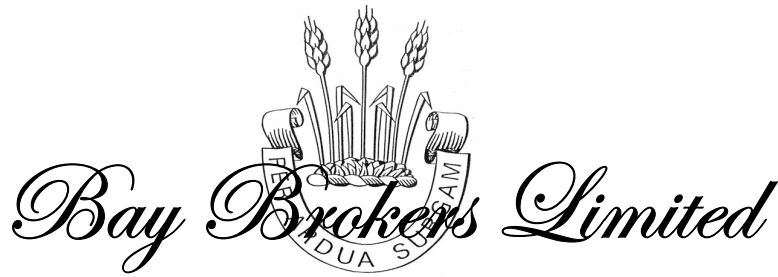




Andrew von Dadelszen

Volume 86



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INVESTMENT STRATEGIES

Please remember that investment views are provided for general information purposes only. To the extent that any such information, and views, constitute advice, they do not take into account any person's particular financial situation or goals and, accordingly, do not constitute personalised financial advice under the Financial Advisers Act 2008, nor do they constitute advice of a legal, tax, accounting or other nature to any person. I recommend that recipients seek advice specific to their circumstances from their investment adviser before making any investment decision or taking any action. Any comments regarding Local Government are my personal views, and do not purport to represent the views of Bay of Plenty Regional Council – of which I am an elected representative. E&OE Authorised by AJ von Dadelszen, Caledon Apartments, Fourth Avenue, Tauranga

FEBRUARY 2024

2024 WILL BE HARD, BUT THE SIGNS LOOK BETTER FOR 2025

There will inevitably be pain in 2024, as NZ gets back some control over past wasteful government spending. Māori will complain, as will the Unions – but The Luxon Coalition Government has a clear mandate for serious change, and not before time.

Socialism must be consigned to the rubbish bin, if this country is to retain “first world” status (just look at what happened to Argentina with “Peronism”). This will take a lot of bravery by our governing politicians, and we all need to support them.

WELLINGTON BUREAUCRATS CONTINUE TO UNDERMINE MINISTERS

Too many times in recent weeks we have seen unelected bureaucrats (who are meant to be non-politically aligned) leak documents to undermine this new Coalition government.

Policy advice papers and documents would have been made public in time anyway, but jumping the gun through selective leaks creates a strong incentive for Ministers *not* to seek official's advice or do their job.

Actually, this new Government has a real problem on its hands with the lack of professionalism by its Wellington-based bureaucrats across dozens of government agencies that risk undermining the decision-making process and having a chilling effect on constructive communication and the need for Cabinet decision-making to be based on well-informed decision making. This is an ugly side of politics and something that needs to be addressed with urgency, if democracy is to thrive. Unlike in the US, NZ bureaucrats survive a change of government.

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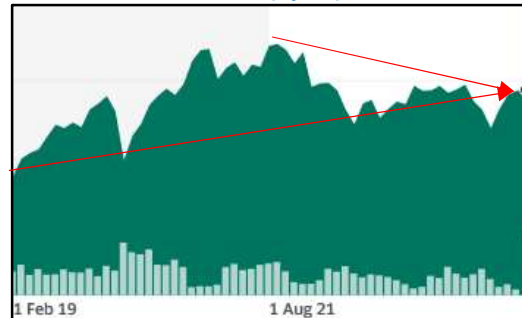
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STATISTICS NZ DATA

Estimated population at 30-January=24	5,315,092
Population: 1950: 1,911,608 2000: 3,855,266 Growth 2.6% this year	
Births / Deaths: Births: 56,943 Deaths: 37,569 Sept-23 year	
Māori population Estimate Jun-23 (17.3% of NZ pop)	904,100
Net Migration Nov-23yr (Non NZ: 171,900 ; NZ Citiz: -44,500) ↑	127,400
Total Non-NZ Migration Arrivals Nov-23yr	222,400
Net migration by country Sep-23 yr India: 44,600; Philippines: 33,800; China: 28,500; Fiji: 10,100; Sth Africa: 9,400; Australia: 6,800	
Annual GDP Growth Dec-23 year (↓ from 1.3% in Sep-23)	-0.6%
Inflation Rate (CPI) Dec-23 year (↓ from 5.6%)	4.7%
Grocery Food Inflation Dec-23 year	6.7%
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 1 st April 2023)	\$22.70
Living wage 1-April-23	\$26.00
NZ Median wage from February 2024	\$31.61
Annual Wage Inflation (private sector) Sep-23 year	4.1%
Wages average per hour Jun-23 qtr (↑7.4% yoy)	\$39.60
Labour force participation rate Sep-23 qtr (↓ from 72.4%)	71.8%
Unemployment Sept-23 year	3.9%
Beneficiaries (Job seeker/Solo/Supported living)	347,412
(10.2% of working-age population as at 31-Mar-23)	
Jobseeker Support numbers 5.4% (Mar-18 118,753 4.0%)	168,498

Size of Māori Economy 2023 (2013: \$43bn 2020: \$69bn) **\$91 bn**
Size of NZ Economy (NZ GDP) Sep-23 year **\$400 bn**

NZX50 (5year)



VERSUS

WEBSITE:
vond.co.nz

LOCAL ISSUES

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

ON-DEMAND EV BUSES COMING TO TAURANGA



BOPRC's New the electric passenger vans are being dressed up for action. A new "On-demand" trial is coming to the Pyes Pa area soon.

Trials elsewhere in New Zealand have proven to be very popular, albeit a lot more expensive to operate on a per passenger basis. The aim is to encourage people to leave their cars at home, and evidence from Porirua shows that patronage rose from 500 trips in the first

month to 5,500 a year later. Customer satisfaction was 96%, and surveys suggested almost two-thirds of users would otherwise have travelled by car.

This service is very similar to an "Uber service", albeit that it will be more corner to corner, rather than door to door. The Porirua service is not cheap, according to the Wellington Regional Council. They say that the on-demand service costs \$12-\$13 per trip, as opposed to \$9.90 for standard bus trips - but the regional council hopes to bring that figure down.

IT'S OFFICIAL – DEMOCRACY RETURNING TO TAURANGA CITY COUNCIL

The Tauranga City Website states the next local body elections for TCC are scheduled for 20-July-24. Nominations open on 26-April-24 and close on 24-May-24. The real challenge is to ensure that we have genuine leadership quality from our contenders. Tauranga's business community needs to step up. Apathy will just see the city continue to spiral downwards.

COMPARING REGIONAL & TERRITORIAL COUNCIL FINANCIAL PERFORMANCE

Column1	BOPRC	ENV Cant	ENV Southlan	Wgtn RC	HBRC	Northland RC	West Coast RC	Auckland Council
Council type	Regional	Regional	Regional	RC + water	Regional	Regional	Regional	Unitary
Population served	347,700	655,000	102,400	543,500	182,700	201,500	32,700	1,716,900
Number of households	120,645	261,430	44,682	202,047	68,466	81,552	17,544	545,127
Area (square km)	21,837	44,503	31,218.27	8094.44	14,164	13,789	23,246	4,895
Average Rates								
Average residential rates	479	Refused	\$274	\$355	\$311	\$424	\$362	\$2,825
Wellington CBD				\$10,155				
Commercial				\$2,219				
Rural				\$539				
Average non-residential rates	496	Refused	\$1,515		\$1,324	\$587	\$362	\$9,431
Personnel								
Full-time Equivalent Staff – Group	464.72	722	184	600	297	300	60	12,508
Number of performance related dismissals	0	1	0	0	0	0	0	0
FTE Staff over \$100,000 – Group	171	250	60	262	97	40	12	3742
Proportion of FTE staff earning over \$100k	36.80%	32.43%	32.61%	43.67%	32.63%	13.38%	19.88%	29.92%
Staff over \$200,000 – Group	7	8	2	24	4	2	1	257
Management FTE	30.7	127.65	20	43	75.63	55.92	8	917
Average salary of managers	\$172,387	\$128,131	\$144,596	\$174,817	\$117,504	\$119,725	\$129,971	\$134,799
Median salary of managers	\$157,310	\$115,557	\$144,754	\$161,620	\$110,656	\$106,000	\$134,640	\$126,313
Communications & marketing FTE	22.75	32.05	8	16	9	14.01	1.2	70.8
Average salary of comms staff	\$93,061	\$93,996	\$77,019	\$92,548	\$92,373	\$76,958	Refused	\$103,650
Median salary of comms staff	\$96,530	\$86,190	\$73,395	\$95,621	\$82,394	\$75,920	Refused	\$98,105
Infrastructure FTE	33.5	56.7	12	37	59.06	10	3	Refused
Regulatory FTE	79.31	226.58	39	174	31.08	39.15	10	Refused
Customer service FTE	129.6	22.8	60	113	47.01	8	2	Refused
% FTE Core services (Infrastructure, Regulatory & Customer service)	52.16%	42.39%	61.67%	50.16%	46.14	19.06%	24.85%	Refused
Total expenditure on consultants & contractors	\$51,920,326	\$3,648,247	\$13,141,424	\$74,771,000	\$21,130,000	\$8,921,216	\$6,558,680	\$114,000,000
Total number of consultants & contractors	719	103	269	Refused	532	665	134	No response
Audit & Risk Committee								
Total number of members	6	8	7	7	5	5	7	11
Is there an independent member on the committee?	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
Is there a lawyer with a practising certificate on the committee?	No	No	No	N/A	No	No	No	Yes
Is there an accountant with a practising certificate on the committee?	Yes	Yes	No	N/A	No	No	Yes	No
Is the chair an independent member?	No	No	No	Yes	No	No	No	Yes
Is there a code of conduct requiring political neutrality from staff?	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
Payment to Third Parties								
Chamber of Commerce (inc GST)	\$2,824	\$11,164	\$3,876	\$4,961	\$80,986	\$7,791	\$9,143	\$2,683,894
Local Government New Zealand (inc GST)	\$76,958	\$87,228	\$0	\$148,391	\$56,918	\$44,609	\$40,996	\$607,195
New Zealand Society of Local Government Managers (inc GST)	\$21,934	\$20,352	\$18,191	\$93,002	\$96,421	\$26,803	\$10,021	\$138,708.17
Debt								
Net debt % rates income	-8.1%	22.3%	0%	318.6%	175.0%	-190.0%	58.0%	525.0%
Debt per rating unit	-\$39	\$106	\$0	\$3,091	\$871	\$140	\$210	\$17,451
Interest paid per rating unit	\$5.61	\$2.42	\$0	\$103	\$20.00	\$5.31	\$12.12	\$673

SOURCE: Ratepayers' Report

COUNCIL	TYPE	POP SERVED	# HOUSEHOLDS	AREA (km ²)	Av Res Rates	Av Non-Res Rates	Total FTE Staff	Staff over \$100k	Staff over \$100k per capita	% staff over \$100k	Staff over \$200k	Median salary - Manager
Bay of Plenty Regional Council	Regional	347,700	121	21,837	\$478.69	\$496.00	465	171	0.05	36.80%	7	\$157,310
Environment Canterbury	Regional	655,000	261	44,503	Refused	Refused	722	250	0.04	34.63%	8	\$115,557
Environment Southland	Regional	102,400	45	31,218	\$274.00	\$1,515.00	184	60	0.06	32.61%	2	\$144,754
Greater Wellington Regional (Incl Water)	Regional	543,500	202	8,094	\$354.60	Refused	600	262	0.05	43.67%	24	\$161,620
Hawke's Bay Regional Council	Regional	182,700	68	14,164	\$311.19	\$1,324.23	297	97	0.05	32.63%	4	\$110,656
Horizons Regional Council	Regional	N/A	N/A	N/A	No Response	No Response	No Response	No Response		No Response	No Response	No Response
Northland Regional Council	Regional	201,500	82	13,789	\$424.00	\$586.82	299	40	0.02	13.38%	2	\$106,000
West Coast Regional Council	Regional	32,700	18	23,246	\$361.67	\$361.67	60	12	0.04	19.88%	1	\$134,640
Auckland Council	Unitary	1,716,900	545	4,895	\$2,825.00	\$9,431.00	12,508	4	0.22	29.92%	257	\$126,313
Gisborne District Council	Unitary	51,500	19	8,385	\$2,972.00	\$4,410.00	360	86	0.17	23.89%	8	\$134,771
Marlborough District Council	Unitary	51,500	23	10,458	\$2,853.00	\$9,501.00	303	90	0.17	29.74%	9	\$118,000
Tasman District Council	Unitary	57,900	24	9,616	\$3,230.08	\$5,091.02	404	90	0.16	22.28%	9	\$142,097
Nelson City Council	Unitary/City	54,700	22	422	\$3,207.00	\$9,774.00	666	105	0.19	15.77%	10	\$139,000
Christchurch City Council	City	392,100	154	1,416	\$2,998.00	\$8,597.00	5,168	1,569	0.4	30.36%	104	\$113,711
Dunedin City Council	City	133,300	53	3,286	\$2,651.50	\$11,133.00	1,673	372	0.28	22.24%	26	\$105,936
Hamilton City Council	City	178,500	59	110	\$2,862.00	\$16,563.00	1,200	290	0.16	24.16%	13	\$110,000
Hutt City Council	City	112,800	40	376	\$2,950.20	\$11,873.33	505	107	0.09	21.19%	7	Refused
Invercargill City Council	City	57,000	23	390	\$2,333.87	\$6,963.19	341	48	0.08	14.08%	4	\$130,530
Napier City Council	City	66,700	25	105	\$2,562.00	\$5,694.00	554	86	0.13	15.52%	6	\$64,426
Ashburton District Council	District	36,300	15	6,182	\$2,898.86	\$3,054.30	342	49	0.13	14.35%	3	\$141,619
Buller District Council	District	9,660	6	7,943	\$2,155.98	\$4,057.00	194	29	0.3	14.93%	3	\$179,368
Carterton District Council	District	10,050	4	1,180	\$3,938.81	\$3,094.43	69	6	0.06	8.70%	1	\$132,500
Central Hawke's Bay District Council	District	15,600	6	3,333	\$2,190.00	\$4,213.00	75	14	0.09	18.67%	3	\$71,846
Central Otago District Council	District	24,800	11	9,968	\$2,549.23	\$2,587.84	133	22	0.09	16.54%	1	\$146,500
Clutha District Council	District	18,500	9	6,363	\$2,299.36	\$3,964.78	150	26	0.14	17.33%	1	\$130,000
Far North District Council	District	72,600	31	7	\$2,665.15	\$4,981.88	343	94	0.13	27.70%	1	\$116,112
Gore District Council	District	13,050	6	1,254	\$2,852.92	\$2,157.00	99	11	0.08	11.11%	1	\$102,686
Grey District Council	District	14,100	7	3,474	\$2,316.74	\$1,858.40	91	8	0.06	8.79%	1	\$113,371
Hastings District Council	District	90,100	31	5,227	\$2,932.00	\$5,763.00	442	110	0.12	24.89%	7	\$95,000
Hauraki District Council	District	22,200	9	1,270	\$2,917.00	\$4,188.00	189	35	0.16	18.52%	3	\$133,808
Horowhenua District Council	District	37,000	17	1,064	\$2,656.00	\$1,751.00	206	49	0.13	23.79%	6	\$116,186
Hurunui District Council	District	13,450	7	8,641	\$2,425.14	\$3,825.83	263	32	0.24	12.17%	4	\$138,180
Kaikoura District Council	District	4,260	2	2,047	\$2,967.30	\$3,317.81	48	11	0.26	22.92%	1	\$135,833
Kaipara District Council	District	26,000	12	3,109	\$2,585.00	\$4,106.00	200	30	0.12	15.02%	3	\$124,766
Kapiti Coast District Council	District	58,000	25	732	\$3,263.00	\$3,584.00	361	94	0.16	26.04%	5	\$130,000
Kawerau District Council	District	7,670	3	24	\$2,398.00	\$31,411.00	77	8	0.1	10.39%	1	\$128,500
Mackenzie District Council	District	5,480	4	7,139	\$2,265.52	\$3,807.92	48	8	0.15	16.67%	1	Refused
Manawatu District Council	District	33,000	12	2,567	\$3,713.23	\$2,824.89	168	29	0.09	17.30%	3	\$135,839
Masterton District Council	District	28,200	11	2,300	\$2,755.22	\$3,375.16	125	32	0.11	25.60%	1	\$126,900
Matamata-Piako District Council	District	36,700	14	1,755	\$2,519.00	\$4,218.00	245	36	0.1	14.69%	Refused	\$134,765
New Plymouth District Council	District	87,300	34	2,206	\$2,726.82	\$7,169.03	660	138	0.16	20.91%	9	\$103,115
Opotiki District Council	District	10,300	4	3,090	\$2,345.00	\$2,528.00	83	8	0.08	9.64%	1	\$101,227
Palmerston North City Council	District	90,500	34	395	\$2,961.00	\$7,807.00	686	87	0.1	12.68%	7	\$141,248
Rangitikei District Council	District	16,050	7	4,484	\$2,669.00	\$4,803.00	92	11	0.07	11.96%	1	\$119,897
Rotorua Lakes Council	District	76,800	29	2,619	\$2,747.00	\$5,398.00	480	87	0.11	18.13%	12	\$188,467
Ruapehu District Council	District	12,900	7	6,734	\$2,911.32	\$4,248.92	85	14	0.11	16.47%	1	\$139,746
South Taranaki District Council	District	29,100	12	3,575	\$2,480.69	\$4,951.67	192	30	0.1	15.63%	4	\$147,939
Southland District Council	District	32,700	16	29,552	\$2,157.43	\$5,431.46	208	39	0.12	18.75%	4	\$133,900
Taupō District Council	District	41,000	21	7,024	\$2,898.35	\$4,832.92	311	80	0.2	25.75%	3	\$130,000
Timaru District Council	District	48,400	21	2,732	\$2,503.39	\$4,606.90	290	45	0.09	15.51%	4	\$131,712
Waikato District Council	District	85,900	28	4,404	\$3,451.02	\$4,021.29	412	97	0.11	23.54%	9	\$136,939
Waimate District Council	District	8,290	4	3,554	\$2,427.22	\$4,202.17	66	10	0.12	15.17%	1	\$121,933
Waipa District Council	District	59,500	21	1,470	\$3,194.51	\$4,191.64	339	70	0.12	20.65%	4	\$148,000
Waitaki District Council	District	23,800	14	7,108	\$2,524.67	Refused	415	81	0.34	19.51%	8	\$134,670
Whakatāne District Council	District	38,400	15	4	Refused	Refused	270	58	0.15	27.75%	5	\$131,667
Whanganui District Council	District	48,400	20	2,373	\$3,015.10	\$7,845.32	255	41	0.08	16.10%	3	\$121,035
Whangārei District Council	District	99,400	38	2,712	\$2,419.92	\$4,350.92	418	77	0.08	18.44%	7	\$145,800

SOURCE: Ratepayers' Report

CHILDREN WILL NOT GET TO VOTE IN LOCAL GOVT

On 29th January the government announced that it has scrapped a bill to lower the voting age in local body elections to 16.

The bill was introduced last year after the Supreme Court ruled that the current voting age of 18 is discriminatory and breaches the human rights of young people.

Jim Palmer, who chaired the recommendation for lowering the voting age, told Heather Du-Plessis Allan that he is not disappointed by the outcome.

10,000 COUNCIL STAFF EARN MORE THAN \$100,000

SOURCE: Stuff, 24-Dec-23

More than 10,000 council staff across the country earn more than \$100,000 a year, and in many councils more than 20% of the staff earns six figures.

Auckland Council had the largest number of staff on six figures, at 3742, followed by Christchurch City Council, at 1569. In Auckland, the median salary for managers was \$126,313. Rotorua Lakes Council had the highest median salary for managers, \$188,467. Wellington City Council was third with 461, with Dunedin and Tauranga coming fourth and fifth respectively.

The data is included in the Ratepayers' Report, which is produced by the Taxpayers' Union. It shows that, in total, at least 10,378 council workers are paid

more than \$100,000 a year, although some councils, such as Horizons Regional Council and Whakatāne District Council, did not provide data.

At least 742 staff received more than \$200,000 a year. On a proportional basis, the Greater Wellington Regional Council had the highest proportion of staff paid more than \$100,000, with 43.67% of staff earning above that threshold. Second was Bay of Plenty Regional Council, with 36.8%, followed by Environment Canterbury at 34.63%.

Connor Molloy, campaigns manager for the Taxpayers' Union, said reducing the number of highly-paid "backroom" staff was the right thing to do if councils were threatening big rate hikes.

"Rather than going straight for core services like rubbish collection and libraries, councils ought to look inwards at their own bloated bureaucracies first when looking to make savings.

"Many of the highly-paid roles at councils are capable of being combined with others or eliminated entirely. Of course, high salaries may be required to recruit competent people, but a competent person is only needed if the job is worth doing and delivers value for ratepayers. Sadly, all too often that is not the case.

"For too long, ratepayers have been forced to put up with a ballooning payroll at their local council even while the quality of services and investment in core infrastructure continues to diminish."

CATASTROPHIC GULLIBILITY

SOURCE: Kiwiblog, 8-Jan-24 A guest post by Owen Jennings

Climate change is big business in New Zealand. Government and local authorities now have a small army of people employed in the climate change industry paid by our taxes and rates. An even bigger army work as consultants where the pay is better. Its an industry with massive 'oil tanker' impetus.

Most of their work is predicated on the claim that things are getting worse. Higher temperatures are driving the climate into chaos. Weather events have already become more extreme and will get a heap worse. But is this assumption true? Do the facts support the chaos, 'everything-is-getting-worse' claim?

Is New Zealand experiencing deteriorating weather as a result of rising temperatures? There are countless MSM articles, scientific papers, regular statements by people who ought to know supporting the proposition and the country is investing millions in mitigation and defensive projects. Unsurprisingly, not everyone buys into the popular line. A helpful contact of mine found a very thorough study that mysteriously received no coverage here but disputes the claim of everything-has-already-got-worse angle. You can read it at:

<https://www.tandfonline.com/doi/full/10.1080/17477891.2021.1905595>

It is an intensive study of insurance losses from 1968 to 2019, normalised to ensure we are looking at data that is adjusted for the passage of time. 'Normalisation is a standard device employed in such studies. Here is their conclusion...

"A key result emerging from our study is that normalised seasonal losses due to extreme weather show no statistically significant trend over time. In other words, once we control the loss data for factors that we know to have changed, we see no residual trend that needs explaining by anthropogenic climate change, or any other cause for that matter".

This conclusion accords with world-wide work done by Dr Roger Pielke. He points out that a study carried out by Munich Re, a large re-insurance company based in Germany and published by The Lancet showed as the world has become wealthier, the fraction of that wealth that is destroyed by extreme weather has gone down. This trend holds for rich and poor nations, and remarkably across all types of weather phenomena. It also helps us to understand why the focus on extreme weather among climate advocates is badly misguided.

Pielke keeps detailed information on all of the main weather events – cyclones, hurricanes, floods, droughts, wild fires, etc and he shows no negative trends. In fact, many show a positive trend. In a recent

published paper he concluded, “since 1990 both overall and weather/climate losses have decreased as proportion of global GDP”.

The findings of the IPCC and the World Met Office are in general agreement with no obvious changes in weather patterns except for relatively minor changes in rainfall and drought conditions in limited areas. That does not prevent them from continuing, year after year running predictions of calamitous changes about to descend upon us.

The insurance industry findings are compelling. Any chance they could justify bolstering premiums would be taken by both hands. They simply cannot find any trends on which to hang their collective hats.

So, why are we bombarded daily with stories of on-going calamity? Its easy. Follow the money. Too many jobs, too many research grants, too many scary, sensational stories that sell advertising are dependent on keeping the catastrophic theme alive and well.

Are we a gullible lot or what?

SIMON & NATALIE BRIDGES – LOVING BEING IN AUCKLAND



Maree and I often get asked how Simon, Natalie and the kids are getting on in Auckland. Seeing this Facebook post of Simon in hospital, after falling off an e-scooter prompted me to give this family a huge “shoutout”. Get well soon, Simon.

They really are (all) so happy in Auckland. Both parents have embraced Auckland, and so have their gorgeous children.

Simon is busy as CEO of the Chamber of Commerce, as well as being appointed to a handful of directorships. Natalie retains her PR business but has also found time to do some art and more study. She is hugely talented, and whatever she puts her heart into, she gives it 100%. The kids are all thriving and growing up too fast. This family are all “movers and shakers” and the world is their oyster.



POLITICAL ISSUES



UNITED NATIONS CONTINUES TO DISAPPOINT

New Zealand needs to join Austria, Australia, Canada, Finland, Germany, Italy, Japan, the Netherlands, Switzerland, the UK and US and cease funding UNRWA - an organisation that is part of the problem, not part of the solution.



Although the UN President continues to seek support funding for the UN’s Gaza aid agency, it is time to sat “enough”. The UN has been besieged with corruption complaints for years, but having its staff actively involved in terrorism (the 7th October Hamas attack on Israel) is the straw that breaks the camels back. We can support the Gaza crisis through genuine aid agencies like the International Red Cross – but not this complicit UNRWA organisation.

It is time for the world to recognise that the UN has had its day, and it needs total reform or disbandment.

WHO CALLS A GOVERNMENT THAT IS 35% MĀORI, WHITE SUPREMACISTS?

SOURCE: NZ Herald. 21-Jan-2024

National Māori Development minister Tama Potaka has defended Prime Minister Christopher Luxon’s absence from the national hui-ā-iwi at Ngāruawāhia, where many speakers have attacked the new coalition government’s policies towards Māori.

He described claims by speakers that the Government was underpinned by white supremacy as ‘premature’ and said he did not believe that.

Of note, 7 of the 20 Ministers are Māori, (35%), and the talk of white supremacy is plainly nonsense.

Māoridom seem to believe that their small minority view can be strengthened by making ridiculous insults, rather than genuinely discussing differing views on the Treaty in a mature conversation.

NEW ZEALAND’S CHALLENGES FOR 2024

New Zealand’s new Coalition Government must actually turn back the tide of increased government spending, particularly the huge amounts that Labour spent over the last 6 years, without achieving measurably positive outcomes. If National can achieve

this, the reduction in government expenditure will both help our country's debt position and contribute to controlling inflation by cooling demand, particularly in Wellington. It sounds easy but will not be straight forward.

Steven Joyce recently stated in his NZ Herald opinion piece that *"the public sector needs to start celebrating substance over form"* – and he absolutely right. *"Who cares who runs the school or hospital as long as it delivers great results for the people it works for."*

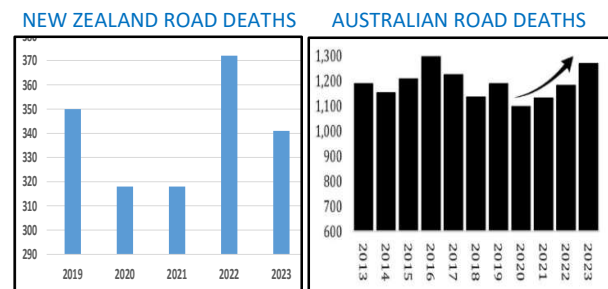
Joyce went on to say that *"at the same time, ministers will have to rapidly make room for greater private sector economic activity, by creating a more permissive regulatory environment that encourages investment and innovation. Central government must reduce its activity to a level the country can afford, encouraging the private sector step up and fill the economic gap."*

The past Labour Government was obsessed with one central structure, and their woke belief in the "right" way of doing things. New Zealanders have clearly rejected this ethos and it must end. We need to unleash our pragmatic sensible streak for doing things and lock away the ideological one – on both sides of the political divide.

From an International perspective, we have more than 50 countries going to elections in 2024, and this, combined with a much darker world environment – with two major wars currently in action – this all signals a problematic global environment. The US and Europe must stay the course in Ukraine and beat back Putin. It is a truism that democracies tire of war long before autocracies – and the likes of Putin and Iran's "Supreme Leader" trade on this fact. Donald Trump looks odds-on to be back as the US President, and his egotism looks increasingly problematic. And while he is unlikely to cause World War III, his isolationist instincts and willingness to placate strongman dictators will make one more likely, and surely no one wants that.

All in all, 2024 has many dark clouds, so buckle up for a potentially very rough ride.

ROAD TO ZERO NOT WORKING



Originating in Sweden in the late 1990s, "Road to Zero" is based on a simple principle: no loss of life or serious injury on roads is acceptable.

But while we were making good progress at reducing road trauma, this has stalled in recent years, both here in NZ and in Australia (who also has followed the Swedish model), with road deaths rising on both sides of the Tasman, to levels not seen in nearly a decade.

The bottom line is we need much better road maintenance, rather than the focus on reducing speed.

AUSTRALIANS ARE PAYING LOWER TAX THAN NZ

SOURCE: Kiwiblog. 26-Jan-2024

Australian PM Anthony Albanese has just announced amended tax cuts in Australia. His package is different to his promise to keep the tax cuts of the previous Government (and he now has to take electoral consequences of that), but he is still delivering significant tax cuts that again exposes how much more taxed we are in New Zealand.

Someone earning \$70,000 in Australia will pay \$11,788 in tax compared to \$14,020 in NZ. So that's an average rate of 16.8% compared to 20.0%.

At twice that or \$140,000 an Aussie pays \$33,094 tax and a Kiwi \$37,120. That's 23.6% vs 26.5%.

If you include our highest GST rate, then someone one \$140,000 probably pays \$8,461 more tax a year in NZ than Australia – that is equal to \$162.71 a week.

Even someone on \$240,000 income will pay less income tax in Australia.

In hid Blog, David Farrar notes *"I hope National's tax cuts in May will be significant enough to close the gap between what Kiwis and Aussies have to pay to fund the state."*

HUGE ISSUES WITH EDUCATION



National's Education and Immigration Minister Erica Stanford really has to quickly get to grips with her portfolios – but especially education. Some of the problems that she has inherited from Labour regarding the New Zealand education system include:

- Over 10,000 students are not enrolled at all.
- In the 3rd term of 2023 only 47% of students were regularly attending school (40% for Years 9 – 13).
- For Māori and Pasifika that was a disastrous 34%.
- Provisional NCEA results show pass rates have dropped for the third year in a row.
- NZ has the greatest disparities in the OECD across socio-economic levels.
- The top 30 high schools have their leavers graduating with University Entrance at 87%, whereas the bottom 30 schools have their leavers graduating with University Entrance at 3%.
- Principals are frequently in the media bemoaning the lack of quality teachers.

EDUCATION IN NZ: NEW BOSS – SAME AS THE OLD BOSS?

SOURCE: Kiwiblog, 3-Jan-23, by Alwyn Poole

Alwyn Poole recently wrote an “Opinion Piece” for Kiwiblog, highlighting the risks of continued education policy failure. I firmly believe that Education is the key for New Zealand reinstating itself as a “first-world” country. We must urgently turn the tide on young people sitting on the couch, neither at school nor in work nor in training, yet often feeding off hard-working New Zealand taxpayers, with many on the benefit.

Alwyn Poole wrote a very thoughtful opinion piece: When Chris Hipkins became Minister of Education in 2017 his first three steps were:

- Snuggle up to the Ministry. This has ultimately led to the number of Ministry employees going from 2700 to 4200.
- Cancel things. In his case Partnership Schools and National Standards.
- Appoint a committee. In his case led by Bali Haque who had a solid reputation in NZ schooling.

When Erica Stanford became Minister of Education in 2023 her first three steps were:

- Appoint an Education Ministry Deputy Secretary (Ellen MacGregor-Reid) to her office on the basis of a recommendation of the Secretary for Education Iona Holsted (the \$600k Woman). This effectively eliminated the ability for Stanford to go to the Public Services Commissioner and declare a lack of confidence in the Ministry leadership – something they deeply deserve. In the most paternalistic communication I have ever received Michael Johnston of the NZ Initiative contacted me after my critique of the MacGregor-Reid decision and told me that Erica Stanford was “devastated” by what I had written. Stanford could not stand up for herself? She needed a knight in shining armour? Clearly a conflict of interest here as Johnston was about to be appointed as the chair of the newly formed Ministry Advisory Group (see next point) and had been significantly critical of Jan Tinetti without ever caring if she was “devastated”.
- Cancel things. In this case cell-phones. While this appears to be a brilliant BUMPER STICKER tactic there was so much more to think through. Do you ban “smart watches too”? Do you ban apple products in each class-room that all have texting options? Are they banned completely from bringing to and from school or just the classroom? What about the dyslexic and spectrum kids who use their phones to take photos of notes that they can review later with more time? Who will collect and re-issue the phones each day? Are you allowed to confiscate them? If they have to remain in bags how much expense goes on ensuring theft is not occurring? What if a kid is beaten up on public transport or lost without being able to contact a parent? How many micro-aggressions will be

created around schools by teachers confronting kids on their phones in their breaks? How many arguments will happen at home and how many more kids will simply stay away from school as they lose one more privilege? I don't think Luxon has any idea on education.

- Appoint a committee. In this case a Ministry advisory group, which – to the delight of the unions and political left – is effectively headed by the Right-Wing think-tank the NZ Initiative (through Michael Johnston – someone with much less sector experience than Bali Haque). Along with the Ellen Macgregor-Reid appointment – this shows a complete lack of situational awareness of the education sector. Has Michael Johnston resigned from his NZ Initiative role to accept this one and avoid accurate accusations of political bias?

There are so many more things that could and should have been done.

1. We are four weeks away from a new school year ... apart from kids drifting back to school ... what is being done to get full-attendance rates above 50%?
2. Our outcomes for school leavers are appalling. Where are the goals for our high-schools in 2024?
3. Where are our strategies for teacher quality? What are we doing to re-engage parents and help them understand the morass of the qualifications system?

These are the solutions I believe are imperative and urgent:

https://www.kiwiblog.co.nz/2023/12/more_evidence_of_our_education_woes_plus_the_solutions.html

I would add immediately giving the new St Stephen's school Designated Character status.

It is easy to label Hipkins (as Stanford did on the AM Show) as the worst Minister of Education ever. However, if you start just the same way he did, you are on 0/3 so far. When National was last elected and had nine years in office their supporters failed to hold them to account for anything but incrementalism. Tolley and Parata achieved nothing of lasting significance as Ministers of Education. They were barely better than Hipkins/Tinetti. Supporters of National must demand so much more from the new regime and allow them no complacency. Astute commentators such as Cameron Bagrie and Matthew Hooten have designated the Education portfolio as the most significant for the future of NZ.

As for the Associate Minister of Education, David Seymour, the initial method from National is a HUGE opportunity for him to go big and bring about the radical changes our NZ students and families so desperately need.

Personally, I believe that Erica Stanford is up to the challenge, but electors will be quick to chastise her, if she fails to embed serious improvements (and quickly).

THE RICH JUST GET RICHER

Since 2020 the top 5 richest people in the globe have more than doubled their wealth, earning on average US\$14m per hour!

In those three years their combined wealth has increased from US\$405bn to US\$869bn.

When we think about the size of the NZ economy being around the US\$240bn (NZ's annual GDP) mark, this highlights the "power" of these few individuals.

KEY TAKEAWAYS AS AT 2ND JANUARY 2024

- Elon Musk; CEO of Tesla and SpaceX, and owner of X, is the richest person and the richest man in the world with a net worth of \$229 billion.
- After Musk is Bernard Arnault, chairman of LVMH.
- Other billionaires with some of the largest net worths include Amazon's Jeff Bezos, Microsoft's Bill Gates, and Oracle's Larry Ellison.
- Eight of the top 10 billionaires made their fortunes in technology, with Arnault and Berkshire Hathaway's Warren Buffett being the exceptions.

WHO ARE THE TOP 10 RICHEST PEOPLE IN THE WORLD?

The top 10 richest people in the world as of 2-Jan-24, are:

1. ELON MUSK - AGE: 52 RESIDENCE: UNITED STATES



Co-founder and CEO: Tesla
Net Worth: US\$229 billion
Tesla Ownership Stake: 13% (\$102 billion)
X Ownership Stake: 79% (\$9.32 billion)
Other Assets: Space Exploration Technologies (\$53.2 billion private asset), The Boring Company (\$3.33 billion private asset)

2. BERNARD ARNAULT - AGE: 74 RESIDENCE: FRANCE



CEO and Chair: LVMH ([LVMUY](#))
Net Worth: US\$179 billion
Christian Dior Ownership Stake: 97.5% (\$137 billion total)
Other Assets: Moelis & Company equity (\$27.4 billion public asset) and \$14.8 billion in cash

3. JEFF BEZOS - AGE: 59 RESIDENCE: UNITED STATES

Founder and Executive Chair: Amazon ([AMZN](#))



Net Worth: US\$177 billion
Amazon Ownership Stake: 10% (\$150 billion)
Other Assets: Blue Origin (\$11.2 billion private asset), The Washington Post (\$250 million private asset), Koru (\$500 million private asset), and \$14.8 billion in cash

4. BILL GATES - AGE: 68 RESIDENCE: UNITED STATES



Co-founder: Microsoft ([MSFT](#))
Net Worth: US\$141 billion
Microsoft Ownership Stake: 1.4% (\$24.3 billion)
Other Assets: \$67.6 billion in cash and billions over multiple other companies

5. STEVE BALLMER - AGE: 67 RESIDENCE: UNITED STATES



Owner: Los Angeles Clippers
Net Worth: US\$131 billion
He Succeeded Gates as Microsoft's CEO (2000 to 2014)
Microsoft Ownership Stake: 4% (\$120 billion total)
Other Assets: Los Angeles Clippers Basketball Team (\$4.56 billion private asset), The Forum (\$400 million private asset), Intuit Dome (\$2 billion private asset), \$3.75 billion in cash

6. MARK ZUCKERBERG - AGE: 39 RESIDENCE: UNITED STATES



CEO and Chair: Meta Platforms ([META](#))
Net Worth: US\$128 billion
Meta Platforms Ownership Stake: 13% (\$124 billion total)
Other Assets: \$4.20 billion in cash

7. LARRY PAGE - AGE: 50 RESIDENCE: UNITED STATES



Co-founder and Board Member: Alphabet ([GOOG](#))
Net Worth: US\$126 billion
Alphabet Ownership Stake: 6% (\$109.3 billion total)
Other Assets: \$17.1 billion in cash

8. LARRY ELLISON - AGE: 79 RESIDENCE: UNITED STATES



Co-founder, Chair, and CTO: Oracle ([ORCL](#))
Net Worth: US\$123 billion
Oracle Ownership Stake: 42%+ (\$88.4 billion)
Other Assets: Tesla equity (\$11.2 billion public asset), \$22.8 billion in cash

9. SERGEY BRIN - AGE: 50 RESIDENCE: UNITED STATES



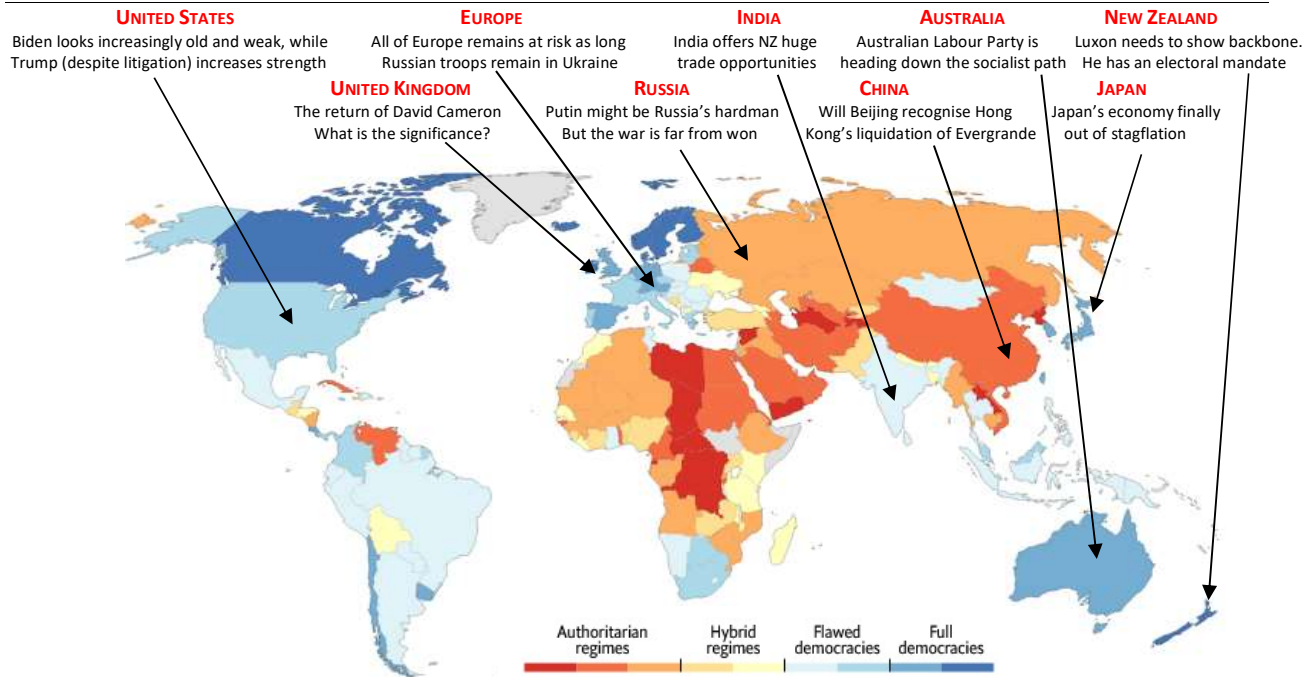
Co-founder and Board Member: Alphabet ([GOOG](#))
Net Worth: US\$120 billion
Alphabet Ownership Stake: 6% (\$102.8 billion total)
Other Assets: \$17.2 billion in cash

10. WARREN BUFFETT - AGE: 93 RESIDENCE: UNITED STATES



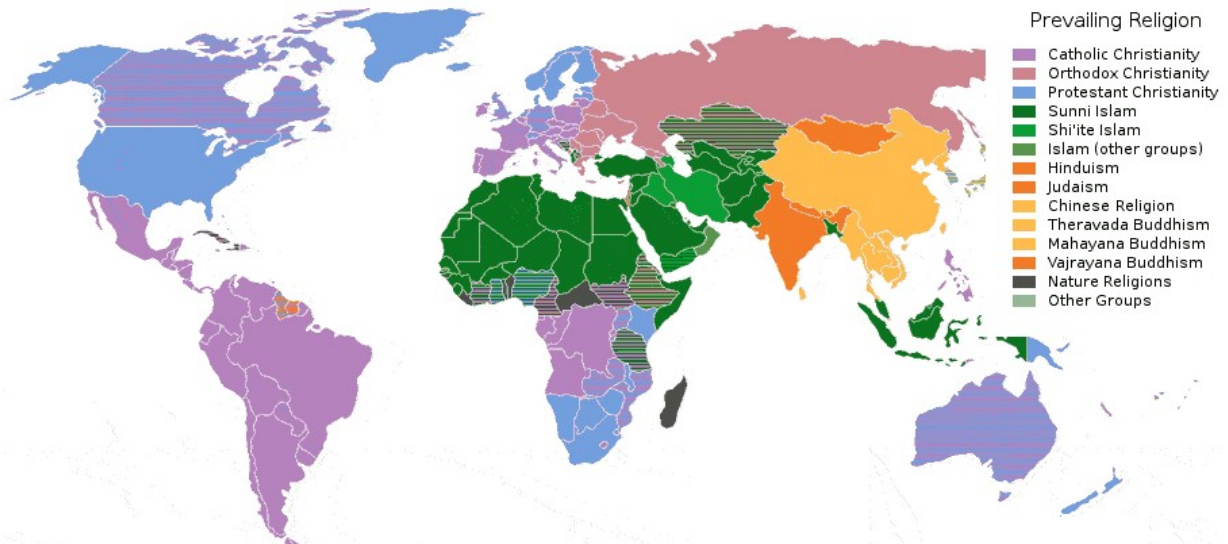
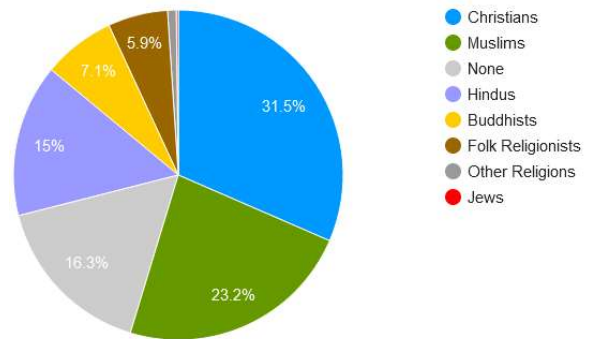
CEO: Berkshire Hathaway ([BRK.A](#))
Net Worth: US\$120 billion
Berkshire Hathaway Ownership Stake: 15% (\$118 billion)
Other Assets: \$1.35 billion in cash

THE WORLD AT A GLANCE GLOBAL DEMOCRACY INDEX



WORLD POPULATION BY RELIGION

- 2,173,180,000 Christians (31% of world population), of which 50% are Catholic, 37% Protestant, 12% Orthodox, and 1% other.
- 1,598,510,000 Muslims (23%), of which 87-90% are Sunnis, 10-13% Shia.
- 1,126,500,000 No Religion affiliation (16%): atheists, agnostics and people who do not identify with any particular religion. One-in-five people (20%) in the United States are religiously unaffiliated.
- 1,033,080,000 Hindus (15%), the overwhelming majority (94%) of which live in India.
- 487,540,000 Buddhists (7%), of which half live in China.
- 405,120,000 Folk Religionists (6%): faiths that are closely associated with a particular group of people, ethnicity or tribe.
- 58,110,000 Other Religions (1%): Baha'i faith, Taoism, Jainism, Shintoism, Sikhism, Tenrikyo, Wicca, Zoroastrianism and many others.
- 13,850,000 Jews (0.2%), four-fifths of which live in two countries: United States (41%) and Israel (41%).



GLOBAL POPULATION BROKE 8 BILLION IN 2023

The global population has grown exponentially since the 1950's (see chart below). It is no wonder our global environment is under pressure. We blame increased emissions as a key lever for climate change, but population pressure is mainly from South-East Asia and Africa.

Year (July 1)	Population	Yearly % Change	Yearly Change	Median Age	Fertility Rate	Density (P/Km ²)
2024	8,118,835,999	0.91%	73,524,552	30.7	2.31	55
2023	8,045,311,447	0.88%	70,206,291	30.5	2.31	54
2022	7,975,105,156	0.83%	65,810,005	30.2	2.31	54
2021	7,909,295,151	0.87%	68,342,271	30	2.32	53
2020	7,840,952,880	0.98%	76,001,848	29.7	2.35	53
2015	7,426,597,537	1.23%	88,198,886	28	2.52	50
2010	6,985,603,105	1.27%	85,485,397	27	2.59	47
2005	6,558,176,119	1.30%	81,855,429	26	2.62	44
2000	6,148,898,975	1.37%	81,135,904	25	2.73	41
1995	5,743,219,454	1.56%	85,408,718	24	2.88	39
1990	5,316,175,862	1.80%	90,889,050	23	3.31	36
1985	4,861,730,613	1.81%	83,544,581	22	3.52	33
1980	4,444,007,706	1.78%	74,914,095	22	3.75	30
1975	4,069,437,231	1.95%	74,809,379	21	4.08	27
1970	3,695,390,336	2.06%	71,655,671	20	4.83	25
1965	3,337,111,983	2.02%	63,575,710	21	5.08	22
1960	3,019,233,434	1.91%	54,632,259	21	4.7	20
1955	2,746,072,141	1.90%	49,349,997	22	5.01	18

#	Country Top 15	Population 2023	Yearly Change	Net Change	Density (P/Km ²)	Land Area (Km ²)	Fert. Rate	Med. Age	Urban Pop %	World Share
1	India	1,428,627,663	0.81%	11,454,490	481	2,973,190	2	28	36%	17.76%
2	China	1,425,671,352	-0.02%	-215,985	152	9,388,211	1.2	39	65%	17.72%
3	United States	339,996,563	0.50%	1,706,706	37	9,147,420	1.7	38	83%	4.23%
4	Indonesia	277,534,122	0.74%	2,032,783	153	1,811,570	2.1	30	59%	3.45%
5	Pakistan	240,485,658	1.98%	4,660,796	312	770,880	3.3	21	35%	2.99%
6	Nigeria	223,804,632	2.41%	5,263,420	246	910,770	5.1	17	54%	2.78%
7	Brazil	216,422,446	0.52%	1,108,948	26	8,358,140	1.6	34	88%	2.69%
8	Bangladesh	172,954,319	1.03%	1,767,947	1,329	130,170	1.9	27	41%	2.15%
9	Russia	144,444,359	-0.19%	-268,955	9	16,376,870	1.5	39	75%	1.80%
10	Mexico	128,455,567	0.75%	951,442	66	1,943,950	1.8	30	88%	1.60%
11	Ethiopia	126,527,060	2.55%	3,147,136	127	1,000,000	4	19	22%	1.57%
12	Japan	123,294,513	-0.53%	-657,179	338	364,555	1.3	49	94%	1.53%
13	Philippines	117,337,368	1.54%	1,778,359	394	298,170	2.7	25	47%	1.46%
14	Egypt	112,716,598	1.56%	1,726,495	113	995,450	2.8	24	41%	1.40%
15	DR Congo	102,262,808	3.29%	3,252,596	45	2,267,050	6.1	16	46%	1.27%
55	Australia	26,439,111	1.00%	261,698	3	7,682,300	1.6	38	86%	0.33%
123	New Zealand	5,228,100	0.83%	42,812	20	263,310	1.8	37	82%	0.06%

SOURCE: Worldometer (www.Worldometers.info)

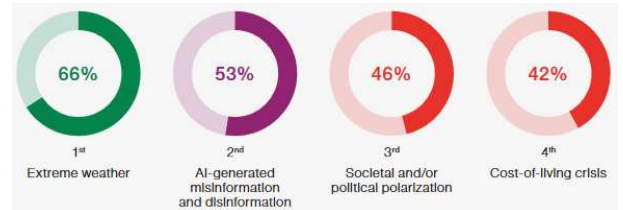


Underlying geopolitical tensions combined with the eruption of active hostilities in multiple regions is contributing to an unstable global order characterized by polarizing narratives, eroding trust and insecurity.

Cost-of-living pressures continue to bite, amidst persistently elevated inflation and interest rates and continued economic uncertainty in much of the world.

The World Economic Forum surveyed its membership, evaluating the near-term global risks (Table below).

CURRENT RISK LANDSCAPE



RISKS OVER THE NEAR_TERM (2 YEARS)



Environmental risks continue to dominate the risks landscape over all three timeframes. Two-thirds of GRPS respondents rank Extreme weather as the top risk most likely to present a material crisis on a global scale in 2024 (Figure B), with the warming phase of the El Niño-Southern Oscillation (ENSO) cycle projected to intensify and persist until May this year. It is also seen as the second-most severe risk over the two-year time frame and similar to last year's rankings, nearly all environmental risks feature among the top 10 over the longer term.

However, GRPS respondents disagree about the urgency of environmental risks, in particular Biodiversity loss and ecosystem collapse and Critical change to Earth systems. Younger respondents tend to

rank these risks far more highly over the two-year period compared to older age groups, with both risks featuring in their top 10 rankings in the short term.

The private sector highlights these risks as top concerns over the longer term, in contrast to respondents from civil society or government who prioritize these risks over shorter time frames.

ARGENTINA

The new Argentinean President Javier Milei has followed up his pre-election promises and announced a sharp devaluation of its currency and cuts to energy and transportation subsidies as part of shock measures that Milei says are needed to deal with an economic emergency.

He is fighting multi-decade political corruption that has seen 2023 inflation of 221% resulting in 2 in 5 Argentines (40%) living in poverty. The right-wing libertarian Prime Minister has called for major economic reform, to counter years of money printing to hide decades of decadence.

The Union movement in Argentina is pushing back, calling massive strike action but more than 50% of the population voted for Milei in the November Parliamentary elections.

This will be a testing time for Argentina, but if this country is to turn the economic-corner then austerity is essential.

NEW ZEALAND'S ECONOMIC OUTLOOK

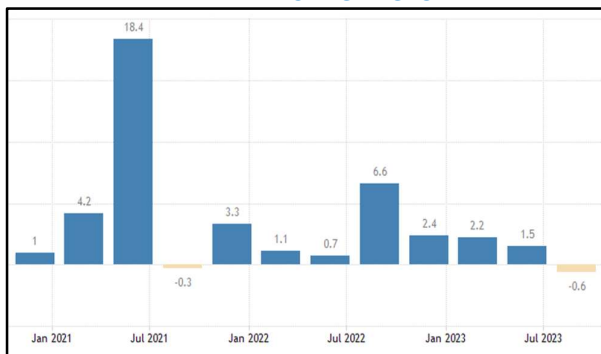
Population: 5.2 million

NZ ECONOMY

New Zealand's economy is expected to return to growth following a mild recession in 2023. However, expansion is expected to remain below its long-term average until late 2024. Consumer price inflation is expected to ease gradually in 2024 as global commodity prices moderate.



NEW ZEALAND – ANNUAL GDP GROWTH RATE



INFLATION'S DOWN, BUT NOT OUT

Annual inflation fell in line with economists' expectations to 4.7% in the final three months of 2023.

This was a decent improvement from the September quarter, when it sat at 5.6%. Largely

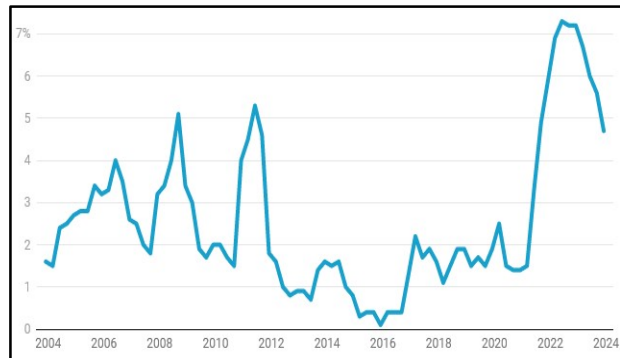
domestically driven non-tradeable inflation continued to be sticky. It came in at 5.9%. Meanwhile, imported tradeable inflation fell to 3%, as petrol prices eased.

Westpac senior economist Satish Ranchhod said "This still leaves us with a picture of 'lower' inflation; not low inflation."

Kiwibank chief economist Jarrod Kerr, who has held a different view to Westpac economists for some time, was more upbeat. "Despite some hurdles ahead (including a Red Sea induced spike in shipping costs, and a migrant fuelled rise in rents, etc), we see inflation continuing to ease back towards 2%," he said.

"We're on track for inflation hitting the top end of the RBNZ's target 1 to 3% target band by the second half of this year, which means rate cuts are not too far away."

ANNUAL INFLATION – DEC 2003 TO DEC 2023



AUSTRALIAN ECONOMIC OUTLOOK

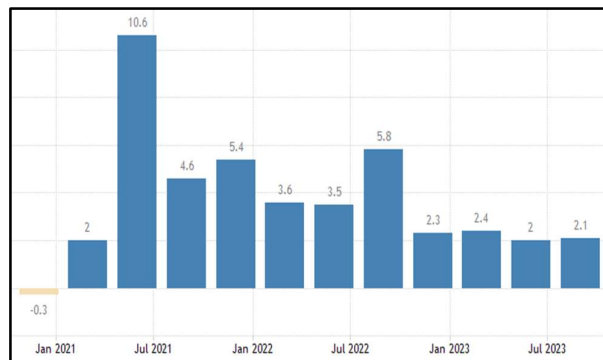
Population: 26.4 million

AUSTRALIAN ECONOMICS

Fears that Australia would enter a technical recession during 2023 didn't eventuate, but that was all thanks to a much higher than anticipated migration surge, as more than half a million people moved there during the year, bumping up total demand even as per capita consumption fell.



AUSTRALIA'S GDP ANNUAL GROWTH RATE



For many Australians, life in 2023 certainly felt recession-like as Australians faced more interest rate hikes, a rising tax bill and a still-increasing cost of living that again outpaced wage growth.

Yet Australia's unemployment rate remained virtually unchanged near 50-year lows and property prices shrugged off rate rises to resume growing back to record highs.

As official inflation numbers pulled back from the peak of 7.8% we had coming into 2023, GDP data confirmed the economy was slowing sharply.

INFLATION



The rate is still roughly double the RBA's target of between 2-3 per cent. "I think it is going to be a slow grind, I think it is going to take quite some time for inflation to come back to the RBA's target," said HSBC

Australia chief economist Paul Bloxham.

"The thing that brought inflation down this year was a lot of those supply-related disruptions associated with the pandemic and associated with the Russia-Ukraine war, got worked through.

"So, oil prices, food prices, shipping costs coming down, and the availability of manufactured goods, meaning goods prices came down.

"But now the slow grind is because the bit of inflation that's still too elevated is services inflation — it's rent and electricity, and services generally and a large part of the input there is workers and therefore wages. It's going to be slower for those things to come down."

The RBA also doesn't think inflation will be in its target band until 2025.

UNITED STATES ECONOMIC OUTLOOK

Population: 340.9 million

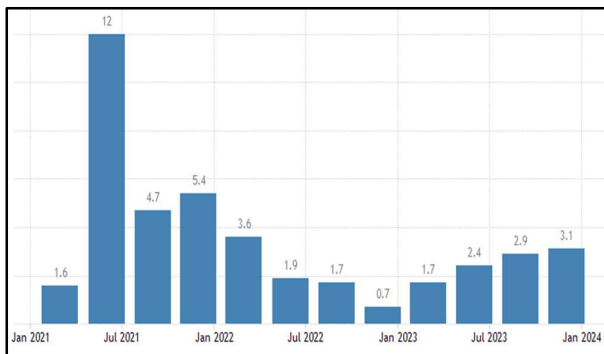
It is predicted that there are at least a further 12m undocumented (illegal) migrants in the US currently.

US ECONOMY

Annual GDP growth has come in at 3.1% for the 2023 year. Most economists continue to predict a "soft landing" for the US economy. This will rely on inflation receding from its high levels without causing a broader economic downturn. This is a delicate balance and doesn't happen often but, in the US at least, some commentators see a soft landing as increasingly likely.



UNITED STATES – ANNUAL GDP GROWTH RATE



INFLATION

Higher energy and housing prices boosted overall US inflation in December, a sign that the Federal Reserve's drive to slow inflation to its 2% target will likely remain a bumpy one. Inflation has cooled more or less steadily since hitting 9.1% in mid-2022. Still, despite the slowdown in price increases, along with steady economic growth, low unemployment and healthy hiring, polls show many Americans are dissatisfied with the economy.

US STOCK MARKET

The US stockmarket had an incredibly strong run in 2023, with the Tech sector having a stellar run – The Nasdaq was up 44.1% for the 2023 year. This was primarily driven by the advancement in Ai technology. It is worth remembering what Warren Buffett's mentor, Benjamin Graham said about investor behaviour – "An investor's chief problem, and even their worst enemy, is likely to be themselves." This is often discussed when markets are down and the temptation to sell is high, but it's also important during periods when market enthusiasm and confidence are high.

CHINESE ECONOMIC OUTLOOK

Population: 1.425 billion

THE TAIWAN DELEMMA

The 14th January election of Lai Ching-te as the new Taiwanese President has been called a dangerous choice by China. The leader of the Democratic Progressive Party, William Lai, has shown the world that "between democracy and authoritarianism, we will stand on the side of democracy". Prime Minister designate Lai promised to work closely with the United States to boost Taiwan's defences at a time when trust between Beijing, Taipei and Washington has frayed and when escalating Chinese military harassment is threatening to tumble into outright conflict. Beijing is furious about the election outcome, but also that Washington is committed to supporting Taiwan.



CHINESE ECONOMY

The Chinese economy has surprised economists, growing their GDP by 5.2% in 2023. While this rate remains low versus continues to grow, albeit remaining at its lowest level since the 2008 Global Financial Crisis. The key issues are the current housing crisis, with 26m new unsold homes overshadowing the Chinese economy.

Furthermore, the unemployment rate for 16 to 24-year-olds is now at 21.3%, combined with foreign investment into China being a 34% drop between November 2023 and the same time in 2022.

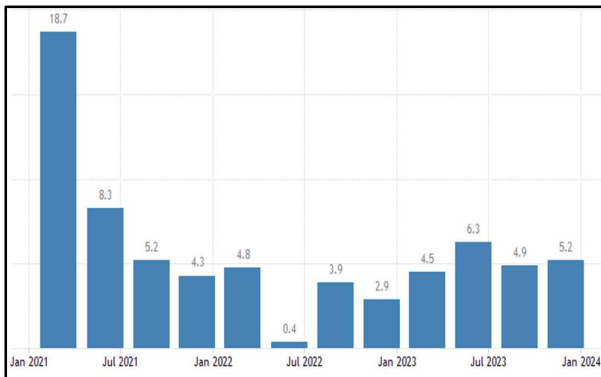
The US\$1 trillion Belt and Road strategy is also in trouble, with many of its investments now looking very

questionable economically. This programme gave the Xi Jinping Government immense geopolitical clout initially, but as the Chinese economy comes under pressure, there is a lack of household savings and lowered population growth (some say negative) due to the previous “one child policy”, and they now have a generation that has grown up knowing nothing of the economic hardships of past generations. The major problem is a skills and education mismatch, with 100m college graduates of the last 10 years having nowhere to go. These educated graduates don’t want to be factory workers, but this employment mismatch is substantive and problematic.

80% of the Chinese economy is back to pre-pandemic levels, with the huge exception being real estate. The problem is that the 100m rural people that Xi Jinping wants to transition into urban China do not yet have the revenue to be able to buy the already built unsold 26m homes.

The challenges for the Chinese economy today are overwhelmingly internal. Globalisation, which China relies on, is increasingly at risk, with tariffs introduced by the Donald Trump presidency, having continued under Biden today.

CHINA – ANNUAL GDP GROWTH RATE



UNITED KINGDOM ECONOMIC OUTLOOK

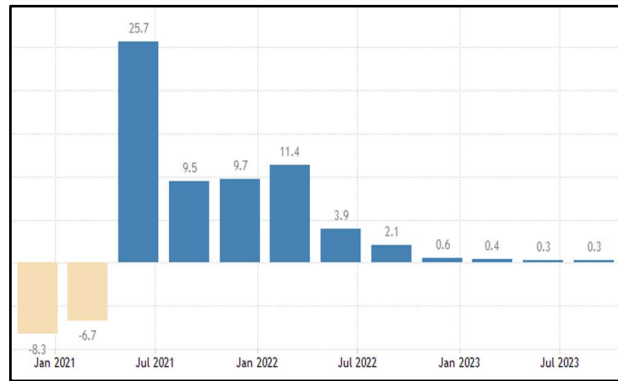
POPULATION: 67.7 million

UK ECONOMY

The British economy expanded 0.3% year-on-year in the third quarter of 2023, half the initial estimate of 0.6%, and matching the Q2 growth which was also revised down to 0.3% from 0.6%. Household spending increased 0.7%, the same as in the first estimate while business investment (2.3% vs 2.8%) rose less than expected and exports (-6.8% vs -6.6%) and imports (-0.1% vs 0.1%) contracted. On the other hand, public expenditure was revised sharply higher (2.3% vs 2.8%).



UNITED KINGDOM – ANNUAL GDP GROWTH RATE



ELECTION COMING LATER IN 2024

Like many countries around the Globe, the UK will go to the polls later in 2024. Rishi Sunak looks increasingly under pressure, not more so than an internal revolt by his own Conservative Party MPs, over the Rwanda deportation issue. Yes, he has got his legislation passed, but he will need to keep his backbenchers happy if he is to have any hope of retaining the UK Government benches.

EUROZONE ECONOMIC OUTLOOK

POPULATION: 447.7 million

WHO IS IN CHARGE?

With Angela Merkel having retired from German politics, there is no obvious European Leader. Olaf Scholz, Merkel’s successor, has not taken the mantle. Many looked to Emmanuel Macron to seize it, but he faces an increasingly fraught political situation within France, and this has left a concerning void in EU leadership. Under the stewardship of Ursula von der Leyen, herself a German, since 2019 the European Commission has accumulated more power than ever before.

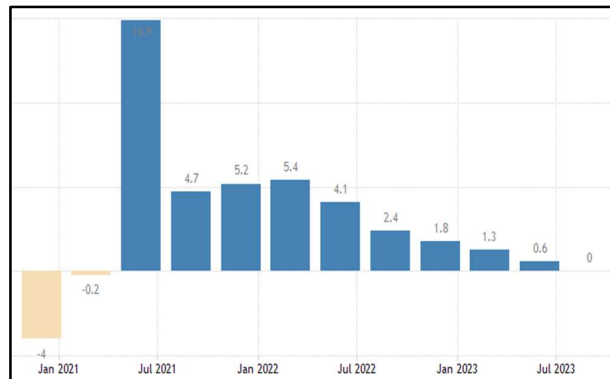


Under the stewardship of Ursula von der Leyen, herself a German, since 2019 the European Commission has accumulated more power than ever before.

GDP GROWTH

The Euro Area economy stalled in the third quarter of 2023 compared to a year earlier, worse than initial estimates of a 0.1% increase. It is the weakest economic performance since the contractions in 2020, with the GDP falling 0.4% in Germany.

EUROZONE – ANNUAL GDP GROWTH RATE



INFLATION

The inflation rate in the Euro Area was confirmed at 2.9% in December 2023, up from an over two-year low of 2.4% seen in November. It also marked the first uptick in inflation since April, mainly driven by energy-related base effects. Energy prices dropped by 6.7% last month (vs -11.5% in November), while services inflation remained steady at 4.0%. On the other hand, the pace of price rises moderated for both food, alcohol & tobacco (6.1% vs 6.9%) and non-energy industrial goods (2.5% vs 2.9%). The core rate, excluding volatile food and energy prices, also cooled to 3.4%, marking its lowest point since March 2022. On a monthly basis, consumer prices increased by 0.2% in December, following a 0.6% drop in November.

JAPAN'S ECONOMIC OUTLOOK

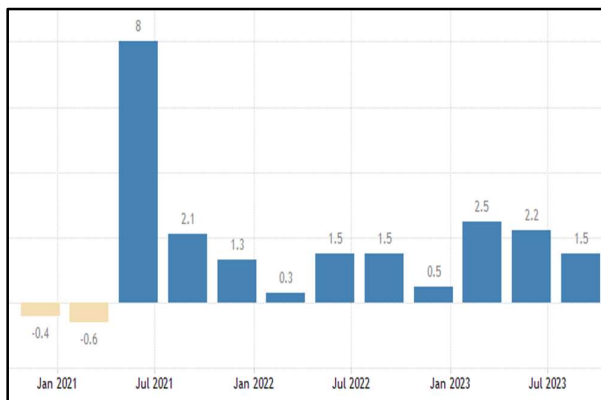
Population: 122.9 million

JAPANESE ECONOMY

Japan has navigated the dual shock of the pandemic and the energy crisis well. However, significant headwinds from weak global growth, geopolitical tensions and high inflation highlight the importance of enhancing the Japanese economy's resilience to shocks. In a context of inflation, which has risen above target, and pressures from divergent monetary policy from peers, adjustments to monetary policy settings have commenced. Given high public debt, fiscal consolidation to rebuild fiscal buffers, underpinned by a credible medium-term fiscal framework to put the debt-to-GDP ratio on a clear downward path, is key.

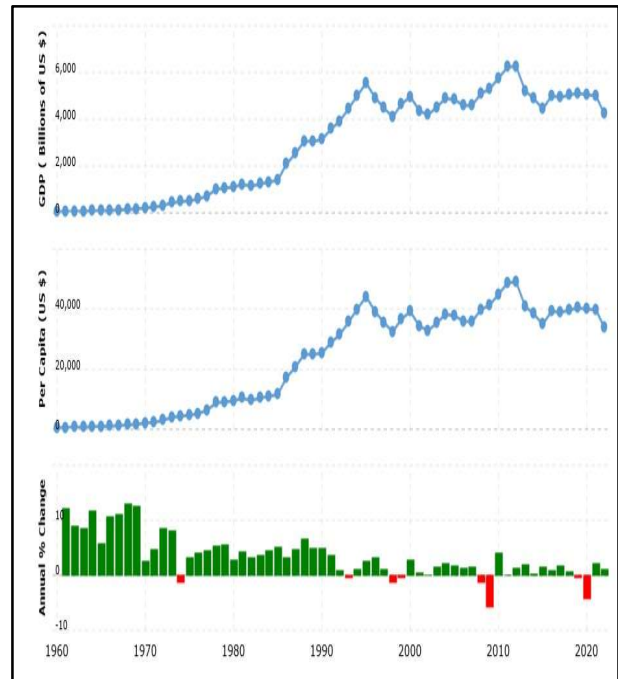


JAPAN – ANNUAL GDP GROWTH RATE



GDP in Japan expanded 1.5% in the third quarter of 2023 over the same quarter of the previous year.

JAPAN – ANNUAL GDP 1960 TO 2024



SOURCE: World Bank

INDIA'S ECONOMIC OUTLOOK

Population: 1.435 billion

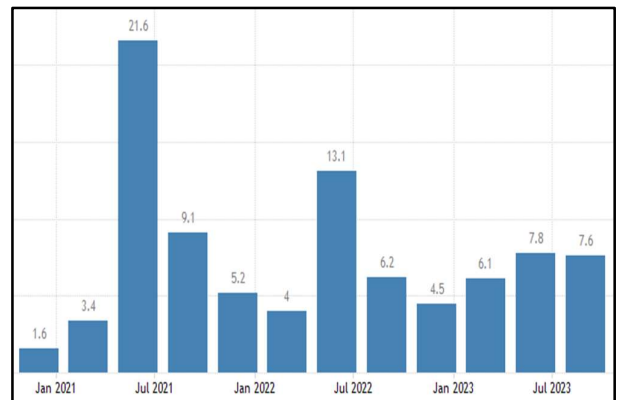
India's population is 18% of the total world population, and now surpasses China as the country with the world's largest population.

INDIAN ECONOMY

Although global growth is expected to slow from 2.6% last year to 2.4% in 2024, India appears to be booming. Its economy grew by 7.6% in the 12 months to the third quarter of 2023, beating nearly every forecast, following a strong 7.8% growth in the previous period and beating forecasts of a 6.8% rise. This remains one of the highest growth economies across the globe.



INDIA – ANNUAL GDP GROWTH RATE



CURRENCIES

NZD/USD had a strong finish to 2023, rising by 6c in November and December to 0.6369. A falling US dollar was the main reason, in turn driven by expectations the Fed would cut rates early in 2024. Those expectations have cooled, allowing the US dollar to partly recover. As a result, NZD/USD has fallen to 0.6088.

While there is scope for this fall to extend to 0.6000 during the month ahead, Westpac economists are upbeat about the NZD's prospects longer term. If the Fed starts easing before the RBNZ, interest rate differentials should favour NZD/USD, and a recovery back above 0.6300 is plausible. In the meantime, any dips to the 0.6000 area would be worthy of consideration by exporters looking to hedge receipts.

NZD/AUD has been rangebound since June, inside 0.9150-0.9400. It is currently mid-range, but momentum suggests a move lower during the weeks ahead. Yield spreads support that view, but key will be developments in China.

FX RECENT DATA

	Historical data				F'cast
	Spot	3mth range	5yr range	5yr avg	Dec-24
USD	0.621	0.578-0.621	0.555-0.743	0.654	0.63
AUD	0.927	0.915-0.939	0.873-0.992	0.934	0.90
EUR	0.569	0.547-0.571	0.517-0.637	0.586	0.55
GBP	0.489	0.474-0.492	0.464-0.544	0.509	0.49
JPY	87.9	86.8-91.2	61.3-91.2	77.5	86.5

SOURCE: Westpac

NEW ZEALAND INTEREST RATES

The RBNZ finished 2023 with a hawkish perspective on the interest rate outlook. That reflected their frustration with the apparently slow pace of deceleration in core inflation pressures. The RBNZ also likely has concerns that conditions in some sectors of the economy (for example housing and the labour market) might make it harder to bring inflation sustainably back to the middle of the 1-3% target range by the second half of 2025.

The new government only increased the pressure on the RBNZ to perform in their core role when they refocused the RBNZ's mandate to a sole focus on inflation control in December, as they campaigned on during the 2023 election.

Since then, the situation has shifted as data showed stagnant economic growth since the middle of 2022 despite historic levels of inward migration and population growth. It is remarkable that, despite this apparently weak economy, core inflation pressures have remained so robust. This might be telling us that potential growth has not been as strong as we thought through the post Covid period – which could be a concern looking forward in terms of the level of growth we can expect and in relation to the speed with

which we might anticipate inflation to sustainably decline. But, more likely, we suspect that the RBNZ will continue to think that potential growth, while perhaps a bit weaker than earlier appreciated, will have been moving ahead in the last year as the population has grown, and hence the level of excess capacity will have been building in recent quarters. As a result, we suspect they will be more comfortable that core inflation pressures will moderate sooner than they worried about 2Westpac New Zealand Economics in late 2023, and consequently the case for a further OCR increase will have dissipated and that rate cuts may eventually come into view.

Recent inflation data will have given the RBNZ more comfort that inflation expectations are well in check.

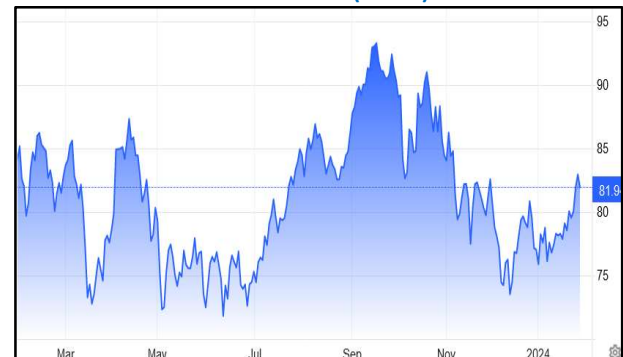
GLOBAL GEOPOLITICAL ISSUES AND THEIR DOMESTIC INFLUENCE

2023 was a year of serendipitous disinflation. The full benefit of eased supply chains and lower energy and food prices reflected in tradables inflation (and a couple of core inflation elements such as construction costs and domestic airfares). 2024 looks set to be a much more turbulent year given the US presidential election (and the impact on already tense Chinese relations), the ongoing Russian war, and now significant trade disruptions from tensions in the Middle East. Disinflationary tailwinds could turn into headwinds and frustrate the RBNZ even if growth remains weak. The performance of the weak Chinese economy will be a key factor to watch.

OIL

Brent crude futures fell toward US\$82 per barrel after rising more than 1.5% to three-month highs above US\$84 as traders are evaluating the escalating conflict in the Middle East. A drone attack blamed by the White House on Iran-backed militants killed US troops in Jordan, with President Biden saying the US shall respond. Also, a Houthi missile strike on a Transfigura-operated fuel tanker in the Red Sea stoked fears of further supply disruptions. Russian refined products exports are expected to decline as several refineries are under repair after drone attacks. However, the supply from non-OPEC producers and slowing demand growth are helping to constrain prices.

BRENT CRUDE (1 YEAR)



NOTE: New Zealand trades in Brent Crude Oil

AGRIBUSINESS – LOOKING FROM THE OUTSIDE IN



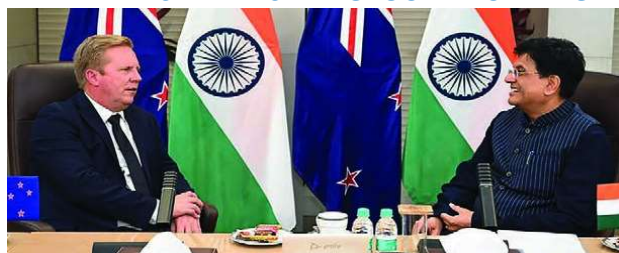
GLOBAL DAIRY TRADE ON THE RISE

Dairy prices continued their upward trend, lifting 2.3% in the latest GDT auction. The second GDT event for 2024 saw average prices lift to US\$3.493/tonne. Prices across all product category groups were up apart from mozzarella, which fell 3.3% to US\$3830/t. NZX dairy analyst Rosalind Crickett said the results were more bullish than initially anticipated.

MORE SOLAR ENERGY COMING

Lodestone Energy has added three Canterbury and South Canterbury sites to its second phase of Agri-voltaic solar farms. The three consented sites are located in Clandeboye, Mount Somers and Dunsandel. The Dunsandel farm, which recently received consent approval from Selwyn Council, is on a 100ha block leased to Lodestone and will continue to maintain productive farming activity.

TRADE MINISTER HITS THE GROUND RUNNING



Minister Todd McClay said he wants to keep full the “pipeline” of trade negotiations, which he believed had not always been the case under the last government.

Priorities are salvaging stalled negotiations with the oil-rich Gulf Co-operation Council, and reviving talks with India and the Latin American countries of the Pacific Alliance.

His government will also continue the previous government’s investigations into a possible negotiation with the United Arab Emirates. Tackling non-tariff barriers through existing agreements will also be a top priority, he said.

“I have set a goal of doubling our exports by value in the next 10 years,” he said. “To do that is not just about more trade deals. It is also about selling more right now.”

McClay said he is happy to discuss future FTA targets with exporters now but it is unlikely negotiations will begin before deals currently in the pipeline are concluded.

Meanwhile McClay said he was satisfied with the signals from his Indian counterpart, Commerce and Industry Minister Piyush Goyal, in the pair’s first meeting in New Delhi late last year, even though a timetable for resuming trade talks was not discussed.

The National Party panned the previous government for failing to progress negotiations started under John Key’s watch.

McClay said the one-hour meeting with Goyal was positive but very preliminary in nature. “It was the first visit to say we want to make the relationship a strategic priority.

“We didn’t get into any detailed discussion about trade to the degree of saying things have to be in or out or what a deal would look like.” Ahead of the meeting, Goyal announced a new testing regime for log imports from NZ. McClay said that this promises to reinvigorate the log trade with India and is a positive sign of its intent to improve trading relations between the two countries. The pair are due to meet again later this month.

WORK ON WATER REFORM SLOWS TO A TRICKLE

Regional councils have slowed work on freshwater policy development and implementation as they await direction from the new government.

In accordance with the coalition agreement between ACT and the National Party, before Christmas the government announced the 2020 National Policy Statement for Freshwater Management (NPS- FW) will be replaced, a process that will take 18 to 24 months. Councils were also given an extra three years, to 31-December-2027, to notify changes to freshwater policy.

“The existing NPS-FW has become extremely complex and expensive to implement and will not deliver the outcomes for freshwater that New Zealanders expect,” Environment Minister Penny Simmonds said at the time.

Most Councils have curtailed some work but are continuing to develop aspects of NPS-FW policy.

I would hate to think how much money Bay of Plenty Regional Council has already spent on water reform policy development, despite myself and other Councillors telling staff to stop when it looked like there could well be “a change of government”. BOPRC had 90 staff working on this reform process, which was plainly both nonsense and wasteful.

SHIPPING RATES SOAR AMID RED SEA, PANAMA ISSUES

Shipping rates are soaring and supply chains could be disrupted for the next few months as key shipping routes are threatened by military tensions in the Red Sea and drought in Panama.

Kotahi chief executive Dave Ross said 80% of container vessels have diverted from the Red Sea and

access to Suez Canal due to military tension off the Yemen coast, opting for the longer route around the Cape of Good Hope at the foot of Africa.

Meanwhile, Ross said, drought in Central America has caused the Panama Canal Authority to reduce daily transit capacity to 18 per day, down from normal operating transits of 38 to 40 per day.

“These changes mean routes to Europe and east coast America are most impacted.”

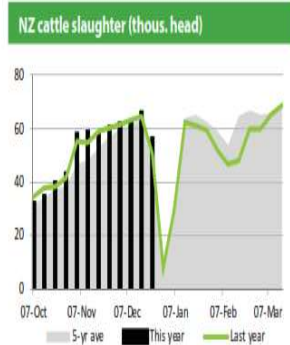
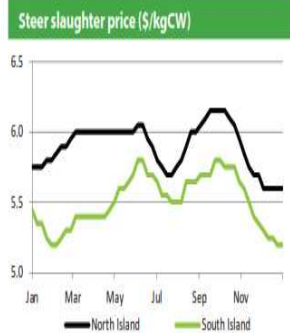
AgriHQ market trends

Cattle

Beef		
Slaughter price (NZ\$/kgCW)	Last week	Last year
North Island P2 steer (300kg)	5.60	5.75
North Island M2 bull (300kg)	5.65	5.65
North Island M cow (190kg)	3.85	4.10
South Island P2 steer (300kg)	5.20	5.45
South Island M2 bull (300kg)	5.35	5.20
South Island M cow (190kg)	3.75	4.05

Export markets (NZ\$/kg)		
	Last week	Last year
US imported 95CL bull	8.53	8.22
US domestic 90CL cow	9.70	8.46

NOTE: Slaughter values are weighted average gross operating prices including premiums but excluding breed premiums for cattle.



Sheep

Sheep Meat		
Slaughter price (NZ\$/kgCW)	Last week	Last year
North Island lamb (18kg)	6.00	7.00
North Island mutton (25kg)	2.55	3.70
South Island lamb (18kg)	5.90	6.75
South Island mutton (25kg)	2.25	3.45

Export markets (NZ\$/kg)		
	Last week	Last year
China lamb flaps	8.58	9.67

Wool		
(NZ\$/kg clean)	12-Jan	Last year
Crossbred fleece	3.11	2.39
Crossbred second shear	2.84	2.20

Courtesy of www.fusca.co.nz



Deer

Venison		
Slaughter price (NZ\$/kgCW)	Last week	Last year
North Island AP stag (60kg)	8.65	9.00
South Island AP stag (60kg)	8.70	9.00

Fertiliser		
NZ average (NZ\$/tonne)	Last week	Last year
DAP	1264	1794
Super	474	442
Urea	897	1240
Urea (Coated)	946	1189

Forestry

Exports		
NZ Log Exports (tonnes)	Nov	Last year
China	2,067,667	1,574,235
Rest of world	161,638	156,926

Carbon price (NZ\$/tonne)		
	Last week	Last year
NZU	67.6	73.9



Data provided by AgriHQ

Dairy

Data provided by NZX



Dairy Futures (US\$/t)

Nearest contract	Last price*	Prior week	4 weeks prior
WMP	3270	3305	3130
SMP	2580	2615	2705
AMF	5675	5700	5725
Butter	5650	5650	5210
Milk Price	7.76	7.81	7.62

* price as at close of business on Wednesday

JARDEN'S NZ HIGH INCOME REFERENCE PORTFOLIO

AS AT 31ST DECEMBER 2023

JARDEN'S HIGH INCOME REF PORTFOLIO			Portfolio Weight	31-Dec-23	TARGET	PE RATIO (x)		DIV YIELD %		GROSS RETURN %		
CODE	REC	Price (\$)		(\$)	Current	Next	Current	Next	1 Year	3 Yr pa	5 Yr pa	
Contact Energy	CEN	B	11.2%	8.01	9.31	31.4	30.6	4.8	5.0			
Chorus	CNU	U	10.8%	7.86	7.47	114.4	81.6	6.4	6.6			
Fletcher Building	FBU	B	6.9%	4.78	6.13	10.9	9.6	11.0	9.3	10.8	0.1	5.0
Freightways	FRW	O	7.6%	8.50	8.85	20.2	17.4	8.0	6.2	-7.7	-1.6	6.9
Heartland Group	HGH	O	6.8%	1.48	2.19	9.0	8.4	13.1	11.7	-11.2	2.9	9.1
Infratil	IFT	O	6.8%	10.03	10.80	58.3	62.7	3.1	2.6	18.6	14.0	26.5
Mercury Energy	MCY	O	11.9%	6.60	6.96	51.2	36.3	6.0	4.9	23.8	4.2	17.0
Port of Tauranga	POT	N	6.0%	5.60	5.26	36.6	32.4	4.4	3.9	-7.9	-6.4	5.1
SkyCity Entertainment	SKC	B	7.2%	1.82	2.95	10.9	9.9	13.7	10.7	-18.2	-14.8	-9.2
Skellerup	SKL	O	7.2%	5.04	5.30	18.8	17.4	7.2	6.3	-1.0	15.8	26.0
Stride Property Group	SPG	N	5.7%	1.44	1.39	14.5	16.4	7.9	7.7	7.7	-10.3	-0.4
Tourism Holdings	THL	B	7.0%	3.85	4.66	10.1	9.0	7.5	6.0	16.6	15.8	-3.1
Vector	VCT	O	4.9%	3.73	4.14	20.3	17.8	5.6	5.1	-4.3	0.4	7.3

* The PE ratio and dividend yield (gross) forecasts above reflect Jarden estimates.

Source: Jarden

SECURITY BRIEF DESCRIPTION

CHORUS

UNDERWEIGHT, 12MTH TARGET PRICE: \$7.47

CNU is New Zealand's largest fixed line communications infrastructure services provider. The core of Chorus' business is the nationwide network of fibre optic cables and copper cables that connect homes, businesses, and mobile phone towers to each other.

CONTACT ENERGY

BUY, 12MTH TARGET PRICE: \$9.31

CEN is New Zealand's second largest electricity generator and second largest energy (gas, LPG, and electricity) retailer. Electricity is generated through a diversified range of generation assets (hydro, geothermal, gas fired thermal plant) located throughout New Zealand. It also has options to build wind generation.

FLETCHER BUILDING

BUY, 12MTH TARGET PRICE: \$6.13

FBU is a prominent New Zealand-based construction and building materials company. The company is involved in a wide range of construction activities, including residential and commercial construction, infrastructure development, and manufacturing and distribution of building products.

FREIGHTWAYS

OVERWEIGHT, 12MTH TARGET PRICE: \$8.85

FRE is a nationwide provider of express package services throughout New Zealand (approximately 40% share), with complementary business servicing the information management and business mail sectors. Key brands include New Zealand Couriers, Post Haste, Sub 60 and Castle Parcels.

HEARTLAND GROUP

OVERWEIGHT, 12MTH TARGET PRICE: \$2.19

HGH is a New Zealand owned and operated bank that focuses on higher-risk products where it has a

competitive advantage and does not need to compete with the major banks. Such products include savings and deposits, reverse mortgages, motor vehicle finance, business finance, rural finance, and personal lending.

INFRATIL

BUY, 12MTH TARGET PRICE: \$10.80

IFT is an NZX listed holding company specialising in long-lived, growth infrastructure assets. Currently, IFT is an owner and operator of businesses in the renewable energy, airport, public transport, social infrastructure, and telecommunication sectors.

MERCURY ENERGY

OVERWEIGHT, 12MTH TARGET PRICE: \$6.96

MCY is a New Zealand-based company, which is primarily a generator and retailer of electricity. The Company generates electricity from renewable resources, such as hydro, geothermal and wind. Its products and services consist of generation/wholesale and retail.

PORT OF TAURANGA

NEUTRAL, 12MTH TARGET PRICE: \$5.26

POT is New Zealand's largest port by volume of cargo. It operates wharves at Tauranga, Mount Maunganui and Timaru, a rail-linked inland port in South Auckland, and an intermodal freight hub in Rolleston.

SKELLERUP

OVERWEIGHT, 12MTH TARGET PRICE: \$5.30

SKL manufactures, markets, and distributes engineered products for various specialist industrial and agricultural applications. The company provides solutions for customers in a range of critical and high-performance applications including dairy, potable and wastewater, roofing, plumbing, sport, and leisure, electrical, health and medical, automotive, and mining.

SKYCITY ENTERTAINMENT**BUY, 12MTH TARGET PRICE: \$2.95**

SKC is an entertainment and gaming business. It operates monopoly casinos in New Zealand (Auckland, Hamilton, and Queenstown) and Australia (Adelaide), alongside a variety of industry leading restaurants and bars, luxury hotels and convention centres.

STRIDE PROPERTY GROUP**NEUTRAL, 12MTH TARGET PRICE: \$5.26**

SPG invests in New Zealand Property, specialising in commercial, industrial, and retail properties. Stride is currently in the process of transitioning from a direct ownership model to a capital-light, funds management model.

TOURISM HOLDINGS**BUY, 12MTH TARGET PRICE: \$4.66**

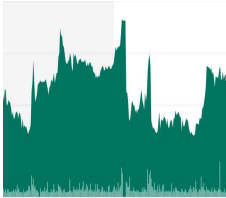
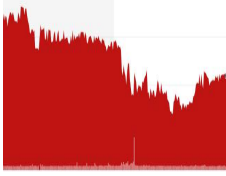
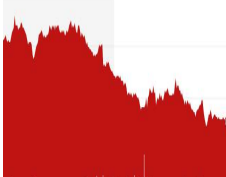



THL is the largest provider of holiday campervans for rent and sale in Australia, New Zealand & USA. The company also operates the Kiwi Experience and the Discover Waitomo experiences.

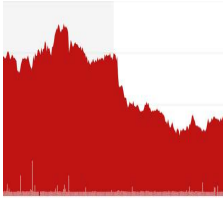
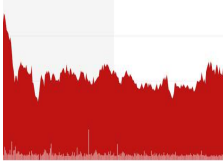
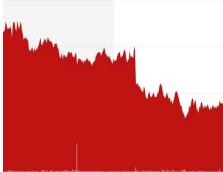
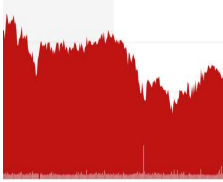
VECTOR**OVERWEIGHT, 12MTH TARGET PRICE: \$4.14**

VCT is a New Zealand-based infrastructure company that operates in the electricity and gas sector, providing essential services such as power and natural gas distribution, as well as telecommunications infrastructure. It is focused on delivering sustainable energy solutions and innovative customer services.

STOCKS TO WATCH NEW ZEALAND**PRICES AS AT 30TH JANUARY 2024**

ALL GRAPHS ARE ONE YEAR GREEN=POSITIVE RED=NEGATIVE	THE A2 MILK COMPANY	Research: 22 nd January	NZX Code: ATM Share Price: \$5.08 12mth Target: \$5.15 Projected return (%) Capital gain 1.4% Dividend yield (Net) 0.0% Total return 1.4% Rating: OVERWEIGHT 52-week price range: 4.00-7.83
	<p>CY23 China newborns at 9mn better than expected. Prior to this, a leaked pre-release which suggested 7.88mn (-18% YoY) had been more broadly in line with our standing expectation of 7-8mn. Looking forward, Jarden was already expecting a tick up in CY24 driven by improved marriage data, vaccination fears fading and a stronger zodiac sign with the year of the Dragon. Updating for CY23 births in Jarden's model strengthens market size of the next few years, albeit the market is still shrinking. Overall, Jarden maintains their cautious view on the multi-year demographic pressures turning quickly.</p> <p>2024 P/E: 20.7 2025 P/E: 18.5</p>	Research: 29 th January	NZX Code: AIA Share Price: \$8.54 12mth Target: \$8.26 Projected return (%) Capital gain -3.2% Dividend yield (Net) 1.9% Total return -1.3% Rating: NEUTRAL 52-week price range: 7.30-8.98
	<p>AUCKLAND INTERNATIONAL AIRPORT</p> <p>Whilst the return of International seat capacity has been relatively strong, Jarden observes very low International load factors, tracking well below the FY19 level and the typical seasonal range. Applying a lower seat capacity schedule for the balance of the year alongside softer load factors, Jarden estimates FY24 International volumes of ~10.1m passengers (PAX) compared with guidance of 10.6m (-4.7%). On the Domestic front, they observe very strong load factors, albeit offsetting a reduction in seat capacity linked to AIR's engine maintenance issues through 2Q24 and expected to impact over the next ~2 years. Jarden recognises AIA as a high-quality asset with a unique position as NZ's largest airport operator, which has seen it generate meaningful returns over a sustained period, most notably in the unregulated parts of the business. It has lifted their 12-month target price to \$8.26 (from \$7.71) on lower risk-free rates and moved their rating from Underweight to Neutral.</p> <p>2024 P/E: 47.9 2025 P/E: 40.5</p>	Research: 25 th January	NZX Code: CEN Share Price: \$8.15 12mth Target: \$9.31 Projected return (%) Capital gain 14.2% Dividend yield (Net) 4.8% Total return 19.0% Rating: BUY 52-week price range: 7.22-8.64
	<p>CONTACT ENERGY</p> <p>CEN reported 1H24 opstats with EBITDA of c.\$329m, up \$89m on pcp of \$240m, and \$13m ahead of Jarden's estimate of \$316m, likely giving it enough runway to meet or beat its current FY24 guidance of \$600m and Jarden's \$609m. December EBITDA of \$48m, up \$9m on pcp and \$6m ahead of Jarden's estimate. The 2H24E will be made difficult by Tauhara not starting in this half, when six months ago CEN had expected it to, and hence would have to rearrange its hedge positions which is usually costly if forced to do this in the short term. Projects are progressing in line with expectations, with Tauhara at 98% completion - but still due for 152MW commissioning only in 3QCY24. Te Huka 3 is ahead of schedule at 75% completion.</p> <p>2024 P/E: 31.1 2025 P/E: 30.2</p>		

	<p>FONTERRA SHAREHOLDERS' FUND Research: 8th December</p> <p>FSF reported a strong start to FY24E, with Q1 EPS (continuing operations) of 24c sufficient for FSF to lift guidance 5c, with the range moving to 50-65c (Jarden 62.5c). Fonterra note that they do expect margins to reduce across the business in 2H24E and for stream returns to contract, providing context for the small increase in guidance on the back of such a strong 1Q. With the balance sheet already in strong health, the extension of Fonterra's strong earnings run gives it options and Fonterra is pointing to a strong interim dividend.</p> <p>2024 P/E: 4.8 2025 P/E: 6.0</p>	<p>NZX Code: FSF Share Price: \$3.41 12mth Target: \$3.84 Projected return (%) Capital gain 12.6% Dividend yield (Net) 12.0% Total return 24.6% Rating: OVERWEIGHT 52-week price range: 2.94-3.88</p>
	<p>GENESIS ENERGY Research: 23rd January</p> <p>GNE reported six months to December 2023 (1H24) operating statistics implying 1H24 EBITDA of c. \$190m, down \$108m on pcp but in line with Jarden's estimate. This decline was mainly driven by c. 500GWh lower renewable generation and costly thermal generation as Huntly Unit 5 outage requires more-expensive-to-run Rankines to operate as well as higher coal use. Jarden's FY24 EBITDA estimate of \$435m is unchanged and is marginally ahead of latest company guidance of \$430m.</p> <p>2024 P/E: 10.4 2025 P/E: 9.2</p>	<p>NZX Code: GNE Share Price: \$2.53 12mth Target: \$2.74 Projected return (%) Capital gain 8.3% Dividend yield (Net) 5.7% Total return 14.0% Rating: BUY 52-week price range: 2.30-2.90</p>
	<p>KMD BRANDS Research: 15th January</p> <p>KMD issued a disappointing holiday trading update ahead of Christmas, as Kathmandu brand sales remain weak and wholesale destocking continues. The difficult 4Q23 trends have remained steady into 1H24, with group sales down -13% on the pcp for the four months to end-November. Kathmandu is particularly challenged, down -22% over the period, while weakness in the wholesale channel has weighed on Oboz, down -18%, and Rip Curl, down -6%. Whilst disappointing, the sales update is not entirely unexpected as recent industry data signalled weakness in apparel. Looking forward, Jarden expects comps to become less challenging for Kathmandu from January, with potential for more normal wholesale channel dynamics in 2H. Encouragingly, commentary suggests Rip Curl DTC channel sales remain robust and supports ongoing brand health. Jarden notes a Kathmandu product refresh is underway and is expected to be increasingly evident in 2H24.</p> <p>2024 P/E: 16.8 2025 P/E: 10.3</p>	<p>NZX Code: KMD Share Price: \$0.72 12mth Target: \$1.00 Projected return (%) Capital gain 38.9% Dividend yield (Net) 8.1% Total return 47.0% Rating: BUY 52-week price range: 0.70-1.16</p>
	<p>MICHAEL HILL INTERNATIONAL Research: 22nd January</p> <p>A difficult trading backdrop weighed on MHJ through 1H24 and, as expected, the trading update highlighted soft sales and gross margin pressure. 1H24 group store sales increased +4.1% yoy, boosted by the inclusion of the acquisition of Bevilles, with underlying sales declining yoy across Australia and New Zealand. Canada was the standout region with constant currency sales growth of +0.6% yoy, while New Zealand sales fell -10.3% yoy, and Jarden estimates an underlying Australian sales decline of c. -8%. Encouragingly, sales appear to have outpaced segment performance, with industry data showing a c. -12% and c. -11% decline in jewellery sales across Australia and New Zealand, respectively, indicating continued brand health. Importantly, sales run rates improved through the period with exit rates ahead of the 1H24 performance.</p> <p>2023 P/E: 12.4 2024 P/E: 10.0</p>	<p>NZX Code: MHJ Share Price: \$0.90 12mth Target: \$1.10 ↓ Projected return (%) Capital gain 22.2% Dividend yield (Net) 5.8% Total return 28.0% Rating: OVERWEIGHT 52-week price range: 0.84-1.20</p>
	<p>NEW ZEALAND RURAL LAND COMPANYND Research: 22nd January</p> <p>NZL announced the divestment of a 25% interest in its underlying assets to Australian-based investment manager, Roc Partners. The agreed transaction will see NZL and Roc in a 75%/25% JV in the underlying NZL assets (value ~\$360m at 30-Jun-23). This is a significant transaction for NZL and NZL's investors. While the NZL vehicle remains small in scale, this transaction should see a re-rating commence. Once the initial capacity (NZL will have ~\$32.4m cash) is utilised, expect NZL to likely be looking to investors again for equity.</p> <p>2023 P/E: 19.4 2024 P/E: 14.7</p>	<p>NZX Code: NZL Share Price: \$0.97 12mth Target: \$1.11 ↑ Projected return (%) Capital gain 14.4% Dividend yield (Net) 0.0% Total return 14.4% Rating: NEUTRAL 52-week price range: 0.79-1.09</p>
	<p>PACIFIC EDGE Research: 23rd January</p> <p>PEB reported 3Q24 volumes, declining again from the second quarter but only slightly below expectation. Therefore, while the situation remains highly uncertain, and we suspect metrics could be noisy going forward, there was little in the update to suggest to us that we make material changes to our existing assumptions and/or forecasts at this stage - which reflect loss of coverage from FY25E and equity needed in FY26E - though we note stronger Kaiser evidence will be important going forward. Our forecasts remain largely unchanged, and we update for recent risk-free rates. Jarden's DCF-based survival spot value remains \$0.26 and their wind-down case remains \$0.02, giving a blended spot value of \$0.14 and unchanged 12-month target price of \$0.16. Their Neutral rating reflects the high degree of uncertainty and, in their view, the milestones (volume updates, Novitas) from here will be the factors for a more positive/negative outlook.</p> <p>2024 P/E: (1.9) 2025 P/E: (3.1)</p>	<p>NZX Code: PEB Share Price: \$0.105 12mth Target: \$0.16 Projected return (%) Capital gain 52.4% Dividend yield (Net) 0.0% Total return 52.4% Rating: NEUTRAL 52-week price range: 0.05-0.51</p>

	<p>RESTAURANT BRANDS NZ Research: 24th January</p> <p>RBD provided a mixed 4Q23 sales update with strong trading in New Zealand offsetting weakness elsewhere. Group sales increased +2.7% y/y for the quarter and were up +6.7% y/y for FY23 as the company attempts to push prices in order to claw back margin whilst maintaining brand health. New Zealand was the highlight and drove a beat versus our estimate, with same-store sales (SSS) growth accelerating in 4Q23 to +7.9%, potentially reflecting RBD's greater control around pricing decisions in the region. California remains weak, with a seventh consecutive quarterly SSS decline. Whilst California weakness is not unsurprising, it is disappointing to see the sales decline accelerate, with 4Q23 SSS down -6.3%. Australia was also weak, with SSS flat and slowing from the c. +8.0% SSS in both 2Q23 and 3Q23. Whilst Australia's 4Q comp was stronger, giving some context to the slow down, the delta in addition to menu price increases is disappointing.</p> <p>2023 P/E: 36.9 2024 P/E: 24.0</p>	<p>NZX Code: RBD Share Price: \$4.15 12mth Target: \$4.40 Projected return (%) Capital gain 6.0% Dividend yield (Net) 0.0% Total return 6.0% Rating: NEUTRAL 52-week price range: 3.30-7.64</p>
	<p>SCALES CORPORATION Research: 11th December</p> <p>Positive December update, with maiden guidance for FY24 NPAT after minorities \$30-35m, ahead of expectation at the midpoint (\$32.5m vs. prior Jarden of \$30m). FY23 NPAT after minorities guidance of \$14-19m was also reiterated. Interim dividend of 4.25cps declared, with expectation total FY23 dividends are "split approximately evenly between interim and final", implying total FY23E of ~8.5cps (vs. 7cps prior Jarden).</p> <p>2023 P/E: 25.8 2024 P/E: 14.4</p>	<p>NZX Code: SCL Share Price: \$3.35 12mth Target: \$3.90 Projected return (%) Capital gain 16.4% Dividend yield (Net) 2.7% Total return 19.1% Rating: BUY 52-week price range: 2.75-4.25</p>
	<p>SKY CITY ENTERTAINMENT Research: 11th December</p> <p>SKC provided after five months of FY24 trading, a guidance downgrade of ~6% at EBITDA and ~4% at NPAT (including car park repurchase adjust). Management has cited weaker EGM revenue across NZ sites on weaker macro impacting discretionary spend, Adelaide weaker on revenue outlook and continued legal/compliance costs, delay in car park settlement with Macquarie and pull-forward of online investment on positive company view on regulation.</p> <p>2024 P/E: 11.2 2025 P/E: 10.2</p>	<p>NZX Code: SKC Share Price: \$1.84 12mth Target: \$2.95 Projected return (%) Capital gain 60.3% Dividend yield (Net) 7.8% Total return 68.1% Rating: OVERWEIGHT 52-week price range: 1.66-2.62</p>
	<p>VITAL HEALTHCARE PROPERTY TRUST Research: 15th January</p> <p>VHP is coming to the end of its initial divestment phase; ongoing cap rate expansion means further divestment likely with VHP's focus on a capital partner. VHP announced that it has now divested ~\$220m of assets with the confirmed divestment of its original aged care assets (Bolton Clarke aged care to be retained). VHP has a conditional contract for a further \$90m divestment which is broadly in line with Jarden expectations, albeit that the divestment mix is at higher yields than we were factoring in. VHP also announced a preliminary valuation update of ~\$145m for 1H24. This is in line with expectations for FY24E albeit front ended. Jarden continues to factor in further valuation softness (~\$100m, total post FY23 envelope up slightly on previous) with it evident that VHP's developments are not contributing as much as previously expected on higher cap rates. Taking these factors into account, expectation is for gearing to sit at ~39% at FY24E, settling a bit over 40% on a committed basis. This is still a touch above where VHP would like at this point in the cycle, before considering the significant forward development pipeline also.</p> <p>2024 P/E: 20.2 2025 P/E: 20.3</p>	<p>NZX Code: VHP Share Price: \$2.18 12mth Target: \$2.01 Projected return (%) Capital gain -7.8% Dividend yield (Net) 4.5% Total return -3.3% Rating: UNDERWEIGHT 52-week price range: 1.95-2.50</p>

If you are looking for a sharebroker
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“A great company is not a great investment when you pay too much for it.”

Benjamin Graham

NEW ZEALAND LISTED COMPANY EARNINGS TABLE

AS AT 22ND JANUARY 2024

Ticker	Rec.	Market Cap NZ\$m	Price NZ\$	Target Price NZ\$	Adjusted NPAT			Adjusted EPS			PE		pBook	EV/EBITDA		Net Yield		Gross Yield		
					FY1	FY2	FY3	FY1	FY2	FY3	12MF	24MF	FWD	12MF	24MF	12MF	24MF	12MF	24MF	
COMMUNICATION SERVICES & RETAIL																				
Diversified Telecoms*																				
Chorus	CNU	U	3,310.6	7.63	7.47	19.7	38.4	67.0	4.5	8.9	15.4	109.4x	78.2x	4.3x	9.2x	9.0x	6.6%	6.8%	6.6%	6.8%
Spark New Zealand	SPK	N	9,506.2	5.24	4.95	464.4	481.7	502.5	25.4	26.7	27.8	20.1x	19.6x	5.6x	8.9x	8.7x	5.3%	5.4%	7.4%	7.5%
Media																				
NZME	NZM	O	182.9	0.98	1.16	16.2	18.0	21.3	8.6	9.7	11.5	10.0x	9.2x	1.4x	5.2x	5.1x	9.7%	10.0%	13.5%	13.8%
Hotels, Restaurants, Leisure & Tourism																				
Restaurant Brands New Zealand	RBD	U	480.3	3.85	4.15	12.3	20.3	29.5	9.8	16.3	23.6	23.0x	19.0x	1.6x	8.0x	7.7x	4.2%	4.2%	4.2%	4.2%
SKYCITY Entertainment Group	SKC	B	1,421.6	1.87	2.95	126.7	139.7	143.3	16.7	18.4	18.8	10.6x	10.3x	0.9x	5.9x	5.6x	8.1%	8.6%	11.2%	12.0%
Tourism Holdings	THL	B	782.0	3.60	4.66	81.8	92.1	102.0	38.2	43.0	47.7	8.8x	8.3x	1.2x	4.5x	4.3x	5.7%	6.0%	6.8%	7.2%
Internet & Direct Marketing Retail																				
My Food Bag	MFB	B	38.8	0.16	0.25	5.1	5.3	6.7	2.1	2.2	2.8	7.3x	6.6x	0.6x	4.4x	4.3x	7.6%	9.8%	7.6%	9.8%
Multiline Retail																				
KMD Brands	KMD	B	519.5	0.73	1.00	30.5	49.6	60.6	4.3	7.0	8.5	13.1x	11.0x	0.6x	4.3x	4.1x	8.2%	8.2%	8.2%	8.2%
The Warehouse Group	WHS	U	551.5	1.59	1.45	40.8	51.2	61.3	11.8	14.8	17.8	12.0x	10.8x	1.3x	5.4x	5.2x	5.8%	6.5%	8.0%	9.0%
Briscoe Group	BGP	N	1,015.8	4.56	4.75	83.0	75.4	77.0	37.3	33.9	34.6	13.4x	13.3x	3.0x	7.9x	7.7x	6.3%	6.3%	8.7%	8.7%
Michael Hill International	MHI	O	342.3	0.95	1.10	26.2	32.4	38.6	6.9	8.5	10.2	12.2x	11.0x	1.8x	4.2x	4.1x	6.3%	6.6%	8.8%	9.2%
CONSUMER STAPLES																				
Beverages																				
Delegat Group	DGL	O	642.2	6.35	10.70	58.7	64.6	71.8	58.0	63.8	71.0	10.4x	9.8x	1.1x	7.8x	7.5x	3.3%	3.5%	4.6%	4.8%
Food Products																				
The A2 Milk Company	ATM	O	3,354.4	4.64	5.15	163.0	182.4	203.6	22.5	25.1	28.1	19.4x	18.3x	2.4x	11.1x	10.3x	-	-	-	-
Fontarra Shareholders' Fund Units	FSF	O	366.5	3.50	3.84	1,005.9	792.8	780.2	62.5	49.3	48.5	6.2x	6.7x	0.0x	0.2x	0.2x	9.6%	9.3%	9.6%	9.3%
New Zealand King Salmon Investments	NZK	N	148.9	0.28	0.26	12.0	13.2	13.8	2.2	2.4	2.5	11.5x	11.2x	0.8x	5.0x	4.9x	-	-	-	-
Sanford	SAN	N	369.3	3.95	4.25	36.7	38.7	42.3	39.2	41.4	45.3	9.9x	9.6x	0.5x	5.9x	5.7x	3.7%	4.0%	5.1%	5.5%
Scales Corporation	SCL	O	466.5	3.26	3.90	17.4	31.3	39.5	12.2	21.9	27.6	14.6x	13.1x	1.2x	6.5x	6.1x	4.4%	4.9%	6.1%	6.8%
Seeka	SEK	U	104.1	2.48	2.30	(21.3)	10.4	14.5	(50.7)	24.8	34.4	9.8x	8.3x	0.4x	5.8x	5.6x	-	-	-	-
Synlait Milk	SML	O	190.2	0.87	2.05	15.2	28.2	33.7	7.0	12.9	15.4	8.9x	7.3x	0.2x	5.7x	5.4x	-	-	-	-
Personal Products																				
Comvita	CVT	O	165.0	2.35	3.35	10.6	15.7	20.1	15.1	22.3	28.6	12.3x	10.4x	0.7x	6.5x	5.9x	2.7%	3.1%	3.7%	4.3%
ENERGY																				
Oil, Gas & Consumable Fuels																				
The New Zealand Refining Company	CHI	N	553.0	1.46	1.57	22.4	33.1	44.1	6.0	8.8	11.7	16.3x	14.3x	1.1x	8.4x	8.0x	8.7%	9.4%	8.7%	9.4%
FINANCIALS																				
Capital Markets																				
NZX	NZX	N	343.7	1.06	1.30	14.8	14.3	15.2	4.7	4.5	4.7	23.5x	23.0x	3.0x	10.0x	9.7x	5.8%	5.7%	8.0%	7.9%
Commercial Banks																				
Heartland Group Holdings	HGH	O	1,030.0	1.44	2.19	118.0	128.4	136.3	16.5	17.7	18.5	8.4x	8.2x	0.9x	16.3x	15.4x	9.1%	9.3%	12.6%	12.9%
Insurance																				
Turners Automotive Group	TRA	O	403.8	4.60	4.82	34.4	36.5	40.6	39.8	41.7	45.9	11.1x	10.6x	1.3x	8.5x	8.4x	5.7%	6.1%	8.0%	8.4%
HEALTH CARE																				
Biotechnology																				
Pacific Edge	PEB	N	83.6	0.10	0.16	(28.6)	(19.5)	(14.1)	(3.5)	(2.4)	(1.4)	(3.9x)	(4.9x)	2.2x	(1.2x)	(1.4x)	-	-	-	-
Health Care Equipment & Supplies																				
Fisher & Paykel Healthcare Corporation	FPH	U	13,647.2	23.37	22.00	254.4	336.1	411.4	43.8	57.7	70.7	42.4x	37.9x	7.1x	24.6x	22.2x	1.8%	1.8%	2.5%	2.5%
Health Care Providers & Services																				
Arvida Group	ARV	N	826.0	1.13	1.23	84.4	94.6	114.7	11.6	12.9	15.5	8.9x	8.2x	0.5x	12.1x	97.3x	3.5%	3.8%	3.5%	3.8%
Ebos Group	EBO	N	6,813.5	35.52	36.50	303.3	263.0	284.8	158.3	137.3	148.7	24.2x	24.5x	2.8x	12.1x	12.1x	3.1%	3.2%	3.3%	3.4%
Oceania Healthcare	OCA	N	506.9	0.70	0.69	63.0	65.8	86.0	8.8	9.1	11.9	7.7x	6.9x	0.4x	29.9x	24.9x	-	2.2%	-	2.2%
Ryman Healthcare	RYM	U	3,933.3	5.72	5.43	306.0	367.7	408.6	44.5	53.5	59.4	11.0x	10.4x	0.7x	84.7x	75.9x	-	-	-	-
Summerset Group Holdings	SUM	O	2,448.2	10.45	10.34	191.4	205.2	232.2	82.3	87.5	98.1	11.9x	11.2x	0.9x	66.5x	57.9x	2.2%	2.3%	2.2%	2.3%
AFT Pharmaceuticals	AFT	N	395.3	3.77	3.55	19.2	21.8	29.2	18.3	20.8	27.8	18.5x	16.1x	3.7x	12.5x	11.2x	0.5%	0.6%	0.5%	0.6%
INDUSTRIALS																				
Air Freight & Logistics																				
Freightways	FRW	O	1,501.2	8.40	8.85	74.6	86.8	102.9	42.0	48.9	58.0	18.3x	16.8x	3.0x	8.9x	8.5x	4.9%	5.2%	6.7%	7.2%
Mainfreight	MFT	O	7,184.8	71.35	74.80	274.5	310.0	376.2	272.6	307.9	373.6	23.7x	21.5x	3.7x	10.9x	10.1x	2.4%	2.5%	3.3%	3.5%
Airlines																				
Air New Zealand	AIR	N	2,172.6	0.65	0.72	224.6	262.3	237.2	6.7	7.8	7.0	8.8x	8.8x	1.0x	2.9x	2.8x	6.1%	6.3%	6.1%	6.3%
Machinery																				
Skellerup Holdings	SKL	O	927.4	4.73	5.30	52.5	56.6	61.3	26.8	28.9	31.3	16.9x	16.2x	3.9x	10.8x	10.4x	5.0%	5.1%	6.9%	7.1%
Transportation Infrastructure																				
Auckland International Airport	AIA	U	12,593.3	8.54	7.71	261.8	297.1	379.4	17.8	20.2	25.2	44.6x	40.5x	1.4x	21.1x	19.2x	1.8%	2.0%	2.5%	2.7%
Port of Tauranga	POT	N	3,673.4	5.40	5.26	103.0	116.7	132.6	15.3	17.3	19.7	32.9x	30.8x	1.7x	20.2x	19.1x	2.9%	3.0%	4.0%	4.2%
PGG Wrightson	PGW	U	249.1	3.30	3.60	8.5	13.0	17.6	11.2	17.2	23.3	22.6x	18.8x	1.5x	7.1x	6.8x	5.8%	6.1%	8.1%	8.5%
INFORMATION TECHNOLOGY																				
Software																				
Genetack Group	GTK	U	660.1	6.40	5.00	11.3	18.7	26.0	11.3	18.7	26.0	47.1x	37.0x	3.3x	22.3x	19.4x	-	-	-	-
EROAD	ERD	R	170.0	0.92	1.00	(1.5)	0.8	4.9	(1.3)	0.7	4.3	n.a.	46.7x	0.7x	4.3x	4.0x	-	-	-	-
Serko	SKO	N	487.4	4.00	4.85	(19.2)	1.4	12.6	(15.9)	1.2	10.4	n.a.	n.a.	4.5x	n.a.	21.3x	-	-	-	-
Vista Group International	VGL	O	363.8	1.54	2.00	(7.5)	(0.5)	5.3	(3.2)	(0.2)	2.3	n.a.	n.a.	2.6x	19.4x	15.6x	-	-	-	-
MATERIALS																				
Construction Materials																				
Fletcher Building	FBU	B	3,719.5	4.75	6.13	341.6	388.8	467.9	43.8	49.8	60.0	10.1x	9.3x	1.0x	6.0x	5.7x	6.7%	7.1%	9.4%	9.8%
Metals & Mining																				
Steel & Tube Holdings	STU	O	199.2	1.19	1.32	18.3	22.2	25.0	11.0	13.4	15.1	9.6x	8.9x	0.9x	5.7x	5.4x	7.5%	8.1%	10.5%	11.3%
Vulcan Steel	VSL	N	976.4	8.00	7.95	62.9	79.1	88.5	47.9	60.2	67.4	14.6x	13.4x	4.7x	9.4x	8.9x	5.5%	5.9%	6.4%	6.9%
REAL ESTATE																				
Asset Plus	APL	N	87.1	0.24	0.29	(0.3)	1.0	6.3	(0.1)	0.3	1.8	107.0x	27.6x	0.7x	43.2x	30.4x	-	2.0%	-	2.8%
Argosy Property	ARG	N	978.5	1.16	1.13	58.1	62.1	66.1	6.9	7.3	7.8	16.0x	15.5x	0.8x	16.6x	16.2x	5.8%	5.8%	8.1%	8.1%
Goodman Property Trust	GMT	U	3,038.0	2.17	1.98	119.7	127.8	135.8	8.5	9.1	9.6	24.1x	23.4x	1.0x	23.3x	21.5x	2.9%	3.0%	4.0%	4.1%
Investore Property	IPL	O	446.2	1.20	1.24	29.7	29.1	31.0	8.0	7.8	8.3	15.3x	15.0x	0.8x	15.6x	15.7x	5.9%	5.8%	8.1%	8.1%
Kiwi Property Group	KPG	O	1,361.1	0.86	0.94	90.0	93.8	97.9	5.7	5.9	6.2	14.6x	14.2x	0.8x	14.9x	14.5x	6.7%	6.7%	9.3%	9.3%
Precinct Properties New Zealand	PCT	U	1,943.3	1.23	1.10	109.9	106.8	105.1	6.9	6.7	6.6	18.0x	18.2x	1.0x	22.3x	21.9x	5.3%	5.2%	7.3%	7.2%
Property for Industry	PFI	N	1,129.8	2.25	2.14	46.0	50.7	57.7	9.2	10.1	11.5	22.1x	20.8x	0.9x	20.2x	19.5x	3.7%	3.8%	5.1%	5.2%
Stride Property & Stride Investment Management	SPG	N	770.3	1.39	1.39	55.3	49.7	50.9	10.0	8.8	9.0	15.4x	15.5x	0.8x	17.1x	16.9x	5.8%	5.8%</		

COMPANY	RATING	PRICE (NZ\$)	GROSS DIVIDEND YIELD				DIVIDEND COVER				NET DEBT/ EQUITY ¹ CURRENT
			FY-1	FY0	FY1	FY2	FY-1	FY0	FY1	FY2	
Heartland Group	O	\$1.39	11.5%	12.5%	13.5%	14.0%	1.4x	1.3x	1.3x	1.3x	-70.1%
NZME	O	\$0.98	19.8%	12.8%	13.5%	14.2%	0.9x	1.0x	1.0x	1.2x	66.0%
Sky City	B	\$1.84	9.1%	10.6%	12.1%	13.6%	1.5x	1.2x	1.1x	1.0x	46.0%
Steel and Tube	O	\$1.17	9.5%	9.5%	11.5%	12.9%	1.3x	1.4x	1.4x	1.4x	39.0%
Kiwi Property Group	O	\$0.86	9.9%	9.9%	9.9%	9.9%	1.2x	1.0x	1.0x	1.1x	62.9%
My Food Bag	B	\$0.16	19.1%	-	9.6%	12.7%	1.1x	-	1.5x	1.4x	38.2%
Sky Network Television	O	\$2.81	7.4%	7.4%	9.4%	9.9%	2.4x	2.4x	1.9x	1.7x	0.8%
Fletcher Building	B	\$4.76	9.9%	9.3%	9.3%	11.1%	1.7x	1.4x	1.6x	1.6x	94.0%
Investore Property	O	\$1.14	10.3%	9.4%	9.2%	9.2%	1.1x	1.1x	1.1x	1.2x	65.4%
Briacoe Group	N	\$4.50	8.6%	8.8%	8.8%	8.8%	1.4x	1.3x	1.2x	1.2x	41.1%
Stride	N	\$1.37	8.7%	8.7%	8.7%	8.7%	1.3x	1.3x	1.1x	1.1x	42.5%
Channel Infrastructure	N	\$1.46	6.7%	7.2%	8.6%	10.3%	0.5x	0.6x	0.7x	0.8x	59.8%
Fontera	O	\$3.46	14.5%	10.8%	8.5%	9.8%	1.6x	1.7x	1.7x	1.4x	43.8%
Michael Hill	O	\$0.92	10.5%	8.4%	8.4%	9.8%	1.2x	1.1x	1.4x	1.5x	81.1%
PGG Wrightson	U	\$3.26	9.4%	8.1%	8.3%	9.4%	1.0x	0.6x	0.9x	1.1x	36.9%
Turners	O	\$4.60	6.9%	7.2%	8.2%	9.1%	1.6x	1.7x	1.5x	1.5x	151.2%
Kathmandu	B	\$0.74	8.1%	8.1%	8.1%	8.1%	1.0x	0.7x	1.2x	1.4x	41.8%
NZX	N	\$1.05	8.1%	8.1%	8.1%	8.1%	0.8x	0.8x	0.7x	0.8x	57.4%
Argosy Property	N	\$1.15	8.0%	8.0%	8.0%	8.0%	1.1x	1.0x	1.1x	1.2x	61.1%
Precinct Properties	U	\$1.22	8.2%	8.3%	7.6%	7.6%	1.0x	1.0x	1.1x	1.1x	57.3%
Genesis Energy	B	\$2.52	9.0%	7.1%	7.4%	7.6%	1.1x	0.4x	0.7x	0.7x	60.1%
Spark	N	\$5.31	7.1%	7.2%	7.3%	7.6%	0.9x	0.9x	1.0x	1.0x	124.6%
Freightways	O	\$8.42	6.1%	6.3%	7.1%	8.1%	1.2x	1.1x	1.1x	1.2x	130.7%
Vulcan Steel	N	\$8.00	8.9%	5.6%	7.0%	7.6%	1.2x	1.2x	1.3x	1.3x	300.6%
Tourism Holdings	B	\$3.70	4.9%	6.2%	7.0%	7.7%	1.8x	2.0x	2.0x	2.0x	92.8%
Vital Healthcare	U	\$2.14	6.8%	6.8%	6.9%	6.9%	1.2x	1.1x	1.1x	1.1x	70.0%
Skellerup	O	\$4.86	6.3%	6.6%	6.9%	7.4%	1.2x	1.2x	1.2x	1.2x	20.5%
The Warehouse Group	U	\$1.62	17.1%	6.9%	6.9%	9.0%	1.3x	1.5x	1.5x	1.4x	212.9%
Chorus	U	\$7.80	5.4%	6.1%	6.7%	7.1%	0.2x	0.1x	0.2x	0.3x	308.2%
Air New Zealand	N	\$0.64	12.9%	5.7%	6.6%	6.5%	2.1x	1.8x	1.8x	1.7x	89.6%
Contact Energy	B	\$8.16	4.8%	5.3%	6.2%	6.3%	0.8x	0.7x	0.6x	0.7x	70.2%
Vector	O	\$3.75	6.1%	5.7%	6.0%	6.3%	1.0x	0.9x	0.9x	1.1x	51.7%
Scales Corporation	O	\$3.34	7.9%	3.5%	5.8%	7.5%	1.0x	1.4x	1.6x	1.5x	7.2%
Mercury	O	\$6.49	4.7%	5.0%	5.6%	6.1%	(0.1x)	0.6x	0.7x	0.8x	36.2%
Property For Industry	N	\$2.25	5.4%	5.4%	5.5%	5.7%	1.2x	1.1x	1.2x	1.3x	52.3%
Manawa Energy	N	\$4.40	5.1%	5.1%	5.1%	5.1%	2.0x	1.5x	1.3x	1.5x	39.3%
Sanford	N	\$3.97	3.5%	4.2%	4.9%	5.6%	2.3x	2.5x	2.8x	2.6x	27.4%
Delegat's Group	O	\$6.25	4.4%	4.4%	4.9%	5.3%	2.9x	2.9x	2.9x	3.0x	62.2%
Comvita	O	\$2.23	3.4%	3.4%	4.4%	5.6%	2.5x	2.7x	3.2x	3.2x	34.2%
Goodman Property	U	\$2.18	4.0%	4.2%	4.3%	4.6%	1.3x	1.4x	1.4x	1.4x	44.9%
Restaurant Brands	U	\$4.00	4.0%	-	4.0%	4.0%	1.6x	-	1.0x	1.5x	327.5%
Port of Tauranga	N	\$5.45	4.0%	4.0%	4.0%	4.5%	1.1x	1.0x	1.1x	1.1x	22.9%
Anvida	N	\$1.13	4.3%	3.0%	3.6%	4.2%	2.5x	3.4x	3.1x	3.3x	49.4%
Meridian Energy	N	\$5.65	3.2%	3.3%	3.6%	4.1%	0.7x	0.8x	0.8x	0.9x	22.9%
Mainfreight	O	\$70.75	3.4%	3.4%	3.4%	3.7%	2.5x	1.6x	1.8x	2.0x	48.7%
Ebos	N	\$36.65	2.7%	2.9%	3.0%	3.2%	1.5x	1.5x	1.3x	1.3x	54.1%
Auckland Airport	U	\$8.58	0.6%	2.3%	2.6%	3.3%	2.6x	1.3x	1.2x	1.3x	31.2%
Infretil	O	\$10.46	2.4%	2.3%	2.6%	2.7%	1.9x	0.9x	0.4x	0.7x	91.2%
Fisher & Paykel Healthcare	U	\$23.95	2.3%	2.4%	2.5%	2.5%	1.1x	1.1x	1.4x	1.6x	9.4%
Summerset	O	\$10.79	2.1%	2.2%	2.2%	2.2%	3.3x	3.5x	3.7x	4.2x	57.5%
AFT Pharmaceuticals	N	\$3.59	0.3%	0.4%	0.6%	0.8%	9.9x	12.2x	10.4x	9.3x	31.0%

JARDEN'S AUSTRALIAN EQUITIES – NET DIVIDEND YIELDS
AS AT 18TH JANUARY 2024

COMPANY	RATING	PRICE (AUS)	DIVIDEND YIELD				DIVIDEND COVER			
			FY-1	FY0	FY1	FY2	FY-1	FY0	FY1	FY2
Centuria Office REIT	U	\$1.32	10.7%	9.1%	9.0%	8.9%	1.1x	1.2x	1.2x	1.2x
Insignia Financial Limited	O	\$2.17	9.1%	9.1%	9.9%	10.7%	1.5x	1.4x	1.4x	1.4x
Autosports Group Limited	O	\$2.38	8.0%	8.7%	8.9%	7.9%	2.0x	1.7x	1.7x	1.7x
Emeco Holdings Limited	B	\$0.64	3.9%	7.9%	8.9%	9.8%	4.5x	2.9x	2.9x	2.9x
Platinum Asset Management Limited	U	\$1.19	11.8%	7.8%	7.0%	6.4%	1.0x	1.2x	1.2x	1.2x
Peter Warren Automotive Holdings Limited	B	\$2.34	4.7%	7.8%	7.5%	7.5%	3.0x	1.7x	1.7x	1.7x
Charter Hall Long Wale REIT	U	\$3.52	8.0%	7.4%	6.8%	6.6%	1.0x	1.0x	1.1x	1.1x
Charter Hall Retail REIT	O	\$3.53	7.3%	7.2%	7.2%	7.2%	1.1x	1.1x	1.1x	1.1x
Helloworld Travel Limited	O	\$2.36	0.8%	6.9%	5.9%	6.7%	6.2x	1.4x	2.0x	2.0x
Bank of Queensland Limited	N	\$5.83	7.0%	6.9%	6.9%	7.2%	1.5x	1.2x	1.2x	1.3x
Magellan Financial Group Limited	N	\$8.84	13.2%	6.8%	5.4%	5.0%	0.8x	1.3x	1.6x	1.8x
Homeco Daily Needs REIT	O	\$1.25	6.6%	6.6%	6.9%	6.8%	1.0x	1.0x	1.0x	1.0x
Bendigo and Adelaide Bank Limited	N	\$9.53	6.4%	6.5%	6.5%	6.7%	1.5x	1.3x	1.3x	1.3x
Liberty Financial Group Limited	N	\$4.49	10.0%	6.5%	6.9%	8.0%	1.4x	1.6x	1.6x	1.6x
Dexus	U	\$7.48	6.9%	6.4%	6.3%	6.5%	1.2x	1.3x	1.4x	1.4x
Australia & New Zealand Banking Group Li	O	\$25.76	6.8%	6.3%	6.4%	6.4%	1.3x	1.3x	1.3x	1.4x
Westpac Banking Corporation	N	\$22.90	6.2%	6.2%	6.2%	6.4%	1.4x	1.3x	1.3x	1.3x
Metcash Limited	O	\$3.57	6.3%	6.2%	6.2%	6.7%	1.4x	1.4x	1.4x	1.3x
Centuria Capital Group Limited	U	\$1.64	7.1%	6.1%	6.7%	7.3%	1.2x	1.2x	1.2x	1.2x
Orora Limited	O	\$2.65	6.6%	6.1%	7.0%	7.1%	1.4x	1.3x	1.3x	1.3x
Vicinity Centres	B	\$1.99	6.0%	5.9%	6.1%	6.5%	1.3x	1.2x	1.2x	1.2x
Stockland Corporation Limited	O	\$4.41	5.9%	5.8%	6.3%	6.9%	1.4x	1.3x	1.3x	1.3x
Universal Store Holdings Limited	O	\$4.14	5.2%	5.7%	7.0%	8.5%	1.6x	1.3x	1.3x	1.3x
Macmahon Holdings Limited	B	\$0.19	3.9%	5.7%	6.1%	6.1%	4.0x	3.6x	3.6x	3.6x
Scentre Group	B	\$2.92	5.4%	5.7%	5.9%	6.2%	1.3x	1.3x	1.3x	1.3x
Inghams Group Limited	O	\$4.32	3.4%	5.6%	5.5%	5.3%	1.5x	1.4x	1.4x	1.4x
GPT Group	U	\$4.44	5.6%	5.6%	5.6%	5.8%	1.3x	1.3x	1.3x	1.3x
Perpetual Limited	O	\$25.65	6.0%	5.6%	6.7%	7.5%	1.3x	1.3x	1.3x	1.3x
Charter Hall Social Infrastructure	U	\$2.85	6.0%	5.6%	5.8%	5.8%	0.9x	1.0x	1.0x	1.0x
Resimac Group Limited	U	\$1.09	7.3%	5.5%	5.5%	6.9%	2.0x	2.2x	2.4x	2.4x
National Australia Bank Limited	O	\$30.74	5.4%	5.4%	5.5%	5.7%	1.4x	1.3x	1.3x	1.3x
AMP Limited	N	\$0.93	2.7%	5.4%	5.4%	7.0%	2.3x	1.3x	1.5x	1.5x
NRW Holdings Limited	O	\$2.74	6.0%	5.2%	5.6%	6.1%	1.4x	1.8x	1.8x	1.8x
Suncorp Group Limited	B	\$13.82	4.3%	5.2%	8.6%	6.4%	1.6x	1.6x	0.9x	1.2x
BWP Trust	U	\$3.53	5.2%	5.2%	5.4%	5.5%	1.0x	1.0x	1.0x	1.0x
Accent Group Limited	N	\$2.04	8.6%	5.2%	5.9%	6.8%	0.9x	1.2x	1.2x	1.2x
Centuria Industrial REIT	O	\$3.14	5.1%	5.1%	5.2%	5.2%	1.1x	1.1x	1.1x	1.1x
Pepper Money Limited	O	\$1.28	8.2%	5.1%	5.1%	6.3%	3.0x	3.2x	3.0x	3.0x
Mirvac Group	N	\$2.07	5.1%	5.1%	5.2%	5.4%	1.5x	1.3x	1.3x	1.3x
IPH Limited	N	\$6.59	5.0%	5.0%	5.2%	5.7%	1.3x	1.3x	1.3x	1.3x
Aurizon Holdings Limited	N	\$3.74	4.0%	5.0%	5.6%	6.5%	1.3x	1.3x	1.3x	1.2x
National Storage REIT	B	\$2.23	4.9%	4.9%	5.2%	5.5%	1.0x	1.0x	1.0x	1.0x
Insurance Australia Group Limited	O	\$5.69	2.6%	4.9%	5.3%	5.4%	1.3x	1.4x	1.4x	1.4x
CSR Limited	N	\$6.69	5.5%	4.9%	4.9%	6.0%	1.3x	1.4x	1.4x	1.4x
Ramsay Health Care Limited	N	\$49.70	1.5%	4.8%	2.7%	3.5%	1.7x	0.5x	1.7x	1.7x
Premier Investments Limited	N	\$26.70	4.9%	4.8%	4.8%	4.8%	1.3x	1.3x	1.2x	1.3x
QBE Insurance Group Limited	B	\$15.15	2.6%	4.8%	5.8%	6.0%	1.1x	1.4x	1.3x	1.3x
Arena REIT	O	\$3.68	4.6%	4.7%	5.0%	5.2%	1.0x	1.0x	1.0x	1.0x
Harvey Norman Holdings Limited	N	\$4.25	5.9%	4.7%	5.4%	6.1%	1.5x	1.4x	1.3x	1.4x
Transurban Group Limited	U	\$13.33	4.4%	4.7%	4.8%	5.3%	0.1x	0.3x	0.4x	0.5x
Eagers Automotive Limited	O	\$14.37	4.9%	4.6%	4.7%	4.6%	1.5x	1.7x	1.7x	1.7x
Nick Scali Limited	U	\$12.32	5.7%	4.5%	4.7%	5.1%	1.7x	1.5x	1.5x	1.5x
Medibank Private Limited	O	\$3.82	3.8%	4.4%	4.4%	4.8%	1.3x	1.2x	1.3x	1.2x
Woodside Energy Group Limited	U	\$30.71	8.2%	4.3%	3.6%	3.8%	1.4x	1.3x	1.3x	1.3x
Treasury Wine Estates Limited	O	\$10.25	3.4%	4.2%	5.0%	5.6%	1.3x	1.3x	1.3x	1.3x
Super Retail Group Limited	U	\$15.90	6.5%	4.2%	4.0%	4.3%	1.2x	1.6x	1.6x	1.6x

COMPANY	RATING	PRICE (AUS)	DIVIDEND YIELD				DIVIDEND COVER			
			FY-1	FY0	FY1	FY2	FY-1	FY0	FY1	FY2
Nib Holdings Limited	N	\$7.50	3.7%	4.1%	4.0%	4.3%	1.6x	1.4x	1.5x	1.5x
Adairs Limited	N	\$1.72	4.7%	4.1%	4.7%	5.2%	2.8x	2.6x	2.7x	2.9x
Commonwealth Bank of Australia	U	\$112.33	4.0%	4.0%	4.0%	4.1%	1.3x	1.3x	1.3x	1.3x
Endeavour Group Limited	O	\$5.34	4.1%	3.9%	4.3%	4.5%	1.3x	1.4x	1.4x	1.4x
Charter Hall Group	O	\$11.52	3.7%	3.9%	4.1%	4.4%	2.2x	1.7x	1.6x	1.6x
Monadelphous Group Limited	O	\$14.43	3.4%	3.9%	4.6%	4.8%	1.1x	1.1x	1.1x	1.1x
JB Hi-Fi Limited	U	\$57.61	5.4%	3.8%	3.8%	3.8%	1.5x	1.5x	1.5x	1.5x
The Lottery Corporation Limited	N	\$4.61	3.3%	3.8%	4.1%	4.5%	1.0x	1.0x	1.0x	1.0x
Coles Group Limited	N	\$15.50	4.2%	3.7%	4.1%	5.0%	1.3x	1.3x	1.3x	1.3x
Challenger Limited	O	\$6.29	3.8%	3.7%	4.1%	4.4%	1.9x	2.3x	2.3x	2.3x
Integral Diagnostics Limited	N	\$1.89	3.2%	3.7%	3.4%	3.3%	1.3x	1.0x	1.5x	2.2x
Beacon Lighting Group Limited	O	\$2.30	4.0%	3.6%	4.0%	4.3%	1.6x	1.6x	1.6x	1.6x
Jumbo Interactive Limited	N	\$13.80	3.1%	3.5%	3.6%	4.1%	1.3x	1.2x	1.4x	1.4x
Ancor Public Limited	N	\$14.53	3.4%	3.4%	3.5%	3.5%	1.5x	1.4x	1.4x	1.4x
ALS Limited	B	\$12.48	3.2%	3.4%	3.6%	3.8%	1.7x	1.6x	1.6x	1.6x
Brambles Limited	O	\$13.99	2.8%	3.4%	3.6%	3.9%	1.2x	1.1x	1.1x	1.1x
AUB Group Limited	O	\$28.33	2.3%	3.4%	3.9%	4.3%	2.0x	1.6x	1.6x	1.6x
Woolworths Group Limited	O	\$35.64	2.9%	3.3%	3.5%	3.7%	1.4x	1.3x	1.3x	1.3x
ASX Limited	N	\$64.27	3.6%	3.3%	3.5%	3.7%	1.1x	1.2x	1.2x	1.2x
Wesfarmers Limited	N	\$57.05	3.3%	3.3%	3.5%	3.8%	1.1x	1.1x	1.1x	1.1x
Sonic Healthcare Limited	N	\$31.42	3.3%	3.3%	3.3%	3.7%	1.4x	1.3x	1.5x	1.7x
Computershare Limited	O	\$25.28	2.8%	3.1%	3.3%	3.4%	1.5x	1.5x	1.4x	1.4x
The Reject Shop Limited	B	\$5.40	3.0%	3.1%	5.9%	6.7%	1.6x	1.7x	1.6x	1.6x
Lynch Group Holdings Limited	O	\$1.68	4.2%	3.1%	6.8%	8.4%	1.8x	2.0x	2.0x	2.0x
Lovisa Holdings Limited	B	\$22.22	3.1%	3.1%	3.4%	4.2%	0.9x	1.0x	1.2x	1.2x
Steadfast Group Limited	O	\$5.65	2.7%	3.0%	3.4%	3.5%	1.6x	1.6x	1.6x	1.6x
Orica Limited	B	\$15.79	2.7%	3.0%	3.6%	3.8%	1.9x	1.8x	1.8x	1.8x
Domino's Pizza Enterprises Limited	O	\$56.80	2.4%	3.0%	3.9%	4.6%	1.1x	1.0x	1.0x	1.0x
Collins Foods Limited	N	\$12.30	2.2%	2.8%	3.4%	4.1%	1.6x	1.6x	1.5x	1.5x
Pilbara Minerals Limited	B	\$3.53	7.1%	2.8%	2.8%	2.8%	3.0x	1.8x	1.7x	2.8x
IGO Limited	B	\$7.46	9.9%	2.8%	2.0%	3.4%	2.7x	5.2x	4.6x	3.5x
Flight Centre Travel Group Limited	O	\$20.50	0.9%	2.7%	4.2%	4.5%	2.0x	1.7x	1.7x	1.7x
QUBE Holdings Limited	O	\$3.21	2.5%	2.5%	2.6%	3.0%	1.6x	1.6x	1.8x	1.8x
Pact Group Holdings Limited	O	\$0.85		2.4%	9.0%	10.9%		7.3x	2.1x	1.7x
Brickworks Limited	N	\$27.64	2.4%	2.4%	2.5%	2.6%	5.2x	2.3x	3.1x	3.2x
Ingenia Communities Group Limited	B	\$4.57	2.4%	2.4%	2.5%	2.8%	1.9x	2.0x	2.2x	2.2x
Tabcorp Holdings Limited	O	\$0.70	3.3%	2.4%	5.7%	6.0%	1.6x	1.7x	1.7x	1.7x
Carsales.com Limited	U	\$31.52	1.9%	2.3%	2.6%	2.9%	1.3x	1.3x	1.3x	1.3x
IDP Education Limited	O	\$20.99	2.0%	2.3%	2.9%	3.5%	1.3x	1.3x	1.3x	1.3x
BlueScope Steel Limited	O	\$22.20	2.3%	2.3%	2.3%	4.6%	4.7x	3.6x	4.1x	2.2x
HMC Capital	N	\$5.56	2.2%	2.2%	2.4%	2.6%	1.3x	2.0x	2.0x	2.0x
EVT Limited	O	\$12.30	2.8%	2.1%	2.8%	3.8%	1.2x	1.7x	1.5x	1.5x
Santos Limited	N	\$7.63	3.0%	2.1%	2.3%	2.0%	3.2x	2.8x	1.9x	1.9x
Imdex Limited	O	\$1.71	2.1%	2.0%	2.4%	2.7%	3.0x	3.1x	3.1x	3.1x
Reliance Worldwide Corporation Limited	N	\$4.17	2.3%	2.0%	2.2%	2.5%	2.1x	2.0x	2.0x	2.0x
Beach Energy Limited	O	\$1.55	2.6%	1.9%	7.1%	8.7%	4.2x	4.7x	2.3x	2.2x
Aristocrat Leisure Limited	B	\$41.20	1.6%	1.9%	2.1%	2.2%	3.2x	2.9x	2.9x	2.9x
Domain Holdings Australia Limited	O	\$3.21	1.9%	1.9%	2.3%	2.7%	1.1x	1.4x	1.4x	1.4x
SEEK Limited	B	\$24.95	1.9%	1.9%	2.4%	2.9%	1.5x	1.5x	1.5x	1.5x
Cleanaway Waste Management Limited	N	\$2.53	1.9%	1.8%	2.2%	2.8%	1.4x	1.7x	1.7x	1.7x
Netwealth Group Limited	U	\$16.52	1.5%	1.8%	2.2%	2.5%	1.1x	1.2x	1.2x	1.2x
Webjet Limited	B	\$7.20	-	1.8%	2.2%	2.6%		2.1x	2.4x	2.6x
Mineral Resources Limited	S	\$59.47	3.2%	1.7%	1.0%	1.0%	2.1x	1.9x	4.7x	7.4x
Altium Limited	U	\$46.32	1.2%	1.5%	1.8%	2.3%	0.9x	0.9x	0.9x	0.9x
Breville Group Limited	N	\$26.05	1.2%	1.4%	1.6%	1.8%	2.5x	2.3x	2.3x	2.3x
Cochlear Limited	N	\$288.33	1.1%	1.3%	1.7%	1.9%	1.4x	1.5x	1.4x	1.4x
Regis Healthcare Limited	O	\$3.16	3.0%	1.3%	1.3%	1.9%	0.7x	2.6x	3.3x	2.3x
Goodman Group	O	\$24.32	1.2%	1.2%	1.4%	1.6%	3.1x	3.5x	3.3x	3.3x
REA Group Limited	U	\$179.15	0.9%	1.2%	1.3%	1.6%	1.8x	1.7x	1.7x	1.7x
HUB24 Limited	N	\$36.37	0.9%	1.0%	1.3%	1.5%	2.2x	2.2x	2.2x	2.2x
CSL Limited	O	\$285.91	0.9%	0.8%	0.9%	1.1%	1.8x	2.4x	2.5x	2.5x
Sims Limited	N	\$13.56	2.6%	0.8%	2.2%	2.2%	2.3x	3.3x	3.3x	3.3x
Lifestyle Communities Limited	O	\$17.21	0.7%	0.8%	1.0%	1.1%	5.9x	5.6x	5.7x	6.1x
Resmed Incorporated	O	\$26.10	0.7%	0.7%	0.9%	1.1%	3.6x	3.9x	3.7x	3.6x
Corporate Travel Management Limited	B	\$19.98	0.6%	0.6%	2.9%	3.1%	5.0x	9.0x	2.0x	2.0x
Wisetech Global Limited	O	\$72.00	0.2%	0.2%	0.3%	0.4%	5.0x	5.0x	5.2x	5.2x
Adbri Limited	N	\$3.05	1.6%	-	-	3.7%	3.6x			1.7x

Security Performance	Ticker	Dec-23 Price	PE Ratio Current FY	Div Yield % Current FY	Gross Return %		Sector	Weight
					1 Year	3 Year (pa)		
Tencent	700.HK	HKD293.60	15.2	0.7	-6.4	-13.5	Comm. Serv	6.4%
Apple	AAPL.US	USD192.53	29.14	0.5	49.8	18.8	Info Tech	5.0%
Air Liquide	AI.FP	EUR176.12	25.36	1.9	40.4	16.2	Materials	6.3%
Amazon	AMZN.US	USD151.94	40.56	0.0	81.8	2.0	Cons Discretionary	8.3%
Amphenol Corp	APH.US	USD99.13	30.32	0.9	32.2	21.1	Info Tech	5.1%
ASML Holding	ASML.NA	EUR681.70	35.18	1.0	41.6	21.9	Info Tech	7.9%
ConocoPhillips	COP.US	USD116.07	13.0	2.5	2.5	54.8	Energy	5.9%
Hersheys	HSY.US	USD186.44	18.87	2.6	-17.5	13.8	Cons Staples	5.1%
JPMorgan Chase	JPM.US	USD170.10	10.82	2.5	31.3	18.3	Financials	8.2%
Lululemon	LULU.US	USD511.29	41.2	0.0	60.4	18.6	Cons Discretionary	6.6%
Mastercard	MA.US	USD426.51	29.87	0.6	24.0	11.4	Financials	5.9%
Morgan Stanley	MS.US	USD93.25	14.05	3.7	14.5	19.4	Financials	7.3%
Microsoft	MSFT.US	USD376.04	33.39	0.8	59.0	25.4	Info Tech	7.2%
Schneider Electric	SU.FP	EUR181.78	21.59	2.0	47.0	18.9	Industrials	8.2%
UnitedHealth Group	UNH.US	USD526.47	18.88	1.5	1.3	21.2	Health Care	6.6%
								100%

OBJECTIVE

To provide exposure to global equity markets via investment in a restricted number of listed stocks. The stocks selected will provide some diversification across markets and industries, while differing significantly from its benchmark. Performance is measured against the MSCI All Country World Index expressed in NZ dollars.

COMMENT

The MSCI All-Country World Index benchmark in New Zealand dollars (NZD) returned +2.1% in December. The Global Direct Equities portfolio underperformed in December, returning +1.6% in NZD terms.

THE BEST PERFORMING STOCKS IN THE PORTFOLIO DURING DECEMBER WERE:

MORGAN STANLEY (MS.US +14.5% in NZD) had strong relative performance in December after a weaker year versus its peers. The stock spent much of the year in purgatory as the market saw slower merger and acquisition (M&A) volume and awaited news on long-serving CEO James Gorman's succession plan. Ted Pick has been chosen as the successor and is seen as a safe set of hands for the Wealth and Banking giant.

LULULEMON (LULU.US +11.5% in NZD) which rallied throughout December, after reporting results which came in ahead of expectations, as well as guidance beating street expectations. The stock set new all-time highs. Our core thesis that consumers will trade down from luxury but spend more on athleisure is coming to fruition, with strong sales and data points emerging about the strength of Lulu's brand, positioning, and outlook.

ASML (ASML.NA +8.0% in NZD) was lifted by positive sentiment and flows into technology stocks more widely. The stock performed in line with the Nasdaq during the period as markets reached for all-time highs and fell just short. In late November, ASML's long-serving CEO Peter Wennink and CTO Martin Van den Brink retired from ASML. The market's reaction to this event was neutral as this was signalled well in advance.

THE WORST PERFORMING PORTFOLIO STOCKS IN DECEMBER WERE:

TENCENT (700.HK -12.5% in NZD) sold off late in December as China's government extended crackdowns on the gaming industry, hitting key monetisation areas. Beijing later softened the stance, with the head of the publishing unit responsible for the rule change being removed from his post. The stock has recovered much of the lost ground in early January.

UNITEDHEALTH GROUP (UNH.US -6.9% in NZD) after the market mood for risk-on saw sell-offs in defensive stocks throughout December. UnitedHealth struggled throughout the month after analysts digested news from the company's analyst day, including potential for higher utilisation rates leading to premium payouts (negative for the company) in 2024.

HERSHEY'S (HSY.US -3.4% in NZD) which struggled as the risk-on mood impacted demand for staples which are defensives. Hotter temperatures and this year's El Niño are also impacting cocoa prices, which remained elevated, touching near 50-year highs. Premiums on commodity futures are also higher leading to higher hedging costs for food producers. Luckily Hershey makes smaller snacks versus peers so has a natural advantage due to its branding, marketing and strong gross margin and product innovation history.

Issuer	NZDX Code	Coupon	Maturity/ Reset 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	5.879	101.52
Heartland Bank	HBL020	3.550	12/04/2024	2	BBB	Senior	5,000	6.707	100.32
Christchurch International Airport	CHC010	4.130	24/05/2024	2	BBB+	Senior	5,000	6.090	100.04
GMT Bond Issuer	GMB040	4.540	31/05/2024	2	BBB+	Senior	5,000	6.534	99.99
Wellington Intl Airport	WIA040	4.000	5/08/2024	2	BBB	Senior	10,000	-	-
Contact Energy	CEN050	3.550	15/08/2024	4	BBB	Senior	5,000	5.850	99.42
Kiwi Property Group Limited	KPG030	4.330	19/12/2024	2	BBB+	Senior	5,000	6.625	98.44
Vector Limited	VCT090	3.450	27/05/2025	2	BBB+	Senior	5,000	5.692	97.69
Wellington Intl Airport	WIA050	5.000	16/06/2025	2	BBB	Senior	10,000	-	-
Meridian Energy	MEL050	4.210	27/06/2025	2	BBB+	Senior	5,000	5.550	98.51
Kiwi Property Group Limited	KPG040	4.060	12/11/2025	2	BBB+	Senior	5,000	6.305	97.04
Wellington Intl Airport	WIA070	2.500	14/08/2026	2	BBB	Senior	10,000	5.710	93.57
Wellington Intl Airport	WIA080	3.320	24/09/2026	2	BBB	Senior	10,000	6.270	93.97
Mercury NZ	MCY040	2.160	29/09/2026	2	BBB+	Senior	5,000	5.284	92.98
SBS Bank	SBS010	4.320	18/03/2027	4	BBB+	Senior	5,000	5.510	97.02
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	6.943	88.96
Mercury NZ	MCY030	1.560	14/09/2027	2	BBB+	Senior	5,000	5.220	88.58
Oceania Healthcare	OCA010	2.300	19/10/2027	4	BBB-(NR)	Senior	5,000	7.250	83.96
Vector Limited	VCT100	3.690	26/11/2027	2	BBB+	Senior	5,000	5.331	94.96
Chorus	CNU030	1.980	2/12/2027	4	BBB	Senior	5,000	5.297	88.79
GMT Bond Issuer	GMB1227	3.656	20/12/2027	2	BBB+	Senior	50,000	5.975	92.37
Genesis Power	GNE060	4.170	14/03/2028	2	BBB+	Senior	5,000	-	-
Contact Energy	CEN070	5.820	11/04/2028	4	BBB	Senior	5,000	-	-
Air New Zealand	AIR030	6.610	27/04/2028	2	BBB+	Senior	5,000	5.560	105.53
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	5.280	101.95
Kiwi Property Group Limited	KPG050	2.850	19/07/2028	2	BBB+	Senior	5,000	5.750	88.71
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	4.900	106.20
Chorus	CNU020	6.380	6/12/2028	4	BBB	Senior	5,000	5.501	104.59
SBS Bank	SBS020	6.140	7/03/2029	4	BBB+	Senior	5,000	5.480	103.74
Contact Energy	CEN080	5.620	6/04/2029	4	BBB	Senior	5,000	5.100	102.64
Kiwi Property Group Limited	KPG060	6.240	27/09/2029	2	BBB+	Senior	5,000	5.700	104.62
Wellington Intl Airport	WIA060	4.000	1/04/2030	2	BBB	Senior	10,000	-	-
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	5.705	82.34

Hybrid

Issuer	NZDX Code	Coupon	Maturity/ Reset Date*	CPN Freq	Credit Rating	Type	Min. Size	Best Offer Yield	Best Price/\$100
Mercury NZ	MCY020	3.600	11/07/2024	4	BB+	Subordinated	5,000	7.675	98.29
NZ Post Group Finance	NZP010	4.230	15/11/2024	2	BB	Subordinated	5,000	-	-
Kwibank	KWB010	2.360	11/12/2025	4	BBB	Subordinated	5,000	6.618	92.82
BNZ	BNZ090	2.728	17/12/2025	4	BBB+	Subordinated	5,000	-	-
ANZ Bank New Zealand	ANB170	2.999	17/09/2026	4	A-	Subordinated	5,000	6.300	92.33
Kwibank	KWBHA	4.930	2/11/2026	4	BB+	Subordinated	5,000	-	-
Mercury NZ	MCY050	5.730	13/05/2027	4	BB+	Subordinated	5,000	6.150	99.87
Genesis Energy	GNE070	5.660	9/06/2027	4	BB+	Subordinated	5,000	5.890	100.01
Vector Limited	VCT110	6.230	15/06/2027	2	BB+	Subordinated	5,000	-	-
Westpac	WNZ1T2	6.190	16/09/2027	4	A-	Subordinated	5,000	-	-
Heartland Bank	HBL1T2	7.510	28/04/2028	4	BB+	Subordinated	5,000	-	-
Kwibank	KWB1T2	6.400	12/05/2028	4	BBB	Subordinated	5,000	-	-
Insurance Australia Group	IAGFC	5.320	15/06/2028	4	BBB	Subordinated	5,000	6.700	95.37
Genesis Energy	GNE080	6.500	10/07/2028	4	BB+	Subordinated	5,000	5.500	104.18
Genesis Energy	GNE050	4.650	16/07/2028	4	BB+	Subordinated	5,000	-	-
ANZ Bank New Zealand	ANBHC	6.950	18/07/2028	4	BBB	Subordinated	5,000	6.488	101.90
Westpac	WNZ2T2	6.730	14/02/2029	4	A-	Subordinated	5,000	-	-
BNZ	BNZHA	7.300	14/06/2029	4	BBB	Subordinated	5,000	6.835	102.90
Works Infrastructure Finance	WKSHA	9.810	1/01/3000	4	BB(NR)	Subordinated	3,000	-	-
Quayside Holdings	QLHHA	6.640	1/01/3000	4	A-(NR)	Subordinated	5,000	77.737	8.93
Infratil	IFTHA	7.060	1/01/3000	4	BB-(NR)	Subordinated	5,000	9.660	73.52
Fonterra Co-operative Group	FCGHA	5.475	1/01/3000	4	BBB+	Subordinated	5,000	-	-

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