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INVESTMENT STRATEGIES

COVID RISK INCREASES

Our Labour Government is all spin, when it comes to Covid border management. The reality is that no-one is safe, until everyone is safe. Allowing the South African mutation of Covid out into the community just proves my point. Our MIQ facilities are plainly not robust, and this threatens all New Zealanders. X-Pullman Hotel quarantine arrivals have travelled both north and south. Tauranga is not exempt. We are all at risk!

Ardern now says "**New Zealand's borders are likely to remain closed to most of the world for the rest of the year**, as reopening them poses too great a risk to our health and economy".

Travel bubbles with the Pacific and Australia remain a wishful dream. Fear remains Ardern's biggest political asset.

HOUSE PRICES INCREASE

House prices and other asset prices will only moderate when the time for ultra-loose monetary policy has passed. Fortunately for this Government, recent inflation statistics suggest that may well be earlier rather than later - but, of course, tighter monetary policy would have wider economic ramifications, including potentially denting the economic recovery story. Much depends on the timing and dexterity of the Reserve Bank governor and his committee as they walk their monetary tightrope.

VERSUS

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STATISTICS NZ DATA

Estimated population at 1-Nov-2020:	**5,101,400**
Births (57,753) - **Deaths** (32,670) Sep-20 year:	**25,083**
Total Arrivals April – Nov 2020 (2019:4.44m)	**77,600**
Total Departures April to Nov (2019:4.43m)	**133,000**
NZers returning April to Nov 2020	**50,200**
Overseas visitor arrivals 4 weeks to 20th Dec	**7,690**
Consumer Price Index Dec-20 year	**1.4%**
GDP Sept-20 quarter **14.0%** Sept-20 year	**-2.2%**
Unemployment Dec-20 quarter (↓ from 5.3%)	**4.9%**
Size of Maori Economy 2018 (2013: $42bn)	**$68.7bn**
Size of NZ Economy Sept-20 year	**$321bn**

NZ50 GROSS INDEX (ONE-YR GRAPH)

"CAPITALISM IS THE BEST METHOD OF CREATING A NATION'S WEALTH – BUT THE PRICE IS AN INCREASE IN INEQUALITY"

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.

Locally, our biggest issue relates to infrastructure underfunding. This comes down to dysfunctionality at both local and central government levels.

Locally, in my opinion Tauranga City Council has been operating in a dysfunctional manner for at least the last decade. Politicians have not understood their role as governors, and senior managers within TCC have operated with a siloed mentality and a cultural misfit. All of which has been very bad for New Zealand's fastest growing city.

It makes no sense to apportion blame, but we must learn from this experience, if we are to resurrect this city as the best place in New Zealand to live.

Central Government also has a lot to answer for, and need to get off their ideological "high horse", and recognise that this (New Zealand's fifth largest) city needs central government to support (and fund) the necessary infrastructure to overcome our social housing issues, and exploding city congestion.

In the next section, I cover social housing issues (page 3), but Central Government (through adequate NZTA funding) needs to adequately support our roading needs.

It is most unfortunate that the Bayfair (B2B) interchange Project has blown out outrageously in both cost and timing. Ever since Jeff Dangerfield stepped down as the CEO of NZTA, that government agency has totally lost its way – to the detriment of all New Zealanders.

NZTA THOUGHT PEDESTRIAN CROSSING WERE ACCEPTABLE

How can the Bayfair flyover project run 100% over budget, and take four extra years to complete. This project was originally due for completion in early 2020, and has now been further extended to late 2023 – and the $120 million original cost estimate has now blown out to $262 million.

Remember that we built the Eastern motorway under budget, and with an early completion. Thanks to Steven Joyce, this motorway was built to an extremely high standard – he believed that you build it once, and build it right. What a great outcome that was.

Now we have had multiple (rejigged) announcements, by this Labour Government, that the Northern Motorway (Tauranga to Omokoroa) is about to start. The first stage for this programme was scheduled to start (with construction tenders ready to go out in late 2017), and yet NZTA has continued to rejig this programme. Right now we have no definitive start date, and no definitive cost estimate. This is New Zealand's most congested and dangerous road, and yet all we get is ongoing procrastination.

The previous Labour Coalition announced on 25th October 2018, with NZTA confirming, that it will build the highway – albeit in a different form. Come on Central Government – give us genuine certainty. Tauranga has NZ's largest port, and you are killing this country's economic productivity with this ongoing procrastination.

We have a new Transport Minister in Michael Woods. Let's hope that he can bury the gremlins that strangled his predecessor, Phil Twyford. This is Minister Wood's chance to prove his ability as an effective Minister, Don't blow it…

TAURANGA SYSTEM PLAN (TSP)

A key piece in the infrastructure/growth strategy for the Western Bay is the TSP. All partners have signed off on this, with the 1st phase being the Te Papa Peninsula intensification being partly Government funded, to the extent of $44 million. Our challenge now is to ensure that we learn lessons from the Greerton roading debacle and 15th Avenue / Turret Road's underwhelming construction. This city must go up before it goes out any further, and Cameron Road is an essential development in this city's jigsaw. We must get this right, and a successful Public Transport infrastructure solution is key to ensuring its success.

HOUSING AFFORDABILITY CRISIS

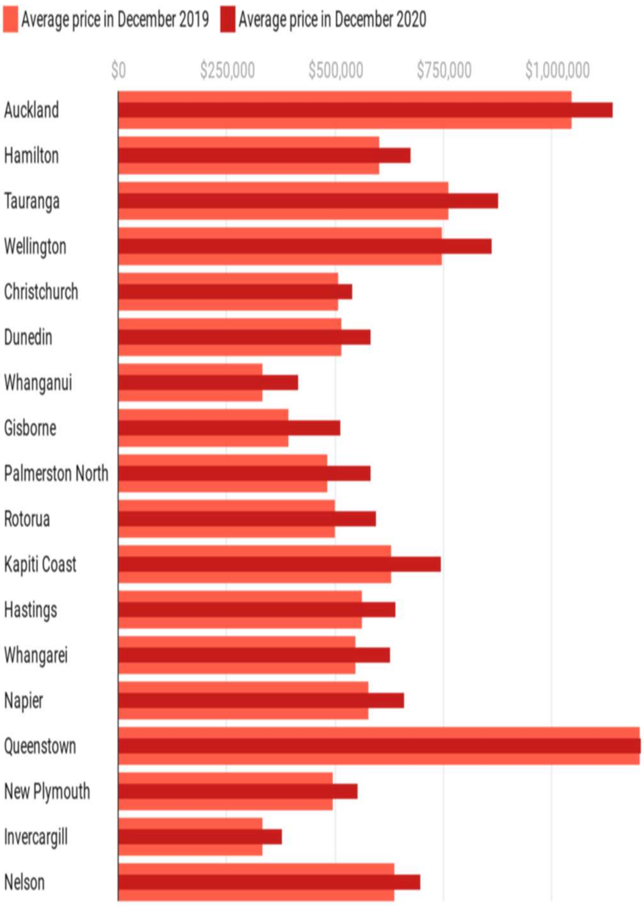
The OECD's *Building for a Better Tomorrow* report (a housing affordability report) has ranked New Zealand top globally for unaffordable housing for its poorest families.

This OECD report said more than half of people in the lowest-earning fifth of the workforce paid more than 40% of their disposable income on housing costs in 2019. The only other OCED countries that came close to that were Israel and Chile, followed by the United States, and the United Kingdom.

REINZ reports that, over the course of 2020, despite the Covid-19 pandemic, house prices across the country rose 17.3%. Lack of supply is driving the crisis (listings are down 50% from December 2018), as well as low interest rates having encouraged buyers to pay ever higher prices.

In the past year, four provincial centres have seen their average house value crack the $500,000 mark, and house prices in Tauranga have jumped 10% since September 2020.

HOUSE PRICE MOVEMENT – DECEMBER 2019 to 2021



Source: Corelogic, Newsroom

On an annual basis, Wellington saw the greatest percentage increase in house prices among major cities, though Tauranga, Hamilton and Dunedin also registered double digit growth.

Current figures further highlight that we urgently need a combined response from Government and industry to solve the housing affordability issues the country is facing.

HOUSE PRICE GROWTH – MAJOR & PROVINCIAL CENTRES

Figures updated for December 2020 quarter

	Current average value	% change in last month	% change in last quarter	% change in last year	$ change in last month	$ change in last quarter	$ change in last year
Queenstown	$1,206,301	1.3%	5.7%	0.3%	$15,481	$65,051	$3,608
Auckland	$1,142,700	2.4%	6.0%	9.1%	$26,782	$64,681	$95,312
Tauranga	$876,122	6.8%	10.2%	14.8%	$55,783	$81,093	$112,950
Wellington	$861,794	3.2%	8.1%	15.4%	$26,722	$64,575	$115,005
Kapiti Coast	$746,081	4.7%	8.4%	18.3%	$33,492	$57,814	$115,412
Nelson	$697,658	2.3%	4.8%	9.2%	$15,685	$31,954	$58,777
Hamilton	$674,562	2.3%	4.1%	11.7%	$15,166	$26,568	$70,657
Napier	$659,947	3.7%	6.4%	14.0%	$23,547	$39,696	$81,046
Hastings	$640,232	2.0%	7.3%	13.5%	$12,554	$43,557	$76,151
Whangarei	$627,357	2.7%	6.4%	14.4%	$16,493	$37,736	$78,968
Rotorua	$595,638	4.3%	8.8%	19.2%	$24,557	$48,177	$95,942
Dunedin	$582,269	1.9%	6.4%	13.1%	$10,857	$35,024	$67,442
Palmerston North	$581,944	3.4%	9.6%	20.3%	$19,135	$50,973	$98,200

high growth — low growth

Source: Corelogic, Newsroom

If we are to address housing for Tauranga's most at risk, then this current Labour Government needs to support the work that the previous National Government did, when it sold its social housing stock to the charity IHC, via its property arm, Accessible Properties. National was convinced that the charitable sector were better managers of the country's social housing stock than Central Government, and Labour now needs to be a co-funder of the redevelopment of that stock (1,182 houses in Tauranga alone), so that what was one or two former Housing Corp houses can be developed into modern 6 to 12 unit housing developments. This would be a win-win for Tauranga, and only requires Labour to get off its "high horse" and recognise that there is a solution available for Tauranga's (and other cities too) social housing crisis. It just makes common sense.

COMPLETED ACCESSIBLE PROPERTIES HOMES IN TAURANGA

WHY THIS GOVERNMENT WON'T FIX THE HOUSING SHORTAGE

Source: Steven Joyce - NZH, 23-Jan-2021

The other housing issue is the large and growing shortage of social housing. This is housing for people who can't afford to rent or buy on the open market, or can't access general housing for other reasons. It's a big problem, both for the people directly affected, and wider society. The shortfall in social housing places has been present for some time but has grown alarmingly under the current administration. The Ardern Government has resorted to papering over the cracks by renting more and more motel rooms around the country to house people while it seeks a longer-term answer.

Sadly, the public attention this shortage has been getting has been shrinking in inverse proportion to the problem's growth. The left wing-driven political campaigns of the mid-2010s faded with the change of Government. Leasing motels was an outrageous option prior to the 2017 election, but strangely acceptable in larger doses since.

The previous Government tackled the shortage of social housing in four main ways, under the supervision of then-Finance Minister Bill English.

First, it sought to put a rocket under Housing New Zealand, which until then had been very slow in meeting the country's social housing needs; and then distracted by the issues created by the Canterbury earthquakes. This was problematic when the organisation was supposed to be the Government's main lever to deliver on social housing.

A number of outsiders were recruited to run HNZ, including those who oversaw the successful government-led Hobsonville Point development. It was eventually whipped into shape to update and expand its housing stock, particularly by using its substantial land holdings in Auckland to build new higher-density housing.

This leveraged off the new Auckland Unitary Plan and became known as the Auckland Housing Programme, the results of which have ever since been trumpeted by the new Government as their own work.

Other steps included investing heavily in more emergency and transitional housing places, and in new concepts like Housing First, which aims to reduce people's need for emergency housing by helping them with other issues that exacerbate their housing problems.

At the other end of the pipeline, the then-Government encouraged people who no longer needed the support of social housing to move into the wider rental market, to free up more social housing places for others.

The most innovative idea of the time was to tackle the shortage head-on by recruiting and nurturing more non-government community housing providers to help give more Kiwis a home. This was on the principle that no matter how well or badly Housing NZ was run, it had never fully met the need for social housing in this country, and as a single monopoly government-owned organisation was never likely to. We believed we needed to recruit clever outsiders with access to their own ideas and sources of capital to help solve the problem. Think of it as leveraging off the wider team of five million.

Groups of social houses in different parts of the country were to be transferred at a relatively low cost to not-for-profit and philanthropic entities, which would use their asset base to buy and build more social houses. This would seed a healthy number of additional social housing providers to run alongside Housing New Zealand, helping to meet the housing need for at-risk New Zealanders. Importantly, they would also be incentivised to help their customers lead more independent, successful lives.

A few transactions were completed, and the new owners quickly started coming up with their own innovative ways to redevelop properties, build more homes and support more tenants.

Unfortunately, with the change in Government in 2017 the programme became the victim of political ideology.

The new Government, wedded to the view that the only real social house is a state-owned house, pulled the pin on community housing providers and went back to the old way of doing things. Worse than that, it persists to this day in condemning the previous Government for "selling off" state houses, when it knows the true story was about enlisting non-government providers to expand social housing provision.

The problem ministers have now created for themselves is they have no other new ideas for solving the rapidly worsening social housing problem. Somewhat ironically given their relative youth, they have once again harked back to an unsuccessful old-fashioned, top-down, capital-constrained approach and closed their minds to using new ideas.

Thus they were reduced [just recently] to starting the year by re-announcing their social housing announcement from May last year. Their entire strategy now seems to be to exhort the now renamed Kāinga Ora Housing New Zealand to go faster. Decades of evidence suggest that, despite its sometimes valiant efforts, it will never be able to go fast enough on its own.

"Having ruled out significant tax changes, the Government looks gun-shy and bereft of ideas to address the problems of housing affordability" **Peter Dunne**

OUR POLITICAL CLIMATE

501'S LEAD PRISON RIOT/DESTRUCTION OF LARGE PART OF WAIKERIA PRISON

The Corrections Minister has plenty of questions to answer after the recent Waikeria Prison riot. It is appalling that on Kelvin Davis' watch this riot was allowed to continue for six days, leaving Waikeria Prison in ruins. National's Corrections spokesperson, Simeon Brown said "*Kelvin Davis' hands are not completely clean here. He scrapped the last National Government's plans to upgrade Waikeria Prison and then procrastinated on what to do with the facility, before scaling back the number of new beds by almost 1,000. Doing so not only showed disregard for the safety of New Zealanders, it also left Waikeria's inmates in the conditions they were supposedly protesting. National's new and improved facility would have been partially operational by now without the Minister's meddling*."

AUCKLAND LIGHT RAIL A TOTAL JOKE

In 2017, Labour promised to build light rail within four years. 38 months of excuses, dithering and fuel taxes later and not one metre has been built. And now the Government has admitted it is literally incapable of building it anyway!

Transport officials (on 23rd December) warned our Labour Government that the Auckland Light Rail project is too big and too complex for any public agency to deliver. Released documents show Cabinet ministers want a public sector entity to oversee the major transport project. But officials say if that's the case, expertise within an existing agency will need to be bolstered or an entirely new organisation will need to be established.

Let's be clear – I am not opposed to the "light rail" concept, but I don't believe that we need rail lines imbedded into our road structure. Let's use the latest technology to ensure that "light rail" moves within our existing road structures, using "driverless technologies" to expedite our PT solutions. Rail lines are a redundant technology for a futureproofed PT system.

"STATE OF THE NATION" ADDRESS

Leader of the Opposition, Judith Collins gave her "State of the Nation" address on 26th January. She stated that National has five priorities.

1. Our Response to Covid-19

Judith noted that New Zealanders made huge sacrifices last year, and hundreds of thousands of people were dependent on wage subsidies as the economy was forced to shut down. 65,000 people lost their jobs, and that number is growing.

Almost every country that we compare ourselves to is rolling out vaccinations as quickly as possible – with Australia just weeks away from doing so. We, on the other hand, continue to put our border control and MIQ workers at extreme risk, with no definitive plan to protect our citizens. We need to match Australia's schedule. We should be like Singapore, rolling out the vaccine to frontline workers and those vulnerable New Zealanders who need it urgently.

2. Economic Recovery

Her 2nd priority for 2021 is how we drive economic growth. She said "*A strong business sector is central to this but, frankly, it's not about business for business' sake. Too often, National has talked about its economic priorities as if these are the end goals in and of themselves – bigger economy, fewer regulations, smaller government, stronger businesses. On their own, these things aren't what is really important. They are only important because they are what ultimately drives prosperity, creates jobs and lifts incomes.*

"A strong economy means more opportunities for New Zealanders. A strong economy is what will ultimately help lift children out of poverty. A strong economy means more money to invest in our health system. A strong economy will help our kids into their first job and give them the chance to do things and be things we've never even dreamed of. That's what matters. We need a relentless focus on government policies to support the productive parts of our economy, to support businesses to be more efficient – to hire, invest and lift wages. Policies that allow businesses to use the upheaval caused by Covid-19 to drive positive change, enabling our industries to use technology to stay world-leading.

"We need a relentless focus on government policies to support the productive parts of our economy, to support businesses to be more efficient – to hire, invest and lift wages. Policies that allow businesses to use the upheaval caused by Covid-19 to drive positive change, enabling our industries to use technology to stay world-leading.

3. Hardship & Public Safety

Judith's 3rd stated priority is helping those who face hardship, particularly as a result of Covid-19, and keeping people safe. *"We need to support those Kiwis who have lost their jobs, who are struggling to make ends meet, who have to work two jobs just to pay their bills. I want to make sure every New Zealander has a fair go. That they know they will be supported to move forwards, not backwards."* She said.

Commenting on the Waikeria Prison riots, she stated "*I look at Kelvin Davis and, frankly, I'm appalled at his handling of these prison riots. He seems content to shirk responsibility and lay blame at the feet of Corrections staff. He thinks prisoners taking over a prison and setting it on fire is OK*."

The Government dumping people in motels, and gangs recruiting faster than the Police is a recipe for greater material hardship and a disconnected society. While the Government talks about caring and kindness, and may have good intentions, they far too often lack the ability to simply get things done.

4. Housing, Infrastructure and World-class Cities

"The massive recent house price increases are further locking our children out from ever buying a home. Rents are up $100 per week since Labour came into office – a 25% increase in just three years. This means people are struggling to keep up with the other necessities of life – food, power and doctors' visits.

"The housing emergency is driving up inequality, and it is hitting young New Zealanders the hardest. We are already seeing a major increase in the working poor here in New Zealand, where people put in the hard yards but still can't get ahead. These house price increases just make it worse."

After initially promising 100,000 homes over 10 years, Labour (under Phil Twyford) only built about 700 homes in their first term. They never understood just how hard it is to build a house. Tinkering with who can buy a house, giving grants to some buyers, and putting barriers up for others – as Labour has done – is again about the symptoms, not the cause.

"*It is too hard to build a house in New Zealand, it's as simple as that. We need to make it drastically easier. This isn't impossible. Hundreds of other cities around the world have affordable housing. The cost of the average house in Dallas, Chicago, Montreal and Manchester is less than half the average cost of a house in Auckland. Less than half."*

The one thing these cities all have in common is they make it easy to build houses. When we have a resource consent process that makes it almost impossible to build a house, it is no surprise. It is an issue we can solve, and we must solve. We need to reform our planning and RMA processes with one goal: freeing up land and getting more houses built. And if councils won't do it, we will do it for them.

We also need to address infrastructure. It isn't enough to get more houses built if we still spend half our lives sitting in traffic. For a country to be world-leading, it needs to have world leading cities. Affordable housing and strong transport infrastructure are key plank of this.

"Last week Labour merely announced where they will put more state houses. Their KiwiBuild failure has been matched by a belief that New Zealanders aspire to be on shorter waiting lists. It offers no help to the Kiwi families who want to own their own home. Given their track record on KiwiBuild, I just don't trust the Government to deliver quick changes to get more houses built. So, today, I am calling on the Government to introduce urgent temporary legislation to make it easier to build a house, until the permanent RMA reforms are completed. The legislation would give Government powers to rezone land and avoid frustrating consenting delays. It was done by National following the Canterbury earthquakes. It's now urgent for the rest of the country."

5. Technology and post-Covid Opportunities

Judith continued "*It is not just enough to respond to Covid-19. We need to harness the upheaval to drive positive change, evolving our industries so we can stay world-leading. So my fifth priority is about growing our technology sector to create high-paying jobs of the future that we need our young people studying towards today*."

She stated that *"Tech isn't solely software. It is new forms of medicine, it is precise agriculture, it is new products the world wants, and new ways of running our factories. We need to better understand the opportunities tech will deliver to grow and be a major driver of New Zealand's economy, creating jobs and exporting knowledge to the world. A government cannot just legislate wages up, New Zealand must harness our technological innovations to drive productivity higher. New Zealand is proudly home to many leading tech companies: Xero, Rocket Lab, Buckley Systems, and Fisher & Paykel Healthcare to name just a few. Right now, we're hosting the America's Cup for the third time. This is more than a yacht race. Since New Zealand first beat Dennis Conner in the 90s, an entire industry of world-leading technology has been created on our shores, generating some of the highest-paying jobs for young Kiwis."*

PRODUCTIVITY - THE BIG ISSUE NZ'S POLITICAL PARTIES NEED TO AGREE ON

SOURCE: NZ Herald, 17 Jan, 2021 - ***Dan Bidois is Managing Director of Bidois Strategy Group and a former National Party MP***

I [Dan] first studied economics in 2002 and came across 'productivity'. It is a simple measure of how good we are at producing output on an hourly basis. Whether that 'output' is a product, a service or a university assignment, how much is produced in that hour's work is called labour productivity.

This matters because productivity drives incomes. As Nobel Laureate Paul Krugman put it, 'productivity isn't everything, but in the long run it is almost everything'. If we want to revive our economy in the wake of Covid-19 and ensure higher incomes for all New Zealanders, we need to focus on becoming more productive as individuals, organisations and as a nation.

In 1991, Harvard Professor Michael Porter published a book titled Upgrading New Zealand's Competitive Advantage. The book outlined why New Zealand's productivity had performed so poorly since the late 1970s and proposed a set of reforms to improve it.

Thirty years on and our productivity challenge remains. For the past three decades New Zealand's growth in labour productivity, measured by how much economic output we can produce in an hour, has trailed that of other OECD countries. Prior to the pandemic, labour productivity in the OECD was 1.3 times New Zealand's figure.

Recent governments have paid lip service to our productivity challenge but have failed to deliver.

The Clark government sought to ride a 'knowledge wave' in our economy, yet according to the OECD New Zealand's labour productivity grew at an annual rate of 0.9 per cent, less than the OECD average of 1.6 per cent and Australia's 1.5 per cent.

The Key government aimed to 'close the income gap' with Australia and even established a 2025 Taskforce to address this. Yet labour productivity did not perform any better, growing at an annual rate of 0.7 per cent, less than the OECD average of 1 per cent and Australia's 1.4 per cent.

And during the Ardern government's first term, labour productivity has also struggled.

A view that is widely shared among economists is that a small difference in yearly productivity growth rates leads to dramatically different outcomes over the long-term.

Winston Churchill famously said to 'never waste a good crisis'. This government has a unique opportunity to focus on productivity as we rebuild back better so that jobs created are highly paid and improve New Zealanders material standard of living.

What should the government do to improve productivity growth in our nation?

First, we should establish a bipartisan commitment to improving it. This is one of the biggest long-term economic challenges that New Zealand faces, and as such it will not be addressed in a single election cycle. Public commitment is needed from both our major parties to address our productivity crisis.

This could take the form of a declaration in our Parliament, like it declared a climate emergency late last year, or a bipartisan approach to legislation setting long-term aspirations for our economy, such as with the Climate Change Response legislation.

Second, we need a clear long-term strategy from our government on how we will improve it. A strategy connects short-term policy and initiatives with long-term desired outcomes.

As a small country, our government has fewer resources compared to other nations, therefore our strategy needs to focus resources wisely.

Our focus should be on the most important constraints holding back Kiwi firms. These are constraints that if removed would produce the largest gains in productivity nationwide.

Domestic business surveys have for the past decade consistently ranked skills shortages and regulatory compliance as the two most important constraints holding back growth.

On education and skills, our focus should be on improving the quality of our education system from end to end (from early childhood education, primary, secondary through to tertiary and include lifelong learning) so that all Kiwis have the skills needed to succeed in an increasingly tech-driven and globally competitive environment.

On regulation, simplifying local and national planning rules and reforming the Resource Management Act are well overdue and would improve productivity and help ease housing affordability issues.

Other research points to our low levels of internationalisation, narrow export base, low infrastructure investment, lack of inward foreign direct investment, low rates of savings, investment, and commercialisation and a general lack of competitive pressures as barriers to improving our productivity performance.

The key to success on all these fronts depends on implementing evidence-based policies and applying sufficient resources so that policies make a meaningful difference to productivity.

Third, we should establish a strong accountability framework to measure progress and ensure public accountability for delivering on productivity.

Successive governments have been quick to promise higher productivity in New Zealand but have overall failed to deliver.

Working groups like the PM's Business Advisory Council, where good advice from the business community typically falls on deaf bureaucratic ears, should be reformed into a permanent Innovation and Productivity Council.

Chaired by the PM or Minister of Finance and made up of industry leaders, key ministers and academic leaders, this Council will be charged with monitoring productivity performance and prioritising efforts.

Countries such as Ireland, the US, France and the Australian state of New South Wales have successful productivity council models to follow.

Next is strengthening the role of the Productivity Commission, a crown entity, to enable it to play a more critical role in policy formation and performance. Right now, the Commission's agenda is set by the Minister of Finance making it difficult to publicly criticise government efforts on productivity.

And finally, we need to strengthen policy evaluation practices to ascertain the impact of policy and initiatives on productivity performance. More timely and relevant data on productivity will help the public and the media to hold the government of the day accountable for poor performance.

This government's vision 'for an economy that is productive, sustainable and inclusive to improve the living standards and wellbeing of all New Zealanders' is an aspirational one that most Kiwis and political parties can get behind.

The challenge now is to deliver on the productive part of that vision, and this will take much more than a few slogans, initiatives and working group reports.

Wise words by Dan Bidois - I totally agree with him. Productivity is the key to New Zealanders future standard of living, and our competitiveness compared to our trading partners. Previous governments (both right & left) have just paid lip service to this key issue. We must address our lack of effective productivity immediately.

CHRIS LIDDELL SHOULD BE CELEBRATED AS A GREAT KIWI

On Twitter there is an active campaign against New Zealander Chris Liddell, due to his job working for Donald Trump as Deputy Chief of Staff. Many say he is guilty by association.

The fact that Jacinda Ardern had previously worked for Tony Blair (who many on the left regard as a war criminal) doesn't taint her, and neither should Liddell working for Trump taint him.

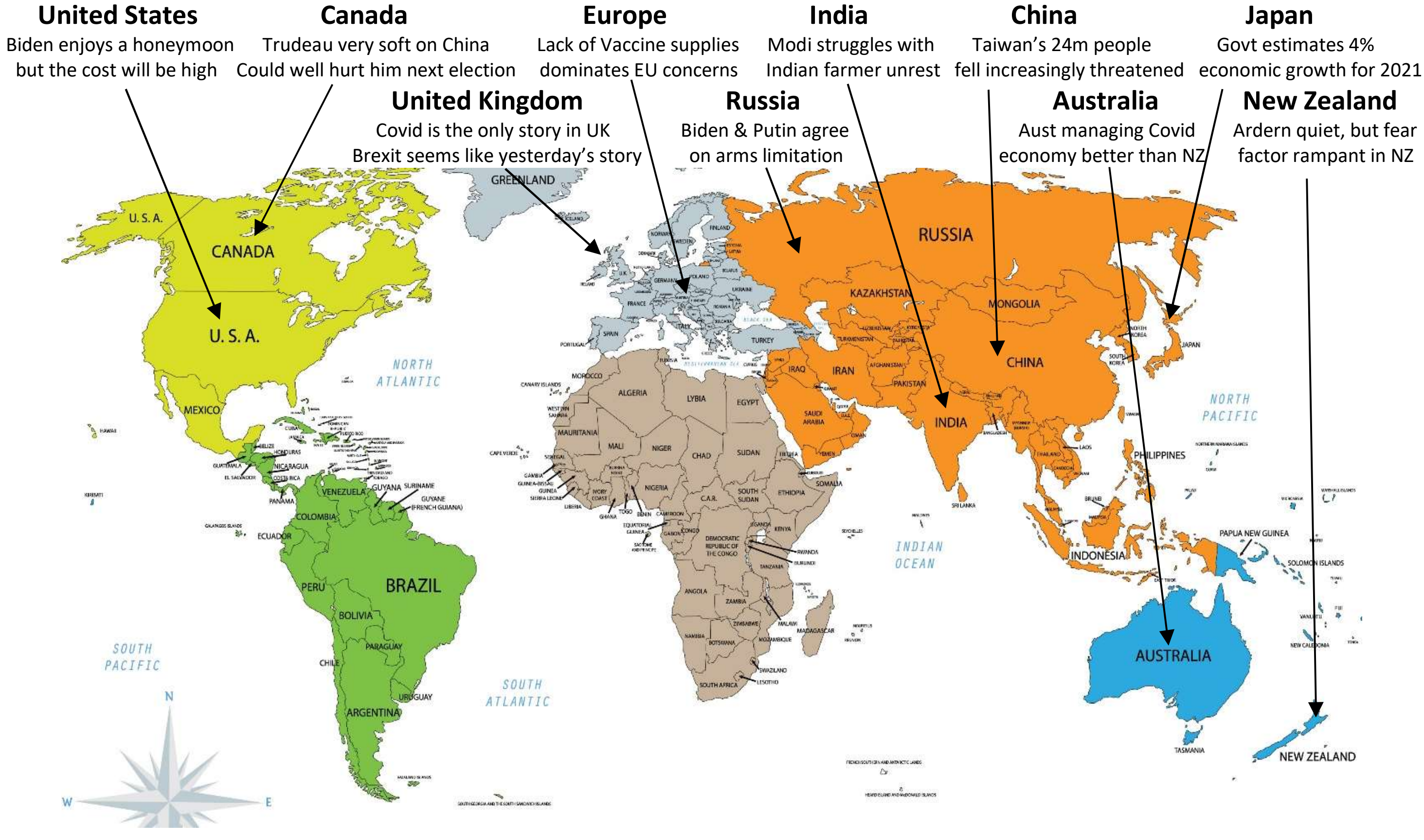
Chris has dual NZ / US citizenship, and his main background is business, not politics. He was arguably New Zealand's most successful corporate businessman having been a CFO at three of the largest companies in the world – International Paper, Microsoft and General Motors. His start in US politics seems to have been in 2011 when he joined Romney's campaign and was in charge of transition planning should Romney win. He seemed to be a standard fiscal conservative – said he wanted less regulation, less tax, less government. He wrote a book about the transition planning, which has been described as a "bible" for future transitions.

Then in 2016 he took on a similar role with the next Republican candidate, Trump. He was in charge of operations for the transition and then Trump offered him a very senior role – Assistant to the President for Strategic Initiatives. He took a salary of just $30,000 (less than the executive assistants got) and headed up the Strategic Development Group and Office of American Innovation.

Generally, it seems the White House was a terrible place to work. Every day the media had stories leaked by some staff against other staff. Trump was mercurial and people fell in and out of his favour, and this became known. There were literally thousands of stories about senior staff and controversies around them, and speculation on when they would be gone. That said, we have heard no stories about Liddell. Despite such terrible chaos and infighting, he somehow managed to piss no one off, and just got on with the job. He got promoted to Deputy Chief of Staff in 2018. I think it takes a rare set of abilities to navigate such a toxic environment and not get caught up with any of the factions or personalities.

I rate Chris Liddell (who I have personally met) as a great New Zealander, whom we can all be proud of. I was disappointed that Judith Collins said she couldn't support his role as a potential OECD Chair, and hope we will see him contributing strongly in New Zealand, sometime in the near future.

THE WORLD AT A GLANCE



THE GLOBAL ECONOMIC OUTLOOK

Although recent vaccine approvals have raised hopes of a turnaround in the pandemic later this year, renewed waves and new variants of the virus pose concerns for the outlook. Amid exceptional uncertainty, the global economy is projected to grow 5.5% in 2021 and 4.2% in 2022. The 2021 forecast is revised up 0.3 percentage point relative to the previous forecast, reflecting expectations of a vaccine-powered strengthening of activity later in the year and additional policy support in a few large economies.

The strength of the recovery is projected to vary significantly across countries, depending on access to medical interventions, effectiveness of policy support, exposure to cross-country spillovers, and structural characteristics entering the crisis.

LATEST WORLD ECONOMIC OUTLOOK GROWTH PROJECTIONS

	ESTIMATE	PROJECTIONS	
(real GDP, annual percent change)	2020	2021	2022
World Output	**-3.5**	**5.5**	**4.2**
Advanced Economies	**-4.9**	**4.3**	**3.1**
United States	-3.4	5.1	2.5
Euro Area	-7.2	4.2	3.6
Germany	-5.4	3.5	3.1
France	-9.0	5.5	4.1
Italy	-9.2	3.0	3.6
Spain	-11.1	5.9	4.7
Japan	-5.1	3.1	2.4
United Kingdom	-10.0	4.5	5.0
Canada	-5.5	3.6	4.1
Other Advanced Economies	-2.5	3.6	3.1
Emerging Markets and Developing Economies	**-2.4**	**6.3**	**5.0**
Emerging and Developing Asia	-1.1	8.3	5.9
China	2.3	8.1	5.6
India	-8.0	11.5	6.8
ASEAN-5	-3.7	5.2	6.0
Emerging and Developing Europe	-2.8	4.0	3.9
Russia	-3.6	3.0	3.9
Latin America and the Caribbean	-7.4	4.1	2.9
Brazil	-4.5	3.6	2.6
Mexico	-8.5	4.3	2.5
Middle East and Central Asia	-3.2	3.0	4.2
Saudi Arabia	-3.9	2.6	4.0
Sub-Saharan Africa	-2.6	3.2	3.9
Nigeria	-3.2	1.5	2.5
South Africa	-7.5	2.8	1.4
Memorandum			
Low-Income Developing Countries	-0.8	5.1	5.5

Source: IMF, *World Economic Outlook Update*, January 2021

Note: For India, data and forecasts are presented on a fiscal year basis, with FY 2020/2021 starting in April 2020. India's growth projections are -7.6 percent in 2020 and 11.0 percent in 2021 based on calendar year.

NTERNATIONAL MONETARY FUND IMF.or

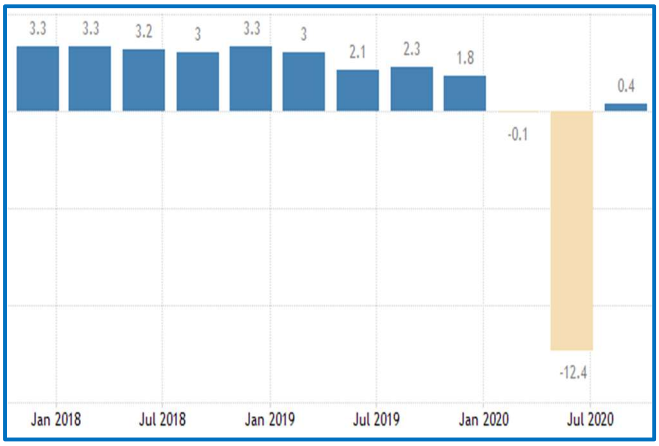
NEW ZEALAND'S ECONOMIC OUTLOOK

The economy has weathered the Covid storm better than anticipated, and GDP has already recovered to its pre-Covid level. The December quarter survey of business opinion was another case in point. The survey signalled that NZ's economy is back on firm footing. Overall economic output is on the climb, and businesses are increasingly confident about the outlook.

The housing market has outstripped even our very bullish expectations. We now predict that annual house price inflation will peak at 20% later this year (previously expecting 16%). And looking at calendar 2021, Westpac are now forecasting that house prices will rise 15%, on top of the 12% increase over calendar 2020.

Expect the RBNZ to gradually taper the pace of Government bond purchases (using printed money - called quantative easing) over the course of the year. This tapering will see pace drop from the recent average of $800m per week down to around $500m by the end of the year.

NZ - ANNUAL GDP GROWTH RATE



MAORI ECONOMY

Around 300,000 Māori now work in NZ's workforce, with 74,000 of them in high-skill jobs. This is up around 100,000 more now when compared to eight years ago. The Maori economy was estimated (according to a recent Reserve Bank report) to be at $68.78 billion at Census time in 2018 – up 61% in 8 years. This indicates the time has come to reassess the need for Maori Trust paying no (or minimal) taxation.

AUSTRALIAN ECONOMIC OUTLOOK

Australia has navigated its way through the Covid pandemic in a way that has been less dramatic than New Zealand, but just as effective. In fact, they have managed their economy a lot better than NZ, with a third quarter downturn of just negative 6.4% (compared to NZ's negative 12.4%, and they seem well ahead of NZ in their Covid vaccine programme.

Australia saw 1.3m people out of work in the third quarter of 2020, but most are now back at work. The

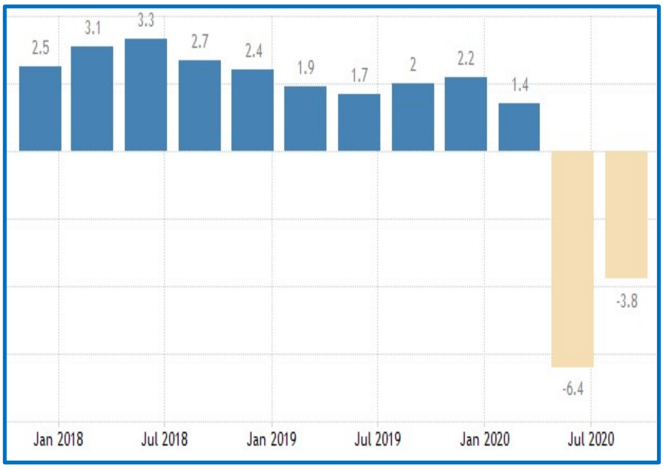
Morrison Government has placed huge emphasis the labour market, according to Treasurer Josh Frydenberg, with unemployment peaking at 6.6% versus projections at an expected 16%.

Frydenberg said 2021 will be another challenging year, including the vaccine rollout. He said that Australia will be manufacturing 15m of the 54m required vaccine doses, and the rollout will be the most challenging issue around this.

Trade issues will remain challenging, albeit there has been a strong comeback in Asian trade. He said that 70% of Australia's trade is now within the "free trade" sector.

He stated that Australia is on track to beat the Paris Climate projections by 28%, and argued that the key to climate change challenges is "**Technology, not Taxes"**. Australia has a much lower pre capita cost of support than New Zealand.Net Debt to GDP is expected to peak at 43-45% (a fraction of most Western economies). Australia is expected to retain is AAA credit rating, the Treasurer said Australia's pandemic response is **"Temporary, Targeted, Proportionate and Responsive"**.

AUSTRALIA - ANNUAL GDP GROWTH RATE



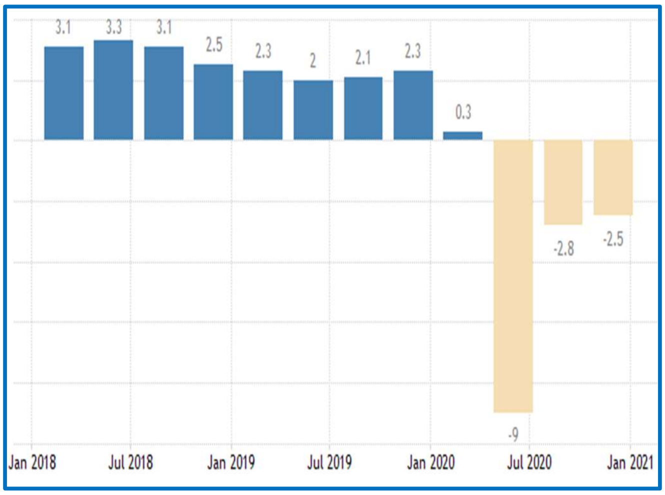
Australia's Q4 Producer Prices rose the most in 2 Years. The final demand producer price index in Australia rose by 0.5% quarter-on-quarter in the three months to December 2020, after a 0.4% gain in the previous period. This was the second straight quarter of rise in the index and the highest reading in two years, as the economy recovered further from the COVID-19 hit. There were rises in prices received for building construction (0.5%), child care services (7.9%), and accommodation (4.3%). Partially offsetting these rises were machinery and equipment manufacturing (-2.4%), sugar and confectionery (-5.2%), and cigarette and tobacco manufacturing (-5.0%). Through the year to the fourth quarter, the index fell by 0.1%, the third straight quarter of decrease.

UNITED STATES ECONOMIC OUTLOOK

"Trump has gone but Trumpism lives on" stated Lord Ashcroft, who polled 20,000 people post the latest US Presidential Election. This was a massive poll, and its results are deeply disturbing for the aspirations of a united USA. The election was not about Biden – it was a referendum on Trump. Ashcroft's poll shows that 74% of Republican voters say Biden didn't win legitimately. 45% of them agreed with the storming of the Capitol, while 53% say Trump is not to blame, and only 5% now regret supporting Trump. Of all Republicans, 46% voted in support of Trump and 46% were in support of the Republican Party. This highlights the challenges that Biden will have to reunite the US.

In 2016 Trump won the Presidency with 46.1% of the vote – 63m votes in total. In 2020 Trump received 47.1% and 76m votes. This is the source of the Trump side civil unrest and, while it will be challenging for Biden to reunite the populous, it will also be hard for the Republican Party to hold their people united and together.

UNITED STATES - ANNUAL GDP GROWTH RATE

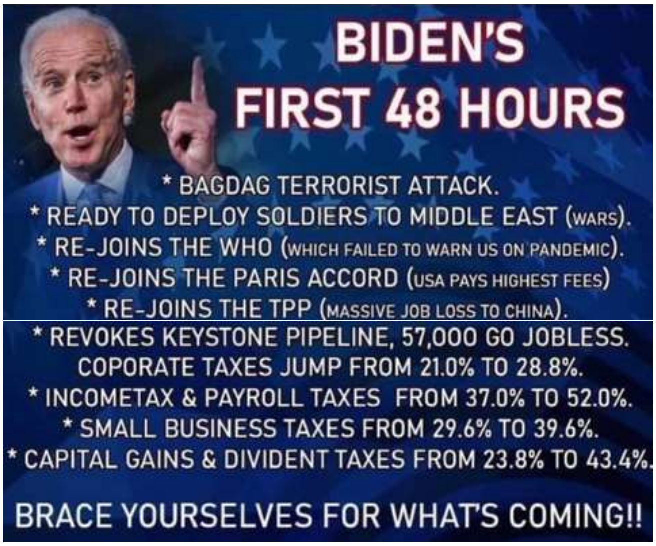


The United States is the world's largest economy. Yet, in the last two decades, like in the case of many other developed nations, its growth rates have been decreasing. If in the 50's and 60's the average growth rate was above 4%, in the 70's and 80's dropped to around 3%. In the last ten years, the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

The US Federal Reserve warns the US economy is still a long way from recovery. The Fed has maintained its accommodative stance, with interest rates expected to stay at current record lows for the foreseeable future, to facilitate the recovery. The central bank said it wasn't concerned about inflationary pressures building. Fed Chair Jerome Powell said the US economy was a "a long way" from recovery and would require ongoing support for some time yet - which appeared to catch investors by surprise. Key to the recovery would be the vaccine rollout which he emphasised was critical for allowing the economy to return to normal.

Meanwhile, the multi-month improvements in the US labour market have turned sour: In December, the economy lost 140,000 jobs, concentrated in the hardest-hit sectors, and Biden's hard-line on the oil sector is putting 100's of thousands more at risk.

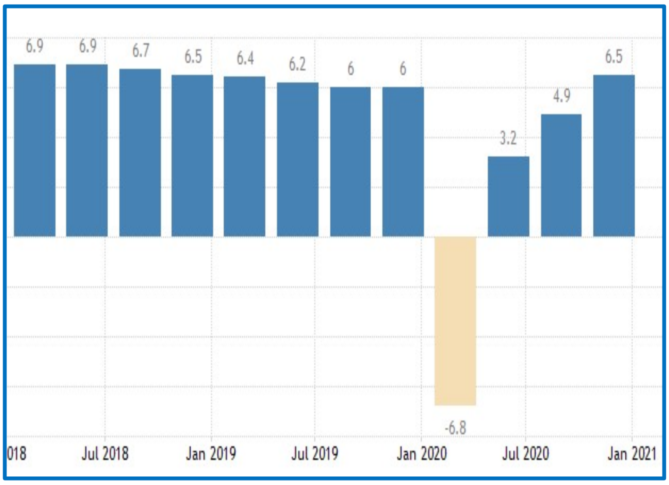
GDP in the United States contracted 2.5% in the fourth quarter of 2020, over the same quarter of the previous year.



CHINESE ECONOMIC OUTLOOK

The Chinese economy advanced 6.5% year-on-year in the December quarter, after a 4.9% growth in the third quarter, and above market consensus of 6.1%. The latest reading pointed to pre-pandemic growth rates, with industrial output rising the most in 3-1/2 years in December. For full 2020, the country's GDP expanded 2.3%, the slowest pace in more than four decades. Still, China is likely to be the only major economy to avoid contraction due to the COVID-19 shocks.

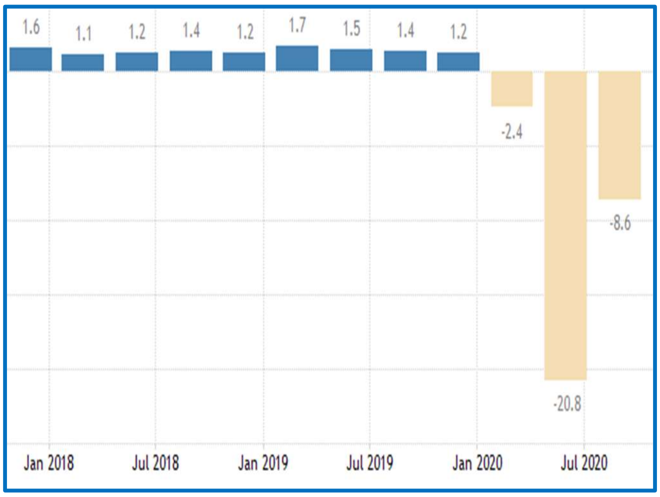
CHINA - ANNUAL GDP GROWTH RATE



UNITED KINGDOM ECONOMIC OUTLOOK

The United Kingdom is the sixth largest economy in the world and the second largest in Europe after Germany. It's gross domestic product shrank by 8.6% year-on-year in the third quarter of 2020, less than a 9.6% contraction previously estimated and following a record contraction of 20.8% in the previous three-month period. The economy started to recover as restrictions on movement eased across June, July, August and September. The massive lockdown just prior to Christmas will likely see another huge drop in this latest quarter.

UNITED KINGDOM - ANNUAL GDP GROWTH RATE

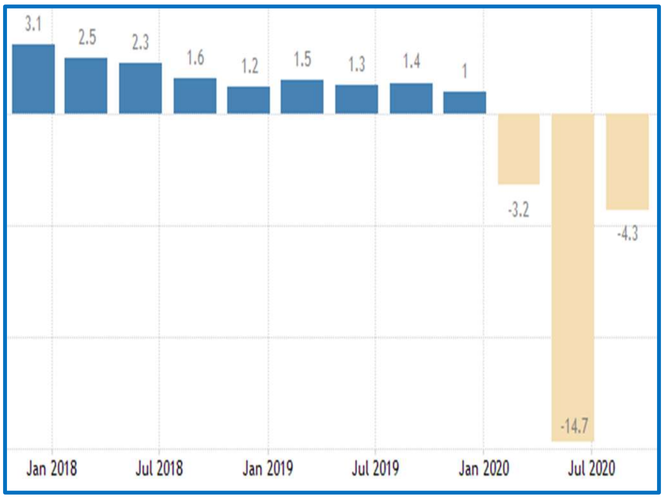


EU ECONOMIC OUTLOOK

The Eurozone economy shrank by 4.3% year-on-year in the third quarter of 2020, easing from a record slump of 14.7% in the previous period and compared with a second estimate of a 4.4% contraction.

The Euro Area is the second largest economy in the world. Of the 19 member states it includes, the biggest are: Germany (29% of total GDP), France (20%), Italy (15%) and Spain (10%).

EUROZONE - ANNUAL GDP GROWTH RATE



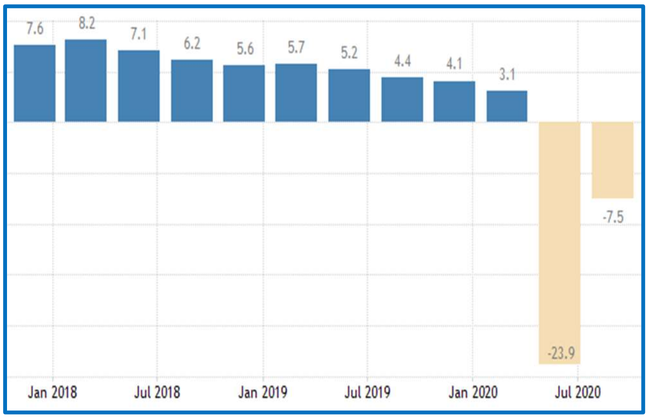
INDIAN ECONOMIC OUTLOOK

The Indian economy shrank 7.5% yoy in Q3 2020, less than expectations of an 8.8% drop, amid easing of lockdown restrictions from June, higher demand during festival season and a rebound in manufacturing and utilities. It follows a record 23.9% plunge in Q2, bringing the economy into recession for the first time on record.

INDIAN FARMERS REVOLT AGAINST MODI

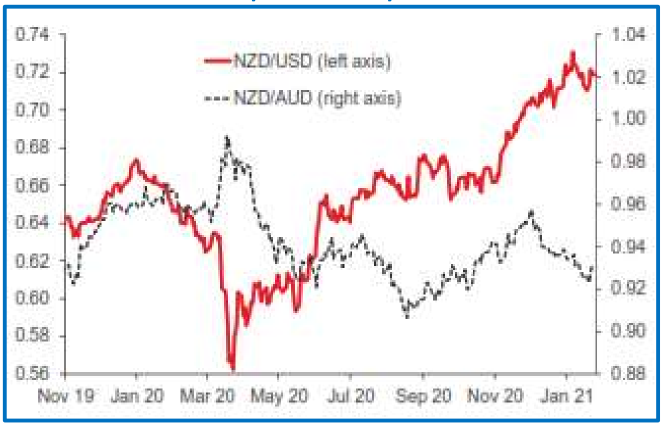
Farmers have an extremely strong political voice in India, and they continue to rial against Modi's plan to introduce market reforms. The Modi government says the legislation will benefit farmers by boosting production through private investment.

INDIA - ANNUAL GDP GROWTH RATE



CURRENCIES

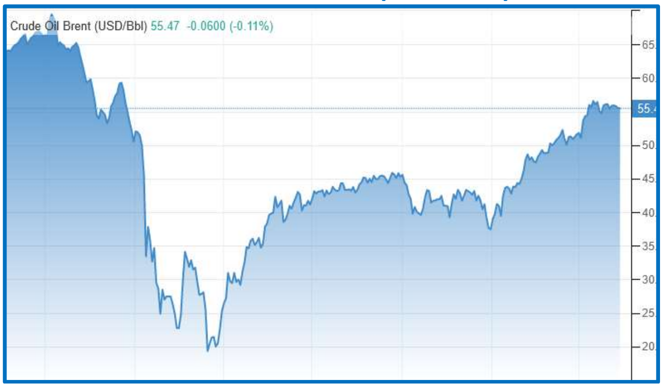
NZD/USD & NZD/AUD



SOURCE: Westpac, 25th January 2021

COMMODITIES

OIL: BRENT CRUDE (ONE YEAR)



GOLD (1yr Graph)

BITCOIN (5yr Graph)

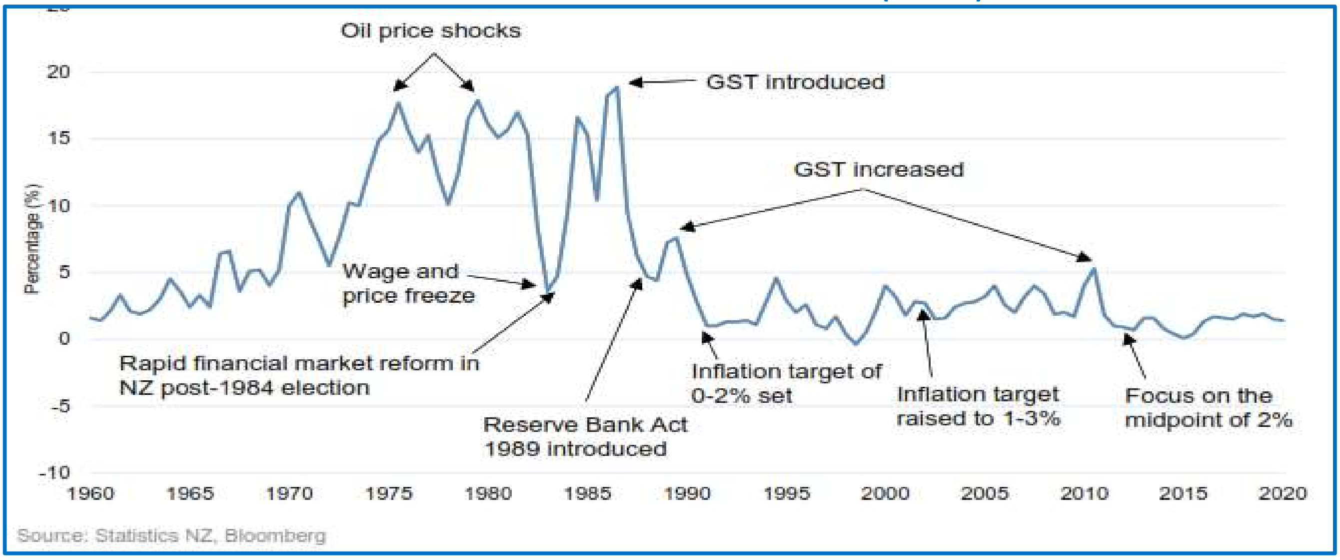
COAL

Australian coal price is recovering from China's ban, but headwinds remain. China tightened its ban by telling the 8 million tonnes of Australian thermal and met coal in vessels offshore of China ports to leave. From US$103/t on 12 January, the premium low-vol price climbed to US$132/t by 20 January. Non-China mills were booking shipments for 2021, while wet weather in Queensland tightened supply. BHP said its exports fell 13% YoY in the December Quarter.

Meanwhile, Fortescue Metals founder Andrew Forrest has revealed a plan to start building an environmentally-friendly steel pilot plant in Australia, doing away with coal. Mr Forrest said Fortescue produced 2m tonnes of greenhouse gas each year and customers wanted to phase out carbon pollution by 2050.

Coal, which produces carbon pollution, is used to power furnaces which help turn iron ore into steel. "*Imagine if we could find a way to make steel without coal, zero-carbon steel, in Australia*," Mr Forrest said. He said the company was investigating two ways. One would replace coal with hydrogen, made from running electricity through water, to produce steel. Carbon would be added separately to strengthen the steel. The other method would "zap" iron ore with renewable electricity, without the need for a blast furnace, he stated.

HISTORY OF NEW ZEALAND INFLATION (% YOY)



NEW ZEALAND INFLATION

The onset of the Covid-19 induced recession, combined with a collapse in oil prices, has kept the pressure on already low inflation levels – currently 1.4% in New Zealand. Inflation is unlikely to rise significantly over the near term, but over the medium term, higher inflation is probable. In particular, the potential for further fiscal stimulus, the continuing extra costs of operating during a pandemic and the likelihood of an economic surge following the distribution of a vaccine resulting in a recovery in employment. Consequently, we expect inflation to edge up in 2021, but may be short lived, with a more sustained uplift emerging towards the end of 2022, into 2023.

In relation to debt securities, higher inflation will naturally tend to result in lower real returns on fixed rate securities. This reflects the impact inflation has in reducing the real value of future payments which are fixed in nominal terms. An indirect effect of higher inflation is the increased likelihood central banks will be required to raise interest rates. If the RBNZ responded to higher inflation by raising interest rates, this will effectively erode the value of interest rate sensitive assets such as debt securities as future payments are discounted back at a higher rate. However, for investors who hold debt securities until maturity, the value erosion only impacts the 'reported' return. Floating rate assets should prove more resilient to higher inflationary outcomes than fixed income assets.

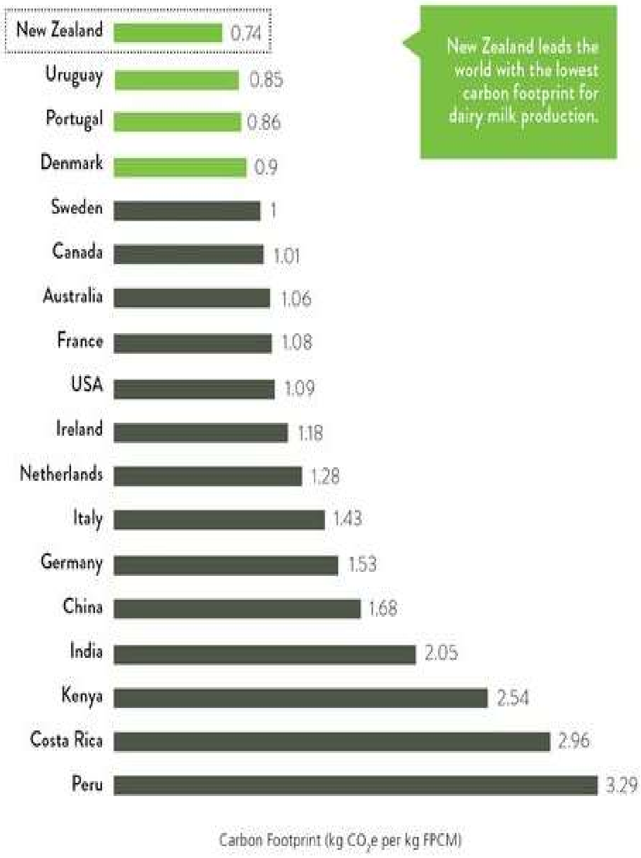
New Zealand show that we are world leaders in technology innovation

"The culture of any organisation is shaped by the worst behaviour the leader is willing to tolerate"
Gruenter & Whitaker

AGRIBUSINESS – LOOKING FROM THE OUTSIDE IN

Primary Industries Export Revenue (NZ$ million)	2015	2016	2017	2018	2019	2020	2021 F	2022 F
Dairy	14,050	13,289	14,638	16,655	18,107	20,135	19,210	20,140
Meat and Wool	9,000	9,200	8,355	9,542	10,176	10,678	9,800	10,090
Forestry	4,683	5,140	5,482	6,382	6,883	5,539	5,990	6,150
Horticulture	4,185	5,000	5,165	5,392	6,134	6,501	7,090	7,200
Seafood	1,562	1,768	1,744	1,777	1,963	1,855	1,830	2,020
Arable	181	210	197	243	236	290	305	310
Processed foods & other	2,417	2,714	2,639	2,709	2,854	3,003	3,280	3,310
Total	38,093	39,337	40,237	44,718	48,372	50,021	47,505	49,220
% Change year on year	-6.8%	3.3%	2.3%	11.1%	8.2%	3.4%	-5.0%	3.6%

CARBON FOOTPRINT OF MILK PRODUCTION



New research shows New Zealand dairy farmers have the world's lowest carbon footprint – at half the emissions of other international producers. AgResearch analysis just released confirms New Zealand retains its outstanding position in low-emission dairy milk production, with an on-farm carbon footprint 46% less than the average of 18 countries studied.

The research analysed 55% of global milk production, including major milk producing countries.

New Zealand is the most efficient producer at 0.74 kg CO2e per kg FPCM (fat and protein corrected milk) – which is 46% less than the average of the countries studied. The average is 1.37 kg CO2e per kg FPCM.

At 0.74 kg CO2e per kg FPCM, New Zealand was followed by Uruguay at 0.85, Portugal at 0.86, Denmark at 0.9 and Sweden at 1. Peru clocks in as the highest emissions producer among the countries studied, at 3.29 kg CO2e per kg FPCM. Peru is followed by Costa Rica at 2.96 and Kenya at 2.54. The carbon footprint is measured in total greenhouse (GHG) emissions per kg of product.

CHINA FTA UPGRADED

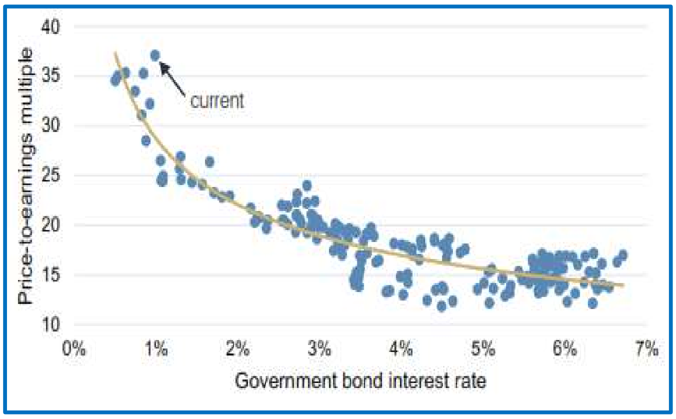
An upgrade of the free trade agreement between New Zealand and China has been hailed as a significant landmark for primary sector exporters. NZ Trade Minister Damien O'Connor says the upgrade to the initial 2008 FTA between the two countries modernises the agreement and ensures it will remain fit for purpose for another decade.

By 1st January 2024, all dairy exports to China will be tariff free. Meat Industry Association chief executive Sirma Karapeeva says the upgrade will simplify export procedures, remove a level of administration, paperwork and reduce compliance costs for red meat exporters. The upgrade also means that 99% of NZ's nearly $3bn wood and paper trade to China will have tariff-free access.

NEW ZEALAND EQUITIES

The New Zealand equity market has outperformed many other developed equity markets in recent years. This is largely due to the outperformance of growth stocks such as Fisher and Paykel Healthcare and high dividend yield stocks such as the electricity generators.

The share prices of companies in the retirement village sector have benefited from rising house prices. Performance in these parts of the market have been driven by low and falling interest rates, which makes stocks in them more attractive. The chart below shows the relatively tight past relationship between New Zealand equity valuations, as measured by price-to-earnings multiples, and the 10-year government bond interest rate.



Looking ahead, Jarden expects long-term New Zealand interest rates to gradually rise. Based on past relationships, higher interest rates will be more of a headwind for New Zealand equities than for global equities. In addition, the New Zealand equity market is not significantly leveraged to the global economy due to the largely domestic focus of New Zealand listed companies so probably will not benefit to the same degree as more cyclical equity markets from a revival of global economic activity once the Covid vaccines take effect.

NZ ELECTRICITY GENERATORS

DEAL DONE - FINALLY, SOME CERTAINTY

Meridian has secured an extension to its 5000GWh Tiw ai contract through to December 2024. This is broadly i n line with the best-case outcome in terms of duration – Jarden had modelled closure June 2025. There is no detail on pricing, we expect it is c. $35/MWh, down from c. $55/MWh currently. Contact will meet c. 17.5% of the obligation with Meridian the remainder. Jarden has revised their wholesale price path to take into account the medium-term gas shortage, heightened build program and a larger demand response. While this raises valuations by c. 5-8%, it leaves the sector valuations 10% below current prices. Jarden has moved Contact and Genesis to NEUTRAL from Outperform, leave Mercury and Trustpower on Neutral and Meridian on an Underperform.

GAS CONSTRAINT LIFTS MEDIUM TERM OUTLOOK

Since their 20th November 2020 report Jarden has modelled an improved wholesale outlook to FY24. This reduces the downward pressure on retail pricing ahead of a Tiwai exit that we had previously modelled.

CERTAINTY OF TIWAI ALLOWS FOR STRATEGY IMPLEMENTATION

Jarden expects Contact to announce FID on 140MW Tauhara first stage build, Meridian to move on its Harapaki wind option soon thereafter and Genesis to continue to add PPA's to fulfil its future-gen strategy (exiting baseload thermal). The elevated medium-term forward curve is likely to stimulate an overbuild outco me.

OVERBUILD LIKELY OFFSET BY DEMAND RESPONSE

Jarden had previously modelled a 1TWh demand response beginning CY25, due to advancements made by Meridian to date on Data centres, and Dairy in particular, we believe it is prudent to double this expec tation.

IMPROVED DIVIDEND EXPECTATION

Due to the higher than previously forecast retail pricing environment impact on free cashflows through Tiwai's exit period, Jarden has lifted Contact's bottom dividend from 35cps to 39cps, and Meridian's from 17cps to 19cps. Jarden has lifted Mercury's FY23 dividend from 19cps to 20cps.

PREFER MERCURY TO MERIDIAN

Comparing the Tier 1 Gentailers, Mercury and Meridian both are in the MSCI midcap index, both 100% renewable, putting them at the lower risk end, and Meridian's South Island storage value equally offsets Mercury's North Island positioning. Jarden highl ights that there is a large cashflow gap developing through the Tiwai exit that is not being captured in the differential pricing, justifying a preference for Mercury over Meridian.

VALUATION

INCREASED TARGET PRICE REFLECTS DEMAND RESPONSE UPLIFT

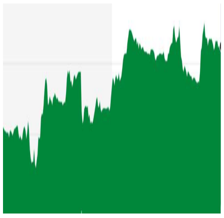
Jarden's DCF valuations	RATING	OLD TARGET	NEW TARGET
Contact Energy	Neutral	$9.03	$9.52
Genesis Energy	Neutral	$3.45	$3.71
Trustpower	Neutral	$7.04	$7.58
Mercury	Neutral	$5.58	$5.90
Meridian	Underperform	$4.85	$5.20

STOCKS TO WATCH NEW ZEALAND

Prices as at 29th January 2021

ALL GRAPHS ONE YEAR

AFT Pharmaceuticals



Total revenue (including licence income) was +4% ($46.9m to $48.8m). Underlying product sales revenue was +9% ($44.4m to $48.5m) despite COVID-19 delaying sales of Maxigesic tablets across all countries. ANZ is up +11% thanks to diverse product portfolio. AFT achieved a further 23 product approvals in the first half, which should support steady growth going forward. However, underlying EBIT was -39% ($4m to $2.4m), and this was largely due to License income being down -90% ($2.5m to 0.3m). Despite signing a further 10 IV agreements across 6 countries, and 2 Tablets agreements, negotiations have been hampered due to Covid-19 restrictions (as have been unable to travel). R&D spend was also a swing factor at the EBIT level. Prior year $0.2m of spend was offset by a $1.7m contribution by JV partners. Like for like, R&D was flat vs. the pcp.

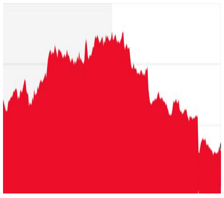
2021 P/E: 37.6 2022 P/E: 24.2

NZX Code:	**AFT**
Share Price:	**$5.12**
12mth Target:	**$6.50**
Projected return (%)	
Capital gain	27.0%
Dividend yield (Net)	2.0%
Total return	**29.0%**

Rating: OUTPERFORM

52-week price range: 3.09-5.65

A2 Milk



Significant cash flow generation is continuing to build on ATM's substantial cash position. With no debt, the large cash balance underpins A2 Milk's quality ranking as it provides funding optionality around supply chain and/or capital management. While A2 Milk faces short term pressure from the greater-than-expected Covid-19 disruption to its daigou channel, Jarden views this to be largely temporary in nature.

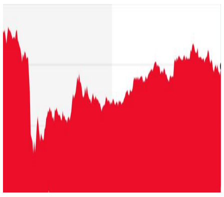
2021 P/E: 31.3 2022 P/E: 25.3

NZX Code:	**ATM**
Share Price:	**$11.54**
12mth Target:	**$12.20**
Projected return (%)	
Capital gain	5.7%
Dividend yield (Net)	0.0%
Total return	**5.7%**

Rating: NEUTRAL

52-week price range: 10.46-21.74

Auckland Airport



Given the ongoing surge in US and European COVID-19 hospitalisations and some recent community transmission cases in Australia, as well as State travel restrictions, Jarden has delayed their trans-Tasman bubble start from March to July 2021 and long-haul borders from July to a soft open pre-Christmas. Both judgments are Inherently difficult and caveat on vaccines/fast testing. Jarden estimates a quarantine-free bubble effective for FY22 could total between 4.4m and 5.5m, or +10% to +37% of pre-COVID.

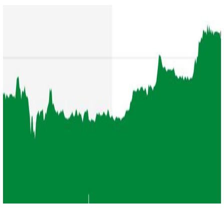
2021 P/E: N.M. 2022 P/E: 71.2

NZX Code:	**AIA**
Share Price:	**$7.45**
12mth Target:	**$6.95**
Projected return (%)	
Capital gain	-6.7%
Dividend yield (Net)	0.8%
Total return	**--5.9%**

Rating: UNDERPERFORM

52-week price range: 10.46-21.74

EBOS Group



EBO holds scale positions in ANZ hospital markets and within Pharmacy is aligned to gr-owth customers Terry White and Chemist Warehouse. Potential vaccine distribution woul d be further potential upside for this operating segment and would sit within EBO's capa-bility set, but details at this stage on the timing and form are still being worked through. The key soft spot for EBO remains its daigou exposure within consumer products, where activity is still limited given travel restrictions and freight costs.

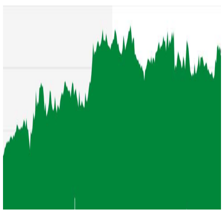
2021 P/E: 21.2 2022 P/E: 19.9

NZX Code:	**EBO**
Share Price:	**$28.62**
12mth Target:	**$29.20**
Projected return (%)	
Capital gain	2.0%
Dividend yield (Net)	3.5%
Total return	**5.5%**

Rating: OUTPERFORM

52-week price range: 18.42-29.62

Fisher & Paykel Healthcare



FPH recently provided a nine-month trading update. Key points include operating revenue +73% CC vs pcp. Key driver Hospital +113% CC vs pcp, with strong hardware sales +446% CC (acceleration in 3Q) vs pcp and consumables +54% CC vs pcp, both tracking local hospitalisation surges in the US and around the world. Homecare +6% CC vs pcp, with improvement mainly derived from strong nasal high flow therapy in the home. As a result of strong COVID-related demand continuing, the company also notes it is continuing to accelerate investment in manufacturing capacity.

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

NZX Code:	**FPH**
Share Price:	**$34.64**
12mth Target:	**$36.10**
Projected return (%)	
Capital gain	4.5%
Dividend yield (Net)	1.5%
Total return	**5.7%**

Rating: NEUTRAL

52-week price range:21.10-37.89

Infratil

IFT holdings includes stakes in Vodafone, Wellington Airport, Trustpower as well as data centres in Australia and renewable energy companies here and in the USA. Our thoughts are to continue to hold your shareholding, and await developments. We do not believe that this takeover bid story has fully played out yet, and expect Infratil directors to remain very reluctant to even consider any bids at current levels.

2021 P/E: N.M 2022 P/E: 56.3

NZX Code:	**IFT**
Share Price:	**$7.20**
12mth Target:	**$5.89**
Projected return (%)	
Capital gain	-18.2%
Dividend yield (Net)	2.5%
Total return	**-15.7%**

Rating: OUTPERFORM

52-week price range: 3.00-7.90

IN PLAY - HOLD

Mainfreight

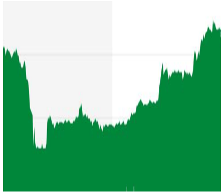
MFT has significantly outperformed the New Zealand equity market over the past two months (36% versus 9%). This reflects a very strong recovery post Covid-19 lockdowns. Its recent 1H21 trading update saw underlying net profit grow 23% to $72.9m, driven by improved margins across all divisions (Transport +1.6%, Warehousing +0.90% and Air & Ocean +0.10%). An additional pleasing feature was improved cash flow which enabled the company to reduce net debt by 27% to $115m. As a result, the company announced a 1H21 dividend of $0.30 per share, which represented a 20% uplift.

2021 P/E: 33.7 2022 P/E: 29.3

NZX Code:	**MFT**
Share Price:	**$67.50**
12mth Target:	**$65.00**
Projected return (%)	
Capital gain	-3.7%
Dividend yield (Net)	1.7%
Total return	**-2.0%**

Rating: OUTPERFORM

52-week price range: 24.00-70.00



Michael Hill International

MHJ provided 1H21 EBIT guidance of A$41-45mn (pre-IFRS-16 and wage subsidy benefits), +34% at the midpoint vs. PCP. Wage subsidy benefits further increase guidance to A$56-60mn. We note this guidance would be the highest 1H EBIT MHJ has achieved in the past ~8 years. This guidance is particularly impressive given substantial headwinds from 44 temporary COVID-related store closures in 1Q21 (~5% YoY) and 21 temporary store closures in Canada during 2Q21.

2021 P/E: 5.9 2022 P/E: 8.3

NZX Code:	**MHJ**
Share Price:	**$0.78**
12mth Target:	**$1.00**
Projected return (%)	
Capital gain	38.9%
Dividend yield (Net)	7.6%
Total return	**46.5%**

Rating: OUTPERFORM

52-week price range: 0.23-0.82

Port of Tauranga

POT continues to suffer from our larger brokerage houses continually under-rating this stock. That said, it is interesting that Jarden does include POT in its "New Zealand Quality Portfolio". Yes, POT did get hit by the Covid pandemic, but other than the Cruise Business, this port continues to operate effectively. It has a strong competitive advantage over other ports, being the only NZ port able to accommodate the 9,500 Super container ships.

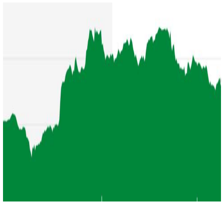
POT should remain a CORE portfolio stock.

2021 P/E: 50.2 2022 P/E: 31.5

NZX Code:	**POT**
Share Price:	**$7.54**
12mth Target:	**$5.20**
Projected return (%)	
Capital gain	-31.0%
Dividend yield (Net)	2.4%
Total return	**-28.6%**

My Rating: BUY ON WEAKNESS

52-week price range: 4.90-8.14



Pushpay Holdings

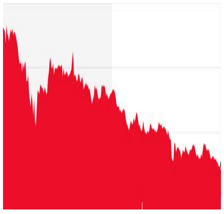
The selldown by cornerstone investors for Chris Heaslip and Chris Fowler's at a price of $1.79 per share, underpins the shareprice. My thoughts would be to take any weakness as an opportunity to buy into this company, that has built a strong business model based on donating within the religious community. The disastrous Covid deaths in the US actually helps PPH, with a frightened community moving more aggressively, looking to the church in time of crisis. Take this opportunity and buy on weakness.

2021 P/E: 37.2 2022 P/E: 32.3

NZX Code:	**PPH**
Share Price:	**$1.65**
12mth Target:	**$2.30**
Projected return (%)	
Capital gain	39.4%
Dividend yield (Net)	4.8%
Total return	**44.2%**

Rating: OUTPERFORM

52-week price range: 0.59-2.42



Sanford

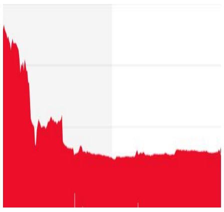
SAN saw its shares fall to a new six-year low of $4.72 recently, as the seafood exporter faces a difficult combination of increased freight costs and sliding revenues from overseas restaurants caught up in Covid lockdowns. SAN shares have fallen by more than 40% in the past 12 months. At its AGM in December, Acting CEO Andre Gargiulo said the company had restructured its overseas sales network and strengthened its ability to work with local partners in both the US and China, adding that "the management team at Sanford understands the need to move with urgency."

2021 P/E: 19.6 2022 P/E:

NZX Code:	**SAN**
Share Price:	**$4.75**
12mth Target:	**$5.20**
Projected return (%)	
Capital gain	9.5%
Dividend yield (Net)	1.5%
Total return	**11.0%**

Rating: UNDERPERFORM

52-week price range: 4.70-8.00



Sky Network Television

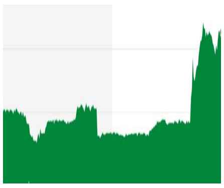
Robust NZ economic conditions and positive streaming subs (but low ARPUs can't offset loss of premium revenues). In the context of current mid-point guidance of $147.5m (vs. FY19 and FY20 adjusted EBITDA of $241m and $192.4m, respectively) things are still challenging with premium revenues still under pressure and SKT's cost base about to absorb Rugby. Delicate negotiations with NZ Rugby will be ongoing, however SKT believes it is leaving value on the table in commercial revenue. Also, a new set-top box is a matter of when, not if – approach on execution is important to cash flow timing and meeting customer needs.

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

NZX Code:	**SKT**
Share Price:	**$0.164**
12mth Target:	**$0.17**
Projected return (%)	
Capital gain	3.7%
Dividend yield (Net)	0.0%
Total return	**3.7%**

Rating: NEUTRAL

52-week price range: 0.125-0.72



TILT Renewables

Renewable energy stocks are "in play" globally; fuelled by Biden's election to the US Presidency. TLT is very well placed to benefit from this, and shareholders should play a "wait and see" strategy to maximise their portfolio value. Like IFT, patience is required, although IFT (the major shareholder, is not indisposed to a sales process. Value will be the key. **IN PLAY - HOLD**

2021 P/E: N.M 2022 P/E: N.M.

NZX Code:	**TLT**
Share Price:	**$6.28**
12mth Target:	**$4.38**
Projected return (%)	
Capital gain	-30.3%
Dividend yield (Net)	2.2%
Total return	**-28.1%**

Rating: OUTPERFORM

52-week price range: 2.70-6.68

Turners Automotive

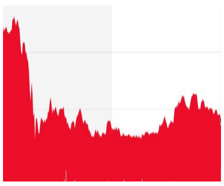
TRA has upgraded FY21 NPBT guidance to $33-35m from the $28-31m guidance last reiterated in a November 2020 update. The increase of 15% (midpoint to midpoint) is attributed to stronger–than-anticipated trading through November and December in the Auto Retail, Finance and Insurance segment. The Finance segment is the largest contributor to the increase with new loan volumes "well ahead" of last year and arrears down on higher quality lending. Demand in Auto Retail remains strong and margins continue to benefit from supply constraints in the new car market.

2021 P/E: 13.7 2022 P/E: 11.4

NZX Code:	**TRA**
Share Price:	**$3.32**
12mth Target:	**$3.55**
Projected return (%)	
Capital gain	9.2%
Dividend yield (Net)	5.7%
Total return	**14.9%**

Rating: OUTPERFORM

52-week price range: 1.13-3.55



Z Energy

A lack of tourism pick-up is driving weaker than expected volume demand. Jet fuel is the obvious victim of Covid, with the lack of overseas visitors somewhat negated by increased domestic tourism. ZEL will be a big winner once the vaccine is widely circulated, but that might not be until 2022 before a significant reversal is evident. Valuing ZEL using DCF methodology (taking into account future cashflows) ZEL looks to be around 43% below fair value.

2021 P/E: 24.0 2022 P/E: 19.6

NZX Code:	**ZEL**
Share Price:	**$2.95**
12mth Target:	**$4.00**
Projected return (%)	
Capital gain	35.6%
Dividend yield (Net)	10.4%
Total return	**46.0%**

Rating: OUTPERFORM

52-week price range: 2.50-4.67

JARDEN'S NZ EQUITY RANKINGS

AS AT 29TH JANUARY 2021

COMPANY	PRICE (NZ$)	FORWARD PE		PEG RATIO	EPS GROWTH FY19-21	VALUATION	DISC/PREM TO VALUATION
		FRD 12m	FRD 24m				
Auckland Airport	7.17	n.m	51.9	n.m.	-14.9%	6.95	3.2%
Air New Zealand	1.59	n.m	15.0	n.m.	n.m.	0.80	98.8%
Gentrack	1.31	n.m	n.m	n.m.	n.m.	1.40	-6.4%
NZ Refining	0.49	n.m	n.m	n.m.	n.m.	1.36	-64.5%
Pacific Edge	1.06	n.m	78.2	n.m.	-49.5%	1.40	-24.3%
Serko	5.68	n.m	n.m	n.m.	-15.1%	5.44	4.4%
Tourism Holdings	2.32	n.m	17.8	n.m.	-33.5%	2.80	-17.1%
Tilt	6.15	n.m	n.m	n.m.	-86.1%	4.38	40.4%
Infratil	7.66	95.5	51.8	-124.3	-28.0%	5.89	30.1%
Eroad	5.32	64.9	33.5	1.3	115.2%	4.64	14.7%
Meridian Energy	7.21	72.6	52.6	-5.1	-13.2%	5.20	38.7%
Chorus	8.26	56.2	53.0	5.5	9.6%	7.75	6.6%
Port of Tauranga	7.46	49.6	31.3	7.3	7.3%	5.20	43.5%
Mercury	7.11	48.1	38.6	3.5	15.7%	5.90	20.5%
Genesis Energy	3.85	45.5	33.2	1.2	50.4%	3.71	3.6%
Fisher & Paykel Healthcare	34.50	45.0	44.1	1.7	21.0%	36.10	-4.4%
Contact Energy	8.35	40.2	48.7	9.7	4.0%	9.52	-12.3%
Mainfreight	67.29	34.9	29.7	3.1	12.7%	65.00	3.5%
Goodman Property	2.26	32.5	27.6	17.4	1.9%	2.01	12.4%
Vector	4.23	31.5	24.1	4.2	7.7%	3.44	23.0%
NZX	2.04	31.0	19.5	4.1	7.6%	1.50	36.0%
Property For Industry	2.92	30.9	26.9	5.6	5.1%	2.54	14.8%
a2 Milk	11.33	28.3	25.2	-3.6	-6.9%	12.20	-7.1%
Vital Healthcare	3.29	27.9	22.6	3.6	6.1%	2.94	11.9%
Investore	2.23	27.3	26.3	7.6	3.7%	2.22	0.5%
Ryman Healthcare	15.80	27.1	17.9	2.6	11.7%	11.50	37.4%
Trustpower	8.73	27.0	21.6	1.6	17.5%	7.58	15.2%
Precinct Properties	1.73	26.2	26.7	8.9	3.0%	1.87	-7.5%
AFT Pharmaceuticals	5.06	25.1	19.4	0.4	98.4%	6.50	-22.2%
Restaurant Brands	11.53	25.0	22.0	1.8	21.9%	12.20	-5.5%
Steel & Tube	0.90	24.8	18.7	n.m.	n.m.	0.82	9.8%
Freightways	10.90	24.5	17.7	1.4	18.9%	8.50	28.2%
Vista Group	1.43	24.4	28.3	n.m.	n.m.	2.00	-28.5%
Comvita	3.20	24.0	18.6	0.4	65.6%	3.00	6.7%
Ebos	28.40	23.0	22.2	2.3	10.3%	29.20	-2.7%
Scales Corporation	4.85	22.9	22.4	-3.8	-6.6%	5.40	-10.2%
Summerset	12.20	22.9	16.7	5.2	5.8%	10.10	20.8%
Delegats	14.50	22.8	22.5	6.0	3.9%	15.40	-5.8%
Stride Property	2.36	22.7	22.1	151.3	0.1%	2.38	-0.8%
Asset Plus	0.35	22.1	18.7	-0.7	-29.4%	0.37	-6.8%
Z Energy	3.04	21.9	19.5	3.2	19.5%	4.00	-24.0%
New Zealand King Salmon	1.55	21.3	18.0	28.1	0.9%	1.70	-8.8%
Skellerup	3.75	21.0	19.2	1.9	11.5%	3.70	1.4%
Argosy Property Limited	1.54	20.8	19.9	39.7	0.5%	1.55	-0.6%
Synlait	4.72	20.6	15.6	-1.3	-19.6%	4.60	2.6%
Spark New Zealand	4.79	20.3	18.2	8.0	2.7%	4.62	3.7%
Kiwi Property Group	1.27	19.7	18.1	-3.9	-5.0%	1.28	-0.8%
Seeka	4.70	19.3	15.4	1.7	19.6%	4.65	1.1%
Fletcher Building	6.20	18.9	15.4	0.0	840.4%	4.91	26.3%
Oceania Healthcare	1.54	18.4	12.1	1.6	13.4%	1.30	18.5%
Metro Performance Glass	0.39	17.8	19.3	-0.2	-46.4%	0.60	-35.0%
Sanford	4.70	17.1	15.3	0.9	20.1%	5.20	-9.6%
Sky Network Television	0.16	16.3	106.9	-0.1	-64.6%	0.17	-5.9%
Arvida	1.77	15.8	12.9	2.9	7.2%	1.80	-1.7%
Fonterra	4.51	13.7	11.7	0.7	20.6%	4.20	7.4%
Kathmandu	1.30	12.8	14.4	0.4	33.5%	1.70	-23.5%
The Warehouse	3.06	12.4	12.3	6.4	1.9%	3.00	2.0%
Heartland Group	1.81	12.3	8.5	1.2	10.7%	1.33	36.1%
Turners Automotive	3.30	11.7	12.3	1.5	9.3%	3.85	-14.3%
Pushpay	1.58	9.6	10.7	0.2	71.4%	2.30	-31.3%
Michael Hill International	0.74	6.8	10.6	0.1	58.7%	1.00	-26.0%
NZME	0.75	6.8	7.1	1.7	4.7%	0.80	-6.3%
WEIGHTED AVERAGE*		**39.5**	**33.5**	**-0.7**			**11.9%**

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

	Underperform			Neutral			Outperform	
AIR	AIA	GMT	CVT	ARV	ATM	APL	AFT	PPH
	MEL	POT	CEN	CNU	ERD	ARG	KMD	ZEL
	RYM	PFI	FSF	DGL	FBU	EBO	MFT	
	STU	VCT	GNE	FPH	HGH	IFT	MHJ	
			GTK	FRE	MCY	MPG	SCL	
			IPL	KPG	SPG	NZR	SKC	
			NZM	NZK		OCA	SUM	
			NZX	PCT		PEB	TLT	
			SAN	PGW		SKL		
			SEK	RBD		THL		
			SKT	SKO		TRA		
			SML	SPK		VGL		
			VHP	TPW		WHS		

JARDEN'S NZ LISTED COMPANIES GROSS DIVIDEND YIELD AS AT 28TH JANUARY 2021

COMPANY	RATING	PRICE (NZ$)	GROSS DIVIDEND YIELD				DIVIDEND COVER				NET DEBT/ EQUITY
			FY-1	FY0	FY1	FY2	FY-1	FY0	FY1	FY2	CURRENT
Michael Hill	O	$0.71	0.0%	10.8%	9.8%	12.2%	0.0	2.2	1.7	1.4	2.3%
The Warehouse Group	O	$3.00	0.0%	9.2%	9.0%	9.1%	0.0	1.3	1.3	1.3	-24.7%
Asset Plus	O	$0.35	11.7%	7.8%	7.8%	7.8%	1.2	0.9	0.9	1.2	6.0%
Turners	O	$3.26	6.0%	7.7%	8.1%	8.7%	1.7	1.3	1.5	1.5	133.0%
Spark	N	$4.81	7.0%	7.2%	7.2%	7.2%	0.9	0.9	1.0	1.0	89.0%
Seeka	N	$4.74	7.0%	7.0%	10.5%	6.2%	0.7	0.6	0.7	1.4	53.9%
PGG Wrightson	N	$3.42	3.7%	6.5%	7.5%	7.7%	1.3	1.3	1.1	1.1	20.6%
Stride	N	$2.36	6.3%	6.3%	6.3%	6.3%	1.0	1.1	1.0	1.1	25.7%
Argosy Property	O	$1.56	6.1%	6.2%	6.2%	6.2%	1.1	1.2	1.1	1.2	58.5%
Kiwi Property Group	N	$1.26	4.2%	5.9%	7.3%	7.9%	2.0	1.3	1.1	1.1	51.0%
Genesis Energy	N	$3.87	5.8%	5.9%	6.0%	6.1%	0.3	0.4	0.6	0.7	64.5%
Contact Energy	N	$8.51	5.6%	5.8%	5.8%	6.0%	0.5	0.5	0.5	0.5	41.4%
Precinct Properties	N	$1.71	5.5%	5.7%	5.8%	6.0%	1.0	1.0	1.0	1.0	44.7%
Trustpower	N	$8.50	5.3%	5.4%	5.5%	5.6%	0.7	0.8	1.0	1.0	46.0%
Heartland Group	N	$1.84	5.3%	5.4%	8.6%	9.3%	1.7	2.0	1.3	1.3	606.9%
Scales Corporation	O	$4.93	5.4%	5.4%	5.5%	5.9%	1.3	1.0	1.1	1.2	-31.8%
Investore Property	N	$2.22	5.1%	5.1%	5.1%	5.2%	1.0	1.0	1.1	1.1	36.2%
Skellerup	O	$3.75	4.3%	4.8%	5.1%	5.6%	1.1	1.2	1.2	1.2	12.7%
Sky City	O	$3.01	4.6%	4.6%	5.5%	7.4%	1.0	1.1	1.1	1.1	35.0%
Freightways	N	$10.92	1.9%	4.5%	5.2%	5.5%	2.2	1.2	1.1	1.1	46.7%
Kathmandu	O	$1.32	0.0%	4.4%	7.7%	8.3%	0.0	1.5	1.2	1.2	-2.8%
NZX	N	$2.08	4.1%	4.3%	4.4%	5.1%	0.9	1.0	1.0	1.0	9.4%
Vector	U	$4.26	4.3%	4.3%	4.3%	4.3%	0.7	0.8	0.8	0.9	147.6%
Chorus	N	$8.30	4.0%	4.2%	4.7%	4.2%	0.5	0.6	0.5	0.4	274.3%
Vital Healthcare	N	$3.33	3.9%	4.1%	4.4%	4.9%	1.2	1.2	1.2	1.3	57.1%
Property For Industry	U	$2.93	3.9%	3.9%	4.0%	4.2%	1.1	1.3	1.2	1.2	42.1%
Goodman Property	U	$2.24	4.4%	3.6%	3.7%	3.9%	1.0	1.3	1.3	1.2	28.2%
Fonterra	N	$4.50	1.1%	3.6%	3.8%	4.2%	4.7	2.0	2.0	2.0	68.8%
Meridian Energy	U	$7.33	3.3%	3.3%	3.3%	3.3%	0.6	0.6	0.5	0.5	32.2%
Mercury	N	$7.20	3.0%	3.3%	3.6%	3.9%	0.8	0.8	0.9	0.7	30.6%
Ebos	O	$28.70	2.8%	3.2%	3.4%	3.7%	1.4	1.4	1.4	1.4	21.6%
Arvida	N	$1.80	3.2%	2.7%	3.2%	4.1%	1.8	1.7	2.0	2.0	47.2%
Infratil	O	$7.74	2.4%	2.4%	2.5%	2.6%	1.1	0.0	0.5	0.6	162.9%
Oceania Healthcare	O	$1.52	2.3%	2.3%	3.0%	3.8%	2.0	2.0	2.0	2.0	50.6%
Fisher & Paykel Healthcare	N	$34.31	1.1%	2.3%	2.1%	2.6%	1.8	1.7	1.4	1.3	-7.7%
Fletcher Building	N	$6.20	0.0%	2.2%	4.0%	4.9%	0.0	3.4	1.8	1.4	8.6%
Port of Tauranga	U	$7.47	2.3%	2.1%	2.4%	2.6%	1.1	1.2	1.2	1.2	42.4%
Comvita	N	$3.17	0.0%	1.8%	2.2%	3.5%	0.0	2.9	2.9	2.2	9.4%
Delegat's Group	N	$14.50	1.6%	1.7%	1.9%	2.0%	3.5	3.5	3.3	3.3	53.9%
Steel and Tube	U	$0.90	0.0%	1.7%	3.2%	3.6%	0.0	2.0	1.4	1.4	-16.5%
Ryman Healthcare	U	$15.75	1.5%	1.5%	1.9%	2.1%	2.0	2.0	2.0	2.0	82.9%
New Zealand King Salmon	N	$1.60	1.8%	1.4%	3.6%	4.5%	4.0	3.6	2.0	2.0	18.4%
Mainfreight	O	$67.78	1.2%	1.4%	1.7%	1.9%	2.6	2.6	2.4	2.4	7.8%
Summerset	O	$12.20	1.2%	1.0%	1.3%	1.5%	3.4	3.2	3.3	3.3	59.1%
AFT Pharmaceuticals	O	$5.05	0.0%	0.0%	2.1%	3.8%	0.0	0.0	2.0	2.0	60.5%
Auckland Airport	U	$7.14	0.0%	0.0%	2.1%	3.0%	0.0	0.0	1.0	1.0	23.6%
Air New Zealand	U	$1.59	9.6%	0.0%	0.0%	6.8%	-0.5	0.0	0.0	1.3	141.7%
a2 Milk	N	$11.45	0.0%	0.0%	0.0%	0.0%	0.0	0.0	0.0	0.0	-77.2%
Eroad	N	$5.25	0.0%	0.0%	0.0%	0.0%	0.0	0.0	0.0	0.0	-6.0%
Gentrack	N	$1.29	0.0%	0.0%	0.0%	3.0%	0.0	0.0	0.0	1.2	-10.4%
Metro Performance Glass	O	$0.41	0.0%	0.0%	0.0%	7.5%	0.0	0.0	0.0	1.5	54.6%
NZME	N	$0.74	0.0%	0.0%	8.4%	8.4%	0.0	0.0	2.4	2.5	35.7%
New Zealand Refining Company	O	$0.50	5.6%	0.0%	1.5%	13.5%	0.7	0.0	-15.8	-0.8	49.5%
Pacific Edge	O	$1.04	0.0%	0.0%	0.0%	0.0%	0.0	0.0	0.0	0.0	-88.2%
Pushpay	O	$1.65	0.0%	0.0%	5.3%	10.8%	0.0	0.0	2.0	1.2	-5.1%
Restaurant Brands	N	$11.60	0.0%	0.0%	0.0%	0.0%	0.0	0.0	0.0	0.0	71.1%
Sanford	N	$4.74	1.5%	0.0%	1.5%	2.9%	4.5	0.0	6.5	3.8	29.2%
Serko	N	$5.60	0.0%	0.0%	0.0%	0.0%	0.0	0.0	0.0	0.0	-71.0%
Sky Network Television	N	$0.16	0.0%	0.0%	0.0%	0.0%	0.0	0.0	0.0	0.0	-12.8%
Synlait	N	$4.86	0.0%	0.0%	0.0%	0.0%	0.0	0.0	0.0	0.0	42.9%
Tilt	O	$6.09	0.0%	0.0%	2.2%	2.3%	0.0	0.0	0.1	0.0	37.8%
Vista Group	O	$1.42	0.0%	0.0%	0.0%	3.0%	0.0	0.0	0.0	2.0	-32.6%
Z Energy	O	$3.03	7.6%	0.0%	10.9%	12.8%	0.7	0.0	0.7	0.8	60.4%
MEDIAN			**2.3%**	**2.7%**	**3.7%**	**4.3%**	**0.8**	**1.0**	**1.1**	**1.2**	**36.2%**

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

AUSTRALIAN EQUITY RECOMMENDATIONS

Underperform				Neutral			Outperform	
	AGL	ASX	ALD	APA	AMC	APT	ALL	QAN
	SYD	TCL	ORI	CPU	AZJ	BXB	ANZ	QBE
		TWE	SGP	FMG	CBA	COL	BHP	
			SUN	GMG	LLC	CSL	COH	
				GPT	ORG	DXS	IAG	
				JHX	RHC	MGR	WOW	
				MQG		MPL		
				RIO		NAB		
				STO		NCM		
				XRO		S32		
						SCG		
						SHL		
						TLS		
						WBC		
						WES		
						WPL		

AUSTRALIAN EQUITY RANKINGS

AS AT 29TH JANUARY 2021

COMPANY	PRICE (AU$)	FORWARD PE		PEG RATIO	EPS GROWTH FY20-22	VALUATION	DISC/PREM TO VALUATION
		FRD 12m	FRD 24m				
Afterpay	136.97	419.41	180.74	n.m.	n.m.	124.00	10.5%
NEXTDC	11.50	399.66	136.03	n.m.	n.m.	11.70	-1.7%
Xero	132.01	212.69	146.43	0.2	351.1%	119.00	10.9%
Seek	26.01	102.39	53.97	-4.6	16.9%	26.50	-1.7%
Spark Infrastructure Group	2.16	90.46	n.m.	-2.2	-25.0%	2.65	-18.5%
WiseTech Global	31.91	63.01	60.11	2.2	48.4%	28.00	14.0%
Crown	9.66	69.66	22.49	n.m.	18.1%	10.35	-6.5%
Altium	29.96	60.57	52.65	-269.4	-2.7%	35.00	-14.4%
REA Group	145.16	53.50	43.17	4.2	20.9%	137.70	5.4%
Cochlear	195.60	46.65	41.20	2.0	32.3%	225.00	-13.1%
Fisher & Paykel Healthcare Corp.	32.24	44.95	42.15	0.4	19.6%	36.10	-10.7%
Domino's Pizza Enterprises	90.50	44.70	41.59	3.4	11.4%	58.71	54.1%
CSL Ltd	266.90	40.25	35.34	7.1	4.0%	325.00	-17.9%
ResMed Inc.	27.42	38.01	33.10	2.1	6.0%	29.50	-7.1%
Qube Holdings Limited	2.82	34.45	28.35	3.1	20.7%	3.20	-11.9%
APA Group	9.76	33.36	29.74	-11.6	6.4%	10.70	-8.8%
Appen	22.40	32.58	26.29	1.0	28.1%	26.00	-13.8%
Treasury Wine	9.84	32.23	28.49	-1.2	-18.4%	11.00	-10.5%
carsales.com.au	19.07	31.05	28.33	1.9	15.6%	18.80	1.4%
ASX	71.36	30.04	29.36	-3.1	-5.7%	71.00	0.5%
TPG Telecom	7.43	29.10	20.44	0.3	65.3%	7.40	0.4%
Wesfarmers	54.80	28.17	26.93	9.1	3.7%	55.83	-1.8%
Aristocrat Leisure	30.34	26.96	19.79	1.0	38.7%	34.50	-12.1%
Goodman Group	17.69	26.36	23.97	2.6	10.2%	19.64	-10.8%
Ramsay Health Care	62.66	25.98	22.41	1.1	31.7%	69.00	-9.2%
Coca-Cola Amatil	13.10	25.81	23.33	1.6	13.3%	n.m.	n.m.
Woolworths	41.00	25.55	24.43	1.1	12.9%	40.80	0.5%
James Hardie Industries plc	36.72	25.52	22.29	1.4	15.7%	39.00	-5.8%
Tabcorp Holdings	4.02	24.36	21.44	4.7	16.1%	4.40	-8.6%
Cleanaway Waste Management	2.24	24.35	21.01	2.7	16.8%	2.45	-8.6%
South 32	2.58	24.26	22.25	0.2	34.5%	2.90	-11.0%
Charter Hall Group	13.59	23.58	21.51	-1.1	-6.5%	13.96	-2.7%
Star Entertainment Group	3.45	23.05	17.04	-2.2	15.2%	3.85	-10.4%
ALS Ltd	9.88	22.24	20.84	-5.9	6.6%	10.40	-5.0%
Incitec Pivot	2.60	21.89	17.06	29.5	13.1%	2.73	-4.8%
Bendigo and Adelaide Bank	9.55	21.77	n.m.	-1.1	-7.4%	7.00	36.4%
Atlas Arteria	6.19	21.51	n.m.	n.m.	n.m.	7.90	-21.6%
Computershare	14.37	21.19	20.11	-2.0	-6.5%	13.90	3.4%
Telstra Corporation	3.10	21.16	19.09	-3.3	-1.2%	3.85	-19.5%
Brambles	10.47	21.04	18.28	2.3	10.4%	12.25	-14.5%
Coles Group Limited	18.14	20.60	20.67	0.7	10.9%	21.04	-13.8%
Commonwealth Bank Australia	85.14	20.54	19.35	-13.5	2.3%	82.00	3.8%
Medibank Private Limited	2.91	20.27	19.59	4.8	5.0%	3.00	-3.0%
Origin Energy	4.84	19.82	14.88	-0.4	-33.5%	5.70	-15.1%
Nine Entertainment	2.37	19.80	16.94	0.5	21.4%	2.80	-15.4%
Ampol Limited	26.46	19.44	14.44	0.4	45.8%	27.71	-4.5%
Boral	4.83	19.26	16.01	1.3	21.1%	4.60	5.0%
AusNet Services	1.73	19.15	n.m.	0.9	6.5%	1.95	-11.3%
NIB Holdings Limited	5.49	19.09	17.34	2.6	12.2%	4.70	16.8%
Reliance Worldwide	4.33	18.91	18.72	0.4	16.5%	4.95	-12.5%
Mirvac Group	2.43	18.88	17.52	-2.5	0.8%	2.69	-9.7%
Orica	15.17	18.82	16.55	11.1	8.4%	16.99	-10.7%
Sonic Healthcare	34.04	18.81	22.45	0.2	15.3%	39.00	-12.7%
Magellan Financial Group	47.54	18.78	16.47	-6.0	5.3%	55.00	-13.6%
Macquarie Group	133.40	18.69	16.99	-1.2	-2.5%	128.00	4.2%
Ansell Limited	36.10	17.67	18.21	0.4	4.6%	45.50	-20.7%
AGL Energy	11.64	16.64	24.81	-0.4	-33.8%	11.10	4.9%
National Australia Bank	23.92	16.47	14.97	0.8	16.1%	26.00	-8.0%
Challenger Limited	6.70	16.43	15.36	-0.9	-4.7%	6.00	11.7%

AUSTRALIAN EQUITY RANKINGS *CONTINUED*

COMPANY	PRICE (AU$)	FORWARD PE		PEG RATIO	EPS GROWTH FY20-22	VALUATION	DISC/PREM TO VALUATION
		FRD 12m	FRD 24m				
Oil Search	4.00	16.39	12.26	0.0	437.6%	3.61	10.8%
Dexus	8.96	15.91	15.71	5.9	1.0%	9.92	-9.7%
Scentre Group	2.63	15.82	n.m.	0.6	14.9%	2.73	3.7%
GPT Group	4.37	15.76	n.m.	0.9	10.6%	4.83	-9.5%
Bank of Queensland	8.16	15.66	13.04	-653.4	11.6%	7.60	7.6%
Link Administration Holdings Limited	4.83	15.56	13.37	-4.6	15.0%	n.m.	n.m.
Stockland Group	4.50	15.55	14.51	-3.1	1.4%	4.05	11.1%
BHP Group Limited	44.26	15.43	20.02	0.4	-0.3%	40.00	10.7%
WorleyParsons	11.34	15.42	13.94	3.2	6.7%	11.70	-3.1%
Alumina Limited	1.72	15.41	12.77	0.4	23.6%	2.10	-18.3%
Orora	2.43	15.40	14.00	1.3	11.8%	2.80	-13.2%
ANZ Banking Group	24.22	15.18	13.14	0.7	20.1%	28.00	-13.5%
Westpac	21.46	15.15	13.26	0.2	47.6%	22.50	-4.6%
Downer EDI	5.17	15.06	12.81	1.6	16.6%	4.70	10.0%
Woodside Petroleum	25.14	15.05	16.76	0.0	66.6%	27.63	-9.7%
Lend Lease	12.05	14.95	12.19	n.m.	n.m.	14.61	-18.6%
JB Hi-Fi	51.26	14.63	16.56	0.3	5.5%	54.72	-6.3%
Amcor	14.35	14.22	13.26	1.0	4.3%	15.10	-5.0%
Vicinity Centres	1.59	14.03	13.54	-1.2	-3.3%	1.61	-1.6%
Santos Ltd	6.72	13.75	11.31	0.1	65.5%	6.96	-3.4%
Evolution Mining Limited	4.55	13.46	11.40	1.6	26.5%	5.50	-17.3%
Aurizon	3.70	12.64	11.52	-4.9	5.9%	5.40	-31.5%
AMP Limited	1.47	12.50	n.m.	-1.5	5.4%	n.m.	n.m.
Iluka Resources	6.61	11.91	10.16	0.7	18.2%	5.60	18.0%
Rio Tinto	113.70	11.42	16.60	1.5	-16.1%	95.00	19.7%
Newcrest Mining	25.33	10.80	10.60	0.2	36.8%	33.20	-23.7%
OZ Minerals	18.50	10.67	n.m.	0.1	57.7%	15.40	20.1%
Northern Star Resources Ltd	12.74	10.32	8.53	0.2	93.7%	14.75	-13.6%
Fortescue Metals Group Ltd	22.73	10.01	18.32	0.2	-12.1%	16.50	37.8%
BlueScope Steel	16.03	9.50	9.57	0.1	57.2%	19.80	-19.0%
Beach Energy	1.71	8.98	7.02	-0.4	4.6%	2.07	-17.4%
Flight Centre	14.40	-49.28	20.11	n.m.	n.m.	15.29	-5.8%
Qantas	4.55	-52.86	11.46	n.m.	n.m.	3.00	51.7%
Sydney Airport	5.72	-340.08	n.m.	n.m.	n.m.	4.50	27.1%
Transurban	13.06	-779.66	179.15	n.m.	n.m.	12.60	3.7%

*Please note that as negative PEs are not considered meaningful we consider the ranking of these stocks arbitrary

COMPANY	RATING	PRICE (AU$)	DIVIDEND YIELD FY-1	FY0	FY1	FY2	DIVIDEND COVER FY-1	FY0	FY1	FY2	NET DEBT/ EQUITY CURRENT
Fortescue Metals Group Ltd	N	$23.68	6.5%	7.9%	4.9%	2.4%	1.3	1.5	1.5	1.5	6.1%
AGL Energy	U	$11.55	8.5%	7.8%	4.8%	2.6%	1.3	1.0	1.0	1.4	33.1%
Aurizon	O	$3.85	7.1%	6.9%	7.9%	8.6%	1.0	1.0	1.0	1.0	91.1%
AMP Limited	R	$1.53	0.0%	6.6%	3.3%	3.9%		1.3	2.3	2.3	467.8%
Spark Infrastructure Group	O	$2.18	6.9%	6.4%	4.6%	4.6%	0.3	0.3	0.2	0.2	-2.6%
Vicinity Centres	O	$1.55	5.0%	5.7%	6.1%	6.2%	1.6	1.2	1.2	1.2	33.7%
AusNet Services	N	$1.73	5.9%	5.5%	5.7%		0.8	1.0	0.9		297.2%
Dexus	O	$9.20	5.5%	5.5%	5.5%	5.5%	1.1	1.1	1.1	1.1	36.7%
Stockland Group	N	$4.43	5.4%	5.3%	5.7%	6.1%	1.2	1.2	1.2	1.2	45.6%
Rio Tinto	N	$117.05	4.9%	5.1%	5.7%	3.6%	1.4	1.6	1.5	1.7	0.0%
APA Group	N	$9.72	5.1%	5.1%	5.5%	5.7%	0.5	0.5	0.6	0.6	334.4%
Telstra Corporation	O	$3.14	5.1%	5.1%	5.1%	5.1%	1.0	0.9	0.9	1.1	96.9%
JB Hi-Fi	N	$52.47	3.6%	5.0%	3.9%	3.8%	1.5	1.5	1.5	1.5	49.9%
BHP Group Limited	O	$45.05	3.5%	4.9%	3.0%	2.1%	1.5	1.4	2.0	2.0	21.6%
Sonic Healthcare	O	$34.26	2.5%	4.7%	3.2%	3.3%	1.3	1.4	1.4	1.3	14.6%
GPT Group	N	$4.39	6.0%	4.6%	5.4%	5.7%	1.2	1.2	1.2	1.2	42.3%
WorleyParsons	O	$11.63	4.3%	4.5%	4.6%	5.1%	1.3	1.3	1.4	1.4	28.7%
Orora	N	$2.46	20.0%	4.5%	4.8%	5.1%	0.3	1.3	1.4	1.4	55.3%
Amcor	N	$14.31	4.2%	4.5%	4.7%	5.1%	1.4	1.5	1.5	1.5	110.2%
Magellan Financial Group	N	$48.76	4.4%	4.3%	4.8%	5.5%	1.1	1.1	1.1	1.1	-34.7%
Alumina Limited	O	$1.69	6.2%	4.3%	6.1%	7.4%	1.4	1.1	1.1	1.1	3.0%
Origin Energy	N	$4.88	5.1%	4.1%	4.3%	5.5%	2.3	1.1	1.2	1.4	36.0%
Coles Group Limited	O	$18.50	3.1%	4.0%	3.8%	4.0%	1.2	1.2	1.2	1.2	318.3%
ANZ Banking Group	O	$24.55	2.4%	4.0%	5.2%	5.7%	2.1	1.5	1.4	1.4	-176.7%
Westpac	O	$21.66	1.4%	3.9%	5.0%	5.6%	2.3	1.6	1.4	1.4	-42.4%
Medibank Private Limited	O	$2.96	4.1%	3.9%	4.1%	4.2%	1.1	1.2	1.2	1.2	-48.2%
Mirvac Group	O	$2.47	3.7%	3.9%	4.0%	4.2%	1.5	1.3	1.4	1.4	40.4%
Downer EDI	O	$5.28	2.7%	3.7%	4.3%	4.8%	2.0	1.5	1.6	1.7	58.3%
National Australia Bank	O	$24.22	2.5%	3.7%	4.4%	4.8%	1.9	1.6	1.5	1.5	-102.7%
Wesfarmers	O	$55.25	2.8%	3.4%	3.2%	3.1%	1.2	1.0	1.1	1.2	94.5%
Scentre Group	O	$2.82	8.0%	3.3%	4.4%	4.7%	1.1	1.5	1.4	1.4	76.2%
Nine Entertainment	O	$2.43	2.9%	3.3%	3.3%	4.5%	1.2	1.5	1.5	1.4	11.6%
Orica	N	$15.53	2.1%	3.0%	3.7%	4.1%	2.3	1.6	1.5	1.5	57.2%
ASX	U	$72.66	3.3%	3.0%	2.9%	3.1%	1.1	1.1	1.1	1.1	-24.1%
Macquarie Group	N	$135.64	3.2%	2.9%	3.9%	4.3%	1.8	1.6	1.4	1.4	0.0%
Commonwealth Bank Australia	N	$86.60	3.4%	2.9%	3.3%	3.5%	1.4	1.6	1.5	1.5	-61.4%
Lend Lease	N	$12.18	2.7%	2.9%	3.6%	4.4%	-1.5	2.0	2.0	2.0	13.9%
Challenger Limited	O	$6.92	2.5%	2.8%	3.3%	3.5%	2.7	2.0	1.9	1.8	-11.3%
Woolworths	N	$41.87	2.2%	2.7%	2.9%	3.0%	1.4	1.4	1.3	1.3	176.5%
Charter Hall Group	N	$13.82	2.6%	2.7%	2.9%	3.1%	1.9	1.4	1.5	1.5	5.5%
carsales.com.au	N	$19.50	2.4%	2.6%	2.9%	3.1%	1.0	1.1	1.2	1.2	107.3%
Evolution Mining Limited	O	$4.69	3.4%	2.6%	4.3%	2.6%	1.5	2.3	1.9	3.4	2.0%
Bank of Queensland	O	$8.37	1.4%	2.6%	5.0%	5.7%	4.0	2.2	1.4	1.4	
Computershare	N	$14.60	2.8%	2.6%	2.7%	2.8%	1.8	1.7	1.8	1.8	92.8%
Bendigo and Adelaide Bank	N	$9.69	3.2%	2.4%	3.6%		1.7	1.8	1.3		-19.7%
Brambles	O	$10.60	2.2%	2.4%	2.9%	3.2%	1.8	1.7	1.8	1.8	61.7%
Transurban	U	$13.22	3.6%	2.4%	3.0%	3.4%	-0.1	-0.3	0.1	0.2	251.7%
Coca-Cola Amatil	R	$13.09	3.9%	2.4%	3.1%	3.4%	1.1	1.4	1.2	1.2	62.9%
Ansell Limited	O	$37.41	1.7%	2.4%	2.4%	2.4%	2.4	2.4	2.2	2.3	8.5%
Reliance Worldwide	O	$4.37	1.6%	2.2%	2.3%	2.4%	2.4	2.5	2.2	2.2	14.2%
Link Administration Holdings Limite	R	$4.88	2.0%	2.1%	3.3%	3.8%	2.7	2.4	2.2	2.0	47.4%
Incitec Pivot	N	$2.69	0.0%	2.1%	2.7%	3.5%		1.9	1.9	1.9	24.7%
Treasury Wine	O	$9.29	2.9%	2.0%	2.0%	2.7%	1.6	1.7	1.5	1.5	16.9%
Qube Holdings Limited	O	$2.90	2.0%	2.0%	2.0%	2.0%	1.1	1.2	1.6	1.8	45.0%
Cleanaway Waste Management	N	$2.32	1.8%	1.9%	2.4%	2.6%	1.8	1.8	1.8	1.8	30.6%
Ampol Limited	N	$27.80	3.0%	1.9%	2.9%	3.9%	1.7	1.7	1.7	1.7	33.2%
Atlas Arteria	O	$6.08	4.9%	1.8%	4.3%	6.7%	0.0	-1.0	1.1	0.8	35.6%
ALS Ltd	O	$10.52	1.7%	1.8%	2.6%	2.7%	2.2	2.0	1.7	1.7	72.1%
Tabcorp Holdings	O	$4.14	2.7%	1.7%	3.6%	3.9%	1.2	2.0	1.2	1.2	30.0%
Goodman Group	N	$17.83	1.7%	1.7%	1.7%	2.1%	1.9	2.1	2.3	2.0	8.5%
James Hardie Industries plc	N	$38.22	0.3%	1.6%	1.9%	2.2%	7.9	2.0	2.0	2.0	50.2%
Fisher & Paykel Healthcare Corp.	N	$32.94	0.8%	1.6%	1.5%	1.8%	1.8	1.7	1.4	1.3	-7.7%
South 32	O	$2.65	1.6%	1.6%	1.6%	1.9%	1.2	2.5	2.5	2.5	-5.9%
Domino's Pizza Enterprises	U	$92.44	1.3%	1.5%	1.6%	1.7%	1.4	1.4	1.4	1.4	273.9%
Aristocrat Leisure	O	$30.65	0.3%	1.3%	2.1%	2.5%	7.5	2.4	2.2	2.2	39.2%
Northern Star Resources Ltd	O	$13.26	1.3%	1.2%	2.0%	2.0%	2.5	4.8	5.8	5.3	-5.9%
OZ Minerals	U	$19.14	1.2%	1.2%	1.2%	1.2%	2.3	2.8	7.6	6.9	7.1%
Woodside Petroleum	O	$25.57	4.6%	1.2%	5.3%	4.7%	1.3	1.3	1.3	1.3	15.9%
Ramsay Health Care	N	$63.44	1.0%	1.2%	2.4%	2.5%	2.5	2.7	1.8	1.8	168.6%
Beach Energy	O	$1.76	1.1%	1.1%	1.1%	1.1%	10.1	7.4	11.0	13.0	-3.8%
Altium	O	$30.51	1.1%	1.1%	1.2%	1.4%	1.3	1.4	1.4	1.4	-89.3%
CSL Ltd	O	$275.20	1.0%	1.0%	1.1%	1.3%	2.3	2.4	2.3	2.2	64.4%
REA Group	N	$146.50	0.8%	0.9%	1.2%	1.4%	1.9	1.8	1.8	1.8	-0.1%
BlueScope Steel	O	$16.32	0.9%	0.9%	0.9%	0.9%	4.9	11.9	12.2	11.8	-2.1%
Newcrest Mining	O	$26.07	1.2%	0.8%	0.7%	0.5%	3.8	9.5	13.1	16.1	-0.2%
ResMed Inc.	O	$28.58	0.7%	0.7%	0.8%	0.8%	2.8	3.3	3.5	3.9	6.0%
Santos Ltd	N	$6.85	2.1%	0.6%	1.5%	2.1%	3.1	4.8	4.7	4.1	46.3%
TPG Telecom	N	$7.54	0.0%	0.5%	2.4%	3.8%		3.3	1.4	1.2	39.2%
TPG Telecom	N	$7.54	0.0%	0.5%	2.4%	3.8%		3.3	1.4	1.2	39.2%
Appen	N	$22.94	0.3%	0.4%	0.5%	0.6%	6.7	5.2	5.8	5.8	-20.3%
Cochlear	N	$201.55	0.8%	0.3%	1.3%	1.4%	1.6	5.8	1.8	1.8	-11.5%
WiseTech Global	N	$33.98	0.1%	0.2%	0.2%	0.3%	6.1	5.9	5.9	5.9	-25.2%
Afterpay	O	$146.00	0.0%	0.0%	0.0%	0.0%					-20.7%
Xero	N	$140.85	0.0%	0.0%	0.0%	0.0%					-21.3%
Star Entertainment Group	N	$3.51	3.0%	0.0%	3.4%	4.6%	1.3		1.5	1.4	36.2%
NEXTDC	N	$11.93	0.0%	0.0%	0.0%	0.0%					14.4%
Sydney Airport	U	$5.73	6.8%	0.0%	1.9%	3.6%	0.7		-0.2	0.3	1793.8%
Crown	N	$9.82	3.1%	0.0%	6.1%	6.1%	0.8		0.5	0.8	20.5%
Seek	O	$29.08	0.4%	0.0%	1.2%	1.5%	2.0		1.0	1.4	87.7%
Boral	N	$5.08	1.9%	0.0%	2.9%	3.4%	2.0		1.9	1.8	39.6%
Qantas	U	$4.63	0.0%	0.0%	0.0%	0.0%					735.5%
Oil Search	U	$4.16	2.9%	0.0%	1.5%	3.5%	2.2		3.9	2.2	49.4%
MEDIAN			**2.6%**	**2.4%**	**3.1%**	**3.4%**	**1.5**	**1.6**	**1.5**	**1.5**	**30.6%**

Source: Jarden, CS Group Estimates

JARDEN'S GLOBAL DIRECT EQUITY PORTFOLIO

PORTFOLIO CONSTITUENTS – NO CHANGE

Ticker	Security Name	Weight	Sector
BABA.US	Alibaba	6.3%	Cons Discretionary
AMZN.US	Amazon	8.3%	Cons Discretionary
AAPL.US	Apple	9.3%	Info Tech
ASML.NA	ASML Holding	8.7%	Info Tech
T.US	AT&T	3.7%	Comm. Serv
BP/.LN	BP	3.5%	Energy
C.US	Citigroup	7.7%	Financials
MC.FR	LVMH	4.7%	Cons Discretionary
MA.US	Mastercard	5.5%	Info Tech
MRK.US	Merck & Co	6.0%	Health Care
MSFT.US	Microsoft	6.4%	Info Tech
MS.US	Morgan Stanley	8.1%	Financials
SCHN.FP	Schneider Electric	4.0%	Industrials
ULVR.LN	Unilever	4.1%	Cons Staples
UNH.US	UnitedHealth Group	7.9%	Health Care
DIS.US	Walt Disney	5.8%	Comm. Serv
		100.0%	

Source: Jarden

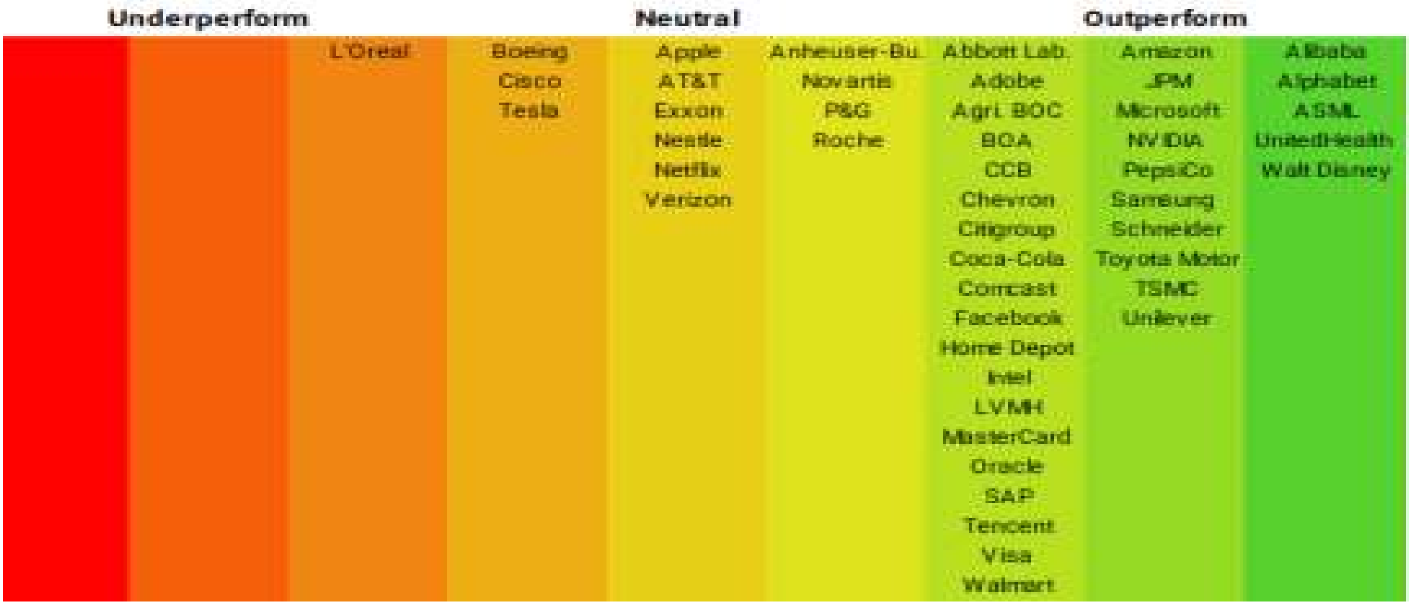
ALIBABA (BABA)

Full-time employees: 122,399

Alibaba shares have had a volatile year, starting the 2020 year at US$212, then reaching a high of US$319 in late October, before closing at the end of December at US$226. We are now seeing a recovery, with the shareprice currently at US$260. The Zacks analyst believes that the company continues to benefit from strong growth in metrics. Further, BABA's strengthening cloud business, with its expanding customer base, continues to drive its performance. Its New Retail strategy continues to gain momentum. This is aiding growth in Tmall Import, Hema fresh food grocery business and Intime Department Stores.

However, higher costs associated with new initiatives remain a concern. Also, COVID-19 related economic uncertainties and macro headwinds in China are major concerns. In addition, rising competition from e-commerce players poses a risk.

ALIBARBA (Year to Date)



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