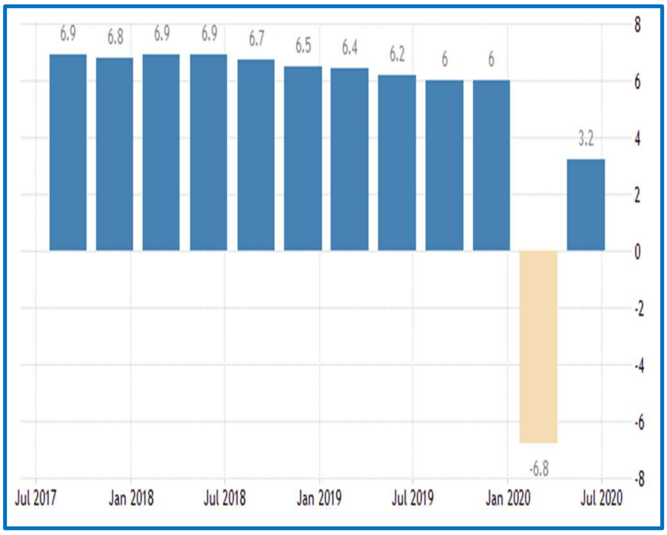
UNITED STATES ANNUAL GDP GROWTH



Chinese Economic Outlook

The Chinese economy grew by 3.2% year-on-year in the second quarter of 2020, rebounding from a record 6.8% contraction in the previous three-month period and beating market consensus of a 2.5% expansion. The country became the first major economy to report growth following the coronavirus pandemic, as factories and stores reopened following months of coronavirus-induced restrictions. However, a continuing fall in retail trade underlined weakness in consumer spending and the need for more support from Beijing to accelerate the economic recovery.

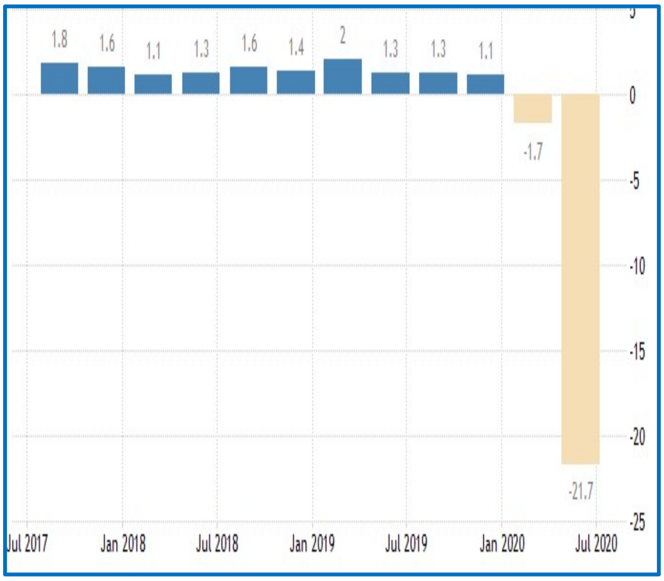
CHINA - ANNUAL GDP GROWTH RATE



United Kingdom Economic Outlook

Britain's gross domestic product slumped by 21.7% year-on-year in the second quarter of 2020, the biggest fall since comparable records began in 1956. There was a widespread disruption to economic activity due to the pandemic and the government's efforts to contain it. Household consumption dropped 25.2% and fixed investment slumped 27.0%. In addition, government spending was 16.9% lower, while exports and imports both fell sharply.

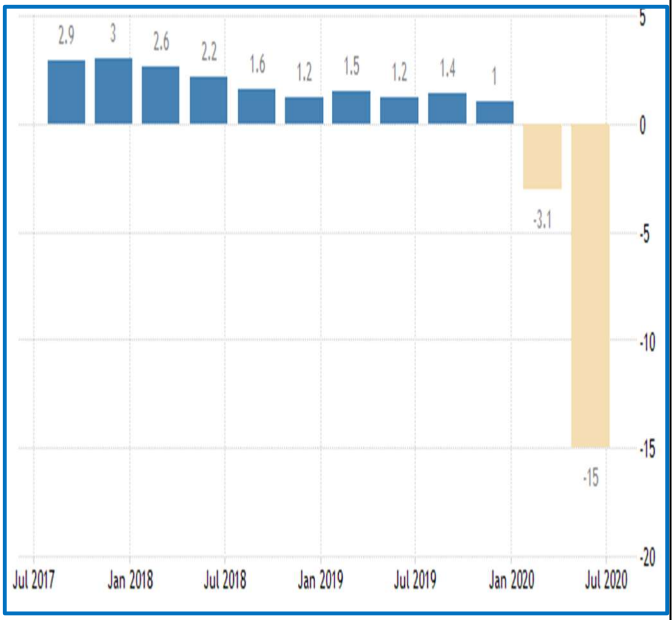
UK - ANNUAL GDP GROWTH RATE



EUROPEAN ECONOMIC OUTLOOK

The Eurozone economy shrank 15.0% year-on-year in the second quarter of 2020, the biggest contraction on record and entering a recession (a second estimate showed).

EUROZONE – ANNUAL GDP GROWTH RATE



Germany's gross domestic product shrank by 11.3% year-on-year in the second quarter of 2020, and this was the deepest economic contraction on record.

France's economy shrank by a record 18.9% year-on-year in the second quarter of 2020, entering a steep recession.

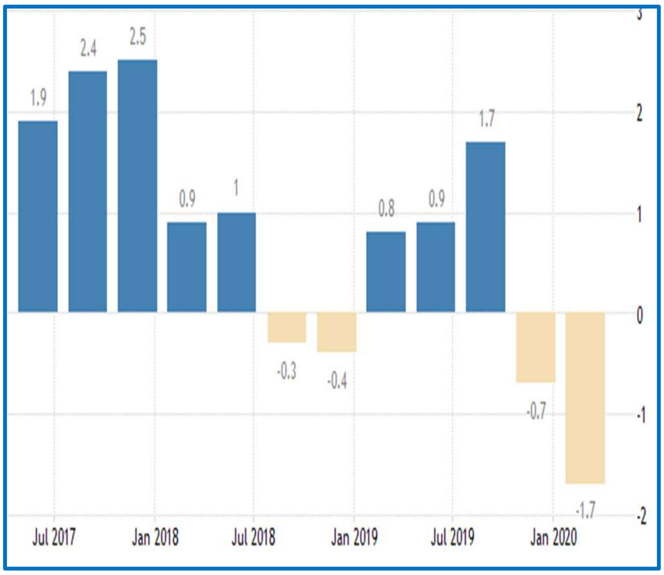
Italy's economy shrank by a record 17.7% year-on-year in the second quarter of 2020; only slightly less that France's economy.

Spain's economy shrank by a record 22.1% year-on-year in the second quarter of 2020. Unemployment rate rose to 15.3% in the same period.

JAPANESE ECONOMIC OUTLOOK

The Japanese economy shrank 0.6% on quarter in the three months to March 2020, unrevised from the preliminary estimate, and following a 1.9% fall in the previous period. This was the first recession since 2015, as the COVID-19 crisis took a huge toll on activity and demand. Private consumption fell for the second straight quarter (-0.8% vs -3.0% in Q4), while government spending was flat (vs 0.2% in Q4) and public investment dropped for the first time in five quarters (-0.6% vs 0.5%). Net external demand subtracted 0.2% from growth as exports fell more than imports. Meanwhile, capital expenditure rose by 1.7%, compared with a 4.8% drop in Q4. On an annualized basis, the economy contracted 2.2% in the first quarter.

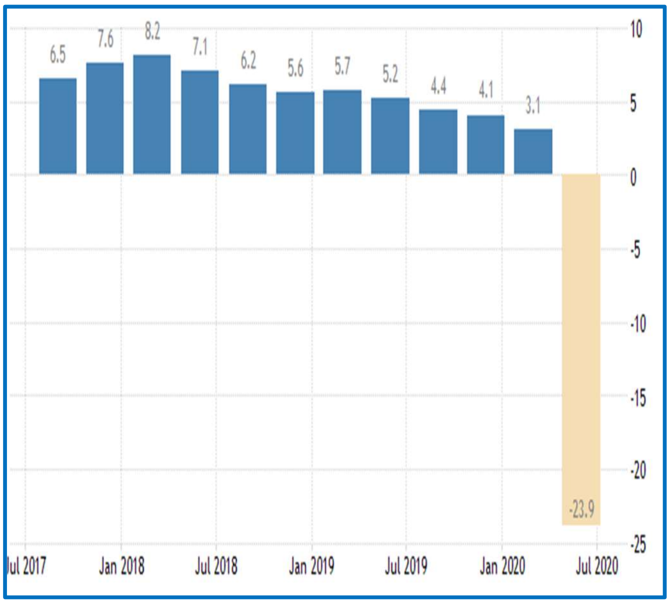
JAPAN - ANNUAL GDP GROWTH RATE



INDIAN ECONOMIC OUTLOOK

The Indian economy shrank 23.9% year-on-year in the second quarter of 2020, much worse than market forecasts of an 18.3% drop. It is the biggest contraction on record, as India imposed a coronavirus lockdown in late March and extended it several times, halting most economic activities. India remains the third worst-pandemic affected country in the world, with numbers infected passing 4 million. Construction is down 50.3%, hotels and transportation (-47%) and manufacturing (-39.3%) recorded the biggest falls. Mining and quarrying (-23.3%); finance, real estate and business services (-5.3%); and utilities (-7%) also declined while the farm sector grew 3.4%. On the expenditure side, gross fixed capital formation recorded the biggest decrease (-47.1%). Private spending shrank 26.7%, inventories fell 20.8%, exports went down 19.8% and imports sank 40.4%. In contrast, government consumption jumped 16.4% as the government implemented relief measures to help curb the impact of the pandemic.

INDIA - ANNUAL GDP GROWTH RATE

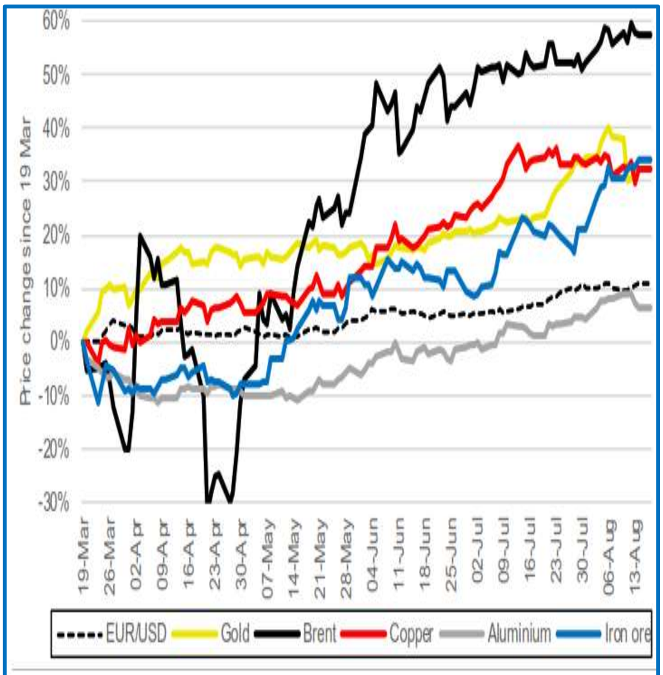


COMMODITIES

Jarden argues that China's demand strength and the consequent import price arbitrage has been a much greater driver of the base metal price rise than USD weakness. While USD weakness may have contributed, all major commodity prices have been rising and by greater levels than the 11% rise of the EUR/USD (=USD weaker), since the low point on 19 March, suggesting diverse drivers. Few investors would suggest oil or iron ore was driven by the USD as there are well known supply and demand factors involved. For copper and aluminium, Jarden contends that a price arbitrage and record imports of both metals by China are a clear reason for these metal prices to have climbed.

COMMODITY PRICES & EUR/USD

SINCE GOLD & FX LOW POINT OF 19TH MARCH



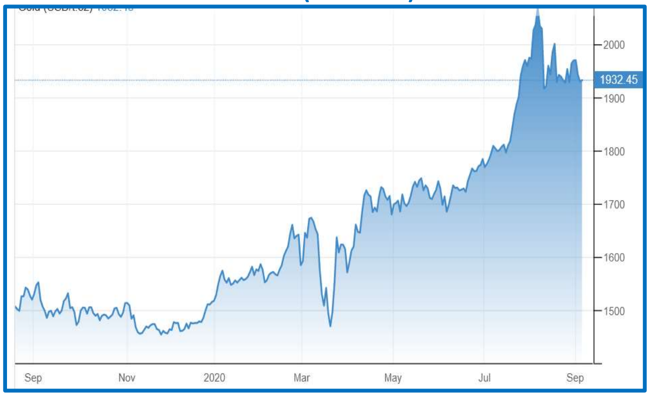
Source: The BLOOMBERG PROFESSIONAL™ service, Credit Suisse

OIL: BRENT CRUDE (ONE YEAR)

GOLD

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

GOLD (ONE YEAR)



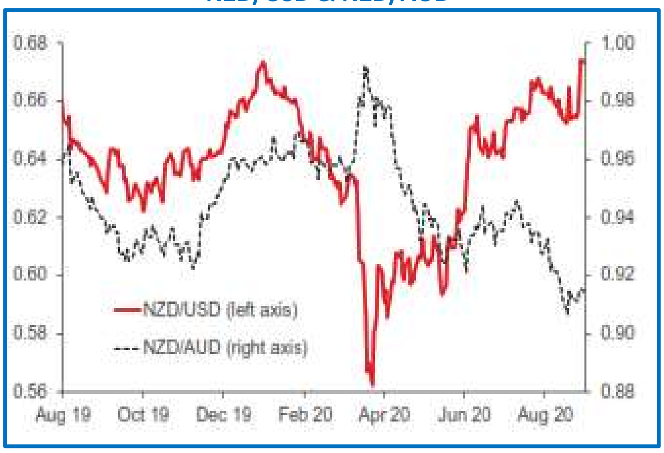
CURRENCIES

Falling inflation means the Reserve Bank needs to take vigorous action. Bond buying has been increased to $100bn, but that is the maximum. The RBNZ's next tool will be a negative OCR combined with loans to banks, and we expect this will be deployed next year. The RBNZ's aggressive monetary policy will dampen the rise and rise of the New Zealand dollar against the US Dollar.

Don't expect any of the interest rates paid or received by New Zealand households and businesses to go negative.

In overseas jurisdictions with negative official interest rates, retail rates have almost always remained positive. We do, however, expect 90-day bank bills and swap rates out to two years to go below zero, and that will have important implications for some hedging contracts.

NZD/USD & NZD/AUD



SOURCE: Westpac

"Great minds discuss ideas… Average minds discuss events… Small minds discuss people"

Eleanor Roosevelt

AGRIBUSINESS – LOOKING FROM THE OUTSIDE IN

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

COVID-19

While Covid has left no sector untouched, agriculture has fared better than most. In fact, many parts of rural life and economic activity have been unchanged. With the global economy in recession, Westpac anticipates modest overall price falls for agricultural exports over the next six months. That said, there will be exceptions to that rule and they continue to expect the agriculture sector to hold up better than most of the economy.

FONTERRA

Fonterra has maintained its forecast range of $5.90-6.90/kg milksolids for the current season, keeping its advance rate at the midpoint of $6.40/kg MS. It released its updated forecast on the eve of the latest Global DairyTrade (GDT) auction, which saw average prices fall 1% to US$2955/tonne.

Fonterra chair John Monaghan said the final price for the 2019-20 season will be confirmed when Fonterra releases its annual result on September 18. He stated that the global market was finely balanced with both demand and supply increasing but it has the potential to change. The milk price forecast has held up despite another drop at the latest GDT auction.

FONTERRA DROPS TO SIXTH IN GLOBAL DAIRY RANKINGS

Asset consolidation which impacted year-on-year sales in US dollars and Euros saw Fonterra slip from fourth to sixth in Rabobank's annual Global Dairy Top (GDT) 20 report. Fonterra says the move to sixth position on the list of the world's largest dairy companies was also caused by greater environmental constraints being put on its suppliers which limited growth.

The top two spots on the list, which is ranked by turnover unchanged from last year, are Nestle (Switzerland), retaining first position, and Lactalis (France) coming in second. The top five on the list are rounded out by Dairy Farmers of America (up to third from sixth in 2019), French dairy company Danone (back one place to fourth) and Chinese Dairy Company Yili (up to fifth from eighth).

The shift from the Yili Group (Inner Mongolia Yili Industrial Group Co.) which owns Oceania Dairy in North Canterbury was on the back of a 20% year-on-year growth in 2019

NZ BEEF

With the UK a high-value market for NZ beef, and free-trade negotiations well advanced, NZ producers should be keeping a close watch on developments for potential additional export opportunities, Rabobank animal proteins analyst Blake Holgate said.

But while new post-Brexit trade deals are set to play a key role in determining the future of UK beef imports, local consumer preferences and non-tariff barriers will also heavily influence who supplies beef to this lucrative market in 2021 and beyond. "*Both parties have stated a clear desire to conclude a deal during the transition period which ends on December 31, but time is short, and there is a long list of issues to resolve*," he said.

The result of these trade negotiations will be particularly significant for Irish beef producers. Ireland is the major supplier of beef to the UK, representing 70% of total UK beef imports in 2019, and is currently one of a select number of major beef exporters to the EU-27, who are granted tariff-rate quotas which allow them to import certain quantities of beef at reduced or zero tariff rates. Once the Brexit transition finishes, these quotas will be divided between the EU and the

UK, affording existing EU suppliers access to the UK at reduced tariff rates. However, if the EU and the UK fail to agree on future trade terms, it's likely tariffs will remain high for most imported beef products and this would put Irish beef in a vulnerable position.

This potentially opens opportunities for NZ as the UK government pursues new trade deals with countries outside the EU, including NZ and Australia. While the ongoing trade negotiations will be pivotal, these alone will not determine who ultimately supplies the UK beef market. Consumer preferences for locally-sourced product and non-tariff barriers, such as entrenched existing market relationships between food retailers and processors and purchasing standards, will also play a major role. For NZ this means the industry must continue ensuring it can demonstrate that NZ beef is produced to the highest food safety, animal welfare and environmental standards. "*If the NZ beef industry can do this, it is likely to find itself in a privileged position compared to some of its competitors. However, if it's unable to maintain these standards, it could find it increasingly difficult to get product on UK supermarket shelves,*" Holgate said.

WORLD'S MOST EXPENSIVE SHEEP

This Scottish bred Texel ram lamb sold for a world record price of 350,000gns (NZ$725,000).

Deer

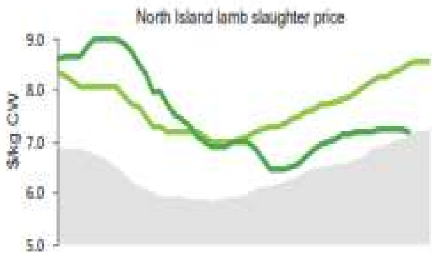
VENISON			
Slaughter price (NZ$/kg)	Last week	Prior week	Last year
NI Stag (60kg)	6.20	6.20	9.10
SI Stag (60kg)	6.55	6.45	9.10

Cattle

BEEF			
Slaughter price (NZ$/kg)	Last week	Prior week	Last year
NI Steer (300kg)	5.70	5.65	6.00
NI Bull (300kg)	5.55	5.55	5.65
NI Cow (200kg)	4.15	4.15	4.50
SI Steer (300kg)	5.15	5.15	5.85
SI Bull (300kg)	5.10	5.10	5.40
SI Cow (200kg)	3.95	3.95	4.30
Export markets (NZ$/kg)			
US imported 95CL bull	8.14	8.07	8.23
US domestic 90CL cow	7.53	7.53	7.81

Sheep

SHEEP MEAT			
Slaughter price (NZ$/kg)	Last week	Prior week	Last year
NI lamb (17kg)	7.25	7.25	8.55
NI mutton (20kg)	4.90	4.95	5.55
SI lamb (17kg)	6.95	6.95	8.30
SI mutton (20kg)	4.65	4.65	5.60
Export markets (NZ$/kg)			
UK CKT lamb leg	9.69	9.73	10.11



Dairy

Da

MILK PRICE FUTURES

Sector	Trend	Current level[1]	Next 6 months
Dairy	With NZ spring production upon us we expect prices to drift lower in the short-term. We are still sticking with our 2020/21 milk price forecast of $6.50/kg.	Average	↘
Beef	Covid supply restrictions in US and Australia and firm Asian demand are likely to offset broader demand weakness.	Below average	→
Lamb	Different price fortunes for different cuts; those traditionally sent to Europe and US will be soft, while those sent to Asia could see a boost as activity rebounds.	Above average	→
Forestry	Prices are expected to rebound modestly as economic activity in China rebounds.	Below average	↗
Horticulture	Kiwifruit prices are bucking the Covid trend, but some overall fruit price moderation is still likely.	High	↘
Wool	Prices are expected to remain at depressed levels.	Low	→

SOURCE: Westpac

NEW ZEALAND EQUITIES

NZX MARKET WRAP

SKY TELEVISION SKT.NZ NEUTRAL

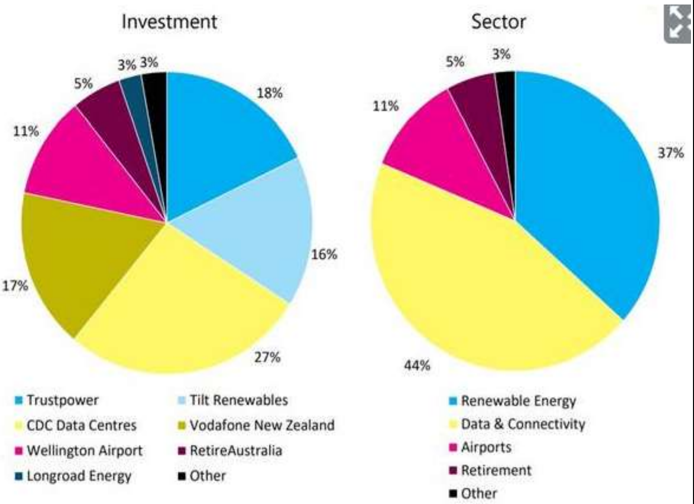
It is not surprising to see SKT exit Outside Broadcast. Once an important piece of the competitive moat around SKT the landscape has changed, as evidence by SPK's ability to secure Cricket without it (cricket accounted for ~15% of OSB's broadcast days). With the assets well sweated, we expect only modest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

SKT confirmed FY20 guidance and also confirmed new banking arrangements consistent with that outlined at its recent capital raise. On the banking capacity we still have question marks over SKT's requirement for such a large facility and its ability to utilise it all through the next few years in what is likely going to remain a challenging transition – e.g. if SKT needs $200m to invest back into the business (cover transition operating losses and/or major investment into the business) then we suspect more equity will need to be a decent part of the mix.

Back at Level 2 and 2.5 restrictions on community transmission, the key near term issues for SKT revolve around the duration and what it means for the risk appetite of Government. In particular, NZ Rugby/SKT is looking to secure the Rugby Championship in October/November - important for the recovery of advertising and commercial revenues and sustaining sporting subscribers through 1H21. That has clearly got marginally harder. Somewhat related is clarity on what happens with the Rugby competitions in CY2021 and SKTs sports costs if things remain scaled back.

INFRATIL IFT.NZ NEUTRAL

A DATA AND CONNECTIVITY COMPANY



Historically, many investors would have seen IFT in terms of buses, airports and power - But with the scale of Vodafone NZ (in which IFT holds a 50% stake), Trustpower's growing broadband business (more than 100,000 of its customers now get bundled internet) and CDC growing 30% to 40% per year, shareholders could now view it as a "data and connectivity company".

With Vodafone, Infratil was addressing what Morrison & Co chief executive Marko Bogoievsky called "historic under-investment" with its 5G mobile network upgrade and other technology upgrades. CDC (in which IFT holds a 48% stake) is soon to make its first foray onto this side of the Tasman, with plans to build two large-scale data centres in Auckland.

IFT on 20th August announced it would buy back 20m shares. The buybacks may take place between August 26 this year and July 22 next year, on the NZX only.

Bogoievski said Infratil had averaged 17 to 18% total returns since the company listed in 1994 - the same year that Wellington-based asset manager Morrison and Co was appointed manager. Morrison & Co has been paid a fixed annual fee, plus a bonus if an independent valuation finds the value of its international assets have increased by 12% or more.

For 2020, Morrison & Co was paid management fees of $37.5m (up from 2019's $24.9m) with an international portfolio incentive fee of $125m (up from 2019's $102.6m). The incentive fee is payable in three equal instalments. The first was paid in cash. The second can now be paid in shares - or at least, the board now has that option - following the scrip resolution that passed the virtual AGM, with only minor rebellion.

CANNASOUTH CBD.NZ NO VIEW

MEDICINAL CANNABIS COMPANY

The rise and rise of Cannasouth (CBD) has more than a few people scratching their heads. The Waikato-based CBD told the NZX recently that it was not in possession of any information in response to a "please explain" inquiry from the exchange regarding its buoyant share price, which was then at 79c. The company said it had not breached any disclosure requirements, and the stock has since gone ahead in leaps and bounds towards $1.30/share – up from 53c on 8th June.

Even though medicinal cannabis is already legal, it seems as if CBD may have also been caught up in the general debate about recreational cannabis, an issue that will go to the vote at the general election. Since its inception, CBD has made it clear that its interests lie solely in the application of cannabis-based compounds for medicinal use. A lot of people don't realise that medicinal cannabis is actually legal now. CBD is also a stock that seems to appeal to individual investors - it already has 20,000 shareholders.

Note: CBD is heavily traded by Sharesies (a no-frills trading platform, favoured by young, unsophisticated investors). Last Friday alone (4th September), 36.1% of all trades (by value) in CBD were by Sharesies.

COMVITA CVT.NZ NEUTRAL

Source: Jenny Ruth, Business Desk

Comvita's annual results could be a classic case of a new chief executive cleaning out as many skeletons as possible from a company's closets to give himself a clean slate from which his future performance can be measured.

The $9.7m net loss for the June year included write-offs of a number of relatively small investments and businesses.

While David Banfield presented the first-half results in February, he only became CEO in January, so the annual result was the first he could be held responsible for.

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

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

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

It does sell a few other things - propolis-based products, olive leaf-based products and omega 3 fish oil - but Banfield's strategy is to focus on its market-leading bee products. One of the write-offs was a 17% stake in fish oil producer Seadragon.

Of its 31 Hong Kong retail stores, Banfield is closing seven, saying they're unprofitable. Of course, the civil unrest and the coronavirus crisis added to any Comvita-specific issues.

The inevitable downside

Inevitably, Banfield's "transformation" programme means job losses, with 90 positions to be eliminated, cutting staff numbers to 540.

In short, Banfield said the business had become complicated and disconnected from consumers and markets.

"Those things needed to change to make sure we gain the benefit of our unique model in this market." That is, other NZ honey producers are simply exporters while Comvita has subsidiaries around the world with people on the ground.

"The only reason we have people in market is so we're closer to consumers and their needs and that's where we should be winning," he said.

Banfield, who was in charge of tapware company Methven from 2014 until its takeover early last year, said the number of stock units isn't necessarily a problem.

"Our absolute focus is making sure we've got the most efficient SKU count so we're not investing cash in non-core products," he said.

Nevertheless, 464 may still be too many, and something he will come back to.

A recurring excuse Comvita wheeled out in recent years was three bad honey harvests in a row. Profit went from $18.5m in the June 2016 year to the 2019 $27.7m net loss.

Is it real change?

This year's harvest was excellent with record production, so analysts will be watching to see whether the second-half improvement simply reflected that fact.

However, Banfield has remodeled the honey harvesting part of the business so when it equals this year's 700 tonnes, or is in the range of 680 tonnes to 720 tonnes, margins will be 40% to 50% higher.

If the harvest is 10 percent lower at about 600 tonnes, Comvita will still be able to make the same gross profit as it did in the year just gone.

And next time there's a poor harvest delivering the average of the 2018 and 2019 seasons' 410 tonnes, that unit will at least break even.

Steps to ensure this include reducing sites where it costs a lot to collect honey, improving breeder queens to improve hive yield and increasing honey quality – the latest harvest saw a 150% increase in honey with above 10 UMF, the measure of manuka honey's purity.

Banfield said this year's harvest added $2.2m to gross profit and a further $4m benefit will flow into the 2021 and 2022 results.

"Yes, it's about quality and quantity of honey, but it's also about cost to actually service those sites," he said.

Managing stocks

Which brings us to Comvita's honey in storage. The company managed to get inventory – mainly stocks of honey – down by $19.5m in the year just gone but it was still $112.7m at June 30. Included in that decline was a $3.7m provision for deteriorated stock.

Asked about how confident he was in the quality of that inventory, Banfield said: "*Very. We go through an exacting process with the auditors and they independently verify everything*," but he acknowledged that’s been an issue.

Another major improvement is that trade receivables on the balance sheet nearly halved to $17.7m from $30.9m the previous year, and these improvements fed through into both debt reduction and the jump in cash flow to $39.3m from $21.1m.

Call me [Jenny Ruth] naïve, and certainly it's too soon to say Comvita's turned the corner and may finally deliver on its promise, but it's the first result from the company in ages that hasn't left me feeling profoundly depressed.

PORT COMPANIES – TAURANGA TROUNCES AUCKLAND

SOURCE: Brian Gaynor, Milford Asset Management

	2019	Change	2005
Containers (TEUs)			
Ports of Auckland	939,680	45.8%	644,306
Port of Tauranga	1,233,177	181.4%	438,214
Breakbulk (million tonnes)			
Ports of Auckland	6.5	32.7%	4.9
Port of Tauranga	26.9	113.5%	12.6
Revenue ($m)			
Ports of Auckland	248.1	58.1%	156.9
Port of Tauranga	313.3	115.2%	145.6
EBITDA ($m)			
Ports of Auckland	92.6	11.7%	82.9
Port of Tauranga	173.2	134.4%	73.9

In business numbers can tell the full story, and this is clearly the situation when comparing Ports of Auckland with Port of Tauranga.

The Bay of Plenty company is hammering its rival as its value has soared by $4.5 billion over the past 15 years as a listed company while an Auckland Councillor claims that Ports of Auckland's value has risen only $2 billion over the same period.

SHARE MARKET VALUES – ONLY ONE WINNER

Port of Tauranga listed on the sharemarket on May 5, 1992 after issuing shares to the public at $1.05 each. Its share price closed at $1.22 that day, giving the company a market value of just $67.1 million.

Bay of Plenty Regional Council, through Quayside Holdings, owned 56.1% of the Mount Maunganui port company. At the time, Tauranga was considered by most investors to be a small regional port with limited growth opportunities.

Ports of Auckland listed on October 19th 1993, after an initial public offering at $1.60 a share. It was 80% owned by the Auckland Regional Council, through the Auckland Regional Services Trust.

Its share price closed at $1.74 on its first trading day, giving it a market value of $345.8 million. This compared with the Tauranga port's $93.7 million value on the same day.

Ports of Auckland delisted on July 2005 after a successful takeover by Auckland Regional Holdings, which valued the company at $848 million. On the same day, Port of Tauranga had a $632.3 million market value.

Fast forward 15 years and Port of Tauranga now has a market value of $5.1 billion while Auckland Councillor Chris Darby wants to sell 50% of Ports of Auckland to the Crown for between $1.2 billion and $1.6 billion. This proposal gives the Auckland port a mid-point valuation of only $2.8 billion.

How can Port of Tauranga be worth $5.1 billion when Darby values Ports of Auckland at only $2.8 billion?

PERFORMANCES – AGAIN ONLY ONE WINNER

Tauranga has completely outperformed Auckland in terms of cargo and earnings.

PORT VOLUME, REVENUE AND EARNINGS

Tauranga was considered to be a breakbulk port (logs, dairy products etc) 15 years ago but it now has more container traffic than Auckland. The Tauranga port also has less debt than Auckland's and is far more profitable.

Auckland City, which now owns 100 percent of Ports of Auckland, has received $218.9 million in dividends over the past four and a half years, while the Bay of Plenty Regional Council, which owns 54.1 percent of Port of Tauranga through Quayside, has received dividends of $271.7 million over the same period.

CONCLUSIONS

Port of Tauranga has thrashed Ports of Auckland over the past 15 years because of its NZX listing, superior governance and management, and it has only 230 permanent staff compared with Auckland's 555 employees. The Tauranga port has fewer staff because it relies more heavily on external service providers.

Auckland City Councillor Chris Darby should be spending more time demanding a better performance from Ports of Auckland - and promoting a partial sale of the company and a sharemarket listing - instead of promoting the dumb idea of selling 50% of the port company to the Crown.

Surely, Wellington politicians have enough on their plate without being asked to take on more of Auckland's problems.

STOP PRESS: CEO Mark Cairns announces his retirement, in June 2021 after more than 15 years at the helm of New Zealand's largest and most efficient port.

JARDEN COMMENT ON POT RESULT

POT has delivered a somewhat soft result across most key profit metrics with underlying EBITDA of $161.1m (-5%) and NPAT $93.7m (-5% YoY), 3% and 2% below expectations. Total trade tonnage declined by 7.9% YoY reflecting solid falls in both log volumes (-21.5% YoY) and other non-log breakbulk (-11.4%). 1H20 log volumes were impacted by lower international prices and demand, while 2H20 volumes were further hit by the forestry industry being deemed non-essential during the Level-4 lockdown. Against this soft PCP management expects FY21 log volumes to be 6.2mnT (+12% YoY). Trade uncertainty and capex profile has seen the special dividend suspended.

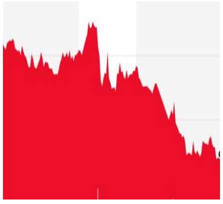
PORT OF TAURANGA Year to 30 JUNE		2020A	2021F	2022F	2023F
Adj Earnings	NZ$m	94	95	108	117
Earnings/Share	NZc	13.8	13.9	15.8	17.2
PE Ratio	x	54.1	53.5	47	43.4
Cash/Share	NZc	17.1	16.7	18.5	20.2
Net Dividend	NZc	12.4	11.3	12.8	13.9
Gross Div Yield	%	2.3	2.1	2.4	2.6

STOCKS TO WATCH NEW ZEALAND

Prices as at 4th September 2020

ALL ONE YEAR GRAPHS

A2 Milk

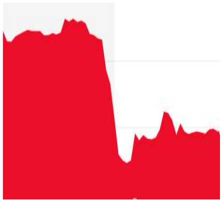


ATM has delivered a solid FY20 result, broadly in line with expectations. Revenue +33% to $1.73bn (Jarden $1.74bn), was underpinned by Infant at +34% to $1.4bn. Operating EBITDA +33% to $550m (Jarden $556m) and cash now sits at $854m. Outlook comments are for strong revenue growth to continue, EBITDA margin between 30 - 31% and some capex flagged into IT and fresh milk processing investment. Within the strong infant performance, China label and CBEC channels now represent 48% of total mix.

2021 P/E: 33.0 2022 P/E: 27.8

NZX Code:	**ATM**
Share Price:	**$18.27**
12mth Target:	**$22.55**
Projected return (%)	
Capital gain	23.4%
Dividend yield (Net)	0.0%
Total return	**23.4%**
Rating: OUTPERFORM	
52-week price range: 12.19-21.74	

Air New Zealand



Normalised PBT loss of –$87m came in ahead of Jarden's forecast of -$115m. While this earnings outcome was better than expected, it marked a material decline from PBT profit of $374m in FY19 reflecting the significant COVID-19 related operational disruptions experienced in 2H20. While this earnings beat is welcome, they believe that in an environment where borders remain shut, it provides little added confidence as to the earnings trajectory for the year ahead. Reflecting this reality AIR stated that it was unable to provide specific earnings guidance for the year ahead, but noted that under each scenario they are modelling the company will likely be materially loss making in FY21.

2021 P/E: (6.6) 2022 P/E: (170.8)

NZX Code:	**AIR**
Share Price:	**$1.34**
12mth Target:	**$0.80**
Projected return (%)	
Capital gain	-40.3%
Dividend yield (Net)	0.0%
Total return	**-40.3%**
Rating: UNDERPERFORM	
52-week price range: 0.80-3.05	

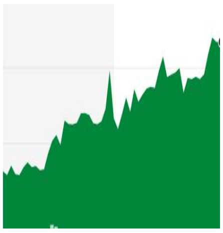
Auckland Airport

AIA reported largely an academic 2H result, given international borders remain shut due to COVID restriction and Auckland is currently in Level 3 lockdown, which limits inter-region domestic travel. FY20 underlying NPAT was -31% to $189m (Jarden $185m) and no earnings guidance was provided for FY21, as expected. Critically, in the interim the property business is performing well and AIA is continuing to invest in developments.

2021 P/E: (255.9) 2022 P/E: 92.5

NZX Code:	**AIA**
Share Price:	**$7.09**
12mth Target:	**$5.95**
Projected return (%)	
Capital gain	-16.0%
Dividend yield (Net)	0.1%
Total return	**-15.9%**
Rating: UNDERPERFORM	
52-week price range: 4.26-9.04	

Chorus



Buoyed by CNU's positive intent for dividend from FY22 – albeit without CNU quantifying the financial or qualitative factors that would shape it, the investment case remains complicated. While capex would clearly fall away and earnings should be relatively stable through the initial regulatory period regardless of outcome, the final regulatory settings remain important to long-term cash flow and valuation; and Fixed Wireless Access (FWA) is likely to be a constraint – including in the short term. With little visibility on what the long term looks like, investors are understandably more focused on the free cash flow prize.

2021 P/E: 50.0 2022 P/E: 50.8

NZX Code:	**CNU**
Share Price:	**$8.15**
12mth Target:	**$8.34**
Projected return (%)	
Capital gain	2.3%
Dividend yield (Net)	3.2%
Total return	**5.5%**
Rating: NEUTRAL	
52-week price range: 4.97-8.70	

Comvita

CVT has delivered a strong 2H underlying result, in line with pre-guidance/Jarden's expectation. The 2H benefited from COVID-19 tailwinds, simplification activities, record harvest and cycling a poor pcp. Adjusted EBITDA $19.1m (1H $0.6m, 2H $18.4m, Jarden $18m), net debt down to $16m (post 2H equity raise), no final dividend declared. Outlook thematic positive, execution remains key to sustained improvement. Operationally, pleasing to see: China direct revenue +11%.

2021 P/E: 17.7 2022 P/E: 13.3

NZX Code:	**CVT**
Share Price:	**$3.28**
12mth Target:	**$3.65**
Projected return (%)	
Capital gain	11.3%
Dividend yield (Net)	2.2%
Total return	**13.5%**
Rating: NEUTRAL	
52-week price range: 1.66-4.97	

Contact Energy

Loaded for an uncertain future - Contact reported an FY20 EBITDA of $451m (Jarden est. $452m), despite being down $54m on pcp, 1H20 was materially impacted by gas supply constraints and the pcp enjoyed a c. $30m better hydro performance. FY21 was negatively impacted by a dry start to the year and a planned geothermal outage, which combined with higher gas costs and retail competition results in an EBITDA estimate of $449m. Despite the uncertain outlook, CEN held FY20 dividend flat at $39c, with no guidance until more Tiwai certainty. The management presentation highlighted Contact's intent to ensure that whether Tiwai stays or goes the company aims to maximise its assets and options, even at the expense of poor short-term industry outcomes.

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

NZX Code:	**CEN**
Share Price:	**$6.33**
12mth Target:	**$8.01**
Projected return (%)	
Capital gain	26.5%
Dividend yield (Net)	4.8%
Total return	**31.3%**
Rating: OUTPERFORM	
52-week price range: 4.54-9.05	

Delegat Group

DGL produced FY20 operating EBIT of $95.2m, -0.9% vs Jarden ($96.0m), +14.3% vs $83.3m in the pcp. Operating NPAT was in line with Jarden at $60.8m (+20% vs pcp of $50.8m). This was supported by volume growth (+8.9%), cost control, and favourable FX rates. DGL has provided guidance for FY21 operating NPAT to be between $60-65m (Jarden $64m). Strong volume growth was achieved in the UK, Ireland and Europe market (+23%) as well as North America (+8%). It was pleasing that DGL was able to navigate COVID-19 effectively with 2H20 sales volumes +8% on the pcp. This demonstrates the strength of the Oyster Bay brand and DGL's strong distribution networks within its key markets.

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

NZX Code:	**DGL**
Share Price:	**$13.90**
12mth Target:	**$13.50**
Projected return (%)	
Capital gain	-2.9%
Dividend yield (Net)	1.4%
Total return	**-1.5%**
Rating: NEUTRAL	
52-week price range: 6.39-15.08	

Ebos Group

EBO has reported a strong FY20 result in line with our expectations. Operating EBITDA was A$297.1m (Jarden: A$296.6m) and underlying NPAT was A$168.3m (Jarden: A$167m). No forward guidance was provided despite a strong start to FY21 (July revenue/EBITDA +6.9%/6.5% YoY), due to ongoing uncertainty created by COVID-19. However, despite the second wave of outbreaks (impacting July), EBO doesn't believe the strong start relates to 'pantry stocking' (like was seen earlier in the year). EBO indicated that the impact of COVID-19 had a net neutral impact on performance for FY20. Top-line growth was underpinned by the first full year from the Chemist Warehouse wholesale contract (Healthcare), which helped increase volumes across all sites (a by-product of this was softer margins). There was also strong growth coming from Community Pharmacy retail brands (e.g.TWC 4.1% network sales growth); in Institutional Healthcare new specialty medicines; and increased market share for Contract Logistics.

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

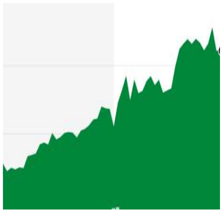
NZX Code:	**EBO**
Share Price:	**$24.01**
12mth Target:	**$22.50**
Projected return (%)	
Capital gain	-6.3%
Dividend yield (Net)	4.0%
Total return	**-2.3%**
Rating: NEUTRAL	
52-week price range: 18.42-25.60	

Freightways

FRE delivered a better-than-expected FY20 result, with underlying EBITDA of $110.9m (-1.1% YoY) and NPAT (excl. IFRS 16) of $58.5m (-4.1% YoY) +8.4% and +13.6% ahead of Jarden's forecast. Importantly, This better result reflected a combination of higher Big Chill revenues and better underlying volume performance in Express Package. It was also driven by better one-off cost out & wage subsidy gains. While the headline result may suggest minimal impact from COVID-19 lockdown measures, this period benefitted from $16m of wage subsidies and included the integration of Big Chill in Q4.

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

NZX Code:	**FRE**
Share Price:	**$7.44**
12mth Target:	**$8.20**
Projected return (%)	
Capital gain	10.2%
Dividend yield (Net)	4.7%
Total return	**14.9%**
Rating: NEUTRAL	
52-week price range: 4.50-8.78	

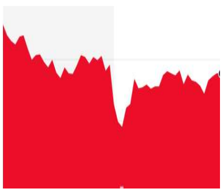


Fisher & Paykel Healthcare

Based on a strong first four months of the year within Hospital, FPH has upgraded its previous guidance range for NPAT to between $365m and $385m (was previously $325m to $340m 29th June). The bottom end moving in line with Jarden's prior and consensus. FY21 revenue guidance now $1.61bn (was $1.48bn, Jarden $1.56bn). Mgmt. also noted global sales of both IV and Optiflow consumables in July have returned to similar peak levels seen in April. This reflects: (1) greater installed base, (2) change of clinical practice for high nasal flow therapy for Covid patients and (3) some stock rebuild.

2021 P/E: 53.3 2022 P/E: 54.9

NZX Code:	**FPH**
Share Price:	**$34.25**
12mth Target:	**$30.00**
Projected return (%)	
Capital gain	-12.4%
Dividend yield (Net)	1.2%
Total return	**-11.2%**
Rating: UNDERPERFORM	
52-week price range: 16.44-37.89	

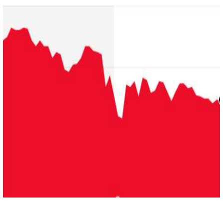


Genesis Energy

Genesis reported FY20 EBITDA of $356m, at the lower end of its guidance range $355-$365m but a good result considering the dry conditions. Dividend at 17.2cps in line with guidance. Outlook for FY21 EBITDA to be in a $395m to $415m range, midpoint up 14% on FY20, driven by hydro reversion, roll off of punitive gas contracts and ramp up of Kupe production. Balanced strategic outlook comes with multiple risks.

2021 P/E: 41.6 2022 P/E: 35.4

NZX Code:	**GNE**
Share Price:	**$3.02**
12mth Target:	**$3.04**
Projected return (%)	
Capital gain	0.7%
Dividend yield (Net)	6.0%
Total return	**6.7%**
Rating: NEUTRAL	
52-week price range: 1.99-3.65	



NZ King Salmon Co

NZK FY20 Operating EBITDA was $25.1m. -6.7% vs Jarden ($26.9m); and -0.4% vs pcp ($25.2m). This result was at the bottom end of guidance ($25-28.5m), and management has indicated that it expects it will be "challenging for FY21 EBITDA to exceed FY20". Additionally, no final dividend will be paid in respect of the FY20 year with a resumption to be reviewed next year (Jarden assumes a resumption in 2H21).

2021 P/E: 25.3 2022 P/E: 21.3

NZX Code:	**NZK**
Share Price:	**$1.79**
12mth Target:	**$1.55**
Projected return (%)	
Capital gain	-13.4%
Dividend yield (Net)	1.3%
Total return	**-12.1%**
Rating: UNDERPERFORM	
52-week price range: 1.29-2.42	

NZME

NZM delivered a very strong operating result despite a challenging back drop in which key ad revenues fell materially in 1H20 (print ad -31%; radio -18%; digital ad -8%). Ad revenues are coming back but remain ~16% off in 3Q20. Circulation revenues held up well through the period. On the basis of improvement in economic conditions (but still below pre-COVID-19 levels) and a $20m permanent reduction in the operating cost base, NZM is targeting $60-$63m operating EBITDA for FY20 with profit growth in FY21. Against a fragile economic outlook and with risks of COVID-19 still at the fore we are a little more cautious but still see a lot to be positive about.

2020 P/E: 4.9 2021 P/E: 4.9

NZX Code:	**NZM**
Share Price:	**$0.43**
12mth Target:	**$0.47**
Projected return (%)	
Capital gain	9.3%
Dividend yield (Net)	4.9%
Total return	**14.2%**
Rating: OUTPERFORM	
52-week price range: 0.178-0.46	

NZX

NZX has reported a strong 1H result with EBITDA of $17.6m (+21.5% YoY) and underlying NPAT of $9.1m (+38.7%), both ahead of Jarden forecasts of $15.8m (+10.9%) and $7.8m (+15.9%) respectively. Underpinning this strong operating performance was growth in secondary market revenue (+47.8% YoY) and EBITDA (+85.7%), with this business benefiting from large increases in both the number of trades and total value traded. The key negative earnings surprise in the result was higher than expected corporate overhead (+12.5% YoY), although this was impacted by some transitory elements which should normalise in 2H20.

2020 P/E: 24.4 2021 P/E: 23.8

NZX Code:	**NZX**
Share Price:	**$1.63**
12mth Target:	**$1.50**
Projected return (%)	
Capital gain	-8.0%
Dividend yield (Net)	4.2%
Total return	**-3.8%**
Rating: NEUTRAL	
52-week price range: 0.92-1.69	

Precinct Properties NZ

PCT released an in-line FY20 result, with little impact from COVID-19 ($1.7m abatements/$1.3m deferrals). The Comm. Bay retail (opened post initial lockdown) accounts for ~15% of the portfolio value and NZ with re-entering lockdown conditions (duration uncertain), adding uncertainty for support in FY21—Jarden continues to allow for $2m 1H21 abatements. The retail uncertainty was evidenced in a $70m negative value movement on the Comm. Bay retail to $425n. The valuations were in line overall with Jarden expectations.

2021 P/E: 26.2 2022 P/E: 24.8

NZX Code:	**PCT**
Share Price:	**$1.68**
12mth Target:	**$1.74**
Projected return (%)	
Capital gain	3.9%
Dividend yield (Net)	3.8%
Total return	**7.7%**
Rating: NEUTRAL	
52-week price range: 1.44-1.95	

PGG Wrightson

PGW has reported a FY20 result in line with Jarden's expectation and recent guidance. Operating EBITDA (ex IFRS16) was $23.4m (Jarden $23.7m) and adjusted NPAT (ex IFRS 16, dis-continued) of $9.1m (Jarden $9.7m). No final dividend declared given 2H net loss and current uncertainty, likewise no FY21 guidance provided. Retail & Water underpinned a very strong 1H performance, but the key 2H contributor Agency was impacted by Covid disruption. Jarden estimates this disruption was c.$10m at the EBITDA level across 2H, mostly in Livestock (say 80%) and to a much lesser extent Wool. The overall impact softened by Crown wage subsidy, $3m 2H, $1m 1Q21.

2021 P/E: 19.5 2022 P/E: 17.3

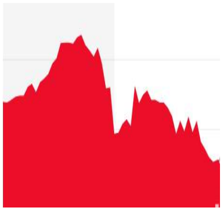
NZX Code:	**PGW**
Share Price:	**$2.69**
12mth Target:	**$2.05**
Projected return (%)	
Capital gain	-24.4%
Dividend yield (Net)	4.3%
Total return	**-20.1%**
Rating: UNDERPERFORM	
52-week price range: 1.55-3.01	

Port of Tauranga

Trade uncertainty and capex profile has seen the special dividend suspended. The company notes that reserved funds will be used to accelerate capital expenditure such as the planned container berth extension (DPS of 12.4cps was below Jarden forecast of 16cps). Reflecting this POT has guided to total capex of $59.3m in FY21, of which $23m relates to the southern berth extension. The ordinary dividend policy of paying out 70%-100% of underlying profit has been maintained. **Maintain as a CORE portfolio stock.**

2021 P/E: 53.5 2022 P/E: 47.0

NZX Code:	**POT**
Share Price:	**$7.37**
12mth Target:	**$5.20**
Projected return (%)	
Capital gain	-29.4%
Dividend yield (Net)	1.5%
Total return	**-27.9%**
Rating: ~~UNDERPERFORM~~	
My Rating: BUY ON WEAKNESS	
52-week price range: 4.90-8.14	



Sanford

SAN has issued a profit warning which mainly reflects ongoing issues caused by COVID19 disruption. Revenue for 3Q20 is down -15% vs. pcp, with the expectation that 4Q20 revenue will be similar or worse. The timing of the impact has been felt differently across wild catch (WC), mussels & salmon. Currently, the issues are mainly being experienced in WC, with Aquaculture faring better. The exception for aquaculture was a soft July for mussels.

2020 P/E: 21.8 2021 P/E: 16.8

NZX Code:	**SAN**
Share Price:	**$5.75**
12mth Target:	**$6.15**
Projected return (%)	
Capital gain	7.0%
Dividend yield (Net)	2.2%
Total return	**9.2%**
Rating: NEUTRAL	
52-week price range: 5.50-8.20	

Skellerup Holdings

SKL has reported a strong FY20 result (NPAT $29m, in line with Jarden), and was on track for a record result pre 4Q end market weakness, mostly in Industrial and partly COVID related. Final dividend of 7.5c declared, 50% imputed. Looking forward, both divisions have started strongly in July/Aug but no formal guidance issued for FY21. Agri was the standout division with EBIT +12% to $25.4m (Jarden $24.1m), margin +1.5 pp. This was a record for this division underpinned by the US market dairy sales growth, Silclear performing ahead of expectation, Wigram operational efficiencies and solid footwear sales. Looking forward, management is confident of securing further growth upside in liners and tubing via its GEA and de-Laval relationships.

2021 P/E: 16.8 2022 P/E: 15.5

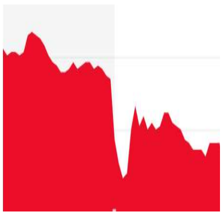
NZX Code:	**SKL**
Share Price:	**$2.88**
12mth Target:	**↑ $2.80**
Projected return (%)	
Capital gain	-2.8%
Dividend yield (Net)	5.1%
Total return	**2.3%**
Rating: OUTPERFORM	
52-week price range: 1.37-2.92	

SkyCity Entertainment Group

SKC has reported a solid finish to the year and provided a solid trading outlook – both in a COVID context. Norm. EBITDA was $201m (Jarden $195m), with the 4Q underpinned by strong domestic gaming in Auckland and Hamilton. FY21 guidance is for norm. EBITDA > pcp (caveat on properties remaining open) and including practically no revenues with international borders closed. Intention is to resume dividends with a final in FY21 (Jarden NZ4c), but no interim given covenant waivers in place.

2021 P/E: 29.5 2022 P/E: 20.4

NZX Code:	**SKC**
Share Price:	**$2.75**
12mth Target:	**↑ $3.00**
Projected return (%)	
Capital gain	9.1%
Dividend yield (Net)	1.9%
Total return	**11.0%**
Rating: OUTPERFORM	
52-week price range: 1.14-4.15	

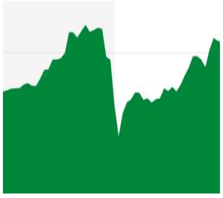
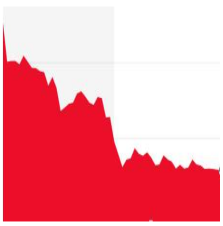


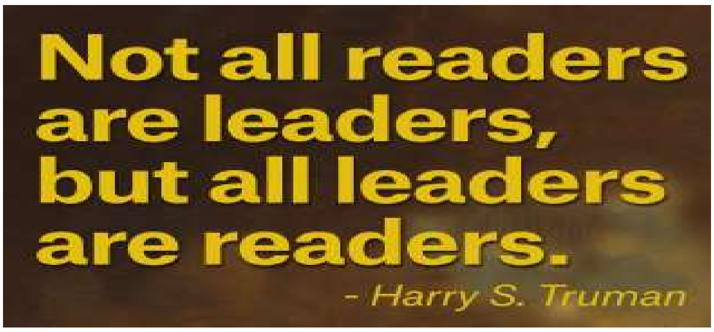
Steel & Tube

STU's FY20 result contained few surprises, delivering a normalised EBIT loss (pre-IFRS16) of NZ$5.2 mn with a 2H20 loss of ~NZ$8 mn largely down to minimal trading during a month of COVID-19 lockdown. Whilst sales returned to prior-year levels by June and have been above expectation in 1Q21 (cash collections good throughout), activity levels over coming months are highly uncertain with STU's expectation for strength in the residential and manufacturing sectors offset by weakness elsewhere - primarily in non-residential construction. Infrastructure activity is likely to pick up, but it is unclear as to the extent and timing of the Government's recently touted "shovel ready" projects.

2021 P/E: (59.2) 2022 P/E: 35.1

NZX Code:	**STU**
Share Price:	**$0.58**
12mth Target:	**↓ $0.51**
Projected return (%)	
Capital gain	-12.1%
Dividend yield (Net)	0.3%
Total return	**-11.8%**
Rating: UNDERPERFORM	
52-week price range: 0.47-0.96	

	**Stride Property Group** SPG has purchased an office building at 34 Shortland Street, Auckland for a price of $67.5m, including an allowance for $3-$3.5m for building upgrades. This takes SPG's office exposure to $250m as it looks ahead to establishing a fund in that space at around $500m size. The asset has a relatively short 2.7 year WALT with SPG purchasing the high B-grade asset on a 6.3% initial yield (6% post upgrades) with those metrics incorporating an 18-month vendor underwrite on current vacancy around 13%. Taking this into account, the purchase price would appear to be broadly in line with market (CBRE CBD grade B yield at 30 June 6.99%; grade A yield 6.29%). 2021 P/E: 20.1 2022 P/E: 17.5	**NZX Code:** **SPG** **Share Price:** **$2.05** **12mth Target:** **$2.23** **Projected return (%)** Capital gain 8.8% Dividend yield (Net) 5.1% **Total return** **13.9%** **Rating: OUTPERFORM** 52-week price range: 1.18-2.45
	**Summerset Group Holdings** Solid 1H20 result despite challenging operating conditions with underlying NPAT of $45.1m (-6% YoY) ahead of guidance of $40m-45m and Jarden's forecast of $40.9m. Importantly, while NPAT declined vs. PCP, year-on-year comparisons are distorted by the impact of lockdown restrictions on development, sales activities and increased operating costs. Further, SUM also received a net benefit of $5.4m from wage subsidies in excess of higher COVID-19 related operating expenses. 2020 P/E: 20.5 2021 P/E: 16.8	**NZX Code:** **SUM** **Share Price:** **$8.52** **12mth Target:** **$8.05** **Projected return (%)** Capital gain -5.5% Dividend yield (Net) 1.7% **Total return** **-3.8%** **Rating: UNDERPERFORM** 52-week price range: 2.95-4.65
	**Vector** Vector reported FY20 EBITDA of NZ$490m, NZ$484m in the pcp, a good result considering this just missed its pre COVID-19 guided range of NZ$495m to NZ$505m. The dividend was flat on the pcp at NZ16.5c and in line with guidance. For FY21, Vector is targeting adjusted EBITDA in the range of NZ$480m to NZ$500m. We are forecasting FY21 EBITDA on mid-guidance at NZ$490m, up from NZ$474m previously. We increase our DCF-driven target price from NZ$3.21 to NZ$3.44 and keep our UNDERPERFORM rating. 2021 P/E: 32.6 2022 P/E: 31.1	**NZX Code:** **VCT** **Share Price:** **$4.58** **12mth Target:** **$3.44** **Projected return (%)** Capital gain -24.9% Dividend yield (Net) 3.9% **Total return** **-21.0%** **Rating: UNDERPERFORM** 52-week price range: 2.95-4.65
	**Vista Group International** VGL's 1H20 result highlights a better-than-expected trend in cash receipts, an encouraging sign through a very challenging period for the industry. Forecasts over the next 12-18 months will be difficult given the uncertain timing of the recovery and structural industry risks. VGL's cost and product initiatives are, however, tracking positively, as are the green shoots emerging in the industry. Better-than-expected cash burn and breakeven estimates by Q2'21E have de-risked the investment case significantly. Jarden has upgraded to Outperform. 2021 P/E: 55.3 2022 P/E: 13.1	**NZX Code:** **VGL** **Share Price:** **$1.82** **12mth Target:** **$2.00** **Projected return (%)** Capital gain 12.1% Dividend yield (Net) 0.0% **Total return** **12.1%** **Rating: OUTPERFORM** 52-week price range: 0.90-4.29
	**Vital Healthcare Property Trust** VHP has tweaked its strategy following failure to get an ASX foreign exempt listing. Given limited Hospital assets coming available (and scale of them), Hospital is de-emphasised with VHP targeting growth in exposure to Aged Care and to Life Sciences/Research assets as it also looks to increase tenant diversification and target the higher yields in Aged Care. Jarden expects development and acquisition growth to be a continuing focus, albeit less aggressive than previously, with VHP clear that it is targeting medium-term earnings growth around 2-3% in AFFO. Elsewhere, VHP is looking to add diversity and duration to funding sources (currently out of line with sector peers); introducing some asset recycling into the mix ($100m earmarked) and highlighting a further $130m of development potential in the portfolio (in addition to remaining committed expenditure of $200m). 2021 P/E: 23.6 2022 P/E: 22.5	**NZX Code:** **VHP** **Share Price:** **$3.04** **12mth Target:** **$2.65** **Projected return (%)** Capital gain 1.0% Dividend yield (Net) 3.5% **Total return** **4.5%** **Rating: NEUTRAL** 52-week price range: 1.90-3.04
	Z Energy ZEL is getting comfortable delivering lower margins with a clear line of site on lower costs. A change in retail strategy starting to show up in the numbers but consider the costout focus as not aggressive enough. The new retail strategy enables an improved volume expectation in the near term while still expecting an EV impacted slow decline over the longer term. Also, with the yet-to-be-made certain change in the NZ refinery from refiner to import terminal, earnings volatility could reduce further, although now on a lower trajectory. 2021 P/E: 55.3 2022 P/E: 13.1	**NZX Code:** **ZEL** **Share Price:** **$2.68** **12mth Target:** **$3.93** **Projected return (%)** Capital gain 46.6% Dividend yield (Net) 3.1% **Total return** **49.7%** **Rating: OUTPERFORM** 52-week price range: 2.50-6.63



NZ LISTED COMPANIES 31st August 2020		Mrkt Cap	Price 31-Aug-20	Target Price	Price Earnings (x)		Net Yield (%)	
Source: Jarden, CS Group Estimates	Ticker	(NZ$m)	(NZ$)	(NZ$)	FY20	FY21	FY20	FY21
COMMUNICATION SERVICES								
Chorus	CNU	3,714	8.36	8.34	71.3	50.9	2.9%	3.0%
NZME	NZM	76	0.39	0.47	4.7	4.7	0.0%	7.8%
Sky Network Television	SKT	241	0.14	0.16	11.4	24.7	0.0%	0.0%
Spark NZ	SPK	9,002	4.90	4.38	21.1	21.9	5.1%	5.1%
CONSUMER DISCRETIONARY								
Kathmandu	KMD	893	1.26	1.55	17.8	17.1	0.0%	0.0%
Michael Hill International	MHJ	137	0.39	0.63	8.0	-34.7	0.0%	0.0%
Restaurant Brands New Zealand	RBD	1,525	12.22	10.75	27.7	22.7	0.0%	0.0%
SKYCITY Entertainment Group	SKC	1,885	2.48	2.85	27.2	40.4	4.0%	1.6%
The Warehouse Group	WHS	708	2.04	2.00	9.4	10.3	8.5%	7.8%
Tourism Holdings	THL	299	2.02	3.79	12.4	8.5	10.5%	11.9%
Turners Automotive	TRA	188	2.20	2.26	8.2	11.9	6.4%	5.5%
CONSUMER STAPLES								
The a2 Milk Company	ATM	14,578	19.64	22.55	37.1	31.8	0.0%	0.0%
Comvita	CVT	233	3.34	3.65	62.9	17.4	0.0%	2.1%
Delegat Group	DGL	1,391	13.75	13.55	22.9	21.7	1.2%	1.3%
Fonterra Shareholders' Fund	FSF	414	3.96	3.97	15.7	12.4	3.3%	4.0%
New Zealand King Salmon	NZK	249	1.79	1.55	22.2	25.0	1.1%	1.1%
PGG Wrightson	PGW	205	2.72	2.05	22.6	19.7	3.3%	4.2%
Sanford	SAN	542	5.80	7.98	15.6	12.2	2.6%	4.0%
Scales Corporation	SCL	702	4.94	5.10	26.2	21.1	3.8%	4.0%
Seeka	SEK	129	4.02	4.15	20.9	17.6	6.0%	6.0%
Synlait Milk	SML	1,148	6.40	7.70	14.9	11.6	0.0%	0.0%
ENERGY								
NZ Refining	NZR	207	0.66	1.38	-4.0	-7.7	0.0%	0.8%
Z Energy	ZEL	1,404	2.70	3.93	24.5	55.3	6.1%	0.0%
FINANCIALS								
NZX	NZX	449	1.62	1.50	25.2	24.6	4.0%	4.1%
Heartland Group Holdings	HGH	697	1.20	1.35	10.7	15.2	5.1%	3.3%
HEALTH EQUIPMENT & SUPPLIES								
AFT Pharmaceuticals	AFT	565	5.40	4.34	99.1	43.9	0.0%	0.0%
Ebos Group	EBO	3,560	23.90	20.44	21.0	19.5	3.3%	3.6%
Fisher & Paykel Healthcare	FPH	21,405	37.23	30.00	74.4	54.3	0.7%	1.2%
HEALTH CARE ROVIDERS								
Arvida	ARV	873	1.61	1.35	15.8	21.6	3.6%	3.1%
Oceania Healthcare	OCA	653	1.05	1.08	14.9	14.9	3.3%	3.3%
Ryman Healthcare	RYM	6,730	13.46	10.00	27.8	28.4	1.8%	1.8%
Summerset Group Holdings	SUM	1,960	8.59	8.05	22.7	18.6	1.4%	1.6%
TRANSPORTATION & LOGISTICS								
Air New Zealand	AIR	1,549	1.38	0.80	-24.7	-6.4	8.0%	0.0%
Auckland Airport	AIA	9,807	6.66	5.95	45.2	n.m.	0.0%	0.0%
Freightways	FRE	1,224	7.40	7.60	22.5	19.4	2.0%	4.4%
Mainfreight	MFT	4,890	48.56	45.00	31.3	30.2	1.3%	1.3%
Port of Tauranga	POT	5,061	7.44	5.20	54.1	53.5	1.7%	1.5%
INDUSTRIALS								
Fletcher Building	FBU	2,934	3.56	3.81	n.m.	18.5	0.0%	2.8%
Metro Performance Glass	MPG	43	0.23	0.38	3.9	7.5	0.0%	0.0%
Skellerup Holdings	SKL	541	2.78	2.80	18.6	17.6	4.7%	4.9%
Steel & Tube	STU	95	0.57	0.51	-26.8	-58.2	0.0%	0.0%
INFORMATION TECHNOLOGY								
EROAD	ERD	284	4.16	4.39	n.m.	38.3	0.0%	0.0%
Gentrack Group	GTK	150	1.52	1.61	-38.1	48.3	0.0%	1.8%
Pushpay	PPH	1,632	8.80	3.93	n.m.	52.6	0.0%	0.0%
Serko	SKO	339	3.66	4.45	-40.9	-19.6	0.0%	0.0%
Vista Group International	VGL	389	1.70	2.00	-21.0	39.4	0.0%	0.0%
REAL ESTATE								
Asset Plus	APL	52	0.32	0.43	10.3	11.5	8.4%	5.6%
Argosy Property	ARG	1,138	1.37	1.25	19.0	20.5	4.6%	4.6%
Goodman Property Trust	GMT	3,242	2.33	1.94	34.6	34.2	2.9%	2.3%
Investore Property	IPL	806	2.19	1.83	28.6	28.8	3.5%	3.5%
Kiwi Property Group	KPG	1,616	1.03	1.19	14.4	16.4	3.4%	5.5%
Precinct Properties NZ	PCT	2,181	1.66	1.74	26.2	25.5	3.8%	3.9%
Property for Industry	PFI	1,315	2.63	2.26	26.6	26.7	2.9%	3.0%
Stride Property Group	SPG	720	1.97	2.06	19.1	21.5	5.0%	5.0%
Vital Healthcare Property Trust	VHP	1,316	2.90	2.65	27.9	25.9	3.0%	3.2%
UTILITIES								
Contact Energy	CEN	4,496	6.26	8.01	33.3	43.8	6.2%	4.8%
Genesis Energy	GNE	3,112	3.00	3.04	67.4	43.5	5.7%	5.7%
Infratil	IFT	3,629	5.02	5.36	24.8	n.m.	3.4%	3.4%
Mercury NZ	MCY	7,384	5.42	4.76	45.0	44.1	2.9%	3.1%
Meridian Energy	MEL	13,415	5.24	4.21	42.3	59.4	3.7%	3.0%
TILT Renewables	TLT	1,234	3.58	3.33	3.2	n.m.	0.0%	0.0%
TrustPower	TPW	2,175	6.95	6.15	28.8	22.9	4.7%	4.6%
Vector	VCT	4,450	4.45	3.44	37.7	34.1	3.7%	3.7%
MARKET AVERAGE*					**21.0**	**21.5**	**2.8%**	**2.8%**

Australian Forecasts 31-August-2020 Source: CSFB estimates	Ticker	Market Cap (A$m)	Price 31-Aug-20 (A$)	Target Price (A$)	Price Earnings (x) FY20	Price Earnings (x) FY21	Net Yield (%) FY20	Net Yield (%) FY21
COMMUNICATION SERVICES								
carsales.com.au	CAR	5,057	20.59	18.80	42.5	36.0	2.3%	2.5%
Nine Entertainment	NEC	2,865	1.68	2.35	20.3	20.0	4.2%	3.6%
REA Group	REA	15,205	115.44	109.00	56.6	48.9	1.0%	1.1%
Seek	SEK	7,223	20.46	23.10	79.8	147.3	0.6%	0.0%
Telstra Corporation	TLS	34,491	2.90	3.90	19.0	19.4	5.5%	5.5%
TPG Telecom	TPG	15,135	8.14	7.40	61.6	33.0	0.5%	2.2%
HOTELS, RESTAURANTS, LEISURE & TOURISM								
Aristocrat Leisure	ALL	18,352	28.74	28.00	42.7	24.4	0.0%	0.9%
Crown	CWN	6,237	9.21	11.20	39.0	79.7	3.3%	0.0%
Domino's Pizza Enterprises	DMP	7,321	84.64	60.21	50.1	42.8	1.4%	1.6%
Flight Centre	FLT	2,623	13.18	14.01	-4.1	-42.2	0.0%	0.0%
Star Entertainment Group	SGR	2,734	2.98	3.60	22.6	27.8	3.5%	0.0%
Tabcorp Holdings	TAH	8,092	3.65	4.30	27.3	24.6	3.0%	1.9%
CONSUMER DISCRETIONARY								
Wesfarmers	WES	54,719	48.26	47.30	26.2	27.9	3.1%	3.4%
JB Hi-Fi	JBH	5,877	51.16	47.37	18.2	18.6	3.7%	3.5%
CONSUMER STAPLES								
Coca-Cola Amatil	CCL	6,726	9.29	11.25	21.8	18.4	3.7%	4.3%
Treasury Wine	TWE	6,727	9.33	12.30	21.3	20.4	2.9%	3.2%
Coles Group	COL	24,358	18.26	19.97	26.1	23.2	3.1%	3.6%
Woolworths	WOW	50,233	39.77	40.31	31.2	27.0	2.4%	2.7%
ENERGY								
Ampol	ALD	6,467	25.90	25.51	31.5	18.2	1.9%	3.3%
Beach Energy	BPT	3,354	1.47	1.96	7.3	8.9	1.4%	1.4%
Oil Search	OSH	6,524	3.14	3.23	49.3	14.2	0.0%	1.7%
Origin Energy	ORG	9,792	5.56	5.30	9.6	25.0	4.5%	3.6%
Santos	STO	11,394	5.47	6.63	21.8	15.7	0.8%	1.6%
Woodside Petroleum	WPL	18,266	19.14	25.20	26.9	20.8	2.9%	3.8%
WorleyParsons	WOR	4,934	9.48	11.70	14.2	13.5	5.3%	5.5%
FINANCIALS								
AMP	AMP	5,172	1.51	1.90	11.8	13.5	6.6%	3.0%
ASX	ASX	17,216	88.93	73.00	33.5	24.6	2.7%	2.5%
Challenger	CGF	2,770	4.10	4.25	8.7	10.5	4.3%	5.0%
Macquarie Group	MQG	46,359	128.24	107.50	16.5	20.3	3.4%	2.8%
Magellan Financial Group	MFG	10,971	60.19	60.00	24.9	24.6	3.6%	3.7%
COMMERCIAL BANKS								
ANZ Banking Group	ANZ	52,186	18.40	26.20	15.1	11.9	3.6%	4.5%
Bank of Queensland	BOQ	2,776	6.11	5.50	11.8	13.3	0.0%	5.6%
Bendigo and Adelaide Bank	BEN	3,450	6.51	7.00	12.3	15.6	4.8%	3.6%
Commonwealth Bank Austral	CBA	122,306	69.09	74.80	17.0	18.2	4.3%	2.8%
National Australia Bank	NAB	58,991	17.93	21.30	15.9	13.2	3.6%	4.0%
Westpac	WBC	63,421	17.56	20.60	17.5	12.1	2.1%	4.1%
INSURANCE								
Insurance Australia Group	IAG	11,301	4.89	6.25	26.4	15.4	2.0%	4.6%
Medibank Private	MPL	7,739	2.81	3.00	21.1	20.2	4.3%	4.1%
NIB Holdings	NHF	2,124	4.65	4.70	19.1	17.7	3.0%	3.4%
QBE Insurance Group	QBE	15,677	10.67	12.00	-21.3	15.2	0.8%	4.6%
Suncorp Group	SUN	12,054	9.42	9.95	13.6	15.5	3.8%	4.1%
HEALTH CARE SERVICES								
Ansell	ANN	5,081	39.53	43.00	22.1	21.8	1.8%	2.0%
Cochlear	COH	12,803	194.80	215.00	75.6	75.9	0.8%	0.3%
CSL	CSL	131,633	289.89	333.00	42.2	42.0	1.0%	1.0%
ResMed	RMD	44,134	24.76	28.00	38.3	39.2	0.9%	0.9%
HEALTH CARE PROVIDERS								
Ramsay Health Care	RHC	14,992	65.50	70.00	42.0	33.1	1.0%	1.2%
Sonic Healthcare	SHL	15,444	32.46	37.50	28.8	20.9	2.6%	3.4%

	Ticker	Market Cap (A$m)	Price 31-Aug-20 (A$)	Target Price (A$)	Price Earnings (x) FY20	Price Earnings (x) FY21	Net Yield (%) FY20	Net Yield (%) FY21
INDUSTRIALS								
ALS	ALQ	4,279	8.87	8.00	22.8	24.0	2.0%	2.5%
Brambles	BXB	16,811	11.17	12.25	23.8	23.0	2.3%	2.5%
CIMIC Group	CIM	6,793	21.40	34.00	9.7	9.1	3.6%	7.1%
Cleanaway Waste Manageme	CWY	5,197	2.53	2.45	34.5	30.4	1.6%	1.8%
Downer EDI	DOW	3,051	4.35	4.70	15.9	14.5	3.2%	4.5%
Reliance Worldwide	RWC	3,010	3.81	4.00	23.0	19.8	1.8%	2.0%
TRANSPORT & LOGISTICS								
Aurizon	AZJ	8,252	4.31	5.40	15.8	16.3	6.4%	6.1%
Atlas Arteria	ALX	6,301	6.57	7.90	-60.6	23.2	1.7%	4.0%
Qantas	QAN	7,337	3.89	3.00	-3.0	-7.8	0.0%	0.0%
Qube Holdings Limited	QUB	5,199	2.76	3.20	44.5	39.3	2.1%	2.1%
Sydney Airport	SYD	14,870	5.51	4.39	-58.7	n.m.	0.0%	1.9%
Transurban	TCL	36,388	13.30	12.60	n.m.	-146.7	3.5%	2.4%
INFORMATION TECHNOLOGY								
Computershare	CPU	7,356	13.60	13.90	16.3	19.5	3.4%	2.9%
Link Administration Holdings	LNK	2,174	4.10	5.10	15.5	16.9	2.4%	2.4%
NEXTDC	NXT	5,411	11.89	11.70	n.m.	n.m.	0.0%	0.0%
WiseTech Global	WTC	9,110	28.14	28.00	139.3	93.5	0.1%	0.2%
Xero	XRO	14,223	99.95	88.00	n.m.	n.m.	0.0%	0.0%
MATERIALS & PACKAGING								
Orica	ORI	7,062	17.40	16.59	21.0	17.8	2.6%	3.7%
Incitec Pivot	IPL	4,098	2.11	3.27	16.8	13.6	1.7%	3.8%
Boral	BLD	4,817	3.93	3.75	20.7	32.0	2.4%	0.0%
James Hardie Industries	JHX	13,862	31.28	34.90	26.9	24.7	0.5%	0.0%
Amcor	AMC	24,643	15.19	16.10	15.9	15.2	4.4%	4.8%
Orora	ORA	2,201	2.28	2.40	17.3	16.9	21.6%	4.4%
METALS & MINING								
Alumina	AWC	4,637	1.61	2.00	16.6	15.7	5.0%	6.4%
BHP Group	BHP	176,766	37.73	37.00	14.2	17.7	4.6%	2.8%
BlueScope Steel	BSL	6,323	12.58	13.60	18.2	24.9	1.1%	1.1%
Evolution Mining	EVN	9,362	5.48	6.00	23.1	18.8	2.9%	2.2%
Fortescue Metals Group	FMG	58,100	18.87	15.00	8.2	11.0	9.0%	5.9%
Iluka Resources	ILU	4,274	10.11	10.00	24.7	12.9	0.0%	2.9%
Newcrest Mining	NCM	25,600	31.37	35.30	22.3	16.6	1.2%	0.8%
Northern Star Resources	NST	9,978	13.47	15.65	32.2	13.6	1.3%	1.6%
OZ Minerals	OZL	4,633	14.27	11.15	25.9	15.3	1.6%	1.6%
Rio Tinto	RIO	141,150	97.88	88.00	11.8	13.4	4.9%	4.6%
South 32	S32	10,177	2.10	2.60	35.7	17.7	2.2%	2.3%
REAL ESTATE								
Charter Hall Group	CHC	5,818	12.49	12.21	18.0	24.4	2.9%	3.0%
Dexus	DXS	9,504	8.71	9.92	15.8	15.4	5.8%	5.8%
Goodman Group	GMG	33,625	18.39	17.34	32.0	29.2	1.6%	1.6%
GPT Group	GPT	7,227	3.71	4.29	15.7	13.4	5.5%	6.4%
Lend Lease	LLC	7,702	11.19	13.31	-21.8	15.5	3.0%	3.2%
Mirvac Group	MGR	8,228	2.09	2.41	15.8	17.2	4.4%	4.6%
Scentre Group	SCG	11,107	2.14	2.81	14.3	10.7	4.6%	6.7%
Stockland Group	SGP	9,299	3.90	3.96	13.4	14.1	6.2%	6.0%
Vicinity Centres	VCX	6,251	1.38	1.61	11.1	12.7	5.6%	6.4%
UTILITIES								
AGL Energy	AGL	9,216	14.79	12.60	11.6	14.3	6.6%	7.0%
APA Group	APA	12,129	10.28	10.70	38.3	39.5	4.9%	4.9%
AusNet Services	AST	6,831	1.82	1.85	23.1	26.3	5.6%	4.9%
Spark Infrastructure Group	SKI	3,771	2.19	2.65	54.0	89.2	6.4%	4.6%
*PE ratios exclude: XRO *Net Yields exclude: ORA								
Market Average					**22.6**	**21.8**	**2.8%**	**3.0%**

GLOBAL DIRECT EQUITIES PORTFOLIO

Ticker	Security Name	Weight	Sector
AIR.FP	Airbus	4.3%	Industrials
AMZN.US	Amazon	9.7%	Cons Discretionary
AAPL.US	Apple	9.3%	Info Tech
ASML.NA	ASML Holding	6.9%	Info Tech
T.US	AT&T	4.3%	Comm. Serv
BP/.LN	BP	3.6%	Energy
C.US	Citigroup	7.0%	Financials
MC.FR	LVMH	4.1%	Cons Discretionary
MA.US	Mastercard	6.2%	Info Tech
MRK.US	Merck & Co	7.0%	Health Care
MSFT.US	Microsoft	6.9%	Info Tech
MS.US	Morgan Stanley	6.3%	Financials
ULVR.LN	Unilever	4.8%	Cons Staples
UNH.US	UnitedHealth Group	8.2%	Health Care
WMT.US	Walmart	6.4%	Cons Staples
DIS.US	Walt Disney	5.0%	Comm. Serv
		100.0%	

Source: Jarden

Apple (AAPL.US)

Jarden's Investment Committee decided to reduce the exposure to AAPL by 2.0%. Exposure to Apple has exceeded the 10% individual exposure limit following its meaningful outperformance of other equities in the portfolio over the last month. As a result, its exposure in the portfolio has been trimmed for risk management purposes. Jarden remains confident about the prospects of the company, maintaining a sizeable 9.3% holding. Recently Apple delivered a strong quarterly profit result characterised by strong revenue and earnings growth across most business segments. Jarden expects its business to continue to do well. Specifically, the recent development of its services segment remains very encouraging. Recently, it is reported that Apple will offer bundled subscription plans to cover an array of services it currently offers. Jarden believes this move should help Apple to retain customers who previously signed up for these services on a complimentary basis. Also, with the launch of a portfolio of 5G-enabled smartphones and devices in the coming months, we believe Apple will continue to deliver strong profit growth.

ASML Holding (ASML.NA)

Jarden's Investment Committee has decided to introduce ASML into the portfolio. ASML enjoys a near monopoly advantage in making lithography machines and systems that are used to make the most advanced computer chips. The competitors are Nikon and Canon. ASML's star products (i.e. the extreme ultraviolet lithography systems, also known as the EUV lithography systems) are responsible for making the continuous miniaturisation of computer chips possible for TSMC, Samsung, Intel, SK Hynix, Micron, SMIC, AMD, Nvidia and others computer chip makers. As a result of its technological advantage, ASML has an order book that is equivalent to a year's sales, allowing the company to enjoy revenue visibility that is not common for computer chip makers. With the constant need to create faster, smaller and more energy-efficient computer chips, Jarden believes demand for more advanced semiconductor (chip) making machines will continue to rise in the foreseeable future and therefore should benefit ASML in the long run due to its leadership position. Being the dominant supplier of machines to the semiconductor industry, ASML provides a more stable exposure to the semiconductor industry. In contrast, the chip manufacturers themselves tend to be much more volatile depending on their ability to produce the most technologically advanced chips.

GLOBAL EQUITIES PORTFOLIO

Ticker	Security Name	Global	Global Plus	Exposure
AAXJ.US	iShares MSCI All Country Asia Ex Japan Fund	3.8%	3.8%	Asia Ex Japan
CTY.LN	City of London Investment Trust	3.9%	3.9%	UK
IEUX.LN	iShares Europe ex-UK Fund	16.0%	15.7%	Europe
IVV.US	iShares S&P 500 Index Fund	41.8%	28.6%	US
IWM.US	iShares Russel 2000 Fund		3.7%	US
IXC.US	iShares Global Energy Fund	3.6%	3.6%	Energy
IXG.US	iShares Global Financials Fund	7.2%	7.4%	Financials
IXJ.US	iShares Global Healthcare Fund	4.4%	5.9%	Healthcare
JFJ.LN	JPMorgan Japanese Investment Trust	4.5%	4.4%	Japan
TEM.LN	Templeton Emerging Markets Investment Trust		4.6%	Emerging Markets
VGT.US	Vanguard US Information Technology Fund	5.2%	8.9%	Technology
VOX.US	Vanguard US Communication Services Fund		4.0%	Communication Services
VWO.US	Vanguard FTSE Emerging Markets Fund	9.6%	5.5%	Emerging Markets
		100.0%	100.0%	

Source: Jarden

BBB+, BBB, BBB- Issuer	NZDX Code	Coupon %	Maturity Date	CPN Freq	Credit Rating	03-Sep-20 Yield %	Price/ $100
Wellington Intl Airport	WIA020	7.50	15/05/2021	2	BBB	1.87	106.17
Kiwi Property Group	KPG010	6.15	20/08/2021	2	BBB+	1.40	104.77
Z Energy	ZEL040	4.01	1/11/2021	4	BBB-(NR)	1.61	103.13
Contact Energy	CEN030	4.40	15/11/2021	4	BBB	0.66	104.7
TrustPower	TPW140	5.63	15/12/2021	4	BBB-(NR)	1.50	104.95
Precinct Properties	PCT010	5.54	17/12/2021	2	BBB+(NR)	1.67	106.11
Genesis Power	GNE030	4.14	18/03/2022	2	BBB+	0.69	107.18
GMT Bond Issuer	GMB030	5.00	23/06/2022	2	BBB+	1.09	107.96
Heartland Bank	HBL010	4.50	8/09/2022	4	BBB	1.41	106.07
SkyCity Entertainment	SKC040	4.65	28/09/2022	4	BBB-	3.07	104.03
Contact Energy	CEN040	4.63	15/11/2022	4	BBB	0.81	108.56
TrustPower	TPW150	4.01	15/12/2022	4	BBB-(NR)	1.55	105.31
Meridian Energy	MEL030	4.53	14/03/2023	2	BBB+	0.71	109.44
Wellington Intl Airport	WIA030	4.25	12/05/2023	2	BBB	1.65	108.15
Summerset	SUM010	4.78	11/07/2023	4	BBB-(NR)	1.54	109.74
GMT Bond Issuer	GMB050	4.00	1/09/2023	2	BBB+	1.19	108.29
Kiwi Property Group	KPG020	4.00	7/09/2023	2	BBB+	1.40	107.61
Z Energy	ZEL050	4.32	1/11/2023	4	BBB-(NR)	1.43	109.33
Meridian Energy	MEL040	4.88	20/03/2024	2	BBB+	0.82	116.39
Heartland Bank	HBL020	3.55	12/04/2024	4	BBB	1.45	107.89
Investore Property	IPL010	4.40	18/04/2024	4	BBB(NR)	1.66	110.19
Christchurch Int. Airport	CHC010	4.13	24/05/2024	2	BBB+	1.48	110.71
Wellington Int. Airport	WIA040	4.00	5/08/2024	2	BBB	1.75	108.83
Contact Energy	CEN050	3.55	15/08/2024	4	BBB	1.08	109.75
Precinct Properties	PCT020	4.42	27/11/2024	2	BBB+(NR)	1.79	111.88
Property for Industry	PFI010	4.59	28/11/2024	4	BBB(NR)	1.60	112.33
Kiwi Property Group	KPG030	4.33	19/12/2024	2	BBB+	1.50	112.65
Wellington Intl Airport	WIA050	5.00	16/06/2025	2	BBB	1.90	115.21
Meridian Energy	MEL050	4.21	27/06/2025	2	BBB+	1.02	115.73
Summerset	SUM020	4.20	24/09/2025	4	BBB-(NR)	1.72	112.8
Property for Industry	PFI020	4.25	1/10/2025	4	BBB(NR)	1.80	112.62
Kiwi Property Group	KPG040	4.06	12/11/2025	2	BBB+	1.60	113.47
Trustpower	TPW180	3.35	29/07/2026	4	BBB-(NR)	1.56	110.43
Wellington Intl Airport	WIA070	2.50	14/08/2026	2	BBB	2.12	102.27
Metlifecare	MET010	3.00	30/09/2026	4	BBB-(NR)	1.97	106.43
Argosy Property	ARG020	2.90	29/10/2026	4	BBB+(NR)	1.85	106.4
Chorus	CNU020	4.35	6/12/2028	4	BBB	1.50	122.08
Trustpower	TPW170	3.97	22/02/2029	4	BBB-(NR)	1.91	116.26
Wellington Int. Airport	WIA060	4.00	1/04/2030	2	BBB	2.28	116.42

“We need to work out how our economy can flourish when it’s clear Covid-19 will be with us for some time.” **Judith Collins, National Party Leader**