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INVESTMENT STRATEGIES

Volume 65

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We can expect continued and higher volatility in global sharemarkets throughout 2022. 2021 saw a negative performance for the New Zealand equities market in 2021, but most major markets still enjoyed double digit 2021 returns.

KEY MARKETS	CODE	1 YR	5 YR/pa
NZ 50 Index	^NZ50	-0.4%	17.8%
ASX 200 Index	^AXJO	13.0%	6.1%
London FTSE 100	^FTSE	12.6%	0.8%
US Dow Jones	^DJI	19.5%	16.6%
US S&P500	^GSPC	26.9%	22.3%
US NASDAQ	^IXIC	22.0%	37.5%

New Zealand equities lagged the rest of the world by close to 20% in 2021 (one of our worst performing years since 1998), and this signals a market that lacks confidence in the economic direction that we are heading. The question is – in this pandemic world, will that lack of confidence be reversed any time soon?

Ardern's Government continues to rush through legislation in their now normalised arrogant fashion. The result continues to be poor legislation and a lack of any form of genuine democracy.

With the change of leadership, National can once again become the safe set of hands that has marked its history.

Of course, the lefties will say that National will just ride rough-shod over both the environment and New Zealand's ballooning underclass, but both have been ignored by this current lot, who are great at rhetoric, but have no idea how to execute any plan.

Christmas came early for Finance Minister Grant Robertson, who unwrapped an early present from Treasury, in the form of forecasts showing low unemployment, increased tax revenue and booming economic growth over the next five years. But don't be fooled – the day of reconning will come.

VERSUS

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CONTENTS

STATISTICS NZ DATA

Estimated population at 25-January-22	**5,163,812**
Fertility Rate (births per woman)	**1.61**
Births 31-Dec year	**57,357**
Deaths 31-Dec year	**32,613**
Natural Increases (Births minus Deaths) Dec year	**24,960**
Net Migration Nov-21 year (12,325 in; 16,372 out)	**-4,047**
Annual GDP Growth Sep-21 year (-3.7% Sep-21 qtr)	**4.9%**
GDP per Capita Jun-21 year	**-3.8%**
Inflation Rate (CPI) Dec-21 year (from 4.9% in Sep-yr)	**5.9%**
Food Price Index Oct-21 year	**3.7%**
Annual Wage Inflation Sep-21 Year	**2.4%**
Wages average per hour July-21 qtr (↑2.8% yoy)	**$35.25**
Average FTE weekly earnings at Sep-21	**$1,367.00**
Employment rate Sep-21 qtr (up from 67.7%)	**68.8%**
Unemployment Sep-21 qtr (↓ from 5.3% yoy)	**3.4%**
Underutilisation rate Sep-21 qtr	**9.2%**
Beneficiaries (Job seeker/Solo/Supported living) (8.9% of working-age population)	**368,172**
Size of Maori Economy 2018 (2013: $42bn)	**$68.7bn**
Size of NZ Economy June-21 year	**$340bn**

BREAKING NEWS: NZ INFLATION 5.9%
AUSTRALIA 3.5%

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.

SUPPLY CHAIN WORRIES FOR OUR BIGGEST PORT

Capacity constrains are hurting Port of Tauranga; and Omicron will just exasperate this further.

The port urgently needs to add one extra berth at its Sulphur Point container terminal, and the current Labour Government continues to give the port the cold shoulder. POT did apply to use the available "fast track" process, and bypass the Environment Court. This was a pragmatic and sensible solution that the Minister refused to accommodate – because a handful of iwi said they were opposed to any further port expansion (even though there would be no discernible impact of them.

Another valid option would have been to receive support from the Government's shovel-ready and Covid fast track infrastructure project programmes in both 2020 and again in 2021.

The port is now coming into supply chain constraints, as port tonnage goes from strength to strength.

This is just more evidence of Labour's unwillingness to override the call from a handful from within its Maori Caucus. It is time for them to get into the "real world".

DECLARATION OF INTEREST: *Both Maree and I are shareholders in Port of Tauranga.*

ARDERN'S PLANS FOR CO-GOVERNANCE WITH IWI FACE ROUGH SEAS

SOURCE: Graham Adams, Victoria University, 5-Jan-2022

As voters become more aware of the stealthy implementation of a Māori separatist agenda, the political risks for the government will rise sharply. Graham Adams reports in an article for Wellington's Victoria University.

When the Prime Minister claimed in her first term that her government was going to be "transformational" many voters took her seriously — until it became apparent she was unlikely to transform anything much, whether it was unaffordable housing or inadequate public transport or introducing a capital gains tax. Perhaps, however, we should have been listening more closely when a year ago — and only a few months into her second term — Ardern referred to "***foundational change***".

The change in wording was quickly dismissed as a rebranding exercise dreamed up by Labour Party strategists to distance the government from its failure to be in any way transformational. But foundational change is certainly what we are getting in Ardern's second term — even if most citizens remain unaware of the steady remaking of the nation's constitutional arrangements via a radical interpretation of the Treaty as a 50:50 partnership.

> This despite new Supreme Court Judge Layne Harvey (Maori) stating "***The law states clearly that partnership does not mean 50/50***".

When asked by David Seymour in Parliament last February to explain the difference between "transformational" and "foundational" change, Ardern airily said she was "*referring to a suite of policies — like the introduction of Matariki as a public holiday and the introduction of learning New Zealand history in schools that will make a long-term difference to how we see ourselves as a nation*".

Her response sounded harmless enough and it undoubtedly was designed to sound that way. Ardern certainly wasn't about to expand on the "suite of policies" her government was stealthily progressing in its push to remake the ship of state while the populace was preoccupied with battening the hatches against the winds of a pandemic.

"Foundational change" based on a particular view of the Treaty clearly wasn't what most voters signed up for when they voted for Ardern at October 2020's election. Many thought they were rewarding her with their vote as a thank-you for navigating the nation through the initial round of Covid and encouraging her to continue her good work. As the Prime Minister said repeatedly in the run-up to the election as a justification for not campaigning on much else of substance: "This is the Covid election."

The aftermath of her landslide victory, however, turned out to be not only about managing Covid but also fulfilling what appears to be the vaulting ambitions of Labour's Māori caucus and their Cabinet allies such as Andrew Little and David Parker.

Unfortunately for those pushing determinedly but quietly for Māori co-governance to be established in many spheres of New Zealand's national life — including in the conservation estate, local government, the health and education sectors, water infrastructure, and the Resource Management Act — the headwinds are getting stronger and heavier.

Jacinda Ardern — and her senior ministers Nanaia Mahuta and Andrew Little — appear to have adopted the tactics of the Cuban revolutionary leader Jose Marti, who wrote in 1895: "*I have had to work quietly and somewhat indirectly, because to achieve certain objectives, they must be kept under cover; to proclaim them for what they are would raise such difficulties that the objectives could not be attained.*"

Nevertheless, voters are starting to have their suspicions. And if anything is likely to have convinced them that something deeply underhand is going on, it was the revelation in November that Cabinet had agreed in July that Three Waters would be compulsory.

That, of course, made a complete mockery of the "consultation" period with councils — that culminated in a summary of their submissions being sent on October 22 to Mahuta's office for appraisal.

If that is not extraordinary and alarming enough, the Minister of Health, Andrew Little, is pushing ahead with the complete overhaul of our health system at a cost of $486 million — and in the middle of a pandemic, when our hospitals are short of ICU beds and the nurses to staff them.

An integral part of the reforms will be setting up a Māori Health Authority as an independent statutory entity. Again, such a body is recommended in He Puapua.

Just as Nanaia Mahuta is coy about why she believes making the nation's water infrastructure more efficient requires co-governance with iwi, Little appears not to want to admit that the only way to hand equal power to Māori in the health system is to abolish the 20 DHBs entirely — as his Pae Ora (Healthy Futures) Bill proposes. Nor does he want to admit openly that the Māori Health Authority will have a right of veto.

As opposition to Three Waters continues to flare, the question of whether the public wants to venture further down the path towards an ethno-nationalist state or fight to retain a democratic-nationalist one is set to inflame political passions and debate this year.

Ardern may decide she can ride out the storm by jettisoning some of the separatist agenda. However, whether such a tactical retreat would now steady the ship of state is an open question.

There is a real and growing risk that this year even bigger waves of opposition to Ardern's co-governance agenda will swamp her administration and she will be swept overboard at 2023's election.

OUR POLITICAL CLIMATE

TAXPAYERS' UNION CURIA POLL

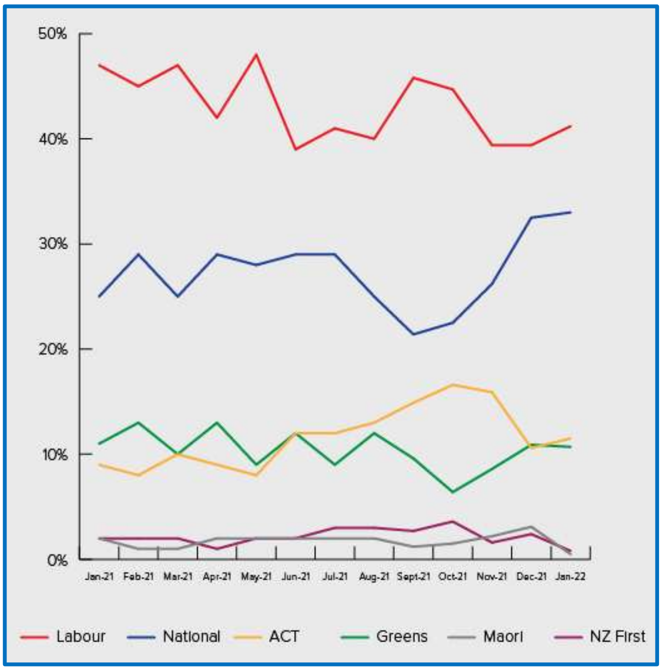
SOURCE: Taxpayers' Union, 21-Jan-2022

This is the first poll for 2022, in which the polling period was 10th to 17th January.

Curia January 2022 Poll				
	Vote	Change	Seats	Change**
Labour	41.2%	1.7%	51	(14)
National	33.0%	0.4%	41	8
ACT	11.5%	0.9%	14	4
Green	10.7%	(0.2%)	13	3
Maori	0.5%	(2.5%)	1	(1)
NZ First	0.9%	(1.4%)	-	-
Other	2.3%	1.2%	-	-

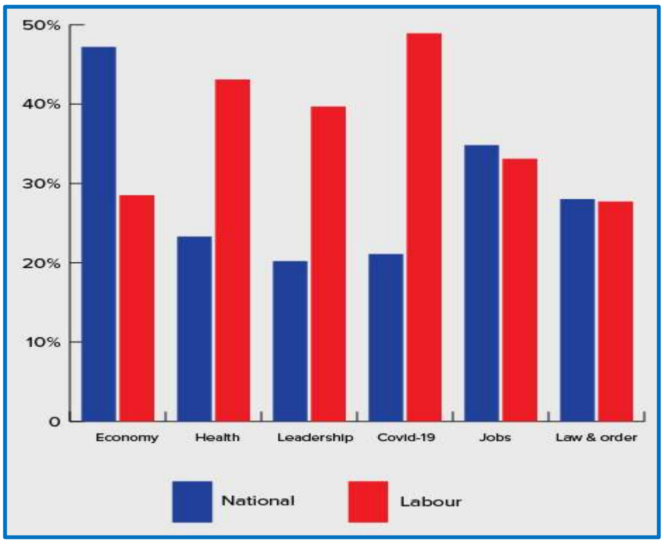
* Change from December 2021 ** Change since election

DECIDED PARTY VOTE OVER TIME



The poll also asked New Zealanders whether Labour or National is seen as "best at" a range of issues:

PARTY BEST AT



The summer break sees the first significant increase in New Zealanders saying that "*the country is heading in the right direction*" in over a year. Is this a reflection of the change in mood that comes with our summer holidays?

COUNTRY DIRECTION OVER TIME

2021 WAS ABOUT WASTEFUL GOVT SPENDING

The scale of spending was one thing. There's also the matter of quality spending. The big problem for Ardern's Government was not the level of spending, but the lack of quality outcomes. Their "spray and walk away" mentality is a disgrace, and a huge pander to Iwi, with few positive outcomes.

I was taken aback to see Grant Robertson scoff at the concerns about the $51 million wasted on that abandoned Harbour Bike bridge. Robertson belittled MPs concerns about such wastage, given it's a fraction of his operational budget. The reality was it synonymised Labour's wastefulness. Since when has it been no big deal to piss away $51 million dollars with nothing to show for it?

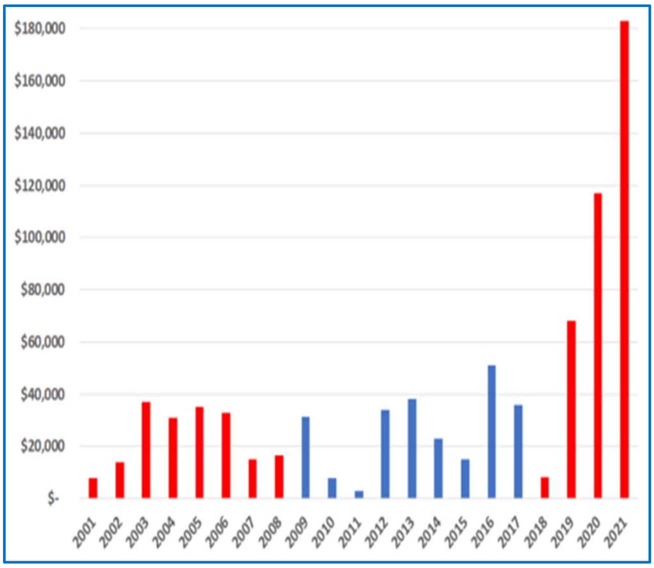
Low quality spending for low quality outcomes should never be tolerated. There is the wider problem at play here.

Another disgrace was the Ihumātao deal. Timely, because this odious deal has just celebrated its first anniversary. The $30 million purchase of Fletcher's land at Ihumātao was a shameful outcome to a shabby fit of interference by the Prime Minister. Not only did that deal destroy Fletcher's plans to build 480 homes, but nothing has progressed on this land, one year on. Jacinda just pulled out the chequebook to quell the protestors.

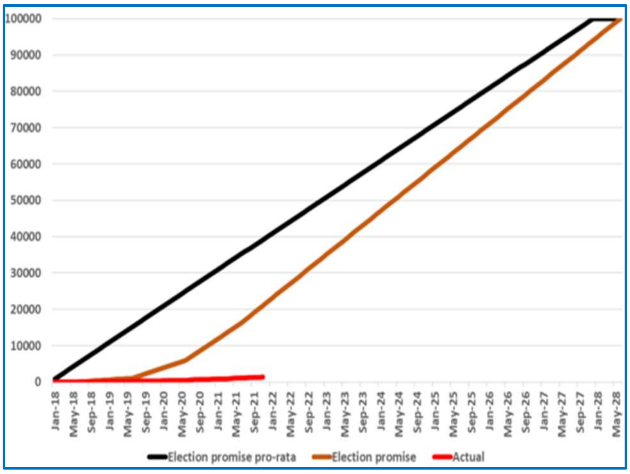
HOUSE PRICE GROWTH

2016 and 2017 saw pretty large house price growth – what Labour called a crisis. But they pale in comparison to 2019, 2020 and 2021. 2019 saw larger growth than any previous year. 2020 saw an average increase more than double the worst year under National. And the last 12 months has seen larger growth (29%) than a combined eight of the nine years under National. The problem with this is that it is just increasing the gap between the "haves" and the "have nots".

ANNUAL INCREASE IN MEDIAN HOUSE PRICE

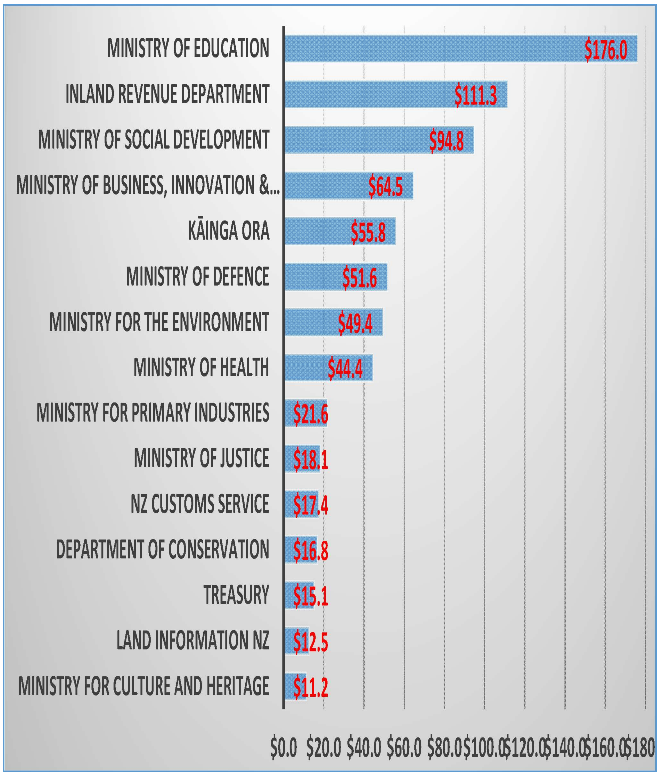


KIWIBUILD – ACTUAL VERSUS PROMISED



GOVT SPENDING REALLY IS OUT OF CONTROL

CONTRACTORS & CONSULTANTS ($M)



The Government spent close to $1bn on contractors and consultants in the last financial year through various agencies and departments. Although this figure is slightly down from the previous year, at $939 million it's still tens of millions of dollars higher than it was in 2017.

The Ministry of Education was the biggest spender, forking out $176 million. The IRD spent $111 million, the Ministry of Social Development $95 million and the Ministry of Business, Innovation and Employment spent close to $65 million, according to OIA figures provided to ZB. Kāinga Ora spent $56m, Ministry for the Environment spent $49m, and Ministry of Health spent $44m.

When asked why the Environment Ministry spent more on contractors than the Ministry of Health – which was dealing with the Covid Response – Hipkins said much work was needed to consult on the RMA. "*People with expertise [in this area] are expensive and they often operate on a contractor and consultant model*."

Below are some of the NZ Herald comments received:

Warren B - I would like a breakdown between contactors and consultants as I suspect the consultant figure is way out of hand.

Think, cycle bridge, $51m. None of it was contactors. ALL OF IT CONSULTANTS fees. Would love to see the account as where did it go, and only two weeks work!!

Rachel H - Sadly majority of voting public don't really care about this. I really wish this wasn't the case but populist politics outstrips policy, performance and prudent financial management any day of the week with the current system. Far too many NZ's love the image JA puts out to the world and are so proud of that image on the global stage. How many times have we heard her talk about world-beating blah? If policy and performance was important to every voter then that would be reflected in the polls. Jacinda and all of her team are the most underperforming and divisive government we have ever had.

Kingsley T - The labour govt's response would be, as it was with the 52m consultants' spend on the silly cycle way proposal, is that all of it is only a tiny proportion of total govt spend so it's ok.

A view that comes from spending other peoples' money, combined with never having run a business and tried to earn money

Raymond W – That's why you buy property in Wellington when Nationals in office and sell when Labour comes in. I've done this myself a lot in the past. Remember when Clark got in, the first year there was 17,000 more civil servants employed, and this lot has even broken that record.

John H - Add to this unbelievable figure the fact that under the Ardern administration the civil service salary bill has gone up a massive 40% in 4 years. If New Zealand was a company the liquidators would be called in.

RESERVE BANK STAFF LEAVING IN DROVES

Neither the Reserve Bank's chair nor the Minister of Finance are expressing any concern about the exodus of senior staff from the central bank.

The RBNZ has confirmed that of the 26 tier 2 and tier 3 staff at the bank at 30th June 2021, 10 have left or are leaving.

The only tier 1 staffer is governor Adrian Orr, who joined the RBNZ in March 2018. Of the 12 people identified as being part of the senior leadership team in the 2018 annual report, only two are still with RBNZ.

Institutional knowledge is a key ingredient to strong performance, and these huge losses in the Senior Leadership Team indicate that it is likely that "something is rotten" in the bowels of the Reserve Bank.

JUST 38 MIGRANTS ADMITTED ON SKILLED WORKER EXEMPTION

A priority visa to reunite 450 partners and children of high-income migrants has been granted to far fewer people than promised. So far only 66 people from 18 countries have been selected from the expression of interest pool and of those, 38 have been granted a visa.

The exemption was intended to help employers recruit and retain critical skilled workers. But immigration advisor Katy Armstrong says for years preceding Covid, policies have failed to reflect multicultural societies. "*There is a lot of racial profiling that goes into this*," she says.

CLIMATE CHANGE COMMISSION

SOURCE: Newsroom Pro, 17-Dec-2022

The Climate Change Commission has been told to explore options for financial assistance to farmers facing a price on emissions from livestock.

Climate Change Minister James Shaw and Agriculture Minister Damien O'Connor have asked commissioners to investigate both structured assistance to all farmers facing an emissions price, and conditional assistance targeted to Māori landowners or farmers facing hardship.

Hoggard is bemused. It was just last month (November) that the environment and primary industries ministries, jointly with farmers, published their He Waka Eke Noa draft discussion paper. It details two options for pricing agricultural emissions. Those revenues would be recycled back into research and development, incentives to take up technology, or actions on-farm to help reduce emissions.

Now, the Commission is to investigate an entirely new tool to subsidise the same R&D and agricultural innovations, and to help out struggling farmers. Hoggard doesn't want to begrudge such assistance – but he's worried about "piecemeal solutions", he tells me.

The Climate Commission is expected to provide a brief report at the end of April, encapsulating any recommendation stemming from He Waka Eke Noa. That is also when submissions close on its major climate advice.

Hoggard says they've been encouraging farmers to make submissions by April – but now there's added uncertainty with the new work on financial assistance. "*The cynic in me might say that, well, this shows that the Government's obviously thinking that He Waka Eke Noa might not get off the ground. So they're looking to Plan B*."

Shaw agrees that the primary sector has been negotiating in good faith. "*They're finding it hard to make the trade-offs that are needed to be made to get a workable solution*," the minister says.

But Greenpeace agriculture campaigner Christine Rose is less sympathetic. The Government is "*bending over backwards to help industrial agriculture continue polluting*", she objects.

Leaders or laggards? Rose says agriculture is the country's biggest emitter, responsible for 48% of total greenhouse gas emissions. But Hoggard says those are gross emissions, failing to acknowledge the sequestration from tree-planting on farms and that methane emissions are short-lived and set to drop.

"*I'm kinda conflicted about the financial assistance*," he says. "*It sounds like a good measure to enable NZ farmers to be more efficient – but we're already among the most efficient in the world. So it's bloody hard for us to move any further without suffering quite significant economic impacts, not only on our farms, but on regional economies and the national economy*."

NATIONAL'S NEW FOCUS

SOURCE: Newshub, 13-Dec-2021

National's new leader Christopher Luxon is focused on winning back three constituencies from Labour: farmers, small businesses, and the middle class. Luxon's comments came after holding his first public meeting in Morrinsville - Prime Minister Jacinda Ardern's hometown - where he took aim at the Government for treating farmers like "villains".

"*I don't think this Government cares about farmers and the rural communities. I don't think they appreciate them, I think they've undervalued them. Farmers are not villains*," he told a crowd of people in the Waikato town. "*The reality is, 80% of our exports come from farming. This Government is raining rules, regulations and costs down on the farming industry*."

"I want New Zealanders to know that I think farmers are being left behind, I think small business people have been left behind, and the squeezed middle - people waking up each day, going to work, doing the right thing, but incomes aren't keeping up with inflation.

"Those are three big constituencies that I think really are frustrated with this Government and we need to develop ideas and proposals to help them going forward.

"It's those groups in particular who I feel have not been valued as they should be. We do care and we want to back them."

Luxon has used the Christmas break to travel around provincial New Zealand, and has been welcomed by huge crowds that have liked what they are hearing from this business savvy National Party Leader. The only problem that I see is his (and Chris Bishop's) continued insistence on attacking Ardern of her Covid handling. In my view, there are no votes in this – and probably just negative outcomes. – National needs to be much more targeted, and get away from the last 18 months, when it has been seen to be "barking at every passing car".

However, National is definitely back so expect an exciting 18 months as we lead into the next election.

WHY PEOPLE GOT HONOURS IN 2021?

SOURCE: Kiwiblog, 1-Jan-2022

David Farrar did a simple word search of the New Year Honours list to see what areas of service were most commonly cited for recipients.

The count is:

1.	Community	61	8.	Disabilities	6
2.	Education	25	9.	Arts	5
3.	Health	18	10.	Agriculture	5
4.	Māori	16	11.	Theatre	4
5.	Sport	12	12.	Science	4
6.	Pacific	8	13.	Journalism	3
7.	Music	6	14.	Business	3

A very telling list – but no surprises that science and business tails this list under Labour.

WHY DO THE CLIMATE ACTIVISTS ONLY TARGET WESTERN COUNTRIES?

SOURCE: Kiwiblog, 4-Jan-2022

I was looking at some greenhouse gas emissions data from 1990 to 2018, and it is amazing that the countries that have increased their emissions the most are the ones least attacked for it, while those who have reduced them get all the protests. Here's the change in GG emissions in Mt from 1990 to 2018 for the ten largest emitters.

Change in GG EMISSIONS 1990 - 2018	
China	8,832
India	2,338
Iran	588
Indonesia	447
South Korea	429
United States	251
Japan	46
Brazil	-221
Russia	-893
European Union	-946

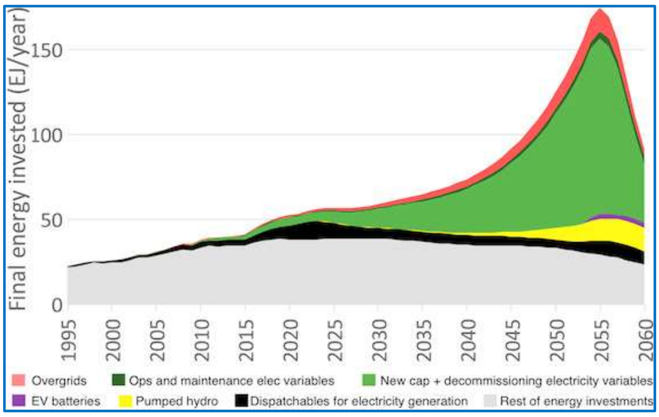
RENEWABLE ENERGY TRAJECTORY GROSSLY UNSUSTAINABLE

SOURCE: Newsroom Pro, 17-Dec-2022

The Electricity Authority has outlined a plan to achieve the Government's goal of more than doubling the amount of electricity generated in NZ over the next few decades, to both reduce emissions as everything becomes electrified, and ensure we have a 100 percent renewable energy system at our disposal. Often these two goals are seen as being the same – to decarbonise we must transition to more renewable energy to power our society.

But they are quite different goals and should be clearly differentiated. Greenhouse gas emissions could be controlled very effectively by rationing the use of fossil fuels, and adapting our lives accordingly. That pushes us to ask more fundamental questions about how much energy we actually need.

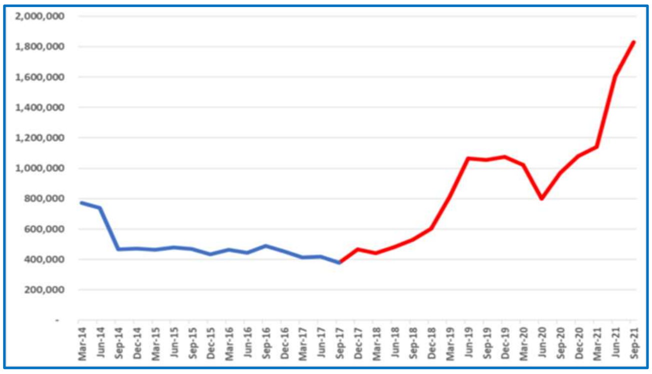
FINAL ENERGY INVESTED TO GET TO 100% RENEWABLES BY 2060



The above analysis by Iñigo Capellán-Pérez, Carlosde Castro and Luis Javier Miguel González is part of a study showing that when the intermittency and storage requirements are engineered into a total renewable energy system, the net energy of the entire system declines sharply.

Over the past 30 years, NZ has doubled its renewable energy capacity, increased its emissions and reduced the overall efficiency of the national energy system. And we are now planning to more than double our renewable energy system yet again. We need to ask if this is a good idea. How can we expand NZ's solar PV and wind turbines without using fossil fuels? We can't.

ANNUAL COAL IMPORTS (TONNES)



Coal imports under Labour are now four times as high as when National was in Government. This just shows the hypocrisy of Jacinda Ardern – great at spin, but no execution.

GUN VIOLENCE INCREASE A NATIONAL DISGRACE

A spate of gun violence in Auckland has drawn attention to a problem that has markedly increased in the past couple of years. Increased gang tensions are blamed for this massive increase in gun crime, and the fear must be that innocent people get caught in the crossfire. Residents across New Zealand (particularly the upper half of the North Island) need to be able to feel safe on its streets.

Gun violence has been an issue in the Bay of Plenty for the last couple of years, and it has spread to Auckland recently, with two alleged homicides, in Flat Bush and Mount Roskill, just before Christmas. There is reportedly a Hells Angels gang link to the Flat Bush incident, and the latest violence has occurred despite the police launching Operation Tauwhiro. By September, police said 987 firearms had been seized and nearly $5 million in cash, and 865 arrests were made.

Assistant Police Commissioner Sandra Venables said: "*Police has been very open this year around some of the behaviours from organised crime groups using firearms against one another, and we also note significant arrests have been made . . .* "

In September it was reported there was a 32% rise in gun crime, and a 49% rise in gun-related injuries in Auckland city over the last two years. Iwi leader, Matthew Tukaki has pointed the finger at Australia's policy of sending back "501 returnees", warning of potential Sydney-style gang battles and demanding the Government to turn back the planes of deportees.

The deportations of NZ-born criminals under Section 501 of Australia's Migration Act has tested transtasman relationships in recent years. In 2019 it was estimated up to 40% of deportees from Australia reoffend once in New Zealand, and have been responsible for the major step-change in violent crime associated with the drug trade. These are sophisticated criminals who don't hesitate with extremely violent outcomes.

However, any policy change is unlikely while Morrison remains Australia's Prime Minister. Our Ardern Government remains soft on serious crime, so don't expect any improvement in the next two years at least.

A GUEST POST BY OWEN JENNINGS

SOURCE: Kiwiblog, 15-Jan-2022

An interesting court case in Wellington. A 76 year old man sold his house to a developer. His daughter is disputing his right to do so. She is claiming there were understandings about the property not being sold because there is tikanga involved, her baby's placenta is buried on the property and that there were clearly issues of ethnicity and cultural values at stake.

Without commenting on this particular case it does, however raise significant issues about the nation's slide into what can only be a quagmire of confusion, uncertainty, heartache and vagueness. The harder the elitists, the media and the academics push for the adoption of Māori language, Māori ownership, Māori control, the adoption of ill-defined terms, the incorporation of Māori factors into science and, particularly, if the courts continue down the path of judicial activism by embracing ethnic and cultural values into judgements and judicial process the greater the problems will become.

Instead of promoting this surreptitious and arrogant movement the Government needs to stand firm and stop this nonsense before even more harm is done. They won't, of course, because they are beholden to a bloc vote in their caucus and they want to bask in the adulation of their sister elites. They are like a bunch of vacuous art critics cooing and fawning over a blank wall that some artist has offered as modern art.

WHY GRANT ROBERTSON SHOULD LISTEN TO US SENATOR JOE MANCHIN

SOURCE: Simon Bridges, Stuff, 6-Jan-2022

Most New Zealanders may not have heard of Joe Manchin. But 74-year-old Joe is a United States senator from West Virginia who has recently become one of the most important people in the world's most powerful democracy.

The reason is that, in an evenly divided senate of 100, Manchin's fellow Democrat, President Joe Biden, needs his support to pass the sweeping $2 trillion (yes, trillion) Build Back Better plan.

Manchin, though, on the eve of Christmas, decided to vote against the bill. His view is that the US already has high inflation, that inflation is hurting workers and families in his state, and that all the spending in the proposal would simply fuel that inflation.

Currently, inflation in the US is 6.8%, the highest it has been since 1982. In New Zealand, it isn't that high, at 4.9%, but again, if you take out one-off GST increases, it's the highest we've seen it since the 1980s, and well above the global rate for 2021 of 3.5%.

Just across the ditch in Australia, it's running at 3 per cent, higher than normal, but much lower than here or in North America. My view is that this is because Joe Manchin is right: big government spending, while not the whole story on inflation, does nevertheless fuel it.

Finance Minister Grant Robertson has taken government spending up 40% since National was in office, and has signalled a staggering $128 billion spend up this year, some 68 per cent higher. National accepts we needed to borrow and spend more at the height of the Covid crisis, and public spending is important for things like transport, health, education, and police.

But you can have too much of a good thing for too long, and the quality of the spending by Grant Robertson has been pretty loose. Now, in a tight economy, with supply chain and labour constraints, public spending is just competing with others for goods, services, and staff, and driving inflation higher.

Some will say, "But inflation is a worldwide problem today", and while that's true, as I have already said, our inflation rate is higher than most. While there are undoubtedly international factors at play, it's also true that more than half our inflation comes from the non-tradeable side of our economy, and so is home-grown. What Grant Robertson does matters. He can help cool things down, or heap fuel on the fire.

Others have sought to argue inflation is transitory and, while here today, it will be gone tomorrow. This view, though, is quickly falling out of favour. We either have higher inflation or higher interest rates, or maybe a bit of both, in the future. Again, what Grant Robertson does matters.

As we start 2022 with inflation of 4.9 per cent, wage growth is running at only 2.4 per cent, meaning workers, families and our poorest are getting hurt as they cannot afford to do today what they could have done yesterday.

I don't know whether, in his busy life, Grant Robertson has stopped to learn about Joe Manchin. I'm certainly not suggesting no new spending. But Robertson would be wise to learn the underlying lesson that big government spending fuels inflation, so that he pulls his 68 per cent spending increase back into line.

I totally agree with Simon on this. I have continually criticised Labour for its reckless spending with their non-productive "spray and walk away" mantra. Robertson has never lived in the real world, and student politics is not a valid background for fiscal competence.

"The rapid rise in house prices is not sustainable and it can't and will not continue."

Sir John Key, 2021

THE WORLD ACCORDING TO ORR

SOURCE: Jenny Ruth, BusinessDeski, 17 Dec 2021

GROWING CONCERN RBNZ LOSING INSTITUTIONAL MEMORY

Former senior Reserve Bank people and those who have closely observed it are concerned so many are leaving the central bank that it's threatening its institutional memory.

"*A central bank is a pillar of stability for an economy. A central bank is an institution that's required for the stability of the economy*," said Arthur Grimes, currently a professor at Victoria University and a fellow at Motu research foundation.

"*Institutional memory is hugely important because otherwise you lose sight of the mistakes and problems that had to be dealt with in the past, what worked and what didn't work*," Grimes told BusinessDesk, adding that remembering the things that didn't work is probably more important than what did work.

Grimes chaired RBNZ's board between 2003 and 2013 and had been its chief economist before that.

"*You need people who can remember the GFC and the Asian Crisis and the various crises that come along. What you're looking for is something that's going to contribute to economic stability*."

Since June 30, RBNZ has lost or is losing 10 out of 26 tier 2 and tier 3 staffers – there is only a single tier 1 staffer, governor Adrian Orr.

MORE DEPARTURES

Since Orr rejoined the RBNZ in March 2018, all but two of the 12-person senior leadership team featured in the 2018 Annual Report have left the central bank – Orr had previously worked at the RBNZ in various roles before becoming chief executive of the New Zealand Superannuation Fund in 2007.

Behind the scenes, current RBNZ staffers are citing an intolerance for dissent within the institution under Orr. Grimes said during his time at RBNZ, "internal dissent was always prized". "*That was absolutely the sort of characteristic that every governor I worked undervalued*."

The latest three departures, Head of Supervision Andy Wood, head of Financial System Policy and Analysis Toby Fiennes and Chief Financial Officer Mike Wolyncewicz, have all recently announced as leaving.

Just before the Christmas break, Orr and other RBNZ officials appeared before parliament's finance and expenditure committee (FEC) and were quizzed about the departures. Orr said the RBNZ is in the process of beefing up its capability and would be expanding its senior leadership team from six to eight people. He also said that the central bank "*had been significantly under-invested in for decades*".

VERY TRANSPARENT

Orr said his plans have been laid out in the annual Statement of Intent for the last three years. "*We've been doing it incredibly transparently*," he told the FEC. "*We're incredibly proud of the people who have chosen to step up*", but some people had chosen to leave the central bank.

Assistant governor Juliet Tainui-Hernandez told the FEC the latest numbers of people who had left or were leaving were incorrect and that the central bank has "*absolutely not*" lost so many senior staff. However, the RBNZ updated its website and confirmed 10 senior staff in place at June 30 have or are leaving. Technically, Tainui-Hernandez was correct the numbers weren't accurate – there were 26, not 25, tier 1 and tier 2 staff working at RBNZ on June 30.

Martien Lubberink, an associate professor at Victoria University, is particularly worried about the loss of senior staff running the prudential regulatory side of the RBNZ.

Most of the RBNZ's attention since Don Brash was appointed governor in 1988, when inflation was in the high teens, has been on first quelling inflation and then keeping it quelled and the prudential functions were somewhat neglected, something the current governor has acknowledged and pledged to strengthen.

However, among those leaving are current head of financial stability are two of the people named on Tuesday, Wood and Fiennes, who had previously been head of supervision before Wood was appointed, and deputy governor and head of financial stability Geoff Bascand.

VERY COMPLEX

"They have a background that's very much to do with prudential, which is very complex," Lubberink said.

"There's no such thing as a prudential supervision book for dummies," he said, and knowledge about it has to be learned by experience. Lubberink previously worked for the European Banking Authority at the time that it was framing what are known as the Basel 3 rules aimed at promoting global financial stability.

"It takes years before you acquire the knowledge," Lubberink said, adding that the banks and other institutions the RBNZ regulates do tend to have people who understand regulatory requirements.

"They're annoyed if you don't understand what you're talking about", and if RBNZ loses institutional knowledge, it's likely to lead to "information asymmetry" between it and the organisations it regulates.

Lubberink noted the RBNZ has pledged to beef up its regulatory capability.

"They're growing in numbers. Maybe they're hiring people with similar knowledge from other countries. We don't know who replaces these people. If it's not home grown, they have to hire from overseas."

But it will still take time for the new people to adjust to their new jobs.

Leading Authority

Massey University professor David Tripe is perhaps NZ's leading authority on the banking industry in which he worked for 17 years before joining the university in 1994.

"It's going to be the world according to Adrian Orr," Tripe said, adding that Orr has been scathing about "people he's described as academics" and has said he isn't interested in listening to such people.

Nevertheless, Tripe said he's been "pleasantly surprised" at some of the younger staff now at the central bank. "I've had interaction with some who seem to be quite capable, which is pleasing," but he added that "it's a bit in the fluke category".

Like Grimes, Tripe said institutional memory is a key asset for a central bank, which needs people who understand how and why things happen and the reasoning behind decision making.

Barrie Saunders, one of the founders of consulting firm Saunders Unsworth, has also noticed the mass exodus of RBNZ seniors with concern.

"It looks like a few too many to be a coincidence," Saunders said, likening it to a similar exodus at KiwiRail.

KiwiRail chief executive Greg Miller resigned last month, part way through a board-ordered independent review interviewing about 20 former and departing senior executives and managers.

Jenny Ruth has been a financial journalist for more than 37 years. She has covered everything from listed companies to economics for outlets including the Australian Associated Press, Bloomberg News, Radio NZ and National Business Review. .

HYEFU INDICATES FINANCIAL INAPPROPRIATE SPENDING IN GOVT BOOKS

Source: Newshub, 15-Dec-2021

The Government's final financial update of 2021 shows spending is higher than tax intake and inflation will continue to outpace wage growth in the near future.

Treasury's latest economic and fiscal update, known as HYEFU, shows strong tax revenue - $98 billion - is offset by the Government's COVID-19 financial support, resulting in a $20.8 billion deficit.

This is expected to improve as the Government winds back its Delta response, resulting in a financial recovery in 2022-2023 and a return to surplus in 2023-2024. But that's all dependent on how serious Omicron turns out to be.

The Government's financial position will be helped by rising tax revenue in the coming years - compared to the $98 billion in 2021, it's expected to grow to $102.6 billion in 2022, eventually reaching $134.5 billion in 2026.

While unemployment is at a record-low 3.4% and is expected to drop to 3.2% next year, the bad news for Kiwis is that wage growth is not keeping up with inflation, meaning it'll cost more to live.

Inflation is forecast to peak at 5.6% in the March 2022 quarter, up from 4.9%, which Treasury notes is "significantly higher than the peak expected" in the Government's Budget update earlier this year.

By comparison, wage growth is forecast to reach a peak of 4.6% in the December 2023 quarter, before tapering off to 4.2%. It's not until the 2023 forecast period when wage growth will be 4.5% and inflation will be 3.1%.

"There is no doubt this will put pressure on the cost of living, especially for low-income households," Finance Minister Grant Robertson told reporters on Wednesday. He said it was important to note that inflation is a "global phenomenon" due to COVID-19.

"Aggregate demand and wage pressures have combined with ongoing supply chain disruptions to push Consumer Price Index inflation well outside the Reserve Bank of New Zealand's target range of 1% to 3%," Treasury's update reads.

Blame has often been pointed at the Government for pumping $50 billion of borrowed money into the economy to ensure banks kept lending during the COVID-19 crisis, which kept people employed. But prices will rise if there is more money chasing fewer goods and services.

House prices were significantly inflated thanks to cheap borrowing and historically low interest rates. However, this is now tipped to change with the Reserve Bank increasing interest rates and tightening conditions for mortgage borrowing.

ASB Bank expects house prices will fall in the second half of 2022 as supply meets demand, interest rates increase and credit conditions tighten. Treasury anticipates a "slight fall in house prices" in 2023, with a peak of 30% reached in June this year.

Interest rates are now expected to "rise more rapidly and to a higher level than previously assumed", according to Treasury, which is expected to ease house price growth.

"The key reason we expect house price inflation to slow is interest rates," officials say, though they acknowledge the Government's policies announced in March aimed at helping first-home buyers into the market, including the controversial move to end tax deductions on interest costs for rental properties, after it was revealed investors made up the biggest share of buyers in the housing market.

Treasury also acknowledges the good news that housing supply is increasing. In the year to October, 47,715 new homes were consented, up 26%.

Looking ahead, Robertson said the Government's spending focus for 2022 will be on health - most notably the enormous task of amalgamating District Health Boards into the centralised Health NZ - and climate change.

"New Zealand cannot afford not to do this," Robertson said of the Government's mammoth "one-off" $6 billion operating allowance, or new money, for 2022.

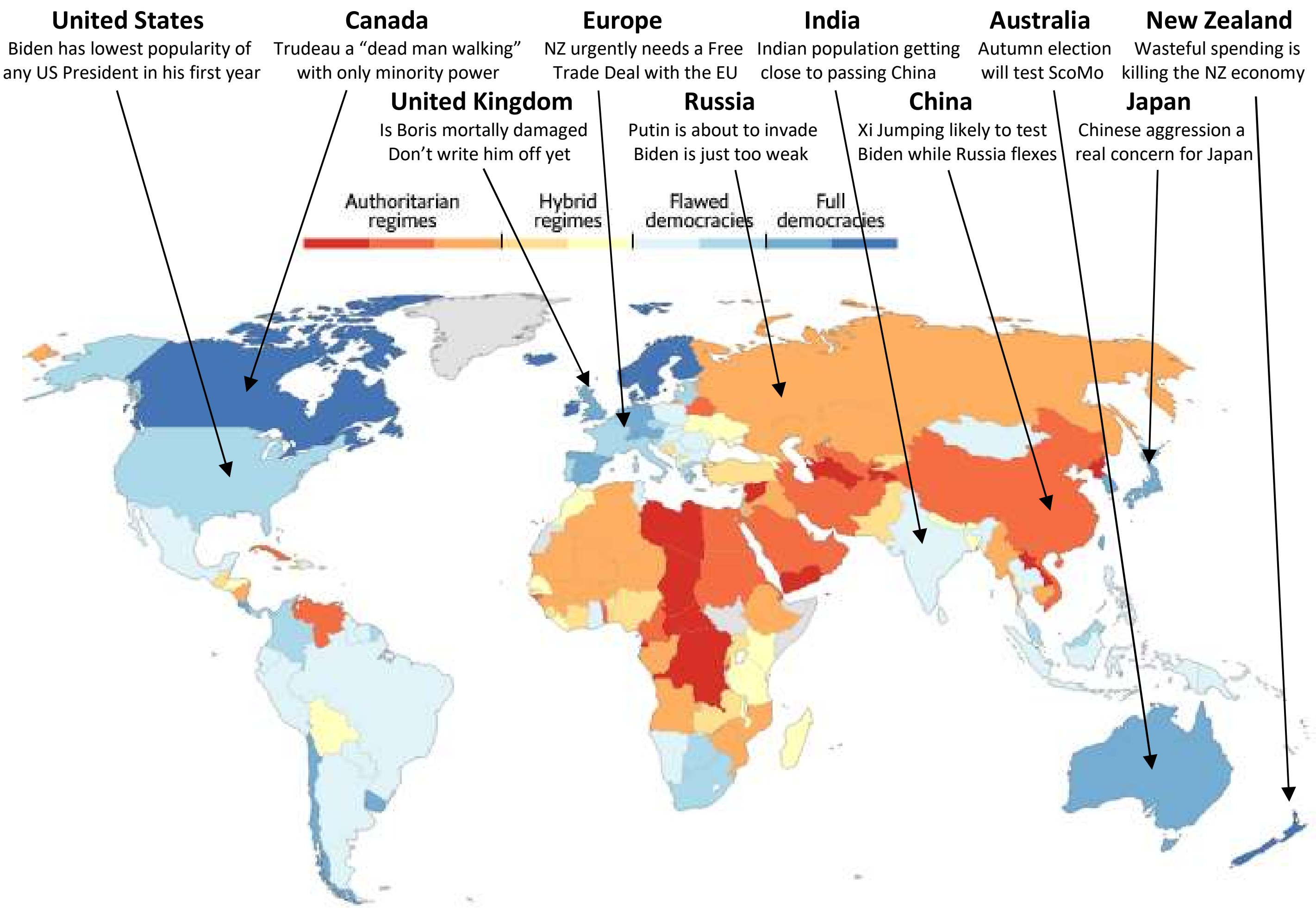
Budget 2022 is expected to allocate $4.5 billion out to 2026 on the soon-to-be-established Climate Emergency Response Fund, which will spend proceeds from the Emissions Trading Scheme on initiatives to combat climate challenges.

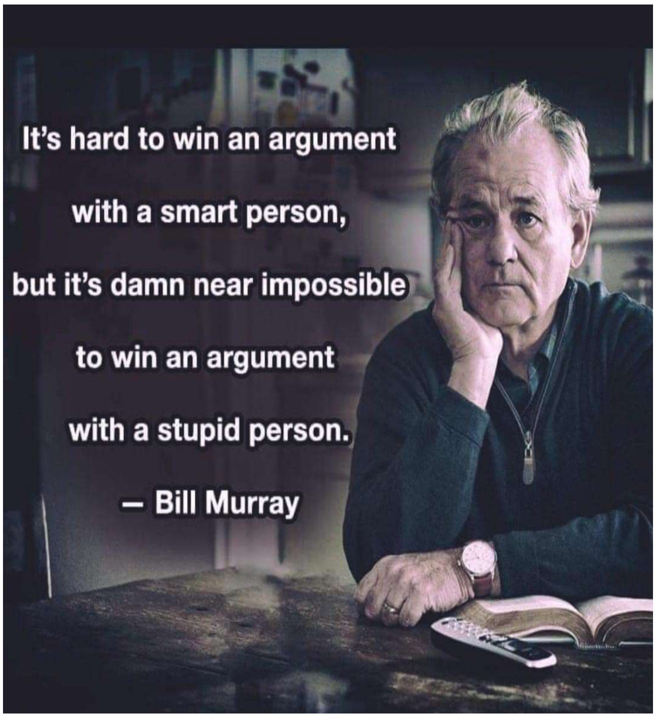
The response to COVID-19 has dominated the Government's spending since 2020, and the financial update shows net core Crown debt is expected to peak at $165.5 billion in 2023-2024, 40.1% of GDP.

The Government's $50 billion COVID-19 fund established in 2020 was topped up with $7 billion in September and $3 billion was made available from previously unallocated spending. As of November, $4.3 billion remains.

Financial records show a whopping $18 billion has spent on subsidising the wages of some 1.76 million workers throughout the COVID-19 pandemic.

THE WORLD AT A GLANCE GLOBAL DEMOCRACY INDEX 2021





GLOBAL OUTLOOK

THE COVID PANDEMIC - While it is hardly surprising that COVID will remain a key theme, it is now evident that despite vaccination progress, subsequent variants in the virus will potentially continue to disrupt lives and economies. As such workforce interruptions and supply chain issues will continue to remain a risk for many companies – and therefore countries.

Since the pandemic began, central banks have injected US$32 trillion ($47.5tn) into markets around the world, equivalent to buying US$800 million of financial assets every hour of the past 20 months, according to Bank of America. Global equity market capitalisation has soared by US$60tn.

INFLATION - While a moderate level of inflation is good because it reflects positive growth and broader economic prosperity, in the current environment there are ongoing uncertainties about the core drivers of inflation. In response, central banks are beginning to tighten interest rates. Rates will to start to rise as it becomes more difficult to maintain the current low levels when countries are operating at more 'normal' activity levels. Inflation is a global phenomenon, but of particular concern for New Zealand because of our poor productivity record.

SUPPLY CHAIN CONCERNS - The pandemic has disrupted nearly every aspect of the global supply chain, from manufacturing, transportation and logistics. Mismatches in production and demand due to major shifts in global needs resulted in countless bottlenecks and limitations on an enormous range of industries. But as countries reopen and global economic activity returns to normal, it is hoped this mismatch should start to level out.

TOP 23 RICHEST COUNTRIES PANDEMIC PERFORMANCE

(Ranking out of 23†)	GDP	Household income per person	Share prices‡	Investment	Public debt to GDP§
Denmark (1)	2.1	3.4	57.3	12.1	3.5
Slovenia (2)	1.2	10.1	33.0	6.8	7.4
Sweden (3)	2.1	2.0	50.4	5.6	6.2
Norway (4)	3.5	4.0	31.3	-8.5	-9.0
Chile (5)	10.4	32.7	-5.6	6.7	11.9
Ireland (=6)	22.3	4.8	17.1	-78.8	0.9
Poland (=6)	3.1	3.3	25.4	-7.1	5.0
Netherlands (8)	1.7	1.7	30.8	-4.3	5.6
United States (9)	1.4	6.2	24.4	3.6	18.9
Australia (=10)	-0.2	3.5	9.1	7.4	10.2
Canada (=10)	-1.4	9.4	25.9	0.7	11.6
Finland (12)	1.5	-0.8	31.3	-1.3	9.7
Hungary (13)	0.6	0.1	16.9	4.2	11.1
Greece (14)	1.2	1.5	1.1	19.0	21.8
France (=15)	-0.1	0.7	17.4	1.3	14.4
Italy (=15)	-1.3	-0.2	18.5	6.9	20.1
Belgium (=17)	0.5	1.1	2.2	2.4	14.5
Portugal (=17)	-3.2	-0.3	27.1	0.5	12.0
Austria (19)	1.1	-5.8	18.6	-1.1	14.0
Germany (20)	-1.1	-0.9	15.6	-1.9	13.6
Japan (21)	-1.9	1.0	17.4	-3.8	20.7
Britain (22)	-2.1	-2.3	-2.2	-7.4	21.9
Spain (23)	-6.6	-6.3	-7.2	-6.5	22.3

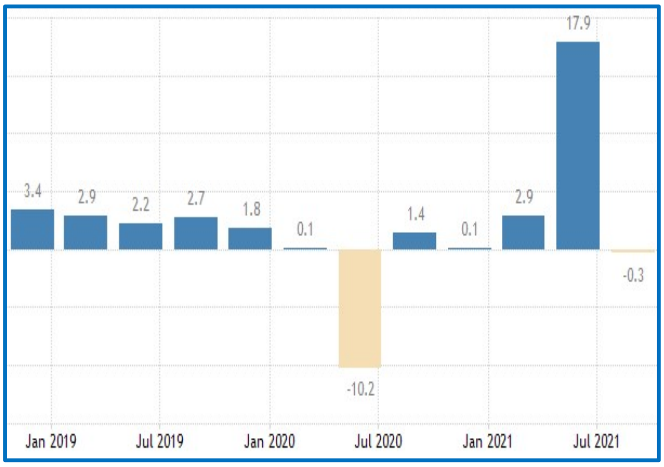
SOURCE: OECD

NEW ZEALAND'S ECONOMIC OUTLOOK

POPULATION: 5.2 MILLION

New Zealand remains the 51st largest global economy. The combination of supply chain disruptions and strong demand has seen capacity pressures intensify, contributing to higher inflation. Consumers Price Index (CPI) inflation is forecast to peak at 5.6% in the March 2022 quarter, significantly higher than the peak expected in the 2021 Budget Update, before trending down. As a result, interest rates are expected to rise faster and to a higher level than forecast. Higher inflation is a major contributor to higher nominal GDP over the forecast period compared to the Budget Update.

NZ - ANNUAL GDP GROWTH RATE



New Zealand's economy fell 0.3% from a year earlier in the third quarter of 2021, easing from an upwardly revised 17.9% expansion in the previous period and above market expectations of a 1.6%t drop. The economy contracted amid new restrictions and nationwide lockdown implemented in the second half of the quarter. On a quarterly basis, the economy dropped 3.7% in the three months to September, after a 2.8% rise in Q2 and above expectations of a 4.5%fall.

THE HAVES & THE HAVE NOTS - While the Government has crowed about its success in keeping the economy afloat during the biggest crisis of a generation, not everyone's benefitting. Household wealth is on track to increase $800 billion in just two years thanks to ballooning asset prices. It increased $402 billion in the year to March 2021, rising almost as much in 12 months as it had in the previous four years put together. And it's on track to do the same again. "*By any benchmark, that is absolutely off the charts. You're talking numbers here that are around two times the size of GDP or the general economy*" said Cameron Bagrie. The result - at least for those who own property and other assets inflating in price thanks to the Reserve Bank's record-low interest rates - is they feel richer and are more likely to spend, which Bagrie says "*has been a pretty big part of getting the New Zealand economy back on track. The worry is that… the massive dichotomy between the haves and the have-nots. We've got what's called the K-shaped recovery. Some parts of society, if you've been on that property or asset price ladder, you've benefited tremendously from low interest rates and asset prices moving up*."

"***Inflation is the thief that's turned up at our doorstep. It's stealing people's money, it's making people worse off. We need to rein in inflation**. How do you rein in inflation? You force interest rates up*," stated Bagrie.

HUGE TAX BOOST EXPECTED TO CONTINUE

The strong growth in tax revenue experienced in the first half of 2021 is expected to continue and, when combined with the above-mentioned changes in economic conditions, core Crown tax revenue is forecast to grow on average by just over $7.0 bn in each year of the forecast period. However, the high (wasteful) government expenditure is expected to continue; cumulating in a $20.8 bn deficit in FY22.

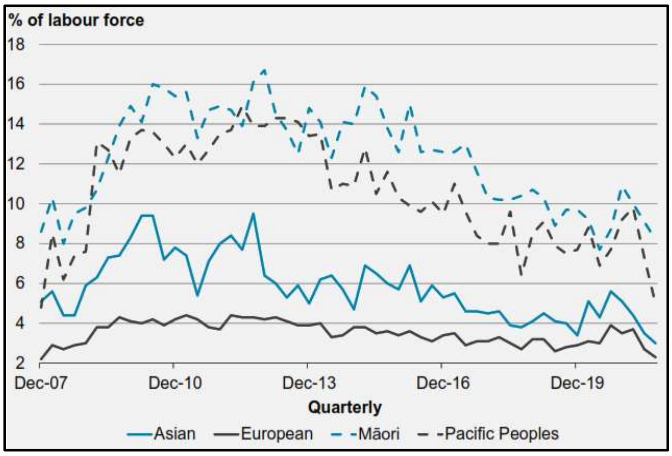
June years	2021 Actual	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast
Real production GDP (annual average % change)	5.1	0.8	4.9	2.2	2.3	2.3
Unemployment rate (June quarter)	4.0	3.2	3.3	3.6	3.8	4.1
CPI inflation (annual % change)	3.3	5.1	3.1	2.7	2.4	2.2
Current account (annual, % of GDP)	-3.3	-5.8	-5.4	-4.8	-4.4	-4.0
Fiscal measures ($billions)						
Core Crown tax revenue	98.0	102.6	113.8	120.1	127.3	134.5
Core Crown expenses	107.8	128.0	120.2	124.8	128.5	133.6
Total Crown OBEGAL[1]	-4.6	-20.8	-0.8	2.1	5.9	8.2
Core Crown residual cash	-13.8	-34.1	-21.7	-8.0	14.5	12.5
Net core Crown debt	102.1	136.3	157.9	165.5	150.6	137.9
as a percentage of GDP	30.1	37.6	40.1	39.9	34.6	30.2
Net worth attributable to the Crown	151.5	127.3	131.4	139.3	151.5	166.4

SOURCE: Treasury

Overall, a core Crown residual cash shortfall of $36.8bn is expected over the forecast period. Net core Crown debt is forecast to increase by $35.8bn by 2025/26, primarily to fund the expected cash shortfall over the forecast period. Net core Crown debt is expected to peak at $165.5bn in 2023/24. As a percentage of GDP, net core Crown debt peaks a year earlier at 40.1% of GDP in 2022/23.This is owing to the stronger starting position from the audited results at 30 June 2021, as well as the stronger residual cash position.

EMPLOYMENT REMAINS A BIG ISSUE

UNEMPLOYMENT RATE, BY ETHNICITY



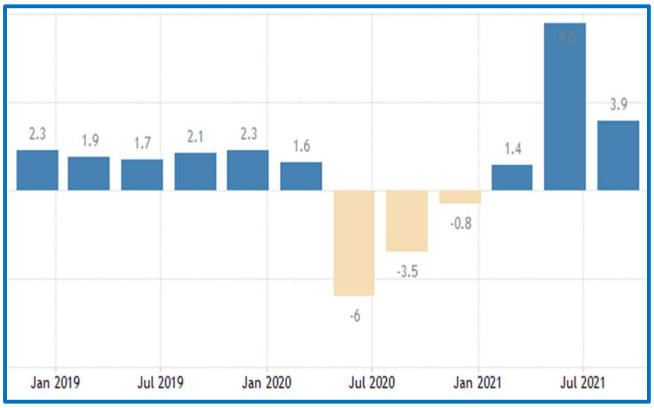
SOURCE: Treasury, Stats NZ

The biggest problem facing the future of the New Zealand economy remains the low education outcomes facing Maoridom. With Labour's virtual zero immigration policy, New Zealand will rely on Maori youth to step up and fill the labour shortage. Unfortunately, Labour's reluctance to get young Maori into work or training, there is a huge employment gap that won't be fixed with the current settings. Young Maori are failing dismally, with 54% of those in the 15 to 24 year old category not in either education, employment nor training. This will hit the New Zealand economy hard within the next ten years; and without a change in policy settings / a change in government, will spiral NZ into third world status.

AUSTRALIAN ECONOMIC OUTLOOK

POPULATION: 27.1 MILLION

AUSTRALIA – ANNUAL GDP GROWTH RATE



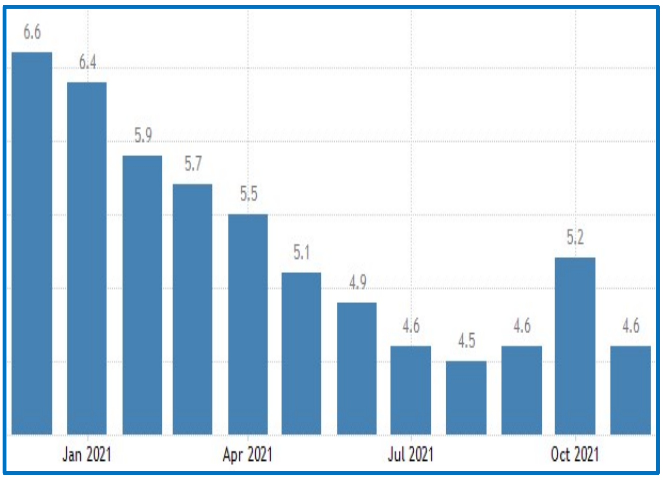
GDP in Australia expanded 3.9% in the third quarter of 2021 over the same quarter of the previous year. While the impact of Omicron represents a downside risk to the economic outlook, for now we expect it to delay rather than derail the recovery. That said, it is likely to further exacerbate supply chain issues and put upward pressure on inflation.

CLIMATE CHANGE - Following the UN's Climate Change Conference (COP26), the Australian Government committed to cut emissions by an underwhelming 26% below levels seen in 2005 by 2030, as a first step in its effort to reach zero net emissions by 2050. As other countries have taken a more aggressive stance towards climate goals, it will no doubt be a heavy focus for many companies looking to meet shareholder expectations. In addition, we are likely to see particular sectors receive heavy investment as new green policies and strategies emerge.

UNEMPLOYMENT RATE

Australia's seasonally adjusted unemployment declined to 4.6% in November 2021 from 5.2% a month earlier and below market estimates of 5%, as COVID-19 lockdowns were lifted. The number of unemployed fell by 69,400 to 636,700, as the number of people looking for full-time work dropped by 40,600 to 419,000, and those looking for only part-time work fell 28,800 to 217,700. Meanwhile, employment increased 366,100 to a record high of 13.17 million, easily beating market forecasts of a 205,000 gain, with part-time employment increasing by 237,800 and full-time employment rising by 128,300. The participation rate advanced 1.4 points to 66.1%. The underemployment rate was down 2 points to 7.5%, and the underutilization rate decreased 2.6 points to 12.1%. Monthly hours worked in all jobs increased by 77 million, or 4.5%, to 1,801 million hours.

AUSTRALIA – UNEMPLOYMENT RATE



UNITED STATES ECONOMIC OUTLOOK

POPULATION: 335.2 MILLION

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

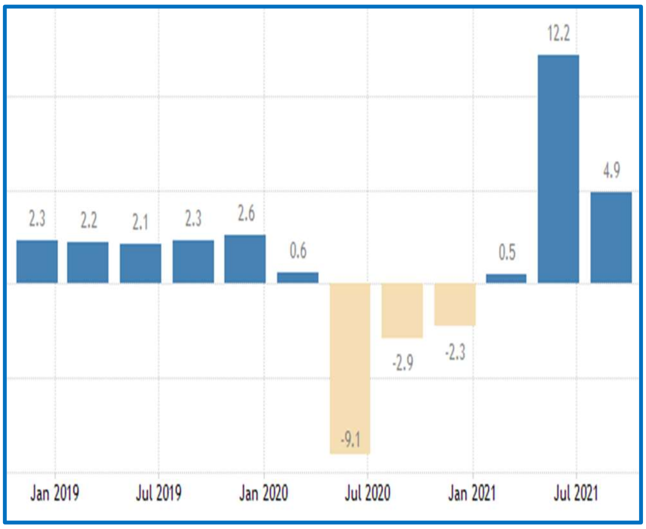
WILL US EQUITIES KEEP RISING?

"*Clients say to us that market momentum has peaked, earnings have peaked, liquidity has peaked, central banks will be tightening, you should be taking some profits*," said head of global and European equity strategy at JPMorgan. "*We don't agree with that.*" Goldman Sachs expects the S&P 500 to climb a further 9% by the end of 2022.

Some worry however that gains in equities, particularly in frothier corners of the market, are not sustainable.

Morgan Stanley says its base-case scenario is for the S&P to drop 5%. Bank of America meanwhile predicts that economic deceleration and higher interest rates will drag the main US equity gauge down 3%.

UNITED STATES – ANNUAL GDP GROWTH RATE



CHINESE ECONOMIC OUTLOOK

POPULATION: 1,411.8 MILLION

OUTLOOK - China's has been the fastest growing economy since the 1980's. Although with that growth slowing, combined with high inflation, and greater geo-political volatility, the impact on commodity prices which is obviously particularly important to Australia and New Zealand, will continue to be a key focus for investors.

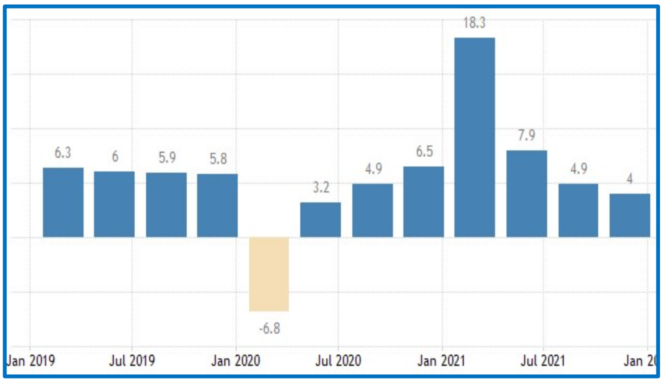
China's economy slowed markedly in the final months of last year as government measures to limit real estate speculation hurt other sectors as well. Lockdowns and travel restrictions to contain the coronavirus also dented consumer spending. Stringent regulations on everything from internet businesses to after-school tutoring companies have set off a wave of layoffs.

China's National Bureau of Statistics said that economic output from October through December was only 4% higher than during the same period a year earlier. That was a deceleration from the 4.9% growth in the third quarter, July through September.

The world's demand for consumer electronics, furniture and other home comforts during the pandemic has produced record-setting exports for China, preventing its growth from stalling. Over all of last year, China's economic output was 8.1% higher than in 2020, the government said. But much of the growth was in the first half of last year.

The Chinese economy expanded 4.0% year-on-year in the fourth quarter of 2021, easing from a 4.9% growth in the previous period, but exceeding market consensus of 3.6%. It was the slowest pace of expansion since Q2 2020, amid multiple headwinds including a property downturn, supply chain issues, and COVID-19 outbreaks. Considering full year of 2021, the economy grew 8.1%, the fastest expansion in nearly a decade, exceeding the government's target of above 6%, and following a revised 2.2% growth in 2020. Consumption expenditure contributed 65.4% to the 2021 GDP growth, compared with 54.3% in 2020, surpassing the average level of 60% from 2013 to 2019 but was still lower than in developed economies.

CHINA - ANNUAL GDP GROWTH RATE



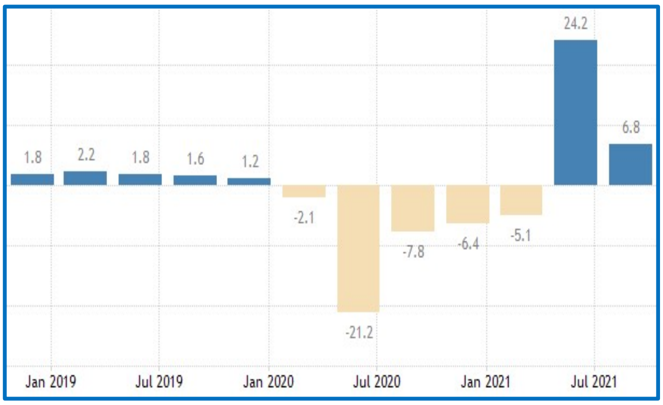
The slowing economy poses a quandary for China's leaders. The measures they have imposed to address income inequality and rein in companies are part of a long-term plan to protect the economy and national security. But officials are wary of causing short-term economic instability, particularly in a year of unusual political importance.

UNITED KINGDOM ECONOMIC OUTLOOK

POPULATION: 67.6 MILLION

The UK economy advanced 6.8% year-on-year in the third quarter of 2021, above preliminary estimates of 6.6% but slowing from a record 24.2% growth in Q2 following the easing of coronavirus restrictions. The GDP is now 1.5% below where it was before the coronavirus pandemic in the last quarter of 2019 because of upward revisions to growth in 2020.

UNITED KINGDOM – ANNUAL GDP GROWTH RATE



ECONOMIC OUTLOOK

As the economy leaves the worst effects of the pandemic behind, prospects for the UK's nations and regions vary depending on their exposure to some of the headwinds and growth opportunities over the next two years.

With the Omicron variant posing a milder setback than earlier strains, expect all regions and nations to reach their pre-COVID levels of output in line with the UK as a whole. Local economies have therefore largely exhausted the boost to growth momentum from the recovery, with growth expected to moderate and settle at more typical levels in 2023.

The impact of COVID-19, Brexit, supply chain bottlenecks, labour shortages, and structural changes on regional economic growth all continue to weigh upon UK's economic recovery.

	2020	2021	2022	2023
GDP	-9.4	7.3	3.8	1.8
Consumer spending	-10.5	5.5	6.0	2.5
Investment	-9.4	5.2	3.5	2.0
Unemployment rate	4.5	4.6	4.4	4.3
Inflation	0.9	2.6	5.2	2.4
Base interest rate	0.1	0.25	1.0	1.25

SOURCE: KPMG Projections, January 2022

ACHIEVING SUSTAINABLE LONG-TERM GROWTH

Looking further ahead, the establishment of eight freeports in England (three of which have already launched) could have the potential to lift growth in those areas, particularly in the North East and the Midlands. They could provide a boost to local jobs, and further complement large private sector investments such as Nissan's Sunderland plant and Britishvolt's plans to build the UK's first battery gigaplant in Northumberland. However, the full impact on growth is unlikely to be felt before the middle of this decade and will crucially depend on the successful implementation of these initiatives.

EU ECONOMIC OUTLOOK

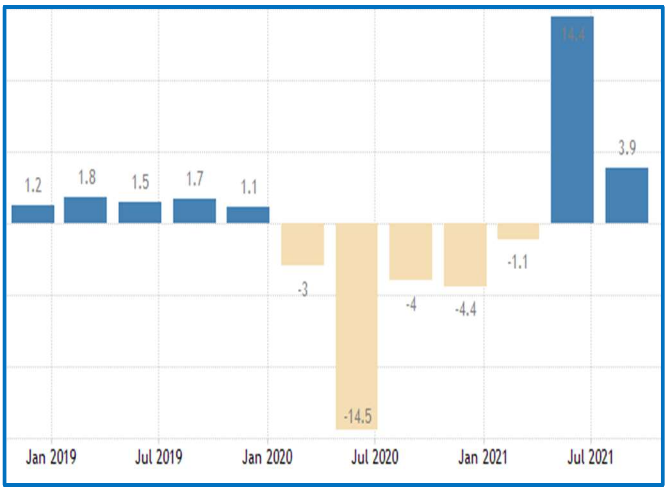
POPULATION: 447.7 MILLION

Europe's economy is on track to grow faster than previously forecast but the road to recovery still remains unclear given uncertainty surrounding the COVID Omicron variant, rising inflation and supply chain bottlenecks.

GDP is expected to reach 5%t by the end of 2021 in both the EU as a whole, and the eurozone area. That's slightly above the previous forecast of 4.8%.

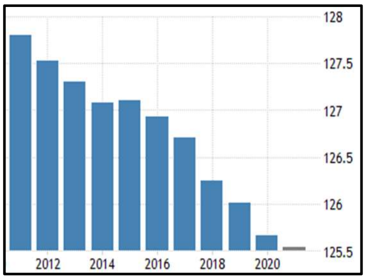
Moving into 2022, the economy is projected to grow by 4.3%, then a more moderate 2.5% for the EU and 2.4% for the eurozone - for 2023. This growth will be uneven across the EU, with France, Italy, Spain and Portugal most heavily impacted. Southern Ireland looks to be the "standout" economy in the EU.

EUROZONE – ANNUAL GDP GROWTH RATE

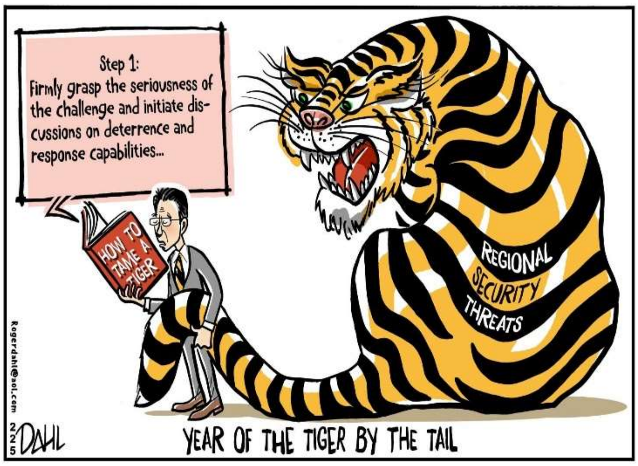


JAPANESE ECONOMIC OUTLOOK

POPULATION: 125.6 MILLION



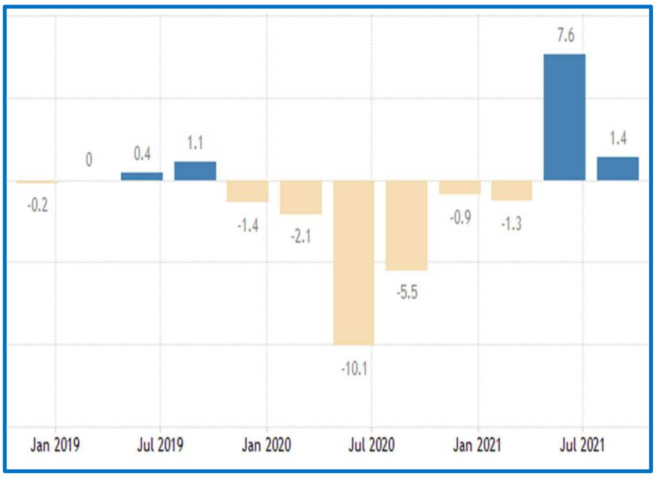
The Japanese population continues to decrease, as a result of both a fertility rate of just 1.4, combined with extremely tight migration laws. Its population has been in decline since 2009 (then at 128.6m).



ECONOMIC OUTLOOK

GDP in Japan expanded 1.4% in the third quarter of 2021 over the same quarter of the previous year.

JAPAN – ANNUAL GDP GROWTH RATE



Green shoots of economic recovery that had begun to spring up domestically in the latter half of 2021 seemed to be put under threat at the end of the year due to the emergence of the omicron variant, which cast yet another shadow over service sectors such as travel and dining that have already been hit hard by the pandemic.

INFLATION

The Bank of Japan adjusted its view of inflation risks for the first time since 2014, but only nudged up its price forecasts a fraction, a combination that suggests moves toward phasing out stimulus are still a distant prospect.

The central bank kept its negative interest rate, bond yield target and asset purchases unchanged. The stand-pat decision was widely expected given that Japan's gradually accelerating inflation still remains far weaker than in the U.S. and other major economies.

The bank said the risks to prices are balanced instead of tilted downward, in a change that shows the bank now sees the possibility of inflation outstripping their projections, not just undershooting them.

While the latest assessment suggests the economy is not entirely immune to the price forces prompting the Federal Reserve and the Bank of England to pull back from their pandemic stimulus settings, the BOJ projected that inflation will still only be 1.1% in the year ending March 2024.

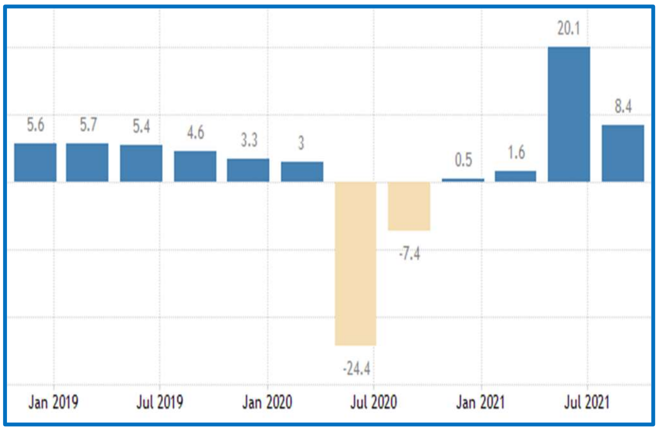
INDIAN ECONOMIC OUTLOOK

POPULATION: 1,392.0 MILLION

India's economy expanded by 8.4% year-on-year in July-September 2021, following a record 20.1% growth in the previous three-month period and matching market expectations. This marked a fourth straight quarter of expansion.

India's third wave of Covid infections is expected to blunt growth in the near term. As a result, the estimated GDP for fiscal 2022 was revised by 80 basis points to 9%. You can expect far less economic damage from the current outbreak compared to the first two waves of infections as the economy has adjusted to be more resilient, according to Oxford Economics.

INDIA - GDP GROWTH RATE



CURRENCIES

NZD/USD & NZD/AUD

Source: Westpac

INFLATION

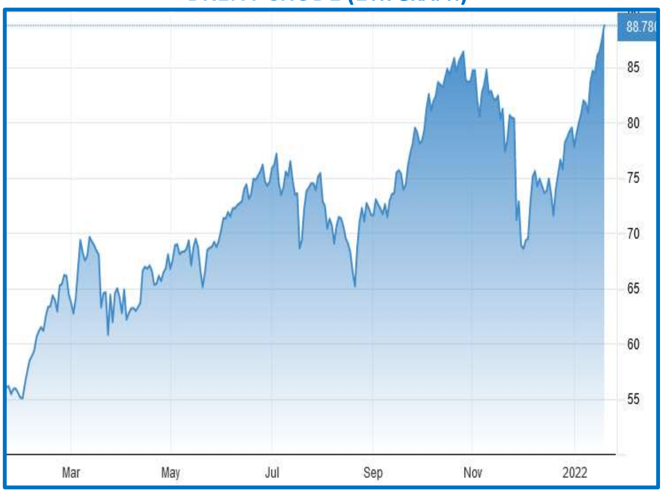
Higher inflation translates to nominal GDP being a cumulative $78.5 billion higher over the forecast period to June 2025 relative to the *Budget Update*. This is the major driver of the additional $48.6bn in core Crown tax revenue over the five years to June 2025. However, higher inflation adds to cost pressures associated with the provision of public services.

Inflation is not transitory as was the collective hope of policymakers last year. In the US it has now hit 7%, the highest level in 40 years. Federal Reserve chair Jerome Powell has finally admitted inflation represents a "real threat" to the US economy. New Zealand has a similar problem, and could well be facing a 6%+ inflation by mid-year. **Breaking News:** NZ Inflation is at 5.9% for the December Year.

OIL

Brent increased 11 USD/BBL or 14.1% since the beginning of 2022.

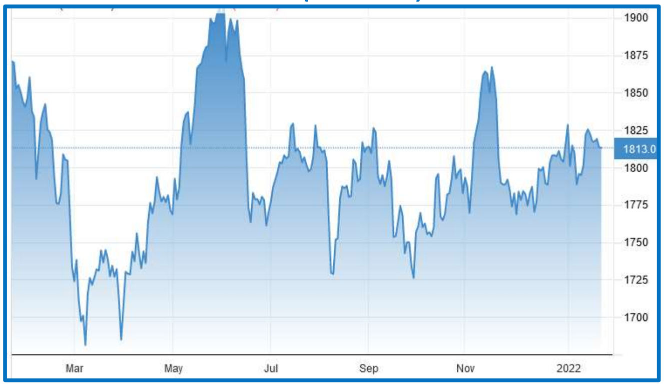
BRENT CRUDE (1YR GRAPH)



GOLD

Gold traded just below US$1,820 an ounce recently, easing from recent highs as US Treasury yields and the dollar gained on firm hawkish expectations from the Federal Reserve. Fed chair Jerome Powell said recently that the US economy was ready for the start of tighter monetary policy, with other Fed officials signaling the first potential rate hike in March. The US consumer price index also rose 7% in December from a year earlier, accelerating at its fastest pace in nearly four decades and bolstering the case for a more aggressive tightening by the Fed.

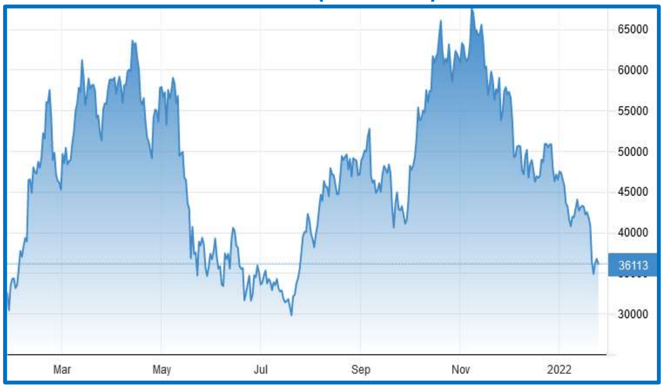
GOLD (1YR GRAPH)



BITCOIN

Cryptocurrency prices remain extremely volatile, closing at US$34,928/unit on 22nd January 2022 (down 47.8% or US$32,018 from its US$66,946 peak on the 7th November).

BITCOIN (1YR GRAPH)



AGRIBUSINESS – LOOKING FROM THE OUTSIDE IN

FARMING CONDITIONS

Economic activity in our top three trading partners (China, Australia and the United States of America) is forecast to grow by 5.8% in the December 2021 year and by 4.0% in 2022, supporting demand for New Zealand's goods exports. The concern for the primary export sector is both the Russian/Ukraine increased risk of a major confrontation, but also whether China will use any European conflict as an opportunity to invade Taiwan. The risk register has just ballooned.

FONTERRA'S PROPOSED NEW CAPITAL STRUCTURE

The big-ticket item on Fonterra's agenda in 2022 is the capital structure reform and agriculture minister Damien O'Connor expects to be taking final advice to cabinet in the first half of the year.

Farmer shareholders backed the plan with 85.2% support at the annual general meeting in December even though O'Connor had said he couldn't back it as it stood.

For his part, Fonterra chair Peter McBride has recently said that the co-operative was aiming to implement the new capital structure "as soon as possible from the beginning of next season". The new season kicks off on June 1st.

McBride emphasized the "strong mandate" from farmer shareholders and said work is underway with the government on how to effect the changes under the Dairy Industry Restructuring Act (DIRA).

According to McBride, "the flexible shareholding structure will come into effect once the board is satisfied that any steps necessary for implementation have been, or will be, completed".

Fonterra kicked off consultation in May last year, arguing the dairy giant needed to protect itself from potentially losing 12-to-20% of its milk supply in the short to medium term.

The new capital structure gives farmers more financial flexibility as they will now be required to hold only one share for every three kilograms of milk solids produced versus the current one-for-one requirement. It also creates a more inclusive pathway to becoming a co-op member and caps the Fonterra Shareholders Fund at 10% of total shares on offer. The proposal, however, needs government support to amend DIRA.

TALKS UNDERWAY

Neither McBride nor O'Connor would say what specific issues are being ironed out, but talks are underway. "*I'll be looking to take final advice to cabinet in the first half of the year*," stated Minister O'Connor.

O'Connor said the government is "*committed to supporting Fonterra's success as a New Zealand-based, world-class, farmer-owned, dairy processing company. We want to see Fonterra thrive as a New Zealand co-operative and deliver increasing value for New Zealand farmers and our economy*."

Fonterra – the country's largest exporter – shipped a record 2.59 million metric tonnes of dairy products around the world in the year to July 31st, despite global shipping issues. The $8.70 per kgMS midpoint of the current forecast farmgate milk price range will contribute more than $13.3 billion to the NZ economy.

The dairy co-operative last week lowered its 2021-22 season milk collection forecast by 1.6% to 1.5 billion kilograms of milk solids, largely due to weather issues. It would be the lowest since the 2012-13 season.

ZESPRI'S KIWIFRUIT 5-YEAR OUTLOOK

OVERVIEW OF DEMAND AND SUPPLY

This Five-Year Outlook sees an increase in total New Zealand Class 1 supply from 178 million trays in 2021/22 to 238 million trays in 2026/27. This is equivalent to 33% volume growth and includes the estimated commercial volumes of Zespri RubyRed Kiwifruit production established by 2025.

Across the same period Zespri are forecasting per tray Orchard Gate Return ranges of:

Zespri SunGold Kiwifruit	$8.00 to $12.01
Zespri Organic SunGold Kiwifruit	$10.00 to $14.01
Zespri Green Kiwifruit (depending on declining volumes)	$6.50 to $8.50
Zespri Organic Green Kiwifruit	$9.00 to $11.01
Zespri RubyRed Kiwifruit	$10.50 to $13.01

Of the 2026/27 total volume of Class 1 supply, Zespri's plan forecasts New Zealand supply of nearly 238 million trays and non-New Zealand supply of around 43 million trays. However, non-New Zealand supply is currently undergoing a strategy refresh to consider how its further expansion can support the New Zealand supply business.

2021 RESULT & 2022 NZ HERALD BROKER PICKS

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

Note, that I run my picks based on the calendar year. This year my core stocks of Port of Tauranga and Pushpay Holdings have both been negative – but remember that I play a "long game", and both stocks have been stellar performers over the past 5 (at least) years. My Sky Television pick (+68%) has certainly paid off.

Finishing 3rd seems acceptable….

AvonD Portfolio		Jarden		Craigs IP		Forsyth Barr		Hamilton Hindin		Hobson Health		Share Trader	
EBOS Group	46.6%	EBOS Group	46.6%	EBOS Group	46.6%	EBOS Group	46.6%	a2 Milk	(50.9%)	a2 Milk	(50.9%)	a2 Milk	(50.9%)
Port of Tauranga	(8.0%)	Mainfreight	36.5%	F&P Healthcare	0.5%	Genesis	(16.3%)	EBOS Group	46.6%	Ryman Healthcare	(17.9%)	Mainfreight	36.5%
Pushpay Holdings	(27.1%)	Spark	1.5%	Mainfreight	36.5%	Katmandu	22.7%	Mainfrieght	36.5%	Serko	20.9%	Oceania Healthcare	(3.8%)
Sky Televison	67.7%	Turners Auto	50.5%	Mercury NZ	(3.7%)	Skellerup	78.4%	Ryman Healthcare	(17.9%)	Spark	1.5%	Pacific Edge Bio	9.0%
Z Energy	17.5%	Z Energy	17.5%	Ryman Healthcare	(17.9%)	Spark	1.5%	Spark	1.5%	The Warehouse	(1.8%)	Plexure Group	(58.5%)
TOTAL CHANGE	15.8%		30.5%		12.4%		26.6%		3.2%		(9.6%)		(13.5%)
NZ50 Index	(0.4%)		(0.4%)		(0.4%)		(0.4%)		(0.4%)		(0.4%)		(0.4%)
+/- NZ50 Index	16.3%		31.0%		12.9%		27.0%		3.6%		(9.2%)		(13.1%)

NOTE: Dividends have been included. The NZ50 Index does include dividends.

KEY MARKETS	CODE	1 YR	5 YR/pa
NZ 50 Index	^NZ50	-0.4%	17.8%
ASX 200 Index	^AXJO	13.0%	6.1%
London FTSE 100	^FTSE	12.6%	0.8%
US Dow Jones	^DJI	19.5%	16.6%
US S&P500	^GSPC	26.9%	22.3%
US NASDAQ	^IXIC	22.0%	37.5%

2022 BROKER PICKS

AvonD Portfolio		Jarden		Craigs IP		Forsyth Barr		Hamilton Hindin		Hobson Health		MSL Capital Markets		Share Trader	
Comvita	6.2%	Comvita	6.2%	Contact Energy	(4.3%)	Arvida Group	(8.1%)	a2 Milk	(7.6%)	Heartland Group	(4.0%)	AFT Pharmaceuticals	(6.9%)	Ebos Group	(7.4%)
Contact Energy	(4.3%)	Contact Energy	(4.3%)	Ebos Group	(7.4%)	Ebos Group	(7.4%)	Fletcher Building	(3.5%)	Mainfreight	(7.2%)	Fletcher Building	(3.5%)	Heartland Group	(4.0%)
Infratil	(2.3%)	Heartland Group	(4.0%)	Fletcher Building	(3.5%)	NZ Refining	3.2%	F&P Healthcare	(10.4%)	Sky Network TV	(8.1%)	Heartland Group	(4.0%)	Scott Technology	4.7%
Port of Tauranga	(3.1%)	Infratil	(2.3%)	Pushpay Holdings	(9.8%)	Sky City	(6.7%)	Frieghtways	(1.9%)	Trade Window	4.3%	NZ Rural Land	(2.6%)	Warehouse Group	(15.0%)
Pushpay Holdings	(9.8%)	Skellerup	(6.0%)	Summerset	(8.6%)	Vulcan Steel	(4.4%)	Infratil	(2.3%)	Trustpower	(3.0%)	Promisia Healthcare	(14.5%)	Wellington Drive	(8.1%)
TOTAL CHANGE	(2.7%)		(2.1%)		(6.7%)		(4.7%)		(5.1%)		(3.6%)		(6.3%)		(6.0%)
NZ50 Index	(5.3%)		(5.3%)		(5.3%)		(5.3%)		(5.3%)		(5.3%)		(5.3%)		(5.3%)
+/- NZ50 Index	2.6%		3.2%		(1.5%)		0.6%		0.1%		1.7%		(1.0%)		(0.7%)

Just 20 days into the new year, the NZ50 Index (like most global markets) has headed south – currently down 5.3%.

NEW ZEALAND EQUITIES

THE 2021 YEAR IN REVIEW

2021 hasn't turned out to be the year investors were hoping for this time 12 months ago.

The optimism that dominated financial markets at the end of 2020 following the discovery of multiple new vaccines and a growing sense that 2021 would be the year of recovery largely failed to materialise.

The emergence of the more transmissible Delta variant, and now joined by the highly infectious Omicron outbreak, jammed up supply chains and inflation rates spiking to levels not seen for more than 30 years has left investors nervous about what might be ahead in 2022, while volatility has become the market's new mantra in response to daily news headlines that have seen markets swing wildly in recent months.

Below is the performance for each of 2020 and 2021 on a range of investment classes, here's a brief summary:

Annual Returns	2021	2020
NZ shares	-0.4%	12%
Australian shares	13.0%	-1%
US shares (S&P500)	26.9%	14%
NZ/US dollar	-5.3%	5%
US 10-year Treasuries	64.9%	-48%
Brent Crude Oil	54.3%	-23%
Gold	-3.5%	23%
Bitcoin	59.7%	220%

2020's two worst performing sectors – US Treasuries and oil – have been this year's best performers as investors increasingly switched their portfolios from stocks to bonds in anticipation of rising interest rates, while a resurgence in the oil price following OPEC's decision to keep supply tightly controlled, saw a dramatic turnaround from last year's price action when oil prices briefly fell below US$20 a barrel at the height of the Covid-19 sell-off.

Bitcoin delivered another year of solid returns, marked by plenty of stomach churning volatility in between, US shares, largely driven by the tech heavyweights such as Google, Apple and Microsoft, provided another year of double digit returns, while the Australian sharemarket significantly outperformed the local market with the NZX50 on course to record its first negative year since 2011. The NZ dollar is finishing 2021 at its low point for the year and gold has had a disappointing year, failing to act as the traditional safe haven in times of inflation ending the year down 3.5%.

On the local market, some of last year's top performers, including a2 Milk and Pushpay Holdings, fell decidedly out of favour with investors this year, while some of last year's underperformers including Sky Television and Heartland dramatically reversed their performance this year.

Skellerup Holdings takes the prize for most consistent performance since the onset of Covid-19, managing to outdo last year's 50 percent share price lift with a further gain of 64 percent this year. Mainfreight was another consistent performer with a 30 percent lift in its share price this year despite supply chain bottlenecks proving to be a headache for freight and logistics operators globally.

Here then are the top 5 and bottom 5 NZX50 stocks for 2021.

TOP 5 SHARES IN 2021

Annual Returns	2021	2020
Skellerup	78.4%	50%
Sky Televison	67.7%	-57%
Heartland Group	56.0%	-10%
Ebos Group	46.6%	18%
Mainfreight	36.5%	62%

BOTTOM 5 SHARES IN 2021

Annual Returns	2021	2020
A2 Milk	-50.9%	43%
Synlait Milk	-33.8%	-43%
Meridian Energy	-32.0%	50%
Pushpay Holdings	-27.1%	78%
Ryman Healthcare	-17.9%	-10%

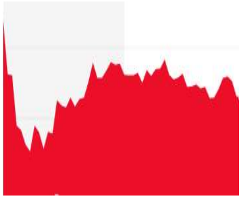
RAKON

However, the overall prize for best share price appreciation in 2021 goes to one of the market's most out of favour stocks in recent years. Rakon shares finished the year up a whopping 258.6% as a global chip shortage has seen its fortunes dramatically improve. Calculated since 24th March 2020, when the shares hit an all-time low of just 15c, the gains are even more impressive, coming in at an eye-watering 1286%, even more impressive than Bitcoin!

STOCKS TO WATCH NEW ZEALAND

Prices as at 21st January 2022

ALL GRAPHS ONE YEAR



Contact Energy

Research 15h December

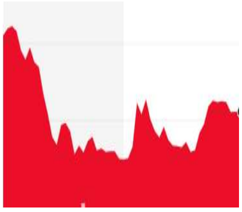
CEN is New Zealand's second largest electricity generator and second largest energy (gas, LPG and electricity) retailer. Investors need to be convinced that the company can fully build out a c.400MW Tauhara resource over the next 20 years. There is further upside if the company can find a way to exit thermal ownership while retaining some of the capacity support. Contact's margin is held back by reducing demand risk through selling lower margin PPAs (41% of Tauhara's offtake) and the costly replacement of the Wairakei geothermal plant.

2022 P/E: 30.1 2023 P/E: 30.6

NZX Code:	**CEN**
Share Price:	**$7.75**
12mth Target: ↓	**$9.77**
Projected return (%)	
Capital gain	26.1%
Dividend yield (Net)	4.6%
Total return	**30.7%**

Rating: BUY

52-week price range:6.60-9.39



Chorus

Research: 20th January

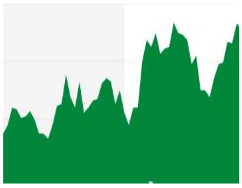
CNU reports its 1H22 result on 21 Feb 2022. The implementation of the new regulatory regime increases the list of key knowns (previously limited to lower capex outlook; now also incorporating regulatory framework supportive of current business plan and credit rating settings no worse than current 4.25x with upside already highlighted by Moody's), providing CNU with the ability to provide more visibility to the market on capital management/dividends. With some uncertainties remaining (how long can CNU keep the lid on fixed wireless vs. potential upsurge on 5G in urban areas in time; what is the earnings profile for non-regulated copper; will rural fixed wireless penetration step up; and will regulators support CNU in maintaining reasonable profitability from its copper tail obligations?) and likely to take a few years to play out, Jarden doesn't expect specific targets at this point with this also likely to add an element of caution.

2022 P/E: 72.3 2023 P/E: 79.7

NZX Code:	**CNU**
Share Price:	**$6.99**
12mth Target:	**$6.38**
Projected return (%)	
Capital gain	-8.7%
Dividend yield (Net)	4.3%
Total return	**--4.4%**

Rating: NEUTRAL

52-week price range: 6.03-8.72



Comvita

Research: 15th December

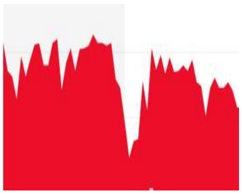
The early stages of transformation are promising as CVT aims to transition from a volatile agri to an FMCG brand stock. The new harvest model stood up after a poor 2021 harvest and brand investment is showing signs of working in China, during a period of industry consolidation, after catalysts including strict NZ export standards, oversupply and COVID-19. Jarden likes recent progress and the added appeal of ESG potential from the reforestation project.

2022 P/E: 19.0 2023 P/E:

NZX Code:	**CVT**
Share Price:	**$3.78**
12mth Target:	**$4.00**
Projected return (%)	
Capital gain	5.8%
Dividend yield (Net)	1.8%
Total return	**7.6%**

Rating: OVERWEIGHT

52-week price range: 3.06-3.80



Delegat Group

Research: 15th December

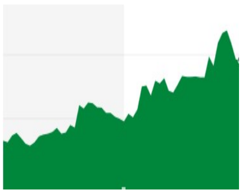
Following a poor 2021 harvest, FY22 represents an earnings low point. As DGL cycles the bad harvest and freight issues, combined with volume growth, returns should mechanically expand from here. Jarden continues to like DGL given its strong volume growth outlook supported by a strong brand, which has become more valuable in uncertain times.

2022 P/E:25.0 2023 P/E:

NZX Code:	**DGL**
Share Price:	**$13.85**
12mth Target:	**$15.10**
Projected return (%)	
Capital gain	9.0%
Dividend yield (Net)	1.2%
Total return	**10.2%**

Rating: OVERWEIGHT

52-week price range: 12.90-15.50



EBOS Group

Research: 10th December

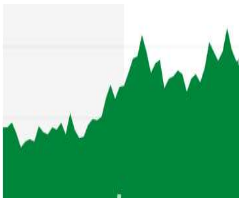
EBO is the largest and most diversified Australasian marketer, wholesaler and distributor of healthcare, medical and pharmaceutical products. It is also a leading marketer and distributor of recognised consumer products and animal care brands. EBO is expanding with its $1.23 billion purchase of medical devices distributor LifeHealthcare which will contribute $116m-$120m in operating earnings in 2022.

2022 P/E: N.M. 2023 P/E: 42.2

NZX Code:	**EBO**
Share Price:	**$38.15**
12mth Target:	**$38.00**
Projected return (%)	
Capital gain	-0.8%
Dividend yield (Net)	2.6%
Total return	**1.8%**

Rating: OVERWEIGHT

52-week price range: 27.51-43.13



Goodman Property Trust

Research: 18th January

GMT finished 2021 with a late flurry of announcements, totalling over $200m in value, that sees it expand its brownfields development land bank (medium-to-longer term opportunity in Mt. Wellington); add to one of its existing industrial parks (taking the Gate Industrial Park to 21 ha) and further extend its already large development work in progress to $440m, with a strong focus on premium sites for logistics leasing to high quality tenants on long lease terms. The most significant announcement was the acquisition of a 3.2 ha infill site in Albany with a back-to-back agreement to develop a new facility on a 20-year lease for NZ Post. Details on the transaction are scarce but expect GMT to invest ~$110 - $120m through the acquisition of the site (settlement of land February 2022) with development to commence in 2023 when the existing lease expires, with NZ Post targeted to occupy its new facility from June 2024. We factor in a yield on cost of 4.25%.

2022 P/E: 36.0 2023 P/E: 34.4

NZX Code:	**GMT**
Share Price:	**$2.54**
12mth Target:	**$2.00**
Projected return (%)	
Capital gain	-21.3%
Dividend yield (Net)	2.1%
Total return	**-19.2%**

Rating: UNDERWEIGHT

52-week price range:2.12-2.74

Heartland Group

Research: 1st December

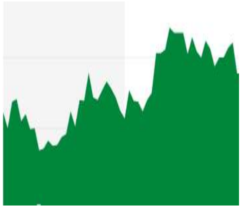
HGH is a New Zealand owned and operated bank that focuses on higher-risk products where it has a competitive advantage and does not need to compete with the major banks. Such products include savings and deposits, reverse mortgages, motor vehicle finance, business finance, rural finance and personal lending.

2022 P/E: 13.8 2023 P/E: 13.1

NZX Code:	**HGH**
Share Price:	**$2.42**
12mth Target:	**$2.46**
Projected return (%)	
Capital gain	3.8%
Dividend yield (Net)	7.5%
Total return	**11.3%**

Rating: BUY

52-week price range:1.72-2.59



Infratil

Research: 6th January

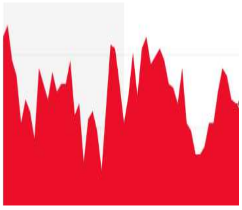
IFT remains an attractive investment company focused on energy, transport, data and social thematics. In the energy space (21% assets) Infratil's biggest investment is Trustpower. It also has renewable energy platforms in the US (Longroad which has a 6GW development pipeline and will now look to build and own assets), Galileo Energy in Europe and Gurin Energy in Asia. In the transport space (11% assets) Infratil owns 66% of Wellington International Airport. In the data space (54% assets) Infratil owns 48% of CDC (data centres with a 700MW development pipeline), 49.9% Vodafone, KAO (UK data centres) and sundry assets. In the social space (15% assets) Infratil owns RetireAustralia (aged care facilities) and in radiology/medical imaging 56% of Qscan, 51% of Pacific Radiology and 51% of Bay Radiology. Across Australasia these three businesses employ 141 radiographers. Within its investment portfolio Infratil has significant investment in data centres and renewable energy. The strategy to date suggests that further radiology /diagnostic imaging businesses are likely to be acquired as opportunities arise. To fund this expansion Infratil has just under $900 million of undrawn bank and term debt facilities.

2022 P/E: 19.3   2023 P/E: 12.8

NZX Code:	**IFT**
Share Price:	**$7.82**
12mth Target:	**$8.25**
Projected return (%)	
Capital gain	5.5%
Dividend yield (Net)	2.3%
Total return	**7.8%**

Rating: BUY

52-week price range:6.74-8.47



Precinct Properties NZ

Research: 21st January

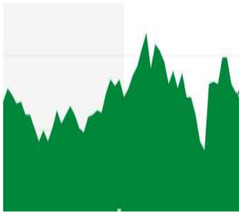
PCT is due to report its 1H22 results on 23 February. Jarden has already made allowance for the impact of the long 1H22 Auckland lockdown on PCT, particularly on Commercial Bay retail, Generator and CBHL. Omicron is likely to add some further pressure in 2H22 and Jarden has increased their $5mn FY22 allowance for direct COVID costs to $7mn ($4/$3mn 1H/2H split). They forecast 1H22 AFFO of 3.14 cps vs 3.34 cps for 1H21, expecting PCT to look through the COVID impact and would be surprised to see FY22 dividend guidance of 6.7 cps downgraded on COVID.

2022 P/E: 221.4   2022 P/E: 19.8

NZX Code:	**PCT**
Share Price:	**$1.63**
12mth Target: ↑	**$1.49**
Projected return (%)	
Capital gain	-8.3%
Dividend yield (Net)	4.1%
Total return	**-4.2%**

Rating: OVERWEIGHT

52-week price range1.53-1.74



Property for Industry

Research: 17th January

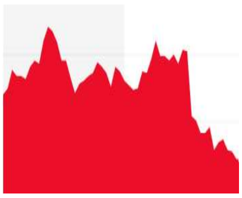
Jarden has updated their forecasts for a number of late 2021 announcements, incorporating a $150m increase in the value of the portfolio in the six months to 31 Dec 2021 (just a touch below expectations) and also update forecasts for the divestment of Carlaw Park one month after they previously assumed. PFI also announced two small but strategic acquisitions adjoining existing PFI assets. Jarden updates their forecasts for 520 Rosebank Road, which is surrounded by an existing PFI estate, for $5.2m on a ~3.5% yield. The site is 3,100 sqm and adds some optionality to the existing 5 ha site at 528 - 558 Rosebank Rd. PFI also acquired 5,000 sqm at 318 Neilson Street, which is adjacent to existing PFI properties (combined ~5 ha), for $6.8m. This site was acquired on a vacant basis with PFI expected to hold it for medium-term redevelopment purposes, leasing it as yard in the interim. Jarden has also updated for the recent divestment of 48 Seaview Road for $10m ($1.1m above book value).

2022 P/E: 28.5   2022 P/E: 29.2

NZX Code:	**PFI**
Share Price:	**$2.90**
12mth Target:	**$2.43**
Projected return (%)	
Capital gain	-16.2%
Dividend yield (Net)	2.7%
Total return	**-13.5%**

Rating: UNDERWEIGHT

52-week price range 2.72-3.10



Pushpay Holdings

Research: 23rd November

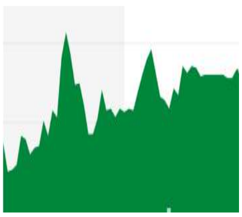
PPH has established itself as a leading provider of digital solutions to the US faith sector, capturing c.50% market share of digital giving within its core market, Evangelical Protestant. PPH has a compelling product offering, as evidenced by its market share and supported by our industry conversations. The market has heavily reduced the shareprice, which offers another buying opportunity to longer-term investors.

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

NZX Code:	**PPH**
Share Price:	**$1.19**
12mth Target: ↓	**$1.75**
Projected return (%)	
Capital gain	47.1%
Dividend yield (Net)	0.0%
Total return	**47.1%**

Rating: OVERWEIGHT

52-week price range1.19-2.10



Seeka Kiwifruit

Research: 15th December

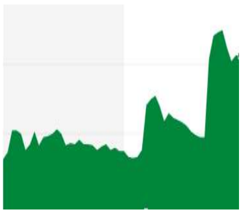
Jarden has consolidated earnings for recent acquisitions but note that in the past, while acquisitions have expanded the balance sheet, earnings have been offset by dilution. Therefore, while they believe it is likely there will be strong earnings growth going forward, they remain cautious given further dilution coupled with high gearing. Jarden also notes the operational risk given the reliance on aggressive Sungold growth on top of the usual agricultural harvest risk.

2022 P/E: 16.6   2023 P/E:

NZX Code:	**SEK**
Share Price:	**$5.28**
12mth Target:	**$5.40**
Projected return (%)	
Capital gain	2.3%
Dividend yield (Net)	4.8%
Total return	**7.1%**

Rating: NEUTRAL

52-week price range: 4.66-5.68



Sky Television

Research: 25th January

1H22 results due 24th February. With revenue down ~$200mn from its peak, Jarden remains cautious on stabilisation, but expect a positive outlook from SKT (albeit maybe still likely 12m away), as they want to see a longer trend on SkyBox subs. The entertainment streaming market remains very competitive and there is likely an element of COVID benefit in subs. There is potential and leverage SKT has to an upgrade cycle in revenue and see positives coming out of its SkyBox upgrade, penetration of the broadband strategy and, perhaps in time, price uplifts in streaming and commercial. While more challenging to execute, Jarden is interested in moves to increase flexibility in packaging the vast content library.

2022 P/E: 26.4   2023 P/E: 7.8

NZX Code:	**SKT**
Share Price:	**$2.48**
12mth Target: ↑	**$2.55**
Projected return (%)	
Capital gain	2.8%
Dividend yield (Net)	3.5%
Total return	**6.3%**

Rating: OVERWEIGHT

52-week price range: 1.55-2.74

JARDEN'S NZ LISTED COMPANIES – EARNINGS FORECAST

AS AT 17TH JANUARY 2022

NZ LISTED COMPANIES 17th jANUARY 2022			Mrkt Cap	Price 17-Jan-22	Target Price	Price Earnings (x)		Net Yield (%)	
Source: Jarden Estimates	Ticker	Rec	(NZ$m)	(NZ$)	(NZ$)	FY21	FY22	FY21	FY22
COMMUNICATION SERVICES									
Chorus	CNU	N	3,176	6.98	6.38	80.9	62.4	5.0%	6.4%
NZME	NZM	O	249	1.25	1.45	11.1	10.1	4.8%	5.2%
Sky Network Television	SKT	O	428	2.43	2.42	9.2	8.7	7.0%	7.4%
Spark New Zealand	SPK	O	8,453	4.48	4.78	17.6	17.4	5.6%	5.6%
CONSUMER DISCRETIONARY									
Kathmandu Holdings	KMD	B	1,002	1.40	1.75	11.5	9.8	5.2%	6.1%
Michael Hill International	MHJ	B	601	1.51	1.15	17.7	17.6	4.6%	4.6%
Restaurant Brands NZ	RBI	U	1,826	14.50	14.00	35.5	26.8	n.m.	n.m.
Sky City Entertainment	s) SK	O	2,225	2.90	3.65	17.9	14.8	4.8%	5.9%
The Warehouse Group	WHS	N	1,225	3.50	4.30	9.2	8.9	7.6%	8.0%
Turners Automotive Group	TRA	B	398	4.58	4.76	11.8	11.2	5.5%	5.9%
CONSUMER STAPLES									
The a2 Milk Company	ATM	N	4,286	5.71	6.60	30.2	23.0	n.m.	n.m.
Comvita	CVT	O	257	3.67	4.00	16.7	14.7	2.7%	4.1%
Delegat's Group	DGL	O	1,444	14.15	15.10	22.0	19.3	1.3%	1.6%
Fonterra Shareholders' Fund	FSF	N	407	3.75	4.17	10.0	9.9	6.1%	7.5%
My Food Bag Group	MFB	B	272	1.11	1.80	11.8	10.9	6.8%	7.4%
New Zealand King Salmon	NZK	U	187	1.33	1.35	36.9	15.5	0.8%	1.5%
PGG Wrightson	PGW	N	397	5.21	4.15	20.7	20.1	4.3%	4.5%
Sanford	SAN	S	478	5.07	4.30	17.3	14.4	2.0%	3.0%
Scales Corporation	SCL	N	769	5.35	4.90	26.9	31.1	3.6%	3.6%
Seeka Kiwifruit Industries	SEK	N	212	5.23	5.40	16.6	13.1	7.1%	3.8%
Synlait Milk	SML	N	770	3.49	3.60	12.2	8.4	n.m.	n.m.
ENERGY									
New Zealand Refining	NZR	N	361	0.96	1.02	n.m.	n.m.	n.m.	n.m.
Z Energy	ZEL	N	1,890	3.60	3.76	21.6	17.4	n.m.	n.m.
FINANCIALS									
Heartland Bank	HGH	B	1,518	2.55	2.46	14.8	13.5	5.1%	5.5%
NZX	NZX	N	513	1.81	1.80	31.0	25.9	3.4%	3.7%
HEALTH CARE									
AFT Pharmaceuticals	AFT	O	460	4.35	5.15	17.5	15.2	4.3%	4.9%
Ebos Group	EBO	O	7,417	40.00	38.00	26.0	24.5	2.7%	2.9%
Fisher & Paykel Healthcare	FPH	N	18,335	31.48	34.00	52.1	43.3	1.3%	1.4%
Pacific Edge	PEB	N	1,021	1.26	1.40	n.m.	n.m.	n.m.	n.m.
HEALTH CARE PROVIDERS & SERVICES									
Arvida Group	ARV	N	1,395	1.92	2.05	13.1	11.0	3.4%	4.1%
Oceania Healthcare	OCA	O	932	1.30	1.45	12.9	11.1	4.3%	4.9%
Ryman Healthcare	RYM	S	5,970	11.83	11.75	18.6	15.6	2.2%	2.6%
Summerset Group Holdings	SUM	O	3,067	13.20	16.50	22.1	16.9	1.3%	1.7%
INDUSTRIALS									
Fletcher Building	FBU	N	5,897	7.22	7.23	13.5	13.6	4.7%	4.7%
Metro Performance Glass	MPG	B	69	0.37	0.52	13.2	6.6	2.7%	9.2%
Skellerup Holdings	SKL	B	1,218	6.18	6.20	23.7	21.3	3.6%	3.9%
Steel & Tube Holdings	STU	N	283	1.69	1.46	13.8	15.9	5.1%	4.4%
TRANSPORTATION & LOGISTICS									
Air New Zealand	AIR	S	1,711	1.51	0.80	n.m.	24.3	n.m.	2.8%
Auckland International Airpo	AIA	U	11,593	7.80	6.60	92.2	42.2	0.9%	1.9%
Freightways	FRE	N	2,172	12.98	13.00	23.9	22.5	3.7%	3.9%
Mainfreight	MFT	O	9,452	93.00	97.00	29.1	27.4	1.5%	1.9%
Port of Tauranga	POT	S	4,484	6.53	6.00	38.9	37.7	2.3%	2.4%
INFORMATION TECHNOLOGY									
EROAD	ERD	O	535	4.80	6.77	35.3	17.1	n.m.	n.m.
Gentrack Group	GTK	N	192	1.90	1.90	n.m.	58.5	n.m.	1.4%
Pushpay Holdings	PPH	O	1,427	1.24	1.75	24.0	20.5	n.m.	n.m.
Serko	SKO	N	727	6.01	6.00	n.m.	n.m.	n.m.	n.m.
Vista Group International	VGL	O	506	2.17	2.80	n.m.	n.m.	n.m.	n.m.
REAL ESTATE									
Argosy Property	ARG	N	1,323	1.55	1.42	19.1	20.1	4.3%	4.4%
Asset Plus Ltd	APL	O	113	0.31	0.31	n.m.	18.1	5.8%	6.1%
Goodman Property Trust	GMT	U	3,653	2.59	1.99	34.1	31.0	2.2%	2.5%
Investore Property	IPL	N	699	1.88	1.72	21.0	20.1	4.2%	4.3%
Kiwi Property Group	KPG	O	1,838	1.16	1.12	19.4	18.2	4.8%	5.0%
New Zealand Rural Land Co	NZL	O	114	1.17	1.19	16.7	19.6	5.0%	5.5%
Precinct Properties NZ	PCT	O	2,608	1.63	1.46	20.9	20.3	4.2%	4.3%
Property For Industry	PFI	U	1,490	2.92	2.42	27.6	28.0	2.7%	2.8%
Stride Stapled Group	SPG	O	1,134	2.08	2.16	12.8	12.5	4.8%	4.8%
Vital Healthcare Property Trus	VHP	U	1,850	3.17	2.36	33.6	29.3	3.1%	3.3%
UTILITIES									
Contact Energy	CEN	B	6,322	8.04	9.77	42.3	34.7	4.4%	4.8%
Genesis Energy	GNE	O	3,054	2.90	3.42	23.7	22.3	6.1%	6.4%
Infratil	IFT	N	5,970	8.17	8.25	n.m.	91.3	2.4%	2.5%
Mercury NZ	MCY	O	8,250	6.00	6.81	31.6	30.7	4.1%	4.2%
Meridian Energy	MEL	O	12,397	4.77	5.56	40.3	38.4	3.6%	3.9%
Trustpower	TPW	U	2,293	7.26	6.97	26.7	25.6	3.9%	3.9%
VectoR	VCT	S	4,067	4.03	3.63	26.2	25.5	4.4%	4.4%
MARKET AVERAGE						**21.5**	**20.7**	**3.2%**	**3.6%**

PE ratios exclude: IFT, MEL, PEB Recommendations: B = BUY O=OVERWEIGHT N=NEUTRAL U=UNDERWEIGHT S=SELL

RANKED BY DISCOUNT / PREMIUM TO VALUATION

LARGEST DISCOUNTS		LARGEST PREMIUMS	
My Food Bag	-36.7%	Air New Zealand	83.1%
Metro Performance Glass	-32.7%	Goodman Property	27.0%
Pushpay	-30.3%	Serko	8.5%
Eroad	-27.0%	Property For Industry	19.3%
Contact Energy	-20.0%	Scales Corporation	10.8%
Summerset	-24.7%	Auckland Airport	12.3%
AFT Pharmaceuticals	-16.5%	Sanford	11.2%
SkyCity Entertainment Group	-18.9%	Port of Tauranga	8.7%
Genesis Energy	-15.6%	Sky Network Television	0.4%
Meridian Energy	-16.4%	Precinct Properties	7.4%

RANKED BY FY22 NORMALISED P/E

LOWEST RATIOS		HIGHEST RATIOS	
Pushpay	7.1	Auckland Airport	1512.2
The Warehouse	9.3	Eroad	75.0
NZME	10.7	Chorus	73.3
Steel & Tube	11.3	Metro Performance Glass	66.0
Fonterra	11.3	Infratil	52.7
Turners Automotive	11.8	Mercury	52.3
Fletcher Building	13.5	Vista Group	50.7
Synlait	14.0	Fisher & Paykel Healthcare	44.8
Trustpower	14.9	New Zealand King Salmon	44.5
Arvida	15.6	SkyCity Entertainment Group	43.0

RANKED BY EPS GROWTH (CAGR) FY21-23

HIGHEST RETURN		LOWEST RETURN	
Z Energy	436.3%	Asset Plus	-75.0%
Sky Network Television	212.5%	Air New Zealand	-70.4%
NZ Refining	121.7%	Metro Performance Glass	-18.9%
Eroad	118.6%	Fisher & Paykel Healthcare	-18.5%
Seeka	106.1%	Contact Energy	-16.4%
AFT Pharmaceuticals	82.6%	Michael Hill International	-15.8%
Pushpay	71.4%	The Warehouse	-13.4%
Sanford	61.8%	Chorus	-9.1%
Genesis Energy	47.5%	Scales Corporation	-5.6%
New Zealand King Salmon	45.7%	Trustpower	-5.0%

RANKED BY FY22 EV/EBITDA

LOWEST RATIOS		HIGHEST RATIOS	
Sky Network Television	2.3	Ryman Healthcare	165.2
The Warehouse	2.9	Summerset	105.2
Fonterra	3.1	Auckland Airport	65.6
NZME	3.9	Arvida	63.6
Metro Performance Glass	4.0	Oceania Healthcare	49.6
Michael Hill International	4.4	Heartland Group	45.3
Steel & Tube	4.4	Vital Healthcare	32.4
Fletcher Building	5.6	Goodman Property	31.0
Seeka	6.6	Air New Zealand	29.9
PGG Wrightston	7.6	Gentrack	29.2

RANKED BY FY22 RETURN ON EQUITY

HIGHEST RETURN		LOWEST RETURN	
Pushpay	46.1%	Air New Zealand	-37.9%
AFT Pharmaceuticals	35.7%	Pacific Edge	-29.9%
My Food Bag	29.4%	Serko	-8.0%
Spark New Zealand	27.3%	NZ Refining	-3.4%
The Warehouse	26.2%	Gentrack	-1.4%
Mainfreight	24.6%	Auckland Airport	0.1%
Fisher & Paykel Healthcare	24.4%	Metro Performance Glass	1.2%
NZX	24.0%	New Zealand King Salmon	2.0%
Skellerup	22.4%	Vital Healthcare	2.9%
Freightways	20.0%		

RANKED BY PEG RATIO*

LOWEST RATIOS		HIGHEST RATIOS	
Z Energy	0.1	NZME	15.2
Pushpay	0.1	Port of Tauranga	8.0
Sky Network Television	0.1	Goodman Property	6.9
Seeka	0.2	NZX	6.5
AFT Pharmaceuticals	0.3	Vital Healthcare	6.1
My Food Bag	0.4	Property For Industry	5.3
Sanford	0.4	Fletcher Building	4.9
Steel & Tube	0.4	Meridian Energy	4.3
Genesis Energy	0.5	Investore	4.2
Oceania Healthcare	0.5	Precinct Properties	3.5

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

COMPANY	PRICE (NZ$)	PE RATIO 2022F	RETURN ON CAPITAL		RETURN ON EQUITY		EV/EBITDA
			2022F	2023F	2022F	2023F	2022F
AFT Pharmaceuticals	4.30	28.3	25.7%	33.4%	35.7%	42.2%	23.2
Auckland Airport	7.41	1512.2	0.7%	2.4%	0.1%	1.6%	65.6
Air New Zealand	1.47	n.m.	-30.7%	-0.8%	-37.9%	-3.3%	29.9
Asset Plus	0.30	23.4	2.9%	0.2%	2.9%	0.3%	25.1
Argosy Property Limited	1.55	20.1	4.5%	4.8%	4.8%	4.7%	21.6
Arvida	1.85	15.6	1.4%	1.6%	6.9%	8.0%	63.6
a2 Milk	5.72	37.0	47.1%	36.9%	10.1%	11.1%	17.9
Contact Energy	7.82	36.0	7.3%	6.1%	5.9%	4.7%	12.8
Chorus	7.02	73.3	6.2%	6.5%	4.7%	4.6%	8.5
Comvita	3.73	21.0	7.7%	9.1%	5.5%	6.6%	9.2
Delegats	14.05	24.0	13.0%	13.6%	12.5%	12.6%	14.1
Ebos	39.10	28.3	13.7%	14.8%	12.0%	13.0%	20.5
Eroad	4.94	75.0	7.2%	11.9%	4.6%	10.1%	15.0
Fletcher Building	7.12	13.5	17.4%	17.0%	11.7%	11.5%	5.6
Fisher & Paykel Healthcare	30.40	44.6	39.2%	31.5%	24.4%	19.9%	27.8
Freightways	12.70	29.0	23.2%	26.1%	20.0%	23.2%	11.9
Fonterra	3.74	11.3	8.1%	8.8%	7.7%	8.5%	3.1
Goodman Property	2.54	35.3	3.3%	3.1%	3.0%	2.7%	31.0
Genesis Energy	2.89	22.8	7.7%	9.6%	6.7%	8.5%	9.5
Gentrack	1.93	n.m.	-2.7%	2.7%	-1.4%	2.1%	29.2
Heartland Group	2.51	15.7	2.3%	2.3%	12.1%	12.4%	45.3
Infratil	8.05	52.7	3.6%	4.1%	3.2%	1.4%	21.2
Investore	1.83	23.1	4.3%	4.2%	3.6%	3.8%	20.7
Kathmandu	1.43	17.7	10.4%	15.3%	6.9%	10.0%	8.5
Kiwi Property Group	1.16	16.9	5.0%	4.1%	4.8%	4.0%	17.4
Mercury	5.95	52.3	5.2%	6.3%	3.7%	4.9%	15.7
Meridian Energy	4.65	42.6	6.9%	7.0%	5.4%	5.6%	17.9
My Food Bag	1.14	16.5	36.6%	43.4%	29.4%	33.7%	9.7
Mainfreight	87.60	29.4	35.4%	33.2%	24.6%	22.6%	13.8
Michael Hill International	1.48	17.1	38.2%	39.6%	15.9%	16.6%	4.4
Metro Performance Glass	0.35	66.0	5.8%	10.1%	1.2%	5.9%	4.0
New Zealand King Salmon	1.26	44.5	0.9%	3.8%	2.0%	2.6%	20.2
New Zealand Rural Land Co	1.15	18.3	8.9%	4.0%	4.0%	4.7%	10.3
NZME	1.20	10.7	21.9%	23.6%	15.3%	15.7%	3.9
NZ Refining	0.98	n.m.	-2.2%	3.4%	-3.4%	-42.9%	8.2
NZX	1.75	29.8	31.5%	30.7%	24.0%	27.7%	14.5
Oceania Healthcare	1.24	16.8	0.4%	0.6%	6.0%	7.8%	49.6
Precinct Properties	1.60	23.5	3.6%	3.7%	4.4%	4.7%	29.1
Pacific Edge	n.m.	n.m.	-921.3%	-862.5%	-29.9%	-29.4%	n.m.
Property For Industry	2.90	27.4	4.4%	3.9%	3.9%	3.2%	23.8
PGG Wrightston	5.69	23.5	16.5%	16.5%	10.6%	10.9%	7.6
Port of Tauranga	6.52	41.0	8.5%	9.0%	7.6%	8.1%	18.7
Pushpay	1.22	7.1	49.7%	78.7%	46.1%	46.0%	26.3
Restaurant Brands	14.47	35.4	24.4%	28.9%	19.6%	20.5%	10.9
Ryman Healthcare	11.08	23.0	0.2%	0.6%	7.8%	9.0%	165.2
Sanford	4.78	23.5	4.3%	5.6%	3.0%	4.1%	9.6
Scales Corporation	5.43	27.3	18.3%	15.2%	7.6%	6.5%	9.6
Seeka	5.27	16.7	8.3%	9.4%	6.1%	7.9%	6.6
SkyCity Entertainment Group	2.96	43.0	4.5%	8.7%	3.2%	7.4%	13.9
Skellerup	6.07	26.4	30.1%	31.7%	22.4%	24.2%	15.4
Serko	5.90	n.m.	-25.8%	6.9%	-8.0%	2.0%	n.m.
Sky Network Television	2.43	31.1	16.6%	16.6%	9.9%	9.6%	2.3
Synlait	3.46	14.0	6.3%	8.7%	4.7%	7.5%	9.0
Stride Property	2.06	19.4	8.3%	6.4%	8.5%	6.3%	12.1
Spark New Zealand	4.49	19.8	22.4%	24.5%	27.3%	29.7%	8.4
Steel & Tube	1.64	11.3	20.8%	16.9%	11.9%	9.7%	4.4
Summerset	12.43	21.3	1.0%	1.3%	8.3%	8.8%	105.2
Tourism Holdings							
Trustpower	7.21	14.9	10.1%	9.1%	13.4%	8.0%	13.2
Turners Automotive	4.49	11.8	9.8%	9.1%	13.6%	13.3%	10.6
Vector	4.00	27.6	5.7%	5.6%	6.3%	6.2%	12.5
Vista Group	2.19	50.7	10.2%	13.4%	5.6%	7.1%	17.6
Vital Healthcare	3.16	25.4	3.2%	3.2%	2.9%	2.7%	32.4
The Warehouse	3.42	9.3	64.5%	54.9%	26.2%	24.8%	2.9
Z Energy	3.59	42.8	7.5%	12.3%	4.4%	9.2%	8.7

COMPANY	PRICE (NZ$)	FORWARD PE		PEG RATIO	EPS GROWTH FY19-21	VALUATION	DISC/PREM TO VALUATION
		FRD 12m	FRD 24m				
Auckland Airport	7.41	n.m	46.8	n.m.	n.m.	6.60	12.3%
Air New Zealand	1.47	n.m	33.4	n.m.	-70.4%	0.80	83.1%
Gentrack	1.93	n.m	49.2	n.m.	n.m.	1.90	1.6%
NZ Refining	0.98	n.m	31.2	n.m.	121.7%	1.02	-3.9%
Serko	5.90	n.m	34.5	n.m.	n.m.	5.44	8.5%
Infratil	8.05	88.3	87.8	n.m.	n.m.	7.65	5.2%
Asset Plus	0.30	84.4	21.8	-0.3	-75.0%	0.31	-3.2%
Chorus	7.02	77.3	62.9	-8.0	-9.1%	6.38	10.0%
Fisher & Paykel Healthcare	30.40	49.2	48.4	-2.4	-18.5%	34.00	-10.6%
Mercury	5.95	45.0	44.1	3.0	17.2%	6.81	-12.7%
Meridian Energy	4.65	42.5	48.3	4.3	9.9%	5.56	-16.4%
Contact Energy	7.82	41.4	58.5	-2.2	-16.4%	9.77	-20.0%
Port of Tauranga	6.52	39.5	34.7	8.0	5.1%	6.00	8.7%
Vista Group	2.19	37.4	39.7	n.m.	n.m.	2.80	-21.8%
Eroad	4.94	35.6	31.6	0.6	118.6%	6.77	-27.0%
New Zealand King Salmon	1.26	35.3	16.0	1.0	45.7%	1.35	-6.7%
Goodman Property	2.54	33.8	24.4	6.9	5.1%	2.00	27.0%
a2 Milk	5.72	32.9	29.8	1.2	31.8%	6.60	-13.3%
Scales Corporation	5.43	31.6	22.1	-4.9	-5.6%	4.90	10.8%
Property For Industry	2.90	27.9	22.3	5.3	5.1%	2.43	19.3%
Mainfreight	87.60	27.7	28.9	1.0	30.9%	97.00	-9.7%
Vector	4.00	27.7	24.6	-11.3	-2.4%	3.63	10.2%
Restaurant Brands	14.47	26.8	21.7	1.0	34.5%	14.00	3.4%
Ebos	39.10	25.6	22.5	1.8	15.8%	38.00	2.9%
Freightways	12.70	25.5	23.1	2.6	11.2%	13.00	-2.3%
NZX	1.75	25.0	25.2	6.5	4.6%	1.80	-2.8%
Vital Healthcare	3.16	24.9	18.3	6.1	4.2%	2.36	33.7%
Skellerup	6.07	24.5	22.4	2.3	11.2%	6.20	-2.1%
SkyCity Entertainment Group	2.96	24.5	20.1	2.6	16.7%	3.65	-18.9%
Z Energy	3.59	23.8	18.8	0.1	436.3%	3.76	-4.5%
Trustpower	7.21	23.1	27.1	-3.0	-5.0%	7.63	-5.5%
PGG Wrightston	5.69	23.0	16.2	3.1	7.5%	4.15	37.1%
Delegats	14.05	22.7	21.7	-79.5	-0.3%	15.10	-7.0%
Precinct Properties	1.60	21.7	18.8	3.5	6.7%	1.49	7.4%
Investore	1.83	20.9	23.9	4.2	5.6%	2.22	-17.6%
Sanford	4.78	20.6	13.8	0.4	61.8%	4.30	11.2%
Genesis Energy	2.89	20.1	21.7	0.5	47.5%	3.42	-15.6%
Argosy Property Limited	1.55	19.3	20.0	-81.7	-0.2%	1.55	0.0%
Kiwi Property Group	1.16	18.8	17.8	-4.3	-3.9%	1.12	3.1%
AFT Pharmaceuticals	4.30	18.7	18.5	0.3	82.6%	5.15	-16.5%
Spark New Zealand	4.49	18.7	18.9	2.0	10.0%	4.78	-6.2%
Stride Property	2.06	18.5	18.5	-12.4	-1.6%	2.16	-4.6%
Comvita	3.73	18.5	16.9	0.8	27.6%	4.00	-6.8%
Ryman Healthcare	11.08	18.2	15.6	1.2	19.2%	11.50	-3.7%
New Zealand Rural Land Co	1.15	17.1	17.7	n.m.	n.m.	1.19	-3.4%
Summerset	12.43	16.4	18.7	0.7	31.9%	16.50	-24.7%
Michael Hill International	1.48	16.1	11.9	-1.1	-15.8%	1.15	28.7%
Heartland Group	2.51	15.2	13.9	2.6	6.0%	2.46	2.0%
Metro Performance Glass	0.35	14.8	10.2	-3.5	-18.9%	0.52	-32.7%
Kathmandu	1.43	14.3	13.3	1.3	14.0%	1.75	-18.3%
My Food Bag	1.14	14.0	19.5	0.4	44.4%	1.80	-36.7%
Fletcher Building	7.12	13.4	13.7	4.9	2.7%	7.23	-1.5%
Sky Network Television	2.43	13.3	8.9	0.1	212.5%	2.42	0.4%
Seeka	5.27	13.2	11.5	0.2	106.1%	5.40	-2.4%
Arvida	1.85	13.1	12.1	0.7	23.6%	2.05	-9.8%
Synlait	3.46	13.0	10.3	n.m.	n.m.	3.60	-3.9%
Oceania Healthcare	1.24	12.9	12.7	0.5	32.8%	1.45	-14.5%
Steel & Tube	1.64	12.4	12.9	0.4	25.7%	1.46	12.3%
Turners Automotive	4.49	11.6	11.7	0.7	16.4%	4.76	-5.7%
Fonterra	3.74	10.6	11.1	2.3	4.9%	4.17	-10.3%
NZME	1.20	9.3	10.4	15.2	0.7%	1.45	-17.2%
The Warehouse	3.42	9.2	9.4	-0.7	-13.4%	3.65	-6.3%
Pushpay	1.22	5.3	5.8	0.1	71.4%	1.75	-30.3%
WEIGHTED AVERAGE*		**33.4**	**33.8**	**-0.7**			**-3.0%**

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

JARDEN'S NZ LISTED COMPANIES GROSS DIVIDEND YIELD

AS AT 20TH JANUARY 2022

COMPANY	RATING	PRICE (NZ$)	GROSS DIVIDEND YIELD				DIVIDEND COVER				NET DEBT/ EQUITY
			FY-1	FY0	FY1	FY2	FY-1	FY0	FY1	FY2	CURRENT
The Warehouse Group	N	$3.40	14.4%	10.4%	10.8%	11.4%	1.4	1.4	1.4	1.4	-30.4%
Seeka	N	$5.20	5.8%	9.9%	5.3%	8.2%	0.4	0.9	2.0	1.5	57.0%
Asset Plus	O	$0.30	8.8%	8.8%	8.8%	9.3%	1.2	0.7	0.1	0.9	42.8%
My Food Bag	B	$1.11		8.5%	9.4%	10.3%		1.3	1.3	1.2	26.3%
Genesis Energy	O	$2.93	7.7%	7.9%	8.0%	8.3%	0.4	0.6	0.7	0.7	53.3%
Spark	O	$4.53	7.6%	7.6%	7.6%	7.6%	0.8	0.9	1.0	1.0	76.5%
Turners	B	$4.46	6.3%	7.2%	7.8%	8.5%	1.4	1.7	1.6	1.5	172.6%
Stride	O	$2.07	7.2%	7.2%	7.2%	7.2%	1.2	1.1	1.1	1.2	27.9%
Kiwi Property Group	O	$1.16	6.7%	7.0%	7.2%	7.5%	1.3	1.2	1.1	1.1	47.4%
NZME	O	$1.19		6.9%	7.6%	7.6%		1.9	2.0	2.1	0.6%
Heartland Group	B	$2.54	6.0%	6.5%	7.1%	7.6%	1.4	1.3	1.3	1.3	639.0%
Investore Property	N	$1.85	6.1%	6.3%	6.4%	6.4%	1.1	1.0	1.1	1.2	42.1%
Fletcher Building	N	$7.13	5.8%	6.3%	6.7%	6.7%	1.7	1.6	1.6	1.6	14.7%
Trustpower	U	$7.23	5.9%	6.2%	5.2%	3.3%	0.8	1.4	1.0	1.0	38.5%
Steel and Tube	N	$1.65	2.7%	6.2%	6.5%	6.3%	1.7	1.4	1.4	1.4	-7.3%
Argosy Property	N	$1.57	6.1%	6.1%	6.4%	6.4%	1.2	1.2	1.2	1.1	49.0%
Precinct Properties	O	$1.62	6.0%	6.1%	6.3%	6.4%	1.0	1.0	1.1	1.1	48.4%
NZ Rural Land Co	O	$1.15		6.0%	6.9%	7.8%		1.3	1.2	1.0	60.1%
PGG Wrightson	N	$5.39	7.2%	5.7%	5.8%	6.1%	0.8	1.1	1.1	1.1	6.1%
Contact Energy	B	$7.86	5.5%	5.7%	5.7%	6.7%	0.7	0.7	0.5	0.6	33.3%
Michael Hill	B	$1.50	4.4%	5.4%	6.4%	6.4%	2.8	1.5	1.4	1.4	-37.7%
Fonterra	N	$3.72	5.4%	5.4%	6.2%	7.5%	1.7	1.7	1.6	1.3	55.3%
Chorus	N	$7.04	5.0%	5.0%	5.0%	6.4%	0.4	0.3	0.2	0.3	264.3%
Meridian Energy	O	$4.61	4.9%	4.9%	5.1%	5.3%	0.5	0.7	0.7	0.7	33.3%
NZX	N	$1.76	4.9%	4.9%	5.3%	5.4%	1.0	1.0	1.0	1.0	23.6%
Scales Corporation	N	$5.43	4.9%	4.9%	4.9%	4.9%	1.0	1.0	0.9	1.2	-29.5%
Vector	S	$4.01	4.6%	4.6%	4.6%	4.6%	1.1	1.0	0.9	0.9	156.6%
Vital Healthcare	U	$3.15	4.2%	4.5%	4.6%	4.9%	1.3	1.3	1.3	1.2	51.8%
Freightways	N	$12.75	3.6%	4.2%	5.3%	5.6%	1.3	1.1	1.1	1.1	48.3%
Property For Industry	U	$2.92	3.9%	4.0%	4.2%	4.2%	1.2	1.4	1.3	1.3	36.8%
Skellerup	B	$6.15	3.3%	3.9%	4.3%	4.7%	1.2	1.2	1.2	1.2	8.8%
Mercury	O	$6.07	3.9%	3.8%	5.0%	5.2%	0.7	0.5	0.5	0.5	43.0%
Kathmandu	B	$1.44	3.5%	3.8%	5.7%	6.7%	1.9	1.7	1.7	1.7	-6.5%
Sky Network Television	O	$2.41		3.5%	9.9%	10.4%		0.9	1.6	1.5	-12.5%
Oceania Healthcare	O	$1.26	2.6%	3.3%	4.4%	5.1%	1.7	1.8	1.8	1.8	43.6%
Goodman Property	U	$2.57	3.1%	3.1%	3.3%	3.7%	1.3	1.3	1.3	1.3	22.7%
Port of Tauranga	S	$6.60	2.8%	3.1%	3.2%	3.3%	1.1	1.1	1.1	1.1	34.8%
Arvida	N	$1.88	2.8%	2.8%	3.5%	4.2%	1.8	2.3	2.2	2.2	34.1%
Sky City	O	$3.03	3.2%	2.8%	6.4%	7.8%	1.7	1.2	1.2	1.2	36.4%
Z Energy	N	$3.57	5.4%	2.8%			0.0	1.4			60.0%
AFT Pharmaceuticals	O	$4.33		2.5%	6.0%	6.8%		2.0	1.3	1.3	34.0%
Infratil	N	$8.16	2.5%	2.5%	2.6%	2.7%	-1.2	0.8	0.4	0.4	45.8%
Ebos	O	$39.98	2.3%	2.3%	3.0%	3.2%	1.4	1.5	1.4	1.4	24.0%
Comvita	O	$3.78	1.5%	2.2%	3.6%	3.6%	3.4	3.0	2.2	1.7	-1.0%
Mainfreight	O	$88.90	1.1%	1.9%	2.1%	2.8%	2.5	2.4	2.4	1.9	2.1%
Delegat's Group	O	$14.30	1.9%	1.8%	1.8%	2.1%	3.2	3.3	3.4	3.3	45.5%
Fisher & Paykel Healthcare	N	$30.40	1.7%	1.8%	1.8%	1.9%	2.4	1.7	1.5	1.7	-10.6%
Ryman Healthcare	S	$11.50	1.9%	1.6%	2.2%	2.6%	2.0	2.6	2.5	2.5	75.3%
Summerset	O	$12.88	1.0%	1.4%	1.8%	2.1%	3.4	3.4	3.3	3.3	41.3%
Sanford	S	$5.00		1.2%	2.5%	3.7%		4.1	2.9	2.3	27.7%
Auckland Airport	U	$7.50			1.3%	2.8%			1.3	1.3	18.5%
Air New Zealand	S	$1.50				4.0%				1.4	3.1%
a2 Milk	N	$5.72									-55.6%
Eroad	O	$4.91									4.0%
Gentrack	N	$1.95				1.9%				1.1	-10.2%
Metro Performance Glass	B	$0.36			3.8%	12.9%			2.8	1.6	53.9%
New Zealand King Salmon	U	$1.26			1.1%	2.2%			3.6	4.3	23.2%
New Zealand Refining Company	N	$0.98									30.8%
Pacific Edge	N	$1.25									-97.7%
Pushpay	O	$1.23									-5.1%
Restaurant Brands	U	$14.65									50.5%
Serko	N	$6.01									-52.6%
Synlait	N	$3.49									49.0%
Vista Group	O	$2.18				0.6%				1.9	-32.6%
MEDIAN			**2.8%**	**3.8%**	**4.6%**	**5.1%**	**1.2**	**1.3**	**1.3**	**1.3**	**34.1%**

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

JARDEN'S NZ INCOME REFERENCE PORTFOLIO

AS AT 31ST DECEMBER 2021

Ticker	Company Name	Weight	Sector
CEN	Contact Energy	9.6%	Utilities
CNU	Chorus	8.4%	Communication
EBO	Ebos Group	8.1%	Health Care
FRE	Freightways	9.9%	Industrials
HGH	Heartland Group	9.2%	Financials
IFT	Infratil	8.9%	Utilities
KMD	Kathmandu	8.0%	Consumer Discretionary
PCT	Precinct Properties	5.8%	Real Estate
SCL	Scales Corporation	8.0%	Consumer Staples
SKL	Skellerup	7.8%	Industrials
SPG	Stride Property Group	6.9%	Real Estate
SPK	Spark NZ	9.4%	Communication
		100.0%	

OBJECTIVES

- To provide direct investment in lower risk, higher yielding New Zealand equity securities, maximising stock and sector diversification. Performance is measured relative to the S&P/NZX50 Portfolio Index Gross with.
- To recommend an investment strategy which is relatively passive in nature and has a medium-term focus.

BENEFITS

- Provision of a structured and diversified portfolio for individuals to gain exposure to high-yielding, New
- Zealand equities.
- Low fee structure. It is envisaged that ongoing transaction fees will be minimal, given the passive strategy of the portfolio.
- Jarden Securities Limited (Jarden) does not manage the portfolio once selected, and accordingly no Management fees are payable to Jarden.

INVESTMENT PROCESS

- Jarden recommends the portfolio and provides historical performance data for it. However, the data must be seen as historical only and is not necessarily an indicator of future performance.
- The Jarden Investment Committee meets monthly to review stock selection and strategy.
- The results of the Jarden Investment Committee deliberations will be reflected in the recommended portfolio and communicated along with monthly portfolio performance updates.

PERFORMANCE

	Div Yield %*	PE Ratio (x)	Gross Returns %					Volatility
	Pros	Pros	Dec-21	3 month	1 year	3 year pa	5 year pa	(5 years)
Portfolio	4.9	33.7	5.1	1.9	15.1	16.0	13.2	14.8
Benchmark**	4.4	27.3	3.3	-2.1	0.0	14.7	14.6	11.3
Reference***	n/a	26.6	4.1	0.5	1.7	10.9	10.4	15.1

Company Name	30 Nov	31 Dec	PE Ratios (x)		Div Yield %*		Gross Returns %			
	Price ($)	Price ($)	Pros	Pros +1	Pros	Pros +1	1 Month	1 Year	3 Year pa	5 Year pa
Contact Energy	7.85	8.10	31.5	42.6	5.5	5.5	3.2	-4.2	17.3	17.2
Chorus	6.69	7.17	74.7	82.4	4.7	4.9	7.2	-5.0	19.0	17.2
Ebos Group	36.45	41.20	55.3	34.6	2.3	2.9	13.0	46.9	29.7	22.1
Freightways	12.60	12.85	29.3	23.7	4.2	5.2	2.0	32.4	23.8	16.9
Hearland Group	2.21	2.52	15.8	14.9	6.6	7.2	14.0	61.0	28.2	16.3
Infratil	7.87	8.00	52.3	103.9	3.2	3.4	2.8	12.9	33.9	27.4
Kathmandu	1.47	1.52	18.8	12.5	3.6	5.4	3.4	22.7	-2.6	8.3
Precinct Properties	1.56	1.67	24.6	21.4	6.0	6.2	7.4	-1.4	8.1	10.7
Scales Corporation	5.32	5.60	32.6	25.2	4.7	4.7	7.7	20.4	13.2	15.3
Skerllerup	6.09	6.34	27.6	24.2	3.8	4.1	4.1	79.3	50.3	36.2
Stride Property Group	2.08	2.11	19.9	18.8	7.0	7.1	1.4	-6.1	8.5	8.8
Spark NZ	4.60	4.52	19.9	18.0	7.5	7.7	-1.7	3.6	10.0	12.7

JARDEN'S AUSTRALIAN EQUITIES

Optimism dominated financial markets at the end of 2020 following the discovery of multiple new vaccines and a growing sense that 2021 would be the year of recovery. While broad indexes were not quite as volatile, performance has been somewhat muted for the year, albeit positive overall. Yet with plenty of winners and losers across the markets, here is a quick recap of where the sectors have performed over the last 12 months.

2021 Winners

Communications - up 24.4% (2020 down 0.2%)

Comms were buoyed by a strong turnaround in Telstra after the telecommunications giant delivered results in line with guidance and is projecting earnings growth in FY22. The sector has delivered the best overall performance on the ASX.

Consumer Discretionary - up 18.6% (2020 up 8.0%)

COVID-19 government support and a lack of travel spending have seen the consumer discretionary sector continue to perform strongly following on from its solid performance in 2020, where online electronics and homewares were among the standouts of the pandemic's retail revolution.

Real Estate - up 18.4% (2020 down 10.0%)

With the outbreak of COVID-19, the Australian real estate market was hit heavily, although the rebound is well underway with solid performances by industry heavyweights including Goodman Group, Charter Hall, GPT Group and Dexus, among others.

Financials - up 16.2% (2020 down 8.9%)

The Australian economy has recovered from the 2020 lows, and with many banks having over-provisioned for COVID-19 losses, they were in a position to reduce these provisions and grow their books further in a renewing real estate market. Coupled with APRA allowing a return to more desired dividend levels, financial stocks performed strongly in 2021.

Industrials - up 6.7% (2020 down 14.0%)

After airlines, airports and travel stocks unsurprisingly suffered heavily in 2020, government stimulus and easing restriction throughout the year saw toll road operators and manufacturing and processing stocks in particularly receive some reprieve for the sector.

Consumer Staples - up 6.1% (2020 up 3.6%)

Individual stocks were mixed as strong performances in heavyweights like Wesfarmers, Woolworths and Endeavour Group, were offset by a continued slump in formula stocks like A2 Milk and Synlait.

Materials - up 3.5% (2020 up 12%)

While still positive for the year, Materials dropped from a top-performing sector over one year in the June quarter to among the worst in the September quarter, as a regulatory crackdown in China and challenges in the Chinese property sector dampened the demand for much of Australia's key resources.

Healthcare - up 0.5% (2020 up 2.5%)

Healthcare has had to come to grips with the lasting effects of COVID-19 and has experienced a wave of disruption and innovation at levels not seen before. Consequently, gains and losses have been quite mixed across both large and small-cap players.

2021 Losers

Energy - down 6.9% (2020 down 32.1%)

Despite surging oil and gas prices, the sector continued to remain under pressure as consumption remains restricted. An ultimately short-lived rally in September and October secured Energy's position as the worst performer for the second year in a row.

Technology - down 5.0% (2020 up 55.6%)

Australian technology stocks were the darlings of 2020, although tides have shifted as fears of higher interest rates strained valuations, putting the sector into the second worst position for 2021.

Utilities - down 4.5% (2020 down 21.6%)

Dragged down by dismal performances from AGL and Meridian Energy, the Utilities sector continued its trend as one of the worst affected by the COVID pandemic.

JARDEN'S AUSTRALIAN'S LISTED COMPANIES – EQUITY RANKINGS AS AT 21ST JANUARY

RANKED BY DISCOUNT / PREMIUM TO VALUATION

LARGEST DISCOUNTS		LARGEST PREMIUMS	
PointsBet Holdings Limited	-61.1%	Altium Limited	44.8%
Sezzle Incorporated	-59.0%	Arena REIT	19.3%
ZIP Co Limited	-56.0%	BWP Trust	15.4%
Nitro Software Limited	-52.2%	National Storage REIT	14.5%
Afterpay Limited	-51.8%	Lovisa Holdings Limited	14.2%
Macmahon Holdings Limited	-48.6%	Nick Scali Limited	14.0%
Harmoney Corporation Limited	-48.5%	Beacon Lighting Group Limited	11.4%
Temple and Webster Group Limited	-46.4%	Computershare Limited	10.2%
Emeco Holdings Limited	-45.7%	ASX Limited	9.1%
Pact Group Holdings Limited	-41.2%	Netwealth Group Limited	7.9%

RANKED BY FY22 NORMALISED P/E

LOWEST RATIOS		HIGHEST RATIOS	
BlueScope Steel Limited	3.9	Janus Henderson Group	1299.3
Resmed Incorporated	5.0	Transurban Group Limited	300.2
Healius Limited	5.5	Temple and Webster Group Limited	116.0
Emeco Holdings Limited	6.4	Wisetech Global Limited	107.3
Macmahon Holdings Limited	6.7	Altium Limited	103.4
Beach Energy Limited	7.5	IDP Education Limited	100.8
NRW Holdings Limited	7.9	The Star Entertainment Group Limited	86.8
Sims Limited	8.1	Adore Beauty Group Limited	76.4
Autosports Group Limited	8.1	HUB24 Limited	71.6
Magellan Financial Group Limited	9.1	Netwealth Group Limited	62.6

RANKED BY EPS GROWTH (CAGR) FY21-23

LOWEST RETURN		HIGHEST RETURN	
Redbubble Limited	-56.6%	Senex Energy Limited	166.5%
Cooper Energy Limited	-50.0%	Estia Health Limited	136.3%
ZIP Co Limited	-47.5%	Woodside Petroleum Limited	113.4%
Telix Pharmaceuticals Limited	-33.9%	IDP Education Limited	94.7%
Afterpay Limited	-31.8%	Santos Limited	80.2%
Super Retail Group Limited	-23.0%	HUB24 Limited	68.4%
Kogan.com Limited	-18.1%	Xero Limited	66.3%
Harvey Norman Holdings Limited	-16.1%	Nitro Software Limited	63.6%
Sonic Healthcare Limited	-15.9%	Lovisa Holdings Limited	59.3%
Platinum Asset Management Limited	-15.7%	SEEK Limited	53.6%

RANKED BY FY22 EV/EBITDA

LOWEST RATIOS		HIGHEST RATIOS	
Lovisa Holdings Limited	0.1	HUB24 Limited	8272.8
Nitro Software Limited	0.3	Netwealth Group Limited	146.8
IDP Education Limited	0.7	Afterpay Limited	81.0
Adore Beauty Group Limited	0.9	Flight Centre Travel Group Limited	28.2
Altium Limited	1.1	National Storage REIT	25.8
Carsales.com Limited	1.9	Centuria Industrial REIT	24.7
Adairs Limited	1.9	ELMO Software Limited	24.6
BlueScope Steel Limited	2.0	Abacus Property Group	24.0
Regis Healthcare Limited	2.0	Charter Hall Long Wale REIT	23.3
The Reject Shop Limited	2.0	GPT Group	22.7

RANKED BY FY22 RETURN ON EQUITY

LOWEST RETURN		HIGHEST RETURN	
Telix Pharmaceuticals Limited	-302.0%	Qantas Airways Limited	181.6%
Nitro Software Limited	-133.0%	Lovisa Holdings Limited	84.1%
Sezzle Incorporated	-118.1%	IDP Education Limited	59.7%
PointsBet Holdings Limited	-41.7%	Nick Scali Limited	53.6%
Redbubble Limited	-19.9%	Domino's Pizza Enterprises Limited	45.3%
ELMO Software Limited	-19.0%	Regis Healthcare Limited	43.4%
Flight Centre Travel Group Limited	-18.3%	Magellan Financial Group Limited	40.6%
Sydney Airport Limited	-16.3%	Adairs Limited	35.8%
Harmoney Corporation Limited	-10.2%	Eagers Automotive Limited	34.0%
Afterpay Limited	-10.0%	Coles Group Limited	33.8%

RANKED BY PEG RATIO*

LOWEST RATIOS		HIGHEST RATIOS	
BlueScope Steel Limited	0.10	Janus Henderson Group	95.59
Woodside Petroleum Limited	0.15	Wesfarmers Limited	35.43
Estia Health Limited	0.15	Bank of Queensland Limited	32.95
Senex Energy Limited	0.23	Pact Group Holdings Limited	28.18
Sims Limited	0.23	BWP Trust	13.35
Resmed Incorporated	0.24	Adore Beauty Group Limited	9.15
Westpac Banking Corporation	0.30	Brambles Limited	8.55
Emeco Holdings Limited	0.31	ASX Limited	7.94
Healius Limited	0.31	Woolworths Group Limited	7.93
Homeco Daily Needs REIT	0.32	CSL Limited	7.66

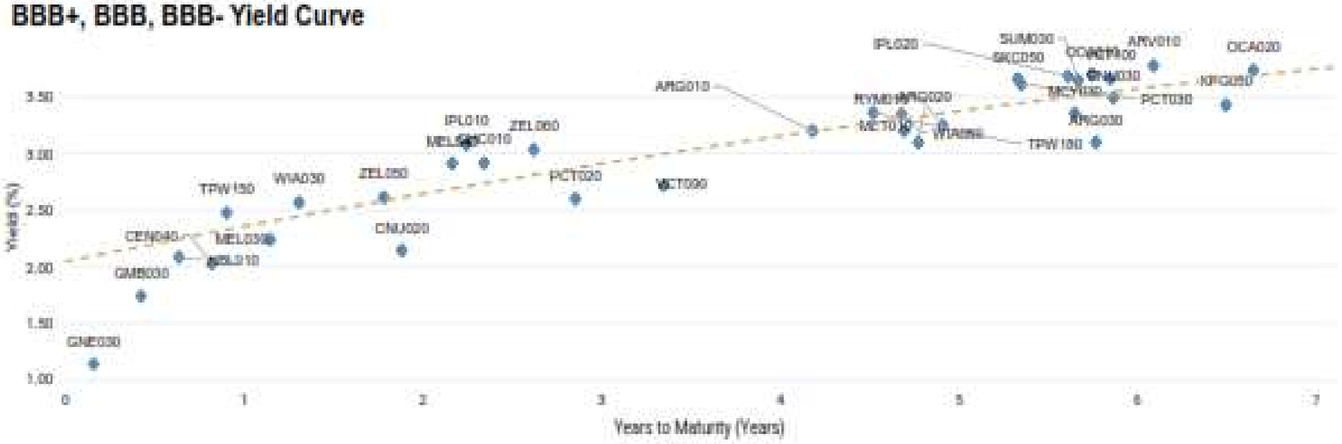
JARDEN'S AUSTRALIAN EQUITY PERFORMANCE

AS AT 21ST JANUARY 2022

COMPANY	PRICE (AU$)	PE RATIO 2022F	RETURN ON ASSETS		RETURN ON EQUITY		EV/EBITDA
			2022F	2023F	2022F	2023F	2022F
Abacus Property Group	3.55	18.8	3.4%	3.4%	5.0%	5.1%	24.0
Adore Beauty Group Limited	3.36	76.4	6.3%	6.8%	10.7%	11.7%	0.9
Adairs Limited	3.94	9.7	14.9%	17.0%	35.8%	37.6%	1.9
Aristocrat Leisure Limited	42.96	29.6	5.2%	9.2%	12.5%	18.5%	5.4
ALS Limited	12.84	25.5	7.1%	9.8%	16.7%	21.9%	4.2
Altium Limited	39.09	103.4	18.2%	20.5%	26.6%	29.7%	1.1
Atlas Arteria Limited	6.51	21.9	5.4%	7.2%	7.8%	10.4%	11.3
Amcor Public Limited	17.15	21.3	6.0%	6.4%	22.0%	22.5%	4.8
AMP Limited	0.97	10.5	-1.0%	0.2%	-8.6%	1.4%	n.m
Australia & New Zealand Banking Group L	28.58	13.9	0.6%	0.6%	9.7%	10.0%	n.m
Eagers Automotive Limited	13.09	12.2	8.8%	5.8%	34.0%	18.7%	3.0
Arena REIT	4.77	29.3	4.3%	4.2%	5.8%	5.9%	19.9
Autosports Group Limited	2.15	8.1	4.5%	3.6%	10.8%	8.6%	5.3
ASX Limited	87.95	34.1	3.0%	3.0%	13.1%	13.6%	n.m
Aventus Group Limited	3.21	15.8	4.2%	4.2%	5.7%	5.7%	20.2
Accent Group Limited	2.20	20.2	5.3%	7.0%	13.6%	17.6%	4.0
Aurizon Holdings Limited	3.63	13.3	5.1%	5.1%	11.8%	11.8%	5.3
Bendigo and Adelaide Bank Limited	9.00	12.7					
Beacon Lighting Group Limited	3.12	19.5	12.5%	9.7%	29.0%	21.6%	2.8
Bank of Queensland Limited	8.02	11.9					
Beach Energy Limited	1.48	7.5	8.4%	6.8%	12.9%	10.7%	3.7
BlueScope Steel Limited	19.78	3.9	17.3%	13.3%	27.0%	19.6%	2.0
Bravura Solutions Limited	2.25	15.0	8.1%	8.2%	11.4%	11.6%	4.4
BWP Trust	4.04	22.4	4.0%	4.0%	4.9%	4.9%	21.5
BWX Limited	3.59	25.8	3.7%	4.7%	4.9%	6.2%	8.2
Brambles Limited	10.18	28.0	6.5%	6.4%	21.1%	19.9%	3.4
Carsales.com Limited	21.99	32.1	13.6%	14.6%	19.7%	21.0%	1.9
Commonwealth Bank of Australia	98.61	20.3					
City Chic Collective Limited	5.03	37.8	9.6%	11.8%	14.6%	17.9%	2.8
Costa Group Holdings Limited	2.99	24.3	3.6%	6.4%	8.7%	15.0%	5.6
Challenger Limited	6.09	14.7	1.5%	1.3%	8.9%	7.8%	n.m
Charter Hall Group	17.58	16.2	13.0%	11.0%	17.1%	13.9%	4.7
Centuria Industrial REIT	3.82	21.0	3.1%	3.3%	4.6%	5.0%	24.7
Collins Foods Limited	11.88	23.9	4.3%	4.6%	14.2%	14.9%	2.9
Class Limited	2.60	41.3	4.4%	6.7%	10.8%	17.4%	2.4
Charter Hall Long Wale REIT	4.90	15.9	3.5%	3.4%	5.2%	5.1%	23.3
Centuria Capital Group Limited	3.06	22.8	4.7%	5.1%	6.8%	7.5%	10.3
Centuria Office REIT	2.22	12.3	4.4%	4.6%	7.1%	7.5%	18.2
Cochlear Limited	195.53	46.4	10.9%	12.9%	15.4%	18.2%	2.8
Coles Group Limited	16.32	21.3	5.5%	5.8%	33.8%	33.7%	3.5
Computershare Limited	20.67	38.9	2.1%	3.8%	5.5%	10.0%	5.5
Charter Hall Social Infrastructure	3.78	21.7	3.8%	3.9%	5.1%	5.2%	21.9
Charter Hall Retail REIT	4.15	14.8	4.2%	4.1%	5.9%	5.8%	19.6
CSL Limited	271.25	54.6	11.9%	13.2%	24.0%	24.7%	3.6
Cleanaway Waste Management Limited	3.05	34.3	3.5%	4.5%	6.8%	8.7%	6.7
Domain Holdings Australia Limited	5.01	59.6	3.7%	4.9%	4.9%	6.5%	9.2
Domino's Pizza Enterprises Limited	104.04	44.2	8.4%	10.0%	45.3%	49.3%	3.7
Dexus	10.84	15.7	4.1%	4.1%	5.9%	6.0%	19.2
Endeavour Group Limited	6.38	24.7	5.0%	5.9%	13.0%	15.1%	6.2
Estia Health Limited	2.21	21.0	1.5%	1.9%	4.3%	5.0%	8.6
Emeco Holdings Limited	0.95	6.4	8.0%	8.3%	14.0%	13.7%	3.1
Goodman Group	22.85	28.8	7.7%	7.9%	9.7%	9.9%	10.1
GPT Group	5.30	18.1	3.5%	3.8%	5.2%	5.4%	22.7
Homeco Daily Needs REIT	1.35	15.7	3.7%	4.1%	6.0%	6.7%	21.5
Healthia Limited	2.24	20.0	4.7%	5.7%	9.4%	11.3%	6.4
Healius Limited	4.68	5.5	11.8%	4.6%	24.5%	9.4%	2.3
Home Consortium Limited	7.47	28.5	8.7%	8.3%	9.0%	8.9%	6.8
HUB24 Limited	28.55	71.6	0.0%	0.0%	0.0%	0.0%	8272.8
Harvey Norman Holdings Limited	5.06	11.9	7.8%	7.5%	13.3%	12.5%	5.2
Insurance Australia Group Limited	4.41	21.2	1.8%	2.9%	8.8%	13.5%	n.m.
Integral Diagnostics Limited	4.33	24.1	4.9%	6.0%	12.3%	14.3%	5.9
IDP Education Limited	31.86	100.8	13.4%	23.0%	59.7%	85.9%	0.7
Insignia Financial Limited	3.54	10.1	2.4%	3.4%	4.4%	6.2%	6.9
Ingenia Communities Group Limited	5.77	23.0	4.7%	5.7%	6.4%	7.8%	17.3
IPH Limited	8.30	21.6	9.8%	11.0%	15.5%	17.3%	3.4
JB Hi-Fi Limited	48.18	12.7	12.8%	10.5%	30.4%	23.7%	2.1
Janus Henderson Group	53.27	1299.3	9.9%	10.4%	13.7%	14.4%	n.m.
Kogan.com Limited	7.23	42.3	2.4%	5.5%	5.3%	11.2%	3.8
Lynch Group Holdings Limited	3.26	12.0	8.4%	8.7%	13.5%	13.9%	4.7
Lifestyle Communities Limited	17.84	40.3	8.8%	14.1%	21.4%	37.7%	16.8
Lovisa Holdings Limited	18.18	45.9	12.4%	15.3%	84.1%	89.0%	0.1
Macmahon Holdings Limited	0.18	6.7	4.6%	4.9%	9.8%	9.9%	2.6
Magellan Financial Group Limited	20.00	9.1	31.1%	26.1%	40.6%	36.9%	n.m.
Mirvac Group	2.81	18.0	3.9%	3.9%	5.7%	6.0%	18.4
Monadelphous Group Limited	9.50	16.3	6.8%	8.4%	13.7%	16.9%	2.7
Medibank Private Limited	3.28	20.8	10.9%	11.6%	22.0%	22.7%	n.m.
Metcash Limited	4.12	14.1	5.4%	5.8%	23.6%	24.1%	3.8
National Australia Bank Limited	28.70	15.1					
Nick Scali Limited	14.36	16.1	12.1%	10.5%	53.6%	44.7%	3.1
Nib Holdings Limited	6.70	21.3	8.5%	8.5%	19.7%	19.1%	n.m.
National Storage REIT	2.52	26.5	3.0%	3.1%	4.1%	4.3%	25.8
NRW Holdings Limited	1.79	7.9	8.2%	8.2%	17.7%	17.1%	2.5
Netwealth Group Limited	16.46	62.6	0.0%	0.0%	0.1%	0.1%	146.8
Orora Limited	3.51	18.9	6.9%	7.0%	25.0%	24.1%	3.9
Pendal Group Limited	5.30	9.4	12.1%	12.6%	14.8%	15.1%	n.m.
Pact Group Holdings Limited	2.47	10.4	4.0%	4.5%	17.1%	17.7%	5.0
Premier Investments Limited	27.76	20.5	9.3%	9.4%	13.4%	13.4%	2.7
Perpetual Limited	35.60	14.5	5.8%	9.1%	10.6%	16.2%	n.m.
Platinum Asset Management Limited	2.56	13.3	23.9%	20.1%	31.3%	30.8%	n.m.
Peter Warren Automotive Holdings Limite	2.91	9.2	7.0%	6.6%	25.5%	20.1%	4.5
QBE Insurance Group Limited	12.05	22.5	1.4%	2.1%	8.1%	11.1%	n.m.

Issuer	NZDX Code	Coupon	Maturity Date	CPN Freq	Credit Rating	Type	Min. Size	Best Offer Yield	Best Price/ $100	Best Indicative Volume	Total Depth Within 10 BP
Genesis Power	GNE030	4.140	18/03/2022	2	BBB+	Senior	5,000	1.143	101.90	1,000,000	3,139,000
GMT Bond Issuer	GMB030	5.000	23/06/2022	2	BBB+	Senior	5,000	1.740	101.77	24,000	165,000
Heartland Bank	HBL010	4.500	8/09/2022	4	BBB	Senior	5,000	2.085	102.07	1,000,000	2,341,000
Air New Zealand	AIR020	4.250	28/10/2022	2	BBB	Senior	5,000	-	-	-	-
Contact Energy	CEN040	4.630	15/11/2022	4	BBB	Senior	5,000	2.027	102.97	130,000	130,000
TrustPower	TPW150	4.010	15/12/2022	4	BBB-(NR)	Senior	5,000	2.477	101.79	140,000	146,000
Meridian Energy	MEL030	4.530	14/03/2023	2	BBB+	Senior	5,000	2.241	104.20	216,000	226,000
Wellington Intl Airport	WIA030	4.250	12/05/2023	2	BBB	Senior	10,000	2.570	102.99	100,000	100,000
Summerset	SUM010	4.780	11/07/2023	4	BBB-(NR)	Senior	5,000	-	-	-	-
GMT Bond Issuer	GMB050	4.000	1/09/2023	2	BBB+	Senior	5,000	-	-	-	-
Kiwi Property Group Limited	KPG020	4.000	7/09/2023	2	BBB+	Senior	5,000	-	-	-	-
Z Energy	ZEL050	4.320	1/11/2023	4	BBB-(NR)	Senior	5,000	2.613	102.76	11,000	11,000
Meridian Energy	MEL040	4.880	20/03/2024	2	BBB+	Senior	5,000	2.915	105.77	23,000	81,000
Heartland Bank	HBL020	3.550	12/04/2024	4	BBB	Senior	5,000	-	-	-	-
Investore Property	IPL010	4.400	18/04/2024	4	BBB(NR)	Senior	5,000	3.080	102.91	29,000	29,000
Christchurch International Airport	CHC010	4.130	24/05/2024	2	BBB+	Senior	5,000	2.916	103.41	50,000	50,000
GMT Bond Issuer	GMB040	4.540	31/05/2024	2	BBB+	Senior	5,000	-	-	-	-
Wellington Intl Airport	WIA040	4.000	5/08/2024	2	BBB	Senior	10,000	-	-	-	-
Contact Energy	CEN050	3.550	15/08/2024	4	BBB	Senior	5,000	-	-	-	-
Z Energy	ZEL060	4.000	3/09/2024	4	BBB-(NR)	Senior	5,000	3.035	102.99	219,000	219,000
Precinct Properties	PCT020	4.420	27/11/2024	2	BBB+(NR)	Senior	5,000	2.600	105.66	7,000	7,000
Property for Industry	PFI010	4.590	28/11/2024	4	BBB(NR)	Senior	5,000	-	-	-	-
Kiwi Property Group Limited	KPG030	4.330	19/12/2024	2	BBB+	Senior	5,000	-	-	-	-
Vector Limited	VCT090	3.450	27/05/2025	4	BBB	Senior	5,000	2.720	102.87	9,000	9,000
Wellington Intl Airport	WIA050	5.000	16/06/2025	2	BBB	Senior	10,000	-	-	-	-
Meridian Energy	MEL050	4.210	27/06/2025	2	BBB+	Senior	5,000	-	-	-	-
Summerset	SUM020	4.200	24/09/2025	4	BBB-(NR)	Senior	5,000	-	-	-	-
Property for Industry	PFI020	4.250	1/10/2025	4	BBB(NR)	Senior	5,000	-	-	-	-
Kiwi Property Group Limited	KPG040	4.060	12/11/2025	2	BBB+	Senior	5,000	-	-	-	-
Argosy Property	ARG010	4.000	27/03/2026	4	BBB+(NR)	Senior	5,000	3.200	103.42	11,000	11,000
Trustpower	TPW160	3.350	29/07/2026	4	BBB-(NR)	Senior	5,000	3.362	99.86	53,000	53,000
Wellington Intl Airport	WIA070	2.500	14/08/2026	2	BBB	Senior	10,000	-	-	-	-
Mercury NZ	MCY040	2.160	29/09/2026	2	BBB+	Senior	5,000	-	-	-	-
Metlifecare	MET010	3.000	30/09/2026	4	BBB-(NR)	Senior	5,000	3.200	99.33	70,000	70,000
Argosy Property	ARG020	2.900	29/10/2026	4	BBB+(NR)	Senior	5,000	3.100	99.04	80,000	80,000
Ryman Healthcare	RYM010	2.550	18/12/2026	4	BBB-(NR)	Senior	5,000	3.250	97.10	249,000	249,000
SkyCity Entertainment	SKC050	3.020	21/05/2027	4	BBB-	Senior	5,000	3.660	97.44	30,000	554,000
Precinct Properties	PCT030	2.850	28/05/2027	2	BBB+(NR)	Senior	5,000	3.613	96.77	250,000	250,000
Investore Property	IPL020	2.400	31/08/2027	4	BBB(NR)	Senior	5,000	3.685	93.89	60,000	85,000
Mercury NZ	MCY030	1.560	14/09/2027	2	BBB+	Senior	5,000	3.355	91.42	1,000,000	1,620,000
Summerset	SUM030	2.300	21/09/2027	4	BBB-(NR)	Senior	5,000	3.650	93.35	10,000	50,000
Oceania Healthcare	OCA010	2.300	19/10/2027	4	BBB-(NR)	Senior	5,000	3.700	92.63	80,000	80,000
Argosy Property	ARG030	2.200	27/10/2027	4	BBB+(NR)	Senior	5,000	3.100	95.23	10,000	10,000
Vector Limited	VCT100	3.690	26/11/2027	4	BBB	Senior	5,000	3.662	100.74	1,000,000	2,000,000
Chorus	CNU030	1.980	2/12/2027	4	BBB	Senior	5,000	3.495	92.30	1,000,000	2,010,000
Arvida Group	ARV010	2.870	22/02/2028	4	BBB-(NR)	Senior	5,000	3.779	95.58	250,000	250,000
Kiwi Property Group Limited	KPG050	2.850	19/07/2028	2	BBB+	Senior	5,000	3.430	96.69	20,000	20,000
GMT Bond Issuer	GMB0928	2.262	4/09/2028	2	BBB+	Senior	50,000	-	-	-	-
Oceania Healthcare	OCA020	3.300	13/09/2028	4	BBB-(NR)	Senior	5,000	3.735	97.84	1,000,000	1,080,000
Chorus	CNU020	4.350	6/12/2028	4	BBB	Senior	5,000	2.145	114.63	1,000,000	1,000,000
Trustpower	TPW170	3.970	22/02/2029	4	BBB-(NR)	Senior	5,000	-	-	-	-
Wellington Intl Airport	WIA060	4.000	1/04/2030	2	BBB	Senior	10,000	-	-	-	-
GMT Bond Issuer	GMB0930	2.559	4/09/2030	2	BBB+	Senior	50,000	-	-	-	-
Chorus	CNU040	2.510	2/12/2030	4	BBB	Senior	5,000	3.710	91.35	1,000,000	2,000,000
Wellington Intl Airport	WIA080	3.320	24/09/2031	2	BBB	Senior	10,000	3.350	100.87	10,000	10,000

BBB+, BBB, BBB- Yield Curve



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A REMINDER THAT I AM ALWAYS LOOKING FOR A HANDFUL OF PEOPLE WHO ARE PREPARED TO ADVERTISE IN MY NEWSLETTER

ADVERTISING OPTIONS – SIZES & PRICING

My newsletters are usually produced monthly or bi-monthly, and emailed to a database of over 700 subscribers (currently at no charge).

Full A4 page advert (260mm H x 180mm W)
$300.00+GST
$210.00+GST Discounted Rate/insertion (minimum 4 insertions)

½ page advert (120mm H x 180mm W)
$200.00+GST
$140.00+GST Discounted Rate/insertion (minimum 4 insertions)

¼ page advert (120mm H x 85mm W)
$150.00+GST
$105.00+GST Discounted Rate/insertion (minimum 4 insertions)

1/5 page strip advert (50mm H x 180mm W)
$140.00+GST
$100.00+GST Discounted Rate/insertion (minimum 4 insertions)

Biz Card advert (50mm H x 85mm W)
$100.00+GST
$70.00+GST Discounted Rate/insertion (minimum 4 insertions)

Discounted rate
If you contract for a minimum of 4 insertions, then the "Discounted Rate" is applicable.

Supplied Artwork
Please enquire if you require artwork designed for you.

Deadlines: Copy to Andrew by agreement – Digitally to andrew@vond.co.nz