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Volume 84

Bay Brokers Limited

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INVESTMENT STRATEGIES

DECEMBER 2023

WHAT WILL BE GONE BY CHRISTMAS

- RMA co-governance reforms
- Three Waters co-governance reforms
- Māori Health Authority
- Fair Pay Agreements
- Auckland Light Rail
- Lets Get Wellington Moving
- Oil and gas exploration ban

THE TREATY OF WAITANGI

Let's be very clear – I strongly support the "Treaty of Waitangi", but not the ever-changing Māori version "Te Tiriti o Waitangi". I don't support a referendum on the Treaty but do expect the National led Coalition Government to strongly endorse just the English version (unchanged) of the Treaty. The Māori version has been manipulated to suit radicalised Māori which is divisive and totally unacceptable.

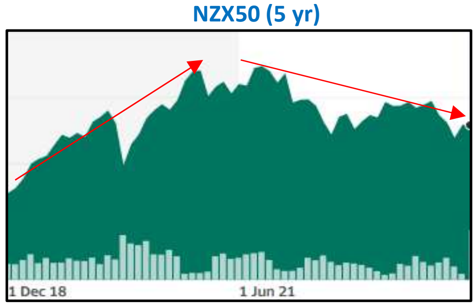
SHAREMARKET DOWN 2.3% THIS YEAR

The NZX50 is currently down 7.0% since August 1st when the current selloff began. The NZ market has now officially entered a bear market with a fall of 16% since its 7th January 2021 peak.

Though trading volumes have been relatively light in recent weeks, indicating the selldown has been reasonably orderly and is more a case of buyers remaining reluctant to enter the market as opposed to a wholesale selloff, the question remains how much further does it have to go?

VERSUS

NZX50 (5 yr)



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CONTENTS

CONTENTS	PAGE

STATISTICS NZ DATA

Estimated population at 29-November-23 **5,272,707**
Population: 1950: 1,911,608 2000: 3,855,266 Growth 2.6% this year
Births less Deaths: Sept-23 year ↑ **19,374**
Māori population Estimate Dec-22 (17.4% of NZ pop) **891,600**
Net Migration Sep-23yr (**Non NZ: 163,500; NZ Citz: -44,700**) ↑**118,200**
Total Migration Arrivals Sep-23yr **(Record number)** **210,600**
Net migration by country Sepl-23 yr India: 44,600; Philippines: 33,800; China: 28,500; Fiji: 10,100; Sth Africa: 9,400; Australia: 6,800
Annual GDP Growth Jun-23year **3.2%**
Quarterly GDP Jun-23 quarter **0.9%**
Inflation Rate (CPI) Sept-23 year (↓ from 6.0%) **5.7%**
Grocery Food Inflation Oct-23 year (↓ from 11.9%) **6.3%**
Household Cost of Living Jun-23 year **9.6%**
On-farm Inflation July-23 year **16.0%**
NZ Gross Govt Debt at Jun-23 CEIC Data ↑ **$141 bn**
Debt per person (public+private) Jun-23 ↑ **$151,080**
Minimum Wage (up $1.50 from 1st April 2023) **$22.70**
Living wage 1-April-23 **$26.00**
Average hourly earning increase Jun-232 **6.9%**
Annual Wage Inflation Jun-23year ↑ (3.4% in Jun-22yr) **4.3%**
Wages average per hour Jun-23 qtr (↑7.4% yoy) **$39.60**
Labour force participation rate Jun-23 qtr **72.4%**
Unemployment Sept-23 year (↑ 0.3 since prev qtr) **3.9%**
Beneficiaries (Job seeker/Solo/Supported living) **347,412**
(11.0% of working-age population – down 0.1%, as at 31-Mar-23)
Jobseeker Support numbers 5.4% (Mar-18 118,753 4.0%) **168,498**
Size of Māori Economy 2020 (2013: $42bn) **$70 bn**
Size of NZ Economy (NZ GDP) Jun-23 year **$394 bn**

SHAREMARKETS	CODE	YTD	5 yr/pa
New Zealand	**^NZ50**	**-1.2%**	**5.7%**
Australia	^AXJO	**0.5%**	**5.1%**
United Kingdom	^FTSE	**-0.8%**	**1.8%**
US - Dow Jones	^DJI	**7.8%**	**10.7%**
US - S&P500	^GSPC	**18.2%**	**16.3%**
US - NASDAQ	^IXIC	**35.1%**	**22.7%**

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.

LOCAL GOVERNMENT DEBT IS A HUGE ISSUE

Just before the election, international credit rating agency S&P Global revised its long-term rating outlook on Hamilton City Council from stable to negative. "The council is delivering a large capital expenditure program that is resulting in substantial after-capital account deficits and rapidly rising debt," S&P warned. "Its debt is among the highest in the world for AA- rated local peers."

A big part of that expenditure is building wastewater capacity, water treatment plant upgrades, and transport and road projects connecting the new 20,000-person Peacocke residential development to the rest of the city.

Hamilton's not the only council warned its debt rating might hang on the outcome of the water reforms. **Western Bay of Plenty** was told its outlook could worsen if its liquidity deteriorates. Whangārei's rating was lowered. Kāpiti Coast and Hutt City were put on negative outlooks, in part because of their large water infrastructure programmes, ahead of the Three Waters reforms.

S&P, which rates central government and 25 councils, is now firing a shot across the bow of the incoming government. It warns that the plans to repeal the Three Waters reforms without financing an alternative could place councils the length of NZ under even greater strain.

"*Contrary to popular belief, public debt is not a major constraint on the credit rating*," says S&P director Martin Foo. "In fact, net general government debt in NZ, by our measures, is comparable to Australia's and well below most other advance economies.

"*The sovereign balance sheet is in decent shape. We would emphasise that local council balance sheets are under more strain*."

The forecast costs of getting NZ's drinking water, wastewater and stormwater infrastructure up to first world standards are eye-watering – about $185 billion over the next 30 years according to Internal Affairs officials. National expects councils (many already at their borrowing limits) to find ways to get together and finance those costs themselves.

Auckland mayor Wayne Brown has warned that if National's water policy goes ahead, water bills will either double over the next four years or the city will have to stop fixing the pipes. And Wellington mayor Tory Whanau says that leaving the water infrastructure on council balance sheets will have a significant impact on the long-term plans for Wellington and every other council. "*The reality is we cannot afford it*." The problem is that past and present Wellington City Councillors have continued to "kick the can sown the road".

One would have to question the often quoted Internal Affairs Ministry figure of $185bn for 3 Waters reforms. This figure appears mischievous at best. This area includes a massive pool of fees for supposed "consultants". It's an example of worst possible scenario planning which won't be tolerated under this new National-led Government, making it extremely unlikely. The bottom-line is that Local Government's funding mechanism (primarily rates) is severely broken. I support National's policy of repealing the "Three Waters" legislation, but it must also address the Local Government funding model.

A TALE OF TWO CITIES: TAURANGA'S DEBT CRISIS

SOURCE: Sustainability Bay of Plenty, 24-Oct-23

You may have come across the recent story about Christchurch City Council having "serious financial issues". As a sustainability organisation, that made us wonder how sustainable are Tauranga City Council's finances?

Tauranga City had about 158,300 residents in June 2022, whereas Christchurch City was home to 389,300 people (2.5 times Tauranga's population).

Tauranga City Council had 60,130 ratepayers according to its 2022 Annual Report, whereas Christchurch City had 177,411, which is 3 times the number of Tauranga ratepayers!

So how do Tauranga City Council's finances stack up against Christchurch City Council?

2023-24 Gross Debt:
Christchurch $2.66 billion
Tauranga $1.12 billion

2023-24 Net Debt:
Christchurch $1.65 billion
Tauranga $1.05 billion

Forecast 2023-24 Net Debt as percentage of total revenue:
Christchurch 144%
Tauranga 222%

Forecast 2023-24 Net Interest as percentage of total revenue:
Christchurch 7%
Tauranga 9%

Forecast 2023-24 Net Interest as percentage of annual rates revenue:
Christchurch 11%
Tauranga 13%

Therefore, Tauranga has about 1/3 the number of Christchurch's ratepayers, but it has nearly 2/3 of Christchurch's net debt. That means Christchurch's net debt per ratepayer is $9300, whereas Tauranga's net debt is nearly double that, at $17,642 per ratepayer.

What's more, TCC's interest costs as a percentage of revenue (something Christchurch's mayor is worried about) are forecast to be significantly higher than Christchurch by the end of this year. Sustainable BOP has calculated that around $1000 out of an average

Tauranga residential ratepayer's 2024 rates bill will go solely to pay the interest on TCC's debt.

It gets worse. Tauranga also has 'off the books' (IFF) debt. The interest on Tauranga's initial IFF loan will total $348 million over the next 30 years.

Which means next year, a median residential ratepayer will pay another $68 (on top of the $1000 to cover TCC's interest bill) to repay the extra 'off the books' debt we're already committed to repay.

That's before you even start to pay for all the council services, TCC staff costs, rubbish and recycling collections, water rates, and so forth – let alone think about actually repaying any of the Council debt. As for investing in a resilient, low carbon city…

Some Christchurch councillors are horrified that Christchurch Council may consider selling off some assets to reduce debt. Contrast that to Tauranga, where TCC is actively planning to sell both its parking buildings plus a number of other properties – not to pay off debt, but to help fund its Civic Centre development.

However, that's not the worst news. The really bad news is that TCC is planning to take on much more debt, yet even with all that extra debt, it is not planning to fund all required essential infrastructure.

When planning its Draft 2024-34 Long Term Plan (LTP) earlier this year, TCC left 3 waters out of its infrastructure investment plan. That was on the basis that the Labour government was going to transfer its 3 waters assets and debt next year and give them to a new 3 waters entity.

We're concerned that TCC didn't include 3 waters in its 10 year plan – especially because the rest of NZ (other than poor Tova O'Brien and a few others) have known for the past year that there'll be a change of government to one comprised of parties that consistently promised to scrap Labour's 3 waters reforms.

The election result means TCC is likely to be rushing to insert three waters infrastructure costs into its upcoming LTP consultation and it has indicated that will add another $2.2 billion in capital expenditure by 2034. The kicker in regards to that $2.2 billion is that TCC also states: "it is cost-prohibitive to deliver all necessary initiatives within the upcoming 10-year timeframe". That means some "necessary" 3 waters projects are still not going to be included in TCC's 10 year plan.

In summary:

- TCC already has a worse debt situation than Christchurch.
- TCC's debt is likely to increase to $1.55 billion by June 2026.
- There's an additional $177 million 'off the books' IFF debt.
- There is likely to be even more 'off the books' debt to come.
- There's currently $2.2 billion shortfall in 3 waters funding to 2034.
- Even if that $2.2 billion is included, TCC isn't planning to fund "all necessary" 3 waters infrastructure.
- Commissioner Tolley has stated Tauranga's transport plan has an additional $4 billion of currently unfunded transport infrastructure.
- Tauranga's residential rates are already the highest of any NZ city (well above Christchurch and higher even than Auckland).

All of that is in the context of this media report in June 2023: "*Tauranga commissioners have reluctantly agreed to an increase in residential and commercial rates but say the city is "going backwards" by not matching or bettering inflation – and they have signalled higher rates in the future.*"

That said, we note that TCC is still proceeding with its planned international exhibition centre and it will also include the proposed Tauranga Domain stadium in its LTP.

That highlights a key sustainability issue for Tauranga: Is it more important to invest in the essential transport and three waters infrastructure that this city needs, or the upgraded city centre facilities that some people want?

All that raises one final question: If Christchurch's finances are "up s!@# creek" according to its mayor, how would the Commissioners describe Tauranga's finances?

Well done Glen Crowther, for this well researched precis highlighting Tauranga City Council's post-Commissioners woes.

"Without so much as batting an eyelid, Chris Hipkins told an audience on election day that there had been 'more racism' in this election campaign than ever before.
And he blames it on the opposition parties, National, Act and NZ First. In those statements he indicated his unworthiness to be the Prime Minister of New Zealand."

Dr Michael Bassett

When New Zealanders tossed Labour out, they did so comprehensively. Labour went from over 50% of the vote to just over 26%. From being the sole party of government, it had its vote halved. The centre-left, as defined by the combined votes for Labour and the Greens, was a bit over 37%.

This was a massive swing (worse than Nationals disastrous 2020 Election result), and a paradigm shift that acknowledged National's pledge to "Get New Zealand Back on Track". One thing is for sure is that the new Coalition Agreements clearly signal that those who voted for change are going to get it "big time".

THE COALITION AGREEMENT HAS BEEN SIGNED

David Farrer has given a precis of some of the inclusions within the "Coalition Agreement" recently announced:

- Legislate to improve the quality of regulation, ensuring that regulatory decisions are based on principles of good law-making and economic efficiency, by passing the Regulatory Standards Act as soon as practicable.
- Deliver savings in public sector spending by reducing non-essential back-office functions, with expenditure reduction targets to be set for each agency, informed by the increase in back-office head count at that agency since 2017.
- Amend the Reserve Bank of New Zealand Act 2021 to remove the dual mandate.
- Repeal the Fair Pay Agreement regime by Christmas 2023.
- Expand 90-day trials to apply to all businesses.
- Repeal the Natural and Built Environment Act 2023 and the Spatial Planning Act 2023 by Christmas.
- Replace the Resource Management Act 1991 with new resource management laws premised on the enjoyment of property rights as a guiding principle.
- Remove the Kāinga Ora Sustaining Tenancies Framework and ensure appropriate consequences for tenants who engage in repeated antisocial behaviour.
- Work to replace fuel excise taxes with electronic road user charging for all vehicles, starting with electric vehicles.
- Allow landlords to issue a 90-day notice to a tenant to end a periodic tenancy without providing a reason or applying to the Tenancy Tribunal.
- Liberalise genetic engineering laws.
- Repeal the ban on offshore oil and gas exploration.
- Restore Three Strikes legislation, with amendments to tighten the definition of strike offences and ensure some benefit for pleading guilty.
- Reintroduce partnership schools and introduce a policy to allow state schools to become partnership schools.
- Replace the Fees Free programme with a final year fees free policy with no change before 2025.
- Amend the Education and Training Act 2020 such that tertiary education providers receiving taxpayer funding must commit to a free speech policy.
- Disestablish the Māori Health Authority.
- Require Medsafe to approve new pharmaceuticals within 30 days of them being approved by at least two overseas regulatory agencies recognised by New Zealand.
- Repeal the Smokefree Environments and Regulated Products (Smoked Tobacco) Amendment Act 2022 to remove the requirements for de-nicotinesation and the reduction in retail outlets.
- Implement sanctions, including electronic money management, for beneficiaries who can work but refuse to take agreed steps to find a job.
- Remove Section 7AA from the Oranga Tamariki Act 1989.
- Remove co-governance from the delivery of public services.
- Ensure government contracts are awarded based on value, without racial discrimination.
- Repeal the Canterbury Regional Council (Ngāi Tahu Representation) Act 2022.
- Restore the right to local referendum on the establishment or ongoing use of Māori wards, including requiring a referendum on any wards established without referendum at the next local body elections.
- Introduce a Treaty Principles Bill based on existing ACT policy and support it to a Select Committee as soon as practicable.
- Let Kiwis keep more of what they earn with tax relief of up to $100 per fortnight for an average income household and a Family Boost childcare tax credit of up to $150 per fortnight.
- Build infrastructure with 13 new Roads of National Significant and four major public transport upgrades.
- Reduce Core Crown expenditure as a proportion of the overall economy.
- The Parties commit to establish a fast-track one-stop-shop consenting and permitting process for regional and national projects of significance.
- Cancel Auckland Light Rail and Let's Get Wellington Moving and reduce expenditure on cycleways.
- Commit to training no fewer than 500 new frontline police within the first two years.

- Reform the Fleeing Driver laws to curb the increase in fleeing driver incidents.
- Where appropriate, require prisoners to work, including in the construction of new accommodation in prisons or pest control.
- Introduce the Protection for First Responders and Prison Officers legislation which will create a specific offence for assaults on first responders which includes minimum mandatory prison sentences.
- Introduce the Coward Punch legislation which will create a specific offence for anyone who injures or kills someone with a coward punch.
- Investigate the introduction and implementation of Degrees of Murder Sentencing legislation.
- Support to select committee a bill that would enact a binding referendum on a four-year term of parliament.
- Ensure publicly funded sporting bodies support fair competition that is not compromised by rules relating to gender.
- Ensure all public service departments have their primary name in English, except for those specifically related to Māori.
- Require the public service departments and Crown Entities to communicate primarily in English - except those entities specifically related to Māori.
- Protect freedom of speech by ruling out the introduction of hate speech legislation and stop the Law Commission's work on hate speech legislation.
- The Coalition Government will defend the principle that New Zealanders are equal before the law, with the same rights and obligations, and with the guarantee of the privileges and responsibilities of equal citizenship in New Zealand.
- The Coalition Government will work to improve outcomes for all New Zealanders and will not advance policies that seek to ascribe different rights and responsibilities to New Zealanders on the basis of their race or ancestry.
- Restore the right to local referendum on the establishment or ongoing use of Māori wards, including requiring a referendum on any wards established without referendum at the next Local Body elections.

NZ HOUSEHOLD NET WORTH HAS FALLEN

As we say goodbye to Labour's failed economic management of the past six years, it is worth noting that Household net worth fell by $33.5bn (1.5%) in the June 2023 quarter, following falls in the previous five quarters, according to Stats NZ figures. Household net worth has fallen by $255bn over the last 18 months.

LABOUR GOVT - THE LEAST TRANSPARENT EVER

When Labour came to office, we were promised the most transparent Government ever. We received the opposite. And now they're gone …

I believe it's now part of our history that Jacinda's Government (and that of her successor) were the least transparent in our lifetimes.

Along with her co-conspirators Grant Robertson, Chris Hipkins, David Parker and Nanaia Mahuta, Ardern presided over a Government that chose not to be open or honest with us. They misled us. They also manipulated the media in the process, while they conceived, crafted and delivered policies that in some cases bore no resemblance to what they had campaigned on.

Furthermore, they set out on a pathway to racially divide and re-engineer us socially, while core services such as schools, hospitals, roads, police and even the judiciary failed us.

We should never forget the impact of a Government that claimed to be "the single source of the truth". The worst part is that they seemed to believe that. During the Covid-19 pandemic, when many New Zealanders were genuinely fearful of their safety, our Government cruelly promised we were "in the front of the queue for vaccines" when the reality was that we were far from it.

I'm not sure what was worse – the lack of transparency or the blatant gaslighting.

THE 32 MĀORI MPS IN NEW PARLIAMENT

The Parliament of 122 MPs has a record 32 who are Māori. This represents 26% of Parliament, which is approximately twice the 13.7% of the adult population who are Māori. This is a good thing that Māori New Zealanders contradicts the narrative that the system is somehow hostile to Māori. The Luxon Cabinet has seven Ministers (out of 20) who are Māori. This is a huge 35% of Cabinet. The Hipkins Cabinet that left office had only five Māori Ministers, or 28%.

So, who makes up the 32 MPs. Let's break it down by the six parties.

- National – Five MPs out of 48 (10%). All five won general seats.
- ACT – Three MPs out of 11 (27%). One Māori MP who won a general seat and two List MPs.
- NZ First – Four MPs out of eight (50%). All List MPs.
- Labour – Nine MPs out of 34 (26%). Labour has seven List MPs who are Māori, one Māori seat and one Māori MP who won a general seat.
- Greens – Six MPs out of 15 (40%). Five List MPs and one Māori MP who won a general seat.
- Te Pāti Māori – Six MPs out of six (100%). Six Māori seat MPs.

This shows that there is no unified view on behalf of Māori.

THE NEW COALITION GOVERNMENT

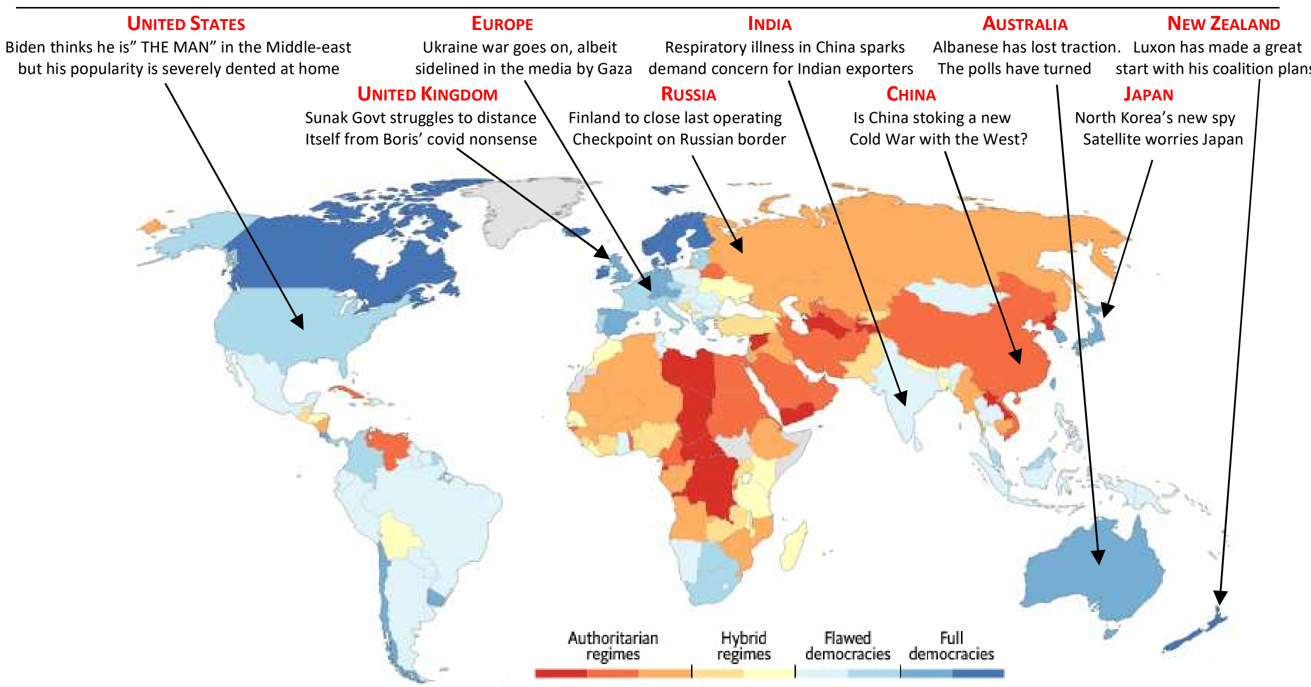
National Party Ministers			
1	**Christopher Luxon**	Minister for National Security and Intelligence	
		Minister Responsible for Ministerial Services	
2	**Nicola Willis**	Minister of Finance	Associate Minister of Climate Change
		Minister for the Public Service	
		Minister for Social Investment	
3	**Chris Bishop**	Minister of Housing	Associate Minister of Finance
		Minister for Infrastructure	
		Minister Responsible for RMA Reform	
		Minister for Sport and Recreation	
		Leader of the House	
4	**Dr Shane Reti**	Minister of Health	
		Minister for Pacific Peoples	
5	**Simeon Brown**	Minister for Energy	
		Minister of Local Government	
		Minister of Transport	
		Minister for Auckland	
		Deputy Leader of the House	
6	**Erica Stanford**	Minister of Education	
		Minister of Immigration	
7	**Hon Paul Goldsmith**	Minister for Arts, Culture and Heritage	
		Minister of Justice	
		Minister for State Owned Enterprises	
		Minister for Treaty of Waitangi Negotiations	
8	**Hon Louise Upston**	Minister for the Community and Voluntary Sector	
		Minister for Social Development and Employment	
		Minister for Child Poverty Reduction	
9	**Hon Judith Collins**	Attorney-General	
		Minister of Defence	
		Minister for Digitising Government	
		Minister Responsible for the GCSB	
		Minister Responsible for the NZSIS	
		Minister of Science, Innovation and Technology	
		Minister for Space	
10	**Hon Mark Mitchell**	Minister of Corrections	
		Minister for Emergency Management and Recovery	
		Minister of Police	
11	**Hon Todd McClay**	Minister of Agriculture	Associate Minister of Foreign Affairs
		Minister of Forestry	
		Minister for Hunting and Fishing	
		Minister for Trade	
12	**Tama Potaka**	Minister of Conservation	Associate Minister of Housing (Social Housing)
		Minister for Māori Crown Relations: Te Arawhiti	
		Minister for Māori Development	
		Minister for Whānau Ora	
13	**Matt Doocey**	Minister for ACC	Associate Minister of Health
		Minister for Mental Health	Associate Minister of Transport
		Minister for Tourism and Hospitality	
		Minister for Youth	
14	**Melissa Lee**	Minister for Economic Development	Associate Minister for ACC
		Minister for Ethnic Communities	
		Minister for Media and Communications	
	Outside Cabinet		
15	**Simon Watts**	Minister of Climate Change	
		Minister of Revenue	
16	**Penny Simmonds**	Minister for Disability Issues	
		Minister for the Environment	
		Minister for Tertiary Education and Skills	
		Associate Minister for Social Development and Employment	
17	**Chris Penk**	Minister for Building and Construction	Associate Minister of Defence
		Minister for Land Information	Associate Minister of Immigration
		Minister for Veterans	
18	**Nicola Grigg**	Minister of State for Trade	Associate Minister of Agriculture (Horticulture)
19	**Andrew Bayly**	Minister of Commerce and Consumer Affairs	
		Minister for Small Business and Manufacturing	
		Minister of Statistics	

ACT Ministers			
1	**David Seymour**	Deputy Prime Minister (from 31 May 2025) Minister for Regulation	Associate Minister of Education (Partnership Schools Associate Minister of Finance Associate Minister of Health (Pharmac)
2	**Brooke van Velden**	Minister of Internal Affairs Minister for Workplace Relations and Safety	
3	**Nicole McKee**	Minister for Courts	Associate Minister of Justice (Firearms)
	Outside Cabinet		
4	**Andrew Hoggard**	Minister for Biosecurity Minister for Food Safety	Associate Minister of Agriculture (Animal Welfare, Skills) Associate Minister for the Environment
5	**Karen Chhour**	Minister for Children Minister for the Prevention of Family and Sexual Violence	
6	**Simon Court MP**	Parliamentary Under-Secretary to Minister for Infrastructure Parliamentary Under-Secretary to Minister Responsible for RMA Reform	
New Zealand First Ministers			
1	**Rt Hon Winston Peters**	Deputy Prime Minister (until 31 May 2025) Minister of Foreign Affairs Minister for Racing	
2	**Hon Shane Jones**	Minister for Oceans and Fisheries Minister for Regional Development Minister for Resources	Associate Minister of Finance Associate Minister of Energy
3	**Casey Costello**	Minister of Customs Minister for Seniors	Associate Minister of Health Associate Minister of Immigration Associate Minister of Police
	Outside Cabinet		
4	**Mark Patterson**	Minister for Rural Communities	Associate Minister of Agriculture
5	**Jenny Marcroft MP**	Parliamentary Under-Secretary to the Minister for Media and Communications	

ANALYSIS OF OUR NEW MINISTERS

- There are 28 Ministers in the Ministry – 19 for National, 5 for ACT & 4 for NZ First.
- 17 are electorate MPs and 11 are list MPs.
- 17 (61%) are Men and 11 (39%) are Women.
- 8 of the 28 are Māori, or 29%. This is more than twice as much as the share of the adult population.
- 25% are in their 20s or 30s, 39% in their 40s, 25% in their 50s and 11% aged 60+.
- 46% are from Auckland, 11% from Wellington and 4% from Christchurch.
- 25% from rural areas, 14% from provincial cities.
- 89% are from the North Island.

THE WORLD AT A GLANCE   GLOBAL DEMOCRACY INDEX



In its latest World Economic Outlook, the IMF said global growth is forecast to drop from 3% this year to 2.9% in 2024.

"Advanced" economies will drop from 1.5% to 1.4% next year, as monetary policy tightening around the world stunts growth, the IMF said.

"Emerging" economies are predicted to hold steady next year, unchanged at 4% growth. "Prospects for [developing] countries to catch up to higher living standards are weak," the report noted.

China's unfolding property sector crisis dragged down the overall growth figure and it's so severe the IMF said it could spill over and, "particularly for commodity exporters" like Aotearoa, damage growth.

Despite marginal growth, the IMF said there are fewer risks to the global economy after authorities in the US and Switzerland stemmed "financial turbulence", and the resolution of United States debt-ceiling talks in Congress.

Global growth predictions

New Zealand's economy is at 1.1% annual GDP growth, which the IMF predicts will drop marginally to 1% next year.

To see how NZ ranks against other countries for economic growth in 2024, analysis of GDP growth percentages across 25 different economies and compared them to 2023's figures (with the change in brackets). Macao came out on top with a whopping 27.2% GDP growth prediction for 2024, while Equatorial Guinea was at the bottom of the list, estimated to shrink by 5.5%. NZ is near the bottom of the annual GDP growth list. However, so are many advanced economies New Zealand compares itself to including Germany, Japan, Finland and Australia.

Inflation

The IMF said global inflation will drop from 6.9% in 2023 to 5.8% next year - but it also warned "inflation is not expected to return to target until 2025 in most cases". A steady drop in inflation is put down to tightening monetary policy and lower commodity prices.

Consumer prices in Australia (4%) and Singapore (3.5%) are predicted to rise faster than in New Zealand (2.7%) by the end of 2024. According to the estimates, that would put us on par with Japan (2.9%) and South Korea (2.3%). Tight labour markets and high inflation expectations could mean pressures on core inflation could stick around.

	Last 3 months	Next 3 months	Next year
Global economy	↘	↘	↗
NZ economy	↓	→	↗
Inflation	↘	↘	↓
Short-term interest rates	→	↗	→
Long-term interest rates	→	↗	↘
NZD/USD	→	↗	↗
NZD/AUD	→	↘	↘

Source: Westpac

NEW ZEALAND'S ECONOMIC OUTLOOK

Population: 5.2 million

The new Coalition Government has already signalled a paradigm shift away from the divisive woke Labour Government of the last 6 years.

New Zealanders have clearly spoken and want an "action-orientated government" that rejects the "spin" that we were forced to endure. The media have yet to accept this massive shift – but the reality is that this Luxon Government will stop the "green-wash" and will "get New Zealand back on track" – as promised.

NZ TRADING PARTNER REAL GDP (CALENDAR YEARS)

	Annual average % change			
	2021	2022	2023	2024
Australia	5.2	3.7	1.9	1.2
China	8.4	3.0	5.3	5.3
United States	5.9	2.1	2.4	1.5
Japan	2.1	1.1	1.8	1.1
East Asia ex China	4.3	4.5	3.4	4.3
India	9.1	6.8	6.4	6.4
Euro Zone	5.4	3.5	0.6	1.1
United Kingdom	7.6	4.0	0.3	0.5
NZ trading partners	6.2	3.2	3.4	3.3
World	6.3	3.4	3.1	3.1

Source: Westpac

NZ Economy

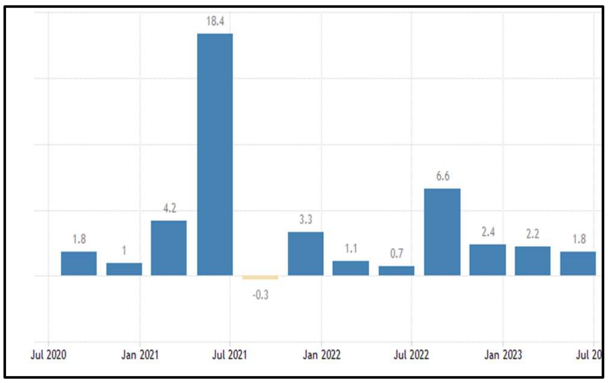
On 29th November, the Reserve Bank has left the official cash rate unchanged at 5.5%, warning that inflation remained too high and monetary policy would remain restrictive. The central bank's forecast interest rate track suggested no rate cuts were on the horizon until mid-2025. That puts the central bank at odds with market expectations which had started to price in cuts from May 2024.

The size of New Zealand's current account deficit - the gap between national earnings and expenditure - remained a risk for the economy. "At a still whopping 7.5% of GDP, New Zealand's deficit remains deep in 'out of balance' territory, particularly when compared to other advanced economies, including Australia," ANZ's Chief Economist Sharon Zollner said.

ANZ's forecast has the current account narrowing to 5.3% of GDP by the end of 2025 - "still too wide to call sustainable. At these levels, the current account remains a key vulnerability for the economy."

GDP in New Zealand expanded 1.8% in the second quarter of 2023 over the same quarter of the previous year. GDP Annual Growth Rate in New Zealand averaged 2.6% from 1987 until 2023, reaching an all time high of 18.4% in the second quarter of 2021 and a record low of -9.9% in the second quarter of 2020.

NEW ZEALAND – ANNUAL GDP GROWTH RATE



AUSTRALIAN ECONOMIC OUTLOOK

Population: 26.28 million

Australian Interest Rates

The Reserve Bank of Australia's new governor hiked the official interest rate 25 basis points to 4.35% on 8th November. It's playing catch-up with other central banks to resume rates rises, and NZ isn't expected to follow its lead this month.

Australian Economics

Public sector construction activity has surged, contributing to the crisis in the construction sector. Jarden sees the construction sector as in a crisis, with labour/material shortages, rising costs and project delays seeing insolvencies surge to record highs. While most of the contributors of the current situation are well understood, they think there is one which isn't - the surge in public sector investment. The boom in public sector investment over the last decade, which has seen the value of public spending surge from A$70bn in FY15 to A$152bn in FY24, has largely been outsourced to the private sector. While this spending has clearly been needed, the increased demand for construction services has arguably contributed to rising construction costs and shortages across the sector, especially given the 'soft' budget constraints of public projects. Importantly, this ever-present spending, with a public pipeline of ~A$80bn, also means the residential construction downturn expected in 2024 may not trigger the expected supply response, lowering prices as firms compete for fewer jobs. Indeed, Jarden's channel checks suggest many builders/trades with the appropriate skills/expertise are already transitioning towards this public work. While this should mute the negative impacts of the construction slump, with many workers moving from residential to non-residential work, it also means we likely won't get the reset in costs needed for residential projects/affordability to stack up again. While Jarden sees this public pipeline remaining solid for the next ~two years, they are becoming more cautious further out given pressure on State budgets. If these risks eventuate, they see that being a negative for the less-residentially exposed Building Materials which have so far been insulated from the construction slump.

House Prices Continue Upwards

House prices continue their upward march and are now just 0.5% below their April-22 high, despite higher interest rates and a 30% fall in borrowing capacity. Jarden continues to expect the current housing recovery will continue into 2024, with prices up ~8% in 2023 and 5% in 2024. However, they see downside risk to house prices given the gap between prices and borrowing capacity, along with the worst affordability on record but don't see a catalyst to change the current momentum. That said, a (now) widely expected November RBA rate hike may test the positive market sentiment, particularly if it is followed up by another in Dec-23 or early-24 (which Jarden thinks is the clear risk).

Australian Mining Sector

The mining boom presents an opportunity for Traditional Owners in Australia through royalties but also elevated risk in ensuring their culture and heritage is protected. The International Energy Agency estimates a sixfold increase in demand for transition minerals by 2040 to meet climate targets of well below 2^0 of warming. The social licence of mining companies is underpinned by operating in culturally safe ways and acknowledging free prior and informed consent. With co-management a framework for this, Jarden looks at The Puutu Kunti Kurrama and Pinikura (PKKP) Aboriginal Corporation's (AC) progress in drafting co-management agreements with RIO and FMG based on a recent discussion with the PKKP Co-management Working Group and post the events of Juukan Gorge.

UNITED STATES ECONOMIC OUTLOOK

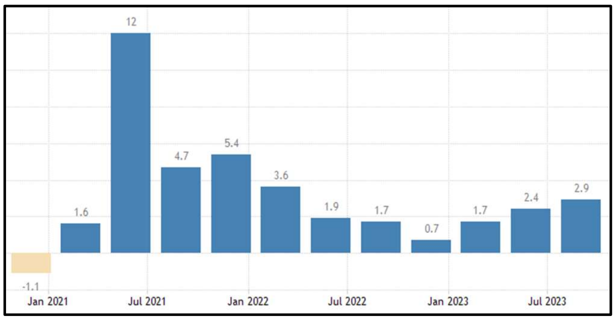
Population: 336 million

It is predicted that there are at least a further 10.3m undocumented (illegal) migrants in the US currently.

US Economy

GDP in the United States expanded 2.9% in the third quarter of 2023 over the same quarter of the previous year. GDP Annual Growth Rate in the United States averaged 3.15% from 1948 until 2023, reaching an all time high of 13.4% in the fourth quarter of 1950 and a record low of -7.5% in the second quarter of 2020.

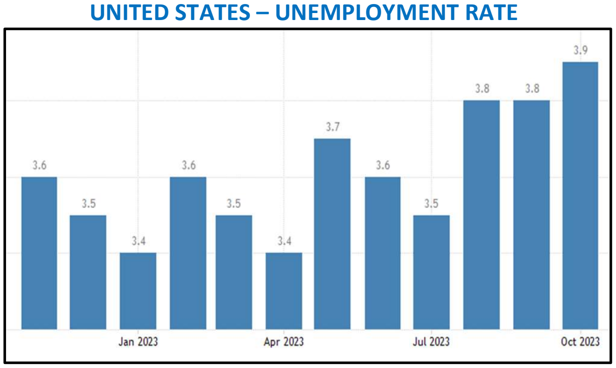
UNITED STATES – ANNUAL GDP GROWTH RATE



Unemployment

The unemployment rate in the United States increased to 3.9% in October 2023, slightly exceeding market expectations and the previous month's figure of 3.8%. This marks the highest jobless rate since January 2022, with the number of unemployed individuals rising by 146 thousand to 6.51 million, while the count of employed individuals decreased by 348 thousand to 161.2 million. The employment rate was down to 60.2% from September's 60.4% and the participation rate edged down to 62.7% from 62.8%.

UNITED STATES – UNEMPLOYMENT RATE



CHINESE ECONOMIC OUTLOOK

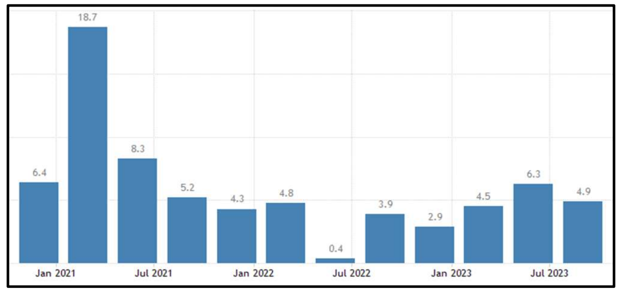
Population: 1.4 billion

Chinese Economy

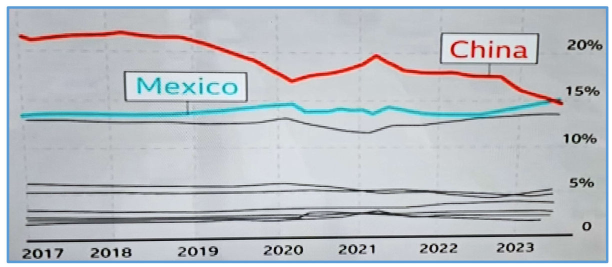
The Chinese economy expanded by 4.9% yoy in Q3 2023, beating market forecasts of 4.4% and offering hopes that it will meet the official annual target of around 5% this year, as sustained stimulus from Beijing offset the impact of a prolonged property crisis and weak trade. The country's GDP in Q2 grew 6.3%, amid a low base of comparison from last year when Shanghai and other major cities were under strict lockdowns.

Meantime, the surveyed jobless rate fell to a 22-month low of 5%, while fixed investment continued to grow in the first 9 months of 2023.

CHINA – ANNUAL GDP GROWTH RATE



US IMPORTS BY COUNTRY



Mexico has now overtaken China as the US's largest importer (12 month rolling average). This is a major reversal on US's reliance on China industrial imports over the past 6 years. In contrast, China has moved to 20.4% of the European Union's imports.

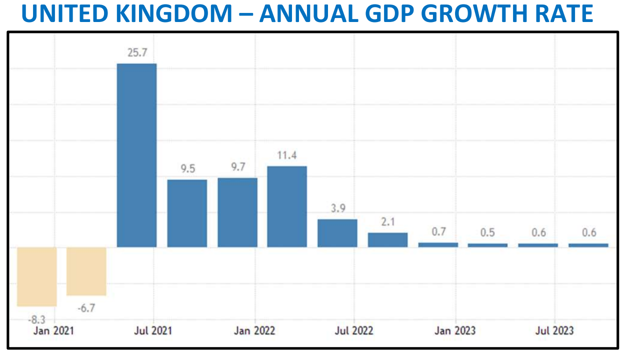
UNITED KINGDOM ECONOMIC OUTLOOK

Population: 68.4 million

UK Economy

The British economy expanded 0.6% year-on-year in the third quarter of 2023, the same as in Q2, and slightly above forecasts of 0.5%. Household spending increased at a faster pace (0.7% vs 0.2% in Q2) while a slowdown was seen in public expenditure (0.1% vs 1.3%) and business investment (2.8% vs 9.2%). At the same time, exports contracted (-6.6% vs 3.2%) while imports rebounded (0.1% vs -2.5%).

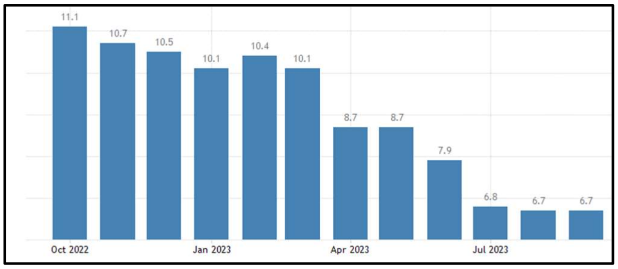
UNITED KINGDOM – ANNUAL GDP GROWTH RATE



Inflation

The inflation rate in the United Kingdom remained stable at 6.7% in September 2023, holding at August's 18-month low and defying market expectations of a slight decrease to 6.6%. Softer price increases in food and non-alcoholic beverages (12.1% vs 13.6% in August) and furniture and household goods (3.7% vs 5.1%) were offset by a smaller decline in energy costs (-0.2% vs -3.2%) on the back of a monthly rise in motor fuel costs. Moreover, the core inflation rate, which excludes volatile items such as energy and food, dropped to 6.1%, reaching its lowest point since January but slightly exceeding forecasts of 6%.

UNITED KINGDOM – ANNUAL INFLATION RATE



EUROZONE ECONOMIC OUTLOOK

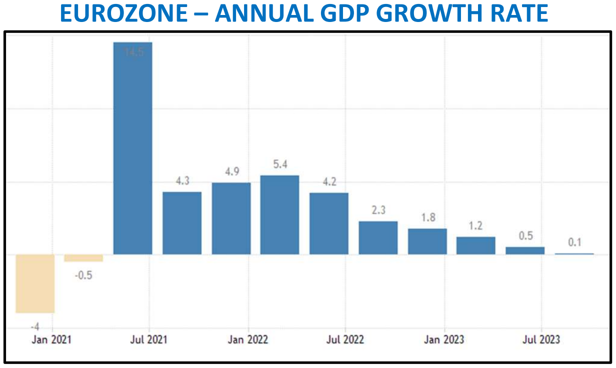
Inflation

Inflation in the eurozone peaked at 10.6% in October 2022, and has since steadily fallen to 2.9% in October 2023.

GDP Growth

The GDP in the Euro Area rose a meager 0.1% year-on-year in the third quarter of 2023, the weakest performance since the contractions in 2021, and in line with preliminary estimates.

EUROZONE – ANNUAL GDP GROWTH RATE



Unemployment

The Euro area seasonally-adjusted unemployment rate increased to 6.5% in September 2023 from 6.4% in August.

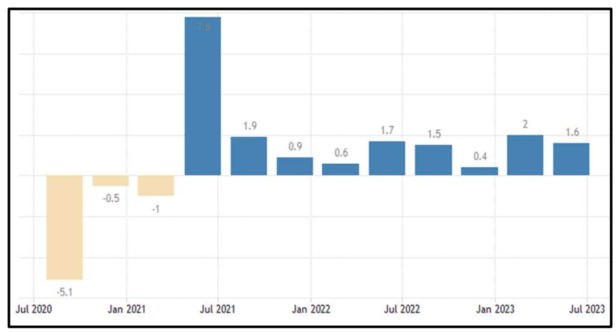
JAPAN'S ECONOMIC OUTLOOK

Population: 123.3 million

Japanese Economy

GDP in Japan expanded 1.6% in the second quarter of 2023 over the same quarter of the previous year. However, the Japanese economy shrank 0.5% qoq in Q3 of 2023, worse than market forecasts of a 0.1% decline and after a 1.1% growth in Q2, a flash figure showed. This was the first GDP contraction since Q4 of 2022, amid elevated cost pressure and mounting global headwinds. Private consumption, which accounts for more than half of the economy, unexpectedly was sluggish, missing estimates of a 0.2% rise and coming after a 0.9% fall in Q2. Meantime, capital expenditure unexpectedly fell for the second straight quarter, compared with consensus of a 0.3% growth and down at a much steeper rate (-0.6% vs -0.1% in Q2); while public investment declined for the first time in three quarters (-0.5% vs 0.3%). Net trade was also a drag on the GDP, in line with forecasts, as exports (0.5% vs 3.9% in Q2) rose less than imports (1.0% vs -3.8%). Meantime, government spending picked up 0.3% after showing no growth previously.

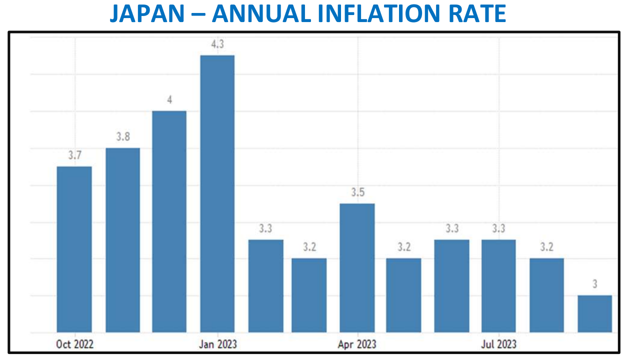
JAPAN – ANNUAL GDP GROWTH RATE



Inflation

The annual inflation rate in Japan fell to 3.0% in September 2023 from 3.2% in the prior month, pointing to the lowest reading since September 2022.

JAPAN – ANNUAL INFLATION RATE



Prices eased for furniture & household utensils (6.2% vs 7.1% in August), clothes (3.4% vs 4.4%), and culture & recreation (4.6% vs 5.0%). In addition, prices of fuel, light, and water charges fell much faster, down for the eighth month (-14.3% vs -12.3%), due to electricity (-24.8% vs -20.9%) and gas (-12.5% vs -9.5%). By contrast, inflation was unchanged for medical care (at 2.4%), education (at 1.3%), and miscellaneous (at

1.7%). Simultaneously, cost increased faster for housing (1.2% vs 1.1%) and transport (3.5% vs 3.3%). Meantime, food prices rose the most since July 1976 (9.0% vs 8.6%). Core inflation rate dropped to a 13-month low of 2.8%, slightly above consensus of 2.7% while staying outside the Bank of Japan's 2% target for the 18th month. On a monthly basis, consumer prices rose 0.3% in September, after a 0.2% gain in August.

INDIA'S ECONOMIC OUTLOOK

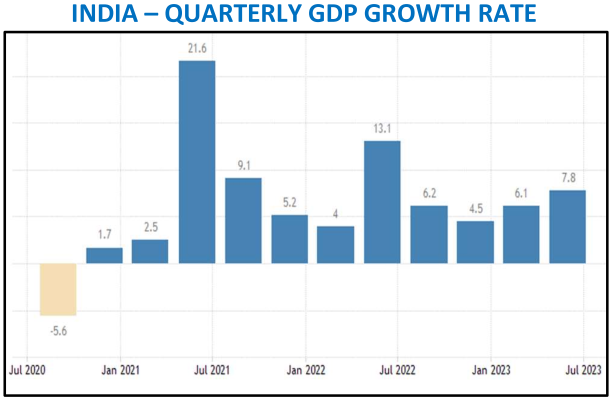
Population: 1.41 billion

India's population is `18% of the total world population, and now surpasses China as the country with the largest population.

INDIAN ECONOMY

India's economy expanded by 7.8% in the April-June quarter, the most in a year. The robust performance of the service sector was the main driver of GDP growth, accompanied by strong consumer demand and increased government capital expenditure.

INDIA – QUARTERLY GDP GROWTH RATE

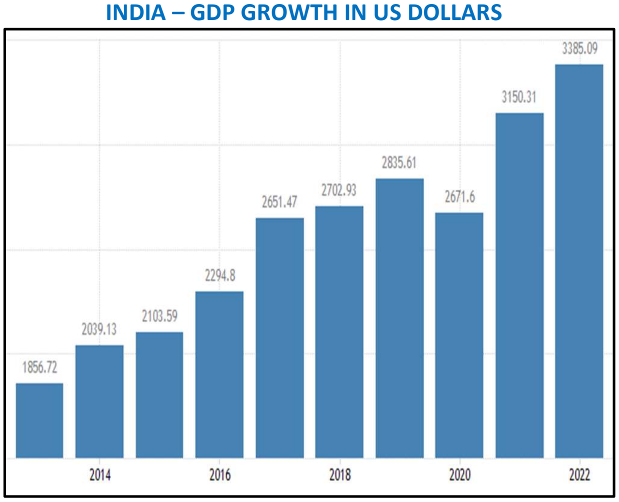


GDP GROWTH

GDP in India was worth US$3385.09 billion in 2022, according to official data from the World Bank. The GDP value of India represents 1.46% of the world economy.

In US Dollar terms, Indian GDP has nearly doubled over the past 10 years.

INDIA – GDP GROWTH IN US DOLLARS



CURRENCIES

The Kiwi dollar was trading around $0.60 towards the end of November, supported by optimism that the Reserve Bank of New Zealand next week, in a final monetary policy meeting of the year, will reaffirm its commitment to fight against persistent cost pressure. Last month, the central bank left cash rates unchanged for the third straight meeting at 5.5% but cautioned that consumer price inflation remained too high, and interest rates need to stay at a restrictive level for longer to bring back the inflation to an intended range of 1 to 3%.

In China, the government ramped up its push toward banks to fill an estimated US$446 billion shortfall in funding needed to stabilize the property industry and finalize a draft list of 50 developers eligible for financial support.

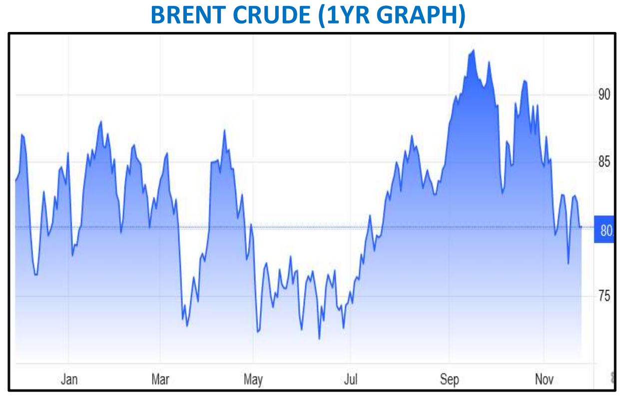
NZD/USD VS ROLLING 10YR AVERAGE

SOURCE: Bloomberg, Westpac

OIL

Brent crude futures traded around $82.50 per barrel in mid November, after trading close to US$95 per barrel in late September. OPEC has reassured markets that fundamentals remained strong and attributed the recent price drop to financial market speculators. In its monthly report, OPEC raised its forecasts for global oil demand growth in 2023 to 2.46 million barrels per day, citing robust global growth trends and a healthy oil market. The report also noted that China's crude oil imports stayed healthy and Asian refining margins remained strong.

BRENT CRUDE (1YR GRAPH)



NOTE: New Zealand trades in Brent Crude Oil

AGRIBUSINESS – LOOKING FROM THE OUTSIDE IN



Year ended 30 June	2015	2016	2017	2018	2019	2020	2021	2022	2023[F]	2024[F]	2025[F]
Dairy	14,050	13,289	14,638	16,655	18,107	20,102	19,055	21,998	25,120	25,340	26,390
Annual % Change	-21.0%	-5.4%	10.1%	13.8%	8.7%	11.0%	-5.2%	15.4%	14.2%	0.9%	4.1%
Meat & wool	9,000	9,200	8,355	9,542	10,176	10,617	10,373	12,310	11,940	11,440	11,510
Annual % Change	10.3%	2.2%	-9.2%	14.2%	6.6%	4.3%	-2.3%	18.7%	-3.0%	-4.2%	0.6%
Forestry	4,683	5,140	5,482	6,382	6,883	5,452	6,499	6,578	6,530	6,590	6,770
Annual % Change	-9.9%	9.8%	6.7%	16.4%	7.9%	-20.8%	19.2%	1.2%	-0.7%	0.9%	2.7%
Horticulture	4,185	5,000	5,165	5,376	6,111	6,541	6,579	6,782	6,920	7,350	7,940
Annual % Change	10.0%	19.5%	3.3%	4.1%	13.7%	7.0%	0.6%	3.1%	2.0%	6.2%	8.0%
Seafood	1,562	1,768	1,744	1,777	1,963	1,857	1,789	1,919	2,080	2,120	2,210
Annual % Change	4.1%	13.2%	-1.4%	1.9%	10.4%	-5.4%	-3.7%	7.3%	8.4%	1.9%	4.2%
Arable	181	210	197	243	236	289	261	252	245	245	255
Annual % Change	-21.6%	15.6%	-6.0%	23.2%	-2.7%	22.2%	-9.7%	-3.4%	-2.8%	0.0%	4.1%
Other primary sector[3]	2,417	2,714	2,638	2,706	2,852	2,988	3,087	3,226	3,410	3,110	3,180
Primary industries Total	***36,079***	***37,323***	***38,219***	***42,682***	***46,329***	***47,846***	***47,642***	***53,065***	***56,245***	***56,195***	***58,255***
Annual % Change	-6.8%	3.4%	2.4%	11.7%	8.5%	3.3%	-0.4%	11.4%	6.0%	-0.1%	3.7%

Source: Forecast figures: Economic Data and Analysis, Ministry for Primary Industries.

NZ MEAT INDUSTRY FACES CHALLENGES AS CHINA CLEARS INVENTORY

New Zealand's meat industry will face challenges over the next nine to 12 months as China - its biggest customer - clears high levels of inventory, the Meat Industry Association (MIA) says. MIA chief executive Sirma Karapeeva, back from China with New Zealand meat company executives, said there were positive signs in the PRC. "*I don't think its dreadful, but it's not rosy by any stretch of the imagination*."

"My sense is that we will probably have to weather the storm for the next nine to 12 months until the Chinese economy picks up. "They have got very high levels of inventory sitting in cold stores at the moment - across all products."

FONTERRA SETS 2030 GOAL FOR EMISSIONS

Fonterra is aiming for a 30% reduction in its on-farm emissions intensity by 2030. It revealed the long-awaited target at its annual meeting in Methven on 9th November. 86% of Fonterra's emissions come from on farm. By focusing on emissions intensity, the co-op hopes to reduce the emissions produced from each tonne of FPCM (fat and protein corrected milk) collected by Fonterra by 30% compared with its 2018 baseline. The target comes after 10 months of consultation with the co-op's 9000 farmer shareholders.

Fonterra chair Peter McBride said that the co-op's overall on-farm emissions target will affect each farm differently. "There's no one solution to reducing on-farm emissions. It will require a combination of sharing best farming practices and technology to reduce emissions – it's both our biggest opportunity and our biggest challenge.

"*We have deep empathy for the challenges our farmers are already dealing with. The co-op's approach will be to work alongside farmers, not against them, as we collectively make progress towards our target, including investing in methane-reduction technologies,"* McBride said.

PARKER'S UNWORKABLE RULES MUST GO

Colin Hurst, Federated Farmers Vice-President is adamant that, If the incoming Government are looking for ways to restore farmer confidence quickly, then repealing David Parker's unworkable freshwater reforms must be at the very top of the priority list.

While there has been no shortage of impractical regulation for farmers over the last six years, it is without doubt the freshwater rules that have put the most pressure on our rural communities. New rules for winter grazing, fertiliser use, and requiring a freshwater farm plan have added nothing but complexity and cost for farmers – and for very little environmental gain.

Promises that freshwater farm plans would replace the need for expensive consents have been broken. Other rules have been constantly rewritten because they simply didn't work the way Wellington bureaucrats thought they would behind the farm gate. The tragedy of it all is that taking such a rigid and heavy-handed approach has completely undermined a lot of good work already underway at the community level by catchment groups.

As part of these freshwater reforms, there are also requirements for all regional councils to develop new regional plans to achieve new water quality standards and give effect to 'Te Mana o te Wai'. These new regional plans are where the rubber will hit the road for farmers and growers. National has already said that it will repeal any 'Te Mana o te Wai' provision within legislation.

However, our Regional Council staff continue to promote even worse draconian plan changes than David Parker was proposing. The cost is yet to be quantified by Regional Council staff – both for farmers , as well as for our planning process – a cost that will be born by BOP Regional Ratepayers – madness!

NEW ZEALAND EQUITIES

NZ ELECTRICITY SECTOR

In Jarden's latest report, they review the quarter to September, the start of the gentailers' year and the valuation impacts of changing bond rates. They reduce their 12-month target prices across the board, retaining their Buy rating on CEN (12-month target price $9.50, from $10.0), Overweight on MCY (12-month target price $6.96, from $7.29) and Neutral on MEL (12-month target price $5.49, from $5.73) and MNW (12-month target price $4.94, from $5.06). Jarden increases their GNE rating from Overweight to Buy (12-month target price $2.95, from $3.01) on the back of cost-cutting and upside to their target price.

NZ RETIREMENT SECTOR

ARV moves to development/core facility structure alleviating ICR pressure and aligning with development growth ambitions.

RYM now appears to be the sector outlier. ARV has announced a restructure of its bank facilities with a split of what was one facility into separate core and development facilities. This appears to have supported an amendment to ICR covenant which now excludes interest costs on the development facility and looks like it brings ARV's structure broadly in line with Jarden's understanding of SUM and OCA's ICR structure.

Like RYM, ARV has been subject to an ICR covenant waiver in recent times. ARV's announcement looks good compared to a recent announcement from RYM in which RYM got what appears to be more minor relief in its ICR covenant.

RYM now appears to have a disadvantage to its three listed peers on the important ICR covenant which raises a number of questions for Jarden. Is the inability for it to get as much flexibility as its peers linked to its now very large banking syndicate? Is the level of core debt it is carrying and question marks on recycling impacting the banks' approach to RYM? or is RYM now less focused on increasing its capacity for growth in debt as it looks to a potential slowdown in growth and improvement in the performance of its development platform. These are some of the questions Jarden has highlighted for addressing at RYM's upcoming 1H24 results.

KEY FINANCIAL METRICS	RATING	PRICE 8-Nov-23	12-mth TARGET	PRJECTED RETURN	P/E RATIO	DIVIDEND YIELD
Ryman Healthcare	Underweight	5.68	5.50	-1.9%	12.4	1.3%
Summerset Group	Overweight	9.88	10.34	7.1%	12.0	2.4%
Arvida Group	Neutral	1.15	1.27	13.5%	9.0	3.1%
Oceania Healthcare	Neutral	0.72	0.72	4.7%	8.7	4.8%

Source:JardenResearch

BROKER PICKS FOR 2023 – YEAR TO DATE

AS AT 24TH NOVEMBER 2023

AvonD Portfolio		Jarden		Craigs IP		Forsyth Barr		Hamilton Hindin		Hobson Health		MSL Capital Marekts	
Contact Energy	0.5%	Contact Energy	0.5%	Chorus	(7.3%)	Infratil	15.3%	Auckland Int Airport	2.0%	Auckland Int Airport	2.0%	AFT Pharmaceuticals	(7.9%)
Fletcher Building	(3.0%)	Delegat Group	(31.3%)	Ebos Group	(20.3%)	Oceania Healthcare	(6.6%)	Genesis Energy	(8.5%)	Contact Energy	0.5%	Air NZ	(11.4%)
Infratil	15.3%	Infratil	15.3%	Meridian Energy	(2.5%)	Spark	(5.9%)	Infratil	15.3%	Ebos Group	(20.3%)	Arvida Group	(6.1%)
Port of Tauranga	(14.0%)	Pacific Edge	(80.0%)	Spark	(5.9%)	Tourism Holdings	3.5%	Investore Property	(30.0%)	Fletcher Building	(3.0%)	Mercury NZ	9.0%
Tourism Holdings	3.5%	Tourism Holdings	3.5%	Tourism Holdings	3.5%	Vulcan Steel	(8.0%)	NZX Group	(13.2%)	Vector	(9.4%)	NZ Rural Land	(24.1%)
TOTAL CHANGE	**0.5%**		**(18.4%)**		**(6.5%)**		**(0.4%)**		**(6.9%)**		**(6.0%)**		**(8.1%)**
NZ50 Index	(2.3%)		(2.3%)		(2.3%)		(2.3%)		(2.3%)		(2.3%)		(2.3%)
+/- NZ50 Index	**2.7%**		**(16.1%)**		**(4.2%)**		**1.9%**		**(4.6%)**		**(3.7%)**		**(5.8%)**

NOTE: This is just a game, and Broker picks should not be considered a recommendation; nor a portfolio structure.
The above table does not include expected dividends. These will be calculated at year end (as actuals). Always seek professional advice.

STOCKS TO WATCH NEW ZEALAND

PRICES AS AT 24TH NOVEMBER 2023

ALL GRAPHS ARE ONE YEAR
GREEN=POSITIVE
RED=NEGATIVE

THE A2 MILK COMPANY

Research: 17th October

Jarden's China infant milk formula (IMF) industry modelling provides a deeper understanding of the key drivers and range of outcomes. The ongoing issue for them is that under all scenarios the overall industry remains in near-term pain, with improvement under our base and bull outcomes more back ended across the decade. Moreover, structural demographic pressures are difficult to remedy fast, so at this time Jardene finds it hard to rule out some probability of their bear case playing out.

2024 P/E: 19.95 2025 P/E: 17.6

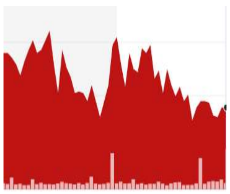
NZX Code:	**ATM**
Share Price:	**$4.27**
12mth Target: ↓	**$5.25**
Projected return (%)	
Capital gain	23.0%
Dividend yield (Net)	0.0%
Total return	**23.0%**

Rating: **NEUTRAL**

52-week price range: 4.00-7.83

AFT PHARMACEUTICALS

Research: 24th November



AFT's 1H24 EBIT of $3m was a miss versus our estimate ($6m). It maintained its guidance for FY24 EBIT excluding licence income of $22-24m. AFT did not declare an interim dividend but it is still "expecting" to declare a final dividend. Performances by segment were mixed but overall the results were soft given the miss and unchanged guidance versus our above-guidance estimates going into the results, with the difference driven largely by higher costs on the gross profit and EBIT lines in the ANZ segment.

2024 P/E: 18.3 2025 P/E: 16.1

NZX Code:	**AFT**
Share Price:	**$3.36**
12mth Target: ↓	**$3.55**
Projected return (%)	
Capital gain	5.7%
Dividend yield (Net)	0.4%
Total return	**6.1%**

Rating: **NEUTRAL**

52-week price range: 3.26-3.92

BRISCOE GROUP

Research: 2nd November

BGP delivered a strong quarterly update with positive sales growth, likely a sign of further market share gains. BGP reported group 3Q24 sales growth of +2.4% y/y, with Homeware up +1.3% and Rebel Sport up +4.1%. Year-to-date group sales are $549m, up +1.0% on the pcp. Rebel's sales growth was particularly strong vs. the broader apparel market, which fell -5.5% on the pcp in the two months to September, per Datamine data. The company likely benefitted from a Rugby World Cup-related boost and may also be a beneficiary of consumer trade-down from more expensive direct-to-consumer athletic brands. Encouragingly, run rates for the business improved through the quarter, with a strong October. While this may be a sign of a post-election bounce for the consumer, sector data and anecdotes suggest that BGP's experience may have been isolated and Jarden cautions read through.

2024 P/E: 12.1 2025 P/E: 13.3

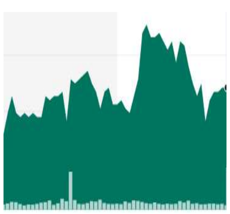
NZX Code:	**BGP**
Share Price:	**$4.62**
12mth Target: ↓	**$4.75**
Projected return (%)	
Capital gain	`2.8%
Dividend yield (Net)	6.3%
Total return	**12.1%**

Rating: **NEUTRAL**

52-week price range: 4.05-5.07

CHANNEL INFRASTRUCTURE NZ

Research: 25th October



CHI's analyst day focused on the import terminal's long-term outlook, reinforcing again that its forecast for rising long-haul jet fuel use in NZ (credible in Jarden's view) should offset the transition away from domestic consumption of petrol (in faster decline) and diesel (in slower decline). Even as all transport fuels decarbonise, it seems likely long-haul air travel will require liquid jet fuels at least into the 2050s, whether these are oil-sourced or low-carbon sustainable aviation fuel (SAF) alternatives. Jarden largely concurs that high utilisation of the terminal seems likely to continue well beyond formal expiry of its existing contracts with customers by 2042 but for valuation purposes they continue to cut off their DCF horizon after 30 years - due to uncertainty about long-term pipeline/storage capital reinvestment needs and uncertain contract repricing after expiry.

2023 P/E: 25.1 2024 P/E: 17.1

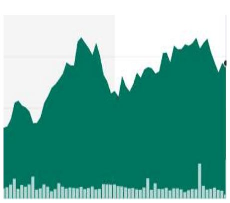
NZX Code:	**CHI**
Share Price:	**$1.49**
12mth Target:	**$1.57**
Projected return (%)	
Capital gain	5.4%
Dividend yield (Net)	7.1%
Total return	**12.5%**

Rating: **NEUTRAL**

52-week price range: 1.38-1.66

CHORUS

Research: 9th November



CNU has submitted its price-quality proposal to the ComCom for RP2. Jarden expects good visibility on the key RP2 unsmoothed MAR setting around June 2024. The ComCom will release more detail on the RP2 proposal in mid-November alongside the IV's report and a request for views paper from the ComCom identifying the key issues in respect of which it is seeking industry feedback. They expect the IV will be calling out the investment in rural and resilience for greater focus, with a lot of scrutiny also on the change in methodology being proposed by CNU on opex allocations.

2024 P/E: 165.3 2025 P/E: 84.5

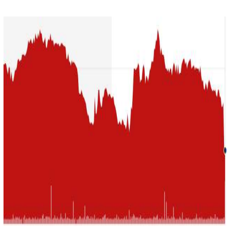
NZX Code:	**CNU**
Share Price:	**$7.57**
12mth Target: ↓	**$7.47**
Projected return (%)	
Capital gain	-1.3%
Dividend yield (Net)	6.4%
Total return	**5.1%**

Rating: **UNDERWEIGHT**

52-week price range: 7.03-8.87

COMVITA

Research: 28th November



CVT provided an unexpected poor trading update for the first four months of FY24, with sales down ~10% on pcp and reported EBITDA down ~$6m on pcp. As a result, CVT has downgraded its guidance for 'reported EBITDA after ERP' to $33-38m, from ~$41m in August, and this will require a strong 2H24 turnaround. Despite the downgrade, CVT has held onto its FY25 EBITDA guidance of ~$50m, though it did not mention whether this was inclusive of HoneyWorld (Jarden assumes it does). Net debt has now lifted. Debt/EBITDA is ~2.2x (though on Jarden's revised lower estimates it is ~1.5x for FY25E).

2024 P/E: 17.4 2025 P/E: 11.7

NZX Code:	**CVT**
Share Price:	**$2.62**
12mth Target:	**$3.35**
Projected return (%)	
Capital gain	13.2%
Dividend yield (Net)	2.1%
Total return	**15.3%**

Rating: **OVERWEIGHT**

52-week price range: 2.55-3.48

CONTACT ENERGY Research: 13th November

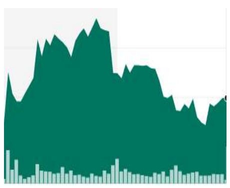
CEN recently announced that Tauhara's commissioning is delayed by another six months from 1QCY24 to 3QCY24, as the company works through a range of commissioning issues, such as underperforming steam-field valves and liquid handling systems. This reduces Jarden's FY24 EBITDA forecast by $48m to $609m (they had been assuming Tauhara would run from the start of March 2024) and takes $64m off their FY25 EBITDA forecast. FY25 will be impacted not only by a full lost quarter but also by having the plant run at a lower capacity rating, as initial production is set to be closer to the initial design capacity of 152MW, with a full planned output of 174MW expected after the first planned outage, which is likely to be some time within the 12 months after Tauhara going online. Jarden reduces their FY25 EBITDA estimate to $678m. There is an additional c.$40m of capex for Tauhara, bringing the total spend to c.$920m for 174MW. There is unlikely to be any insurance recovery, as this is a design fault and Contact has responsibility for design.

2024 P/E: 29.9 2025 P/E: 31.0

NZX Code:	**CEN**
Share Price:	**$7.75**
12mth Target: ↓	**$9.31**
Projected return (%)	
Capital gain	20.1%
Dividend yield (Net)	4.5%
Total return	**24.6%**

Rating: **BUY**

52-week price range: 7.72-8.64



FISHER & PAYKEL HEALTHCARE Research: 27th November

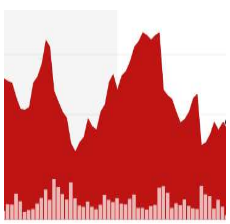
Post its unprecedented COVID response, FPH is pivoting its focus from "supply at any cost" to rebuilding operating leverage and investing in its next frontier of growth. In this report, Jarden thinks about gross margin performance as operating efficiency, operating margin leverage as clinical practice sales efficiency and ongoing R&D investment as necessary to sustain a double-digit growth model. FPH is due to report 1H24 on 29 November. Jarden estimates 1H24 revenues of $794m (+15% on pcp) and NPAT of $99m (+3% on pcp), in line with pre-guidance (late August). They estimate Hospital revenue +14% on pcp, with Hardware -30% offset by Consumables +20%. They also estimate Homecare revenue +17% on pcp. FY24 revenue guidance is ~$1.7bn.

2024 P/E: 51.58 2025 P/E: 38.3

NZX Code:	**FPH**
Share Price:	**$22.28**
12mth Target:	**$23.00**
Projected return (%)	
Capital gain	3.2%
Dividend yield (Net)	1.9%
Total return	**5.1%**

Rating: **NEUTRAL**

52-week price range: 20.29-27.95



FLETCHER BUILDING Research: 30th October

FBU provided its ASM update with a softer residential cycle but green shoots of an early turn – in line with Jarden expectations. There is nothing in the update to make us adjust their FY24 EBIT forecast from $690m.

Research: 14th October

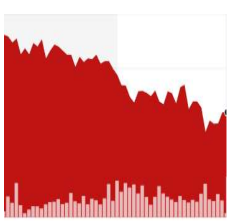
FBU defended its position that the Iplex issue is not material. Jarden's first take was that it did a good job of reducing the potential damage from BGC's recent presentation. However, whilst it would be easy to take FBU on its word and conclusions, Jarden believes that the data does not fully support closure on the topic. There is an anomaly as to how homes built in Western Australia (WA) over an 18-month period failed relative to others, which is not easily explained by product or installation failure. Whilst they still believe there is probable WA risk, Jarden now assumes a high probability it is localised to this region, reducing the likely worst-case scenario to a negative NZc67ps valuation impact. On a balance of probable outcomes, they assume a A$262m provision, NZ$201m after tax, cutting Jarden's 12-month target price by NZ20cps to NZ$6.40. Whilst they retain their Buy rating, they believe the Iplex issue is unlikely to be resolved for many years.

2024 P/E: 11.1 2025 P/E: 9.8

NZX Code:	**FBU**
Share Price:	**$4.58**
12mth Target: ↓	**$6.20**
Projected return (%)	
Capital gain	35.4%
Dividend yield (Net)	6.5%
Total return	**41.9%**

Rating: **BUY**

52-week price range: 4.19-5.64



FREIGHTWAYS **Research: 27th October**

FRW has provided a 1Q24 trading update at its ASM, highlighting soft underlying operating conditions. Group revenue (+25.5%) and EBITDA (+11.9%) changes were dominated by the inclusion of Allied Express (AEx), acquired after 1Q23. 1Q24 EBITDA of $55.4m was below Jarden's high level 1Q estimate of ~$60m, with some pressure evident on both revenue and opex. FRW provided outlook commentary, suggesting that EBITA could be flat on the prior year despite a full 12-month contribution from AEx (vs. nine-month contribution in FY23).

2024 P/E: 18.3 2025 P/E: 15.7

NZX Code:	**FRW**
Share Price:	**$8.08**
12mth Target: ↓	**$8.85**
Projected return (%)	
Capital gain	9.5%
Dividend yield (Net)	5.0%
Total return	**14.5%**

Rating: **OVERWEIGHT**

52-week price range: 7.31-10.10

GOODMAN PROPERTY TRUST **Research: 27th November**

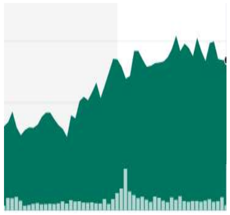
GMT delivered another strong result, with a net property income beat (5.9%) on development completions ahead of Jarden's estimate and better outcomes on short-term expiries/vacancies. Cash earnings (excluding the diminishing value tax changes) were in line with their estimate at $52.7m, with the NPI beat offset by higher interest costs from the earlier development completions. The balance sheet remains in strong health, with gearing at 28.7% (committed 30.5%) and a solid hedging profile (~73% 12m hedging) and portfolio metrics remain robust (occupancy 99.6%, WALT 6.4 years). Under-renting remains strong at 22.8%, with a tempering industrial market (CBRE noted no growth in market rentals for the prior quarter). It will still take some time to close this gap, with most of the under-renting sitting at Highbrook (5.8 year WALT) and other core assets (noting that new development WALT's are 16.4 years for completed and 14.2 years for WiP).

2024 P/E: 25.0 2025 P/E: 23.5

NZX Code:	**GMT**
Share Price:	**$2.15**
12mth Target:	**$1.98**
Projected return (%)	
Capital gain	-7.7%
Dividend yield (Net)	2.9%
Total return	**-4.8%**

Rating: **UNDERWEIGHT**

52-week price range: 1.97-2.29



INFRATIL — **Research: 17th November**

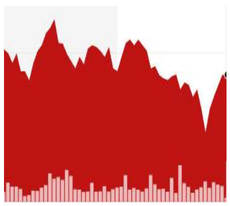
IFT reported a solid 1H24 result with proportionate EBITDA at $400Equim (JARDe $410m). Parent net debt was $2,083m (JARDe $1,993m) and it declared a 7.0cps 42%-imputed interim dividend (JARDe 7.1cps).. IFT had previously released an updated independent valuation for its 47.99% stake in CDC Data Centres. The valuer's estimate increased by ~A$448mn, to now sit between NZ$3.92bn and NZ$4.5bn (i.e. NZ$4.182bn midpoint) as at 30 September. The key drivers for this upgrade were large increases of capacity under construction (now 265MW underway vs. 42MW previously announced) and overall 264MW increase in CDC's pipeline (now 1,050MW). Net debt was in line at A$2,270m at 30 September (vs. 31 March A$2,098m), and CDC FY24 EBITDA guidance remains unchanged at A$260m to A$270m.

2024 P/E: 59.0 2025 P/E: 121.5

NZX Code:	**IFT**
Share Price:	**$9.98**
12mth Target:	**$10.80**
Projected return (%)	
Capital gain	8.3%
Dividend yield (Net)	2.0%
Total return	**10.3%**

Rating: **OVERWEIGHT**

52-week price range: 8.40-10.74



MAINFREIGHT — **Research: 10th November**

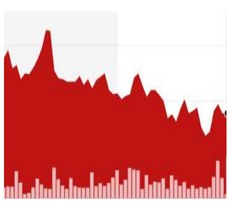
MFT delivered materially lower 1H24 earnings against a very strong pcp, noting the downturn in freight demand and the subsequent reduction in Air & Ocean (A&O) freight rates. The 1H24 PBT of $174.8m was down -42.1% on the pcp but up ~9% on Jarden's ~$160m estimate, primarily due to a better performance in A&O versus Jarden's estimate. Pleasingly, the 2Q24 PBT result was up ~10% QoQ, with improving Transport results in ANZ and improvements in Warehousing (excluding USA). MFT declared an interim dividend of 85cps - flat on the prior year and in line with estimates. Whilst Jarden forecasts earnings to be down on FY23 over the next two years, they expect MFT's strong balance sheet and low payout to support dividends at the current level until earnings return to the previous peak. MFT remains in a net cash position (~$21m) and Jarden expects gearing to remain low in the near future despite a sustained lift in capex versus the pre-COVID level. MFT lowered its FY24 capex forecast by ~$110m, noting some building delays and re-evaluation of projects.

2024 P/E: 23.09 2025 P/E: 20.4

NZX Code:	**MFT**
Share Price:	**$66.90**
12mth Target: ↓	**$74.80**
Projected return (%)	
Capital gain	11.8%
Dividend yield (Net)	2.7%
Total return	**14.5%**

Rating: **OVERWEIGHT**

52-week price range: 55.37-76.99



MANAWA ENERGY — **Research: 14th November**

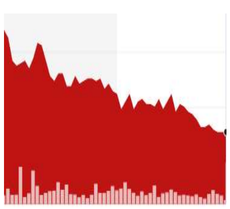
Manawa reported 1H24 EBITDA of $77.8m, up 11% on $70m pcp and in line with Jarden's estimate. The company is on track to get to the upper half of its retained EBITDA guidance range of $120-140m for FY24E, without revised estimate of $130m. Manawa declared an 8.0cps 1H dividend, up 7% on pcp and in line with estimates. The reduction in the maintenance capex outlook from $25.0m to $17.5m at the midpoint is positive, boosting Jarden's target valuation by 5%.

2024 P/E: 18.9 2025 P/E: 21.2

NZX Code:	**MNW**
Share Price:	**$4.46**
12mth Target: ↑	**$5.20**
Projected return (%)	
Capital gain	15.0%
Dividend yield (Net)	3.6%
Total return	**18.6%**

Rating: **NEUTRAL**

52-week price range: 4.21-5.63



MICHAEL HILL INTERNATIONAL — **Research: 15th November**

MHJ is experiencing the broader retail slowdown, with core Michael Hill brand sales tracking down on the prior period. MHJ released a trading update for the first 19 weeks of FY24, with group sales - including the acquisition of Bevilles - up +2% on the prior comparable period. Trading commentary then becomes somewhat opaque, with Michael Brand sales up +15% on the same period in FY19 and +13% on the same period in FY22 - Jarden estimates that equates to core brand sales down c. -2% on a like-for-like basis against the pcp. MHJ cites outperformance of broader category weakness, which we estimate is down c. -7% in the three months to October in Australia and c. -6% over a similar period in New Zealand. This is supportive of MHJ having gained further market share in the period, consistent with previous updates. Positively, market share gain comments also extend to the Bevilles brand, which likely reflects its lower price point.

2024 P/E: 9.19 2025 P/E: 7.9

NZX Code:	**MHJ**
Share Price:	**$0.87**
12mth Target: ↓	**$1.15**
Projected return (%)	
Capital gain	32.2%
Dividend yield (Net)	8.0%
Total return	**40.2%**

Rating: **OVERWEIGHT**

52-week price range: 0.84-1.28

MY FOOD BAG — **Research: 2nd November**

The operating environment for meal kits remains tough, with MFB needing to deliver on cost rationalisation. Datamine's online grocery spend tracker shows a continued decline, down -7% against the pcp in the six months to September 2023, albeit with improving monthly run-rates. Historically, this data has correlated well with MFB's revenue growth and Jarden forecasts a -7% fall in MFB's 1H24 revenue. In their view, the relative affordability of meal kits has improved over the past six months, with MFB implementing a price freeze for Bargain Box, which, in addition to a large number of customer complaints to the Commerce Commission against key peer HelloFresh New Zealand, contributes to Jarden's view that MFB has performed as well as system.

2024 P/E: 7.0 2025 P/E: 7.2

NZX Code:	**MFB**
Share Price:	**$0.13**
12mth Target: ↓	**$0.25**
Projected return (%)	
Capital gain	90.8%
Dividend yield (Net)	0.0%
Total return	**90.8%**

Rating: **BUY**

52-week price range: 0.128-0.45

PACIFIC EDGE **Research: 16th November**

PEB delivered 1H24 revenue of $13m (+50% on pcp) and US volumes of 16k (+25% on pcp). However, given the restructure, in Jarden's opinion the result was less relevant and their primary focus is on better understanding forward cash burn in a loss-of-coverage scenario (survival case), noting its cash position of $62m as at September 2023.

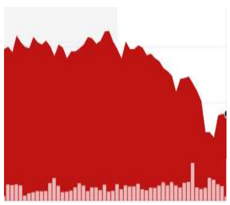
PEB has confirmed the integration of Cxbladder (Cxb) within Kaiser's Electronic Medical Records (EMR) system and is now live within all 15 urology medical centres in Southern California (SoCal, 37% of the Kaiser system). This comes alongside a standardised clinical pathway agreed to by Kaiser SoCal's urology chiefs, which is not disclosed but as Jarden understands from PEB management, means Cxb will be a requirement prior to patients referred for cystoscopy for bladder cancer. With the 1H24 result expected next week, Jarden leaves their forecasts unchanged given they expect further detail on the operational restructure in response to the potential loss of Medicare coverage (which remains an ongoing risk). Jarden's rating is Neutral and their unchanged $0.16 12-month target price is based on an equal weighting of a $0.25 survival case DCF-based spot estimate and a $0.03 wind down spot estimate rolled forward at the cost of equity.

2024 P/E: (2.8) 2025 P/E: (4.2)

NZX Code:	**PEB**
Share Price:	**$0.10**
12mth Target:	**$0.16**
Projected return (%)	
Capital gain	60.0%
Dividend yield (Net)	0.0%
Total return	**60.0%**

Rating: **NEUTRAL**

52-week price range: 0.05-0.56



PORT OF TAURANGA **Research: 10th November**

POT recently provided a weak trading update alongside FY24 NPAT guidance of $95-107m (-14% at the midpoint). Whilst total NZ container volumes have declined since FY19 and were down ~10% in 3QCY23 vs the pcp, POT's volumes were down 21%. Import volumes declined 23% with higher rail costs contributing to share loss to Port of Auckland, while transhipments (-31%) were impacted by the exit of Maersk coastal shipping. Jarden's suggests that at least part of the recent volume downturn represents a permanent loss of volumes versus the pre-COVID trend. They expect near-term underlying demand to remain soft but believe FY24 likely represents a trough year, noting that weakness over recent months reflects partly a post COVID inventory unwind - now moderating. Other transitory factors impacting FY24 earnings include low labour efficiency through a tight labour market (now easing) and high-margin container storage revenues running at half the normalised level of ~$1.5m/month (exacerbated by the inventory unwind). From FY25, Jarden expects an earnings rebound to be supported by (1) an underlying demand recovery, (2) Ruakura volumes, (3) a return to transhipment growth and (4) supportive pricing at POA. Jarden sensitivities show a 10% increase in container volumes or a 5% increase in pricing would lift FY26 NPAT by ~$10m and ~$8m, respectively.

2024 P/E: 26.2 2025 P/E: 25.4

NZX Code:	**POT**
Share Price:	**$5.39**
12mth Target: ↓	**$5.26**
Projected return (%)	
Capital gain	-2.4%
Dividend yield (Net)	3.0%
Total return	**0.6%**

Rating: **NEUTRAL**

52-week price range: 5.03-6.61

RESTAURAMT BRANDS NZ **Research: 26th October**

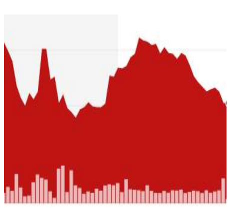
RBD reported a continuation of existing themes in 3Q23. Group sales lifted +5.8% vs. the pcp in the quarter to $341m, a touch ahead of Jarden's prior expectations. Growth was supported by a continued bounce back in Australian trading (SSS +8.0%) as mall and CBD stores recovered to pre-pandemic levels. New Zealand and Hawaii reported 3Q23 SSS growth of +5.0% and +5.7%, respectively, with the company looking to pass on price increases in response to cost pressures. Hawaii lost two stores in the fires on Maui, with both fully insured and expected to be rebuilt in 2024. California remains an underperforming region, with 3Q23 SSS falling -3.3% despite price increases, as the broader market continues to wane with management commentary suggesting RBD has been maintaining share through the period. Year-to-date group sales of NZ$981m are up +8.2% on the pcp.

2023 P/E:40.1 2024 P/E: 24.3

NZX Code:	**RBD**
Share Price:	**$3.66**
12mth Target: ↓	**$4.15**
Projected return (%)	
Capital gain	5.1%
Dividend yield (Net)	0.0%
Total return	**5.1%**

Rating: **UNDERWEIGHT**

52-week price range: 3.30-7.64



RYMAN HEALTHCARE **Research: 9th October**

RYM cannot provide all the answers at its 1H24 results but there is an important opportunity to set the tone and provide early clarity where possible. We view the upcoming 1H24 results as an important early catalyst under the direction of the new Board. As RYM is, we are clear that it is in the early stages of a multi-year turnaround. We also recognise the new Board is only recently in place - it will not be in a position to provide answers for all of the questions but there are some important first steps it can take now to provide improved visibility into the business and signal direction. There could be important catalysts for investors as they get to understand RYM after the capital raise and Board changes.

2024 P/E:13.3 2025 P/E:

NZX Code:	**RYM**
Share Price:	**$5.40**
12mth Target:	**$5.50**
Projected return (%)	
Capital gain	10.6%
Dividend yield (Net)	1.2%
Total return	**11.8%**

Rating: **UNDERWEIGHT**

52-week price range: 4.82-7.12

SERKO — **Research: 10th November**

3QCY23 travel activity continues its strong march - hotel rates up c. +10%, with room night growth of +6%. Jarden has reviewed recent travel company results, which show volumes continuing to recover towards pre-pandemic levels, led by strength in the target SME market and price inflation pushing spend to new highs. European revenue per available room (RevPAR) is up +9% to +29% across select hotel operators, as occupancy climbs and the Eurostat Hotel Index shows an average increase of +10% y/y over the past six months. Outlook comments suggest companies are expecting contracted rates to increase by high single digits in 2024, with surveys of travel buyers predicting an increase in travel budgets despite macro concerns.

2023 P/E: (30.6) 2024 P/E: 147.7

NZX Code:	**SKO**
Share Price:	**$4.39**
12mth Target: ↑	**$4.35**
Projected return (%)	
Capital gain	-0.9%
Dividend yield (Net)	0.0%
Total return	**-0.9%**

Rating: **NEUTRAL**

52-week price range: 2.00-4.99

TURNERS AUTOMOTIVE — **Research: 10th October**

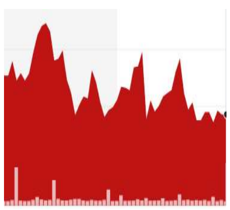
1H24 guidance: $25m+ NPBT. TRA has provided maiden guidance for 1H24 NPBT to be at least $25m (1H23 = $23.4m), which would be a record first half result for the company. This is in the context of full-year guidance, reiterated today, to be ahead of the $45.5m delivered in FY23. Looking forward, TRA reiterated it remains focused on its target of $50m NPBT by FY25. However, Jarden notes previous commentary suggesting this could be delayed a year if interest rates continue to rise through 2023/2024.

2024 P/E: 10.5 2025 P/E: 10.3

NZX Code:	**TRA**
Share Price:	**$4.66**
12mth Target:	**$4.31**
Projected return (%)	
Capital gain	-7.5%
Dividend yield (Net)	5.9%
Total return	**-1.6%**

Rating: **OVERWEIGHT**

52-week price range: 3.10-4.70



VULCAN STEEL — **Research: 8th November**

At its 2023 ASM, VSL indicating a modestly weaker 1H24 than previously expected. The company provided trading commentary for the first four months of FY24, showing EBITDA declined by 29% relative to pcp, weaker than Jarden's previous expectation of a 24% decline for 1H24. VSL did not provide FY24 EBITDA guidance, but maintained its expectation of a recovery in 2H24, with volumes as measured on a per-day basis already showing early signs of stabilisation. Given the commodity steel price remains relatively flat so far into FY24 relative to the end of August and management reaffirming a lower tonnage in 1H24 and recovery in late 2H24, Jarden has lowered their FY24 and FY25 EBITDA forecasts by 4.0% and 2.8%, respectively, to $166m and $190m, respectively.

2024 P/E: 15.6 2025 P/E: 12.4

NZX Code:	**VSL**
Share Price:	**$8.00**
12mth Target: ↓	**$7.95**
Projected return (%)	
Capital gain	-0.6%
Dividend yield (Net)	5.1%
Total return	**4.5%**

Rating: **NEUTRAL**

52-week price range: 7.45-10.05

THE WAREHOUSE — **Research: 8th November**

A disappointing quarter for WHS with group sales falling -6.7% on the pcp, outpacing the broader slowdown in retail activity. Adjusted foot traffic across the group is down -3.5% on the pcp, with the company noting a stronger value tilt to the customer. Positively, discounting activity remains broadly within expectations and is yet to become a major feature, which in addition to COGS control, helped WHS report a group gross margin of 34.1%, down -50bps on 4Q23. The gross margin, however, was up +180bps on the pcp as the company cycled a period of elevated customer acquisition activity for its MarketClub. Group 1Q24 gross profit was down -1.6% on the pcp.

2024 P/E: 14.8 2025 P/E: 11.8

NZX Code:	**WHS**
Share Price:	**$1.70**
12mth Target: ↓	**$1.45**
Projected return (%)	
Capital gain	-14.7%
Dividend yield (Net)	4.4%
Total return	**-10.3%**

Rating: **UNDERWEIGHT**

52-week price range: 1.62-3.00

NEW ZEALAND LISTED COMPANY EARNINGS TABLE — AS AT 13TH NOVEMBER 2023

New Zealand Listed Companies Earnings Table at 13-November-2023	Ticker	Rec.	Market Cap	Price 13-Nov-23	Target Price	Adjusted NPAT			Adjusted EPS			Price Earnings		pbook	EV/EBITDA		Net Yield		Gross Yield	
			NZ$m	NZ$	NZ$	FY1	FY2	FY3	FY1	FY2	FY3	12MF	24MF	FWD	12MF	24MF	12MF	24MF	12MF	24MF
COMMUNICATION SERVICES																				
Chorus	CNU	U	3,245.5	7.50	7.47	19.7	38.4	67.0	4.5	8.9	15.4	122.4x	86.1x	4.0x	9.2x	9.0x	6.6%	6.9%	6.6%	6.9%
NZME	NZM	O	154.5	0.82	1.18	16.2	18.0	21.3	8.6	9.7	11.5	8.6x	7.9x	1.2x	4.7x	4.6x	11.5%	11.8%	16.0%	16.4%
Spark New Zealand	SPK	N	9,343.2	5.09	4.95	464.4	481.7	502.5	25.4	26.7	27.8	19.7x	19.2x	5.5x	8.8x	8.6x	5.4%	5.5%	7.6%	7.6%
CONSUMER DISCRETIONARY																				
Michael Hill International	MHJ	O	313.5	0.89	1.25	40.8	44.7	43.5	10.7	11.8	11.4	8.0x	7.8x	1.5x	3.5x	3.5x	8.6%	8.8%	12.0%	12.2%
My Food Bag	MFB	B	36.4	0.15	0.25	4.9	4.7	5.5	2.0	1.9	2.3	7.7x	7.3x	0.6x	4.4x	4.4x	6.2%	8.1%	6.2%	8.1%
Restaurant Brands NZ	RBD	U	437.9	3.51	4.15	12.3	20.3	29.5	9.8	16.3	23.6	22.7x	18.4x	1.4x	7.9x	7.6x	4.0%	4.3%	4.0%	4.3%
SKYCITY Entertainment Group	SKC	B	1,436.8	1.89	3.10	137.2	148.9	148.6	18.0	19.6	19.6	10.2x	9.9x	0.9x	5.6x	5.4x	7.8%	8.3%	10.8%	11.6%
Tourism Holdings	THL	B	769.0	3.58	4.66	81.8	92.1	102.0	38.2	43.0	47.7	9.0x	8.5x	1.2x	4.6x	4.3x	5.6%	5.9%	6.7%	7.1%
CONSUMER STAPLES																				
Comvita	CVT	B	213.5	3.04	4.40	19.0	24.0	28.5	27.2	34.4	40.8	10.2x	9.1x	0.8x	6.4x	5.9x	2.7%	3.3%	3.8%	4.6%
Delegat Group	DGL	O	783.8	7.65	11.80	65.1	70.5	77.4	64.4	69.7	76.5	11.5x	11.0x	1.3x	8.5x	8.2x	3.0%	3.1%	4.1%	4.3%
Fonterra Shareholders' Fund	FSF	O	328.8	3.10	4.15	1,005.9	792.8	780.2	62.5	49.3	48.5	5.3x	5.8x	0.0x	0.2x	0.2x	11.4%	10.7%	11.4%	10.7%
NZ King Salmon Investments	NZK	N	108.3	0.20	0.26	12.0	13.2	13.8	2.2	2.4	2.5	8.5x	8.3x	0.6x	3.4x	3.3x	-	-	-	-
Sanford	SAN	N	369.3	3.95	4.50	31.0	35.9	39.7	33.2	38.4	42.4	10.2x	9.7x	0.5x	5.9x	5.7x	3.9%	4.1%	5.4%	5.7%
Scales Corporation	SCL	O	433.6	3.03	3.90	15.6	30.2	36.0	10.9	21.1	25.2	15.3x	13.6x	1.1x	5.9x	5.6x	4.0%	4.4%	5.6%	6.2%
Seeka	SEK	U	94.5	2.25	2.30	(21.3)	10.4	14.5	(50.7)	24.8	34.4	15.1x	9.4x	0.4x	6.1x	5.7x	-	-	-	-
Synlait Milk	SML	O	301.6	1.38	2.05	15.2	28.2	33.7	7.0	12.9	15.4	15.9x	12.4x	0.4x	6.8x	6.5x	-	-	-	-
The A2 Milk Company	ATM	N	2,981.8	4.11	5.25	163.3	185.2	204.5	22.6	25.7	28.3	17.3x	16.3x	2.2x	9.7x	9.0x	-	-	-	-

New Zealand Listed Companies Earnings Table at 13-November-2023	Ticker	Rec.	Market Cap	Price 13-Nov-23	Target Price	Adjusted NPAT			Adjusted EPS			Price Earnings		pbook	EV/EBITDA		Net Yield		Gross Yield	
			NZ$m	NZ$	NZ$	FY1	FY2	FY3	FY1	FY2	FY3	12MF	24MF	FWD	12MF	24MF	12MF	24MF	12MF	24MF
ENERGY																				
Channel Infrastructure	CHI	N	560.6	1.48	1.57	22.4	33.1	44.1	6.0	8.8	11.7	17.6x	15.0x	1.1x	8.7x	8.2x	8.3%	9.1%	8.3%	9.1%
FINANCIALS																				
Heartland Group Holdings	HGH	O	1,151.6	1.61	2.19	118.0	128.4	136.3	16.5	17.7	18.5	9.5x	9.2x	1.1x	17.4x	16.4x	8.0%	8.2%	11.1%	11.5%
Infratil	IFT	O	8,593.4	10.32	10.9	82.1	149.4		9.9	18.0	24.8	69.2x	55.6x	3.7x	23.3x	21.5x	2.0%	2.1%	2.8%	2.9%
NZX	NZX	N	330.7	1.02	1.30	14.8	14.3	15.2	4.7	4.5	4.7	22.5x	22.2x	2.9x	9.8x	9.4x	6.0%	6.0%	8.3%	8.3%
Turners Automotive Group	TRA	O	367.0	4.18	4.31	33.8	34.6	36.8	39.1	40.0	42.5	10.5x	10.3x	1.3x	8.1x	8.1x	6.0%	6.2%	8.4%	8.7%
HEALTH CARE EQUIPMENT & SUPPLIES																				
AFT Pharmaceuticals	AFT	N	347.1	3.31	3.80	20.5	24.1	29.3	19.6	23.0	27.9	15.2x	13.9x	3.3x	10.7x	9.9x	2.0%	2.2%	2.8%	3.0%
Fisher & Paykel Healthcare	FPH	N	12,644.7	21.90	23.00	252.8	340.4	422.9	43.3	58.2	72.3	41.7x	36.7x	6.7x	23.2x	20.7x	1.9%	1.9%	2.7%	2.7%
Pacific Edge	PEB	N	81.9	0.10	0.16	(54.2)	(44.8)	(39.2)	(6.7)	(3.7)	(3.2)	(2.1x)	(2.5x)	1.6x	(0.1x)	(0.1x)	-	-	-	-
HEALTH CARE PROVIDERS & SERVICES																				
Arvida Group	ARV	N	808.1	1.13	1.27	92.5	114.3	127.0	12.7	15.6	17.2	7.8x	7.3x	0.5x	94.9x	81.3x	3.5%	3.7%	3.5%	3.7%
Ebos Group	EBO	N	7,135.2	37.20	36.50	303.3	263.0	284.8	158.3	137.3	148.7	24.7x	25.5x	3.0x	12.4x	12.6x	2.9%	3.0%	3.1%	3.2%
Oceania Healthcare	OCA	N	521.4	0.70	0.72	58.2	71.0	75.2	8.1	9.8	10.3	7.6x	7.3x	0.5x	30.6x	26.7x	5.0%	5.2%	5.0%	5.2%
Ryman Healthcare	RYM	U	3,967.7	5.78	5.50	321.8	367.2	426.1	46.8	53.4	62.0	11.4x	10.5x	0.8x	79.1x	72.0x	1.3%	1.3%	1.3%	1.3%
Summerset Group Holdings	SUM	O	2,319.4	9.90	10.34	191.4	205.2	232.2	82.3	87.5	98.1	11.4x	10.8x	0.8x	67.6x	58.3x	2.4%	2.4%	2.4%	2.4%
INDUSTRIALS																				
PGG Wrightson	PGW	U	256.6	3.49	3.60	8.5	13.0	17.6	11.2	17.2	23.3	26.0x	21.2x	1.6x	7.4x	7.0x	5.5%	5.7%	7.6%	7.9%
Skellerup Holdings	SKL	O	945.1	4.81	5.30	52.5	56.6	61.3	26.8	28.9	31.3	17.4x	16.8x	4.0x	11.1x	10.7x	4.9%	5.0%	6.7%	6.9%
TRANSPORTATION & LOGISTICS																				
Air New Zealand	AIR	N	2,206.3	0.65	0.72	224.6	262.3	237.2	6.7	7.8	7.0	9.1x	8.9x	1.0x	3.0x	2.9x	5.9%	6.2%	5.9%	6.2%
Auckland International Airp	AIA	N	11,420.3	7.69	7.90	261.8	293.9	377.2	17.8	20.0	24.7	41.3x	38.1x	1.3x	20.2x	18.4x	1.9%	2.1%	2.7%	2.9%
Freightways	FRW	O	1,393.3	7.76	8.85	74.6	86.8	102.9	42.0	48.9	58.0	17.4x	16.0x	2.8x	8.6x	8.2x	5.1%	5.5%	7.1%	7.6%
Mainfreight	MFT	O	6,359.1	63.22	74.80	274.5	310.0	376.2	272.6	307.9	373.6	21.5x	19.7x	3.3x	9.9x	9.3x	2.7%	2.7%	3.8%	3.8%
Port of Tauranga	POT	N	3,456.5	5.07	5.26	103.0	116.7	132.6	15.3	17.3	19.7	31.6x	29.6x	1.6x	19.5x	18.5x	3.1%	3.2%	4.3%	4.4%
INFORMATION TECHNOLOGY																				
Gentrack Group	GTK	N	530.4	5.20	3.90	8.9	11.9	17.8	8.8	11.8	17.5	41.6x	34.7x	2.9x	19.8x	17.9x	-	-	-	-
Serko	SKO	N	537.1	4.50	4.35	(17.2)	3.6	17.1	(14.3)	3.0	14.2	n.a.	n.a.	4.8x	n.a.	31.7x	-	-	-	-
Vista Group International	VGL	O	297.7	1.26	2.00	(7.5)	(0.5)	5.3	(3.2)	(0.2)	2.3	n.a.	n.a.	2.1x	17.5x	13.7x	-	-	-	-
CONSTRUCTION MATERIALS, METAL & MINING																				
Fletcher Building	FBU	B	3,594.2	4.52	6.20	341.6	388.8	467.9	43.8	49.8	60.0	9.8x	9.1x	0.9x	6.0x	5.7x	7.1%	7.3%	9.8%	10.2%
Steel & Tube Holdings	STU	O	181.9	1.07	1.32	18.3	22.2	25.0	11.0	13.4	15.1	9.0x	8.3x	0.8x	5.4x	5.2x	8.1%	8.8%	11.2%	12.2%
Vulcan Steel	VSL	N	947.5	7.84	7.95	62.9	79.1	88.5	47.9	60.2	67.4	14.9x	13.6x	4.6x	9.4x	8.9x	5.4%	5.9%	6.2%	6.8%
REAL ESTATE																				
Asset Plus	APL	O	83.4	0.23	0.32	(1.1)	3.8	6.9	(0.3)	1.0	1.9	45.6x	22.3x	0.6x	34.2x	28.1x	-	1.6%	-	2.2%
Argosy Property	ARG	O	919.2	1.08	1.14	58.7	62.4	65.2	6.9	7.4	7.7	15.0x	14.6x	0.8x	15.7x	15.3x	6.2%	6.2%	8.6%	8.6%
Goodman Property Trust	GMT	U	2,904.7	2.02	1.96	116.6	124.3	131.7	8.3	8.8	9.3	23.5x	22.8x	0.9x	23.6x	21.6x	3.1%	3.2%	4.3%	4.4%
Investore Property	IPL	N	417.6	1.13	1.33	31.3	29.8	31.2	8.5	8.0	8.3	13.8x	13.8x	0.7x	14.8x	14.8x	6.8%	6.7%	9.4%	9.3%
Kiwi Property Group	KPG	N	1,305.4	0.82	0.92	98.6	99.5	99.1	6.2	6.1	6.0	13.4x	13.5x	0.7x	14.8x	14.3x	7.0%	7.0%	9.7%	9.7%
Precinct Properties NZ	PCT	U	1,792.6	1.13	1.10	109.9	106.2	103.0	6.9	6.7	6.5	16.6x	16.8x	0.9x	21.4x	21.0x	5.8%	5.7%	8.1%	7.9%
Property for Industry	PFI	N	1,082.1	2.12	2.14	45.9	50.0	56.4	9.1	10.0	11.2	21.4x	20.2x	0.9x	19.8x	19.1x	3.9%	4.0%	5.4%	5.5%
Stride Property & Investment	SPG	N	726.3	1.32	1.43	54.6	50.7	48.3	9.9	9.0	8.6	14.1x	14.6x	0.8x	16.2x	15.9x	6.1%	6.1%	8.4%	8.4%
Vital Healthcare Property Tru	VHP	U	1,357.8	2.04	1.97	72.5	72.6	72.9	10.9	10.7	10.7	18.8x	18.9x	0.8x	20.9x	19.6x	4.8%	4.8%	6.7%	6.7%
New Zealand Rural Land Co	NZL	N	117.0	0.82	1.08	6.1	7.7	8.1	4.3	5.6	5.9	17.2x	15.6x	0.5x	14.2x	13.6x	-	1.2%	-	1.6%
UTILITIES																				
Contact Energy	CEN	B	6,158.1	7.80	9.31	205.1	197.7	223.6	26.1	25.2	28.5	30.3x	29.9x	2.3x	11.9x	11.3x	4.8%	5.1%	5.9%	6.3%
Genesis Energy	GNE	B	2,584.5	2.40	2.95	66.3	79.7	95.9	6.2	7.5	9.0	35.9x	32.6x	1.2x	8.6x	8.3x	7.3%	7.4%	9.5%	9.5%
Manawa Energy	MNW	N	1,424.0	4.60	4.94	61.3	69.7	77.9	19.6	22.3	24.9	21.6x	20.4x	1.1x	13.0x	12.5x	3.5%	3.5%	4.9%	4.9%
Mercury NZ	MCY	O	8,180.4	5.88	6.96	181.2	255.0	333.6	12.9	18.2	23.8	39.6x	33.5x	1.7x	11.7x	11.4x	4.1%	4.4%	5.7%	6.1%
Meridian Energy	MEL	N	12,831.2	4.99	5.49	359.1	427.5	540.6	13.9	16.6	20.9	33.5x	30.2x	2.2x	15.9x	14.8x	3.8%	4.1%	3.9%	4.1%
Vector	VCT	O	3,720.0	3.70	4.14	183.8	210.1		18.4	21.0	27.0	19.1x	17.4x	1.0x	10.0x	9.4x	5.8%	6.0%	5.8%	6.0%

JARDEN'S NZ LISTED COMPANIES GROSS DIVIDEND YIELD AS AT 23RD NOVEMBER 2023

COMPANY	RATING	PRICE (NZ$)	GROSS DIVIDEND YIELD				DIVIDEND COVER				NET DEBT/ EQUITY
			FY-1	FY0	FY1	FY2	FY-1	FY0	FY1	FY2	CURRENT
NZME	O	$0.89	21.8%	14.0%	14.8%	15.6%	0.9x	1.0x	1.0x	1.2x	66.0%
Sky City	B	$1.72	9.7%	11.3%	12.9%	14.5%	1.5x	1.3x	1.2x	1.1x	44.9%
Steel and Tube	O	$1.06	10.5%	10.5%	12.7%	14.3%	1.3x	1.4x	1.4x	1.4x	39.0%
Heartland Group	O	$1.67	9.6%	10.4%	11.2%	11.6%	1.4x	1.3x	1.3x	1.3x	-70.1%
My Food Bag	B	$0.13	22.4%	-	11.2%	11.2%	1.1x	-	1.3x	1.5x	38.9%
Michael Hill	O	$0.87	11.0%	11.0%	11.0%	11.0%	1.2x	1.2x	1.3x	1.4x	82.1%
Kiwi Property Group	N	$0.84	10.1%	10.1%	10.1%	10.1%	1.2x	1.1x	1.1x	1.1x	60.1%
Fletcher Building	B	$4.52	10.4%	9.8%	9.8%	11.7%	1.7x	1.4x	1.6x	1.6x	94.0%
Genesis Energy	B	$2.34	9.7%	9.7%	9.7%	9.9%	1.1x	0.4x	0.4x	0.5x	59.8%
Sky Network Television	O	$2.76	7.5%	7.5%	9.6%	10.1%	2.4x	2.4x	1.9x	1.7x	0.8%
Fonterra	O	$3.10	16.1%	12.1%	9.5%	10.9%	1.6x	1.7x	1.7x	1.4x	43.8%
Investore Property	N	$1.10	10.7%	9.8%	9.5%	9.5%	1.1x	1.1x	1.1x	1.2x	65.4%
Stride	N	$1.30	9.2%	9.2%	9.2%	9.2%	1.3x	1.2x	1.1x	1.1x	42.9%
Briscoe Group	N	$4.52	8.6%	8.8%	8.8%	8.8%	1.4x	1.3x	1.2x	1.2x	41.1%
Channel Infrastructure	N	$1.50	6.5%	7.0%	8.4%	10.0%	0.5x	0.6x	0.7x	0.8x	59.8%
Argosy Property	O	$1.11	8.3%	8.3%	8.3%	8.3%	1.1x	1.0x	1.1x	1.2x	64.8%
Kathmandu	B	$0.79	7.6%	7.6%	8.2%	9.5%	1.0x	1.2x	1.4x	1.5x	40.7%
Turners	O	$4.58	7.0%	7.3%	8.2%	9.1%	1.6x	1.7x	1.5x	1.5x	151.2%
NZX	N	$1.04	8.1%	8.1%	8.1%	8.1%	0.8x	0.8x	0.7x	0.8x	57.4%
PGG Wrightson	U	$3.35	9.1%	7.9%	8.1%	9.1%	1.0x	0.6x	0.9x	1.1x	36.9%
Precinct Properties	U	$1.17	8.5%	8.6%	7.9%	7.9%	1.0x	1.0x	1.1x	1.0x	57.3%
Spark	N	$5.11	7.3%	7.5%	7.6%	7.9%	0.9x	0.9x	1.0x	1.0x	124.6%
Freightways	O	$7.99	6.4%	6.6%	7.5%	8.5%	1.2x	1.1x	1.1x	1.2x	130.7%
Tourism Holdings	B	$3.56	5.1%	6.4%	7.3%	8.1%	1.8x	2.0x	2.0x	2.0x	92.8%
Vital Healthcare	U	$2.06	7.1%	7.1%	7.1%	7.2%	1.2x	1.1x	1.1x	1.1x	71.0%
Vulcan Steel	N	$7.99	8.9%	5.6%	7.0%	7.6%	1.2x	1.2x	1.3x	1.3x	300.6%
Chorus	U	$7.56	5.6%	6.3%	6.9%	7.3%	0.2x	0.1x	0.2x	0.3x	308.2%
The Warehouse Group	U	$1.67	16.6%	6.7%	6.7%	8.7%	1.3x	1.5x	1.5x	1.4x	212.9%
Contact Energy	B	$7.72	5.1%	5.6%	6.6%	6.7%	0.8x	0.7x	0.6x	0.7x	70.2%
Skellerup	O	$5.09	6.0%	6.3%	6.5%	7.1%	1.2x	1.2x	1.2x	1.2x	20.5%
Air New Zealand	N	$0.66	12.6%	5.5%	6.4%	6.4%	2.1x	1.8x	1.8x	1.7x	89.6%
Vector	O	$3.68	6.2%	5.8%	6.1%	6.4%	1.0x	0.9x	0.9x	1.1x	51.7%
Mercury	O	$6.01	5.0%	5.4%	6.0%	6.6%	(0.1x)	0.6x	0.7x	0.8x	36.2%
Scales Corporation	O	$3.04	8.7%	3.2%	5.9%	6.9%	1.0x	1.6x	1.6x	1.7x	8.4%
Property For Industry	N	$2.16	5.6%	5.7%	5.7%	5.9%	1.2x	1.1x	1.2x	1.3x	52.4%
Sanford	N	$3.85	3.6%	4.3%	5.1%	5.8%	2.3x	2.5x	2.8x	2.6x	27.4%
Manawa Energy	N	$4.54	4.9%	5.0%	5.0%	4.9%	2.0x	1.5x	1.3x	1.5x	39.3%
Comvita	B	$2.93	2.6%	3.3%	5.0%	6.9%	2.5x	3.9x	3.3x	2.8x	26.1%
Restaurant Brands	U	$3.52	4.5%	-	4.5%	4.5%	1.6x	-	1.0x	1.5x	327.5%
Goodman Property	U	$2.13	4.1%	4.3%	4.4%	4.7%	1.3x	1.3x	1.4x	1.4x	44.4%
Delegat's Group	O	$7.11	3.9%	3.9%	4.3%	4.7%	2.9x	2.9x	2.9x	3.0x	62.2%
Port of Tauranga	N	$5.31	4.1%	4.1%	4.1%	4.6%	1.1x	1.0x	1.1x	1.1x	22.9%
Meridian Energy	N	$5.10	3.5%	3.6%	4.0%	4.6%	0.7x	0.8x	0.8x	0.9x	22.9%
Arvida	N	$1.03	4.7%	3.5%	4.0%	4.6%	2.5x	3.5x	3.8x	3.7x	48.4%
Mainfreight	O	$65.60	3.6%	3.6%	3.6%	4.0%	2.5x	1.6x	1.8x	2.0x	48.7%
Ebos	N	$36.15	2.8%	3.0%	3.0%	3.3%	1.5x	1.5x	1.3x	1.3x	54.1%
Auckland Airport	N	$7.92	0.7%	2.5%	2.8%	3.5%	2.6x	1.3x	1.2x	1.2x	31.2%
Infratil	O	$10.06	2.4%	2.4%	2.7%	2.8%	1.9x	0.9x	0.4x	0.7x	91.2%
Fisher & Paykel Healthcare	N	$22.12	2.5%	2.6%	2.7%	2.7%	1.1x	1.0x	1.4x	1.7x	10.9%
Summerset	O	$9.62	2.3%	2.4%	2.4%	2.5%	3.3x	3.5x	3.7x	4.2x	57.5%
AFT Pharmaceuticals	N	$3.28	0.3%	1.8%	2.1%	2.4%	9.9x	3.3x	3.3x	3.5x	26.7%
Ryman Healthcare	U	$5.29	1.7%	1.4%	1.5%	1.5%	6.6x	6.3x	6.9x	7.7x	54.1%
Asset Plus	O	$0.24	-	-	-	7.6%	-	-	-	1.6x	24.6%
a2 Milk	N	$4.24	-	-	-	-	-	-	-	-	-63.1%
Gentrack	N	$5.29	-	-	-	1.7%	-	-	-	1.9x	-24.3%
New Zealand King Salmon	N	$0.21	-	-	-	-	-	-	-	-	-11.3%
NZ Rural Land Co	N	$0.86	3.3%	-	-	8.5%	1.3x	-	-	1.1x	58.2%
Oceania Healthcare	N	$0.69	4.6%	-	-	5.5%	2.6x	-	-	3.1x	59.8%
Pacific Edge	N	$0.10	-	-	-	-	-	-	-	-	-91.5%
Seeka	U	$2.75	-	-	-	-	-	-	-	-	89.2%
Serko	N	$4.12	-	-	-	-	-	-	-	-	-74.9%
Synlait	O	$1.30	-	-	-	-	-	-	-	-	47.5%
Vista Group	O	$1.45	-	-	-	-	-	-	-	-	7.4%
MEDIAN			**5.4%**	**5.5%**	**6.0%**	**6.9%**	**1.3x**	**1.2x**	**1.3x**	**1.3x**	**0.5%**

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 AUSTRALIAN EQUITIES – NET DIVIDEND YIELDS

AS AT 23RD NOVEMBER 2023

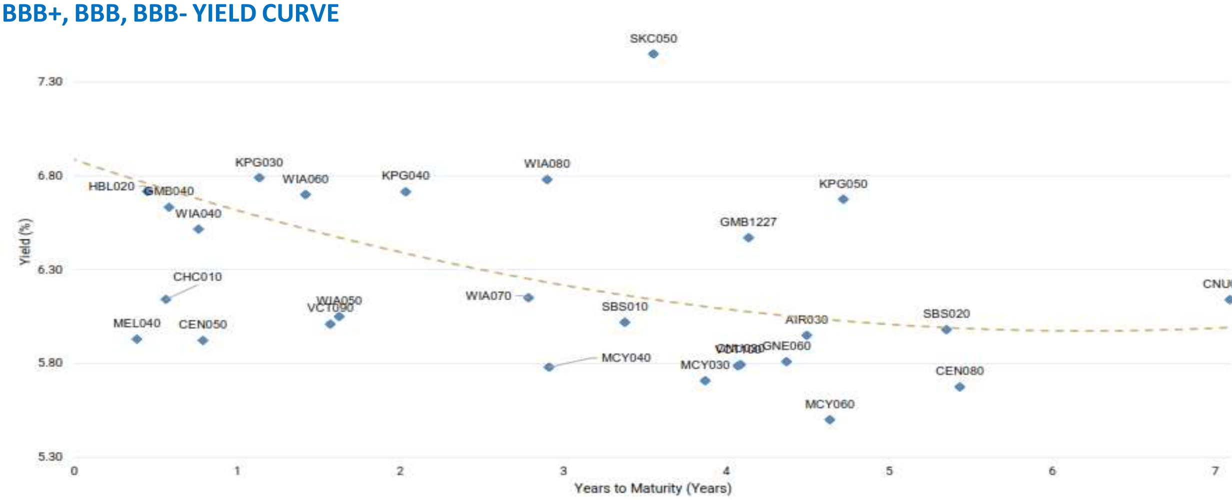
COMPANY	RATING	PRICE (AU$)	DIVIDEND YIELD				DIVIDEND COVER			
			FY-1	FY0	FY1	FY2	FY-1	FY0	FY1	FY2
Centuria Office REIT	U	$1.19	11.8%	10.0%	10.1%	10.2%	1.1x	1.2x	1.2x	1.2x
Insignia Financial Limited	O	$2.05	9.7%	9.1%	9.5%	10.3%	1.5x	1.4x	1.4x	1.4x
Platinum Asset Management Limited	U	$1.15	12.2%	8.9%	7.8%	7.3%	1.0x	1.2x	1.2x	1.2x
Emeco Holdings Limited	B	$0.58	4.3%	8.8%	9.9%	10.9%	4.5x	2.9x	2.9x	2.9x
Autosports Group Limited	O	$2.35	8.1%	8.8%	9.0%	8.0%	2.0x	1.7x	1.7x	1.7x
Magellan Financial Group Limited	N	$7.25	16.1%	8.0%	6.2%	5.6%	0.8x	1.4x	1.7x	1.9x
Charter Hall Retail REIT	O	$3.20	8.1%	7.9%	7.9%	7.8%	1.1x	1.1x	1.1x	1.1x
Charter Hall Long Wale REIT	U	$3.32	8.4%	7.8%	7.6%	7.3%	1.0x	1.0x	1.0x	1.0x
Peter Warren Automotive Holdings Limited	B	$2.32	4.7%	7.8%	7.5%	7.5%	3.0x	1.7x	1.7x	1.7x
Resimac Group Limited	U	$0.87	9.2%	7.5%	7.5%	9.2%	2.0x	2.2x	2.3x	2.4x
Homeco Daily Needs REIT	O	$1.11	7.4%	7.4%	7.6%	7.5%	1.0x	1.0x	1.0x	1.0x
Bank of Queensland Limited	N	$5.54	7.4%	7.2%	7.2%	7.6%	1.5x	1.2x	1.2x	1.3x
Perpetual Limited	O	$21.97	7.1%	7.2%	8.4%	9.4%	1.3x	1.2x	1.2x	1.2x
Liberty Financial Group Limited	N	$4.11	10.9%	7.1%	7.8%	9.2%	1.4x	1.6x	1.6x	1.5x
Centuria Capital Group Limited	N	$1.42	8.2%	7.0%	7.8%	8.6%	1.2x	1.2x	1.2x	1.2x
Bendigo and Adelaide Bank Limited	N	$8.81	6.9%	7.0%	7.0%	7.3%	1.5x	1.3x	1.3x	1.3x
Dexus	U	$6.88	7.5%	7.0%	6.8%	6.6%	1.2x	1.3x	1.3x	1.4x
Universal Store Holdings Limited	O	$3.49	6.2%	6.7%	8.3%	10.0%	1.6x	1.3x	1.3x	1.3x
Australia & New Zealand Banking Group Li	O	$24.34	7.2%	6.7%	6.8%	6.8%	1.3x	1.3x	1.3x	1.4x
Helloworld Travel Limited	O	$2.44	0.8%	6.7%	5.7%	6.5%	6.2x	1.4x	2.0x	2.0x
Westpac Banking Corporation	N	$21.23	6.7%	6.7%	6.7%	6.9%	1.4x	1.3x	1.3x	1.3x
Macmahon Holdings Limited	B	$0.17	4.5%	6.5%	7.0%	7.0%	4.0x	3.6x	3.6x	3.6x
Scentre Group	B	$2.55	6.2%	6.5%	6.6%	7.0%	1.3x	1.3x	1.3x	1.3x
Inghams Group Limited	O	$3.78	3.8%	6.5%	6.2%	6.1%	1.5x	1.4x	1.4x	1.4x
Stockland Corporation Limited	U	$4.00	6.6%	6.4%	6.8%	7.4%	1.4x	1.3x	1.2x	1.3x
Vicinity Centres	B	$1.81	6.6%	6.4%	6.8%	7.2%	1.3x	1.3x	1.3x	1.2x
Orora Limited	O	$2.52	6.9%	6.4%	7.5%	7.6%	1.4x	1.3x	1.3x	1.3x
GPT Group	U	$4.00	6.3%	6.2%	6.1%	6.2%	1.3x	1.3x	1.3x	1.3x
Metcash Limited	O	$3.71	6.1%	6.2%	6.5%	6.5%	1.4x	1.4x	1.4x	1.4x
Charter Hall Social Infrastructure	O	$2.59	6.6%	6.2%	6.2%	6.3%	0.9x	1.0x	1.0x	1.0x
Accent Group Limited	N	$1.77	9.9%	6.0%	6.8%	7.8%	0.9x	1.2x	1.2x	1.2x
National Australia Bank Limited	O	$27.99	6.0%	6.0%	6.0%	6.3%	1.4x	1.3x	1.3x	1.3x
AMP Limited	N	$0.85	2.9%	5.9%	5.3%	7.6%	2.3x	1.3x	1.6x	1.5x
NRW Holdings Limited	O	$2.55	6.5%	5.6%	6.0%	6.6%	1.4x	1.8x	1.8x	1.8x
CSR Limited	N	$5.90	6.2%	5.5%	5.6%	6.8%	1.3x	1.4x	1.4x	1.4x
Pepper Money Limited	O	$1.18	8.9%	5.5%	5.5%	7.2%	3.0x	3.3x	3.2x	3.1x
BWP Trust	U	$3.40	5.4%	5.4%	5.5%	5.7%	1.0x	1.0x	1.0x	1.0x
Centuria Industrial REIT	N	$2.99	5.4%	5.4%	5.4%	5.4%	1.1x	1.1x	1.1x	1.1x
Arena REIT	B	$3.35	5.0%	5.2%	5.4%	5.7%	1.0x	1.0x	1.0x	1.0x
Mirvac Group	U	$1.97	5.3%	5.2%	5.4%	5.5%	1.5x	1.4x	1.4x	1.4x
Premier Investments Limited	N	$24.07	5.4%	5.2%	5.3%	5.4%	1.3x	1.2x	1.2x	1.2x
Aurizon Holdings Limited	N	$3.61	4.2%	5.1%	5.8%	6.7%	1.3x	1.3x	1.3x	1.2x
National Storage REIT	B	$2.10	5.2%	5.1%	5.5%	5.9%	1.0x	1.1x	1.0x	1.0x
Harvey Norman Holdings Limited	N	$3.72	6.7%	5.1%	5.9%	6.7%	1.5x	1.4x	1.4x	1.4x
Suncorp Group Limited	B	$13.74	4.4%	5.0%	8.9%	6.8%	1.6x	1.6x	0.9x	1.2x
IPH Limited	N	$6.79	4.9%	4.9%	5.0%	5.5%	1.3x	1.3x	1.3x	1.3x
Ramsay Health Care Limited	N	$49.99	1.5%	4.9%	2.8%	3.5%	1.7x	0.5x	1.7x	1.7x
Eagers Automotive Limited	O	$13.73	5.2%	4.9%	4.9%	4.8%	1.5x	1.7x	1.7x	1.7x
Transurban Group Limited	U	$12.88	4.5%	4.8%	5.0%	5.5%	0.1x	0.3x	0.4x	0.5x
Nick Scali Limited	U	$11.62	6.0%	4.8%	5.0%	5.4%	1.7x	1.5x	1.5x	1.5x
Adairs Limited	N	$1.48	5.4%	4.7%	5.4%	6.1%	2.8x	2.5x	2.6x	2.8x
Medibank Private Limited	O	$3.46	4.2%	4.7%	5.0%	5.4%	1.3x	1.2x	1.2x	1.2x
JB Hi-Fi Limited	U	$47.38	6.6%	4.6%	4.7%	4.7%	1.5x	1.5x	1.5x	1.5x
Super Retail Group Limited	N	$13.58	7.6%	4.6%	4.6%	4.8%	1.2x	1.6x	1.5x	1.6x
QBE Insurance Group Limited	B	$15.19	2.6%	4.6%	6.7%	7.0%	1.1x	1.3x	1.3x	1.3x
Charter Hall Group	O	$10.09	4.2%	4.5%	4.7%	5.0%	2.2x	1.7x	1.7x	1.8x
Insurance Australia Group Limited	O	$5.91	2.5%	4.4%	5.2%	5.6%	1.3x	1.4x	1.4x	1.4x
Commonwealth Bank of Australia	U	$103.80	4.3%	4.3%	4.4%	4.5%	1.3x	1.3x	1.3x	1.3x
Endeavour Group Limited	O	$4.91	4.5%	4.3%	4.9%	4.9%	1.3x	1.4x	1.3x	1.4x
Woodside Energy Group Limited	U	$32.04	7.9%	4.2%	4.6%	4.7%	1.4x	1.3x	1.3x	1.3x
Integral Diagnostics Limited	N	$1.67	3.6%	4.2%	3.8%	3.7%	1.3x	1.0x	1.5x	2.2x
Challenger Limited	O	$5.74	4.2%	4.1%	4.5%	4.8%	1.9x	2.3x	2.3x	2.4x
Treasury Wine Estates Limited	O	$10.58	3.3%	4.1%	4.8%	5.4%	1.3x	1.3x	1.3x	1.3x
Beacon Lighting Group Limited	O	$2.04	4.6%	4.0%	4.5%	4.9%	1.6x	1.6x	1.6x	1.6x
Janus Henderson Group	N	$38.96	4.0%	4.0%	4.1%	4.2%	1.7x	1.4x	1.4x	1.5x
Monadelphous Group Limited	O	$14.45	3.4%	3.9%	4.6%	4.8%	1.1x	1.1x	1.1x	1.1x
IGO Limited	B	$8.94	8.3%	3.9%	3.7%	5.0%	2.7x	4.2x	3.5x	2.5x
Nib Holdings Limited	N	$7.47	3.7%	3.9%	4.0%	4.3%	1.6x	1.4x	1.6x	1.5x
Lynch Group Holdings Limited	O	$1.96	3.6%	3.9%	6.4%	7.4%	1.8x	2.0x	2.0x	2.0x
The Lottery Corporation Limited	N	$4.49	3.3%	3.9%	4.2%	4.6%	1.0x	1.0x	1.0x	1.0x
Coles Group Limited	N	$15.27	4.3%	3.8%	4.2%	5.1%	1.3x	1.3x	1.3x	1.3x
Lovisa Holdings Limited	B	$18.37	3.8%	3.8%	4.1%	5.1%	0.9x	1.0x	1.2x	1.2x
ASX Limited	N	$57.10	4.0%	3.7%	3.9%	4.2%	1.1x	1.2x	1.2x	1.2x
Wesfarmers Limited	N	$52.77	3.6%	3.6%	3.8%	4.1%	1.1x	1.1x	1.1x	1.1x
Brambles Limited	O	$13.12	3.0%	3.6%	3.9%	4.2%	1.2x	1.1x	1.1x	1.1x
Computershare Limited	O	$23.26	3.0%	3.6%	3.8%	4.0%	1.5x	1.4x	1.4x	1.4x
Sonic Healthcare Limited	N	$28.90	3.6%	3.6%	3.6%	4.0%	1.4x	1.3x	1.5x	1.7x
Beach Energy Limited	O	$1.54	2.6%	3.6%	9.1%	9.4%	4.2x	3.3x	2.3x	2.2x
Amcor Public Limited	N	$14.17	3.5%	3.5%	3.6%	3.6%	1.5x	1.4x	1.4x	1.4x
Jumbo Interactive Limited	N	$13.67	3.1%	3.5%	3.8%	4.1%	1.3x	1.5x	1.6x	1.6x
Woolworths Group Limited	O	$34.45	3.0%	3.5%	3.6%	3.9%	1.4x	1.3x	1.3x	1.3x
ALS Limited	B	$12.22	3.2%	3.4%	3.7%	3.9%	1.7x	1.6x	1.6x	1.6x
AUB Group Limited	O	$27.84	2.3%	3.4%	4.0%	4.3%	2.0x	1.6x	1.6x	1.6x
The Reject Shop Limited	B	$5.10	3.1%	3.3%	6.3%	7.1%	1.6x	1.7x	1.6x	1.6x
Tabcorp Holdings Limited	O	$0.75	3.1%	3.3%	4.3%	5.3%	1.6x	1.4x	1.4x	1.5x
Orica Limited	B	$15.64	2.7%	3.2%	3.6%	3.8%	1.9x	1.8x	1.8x	1.8x
Steadfast Group Limited	O	$5.42	2.8%	3.2%	3.5%	3.7%	1.6x	1.6x	1.6x	1.6x
Domino's Pizza Enterprises Limited	O	$53.93	2.5%	3.1%	4.1%	4.9%	1.1x	1.0x	1.0x	1.0x
Pact Group Holdings Limited	O	$0.70		2.9%	10.9%	13.1%		7.3x	2.1x	1.7x
Flight Centre Travel Group Limited	O	$19.06	0.9%	2.9%	4.6%	4.8%	2.0x	1.7x	1.7x	1.7x
Pilbara Minerals Limited	B	$3.54	7.1%	2.8%	2.8%	2.8%	3.0x	2.8x	3.3x	2.6x
QUBE Holdings Limited	O	$2.92	2.8%	2.8%	2.9%	3.3%	1.6x	1.6x	1.8x	1.8x
Brickworks Limited	N	$25.04	2.6%	2.7%	2.8%	2.8%	5.2x	2.3x	3.1x	3.2x
Ingenia Communities Group Limited	O	$4.11	2.7%	2.6%	2.8%	3.1%	1.9x	2.1x	2.2x	2.2x
Collins Foods Limited	N	$10.28	2.6%	2.5%	3.1%	4.0%	1.6x	1.5x	1.5x	1.5x
HMC Capital	O	$4.78	2.5%	2.5%	2.7%	3.0%	1.4x	2.0x	2.0x	2.0x
BlueScope Steel Limited	O	$20.56	2.4%	2.4%	2.4%	4.9%	4.7x	3.6x	4.1x	2.2x
EVT Limited	O	$10.98	3.1%	2.4%	3.1%	4.2%	1.2x	1.7x	1.5x	1.5x
Santos Limited	N	$7.12	3.2%	2.3%	3.4%	2.8%	3.2x	2.8x	1.9x	1.9x
Carsales.com Limited	N	$27.68	2.2%	2.2%	2.6%	3.0%	1.3x	1.2x	1.2x	1.3x
IDP Education Limited	O	$23.07	1.8%	2.2%	2.8%	3.4%	1.3x	1.3x	1.3x	1.3x
Reliance Worldwide Corporation Limited	N	$3.79	2.5%	2.2%	2.5%	2.8%	2.1x	2.0x	2.0x	2.0x
SEEK Limited	O	$23.05	2.0%	2.1%	2.2%	2.7%	1.4x	1.5x	1.5x	1.5x
Netwealth Group Limited	U	$14.11	1.7%	2.1%	2.5%	2.9%	1.1x	1.2x	1.2x	1.2x
Imdex Limited	O	$1.73	2.1%	2.0%	2.4%	2.6%	3.0x	3.1x	3.1x	3.1x
Webjet Limited	B	$6.67		1.9%	2.4%	2.8%		2.1x	2.4x	2.6x
Aristocrat Leisure Limited	B	$40.36	1.6%	1.9%	2.2%	2.2%	3.2x	2.9x	2.9x	2.9x

JARDEN'S FIXED INTEREST BONDS BBB+, BBB, BBB-

AS AT 27TH NOVEMBER 2023

Issuer	NZDX Code	Coupon	Maturity Date	CPN Freq	Credit Rating	Type	Min. Size	Best Offer Yield	Best Price/ $100
Meridian Energy	MEL040	4.880	20/03/2024	2	BBB+	Senior	5,000	5.930	100.60
Heartland Bank	HBL020	3.550	12/04/2024	4	BBB	Senior	5,000	6.718	99.31
Christchurch International Airport	CHC010	4.130	24/05/2024	2	BBB+	Senior	5,000	6.142	99.11
GMT Bond Issuer	GMB040	4.540	31/05/2024	2	BBB+	Senior	5,000	6.633	98.97
Wellington Intl Airport	WIA040	4.000	5/08/2024	2	BBB	Senior	10,000	6.516	99.59
Contact Energy	CEN050	3.550	15/08/2024	4	BBB	Senior	5,000	5.923	98.49
Kiwi Property Group Limited	KPG030	4.330	19/12/2024	2	BBB+	Senior	5,000	6.790	99.46
Vector Limited	VCT090	3.450	27/05/2025	2	BBB	Senior	5,000	6.010	96.41
Wellington Intl Airport	WIA050	5.000	16/06/2025	2	BBB	Senior	10,000	6.050	100.74
Meridian Energy	MEL050	4.210	27/06/2025	2	BBB+	Senior	5,000	-	-
Kiwi Property Group Limited	KPG040	4.060	12/11/2025	2	BBB+	Senior	5,000	6.715	95.40
Wellington Intl Airport	WIA070	2.500	14/08/2026	2	BBB	Senior	10,000	6.150	91.74
Mercury NZ	MCY040	2.160	29/09/2026	2	BBB+	Senior	5,000	5.781	91.02
SBS Bank	SBS010	4.320	18/03/2027	2	BBB+	Senior	5,000	6.020	95.82
GMT Bond Issuer	GMB060	4.740	14/04/2027	2	BBB+	Senior	5,000	-	-
SkyCity Entertainment	SKC050	3.020	21/05/2027	4	BBB-	Senior	5,000	7.450	86.60
Mercury NZ	MCY030	1.560	14/09/2027	2	BBB+	Senior	5,000	5.708	86.36
Vector Limited	VCT100	3.690	26/11/2027	4	BBB	Senior	5,000	5.788	92.60
Chorus	CNU030	1.980	2/12/2027	4	BBB	Senior	5,000	5.794	86.41
GMT Bond Issuer	GMB1227	3.656	20/12/2027	2	BBB+	Senior	50,000	6.470	91.71
Genesis Power	GNE060	4.170	14/03/2028	2	BBB+	Senior	5,000	5.810	94.71
Contact Energy	CEN070	5.820	11/04/2028	4	BBB	Senior	5,000	-	-
Air New Zealand	AIR030	6.610	28/04/2028	2	BBB	Senior	5,000	5.950	103.10
Christchurch International Airport	CHC020	5.180	19/05/2028	2	BBB+	Senior	5,000	-	-
Mercury NZ	MCY060	5.640	19/06/2028	2	BBB+	Senior	5,000	5.500	103.07
Kiwi Property Group Limited	KPG050	2.850	19/07/2028	2	BBB+	Senior	5,000	6.675	85.98
Wellington Intl Airport	WIA090	5.780	24/08/2028	2	BBB	Senior	10,000	-	-
GMT Bond Issuer	GMB0928	2.262	4/09/2028	2	BBB+	Senior	50,000	-	-
Meridian Energy	MEL060	5.910	20/09/2028	2	BBB+	Senior	5,000	-	-
Chorus	CNU020	4.350	6/12/2028	4	BBB	Senior	5,000	-	-
SBS Bank	SBS020	6.140	7/03/2029	4	BBB+	Senior	5,000	5.980	100.45
Contact Energy	CEN080	5.620	6/04/2029	4	BBB	Senior	5,000	5.675	100.57
Kiwi Property Group Limited	KPG060	6.240	27/09/2029	2	BBB+	Senior	5,000	-	-
Wellington Intl Airport	WIA060	4.000	1/04/2030	2	BBB	Senior	10,000	6.700	86.88
GMT Bond Issuer	GMB0930	2.559	4/09/2030	2	BBB+	Senior	50,000	-	-
Chorus	CNU040	2.510	2/12/2030	4	BBB	Senior	5,000	6.140	79.41
Wellington Intl Airport	WIA080	3.320	24/09/2031	2	BBB	Senior	10,000	6.780	79.86

BBB+, BBB, BBB- YIELD CURVE



LIMITATIONS AND DISCLAIMER