Andrew von Dadelszen

Volume 80

Bay Brokers Limited

Ph: 07-578 7453 Mobile: 021-762 440 Email: andrew@vond.co.nz

INVESTMENT STRATEGIES

June 2023

LABOUR'S DEVISIVE AGENDA

Labour has driven New Zealand into being a highly divisive society with its race relations stance. The 'meant to be' secret "He Puapua" revealed just where Willie Jackson, and his all too powerful Labour Māori Caucus, was trying to lead New Zealand into an apartheid regime where Māori have their own Parliament, along with special rights. This document gave New Zealanders a very good indicator of the aspirations of this Labour Government. He Puapua is highly divisive and to oppose it doesn't make you racist.

SMART INVESTORS TIME THE MARKET

There remains global uncertainty but global sharemarkets are showing exceptional resilience. The US Tech sector has shown stellar performance, with double digit gains, both year-to-date and also over the past 5 years (see matrix).

Smart investors will stay invested, albeit that they will review and tweak their portfolios at least annually. New Zealand investors have historically enjoyed much higher dividends (when compared with both global alternatives and local bank interest rates), but inflation is currently diminishing these margins.

The tide appears to be receding for Labour, but political uncertainty remains, so expect further volatility to continue. My advice is to pick your stocks carefully, and use opportunities for increasing your investment – rather than selling down your portfolio.

VERSUS

NZ50 INDEX – 1 YEAR

CONTENTS PAGE

STATISTICS NZ DATA

Estimated population at 2-June-23 **5,188,009**

Population: 1950: 1,911,608 2000: 3,855,266

Births less Deaths Dec-22 year ↑ **20,400**

Māori population Estimate Dec-22 (17.4% of nat pop) **891,600**

Net Migration Feb-23yr (In: 152,900 ↑108% out: 100,900 ↑41%) **52,000**

Immigration by country Mar-23 yr India: 21,800 China: 17,600 Philippines: 17,500 South Africa: 7,400 Australia: 6,800

Migrant Departures China: 5,700 India: 4,900 Australia: 4,800 United Kingdom: 4,800 USA: 3,000

Annual GDP Growth Dec-22 year **2.4%**

Quarterly GDP Dec-22 quarter **-0.6%**

Inflation Rate (CPI) March-23 year (Down from 7.2%) **6.7%**

Grocery Food Inflation April-23 year **12.5%**

NZ Govt Debt at 31-Dec-2022 CEIC Data **$139 bn**

Debt per person (public+private) 2022 (↑9%yoy) **$140,861**

Minimum Wage (up $1.50 from 1st April 2023) **$22.70**

Living wage 1-April-23 **$26.00**

Average hourly earning increase Sept-22 ↑ **7.4%**

Annual Wage Inflation Mar-23 Year ↑ (3.4% in Jun yr) **4.3%**

Wages average per hour Mar-23 qtr (↑7.4% yoy) **$39.01**

Employment rate Sept-22 qtr (↑0.8% since Jun-22) **69.5%**

Unemployment Mar-23 year **3.4%**

Beneficiaries (Job seeker/Solo/Supported living) **345,417**

(11.0% of working-age population – down0.1%, as at 31-Mar-23)

Jobseeker Support numbers 5.4% (Mar-18 118,753 4.0%) **168,498**

Size of Māori Economy 2020 (2013: $42bn) **$70 bn**

Size of NZ Economy (NZ GDP) Mar-23 year **$380 bn**

SHAREMARKETS	CODE	YTD	5 YR/pa
New Zealand	**^NZ50**	**3.0%**	**14.3%**
Australia	^AXJO	0.9%	5.0%
United Kingdon	^FTSE	0.1%	1.2%
US - Dow Jones	^DJI	-0.5%	13.3%
US - S&P500	^GSPC	9.3%	17.4%
US - NASDAQ	^IXIC	24.2%	27.9%

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

LOCAL GOVT LOSES ANOTHER COUNCIL

The West Coast Regional Council is the latest local authority to drop its paid membership of Local Government New Zealand (LGNZ) – the body that represents New Zealand councils. This follows Auckland City Council doing the same thing not long after Wayne Brown was elected Mayor.

In 2022, the West Coast Regional Council put LGNZ on notice that it may not renew its annual membership. This year's annual invoice of $36,372 excluding GST failed to get backing at a council meeting on Tuesday.

While there was evidence LGNZ could give value to the council on 'big picture' policy affecting councils, "the Three Waters debacle" still rankled. "*We don't feel we've been represented*," Gibson said.

LGNZ needs to apologise for taking money from the Government in return for agreeing not to oppose Three Waters. They need to make clear that never again will they do this, and that their job is to promote the views of Councils to the Government not vice-versa.

INFOMETRICS QUARTERLY ECONOMIC MONITOR FOR BAY OF PLENTY – TO MARCH 2023

Provisional estimates suggest GDP grew 3.2%pa in the Bay of Plenty over the Mar-23 year. The region's economy was bolstered by strong growth across the professional services, health care, and transport industries.

Bay of Plenty had strong consumer spending, up 8.2%pa according to Marketview data. The strong growth in consumer spending was supported by a growing workforce, with employment in Bay of Plenty up 2.1%pa over the Mar-23 year. Higher spending levels were also supported by a growing population, as health enrolments (a proxy for population growth) increased 1.0%pa.

Bay of Plenty's tourism recovered from pandemic lows in the Mar-23 year, with tourism expenditure and guest nights up 16% and 35%pa respectively. Tourism expenditure totalled nearly $1.2bn in the Mar-23 year, an increase of over $154m compared to the 2019 year.

The downturn of the national housing market continued to push down house values and house sales activity in Bay of Plenty, with average values down 9.2%pa in the Mar-23 quarter, and house sales down 28%pa over the Mar-23 year.

The downturn of the housing market, combined with rising interest rates, softened Bay of Plenty's construction sector in the Mar-23 year, with residential and non-residential consents falling 24% and 7.4%pa respectively.

Bay of Plenty's aggregate dairy payout is expected to fall $124m from $1,082m in the 2021/22 season to $958m in the 2022/23 season.

Indicator	Bay of Plenty Region	New Zealand
Annual Average % change		
Gross domestic product (provisional)	3.2 % ▲	2.9 % ▲
Consumer spending	8.2 % ▲	11.6 % ▲
Employment (place of residence)	2.1 % ▲	2.2 % ▲
Jobseeker Support recipients	-6.9 % ▼	-9.4 % ▼
Tourism expenditure	16.1 % ▲	30.5 % ▲
Guest nights	35.3 % ▲	52.0 % ▲
Health enrolments	1.0 % ▲	0.6 % ▲
Residential consents	-24.3 % ▼	-7.9 % ▼
Non-residential consents	-7.4 % ▼	11.1 % ▲
House values *	-9.2 % ▼	-11.4 % ▼
House sales	-27.7 % ▼	-27.6 % ▼
Car registrations	-25.2 % ▼	-16.2 % ▼
Commercial vehicle registrations	-38.5 % ▼	-31.6 % ▼
Level		
Unemployment rate	4.0 %	3.4 %

* Annual percentage change (latest quarter compared to a year earlier)

OUR POLITICAL CLIMATE

BUDGET PREDICTABLY VERY POLITICALLY DRIVEN

Labour's blowout Budget is a mess, but not unexpected. Spending has blown-out to $137 billion this year - an extra $28,000 for every household.

Core Crown tax revenue is forecast to continue growing from the 2023/24 year onwards, broadly in line with the economy. However, this growth is slower than expected at the *Half Year Update*.

Core Crown expenses are forecast to increase in each year of the forecast period. This increase in part reflects the impact from the Government's Budget 2023 operating package of $4.8 billion per annum and funding announced for future Budgets, which have been increased to $3.5 billion over the subsequent three Budgets. The establishment of the National Resilience Plan contingency, which will assist with the rebuild back from the severe weather events, is expected to lift core Crown expenses by $0.6 billion. In addition, the indexation of the main benefit types and increased recipient numbers from demographic changes increase benefit payments over the forecast period.

2023 BUDGET - TREASURY PREDICTIONS

EXPENDITURE ($millions)	2018A	2019A	2020A	2021A	2022A	2023F	2024F	2025F	2026F	2027F
Social security and welfare	25,999	28,740	44,028	36,759	42,860	41,808	44,623	47,236	49,044	51,163
Health	17,159	18,268	19,891	22,784	27,781	29,527	28,653	29,387	30,827	32,278
Education	13,629	14,293	16,322	16,039	18,023	18,850	19,383	19,432	19,235	19,301
Core government services[1]	4,670	5,166	6,083	5,754	5,720	6,626	6,548	5,796	6,040	5,579
Law and order	4,184	4,625	4,911	5,202	5,444	6,252	6,337	6,189	6,201	6,181
Transport and communications	2,559	2,889	3,179	5,656	4,657	6,196	5,206	4,554	4,589	4,278
Economic and industrial services	2,732	3,006	3,988	4,481	8,078	3,962	3,955	3,406	3,396	3,359
Defence	2,251	2,395	2,499	2,664	2,832	2,984	3,178	3,223	3,239	3,233
Heritage, culture and recreation	850	918	1,106	1,420	1,468	1,678	1,433	1,345	1,370	1,332
Primary services	807	960	961	1,015	949	1,463	1,142	1,136	1,084	1,032
Housing and community development	552	727	1,015	1,813	2,033	2,913	2,879	2,301	2,224	2,015
Environmental protection	1,238	1,119	1,485	1,906	2,549	3,182	2,768	2,635	2,496	2,488
GSF pension expenses[1]	150	66	73	99	94	59	56	54	52	50
Other	299	96	63	254	269	117	237	325	326	326
Finance costs[1]	3,497	3,691	3,228	1,918	2,884	6,278	7,462	7,971	8,210	8,648
Forecast new operating spending	..	..	..	..	..	..	5,731	7,169	10,085	12,242
Top-down operating expense adjustment	..	..	..	..	..	(3,700)	(2,600)	(900)	(800)	-700
Core Crown expenses	**80,576**	**86,959**	**108,832**	**107,764**	**125,641**	**128,195**	**136,991**	**141,259**	**147,618**	**152,805**

2023 BUDGET - TREASURY PREDICTIONS

June years	2022A	2023F	2024F	2025F	2026F	2027F
Real production GDP (annual average % change)	1.1	3.2	1.0	2.1	3.1	2.9
Unemployment rate (June quarter)	3.3	3.7	5.0	5.3	4.9	4.8
CPI Inflation (annual % change)	7.3	6.2	3.3	2.6	2.3	2.1
Current account (annual, % of GDP)	(8.0)	(7.8)	(5.9)	(4.6)	(4.1)	(3.8)
Total Crown OBEGAL[1] ($ billion)	(9.7)	(7.0)	(7.6)	(3.6)	0.6	3.2
% of GDP	(2.7)	(1.8)	(1.8)	(0.8)	0.1	0.7
Net debt[2] ($ billion)	61.9	71.0	91.2	94.7	85.3	89.2
% of GDP	17.0	18.0	22.0	21.7	20.7	18.4

[1] Operating balance before gains and losses [2] A series of net core Crown debt

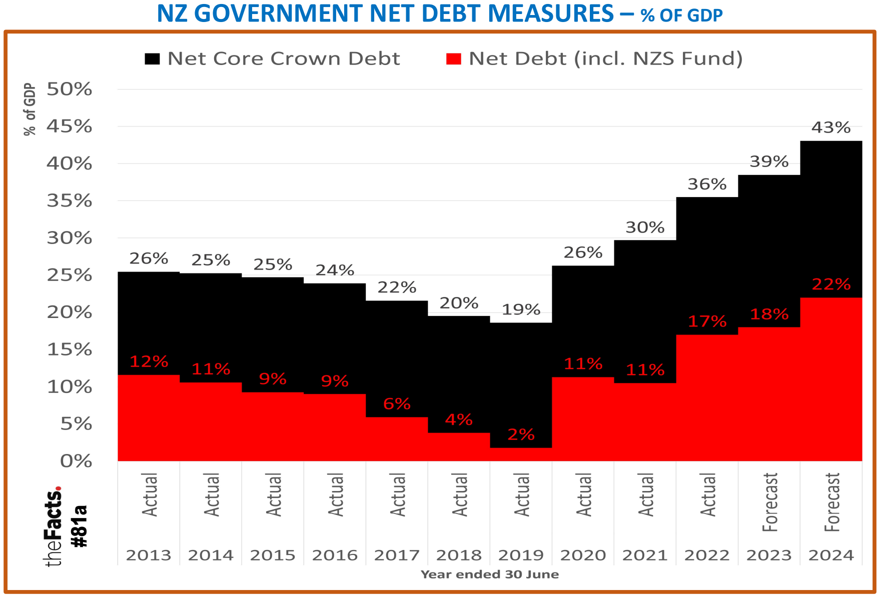
2023 BUDGET - WELFARE BENEFIT EXPENSES

Beneficiary numbers (Thousands)	2018A	2019A	2020A	2021A	2022A	2023F	2024F	2025F	2026F	2027F
New Zealand Superannuation	741	767	795	825	848	870	898	926	956	987
Jobseeker Support and Emergency Benefit	129	139	162	211	193	178	195	202	196	191
Supported living payment	96	95	96	97	98	103	104	105	105	105
Sole parent support	60	59	61	66	70	73	75	76	76	73
Accommodation Supplement	285	295	318	364	353	349	367	379	377	376
Total: Non Superannuation Beneficiaries	**570**	**588**	**637**	**738**	**714**	**703**	**741**	**762**	**754**	**745**
% increase in Beneficiaries		**3%**	**8%**	**16%**	**-3%**					

2023 BUDGET - WELFARE BENEFIT EXPENSES

($millions)	2018A	2019A	2020A	2021A	2022A	2023F	2024F	2025F	2026F	2027F
New Zealand Superannuation	13,699	14,562	15,521	16,569	17,764	19,523	21,629	23,212	24,699	26,406
Jobseeker Support and Emergency Benefit	1,697	1,854	2,285	3,224	3,330	3,480	4,136	4,477	4,532	4,609
Supported living payment	1,541	1,556	1,650	1,826	2,047	2,310	2,520	2,656	2,767	2,871
Sole parent support	1,117	1,115	1,231	1,455	1,704	1,912	2,085	2,238	2,311	2,323
Family Tax Credit	1,639	2,131	2,189	2,103	2,017	2,165	2,284	2,349	2,334	2,406
Other working for families tax credits	556	635	641	585	519	469	489	449	433	427
Accommodation Assistance	1,204	1,640	1,923	2,302	2,386	2,350	2,449	2,533	2,553	2,570
Income-Related Rents	890	974	1,071	1,202	1,323	1,320	1,577	1,842	1,944	1,972
Disability Assistance	379	386	395	409	412	429	440	440	446	452
Cost of living payment	..	..	..	..	..	656	..	..	..	..
Covid leave support	..	..	..	..	471	329	20	..	..	..
Winter energy	..	441	669	812	513	519	538	553	562	570
Best start	..	48	184	271	308	324	339	347	347	354
Orphan's/Unsupported Child's Benefit	165	225	248	293	313	347	368	378	383	386
Hardship Assistance	355	300	418	479	497	679	756	853	901	934
Paid Parental Leave	288	369	422	503	603	630	677	710	760	805
Childcare Assistance	196	183	144	145	132	144	187	193	199	203
Veteran's Support Entitlement1	93	90	66	..	..	..	..	..	..	..
Veteran's Pension	163	153	145	139	134	132	132	129	124	121
Wage Subsidy Scheme		..	12,095	1,197	4,689	..	..	..	..	..
Other benefits2	23	27	11	157	25	114	122	121	138	136
Benefit expenses	24,005	26,689	41,308	33,671	39,187	37,832	40,748	43,480	45,433	47,545

NZ GOVERNMENT NET DEBT MEASURES – % OF GDP

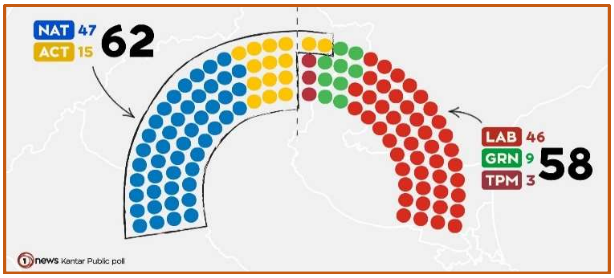


NOTE: In the 2022 Budget, a new way to measure net debt was introduced called "Net Debt." It subtracts the value of the NZ Super Fund.

LATEST POLITICAL POLLS

ONE NEWS/KANTAR POLL - MAY 2023				
Party	Vote	Change*	Seats	Change**
National	37%	3%	47	14
Labour	35%	(1.0%)	46	(19)
Act	11%	nc	15	5
Green	7.0%	(4.0%)	9	(1)
Maori	2.4%	(0.2%)	3	1
NZ First	3.0%	nc	-	-
TOP	1.0%	nc	-	-
* Change from March 2023 ** Change since election				
Polling Period: 20th to 24th May 2023				

SEATS IN PARLIAMENT – MAY 2023



CURIA/TAXPAYERS' UNION MAY 2023 POLL				
	Vote	Change*	Seats	Change**
National	35.6%	(0.9%)	46	13
Labour	33.8%	(3.1%)	44	(21)
Act	12.7%	3.2%	16	6
Green	7.0%	0.3%	9	(1)
Māori	3.7%	0.8%	5	3
NZ First	2.6%	nc	-	-
Other	4.5%	(0.3%)	-	-
* Change from March ** Change since election				
Polling Period: 2nd to 7th May2023				

NATIONAL'S POLICY ANNOUNCEMENTS SO FAR:

- Tackle inflation and lower the cost of living by restoring fiscal discipline, providing tax relief for hardworking Kiwis and reducing red tape.
- Provide up to $75 per week in tax rebates to help families with the cost of childcare.
- Unlock land for housing, build infrastructure and incentivise councils to allow for more housing.
- Deliver more nurses and midwives by incentivising more Kiwis to study nursing and midwifery, and voluntary bonding to keep graduates in New Zealand.
- Back our farmers to do what they do best by delivering smarter farming rules, reduce bureaucratic red tape and supercharge the rural economy.
- Drive a surge of investment into renewable electricity generation to double our supply of affordable, clean energy.
- Extend free breast cancer screening for those aged up to 74 years.
- Make sure our kids are getting the skills they need to succeed by requiring schools to spend an average of an hour a day on reading, an hour a day on writing, and an hour a day on maths.
- Repeal and replace Three Waters with a model that will restore local ownership and control of water assets, improve water quality and ensure water services are financially sustainable.
- Crack down on crime with bootcamps to set serious young offenders on a more productive path.
- Back our police to tackle gangs by giving them the tools to disrupt gang activity and stop gang members accessing guns.
- Get young people off welfare and into work with intensive support, and sanctions and incentives, for Jobseekers.

ACT'S ALTERNATIVE BUDGET

- Two tier tax system of 17.5% on first $70,000 and 28% thereafter.
- Increase capitation grants to GPs by 13%.
- 50% of GST on new homes to go to Councils.
- Increase defence spending to 2% of GDP.
- Shrink public service back to 2017 levels and index pay to inflation.
- Increase super age to 67, and then index to life expectancy.
- Index benefits (including Super) to inflation not average wages.
- Abolish fees free tertiary subsidies.
- Abolish corporate welfare programmes.
- Means test KiwiSaver subsidies and Winter Energy Payments.
- Abolish four ministries, an office and the Human Rights Commission.
- Sell 49% of remaining SOEs and 100% of Landcorp.

ACT's budget was fully costed and balanced.

NATIONAL'S FISCAL DISCIPLINE INITIATIVES

Luxon has announced three initiatives to improve fiscal discipline.

This Government has managed to increase spending by $50 billion a year yet produce worse outcomes. It can't continue and these are all good initiatives. They are:

- Treasury required to report annually on the performance of major programmes to demonstrate whether they are achieving results.
- Every taxpayer will receive a "Taxpayer's Receipt" from Inland Revenue, showing taxes paid and government payments received including Working for Families and benefit payments. It will breakdown where taxpayers' money has been spent, eg education, health, and welfare.
- Public sector chief executives and their deputies will have their pay linked to achievement in order to encourage high performance and ensure accountability.

The issue for Luxon was that it missed the mark on "a distinctive soundbite". Luxon is a smart Leader but he needs to acquire "media cut-though". "Tax Receipts" just didn't do it for me.

PETER DUNNE – BUDGET 2023 ANALYSIS

Budget 2023 was a traditional election-year Budget, reeking of safety and responsibility, with just a little hint of things to come should voters be grateful enough to re-elect the Govt. It is an open secret Labour's yet-to-be-announced tax policy is likely to include a capital gains tax and some form of wealth tax to keep the Greens and Te Pāti Māori on side.

But by keeping potential major tax changes and major industry subsidy projects outside the scope of this year's Budget, Finance Minister Grant Robertson and his colleagues have thumbed their noses at the bipartisan Budget process so carefully developed over recent years.

2023 GIVES CLARITY ON WHO PAYS FOR AUCKLAND'S CITY RAIL LINK

Despite some pushback, the $1bn cost blowout on the City Rail Link project will be split 50/50 between the Auckland Council and central government, the Budget has revealed. The pandemic, staffing issues, inflation and the supply chain breakdown had been blamed for the 25% budget blowout, which will see the project delivered in 2025, a year later than expected.

The project had originally been approved at $4.4bn by the council and the Government in 2019. It is now estimated to cost $5.5bn. Auckland Mayor Wayne Brown had previously implied the council expected or wanted central government to stump up more than half its share of the bill.

PRIME MINISTER COULDN'T ANSWER "HOW MUCH THE GOVERNMENT SPENT THIS YEAR!

To illustrate the incompetency of the current Labour Government with regards to the economy, when asked how much the Government would spend this year, Chris Hipkins had no idea.

The reality is that net debt has gone from $5.4 billion in 2019, to $78.7 billion this year. Volent crime has seen a 30% increase since 2017. Ram raids a 500% increase since 2017. With pathetic consequences for crimes under its soft on crime Labour government's justice system, criminals are just laughing at our judicial system.

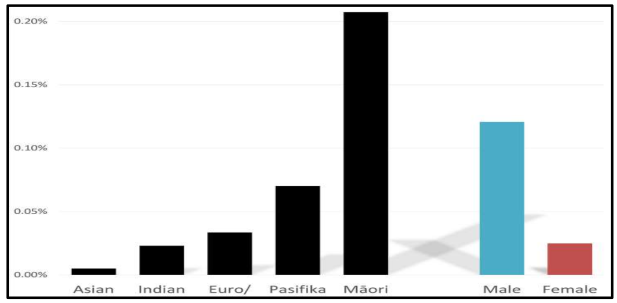
WE HAVE DEVELOPED A DEEP-SEATED DEPENDENCY CULTURE

This government has created a dependency culture which has become embedded into New Zealand's society. When a person is first given something they appreciate it, but very quickly this moves to a feeling of entitlement. This quickly moves to a culture of dependency.

When you add a dysfunctional education system to this, we very quickly will slip into "third world" territory. Central Government should strive to empower people through employment, lending, and investing, using grants sparingly to reinforce achievements. Initiatives must be restructured to reinforce self-sufficiency. In community building, the ones driving the changes must be members of the community. If our government controls everything from Wellington then the community will never change, be strengthened, or advance its capacity to deal with its own problems, solutions, and development.

VIOLENT CRIME OFFENDING PER CAPITA

BY ETHNICITY & SEX, POLICE PROCEEDINGS, JAN-FEB 2023

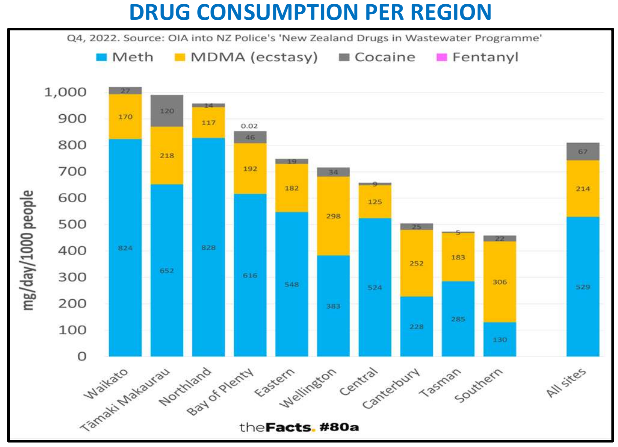


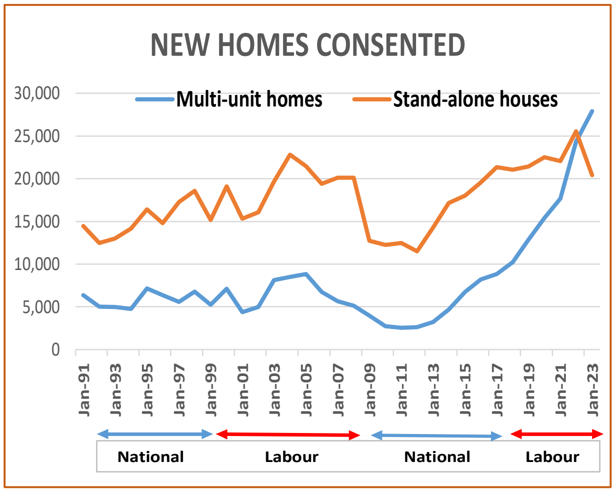
VIOLENT CRIME OFFENDERS = 50% MĀORI, 83% MALE

Demographic	Violent crime proceedings	% of violent crime	% of population
Asian	28	0.7%	10.7%
Indian	71	1.9%	6.0%
European and Other	1,233	32.8%	71.5%
Pasifika	329	8.7%	9.1%
Māori	1,879	49.9%	17.6%
Ethnicity not stated	224	6.0%	-
Male	3,114	82.7%	-
Female	650	17.3%	-
TOTAL	3,764	100%	115%

Crime is a huge concern in the Bay of Plenty, where we boast New Zealand's largest Port. Ganga numbers continue to rise – a result of the 501's being deported from Australia. These 501's are into "organised crime" and are using the Port of Tauranga as a key entry point for illicit drug imports. The bay of Plenty is suffering a huge crime wave, instilled by gangs as they influence our youth in the criminal world.

DRUG CONSUMPTION PER REGION





Consented homes aren't built homes and there is a lag between consenting and building. However, this graph shows that Labour is absolutely wrong in continuing to blame National for not building homes during their time in office.

The bottom line is that Stand alone homes has been relatively flat through the last two Labour Governments.

GREENS NOT INTERESTED IN THE BAY

It's interesting to see that the Greens have no interest at all in Tauranga, Bay of Plenty, Rotorua or Coromandel. I don't understand their strategy of trying to take Labour seats, clearly though it's all about the party vote. They have just released their 2023 list. The Green Party list for the 2023 election is:

1. Marama Davidson (list only)
2. James Shaw (list only)
3. Chlöe Swarbrick (Auckland Central)
4. Julie Anne Genter (Rongotai)
5. Teanau Tuiono (Palmerston North)
6. Lan Pham (Banks Peninsula)
7. Golriz Ghahraman (Kelston)
8. Ricardo Menéndez March (Mount Albert)
9. Steve Abel (New Lynn)
10. Hūhana Lyndon (Te Tai Tokerau)
11. Fa'anānā Efeso Collins (Panmure-Ōtāhuhu)
12. Scott Willis (Taieri)
13. Darleen Tana (Tāmaki Makaurau)
14. Kahurangi Carter (Christchurch Central)
15. Celia Wade-Brown (Wairarapa)
16. Dr. Lawrence Xu-Nan (Epsom)
17. Francisco Hernandez (Dunedin)
18. Benjamin Doyle (Hamilton West)
19. Mike Davidson (Ilam)
20. Stephanie Rodgers (Ōhāriu)
21. Suveen Sanis Walgampola (Mount Roskill)
22. Dave Kennedy (Southland)
23. Gina Dao-McLay (Mana)
24. Reina Tuai Penney (Northland)
25. Nick Ratcliffe (Tukituki)
26. Dr. Alexander McNeil (Kaikōrua)
27. Richard Wesley (Wigram)
28. Neelu Jennings (Hutt South)
29. Rochelle Francis
30. Sapna Samant (Maungakiekie)
31. Kair Lippiatt

LABOUR ATTACKS NATIONAL ON SUPER

Labour launched its election year Congress by taking aim National's policy to raise the super age to 67, saying people will miss out on more than $50,000 – and they said that figure will be much higher if Act's policy to cap KiwiSaver subsidies was added.

The question to ask "Is Superannuation at 65 going to be affordable longer term? Labour's argument questions National's commitment to the NZ Super Fund – having previously cut Government contributions to it through the 2008 Global Financial Crisis.

NATIONAL URBAN HOUSING POLICY

Chris Bishop outlines this policy, which will mean more houses get built in New Zealand, he said. Housing has been a public policy disaster for New Zealand with huge social and economic ramifications - the sad case of Loafers Lodge is a symbol of our collective failure. Labour has made things worse in the last six years, not better.

New Zealand is desperately short of houses. We are not short of land, but a broken planning and infrastructure funding system has artificially constrained housing growth, contributing to New Zealand's status as one of the least affordable housing markets in the world.

According to the OECD, over the last 20 years New Zealand has experienced faster growth in real house prices than any other developed country. As of 2020, we had the highest ratio of housing costs to disposable income.

Our housing shortage manifests in different ways; from very high prices for first home and other buyers, poor quality, increasing rents, and growing demand for social housing which has resulted in over 3,500 families living in motels and more than 400 living in their cars. The government spends nearly $4 billion each year on housing subsidies. Our housing shortage particularly affects low-income households.

Ending New Zealand's housing shortage is critical for New Zealand's future. Our collective failure to build enough houses in the past 30 years has significantly impacted almost every aspect of New Zealand society – low productivity, social inequity, financial instability, and the government's books.

NATIONAL'S NEW PLAN INCLUDES:

- **Unlocking land for housing** – Councils in major towns and cities will be required to zone land for 30 years' worth of housing demand immediately. Councils will have more flexibility about where houses are built by being able to opt-out of the Medium Density Residential Zone law, however central government will reserve powers to ensure councils set aside enough land to meet demand targets. Our policy smashes urban limits that have inflated land values artificially and driven very high house prices.

- **Infrastructure financing tools** – The Infrastructure Funding and Financing (IFF) Act will be reformed to reduce red tape for developers to fund infrastructure. Combined with targeted rates to fund greenfield developments, this will remove the need for councils to fund greenfield infrastructure from their balance sheets. Housing growth will also become a priority for transport funding through NZTA
- **Housing performance incentives for councils** – A $1 billion fund for Build-for-Growth incentive payments for councils that deliver more new housing – funded by stopping existing programmes like KiwiBuild.

  Councils will be eligible for $25,000 for every dwelling they consent above average of new consents in the previous five years. In the case of Auckland, this means the Council would have been eligible for a payment of $152 million last year. Other councils that did not exceed their five-year average, like Tauranga, would not have been eligible for a payment.

HOW BUILD-FOR-GROWTH WILL BE FUNDED

To support Build-for-Growth, National will close KiwiBuild (now called the Buying off the Plan programme) and the Affordable Housing Fund, end Kāinga Ora's land acquisition programme, and remove any remaining funding from the Housing Acceleration Fund.

National will allocate all remaining funds from the programmes below to Build-for-Growth incentives, which is expected to total around $1 billion. Additional future funding may become available if councils over-achieve their growth targets and those funds are exhausted.

Existing Programme	Savings ($M)
Affordable Housing Fund	235
Buying off the Plan	272
Kāinga Ora Land Programme	219
Housing Acceleration Fund	410
Total	**1,134**

National's Housing Plan consists of 5 critical elements to get more houses built across the housing continuum:

i. **Going for Housing Growth** – this plan will unlock land for housing, intensify transport corridors, build infrastructure, and support communities.

ii. **Improving the rental market** – restoring interest deductibility, taking the bright-line test back to two years, unlocking Build-to-Rent as an asset class, and sensible changes to NZ's tenancy laws to incentivise landlords into the market.

iii. **Resource Management Act reform** – it will simplify planning rules and make resource consents for houses cheaper and faster.

iv. **Building Act reform** – it will simplify the rules around building houses and increase competition in the building materials market.

v. **Supercharging social housing** – it will back NZ's community housing sector to grow and provide warm and dry homes to Kiwis in need.

IS $150M SUBSIDY TO AUSTRALIAN OWNED NZ STEEL JUSTIFIED?

The $300m joint investment by NZ Steel and the Government to electrify two furnaces at its Glenbrook steel mill is a big deal because the 800,000 tonnes of emissions removed will represent 45% of NZ Steel's current emissions, 1% of NZ's annual emissions and 5.3% of the emissions cuts NZ needs to achieve under its 2026-2030 carbon budget.

It should be recognised that NZ Steel is now 100% by ASX listed and Australia's largest manufacturer Bluescope Group.

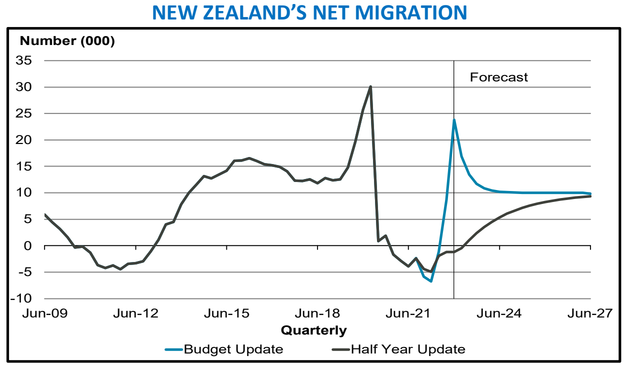
This deal will eliminate carbon equivalent to taking 300,000 cars off New Zealand roads - but the question still to be answered is what new renewables will be built as a result of this big spend. NZ Steel has agreed in principle to a 30MW, 10-year electricity supply agreement with Contact Energy, aiding Contact's existing plans to invest $1.1bn in renewable generation. Chief executive Mike Fuge says that's equal to 5% of the country's current electricity supply.

But if this simply offsets the cost of Contact's existing plans, then it's taking a cut out of the country's renewable electricity supply, rather than expanding it.

MIGRATION AND VISITOR ARRIVALS

Treasury assumptions for migration and visitor arrivals indicate that border arrivals and departures have surged since border restrictions eased in 2022, with border flows in the last 12 months totalling 7.4 million, up from 1.8 million over the entire COVID-19 period.

NEW ZEALAND'S NET MIGRATION



Net migration in the four months to February 2023 totalled around 37,000, partially reflecting the release of pent-up demand as border restrictions lifted. The Treasury now expects net migration to peak in mid-2023, before falling to and staying at an average of 40,000 per year from 2024 onwards. Compared to the Half Year Update, net migration returns much quicker and is around 80,000 cumulatively higher over the forecast period.

Net migration will boost the supply of labour, but it will also boost demand for labour by increasing aggregate demand in the economy. The net impact will vary across industries. Some industries will find that the recent surge in migration helps to ease acute labour shortages that have developed in recent times, particularly export industries that do not rely on domestic demand. However, our expectation is that the demand-boost from migration will slightly outweigh the supply-boost when assessed across the whole economy. Consequently, surging net migration has contributed to the view that unemployment will peak lower than expected at the Half Year Update, and that wage growth will be strong.

NATIONAL HAS ALWAYS SUPPORTED MĀORI LABOUR – NOT SO MUCH

Since 1972, great New Zealand leaders have tried to begin honouring the promises of the English text of the Treaty of Waitangi and also the vague "principles of the Treaty" defined by the courts.

National governments tended to focus more on providing choice, property rights and on addressing the theft of land after 1840.

In education, for example, after strong lobbying by Māori leaders, it was the Muldoon Government that first funded Te Kohanga Reo, and the Bolger Government that first funded Te Kura Kaupapa Māori and Wānanga. Likewise, the Bolger Government launched the historic settlement process over land confiscations and began respecting Māori property rights in everything from fisheries to radio spectrum.

Labour's record is more mixed

Labour has tended to see Treaty settlements as a subset of social policy, feeling more politically constrained than National on restoring property rights and has focused more on bureaucratic processes. It got itself into terrible trouble trying to confiscate the foreshore and seabed, something Tariana Turia, Chris Finlayson and John Key later resolved.

Key's Government also made good progress on co-governance of rivers and what were called national parks, and of Ninety Mile Beach and Auckland volcanic cones. In contrast, Labour tends to worry about the membership of panels to make board appointments and ever-more wasteful bureaucracies like the Māori Health Authority.

Those Pākehā who worry about such moves are overconfident in the ability of any bureaucracy or public-sector board to deliver anything to anyone, one way or the other.

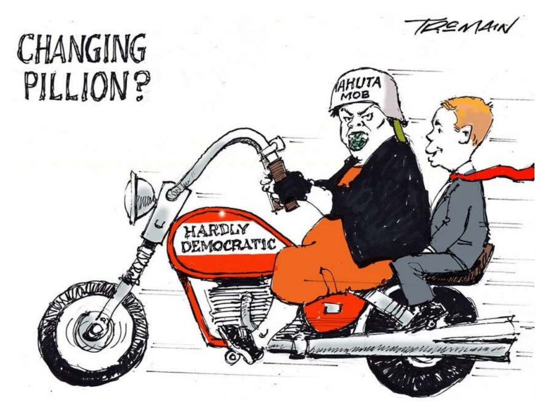
Te Pāti Māori's view

Te Pāti Māori (TPM) believes that governments and the courts have preferred to talk of the "principles" of the Treaty, rather than the texts, not to advantage Māori but to maintain the legitimacy of the settler state. Thus, TPM and its supporters have shifted to argue that the original texts should be used.

What's more, TPM says, Te Tiriti o Waitangi, being in the language of the party that didn't do the drafting, should be authoritative when resolving ambiguity. TPM argues that the chiefs who signed Te Tiriti just wanted Queen Victoria to control the Pākehā traders, settlers and clerics; European ship deserters and escaped criminals from Australia. They argue that the chiefs never intended that the Queen would govern them, let alone that they were trading away sovereignty. Less clear is why Māori then also wanted, and Te Tiriti granted, "the same rights and duties of citizenship as the people of England".

TPM's vision, outlined on their website, is to "liberate" Māori from the settler state, to "fiercely advocate for the interests of our whānau, hapū and iwi" and to "realise the true intent of Te Tiriti".

The chiefs, TPM asserts, understood they would retain sovereignty over all of Aotearoa. As people of the land, people of the sea and the guardians of both, they would continue to control its law and resources. Under the Māori principle of hospitality, settlers would be welcome, with the Queen's role limited to keeping them under control – yeah right.



NATIONAL STILL BEING TAKING BAIT FROM HIPKINS

Five months out from the election, Peter Dunne argues in Newsroom Pro that there is no real sense of what a National-led government might do in office. Even when the party has tried to differentiate itself from Labour it has made a complete botch of things, he says – the prescription charges debacle must be the year's worst political miscalculation so far.

"National is being defined by what it appears to be against – rather than what it is for."

MIKE HOSKING: CRIME IS OUT OF CONTROL

POLICE MINISTER GINNY ANDERSEN IS A DISGRACE TO THE OFFICE

SOURCE: NZ Herald, 25-May-23

OPINION: I [Mike Hosking] am confined to a few hundred words here so my planned list of the weekend's crime activities will need to be shortened quite considerably. But we have an excellent selection of ram raids, attacks and burglaries - and the ensuing outpouring of anger, grief and despair…

[no need to include his quoted cases – we all read and hear it on a daily basis].

Of those arrested, more than half never got to court. Of those who did, barely a third got a sentence … and you wonder why they go back for more.

We all know the story about the Government's approach to prison - that's why the numbers are down 20%; they've been let out, they've got ankle bracelets, and the absconding on bracelets is up 90%.

Fortunately, we have the relatively new Police Minister who sees what none of us do: a) that crime isn't up apparently, it's just being reported more she says; and b) we feel safer because there are (almost) 1800 more cops on the beat.

This Government has said a lot of elaborate and straight up and down nonsense in the past six years, but Ginny Andersen and her brass neck on crime has got to be in serious contention for the most spectacular bout of gaslighting yet.

And in her outlandish and outrageous untruths around crime is the cold hard reality of a two-term Government.

The trouble with the facts is they catch up with you. In the early days you can say things like you will build 100,000 houses in 10 years, and you will put more police on the streets, and you will grow the economy, and put in light rail and build cycle bridges. That's why term one is always the easiest, you get to blame the last lot and also explain away any non-delivery by suggesting the best is yet to come, and it's still early days.

I know no one who feels safer. I know no one who thinks the police are adequately resourced and attend to crime in the way we would expect.

In our wider family alone in the last year, we have dealt with several break-ins, several threats (death and otherwise) via social media, an assault in the city centre and a home invasion. Not one of these has been attended to in anywhere close to what you would once have expected … not from the police, and because the police didn't always do what they once might have, not by the judicial process either.

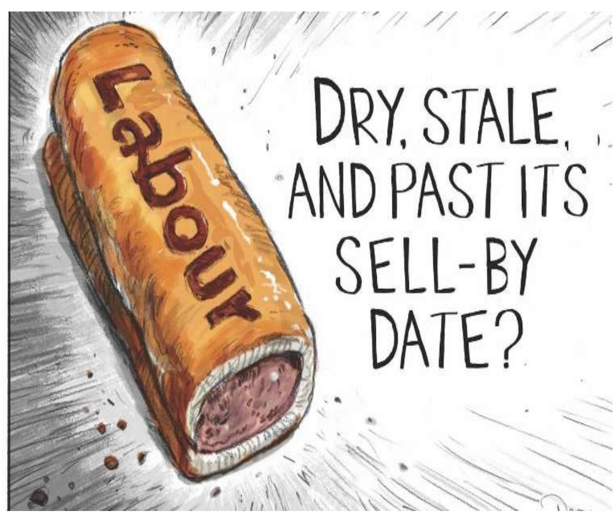
From our experience, to get: a) the police at your place at pace; b) an interest that will lead to an investigation; c) an arrest; d) charges that lead somewhere; and e) an actual sentence which might involve an element of deterrence, you'd be better off at the TAB putting $50,000 on Moana Pasifika to win Super Rugby.

The simple truth is people are scared and, if they're not scared, they are furious. This is not the New Zealand we know, or the New Zealand we like and want for our kids.

Crime is rampant, the thugs are violent, the gangs are growing, the police are over-worked, the judicial system is either asleep or under instruction, and the minister is a disgrace to the office.

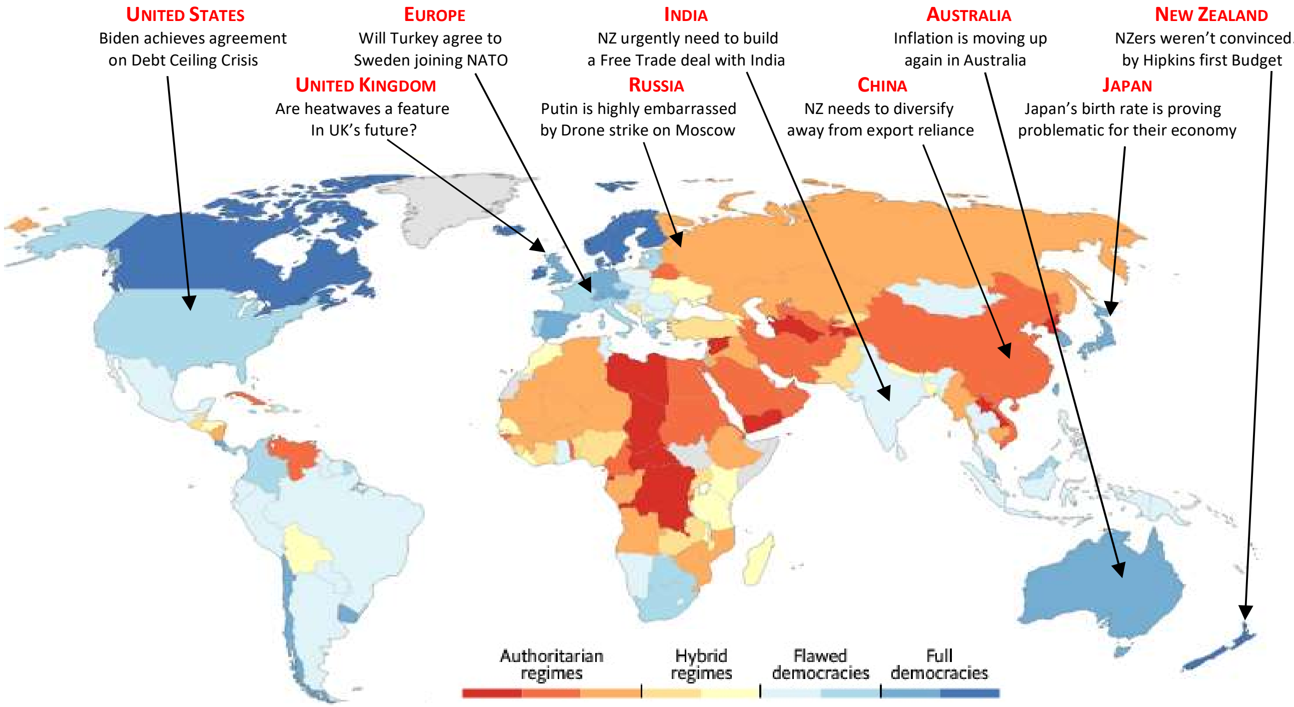
I blame Jacinda Ardern and I'll tell you why ... she appointed Andrew Coster and (former Police Ministers) Poto Williams - and it's been downhill ever since.

Being soft on crime gets you the mess we have, and no fewer than five police ministers in six years, whose sole line of defence is just world-class BS and spin.



Mike Hosking: **"Six years in, the numbers don't lie and this Government is caught up in one gargantuan lie."**

THE WORLD AT A GLANCE GLOBAL DEMOCRACY INDEX



The Global Economic Outlook

Global inflation has eased from last year's highs, as some of the price shocks from previous years have waned. However, the services component of inflation remains stubbornly strong, reflecting tight labour markets and rising wage demands. Central banks have raised interest rates sharply, but the extent to which they have been successful in restraining activity and inflation pressures remain to be seen.

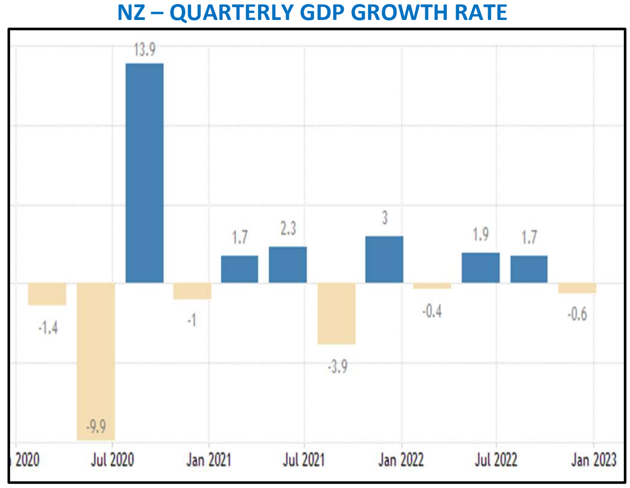
NEW ZEALAND'S ECONOMIC OUTLOOK

Population: 5.2 million

THE 2023 BUDGET WASN'T FRUGAL

Government spending is up 70% in six years, with Grant Robertson blowing his own operating allowance again (six years in a row) - deficits, surplus delayed, debt up. Grant Robertson would argue that the Budget maintains core services, but the increase in the operating allowance has been lower than the rate of inflation.

NZ – QUARTERLY GDP GROWTH RATE

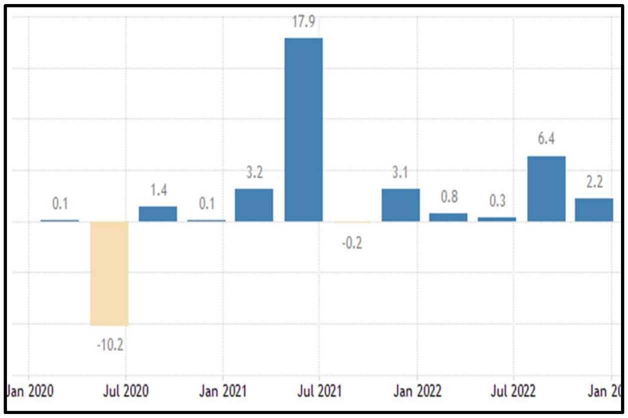


New Zealand is in for a period of subdued economic growth over the coming years, and conditions in the economy are set to be very uneven. Surging net migration and the recovering tourism industry are providing a floor under activity. However, increasingly tough financial conditions are squeezing households and will be a significant drag on overall demand.

Treasury states that the operating balance before gains and losses (OBEGAL) is expected to return to a surplus of $0.6 billion in 2025/26, before reaching $3.2 billion (or 0.7% of GDP) by 2026/27. Net debt peaks as a percentage of GDP in 2023/24, falling to 18.4% of GDP by 2026/27, while, in nominal terms, net debt starts to reduce by the end of the forecast period.

However, in the near-term the recovery in OBEGAL is somewhat static with deficits expected to remain stable at 1.8% of GDP.

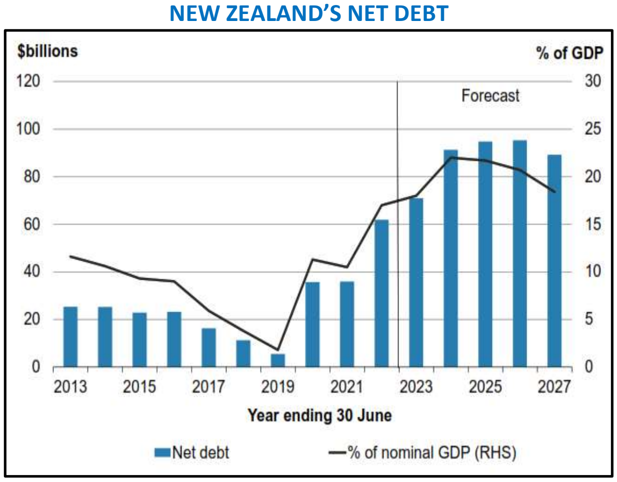
NZ – ANNUAL GDP GROWTH RATE



Although significant temporary fiscal measures have now ended, the Government's response to support households through a high inflationary environment and costs arising from the North Island weather events lead to OBEGAL deficits remaining elevated. From the 2024/25 year a more gradual improvement is expected, underpinned by a decline in the level of growth in core Crown expenditure, while growth in tax revenue remains stable.

As with OBEGAL, Treasury expects core Crown residual cash deficits remain elevated in the near term and return to a small surplus in 2025/26.

NEW ZEALAND'S NET DEBT



Across the forecast period, net debt increases by $27.3 billion, predominantly owing to the accumulated residual cash deficits over the period (excluding net increases in advances and contributions to the NZ Superannuation Fund).

the decision of the bank's monetary policy committee yesterday, which increased the official cash rate only slightly to 5.5% – and indicated that should be enough to finally consign inflation to a downward trajectory.

Reserve Bank raised OCR to 5.5%

The decision was made near the end of May, in a 5-2 vote of the committee. Governor Orr isn't saying whether he voted with the majority for the 0.25% rise, or was one of the two dissenters arguing there should be no hike. But he'd like it to be known that this was the committee's decision, not just his own.

Critically, the committee came down on the side of Govt in saying that last week's Budget spending – which National and Act had called a "blowout" – was in fact contractionary. In other words, while business and household spending is still contributing a little to rising prices over the medium-term, the Govt is not. The bottom line is that the Governor is a strong exponent of Labour's ideology.

Unemployment expected to rise

The April Annual Unemployment Rate has clicked up to 3.7%pa. If the economic rebalancing act follows the Reserve Bank's script we are likely to see the number of registered unemployed people rise by 54,000 in the next 12 months. That's a lot of people with their lives turned upside down.

It seems terrible to look at it like that — although it's just the maths on the unemployment rate rising from where it is now, at 3.4%, to where the RBNZ forecasts it will be by the end of March next year, 5.3%. According to Stats NZ, the 3.4% unemployment rate, as of the end of 2022, equates to 99,000 people. That means there will be about 153,000 registered unemployed if the rate reaches 5.3%.

The Reserve Bank actually forecasts unemployment to peak at 5.7% by March 2025, before falling again. That's a total of 165,000, or around 66,000 people, joining the dole queue across the next two years.

This calculation is done because it can be all too easy to talk about percentages in economics. If you count the actual number of people involved, it is sobering.

AUSTRALIAN ECONOMIC OUTLOOK

Population: 26.23 million

Inflation up – 6.8% for April

Amid rising inflationary pressures, the Reserve Bank of Australia (RBA) finds itself at another juncture, contemplating the possibility of not one, but two additional cash rate increases in the coming months.

Should this scenario materialise, the cash rate would soar to 4.35% by July, according to analysts.

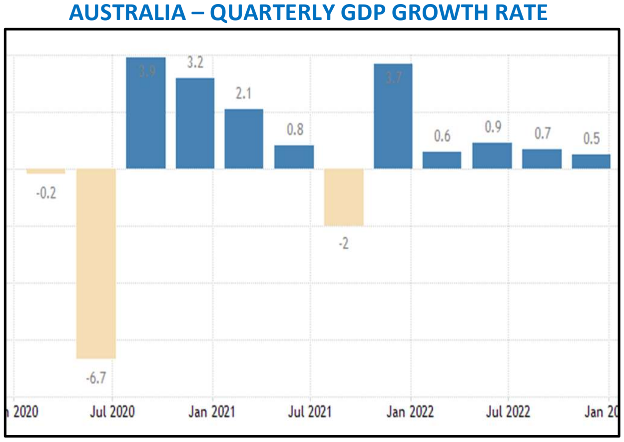
The latest figures unveiled by the Australian Bureau of Statistics reveal a substantial jump in headline inflation, reaching a staggering 6.8% over the 12-month period leading up to April. While this figure surpasses the 6.3% annual rise reported in March, it remains below the December peak of 8.4%. The primary drivers of this surge can be attributed to the upward trajectory of housing prices, escalating costs of food, transportation, and recreation and culture.

Australian Construction Sector

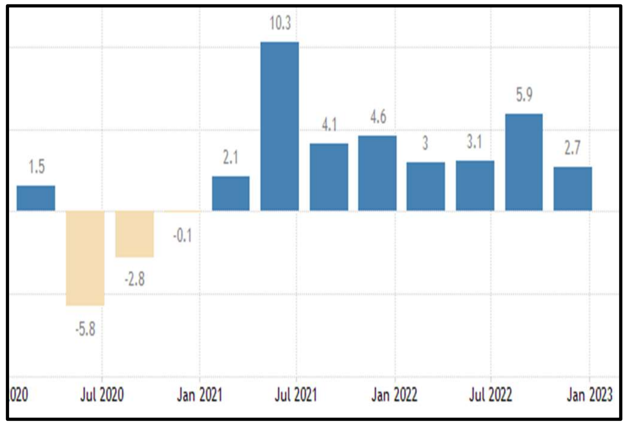
Construction failures are expected to continue with a risk they spill over to developers. There is real financial stress in the construction sector which is facing an "unprecedent crisis" with insolvencies rising to record levels. This sector is uniquely fragile given high upfront costs with deferred revenues which mean cashflows are a natural constraint and profits are generally very concentrated at the back end of projects. This, combined with a perfect storm of disruptions/challenges including the lagged impact of Covid lockdowns, higher material costs/supply chain issues, labour costs/shortages and the combination of intense competition with fixed fee contracts, has led to the current crisis. While they do not expect to see a further rise in insolvencies from here, issues are not expected to abate soon with elevated financial stress continuing for the next ~6-12 months. Given the size and scale of some of the failures, the key risk from here is collateral damage spreading from large builders toward subcontractors and developers.

Housing is a key driver of the economy, contributing ~14% to nominal GDP with related employment representing 20% of total employment. While Jarden continues to see downside risks to the current house price recovery, given their expectation of higher for longer interest rates, they can see the building blocks for the next housing construction boom coming together, specifically: 1) solid underlying demand with an influx of >700k migrants over FY23 and FY24; 2) increasing pressure from both state and Federal governments to streamline development and unlock more housing supply; and 3) a more supportive regulatory environment for build-to-rent with changes to withholding tax and depreciation in the FY24 Federal Budget. While these conditions are necessary and supportive of a housing recovery, Jarden believes they are not sufficient with an improvement in affordability needed, likely to be driven by a combination of lower interest rates and construction costs. As such, they still expect the next 12-18 months to be challenging for the housing / construction sector before late-24 rate cuts kickstart a construction boom which could rival the 2015-2018 cycle.

AUSTRALIA – QUARTERLY GDP GROWTH RATE



AUSTRALIA – ANNUAL GDP GROWTH RATE



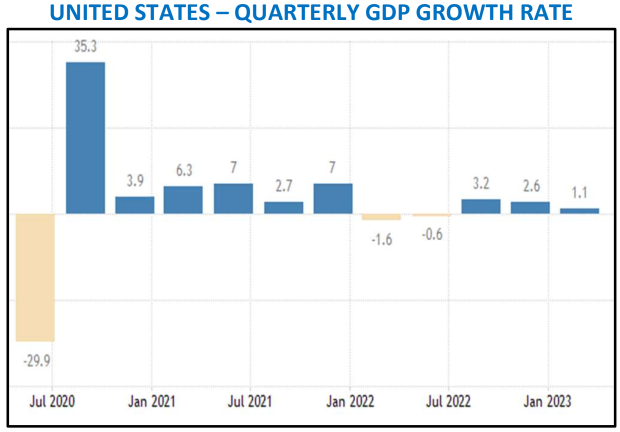
UNITED STATES ECONOMIC OUTLOOK

Population: 336 million It is predicted that there are at least a further 10.3m undocumented (illegal) migrants in the US currently.

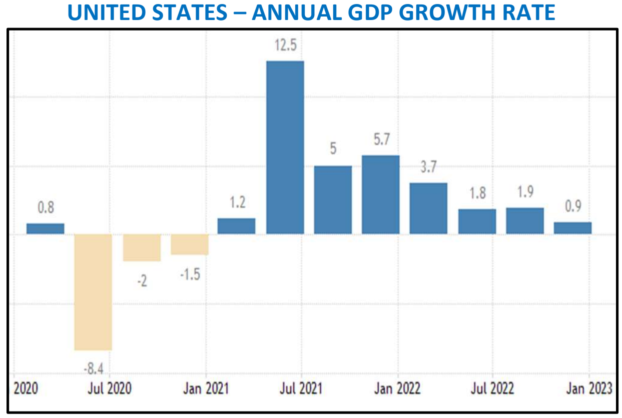
US Economy

US Investors lowered their expectations that the Federal Reserve would raise interest rates in June after chair Jerome Powell warned tighter credit conditions – the result of the recent banking turmoil – may mean the Fed will not have to raise interest rates as high to reach their intended 2% inflation target. Following Powell's comments, pricing in the futures market showed investors were only betting on a 21% chance the Fed would raise interest rates again at its meeting in June – this was down from a 40% probability previously.

UNITED STATES – QUARTERLY GDP GROWTH RATE



UNITED STATES – ANNUAL GDP GROWTH RATE



President Joe Biden appears to have broken a deadlock over raising the $US31.4 trillion US debt limit.

CHINESE ECONOMIC OUTLOOK

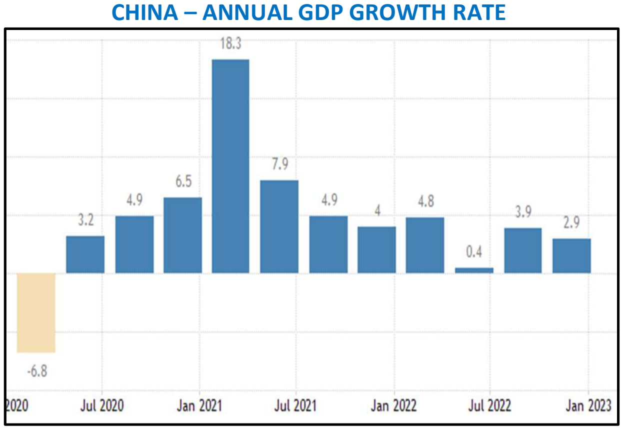
Population: 1.4 billion

CHINESE ECONOMY

The Chinese economy grew by 2.2% on a seasonally adjusted basis in the three months to March of 2023, picking up from an upwardly revised 0.6% growth in the fourth quarter and matching market forecasts. This was the third straight quarterly expansion, coming after Beijing lifted COVID curbs last December and eased a three-year crackdown on tech firms and property. That said, recent data showed the recovery remains uneven, with consumption, services, and infrastructure spending perking up but slowing inflation and soaring bank savings raising doubts about demand. Meantime, the central bank cut lenders' reserve requirements for the first time this year in March while Beijing pledged to launch more fiscal stimulus.

China's April consumer prices data rose at a slower pace and missed expectations, while factory gate deflation deepened, suggesting more stimulus might be needed to boost a patchy post-COVID-19 economic recovery.

CHINA – ANNUAL GDP GROWTH RATE



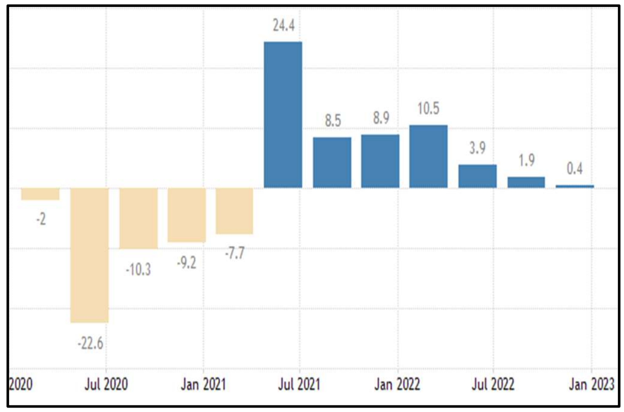
UNITED KINGDOM ECONOMIC OUTLOOK

Population: 68.4 million

UK ECONOMY

Britain's economy grew sluggishly in early 2023, better than the shallow recession once expected, but an unexpectedly sharp drop in output in March underscored how fragile its recovery remains. GDP edged up 0.1% in the first three months of the year, official data showed on Friday, the same tepid pace as in the final quarter of 2022 and in line with economists' forecast in a Reuters poll. Widespread industrial action also weighed on economic activity in the first quarter, the statistics office said.

UNITED KINGDOM – ANNUAL GDP GROWTH RATE

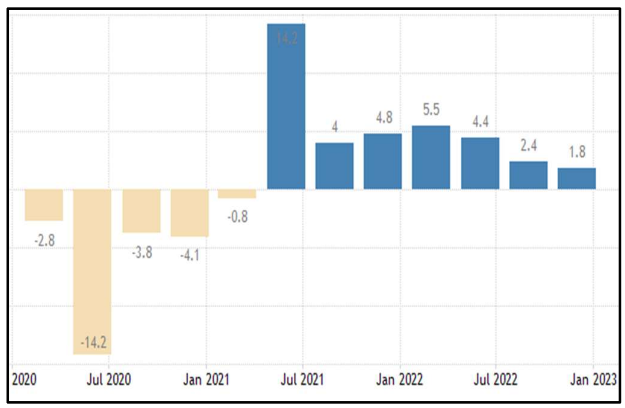


EU ECONOMIC OUTLOOK

Population: 447.7 million

A better-than-expected start to the year lifted the growth outlook for the EU economy to **1.0%** in 2023 (up from 0.8% in the Winter interim Forecast) and 1.7% in 2024 (1.6% in the winter). Upward revisions for the euro area are of a similar magnitude, with GDP growth now expected at 1.1% and 1.6% in 2023 and 2024 respectively.

EUROZONE – ANNUAL GDP GROWTH RATE



JAPAN'S ECONOMIC OUTLOOK

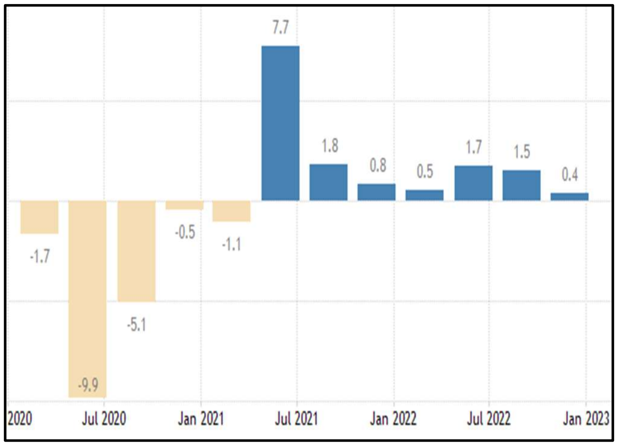
Population: 123.3 million

THE JAPANESE ECONOMY

Japan's economy is likely to recover moderately toward around the middle of fiscal 2023, supported by factors such as the materialization of pent-up demand, although it is expected to be under downward pressure stemming from past high commodity prices and a slowdown in the pace of recovery in overseas economies which will moderate exports.

Real GDP growth is projected at 1.8% in 2023 and 0.9% in 2024. The new economic policy package will support domestic demand, partly offsetting subdued household confidence and real income. After peaking in the course of 2022, headline consumer price inflation will fall back in late 2023 as energy prices stabilise, but then gradually increase again towards 2% in 2024 as wage growth gains momentum.

JAPAN – ANNUAL GDP GROWTH RATE



INDIA'S ECONOMIC OUTLOOK

Population: 1.41 billion

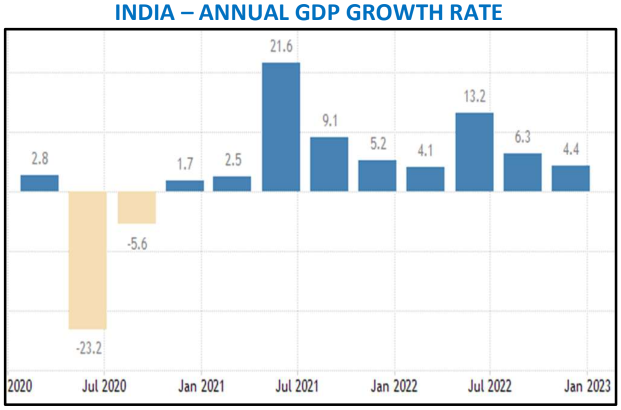
India's population is `18% of the total world population, and now surpasses China as the country with the largest population.

This year India became the most populous country in the world. Its economy is currently the 5th largest in the world, and likely to overtake the size of the German economy by 2026. It is currently growing at 6%+ and by 2030 it is expected to move to No 3 in the world.

GDP continues to weaken

GDP was 9% in 2022. This year it is expected to be down to 7%, and next year it is predicted to drop further (to 6%).

INDIA – ANNUAL GDP GROWTH RATE



A missed trade opportunity for NZ

The centre of the geopolitical economic activity is shifting to India, and New Zealand has lagged in recognising the increasing importance of India as a growing key economic power. India is not even within New Zealand's top 10 trading partners.

The current Labour Government has lost a huge opportunity, resulting in, over the last five years, trade has fallen by over $1 billion. We really have fallen off India's trade radar, as opposed to Australia – which has recognised the opportunity, and substantially grown their economic partnership with India in the last 5 years. A Key reason is that a couple of years ago there was an expectation of a Free Trade Agreement between NZ and India that would allow increase access. What Labour failed to realise was that we were only looking at our own export potential and not what India could export to us. We never understood that we needed to build a trust relationship if we hoped to genuinely enter the Indian market. Like all Asian countries, a trust relationship is an essential component of any enduring partnership.

Australia is the big winner

Australia has a much closer trading relationship with India, but also potentially a closer cultural and geopolitical relationship. They have a very clear pact for 2035. They took a specific clear "states" approach, recognising that India is a huge market and is very diverse, requiring a regional approach. The reason Australian trade has boomed is because both countries recognise the need for economic diversification, especially post Covid. They have recognised the risk of over reliance on one big trading partner, as New Zealand has done with China (where it accounts for 30% of all NZ exports).

China is India's 2nd largest trading partner but India is growing with Australia as well. There remains a huge opportunity to diversify NZ's risk by increasing NZ's trade with India.

NZs top 10 exports to India for 2022 were:

1.Travel	6. Aluminium
2.Wood pulp	7. Albuminoids, starches & glues
3.Miscellaneous	8. Iron & steel
4.Wool	9. Medical, optical & measuring equipment
5.Fruit & Nuts	10 Government services

Note: Because of Covid, Education wasn't a feature, & Dairy products also don't feature.

Australia's trade agreement excludes dairy. The important part of their agreement is a professionals working group that will allow Australia to get access to India's growing professional talent. New Zealand needs to add this. We need a comprehensive economic co-operation partnership – not just a Free Trade Agreement but looking at both trade and services. India has great potential and New Zealand urgently needs to catch up.

Fonterra is already in India

There is an agreed line of products where they have established partnerships and there will always be opportunities for technology partnerships, which will improve productivity. That could be the starting point for New Zealand to build on, but it will take a change of mindset by our Labour Government to achieve this.

Relationships need to be built based on trust, recognising that India is a nation of small family businesses.

Raun Sen, AUT Economic lecturer, said that New Zealanders need to recognise that Indians in NZ contribute to over $1 billion of NZs GDP – and this from a migrant community of only 5% of New Zealand's population. That recognition needs to be clear – that's the way to improve the relationship between our two countries.

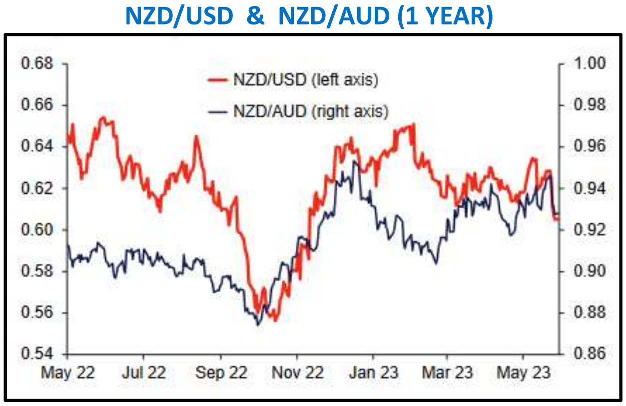
Pakistan is a risk to India's security

If Pakistan fails, India will need to make sure it doesn't take them down with it. In recent weeks, Pakistan has been convulsed by political and economic crises. The arrest of former prime minister Imran Khan on charges of corruption sparked violent clashes across the country, which is also reeling from high inflation and dismal growth, and in danger of defaulting. Mr Khan's escalating confrontation with the army - a prominent player in Pakistani politics - which the ousted leader has even charged with trying to murder him.

The countries have fought three wars since they became independent nations in 1947. All but one was over Kashmir. The turmoil in Pakistan in 1971 led to a bloody subcontinental war and the creation of Bangladesh. In 2019, India launched strikes in Pakistani territory following a militant attack on Indian troops in Kashmir. After the attacks, the two countries had come "close" to a nuclear war, former US Secretary of State Mike Pompeo claimed in his recent memoir. But a new border truce concluded in 2021 has kept things under control. Even going by recent history, the ongoing crisis is very worrying for India.

CURRENCIES

NZD/USD & NZD/AUD (1 YEAR)

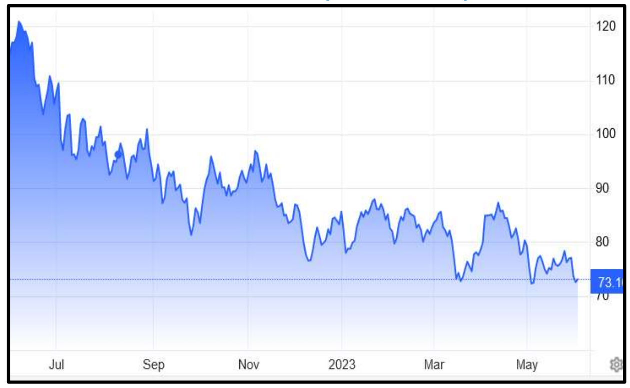


Source: Westpac

OIL

Brent crude futures remains under pressure as a surprise build in US crude inventories and signs of weaker Chinese demand weighed on the market. Data from the American Petroleum Institute showed that US crude stockpiles jumped by 5.202 million barrels last week, defying expectations for a 1.22 million barrel decrease. Also, Chinese manufacturing activity contracted at a faster pace in May, fueling concerns about weaker demand in the world's top crude importer.

BRENT CRUDE (1YR GRAPH)

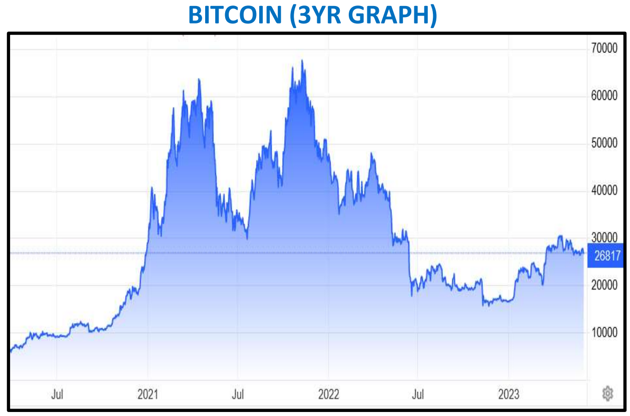


NOTE: New Zealand trades in Brent Crude Oil

CRYPTO

Over the last 12 months, Bitcoin's price fell by 11.3%. Looking ahead, Trading Economics forecast Bitcoin US Dollar to be priced at 25,375 by the end of this quarter and at 19,236 in one year.

BITCOIN (3YR GRAPH)



GOLD

GOLD (5YR GRAPH)

AGRIBUSINESS – LOOKING FROM THE OUTSIDE IN



AGRESEARCH SAY GENE EDITING LAWS OUTDATED

Source: Farmers Weekly, 29-May-23

Malcolm Bailey of the AgResearch Endophyte Gene Editing Steering Group says aligning NZ with the more progressive gene editing laws in most other countries could be as easy as cutting and pasting Australian law.

The same genetic technologies that helped create effective covid vaccines in record time can also help us reduce farming emissions, improve water quality and improve animal welfare. But New Zealand's regulations regarding the use of these technologies – and the more recent gene editing in particular – are outdated and are holding back research and the bringing of products to market.

With a score of 4 out of 10, NZ ranks poorly on the Food & Crops Gene Editing Index produced by the international Genetic Literacy Project. Best in class countries such as the United States, Israel, Japan, Brazil and Argentina score 10. Despite being way ahead of NZ, Australia only gets a score of 8. When we think of the climate challenge, there is an urgent need for new products that will help reduce emissions. Gene editing is a safe and effective enabler for developing such products.

Grass, and growing it efficiently, underpins NZ's livestock farming sector. An essential component of our pasture grasses are their associated endophytes, which are fungi that live inside the leaves and are essential for persistence by protecting the grass from pasture pests. We are so good at producing pasture that we already lead the world in low emissions per kilogram of our animal food products. But we can get even better.

So what is gene editing in grasses? In very simple terms it is a way to fast-track selective plant breeding. Selective breeding is the old way of identifying a number of plants that seem to grow faster or survive a drought better and then crossbreeding them in the hope of producing a much better plant. Very hit and miss and slow, but nevertheless the way in which the world has managed to increase food production. Gene editing adds precision to plant and endophyte breeding, with no remaining introduced DNA being involved, by enabling gene sequences to be "cut" and the break repaired by the organism, resulting in a mutation that typically disables the function of the gene.

Today we can map the genome of plants and endophytes and determine which gene sequences confer the traits that a better performing plant or endophyte would need to have. Gene editing technology enables these microscopic gene sequences to be changed within species.

We need a law change in NZ to remove unnecessary restrictions on the use of gene editing and the commercialisation of gene edited products. NZ needs to align with the more progressive genetic technology and gene editing laws in most other countries. As easy as cutting and pasting Australian law.

National Dairy Sales 20ha+ 4 Months to April Year on Year Change

New Zealand	No.Sales 2022	Sales value 2022	No.Sales 2023	Average Sales value 2023	Sales Change	Average Sales Value Change	% Change
April	27	$4,634,579	7	$2,989,286	-20	-$1,645,293	-36%
March	38	$5,177,053	15	$5,854,543	-23	$677,491	13%
February	29	$5,215,568	18	$6,392,500	-11	$1,176,932	23%
January	26	$4,554,038	14	$4,263,929	-12	-$290,110	-6%
Total	**120**	**$4,929,317**	**54**	**$5,250,058**	**-66**	**$320,741**	**7%**

National Sheep & Beef Sales 200ha+ 4 Months to April Year on Year Change

New Zealand	No.Sales 2022	Average Sales value 2022	No.Sales 2023	Average Sales value 2023	Sales Change	Sales Value Change	% Change
April	22	$4,671,455	12	$4,759,986	-10	$88,531	2%
March	20	$6,590,950	12	$3,980,833	-8	-$2,610,117	-40%
February	24	$5,339,461	13	$4,423,932	-11	-$915,530	-17%
January	5	$4,780,000	9	$6,043,333	4	$1,263,333	26%
Total	**71**	**$5,445,607**	**46**	**$4,712,847**	**-25**	**-$732,760**	**-13%**

BROKER PICKS FOR 2023 – YEAR TO DATE

AS AT 31ST MAY 2023

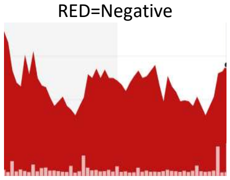
AvonD Portfolio		Jarden		Craigs IP		Forsyth Barr		Hamilton Hindin		Hobson Health		MSL Capital Marekts	
Contact Energy	1.9%	Contact Energy	1.9%	Chorus	0.3%	Infratil	15.6%	Auckland Int Airport	13.6%	Auckland Int Airport	13.6%	AFT Pharmaceuticals	5.2%
Fletcher Building	6.4%	Delegat Group	(6.9%)	Ebos Group	(4.1%)	Oceania Healthcare	10.5%	Genesis Energy	6.2%	Contact Energy	1.9%	Air NZ	4.0%
Infratil	15.6%	Infratil	15.6%	Meridian Energy	1.3%	Spark	(4.4%)	Infratil	15.6%	Ebos Group	(4.1%)	Arvida Group	5.3%
Port of Tauranga	1.0%	Pacific Edge	(15.0%)	Spark	(4.4%)	Tourism Holdings	10.7%	Investore Property	(8.0%)	Fletcher Building	6.4%	Mercury NZ	18.0%
Tourism Holdings	10.7%	Tourism Holdings	10.7%	Tourism Holdings	10.7%	Vulcan Steel	(4.7%)	NZX Group	(5.8%)	Vector	(3.6%)	NZ Rural Land	(17.6%)
TOTAL CHANGE	7.1%		1.3%		0.7%		5.5%		4.3%		2.8%		3.0%
NZ50 Index	3.0%		3.0%		3.0%		3.0%		3.0%		3.0%		3.0%
+/- NZ50 Index	4.2%		(1.7%)		(2.2%)		2.6%		1.4%		(0.1%)		0.0%

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

STOCKS TO WATCH NEW ZEALAND

PRICES AS AT 31ST MAY 2023

ALL GRAPHS ARE 1 YEAR
GREEN=Positive
RED=Negative



AFT PHARMACEUTICALS

Research: 15th May

AFT delivered FY23 adjusted EBIT of $21m, slightly ahead of Jarden's estimate of $20m. FY24 maiden EBIT guidance is $22-24m plus licence income of "at least" $6m (i.e. total range $28-30m). The company declared a final dividend for FY23 of 1.1cps, a miss versus Jarden's estimate (3cps) given an 11% payout versus the policy range of 20-30%, which AFT put down to higher-than-targeted debt ($30m, more than 1x EBITDA), while it continues to invest in the business to capture growth opportunities.
2023 P/E: 19.0 2024 P/E: 16.2

NZX Code:	**AFT**
Share Price:	**$3.84**
12mth Target:	**$3.80**
Projected return (%)	
Capital gain	-1.0%
Dividend yield (Net)	0.5%
Total return	**-0.5%**

Rating: **NEUTRAL**
52-week price range: 3.18-4.25

AIR NEW ZEALAND

Research: 18th April

AIR has delivered an in-line EBITDA result of $664m and underlying PBT of $299m, at the lower end of guidance of $295m to $325m. Within this result there were a number of notable elements: AIR is back at ~95% operating capacity vs pre-COVID in the domestic market (overall market ~90%), with corporate revenues above pre-COVID levels. International bookings are at ~75% of pre-COVID, with Tasman demand remaining elevated for both inbound and outbound travel.
2023 P/E: 6.9 2024 P/E: 9.8

NZX Code:	**AIR**
Share Price:	**$0.78**
12mth Target:	**$0.85**
Projected return (%)	
Capital gain	9.7%
Dividend yield (Net)	4.8%
Total return	**14.5%**

Rating: **OVERWEIGHT**
52-week price range: 0.53-0.83

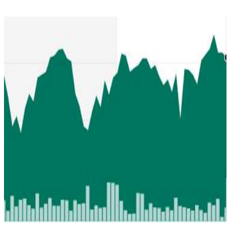
Auckland International Airport

Research: 9th May

AIA is New Zealand's largest airport and pre-covid it was the third busiest in Australasia. Pre-covid, Auckland Airport serviced over 20 million passengers a year and around 75% of visitors entering and leaving New Zealand. Monthly domestic passenger numbers are currently at 88% of pre-covid levels, while international passengers are at 75%. International airline carriers servicing the airport currently sits at 23 (across 35 destinations). This number is expected to increase to 26 airlines and 37 destinations by next summer. Auckland Airport has an asset value of $10.3 billion, which includes a 25% interest in Queenstown Airport, and a significant investment property portfolio sitting at 98.5% occupancy valued at $2.8 billion. It has debt gearing of just 17.0%, and an interest cover of a comfortable 4.99x.
2023 P/E: 90.8 2024 P/E: 43.4

NZX Code:	**AIA**
Share Price:	**$8.88**
12mth Target:	**$7.65**
Projected return (%)	
Capital gain	-13.8%
Dividend yield (Net)	1.1%
Total return	**-12.7%**

Rating: **UNDERWEIGHT**
52-week price range: 6.99-8.98



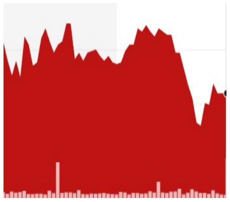
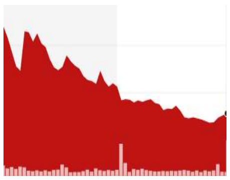
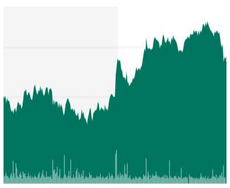
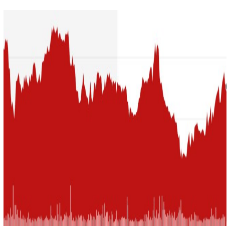
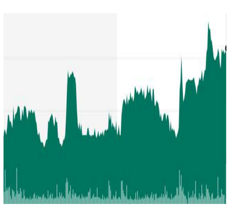
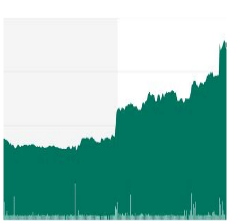
Contact Energy

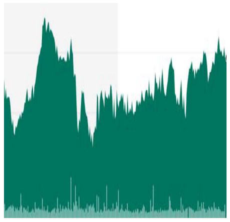
Research: 29th May

CEN's growth expectations, more than just aspirations. It guides FY27 EBITDA to $815m, this growth from the FY23 guidance of $530m (normalised $580m). FY27 guidance incudes 2,230GWh of extra geothermal volume. Tauhara coming on in Q423 adding 1,430GWh, 430GWh of Te Huka addition in Q424, a net addition of 380GWh from Wairake conversion in 2H26, and 600GWh from JV solar. The potential 900GWh from new Southland Wind opportunity not included. Jarden's current estimate $840m; their estimate includes a c.$24m uplift from a Tiwai re-contract, so in line. While the Tiwai comment is that "Bilateral discussions underway for post 2024 supply arrangements", despite a CEN 12-month target to "conclude NZAS extension negotiations with improved long-term pricing", Jarden sees little in the pack to assume much progress toward a deal over the last month. The company is moving from "showing promise" to "delivery" beginning FY24, a presentation Jarden sees as strongly supporting their current Buy thesis.
2023 P/E: 33.9 2024 P/E: 29.5

NZX Code:	**CEN**
Share Price:	**$7.86**
12mth Target:	**$9.49**
Projected return (%)	
Capital gain	20.7%
Dividend yield (Net)	8.4%
Total return	**29.1%**

Rating: **BUY**
52-week price range: 6.82-8.15

	**COMVITA** **Research: 15th May** CVT's stakeholder day largely reaffirmed its commitment to its high gross margin, high brand reinvestment model as it continues towards its ambition of becoming recognised as an FMCG brand company, as well as reiterating it is on track to $50m EBITDA and $85m inventory by FY25. The company also spoke about its supply model, brand strength, growing market share, digital upgrades allowing for a data-driven consumer strategy and current trials to prove the digestive health benefits of manuka that has higher levels of its patented biomarker Lepteridine. 2023 P/E: 16.7 2024 P/E: 12.9	NZX Code: **CVT** Share Price: **$3.00** 12mth Target: **$4.50** Projected return (%) Capital gain 50.0% Dividend yield (Net) 1.6% Total return **51.6%** Rating: **BUY** 52-week price range: 2.99-3.48
	**EROAD** **Research: 25th May** ERD delivered a FY23 result in line with guidance and market estimates. The company reported net unit growth of +18.5k to 227k contracted units (up +8.8% versus pcp). Year-on-year growth was broad based across markets, albeit with elevated churn in the North American SME customer base. 2023 P/E: 64.4 2024 P/E: 51.3	NZX Code: **ERD** Share Price: **$0.69** 12mth Target: ↓ **$1.00** Projected return (%) Capital gain 44.9% Dividend yield (Net) 0.0% Total return **44.9%** Rating: **NEUTRAL** 52-week price range: 0.52-2.40
	**FISHER & PAYKEL HEALTHCARE** **Research: 26th May** Encouraging top-line momentum: FPH's FY23 result was in line with estimates. The encouraging feature was 2H revenue momentum across both divisions and captured in market conditions, which look to be tracking back towards a more normal state post COVID-disrupted years. For Hospital, management also noted the end revenue result was close to a reasonable underlying base, after adjusting for ~$40m of COVID surge related Hardware sales (portion to China) and a net ~$10m negative adjustment to consumables (-$45m 1H, +$35m 2H). Looking forward to FY24, revenue guidance is +8% to $1.7bn, with normalising Hospital Hardware sales offset by solid growth in New Apps consumables and continued growth in Homecare. 2024 P/E: 51.7 2025 P/E: 37.9	NZX Code: **FPH** Share Price: $23.25 12mth Target: ↓ $24.50 Projected return (%) Capital gain 5.4% Dividend yield (Net) 1.7% Total return **7.1%** Rating: **NEUTRAL** 52-week price range: 18.02-27.95
	**FLETCHER BUILDING** **Research: 13th May** NZ is unlikely to have seen the bottom of house price (HP) falls. Australia HPs have stabilised but AU is well ahead on the impact mortgage rate increases will have this cycle and its rentals have risen faster, offering investors a higher yield relative to NZ. NZ is c.9-12m behind AU. The good news is that current NZ building activity is ahead of Jarden's estimate, likely due to the bulging inventory of building consents, pointing to a softer FY24 landing for FBU than their prior forecast. Jarden has cut FY23 EBIT forecast from $814m to $800m, reflecting the $15m provision for the Iplex-related remediation. They lift FY24E EBIT to $686m, up 6%, due to better-than-expected conversion of consent backlog into builds and assuming FBU's management has some ability to lower the negative impact of scale reduction on margins. FY24 forecasts imply EPS of 45c, which is viewed as the bottom of the current cycle, and PE of 10.3x, implying 20-30% upside potential from the historical average P/E of 12.5-13.5x. 2023 P/E: 9.4 2024 P/E: 10.3	NZX Code: **FBU** Share Price: **$5.02** 12mth Target: ↑ **$6.70** Projected return (%) Capital gain 33.5% Dividend yield (Net) 8.4% Total return **41.9%** Rating: **BUY** 52-week price range: 4.20-5.76
	**FONTERRA SHAREHOLDERS' UNIT** **Research: 26th May** FSF provided a strong Q3 update with favourable conditions continuing into late FY23, providing the basis for a further upgrade in normalised earnings to 65-80cps (Jarden 71.3cps). Free cash flow ex-Soprole proceeds is strong (1H23 -$30m; 3Q23 ex Soprole ~$600m) with FSF working through its larger 1H23 inventory position and the strong earnings flowing through too. This gives us increased confidence in our 2H dividend of 25cps (1H at 10cps). Jarden believes the catalysts for a re-rate are coming together and they continue to see the potential for near-term upside as the following plays out. 2023 P/E: 48.8 2024 P/E: 36.5	NZX Code: **FSF** Share Price: **$3.52** 12mth Target: **$3.84** Projected return (%) Capital gain 9.1% Dividend yield (Net) 10.1% Total return **19.2%** Rating: **OVERWEIGHT** 52-week price range: 2.91-3.79
	**GENTRACK GROUP** **Research: 23rd May** GTK delivered a strong 1H23 result with modest upgrades to revenue guidance. GTK's headline result was messy with $20m of revenue contribution relating to the managed exit of Bulb and insolvent customers, with another c.$5m expected to fall in 2H23E. There is not expected to be any contribution from managed exits in FY24. Excluding these one-offs, GTK reported underlying 1H23 revenue of $65m, up +37% on the prior year period. Both its Utilities and Veovo businesses are demonstrating positive momentum, with 1H23 underlying revenue growth of +39% and +27%, respectively. Encouragingly, non-recurring Veovo revenue increased +57% on the pcp, a signal IT activity is beginning to return within the airports sector. 2023 P/E: 48.8 2024 P/E: 36.5	NZX Code: **GTK** Share Price: **$4.32** 12mth Target: **$3.90** Projected return (%) Capital gain -9.7% Dividend yield (Net) 0.0% Total return **-9.7%** Rating: **NEUTRAL** 52-week price range: 1.32-4.40



GOODMAN PROPERTY TRUST — Research: 19th May

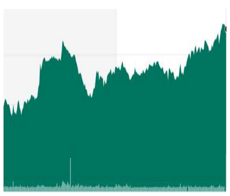
More than just luck - right assets, right execution. GMT may come with a relatively challenging valuation (FY24 net yield 2.8%) and a management contract that needs to be appropriately factored in (past five years base + admin costs reasonable at 10.7% of NPI, 17.2% of NPI inclusive of performance fees, with $49m currently accrued) but the FY23 results and FY24 outlook highlight the benefits associated with a singular focus on Auckland industrial and strong execution and management across strategy, development, operations and the balance sheet. These factors combine into a solid outlook for earnings and dividend growth in FY24, whilst a growing level of under-renting (assessed at 25% at FY23) is supportive of Jarden's FY24-FY29 cash earnings forecast CAGR of 6.8% (dividend CAGR 8.2% on move to 90% payout at FY29 from ~80%). The derisking of the balance sheet and overall capability add a more difficult to quantify element to GMT but one that has value in these less certain times.

2023 P/E: 26.2   2024 P/E: 24.1

NZX Code:	**GMT**
Share Price:	**$2.14**
12mth Target:	**$2.05**
Projected return (%)	
Capital gain	-4.2%
Dividend yield (Net)	2.8%
Total return	**-1.4%**

Rating: **UNDERWEIGHT**

52-week price range: 1.90-2.29



INFRATIL — Research: 23rd May

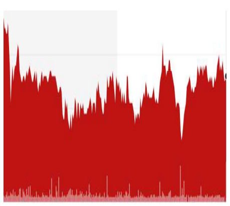
Strong FY23 result. IFT reported FY23 proportionate EBITDA of $531.5m (JARDe $525m), anchored by One NZ (slightly above guidance range) and CDC (in line) as key EBITDAF contributors. Parent net debt was in line at $724.6m (JARDe $710m) and dividend progression was a slight beat on 12.5cps fully imputed final dividend declared (JARDe 12.1cps).

2023 P/E: 130.5   2024 P/E: 77.2

NZX Code:	**IFT**
Share Price:	**$10.00**
12mth Target: ↑	**$10.40**
Projected return (%)	
Capital gain	4.0%
Dividend yield (Net)	2.1%
Total return	**6.1%**

Rating: OVERWEIGHT

52-week price range: 7.33-10.05



KMD BRANDS — Research: 19th May

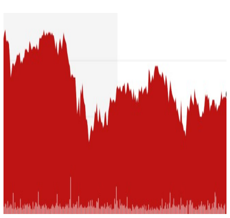
Investor day focused on key inter-connected themes of brand, product, innovation, sustainability. KMD presented a clear overview across Rip Curl, Kathmandu and Oboz, which focused on the company's strategic pillars of (1) building global brands, (2) elevating digital, (3) leveraging operational excellence and (4) leading in ESG. Outside of the brand presentations, management also highlighted the importance of disciplined capital allocation and free cash flow generation. Notably, KMD expects to maintain its current level of capital investment (~$30mn) whilst achieving growth via modest store roll-outs and wholesale and digital expansion. Further, the company provided a target of ~$300mn of cumulative free cash flow generation across FY24-FY26 (JARDe $323mn). This cash generation will be combined with an ordinary dividend payout of 50-70%, conservative balance sheet (net debt/EBITDA of 0.0-0.5x) and where appropriate capital return to shareholders and/or M&A.

2023 P/E: 13.9   2024 P/E: 10.8

NZX Code:	**KMD**
Share Price:	**$1.09**
12mth Target: ↑	**$1.35**
Projected return (%)	
Capital gain	23.9%
Dividend yield (Net)	2.1%
Total return	**26.0%**

Rating: **OVERWEIGHT**

52-week price range: 0.98-1.21



KIWI PROPERTY GROUP — Research: 23rd May

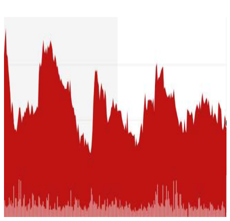
Subdued earnings/dividend outlook likely for some time. Whilst there were some adjustments around accounting recognition of COVID abatements, KPG produced a broadly in-line result at the AFFO level, with a subdued outlook for FY24 (dividend guidance flat versus Jarden's estimate of 5.8cps ingoing). This had been broadly foreshadowed and a combination of factors, including the near-term impact of slower lease-up of Sylvia Park Office 2 than was expected, a conservative approach to build to rent (BTR) 1 (costs will be up a bit; they are cautious on starting NPI), a step-up in the cost base (KPG expects to contain at current levels) and pressure on interest costs as hedging/capitalisation rolls off, means Jarden forecasts see subdued earnings/dividends over the next few years.

2023 P/E: 13.9   2024 P/E: 10.8

NZX Code:	**KPG**
Share Price:	**$0.91**
12mth Target:	**$0.96**
Projected return (%)	
Capital gain	5.5%
Dividend yield (Net)	6.3%
Total return	**11.8%**

Rating: **OVERWEIGHT**

52-week price range: 0.82-1.05



MAINFREIGHT — Research: 26th May

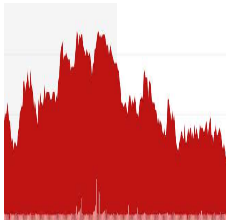
As expected, MFT reported a record result with revenue of $5,675.7m (+8.8% y/y, +4.2% excl FX) and PBT of $587.4m (+20.0% y/y, 14.9% excl FX). PBT was ~1% below Jarden's forecast. All regions saw earnings growth on footprint expansion and market share gains alongside elevated A&O margins, however, trading in the second half confirms a clear decline in momentum. While the declining A&O trajectory was in line with expectations, the US was softer than expected with MFT noting a lack of maturity in that market and a more cyclical mix of product verticals during a period of weaker economic activity and inventory normalisation. MFT declared a final dividend of 87cps (in line) bringing the full year to 172cps. While Jarden forecasts earnings to decline in FY24, they expect MFT's strong balance sheet and low payout will support maintaining dividends at the current level until earnings return to the current peak.

2023 P/E: 13.9   2024 P/E: 10.8

NZX Code:	**MFT**
Share Price:	**$69.40**
12mth Target: ↑	**$81.00**
Projected return (%)	
Capital gain	16.7%
Dividend yield (Net)	2.5%
Total return	**19.2%**

Rating: **OVERWEIGHT**

52-week price range: 64.50-81.55



MICHAEL HILL INTERNATIONAL — Research: 2ND June

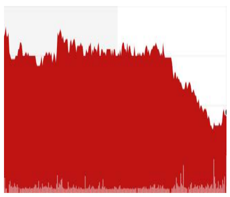
MHJ 2H trading update highlights a slowing consumer, driven by the Australian and NZ markets. MHJ group sales for the 20 weeks to 21 May were down -3.5% against the pcp, which compares to our prior 2H run-rate of -1.5%. Year to date, group sales are up +5.5%. Encouragingly, MHJ appears to be outperforming its peers, indicating market share wins. Australian retail sales data suggests a meaningful decline in higher price diamond jewellery sales, which are down -18% against the pcp. Jarden forecasts margin contraction against the pcp as peers increase discounting activity.

2023 P/E: 8.3 2024 P/E: 9.5

NZX Code:	**MHJ**
Share Price:	**$1.02**
12mth Target:	**$1.40**
Projected return (%)	
Capital gain	37.3%
Dividend yield (Net)	7.7%
Total return	**45.0%**

Rating: **OVERWEIGHT**

52-week price range: 1.00-1.36



NZ RURAL LAND COMPANY — Research: 29th May

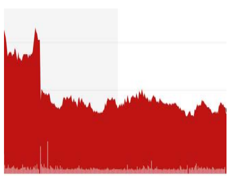
NZL has closed out the acquisition of ~$70m forestry assets (total assets ~$360m; balance dairy assets). With it falling short on the equity raise, final funding mix includes bank debt ($28m); convertible notes ($12m) and equity and cash on hand ($30m). Gearing sits a touch over 35% with facilities near fully drawn (total facilities $134.5m). The converts have a term of 18 months and convert to equity in the underlying forestry assets if not repaid. NZL's intention is likely to repay them with it focused on bringing a capital partner in for a cornerstone stake in its overall portfolio - a process not without challenges (size; the listed reference vehicle trading at a substantial discount to book).

2023 P/E: 19.4 2024 P/E: 15.0

NZX Code:	**NZL**
Share Price:	**$0.89**
12mth Target:	**$1.12**
Projected return (%)	
Capital gain	25.8%
Dividend yield (Net)	0.0%
Total return	**25.8%**

Rating: **NEUTRAL**

52-week price range: 0.83-1.15



PACIFIC EDGE — Research: 26th May

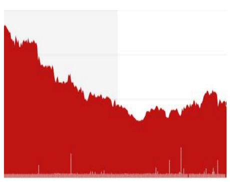
PEB delivered a no surprises FY23 result with volumes pre-announced at the 4Q23 update. Operating revenue was $20m, in line with Jarden ($19m), and the final net cash position of $78m was also in line with Jarden ($77m). Again, unsurprisingly, PEB didn't provide firm timeline/outlook comments regarding adoption and hence the focus was on qualitative progress from investment in the 'three strategic pillars' - but importantly PEB believes the most significant investments/changes have now been made addressing the largest gaps in capability, and are expected to drive volume going forward.

2023 P/E: (12.1) 2024 P/E: (17.1)

NZX Code:	**PEB**
Share Price:	**$0.43**
12mth Target:	**$0.75**
Projected return (%)	
Capital gain	63.0%
Dividend yield (Net)	0.0%
Total return	**63.0%**

Rating: **OVERWEIGHT**

52-week price range: 0.39-0.90



RESTAURANT BRANDS NZ — Research: 19th May

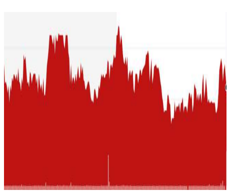
RBD's ASM update issued negative outlook commentary with the company guiding FY23 reported NPAT 'in the vicinity of last year's result' - FY22 NPAT of $32m. This was a material downgrade relative to Jarden's prior estimate, highlighting that although store margins were tracking ahead of the prior year - consistent with expectations, the company expects high G&A expenses and interest burden (FY22 net debt of $250m) to weigh on NPAT.

2023 P/E: 22.8 2024 P/E: 19.0

NZX Code:	RBD
Share Price:	$6.84
12mth Target:	$6.20
Projected return (%)	
Capital gain	-9.4%
Dividend yield (Net)	0.0%
Total return	**-9.4%**

Rating: **UNDERWEIGHT**

52-week price range: 5.54-11.99



SANFORD — Research: 23rd May

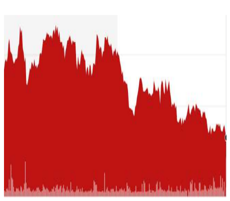
SAN delivered 1H23 adjusted EBIT of $27m, slightly ahead of Jarden's estimate. Capex was $33m in the half ($66m budgeted for full year), leaving free cash flow of negative $19m and driving net debt to $184m (from $145m as at FY22). Mussels' weak performance continues despite strong pricing. Mussels $/kg lifted +26% to $3.90/kg from $3.10/kg in the pcp, which helped lift revenues from $51m to $56m, despite lower volumes. Despite this, segment EBIT was only $2m versus $1m in the pcp. Labour availability continues to be a key issue, putting pressure on costs as well as suppressing volumes processed. Unit costs increased in line with prices, keeping profitability flat.

2023 P/E: 12.1 2024 P/E: 10.6

NZX Code:	**SAN**
Share Price:	**$4.15**
12mth Target:	**$4.60**
Projected return (%)	
Capital gain	10.8%
Dividend yield (Net)	2.8%
Total return	**13.6%**

Rating: **NEUTRAL**

52-week price range: 3.91-4.46



SKY CITY ENTERTAINMENT — Research: 25th May

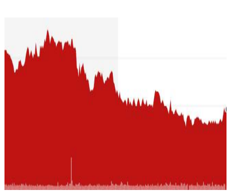
Updated EBITDA range $300-310m (implied 2H midpoint of $143m), excluding carpark earnings. This is a 2H downgrade of ~$8m at the midpoint versus previous guidance and our estimate of $316m (consensus $314m). Key drivers are a combination of Auckland weather events impacting Tables performance and higher legal and compliance costs. Electronic gambling machine (EGM) performance remains strong and is a key earnings underpin. No guidance change was signalled at the NPAT level, due to slightly lower D&A and some net interest savings from a delayed carpark settlement into FY24.

2023 P/E: 12.9 2024 P/E: 11.9

NZX Code:	**SKC**
Share Price:	**$2.28**
12mth Target: ↓	**$3.20**
Projected return (%)	
Capital gain	45.5%
Dividend yield (Net)	5.3%
Total return	**50.8%**

Rating: **BUY**

52-week price range: 2.20-2.98



STRIDE PROPERT & STRIDE INVESTMENT MGMT — Research: 29th May

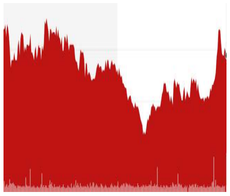
SPG reported FY23 AFFO $51.6m versus Jarden's estimate of $50.9m. Dividend guidance of 8cps was flat. With fee income under pressure from lower activity levels and downward pressure on valuations, SPG has implemented cost savings of $1.0-1.5m, as the company looks to navigate committed gearing of 37-38%. With SPG looking to preserve its future plans for Town Centre and Office products, a small divestment programme was announced at 1H23 of $30-$60m of assets, with a conditional agreement achieved on a ~$30m asset to date and SPG highlighting it will look to release ~$20m from Industre through exit of ~$50m non-core assets there.

2024 P/E: 12.8 2025 P/E: 13.4

NZX Code:	**SPG**
Share Price:	**$1.36**
12mth Target:	**$1.54**
Projected return (%)	
Capital gain	13.2%
Dividend yield (Net)	5.9%
Total return	**19.1%**

Rating: **NEUTRAL**

52-week price range: 1.26-1.90



TURNERS AUTOMOTIVE GROUP — **Research: 24th May**

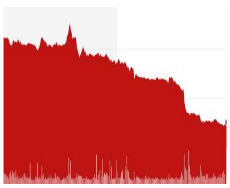
FY23 result included NPBT of $45.5m (+6% on FY22). TRA delivered a solid result against a slowing macroeconomic backdrop. The Auto Retail segment (NPBT +28% y/y) continues to benefit from strong margins and volumes (+14%) despite the broader market being down 10% (attributable partly to taxes on imported vehicles). Whilst competing dealer numbers are in decline, TRA's successful brand campaign and local sourcing of used vehicles has seen its market share lift to 8.7%, from ~6% two years ago. Finance earnings fell 17%, driven by NIM compression given rapidly rising interest rates, noting TRA provides fixed lending but is partly unhedged on funding. The Insurance segment lifted earnings 9% on share gains and a benign claims outcome, with higher inflation offset by lower claims frequency. Credit Management was down modestly despite a higher debt load given borrowers' lower capacity to pay. It is likely to be some time before the division's earnings return to the pre-COVID level (~$6m p.a.) with the banks' appetite to pursue collections a key variable. Capex was materially higher than Jarden estimated driven by the acquisition of three properties in Christchurch. The development of these sites along with Timaru and Napier is set to contribute to earnings over the next three years.

2023 P/E: 10.6   2024 P/E: 9.7

NZX Code:	**TRA**
Share Price:	**$3.60**
12mth Target: ↓	**$4.34**
Projected return (%)	
Capital gain	20.6%
Dividend yield (Net)	6.1%
Total return	**26.7%**

Rating: **OVERWEIGHT**

52-week price range: 3.10-3.87



THE WAREHOUSE GROUP — **Research: 15th May**

WHS reported stronger-than-expected 3Q23 sales, up +3.8% y/y to $801m. Sales performance was mixed across segments, with growth underpinned by a strong period with sales up +10.5% on the pcp to a record 3Q result of $444m - outpacing Datamine core retail spend for the same period, which was up +6.9% on the pcp. This is likely a sign of a broader consumer trade down given WHS's price point offering. In addition, growth was likely supported by grocery, which has become an increasingly important driver at 22% of WHS sales in 1H23. All other segments reported negative sales growth, with Noel Leeming, Torpedo7 and WHS Stationery's 3Q23 sales down -3.4%, -3.0% and -2.5%, respectively y/y.

2023 P/E: 15.6   2024 P/E: 18.7

NZX Code:	**WHS**
Share Price:	**$1.75**
12mth Target: ↓	**$1.70**
Projected return (%)	
Capital gain	-2.9%
Dividend yield (Net)	2.8%
Total return	**-0.1%**

Rating: **UNDERWEIGHT**

52-week price range: 1.62-3.75

JARDEN'S NZ LISTED COMPANIES RECOMMENDATIONS

SELL		UNDERWEIGHT		NEUTRAL		OVERWEIGHT		BUY	
		AIA	EBO	AFT	BGP	AIR	DGL	CEN	CVT
		RYM	GMT	ARV	CHI	APL	HGH	FBU	SKC
		SEK	OCA	ATM	CNU	ARG	MCY	KMD	
			PCT	GTK	ERD	FPH	MHJ		
			VHP	KPG	IPL	FRW	PEB		
			WHS	MNW	MEL	FSF	SKL		
				NZK	MFT	GNE	SKT		
				NZL	NZX	IFT	SUM		
				PGW	PFI	NZM	THL		
				RBD	POT	SCL	TRA		
				SAN	SKO	SML	VGL		
					SPG	SPK			
					STU	VCT			
					VSL				

JARDEN'S NZ LISTED COMPANIES: EARNINGS TABLE

AS AT 29H MAY 2023

New Zealand Listed Companies Earnings Table at 29-May-2023	Ticker	Rec.	Market Cap	Price 29-May-23	Target Price	Adjusted NPAT			Adjusted EPS			Price Earnings		pbook	EV/EBITDA		Net Yield		Gross Yield	
			NZ$m	NZ$	NZ$	FY1	FY2	FY3	FY1	FY2	FY3	12MF	24MF	FWD	12MF	24MF	12MF	24MF	12MF	24MF
COMMUNICATION SERVICES																				
Chorus	CNU	N	3,763.4	8.23	7.5	29.7	48.9	51.2	6.7	11.2	11.8	77.4x	73.6x	5.7x	9.5x	9.5x	5.7%	5.9%	5.7%	5.9%
NZME	NZM	O	196.8	0.99	1.3	21.9	25.1	25.9	11.6	13.5	14.0	8.0x	7.6x	1.4x	4.6x	4.5x	10.5%	10.8%	14.5%	15.0%
SKY Network Television	SKT	O	388.3	2.59	2.8	50.6	49.3	49.9	32.2	35.2	35.7	7.4x	7.4x	0.8x	2.4x	2.4x	5.8%	5.8%	8.0%	8.0%
Spark New Zealand	SPK	O	9,653.7	5.23	5.1	444.4	477.9	477.2	24.0	26.3	26.4	20.1x	19.9x	5.5x	9.2x	9.1x	5.2%	5.3%	7.2%	7.4%
CONSUMER DISCRETIONARY																				
Briscoe Group	BGP	N	1,002.4	4.34	4.9	78.6	77.4	79.3	35.3	34.8	35.6	12.3x	12.4x	3.0x	7.2x	7.2x	6.5%	6.5%	9.0%	9.0%
KMD Brands	KMD	B	775.4	1.13	1.4	55.7	71.3	79.6	7.9	10.1	11.2	11.7x	11.0x	0.9x	8.4x	8.0x	5.9%	6.2%	6.5%	6.7%
Michael Hill International	MHJ	O	379.7	1.03	1.5	49.5	46.1	47.6	12.9	12.1	12.5	8.4x	8.4x	1.8x	3.2x	3.1x	8.7%	8.9%	12.1%	12.4%
My Food Bag	MFB	B	46.5	0.17	0.6	9.3	10.2	10.4	3.8	4.2	4.3	4.0x	4.0x	0.7x	3.4x	3.4x	18.0%	19.3%	18.0%	19.3%
Restaurant Brands NZ	RBD	U	910.7	6.86	6.2	35.6	42.6	52.4	28.6	34.2	42.0	22.4x	20.2x	2.8x	8.9x	8.6x	0.9%	1.7%	0.9%	1.7%
SKYCITY Entertainment Group	SKC	B	1,725.7	2.27	3.2	134.6	146.9	160.5	17.7	19.3	21.1	11.9x	11.4x	1.0x	6.4x	6.1x	6.4%	6.9%	8.9%	9.6%
The Warehouse Group	WHS	U	603.5	1.65	1.7	39.1	32.6	51.1	11.3	9.4	14.8	16.8x	14.1x	1.4x	5.7x	5.4x	3.7%	4.8%	5.2%	6.7%
Tourism Holdings	THL	O	909.8	3.88	4.6	54.3	62.0	70.2	26.2	31.0	33.5	12.8x	12.2x	1.6x	5.6x	5.3x	4.4%	4.8%	5.3%	5.7%
CONSUMER STAPLES																				
The A2 Milk Company	ATM	N	4,122.5	5.73	6.1	148.0	162.6	192.3	20.2	22.5	26.6	25.8x	23.7x	3.1x	14.9x	13.8x				
Comvita	CVT	B	205.5	3.00	4.5	13.5	18.1	27.3	19.3	25.9	39.1	12.0x	9.6x	0.8x	7.7x	6.7x	3.3%	4.5%	4.6%	6.2%
Delegat Group	DGL	O	965.8	9.66	12.1	59.9	64.9	73.7	59.3	64.2	72.9	15.2x	14.3x	1.7x	10.8x	10.3x	2.3%	2.4%	3.1%	3.3%
Fonterra Shareholders' Fund U	FSF	O	390.6	3.57	3.8	1,147.8	620.0	617.1	71.3	38.5	38.3	7.9x	8.5x	0.1x	0.2x	0.2x	-	-	-	-
NZ King Salmon Investments	NZK	N	111.0	0.20	0.2	11.1	9.3	10.0	2.0	1.7	1.9	10.3x	10.8x	0.6x	4.4x	4.6x	7.2%	6.8%	7.2%	6.8%
Sanford	SAN	N	378.7	4.16	4.6	32.6	37.1	39.7	34.9	39.7	42.5	11.0x	10.5x	0.5x	6.6x	6.2x	1.4%	3.2%	2.0%	4.5%
Scales Corporation	SCL	O	467.9	3.24	3.9	18.9	34.9	39.7	13.3	24.4	27.8	18.6x	15.0x	1.2x	6.5x	5.9x	3.3%	3.6%	4.6%	5.0%
Seeka	SEK	U	113.4	2.84	2.9	(1.8)	15.3	19.7	(4.4)	36.5	46.9	26.5x	11.1x	0.4x	6.8x	5.8x	2.0%	3.9%	2.7%	5.4%
Synlait Milk	SML	O	312.6	1.56	2.4	4.0	31.1	54.5	1.9	14.2	24.9	13.4x	9.1x	0.4x	6.9x	6.2x	-	1.9%	-	1.9%
ENERGY																				
The NZ Refining Company	CHI	N	545.4	1.45	1.5	24.1	36.4	38.2	6.4	9.8	10.2	18.9x	16.5x	1.1x	8.7x	8.1x	8.0%	8.7%	8.0%	8.7%
FINANCIALS																				
Heartland Group Holdings	HGH	O	1,092.9	1.60	2.3	110.0	111.6	121.0	16.0	15.7	16.9	10.2x	9.9x	1.0x	18.3x	17.6x	7.4%	7.7%	10.3%	10.7%
NZX	NZX	N	374.5	1.13	1.3	16.7	16.6	17.2	5.3	5.2	5.4	21.5x	21.4x	3.1x	10.4x	10.1x	5.4%	5.4%	7.5%	7.5%
Turners Automotive Group	TRA	O	292.2	3.63	4.3	30.8	33.7	36.5	35.8	39.2	42.4	10.0x	9.6x	1.0x	8.0x	7.8x	6.4%	6.8%	8.9%	9.4%
HEALTH CARE																				
AFT Pharmaceuticals	AFT	N	346.1	3.75	3.8	12.9	21.9	24.2	12.3	20.8	23.1	17.8x	16.8x	3.8x	12.2x	11.7x	1.6%	1.9%	2.3%	2.6%
Ebos Group	EBO	U	8,466.6	42.48	41.0	276.9	301.3	312.3	145.7	158.1	163.8	27.1x	26.6x	3.5x	14.2x	13.9x	2.6%	2.7%	2.8%	2.9%
Fisher & Paykel Healthcare	FPH	O	15,643.3	23.98	25.5	240.1	302.5	420.8	41.4	52.1	72.5	43.9x	38.2x	8.8x	25.7x	22.8x	1.7%	1.7%	2.4%	2.4%
Pacific Edge	PEB	O	356.6	0.47	0.8	(30.9)	(21.8)	2.9	(3.8)	(2.7)	0.4	(12.7x)	(15.5x)	7.2x	(9.9x)	(12.7x)	-	-	-	-
HEALTH CARE PROVIDERS & SERVICES																				
Arvida Group	ARV	N	738.0	1.13	1.1	90.1	96.1	114.8	12.5	13.3	15.9	8.3x	7.7x	0.5x	78.8x	65.1x	4.9%	4.9%	4.9%	4.9%
Oceania Healthcare	OCA	N	497.2	0.78	0.7	58.2	71.0	75.2	8.1	9.8	10.3	9.4x	8.6x	0.5x	37.6x	31.8x	4.4%	4.5%	4.4%	4.5%
Ryman Healthcare	RYM	N	3,644.5	6.03	5.5	321.8	367.2	426.1	46.8	53.4	62.0	12.7x	11.8x	0.8x	89.6x	81.2x	1.2%	1.3%	1.2%	1.3$
Summerset Group Holdings	SUM	N	1,891.7	8.92	9.5	156.3	175.8	215.3	67.2	74.9	91.0	12.7x	11.8x	0.8x	89.0x	74.2x	2.5%	2.5%	2.5%	2.5%
INDUSTRIALS																				
Metro Performance Glass	MPG	R	27.1	0.16	-	-	-	-	-	-	-				-	-	-	-	-	-
PGG Wrightson	PGW	N	330.6	4.23	4.2	14.9	14.9	20.5	19.7	19.7	27.2	21.5x	18.4x	2.0x	8.8x	8.3x	6.1%	6.3%	8.5%	8.8%
Skellerup Holdings	SKL	O	931.3	4.66	6.1	51.0	56.5	64.0	26.1	28.9	32.7	16.3x	15.3x	4.0x	10.6x	10.1x	5.1%	5.5%	7.1%	7.6%
TRANSPORT & LOGISTICS																				
Air New Zealand	AIR	O	2,560.0	0.78	0.9	407.4	286.3	296.2	12.1	8.5	8.8	8.7x	8.7x	1.2x	3.4x	3.3x	6.6%	7.0%	9.1%	9.7%
Auckland International Airport	AIA	U	12,887.2	8.74	7.7	143.1	299.4	347.6	9.7	20.3	23.6	46.1x	41.5x	1.5x	23.7x	21.4x	1.8%	1.9%	2.5%	2.7%
Freightways	FRE	O	1,646.6	9.15	10.5	82.8	90.5	102.9	47.5	51.1	58.1	18.1x	17.0x	3.3x	9.2X	8.9X	4.6%	4.9%	6.5%	6.8%
Mainfreight	MFT	O	7,149.6	68.00	80.0	425.6	360.5	374.3	422.7	258.0	371.7	18.9x	18.5x	3.8x	9.5X	9.2X	2.5%	2.6%	3.5%	3.5%
Port of Tauranga	POT	N	4,320.3	6.34	6.4	121.1	135.5	143.1	18.0	20.1	21.3	32.0x	30.9x	2.0x	21.3x	20.6x	2.7%	2.8%	3.8%	3.9%
INFORMATION TECHNOLOGY																				
EROAD	ERD	N	62.1	0.61	1.2	(15.5)	(3.2)	3.5	(14.0)	(2.9)	3.1	(28.5x)	-	0.3x	3.1x	2.8x	-	-	-	-
Gentrack Group	GTK	O	346.9	4.30	3.6	5.7	7.6	15.4	5.7	7.6	15.4	62.5x	44.5x	2.0x	21.5x	18.6x	-	-	-	-
Serko	SKO	N	268.6	3.00	3.3	(19.6)	1.9	14.5	(16.3)	1.6	12.1	(21.2x)	(53.2x)	2.5x	(38.8x)	105.1x	-	-	-	-
Vista Group International	VGL	O	307.1	1.40	1.9	(3.9)	(0.4)	4.8	(1.7)	(0.2)	2.1	(122.2x)	-	2.1x	23.5x	18.0x	-	-	-	-
MATERIALS																				
Fletcher Building	FBU	B	3,680.3	5.12	6.7	382.1	347.6	378.1	49.0	44.6	48.5	11.3x	11.0x	1.0x	6.3x	6.2x	6.8%	6.9%	9.4%	9.6%
Steel & Tube Holdings	STU	O	176.9	1.11	1.3	16.1	18.1	19.0	9.7	10.9	11.5	10.3x	10.0x	0.8x	6.4x	6.2x	7.7%	7.5%	10.6%	10.4%
Vulcan Steel	VSL	N	1,023.7	8.15	9.3	107.0	90.0	94.3	81.4	68.5	71.8	11.6x	11.5x	4.3x	8.6x	8.6x	6.7%	6.9%	7.9%	8.0%
REAL ESTATE																				
Argosy Property	ARG	N	922.9	1.11	1.2	57.4	62.3	65.9	6.8	7.4	7.8	16.2x	15.5x	0.8x	16.0x	15.7x	6.0%	6.0%	8.4%	8.4%
Asset Plus	APL	O	88.9	0.26	0.3	(1.1)	(1.2)	4.0	(0.3)	(0.3)	1.1	(206.4x)	56.6x	0.7x	57.8x	36.6x	-	0.3%	-	0.4%
Goodman Property Trust	GMT	U	2,988.9	2.18	2.1	116.7	127.4	136.7	8.3	9.0	9.7	25.9x	24.9x	0.9x	26.2x	24.0x	2.9%	3.0%	4.0%	4.1%
Investore Property	IPL	N	521.9	1.41	1.5	30.9	33.6	33.1	8.4	9.1	9.0	15.5x	15.5x	0.8x	16.3x	15.8x	5.7%	5.7%	7.9%	7.9%
Kiwi Property Group	KPG	N	1,398.3	0.92	1.0	101.7	95.4	100.4	6.5	6.1	6.4	14.9x	14.6x	0.8x	16.0x	15.3x	6.3%	6.3%	8.8%	8.8%
New Zealand Rural Land Co	NZL	N	120.0	0.88	1.1	6.0	8.8	9.3	3.9	5.7	6.0	16.1x	15.4	0.5x	15.2x	14.5x	5.5%	5.7%	7.7%	7.9%
Precinct Properties NZ	PCT	U	1,950.6	1.21	1.2	109.2	108.1	107.4	6.9	10.5	11.3	23.8x	22.6x	0.9x	21.3x	20.3x	5.5%	5.5%	7.7%	7.7%
Property for Industry	PFI	N	1,175.0	2.33	2.2	47.3	52.8	56.5	9.4	10.5	11.3	23.8x	22.6x	0.9x	20.5x	19.7x	3.6%	3.7%	5.0%	5.1%
Stride Property & Stride Invest M	SPG	N	706.6	1.35	1.5	56.3	54.8	52.8	10.2	9.8	9.4	13.3x	13.6x	0.7x	15.3x	15.1x	5.9%	6.0%	8.2%	8.3%
Vital Healthcare Property Trust	VHP	U	1,536.3	2.33	2.2	75.3	77.7	80.1	11.5	11.7	11.9	20.0x	19.8x	0.9x	22.3x	20.5x	4.2%	4.2%	5.8%	5.9%
UTILITIES - GENTAILERS																				
Contact Energy	CEN	B	6,193.4	7.91	9.5	166.1	197.9	233.6	21.2	25.3	29.8	31.9x	29.3x	2.4x	12.3x	11.4x	4.4%	4.5%	5.4%	5.6%
Genesis Energy	GNE	O	2,892.2	2.75	3.3	144.9	129.4	122.4	13.8	12.3	11.7	22.0x	22.6x	1.1x	8.6x	8.7x	6.6%	6.7%	8.6%	8.7%
Mercury NZ	MCY	O	8,937.9	6.30	7.1	224.5	206.6	320.4	16.0	14.8	22.9	42.1x	34.2x	1.9x	13.0x	12.3x	3.7%	4.0%	5.1%	5.6%
Meridian Energy	MEL	N	13,820.0	5.35	5.7	311.3	338.2	450.4	12.1	13.1	17.4	41.2x	35.9x	2.4x	18.5x	16.9x	3.5%	3.6%	3.5%	3.6%
Manawa Energy	MNW	N	1,552.3	4.75	5.3	60.0	62.4	71.8	19.2	19.9	23.0	24.6x	24.0x	1.2x	14.4x	14.1x	3.4%	3.4%	4.7%	4.8%
MULTI-UTILITIES																				
Infratil	IFT	O	6,700.5	10.00	10.0	577.0	29.2	80.3	79.7	4.0	11.1	146.0x	146.0x	1.7x	26.2x	26.7x	2.0%	1.9%	2.8%	2.6%
Vector	VCT	O	3,980.0	3.98	4.3	166.2	208.7	217.0	16.6	20.9	21.7	19.5x	19.0x	1.0x	12.7x	12.4x	4.7%	4.9%	5.2%	5.3%

JARDEN'S NZ LISTED COMPANIES GROSS DIVIDEND YIELD AS AT 30TH MAY 2023

COMPANY	RATING	PRICE (NZ$)	GROSS DIVIDEND YIELD				DIVIDEND COVER				NET DEBT/ EQUITY[1]
			FY-1	FY0	FY1	FY2	FY-1	FY0	FY1	FY2	CURRENT
My Food Bag	B	$0.17	17.3%	11.6%	17.3%	20.2%	1.1x	1.7x	1.2x	1.1x	-3.8%
NZME	O	$0.94	20.7%	14.8%	16.3%	16.3%	0.9x	1.2x	1.2x	1.3x	0.0%
Michael Hill	O	$1.04	9.3%	10.5%	11.1%	11.8%	1.6x	1.5x	1.3x	1.3x	-44.8%
Heartland Group	O	$1.58	9.7%	9.7%	10.5%	11.4%	1.5x	1.5x	1.3x	1.3x	537.6%
Steel and Tube	N	$1.16	11.2%	10.2%	10.2%	9.6%	1.3x	1.1x	1.3x	1.4x	20.4%
Turners	O	$3.68	8.7%	8.7%	9.6%	10.4%	1.6x	1.6x	1.5x	1.5x	141.7%
Air New Zealand	O	$0.77	-	6.7%	9.5%	10.5%	-	3.3x	1.6x	1.5x	-14.7%
Fletcher Building	B	$5.05	11.0%	11.0%	9.4%	9.9%	1.5x	1.2x	1.3x	1.3x	18.9%
Kiwi Property Group	N	$0.92	9.3%	9.3%	9.3%	9.3%	1.2x	1.1x	1.1x	1.1x	0.0%
Sky City	B	$2.31	-	7.2%	9.0%	10.2%	-	1.5x	1.3x	1.2x	36.2%
Stride	N	$1.36	8.8%	8.8%	8.9%	9.0%	1.3x	1.3x	1.2x	1.1x	-0.9%
Briscoe Group	N	$4.40	8.8%	8.8%	8.8%	8.8%	1.4x	1.3x	1.2x	1.3x	-46.2%
Genesis Energy	O	$2.73	8.3%	8.4%	8.6%	8.8%	0.6x	0.8x	0.7x	0.6x	52.0%
PGG Wrightson	N	$4.24	9.8%	7.9%	8.5%	9.2%	1.1x	0.8x	0.8x	1.0x	0.0%
Investore Property	N	$1.39	8.5%	8.5%	8.5%	8.5%	1.1x	1.1x	1.1x	1.1x	0.0%
Sky Network Television	O	$2.51	4.0%	8.3%	8.3%	8.3%	3.9x	2.1x	2.3x	2.4x	0.0%
Argosy Property	O	$1.12	8.2%	8.2%	8.2%	8.4%	1.1x	1.0x	1.1x	1.2x	-0.1%
Precinct Properties	U	$1.22	8.2%	8.2%	8.2%	8.2%	1.0x	1.0x	1.0x	1.0x	0.0%
NZ Rural Land Co	N	$0.87	3.2%	-	8.0%	8.4%	1.3x	-	1.2x	1.2x	0.0%
Vulcan Steel	N	$8.02	10.8%	8.8%	7.9%	8.3%	1.5x	1.5x	1.2x	1.2x	78.6%
NZX	N	$1.13	7.5%	7.5%	7.5%	7.5%	0.8x	0.9x	0.8x	0.9x	-1.3%
Channel Infrastructure	N	$1.45	-	4.8%	7.2%	9.4%	-	0.5x	0.6x	0.7x	52.7%
Skellerup	O	$4.63	6.1%	6.6%	7.2%	8.4%	1.2x	1.2x	1.2x	1.2x	0.0%
Spark	O	$5.25	6.6%	7.1%	7.1%	7.7%	0.9x	0.9x	1.0x	0.9x	83.4%
New Zealand King Salmon	N	$0.20	-	-	6.9%	6.9%	-	-	1.7x	1.9x	-8.8%
Kathmandu	B	$1.09	5.5%	6.0%	6.9%	7.3%	0.9x	1.3x	1.5x	1.5x	4.5%
Freightways	O	$9.09	5.7%	6.0%	6.6%	7.2%	1.2x	1.2x	1.2x	1.2x	0.0%
Scales Corporation	O	$3.20	5.2%	3.5%	6.5%	7.4%	1.6x	1.7x	1.6x	1.6x	-6.5%
Fonterra	O	$3.56	5.6%	9.8%	6.5%	6.5%	1.8x	2.0x	1.7x	1.7x	1.3%
Vital Healthcare	U	$2.31	6.2%	6.3%	6.4%	6.4%	1.2x	1.2x	1.2x	1.2x	-1.3%
Tourism Holdings	O	$3.79	-	2.1%	5.9%	6.4%	-	3.3x	1.7x	1.7x	10.0%
Chorus	N	$8.34	4.2%	5.1%	5.7%	6.0%	0.3x	0.2x	0.2x	0.2x	346.9%
Contact Energy	B	$7.91	5.5%	5.0%	5.5%	5.7%	0.6x	0.6x	0.7x	0.8x	36.2%
Property For Industry	N	$2.32	5.2%	5.3%	5.5%	5.7%	1.2x	1.1x	1.2x	1.3x	0.0%
The Warehouse Group	U	$1.67	16.6%	4.2%	5.4%	8.7%	1.3x	2.3x	1.5x	1.4x	9.4%
Mercury	O	$6.22	4.5%	4.9%	5.2%	6.2%	0.5x	0.7x	0.6x	0.8x	39.4%
Vector	O	$3.99	4.6%	4.9%	5.2%	5.5%	1.1x	0.9x	1.1x	1.1x	80.5%
Sanford	N	$4.25	3.3%	3.9%	4.9%	5.6%	2.3x	2.9x	2.6x	2.5x	5.0%
Comvita	B	$3.00	2.5%	2.5%	4.9%	8.3%	3.6x	3.5x	2.5x	2.2x	-7.2%
Manawa Energy	N	$4.80	4.6%	4.7%	4.7%	4.7%	2.0x	1.2x	1.2x	1.4x	57.9%
Oceania Healthcare	U	$0.78	4.1%	4.4%	4.6%	4.9%	2.6x	2.4x	2.7x	2.7x	0.0%
Goodman Property	U	$2.17	4.1%	4.3%	4.5%	4.8%	1.3x	1.3x	1.4x	1.4x	0.0%
Port of Tauranga	N	$6.31	3.2%	3.4%	3.9%	4.1%	1.1x	1.2x	1.1x	1.1x	5.6%
Arvida	N	$1.14	4.3%	3.2%	3.6%	4.1%	2.5x	3.5x	3.8x	3.7x	0.0%
Meridian Energy	N	$5.44	3.2%	3.3%	3.4%	3.7%	0.5x	0.7x	0.7x	0.9x	13.7%
Mainfreight	N	$70.00	3.4%	3.4%	3.4%	4.1%	2.5x	2.0x	2.1x	2.0x	-10.2%
Delegat's Group	O	$9.72	2.9%	3.0%	3.1%	3.6%	2.9x	2.8x	2.9x	2.9x	0.0%
Infratil	O	$9.98	2.5%	2.6%	2.7%	2.9%	1.9x	0.4x	0.6x	0.9x	79.8%
Ebos	U	$41.55	2.1%	2.3%	2.7%	2.9%	1.5x	1.5x	1.4x	1.3x	36.8%
Auckland Airport	U	$8.74	-	1.5%	2.6%	3.0%	-	1.0x	1.3x	1.3x	5.9%
AFT Pharmaceuticals	N	$3.77	0.4%	2.2%	2.6%	2.9%	9.2x	3.3x	3.3x	3.5x	31.6%
Summerset	O	$8.91	2.5%	2.5%	2.5%	2.6%	3.3x	3.0x	3.3x	4.0x	0.0%
Fisher & Paykel Healthcare	O	$24.32	2.3%	2.4%	2.4%	2.5%	1.1x	1.1x	1.5x	1.8x	-0.9%
Restaurant Brands	N	$6.84	2.3%	-	2.3%	2.9%	1.6x	-	2.1x	2.2x	71.2%
Ryman Healthcare	U	$6.28	1.4%	1.2%	1.2%	1.3%	6.6x	6.3x	6.9x	7.7x	-0.6%
Asset Plus	O	$0.25	-	-	-	7.3%	-	-	-	1.6x	0.0%
a2 Milk	N	$5.75	-	-	-	-	-	-	-	-	-58.1%
Eroad	N	$0.65	-	-	-	-	-	-	-	-	1.4%
Gentrack	N	$4.34	-	-	-	2.1%	-	-	-	1.9x	-15.2%
Pacific Edge	O	$0.45	-	-	-	-	-	-	-	-	-203.1%
Seeka	U	$2.80	12.9%	-	-	7.4%	0.9x	-	-	2.4x	0.0%
Serko	N	$3.05	-	-	-	-	-	-	-	-	-117.0%
Synlait	O	$1.57	-	-	-	4.8%	-	-	-	3.3x	43.6%
Vista Group	O	$1.36	-	-	-	-	-	-	-	-	-19.4%
MEDIAN			**4.2%**	**4.7%**	**5.5%**	**6.5%**	**1.3x**	**1.2x**	**1.3x**	**1.3x**	**0.0%**

Source: Jarden

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

AUSTRALIAN EQUITIES

XERO (XRO.AU) A$102.49 OVERWEIGHT TARGET: A$106.00

FY23 results allay fears of softer subscriber numbers, with early signs of the steps to a pathway of strong FCF. Earnings changes: FY24E underlying revenue +2.3%, EBITDA +2.6%; FY25E underlying revenue +3.1%, EBITDA +2.2%. We make the following estimate changes. (1) Subscribers: UK and North America (NA) subscriber additions came in above our estimate, even against the macroeconomic headwinds. We had previously lowered our subscriber numbers, uncertain on the momentum (see Will a change of CEO bring in or take out the cash? 11 November 2022), but we now factor back in our prior estimates of growth, having more conviction on the strategy. (2) ARPU came in stronger, particularly in the US, driven by price increases and to a lesser extent FX benefit. We continue to be encouraged by the opportunity to increase ARPU under the new leadership, particularly in ANZ. (3) We adjust our opex forecasts to be in line with the guidance for FY24 opex as a % of revenue to be around 75%. (4) We adjust for recent FX rates.

Key financial metrics	2023A	2024E	2025E	2026E
Operating revenues (NZ$m)	1,399.9	1,656.4	1,908.9	2,183.3
Operating EBITDA (NZ$m)	**301.7**	**444.4**	**518.7**	**687.3**
Adjusted NPAT (NZ$m)	26.0	122.1	176.7	296.5
EPS normalised (NZc)	**17.3**	**80.8**	**117.0**	**196.3**
EPS growth (%)	299.3%	366.8%	44.7%	67.8%
EV/EBITDA (x)	47.7	33.9	28.7	21.3
P/E (x)	**566.3**	**124.2**	**85.7**	**51.1**
P/FCF (x)	165.8	93.3	82.8	57.7
Gross yield (-)	-	-	-	-
Net yield (%)	**0.0%**	**0.0%**	**0.0%**	**0.0%**

Source: Company data, Jarden Research

QANTAS (QAN.AU) A$6.36 BUY TARGET: A$7.00

FY23E-FY25E core EPS +8.0-8.5%, move to Overweight (from Buy) - Qantas has provided maiden FY23E profit before tax (PBT) guidance of A$2,425-2,475m alongside its May 2023 trading update. Alongside a better-than-forecast earnings outlook, QAN also showed it is continuing to lower its net debt (FY23E guidance A$2.7-2.9bn) at a faster rate than expected, driven by working capital benefits. Whilst the demand environment remains strong, fuel prices are moderating and one-off costs (A$200m) are coming out, we remain cautious on the yield outlook given uncertainty on demand. We lift our FY23E-FY25E core EPS forecasts by +8.0-8.5%, reflecting a stronger earnings outlook than Jarden had forecast and the additional on-market buyback (+A$100m) announced. Following a change in the risk/reward symmetry after a strong run-up in the Qantas share price and Jarden's caution on the earnings outlook relative to Visible Alpha Consensus, they lower their rating from Buy to Overweight but maintain our 12-month target price of A$7.00.

Key financial metrics	2022A	2023E	2024E	2025E
Operating revenues (A$m)	9,108.0	19,383.1	20,790.4	21,448.3
Operating EBITDA (A$m)	**281.0**	**4,532.5**	**4,587.8**	**4,502.4**
Adjusted NPAT (A$m)	-1,528.0	1,727.1	1,642.3	1,560.5
EPS normalised (Ac)	**-81.9**	**94.3**	**97.2**	**94.2**
EPS growth (%)	-28.2%	215.1%	3.1%	-3.1%
EV/EBITDA (x)	43.8	3.3	3.3	3.5
P/E (x)	**-5.5**	**7.0**	**6.8**	**7.0**
P/FCF (x)	5.1	5.3	59.8	-128.4
Gross yield (-)	-	-	-	-
Net yield (%)	**0.0%**	**0.0%**	**0.0%**	**7.1%**

Source: Company data, Jarden Research

JARDEN'S AUSTRALIAN LISTED COMPANIES RECOMMENDATIONS

SELL		UNDERWEIGHT		NEUTRAL		OVERWEIGHT		BUY	
	PLS	FMG	AMC	COH	APA	ALL	ANZ	NAB	QBE
	TLC	MIN	DXS	BXB	BHP	ASX	CSL	QAN	SCG
		SGP	EDV	JHX	CBA	BSL	GMG	SUN	
		TCL	GPT	NCM	COL	CPU	S32		
			MGR	WES	SHL	IAG	SEK		
			MQG		WDS	MPL	XRO		
			WBC			NST			
						RHC			
						RIO			
						RMD			
						TLS			
						TWE			
						WOW			

JARDEN'S GLOBALLY LISTED COMPANIES RECOMMENDATIONS

LEAST PREFERRED			NEUTRAL			MOST PREFERRED		
3M Co	Volkswagen	BP	Adobe	AT&T	Berkshire H.	AIA Group	Amazon	Abbott Labs
	Toyota	Disney	Alibaba	Caterpillar	Deere & Co	Air Liquide	Apple	ASML
	Samsung	Straumann	Bank of Am.	Citigroup	Lululemon	Schneider	Hershey	Danaher
	TSMC	Tesla	Goldmans	ExxonMobil	Merck & Co	Edwards Life	Enphase	MasterCard
		Walmart	Salesforce	GlaxoSmith	Netflix	J&J	Visa	United Health
		Micron Tech.	Blackstone	Alphabet	Meta	Mondelez	Nike	JP Morgan
				Siemens	Morgan Stan	Zoetis	PayPal	Tencent
					Blackrock	Conocophil		

COMPANY	RATING	PRICE (AU$)	DIVIDEND YIELD				DIVIDEND COVER			
			FY-1	FY0	FY1	FY2	FY-1	FY0	FY1	FY2
Liberty Financial Group Limited	N	$3.80	12.9%	11.1%	10.5%	10.8%	1.5x	1.5x	1.4x	1.4x
Magellan Financial Group Limited	U	$8.00	22.4%	10.2%	7.0%	6.5%	1.2x	1.3x	1.5x	1.7x
Centuria Office REIT	U	$1.44	11.5%	9.8%	10.0%	10.4%	1.1x	1.1x	1.1x	1.1x
Autosports Group Limited	O	$2.09	7.7%	9.5%	8.9%	8.4%	1.7x	1.7x	1.7x	1.7x
Adairs Limited	O	$1.93	9.3%	9.3%	9.8%	10.9%	1.7x	1.5x	1.5x	1.5x
Accent Group Limited	N	$1.80	3.6%	8.8%	6.2%	6.7%	0.9x	1.4x	1.4x	1.4x
Peter Warren Automotive Holdings Limite	B	$2.63	8.4%	8.2%	7.8%	7.2%	1.6x	1.6x	1.6x	1.6x
Resimac Group Limited	U	$0.93	8.6%	8.1%	7.0%	7.6%	3.1x	2.8x	2.7x	2.7x
Platinum Asset Management Limited	U	$1.72	9.9%	7.9%	6.6%	6.0%	1.0x	1.2x	1.2x	1.2x
Pepper Money Limited	O	$1.28	8.2%	7.8%	7.8%	9.4%	4.3x	3.0x	3.1x	2.9x
Universal Store Holdings Limited	O	$2.90	7.4%	7.4%	8.4%	10.3%	1.3x	1.4x	1.4x	1.4x
Abacus Property Group	O	$2.59	6.9%	7.1%	7.0%	7.1%	1.1x	1.1x	1.1x	1.1x
NRW Holdings Limited	O	$2.23	5.6%	7.1%	6.8%	7.2%	1.8x	1.8x	1.8x	1.8x
Nick Scali Limited	U	$8.72	7.5%	7.0%	6.0%	6.3%	1.5x	1.4x	1.4x	1.4x
Australia & New Zealand Banking Group L	O	$23.41	6.2%	7.0%	7.0%	7.0%	1.5x	1.5x	1.5x	1.5x
Bank of Queensland Limited	O	$5.78	8.0%	6.9%	6.9%	7.3%	1.5x	1.5x	1.5x	1.5x
Charter Hall Retail REIT	O	$3.73	6.6%	6.9%	6.9%	7.2%	1.2x	1.1x	1.1x	1.1x
Bendigo and Adelaide Bank Limited	N	$8.77	6.0%	6.8%	6.8%	7.0%	1.5x	1.5x	1.3x	1.3x
Homeco Daily Needs REIT	O	$1.22	6.8%	6.8%	7.0%	7.2%	1.1x	1.0x	1.0x	1.0x
Super Retail Group Limited	U	$11.60	6.0%	6.8%	5.6%	5.7%	1.5x	1.6x	1.6x	1.6x
Westpac Banking Corporation	U	$21.11	5.9%	6.7%	6.8%	6.9%	1.1x	1.6x	1.5x	1.5x
Insignia Financial Limited	O	$2.93	8.1%	6.7%	7.5%	8.3%	1.5x	1.6x	1.5x	1.5x
Harvey Norman Holdings Limited	U	$3.47	10.8%	6.6%	6.1%	6.1%	142.1%	1.4x	1.4x	1.4x
Charter Hall Long Wale REIT	U	$4.34	7.0%	6.5%	6.6%	6.7%	1.0x	1.0x	1.0x	1.0x
JB Hi-Fi Limited	U	$43.51	7.3%	6.5%	4.8%	4.8%	1.5x	1.5x	1.5x	1.5x
Centuria Capital Group Limited	O	$1.80	6.1%	6.4%	6.7%	6.9%	1.3x	1.3x	1.2x	1.3x
Dexus	U	$8.10	6.6%	6.3%	6.4%	6.7%	1.3x	1.3x	1.3x	1.3x
National Australia Bank Limited	B	$26.52	5.7%	6.3%	6.3%	6.4%	1.4x	1.5x	1.5x	1.5x
Stockland Corporation Limited	U	$4.36	6.1%	6.2%	6.1%	6.2%	1.3x	1.3x	1.2x	1.2x
Metcash Limited	O	$3.65	5.9%	6.2%	6.0%	6.8%	1.4x	1.4x	1.5x	1.4x
Suncorp Group Limited	B	$13.38	3.0%	6.1%	6.9%	6.0%	1.3x	1.3x	1.2x	1.3x
Vicinity Centres	O	$1.89	5.5%	6.1%	6.2%	6.5%	1.3x	1.2x	1.2x	1.2x
Scentre Group	B	$2.76	5.7%	6.0%	6.3%	6.5%	1.2x	1.3x	1.4x	1.4x
GPT Group	U	$4.27	5.9%	5.9%	6.0%	6.2%	1.2x	1.3x	1.3x	1.3x
Perpetual Limited	O	$24.91	8.4%	5.9%	8.4%	9.5%	1.2x	1.2x	1.2x	1.2x
Pilbara Minerals Limited	S	$4.47	-	5.8%	2.2%	2.2%	0.0x	5.4x	4.4x	2.4x
Charter Hall Social Infrastructure	O	$2.97	5.8%	5.8%	5.9%	6.2%	1.0x	1.0x	1.0x	1.0x
CSR Limited	O	$4.95	7.4%	5.6%	5.7%	6.9%	1.3x	1.4x	1.4x	1.4x
Estia Health Limited	B	$2.50	0.9%	5.4%	4.5%	5.5%	(1.5x)	1.2x	1.2x	1.2x
Eagers Automotive Limited	O	$12.43	5.7%	5.3%	4.8%	4.8%	1.8x	2.1x	2.4x	2.4x
Orora Limited	O	$3.29	5.0%	5.3%	5.5%	6.1%	1.3x	1.3x	1.3x	1.2x
Beacon Lighting Group Limited	O	$1.61	5.8%	5.2%	4.5%	4.9%	2.0x	1.7x	1.7x	1.7x
Centuria Industrial REIT	U	$3.16	5.5%	5.1%	5.2%	5.3%	105.2%	106.3%	1.0x	1.0x
BWP Trust	U	$3.70	4.9%	4.9%	4.9%	5.1%	1.0x	1.0x	1.0x	1.0x
QBE Insurance Group Limited	B	$14.85	2.6%	4.8%	5.7%	6.1%	1.8x	1.1x	1.4x	1.4x
AMP Limited	N	$1.09	2.3%	4.6%	5.5%	5.5%	0.0x	0.0x	0.7x	1.6x
Arena REIT	O	$3.69	4.3%	4.6%	4.8%	5.0%	1.0x	1.0x	1.0x	1.0x
Aurizon Holdings Limited	N	$3.55	6.0%	4.5%	5.0%	8.0%	1.3x	1.3x	1.3x	1.0x
Mirvac Group	U	$2.34	4.4%	4.5%	4.5%	4.7%	1.5x	1.5x	1.4x	1.4x
Commonwealth Bank of Australia	N	$99.18	3.9%	4.5%	4.5%	4.5%	1.4x	1.3x	1.3x	1.3x
Emeco Holdings Limited	B	$0.67	1.9%	4.4%	8.8%	9.9%	10.6x	2.9x	2.5x	2.5x
National Storage REIT	B	$2.53	4.0%	4.3%	4.6%	4.9%	1.1x	1.1x	1.1x	1.1x
Medibank Private Limited	O	$3.57	3.8%	4.3%	4.8%	4.9%	1.1x	1.2x	1.2x	1.2x
IPH Limited	N	$8.01	3.8%	4.1%	4.5%	4.9%	1.3x	1.2x	1.2x	1.3x
Premier Investments Limited	N	$23.45	4.3%	4.1%	3.8%	3.8%	1.4x	1.9x	1.8x	1.8x
Macmahon Holdings Limited	B	$0.13	5.0%	4.0%	5.2%	5.6%	3.7x	6.4x	5.8x	5.4x

COMPANY	RATING	PRICE (AU$)	DIVIDEND YIELD				DIVIDEND COVER			
			FY-1	FY0	FY1	FY2	FY-1	FY0	FY1	FY2
Coles Group Limited	N	$18.21	3.5%	4.0%	3.6%	4.4%	1.2x	1.2x	1.3x	1.2x
Transurban Group Limited	U	$14.71	2.8%	3.9%	4.4%	4.8%	0.0x	0.2x	0.3x	0.3x
Challenger Limited	O	$6.29	3.7%	3.9%	4.3%	4.7%	1.8x	2.0x	2.0x	2.0x
Janus Henderson Group	U	$40.20	3.9%	3.9%	4.0%	4.1%	2.8x	1.5x	1.1x	1.2x
Santos Limited	O	$7.49	3.0%	3.8%	2.6%	2.1%	3.1x	3.5x	1.5x	1.9x
Pact Group Holdings Limited	O	$0.68	7.4%	3.7%	11.8%	13.4%	4.0x	2.6x	2.4x	1.9x
Charter Hall Group	O	$11.38	3.5%	3.7%	4.0%	4.2%	2.9x	2.1x	2.1x	2.1x
Mineral Resources Limited	U	$72.42	1.4%	3.7%	4.1%	1.9%	1.8x	2.3x	2.4x	2.0x
Helloworld Travel Limited	O	$2.70	-	3.7%	4.5%	4.4%	(1.8x)	2.8x	3.4x	3.3x
Monadelphous Group Limited	N	$12.44	3.9%	3.7%	4.5%	5.0%	1.1x	1.2x	1.1x	1.1x
Inghams Group Limited	S	$2.96	2.4%	3.6%	4.8%	5.6%	2.2x	1.4x	1.4x	1.4x
Wesfarmers Limited	N	$49.30	3.7%	3.5%	3.5%	3.8%	1.1x	1.2x	1.2x	1.2x
ALS Limited	U	$11.65	3.4%	3.5%	3.7%	4.0%	1.7x	1.7x	1.7x	1.7x
Regis Healthcare Limited	B	$2.17	2.7%	3.5%	7.0%	5.9%	(0.2x)	1.0x	1.0x	1.0x
Healthia Limited	B	$1.16	1.7%	3.4%	4.3%	5.2%	3.9x	3.7x	2.7x	2.6x
ASX Limited	O	$68.53	3.4%	3.4%	3.6%	4.0%	1.1x	1.1x	1.1x	1.1x
Nib Holdings Limited	N	$8.53	2.6%	3.4%	3.6%	3.6%	1.4x	1.5x	1.5x	1.5x
Endeavour Group Limited	U	$6.19	3.3%	3.3%	3.6%	4.0%	1.4x	1.4x	1.4x	1.3x
Insurance Australia Group Limited	O	$5.21	2.1%	3.3%	5.0%	5.8%	0.8x	1.4x	1.3x	1.3x
The Lottery Corporation Limited	S	$4.95	-	3.3%	3.4%	3.6%	0.0x	1.4x	1.0x	1.0x
Woodside Energy Group Limited	N	$35.10	7.2%	3.2%	3.6%	3.8%	1.2x	1.4x	1.3x	1.4x
Computershare Limited	O	$22.65	2.4%	3.2%	3.6%	3.6%	1.1x	1.5x	1.5x	1.5x
Treasury Wine Estates Limited	O	$11.83	2.6%	3.2%	3.5%	3.8%	1.3x	1.3x	1.3x	1.3x
Jumbo Interactive Limited	N	$14.58	2.9%	3.2%	3.3%	3.6%	1.2x	1.3x	1.3x	1.3x
Lovisa Holdings Limited	O	$21.04	3.5%	3.1%	3.5%	4.5%	0.7x	1.0x	1.2x	1.3x
Costa Group Holdings Limited	O	$2.62	1.8%	3.1%	2.4%	3.3%	1.6x	2.2x	2.4x	2.4x
Domino's Pizza Enterprises Limited	O	$48.82	3.6%	2.8%	3.8%	4.6%	1.1x	1.2x	1.2x	1.2x
Woolworths Group Limited	O	$38.26	2.5%	2.8%	3.1%	3.4%	1.3x	1.3x	1.3x	1.3x
HMC Capital	O	$4.40	2.7%	2.7%	2.7%	2.8%	2.5x	2.0x	2.2x	2.4x
Collins Foods Limited	N	$8.57	3.2%	2.7%	2.5%	3.2%	1.9x	1.7x	1.8x	1.7x
BlueScope Steel Limited	O	$18.99	2.6%	2.6%	2.6%	2.6%	10.9x	4.5x	3.1x	2.4x
Sonic Healthcare Limited	N	$35.34	2.8%	2.6%	2.8%	2.8%	3.3x	1.7x	1.6x	1.8x
Orica Limited	O	$15.38	2.3%	2.5%	3.1%	3.5%	2.2x	2.0x	2.0x	1.9x
Steadfast Group Limited	N	$6.00	2.2%	2.5%	2.9%	3.0%	1.6x	1.6x	1.6x	1.6x
Brickworks Limited	N	$26.00	2.4%	2.5%	2.6%	2.7%	7.8x	3.9x	1.2x	1.9x
QUBE Holdings Limited	O	$3.02	2.1%	2.5%	2.9%	3.0%	1.6x	1.1x	1.1x	1.1x
Brambles Limited	N	$13.99	1.9%	2.5%	3.3%	3.6%	1.5x	1.4x	1.4x	1.4x
Ingenia Communities Group Limited	U	$4.27	2.6%	2.5%	2.6%	2.7%	2.1x	2.1x	2.5x	2.6x
AUB Group Limited	B	$25.52	2.2%	2.4%	4.0%	4.5%	1.8x	1.7x	1.6x	1.6x
Amcor Public Limited	N	$15.14	3.2%	2.4%	3.1%	3.3%	1.7x	1.6x	1.7x	1.6x
IGO Limited	B	$14.58	0.7%	2.4%	2.8%	2.0%	3.4x	6.9x	4.9x	5.0x
Carsales.com Limited	U	$23.55	2.1%	2.3%	2.7%	2.9%	1.4x	1.2x	1.2x	1.2x
Reliance Worldwide Corporation Limited	N	$4.22	2.3%	2.2%	2.2%	2.5%	2.2x	1.9x	2.0x	2.0x
Beach Energy Limited	O	$1.43	1.4%	2.1%	4.9%	10.5%	11.1x	7.5x	3.5x	2.4x
Lynch Group Holdings Limited	O	$1.95	6.2%	2.1%	7.2%	7.9%	1.7x	2.0x	2.0x	2.0x
Sims Limited	N	$14.38	6.3%	2.0%	1.8%	2.5%	3.1x	2.7x	3.3x	3.3x
Tabcorp Holdings Limited	O	$1.14	5.7%	1.9%	2.2%	3.2%	27.7%	1.5x	1.6x	1.6x
SEEK Limited	O	$24.18	1.8%	1.9%	2.0%	2.3%	1.6x	1.5x	1.5x	1.5x
Netwealth Group Limited	N	$12.95	1.5%	1.8%	2.4%	2.8%	1.1x	1.2x	1.2x	1.2x
IDP Education Limited	O	$22.21	0.6%	1.8%	2.3%	2.8%	2.8x	1.4x	1.4x	1.4x
The Reject Shop Limited	B	$4.59		1.7%	6.1%	5.7%	0.0x	3.3x	4.9x	2.5x

Source: Jarden

1. The Net Debt/Equity ratio is calculated as Gross Debt less cash holdings divided by total shareholder funds. 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.

BBB+, BBB, BBB-

Issuer	NZDX Code	Coupon	Maturity Date	CPN Freq	Credit Rating	Type	Min. Size	Best Offer Yield	Best Price/ $100
Summerset	SUM010	4.780	11/07/2023	4	BBB-(NR)	Senior	5,000	6.630	100.44
GMT Bond Issuer	GMB050	4.000	1/09/2023	2	BBB+	Senior	5,000	6.460	100.36
Kiwi Property Group Limited	KPG020	4.000	7/09/2023	2	BBB+	Senior	5,000	6.638	100.21
Z Energy	ZEL050	4.320	1/11/2023	4	BBB-(NR)	Senior	5,000	6.424	99.49
Meridian Energy	MEL040	4.880	20/03/2024	2	BBB+	Senior	5,000	-	-
Heartland Bank	HBL020	3.550	12/04/2024	4	BBB	Senior	5,000	6.720	97.83
Investore Property	IPL010	4.400	18/04/2024	4	BBB(NR)	Senior	5,000	7.160	98.18
Christchurch International Airport	CHC010	4.130	24/05/2024	2	BBB+	Senior	5,000	-	-
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	6.630	98.32
Contact Energy	CEN050	3.550	15/08/2024	4	BBB	Senior	5,000	6.182	97.12
Z Energy	ZEL060	4.000	3/09/2024	4	BBB-(NR)	Senior	5,000	6.451	97.00
Precinct Properties	PCT020	4.420	27/11/2024	2	BBB+(NR)	Senior	5,000	6.800	96.73
Property for Industry	PFI010	4.590	28/11/2024	4	BBB(NR)	Senior	5,000	6.750	97.00
Kiwi Property Group Limited	KPG030	4.330	19/12/2024	2	BBB+	Senior	5,000	6.755	98.42
Vector Limited	VCT090	3.450	27/05/2025	2	BBB	Senior	5,000	5.900	95.50
Wellington Intl Airport	WIA050	5.000	16/06/2025	2	BBB	Senior	10,000	-	-
Meridian Energy	MEL050	4.210	27/06/2025	2	BBB+	Senior	5,000	5.825	98.68
Summerset	SUM020	4.200	24/09/2025	4	BBB-(NR)	Senior	5,000	6.550	95.76
Property for Industry	PFI020	4.250	1/10/2025	4	BBB(NR)	Senior	5,000	6.650	95.55
Kiwi Property Group Limited	KPG040	4.060	12/11/2025	2	BBB+	Senior	5,000	6.500	94.76
Argosy Property	ARG010	4.000	27/03/2026	4	BBB+(NR)	Senior	5,000	6.775	93.63
Manawa Energy	MNW180	3.350	29/07/2026	4	BBB-(NR)	Senior	5,000	5.810	93.23
Wellington Intl Airport	WIA070	2.500	14/08/2026	2	BBB	Senior	10,000	6.100	90.38
Mercury NZ	MCY040	2.160	29/09/2026	2	BBB+	Senior	5,000	5.600	90.05
Metlifecare	MET010	3.000	30/09/2026	4	BBB-(NR)	Senior	5,000	6.795	89.27
Argosy Property	ARG020	2.900	29/10/2026	4	BBB+(NR)	Senior	5,000	7.000	87.90
Ryman Healthcare	RYM010	2.550	18/12/2026	4	BBB-(NR)	Senior	5,000	6.530	88.00
Investore Property	IPL030	4.000	25/02/2027	4	BBB(NR)	Senior	5,000	6.735	91.10
SBS Bank	SBS010	4.320	18/03/2027	2	BBB+	Senior	5,000	5.705	96.19
GMT Bond Issuer	GMB060	4.740	14/04/2027	2	BBB+	Senior	5,000	5.300	98.67
Channel Infrastructure	CHI020	5.800	20/05/2027	2	BBB-(NR)	Senior	5,000	5.810	100.14
SkyCity Entertainment	SKC050	3.020	21/05/2027	4	BBB-	Senior	5,000	6.575	87.74
Precinct Properties	PCT030	2.850	28/05/2027	2	BBB+(NR)	Senior	5,000	6.500	87.37
Investore Property	IPL020	2.400	31/08/2027	4	BBB(NR)	Senior	5,000	6.705	84.19
Manawa Energy	MNW190	5.360	8/09/2027	4	BBB-(NR)	Senior	5,000	5.500	99.24
Mercury NZ	MCY030	1.560	14/09/2027	2	BBB+	Senior	5,000	-	-
Summerset	SUM030	2.300	21/09/2027	4	BBB-(NR)	Senior	5,000	6.530	84.67
Oceania Healthcare	OCA010	2.300	19/10/2027	4	BBB-(NR)	Senior	5,000	7.000	82.65
Argosy Property	ARG030	2.200	27/10/2027	4	BBB+(NR)	Senior	5,000	6.950	82.31
Vector Limited	VCT100	3.690	26/11/2027	4	BBB	Senior	5,000	-	-
Chorus	CNU030	1.980	2/12/2027	4	BBB	Senior	5,000	5.515	85.96
GMT Bond Issuer	GMB1227	3.656	20/12/2027	2	BBB+	Senior	50,000	6.225	91.57
Arvida Group	ARV010	2.870	22/02/2028	4	BBB-(NR)	Senior	5,000	6.850	84.12
Genesis Power	GNE060	4.170	14/03/2028	2	BBB+	Senior	5,000	-	-
Napier Port Holdings	NPH010	5.520	23/03/2028	4	BBB+(NR)	Senior	5,000	5.650	100.49
Contact Energy	CEN070	5.820	11/04/2028	4	BBB	Senior	5,000	-	-
Air New Zealand	AIR030	6.610	28/04/2028	2	BBB	Senior	5,000	6.000	103.15
Precinct Properties	PCT040	5.250	9/05/2028	2	BBB+(NR)	Senior	5,000	6.630	94.58
Christchurch International Airport	CHC020	5.180	19/05/2028	2	BBB+	Senior	5,000	-	-
Kiwi Property Group Limited	KPG050	2.850	19/07/2028	2	BBB+	Senior	5,000	6.405	85.68
Wellington Intl Airport	WIA090	5.780	24/08/2028	2	BBB	Senior	10,000	-	-
GMT Bond Issuer	GMB0928	2.262	4/09/2028	2	BBB+	Senior	50,000	6.280	82.77
Oceania Healthcare	OCA020	3.300	13/09/2028	4	BBB-(NR)	Senior	5,000	7.200	83.69
Meridian Energy	MEL060	5.910	20/09/2028	2	BBB+	Senior	5,000	-	-
Chorus	CNU020	4.350	6/12/2028	4	BBB	Senior	5,000	5.860	92.78
Manawa Energy	MNW170	3.970	22/02/2029	4	BBB-(NR)	Senior	5,000	6.505	88.06
Summerset	SUM040	6.590	9/03/2029	4	BBB-(NR)	Senior	5,000	6.250	101.31
Contact Energy	CEN080	5.620	6/04/2029	4	BBB	Senior	5,000	5.495	101.47
Kiwi Property Group Limited	KPG060	6.240	27/09/2029	2	BBB+	Senior	5,000	-	-
Wellington Intl Airport	WIA060	4.000	1/04/2030	2	BBB	Senior	10,000	6.500	87.03
GMT Bond Issuer	GMB0930	2.559	4/09/2030	2	BBB+	Senior	50,000	-	-
Chorus	CNU040	2.510	2/12/2030	4	BBB	Senior	5,000	5.775	80.20
Wellington Intl Airport	WIA080	3.320	24/09/2031	2	BBB	Senior	10,000	6.687	79.39