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INVESTMENT STRATEGIES

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NEW ZEALAND DEFINITELY A FIRST WORLD COUNTRY

If you read the article on page 11 of this newsletter (titled: "30 Richest Countries in the World by Per Capita Net Worth") you will see that Credite Suisse & USB have identified New Zealand as the 8th richest country in the world – based on 2022 data "Wealth per Adult".

Paula Bennett noted in the 11-Feb-24 Herald article that "**We have become a nation of can'ts**." Once we prided ourselves on our number 8 wire mentality. We could get on and do anything. Fix anything. Now we can't.

Now, there is always someone saying we can't. We are experts at getting in our own way, over-regulating and making excuses on why we can't. From housing to roads (or for that matter pretty much any infrastructure needed) we spend so much time saying we can't that we are doing damage.

Now that the 2023 Election is over, can I suggest that we all need to regain our Kiwi "Can do" mojo, and look for the opportunities, rather than the drawbacks. We also can't blame the Government or someone else when bad stuff happens.

We all need to take self-responsibility, rather than blaming others

VERSUS

NATIONAL IS CLEAR – NO-ONE OWNS WATER

Māoridom is trying to regain relevance with its protests over the "Treaty Principles Bill". However, the crux of the matter is that they are really worried that they are losing ground on the key issue over water ownership. The National Coalition Government is united in the view that …

"No-one owns water"

WEBSITE: **vond.co.nz**

CONTENTS

STATISTICS NZ DATA

Estimated NZ population at 1-Mar-24 **5,326,700**
Population: 1950: 1,911,608 2000: 3,855,266 Growth 2.7% this year
Births / Deaths: Births: **56,943** Deaths: **37,569** Sept-23 year
Māori population Estimate Jun-23 (17.3% of NZ pop) **904,100**
Net Migration Dec-23yr (**Non NZ: 173,000; NZ Citz: -47,000**) **126,000**
Total Non-NZ Migration Arrivals Dec-23yr ↑ **226,900**
Net migration by country Dec-23 yr India: 44,930; Philippines: 34,433; China: 16,711; Fiji: 10,290; Sth Africa: 8,151; Sri Lanka: 6,628
Annual GDP Growth Dec-23 year (↓ from 1.3% in Sep-23) **-0.6%**
Inflation Rate (CPI) Dect-23 year (↓ from 5.6%) **4.7%**
Household Cost of Living Dec-23 year **7.0%**
NZ Gross Govt Debt at Jun-23 CEIC Data ↑ **$141 bn**
Debt per person (public+private) Jun-23 ↑ **$151,080**
Minimum Wage (up $1.50 from 1st April 2023) **$22.70**
Living wage 1-April-23 **$26.00**
NZ Median wage from February 2024 **$31.61**
Annual Wage Inflation (private sector) Dec-23 year **6.6%**
Annual Wage Inflation (public sector) Dec-23 year **7.4%**
Wages average per hour Jun-23 qtr (↑7.4% yoy) **$39.60**
Labour force participation rate Sep-23 qtr (↓ from 72.4%) **71.8%**
Unemployment Jan-24 year **4.0%**
Youth Unemployment Dec-23year **12.4%**
Beneficiaries (Job seeker/Solo/Supported living) Dec-23 ↑ **351,759**
(10.2% of working-age population as at 31-Mar-23)
Jobseeker Support numbers 5.4% (Mar-18 118,753 4.0%) **168,498**

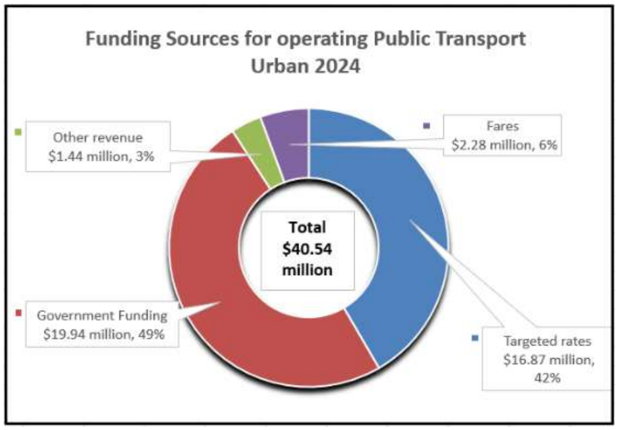
Size of Māori Economy 2023 (2013: $43bn 2020: $69bn) **$91 bn**
Size of NZ Economy (NZ GDP) Sep-23 year **$400 bn**

SHAREMARKETS	CODE	YTD	5 yr/pa
New Zealand	^NZ50	-0.2%	6.7%
Australia	^AXJO	1.3%	7.3%
United Kingdon	^FTSE	-0.8%	2.3%
US - Dow Jones	^DJI	3.3%	13.4%
US - S&P500	^GSPC	6.3%	20.6%
US - NASDAQ	^IXIC	6.3%	28.4%

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.

THE COST OF URBAN PUBLIC TRANSPORT AT BOPRC



Public transport in Tauranga, Rotorua, the Western Bay District and Whakatāne is mainly funded through bus fares, investment from Central Government through the New Zealand Transport Agency (Waka Kotahi), and targeted rates paid by property-owners in the area where the service is provided.

Some other public transport services such as buses operating in smaller centres and intra-regionally, are partly funded through general rates which are paid by all ratepayers across the region.

BUILDING CONSENT REFORM

Building and Construction Minister Chris Penk (National) says that the government plans to reform the building consent system to make it more affordable to build a home. It intends to both review the Building Code to bring in a streamlines risk-based consenting regime, as well as increase the availability of construction materials (both were part of National's election manifesto).

"*It's difficult for builders to have products from overseas accepted for use by building consent authorities and councils. At the moment, because they each face the individual risk, they've got an uncertainty. Currently, they're rewriting the rulebook each and every time. So we want to have some more clarity and consistency for them*."

The cost of building work consented per square metre for a standalone house in 2022 was $2591. In Australia, it was $1743.

The total number of homes consented is in decline as well. In the year to December 2023, 37,239 dwellings were consented, down from 49,538 the previous year.

Penk said New Zealanders were paying too much for building materials. "It will really unlock that competition, and therefore the downward pressure on prices, whereas at the moment, the feeling is very much that with relatively few products available in the same space in New Zealand, there's a monopolistic effect," he said.

Penk said the government would be careful to draw the line in the right place, so reforming consents and making materials cheaper would not lead to another leaky homes situation. "*There are sensible ways that we can easily and quickly get to a safe result, while achieving those aims of lowering costs by increasing competition.*"

An option was to look at equivalent jurisdictions that have already done the same work, and had the same conditions, such as Australia, and automatically allow their products to be approved in New Zealand. Penk expected it would take a few months to draw up the regulations.

LABOUR A DISGRACE OVER THREE WATERS

SOURCE: NZ Herald, 22-Feb-24

Two government water reform chief executives have taken redundancy payouts of $355,000 apiece, while a third has "transitioned" to another water reform job within the Department of Internal Affairs, now under review.

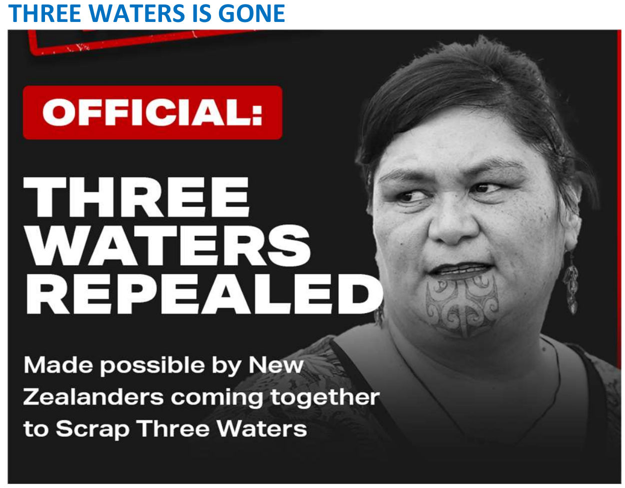
Jon Lamonte and Colin Crampton both left their posts on December 15th with redundancy packages worth six months of their $710,000 "establishment chief executive" base salaries. They were each on the job for just 10 months.

Bizarrely, a third chief executive, Vaughan Payne, took up a new post, focused on the last iteration of the labour-era reforms, on December 20th, six days after the new Cabinet formally decided to legislate to repeal and replace that plan.

A Department spokesman said Payne's new job, regional establishment director, was agreed to in September, before the October 14th election, under the water reform law of the time.

Signing such a contract a few days before the election was wrong. The responsible thing would have been to delay any significant contractual obligations.

THREE WATERS IS GONE



TAIRĀWHITI'S PLANTATION SLASH NIGHTMARE

One year ago, all hell broke loose in Tairāwhiti (Gisborne) when Cyclone Gabrielle propelled 1.4m tonnes of wood debris down the East Coast's steep, fragile hillsides into rivers and on to bridges, homes, farms, roads and beaches below. To date, only 165,000 tonnes of this 1.4m tonnes has been removed, according to Gisborne District Council.

Although the region, which has some of the world's most erodible soils, was familiar with the effects of extreme weather events. Just a month earlier Cyclone Hale had plunged this region into a state of emergency and sent a mountain of wood debris and silt barrelling down hill- sides, but Gabrielle brought one battering too many from its forestry sector.

12 months later, huge quantities of slash debris remains, highlighting long-term issues that plantation forestry poses. Labour promised one billion trees as part of its climate change response. What we now know it that this was a "simplistic solution" to emissions mitigation and the unintended consequences have been catastrophic for New Zealand Inc.

Our Green/Red activists preach "climate change is a crisis" but they don't offer a genuinely pragmatic solution to the issue. Certainly, if you ask the Gisborne Council, they will tell you that planting trees without proper consideration of "unintended consequences" is not the answer.

This is not just a Tairāwhiti problem, but also across much of New Zealand, and certainly also in the Bay of Plenty.

Mass planting of trees on steep slopes right down to waterways have proven problematic (often impossible) when it comes to harvesting them. The latest thought is that in these highly problematic areas the best solution is probably to kill the trees by spraying, and let the trees wither and fall to the ground. I, for one, am unconvinced that this is the best solution, and instead we should still harvest them (at considerable cost) and winch the logs out of these watershads.

As Councillor Paula Thompson would say – "This is a wicked problem."

Let's be very careful going forward to ensure that we have carefully evaluated all potential consequences of our actions before we proceed with what looks like a sustainable environmental solution to a problem.

Imagine we lived in a world where all cars were EVs, and then along comes a new invention, the "Internal Combustion Engine"! Think how well they would sell: A vehicle half the weight, half the price that will almost quarter the damage done to the road. A vehicle that can be refuelled in 1/10th of the time and has a range of up to 4 times the distance in all weather conditions. It does not rely on the environmentally damaging use of non-renewable rare earth elements to power it, and use far less steel and other materials.

Just think how excited people would be for such technology, it would sell like hot cakes!

"The future depends on what we do in the present."
Mahatma Gandhi

HOW WAS MĀORIDOM GOING IN 2023

The Ten Richest Iwi		Crown redress ($m)	Year settled	2023 Population	2023 value ($bn)	2021 value ($bn)	Years since settled	Gain per year ($m)	Gain per year (%)	Asset Class	Management approach
Ngāi Tahu	South Island	473	1997	78,972	$2.214	$1.923	26	$66.962	14.2%	Property	Largely active
Waikato-Tainui	Waikato	465	1995	85,756	$2.207	$1.529	28	$62.214	13.4%	Property	Largely active
Ngāti Whātua Orākei	Auckland	18	2011	7,050	$1.573	$1.550	12	$129.583	719.9%	Property	Active
Ngāti Toa	Porirua	71	2014	8,949	$0.795		9	$80.444	113.3%	Property	Largely active
Tūhoe	Te Urewera	169	2013	42,541	$0.406	$0.420	10	$23.700	14.0%	Financial assets	Largely passive
Ngāti Porou	Wast Cape	90	2011	86,629	$0.298	$0.286	12	$17.333	19.3%	Financial assets	Largely passive
Raukawa	South Waikato	50	2012	9,820	$0.238	$0.208	11	$17.091	34.2%	Property	Mixed
Ngāti Awa	Bay of Plenty	43	2005	21,903	$0.180		18	$7.611	17.7%	Primary Ind	Mixed
Ngāti Pāhauwera	Nthn Hawke's Bay	20	2010	8,209	$0.101	$0.103	13	$6.231	31.2%	Forestry	Largely active
Ngāpuhi	Northland	Under negotiation		153,143	$0.088	$0.071				Fishing	Largely passive

Māori are fired up that they risk losing their perceived gains that Labour was promising. However, they already own more than 20% of the New Zealand economy, whereas their population is around 17%. Furthermore, they pay virtually no tax (reported on page 9 of my August 2023 newsletter) – in 2022 these same top ten Iwi groups paid a total of just $1.1m in tax.

The truth is that Māori have done very well in the last couple of decades, and the biggest problem is that they don't tend to distribute their wealth evenly amongst their whanau.

FINANCIAL SUMMARY – SOURCE: TDB ADVISORY

Ngāi Tahu (y.e. June 30)

Balance sheet, $m	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assets	1,032	1,219	1,348	1,504	1,676	1,924	1,930	1,830	1,923	2,280	2,214
Net worth	877	1,075	1,149	1,274	1,371	1,653	1,611	1,521	1,710	1,895	1,777
Total interest-bearing debt	115	95	134	127	248	208	257	235	160	322	346
Current liabilities	38	50	60	75	106	60	64	79	70	239	303

Income statement, $m	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue	231	320	346	385	330	312	352	299	300	320	373
Distributions	20	21	26	30	33	39	43	51	35	48	179
Operating exp. Trust	11	12	15	17	20	20	20	21	21	22	27
Finance costs	10	7	8	8	8	12	13	14	15	14	18
Taxation expense	0.2	0.4	0.5	0.7	0.8	0.9	0.8	1	1	1	3
Settlement received	69	13	29	0	0	199	2	3	0	1	98
Government grant income	5	0	0	0	0	0	0	0	0	1	4
Total comprehensive income	226	198	77	124	97	282	-39	-103	189	185	-117

Ngāti Awa (y.e. June 30)

Balance sheet, $m	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assets	117	125	128	134	142	151	150	157	180	174	180
Net worth	101	107	110	114	115	124	123	126	147	149	153
Total interest-bearing debt	8	8	8	9	19	18	18	17	16	10	10
Current liabilities	11	13	5	7	13	11	13	19	24	13	24

Income statement, $m	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue	6	9	5	7	8	13	13	15	17	28	19
Distributions	0.2	0.3	0.2	0.2	0.2	0.2	0.3	0.3	0.4	0.4	0.3
Operating exp. Trust	0	0	0	0	0	0	0	0	0	0	0
Finance costs	0.1	0.4	0.4	0.5	0.7	1	0.8	0.7	1	0.8	0.4
Taxation expense	0	0.1	0	0	0	0.1	0	0.3	0	0.3	0.0
Settlement received	0	0	0	0	0	0	0	0	0	0	0
Government grant income	0.8	0.1	0.1	0.2	0.4	0.3	0.1	1	4	8	4
Total comprehensive income	1	6	4	5	3	9	0.1	3	22	4	3

Ngāpuhi (y.e. June 30)

Balance sheet, $m	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assets	52	52	53	56	58	59	62	65	71	86	88
Net worth	50	50	51	53	56	58	60	63	68	74	78
Total interest-bearing debt	0.5	0	0.1	0.1	0	0	0	0	0	3.0	2.8
Current liabilities	2	2	2	2	2	1	2	2	3	9	7

Income statement, $m	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue	19	16	16	18	18	19	21	24	25	37	31
Distributions	0	0	0.3	0.3	0.2	0.2	0.2	0.3	0.3	0.4	0.5
Operating exp. Trust	0	0	0	0	0	0	0	0	0	0	0
Finance costs	0.1	0	0	0	0	0	0	0	0	0	0
Taxation expense	0	0	0	0	0	0	0	0	0	0	0
Settlement received	0	0	0	0	0.1	0	0	1	0.3	0.4	0.2
Government grant income	0	0.2	0.1	0	0	0	0.6	0.4	10	16	19
Total comprehensive income	7	0.2	1	2	3	2	2	3	5	4	4

Ngāti Pāhauwera (y.e. June 30)

Balance sheet, $m	2017	2018	2019	2020	2021	2022	2023
Assets	66	70	79	93	103	113	101
Net worth	65	69	78	82	90	97	79
Total interest-bearing debt	0	0	0	10	10	12	18
Current liabilities	1	1	1	1	13	15	14

Income statement, $m	2017	2018	2019	2020	2021	2022	2023
Revenue	3	4	5	6	7	9	11
Distributions	0.2	0.2	0.2	1	0.3	0.2	0.3
Operating exp. Trust	0	1	1	1	1	2	2
Finance costs	0	0	0	0.1	0.3	0.3	0.9
Taxation expense	0	0	0	0	0	0	0
Settlement received	0	0	0	0	0	0	0
Government grant income	0	0	0	0	0	0	0
Total comprehensive income	10	4	9	4	9	7	-19

Ngati Porou (y.e. June 30)

Balance sheet, $m	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assets	197	206	224	223	232	243	254	259	286	280	298
Net worth	186	189	201	201	211	223	229	233	257	245	252
Total interest-bearing debt	8	12	17	18	16	11	16	15	16	17	19
Current liabilities	5	8	12	6	15	10	13	15	26	24	31

Income statement, $m	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue	31	28	27	33	33	34	31	32	30	40	54
Distributions	0.3	1	2	1	2	0.7	1	0.6	0.3	0.6	1.6
Operating exp. Trust	0	0	0	0	0	0	0	0	0	0	0
Finance costs	0.5	0.7	1	1	0.6	0.4	0.4	0.4	0.2	0.4	1.0
Taxation expense	3	0.5	0	-0.1	0.9	0	1	1	0.2	0.4	0.6
Settlement received	0.4	0	0	0	0	0	0	0	0	0	0
Government grant income	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive income	5	4	12	0	10	12	5	4	24	-11	6

Ngāti Whātua Ōrākei (y.e. June 30)

Balance sheet, $m	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assets	593	631	767	939	1,086	1,189	1,254	1,337	1,550	1,660	1,573
Net worth	424	482	553	717	855	934	975	1,028	1,276	1,362	1,321
Total interest-bearing debt	107	86	153	161	171	200	225	258	222	238	185
Current liabilities	56	60	59	58	61	106	139	40	42	50	57

Income statement, $m	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue	35	41	43	57	51	39	53	58	73	65	97
Distributions	0.2	0.6	0.9	0.7	1	2	4	7	9	10	12
Operating exp. Trust	0	0	0	0	0	0	0	0	0	0	0
Finance costs	4	7	7	7	6	7	9	8	7	9	11
Taxation expense	0.7	6	0.4	4	5	0.8	2	3	3	3	2
Settlement received	0.2	0	0	0	0	0	0	0	0	0	0
Government grant income	6	5	4	4	4	3	3	3	6	13	12
Total comprehensive income	106	58	71	164	138	81	43	55	251	89	-37

Ngāti Toa (y.e. June 30)

Balance sheet, $m	2017	2018	2019	2020	2021	2022	2023
Assets	185	202	210	240	294	811	795
Net worth	184	200	208	235	276	443	394
Total interest-bearing debt	0	0	0	0	0	334	332
Current liabilities	2	2	3	5	18	29	55

Income statement, $m	2017	2018	2019	2020	2021	2022	2023
Revenue	17	24	24	36	48	226	73
Distributions	0.1	0.2	0.2	0.2	0.2	0.3	0.6
Operating exp. Trust	10	11	13	18	29	61	95
Finance costs	0	0	0	0	0	3	19
Taxation expense	1	0.5	1	0.9	0.4	6	3
Settlement received	0	0	0	0	1	0	0
Government grant income	0.3	0.3	0.3	0.3	0.5	0.7	1.5
Total comprehensive income	10	16	13	27	41	167	-49

Raukawa (y.e. June 30)

Balance sheet, $m	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assets	93	103	129	136	149	164	174	183	208	228	238
Net worth	90	98	126	133	143	157	168	173	196	213	223
Total interest-bearing debt	0	0	0	0	0	0	0	0	0	0	0
Current liabilities	2	4	2	2	3	3	2	6	8	11	12

Income statement, $m	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue	11	10	15	12	12	11	17	12	15	16	22
Distributions	0.5	0.5	0.5	0.5	0.4	0.5	0.6	0.5	0.8	0.9	1.1
Operating exp. Trust	0	0	0	0	0	0	0	0	0	0	0
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Taxation expense	0.8	-0.1	0.9	0.6	0.1	0.4	1	0.7	0.9	0.8	0.8
Settlement received	0	2	0	0	0	0	0	0	0	0	0
Government grant income	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive income	6	6	16	7	11	14	11	7	22	18	10

Tūhoe (y.e. March 31)

Balance sheet, $m	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	20223
Assets	134	254	301	328	348	365	386	373	420	441	406
Net worth	133	252	300	325	345	360	381	370	416	438	402
Total interest-bearing debt	0	0	0	0	0	0	0	0	0	0	0
Current liabilities	0.6	2	0.3	1	2	3	2	2	2	3	5

Income statement, $m	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue	5	8	8	9	12	11	12	12	16	12	13
Distributions	0	0	0	0.3	1	0.7	0.1	0.1	0.3	0.5	0.7
Operating exp. Trust	0	0	0	0	0	0	0	0	0	0	0
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Taxation expense	0.6	0.8	-0.2	2	0.5	0.1	0.2	-0.1	-1	-2	0
Settlement received	0	108	29	0	0	0	0	0	0	0	0
Government grant income	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive income	6	119	49	25	19	15	21	-8	46	23	-37

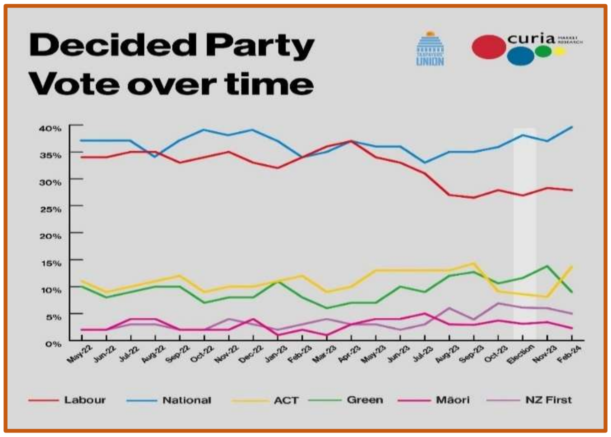
Waikato-Tainui (y.e. March 31)

Balance sheet, $m	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assets	925	1,040	1,164	1,225	1,244	1,369	1,446	1,433	1,529	1,978	2,207
Net worth	705	784	862	940	1,068	1,172	1,246	1,211	1,328	1,685	1,762
Total interest-bearing debt	199	211	268	250	123	144	145	165	131	215	336
Current liabilities	50	38	33	241	18	19	41	136	140	48	62

Income statement, $m	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue	64	70	83	84	75	52	54	61	71	78	106
Distributions	7	6	22	9	31	21	20	20	40	36	39
Operating exp. Trust	0	0	0	0	0	0	0	0	0	0	0
Finance costs	14	14	17	15	9	7	7	7	6	7	9
Taxation expense	0	-2	-3	0	0	0.5	0	1	0	0.1	-0.4
Settlement cash received	70	0	13	0	0	190	17	1	3	0	103
Government grant income	0	0	0	0	0	0	0	0	0	0	0
Settlement reported	70	21	70	13	48	80	5	4	9	54	34
Total comprehensive income	110	74	84	80	140	104	74	-37	117	357	77

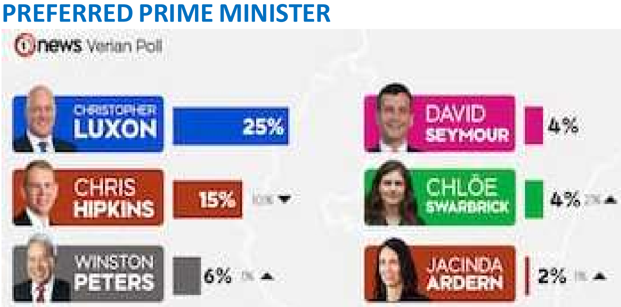
LATEST POLITICAL POLL

CURIA/TAXPAYERS' UNION Feb-24 POLL				
	Vote	Change*	Seats	Change**
National	39.6%	2.6%	49	3
Labour	27.9%	(4.0%)	34	nc
ACT	13.7%	5.6%	17	7
Green	9.0%	(4.8%)	11	(6)
NZ First	5.0%	(1.0%)	6	(2)
Māori	2.3%	(1.1%)	6	nc
* Change from Nov-23 ** Change since election				
Polling Period: 1st to 7th February 2024				



ONE NEWS/VERIAN POLL - FEBRUARY 2024				
Party	Vote	Change*	Seats	Change**
National	38%	1%	49	-
Labour	28%	-	35	1
Act	8%	(1%)	10	(1)
Green	12%	2.0%	15	-
Maori	4%	2.0%	6	-
NZ First	6%	-	8	-
* Change from 23rd October2023 ** Change since election				
Polling Period: 10th to 14th February 2024				

PREFERRED PRIME MINISTER



GRANT ROBERTSON ABANDONS LABOUR

Grant Robertson has announced that he plans to leave Parliament and take up a job as Vice-Chancellor of the University of Otago.

While he will go down as "A very poor Keeper of the New Zealand Purse" he will certainly be misses by his Caucus colleagues. He was a very good debater in our Parliament and his humour was legendary. It is just a pity that his financial acumen didn't match his jolly disposition.

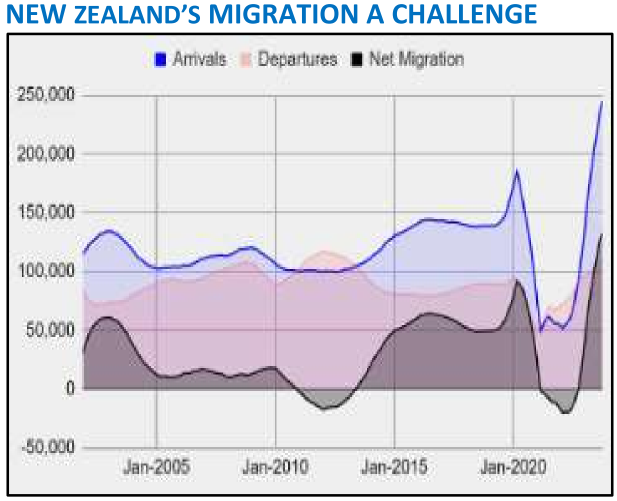
LUXON TAKES CONTROL

Luxon, in his "State of the Nation" address successfully set the tone for this National led Government.

The Opposition responded with disproportionate declamations of "cruelty" to what is, in essence, a letter by a minister, Louise Upston, to the Social Development ministry. It set out expectations and a new procedure from June to check on people's work readiness if they have been on the unemployment benefit for more than six months. Audrey Young reported that "*It does not sound unreasonable and certainly goes nowhere near the threshold of 'cruelty'*."

"***We're a country with a glint in our eye and fire in our soul... We climbed Everest. We split the atom. We charted waka across the ocean to come here, and we're blasting off to space to compete with the best in the world***" - soaring rhetoric from the Prime Minister in his State of the Nation speech.

NEW ZEALAND'S MIGRATION A CHALLENGE



SOURCE: Stats NZ

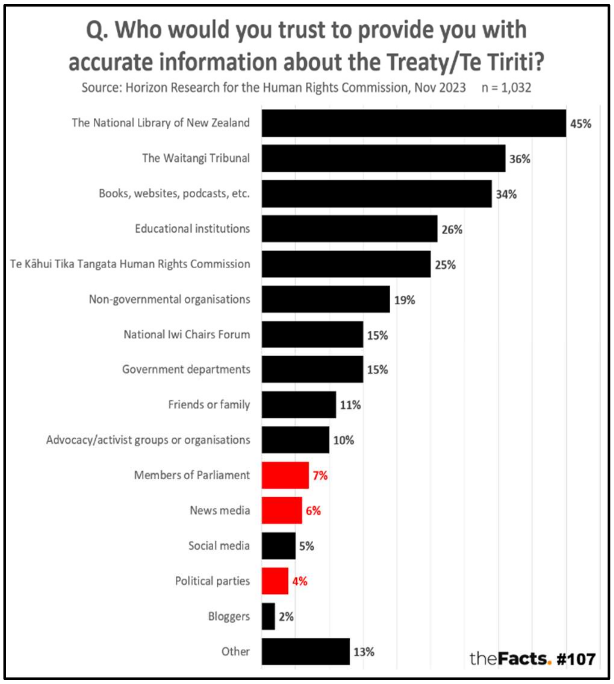
Migration has been relentless in 2023. 127,409 net migrants in the year to November 2023, compared to 11,415 in the year to November 2022. Net migration demands on average one home per 2.6 people, indicating increased demand of 49,000 homes.

THE TREATY DEBATE – STILL MISUNDERSTOOD

SOURCE: Maxim Institute, Tim Wilson. 9-Feb-24

The issue is contentious, no question, for both Māori and Pakeha. Chris Hipkins admitted at Ratana that Labour hadn't brought along non-Māori. But I understand there's frustration as well within te ao Māori (the Māori world) with the lack of progress under the previous Government. So, no one's overjoyed.

Let's also keep in mind that we don't actually trust many of the people giving us information in and around the Treaty. A recent poll done for the Human Rights Commission, as disseminated by The Facts, finds that trust of MPs to explain the Treaty accurately is a mere 7%. For media, it's 6%, and political parties is only 4%. The big winner is our National Library with 45%, which is still less than half of us.



Sure, culture plays a part, but perhaps intermarriage does too. Marriage rates between Māori and non-Māori have historically been high. This leads to intercultural mixing, which creates an interesting situation. As one observer notes, "*Although the autonomy and incommensurability of cultures is asserted often enough, cultures are actually leaky vessels, created, renewed and transformed in endless contact with others*."

Perhaps this explains Sir Bill English's optimism around the Treaty: *"… we keep finding ways of resolving or reducing those tensions*."

In the words of Tame Iti: "*History has woven us together. We are the basket, the kete, that holds the future*."

KEY QUESTIONS

1. Given that most of our information on the Treaty/Te Tiriti comes from politicians and news media, are you concerned by this lack of trust?
2. Is it problematic that no organisation has more than 50% of the trust of Kiwis?
3. In general, how do we resolve disagreements around the Treaty/Te Tiriti to achieve greater social unity in New Zealand?

LUXON OUTLINES PROGRESS ON 100-DAY PLAN

The Government's 100-day plan laid out 49 actions that they will deliver urgently to get "our country back on track" and – with the end of our first 100 days approaching in a few weeks – here is an update.

Among other things, so far National has:

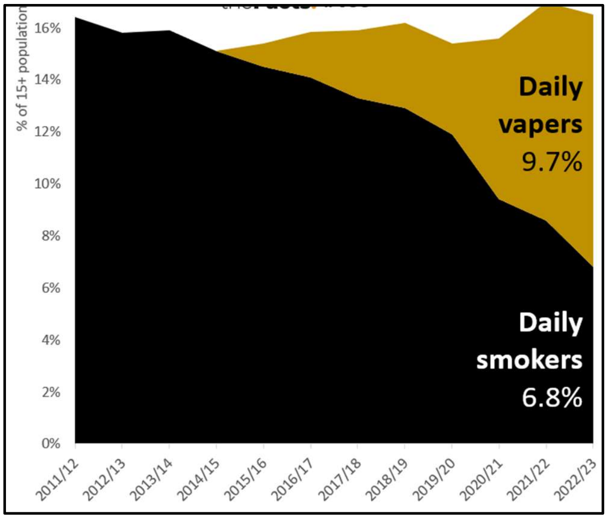
- **Started reducing public sector expenditure.**
- **Refocused the Reserve Bank on reducing inflation.**
- **Written legislation to repeal the Auckland Regional Fuel Tax on 30 June.**
- **Cancelled the planned hikes to fuel tax.**
- **Cancelled Let's Get Wellington Moving.**
- **Required primary and intermediate schools to teach an hour each of reading, writing and maths every day.**
- **Banned phones in classrooms from next term.**
- **Stopped work on the Jobs Tax.**
- **Stopped the costly Auckland Light Rail project.**
- **Began work to get our transport agencies building new roads.**
- **Abolished the Ute Tax.**
- **Cancelled the blanket speed limit reductions.**
- **Reintroduced 90-day trials and cancelled fair pay agreements.**
- **Repealed Labour's undemocratic and unaccountable Three Waters reforms.**
- **Abolished Labour's prisoner reduction target.**
- **Bringing in tough new laws going after gangs and illegal firearms.**
- **Ending taxpayer funding for cultural reports.**
- **Improved security for health workers by putting security guards in more emergency departments.**
- **Delivered more than $7 billion in savings.**
- **Repealed Labour's broken RMA reforms.**
- **Begun disestablishing Te Pukenga – centralised NZ Polytechnics.**
- **Progressed work on a third medical school with Waikato University.**
- **Taken the first steps to extend free breast cancer screening up to age 74.**
- **Introducing legislation to disestablish the Māori Health Authority – because they want to see better results for Māori, not more bureaucracy.**
- **Commissioned an independent review into the woeful state of Kainga Ora led by Sir Bill English.**

These are just some of the actions the National Coalition Government taken and there'll be many more to come as they clean up the mess left by Labour and rebuild our economy, restore law and order and deliver better health and education.

WHY DO WE CONTINUE TO UNDERATE THE DAMAGE OF VAPING

I look forward to the National Coalition Government appropriately addressing the exponential growth in vaping (and vape stores). This issue is similar to the early days of the meth explosion. We need urgent action now, and not procrastination to appease Coalition Partners.

DAILY SMOKERS & VAPERS



SOURCE: NZ Health Survey, 15+ age 2022/23 sample = 6,799

KEY QUESTIONS

Why is this country so focused on the harms of smoking and not talking as much about the harms of vaping, given:

- The health, household, environmental, social, education, and productivity costs of vaping, especially amongst young people who would have never taken up cigarettes.
- Daily vaping overtaking daily smoking.
- Total smoking + vaping are increasing, not decreasing.

WELFARE DEPENDENCY IS OUT OF CONTROL

SOURCE: NZ Herald. 8-Feb-24

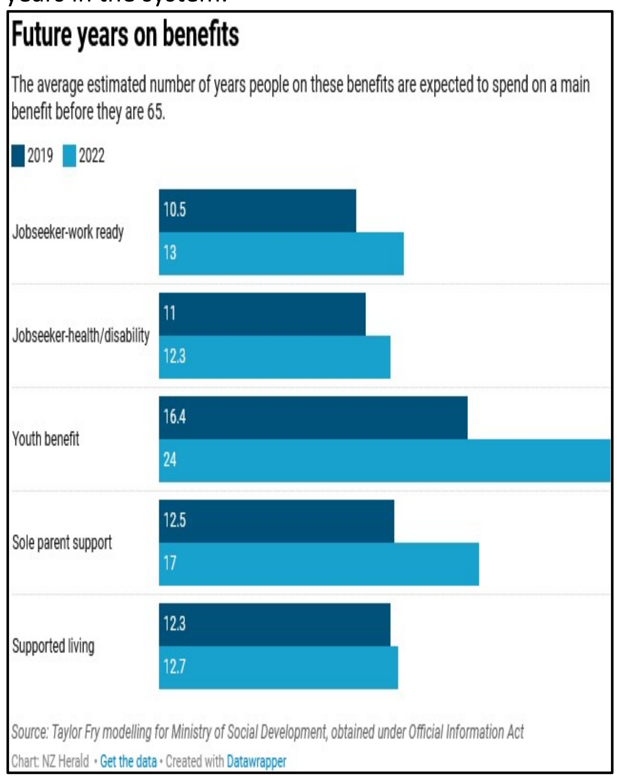
Modelling obtained by the *Herald* reveals that expected time on Jobseeker and other main benefits has risen sharply in the past four years. Government estimates of the time beneficiaries will spend on income support have risen sharply, with recipients of the main Jobseeker payment now expected to spend an average of 13 years on a benefit, according to modelling obtained by the *Herald*.

The estimated time that **work-ready Jobseeker recipients** will spend on income support until they reach retirement age has jumped by 23% since 2019, amid a "worrying" slowdown of the benefits system that could strain government finances and trap thousands of people in poverty. Long-term estimates for people on **youth benefits** and **sole-parent support** have increased even more starkly. Hundreds of disadvantaged teens are now expected to spend virtually their entire working lives on a main benefit, at a cost of nearly $1 million each in future payments, according to modelling by actuaries Taylor Fry for the Ministry of Social Development.

In total, Taylor Fry estimated that 626,000 New Zealanders who received a benefit in the last year will collectively spend another 6.43 million years on income support.

The *Herald* obtained the actuaries' reports for the past five years, which have not been published until now, under the Official Information Act. They reveal that estimates of time on benefits were increasing before the Covid-19 pandemic – mainly because the rate at which people exit the system has slowed significantly – and are expected to worsen as unemployment rises.

The estimates are skewed by a growing minority of beneficiaries, who appear to be staying on welfare for extremely long durations. For example, Sole Parent Support clients are projected to spend an average of 17 working-age years on a benefit (up from 12.5 years in 2019), but the upper quartile of this group – about 18,700 people – are expected to spend more than 25 years in the system.



The changes are impacting young people most severely, with about 2000 teens on the Youth Payment or Young Parent Payment now expected to spend an average of 24 working-age years on a benefit – a 46% increase from the 2019 estimate. About 500 of them are expected to be on income support for more than 38.5 years, almost the rest of their working lives.

In 2022, Taylor Fry estimated the longest-staying youth benefit recipients would each receive at least $962,000 in future payments – implying a total cost of more than $480 million for that cohort.

Public housing is becoming “increasingly rigid”, with people moving out at historically low rates at the same time demand for places is soaring. Entry rates to the public housing register roughly doubled in the past decade, while exit rates nearly halved because of a lack of affordable private rentals for tenants to move to. “This has caused a system bottleneck,” Taylor Fry said.

In June 2022, Taylor Fry predicted Māori would make up nearly half of work-ready Jobseeker clients by the end of the is decade, up from 35% in 2010.

This country needs have a maximum time limit for welfare, for people who are work capable. Labour’s legacy has been a failed experiment, not only for New Zealand as a country, but also for those “trapped on a benefit”.

MINISTER UPSTON PUSHES BACK ON ‘BENEFICIARY BASHING’ CRITICS

The two terms of the Labour-led Government saw relatively low levels of unemployment but at times high levels of people on the Jobseeker benefit, with the obvious influence being the Covid-19 pandemic and subsequent economic impacts. The number peaked in December 2020 at 212,466 people, before dipping in 2021 and 2022.

In 2023, there were 351,759 people - up 7137 on 2022 - whose main income came from a benefit. A further 74,166 people receive sole parent support, and 100,000 receiving the supported living payment, the main disability benefit for people who cannot work and their carers.

There are 190,000 people on the Jobseeker benefit – 67,000 more than six years ago, and by the ministry’s own modelling, people are staying on welfare longer: 13 years on average.

Louise Upston placed the blame for “entrenched welfare dependency” squarely on the former Labour government, accusing them of “absolute blowing out of welfare dependency”.

Upston said she thought the period of low unemployment was a “missed opportunity” to link employers desperate for workers with those on Jobseeker benefits. “*It’s a disgrace. There have been massive opportunities when there have been businesses everywhere desperate for staff.”*

Upston said her view of the welfare state was that it should “*always be a safety net*”, but it was also about supporting people into a better set of circumstances.

HAMAS DATA HQ IS UNDER UNRWA HQ!

SOURCE: KiwiBlog. 11-Feb-24

The Times of Israel reports that “Beneath the Gaza Strip headquarters of the controversial United Nations agency for Palestinian refugees, known commonly as UNRWA, the Hamas terror group hid one of its most significant assets, the Israeli military has revealed.

The subterranean data centre — complete with an electrical room, industrial battery power banks and living quarters for Hamas terrorists operating the computer servers — was built precisely under the location where Israel would not consider looking initially, let alone target in an airstrike.

The revelation of the server farm comes amid other accusations of UNRWA collusion with the Gaza-ruling terror group and the entanglement of the UN body that provides welfare and humanitarian services for Palestinian refugees from the 1948 and 1967 wars and their descendants. It is becoming clear that UNRWA is in no way a neutral relief agency. Its schools teach Jew hatred. Its staff cheer terror or actually take part in it. Its HQ provides cover for Hamas.

Hamas has built around 500 kms of tunnels in Gaza (if they turned peaceful we should hire them for the Auckland City Rail Loop!). The cost of such a huge amount of constructions would surely run into the billions. Where do you think this money has come from?

GOOGLE JOINS MISSION TO MAP METHANE FROM SPACE

Tech giant Google is backing a satellite project due to launch in March which will collect data about methane levels around the world. The new satellite will orbit 300 miles about the Earth, 15 times per day.

Methane gas is believed by scientists to be a major contributor to global warming, because it traps in heat. A lot of methane is produced by farming and waste disposal, but the Google project will focus on methane emissions at oil and gas plants. Firms extracting oil and gas regularly burn or vent methane.

The new project is a collaboration between Google and the Environmental Defence Fund, a non-profit global climate group. he data captured by the satellite will be processed by the tech giant's artificial intelligence tools and used to generate a methane, map aimed at identifying methane leaks on oil and gas infrastructure around the world.

Google's map, which will be published on its Earth Engine, will not be in real time, with data sent back from the satellite every few weeks.

In 2017, the European Space Agency launched a similar satellite instrument called Tropomi, which charts the presence of trace gases in the atmosphere, including methane. It was a mission with a minimum seven-year life span, which means it could end this year. Carbon Mapper, which uses Tropomi data, released a report in 2022 indicating that the biggest methane plumes were seen in Turkmenistan, Russia and the US - but cloud cover meant the data did not include Canada or China.

Google said it hoped its project would "fill gaps between existing tools".

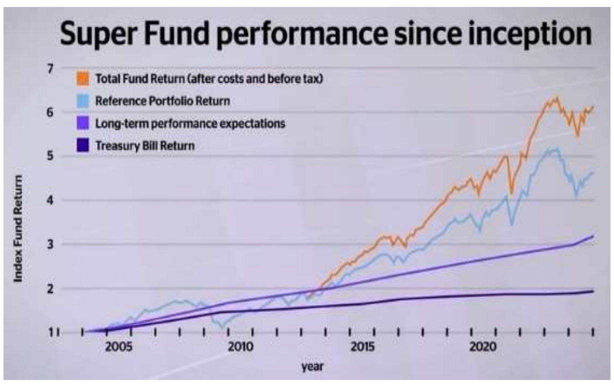
"*Satellites are great for finding the really big, massive culprits*" of methane emissions, said Peter Thorne, professor of physical geography at Maynooth University in Ireland. But detecting more diffuse methane sources, such as those emanating from agriculture, is more difficult, he added.

SUPER FUND'S RETURNS BACK IN BLACK AFTER STELLAR YEAR FOR STOCKS

SOURCE: NZ Herald. 8-Feb-24

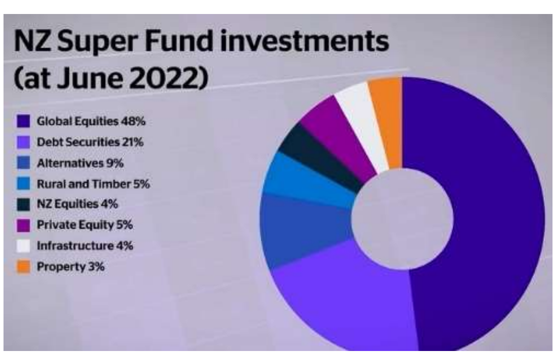
The NZ Superannuation Fund has made up for previous losses with a 16.03% return in 2023, taking its worth to $62.9 billion. Since it began investing in September 2003, the fund has returned 9.79% on average annually, and over the past decade has made 10.11% on average.

A recovery in global share markets helped its return to positive growth - a turnaround from 2022's negative 9.26% return.



"*Our reference portfolio, which is made up of 80 per cent shares and 20% fixed interest assets, returned 18.3% for the year, as opposed to our actual portfolio return of 16.03%*," said the fund's acting chief executive, Paula Steed. She noted volatility was part of the game it played, but it could weather large moves with its long-term investing horizon.

"*In the short term, returns will vary and sometimes quite significantly. However, what matters to us is performance over time, and over the lifetime of the fund to date, the Guardians' active management strategies have earned the fund almost $16 billion more than investing in a passive, index-linked portfolio such as the reference portfolio would have yielded*."



The state-owned investing fund is aimed to help the Crown cover the future cost of pension payments to Superannuitants, with withdrawals from the fund set to begin in 2035.

In dollar terms, it added $8.65bn to its value last calendar year, off $2.086 billion in Government contributions - although it paid $190m back to the Crown in income tax.

In its lifetime it's received $25.75bn from the Government in contributions and paid $9.656bn in tax - something previous chief executive Matt Whineray publicly complained about.

The fund was yet to announce its permanent replacement for Whineray, who departed before Christmas. Of note, Matt Whineray has recently joined the Board of Bay of Plenty Regional Council's investment CCO – Quayside Holdings.

SALVATION ARMY "STATE OF THE NATION" REPORT

SOURCE: KiwiBlog. 21-Feb-24

An excellent data driven report from the Salvation Army on key social indicators in NZ, for 2023.

The summary of their findings is:

IMPROVING

- Child Poverty
- Youth Mental Health
- Employment
- Incomes
- Recidivism
- Alcohol abuse
- Illicit Drugs

NO CHANGE

- Children at risk

GETTING WORSE

- Violence against children
- Youth offending
- Early childhood education participation
- Education achievement
- Teenage pregnancy
- Unemployment
- Income support
- Hardship and food security
- Housing availability
- Housing affordability
- Household housing debt
- Overall crime
- Violent crime
- Family violence
- Sentencing & Imprisonment
- Gambling Harm
- Problem Debt

Looking at the data - Labour's 80% increase in state spending really paid off – not….

30 RICHEST COUNTRIES IN THE WORLD BY PER CAPITA NET WORTH

Source: Yahoo Finance, Credite Suisse & UBS, 1-Feb-24

Note: New Zealand comes in at No.8 and Australia cat No.6.

This year's Global Wealth Report is brought jointly by Credit Suisse and UBS for the first time. Over the years, the report has explored a wide range of macro and micro themes around the development of wealth. Now in its fourteenth edition, the Global Wealth Report covers estimates of the wealth holdings of 5.4 billion adults around the world and across the wealth spectrum.

According to Credit Suisse's Global Wealth Report 2023, the net global household wealth fell for the first time in 2023 since the global financial crisis in 2008. The total net private wealth plunged by US$11.3 trillion to US$454.4 trillion at the end of 2022. The wealth per adult also fell by US$3,198 to US$84,718 per adult in 2022. One of the main reasons for the decline was the appreciation of the US dollar against foreign currencies.

The wealthier regions, including North America and Europe, faced the heaviest loss in global wealth. Both the regions together lost $10.9 trillion of global wealth in 2022. Asia Pacific recorded losses of around $2.1 trillion.

While, Latin America stood tall among all the regions with a total wealth increase of $2.4 trillion in 2022. In terms of wealth gain, Russia, Mexico, India, and Brazil led the race with the largest wealth increases. Russia, Mexico, and India are also some of the wealthiest countries by per capita net worth.

On the contrary, the US, Japan, China, Canada, and Australia faced the most losses in 2022. Along with the decline in total global wealth, overall wealth inequality also fell in 2022. The wealth share of the global top 1% plunged to 44.5% and the number of millionaires, as measured in US dollars, dropped by 3.5 million to 59.4 million in 2022. Global median wealth did increase by 3% in 2022 compared to a 3.6% drop in wealth per adult.

Median wealth gives a more relevant update on the wealth of an individual. The global median wealth has increased five-fold this century, driven by rapid wealth growth in China.

Credit Suisse projects global wealth to increase by 38% by 2027, reaching $629 trillion. While, the wealth per adult is expected to reach $110,270 in 2027, mainly driven by middle-income markets.

30. Malta

Wealth Per Adult (2022): $160,265
GDP Per Capita (2024): $66,716

Malta is an island country with a GDP per capita of $66,716. Malta has a total wealth of $58 billion and a wealth per adult of $160,265, as of 2022.

29. Qatar

Wealth Per Adult (2022): $164,992
GDP Per Capita (2024): $118,148

Qatar is one of the richest countries in the world with a GDP per capita of $118,148 and a wealth per adult of $164,992. Qatar has a total wealth of $407 billion, as of 2022.

28. Kuwait

Wealth Per Adult (2022): $175,072
GDP Per Capita (2024): $53,758
Kuwait is a small Arab country with a GDP per capita of $53,758. Kuwait has a total wealth of $564 billion and a wealth per adult of $175,072, as of 2022.

27. Finland

Wealth Per Adult (2022): $179,986
GDP Per Capita (2024): $61,600

Finland is a North European country with a total wealth of $792 billion. Finland has a wealth per adult of $179,986 and a GDP per capita of $61,600.

26. Japan

Wealth Per Adult (2022): $216,078
GDP Per Capita (2024): $54,103

Japan is one of the largest economies in the world having a total wealth of $22.58 trillion, as of 2022. Japan has a wealth per adult of $216,078 and a GDP per capita of $54,103.

25. Italy

Wealth Per Adult (2022): $221,370
GDP Per Capita (2024): $56,016

Italy is one of the richest countries in Europe with a GDP per capita of $56,016. Italy has a total wealth of $11.02 trillion and a wealth per adult of $221,370, as of 2022.

24. Spain

Wealth Per Adult (2022): $224,209
GDP Per Capita (2024): $52,272

Spain has a large economy and has a total wealth of $8.48 trillion, as of 2022. Spain has a wealth per adult of $224,209 and a GDP per capita of $52,272.

23. South Korea

Wealth Per Adult (2022): $230,760
GDP Per Capita (2024): $59,349

South Korea is one of the fastest growing economies in East Asia and has a GDP per capita of $59,349. South Korea has a total wealth of $9.89 trillion and a wealth per adult of $230,760, as of 2022.

22. Israel

Wealth Per Adult (2022): $235,445
GDP Per Capita (2024): $56,678

Israel has a total wealth of $1.36 trillion and a wealth per adult of $235,445, as of 2022. Israel has a GDP per capita of $56,678.

21. Cayman Islands

Wealth Per Adult (2022): $243,514

GDP Per Capita (2024): $99,624

The Cayman Islands is a British Overseas Territory that has three islands in the western Caribbean Sea. The Cayman Islands has a total wealth of $11 billion and a wealth per adult of $243,514, as of 2022.

20. Austria

Wealth Per Adult (2022): $245,225
GDP Per Capita (2024): $70,821

Austria has a total wealth of $1.79 trillion and a wealth per adult of $245,225, as of 2022. With a GDP per capita of $70,821, Austria is ranked among the richest countries in the world by per capita net worth.

19. Ireland

Wealth Per Adult (2022): $247,080
GDP Per Capita (2024): $143,179

Ireland is one of the richest European countries and has a GDP per capita of $143,179. Ireland has a total wealth of $913 billion and a wealth per adult of $247,080, as of 2022.

18. Germany

Wealth Per Adult (2022): $256,179
GDP Per Capita (2024): $68,129

Germany is one of the largest economies in the world and has a total wealth of $17.42 trillion, as of 2022. Germany has a wealth per capita of $256,179 and a GDP per capita of $68,129.

17. Taiwan

Wealth Per Adult (2022): $273,788
GDP Per Capita (2024): $76,326

Taiwan is one of the richest countries in the world with a GDP per capita of $76,326. Taiwan has a total wealth of $5.42 trillion and a wealth per adult of $273,788, as of 2022.

16. Sweden

Wealth Per Adult (2022): $296,800
GDP Per Capita (2024): $67,530

Sweden ranks among the richest countries in the world by per capita net worth. Sweden has a total wealth of $2.33 trillion and a wealth per adult of $296,800, as of 2022.

15. United Kingdom

Wealth Per Adult (2022): $302,783
GDP Per Capita (2024): $58,227

The United Kingdom has one of the largest economies with a total wealth of $15.97 trillion, as of 2022. The United Kingdom has a wealth per adult of $302,783 and a GDP per capita of $58,227.

14. France

Wealth Per Adult (2022): $312,235
GDP Per Capita (2024): $60,735

France has a total wealth of $15.72 trillion and a wealth per adult of $312,235, as of 2022. France has a GDP per capita of $60,735 and ranks among the richest countries in the world by per capita net worth.

13. Belgium

Wealth Per Adult (2022): $352,814
GDP Per Capita (2024): $67,650

Belgium is one of the richest European countries having a GDP per capita of $67,650. Belgium has a total wealth of $3.19 trillion and a wealth per adult of $352,814, as of 2022.

12. Netherlands

Wealth Per Adult (2022): $358,235
GDP Per Capita (2024): $75,541

The Netherlands has a strong economy with a GDP per capita of $75,541. The Netherlands has a total wealth of $4.86 trillion and a wealth per adult of $358,235, as of 2022.

11. Canada

Wealth Per Adult (2022): $369,577
GDP Per Capita (2024): $61,318

Canada is one of the richest countries in the world with a GDP per capita of $61,318. Canada has a total wealth of $11.26 trillion, as of 2022.

10. Singapore

Wealth Per Adult (2022): $382,957
GDP Per Capita (2024): $138,545

Singapore is one of the richest Asian countries with a GDP per capita of $138,545. Singapore has a total wealth of $1.90 trillion and a wealth per adult of $382,957, as of 2022.

9. Norway

Wealth Per Adult (2022): $385,338
GDP Per Capita (2024): $84,851

Norway is one of the richest countries in the world by per capita net worth. Norway has a total wealth of 1.64 trillion and a wealth per adult of $385,338, as of 2022.

8. New Zealand

Wealth Per Adult (2022): $388,761
GDP Per Capita (2024): $55,034

New Zealand has a total wealth of $1.42 trillion and a wealth per adult of $388,761, as of 2022. New Zealand ranks eighth among the richest countries in the world by per capita net worth.

7. Denmark

Wealth Per Adult (2022): $409,954
GDP Per Capita (2024): $77,480

Denmark is one of the richest European countries having a GDP per capita of $77,480. Denmark has a total wealth of $1.86 trillion, as of 2022.

6. Australia

Wealth Per Adult (2022): $496,819
GDP Per Capita (2024): $66,098

Australia is one of the emerging economies with a GDP per capita of $66,098. Australia has a total wealth of $9.72 trillion and ranks among the richest countries in the world by per capita net worth.

5. Iceland

Wealth Per Adult (2022): $498,290
GDP Per Capita (2024): $72,492

Iceland is a Nordic island country with a GDP per capita of $72,492. Iceland has a total wealth of $129 billion and a wealth per adult of $498,290, as of 2022.

4. Hong Kong

Wealth Per Adult (2022): $551,194
GDP Per Capita (2024): $76,154

Hong Kong has the most billionaires per capita. The country has a GDP per capita of $76,154 and a wealth per adult of $551,194. Hong Kong is one of the richest countries in the world by per capita net worth.

3. United States

Wealth Per Adult (2022): $551,347
GDP Per Capita (2024): $83,063

The United States is an economic power with a GDP per capita of $83,063. The country has the most billionaires in the world and has a total wealth of $139.86 trillion, as of 2022.

2. Luxembourg

Wealth Per Adult (2022): $585,950
GDP Per Capita (2024): $145,826

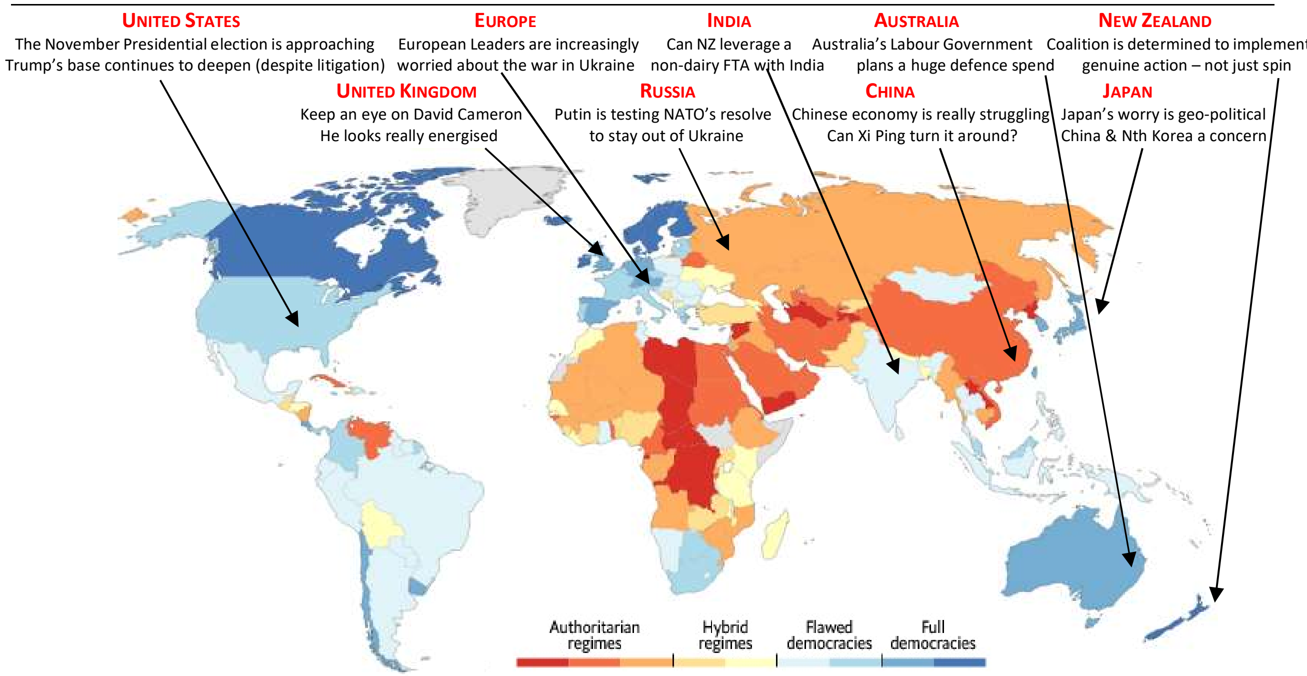
Luxembourg has a total wealth of $299 billion and a wealth per adult of $585,950, as of 2022. Luxembourg has a GDP per capita of $145,826.

1. Switzerland

Wealth Per Adult (2022): $685,226
GDP Per Capita (2024): $92,519

Switzerland is the richest country in the world by per capita net worth. Switzerland has a total wealth of $4.82 trillion and a wealth per adult of $685,226, as of 2022.

THE WORLD AT A GLANCE GLOBAL DEMOCRACY INDEX



GLOBAL POLITICAL RISKS IN 2024

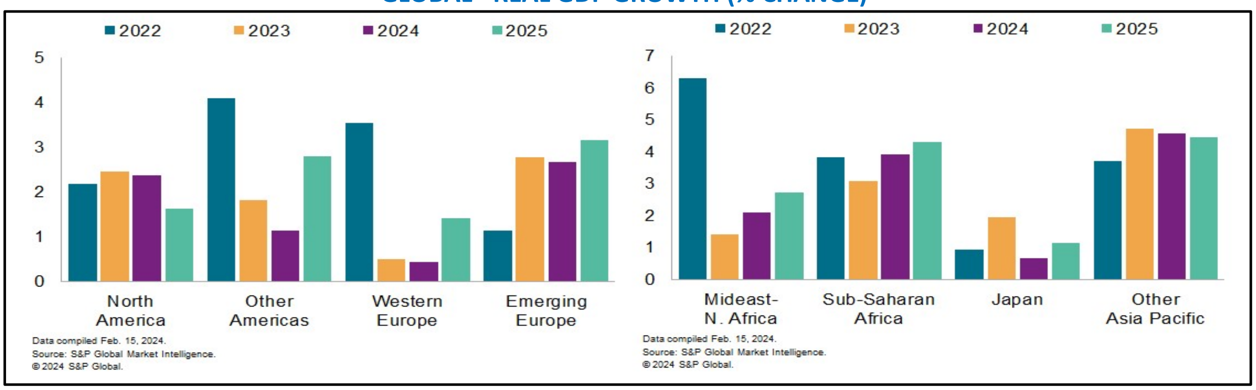
Global growth is projected to stay at **3.1%** in 2024 and rise to 3.2% in 2025. Elevated central bank rates to fight inflation and a withdrawal of fiscal support amid high debt weigh on economic activity.

The year 2024 will see elections held in an unusually high number of large or geopolitically significant economies, impacting international businesses, investors and governments.

Geopolitical risks are elevated on several fronts. Currently the key issues are the Russian war in Ukraine and Middle Eastern tensions stemming from Israel's war in Gaza. Right now, the fall-out from these risks is noticeable but modest for New Zealand. But there is potential for more significant impacts on global trade, financial flows and inflation should the existing risks have broader impacts or if simmering tensions with our major trading partner China increase.

The result is that new power dynamics, changing demographic realities and breakthrough frontier technologies are raising the temperature on long-simmering distrust rather than fuelling opportunities for benefit. Businesses are responding to these complicated – and often fraught – geopolitical developments by shifting operations and facilities closer to home.

GLOBAL - REAL GDP GROWTH (% CHANGE)



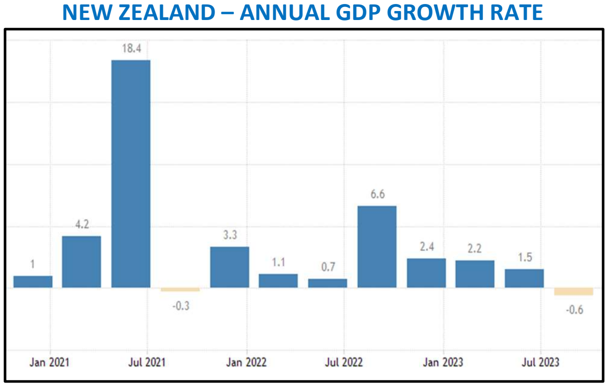
NEW ZEALAND'S ECONOMIC OUTLOOK

Population: 5.2 million

NZ Economy

The New Zealand's economy shrank by 0.6% from a year earlier in the third quarter of 2023, following a downwardly revised 1.5% growth in the previous period while missing market estimates of a 0.5% rise.

NEW ZEALAND – ANNUAL GDP GROWTH RATE



Our economy shifted to contraction as all goods-producing industries were down in the September quarter, led by a fall in manufacturing. Despite the overall fall in GDP, eight of the country's 11 industry categories grew in the quarter with the strongest rises seen in healthcare and social assistance, rental, hiring and real estate services. On a quarterly basis, the GDP declined by 0.3%, reversing from the 0.5% expansion in the prior quarter.

Population Growth

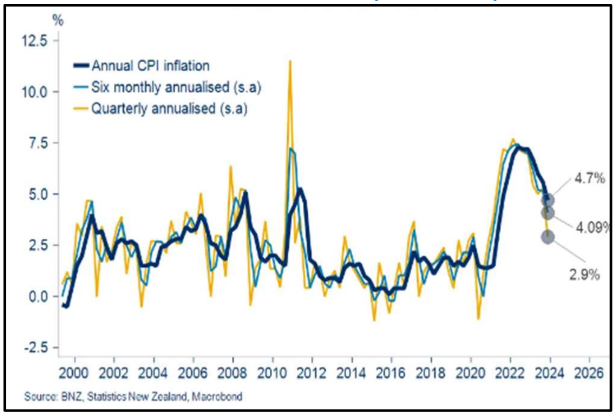
Through last year, Labour opened the floodgates to new immigrants, which made headline GDP look better in election year.

NZ is currently experiencing the fastest immigration net gain in its history - and the country doesn't seem prepared. Stats NZ revealed an annual net migration of 126,900 people in the year to December 2023 - the highest-ever figure for a calendar year. That's despite a record 47,000 Kiwis leaving the country in the same period. On top of the migration gain, we added about 19,000 births - seeing a record population growth of 145,000.

INFLATION CONTINUES TO SUBSIDE - SLOWLY

The recent lift in shipping costs and supply chain pressure also can't be ignored although, relative to the 2021 snarl ups, weaker demand this time around should dull the pass through to end prices. For the December 2023 year inflation has subsided to 4.7% - still well above the Reserve Bank's target range of 1% to 3%.

CONSUMER PRICE INDEX (INFLATION)



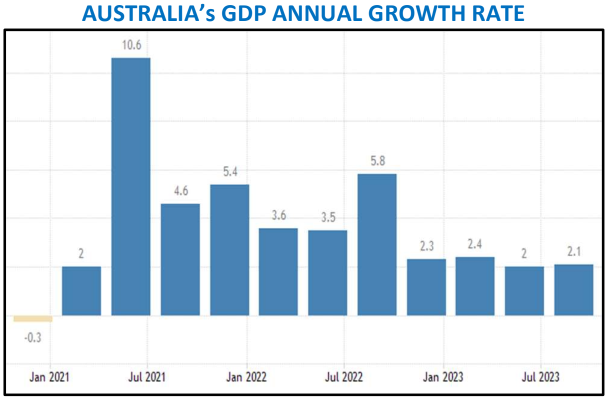
AUSTRALIAN ECONOMIC OUTLOOK

Population: 26.4 million

AUSTRALIAN ECONOMY

GDP in Australia expanded 2.1% in the third quarter of 2023 over the same quarter of the previous year, after a downwardly revised 2.0% growth in the second quarter, beating market forecasts of a 1.8% gain.

AUSTRALIA's GDP ANNUAL GROWTH RATE



INTEREST RATES

RBA held rates at 4.35%, and Jarden expects rates to remain on hold until February 2025. The RBA Softened their forward guidance to "*it will be some time yet before inflation is sustainably in the target range... a further increase in interest rates cannot be ruled out*".

INFLATION

Australian consumer price inflation held at a two-year low in January despite forecasts for an uptick, reinforcing expectations that interest rates are unlikely to increase further. Australia's monthly CPI rose at an annual pace of 3.4% in January, unchanged from December and under market forecasts of 3.6%.

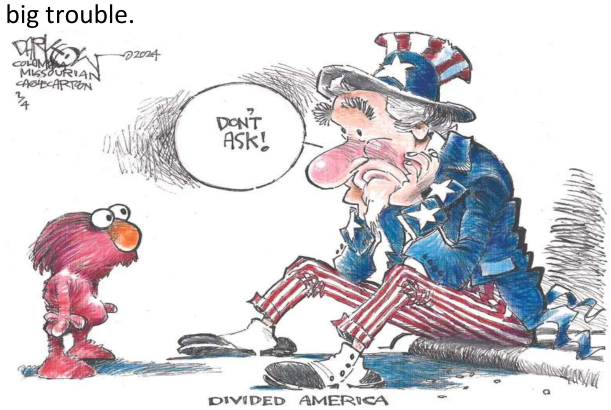
UNITED STATES ECONOMIC OUTLOOK

Population: 340.9 million

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

US ELELCTIONS – NOV 2024

President Joe Biden's "evident mental decline" means a vote for him is "also certainly a vote for President Kamala Harris." While she is trying to convince voters that she is up to the job, many voters are far from convinced. Expect the possibility of Biden (81 years old) won't finish another term to scare more swing voters than Donald Trumps ridiculous daily diatribes. The Democrats look to be in big trouble.

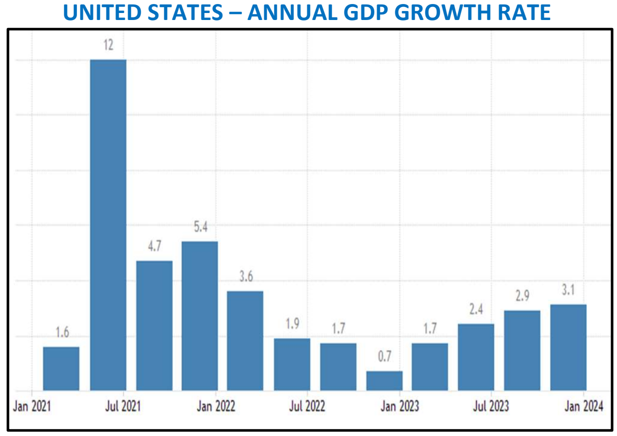


US ECONOMY

The US economy has shown strong resilience with annual GDP for the December year sitting at a creditable 3.1%. Their stock market has had an incredible run since 2019, building huge individual as well as corporate wealth.

However, latest data shows that the US economy expanded an annualized 3.2% in Q4 2023, slightly below 3.3% in the advance estimate, following a 4.9% rate in Q3.

UNITED STATES – ANNUAL GDP GROWTH RATE



US INFLATION

Investors scaled back bets that the Federal Reserve will begin cutting interest rates in May after data showed US inflation eased less than expected in January to 3.1%. Economists polled by Bloomberg had forecast annual consumer price inflation of 2.9%, down from 3.4% in December.

CHINESE ECONOMIC OUTLOOK

Population: 1.425 billion

BYD has overtaken Tesla

Last year, Chinese company BYD overtook Tesla as the world's leading seller of fully electric cars and is poised to keep growing. Just a few years ago, BYD was merely a battery manufacturer. Now it's an automotive powerhouse. "*Frankly, I think if there are not trade barriers established*," said Tesla CEO Elon Musk in January, "*they will pretty much demolish most other companies in the world*."

BYD launched its first car in 2008, the same year that Warren Buffet's Berkshire Hathaway made a US$230 million investment in the company. BYD also received US$4.3 billion in state subsidies between 2015 and 2020.

Smart-car crackdown?

BYD may face one significant obstacle: The Biden administration is considering tariffs on Chinese "smart car" imports to "address growing U.S. concerns about data security," Fortune said. EVs, after all, "collect vast amounts of information about their drivers and surroundings." That's a big concern amid growing tensions between the U.S. and China.

Tesla plans to begin production on a new lower-cost EV starting in 2025, said Reuters. The entry-level vehicle is expected to be priced at about US$25,000, which should allow it to compete. We'll see if that happens, though. Tesla has a track record of missing its targets for launches and pricing.

Chinese Economy

The Chinese economy expanded 5.2% yoy in Q4 of 2023, faster than a 4.9% growth in Q3 but less than market forecasts of 5.3%. Activity data for December showed that industrial production rose the most in almost two years, but retail sales increased the least in three months and the surveyed jobless rate edged up to a four-month high. For the full year, the economy also grew by 5.2%, exceeding the official target of around 5.0% and picking up from a 3.0% rise in 2022 amid various support measures from Beijing and a low base comparison from the prior year.

CHINA – ANNUAL GDP GROWTH RATE

UNITED KINGDOM ECONOMIC OUTLOOK

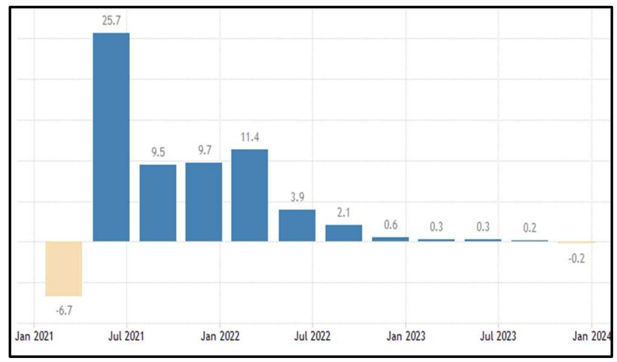
Population: 67.7 million

UK Economy

People spending less, doctors' strikes and a fall in school attendance dragged the UK into recession at the end of last year, official figures show. The economy shrunk by a larger than expected 0.3% between October and December, after it had already contracted between July and September. The UK is in recession if it fails to grow for two successive quarters.

Ruth Gregory, deputy chief UK economist at Capital Economics, said "*this recession is as mild as they come*", adding that the data "*is more politically significant than it is economically*".

UNITED KINGDOM – ANNUAL GDP GROWTH RATE



Election coming later in 2024

Rishi Sunak looks increasingly under pressure, not more so than an internal revolt by his own Conservative Party MPs, over the Rwanda deportation issue. It is interesting to see the reimergence of Lord David Cameron, as the ForeignMinister. Is he positioning himself for another stab at the Leadership? Time will tell.

EUROZONE ECONOMIC OUTLOOK

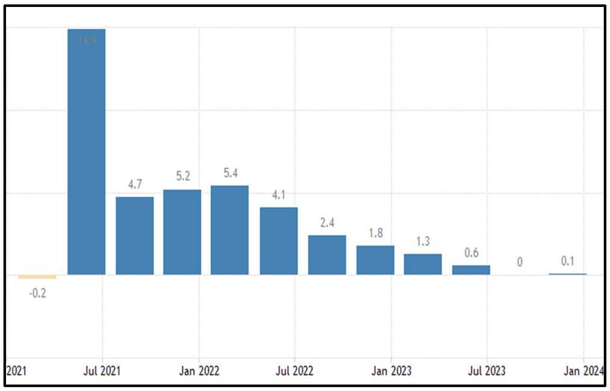
Population: 447.7 million

EU Economy

The UK is not alone in facing economic pressure. The EU narrowly avoided recession in the second half of 2023 while Japan confirmed its economy had contracted for a second quarter.

In October, the IMF forecast that Germany was likely to overtake Japan as the world's third-largest economy when measured in US dollars. The IMF will only declare a change in its rankings once both countries have published the final versions of their economic growth figures.

EUROZONE – ANNUAL GDP GROWTH RATE



INFLATION

The inflation rate in the Euro Area went down to 2.8% year-on-year in January 2024 from 2.9% in the previous month, in line with market expectations, a preliminary estimate showed. Meanwhile, the core rate, which excludes volatile food and energy prices, continued to ease to 3.3%, above forecasts of 3.2% but still reaching its lowest level since March 2022. Energy prices saw a decline of 6.3% (vs -6.7% in December), while services inflation remained steady at 4.0%. Moreover, prices slowed for food, alcohol, and tobacco (5.7% vs 6.1%), and non-energy industrial goods (2% vs 2.5%). On a monthly basis, consumer prices fell by 0.4% in January, after a 0.2% increase in December.

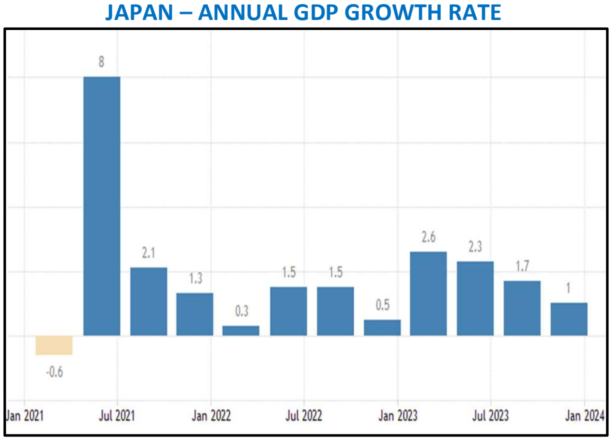
JAPAN'S ECONOMIC OUTLOOK

Population: 122.9 million

JAPANESE ECONOMY

Japan has unexpectedly fallen into a recession after its economy shrank for two quarters in a row. The country's GDP contracted by a worse-than-expected 0.4% in the last three months of 2023, compared to a year earlier. It came after the economy shrank by 3.3% in the previous quarter.

JAPAN – ANNUAL GDP GROWTH RATE



The figures from Japan's Cabinet Office also indicate that the country has lost its position as the world's third-largest economy to Germany. Economists had expected the new data to show that Japan's GDP grew by more than 1% in the fourth quarter of last year.

The latest figures show that Japan's economy was worth about $4.2tn (£3.3tn) in 2023, while Germany's was $4.4tn. This was due to the weakness of the Japanese currency against the dollar and that if the yen recovers, the country could regain the number three spot.

INDIA'S ECONOMIC OUTLOOK

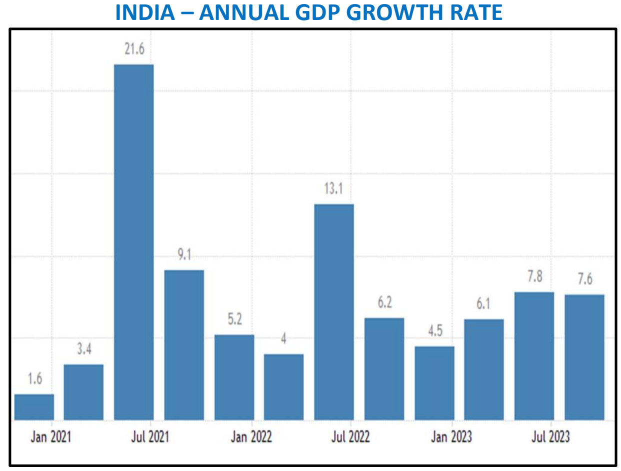
Population: 1.435 billion

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

INDIAN ECONOMY

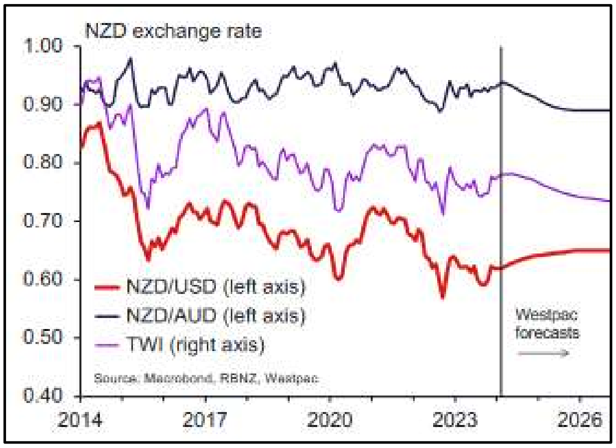
The Indian economy expanded 7.6% year-on-year in the third quarter of 2023, following a strong 7.8% growth in the previous period and beating forecasts of a 6.8% rise. The reading is also higher than the Reserve Bank of India projection of 6.5%. The manufacturing sector soared 13.9%, construction went up 13.3%, utilities 10.1%, mining 10% and financial, real estate, and professional services increased 6%. Meanwhile, the farm sector grew a meager 1.2%, dragged down by heavy rainfall across the country. On the expenditure side, government spending rebounded sharply (12.4% vs -0.7% in Q2) and gross fixed capital formation rose faster (11% vs 8%), namely infrastructure spending mostly financed by central and state governments. At the same time, exports recovered (4.3% vs -7.7%) and imports increased more (16.7% vs 10.1%). On the other hand, private spending slowed (3.1% vs 6%).

INDIA – ANNUAL GDP GROWTH RATE



CURRENCIES

NZD EXCHANGE RATE (10 YEAR)



SOURCE: Westpac

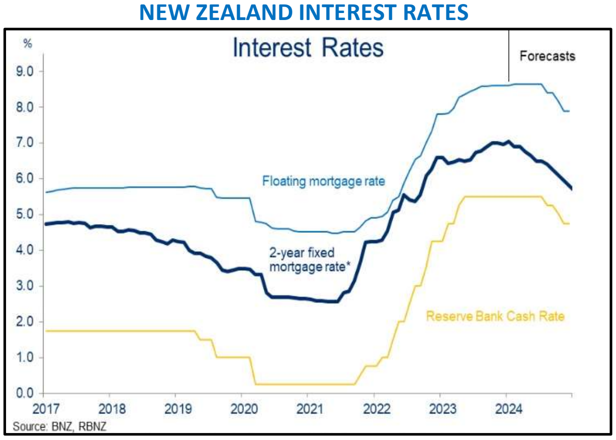
NEW ZEALAND INTEREST RATES

NZ swap rates are sitting around three-month highs, partly due to higher US yields, and partly to speculation the RBNZ could hike at its next meeting (which didn't happen).

The RBNZ's MPS thus presents a major event risk for markets, which have priced a 60% chance of a hike by May. Westpac's forecast correctly an on-hold decision and roughly unchanged OCR forecast which may cause a small fall in swap rates.

In the US, GDP data, PCE inflation data, and much Fedspeak, all have the potential to move US rates, and in turn, NZ rates. Rapidly falling inflation, an economy out for the count, a slackening labour market, and a housing market that so far hasn't lived up to fears of resurgence still suggest that the Reserve Bank can lower the Official Cash Rate (OCR) later this year.

NEW ZEALAND INTEREST RATES

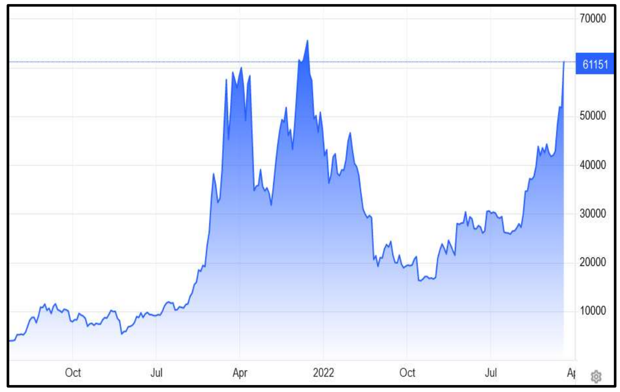


If I was asked, I would forecast August for a start to any lowering of rates. If the wheels really fall off it could be sooner or, conversely, if the Reserve Bank wants to wait for hard evidence inflation is dead and buried it will come later.

BITCOIN

The price of bitcoin is charging higher, reaching levels not seen in more than two years.

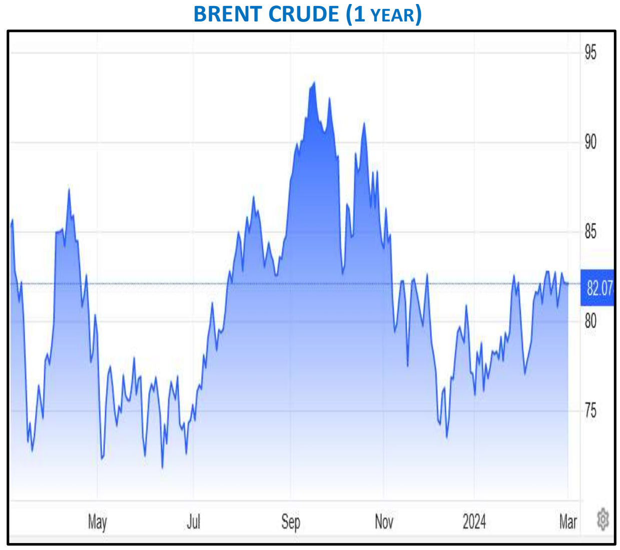
BITCOIN (5 YEARS)



OIL – BRENT CRUDE

Brent crude futures steadied above $82 per barrel this week, signalling a nearly 2.5% monthly increase following a 4.2% rise in January driven by speculation that OPEC+ will continue supply cuts, leading to a gradual tightening of the market. All eyes are on the upcoming OPEC+ meeting in March, where discussions on prolonging output cuts will take place. Producers are likely to stick to voluntary production limits until at least the June Ministerial Meeting to help stabilize the market. Also, uncertainty surrounding the ceasefire between Israel and Hamas, as well as ongoing Houthi attacks on Red Sea shipping, added a risk premium to oil prices. Meanwhile, the most recent EIA report showed a larger-than-expected increase in US crude stocks, climbing by 4.199 million barrels last week due to a slowdown in refinery processing.

BRENT CRUDE (1 YEAR)



NOTE: New Zealand trades in Brent Crude Oil



FONTERRA LIFTS FORECAST

Fonterra has increased the midpoint of its forecast farmgate milk price by 30c a kilogram to $7.80 kg MS for this season, citing rising international prices. This increases its new forecast range for the season to $7.30-$8.30 per kg/MS, up from $7.00-$8.00 per kg/MS.

Fonterra chief executive Miles Hurrell said the lift in the farmgate milk price follows five strong Global Dairy Trade (GDT) events. "*Recently, we've seen a lift in demand, primarily from the Middle East and southeast Asia, for our reference commodity products and this has been reflected in GDT prices. Overall GDT prices are up 10% since our last farmgate milk price update in December, with whole milk powder prices up 11.5% over the same period*." He said there is still uncertainty from the potential impact of geopolitical instability and supply chain disruption.

HOW MANY FARMS SHOULD PĀMU OWN?

Pāmu has set itself the ambitious goal of rearing all of its calves from its dairy herds for meat production by 2030. To achieve this, the state-owned farmer is investing in its calf-rearing capacity while following best practice calf care.

One of these investments is its 85 hectare unit at Exeter, north of Taupō, where it held an open day in December, attracting close to 200 people.

This year it will rear 55% of its calves with the aim over the next two to three years to lift that to 75-80%, says Pāmu chief executive Mark Leslie. "*We can see an easy pathway rearing those first 80% of animals … but the challenge will be the last 20%. We acknowledge that*."

Of Pāmu's (formerly known as Landcorp) 110 farms, 42 are dairy farms, milking 40,000 dairy cows. Its rearing plan has it increasing its calf overall capacity from rearing 5400 this season to 10,500 in 2026-2027 across all of its farms.

I question the rationale for Government owned Pāmu to need to own 42 dairy farms. If the aim was to settle young farmers (as was the case up until the 1980's) then owning land for resettlement was a valid argument – but today? I don't understand the logic.

JARDEN'S NZ PROPERTY REVIEW **AS AT 2ND FEBRUARY 2024**

Stock	Rating	Price 31 Jan	Target Price	P/NTA	P/NAV	12m fwd P/AFFO	Net div Yield	Gross Div Yield	Committed Gearing
APL	Neutral	$0.24	$0.29	0.61x	0.84x	-36.9x	0.0%	0.0%	0.0%
ARG	Neutral	$1.16	$1.21	0.76x	1.00x	17.2x	5.7%	8.0%	35.1%
GMT	Underweight	$2.24	$2.05	0.97x	1.11x	29.6x	2.8%	3.9%	30.3%
IPL	Overweight	$1.18	$1.26	0.73x	1.01x	20.6x	5.5%	7.7%	41.4%
KPG	Overweight	$0.87	$0.96	0.74x	0.88x	14.6x	6.4%	8.9%	37.4%
NZL	Neutral	$0.94	$1.11	0.61x	0.77x	13.0x	0.0%	0.0%	37.1%
PCT	Underweight	$1.25	$1.12	0.91x	1.06x	18.7x	5.4%	7.5%	31.0%
PFI	Neutral	$2.28	$2.23	0.79x	1.04x	26.3x	3.7%	5.1%	33.2%
SPG	Neutral	$1.42	$1.40	0.77x	0.91x	20.0x	5.6%	7.8%	36.5%
VHP	Underweight	$2.22	$2.07	0.75x	1.14x	20.8x	4.4%	6.1%	40.8%
Average (market cap based)				**0.84x**	**1.04x**	**21.7x**	**4.5%**	**6.2%**	**34.0%**

The NZ 10yr government bond continued its pullback from the October peak of ~5.6%, falling to ~4.7% at the end of January 2024. The NZ REIT index reflected this sentiment over December and January, ending the period up 6.90% (ahead of the S&P/NZ50G up 4.78%). IPL, NZL and SPG outperformed, whilst CDI (Not Covered), PFI and APL underperformed.

Jarden has updated their forecasts for pending tax changes and recent announcements (PFI, PCT). The broad impact on AFFO from tax changes is likely to be mid-single digit declines (VHP at the lower end) and they had already started positioning FY25 dividends for the impact, reducing the changes required there (i.e. confident GMT, PFI, ARG and VHP will hold dividend flat for a year, versus potential for some downward pressure for IPL, PCT, SPG and KPG). Where necessary Jarden has made some small changes to FY25E dividends (IPL - in line with what has been signalled, KPG), whilst they have not changed PCT or SPG dividends at this point - noting we assume a decline in the FY25 dividend already for PCT. Offsetting the flow-through of tax changes are WACC changes, which they put through and result in small increases in our 12-month target prices.

Finally, Jarden has reviewed risk premiums in the sector and make two asset beta changes: bringing VHP down to 0.375 (from 0.4) in line with PFI and IPL (GMT at 0.35) and reducing ARG to 0.415 (from 0.43) on increasing skew to industrial in the portfolio while still recognising a reasonable portion of higher beta office. They do not expect any substantive updates at the upcoming reporting season from PFI or VHP but are interested in how PCT is progressing on its various initiatives (residential, value-add partnerships, divestments) and whether it signals on dividend now or waits for tax change implementation and the FY24 results.

Jarden views balance sheets in the sector as being generally in reasonable shape but still a constraint. With some further cap rate expansion likely, most of the LPVs are continuing to look for opportunities either to shed some assets or to bring in partner capital. VHP has a major process underway on capital partnering, whilst KPG continues to look at the best route to bring in some cash from Drury to fund the next stage. The sector has bounced off its low and Jarden sees any further firmness as increasing the potential for capital raise activity, with the most likely candidates being those with large development pipelines trading near to NTA.

OVERWEIGHT RECOMMENDATIONS

INVESTORE PROPERTY

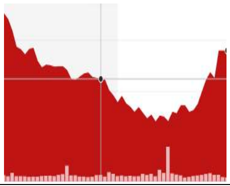
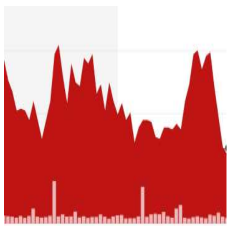
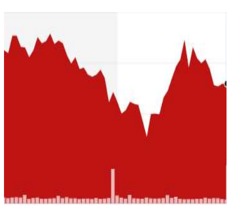
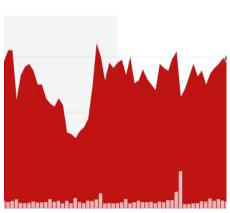
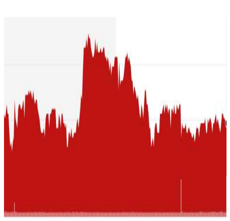
OVERWEIGHT, 12MTH TARGET PRICE: $1.26

Jarden's rating for IPL is Overweight. Key downside risks to our rating include the outlook for occupier demand and rents across IPL's portfolio and investment execution.

KIWI PROPERTY GROUP

OVERWEIGHT, 12MTH TARGET PRICE: $0.96

Jarden's rating for KPG is Overweight. Key upside/downside risks include trading conditions impacting retail tenants and investment execution, particularly in build to rent.

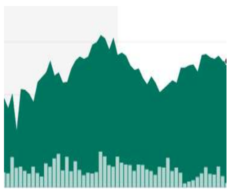
ALL GRAPHS ARE ONE YEAR GREEN=POSITIVE RED=NEGATIVE 	**THE A2 MILK COMPANY** Research: 20th February Strong operating result, slightly ahead of Jarden's estimate (top line driven) with IMF mix in line. At NPAT, larger beat due to materially higher net interest income and deeper MVM losses. Against the backdrop of a difficult China IMF market (1H24 value -15% YoY), this has been another strong execution effort, with new China Label (CL) transition ahead on internal plan, evidence English label (EL) sales are stabilising and progress made on new products, O2O distribution and supply chain diversification. 2024 P/E: 25.8 2025 P/E: 23.4	NZX Code: **ATM** Share Price: **$6.20** 12mth Target: ↑ **$6.50** Projected return (%) Capital gain 4.8% Dividend yield (Net) 0.0% Total return **4.8%** Rating: **OVERWEIGHT** 52-week price range: 4.00-7.43
	**AFT PHARMACEUTICALS** Research: 19th February AFT provided a surprise underlying earnings downgrade, three months on from the 1H24 result in November. New guidance is for FY24 EBIT of $23-25m including the $6m milestone payment from Hikma (i.e. $18m underlying at midpoint - i.e. the update represents a -22% underlying downgrade at the midpoint from $23m to $18m. For what was a relatively significant downgrade, and a pivot in investment strategy set in November last year, little specific detail was provided, other than lower ANZ sales relating to "some launch delays and slower than forecast sales offtakes for newly launched products; this combined with extra investment for ANZ product launches as well as into the RoW segment. 2024 P/E: 25.1 2025 P/E: 24.0	NZX Code: **AFT** Share Price: **$326** 12mth Target: ↓ **$2.80** Projected return (%) Capital gain -14.1% Dividend yield (Net) 0.4% Total return **-13.7%** Rating: **UNDERWEIGHT** 52-week price range: 3.29-3.92
	**AIR NEW ZEALAND** Research: 22nd February AIR delivered 1H24 a soft headline NPBT of $185m, in line with Jarden's estimate, having previously guided to "around the bottom end" of the $180-230m range. Stripping out $45m of unredeemed COVID credits included in revenue, underlying NPBT of $140m was down 53% vs a strong pcp of $299m. Underlying EBITDA of $503mm (-24% vs pcp) was down on a significantly higher cost base, impacted by ongoing cost inflation and some temporary headwinds linked to a disrupted flying schedule. AIR's balance sheet remains in good shape with post-IFRS 16 net debt/EBITDA at 0.6x and the company signalling a return to its target range of 1.5-2.5x within the next ~2 years as it progresses its fleet renewal programme. AIR declared an interim dividend of 2cps (unimputed) representing a 52% payout on 1H23 NPAT including the benefit of unredeemed credits. 2024 P/E: 17.8 2025 P/E: 12.1	NZX Code: **AIR** Share Price: **$0.62** 12mth Target: ↓ **$0.63** Projected return (%) Capital gain 2.4% Dividend yield (Net) 4.9% Total return **7.3%** Rating: **NUETRAL** 52-week price range: 0.585-0.84
	**AUCKLAND INTERNATIONAL AIRPORT** Research: 29th January AIA delivered a solid 1H24 result, with underlying NPAT of $145.7m and earnings momentum strong relative to reiterated guidance of $260-280m. Whilst aeronautical revenues were broadly in line with our expectation, AIA delivered a material beat to our forecast NPAT of $127.1m driven by the unregulated parts of the business. Aeronautical revenue of $194.8m was up ~92% on higher passenger volumes combined with significant regulated price increases. Retail delivered a very strong result (revenue +52.0%) with income per passenger growth of +25% to $9.97, albeit partly reflecting a mix shift towards higher spending International PAX. Car parking revenue lifted 23%, with growth in International PAX, a lift in average stay length and greater take-up of higher value products (valet revenue +39%). Rental income lifted 11% to $87.4m (rent roll at $151.7m). 2024 P/E: 44.9 2025 P/E: 42.1	NZX Code: **AIA** Share Price: **$8.10** 12mth Target: **$8.44** Projected return (%) Capital gain 4.2% Dividend yield (Net) 1.7% Total return **5.9%** Rating: **NUETRAL** 52-week price range: 7.30-8.98
	**BRISCOE GROUP** Research: 7th February BGP delivered a strong result against a difficult consumer backdrop, highlighting the operational quality of the business. 4Q24 sales were broadly flat against the pcp in both Homeware and Sporting Goods, indicating trading slowed in December/January following a robust October/November, likely indicative on consumers pulling forward Christmas spend into key sales events. BGP continues to outperform the broader retail sector, with industry data suggesting the home and apparel segments were down -2.3% and -7.4%, respectively, y/y in the last quarter of CY23. Group FY24 sales were $792m, up +0.8% on the pcp and +0.4% ahead of JARDe. 2024 P/E: 12.1 2025 P/E: 12.7	NZX Code: **BGP** Share Price: **$4.60** 12mth Target: **$5.10** Projected return (%) Capital gain 10.9% Dividend yield (Net) 6.3% Total return **17.2%** Rating: **OVERWEIGHT** 52-week price range: 4.05-4.95
	**CHANNEL INFRASTRUCTURE NZ** Research: 1st March CHI's FY23 result and dividends were modest beats, reporting $87.2m EBITDA from continuing operations (above JARDe $85.9m) and declared an unimputed 6.3cps final plus 1.5cps special dividends, for a robust 12cps FY23 total (beating consensus and JARDe 10.5cps). Net debt of ~$315m had been pre-announced, benefitting from sale of 73k surplus NZUs ($5.1m) plus receipt of US$4.5mn (NZ$7.256m) option premiums from US-based Seadra Energy Inc (Seadra) to secure a call over CHI's retired hydrocracker and related refining assets. 2024 P/E: 18.1 2025 P/E: 13.8	NZX Code: **CHI** Share Price: **$1.46** 12mth Target: **$1.63** Projected return (%) Capital gain 11.6% Dividend yield (Net) 7.6% Total return **19.2%** Rating: **OVERWEIGHT** 52-week price range: 41.39-1.66

COMVITA Research: 22nd February

"EBITDA after ERP" was $9.5m, noting CVT preannounced this at the 1 February trading update. It reiterated its guidance for EBITDA after ERP of $30-35m, meaning it needs a strong 2H, with CVT assuming strong sales growth in geographies outside China and North America and cost-out. Operating cash flow was -$6m and net debt was high at $86m ($53m at June 2023, $63m at December 2022).
2024 P/E: 21.9 2025 P/E: 9.8

NZX Code:	**CVT**
Share Price:	**$2.35**
12mth Target:	**$2.10**
Projected return (%)	
Capital gain	-10.6%
Dividend yield (Net)	1.7%
Total return	**-8.9%**

Rating: **NEUTRAL**
52-week price range 1.71-3.48

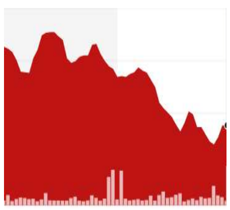


CONTACT ENERGY Research: 25th January

CEN reported normalised 1H24 EBITDA of $325m, up 26% on pcp, and a dividend of 14.0cps. It raised the outlook for FY24 EBITDA from $600m to $620m - normalising for hydro and one-offs implies $638m, a 16% increase in organic earnings. Jarden raises their FY24 EBITDA forecast from $617m to $636m. There is c.$29m of gas storage non-cash writeback not included in the above numbers, which is included in the company's reported earnings. Jarden raises their 12-month target price from $9.96 to $10.22 on the back of an extra 50GWh geothermal resource p.a. and for a generally better operating performance flowing into the numbers. With a potential Tiwai deal looming and upside to our target price, Contact remains their preferred pick in the sector and they retain a Buy rating.
2024 P/E: 30.9 2025 P/E: 29.7

NZX Code:	**CEN**
Share Price:	**$8.07**
12mth Target:	↑ **$10.21**
Projected return (%)	
Capital gain	26.5%
Dividend yield (Net)	4.3%
Total return	**30.8%**

Rating: **BUY**
52-week price range: 7.22-8.64

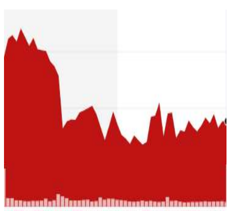


DELEGAT GROUP search: 22nd February

1H24 operating NPAT of $38m was in line with Jarden's estimate. Guidance remains operating NPAT of $57 61m, implying $21m for 2H24 at the midpoint, which compares with $19m in pcp. Whilst an in-line result at the operating NPAT level, this was largely from a higher number of cases sold in 1H24 than expected and compositionally Jarden was disappointed given a flat gross margin, which is not improving as quickly as expected from continued cost pressures and a pull back in higher margin US sales (destocking still an issue).
2024 P/E: 21.8 2025 P/E: 24.1

NZX Code:	**DGL**
Share Price:	**$6.28**
12mth Target:	↑ **$7.75**
Projected return (%)	
Capital gain	23.4%
Dividend yield (Net)	3.3%
Total return	**26.7%**

Rating: **OVERWEIGHT**
52-week price range 5.68-9.72

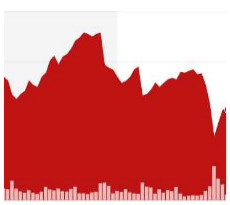


EBOS GROUP Research: 22nd February

The 1H24 operating result was solid in line with Jarden's estimate. Revenue was +7% to A$6.6bn, uEBITDA was +8% to A$313m (margin +5bps to 4.8%), uNPAT was +8% to A$152m and interim DPS was +8% to Ac52.7. Management noted ex-Chemist Warehouse Australia (CWA) contract uEBITDA growth of ~10%, with 1pp of growth attributable to the Superior Pet Food acquisition (completed in July 2023). ROCE was +70bp on pcp to 15.1% and the group retains ~A$300m of debt headroom for acquisitions, ex. using target company earnings. Outlook comments were limited to January trading conditions being positive, with growth continuing and similar to 1H24. More broadly, EBO is confident the group will continue to generate organic growth in both divisions and is likely to pursue further bolt-on acquisitions.
2024 P/E: 21.8 2025 P/E: 24.1

NZX Code:	**EBO**
Share Price:	**$36.95**
12mth Target:	↑ **$37.60**
Projected return (%)	
Capital gain	1.8%
Dividend yield (Net)	2.8%
Total return	**4.6%**

Rating: **NEUTRAL**
52-week price range: 33.66-46.75

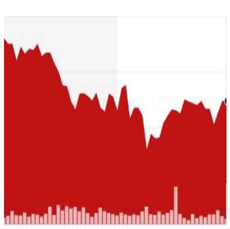


FLETCHER BUILDING Research: 15th February

1H24 reported normalised EBIT was $264m, down 27% on pcp and 15% lower than Jarden expectations. The company has set FY24 EBIT guidance of $540-640m; the midpoint thereof implies a 26% 2H24E EBIT decline, a continuation of the material softening of the housing and construction market. FBU has misread the direction of building products and construction markets, with 1H24 materially worse than what it had been indicating and follows continual underestimation of legacy contract costs. While FBU will be getting a new CEO, Jarden believes more work will need to be done by FBU to regain market confidence in its processes. Rather, at this stage, they consider a CEO transition to add further uncertainty to the FBU investment case. Due to all the uncertainty around Iplex and downcycle momentum, they add a 100bp company risk premium to their 7.0% ERP; this, along with a reduction in our earnings forecasts, has seen us cut their TP from $5.74 to $4.61 and retain a Buy rating.
. 2024 P/E: 11.9 2025 P/E: 10.7

NZX Code:	**FBU**
Share Price:	**$4.10**
12mth Target:	↓ **$4.61**
Projected return (%)	
Capital gain	12.4%
Dividend yield (Net)	2.5%
Total return	**14.9%**

Rating: **BUY**
52-week price range: 3.35-5.64

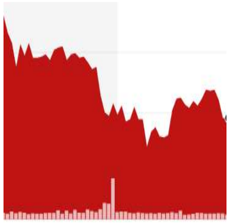


FREIGHTWAYS GROUP Research: 20th February

Solid 1H24 against a soft backdrop - EBITDA +5.1% on the pcp: FRW delivered a solid 1H24 in a challenging market albeit clouded by the Allied Express (AEx) acquisition in the pcp. At the headline level, revenue was up 12.4%, with EBITDA lifting 5.1%. On a pro forma basis (assuming a full contribution from AEx in the pcp), Jarden estimates that revenue was up 1.1%, with EBITDA down ~3% - still a pleasing result given a continuation of the soft volume backdrop and ongoing cost pressures. FRW declared an interim dividend of 18cps - flat on the pcp. It reiterated that it continues to assess M&A opportunities to leverage the recent capacity investment in Australia but with gearing near the top of the target range, Jarden thinks any acquisition would require further equity.
. 2024 P/E: 19.5 2025 P/E: 17.2

NZX Code:	**FRW**
Share Price:	**$8.47**
12mth Target:	↑ **$9.48**
Projected return (%)	
Capital gain	11.9%
Dividend yield (Net)	2.5%
Total return	**14.4%**

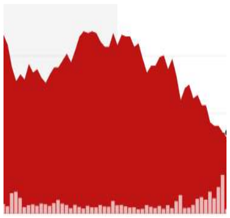
Rating: **OVERWEIGHT**
52-week price range: 7.31-9.70



GENESIS ENERGY Research: 22nd February

GNE reported 1H24 EBITDA of $202m, down $96m on pcp, with the decline driven mainly by c.500GWh lower renewable generation, as hydro reverted to an average half year, Kupe downtime for drill works and costly thermal generation as the Huntly Unit 5 outage required the more expensive to run Rankines to operate as well as higher coal use. Jarden's FY24E EBITDA estimate of $431m is marginally ahead of the company's unadjusted guidance of $430m and reflects a continued improvement in retail netbacks. The interim dividend of 7.0cps, 50% of FY24 guided 14cps, is in line with estimates and the recent policy change.
2024 P/E: 19.5   2025 P/E: 17.2

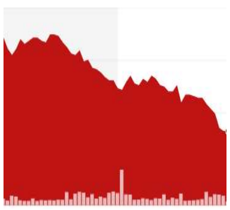
NZX Code: **GNE**
Share Price: **$2.47**
12mth Target: ↑ **$2.90**
Projected return (%)
Capital gain 17.4%
Dividend yield (Net) 5.5%
Total return **22.9%**
Rating: **OVERWEIGHT**
52-week price range: 2.30-2.90



HEARTLAND GROUP HOLDINGS Research: 9th February

FY24 guidance downgraded -20% to $93-97m: HGH has revised down its NPAT guidance range from $116-122m to $93-97m (-20% based on the midpoints). HGH cites a range of operational factors impacting recent trading (-$8-10m), alongside increased impairments (-$11.5m) and anticipated 4Q24 losses associated with the proposed Challenger Bank acquisition (-A$3.5m, Figure 2). The Motors segment has been impacted by lower industry volumes, in part due to changes to vehicle emission legislation impacting demand. HGH expects volumes to pick up in 2H24, with some catch-up sales. HGH also noted lower livestock prices in Australia over the first five months of FY24 putting pressure on receivables growth and NIM. Whilst cattle prices are up ~70% from October 2023, Elevated slaughtering over recent months could place some constraint on near-term growth. HGH's 1H24 NIM has been negatively impacted by (1) low-margin loans rolling off more slowly than anticipated (Motors, Asset Finance), (2) an intentional delay in fully passing on interest rate rises (NZ reverse mortgages, Aus livestock) and (3) heightened competition in the deposit market impacting the cost of funds.
2024 P/E: 9.8   2025 P/E: 8.6

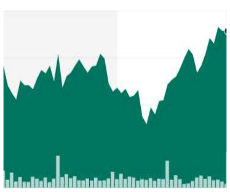
NZX Code: **HGH**
Share Price: **$1.23**
12mth Target: ↓ **$1.91**
Projected return (%)
Capital gain 55.3%
Dividend yield (Net) 7.7%
Total return **63.0%**
Rating: **OVERWEIGHT**
52-week price range: 1.13-1.84



KMD BRANDS Research: 21st February

KMD provided a disappointing trading update with trends deteriorating from its last update in December. Group sales slowed further, led by Oboz and Rip Curl, with the wholesale channel remaining a key source of weakness (sales down -17% vs. pcp) when compared to direct to consumer (down -4%) for those brands. However, with wholesale weakness well signalled amid inventory destocking, Jarden suspects the Rip Curl DTC channel may have been the cause of surprise. Group sales fell -14.5% y/y in 1H24 with Kathmandu down -21.5%, Oboz down -20.0%, and Rip Curl down -9.2%.
2024 P/E:51.7   2025 P/E: 15.3

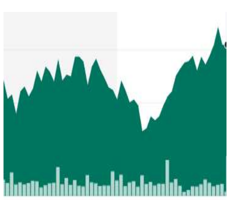
NZX Code: **KMD**
Share Price: **$0.55**
12mth Target: ↓ **$0.85**
Projected return (%)
Capital gain 63.5%
Dividend yield (Net) 3.6%
Total return **67.1%**
Rating: **BUY**
52-week price range: 0.47-1.14



MERCURY NZ Research: 21st February

MCY reported a well-guided 1H24 EBITDA of $434m, down 4% on $451m in pcp. The 1H24 dividend is 9.3cps, up 7% on pcp, with retained dividend guidance of 23.3cps for FY24. The positive surprise was the uplift in FY24 EBITDA from $835m to $880m but it did come with a few offsetting negatives. The uplift is due mainly to one-off benefits, some lingering beyond FY24, from a wet North Island vs a dry South Island and elevated wholesale pricing. FY23-FY25 maintenance drilling programme costs have risen from $128m to $160m, neutralising most of the c.$45m cash benefit in FY24 guidance outcome.
2024 P/E: 34.1   2025 P/E: 36.0

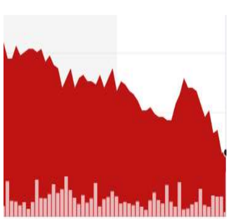
NZX Code: **MCY**
Share Price: **$6.68**
12mth Target: ↑ **$7.37**
Projected return (%)
Capital gain 6.4%
Dividend yield (Net) 3.4%
Total return **9.8%**
Rating: **OVERWEIGHT**
52-week price range: 5.66-6.99



MERIDIAN ENERGY Research: 29th February

MEL reported 1H24 EBITDA of $443m, up 4% on pcp ($425m) due to healthy retail sales and higher wholesale prices. The half-year dividend is 6.15cps. With dam levels having come off their lows, a January beat of expectations and an elevated wholesale price, we raise our FY24 EBITDA forecast from NZ$841m to NZ$874m - the company does not provide EBITDA guidance. With the Tiwai deal still just out of reach, we retain our Neutral rating and modestly lift our 12-month target price from NZ$5.58 to NZ$5.60.
2024 P/E: 43.1   2025 P/E: 36.6

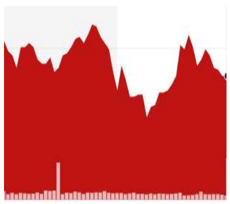
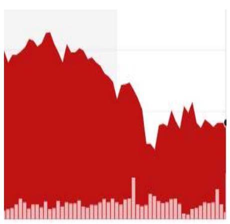
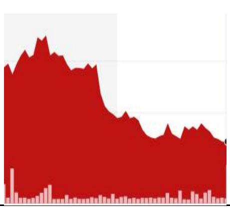
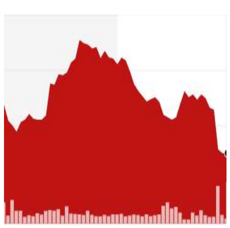
NZX Code: **MEL**
Share Price: **$5.98**
12mth Target: **$5.60**
Projected return (%)
Capital gain -6.4%
Dividend yield (Net) 3.4%
Total return **-3.0%**
Rating: **NEUTRAL**
52-week price range: 4.76-5.99



MICHAEL HILL INTERNATIONAL Research: 26th February

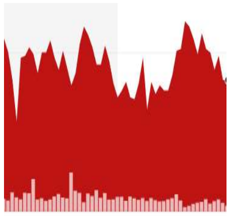
1H24 was a challenging period for MHJ, characterised by declining sales and margin contraction. 1H24 revenue fell -0.2%, despite the first-time inclusion of the Bevilles business through the Christmas period. Adjusting for acquisitions, Jarden estimates underlying brand sales fell c.-10%, with New Zealand and Australia particularly weak. Silver linings include the relative market performance of Canada, with the market showing signs of stabilisation and continued market share gains across New Zealand and Australia. Whilst sales were disappointing, they were broadly in line to a touch ahead of industry benchmarks, supportive of ongoing brand health. Looking forward, Jarden expects the consumer backdrop to remain tough, particularly in New Zealand where the business has historically had a higher incidence of product sold on credit. A trading update for the first seven weeks of 2H24 showed New Zealand sales down -9% against a soft pcp, Canada sales were down -1% and Australia was up.
2024 P/E: 14.5   2025 P/E: 9.6

NZX Code: **MHJ**
Share Price: **$0.73**
12mth Target: **$1.05**
Projected return (%)
Capital gain 43.8%
Dividend yield (Net) 4.1%
Total return **47.9%**
Rating: **OVERWEIGHT**
52-week price range: 0.76-1.16

	**NZX** Research: 27th February NZX delivered a solid FY23 result, with normalised EBITDA $40.1m, up 9.6% on the prior year despite soft markets. Revenue growth of $12.7m was driven primarily by Funds Management (+$12.5m), with a 10-month contribution from the Quay Street acquisition in February 2023. Revenue was down 1% in the core Markets business, with trading volumes at a 10-year low and subdued issuance skewed to lower fee debt. Despite improvement at the EBITDA level, underlying NPAT was down 5.5% with higher D&A (ongoing Wealth Tech investment) and interest costs (June rate reset) weighing on the bottom line. Pleasingly, NZX appears to be gaining traction on its smaller growth options. Dairy derivative revenue was up 88% to $3.6m (volumes +35%), whilst management highlighted a full FY24 schedule for Wealth Tech onboarding and provided an outlook on annual recurring revenue for the first time. NZX declared a full-year dividend of 6.1cps - a 136% payout on normalised NPAT. 2024 P/E: 22.7 2025 P/E: 19.1	NZX Code: **NZX** Share Price: **$1.00** 12mth Target: ↑ **$1.45** Projected return (%) Capital gain 45.0% Dividend yield (Net) 6.0% Total return **51.0%** Rating: **OVERWEIGHT** 52-week price range: 0.97-1.25
	**PRECINCT PROPERTIES NZ** Research: 22nd February PCT delivered a solid half-year result, with pleasing execution against a difficult backdrop for the sector, divesting Mason Bros at the end of 1H24 and formally securing Downtown Carpark, with settlement for $122m expected in 1H26 (development likely at least 2-3 years away from commencing). With PCT's development pipeline coming towards an end (1 Queen Street almost complete, Wynyard Stage 3 in GIC fund; Molesworth still to go and moving on balance sheet early), PCT directed resources into the Te Toangaroa JV and into residential projects (~$300m sales value projects commenced). Operations were mixed, with a slight beat at the NPI level (on stronger base rental growth) not flowing through and a slight miss on AFFO (primarily around tax). 2024 P/E: 17.2 2025 P/E: 17.8	NZX Code: **PCT** Share Price: **$1.165** 12mth Target: ↑ **$1.33** Projected return (%) Capital gain 14.2% Dividend yield (Net) 5.6% Total return **19.8%** Rating: **NEUTRAL** 52-week price range: 1.05-1.345
	**PORT OF TAURANGA** Research: 23rd February A weak 1H24, with normalised NPAT of $47.2m down 25% on the pcp, but early signs the tide is turning. Overall trade volumes were down 8.5% with a range of factors impacting export volumes, import volumes and transhipments. Labour efficiency is showing some early signs of improvement, with POT expecting the benefits to flow into 2H24. It reiterated its guidance for NPAT of $95-107m, with the midpoint implying a 1H/2H split ~$47m/$54m and highlighting POT's expectation for improving earnings momentum. Whilst 1H24 volumes were soft, the 2Q24 Christmas quarter saw total volumes lift 20% QoQ - a rate 2-3x higher than typical prior to COVID. Jarden has raised its DCF-based 12-month target price to $5.67, driven primarily by lower risk-free rates. Their Neutral rating reflects (1) their view that POT is a high-quality infrastructure asset that is well positioned to benefit from structural changes as NZ container trade moves to a hub-and-spoke model, (2) a modest FY23-FY26E EPS CAGR of ~4% and (3) a weak near-term demand outlook. Risks include log export volatility, trade consolidation/transhipment volumes and competitor behaviour. 2024 P/E: 34.3 2025 P/E: 30.2	NZX Code: **POT** Share Price: **$5.40** 12mth Target: ↑ **$5.67** Projected return (%) Capital gain 5.0% Dividend yield (Net) 2.9% Total return **7.9%** Rating: **NEUTRAL** 52-week price range: 5.03-6.61
	**RESTAURANT BRANDS NZ** Research: 27th February RBD reported a soft but well guided result, with FY23 group sales growing +7.5% against the pcp as the company implemented price increases. Despite strong sales, input costs increased at a faster pace than prices, weighing on store margins and driving a flat store EBITDA result. FY23 reported NPAT of $16m was at the top end of guidance, and weighed down by $9m of impairments including $6m against underperforming stores in California. 2024 P/E: 20.4 2025 P/E: 14.3	NZX Code: **RBD** Share Price: **$3.30** 12mth Target: ↓ **$4.00** Projected return (%) Capital gain 21.2% Dividend yield (Net) 0.0% Total return **21.2%** Rating: **NEUTRAL** 52-week price range: 3.30-7.64
	**RYMAN HEALTHCARE** Research: 19th February FY24 earnings downgraded on slow new sales momentum; some positives in net debt/resales. RYM has been forced to downgrade FY24 earnings, largely on the particularly problematic development margin (DM) metric. It has cut FY24 UP guidance from $300-330m to $265-285m. RYM called out lower new sales volumes with its 2H assumption of 273 ORAs reduced to 218 ORAs. To be clear, new sales momentum is disappointing. RYM noted serviced apartments are taking longer, also suggesting main building completions were weighing on sales levels. RYM also indicated that its FY24 delivery would be at the lower end of its 650-750 guidance (Jarden ingoing 700). New sales momentum (FY24 <400 vs FY20-FY22 ~500-550) raises questions on market conditions vs RYM specific site/product issues and could negatively impact new sale pricing dynamics in a development back book that already has significant issues. There were a couple of positives: resale volumes were 7% up on FY23 (Jarden ingoing 6%), albeit village/product mix is negatively impacting margin (housing market softness also likely a factor vs expectation); and FY24F net debt is in line with 1H24, although the detail on contributing factors to debt will be important. 2024 P/E: 13.8 2025 P/E: 12.5	NZX Code: **RYM** Share Price: **$4.64** 12mth Target: ↓ **$5.29** Projected return (%) Capital gain 14.0% Dividend yield (Net) 0.0% Total return **14.0%** Rating: **UNDERWEIGHT** 52-week price range: 4.35-6.99

SCALES CORPORATION

Research: 22nd February



FY23 underlying NPAT after minorities was $19m versus Jarden's $17m estimate and at the top end of the $14-19m guidance range - the beat was largely on lower tax. By division, Horticulture was ahead due to lower costs than expected, whilst Global Proteins was a miss from product mix as well as extra start-up costs from the new joint ventures. FY24 guidance remains for underlying NPAT after minorities of $30-35m (EBITDA $81-91m), mainly reflecting a strong bounce back in Horticulture, noting supportive outlook comments today. Andy Borland also recommitted as Managing Director for a further five years.

2024 P/E: 13.9   2024 P/E: 11.3

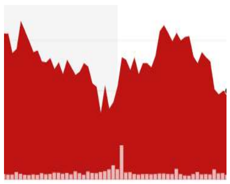
NZX Code:	**SCL**
Share Price:	**$3.15**
12mth Target:	↑ **$4.00**
Projected return (%)	
Capital gain	27.0%
Dividend yield (Net)	4.6%
Total return	**31.6%**

Rating: **OVERWEIGHT**

52-week price range: 2.75-3.49

SKELLERUP

Research: 15th February



1H24 NPAT of $22m was below Jarden's estimate of $25m. FY24 NPAT guidance is now similar to pcp ($51m), which is within the maiden range of $50-55m but a 3% downgrade to the previous midpoint. This implies 2H24E NPAT of $29m (versus $28m in pcp). The DPS is +6% to 8.5c in line with Jarden's estimate. Agri medium-term outlook also positive. Recent dairy farming conditions have been challenging from both a pricing and input cost perspective (e.g. feed cost). On the call, management said it was confident these issues were unwinding, particularly for input costs as supply chain issues are resolved. Hence, it expects a more supportive production backdrop beyond 2H24. SKL expects to capture more market share, noting it is close to locking in a new large European customer.

2024 P/E: 17.0   2025 P/E: 16.1

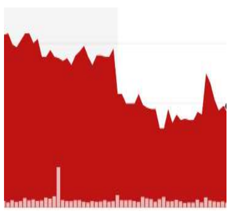
NZX Code:	**SKL**
Share Price:	**$4.30**
12mth Target:	↓ **$5.20**
Projected return (%)	
Capital gain	20.9%
Dividend yield (Net)	5.1%
Total return	**26.0%**

Rating: **OVERWEIGHT**

52-week price range: 4.03-5.30

SKY CITY ENTERTAINMENT

Research: 22nd February



SKC reported a solid operating 1H24 result, in line with Jarden expectation at the uEBITDA level and ahead on uNPAT. At a high level, it is encouraging to see visitation growth for Auckland and Hamilton, albeit Adelaide was marginally down on pcp. The key macro issue called out for gaming machines was spend per visit down due to challenging economic conditions as well as potentially normalising off the post COVID. Performance was mixed across local tables, with Auckland in growth as more capacity was introduced, which is encouraging, but Hamilton down (economic pressures) and Adelaide rebased on fewer operating hours and lower cash limits. Premium tables grew due to strong win rates and the online casino contribution was down. The group EBITDA margin was -3pp to 30%.

2024 P/E: 11.5   2025 P/E: 10.4

NZX Code:	**SKC**
Share Price:	**$1.93**
12mth Target:	**$2.90**
Projected return (%)	
Capital gain	50.3%
Dividend yield (Net)	5.9%
Total return	**56.2%**

Rating: **BUY**

52-week price range: 1.66-2.60

SKY TELEVISION

Research: 22nd February

Sports events help drive a strong 1H, with only modest changes to full-year forecasts with EBITDA guidance unchanged. While ongoing softness in SkyBox subs is a source of disappointment, SKT is maintaining revenues with a return to price increases that are driving ARPU. The result highlights were strong performance in Sky Sport Now and Advertising revenues which helped deliver 3.7% revenue growth on the pcp. With costs contained on the back of SKT's initiatives, EBITDA was up 11.1% on pcp. A downgrade in the revenue guidance range and maintenance of EBITDA guidance highlights the contribution from events that boosted the half. Jarden has made only small changes to their FY24 forecasts (revenue +0.3% and EBITDA +1.1%) with both sitting within the guidance range - towards the top end. They continue to take the same cautious approach to long-term forecasts which essentially continue to capture only modest revenue growth (high margin customers being replaced by lower margin customers). Those forecasts assume SKT gives up little margin in the next rights renewal cycle but doesn't recapture it either while Jarden sees capex returning to the low end of a 7-9% of revenue range from FY26E. Our forecasts do sit slightly below SKT's aspirations for FY26 but do comfortably support maintenance of a 25cps dividend.

2024 P/E: 7.7   2025 P/E: 8.14

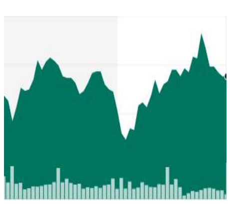
NZX Code:	**SKT**
Share Price:	**$2.77**
12mth Target:	↑ **$3.03**
Projected return (%)	
Capital gain	9.4%
Dividend yield (Net)	6.3%
Total return	**15.7%**

Rating: **OVERWEIGHT**

52-week price range: 2.31-2.98

SPARK NEW ZEALAND

Research: 29th February



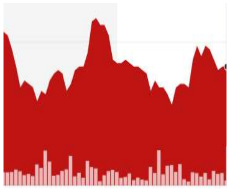
Jarden has reviewed SPK's longer term performance on earnings momentum and cash. They view pre-IFRS 16 EBITDAI as a more relevant metric now. SPK has significant lease commitments across Connexa, customer equipment and broader operating leases. Whilst there is an element of avoided capex in SPK's TowerCo transaction and the transaction had a long-term financing element to it, these towers are key operating assets. After a period of improvement, operating cash flow (inclusive of total leases) is coming down, whilst investment intensity is increasing. Over the past 10 years, average total investment (capex, small acquisitions, spectrum) of ~$500m (pretty consistent) and free cash flow of ~$250m. SPK has been able to fund a dividend well over that time while maintaining the balance sheet through divestments (AAPT/international) and, more recently, TowerCo (more long-term financing arrangement than divestment).

2024 P/E: 21.1   2025 P/E: 19.4

NZX Code:	**SPK**
Share Price:	**$5.07**
12mth Target:	**$5.12**
Projected return (%)	
Capital gain	1.0%
Dividend yield (Net)	5.4%
Total return	**6.4%**

Rating: **NEUTRAL**

52-week price range: 4.69-5.39



STEEL & TUBE Research: 21st February

STU's 1H24 result was well guided with volume declining 22% vs pcp while GP$/tonne grew 9% to $926/tonne vs 1H/2H23. which is a positive takeaway from this result. 1H dividend 4.0cps, fully imputed, at 125% payout and above the 60-80% EPS payout policy range, signalling management confidence in the business already passed the bottom of the cycle, and its current net cash position. Trading was soft in December and January. Whilst management sees signs of demand coming back from the start of February, the recovery outlook is now delayed to mid-2024. Jarden has reduced their FY24 EBIT from $29.5m to $25.7m, factoring in demand recovery being delayed to mid-2024, number of trading days in 2H24 and partial offset from higher GP$/tonne.

2024 P/E: 12.3   2025 P/E: 8.7

NZX Code:	**STU**
Share Price:	**$1.10**
12mth Target:	**$1.26**
Projected return (%)	
Capital gain	14.5%
Dividend yield (Net)	7.2%
Total return	**21.7%**

Rating: **OVERWEIGHT**

52-week price range: 0.97-1.30

SUMMERSET GROUP HOLDINGS Research: 27th February

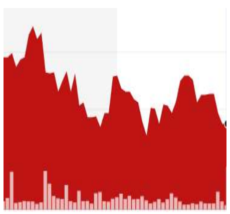
Solid momentum in sales and delivery against peers. Jarden views the momentum in SUM's business on the development and sales front as continuing to provide sufficient differentiation against peers to support it as our preferred pick, noting that its asset mix and development outcomes are also sector leading. That does not mean SUM is immune from other sector pressures and Jarden continues to highlight growing debt, a lack of visibility on the degree of financial risk to which investors are exposed and significant cash deficits ex-turnover as things investors need to consider.

2023 P/E: 12.5   2024 P/E: 12.7

NZX Code:	**SUM**
Share Price:	**$11.05**
12mth Target:	**$12.02**
Projected return (%)	
Capital gain	8.8%
Dividend yield (Net)	2.4%
Total return	**11.2%**

Rating: **OVERWEIGHT**

52-week price range: 8.04-11.27



TOURISM HOLDINGS Research: 21st February

1H24 NPAT of $39.7m down ~5% vs JARDe: THL's result was impacted by slower vehicle sales in a "challenging global sales environment", with NPAT -5% vs Jarden's expectations (like-for-like basis). North American sales remained soft through the period with Aus/NZ also now seeing materially lower sales volumes in a weak macroeconomic backdrop. Vehicle margins ex-NZ continued to normalise but at a faster pace, down to 11%-19% from 27%-38% in the pcp. NZ margins held up well, lifting from 36% to 37%, reflecting the older, lower cost base fleet. At the global average level, margins fell from ~33% (~$36k) to ~18% (~$19k). Pleasingly, yield growth continued in the period - up 9% on the pcp on average, book-ended by NZ / Canada (double digit % growth) and the US (broadly stable). Looking ahead, NZ and the UK forward bookings suggest 2H growth vs the pcp, with Australia flat, while NAm is showing some early signs of softening around the upcoming shoulder seasons. THL declared a 1H dividend of 4.5cps with the company expecting a 30%/70% 1H/2H split and suggesting a full-year dividend of 15cps on our estimates.

2024 P/E: 9.7   2025 P/E: 8.2

NZX Code:	**THL**
Share Price:	**$3.30**
12mth Target:	↑ **$4.97**
Projected return (%)	
Capital gain	50.6%
Dividend yield (Net)	4.4%
Total return	**55.0%**

Rating: **BUY**

52-week price range: 3.19-4.34

TURNERS AUTOMOTIVE GROUP Research: 13th February

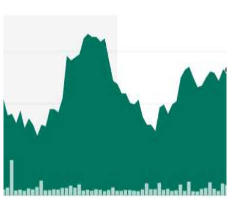
FY24 guidance lifted to "at least $48m" (from $45.5m+). With seven weeks to go in the year, TRA has lifted its full-year earnings guidance and lifted the forecast dividend from 24cps to 25cps. TRA noted resilience in the used car market despite a weak economic backdrop, while highlighting that stabilising interest rates are "turning from a headwind into a tailwind" for the business. Jarden notes that key interest rates have been flat for the past ~10 months, providing some stability as lower NIM loans continue to roll off.

2024 P/E: 11.5   2025 P/E: 11.0

NZX Code:	**TRA**
Share Price:	**$4.70**
12mth Target:	↑ **$5.09**
Projected return (%)	
Capital gain	8.3%
Dividend yield (Net)	5.4%
Total return	**13.7%**

Rating: **OVERWEIGHT**

52-week price range: 3.30-4.85



VISTA GROUP INTERNATIONAL Research: 21st February

VGL is on track to deliver against FY25 targets, explicitly calling out at least 10 cinema chains that have transitioned or are contracted to transition to its cloud platform - being either the digital offering or full cloud stack. VGL's targeted adoption profile has 800 cinema sites transitioned to the platform by the end of 2024, with half of those being on the full cloud stack. VGL is targeting ARR growth from $118m in FY22 to an ARR range of $175m to $205m in FY25, driven by a combination of price increases, studio business growth and $36m+ contribution from transitioning customers to the cloud. We expect to see limited ARR uplift in FY23 and forecast an FY24 and FY25 ARR of $146m and $175m, respectively, with customer updates announced underpinning the majority of the FY24E growth.

2024 P/E: 11.5   2025 P/E: 11.0

NZX Code:	**VGL**
Share Price:	**$1.61**
12mth Target:	**$2.05**
Projected return (%)	
Capital gain	27.3%
Dividend yield (Net)	0.0%
Total return	**27.3%**

Rating: **OVERWEIGHT**

52-week price range: 1.20-1.92

THE WAREHOUSE GROUP Research: 22nd February

WHS has announced the sale of Torpedo7 (T7) for NZ$1 to Tahua Brands. Whilst the sale itself is unlikely to be a surprise, with WHS signalling its shift to non-core in September 2023, the lack of consideration is disappointing and likely a sign of just how difficult the operating structure was. WHS expects the sale to result in an impairment of $55-65m. Tahua will assume T7's inventory, which Jarden estimates is c.$55m and fixed assets of c.$10m and take on its lease obligations. In their view, the strategic decision to sell T7 is positive and Jarden hopes it is a broader sign of rationalisation of focus towards the core brands of The Warehouse and Noel Leeming.

2024 P/E: 12.9   2025 P/E: 8.9

NZX Code:	**WHS**
Share Price:	**$1.33**
12mth Target:	↓ **$1.35**
Projected return (%)	
Capital gain	1.5%
Dividend yield (Net)	4.5%
Total return	**6.0%**

Rating: **UNDERWEIGHT**

52-week price range: 1.22-2.64

JARDEN'S AUSTRALIAN SMARTSHARES PORTFOLIO

AS AT 29TH FEBRUARY 2024

SMARTSHARES S&P/ASX 200 ETF IS A EXCHANGE TRADED FUND INCORPORATED IN NEW ZEALAND. THE FUND IS DESIGNED TO TRACK THE RETURN ON THE S&P/ASX 200 INDEX.

	Top 10 Holdings	%
1	BHP Group Ltd	9.5
2	Commonwealth Bank of Australia	8.3
3	CSL Ltd	5.9
4	National Australia Bank Ltd	4.5
5	Westpac Banking Corp	3.9
6	ANZ Group Holdings Ltd	3.7
7	Wesfarmers Ltd	3.2
8	Macquarie Group Ltd Ordinary F	3.0
9	Woodside Energy Group Ltd	2.4
10	Goodman Group	2.1

Source: Bloomberg, Jarden

Benchmark S&P/ASX 200 **Ticker** AS51 Index

Total Return to 31/01/2024 (NZD)	**1M**	**3M**	**6M**	**1Y**	**3Y** (pa)	**5Y** (pa)
AUS.NZ	6.17%	13.61%	8.39%	29.90%	12.08%	n/a
Benchmark	0.86%	12.55%	5.82%	6.81%	11.45%	n/a

Risk Measures (past 12m)	Volatility	Sharpe Ratio
AUS.NZ	15.19%	0.23
Benchmark	12.05%	0.61

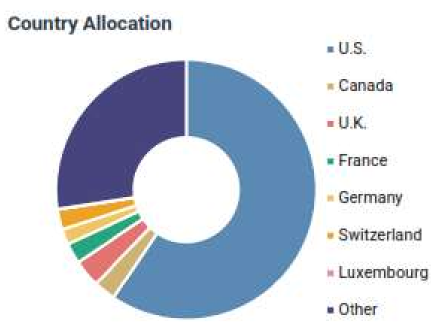
Valuation	P/NTA	P/E Ratio*	Dividend Yield *
AUS.NZ	1.007	19.4	3.2%

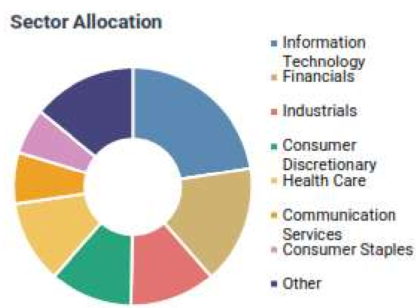
* P/E ratio and dividend yield are based on prior 12 months

JARDEN'S SMARTSHARES TOTAL WORLD ETF

AS AT 29TH FEBRUARY 2024

SMARTSHARES - TOTAL WORLD TRUST IS AN EXCHANGE TRADED FUND AVAILABLE ON THE NEW ZEALAND STOCK EXCHANGE. THE TOTAL WORLD TRUST AIMS TO TRACK SECURITIES FROM BOTH DEVELOPED AND EMERGING MARKETS THROUGH THE FTSE GLOBAL ALL CAP INDEX BY INVESTING IN VANGUARD'S TOTAL WORLD STOCK ETF.





	Top 10 Holdings	%
1	MICROSOFT CORP	3.9
2	APPLE INC	3.6
3	NVIDIA CORP	1.9
4	AMAZON.COM INC	1.8
5	META PLATFORMS INC-CLASS A	1.1
6	ALPHABET INC-CL A	1.1
7	ALPHABET INC-CL C	0.9
8	ELI LILLY & CO	0.8
9	BERKSHIRE HATHAWAY INC-CL B	0.7
10	BROADCOM INC	0.7

Source: Bloomberg, Jarden

Benchmark FTSE Global All Cap Net Tax (US RIC) Index **Ticker** TGPVA16U Index

Total Return to 31/01/2024 (NZD)	**1M**	**3M**	**6M**	**1Y**	**3Y** (pa)	**5Y** (pa)
TWF.NZ	3.18%	10.92%	4.91%	20.59%	9.69%	11.40%
Benchmark	0.28%	15.24%	3.91%	14.04%	6.02%	10.23%

Risk Measures (past 12m)	Volatility	Sharpe Ratio
TWF.NZ	14.55%	1.64
Benchmark	12.37%	1.41

Valuation	P/NTA	P/E Ratio*	Dividend Yield *
TWF.NZ	1.006	21.2	1.6%

* P/E ratio and dividend yield are based on prior 12 months

JARDEN'S FIXED INTEREST BONDS BBB+, BBB, BBB- AS AT 27TH FEBRUARY 2024

Issuer	NZDX Code	Coupon	Maturity/ Reset Date*	CPN Freq	Credit Rating	Type	Min. Size	Best Offer Yield	Best Price/ $100
Meridian Energy	MEL040	4.880	20/03/2024	2	BBB+	Senior	5,000	5.980	102.10
Heartland Bank	HBL020	3.550	12/04/2024	2	BBB	Senior	5,000	6.743	100.98
Christchurch International Airport	CHC010	4.130	24/05/2024	2	BBB+	Senior	5,000	6.200	100.61
GMT Bond Issuer	GMB040	4.540	31/05/2024	2	BBB+	Senior	5,000	6.617	100.60
Wellington Intl Airport	WIA040	4.000	5/08/2024	2	BBB	Senior	10,000	6.650	99.14
Contact Energy	CEN050	3.550	15/08/2024	4	BBB	Senior	5,000	6.069	99.00
Kiwi Property Group Limited	KPG030	4.330	19/12/2024	2	BBB+	Senior	5,000	6.998	98.79
Wellington Intl Airport	WIA060	4.000	1/04/2025	2	BBB	Senior	10,000	6.800	98.76
Vector Limited	VCT090	3.450	27/05/2025	2	BBB+	Senior	5,000	6.070	97.80
Wellington Intl Airport	WIA050	5.000	16/06/2025	2	BBB	Senior	10,000	6.476	99.21
Meridian Energy	MEL050	4.210	27/06/2025	2	BBB+	Senior	5,000	5.915	98.59
Kiwi Property Group Limited	KPG040	4.060	12/11/2025	2	BBB+	Senior	5,000	-	-
Wellington Intl Airport	WIA070	2.500	14/08/2026	2	BBB	Senior	10,000	5.900	92.42
Wellington Intl Airport	WIA080	3.320	24/09/2026	2	BBB	Senior	10,000	-	-
Mercury NZ	MCY040	2.160	29/09/2026	2	BBB+	Senior	5,000	5.735	92.45
SBS Bank	SBS010	4.320	18/03/2027	4	BBB+	Senior	5,000	6.100	95.95
GMT Bond Issuer	GMB060	4.740	14/04/2027	2	BBB+	Senior	5,000	6.386	97.19
SkyCity Entertainment	SKC050	3.020	21/05/2027	4	BBB-	Senior	5,000	7.450	87.46
Mercury NZ	MCY030	1.560	14/09/2027	2	BBB+	Senior	5,000	5.590	87.94
Oceania Healthcare	OCA010	2.300	19/10/2027	4	BBB-(NR)	Senior	5,000	7.800	82.98
Vector Limited	VCT100	3.690	26/11/2027	2	BBB+	Senior	5,000	5.632	94.49
Chorus	CNU030	1.980	2/12/2027	4	BBB	Senior	5,000	5.677	87.55
GMT Bond Issuer	GMB1227	3.656	20/12/2027	2	BBB+	Senior	50,000	6.375	91.64
Genesis Power	GNE060	4.170	14/03/2028	2	BBB+	Senior	5,000	-	-
Contact Energy	CEN070	5.820	11/04/2028	4	BBB	Senior	5,000	5.500	101.95
Air New Zealand	AIR030	6.610	27/04/2028	2	BBB+	Senior	5,000	6.100	104.10
Christchurch International Airport	CHC020	5.180	19/05/2028	2	BBB+	Senior	5,000	-	-
Mercury NZ	MCY060	5.640	19/06/2028	2	BBB+	Senior	5,000	5.600	101.25
Kiwi Property Group Limited	KPG050	2.850	19/07/2028	2	BBB+	Senior	5,000	6.500	86.58
Wellington Intl Airport	WIA090	5.780	24/08/2028	2	BBB	Senior	10,000	-	-
GMT Bond Issuer	GMB0928	2.262	4/09/2028	2	BBB+	Senior	50,000	-	-
Meridian Energy	MEL060	5.910	20/09/2028	2	BBB+	Senior	5,000	-	-
Chorus	CNU020	6.380	6/12/2028	4	BBB	Senior	5,000	5.736	102.46
SBS Bank	SBS020	6.140	7/03/2029	4	BBB+	Senior	5,000	-	-
Contact Energy	CEN080	5.620	6/04/2029	4	BBB	Senior	5,000	5.400	101.81
Kiwi Property Group Limited	KPG060	6.240	27/09/2029	2	BBB+	Senior	5,000	-	-
GMT Bond Issuer	GMB0930	2.559	4/09/2030	2	BBB+	Senior	50,000	-	-
Chorus	CNU040	2.510	2/12/2030	4	BBB	Senior	5,000	5.935	81.02

Hybrid

Issuer	NZDX Code	Coupon	Maturity/ Reset Date*	CPN Freq	Credit Rating	Type	Min. Size	Best Offer Yield	Best Price/ $100
Mercury NZ	MCY020	3.600	11/07/2024	4	BB+	Subordinated	5,000	8.154	98.86
NZ Post Group Finance	NZP010	4.230	15/11/2024	2	BB	Subordinated	5,000	-	-
Kiwibank	KWB010	2.360	11/12/2025	4	BBB	Subordinated	5,000	7.100	92.66
BNZ	BNZ090	2.728	17/12/2025	4	BBB+	Subordinated	5,000	-	-
ANZ Bank New Zealand	ANB170	2.999	17/09/2026	4	A-	Subordinated	5,000	6.770	91.86
Kiwibank	KWBHA	4.930	2/11/2026	4	BB+	Subordinated	5,000	8.017	93.00
Mercury NZ	MCY050	5.730	13/05/2027	4	BB+	Subordinated	5,000	6.750	97.33
Genesis Energy	GNE070	5.660	9/06/2027	4	BB+	Subordinated	5,000	6.800	96.40
Vector Limited	VCT110	6.230	15/06/2027	2	BB+	Subordinated	5,000	6.600	100.20
Westpac	WNZ1T2	6.190	16/09/2027	4	A-	Subordinated	5,000	-	-
Heartland Bank	HBL1T2	7.510	28/04/2028	4	BB+	Subordinated	5,000	7.400	101.05
Kiwibank	KWB1T2	6.400	12/05/2028	4	BBB	Subordinated	5,000	-	-
Insurance Australia Group	IAGFC	5.320	15/06/2028	4	BBB+	Subordinated	5,000	7.050	94.75
Genesis Energy	GNE080	6.500	10/07/2028	4	BB+	Subordinated	5,000	6.574	100.61
Genesis Energy	GNE050	4.650	16/07/2028	4	BB+	Subordinated	5,000	-	-
ANZ Bank New Zealand	ANBHC	6.950	18/07/2028	4	BBB	Subordinated	5,000	7.475	98.85
Westpac	WNZ2T2	6.730	14/02/2029	4	A-	Subordinated	5,000	-	-
BNZ	BNZHA	7.300	14/06/2029	4	BBB	Subordinated	5,000	7.494	100.70
Works Infrastructure Finance	WKSHA	9.810	1/01/3000	4	BB(NR)	Subordinated	3,000	-	-
Quayside Holdings	QHLHA	6.640	1/01/3000	4	A-(NR)	Subordinated	5,000	86.558	-
Infratil	IFTHA	7.060	1/01/3000	4	BB-(NR)	Subordinated	5,000	10.740	66.87
Fonterra Co-operative Group	FCGHA	5.475	1/01/3000	4	BBB+	Subordinated	5,000	-	-