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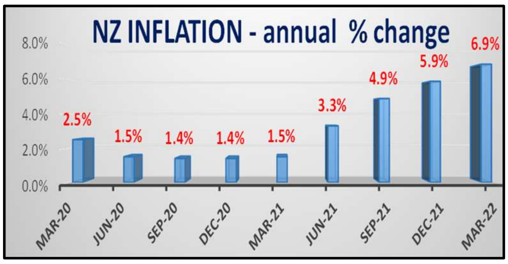
INVESTMENT STRATEGIES

May 2022

Economists are increasingly of the view that a hard landing is unavoidable, both domestically and internationally. History suggests that once wage inflation joins price inflation in the legendary wage-price spiral, breaking the cycle without causing a recession is almost impossible. Indeed, it may already be too late to stop that happening. The best time to act was this time last year when many people were warning of the problems to come.

Despite Labour's rhetoric, it is clearly not the case that inflation is all imported. The New Zealand Initiative recently pointed out World Bank data showing New Zealand's inflation rate is higher than 19 out of 20 of our biggest trading partners. Those countries too have had to deal with the overheated world economy post-Covid and the price shocks caused by Russia's invasion of Ukraine.



The biggest issue is that Ardern and Robertson believe their own spin, and this would indicate that they have no intention of taking corrective action to mitigate a hard economic landing, which looks increasingly likely. Treasury has said that Government will receive an extra $2.7bn in tax revenue this year – and yet all Robertson wants to do is spend $6bn more on consultants and nebulous projects, that will effectively mean more "Spray and walk away".

We have to stop this Marxist government. The Tauranga Byelection is our chance to send a strong message to Wellington.

VERSUS

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STATISTICS NZ DATA

Estimated population at 6-May-2022	**5,164,725**
Fertility Rate (births per woman)	**1.64**
Median age of mothers (48% of 1st mothers are 30+)	**31**
Births 31-Dec year	**58,659**
Deaths 31-Dec year	**34,932**
Natural Increases (Births minus Deaths) Dec year	**23,727**
Net Migration Feb-22 year (44,400 in; 52,200 out)	**-7,600**
Annual GDP Growth Dec-21 year (Sept 21 was 4.9%)	**5.6%**
GDP per Capita (2020 US$39,870 – 2021 US$38,800) ↓	**-2.7%**
Inflation Rate (CPI) Mar-22 year	**6.9%**
Minimum wage from 1-Apr-22 (+$48/week)	**$21.20**
Annual Wage Inflation Mar-22 Year	**3.0%**
Wages average per hour Dec-21 qtr (↑2.8% yoy)	**$35.61**
Average FTE weekly earnings at Sep-21	**$1,367.00**
Employment rate Dec-21 qtr	**71.1%**
Unemployment Dec-21 year (↓ 0.2% yoy)	**3.2%**
Underutilisation rate Sep-21 qtr	**9.2%**
Beneficiaries (Job seeker/Solo/Supported living)	**368,172**
(11.7% of working-age population receive a main benefit)	
Size of Māori Economy 2020 (2013: $42bn)	**$70bn**
Size of NZ Economy Dec-21 year	**$343.5bn**

NZ50 Index (last 10 years)

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.

My "Back of the Bus" profile build has once again begun. Look out for the next bus passing through our city – feedback is always helpful. It is good to know where and when the bus is circulating.

TCC STAFF BACK HEALTH SERVICES OVER RACING IN TAURANGA

The potential for health services came out as the top option for the future use of the Tauranga Racecourse Reserve according to council analysis. The TCC staff recommendation (favouring getting rid of the racecourse, and including space for a new hospital was unbelievable. They definitely were not listening to their community.

Tauranga City Council say they have consulted with the community on the best use of the 85 hectares of crown land that is currently leased by Racing Tauranga and Tauranga Golf Club. The land was permanently reserved as a recreation ground and racecourse in the late 1800s and the clubs have a lease until 2039.

The reality, and I was one of the few that attended a "consultation" session at Greerton, is that they actually consulted with just a handful of our community – and reading the feedback from the one I attended, there was no support for moving the racecourse (let alone setting aside space for a future hospital).

The "earthquake prone" hospital is just a red herring. Our Tauranga Hospital won't be moving from its present site in neither my, nor my children's lifetime. To say it is vulnerability to earthquake liquefaction is not based on "good science" and our Commissioners should demand that TCC staff do a more thorough due diligence. Health services were a late entry into the study and despite having little detail to consult with the community on, the council's criteria has ranked it first.

Unbelievable…. SAVE OUR GREENSPACE

TCC COMMISSIONERS NEED TO STAND UP TO STAFF

It is time for our Commissioners to take a much closer look at the internal operations of their organisation. The Local Government Act requires local government to ensure efficiency and effectiveness in all their operations. The Commissioners are well intentioned, but need to address this core responsibility. Staff numbers at TCC have ballooned outrageously, and staff remain extremely siloed and defiant towards genuine change.

City staff seem to believe that they are "bullet proof", and can outwait the term for our Commissioners. Yes, there has been a huge turnover in staff at TCC in the past year, but is it the right people that are staying? I have no idea – but what is sure is the Commissioners need to dig a lot deeper, and ensure that all council operations are being carried out with efficiency and effectiveness. Currently, all I see is just an increased ratepayer burden, at a time of huge financial pressure on our community ratepayers.

PORT TRAFFIC A GROWING LOCAL ISSUE

If you have a close look at the photo that I took of Takitimu Drive recently (and yes, there was excessive congestion on the approaches to the bridge), you can count the number of (mainly) Port related trucks using this motorway. Just wait until Fletcher's gib factory gets up and running and it will get inextricably more.

Yes, the Port is a huge asset to the whole Bay of Plenty (and New Zealand Inc), but it does come at a huge cost to local Tauranga residents. BOP Regional Council (as the ultimate 54.14% shareholder of our Port) needs to think more clearly about this, including the value and sacrifice that Tauranga Ratepayers attract to the overall wealth of our region.

OUR POLITICAL CLIMATE

LABOUR'S CRIMINALLY WASTEFUL SPENDING

A centrepiece of the Government's pandemic strategy was going big on infrastructure spending. The Covid-19 Response and Recovery Fund, and other smaller pots of public money, were ploughed into roads, rail, schools, hospitals, Three Waters, housing acceleration and even the vaccine rollout.

That infrastructure spend ran into problems that Finance Minister Grant Robertson failed to anticipate. It did initially inject confidence that spurred a quicker recovery, but the reality was that closed borders meant there were far too few workers to build the projects, which just lengthened delays, and added to the problem of rising prices for materials.

All this money for infrastructure spending came from borrowing of course, and some of that was underwritten by the Reserve Bank's large-scale assets purchase programme. It was intended to support jobs and the economy by keeping interest rates low on government bonds. In fact, this has just fuelled inflation, and Labour's "Spray & Walk Away" policy has seen absolutely no accountability – in fact, Labour often won't even tell us where the money actually went. So much you Ardern's promise "to be the most transparent government in history." YEAH RIGHT.

Robertson recognises the issue around inflation (and its effect on the Cost of Living) for all New Zealanders, but continues with his "head in the sand" – blaming global issues, despite a large portion of it is in fact driven by reckless, untargeted spending. Now he wants to go on a $6bn budget spend of Central Government control.

COMPARING NZ'S CURRENT INFLATION RATE

New Zealand's inflation rate is well above most of our major trading partners. The list here is of New Zealand and our top 15 trading partners. Only three of our top 15 trading partners have a higher inflation rate.

This Ardern Government needs to understand that in order to compete globally, we must ensure that our inflation rate becomes competitive, relative to the countries that we trade with. You can't "spin" these facts.

INFLATION RATE NZ's Top 15 Trading Partners	
USA	8.5%
Germany	7.3%
UK	7.0%
New Zealand	**6.9%**
Italy	6.5%
Thailand	5.7%
Australia	5.1%
France	4.5%
Singapore	4.3%
South Korea	4.1%
Indonesia	2.6%
UAE	2.5%
Vietnam	2.4%
Malaysia	2.2%
China	1.5%
Japan	0.9%

LABOUR THINKS THROWING MONEY AT A PROBLEM IS THE SOLUTION – BUT EXECUTION IS THE KEY

The Government has just thrown another $562m at the Police to solve the gang and youth crime spree. This will not achieve the required outcomes, because the Justice system is failing our local communities.

Kids today have no fear of repercussion for their outrageous behaviour, and without finding a "Justice Department" solution nothing will change. Yes, Police need more resources, but we need a Minister who is effect at creating a change in culture for our criminals. Minister Poto Williams has to go.

ARDERN CONTINUES TO LIVE IN CUCKOO-LAND

Prime Minister Jacinda Ardern is going on her first overseas trip in two years. She will discover that the rest of the world has moved on.

Richard Prebble put it well, in his NZ Herald opinion piece on 6th April. Having just returned from Australia, Prebble said: "*The media headline that greeted me on my return was that Transport Auckland had lowered speed limits. Their answer to gridlock is to lower the speed limit.*" He went on "*Sydney is proof that Auckland's transport woes are solvable. Our downtowns are ghost towns. Melbourne was alive.*"

"*Our business confidence is plunging. Australians are very confident, perhaps because Australia's inflation rate was 3.5% last year. This should puzzle our Prime Minister, given that she believes New Zealand's inflation is imported. Ardern might even realise most of our inflation is home-grown.*

"She will only be shocked if she gets out of her limo. But I fear she will not stray from the diplomatic circuit. Then she will never see how much ground we have lost. She will not discover that the build time in Australia for a warehouse is half the time that it is in New Zealand. She will not be able ask why Australia can do public-private partnership agreements to build new motorways but in New Zealand they are over budget and over time."

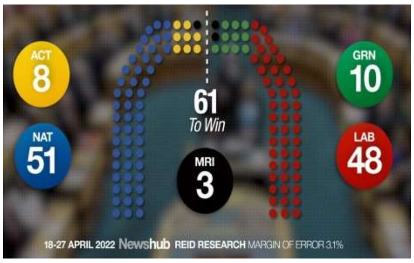
Ardern is the "ultimate control freak". She has relished the Covid lockdowns, and so has her Labour Cabinet. They are determined to break New Zealand inextricably. Their divisive reform agenda is true Marxism. Instead of marrying Gayford, she should visit Russia and see if Putin is available – just kidding!

APRIL NEWSHUB – REID RESEARCH POLL

NEWSHUB - REID RESEARCH POLL - APRIL 2022					
	Vote		Change*	Seats	Change**
National	40.5%	↑	9.2%	51	18
Labour	38.2%	↓	(6.1%)	48	(17)
Act	6.4%	↓	(1.6%)	8	(2)
Green	8.4%	↓	(1.2%)	10	nc
māori	2.5%	↑	0.5%	3	1
NZ First	1.7%	↓	(0.1%)	0	nc
* Change from February ** Change since election					

POLLING PERIOD: 18TH TO 27TH APRIL 2022

SEATS IN PARLIAMENT



The April Newshub Poll came out on 3rd May, and shows the continued decline in favour for Jacinda Ardern and her Labour Party cronies. However, who can create a Government remains unsure. Albeit that the next election is about 18 months away, it is currently the Māori Party that holds the "balance of power".

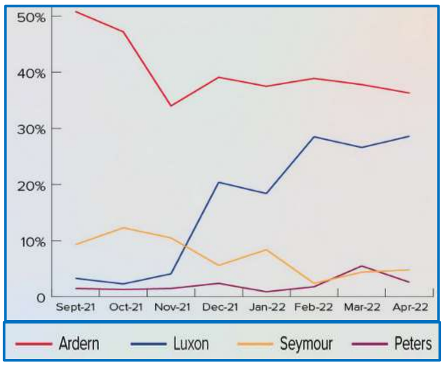
APRIL CURIA/TAXPAYERS' UNION POLL

POLLING PERIOD: 7TH TO 13TH APRIL 2022

CURIA/TAXPAYERS' UNION APRIL 2022 Poll				
	Vote	Change*	Seats	Change**
Labour	36.8%	0.6%	46	(19)
National	37.8%	2.5%	47	14
ACT	8.4%	(2.8%)	10	nc
Green	9.4%	(3.0%)	12	2
Maori	3.6%	3.5%	5	3
NZ First	1.7%	(0.1%)	-	-
Other	2.3%	(0.7%)	-	-
* Change from March 2022 ** Change since election				

National takes the lead for the first time in Curia/Taxpayers' Union April Political Poll. The problem for National is that it is mainly recapturing previously lost ACT support. Of interest also is the steep rise (off a very low base) for the Māori Party vote. Labour holds on at the expense of their Green Party support.

PREFERRED PRIME MINISTER



Luxon has a more positive net favourability (+12%) than Ardern (+9%), but fewer people have an opinion on Luxon either way. Ardern's net favourability continues to drop. Ardern's net favourability has fallen from +33% (October 2021) to +9%(April 2022).

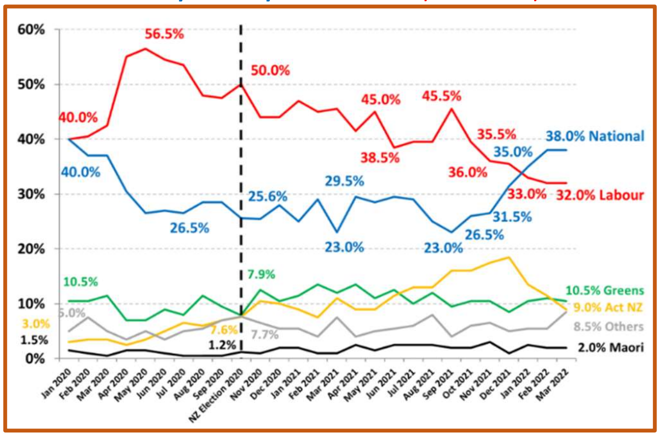
NATIONAL REMAINS AHEAD IN MARCH POLL

SAMPLE: 944 ELIGIBLE VOTERS WERE POLLED BY PHONE (BOTH LANDLINE &MOBILE).

ROY MORGAN MARCH 2022 POLL				
	Vote	Change*	Seats	Change**
Labour	32.0%	nc	42	(23)
National	38.0%	nc	50	17
Green	10.5%	(0.5%)	14	4
Act	9.0%	(2.5%)	12	2
Maori	2.0%	nc	2	nc
NZ First	4.0%	2.0%	-	-
* Change from February ** Change since election				

FORMING A GOVERNMENT

National/ACT 62/120 Labour/Green 56/120



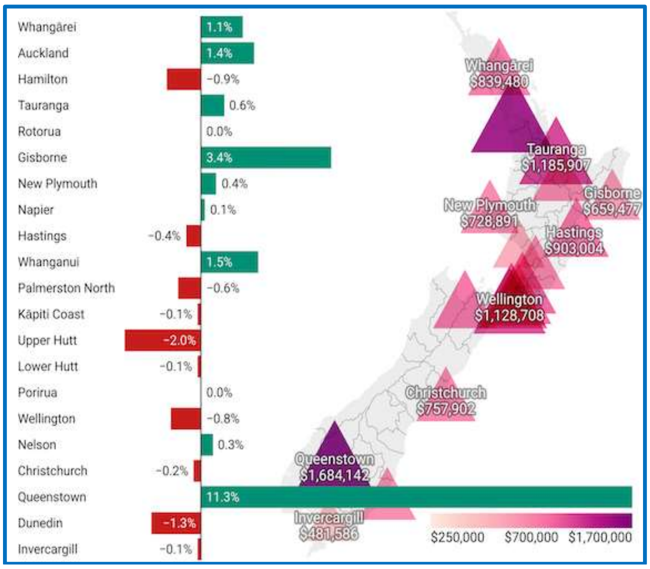
DIRECTION

Right 39.0% (-3.5%) Wrong 51.5% (+4.5%)

This is the fourth Roy Morgan poll in a row to show a change of Government if there was an election. The most significant aspect is the decline in net country direction from – 5% to -12.5%. A year ago it was +34%.

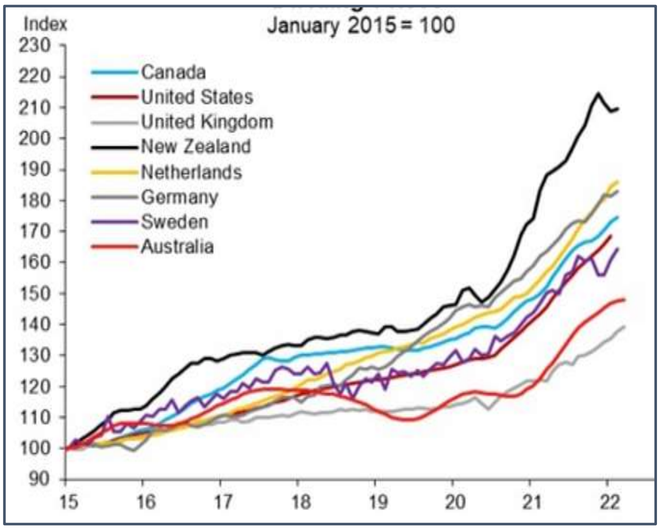
Of great concern to Labour will be the gender breakdown of the direction question. In February women were + 8% but are now -6%. Men have gone from -19% to just -20% so the drop in satisfaction has been with women – a core Labour support base.

CHANGE IN HOUSE PRICES – FEB v MARCH 2022



SOURCE: Corelogic

GLOBAL DWELLING PRICES



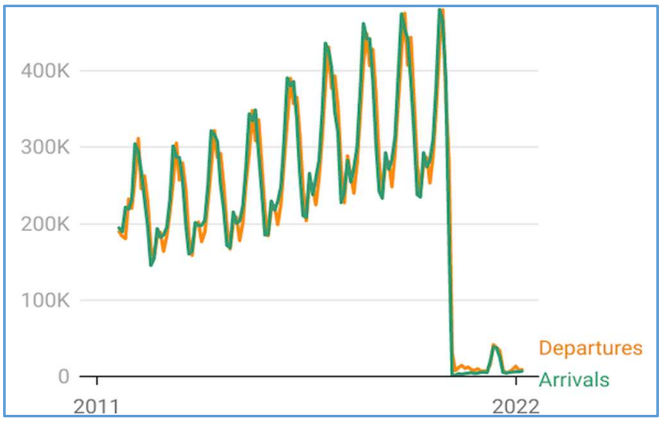
Source: Corelogic, Macrobond, Macquarie Macro Strategy

New Zealand has seen stronger house price growth, especially since 2020 (when Labour over-stimulated our economy to compensate for Covid). Their economic management (spray and walk away) has proven to be incompetent.

OVERSEAS BASED NEW ZEALANDERS NO LONGER WANT TO COME HOME

The impact of 2 years without immigration has led to severe labour shortages. We thought that Covid would see overseas New Zealanders returning home. However, the Labour Government initiated debacle over the MIQ lottery has resulted in overseas New Zealanders no longer wanting to come home. Most have lost all faith in this government's ability to manage the New Zealand economy, and hence have reversed their homebound intentions.

MIGATION TO & FROM NZ



Source: MBIE

Unfortunately, 54% of 15 to 24 year old Māori are not in any form of education, training nor work, and this is exasperating New Zealand's ability to be globally competitive. Added to this is the divisive Labour Government's He Puapua drive for self-determination of Māori, and we have a growing recipe for both mass dissatisfaction, as well as a growing decline in productivity in this country. It's certainly hard not to be a pessimist!

MY INFLATION LESSONS FROM THE 1980'S

Younger New Zealanders have no appreciation of the effects of high inflation. In 1979 I purchased a 5,000 acre hill country station at Piopio. To do so required me to borrow $1 million. This was the era that included farmers being subsidised by Central Government, in the form of a Muldoon created scheme called SMP (Supplementary Minimum Price Scheme). Muldoon was bent on "Think Big" infrastructure expenditure, which in itself was successful, but it effectively bankrupted the country. Inflation was ignited, and Muldoon's government fell to Labour in 1984. Sir Roger Douglas then implemented his famous (some say infamous) well needed reform programme to ween the country from the era of mass subsidisation. These were tough times for farmers (in particular) and inflation peaked with me paying an interest rate of 24% on my bank overdraft. Yes, inflation drove asset prices sky high, and the share market went into an euphoric rise. The rich generally speaking got richer (through asset appreciation) and the poor continued to struggle - sound familiar.

Yes, we adapted and, in fact did very well through this period, but inevitably in 1987 the sharemarket crashed, and David Lange (the then Prime Minister) got the speed wobbles and sacked Sir Roger as Finance Minister. New Zealand survived that volatile period, and we had hoped that long-term lessons had been learnt.

ARDERN & ROBERTSON JUST WON'T LEARN

However, today we have another Labour (Ardern) Government hellbent on borrowing excessively (today in the $100's of billions – not $100's of millions), and the reckless nature of that spend risks sending New Zealand into a death spiral, as was evidenced when Peron tried the same thing in Argentina in the late 1940's .

SIMILARITIES WITH PERON'S ARGENTINA

In order to strengthen Argentina's economy, Perón created the Argentina Institute for Promotion of Exchange, a monopoly that handled all commodity exports. Cattle, wheat, etc. were sold at a high price overseas. This measure was consistent with the traditional Marxist demand for a monopoly on foreign trade. Perón also bought out the local IT&T operation and the railroad and trolley system from Great Britain. He paid off Argentina's foreign debt and launched a 5-year plan in 1946 that covered everything from the "woman's right to vote" to shipbuilding. By 1954 Perón had initiated more than 45 major hydroelectric projects designed to produce 2 billion kilowatt-hours of energy, 20 times the amount that was available in 1936.

After Perón was overthrown by the military in 1955, the ruling class took steps almost immediately to foster the development of democracy, which in reality was a fig leaf for their brutality and greed.

Although some projects were successful (joint oil exploration with Standard Oil in Patagonia), others were colossal flops. Steel production had ground to a halt. By 1962 the country was only producing 600,000 tons when it needed 3,000,000. Meat production dropped from a high of 145,000 metric tons under Perón to 87,000 by the end of 1961.

What had been the 4th largest economy in the world, fell to be the basket case it still is today. Today, Argentina has a highly diverse, vibrant and well-educated population of 45 million, over half of which lives below the poverty line.

Come on Ardern/Robertson. Your social engineering will send us into a similar downhill spiral. **It's not too late – YET.**

PUTIN USING SOMALI MERCENARIES IN UKRAINE

SOURCE: BOP Times, 25 April 2022

When abuses were reported in recent weeks in Mali — fake graves designed to discredit French forces; a massacre of some 300 people, mostly civilians — all evidence pointed to the shadowy mercenaries of Putin's **Wagner Group.** Putin has now paid them to fight for him in Ukraine.

Even before these feared professional soldiers joined the assault on Eastern Ukraine, Russia had deployed them to under-the-radar military operations across at least half a dozen African countries. Their aim: to further President Vladimir Putin's global ambitions, and to undermine democracy. The Wagner Group passes itself off as a private military contractor and the Kremlin denies any connection to it or even, sometimes, that it exists.

But Wagner's commitment to Russian interests has become apparent in Ukraine, where its fighters, are among the Russian forces currently attacking eastern Ukraine. In sub-Saharan Africa, Wagner has gained substantial footholds for Russia in Central African Republic, Sudan and Mali. Wagner's role in those countries goes way beyond the cover story of merely providing a security service, experts say. "They essentially run the Central African Republic," and are a growing force in Mali, General Stephen Townsend, the commander of U.S. armed forces in Africa, told a Senate hearing last month.

The United States identifies Wagner's financer as Yevgeny Prigozhin, an oligarch who is close to the Russian president and sometimes is called "Putin's chef" for his flashy restaurants favoured by the Russian leader. He was charged by the US Government with trying to influence the 2016 US presidential election, and the Wagner Group is the subject of US and European Union sanctions.

Russia's game plan for Africa, where it has applied its influence as far north as Libya and as far south as Mozambique, is straightforward in some ways, say analysts. It seeks alliances with regimes or juntas shunned by the West or facing insurgencies and internal challenges to their rule.

The African leaders get recognition from the Kremlin and military muscle from Wagner. They pay for it by giving Russia prime access to their oil, gas, gold, diamonds and valuable minerals. But there's another objective of Russia's "hybrid war" in Africa, said Joseph Siegle, director of research at the Africa Centre for Strategic Studies. Siegle said Russia is also waging an ideological battle, using Wagner as a "coercive tool" to undermine Western ideas of democracy and turn countries toward Moscow. Putin wants to challenge the international democratic order "*because Russia can't compete very well in that order*," Siegle said. "*If democracy is held up as the ultimate aspirational governance model, then that is constraining for Russia*."

Rather, Wagner promotes Russian interests with soldiers and guns, but also through propaganda and disinformation, as Prigozhin has done for Putin before. In Central African Republic, Wagner fighters ride around the capital Bangui in unmarked military vehicles and guard the country's gold and diamond mines. They have helped to hold off armed rebel groups and to keep President Faustinarchange Touadera in power, but their reach goes much further.

Kossimatchi said Russia was "acting in self-defence" in Ukraine. Such support from African countries is a strategic success for Russia. When the United Nations voted on a resolution condemning the invasion of Ukraine, 17 of the 35 countries that abstained from the vote — nearly half — were African. "Africa is fast becoming crucial to Putin's efforts to dilute the influence of the United States and its international alliances," said a report in March by the Tony Blair Institute for Global Change.

Russia's strategy in Africa comes at a minimal cost economically and politically. Analysts estimate Wagner operates with only a few hundred to 2,000 mercenaries in a country. Many are ex-Russian military intelligence, Siegle said, but because it's a private force the Kremlin can deny responsibility for Wagner's actions.

France, the US and human rights groups have accused Wagner mercenaries of extra-judicial killings of civilians in Central African Republic. A UN panel of experts said private military groups and "particularly the Wagner Group" have violently harassed people and committed rape. In Mali, meanwhile, there has been an "uprooting of democracy," said an analyst at the London-based Chatham House think tank. Following coups, France is withdrawing troops that had been helping fight Islamic extremists since 2013. Wagner moved in, striking a security deal with Mali's new military junta, which then expelled the French ambassador.

Simon Bridges gave his valedictory speech in Parliament on Wednesday 4th May, and officially resigned from Parliament on Friday 6th May. Simon has spent 14 years serving the people of Tauranga, and he has always done it with distinction.

Simon's replacement has been selected. On Sunday 1st May, 66 delegates (all local National Party members) selected **Sam Uffindell** to represent National in the upcoming by-election. Sam, like Simon, is a big brain, and I am sure that he will do a great job at representing Tauranga in Wellington. Sam has a big future in the National Party.

THE WORLD AT A GLANCE
GLOBAL DEMOCRACY INDEX

United States
Is Biden too old to rule?

Canada
Trudeau is looking Irrelevant on world stage

Europe
Banning Russian oil is essential, but costly

India
Will India turn on its old ally - UK?

Australia
Can ScoMo pull out another rabbit?

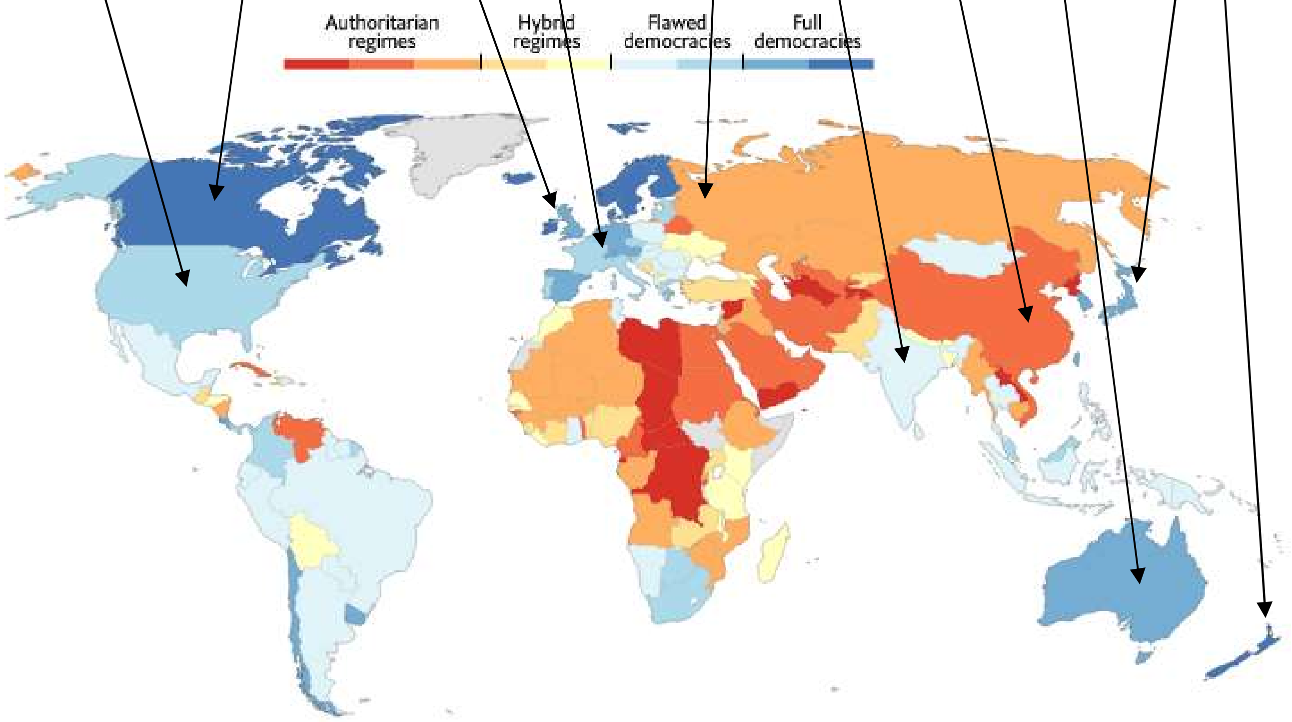
New Zealand
Labour's arrogance is taking its toll in the polls

United Kingdom
How does Boris survive endless scandals

Russia
Ukraine a huge Putin blunder
The free world is re-awakening

China
Covid lockdowns are killing Chinese economy

Japan
Tokyo to double arms spending to counter the Chinese threat



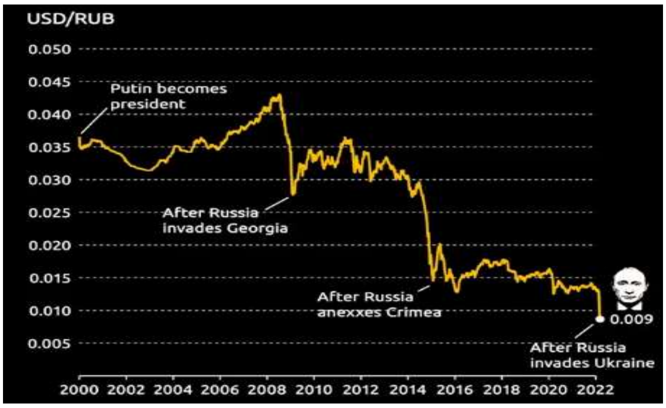
THE GLOBAL ECONOMIC OUTLOOK

GLOBAL OUTLOOK

Inflation in Russia is forecast to accelerate to 20% and its economy could fall by as much as 8% this year, an independent survey of analysts requested by the Russian central bank showed.

According to 18 economists polled by the Russian central bank in early March, the average key rate this year is forecast at 18.9%, it said in a statement.

THE RUSSIAN RUBLE UNDER PUTIN



SOURCE: investing.com

The war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 and add to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest.

GLOBAL GROWTH is projected to slow from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023. This is 0.8% and 0.2% points lower for 2022 and 2023 than projected in January.

Beyond 2023, global growth is forecast to decline to about 3.3% over the medium term. War-induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7% in advanced economies and 8.7% in emerging market and developing economies - 1.8% and 2.8% higher than projected last January. Multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and end the pandemic are essential.

ASIAN & PACIFIC ECONOMIES (Annual Percentage change)

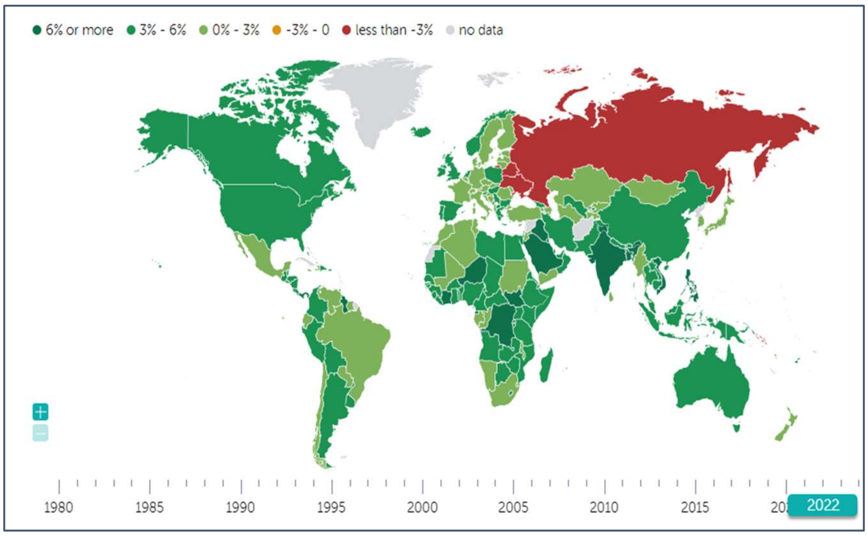
	Real GDP			Consumer Prices[1]			Current Account Balance[2]			Unemployment[3]		
		Projections			Projections			Projections			Projections	
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Asia	**6.5**	**4.9**	**5.1**	**2.0**	**3.2**	**2.7**	**2.2**	**1.5**	**1.3**	**. . .**	**. . .**	**. . .**
Advanced Asia	**3.6**	**2.8**	**2.8**	**1.2**	**2.4**	**1.7**	**5.0**	**3.8**	**3.6**	**3.4**	**3.1**	**3.0**
Japan	1.6	2.4	2.3	–0.3	1.0	0.8	2.9	2.4	2.7	2.8	2.6	2.4
Korea	4.0	2.5	2.9	2.5	4.0	2.4	4.9	2.2	3.2	3.7	3.6	3.5
Taiwan Province of China	6.3	3.2	2.9	1.8	2.3	2.2	14.7	13.2	11.6	4.0	3.6	3.6
Australia	4.7	4.2	2.5	2.8	3.9	2.7	3.5	3.0	0.5	5.1	4.0	4.3
Singapore	7.6	4.0	2.9	2.3	3.5	2.0	18.1	13.0	12.7	2.6	2.4	2.4
Hong Kong SAR	6.4	0.5	4.9	1.6	1.9	2.1	11.2	10.9	9.4	5.2	5.7	4.0
New Zealand	5.6	2.7	2.6	3.9	5.9	3.5	–5.8	–6.5	–5.3	3.8	3.6	3.9
Macao SAR	18.0	15.5	23.3	0.0	2.8	2.7	13.8	3.5	14.9	3.0	2.6	1.8
Emerging and Developing Asia	**7.3**	**5.4**	**5.6**	**2.2**	**3.5**	**2.9**	**1.0**	**0.6**	**0.4**	**. . .**	**. . .**	**. . .**
China	8.1	4.4	5.1	0.9	2.1	1.8	1.8	1.1	1.0	4.0	3.7	3.6
India[4]	8.9	8.2	6.9	5.5	6.1	4.8	–1.6	–3.1	–2.7	. . .	. . .	. . .
ASEAN-5	**3.4**	**5.3**	**5.9**	**2.0**	**3.5**	**3.2**	**–0.1**	**2.0**	**0.9**	**. . .**	**. . .**	**. . .**
Indonesia	3.7	5.4	6.0	1.6	3.3	3.3	0.3	4.5	0.5	6.5	6.0	5.6
Thailand	1.6	3.3	4.3	1.2	3.5	2.8	–2.1	–0.1	2.0	1.5	1.0	1.0
Vietnam	2.6	6.0	7.2	1.9	3.8	3.2	–0.5	–0.1	0.8	2.7	2.4	2.3
Philippines	5.6	6.5	6.3	3.9	4.3	3.7	–1.8	–2.7	–2.2	7.8	5.8	5.4
Malaysia	3.1	5.6	5.5	2.5	3.0	2.4	3.5	3.9	3.9	4.7	4.5	4.3
Other Emerging and Developing Asia[5]	**3.0**	**4.9**	**5.5**	**5.0**	**8.7**	**7.2**	**–2.5**	**–2.5**	**–2.0**	**. . .**	**. . .**	**. . .**
Memorandum												
Emerging Asia[6]	7.4	5.4	5.6	2.1	3.2	2.8	1.1	0.7	0.5	. . .	. . .	. . .

Source: IMF staff estimates, April 2022 **Note:** IMF doesn't believe Labour's Unemployment statistics for New Zealand

ADVANCED ECONOMIES – REAL GDP (annual percentage change)

	Average									Projections			Q4 over Q4[2]	Projections	
	2004–13	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2027	2021:Q4	2022:Q4	2023:Q4
Real GDP															
Advanced Economies	**1.6**	**2.0**	**2.3**	**1.8**	**2.5**	**2.3**	**1.7**	**–4.5**	**5.2**	**3.3**	**2.4**	**1.6**	**4.7**	**2.5**	**2.0**
United States	1.8	2.3	2.7	1.7	2.3	2.9	2.3	–3.4	5.7	3.7	2.3	1.7	5.6	2.8	1.7
Euro Area	0.9	1.4	2.0	1.9	2.6	1.8	1.6	–6.4	5.3	2.8	2.3	1.3	4.6	1.8	2.3
Germany	1.3	2.2	1.5	2.2	2.7	1.1	1.1	–4.6	2.8	2.1	2.7	1.1	1.8	2.4	2.5
France	1.2	1.0	1.0	1.0	2.4	1.8	1.8	–8.0	7.0	2.9	1.4	1.4	5.4	0.9	1.5
Italy	–0.3	0.0	0.8	1.3	1.7	0.9	0.5	–9.0	6.6	2.3	1.7	0.5	6.2	0.5	2.2
Spain	0.6	1.4	3.8	3.0	3.0	2.3	2.1	–10.8	5.1	4.8	3.3	1.6	5.5	2.3	4.0
The Netherlands	1.1	1.4	2.0	2.2	2.9	2.4	2.0	–3.8	5.0	3.0	2.0	1.5	6.4	0.4	2.9
Belgium	1.6	1.6	2.0	1.3	1.6	1.8	2.1	–5.7	6.3	2.1	1.4	1.2	5.6	0.6	1.6
Ireland	1.6	8.7	25.2	2.0	8.9	9.0	4.9	5.9	13.5	5.2	5.0	3.0	10.0	13.3	0.0
Austria	1.5	0.7	1.0	2.0	2.3	2.5	1.5	–6.7	4.5	2.6	3.0	1.8	5.6	1.2	4.9
Portugal	–0.1	0.8	1.8	2.0	3.5	2.8	2.7	–8.4	4.9	4.0	2.1	1.9	5.9	0.3	3.8
Greece	–1.7	0.5	–0.2	–0.5	1.1	1.7	1.8	–9.0	8.3	3.5	2.6	1.2	7.7	3.5	1.8
Finland	1.2	–0.4	0.5	2.8	3.2	1.1	1.2	–2.3	3.3	1.6	1.7	1.3	3.0	0.9	1.7
Slovak Republic	4.2	2.6	4.8	2.1	3.0	3.8	2.6	–4.4	3.0	2.6	5.0	2.8	1.2	4.0	3.9
Lithuania	3.3	3.5	2.0	2.5	4.3	4.0	4.6	–0.1	4.9	1.8	2.6	2.5	5.2	0.8	3.6
Slovenia	1.5	2.8	2.2	3.2	4.8	4.4	3.3	–4.2	8.1	3.7	3.0	2.7	10.8	–0.3	3.5
Luxembourg	2.6	2.6	2.3	5.0	1.3	2.0	3.3	–1.8	6.9	1.8	2.1	2.5	4.8	1.8	2.3
Latvia	2.7	1.9	3.9	2.4	3.3	4.0	2.5	–3.8	4.7	1.0	2.4	3.3	2.7	3.0	0.5
Estonia	2.6	3.0	1.9	3.2	5.8	4.1	4.1	–3.0	8.3	0.2	2.2	3.3	8.8	–0.8	2.2
Cyprus	1.3	–1.8	3.4	6.5	5.9	5.7	5.3	–5.0	5.5	2.1	3.5	2.9	5.9	0.9	5.1
Malta	2.9	7.6	9.6	3.4	11.1	6.0	5.9	–8.3	9.4	4.8	4.5	3.3	10.0	1.9	6.1
Japan	0.7	0.3	1.6	0.8	1.7	0.6	–0.2	–4.5	1.6	2.4	2.3	0.4	0.4	3.5	0.8
United Kingdom	1.2	3.0	2.6	2.3	2.1	1.7	1.7	–9.3	7.4	3.7	1.2	1.5	6.6	1.1	1.5
Korea	4.0	3.2	2.8	2.9	3.2	2.9	2.2	–0.9	4.0	2.5	2.9	2.3	4.1	2.0	3.4
Canada	1.9	2.9	0.7	1.0	3.0	2.8	1.9	–5.2	4.6	3.9	2.8	1.6	3.3	3.5	2.2
Taiwan Province of China	4.2	4.7	1.5	2.2	3.3	2.8	3.1	3.4	6.3	3.2	2.9	2.1	3.9	3.5	2.3
Australia	3.0	2.6	2.3	2.7	2.4	2.8	2.0	–2.2	4.7	4.2	2.5	2.6	4.2	3.5	2.1
Switzerland	2.2	2.4	1.6	2.0	1.7	2.9	1.2	–2.5	3.7	2.2	1.4	1.2	3.9	1.6	0.7
Sweden	2.0	2.7	4.5	2.1	2.6	2.0	2.0	–2.9	4.8	2.9	2.7	2.0	5.2	1.7	3.2
Singapore	6.7	3.9	3.0	3.6	4.7	3.7	1.1	–4.1	7.6	4.0	2.9	2.5	6.1	2.3	3.6
Hong Kong SAR	4.5	2.8	2.4	2.2	3.8	2.8	–1.7	–6.5	6.4	0.5	4.9	2.8	4.8	5.1	0.4
Czech Republic	2.5	2.3	5.4	2.5	5.2	3.2	3.0	–5.8	3.3	2.3	4.2	2.5	3.6	0.4	6.9
Israel	4.4	4.1	2.3	4.5	4.4	4.0	3.8	–2.2	8.2	5.0	3.5	3.5	9.6	1.2	4.1
Norway	1.6	2.0	2.0	1.1	2.3	1.1	0.7	–0.7	3.9	4.0	2.6	1.3	4.8	2.7	2.4
Denmark	0.9	1.6	2.3	3.2	2.8	2.0	2.1	–2.1	4.1	2.3	1.7	1.8	4.4	0.7	2.1
New Zealand	2.1	3.8	3.7	4.0	3.5	3.4	2.9	–2.1	5.6	2.7	2.6	2.3	3.1	3.3	1.9
Puerto Rico	–0.7	–1.2	–1.0	–1.3	–2.9	–4.2	1.5	–3.9	1.0	4.8	0.4	0.0	. . .	. . .	. . .
Macao SAR	13.1	–2.0	–21.5	–0.7	10.0	6.5	–2.5	–54.0	18.0	15.5	23.3	3.5	. . .	. . .	. . .
Iceland	2.7	1.7	4.4	6.3	4.2	4.9	2.4	–7.1	4.3	3.3	2.3	2.3	3.9	2.6	2.5
Andorra	–0.3	2.5	1.4	3.7	0.3	1.6	2.0	–11.2	8.9	4.5	2.7	1.5	. . .	. . .	. . .
San Marino	–1.7	–0.6	2.7	2.3	0.3	1.5	2.1	–6.6	5.2	1.3	1.1	1.3	. . .	. . .	. . .
Memorandum															
Major Advanced Economies	1.3	1.8	2.1	1.5	2.2	2.1	1.6	–4.9	5.1	3.2	2.2	1.4	4.5	2.5	1.7

Source: IMF staff estimates, April 2022



IMF HAVE LOWERED THEIR GLOBAL GDP FORECASTS

Global Average GDP is expected to be 3.6% (well down from the 4.6% projected late last year.

However, New Zealand's GDP is now predicted by IMF to only be 2.6% - well below our OECD peers.

New Zealand's Economic Outlook

POPULATION: 5.2 MILLION

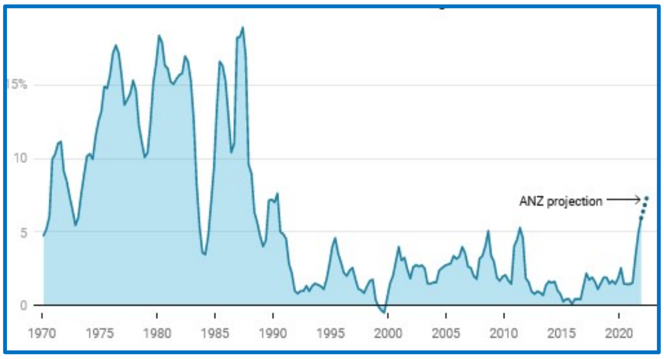
Inflation (the huge increases in Cost of Living expenses) is the foremost concern of most New Zealanders. Renowned Independent NZ Economist Cameron Bagrie said there is a "fundamental inflation problem out there" and StatsNZ has just declared that inflation has risen to 6.9% for the 2021 year. Furthermore, Bagrie thinks that *"the back end of 2022 might be a struggle with inflation hitting hard."*

Despite Grant Robertson refuting it, New Zealand's inflation is running hotter than all of our major trading partners, with the exception of the USA. Biden and Ardern are both delusional in the quest to bankrupt their countries by reckless, wasteful expenditure, that does nothing to increase productivity.

It's true that tradeable goods and services, which are influenced by foreign markets, have risen most, by 8.5% since March last year, the worst result since June 2000. But non-tradables, which don't face foreign competition and indicate how domestic demand and supply are affecting prices, have also risen more than previously recorded, by 6%. And non-tradable inflation is harder to defeat. Mixed together, inflation is now 6.9% - the worst since the 1990's political and economic chaos as the fourth Labour Government imploded.

CONSUMER PRICE INDEX – INFLATION

ANNUAL PERCENTAGE CHANGE DEC-89 TO DEC-21



It is now higher than most recently reported by China (1.2%), Australia (5.1%), Japan (0.5%), Korea (3.8%), the Eurozone (4.6%), the UK (5.5%) and Singapore (4.3%). Of our main economic partners, only the US is worse, at 8%. It can't all be imported.

NZ CONSUMER CONFIDENCE IS PLUNGING

MIGRATION & THE BRAIN DRAIN

Renowned independent economist Tony Alexander puts is eloquently. *"Migration flows move through cycles, and we are entering a period of sustained net losses which will involve intense talk of a brain drain. This will dent confidence in the economy and help place a cap on how high interest rates need to go in order to crack household spending and suppress business pricing power.*

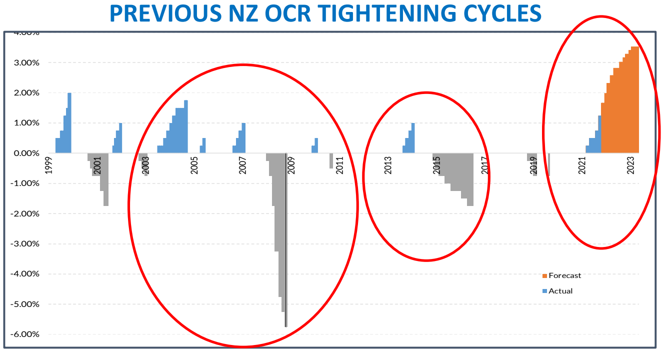
"The talk will reveal weakness in the argument that we have housing shortages (outside low-end property and social housing) in most parts of the country. House construction as a result will start falling next year and

the discounting by developers of some new offerings is just one sign of the development boom having already ended. Do these things mean that our economic outlook is poor? No. The primary sector is well supported by high export prices. The government's accounts are in good shape and after the fiscal stimulus planned for the May 19th Budget, and the same will probably happen in the 2023 pre-election Budget."

My concerns are not about New Zealand's short-term outlook, however. My concern is that we remain in a downward spiral of productivity decline, that if not reversed, will see us heading fast towards an Argentinian style third world economy. Democracy is at more risk – every day that Ardern and her Labour cronies remain in power. He Puapua is just one symptom of this. We have to reign in excessive government bureaucracy, and restore personal ambition and responsibility.

New Zealand's economy expanded 3% from a year earlier in the fourth quarter of 2021, from a downwardly revised 0.2% contraction in the prior period and below market expectations of a 3.3% increase. The economy expanded amid looser Covid-19 restrictions throughout the country, in sharp contrast with the previous quarter. On a quarterly basis, the economy grew 3 percent in the three months leading to December, after contracting 3.6 percent in the prior quarter. Considering the full 2021, the Kiwi economy contracted 1.4 percent, compared to the 2.2 percent increase in 2020, despite the pandemic.

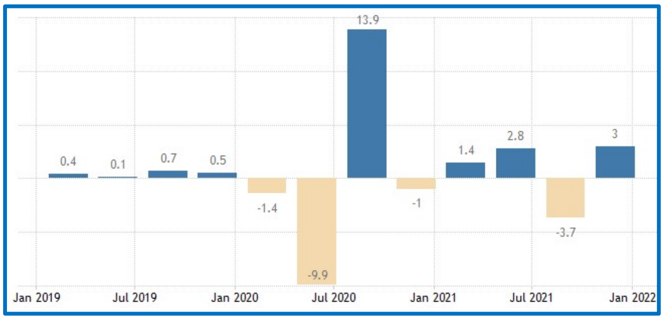
PREVIOUS NZ OCR TIGHTENING CYCLES



The previous OCR cycles indicate that we can expect New Zealand to go into a heavy recession sometime next year. The orange part of the above graph is the forecast increases needed to "tame" inflation, but the cost, for Robertson continues his planned $6bn Budget blowout, will be a deep recession. Within 3 weeks, we will learn whether Robertson (and Ardern's Labour cronies) have learnt anything about financial prudence – if not, most NZer's will suffer badly is recession hits.

New Zealand's economy expanded 3% from a year earlier in the fourth quarter of 2021, from a downwardly revised 0.2% contraction in the prior period and below market expectations of a 3.3% increase. On a quarterly basis, the economy grew 3% in the three months leading to December, after contracting 3.6% in the prior quarter. **Considering the full 2021, the Kiwi economy contracted 1.4%, compared to the 2.2% increase in 2020.**

NZ - GDP GROWTH RATE



AUSTRALIAN ECONOMIC OUTLOOK

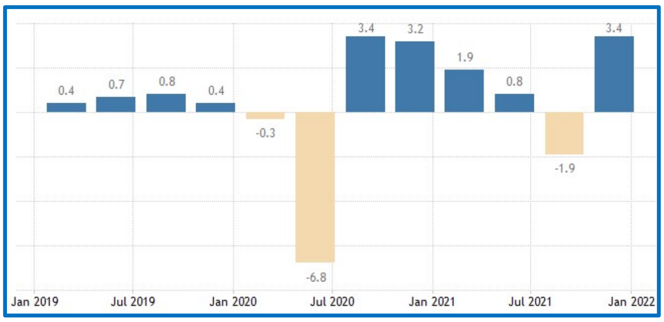
POPULATION: 27.1 MILLION

AUSTRALIAN ECONOMIC GROWTH RETURNS STRONGLY

The Australian economy expanded 3.4% qoq in Q4, exceeding market forecasts of 3.0% and shifting from a 1.9% fall in Q3. This was the strongest pace of growth since Q3 2020, mainly boosted by a sharp rebound in household spending as the economy emerged from COVID-19 lockdowns. Household consumption bounced back strongly, rising the most in 5 quarters (6.3% vs -4.8% in Q3), buoyed by spending on both goods and services with recreation and culture, cafes & restaurants and clothing experiencing strong rises. **Meantime, government spending growth eased sharply (0.1% vs 3.8%)**; while private investment fell for 1st time in 6 quarters (-1.4% vs 0.7%), amid shortages of labour and construction materials. Also, net external demand contributed negatively, with exports falling 1.5%, due to mining commodities and travel services; while imports dropped 0.9%, driven by consumption and capital goods. **On a yearly basis, the economy grew 4.2%**, after a 3.9% rise in Q3 and above consensus of 3.7%.

RESERVE BANK OF AUSTRALIA - The May meeting saw an almost entire rewriting of the RBA's Statement, as it surprised the market and hiked 25bps (the market had expected a hike of just 15bps) and executed a hawkish u-turn, signalling more hikes to come. The RBA also significantly upgraded their inflation outlook, with 2022 headline CPI now seen >2% higher at 6% and wages growth now expected to accelerate ahead. Importantly, the RBA also announced the beginning of quantitative tightening, ending the reinvesting of bond maturities but confirming they are "not currently planning to sell the government bonds".

AUSTRALIA – GDP GROWTH RATE



However, inflation has just been announced as 5.1% for the past year – well short of NZ's rate of 6.9%, and this highlights New Zealand's lack of competitiveness when measured against Australia – one of our a crucial trading partners.

United States Economic Outlook

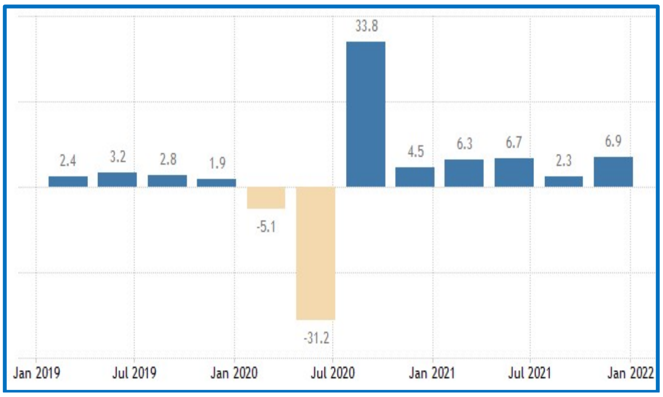
POPULATION: 335.2 MILLION

US INFLATION leapt to a 40-year high of 8.5% in March and showed little sign of quickly reversing, adding a new hurdle for the world's largest economy and complicating the Fed's efforts to tame soaring prices. Monthly CPI jumped 1.2% in March, driven by higher gasoline, food and housing costs. It was the largest monthly gain since Hurricane Katrina in 2005.

Much like New Zealand, the rise in the cost of living in the US has been hitting new highs. The rate of inflation in the past year surged to 8.5% in March, up from 7.9%. The last time inflation topped 8% was in January 1982, when Ronald Reagan was president.

The US Federal Reserve - has just raised interest rates by 50 basis points, in an attempt to taper inflation while hoping to prevent a "hard landing" for the US economy.

UNITED STATES – GDP GROWTH RATE



US ECONOMIC GROWTH

The US economy expanded an annualized 6.9% on quarter in the last three months of 2021. It remains the strongest expansion since a record growth of 33.8% in Q3 2020, with private inventories making the biggest upward contribution (5.32% points vs 4.9% in the second estimate), led by motor vehicle dealers and wholesale trade industries. Considering full 2021, the US economy expanded 5.7%.

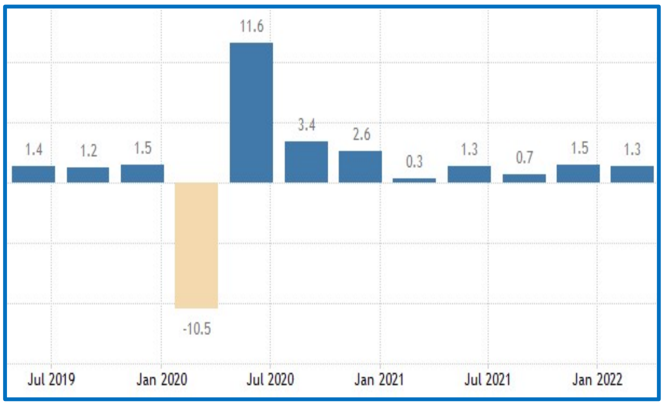
Chinese Economic Outlook

POPULATION: 1,411.8 MILLION

GDP Growth

The Chinese economy grew by a seasonally adjusted 1.3% on quarter in the three months to March 2022, and following a marginally revised 1.5% advance in the previous quarter. China's statistics agency said in an online statement that the economy continued its recovery despite multiple headwinds at home and abroad, adding that overall activities were within a reasonable range. So far this year, Beijing has launched more fiscal stimulus, including stepping up local bond issuance to fund infrastructure projects while slashing taxes for businesses. Meantime, the PBoC said it would cut bank's reserve requirement ratio for the first time this year, releasing about CNY 530 billion in long-term liquidity to spur the economy.

CHINA - GDP GROWTH RATE



A worsening slowdown in China: A prolonged downturn in China is another immediate risk that could expose structural weaknesses such as high local government liabilities, property developer leverage, household debt, and a fragile banking system.

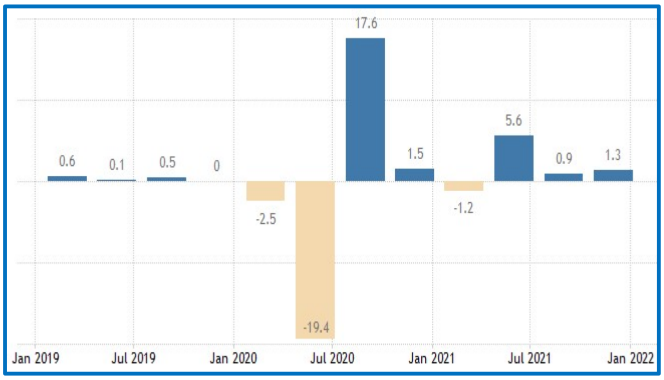
United Kingdom Economic Outlook

POPULATION: 68.4 MILLION

UK's economic growth to halve this year

The British economy expanded 1.3% on quarter in the last three months of 2021, stronger than initial estimates of a 1% increase, and following a downwardly revised 0.9% gain in the previous three months. Service industries expanded more quickly than initially estimated (1.5% vs 1.2%), and exports also increased more (6.9% vs 4.9%). The largest contributors to growth were human health and social work activities, driven by increased GP visits at the start of the quarter, and a large increase in coronavirus testing and tracing activities, and the extension of the vaccination programme. The GDP is now 0.1% below where it was pre-coronavirus at Quarter 4 2019. **Considering full 2021, the British economy advanced 7.4%**, slightly less than initial estimates of 7.5%, and rebounding from a 9.3% contraction in 2020.

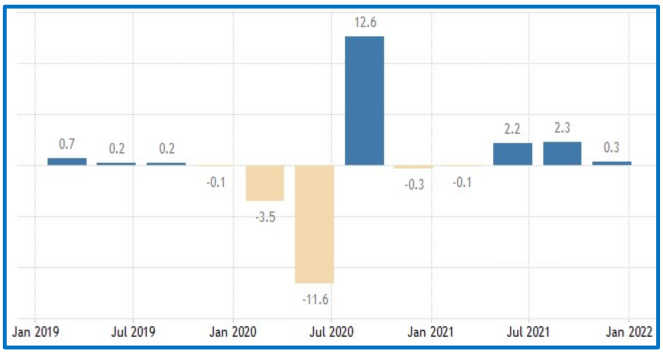
UNITED KINGDOM – GDP GROWTH RATE



EU Economic Outlook

POPULATION: 447.7 MILLION

EUROZONE –GDP GROWTH RATE



The Eurozone economy expanded 0.3% on quarter in the last three months of 2021, the same as in the previous estimates, driven by gross fixed capital formation (3.5%) and government spending (0.5%) while household consumption declined 0.6% and the contribution from net trade was negative as exports (2.9%) rose less than imports (4.6%). Still, it is the slowest growth in three quarters, as the omicron coronavirus variant spread across the European continent later in the year, and restrictions hurt the services sector and labour shortages persisted due to illness or quarantine rules. **Considering full 2021, the Euro Area economy advanced 5.3%**, following a 6.4% contraction in 2020.

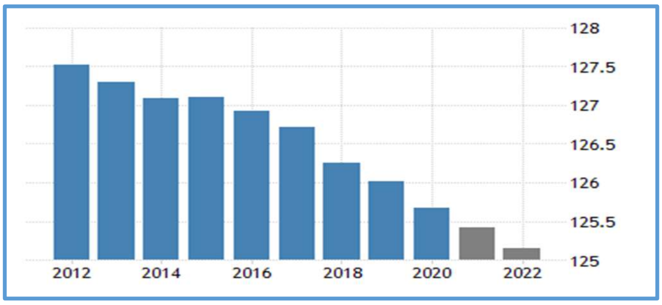
Japan's Economic Outlook

POPULATION: 125.8 MILLION

Japan's population has been in decline for more than 10 years. The Japanese Statistics Bureau estimates that the Japanese population will fall to **just over 100 million** by 2050. The United Nations estimates that Japan's population will decline by a third from current levels, to 85 million, by 2100.

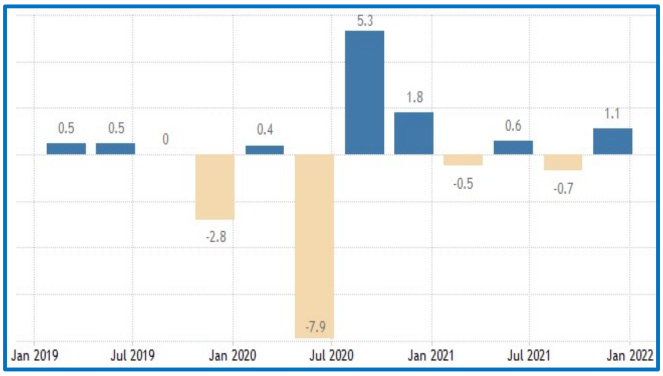
Japan already has the world's oldest population and the highest rate of people over the age of 100. This has put strain on the country's workforce and the problem is only expected to worsen. Official forecasts say elderly people will account for more than 35% of the population by 2040.

JAPANESE POPULATION DECLINE



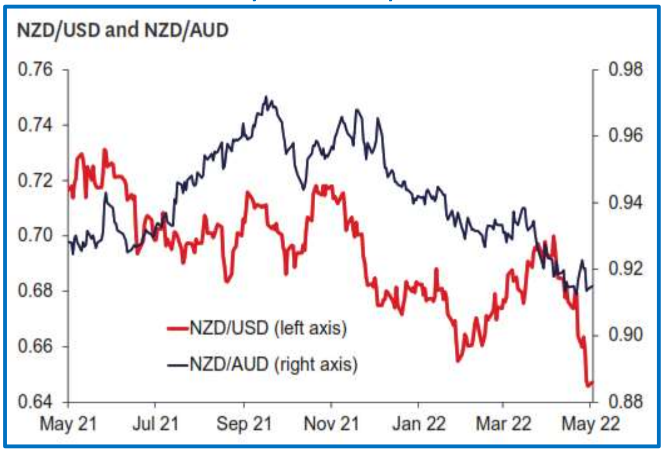
GDP Growth - The Japanese economy grew by 1.1% qoq in Q4 2021, after a 0.7% contraction in Q3, as pressures from record COVID-19 infections and rising energy costs heightened. Both household consumption (2.4%) and business investment (0.3%) grew less than initially anticipated. At the same time, both government spending (-0.4%) and public investment (-3.8%) declined more than initially thought. Meanwhile, net external demand contributed positively to the GDP, as exports recovered (0.9%) while imports continued to fall (-0.4%).

JAPAN – GDP GROWTH RATE



CURRENCIES

NZD/USD & NZD/AUD



Source: Westpac

The New Zealand dollar depreciated past $0.67 recently, pressured by hawkish comments from Federal Reserve Chair Jerome Powell who hinted at more aggressive rate hikes ahead to bring inflation down. The Reserve Bank of New Zealand is seen lagging behind in tightening monetary policy, even after raising its benchmark interest rate by 50 basis points to 1.5% in April, as the bank tempered its move by not lifting the projected peak for rates. Meanwhile, Governor Adrian Orr recently said the RBNZ is focused on containing inflation expectations and expects to put into effect more rate hikes in coming quarters. He said there was a risk that if the central bank increased interest rates too slowly that inflation expectations could get away from them.

INFLATION

Independent economist Cameron Bagrie recently said many New Zealand households will continue feeling the pinch from the large increase in the cost of living. "*It doesn't matter whether it's 6, 7 or 8 [percent] -*

whichever way you slice and dice it, it's hellish of a high number," he said. "*If you look at your benchmark compared to where wages are moving… the Labour Cost Index is going to be around 3%; so 3% take away 7, your cost of living is -4. So if you look at the typical household or wage earner out there at the moment, you're going back to the churn of about 4 percent - which is a pretty big hit to take over 12 months.* ***Inflation is a thief that literally siphons money out of your pocket***."

Bagrie said "*New Zealand was in danger of getting into a rat race. Inflation goes up and because inflation goes up, we force up wages to compensate… that adds to costs - then we start seeing price inflation and, low and behold, the spiral is in motion or the mouse is going around and around on the exercise wheel*."

The previous CPI figures released in January showed annual price inflation between the December 2020 and December 2021 quarter had hit 5.9% - the biggest annual jump in three decades. **Bagrie said about half of the inflation was down to the global economic situation and beyond New Zealand's control. The remaining 50% of inflation was created by the mismatch between demand and supply**, he said.

"*We've literally got an economy at the moment that is too hot to trot. There's too much demand relative to our ability to meet that demand so there are two potential solutions… we raise the economy's ability to meet demand and that means more workers, opening the borders up, a more productive, dynamic economy to lift the supply-side capacity. If we can't do that, then the other side is to curb demand and that's why the Reserve Bank is out there waving that interest rate stick - in the form of trying to slow the likes of the property market*."

OIL

Brent crude futures edged higher above $110 per barrel, as the EU proposed an embargo on Russian crude in six months and refined products by the end of 2022. The proposal also included a ban on all shipping, brokerage, insurance and financing services offered by EU companies for the transportation of Russian oil in a month. However, the EU faces the task of finding alternative supplies as it imports about 3.5 million barrels of Russian oil each day, with several EU countries worried that the halt would not allow them enough time to adapt. OPEC's Secretary General reiterated that it was not possible for other producers to replace Russian supply and expressed concerns about slowing demand from top importer China due to COVID-19 lockdowns.

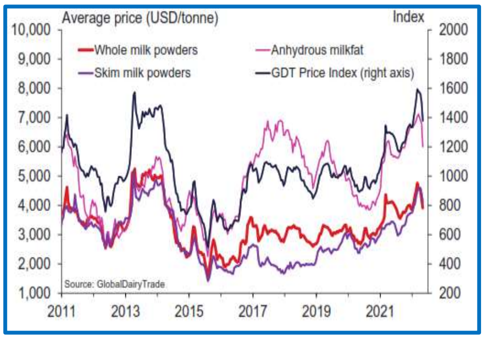
BRENT CRUDE (10 YEAR GRAPH)

BITCOIN

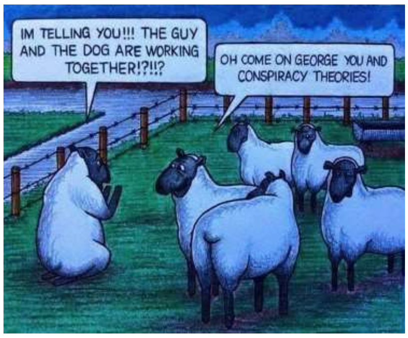
BITCOIN (5 YEAR GRAPH)

AGRIBUSINESS – LOOKING FROM THE OUTSIDE IN

GLOBAL DAIRY PRICES



FARMGATE MILK PRICES



BROKER PICKS AS AT 30TH APRIL 2022

AvonD Portfolio		Jarden		Craigs IP		Forsyth Barr		Hamilton Hindin		Hobson Health		MSL Capital Markets		Share Trader	
Comvita	(7.3%)	Comvita	(7.3%)	Contact Energy	1.0%	Arvida Group	(16.8%)	a2 Milk	(17.0%)	Heartland Group	(8.7%)	AFT Pharmaceuticals	(19.6%)	Ebos Group	2.9%
Contact Energy	1.0%	Contact Energy	1.0%	Ebos Group	2.9%	Ebos Group	2.9%	Fletcher Building	(15.6%)	Mainfreight	(13.4%)	Fletcher Building	(15.6%)	Heartland Group	(8.7%)
Infratil	5.0%	Heartland Group	(8.7%)	Fletcher Building	(15.6%)	NZ Refining	10.6%	F&P Healthcare	(34.4%)	Sky Network TV	(0.7%)	Heartland Group	(8.7%)	Scott Technology	(3.8%)
Port of Tauranga	(2.7%)	Infratil	5.0%	Pushpay Holdings	0.0%	Sky City	(7.1%)	Freieghtways	(4.4%)	Trade Window	(27.0%)	NZ Rural Land	0.9%	Warehouse Group	(13.8%)
Pushpay Holdings	0.0%	Skellerup	(9.8%)	Summerset	(14.3%)	Vulcan Steel	(2.2%)	Infratil	5.0%	Trustpower	(8.4%)	Promisia Healthcare	(21.0%)	Wellington Drive	(20.7%)
TOTAL CHANGE	(0.8%)		(4.0%)		(5.2%)		(2.5%)		(13.3%)		(11.7%)		(12.8%)		(8.8%)
NZ50 Index	(8.8%)		(8.8%)		(8.8%)		(8.8%)		(8.8%)		(8.8%)		(8.8%)		(8.8%)
+/- NZ50 Index	8.0%		4.9%		3.6%		6.3%		(4.5%)		(2.8%)		(4.0%)		0.0%

NOTE: This is just a game, and Broker picks should not be considered a recommendation; nor a portfolio structure. You should always seek professional advice.

My portfolio continues to hold up well in a very demanding market.

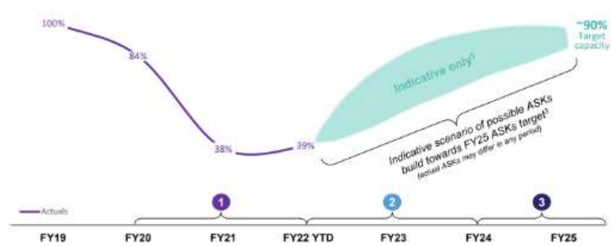
NZ EQUITIES

AIR – BALANCE SHEET CLEARED FOR TAKEOFF

SELL 12-MONTH TARGET PRICE $0.65

AIR announced its long-awaited $2.2bn capitalisation on 30 March, comprising $1.2bn of new equity, $600mn of redeemable shares and a refreshed $400mn Crown facility. The raise was in line with Jarden forecasts and will be structured as a 2-for-1 rights offer at $0.53 per share with the Government committing to maintaining a 51% shareholding (was 51.9%). After reviewing the investor presentation, Jarden's earnings estimates have not materially changed, with AIR's updated post-pandemic recovery assumptions broadly in line with their forecasts (see figure below). They also retain their Sell rating and the further reduction in their target price to $0.65 (was $0.80) is the result of a greater level of dilution versus their prior expectations. In the model portfolio, Jarden maintains their nil portfolio position at this juncture. They will look to review once the AIR price responds more logically (in their view) to the dilution of the equity raise.

Figure 3: Target available seat kilometres vs pre-COVID (FY19) level



Source: Air New Zealand investor presentation, 30 March 2022

Figure 4: Book equity negatively impacted by COVID, will continue to fall until FY25 on our estimates

Source: Air New Zealand investor presentation, 30 March 2022

PPH – PATH TO MARKET REDEMPTION

OVERWEIGHT 12-MONTH TARGET PRICE NZ$1.40

We view PPH's latest trading update as a step in the right direction to restoring market confidence, with EBITDAF guidance tightened to US$61.5-63.5m. While this was only a small upgrade to consensus, the update should alleviate some market concerns following the downgrade issued at the 1H22 results.

Post the sharp price weakness YTD, we find sufficient support for PPH's valuation to maintain our Overweight on the stock and within the model portfolio; the company continues to generate robust cash flows and our channel checks suggest that giving levels into 2022 have maintained positive momentum, with improving opportunities for customer acquisition/cross-sells.

On 26th April Pushpay Holdings advised it has recently received unsolicited, non-binding and conditional expressions of interest or approaches from third parties looking to acquire the Company. The Board has appointed Goldman Sachs to assist as financial advisor. There is no certainty that these expressions of interest or approaches will result in any transaction.

PPH reaffirmed its March 15th guidance for the full year ending 31 March 2022 of EBITDAF at US$61.5-63.5m.

FPH – NORMALISATION RISKS BETTER BALANCED

UPGRADED TO OVERWEIGHT 12-MONTH TARGET PRICE: $30.00

FPH issued a FY22 revenue guidance downgrade to NZ$1.68-1.70bn, which although broadly in line with our estimate was a 3-4% downgrade versus consensus. The top-line revision was driven by lower patient numbers through hospitals over the past two months as Omicron and the lower Northern Hemisphere flu season both proved to be headwinds.

Given the material price derate since the 1H22 results, Jarden now sees FPH's valuation as defensible at current levels and, importantly, with COVID normalisation earnings risk now much lower (refer figure below). Looking forward, a key number to watch will be 1H23E Consumables revenue. Sequential growth on 2H22 would increase their confidence in FPH's ability to generate a sufficient utilisation rate across its increased installed base and return the business to prior underlying growth track record from 2H23 onwards. In the model portfolio, Jarden has strengthened their modest FPH Overweight, consistent with the improved valuation support.

NZ PROPERTY SECTOR

The NZ 10-year government bond yield increased to ~3.3% at the end of March 2022, from ~2.8% at February. The LPV sector brushed this aside, up 1.25% (vs S&P/NZ50G +1.11%) for the month. VHP, SPG and PFI outperformed, while APL, IPL and GMT underperformed.

NZ LPV SECTOR SUMMARY as at 31 March 2022

Stock	Rating	Price 31 Mar	Target Price	P/NTA	P/NAV	12m fwd P/AFFO	Net div Yield	Gross Div Yield	Committed Gearing
APL	Neutral	$0.27	$0.28	0.59x	0.77x	36.3x	0.0%	0.0%	39%
ARG	Neutral	$1.38	$1.42	0.84x	0.95x	22.8x	4.8%	6.6%	32%
GMT	Underweight	$2.36	$2.10	0.95x	0.99x	33.6x	2.4%	3.3%	24%
IPL	Neutral	$1.72	$1.76	0.78x	0.95x	20.3x	4.6%	6.3%	37%
KPG	Overweight	$1.10	$1.13	0.77x	0.82x	16.7x	5.0%	7.0%	29%
NZL	Overweight	$1.20	$1.22	0.88x	1.10x	26.2x	4.4%	6.1%	36%
PFI	Underweight	$2.79	$2.59	0.92x	0.95x	29.8x	2.9%	4.0%	27%
SPG	Overweight	$1.99	$2.07	0.89x	0.82x	19.6x	5.0%	6.9%	27%
VHP	Underweight	$3.25	$2.66	1.04x	1.29x	26.0x	3.1%	4.3%	35%
Average (market cap based)				0.93x	0.99x	25.5x	3.7%	5.2%	29%

KIWI PROPERTY GROUP - KPG

Jarden flowed through a higher interest rate outlook but the most meaningful impact on their nearer term interest cost estimates is further delays in the assumed timing of Northlands (to 1 October 2022) and Plaza divestments (to 1 April 2023). Ahead of the upcoming results and more visibility on where NPI sits across the portfolio, Jarden made small amendments to NPI at this stage.

With their forecasts incorporating BTR at Sylvia Park and KPG looking to invest at Lynn Mall and Drury, the big uncertainty is on how KPG intends to fund its growth. Equity at such a large discount to NTA is unlikely to be favoured but with the Retail assets proving challenging to offload, the focus might turn to Office. KPG's peer recently completed a transaction around book value, suggesting better liquidity in office for quality assets, which could also be KPG's lowest sourced cost of capital.

STRIDE PROPERTY & INVESTMENT MANAGEMENT - SPG

A high level of hedging has limited the impact of higher interest rates. Jarden looked through changes to the rental growth outlook, which has the largest impact on Industry (both JV and JO). The challenge continues to be a lack of visible growth in dividends in the nearer term and the practical constraints associated with the release of capital from office and establishment of a fund and then the associated challenges of dealing with the remaining retail assets and Diversified, which will come to end of life over the next few years.

DEBT – THE ROOT CAUSE OF FINANCIAL DISTRESS

SOURCE: Brian Gaynor, 30-April 2022

The global economy, including New Zealand, faces tough times ahead. Inflation is rising throughout the world and central banks are responding by lifting interest rates and moving from quantitative easing (money printing) to quantitative tightening (central banks extracting liquidity). The average annual inflation rate of OECD countries was 2.1% in 2020, 5.9% last year and 7.4% for the 12 months ended March 2022. **NZ has a March 2022 year inflation rate of 6.9%, Australia 5.1% and the United States 8.5%.**

The recently released International Monetary Fund (IMF) World Economic Outlook had this to say: "*Inflation is expected to remain elevated for longer than in the previous forecast, driven by war-induced commodity price increases and broadening price pressures. For 2022, inflation is projected at 5.7% in advanced economies and 8.7% in emerging market and developing economies – 1.8 and 2.8 percentage points higher than projected in January.*"

A recent conference call of US economists took a more negative view. They believe inflation will spike at 14%-16% as the world is now on a war footing and these conflicts have been highly inflationary in the past. Escalating oil prices will be a major contributor to higher inflation and will force central banks to continue to raise interest rates, particularly if the 14%-16% inflation scenario is correct. Thus, businesses and individuals with elevated debt levels have challenging times ahead.

DEBT

Debt is the root cause of most financial problems as companies and individuals cannot go bust unless they have high debt levels, particularly in relation to the value of their assets and the income they derive from these assets. This was the harsh lesson from the 1980s with the following table showing market values and (continued)borrowings of the largest NZX companies just before the October 1987 market crash.

PRE-1987 CRASH – TOP TEN COMPANIES

$ billions	Value	Borrowings
Fletcher Challenge	5.9	2.6
Brierley Investments	5.3	3.1
Goodman Fielder	2.2	1.0
NZ Forest Products	2.0	0.3
Carter Holt Harvey	1.5	0.7
Robt. Jones Investments	1.3	0.2
Chase Corporation	1.3	2.2
Equiticorp	1.2	0.9
Lion Nathan	0.9	0.1
DB Group	0.8	0.0
Total	**22.3**	**11.2**

Market values on Friday, Oct 16, 1987

The following companies have been excluded from this list: NZI Corporation ($2.0bn market value) and Bank of NZ ($1.5bn) because they had specific industry balance sheet structures. Wattie Industries ($1.5bn) because its merger with Goodman Fielder had been completed and it was about to delist. The highly indebted Rainbow Corporation ($1.1bn) as its takeover by Brierley Investments was almost complete and it delisted shortly after the October '87 crash.

Several of these companies were highly indebted because banks, particularly the Bank of NZ, were aggressive lenders to the listed company sector. The ratio of company borrowings to market values of these top 10 companies was 50% on Friday, 16th Oct 1987.

This top 10 list doesn't include additional large indebted listed companies including Renouf Corp, Rada, Judge Corp, Omnicorp and more. At market close on 31st Dec 1987, these 10 companies had a combined market value of $13.3bn, compared with $22.3bn on 16th Oct 1987. representing a decline of 40%.

It is also worth noting that these 10 companies had total borrowings of $11.2bn in October 1987 while the total level of bank lending to the housing sector was only $6bn at the time.

CURRENT SITUATION

There has been a dramatic shift in bank lending over the past 35 years with loans to house purchasers soaring from just $6bn in 1987 to $329bn at present while total borrowings of the 10 largest NZX companies have declined from $11.2bn to $11.0bn over the same period.

The following table shows the market values and borrowings of the top 10 NZX companies this week.

NZX TOP TEN COMPANIES

$ billions	Value	Borrowings
Meridian Energy	12.3	1.8
F&P Healthcare	12.3	0.1
Auckland Airport	11.5	1.5
Spark NZ	9.3	1.5
Mercury NZ	8.3	1.7
Mainfreight	8.2	0.2
Ebos	8.0	0.3
Contact Energy	6.4	0.9
Infratil	6.0	2.2
Fletcher Building	4.9	0.9
	87.2	**11.0**

Market values on Thursday, April 28, 2022

The 10 largest companies have less borrowing than the same group in October 1987, yet the total value of these companies is now $87.2bn compared with $22.3bn before the 1987 crash. The borrowings to values ratio is now 13% compared with 50% in 1987.

These figures give some comfort that the major NZX companies are not exposed to the same risks as they were in 1987, particularly as the 90 days bank bill rate was 19.8% in October 1987 compared with 2.0% this week.

However, this doesn't mean that stocks are immune from major market corrections, even if they are lowly geared, as demonstrated by F&P Healthcare and A2 Milk.

F&P Healthcare's value has plunged from $20.6bn to $12.3bn over the past 12 months, partly because investors overbought the stock during the height of the pandemic crisis.

A2 Milk's value has nosedived from $15.0bn to $4.9bn over the past 24 months – even though it has borrowings of only $80 million – mainly because of problems with its Chinese sales channels.

Meridian Energy, Spark NZ, Mercury NZ, and Contact Energy are all low-risk businesses that can sustain reasonable levels of debt while Ebos and Mainfreight have achieved massive growth with minimal borrowings.

Ebos' market value has jumped from $0.4bn to $8.0bn over the past decade while Mainfreight's value has expanded from $1.0bn to $8.2bn over the same 10-year period.

Infratil's borrowing figure in the table above is overstated by approximately $0.8bn as it consolidates the assets and liabilities of several of its investments and Fletcher Building is the only top 10 company with any lineage to October 1987.

Steel & Tube, Sanford, Colonial Motor, Hallenstein, NZ Oil & Gas, Michael Hill and Ebos are the only 1987 companies that remain listed in their original form.

RETIREMENT VILLAGE COMPANIES

The big issues facing the NZ economy is the massive increase in housing loans, from just $6bn in 1987 to $329bn at present. This means that every one percentage point increase in interest rates will take

$3.3bn out of the economy and is likely to have a significant impact on property values. Higher interest rates and a weak housing market will have an impact on NZX retirement village and aged care operators because they are heavily geared, and their unit sales will depend on the ability of potential inhabitants to sell their homes.

The latest sharemarket values and borrowings of the three largest retirement village and aged care operators are as follows:

- **Ryman Healthcare** has a market value of $4,650m and borrowings of $2,540m.
- **Summerset**'s figures are $2,688m and $747m.
- **Arvida**'s numbers are $1,159m and $395m.

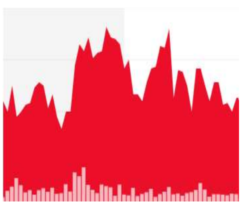
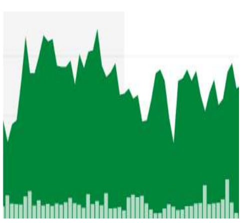
Thus, the total borrowings of these four companies represent 42% of their current market value compared with 13% for the 10 largest NZX companies.

These borrowing figures don't include an additional amount owed to occupiers when they depart. If these figures are included, even though the loans don't have to be repaid until another occupier is found, the borrowings to market values ratio of these three companies soars to 121%.

Obviously, shareholders of the NZX listed retirement village and aged care companies will be keeping a close eye on the residential property market in the period ahead.

STOCKS TO WATCH NEW ZEALAND

Prices as at 30th April 2022

ALL GRAPHS ONE YEAR		
	**Air New Zealand** Research: 31st March $1.2bn equity raise at a 34.7% discount to TERP. AIR has announced a $2.2bn recapitalisation, comprising $1.2bn of new equity, $600m of redeemable shares and a new $400m four-year Crown loan facility. The $1.2bn equity raise is in line with Jarden's forecast and will be structured as a 2-for-1 rights offer at a price of $0.53 per share. The Government has committed to participate for ~$602m of new shares. This will ensure the Crown will have a 51% shareholding post-raise. AIR expects ~$400m of the redeemable shares to be refinanced by ~$600m of debt issuance by 30 June 2022. Importantly, $850m of the proceeds will be used to repay the existing Crown loan and ~$950m will recapitalise the balance sheet, while the $400m loan facility will remain undrawn. Importantly, the recapitalisation has been sized with a view to maintaining AIR's investment grade credit rating and increasing available liquidity from ~$1.4bn to ~$1.8bn (pro forma). 2022 P/E: (9.2) 2023 P/E: (162)	**NZX Code:** AIR **Share Price:** $0.89 **12mth Target:** $0.65 **Projected return (%)** Capital gain -26.6% Dividend yield (Net) 0.0% **Total return -26.6%** **Rating: SELL** 52-week price range: 0.72-1.73
	**Comvita** Research: 25th February CVT has formed a new scientific partnership with the University of Otago to understand how mānuka honey helps support digestive health. "While there is scientific evidence that mānuka honey is an effective topical treatment for wounds and burns, the potential health benefits of consuming mānuka honey are less well understood," stated Dr Jody Miller of Otago University. 2022 P/E: 16.9 2023 P/E: 15.3	**NZX Code:** CVT **Share Price:** $3.30 **12mth Target:** ↑ $4.10 **Projected return (%)** Capital gain 24.2% Dividend yield (Net) 2.4% **Total return 26.6%** **Rating: OVERWEIGHT** 52-week price range: 3.14-3.80
	**Contact Energy, Mercury NZ and Trustpower (Manawa Energy)** Research 26th April Post 3Q22 trading updates and increasing our risk-free rate and inflation assumptions, Jarden revises their earnings forecasts and valuations. They calculate "normalised EBITDA" to allow multiple comparison, and further break down normalised EBITDA into renewable generation and "other" to reveal market price implied renewable generation valuation multiples. On this basis, it is clear why they believe that **Contact** and **Mercury** offer the greatest valuation upside and retain Buy ratings for both companies. **Trustpower** (**Manawa Energy**), now mostly a renewable generation play having sold its retail book, screens expensive. While Jarden has reduced their 12-month target price for Trustpower from $6.97 to $6.05, this is due partly to the company paying a special dividend of 35cps. The share price decline implies a one-year return including dividend of -2%, so they maintain their Underweight rating. They have reduced their target price for **Genesis** from $3.17 to $3.00 and with only 11% total return on a one-year view. 2022 P/E: 28.2 2023 P/E: 37.9	**NZX Code:** CEN **Share Price:** $8.18 **12mth Target:** $9.79 **Projected return (%)** Capital gain 19.7% Dividend yield (Net) 4.4% **Total return 24.1%** **Rating: BUY** 52-week price range:7.51-8.55
	**Eroad** Research: 20th April ERD recently announced the resignation of CEO Steven Newman, who will also step down from his role on the board. This follows the resignation of ERD's CFO in February 2022. The company has made no announcement on permanent replacements for either role at this stage but has signalled that it is in the advanced stages of its CEO search and expects to make an announcement within 1H CY22. While succession planning had been in place, the immediate timing and nature of the announcement has increased the risk Jarden sees to the company's immediate ability to execute on growth. 2022 P/E: N.M 2023 P/E: 38.9	**NZX Code:** ERD **Share Price:** $3.14 **12mth Target:** $3.70 **Projected return (%)** Capital gain 17.8% Dividend yield (Net) 0.0% **Total return 17.8%** **Rating: OVERWEIGHT** 52-week price range: 2.90-6.77

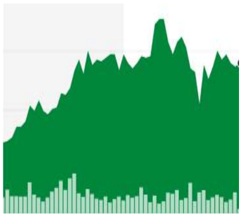
Fonterra Shareholders' Fund

Research: 27th April

The Government has agreed to progress enabling legislation for FSF's capital structure changes. The Government has agreed to support FSF's proposed capital structure changes with changes to the Dairy Industry Restructuring Act (DIRA) that enable it. The Government noted "The proposed capital restructure will lower the cost of entry for farmers wishing to join the co-operative and supply milk to FSF, thus enabling FSF to retain and attract milk supply in the face of forecast plateauing or declining milk production in NZ. This in turn will enable FSF to make efficient use of sunk investment in processing facilities, remain a large-scale, NZ farmer-owned co-operative, and to allocate capital to investments in innovation and sustainability." The Government identified a number of risks created by the restructuring, including impacts on contestability of milk supply; a suppressed share price in the restricted farmers-only market.

2022 P/E: 10.6 2023 P/E: 9.4

NZX Code:	**FSF**
Share Price:	**$2.85**
12mth Target:	**$4.00**
Projected return (%)	
Capital gain	40.4%
Dividend yield (Net)	5.8%
Total return	**46.2%**
Rating: NEUTRAL	
52-week price range: 2.80-4.60	



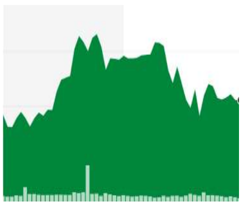
Heartland Group

Research: 4th April

HGH has announced a conditional agreement for the acquisition of 100% of StockCo Australia for a total acquisition cost of A$143m, but with the potential for up to a further A$11m dependent on the outcome of proposed refinancing currently being pursued by the vendor. StockCo Australia is the largest active originator of livestock financing with total assets of A$341m in a market that HGH estimates to be ~A$7b (including broader rural financing provided by the banks). The business has seen strong growth recently and HGH sees scope for further organic growth in the next 2-3 years, with aspirations to triple the book through new products, HGH's greater access to capital (constrained under previous ownership) and enhanced digitisation of origination. Elders Rural Services Australia (ELD.AX), with 400 locations across Australia, will continue as a distribution partner under an exclusive distribution agreement following the divestment of its 30% stake in the business. The acquisition is subject to the vendor securing operational funding, with the existing facilities set to expire in May. The potential acquisition price top-up is linked to the vendor securing lower cost bank financing to replace higher cost (non-bank + mezzanine) funding currently in place. Settlement is expected by the end of May 2022.

2022 P/E: 14.4 2023 P/E: 13.0

NZX Code:	**HGH**
Share Price:	**$2.30**
12mth Target: ↑	**$2.53**
Projected return (%)	
Capital gain	10.0%
Dividend yield (Net)	5.7%
Total return	**15.7%**
Rating: OVERWEIGHT	
52-week price range:1.82-2.59	



Mainfreight

Research: 6th April

Ukrainian conflict and sanctions on Russia add more uncertainty, more freight disruption with no signs supply chain pressure is normalising quickly. Over the course of the past 18 months, MFT has benefitted from supply chain disruption, driven by (1) market share gains as customers have sought better service and (2) material increases in freight rates have seen gross profits per consignment significantly increase in the sector. As such, the timing and pace of any normalisation in supply chains are key issues for investors. Importantly, while many industry participants expect freight rates to start to normalise this year, container freight indices remain ~430% above pre-COVID levels and a number of supply chain disruption indicators remain at peak levels.

2022 P/E: 27.5 2023 P/E: 27.1

NZX Code:	**MFT**
Share Price:	**$81.30**
12mth Target:	**$87.00**
Projected return (%)	
Capital gain	7.0%
Dividend yield (Net)	1.6%
Total return	**8.6%**
Rating: OVERWEIGHT	
52-week price range:71.62-99.78	

Pacific Edge

Research: 4th April

After the recent share price compression, Jarden has reassessed PEB's current investment case. When PEB raised capital last year there was a pivot that created some uncertainty, as it recognised the need for a more resource-focused strategy. Following this, PEB has the cash to support extra resources required, as it looks to capitalise on its first mover advantage to provide a bladder cancer biomarker test that delivers superior clinical utility. To date, volume has been softer than expected following milestone events (Kaiser and Medicare) and Covid has likely been a significant handbrake on momentum, not only through reduced access to clinics and diversion of resources (Kaiser) but the shutdown of face-to-face conferences that are key to engage with the urology community.

2021 P/E: N.M 2022 P/E: (30.0)

NZX Code:	**PEB**
Share Price:	**$1.03**
12mth Target: ↓	**$1.10**
Projected return (%)	
Capital gain	6.8%
Dividend yield (Net)	0.0%
Total return	**6.8%**
Rating: NEUTRAL	
52-week price range: 0.81-1.59	

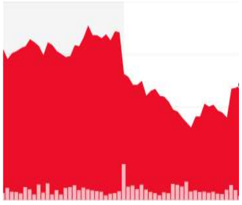
Port of Tauranga

Research14th April

Forsyth Barr has moved POT from an "underperform" rating to "outperform", lifting its target price from $5.90 to $6.75 based on expectations that the company will pursue a "more active pricing strategy". "While its increasing scale and the finite log export market may partially slow this momentum, we expect management to pursue a more active pricing strategy than previously." POT was trading close to its lowest premium to domestic peers over the past 10 years. Forsyth Barr state "It's by no means cheap ... yet few 'real assets' currently are. With an above average earnings growth outlook supported by a more active pricing strategy, capacity enhancements and its supply chain investments, we are comfortable paying more for a quality, real asset." POT shares are down around 13% this year.

2021 P/E: 38.7 2022 P/E: 36.4

NZX Code:	**POT**
Share Price:	**$6.49**
12mth Target: ↑	**$6.00**
Projected return (%)	
Capital gain	-7.6%
Dividend yield (Net)	2.4%
Total return	**-5.2%**
Rating: NEUTRAL	
52-week price range: 5.96-7.53	



Pushpay Holdings

Research: 27th April

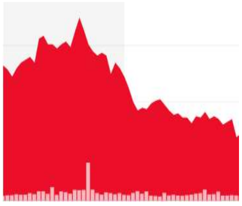
Pushpay (PPH) has announced that it has recently received unsolicited, non-binding and conditional expressions of interest or approaches from third parties looking to acquire the company. The release is light on detail, with no colour on the number of approaches, valuation indications, or potential timeframes provided at this stage. The company is due to release its FY22 results to the market on 11th May, which may include more detail on the process. PPH also reiterated its FY22 EBITDAF guidance range of US$61.5-63.5m. Jarden believes external interest in PPH highlights the attractive investment characteristics that underpin their Overweight rating. PPH offers strong cash generation, having paid down c.US$40m of debt over the past c.6 months. While the company is entering a period of elevated growth investment, as it looks to execute on opportunities in adjacent markets, Jarden expects PPH to deliver a FCF yield of c.5% in FY25.

2022 P/E: 33.9 2022 P/E: 31.6

NZX Code:	**PPH**
Share Price:	**$1.32**
12mth Target: ↓	**$1.40**
Projected return (%)	
Capital gain	6.1%
Dividend yield (Net)	0.0%
Total return	**6.1%**

Rating: OVERWEIGHT

52-week price range: 0.90-1.97



Strike Property & Investment

Research: 6th April

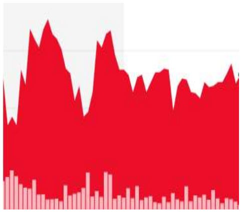
Pragmatic solution to progressing Fabric - high level portfolio metrics enhanced and scale increased. SPG announced that it will move ahead with the $213m acquisition of 110 Carlton Gore Rd at a slightly lower value (-$4.5m) than originally announced last year when SPG attempted the IPO of Fabric. With the IPO route seemingly challenging, no wholesale deal yet and gearing in the high 20%'s, SPG has supported the funding of this meaningful acquisition through the divestment of four of Fabric's smaller B grade office assets with the Carlton Gore Rd vendor purchasing them for $84m, in line with last book value. SPG's FY22 valuations are still in the process of being finalised and were not announced with the transactions. The transactions see the Fabric portfolio increase in size to $829m, with Prime and Grade A assets comprising 84% of the portfolio. Contract yield sits at 5.0% with the WALT at 7.8 years on a pro-forma basis. The average age of the portfolio moves down to 9 years.

2022 P/E: 25.7 2022 P/E: 22.5

NZX Code:	**SPG**
Share Price:	**$1.96**
12mth Target:	**$2.06**
Projected return (%)	
Capital gain	4.0%
Dividend yield (Net)	5.0%
Total return	**9.0%**

Rating: OVERWEIGHT

52-week price range: 1.85-2.71



Synlait Milk

Research: 4th April

Strong execution result from SML, and in particular the flagged sell down of excess inventories generating strong cashflows and debt reduction. Guidance broadly the same for FY22 and beyond, and it was operationally pleasing to see improved ingredients performance which has been partly offset by ongoing issues in the diversification streams of Consumer Foods and Beverages. Jarden sees this as a positive first step towards their flagged swing back to strong profitability but still believe it is too early for Jarden to have conviction in the remaining execution track. They reiterate their Neutral view, balancing potential longer-term value on offer but equally key execution milestones still to achieve (ATM SMAR license renewal, new multinational customer commissioning, further debt reduction).

2022 P/E: 14.3 2023 P/E: 12.5

NZX Code:	**SML**
Share Price:	**$3.53**
12mth Target:	**$3.60**
Projected return (%)	
Capital gain	2.0%
Dividend yield (Net)	0.0%
Total return	**2.0%**

Rating: NEUTRAL

52-week price range: 2.85 -3.96

Vista Group International

Research: 20th April

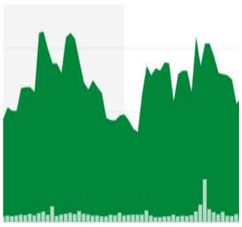
VGL is a market leader offering addressable market expansion. It is entering a transition period as it navigates a recovery in cinema attendance against an elevated investment phase. However, in Jarden's view, its dominant market position and a pathway to revenue expansion provide confidence in medium-term growth targets. VGL is in the initial stages of rolling out its new cloud-based Vista Cinema software-as-a-service (SaaS) product, with customer adoption expected to underpin earnings growth through a wider addressable market and operating leverage, consistent with other cloud transitions.

2022 P/E: (99.7) 2023 P/E: 255.3

NZX Code:	**VGL**
Share Price:	**$1.87**
12mth Target: ↓	**$2.15**
Projected return (%)	
Capital gain	15.0%
Dividend yield (Net)	0.0%
Total return	**15.0%**

Rating: OVERWEIGHT

52-week price range: 1.68 – 2.80



Vital Healthcare Property Trust

Research: 28TH APRIL

VHP has reconfirmed its credentials in the competitive healthcare assets market, and its appetite for growth, with another $150+m in acquisitions announced, taking its total acquisition activity over $500m in the last 12 months. With a significant development pipeline and VHP looking to maintain gearing in the 30-35% range, VHP also announced it was raising $200m in equity, following on from its $140m equity raise in October 2021 (and $150m in October 2020). VHP is continuing to add to its land bank and development pipeline with its acquisitions. As the gearing headroom provided by cap rate compression starts to ease, we think any subsequent equity raises could be larger should VHP continue to grow the portfolio. With VHP acquiring and developing on yields around 5%, Jarden estimates the transactions have a modest impact on AFFO per share (+0.6% in FY24E) and to be neutral on their valuation also.

2022 P/E: 125.5 2023 P/E: 25.2

NZX Code:	**VHP**
Share Price:	**$3.12**
12mth Target:	**$2.66**
Projected return (%)	
Capital gain	-14.7%
Dividend yield (Net)	3.1%
Total return	**-11.6%**

Rating: UNDERWEIGHT

52-week price range: 2.81 – 3.88

New Zealand Listed Companies: Earnings Table 26-April-2022	Ticker	Rec.	Market Cap	Price 26-Apr-22	Target Price	Adjusted NPAT			Adjusted EPS			Price Earnings		pbook	EV/EBITDA		Net Yield		Gross Yield	
NZ$mn			NZ$m	NZ$	NZ$	FY1	FY2	FY3	FY1	FY2	FY3	12MF	24MF	FWD	12MF	24MF	12MF	24MF	12MF	24MF
COMMUNICATION SERVICES																				
Chorus	CNU	N	3,303.0	7.39	6.53	43.5	45.2	44.8	9.7	10.1	10.0	73.7x	66.9x	4.0x	9.7x	9.5x	5.3%	5.3%	5.4%	5.7%
NZME	NZM	O	281.8	1.43	1.63	29.4	31.8	26.2	15.6	16.9	16.0	8.9x	8.7x	1.8x	5.5x	5.2x	5.6%	5.6%	7.2%	7.2%
SKY Network Television	SKT	O	468.2	2.68	2.81	51.1	48.5	50.4	9.0	27.8	24.5	11.0x	10.2x	0.9x	2.7x	2.9x	6.1%	6.4%	6.1%	6.4%
Spark New Zealand	SPK	O	9,208.2	4.92	4.69	421.6	451.0	414.4	22.6	23.8	23.6	20.9x	20.5x	5.6x	9.7x	9.3x	5.1%	5.1%	6.5%	6.5%
CONSUMER DISCRETIONARY																				
KMD Brands	KMD	B	943.0	1.33	1.60	43.7	81.6	49.6	6.2	11.5	10.1	13.2x	11.5x	1.1x	12.7x	8.6x	5.6%	6.2%	6.0%	6.7%
Michael Hill International	MHJ	O	458.2	1.29	1.55	49.7	51.2	49.6	12.8	13.2	13.1	9.8x	9.7x	2.0x	3.9x	3.7x	7.0%	7.1%	8.9%	9.1%
My Food Bag	MFB	B	225.5	0.93	1.70	19.8	20.9	19.9	8.2	8.6	8.7	10.7x	10.3x	3.1x	7.0x	6.6x	7.5%	7.8%	9.6%	9.6%
Restaurant Brands NZ	RBD	U	1,621.9	13.00	13.50	52.0	64.9	48.4	41.7	52.0	45.0	28.9x	26.1x	4.2x	13.2x	11.2x	-	-	-	-
SKYCITY Entertainment Group	SKC	O	2,181.8	2.87	3.30	(10.0)	102.9	19.6	(1.3)	13.5	10.9	26.4x	20.0x	1.3x	18.7x	9.9x	2.9%	3.7%	3.7%	4.8%
The Warehouse Group	WHS	N	1,109.9	3.20	3.40	103.2	105.0	122.2	29.9	30.4	30.3	10.6x	10.3x	2.1x	5.1x	5.3x	6.7%	6.8%	8.5%	8.7%
Tourism Holdings	THL	Res																		
CONSUMER STAPLES																				
The A2 Milk Company	ATM	N	3,740.6	5.03	6.40	121.2	136.3	114.0	16.3	18.2	17.9	28.2x	25.5x	2.8x	16.8x	13.3x	-	-	-	-
Comvita	CVT	O	234.3	3.35	4.10	13.9	15.4	13.1	19.8	22.0	21.6	15.5x	14.7x	1.0x	8.3x	7.2x	2.9%	3.5%	2.9%	3.5%
Delegat Group	DGL	O	1,302.6	12.88	14.80	60.1	66.0	61.1	59.4	65.2	64.2	20.1x	18.8x	2.4x	14.1x	12.8x	1.5%	1.6%	2.0%	2.1%
Fonterra Shareholders' Fund	FSF	N	341.6	3.18	4.00	529.5	596.1	534.9	32.8	36.9	35.8	8.9x	8.7x	0.0x	0.2x	0.2x	7.0%	7.7%	7.0%	7.7%
NZ King Salmon Investments	NZK	Res																		
Sanford	SAN	S	425.5	4.55	4.30	19.1	27.4	21.0	20.4	29.3	25.5	17.9x	15.7x	0.6x	10.7x	8.1x	1.7%	2.3%	1.7%	2.3%
Scales Corporation	SCL	N	697.9	4.89	4.85	27.9	32.6	29.2	19.6	22.9	20.6	23.7x	21.9x	1.7x	9.7x	9.5x	3.9%	3.9%	5.0%	5.0%
Seeka	SEK	N	216.2	5.15	5.35	17.6	20.2	12.3	42.0	48.2	44.0	11.7x	10.9x	0.8x	7.3x	6.0x	4.7%	5.5%	4.7%	5.5%
Synlait Milk	SML	N	754.1	3.45	3.60	35.4	59.7	18.8	24.0	27.3	26.4	13.1x	11.2x	0.9x	12.0x	7.0x	-	-	-	-
ENERGY																				
Channel Infrastructure NZ	CHI	N	402.0	1.08	1.12	10.1	11.8	(8.9)	2.7	3.2	2.9	37.8x	32.9x	0.8x	7.9x	7.3x	3.1%	6.6%	3.1%	6.6%
Z Energy	ZEL	N	1,954.0	3.77	3.76	55.9	86.8	58.1	9.6	16.7	17.0	22.2x	21.0x	2.0x	10.6x	9.3x	-	-	-	-
FINANCIALS																				
Heartland Group Holdings	HGH	O	1,393.3	2.35	2.53	93.7	105.2	92.7	15.9	17.6	17.3	13.6x	13.0x	1.6x	21.6x	18.6x	5.9%	6.0%	7.5%	7.7%
NZX	NZX	N	409.4	1.31	1.79	15.3	20.2	15.8	5.0	6.4	5.4	24.1x	21.8x	3.6x	12.0x	10.4x	4.8%	4.9%	6.1%	6.3%
Insurance																				
Turners Automotive Group	TRA	B	344.3	4.00	4.73	32.5	31.8	32.5	38.0	37.2	37.4	10.7x	10.3x	1.3x	9.8x	9.0x	6.3%	6.4%	8.0%	7.9%
HEALTH CARE																				
AFT Pharmaceuticals	AFT	O	391.6	3.74	5.15	15.9	25.9	26.2	15.2	24.8	25.1	14.9x	13.9x	5.5x	19.9x	11.1x	5.0%	5.4%	5.0%	5.1%
Ebos Group	EBO	O	8,160.6	43.25	40.00	222.1	287.6	216.1	125.9	152.4	147.7	29.3x	27.9x	3.5x	18.6x	13.6x	2.5%	2.6%	3.1%	3.3%
Fisher & Paykel Healthcare	FPH	O	12,867.7	22.29	30.00	372.6	310.8	368.2	64.6	53.8	54.8	40.7x	36.7x	7.4x	21.4x	22.1x	1.9%	1.9%	2.5%	2.5%
Pacific Edge	PEB	N	745.3	0.92	1.10	(18.5)	(26.8)	(19.1)	-	(3.3)	(3.3)	(27.9x)	(28.5x)	9.6x	(35.2x)	(25.5x)	-	(0.0%)	-	-
HEALTH CARE PROVIDERS & SERVICES																				
Arvida Group	ARV	N	1,195.3	1.66	2.05	72.1	104.8	74.4	11.9	14.6	14.8	11.2x	10.3x	0.9x	118.4x	69.9x	4.0%	4.4%	4.0%	4.4%
Oceania Healthcare	OCA	O	745.7	1.05	1.45	51.7	70.8	53.1	7.4	10.1	10.2	10.3x	9.6x	0.8x	44.4x	29.9x	5.4%	5.7%	5.4%	5.5%
Ryman Healthcare	RYM	S	4,600.0	9.20	11.75	240.8	318.7	246.3	48.2	63.7	64.6	14.2x	13.1x	1.2x	140.5x	74.9x	2.8%	3.1%	2.8%	2.9%
Summerset Group Holdings	SUM	O	2,669.2	11.55	14.00	159.8	180.2	147.9	69.5	78.0	72.2	16.0x	14.6x	1.3x	128.8x	77.8x	1.9%	2.0%	1.9%	2.0%
INDUSTRIALS																				
Metro Performance Glass	MPG	B	53.8	0.29	0.47	(0.2)	3.4	0.1	(0.1)	1.8	2.0	14.3x	8.4x	0.6x	6.0x	4.6x	0.7%	5.2%	0.9%	6.1%
PGG Wrightson	PGW	N	317.0	4.20	4.85	20.5	20.9	19.8	27.1	27.7	27.6	15.2x	14.5x	1.9x	7.6x	7.1x	7.1%	4.1%	4.5%	4.6%
Skellerup Holdings	SKL	O	1,115.0	5.71	6.40	47.2	53.9	46.1	24.2	27.6	27.0	21.2x	20.3x	5.1x	14.8x	12.7x	4.0%	4.1%	4.5%	4.6%
TRANSPORTATION & LOGISTICS																				
Air New Zealand	AIR	S	2,009.8	0.90	0.65	(562.6)	(31.8)	(519.0)	(39.0)	(0.9)	(7.7)	(11.6x)	(38.6x)	1.2x	193.9x	7.0x	-	-	-	-
Auckland International Airport	AIA	U	11,560.6	7.85	6.45	(38.0)	76.1	(38.7)	(2.6)	5.2	3.8	206.0x	76.8x	1.5x	104.2x	32.9x	0.4%	1.1%	0.5%	1.4%
Freightways	FRE	O	1,989.6	12.00	14.00	80.9	92.6	79.4	48.8	56.0	54.7	21.9x	20.8x	4.8x	12.4x	10.9x	3.5%	3.7%	4.5%	4.7%
Mainfreight	MFT	O	8,106.2	80.50	87.00	327.2	333.0	327.6	324.9	330.7	329.9	24.4x	24.8x	5.2x	12.9x	12.5x	1.8%	1.9%	2.3%	2.3%
Port of Tauranga	POT	N	4,428.8	6.51	6.00	108.0	114.8	107.1	16.1	17.1	16.9	38.5x	37.5x	3.1x	26.5x	24.3x	2.3%	2.4%	3.0%	3.1%
INFORMATION TECHNOLOGY																				
EROAD	ERD	O	335.4	3.04	3.70	1.1	8.5	1.6	1.1	7.6	7.5	40.4x	43.1x	1.8x	7.5x	4.7x	-	-	-	-
Gentrack Group	GTK	N	175.8	1.75	1.90	(6.8)	(1.3)	(2.5)	(6.7)	(1.3)	(3.6)	48.3x	144.9x	1.1x	24.4x	19.0x	-	0.4%		0.6%
Pushpay Holdings	PPH	O	1,174.9	1.03	1.40	34.1	39.9	34.5	3.1	3.6	3.6	28.4x	27.3x	6.8x	13.8x	12.5x	-	-	-	-
Serko	SKO	U	575.6	4.80	4.75	(34.6)	(31.2)	(34.4)	(30.4)	(26.0)	(25.4)	(18.9x)	(22.5x)	4.9x	(18.1x)	(25.7x)	-	-	-	-
Vista Group International	VGL	O	412.6	1.77	2.15	(4.0)	1.6	(7.5)	(1.7)	0.7	(0.9)	(188.8x)	364.8x	2.6x	53.0x	23.9x	-	-	-	-
MATERIALS																				
Fletcher Building	FBU	O	4,936.5	6.24	7.46	458.9	518.1	451.1	55.9	63.1	61.8	10.1x	10.2x	1.3x	6.6x	5.9x	6.4%	6.3%	8.1%	8.0%
Steel & Tube Holdings	STU	N	245.7	1.48	1.54	23.7	20.1	21.8	14.3	12.1	12.5	11.8x	12.6x	1.2x	6.4x	6.6x	5.9%	5.6%	7.2%	7.0%
REAL ESTATE																				
Argosy Property	ARG	N	1,134.4	1.34	1.42	65.2	61.0	64.9	7.7	7.2	7.2	18.5x	18.1x	0.8x	19.5x	17.6x	5.0%	5.0%	6.4%	6.2%
Asset Plus	APL	O	107.0	0.30	0.34	4.7	0.6	4.4	1.3	0.2	0.2	118.1x	50.7x	0.6x	24.5x	35.4x	-	0.2%	-	-
Goodman Property Trust	GMT	U	3,213.8	2.30	2.10	101.6	110.3	102.2	7.3	7.9	7.9	29.0x	28.4x	0.8x	28.6x	24.7x	2.5%	2.6%	3.2%	3.2%
Investore Property	IPL	N	625.8	1.70	1.76	29.5	33.8	29.8	8.0	9.2	9.2	18.4x	18.1x	0.7x	20.3x	17.1x	4.7%	4.8%	6.0%	5.9%
Kiwi Property Group	KPG	O	1,703.6	1.09	1.13	107.3	104.6	107.1	6.8	6.6	6.6	16.5x	16.9x	0.7x	16.7x	17.5x	5.2%	5.2%	6.6%	6.4%
New Zealand Rural Land Co	NZL	O	114.5	1.18	1.22	5.4	6.3	4.2	6.0	6.4	6.3	18.6x	19.0x	0.8x	37.8x	21.0x	5.0%	5.1%	6.3%	6.5%
Precinct Properties NZ	PCT	Res																		
Property for Industry	PFI	U	1,355.0	2.68	2.59	52.1	55.3	53.2	10.3	10.9	10.5	25.5x	24.8x	0.8x	22.9x	21.6x	3.0%	3.1%	3.9%	4.0%
Stride Property & Investment	SPG	O	1,059.0	1.96	2.06	110.9	85.6	109.1	10.6	11.5	11.5	17.0x	16.8x	0.8x	25.3x	18.7x	5.1%	5.1%	6.5%	6.2%
Vital Healthcare Property Trust	VHP	U	1,806.6	3.12	2.66	27.8	52.8	24.8	12.3	12.4	12.4	25.2x	25.3x	0.9x	32.7x	25.8x	3.2%	3.3%	4.1%	4.2%
UTILITIES																				
Contact Energy	CEN	B	6,331.0	8.11	10.00	225.6	190.7	218.4	29.0	24.5	25.3	32.1x	34.0x	2.2x	12.4x	12.6x	4.5%	4.6%	5.2%	5.2%
Genesis Energy	GNE	O	3,008.1	2.87	3.17	146.1	118.0	133.5	13.8	11.3	11.7	24.4x	26.4x	1.5x	10.4x	9.8x	6.2%	6.3%	7.6%	7.7%
Infratil	IFT	O	5,922.2	8.18	8.60	105.1	56.6	101.6	14.5	7.8	7.9	103.5x	100.1x	1.5x	20.8x	20.2x	2.4%	2.4%	2.4%	2.4%
Mercury NZ	MCY	B	8,166.7	5.91	7.15	213.4	249.8	201.2	15.5	18.1	17.6	33.5x	31.5x	1.7x	17.7x	13.5x	3.9%	4.1%	4.6%	4.9%
Meridian Energy	MEL	N	12,449.6	4.83	5.51	288.4	334.6	278.4	11.3	13.1	12.8	37.8x	36.5x	2.5x	18.8x	18.5x	3.6%	3.7%	4.5%	4.6%
Trustpower	TPW	U	2,128.2	6.80	6.97	151.2	85.0	146.5	48.3	27.2	27.3	24.9x	24.5x	2.2x	12.7x	15.0x	4.2%	4.2%	5.2%	5.2%
Vector	VCT	N	4,250.0	4.25	3.59	184.1	149.8	185.7	18.4	15.0	15.6	27.2x	27.6x	1.8x	11.4x	11.9x	4.0%	4.0%	4.1%	4.1%

RANKED BY DISCOUNT / PREMIUM TO VALUATION

LARGEST DISCOUNTS		LARGEST PREMIUMS	
My Food Bag Limited	84.8%	Air New Zealand Limited	-24.0%
Metro Performance Glass Limited	59.3%	Auckland International Airport Limited	-17.5%
Oceania Healthcare Limited	39.4%	Vector Limited	-16.5%
NZX Limited	36.6%	Vital Healthcare Property Trust	-15.6%
Fisher & Paykel Healthcare Corporation Limited	33.9%	Chorus Limited	-11.8%
AFT Pharmaceuticals Limited	33.8%	Goodman Property Trust	-10.3%
Pushpay Holdings Limited	33.3%	Sanford Limited	-7.7%
Ryman Healthcare Limited	31.3%	Port of Tauranga	-7.3%
The A2 Milk Company Limited	26.7%	Ebos Group Limited	-4.8%
Contact Energy Limited	24.2%	Spark New Zealand Limited	-4.0%

RANKED BY FY22 NORMALISED P/E

LOWEST RATIOS		HIGHEST RATIOS	
NZME Limited	9.2x	EROAD Limited	274.5x
Fonterra Shareholders' Fund Units	9.9x	Chorus Limited	76.3x
Michael Hill International Limited	10.2x	Infratil Limited	56.6x
Turners Automotive Group Limited	10.5x	Meridian Energy Limited	42.7x
Steel & Tube Holdings Limited	10.6x	Port of Tauranga	40.2x
The Warehouse Group Limited	10.7x	Channel Infrastructure NZ Limited	39.6x
My Food Bag Limited	11.2x	Z Energy Limited	39.2x
Fletcher Building Limited	11.3x	Mercury NZ Limited	38.3x
Seeka Limited	12.4x	Fisher & Paykel Healthcare Corporation Limited	34.7x
Trustpower Limited	13.7x	Pushpay Holdings Limited	33.9x

RANKED BY EPS GROWTH (CAGR) FY21-23

HIGHEST RETURN		LOWEST RETURN	
Z Energy Limited	427.6%	Air New Zealand Limited	-82.2%
SKY Network Television Limited	220.9%	Asset Plus Limited	-69.8%
AFT Pharmaceuticals Limited	83.1%	Metro Performance Glass Limited	-35.3%
EROAD Limited	78.0%	Fisher & Paykel Healthcare Corporation Limited	-23.2%
Sanford Limited	61.7%	The Warehouse Group Limited	-22.6%
Seeka Limited	34.9%	Vector Limited	-11.8%
Oceania Healthcare Limited	33.1%	Serko Limited	-8.1%
Mainfreight Limited	33.1%	Chorus Limited	-5.9%
Mercury NZ Limited	30.1%	Argosy Property Limited	-5.7%
The A2 Milk Company Limited	29.2%	Trustpower Limited	-4.9%

RANKED BY FY22 EV/EBITDA

HIGHEST RATIOS		LOWEST RATIOS	
Ryman Healthcare Limited	121.7x	Michael Hill International Limited	0.9x
Summerset Group Holdings Limited	111.1x	The Warehouse Group Limited	1.3x
Arvida Group Limited	81.7x	Mainfreight Limited	2.0x
Auckland International Airport Limited	78.5x	My Food Bag Limited	2.0x
Gentrack Group Limited	62.7x	NZME Limited	2.2x
Oceania Healthcare Limited	52.7x	SKY Network Television Limited	2.3x
Heartland Group Holdings Limited	46.7x	Spark New Zealand Limited	2.5x
Asset Plus Limited	38.6x	Restaurant Brands New Zealand Limited	2.5x
Vital Healthcare Property Trust	34.2x	The A2 Milk Company Limited	2.7x
Goodman Property Trust	33.4x	Skellerup Holdings Limited	2.8x

RANKED BY FY22 RETURN ON EQUITY

HIGHEST RETURN		LOWEST RETURN	
AFT Pharmaceuticals Limited	30.3%	Air New Zealand Limited	(33.2%)
My Food Bag Limited	29.3%	Serko Limited	(23.1%)
Pushpay Holdings Limited	27.8%	Pacific Edge Limited	(17.4%)
Spark New Zealand Limited	26.4%	Gentrack Group Limited	(4.4%)
Mainfreight Limited	24.2%	Vista Group International Limited	(2.6%)
Michael Hill International Limited	23.0%	EROAD Limited	(1.9%)
Skellerup Holdings Limited	22.7%	SKYCITY Entertainment Group Limited	(0.6%)
Fisher & Paykel Healthcare Corporation Limited	22.4%	Auckland International Airport Limited	(0.5%)
Goodman Property Trust	20.8%	Metro Performance Glass Limited	(0.2%)
Freightways Limited	20.5%	Infratil Limited	1.7%

RANKED BY PEG RATIO*

HIGHESET RATIOS		LOWEST RATIOS	
Delegat Group Limited	56.7x	Stride Property & Stride Investment Management Limited	(42.6x)
Contact Energy Limited	33.6x	Chorus Limited	(13.0x)
Property for Industry Limited	28.1x	Argosy Property Limited	(3.0x)
Kiwi Property Group Limited	20.8x	Trustpower Limited	(2.8x)
Vital Healthcare Property Trust	10.2x	Vector Limited	(2.0x)
Port of Tauranga	7.0x	Fisher & Paykel Healthcare Corporation Limited	(1.5x)
Scales Corporation Limited	5.6x	The Warehouse Group Limited	(0.5x)
Michael Hill International Limited	5.2x	Asset Plus Limited	(0.3x)
NZX Limited	5.2x	Z Energy Limited	0.1x
Goodman Property Trust	4.6x	SKY Network Television Limited	0.1x

*Please note that we remove stocks with negative PEs and negative earnings growth, as well as large positive and large negative values, in order to avoid misrepresentation

COMPANY	PRICE (NZ$)	PE RATIO 2022F	RETURN ON CAPITAL		RETURN ON EQUITY		EV/EBITDA
			2022F	2023F	2022F	2023F	2022F
NZME Limited	1.43	9.2x	9.5%	10.0%	18.7%	18.5%	2.2x
Fonterra Shareholders' Fund Units	3.24	9.9x	2.9%	3.3%	7.5%	8.2%	7.6x
Michael Hill International Limited	1.30	10.2x	9.2%	9.7%	23.0%	21.9%	0.9x
Turners Automotive Group Limited	3.99	10.5x	3.9%	3.6%	12.9%	12.5%	9.0x
Steel & Tube Holdings Limited	1.52	10.6x	6.1%	5.3%	11.5%	9.5%	3.6x
The Warehouse Group Limited	3.19	10.7x	5.2%	5.1%	20.1%	19.5%	1.3x
My Food Bag Limited	0.92	11.2x	18.5%	18.6%	29.3%	29.1%	2.0x
Fletcher Building Limited	6.32	11.3x	5.2%	6.3%	11.0%	13.1%	3.9x
Seeka Limited	5.20	12.4x	3.5%	4.0%	7.0%	7.7%	6.2x
Trustpower Limited	6.62	13.7x	6.1%	4.4%	13.0%	9.0%	8.3x
Oceania Healthcare Limited	1.04	14.1x	2.6%	2.4%	6.6%	6.6%	52.7x
Synlait Milk Limited	3.40	14.2x	3.2%	3.5%	6.5%	6.9%	10.1x
Arvida Group Limited	1.69	14.2x	3.8%	4.4%	10.0%	11.6%	81.7x
Heartland Group Holdings Limited	2.34	14.7x	1.4%	1.4%	11.3%	12.1%	46.7x
PGG Wrightson Limited	4.20	15.5x	4.1%	4.2%	11.9%	12.3%	3.3x
Kiwi Property Group Limited	1.09	16.0x	7.5%	5.1%	11.7%	8.0%	20.6x
Summerset Group Holdings Limited	11.40	16.4x	4.0%	0.2%	10.8%	0.6%	111.1x
Comvita Limited	3.35	16.9x	3.8%	4.9%	5.1%	6.4%	7.9x
Argosy Property Limited	1.33	17.3x	8.6%	4.3%	13.5%	6.7%	22.5x
Stride Property & Stride Investment Management Limitec	1.95	18.4x	8.2%	6.2%	10.9%	8.9%	26.5x
Ryman Healthcare Limited	8.95	18.6x	5.2%	3.8%	16.7%	12.4%	121.7x
New Zealand Rural Land Company Limited	1.19	19.8x	6.7%	2.7%	10.8%	4.3%	33.2x
Genesis Energy Limited	2.86	20.7x	3.2%	2.5%	7.1%	6.0%	7.8x
KMD Brands Limited	1.31	21.1x	3.2%	5.9%	5.4%	9.6%	8.6x
Spark New Zealand Limited	4.89	21.6x	10.2%	10.8%	26.4%	27.3%	2.5x
Investore Property Limited	1.74	21.8x	8.8%	5.5%	12.9%	8.4%	25.1x
Delegat Group Limited	13.00	21.9x	6.6%	7.0%	12.1%	12.2%	6.1x
Sanford Limited	4.66	22.8x	2.0%	2.8%	2.9%	4.1%	12.7x
Asset Plus Limited	0.30	23.1x	1.3%	2.2%	1.9%	3.4%	38.6x
Vector Limited	4.30	23.4x	2.8%	2.2%	7.9%	6.4%	8.8x
Skellerup Holdings Limited	5.90	24.4x	15.4%	17.1%	22.7%	24.7%	2.8x
Mainfreight Limited	81.05	24.9x	10.7%	10.0%	24.2%	21.5%	2.0x
Scales Corporation Limited	4.89	24.9x	4.7%	5.3%	7.0%	8.0%	4.8x
Freightways Limited	12.29	25.2x	7.2%	8.0%	20.5%	22.4%	2.9x
AFT Pharmaceuticals Limited	3.85	25.3x	13.6%	18.3%	30.3%	36.7%	3.9x
Vital Healthcare Property Trust	3.15	25.6x	9.0%	6.8%	15.0%	11.2%	34.2x
Property for Industry Limited	2.70	26.2x	6.5%	5.3%	9.0%	7.4%	26.1x
NZX Limited	1.31	26.2x	6.1%	7.9%	13.6%	17.2%	2.9x
Contact Energy Limited	8.05	27.8x	4.2%	3.4%	7.6%	6.7%	6.6x
SKY Network Television Limited	2.65	29.4x	11.6%	6.0%	17.7%	9.1%	2.3x
The A2 Milk Company Limited	5.05	31.0x	8.0%	8.1%	10.1%	10.2%	2.7x
Restaurant Brands New Zealand Limited	13.05	31.3x	3.7%	4.1%	14.6%	14.8%	2.5x
Goodman Property Trust	2.34	32.1x	15.7%	5.0%	20.8%	6.8%	33.4x
Ebos Group Limited	42.00	33.4x	3.6%	5.1%	8.7%	12.4%	7.3x
Pushpay Holdings Limited	1.05	33.9x	16.6%	18.1%	27.8%	23.5%	3.0x
Fisher & Paykel Healthcare Corporation Limited	22.41	34.7x	18.7%	15.0%	22.4%	18.0%	2.9x
Mercury NZ Limited	5.94	38.3x	6.4%	2.9%	11.7%	5.3%	11.5x
Z Energy Limited	3.76	39.2x	1.9%	3.1%	5.5%	8.9%	5.6x
Channel Infrastructure NZ Limited	1.07	39.6x	0.9%	1.0%	2.0%	2.4%	10.7x
Port of Tauranga	6.47	40.2x	5.2%	5.4%	7.7%	8.1%	10.0x
Meridian Energy Limited	4.82	42.7x	3.4%	3.8%	5.8%	6.6%	7.8x
Infratil Limited	8.20	56.6x	0.8%	0.2%	1.7%	0.4%	13.4x
Chorus Limited	7.40	76.3x	1.0%	0.8%	6.1%	5.7%	5.0x
EROAD Limited	3.02	274.5x	(1.1%)	2.4%	(1.9%)	4.5%	6.3x

COMPANY	PRICE (NZ$)	FORWARD PE		PEG RATIO	EPS GROWTH FY21-23	VALUATION	DISC/PREM TO VALUATION
		FRD 12m	FRD 24m				
AFT Pharmaceuticals Limited	3.85	15.5x	13.5x	0.3x	83.1%	5.15	33.8%
Auckland International Airport Limited	7.82	209.9x	47.5x			6.45	(17.5%)
Air New Zealand Limited	0.86		28.6x		(82.2%)	0.65	(24.0%)
Asset Plus Limited	0.30	150.0x	33.3x	(0.3x)	(69.8%)	0.34	13.3%
Argosy Property Limited	1.33	18.5x	17.5x	(3.0x)	(5.7%)	1.42	6.8%
Arvida Group Limited	1.69	11.6x	9.7x	0.6x	23.3%	2.05	21.3%
The A2 Milk Company Limited	5.05	28.3x	23.4x	1.1x	29.2%	6.40	26.7%
Contact Energy Limited	8.05	31.8x	36.0x	33.6x	0.8%	10.00	24.2%
Channel Infrastructure NZ Limited	1.07	37.5x	29.0x			1.12	4.7%
Chorus Limited	7.40	73.8x	61.4x	(13.0x)	(5.9%)	6.53	(11.8%)
Comvita Limited	3.35	15.5x	14.0x	0.6x	27.7%	4.10	22.4%
Delegat Group Limited	13.00	20.3x	17.9x	56.7x	0.4%	14.80	13.8%
Ebos Group Limited	42.00	28.5x	25.9x	2.2x	15.2%	40.00	(4.8%)
EROAD Limited	3.02	39.7x	45.8x	3.5x	78.0%	3.70	22.5%
Fletcher Building Limited	6.32	10.2x	10.4x	0.9x	12.0%	7.46	18.0%
Fisher & Paykel Healthcare Corporation Limited	22.41	41.7x	33.3x	(1.5x)	(23.2%)	30.00	33.9%
Freightways Limited	12.29	22.5x	20.3x	1.9x	12.9%	14.00	13.9%
Fonterra Shareholders' Fund Units	3.24	9.1x	8.7x	2.5x	4.0%	4.00	23.5%
Goodman Property Trust	2.34	29.6x	28.2x	4.6x	7.0%	2.10	(10.3%)
Genesis Energy Limited	2.86	24.3x	28.6x	0.8x	25.3%	3.17	10.8%
Gentrack Group Limited	1.81		156.1x			1.90	5.0%
Heartland Group Holdings Limited	2.34	13.5x	12.4x	1.8x	8.0%	2.53	8.1%
Infratil Limited	8.20	105.1x	89.1x			8.60	4.9%
Investore Property Limited	1.74	18.9x	18.1x	3.0x	7.2%	1.76	1.1%
KMD Brands Limited	1.31	13.0x	10.1x	2.0x	10.6%	1.60	22.1%
Kiwi Property Group Limited	1.09	16.4x	17.5x	20.8x	0.8%	1.13	4.1%
Mercury NZ Limited	5.94	33.7x	29.9x	1.3x	30.1%	7.15	20.4%
Meridian Energy Limited	4.82	37.8x	35.3x	2.1x	20.0%	5.51	14.3%
My Food Bag Limited	0.92	10.7x	9.7x	1.0x	11.6%	1.70	84.8%
Mainfreight Limited	81.05	24.5x	25.4x	0.8x	33.1%	87.00	7.3%
Michael Hill International Limited	1.30	9.9x	9.7x	5.2x	1.9%	1.55	19.2%
Metro Performance Glass Limited	0.30	16.4x	5.9x		(35.3%)	0.47	59.3%
New Zealand Rural Land Company Limited	1.19	18.8x	19.6x			1.22	2.5%
NZME Limited	1.43	8.9x	8.5x	0.6x	16.3%	1.63	14.0%
NZX Limited	1.31	24.1x	19.9x	5.2x	5.0%	1.79	36.6%
Oceania Healthcare Limited	1.04	10.3x	8.9x	0.4x	33.1%	1.45	39.4%
Pacific Edge Limited	0.93					1.10	18.3%
Property for Industry Limited	2.70	25.7x	24.3x	28.1x	0.9%	2.59	(3.9%)
PGG Wrightson Limited	4.20	15.2x	13.9x	1.2x	12.7%	4.85	15.5%
Port of Tauranga	6.47	38.3x	36.3x	7.0x	5.7%	6.00	(7.3%)
Pushpay Holdings Limited	1.05	29.2x	26.9x	1.7x	20.0%	1.40	33.3%
Restaurant Brands New Zealand Limited	13.05	29.1x	23.9x	1.7x	17.9%	13.50	3.4%
Ryman Healthcare Limited	8.95	14.1x	11.8x	1.0x	19.1%	11.75	31.3%
Sanford Limited	4.66	18.4x	14.3x	0.4x	61.7%	4.30	(7.7%)
Scales Corporation Limited	4.89	23.7x	20.5x	5.6x	4.4%	4.85	(0.8%)
Seeka Limited	5.20	11.8x	10.3x	0.4x	34.9%	5.35	2.9%
SKYCITY Entertainment Group Limited	2.87	26.8x	16.2x		6.5%	3.30	15.0%
Skellerup Holdings Limited	5.90	21.9x	20.2x	1.7x	14.4%	6.40	8.5%
Serko Limited	4.61				(8.1%)	4.75	3.0%
SKY Network Television Limited	2.65	10.9x	9.5x	0.1x	220.9%	2.81	6.0%
Synlait Milk Limited	3.40	12.9x	9.7x			3.60	5.9%
Stride Property & Stride Investment Management Limited	1.95	17.0x	16.4x	(42.6x)	(0.4%)	2.06	5.6%
Spark New Zealand Limited	4.89	20.7x	20.0x	2.9x	7.5%	4.69	(4.0%)
Steel & Tube Holdings Limited	1.52	12.1x	13.8x	0.4x	25.4%	1.54	1.3%
Summerset Group Holdings Limited	11.40	15.8x	13.3x	1.4x	11.8%	14.00	22.8%
Trustpower Limited	6.62	24.3x	23.3x	(2.8x)	(4.9%)	6.97	5.3%
Turners Automotive Group Limited	3.99	10.7x	10.0x	0.8x	13.7%	4.73	18.5%
Vector Limited	4.30	27.5x	28.2x	(2.0x)	(11.8%)	3.59	(16.5%)
Vista Group International Limited	1.77		94.9x			2.15	21.5%
Vital Healthcare Property Trust	3.15	25.4x	25.7x	10.2x	2.5%	2.66	(15.6%)
The Warehouse Group Limited	3.19	10.5x	10.0x	(0.5x)	(22.6%)	3.40	6.6%
Z Energy Limited	3.76	22.5x	18.2x	0.1x	427.6%	3.76	(0.0%)

*Please note that as negative PEs are not considered meaningful we consider the ranking of these stocks arbitrary. We exlude negative PE stocks from the weighted average Forward PE and PEG Ratio calcuations

JARDEN'S NZ LISTED COMPANIES GROSS DIVIDEND YIELD

AS AT 28TH APRIL 2022

COMPANY	RATING	PRICE (NZ$)	GROSS DIVIDEND YIELD				DIVIDEND COVER				NET DEBT/ EQUITY[1]
			FY-1	FY0	FY1	FY2	FY-1	FY0	FY1	FY2	CURRENT
My Food Bag	B	$0.98		10.0%	10.7%	11.7%		1.3	1.2	1.3	0.5%
Fonterra	N	$3.05	9.0%	9.0%	10.3%	12.5%	1.7	1.6	1.6	1.3	28.5%
Channel Infrastructure	N	$1.07			10.1%	11.3%			0.3	0.4	256.5%
PGG Wrightson	N	$4.14	9.3%	10.0%	10.0%	10.1%	0.8	0.9	0.9	1.0	20.4%
The Warehouse Group	N	$3.35	15.6%	9.2%	9.4%	9.9%	1.4	1.4	1.4	1.4	-19.6%
Sky Network Television	O	$2.62		4.3%	9.0%	9.0%		1.1	1.5	1.6	-28.1%
Kathmandu	B	$1.35	5.7%	6.7%	9.0%	10.6%	1.9	1.0	1.4	1.4	47.4%
Fletcher Building	O	$6.05	6.7%	8.5%	8.9%	8.5%	1.7	1.5	1.6	1.6	-11.8%
Genesis Energy	O	$2.79	8.6%	8.8%	8.9%	9.0%	0.4	0.8	0.6	0.5	-10.2%
Turners	B	$3.99	6.8%	7.9%	8.6%	8.9%	1.4	1.7	1.5	1.5	172.6%
Heartland Group	O	$2.27	6.5%	7.8%	8.3%	8.6%	1.4	1.2	1.3	1.3	46.5%
Steel and Tube	N	$1.53	3.2%	7.0%	8.3%	7.5%	1.7	1.4	1.4	1.4	-0.2%
Seeka	N	$5.19	10.1%	5.5%	8.3%	9.7%	0.7	2.0	1.5	1.5	44.9%
Stride	O	$1.90	7.6%	7.6%	7.6%	7.6%	1.2	1.1	1.2	1.2	26.1%
Chorus	N	$7.28	4.7%	6.7%	7.5%	8.5%	0.5	0.3	0.3	0.3	7.5%
Argosy Property	N	$1.30	7.0%	7.0%	7.3%	7.3%	1.2	1.2	1.1	1.1	48.0%
NZ Rural Land Co	O	$1.17		4.9%	7.2%	7.1%		1.4	1.0	1.0	-2.8%
Spark	O	$4.90	7.2%	7.2%	7.2%	7.2%	0.8	0.9	1.0	1.0	76.6%
AFT Pharmaceuticals	O	$3.70		2.9%	7.1%	8.2%		2.0	1.3	1.3	54.0%
Michael Hill	O	$1.23	4.9%	7.0%	7.0%	10.3%	2.8	1.4	1.5	1.4	63.8%
NZX	N	$1.27	6.3%	6.3%	6.7%	7.1%	1.0	0.8	1.0	1.0	11.7%
Kiwi Property Group	O	$1.06	6.7%	5.9%	6.6%	6.8%	1.3	1.2	1.2	1.1	43.0%
Trustpower	U	$6.70	7.5%	7.1%	5.8%	3.7%	0.8	1.4	1.0	1.0	58.5%
Contact Energy	B	$8.17	5.4%	5.5%	5.7%	6.6%	0.7	0.8	0.7	0.6	33.3%
Mercury	B	$5.84	3.9%	4.5%	5.3%	5.9%	0.6	0.8	0.8	0.8	33.3%
Oceania Healthcare	O	$1.03	3.1%	3.9%	5.3%	6.1%	1.7	1.8	1.8	1.8	43.6%
Scales Corporation	N	$4.71	5.3%	5.3%	5.3%	5.3%	1.1	1.0	1.2	1.4	-20.2%
Investore Property	N	$1.65	4.4%	5.1%	5.2%	5.5%	1.1	1.0	1.2	1.2	1.6%
Meridian Energy	N	$4.70	4.9%	5.0%	5.0%	5.1%	0.5	0.7	0.7	0.8	26.3%
NZME	O	$1.44	6.8%	4.9%	4.9%	5.2%	1.6	2.0	2.1	2.0	58.7%
Sky City	O	$2.81	3.3%		4.9%	6.8%	1.7		1.4	1.3	44.2%
Vital Healthcare	U	$3.12	4.2%	4.6%	4.8%	4.9%	1.3	1.3	1.2	1.2	55.7%
Skellerup	O	$5.58	3.5%	4.2%	4.7%	4.9%	1.2	1.2	1.2	1.2	7.5%
Property For Industry	U	$2.65	4.3%	4.5%	4.6%	4.8%	1.4	1.3	1.3	1.3	35.5%
Comvita	O	$3.30	1.7%	3.3%	4.2%	6.1%	3.4	2.5	2.2	1.7	46.6%
Vector	N	$4.22	4.1%	4.1%	4.1%	4.1%	1.1	1.1	0.9	0.9	145.4%
Arvida	N	$1.60	3.1%	3.1%	3.9%	4.7%	1.8	2.3	2.2	2.2	34.1%
Freightways	O	$11.90	2.8%	3.1%	3.6%	3.9%	1.3	1.3	1.3	1.3	56.8%
Infratil	O	$8.28	3.3%	3.4%	3.6%	3.7%	-1.2	0.8	0.4	0.4	41.9%
Port of Tauranga	N	$6.35	2.9%	3.1%	3.3%	3.5%	1.1	1.1	1.1	1.1	33.1%
Goodman Property	U	$2.25	3.0%	3.1%	3.3%	3.4%	1.3	1.3	1.4	1.4	53.3%
Ryman Healthcare	S	$8.90	2.5%	2.1%	2.8%	3.4%	2.0	2.6	2.5	2.5	75.3%
Fisher & Paykel Healthcare	O	$21.65	2.4%	2.5%	2.6%	2.8%	2.4	1.6	1.3	1.5	44.7%
Ebos	O	$42.70	2.0%	2.5%	2.6%	3.0%	1.4	1.2	1.4	1.3	4.0%
Sanford	S	$4.46		1.4%	2.6%	3.9%		4.1	2.9	2.3	27.7%
Mainfreight	O	$78.85	1.3%	2.4%	2.5%	2.9%	2.5	2.4	2.3	1.9	-45.5%
Summerset	O	$11.40	1.6%	1.8%	2.0%	2.7%	3.4	3.3	3.3	3.3	42.7%
Delegat's Group	O	$12.56	1.8%	1.5%	1.8%	1.9%	3.2	3.3	3.3	3.4	34.1%
Auckland Airport	U	$7.75			0.7%	2.8%			1.3	1.3	19.3%
Air New Zealand	S	$0.88									13.3%
Asset Plus	O	$0.29	9.1%	5.5%			1.2	1.2			38.2%
a2 Milk	N	$4.81									-55.9%
Eroad	O	$3.00									13.1%
Gentrack	N	$1.69				1.9%				1.1	697.2%
Metro Performance Glass	B	$0.29				14.2%				1.7	23.3%
Pacific Edge	N	$0.88									-97.6%
Pushpay	O	$1.24									-5.1%
Restaurant Brands	U	$12.39	3.3%				1.2				40.8%
Serko	U	$4.80									-52.6%
Synlait	N	$3.35									47.5%
Vista Group	O	$1.79									-32.6%
Z Energy	N	$3.77	5.1%	2.6%			0.0	1.4			60.0%
MEDIAN			**3.2%**	**4.0%**	**4.7%**	**5.0%**	**1.3**	**1.3**	**1.3**	**1.3**	**33.7%**

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

JARDEN'S NEW ZEALAND EQUITIES RECOMMENDATIONS

Sell		Underweight		Neutral		Overweight		Buy	
AIR	RYM	VHP	GMT	VCT	CNU	EBO	HGH	MCY	MFB
SAN		AIA	PFI	POT	CHI	SPK	SKC	CEN	
		TPW	RBD	SML	SCL	IFT	FRE	KMD	
			SKO	STU	IPL	NZL	SUM	TRA	
				SEK	GNE	MFT	CVT	MPG	
				WHS	ARG	PPH	MHJ		
				GTK	MEL	KPG	FPH		
				ATM	PEB	SKT	AFT		
				FSF	ARV	SPG			
				NZX		SKL			
						DGL			
						VGL			
						NZM			
						ERD			
						FBU			
						OCA			

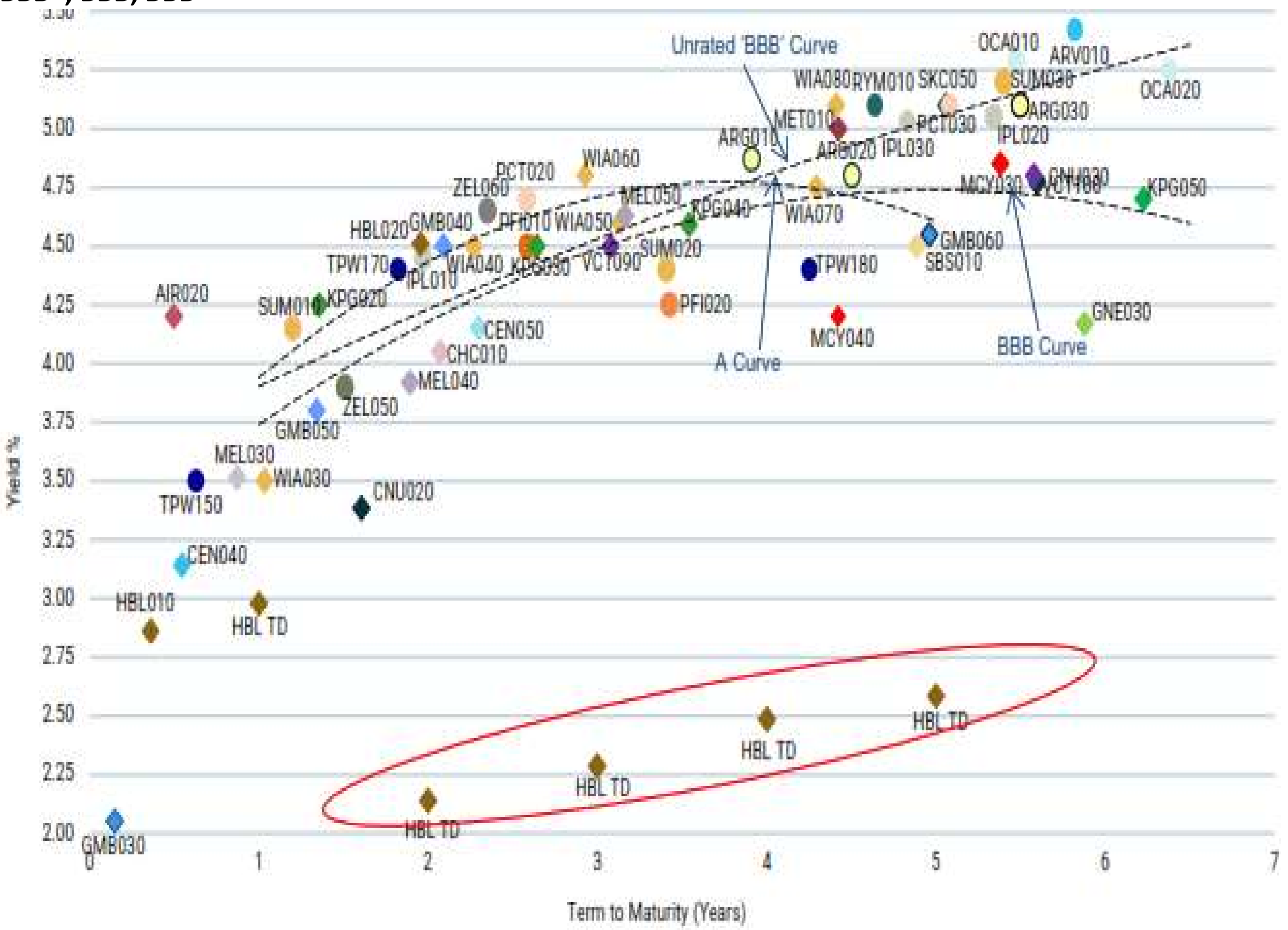
JARDEN'S AUSTRALIAN EQUITIES RECOMMENDATIONS

Sell		Underweight		Neutral		Overweight		Buy	
		ASX	CBA	APA	ANZ	COL	ALL	AMC	QBE
		EDV	DXS	ORG	BHP	CPU	BSL	IAG	XRO
			FMG	SHL	GMG	LLC	BXB	QAN	
			GPT	TCL	MQG	MPL	COH	RHC	
			MGR	WBC		NAB	CSL	SCG	
						NCM	JHX		
						NST	RMD		
						RIO	SEK		
						S32	WES		
						STO	WOW		
						SUN	WPL		
						TAH			
						TLS			
						TWE			

JARDEN'S GLOBAL EQUITIES RECOMMENDATIONS

Least Preferred			Neutral			Most Preferred		
Alibaba Group	Tencent	Meta Platforms	Bank of America	Toyota Motor	Samsung	TSMC	Apple	Amazon
Netflix	AT&T	Walmart	J&J	Goldman Sachs	BlackRock	Berkshire Hath.	Air Liquide	ASML
	ExxonMobil	Zoetis	BP	GlaxoSmithKline	Citigroup	Caterpillar Inc	Salesforce	Danaher
			Blackstone	Merck & Co	Lululemon	Edwards Lifesc.	Deere & Co	JPMorgan
			Adobe	Straumann	Tesla	Alphabet	Disney	Morgan Stan.
					Visa	Micron Tech.	Hershey Foods	LVMH
						NVIDIA	MasterCard	Microsoft
						Volkswagen	Nike Inc	Siemens
							United Health	Schneider

BBB+, BBB, BBB-



Source: Thomson Reuters, www.interest.co.nz, Jarden

Notes: 1. The credit ratings above are provided by Standard & Poor's or Fitch or are the Jarden expected credit rating if the security was rated by a credit rating agency. Detailed credit analysis has not been undertaken by Jarden on the subject companies.

CURRENT PICKS: NOTHING AT PRESENT

Both the unrated and rated 'BBB' curve currently appear relatively expensive, with both curves trading broadly in line or below the 'A' rated curve for terms out to three years. This is despite the additional credit risk. Furthermore, the differential that emerges relative to the 'A' rated curve for longer dated terms largely reflects the lack of 'BBB' rated securities available with terms over three years.

Jarden's central view is for spreads to gradually widen towards pre-Covid levels, with new issuance being the likely catalyst. Given the significant compression of spreads across lower quality debt securities, particularly unrated debt securities, we are of the view that this part of the market is likely to underperform on a relative basis.

With respect to new issuance of 'BBB' securities, Jarden saw SBS Bank issue a 5-year bond in March, representing their first issue in the NZ debt market (SBS010) at a margin of 1.15%pa. Subsequently they also saw GMT Bond Issuer, a wholly owned subsidiary of Goodman Property Trust, issue a 5-year green bond (GMB060) at a margin of 1.15%pa. Since issuance, spreads on both securities have declined with SBS010 currently trading at a margin of around 0.50%pa and GMB060 at a margin of around 0.60%pa.

More recently, Precinct Properties NZ announced a new 6-year green bond (PCT040). The issue margin on the new Precinct bond has been set at 1.3%. In Jarden's view the margin appears to reflect fair value taking into consideration the broader BBB curve and allowing some compensation for a further widening of spreads.