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## INVESTMENT STRATEGIES

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VERSUS



WEBSITE:

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### LABOUR IDEOLOGY IS KILLING NZ

Ardern needs to stick with her promise to govern for all New Zealanders. The problem is that her Government is blinkered by her far-left ideology, and she is hellbent on destroying the New Zealand we love.

By all means, incentivise cleaning up our waterways - but recognise farmers who have spent hundreds of thousands of their own money on fencing off waterways, riparian planting and restoring wetlands. She needs to hold urban New Zealand to equal account.

By all means, incentivise a transformation to lower emission vehicles - but don't penalise our productive sector (including tradies), until you have a realistic, practical and "legitimate" alternative.

By all means, incentivise the reduction of methane emissions from ruminant livestock - but let's look to science to find the answer (such as methane vaccines and new pasture species) rather than the sledgehammer of an arbitrary 15% reduction in livestock numbers.

Please, don't sacrifice New Zealand and its economy on the altar of climate change. Farmers are the guardians of their land – so learn from Rogernomics. Be on the right side of history on this one. Take farmers with you. It is time to use the carrot, not the Wellington stick.

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### STATISTICS NZ DATA

<b>Estimated population at 31-Mar-2021:</b>	<b>5,116,300</b>
<b>Migrant Arrivals Year to 31-Mar (2019:4.44m)</b>	<b>36,400</b>
<b>Net Migrant Year to 31-Mar (2019:4.43m)</b>	<b>6,600</b>
<b>Consumer Price Index 30-Jun 2021 year</b>	<b>3.3%</b>
<b>GDP Mar-21 quarter 1.6% Mar-21 year</b>	<b>-2.3%</b>
<b>GDP per Capita Mar-21 Qtr 1.5% Dec-20 Yr</b>	<b>-4.9%</b>
<b>Wages average per hour June-21 quarter</b>	<b>\$34.76</b>
<b>Unemployment June-21 quarter (↓ from 4.7%)</b>	<b>4.0%</b>
<b>Consumer Price Index Mar-21 Year</b>	<b>1.5%</b>
<b>Size of Maori Economy 2018 (2013: \$42bn)</b>	<b>\$68.7bn</b>
<b>Size of NZ Economy Mar-21 year</b>	<b>\$325bn</b>

If these last few weeks have taught us anything - it's that stupidity travels faster than any virus on the planet.

NZ50 GROSS INDEX (1-YR GRAPH)



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Authorised by AJ von Dadelnszen, 115 Fourth Avenue, Tauranga

## LOCAL ISSUES

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

### A SIGNIFICANT NUMBER OF NEW ZEALANDERS OVERESTIMATE SEA-LEVEL RISE – LATEST RESEARCH



Latest Research by Victoria University's NZ Sea Rise programme is part of the public engagement research. The study notes that:

**“Overestimating the risk of sea-level rise can be as much a problem as underestimating it, because it can lead to public anxiety and feelings of helplessness, rather than motivation to take action to mitigate and adapt.”**

The NZ SeaRise project is a \$7.1 million, five year (2018-2023) research programme funded by the Ministry of Business, Innovation and Employment. It is hosted at Victoria University of Wellington and led by Associate Professor Richard Levy and Professor Tim Naish. The overarching goal of the programme is to improve predictions of sea-level rise in New Zealand to 2100 and beyond...

#### CONFUSION ABOUT SEA-LEVEL RISE PROJECTIONS

In 2019, the Intergovernmental Panel on Climate Change (IPCC) reported that between 1902 and 2015, global sea level rose by 16cm on average. The process has been accelerating in recent decades, as ice loss from the Greenland and Antarctic ice sheets has increased. According to the IPCC, the planet will likely experience 0.24-0.32m of sea-level rise by 2050. What happens beyond 2050 depends on how successful we are at reducing carbon emissions.

In 2017, the Ministry for the Environment published projections for New Zealand of 0.46–1.05m of sea-level rise by 2100, depending on how quickly global carbon emissions are reduced.

The NZ SeaRise programme is working to finetune projections because the sea doesn't rise universally along the coastline.

#### SITE SPECIFIC PROJECTIONS

The NZ SeaRise programme is preparing a set of location-specific sea-level rise projections, taking into account global and regional projections of sea-level changes and new knowledge of local vertical land movements, including subsidence and earthquake uplift.

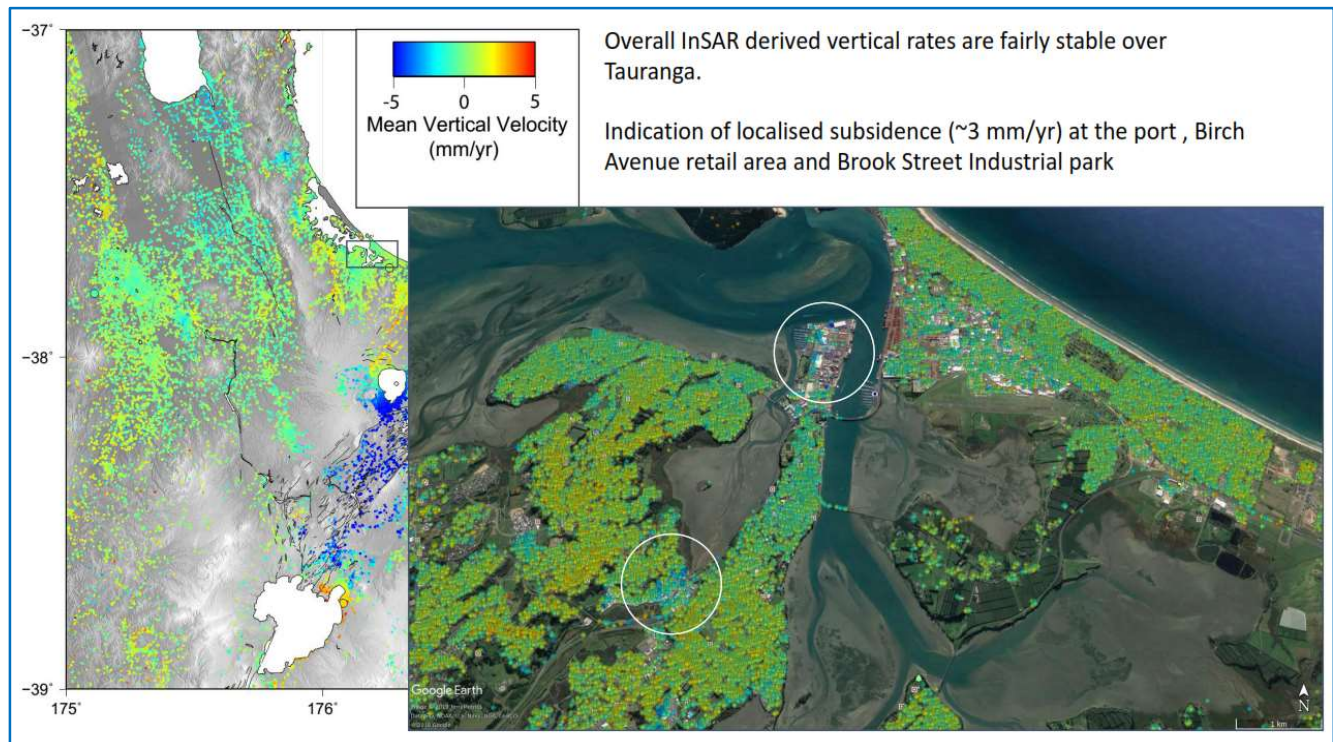
**New Zealand straddles a tectonic plate boundary and the land moves up and down as a result.**

This movement can be large and rapid during major earthquakes, but is relatively continuous along most coastal regions between earthquakes.

For example, measurements from satellites show that today, regions of the lower east coast of the North Island are going down at rates up to 8mm per year and areas along the **central Bay of Plenty coast are rising at rates over 10mm per year**. Sea-level rise is amplified in places where land is subsiding, and dampened where it is going up.

Adding continuous estimates of vertical land movement to our sea-level projections shows future increases in the frequency of coastal flooding due to global sea-level rise will happen decades sooner than expected in areas that are going down, and vice versa.

#### HEAT MAP OF TAURANGA – SHOWING LANS MASS RISE





Criticisms of the "deficit model" of science communication show that encouraging action on an issue - such as sea-level rise - is not as simple as ensuring that people are fully informed. But it is essential they have access to reliable scientific information that can inform their decisions.

I have never denied the risk of increased storm effect, but small island nations (including New Zealand) – especially around the Pacific “Ring of Fire” – have long been known to rise (or fall) as a result of tectonic plate movements.

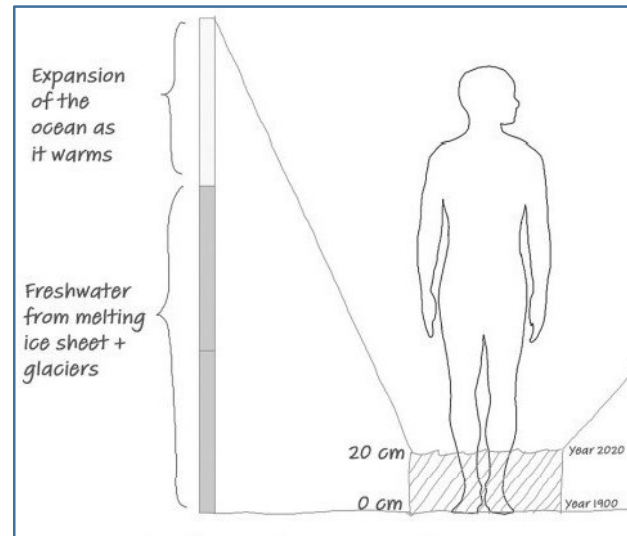
Take Tauranga City for instance (see Map on page 2). The only parts of Tauranga City that has fallen is Sulphur Point, Judea industrial area and Brooks Street

(Fraser Cove) industrial – all reclaimed land (not rocket science to understand why.

Before we panic the masses (something that this current Labour Government is making an art form of), let’s be sure that we are using the best science-based data to base our predictions on. I rest my case.

### SEA LEVEL RISE OVER THE LAST 120 YEARS

DOES NOT TAKE INTO ACCOUNT TECTONIC PLATE MOVEMENT



## TAURANGA RATEPAYERS FORK OUT MORE THAN \$500K



The four commissioners leading Tauranga City Council have together been paid more than half a million dollars in remuneration for less than five months' work.

Remuneration has been set by Minister Mahuta at \$1,800 per day for the commission chair, and \$1,500 per day for the three other commissioners – but it is the council (the ratepayers, and not the Government) that are paying these commissioners' remuneration.

Tolley was paid \$160,200 for 89 days' work between February 9 and June 30 this year. Working three days per week for the rest of the year – about 12 days a month, for six months – still has Tolley tracking to be paid almost \$290,000 in 2021.

Selwood was paid \$122,250 for 81-and-a-half days' work, Rolleston was paid \$120,000 for 80 days' work, and Wasley was paid \$117,750 for 78.5 days' work. Before the commission was appointed, no Tauranga

city councillor (apart from the deputy mayor) was being paid an annual salary of more than \$115,000.

If those three commissioners each work three days per week for the rest of the year, as is expected, they will all be paid more than \$220,000 this year in remuneration by the council.

Then there are the expenses. Tolley was paid \$602.66 for mileage and \$11,153.94 for expenses, including meals and accommodation. Selwood was paid \$1,208.04 for mileage and \$12,561.74 for expenses between February 9<sup>th</sup> and June 30<sup>th</sup>, including accommodation. Tolley and Selwood each receive \$750 per week towards the cost of permanent accommodation in Tauranga. That is included in their expenses.

Ratepayers are looking for efficiency and effectiveness from Tauranga City Council. We need a blow torch to go on to the siloed staff actions, and the commissioners need to hold CEO Marty Grenfell to account for this.

Democracy is broken in Tauranga, and I see no evidence that the likes of the Cameron Road upgrade is being influenced by our Commissioners. For me, it looks like a disaster in the making, with Tauranga City staff not listening – and about to repeat the dismal failure of the “Greerton roading experiment”!

## OUR POLITICAL CLIMATE



Hawke's Bay  
**TODAY**

**Mongrel Mob-led Kahukura meth rehab programme given \$2.75 million from Proceeds of Crime funding**

### MILLIONS OF TAXPAYER DOLLARS USED TO FUND THE MONGREL MOB

This is unbelievable – and sanctioned by PM Jacinda Ardern. We are not talking two hundred dollars for koha by the Human Rights Commissioner – we're talking \$2.75 million taken from a fund that was meant for victims of crime.



It was the Hawke's Bay Today (owned by the NZ Herald) that broke the story, revealing that Mongrel Mob leaders received \$2.75 million via a contract from the Ministry of Health. This money was to run a drug rehab programme – the very drugs the Mob peddles.

In other words, the gang gets people hooked on meth, then puts them up at a marae for rehab, and gets rich at both ends.

The Mongrel Mob gets \$30,000 for every person it puts through the course, which involves staying at a marae, fishing trips, and (I wish this was a joke) working on the gardens of the Mongrel Mob's chapter president!

It gets worse. Because the programme was funded via the Proceeds of Crime Fund, **it was signed off by none other than the Prime Minister, with the Ministers of Finance and Justice. At her post-Cabinet media conference the Prime Minister astonishingly stated that she is "comfortable" with the spending.**



That's incredible. Elected officials are given veto powers over this kind of spending precisely so they can shut down out-of-touch ideas from unelected bureaucrats. Instead of vetoing – Jacinda Ardern signed cheques to the Mob.

Police Association President Chris Cahill said it very well: *"One officer likened it to the most successful money laundering scheme he'd heard. Police take \$2m of dirty money – as they recently did from the Notorious chapter of the Mongrel Mob in Operation Dusk in Hawke's Bay – and the Government returns \$2.75m in clean money to people so closely linked to the same gang."*

**Perfect money laundering with Ardern's blessing!**



Ctrl+click on image above and watch YouTube to see who Harry Tam really is.

Meet Harry Tam, whom Jacinda describes as a public servant. He's one of those whom Jacinda and Grant gave \$2.75 million to for "drug rehabilitation".

Some key quotes from this video:

"In our day we did the f\*\*k what we liked and we got away with it"

"Come September this year there is going to be this thing called a general election and we all know the leader of the National Party is ganging up on us"

"We can turn in to twenty or thirty thousand votes"

"We don't need to take this shit from these c\*\*ts"

"Register to vote otherwise that motherfucker will get in and your lives will be hell"

"We're the mighty f\*\*king Mongrel Mob and we don't take shit from any c\*\*t, and why should we take it from them"

"Sieg Heil to the Mongrel Mob for another 1,000 years"

No wonder Labour gave him \$2.75 million if was going around that country urging the Mongrel Mob chapters to enrol and vote against National.

### LATEST POLL – NEWSHUB REID RESEARCH, 1<sup>ST</sup> AUGUST

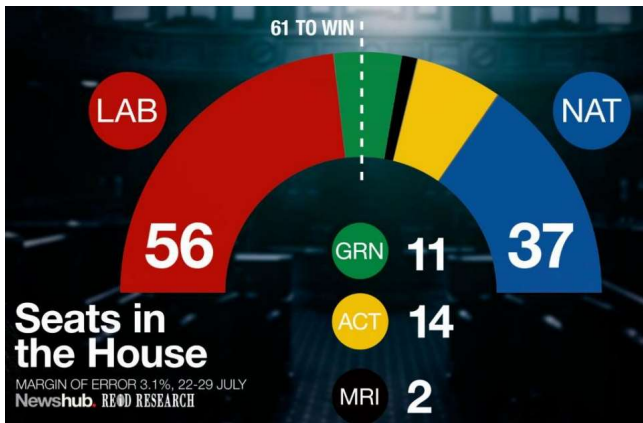


The gloss has come off Jacinda Ardern, with Labour down 9.7%, and this poll result shows Labour's ironlike grip on Parliament has been unclenched. It could no longer govern

alone, albeit that with the Greens moving up to 8.5%, these two could still retain power, if an election was called today.

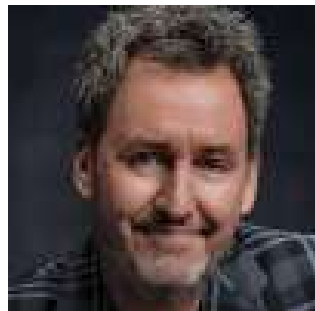
Act has once again been the biggest winner – up 4.2% to 11.1%. You can be sure that this poll will "rock"

Jacinda Ardern. Although she denies it, she is hugely "poll driven".



### MIKE HOSKING'S MINUTE 15<sup>TH</sup> JULY 2021

How is it possible to announce three years ago, a large-scale house-building programme on 26 hectares of inner-city Auckland land, and in the ensuing 36 months not build a single house?



How is it possible in 2017 as the new leader of a troubled political party to, in your first announcement, promise light rail to Auckland airport up and running by now, to have not produced a single centimetre of track?

How is it possible to have bought, at the cost of \$30 million, a chunk of land designated for houses, and then after eight months still not have done a single thing about it, the steering committee you promised to set up has not been set up, far less a house built.

How is it possible the person you hired to review your Covid response and MIQ issues when it comes to the myriad outbreaks, writes essentially the same report over and over again, the latest being the review into the February outbreak that led to Auckland being level-adjusted twice. The report uses terms like ... haven't learned from previous occasions, same mistakes recurring, confusing messaging ... this, of course, a year into the pandemic.

An actual question I recently asked of government minister Kris Faafoi, who happened to be on my show, was given your EV feebate will raise about a quarter of a billion dollars, what happens to the money if not enough people buy EVs? – HE HAD NO ANSWER.

I asked the director general of health Ashley Bloomfield how much thought he had given to vaccinated people getting preferential treatment when it came to ongoing level adjustments, he did have an answer as it turns out, the answer was "not much".

Obviously I am barely warmed up here, I could go on for several columns, but I am assuming I am not the only one increasingly gobsmacked at just how little is actually getting done in this country.

It's one thing to debate policy or ideology, for example the crisis that's unfolding in just about every industry in this country when it comes to labour.

The profound lack of understanding that you can't grow, if you can't hire ... and the attitude of the government to the border being ... that labour shortages are easily solved simply by hiring locals and paying them more. Almost as though business leaders are so thick they haven't thought about that, far less been trying for years to no great avail ... hence we bring talent in.

They still call these people on job seeker "job ready" ... when you are that naïve, and think a person who hasn't held down work for a decade is "job ready", it's no wonder we have the labour crisis we do. That is simple dishonesty, it is deception, or if you accept that somehow in making the announcements they hoped something would come of it, then maybe its less dishonest, more pure hopelessness. Either way, having followed this game since Muldoon I have never seen such a disorganised, unprofessional, inexperienced dangerous bunch of no-hopers.

### THE DANGERS OF A BLITZKRIEG ON HEALTH, WATER AND EDUCATION



Ministers must listen to those expressing concern about the pace of change, not ridicule them. There is nothing worse than finding out through the ballot box that your priorities and prejudices are not shared by the wider electorate.

This government's reputation is already of one that talks a big game, but whose policy implementation constantly falls well short of that. Therefore, the last thing that it should want now is a drawn-out battle with local government over water reform, particularly since the Minister of Local Government has already acknowledged that the reform package cannot proceed on a "bit-by-bit" basis and that the participation of every local authority will be required.

The current government's failings in housing are already the stuff of political legend – from the flop Kiwibuild proved to be, through to record homelessness rates that have soared over the last three years, and rampant house prices making it more and more difficult for young families to buy their first home.

Child poverty rates remain unacceptably high with more and more households becoming benefit dependent. The mental health system, where the government says it has invested vastly more resources, is in greater crisis than ever, and the Covid-19 vaccine rollout programme looks at best confused, with mounting uncertainty about the ongoing supply of the

vaccines we require, or when they might be administered.

As well, there is now the simmering row over proposed hate speech laws where senior Ministers seem to be at odds over precisely what the government's proposals actually mean, and the curious ongoing secrecy about the He Puapua Report's contents and the government's intentions regarding it. There are also the plans to reorganise and centralise the public health and education systems, the revamp of the immigration system, and proposed changes to industrial relations laws.

Overall, it is beginning to look like a concerted attempt to at least lay the foundations to reshape the face of contemporary New Zealand over this Parliamentary term.

Right now, people are focusing particularly on the vaccine roll-out and when their turn will come. They are also asking why it is taking so long and appears to be so hopelessly and unequally organised. More and more questions are also arising about when the government intends New Zealand will return to a more normal way of life.

However, even though its policy response in so many unrelated areas is looking more and more shaky, our government could hardly be accused of "speed wobbles" in its Covid-19 response. Indeed, quite the opposite.

It is a stark contrast that this government – which seems so willing to move at increasing breakneck speed with an almost "damn the torpedoes" bravado to implement the policy items that appear dearest to it – appears stubbornly determined to move at near glacial pace on matters immediately affecting the day-to-day lives of New Zealanders.

The Prime Minister's admission recently that she is not yet ready to look at a what a post Covid-19 New Zealand might look like is especially disturbing. With the government now looking to build its own permanent managed isolation facilities, it seems domestic restrictions are likely to be in place for years to come, regardless of what happens in the rest of the world.

Since it won a stunning election victory last year on the back of Covid-19, is this government now looking to keep the spectre of Covid-19 well and truly alive until 2023?

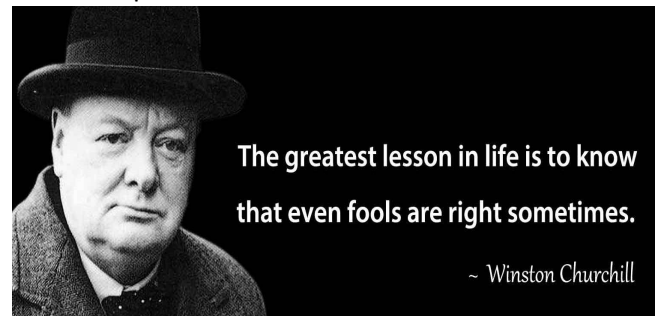
### HOUSING IS FAILING OUR CHILDREN

Three out of four New Zealand children are moving house at least once before they turn 8, raising fears that falling home ownership is causing lasting harm to our next generation.

40% of Kiwi children now move regularly and those in rentals are at potentially greater risk as they bounce

between different homes and schools far more often, according to the ground-breaking Growing Up in New Zealand study.

Since the Herald initiated its original Home Truths series, tackling the issue in 2016, prices have soared a further 41% and Auckland's housing crisis has become a national problem.



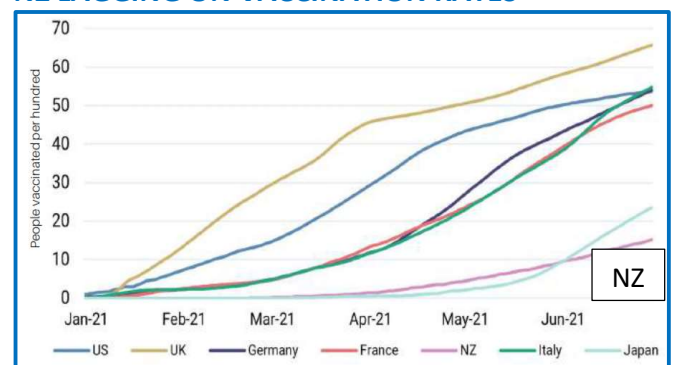
### \$50BN COVID FUND NEARLY DEPLETED

The free school lunches programme draws on special Covid recovery funds for another two and a half years, despite Treasury's misgivings about depleting the emergency money reserved against a resurgence of the virus.

The Covid-19 Relief and Recovery fund (CRRF) is a \$50 billion pot of money that was established in the early days of the pandemic to respond to the health emergency and its economic fallout.

It's been tapped for a wide range of Covid-19 related expenses, but the Government has also used it for a range of increasingly tangential "Covid recovery" spending, and just \$5.1b remained in the kitty at last tally.

### NZ LAGGING ON VACCINATION RATES



Control over the pandemic and moderate inflation are the keys to our constructive outlook. In recent months, the key driver of global economies has been surging industrial activity as factories have ramped up production to meet robust demand for goods. Looking forward, production and demand for goods is likely to cool to a degree as pent-up demand subsides and inventories are rebuilt. In contrast, services activity is likely to take over as the main driver of the global economy as vaccinations progress and countries increasingly relax their pandemic restrictions.

There is still some way to go for many countries to fully reopen their economies. Government income support and the inability of households to spend on many services up until recently has resulted in household savings rising substantially above normal levels. As economies continue to reopen, savings are likely to be drawn down for spending on services that were previously unavailable to people in areas like entertainment, restaurants, travel, and holiday accommodation. As a result of economies reopening and stimulus, strong economic growth is expected this year and next in most developed countries.

### CAN NZ EXPORTS ESCAPE AUSTRALIA-CHINA TENSIONS?

Attitudes of Australians to China are hardening in line with the growing political and economic tensions between the two countries, according to a new survey. This is important to NZ for a host of reasons, not least because China and Australia are our country's two largest export markets. The Lowy Institute poll shows just 16% of Australians trust China "to act responsibly in the world", and 63% see it as a security threat.

The Global Times, one of the Chinese government's English-language media, insists relations are better with NZers. It argues that not only are the national interests of the two countries different, but "the composition and status of its people between the two countries are also different". So is this an accurate observation or an attempt to sow division between two longstanding allies?

### LABOUR – HUGE INCREASE IN IMPORTED COAL



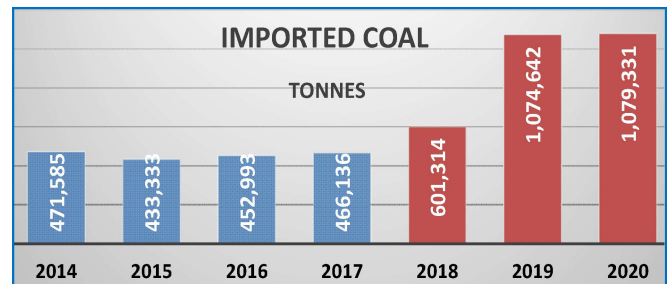
In the same year that the government declared a climate emergency, imports of an especially dirty type of coal from Indonesia topped a million tonnes for the first time since 2006.

Coal accounted for more than 10% of the country's electricity in the first three months of this year. Five years ago it was 2%; the proportion has steadily increased since. Coal is the most carbon intensive fossil fuel in the world, around twice as much as natural gas.

Last year the country's main coal users imported more than they had in 14 years, and this year government officials expect even more to come in. Most of this coal is burned to power our homes and businesses.

The government expects an additional 150,000 tonnes of coal will arrive here, a 14% increase on last year's

total which was already over 1 million tonnes. This total equates to 235 kilograms of overseas coal was imported for every New Zealander in order to power homes and businesses. This is also only imported coal; the country also produces coal domestically.



92% of the imported coal was from Indonesia, and the vast majority of that was a low grade, high emissions type – sub-bituminous coal. Not only are we burning more coal, but it's the dirtiest coal. And it comes from Indonesia where the conditions and the mining is appalling. This is plainly criminal, and defies logic – shame on you, Jacinda Ardern and Labour!

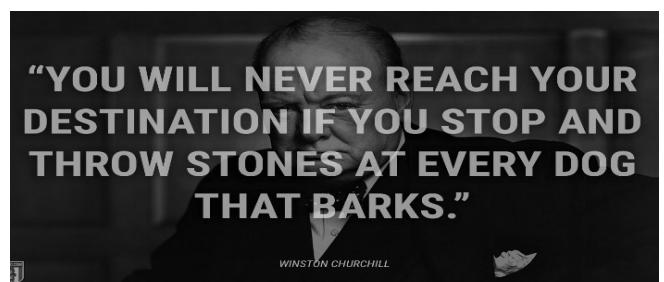
### ALL SPIN – NO DELIVERY

New Zealand already has an *Emissions Trading Scheme* in place to cap greenhouse gas emissions. The ETS is the *only* mechanism the Government needs to reduce emissions to the target levels set out in the Paris Accord. As they reduce the emissions cap, so the cost of carbon will increase, but the flexibility of the ETS allows participants to work together to reduce emissions at the lowest economic cost.

The first, a billion-dollar bridge across the Auckland Harbour, which will supposedly save carbon outputs by encouraging more people to cycle and walk, not only went against official advice, but it has conveniently ignored the massive carbon outputs created by deciding to leave country's largest city in gridlock!

And secondly, in spite of her election promise of "no new taxes", a new car tax is being introduced: anyone buying electric cars valued at less than \$80,000 will receive a *subsidy* of \$8,625 for new cars, and \$3,450 for used ones – while those buy petrol or diesel vehicles will be *taxed* up to \$5,875 if they are new and up to \$2,875 if they are used but imported.

While Jacinda Ardern promised in 2017 to "act as a role model, showing leadership by requiring... electric vehicles for all Government vehicle fleets", so far only 191 of their 16,000 vehicles are electric and 90 are hybrids!



## PRODUCTIVITY REMAINS BIGGEST HANDBRAKE

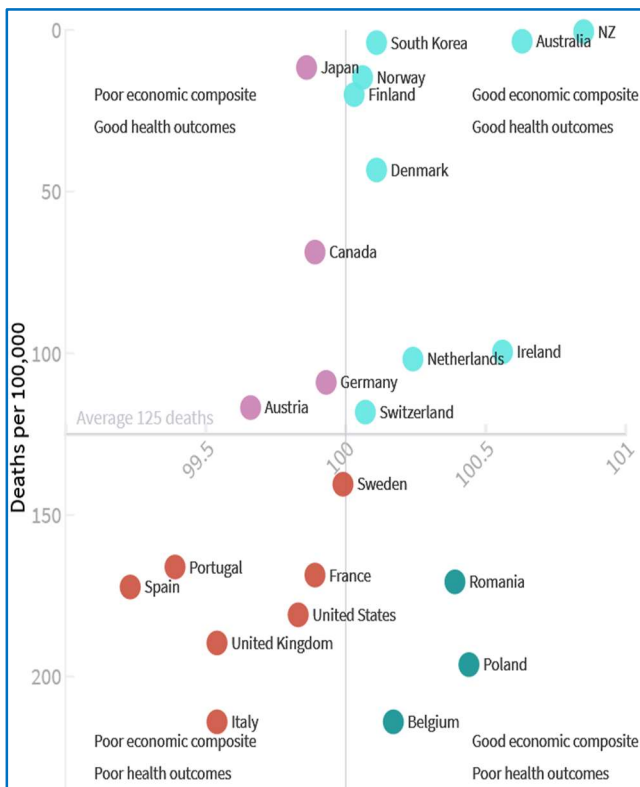


I recently attended an address by the recently appointed Productivity Commission Chair, Dr Ganesh Nana and I was less than impressed. He was appointed at the end of January this year (for a 5 year term), having previously been from Labour's pet economic consultancy BERL.

Dr Nana stated **"I see productivity as the way that we utilise, maintain, and apply our taonga to deliver wellbeing."** That is typical Labour (left wing) ideology, and of no help what-so-ever. Government's need to institute the economic settings to improve productivity. His response was total drivel, and most unhelpful.

I said to him that successive governments have failed to address New Zealand's abysmal productivity per capita – relying predominantly on migrants to grow our workforce. His response was that it wasn't an issue that government should address, but the responsibility of every one of us individually. What nonsense.

EY REPORT – NZ ECONOMY IS IN THE WORLD'S STRONGEST POSITION



The Productivity Commission has found that, on average, New Zealanders work two hours longer every week, and earn less, than their counterparts in similar-sized developed nations like Denmark. Too much of this country's economic growth has depended on inbound migration – so as we all know, the border closures have been a shock to the system.

The Productivity Commission is looking at the long-term drivers that can help NZ businesses increase their hourly output, but it is not writing off a role for immigration in the long-term – indeed, the Government has tasked it with an inquiry into our immigration settings, and how they can better contribute to growth and wellbeing.

**"I think it's clear that we've relied on population growth to drive our economic growth for quite some time, and in the end it doesn't do much for our wellbeing – which is the objective."** – Dr Ganesh Nana, Productivity Commission Chair

There are new warnings that New Zealand's slow vaccine rollout will make it harder for the country to maintain its leading position in the worldwide fight against Covid's economic impact. A global report by Ernst & Young says New Zealand can no longer rely on immigration to grow spending in the economy – it must now look for smarter ways to upskill its own population and drive companies' productivity.

This report comes ahead of the Reserve Bank's monetary policy statement, in which the Bank will indicate whether it agrees the economy is at full capacity, the jobs market at 'maximum sustainable employment', inflation at risk of climbing above 2% and staying there – and whether the Bank must prepare to hike interest rates to rein in the careening beast.

EY Oceania chief economist Jo Masters said New Zealand was well placed to emerge from the Covid-19 pandemic in a strong position, topping the table for employment and coming in third on GDP growth.

But she warned that a "relatively slow vaccine rollout and closed international borders" would make it challenging for New Zealand to maintain its strong economic position.

**"The Government's parliamentary majority is not a mandate for Labour to promote their ideological wish list. New Zealanders deserve a say on their country's future and together we must demand the debate."**

Judith Collins, National Party Leader



## DEBT HAS NOW BUILT TO \$80,500 PER PERSON IN NEW ZEALAND

**SOURCE:** Bryan Gaynor - *Brian Gaynor is non-executive director of Content Limited, the publisher of BusinessDesk, and of Milford Asset Management.*

There is a huge focus on government debt at present because of the massive increase in borrowings due to covid-19. But what about our mountain of residential mortgage debt, why aren't we concerned about that?

Debt per capita	New Zealand		Australia	
	Government	Housing	Government	Housing
Latest	\$19,800	\$60,700	\$22,700	\$70,300
June'20	\$16,400	\$55,100	\$19,100	\$67,300
June'19	\$11,600	\$53,100	\$14,700	\$66,500
June'18	\$11,700	\$50,800	\$13,700	\$65,600
June'17	\$12,400	\$49,000	\$13,100	\$63,500

These figures show New Zealand now has net Crown debt of \$19,800 for every man, woman and child while we have residential mortgage debt of \$60,700 per person. Net government debt is the sum of interest-bearing liabilities less the sum of selected financial assets, including cash, deposits, advances paid, investments, loans and placements.

Thus, total net Crown debt and residential property debt is \$80,500 per capita compared with \$61,400 per capita just four years ago.

It is worth remembering government debt is usually rolled over, whereas mortgage debt has to be repaid, either on a scheduled basis or as a lump sum.

### AUSTRALIA AND OTHER COUNTRIES

The table above contains the same per capita figures for Australia. These figures, which don't include borrowings by Australian state governments, are remarkably similar to the New Zealand data although Australia's per capita gross domestic product (GDP) is 19% higher than ours.

The main features include:

- The sharp increase in government debt in the June 2020 year on both sides of the Tasman because of the massive government support during the early stages of covid-19.
- Current government and residential mortgage debt is A\$93,000 per capita in Australia and NZ\$80,500 per capita in NZ.
- Australian government per capita net debt has increased by 73% over the past four years compared with a 60% increase by the NZ government.
- Meanwhile, Australian per capita residential mortgage debt has risen by 11% over the same period compared with 24% in New Zealand.

These figures clearly indicate the New Zealand housing market has been more aggressively fuelled by bank lending than the Australian market, particularly over the past 12 months.

Many countries have far more indebtedness than New Zealand and Australia. Average Euro Zone net government debt is €35,000 per capita (NZ\$59,500) at present with several countries including Ireland, Belgium, Italy, France and the UK well above this average figure.

It is worth noting that several countries with high per capita government debt have relatively low per capita residential property borrowings. These include Italy, Greece, Japan and Spain where houses are traditionally passed from generation to generation and inhabitants don't have the same aspirations to continually upscale to larger and more expensive homes.

### CURRENT SITUATION

Even though NZ government net debt has soared from \$59.5bn to \$101.5bn since June 2017, it has no problem raising new loans. There have been two government bond tenders this month with the following results:

- The Crown received bids of \$2.76bn for \$1bn worth of bonds on offer.
- The maturities ranged between three years and 16 years with an average maturity in excess of 8 years.
- Interest rates ranged between 0.74% and 2.29% with an average rate of 1.46%.

It is worth noting the Reserve Bank now holds 42.6% of total NZ government securities on issue as part of its money printing strategy. By contrast, the central bank held only 4% of total Crown securities before the pandemic began.

The NZ government is in a strong position at present because it can borrow for long periods at low interest rates. A potential crunch point is likely in 8-to-10 years' time if its borrowings continue to increase, interest rates rise and it has increasing spending pressure because of our ageing population.

The registered banks are fairly flush with funds, partly because of the Reserve Bank's money printing strategy. The residential housing market has been the main beneficiary of money printing strategy as 111.2% of additional bank lending since June 2019 has gone to housing. The figure is above 100% because our banks have reduced their lending to the business and agriculture sectors.

The bank lending figures are as follows:

- Business loans have declined from 24.3% of total bank lending in June 2019 to 21.9% at present.
- Agriculture loans have also fallen from 13.7% of bank lending to 12.2% over the same period.
- Meanwhile, housing loans have gone from 57.3% of total bank loans in mid-2019 to 61.8%.

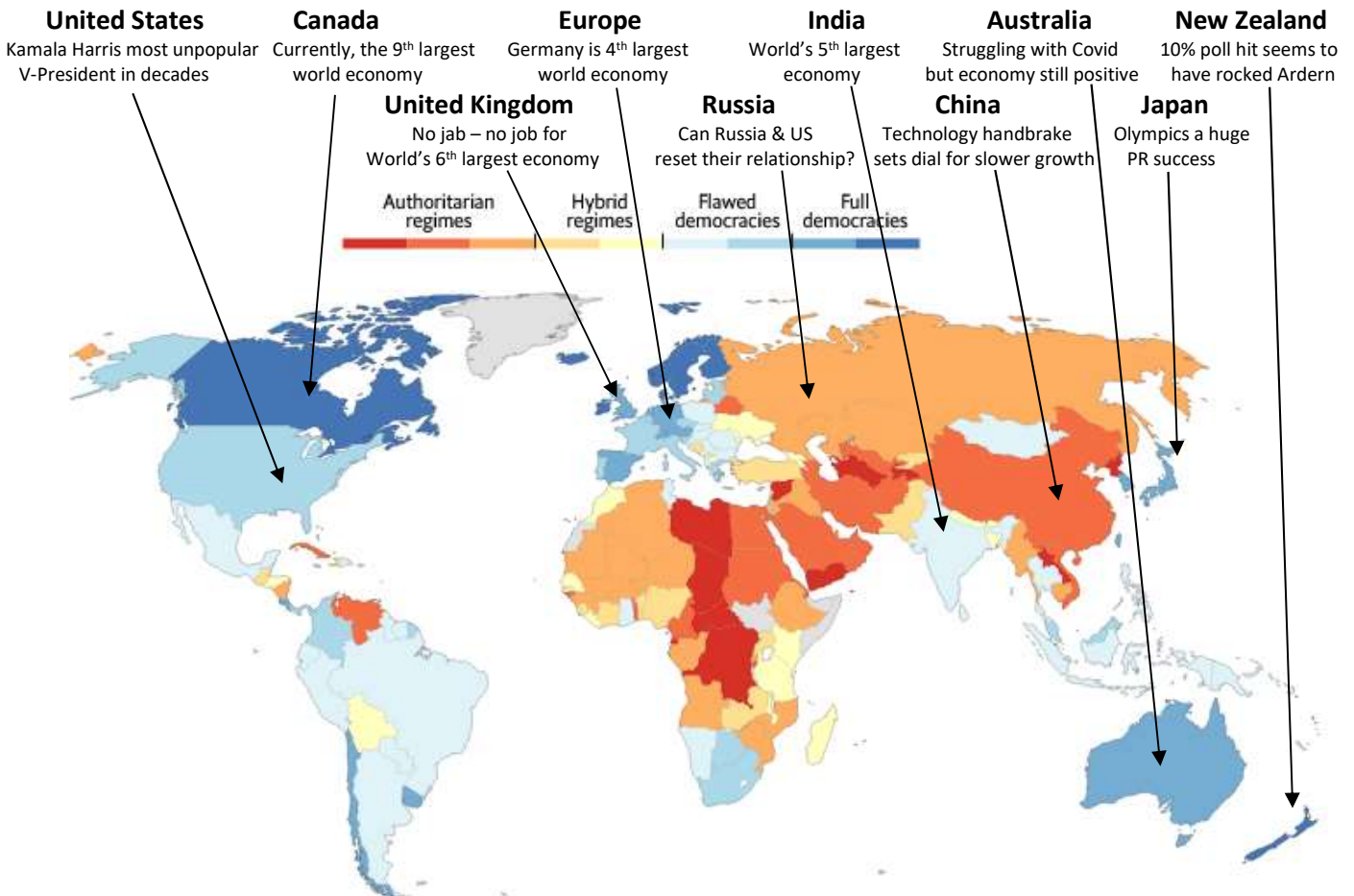
By contrast, 55% of Australian bank lending is currently on residential property.

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I STRONGLY RECOMMEND THAT YOU “GET OFF THE BEATEN TRACK” IN JAPAN (I DID SO IN THE 80’S). TOKYO IS NOT JAPAN.  
PLEASE SUPPORT JAPAN CUSTOM TOURS, WHEN CONDITIONS ALLOW – YOU WON’T REGRET IT.

**THE WORLD AT A GLANCE GLOBAL DEMOCRACY INDEX 2020**



# THE GLOBAL ECONOMIC OUTLOOK

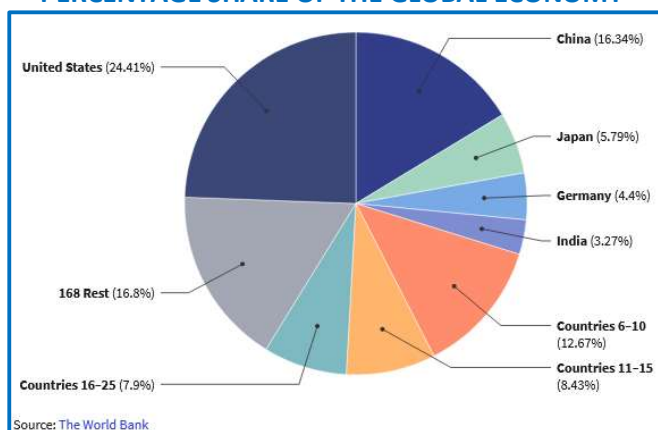
## GLOBAL OUTLOOK

While the history of the global pandemic is still being written, one enduring outcome of the past year will certainly be its effect on the imperative of sustainability. This shared trauma served to remind us just how fragile we are as a community, as a global economy, and as stewards of the earth's climate. The difficult work of improving environmental, social, and governance norms is taking place at all levels of society, and the resulting changes will have profound implications for investors.

Top Ten Countries by Nominal GDP at Current U.S. Dollar Exchange Rates				
Country	Nominal GDP (in trillions)	PPP Adjusted GDP (in trillions)*	Annual Growth (%)	GDP Per Capita (in thousands)
United States	\$21.43	\$21.43	2.2%	\$65,298
China	\$14.34	\$23.52	6.1%	\$10,262
Japan	\$5.08	\$5.46	0.7%	\$40,247
Germany	\$3.86	\$4.68	0.6%	\$46,445
India	\$2.87	\$9.56	4.2%	\$2,100
United Kingdom	\$2.83	\$3.25	1.5%	\$42,330
France	\$2.72	\$3.32	1.5%	\$40,493.90
Italy	\$2.00	\$2.67	0.3%	\$33,228.20
Brazil	\$1.84	\$3.23	1.1%	\$8,717
Canada	\$1.74	\$1.93	1.7%	\$46,195

\* Adjust for Purchasing Power Parity

## PERCENTAGE SHARE OF THE GLOBAL ECONOMY



NOTE: The 168 countries outside the top 25 make up less than a fifth of the total global economy.

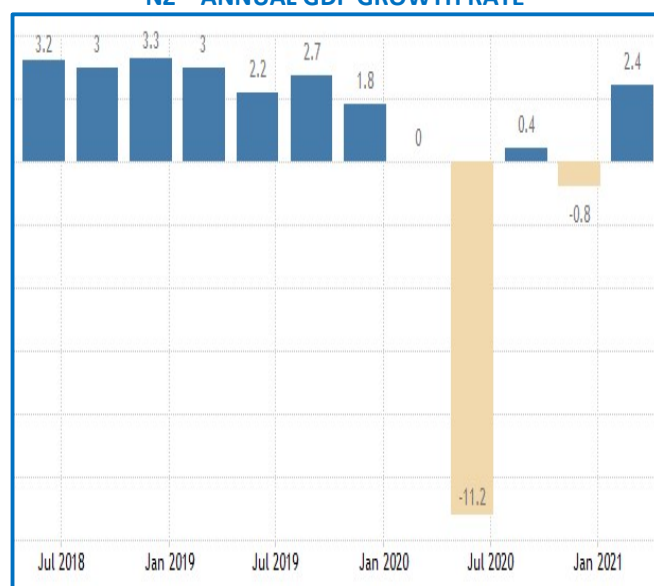
The global economy is projected to grow 6.0% in 2021 and 4.9% in 2022. Prospects for emerging market and developing economies have been marked down for 2021, especially for Emerging Asia. By contrast, the forecast for advanced economies is revised up. These revisions reflect pandemic developments and changes in policy support. The 0.5% upgrade for 2022 derives largely from the forecast upgrade for advanced economies, particularly the United States, reflecting the anticipated legislation of additional fiscal support in the second half of 2021 and improved health metrics more broadly across the group.

## NEW ZEALAND'S ECONOMIC OUTLOOK

### POPULATION: 5.116 MILLION

New Zealand's economy grew 2.4% from a year earlier in the first quarter of 2021, rebounding from a revised 0.8% contraction in the previous period. It was the strongest expansion since the third quarter of 2019, as both goods-producing industries (5.1% vs -0.4% in Q4) and services industries rebounded (1.8% vs -0.4%). Also, primary industries output dropped at a softer pace (-2.6% vs -3.0%). On a quarterly basis, the economy expanded 1.6% in the first three months of 2021 after contracting a revised 1.0% in the prior quarter, beating market expectations of a 0.5% increase.

### NZ – ANNUAL GDP GROWTH RATE



The latest Institute of Economic Research survey of business opinion showed a net 10% expect an improvement in the economic outlook on a seasonally adjusted basis – a turnaround from the net 8% expecting a deterioration previously.

### CONSUMER SPENDING FUNDED THROUGH DEBT AND BUY-NOW PAY-LATER LIABILITY

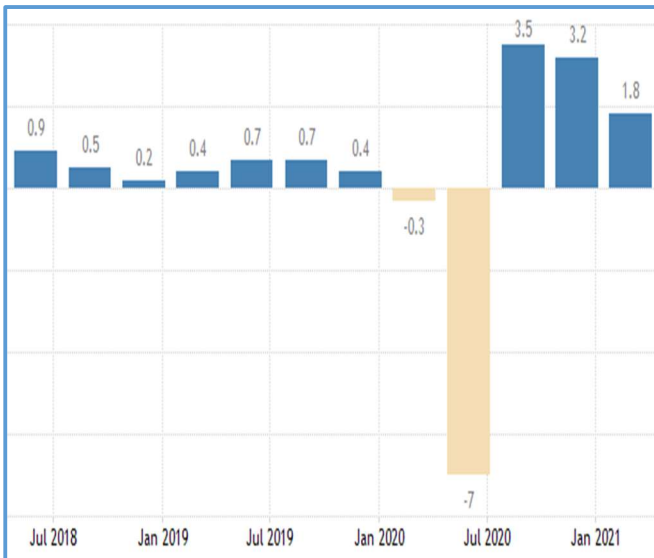
A tight labour market, soaring house prices and pent-up demand have encouraged Kiwis to spend, spend, spend - whether they can afford it or not. Over the past year NZers have accumulated tens of thousands in personal debt across credit cards, Buy Now Pay Later (BNPL), car loans and personal loans. Nearly 20% of debt-laden Kiwis say they always miss repayments. Those in their 30s are particularly weighed down – and they're worried about it. Credit card spending hit a record \$3.8bn in May, and households could really come under pressure as discretionary spending is impacted by rising interest rates and inflation.

## AUSTRALIAN ECONOMIC OUTLOOK

**POPULATION: 25.733 MILLION**

The Australian economy advanced 1.8% qoq in the three months to March 2021, after an upwardly revised 3.2% growth in the previous period and beating market expectations of 1.5%. This was the third straight quarter of expansion, amid continued monetary and fiscal stimulus. Household consumption grew further (1.2% vs 4.5% in Q4), mainly driven by spending on hotels, cafes and restaurants, recreation and culture, other goods and services, and vehicles.

**AUSTRALIA – ANNUAL GDP GROWTH RATE**



## UNITED STATES ECONOMIC OUTLOOK

**POPULATION: 330.086 MILLION**



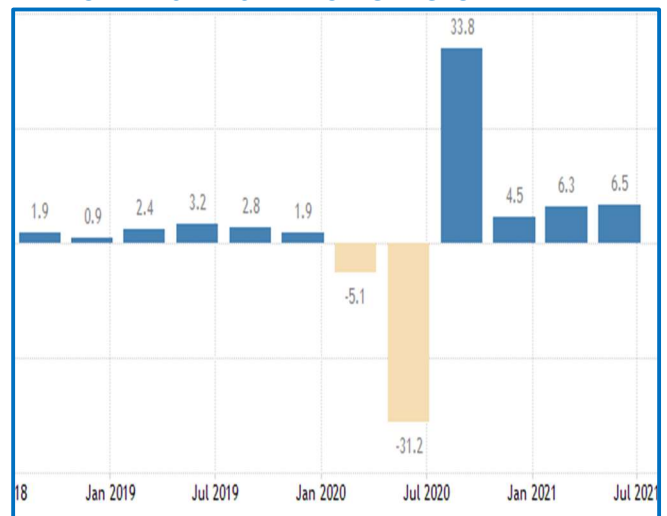
Two big themes have dominated global equity markets lately, taking investors by surprise - slowing global growth and China's regulatory crackdown on a range of businesses. The US economy grew at just 6.5%, weaker than expected, as labour shortages and supply chain disruptions acted as a handbrake on economic growth.

Both Amazon and Facebook warned of slowing sales growth, despite quarterly earnings results. This highlights a potential headwind for companies that saw significant growth during the pandemic, with

consumers moving away to in-person services as Covid restrictions begin to ease.

And China's regulatory assault on large tech businesses has sparked fears of a broader crackdown on privately-owned companies.

**UNITED STATES - ANNUAL GDP GROWTH RATE**

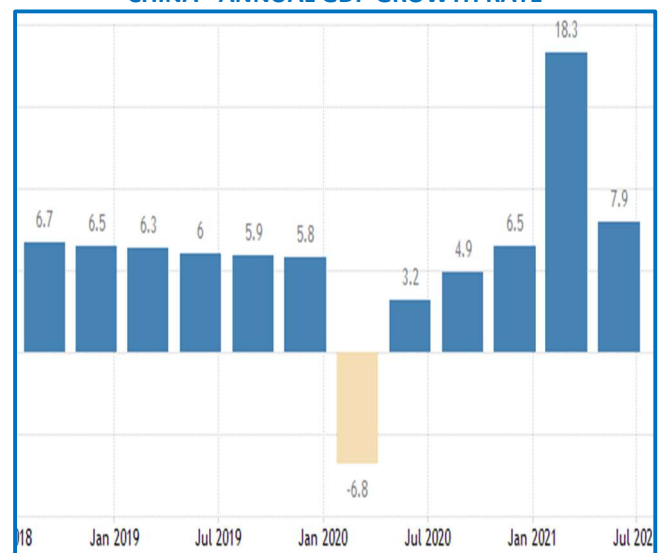


The US economy advanced an annualized 6.5% on quarter in Q2 2021, well below market forecasts of 8.5%, the advance estimate showed. Personal consumption expenditures grew 11.8% namely services (12%) and nondurable goods (12.6%) as vaccinated Americans travel and engage in activities that were restricted before. Nonresidential fixed investment (8%), exports (6%), and state and local government spending (0.8%) also increased. Meanwhile, the negative contributions came from private inventory investment, residential fixed investment (-9.8%), federal government spending (-10.4%) and imports (7.8%). The rapid spread of the coronavirus delta variant, supply-chain disruptions, shortage of workers and a cooling housing market are seen weighing on the growth for the rest of the year.

## CHINESE ECONOMIC OUTLOOK

**POPULATION: 1,404.331 MILLION**

**CHINA - ANNUAL GDP GROWTH RATE**



The Chinese economy advanced 7.9% year-on-year in Q2 of 2021, slowing sharply from a record 18.3 percent growth in Q1 and missing market consensus of 8.1%. A slowdown in factory activity, higher raw material costs, and new COVID-19 outbreaks in some regions all weighed on the recovery momentum. During the first half of the year, the economy grew by 12.7%, amid a low base effect from last year's coronavirus-triggered slump. China has set an economic growth target of "above 6%" for 2021 after expanding the least in over four decades of 2.3% in 2020. Analysts generally believe the country is on track to meet the growth target for the year although the economy is expected to slow slightly in the second half of 2021, as consumers globally start to spend more on services, hitting China's export sector. Still, upbeat retail sales for June suggest consumer spending in China remains resilient.

## UNITED KINGDOM ECONOMIC OUTLOOK

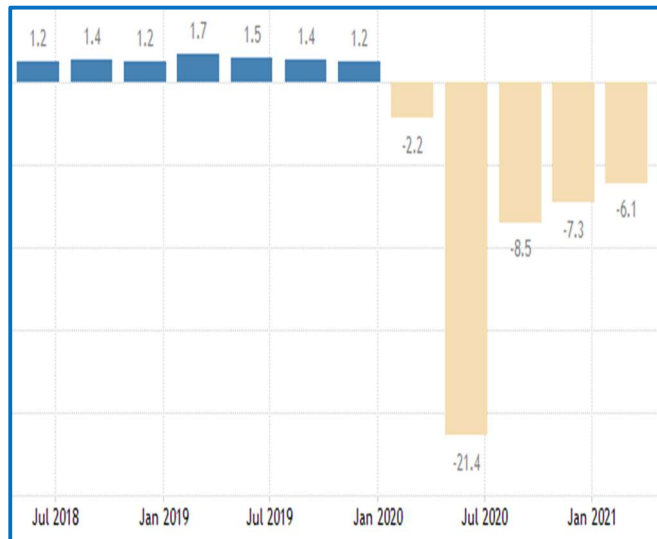
**POPULATION: 67.093 MILLION**



Covid was forgotten – Football was supreme – not the result disappointed the English nation. The Covid consequences

looked devastating – with not a mask in sight. However they look like they have dodged a bullet, with "Freedom Day" having come, and a continued decline in Covid cases.

**UNITED KINGDOM – ANNUAL GDP GROWTH RATE**



Britain's gross domestic product shrank by 6.1% year-on-year in the first quarter of 2021, a fifth consecutive period of contraction, as activity and demand fell in response to the tightening of coronavirus restrictions. Household consumption dropped 11.0% (vs -9.2% in Q4) and fixed investment fell 3.2% (vs -2.6% in Q4). Meanwhile, net external demand contributed positively to the GDP, as exports slumped 10.8% and imports declined at a faster 13.2%. Public investment,

however, grew 3.7%, the most since the second quarter of 2019. The level of GDP in the UK was also 8.8% below where it was prior to the pandemic at the end of 2019.

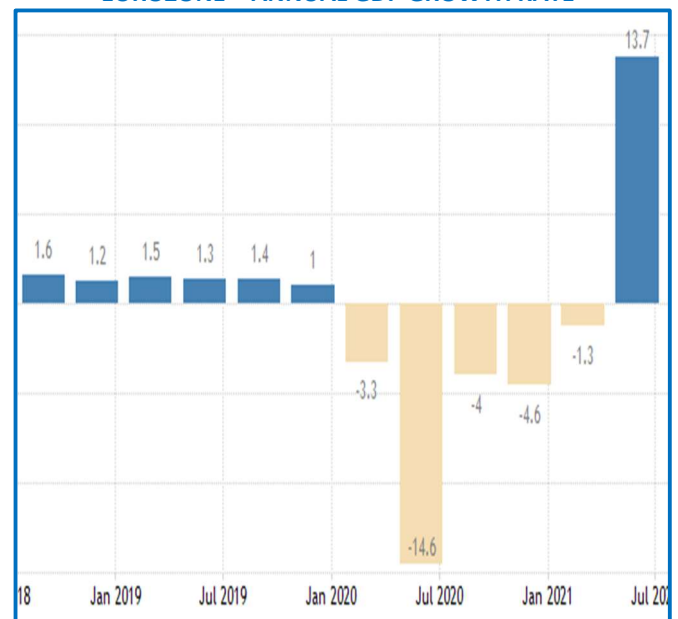
## EU ECONOMIC OUTLOOK

**POPULATION: 447.320 MILLION**

The Euro Area economy expanded by 13.7% year-on-year in the second quarter of 2021, rebounding from five consecutive periods of contraction.

The EU's economic recovery gained momentum on the back of the continued re-opening efforts, helped by the rapid pace of COVID-19 vaccination and ongoing government support. Among the bloc's biggest economies, Germany, France and Spain returned to growth, and Italy's expansion gathered pace.

**EUROZONE – ANNUAL GDP GROWTH RATE**

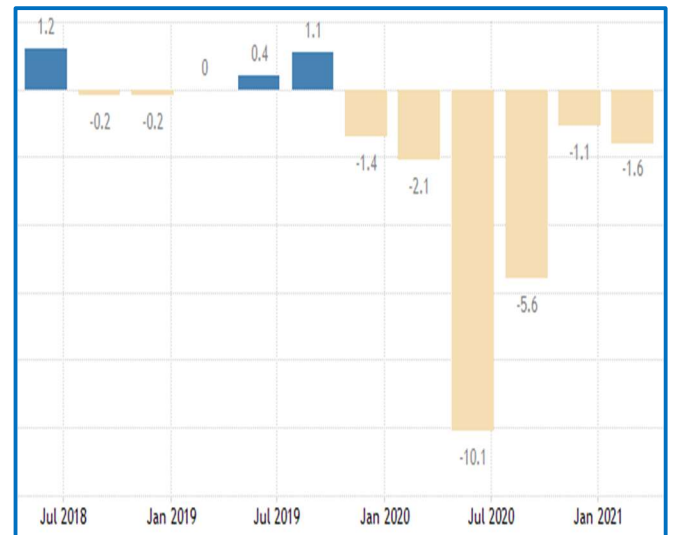


## JAPANESE ECONOMIC OUTLOOK

**POPULATION: 125.758 MILLION**

GDP in Japan contracted 1.6% in the first quarter of 2021 over the same quarter of the previous year.

**JAPAN – ANNUAL GDP GROWTH RATE**

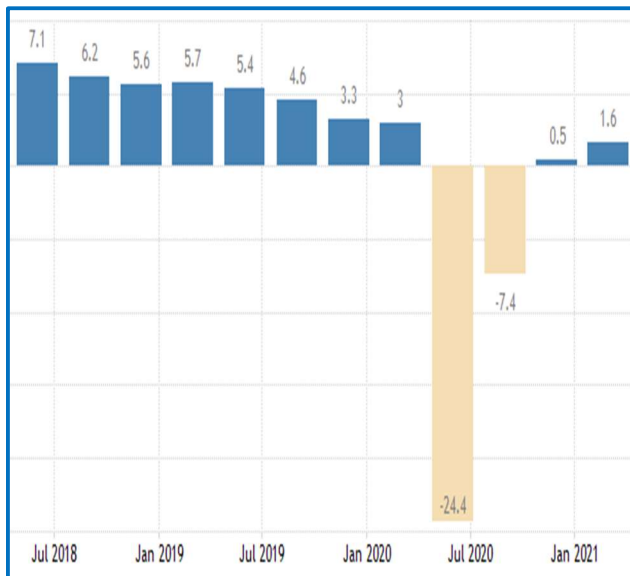


## INDIAN ECONOMIC OUTLOOK

**POPULATION: 1,378.595 MILLION**

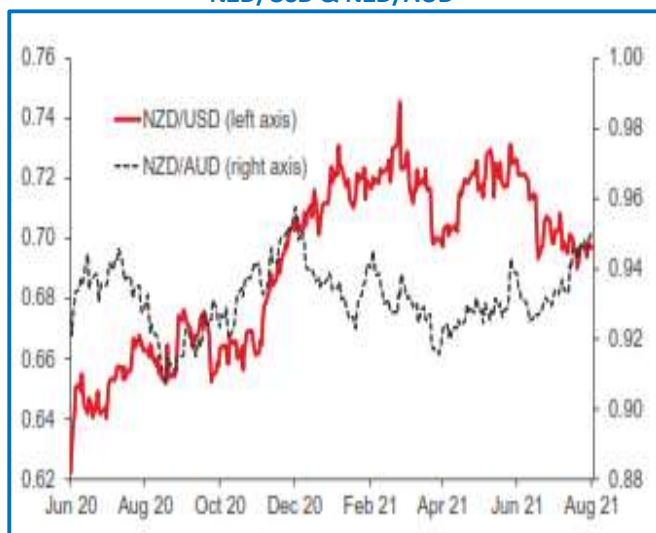
The Indian economy expanded 1.6% year-on-year in Q1 2021, accelerating from an upwardly revised 0.5% growth in Q4 and beating market forecasts of 1%. It was the 2nd straight quarter of growth since the country exited a pandemic-induced recession. On the expenditure side, both private (2.7% vs -2.8% in Q4) and public (28.3% vs -1%) spending rebounded while gross fixed capital formation rose faster (10.9% vs 2.6%). Meantime, net trade contributed negatively to growth as exports climbed 8.8% (vs -3.5% in Q4) but imports jumped at a faster 12.3% (vs -5% in Q4). On the production side, output rose for manufacturing (6.9%); construction (14.5%) and utilities (9.1%). In the last fiscal year that ended on March 31st, the economy contracted a record 7.3%, less than earlier estimates of an 8% drop. Asia's 3rd largest economy is expected to grow at the world's fastest rate this year, despite projections for the current quarter being more pessimistic amid the 2nd flare-up of infections.

**INDIA - GDP GROWTH RATE**



## CURRENCIES

**NZD/USD & NZD/AUD**



SOURCE: Westpac

As the economy reflates it doesn't require the same level of stimulus, which amongst other things means interest rates should rise. This is not a bad thing, but it does put downward pressure on asset prices. In the case of debt securities this will result in the reported value of debt securities declining. This will be of relevance for clients owning a debt security portfolio where securities are bought and held to maturity. For equities and property, the pressure from higher interest rates can be offset by the earnings growth which is associated with economic growth. Importantly, there is no sign of an economic recession on the horizon.

## COMMODITIES

### OIL

**OIL: BRENT CRUDE (ONE YEAR)**

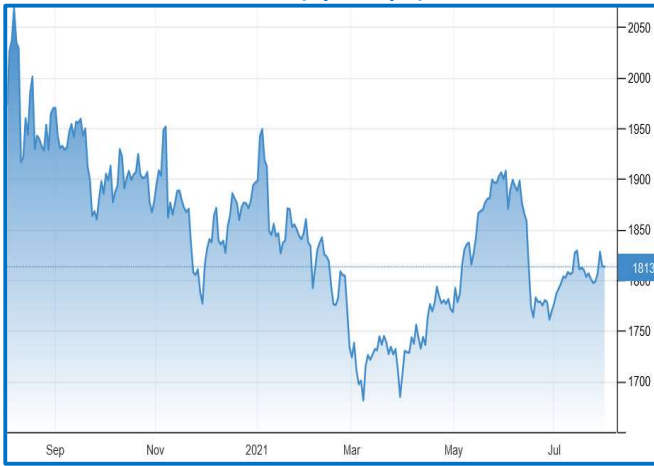


Brent crude futures dropped below \$73 a barrel, after peaking at US\$77 in early July. Investors are digesting fresh manufacturing PMI data which points to a general slowdown in factory activity, with growth in China falling to a 15-month low. Tensions between Iran and the US also weighed on investors' mood as Washington has formally blamed Tehran for an attack on a tanker connected to an Israeli billionaire. Also, the rapid spread of the coronavirus delta variant and consequent restrictions on people movements remain a big threat to the oil market. Meanwhile, OPEC+ will start making monthly supply hikes of 400,000 barrels a day from August.

### GOLD

Gold is mostly traded on the OTC London market, the US futures market (COMEX) and the Shanghai Gold Exchange (SGE). The standard future contract is 100 troy ounces. Gold is an attractive investment during periods of political and economic uncertainty. Half of the gold consumption in the world is in jewellery, 40% in investments, and 10% in industry. The biggest producers of gold are China, Australia, United States, South Africa, Russia, Peru and Indonesia. The biggest consumers of gold jewellery are India, China, United States, Turkey, Saudi Arabia, Russia and UAE.

**GOLD (1yr Graph)**

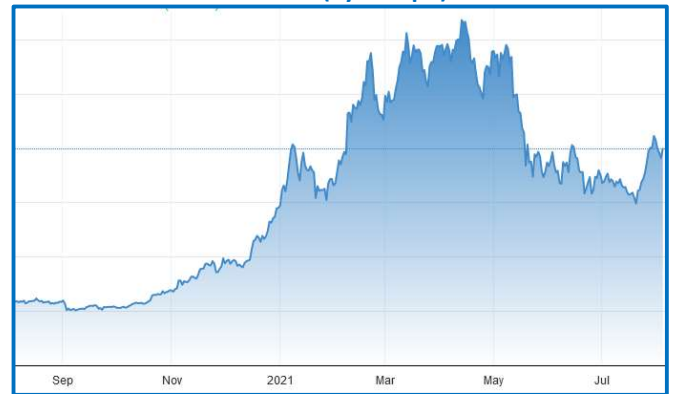


Gold peaked at US\$2,063 a year ago, before bottoming below US\$1,700 in March. It is currently trading at US\$1,812 per troy ounce.

**BITCOIN**

Bitcoin dropped from its April 16th peak of US\$63,346 back to ~US\$29,990 on 20th July. It is currently trading just under US\$40,000 – highlighting its extreme volatility.

**BITCOIN (1yr Graph)**



## AGRIBUSINESS – LOOKING FROM THE OUTSIDE IN



### NEW REPORT HIGHLIGHTS LOSSES TO FORESTRY

SOURCE: Farmers Weekly



A new report by BakerAg for Beef + Lamb NZ (B+LNZ) warns the rising price of carbon has underpinned the

conversion of 92,000ha of farmland to forestry and carbon farming, resulting in the loss of 700,000 stock units.

This report estimates 92,118ha of whole farm purchases previously grazed by sheep and beef has been converted to forestry in the four years since 2017. It estimates 31,000ha of those purchases, or 34%, was for carbon farming and will never be harvested. Included in the 92,000ha was 14,300ha bought for conversion to manuka for honey production.

Between 2018 and 2020 an additional 47,382ha was planted under the billion trees programme or Crown Forestry joint venture, of which three-quarters was for exotic trees and the balance native.

The cumulative conversion of all land from livestock farming to forestry between 2017 and 2020 is estimated at 139,500ha.

B+LNZ calculates that between 2017 and 2020, the shift to forestry has resulted in the loss of 700,000 stock units from 90,000ha.

The organisation disputes claims this land is unproductive saying while 90% is land use class 6 or 7,

64% is of low to moderate erosion susceptibility and primarily used for lamb and calf breeding.

The report attributes the growing interest in forestry to recent climate change policies and changes to the Emissions Trading Scheme (ETS).

“There has been some increase in pine prices, but a significant proportion of the increased activity has been the result of climate change policies, in particular the Zero Carbon Act and reforms to the ETS, and other policy changes that have made the purchase of pastoral farmland for a combination of forestry production and carbon (or carbon only) revenue more attractive.

“We anticipate this trend will continue as the carbon price continues to increase. Carbon is currently trading around \$46/tonne.

“The Climate Change Commission in their May 2021 advice to Government modelled prices rapidly rising to \$50/t, further increasing to about \$140/t in 2030 and possibly reaching \$250/t by 2050.”

While acknowledging an increase in the price of carbon is a tool to reduce emissions, it advocates limits be placed on the amount of forestry that can be used of offset emissions, saying further conversion of land will not result in lower emissions.

After a dip in sales last year due to Covid, the report says real estate agents have noted heightened interest from forestry investors this year.

## NEW ZEALAND EQUITIES

As a result of persistent outperformance in recent years, the New Zealand equity market has amongst the highest valuation multiples globally. Looking forward a predicted gradual rise in interest rates will mitigate the justification for high local equity valuation ratios. In addition, the New Zealand equity market is not significantly leveraged to the global economy due to the largely domestic focus of many New Zealand listed companies. Hence, it will not benefit to the same degree as more cyclical equity markets from a revival of global economic activity. On balance, Jarden continues to have a relatively positive outlook on equities.

### GROWTH ORIENTATED COMPANIES ON THE NZX

There is a high weighting in the NZX50 to defensive income generating stocks (~43% index). However, Jarden highlights nine growth oriented stocks (minimum index weighting 1%) which have a collective index weighting of 40% - almost half in FPH and MFT. Over the five-year period to 30 June 2021, these growth oriented stocks have outperformed the NZX50 Gross index (+83.5%) with the exception of RYM (+54.3%). MFT, FPH, ATM, PPH, SUM and IFT have all generated total shareholder returns (TSR) over 200% over this five-year period, while EBO and FRE have generated TSR over 125%. Across these growth stocks, Jarden reviews the approach to capital structure, dividends and the funding of growth.

Jarden finds most of these growth companies run a conservative approach to dividends and debt, retaining earnings in favour of dividends, or periodically raising equity, to support growth. This is particularly the case in earlier stage companies with equity raised to maintain cash balances. PPH and ATM, which amassed large cash balances, quickly bringing attention to capital structure settings, have not paid dividends.

More mature growth companies like FPH and MFT have refrained from maximising dividends with confidence in the multi-decade growth opportunities/large addressable markets they have and a preference for a conservative approach on debt.

In companies with slower organic growth that have built track records on their ability to successfully identify and execute acquisitions to drive growth, there is a tendency for higher dividends but a discipline on maintaining capacity in debt levels through raising equity periodically (EBO, FRE) to support acquisition growth. Despite their own supportive multidecade growth outlook, the retirement operators (RYM, SUM) differ in approach. RYM has not raised equity to support growth and pays a meaningful dividend which increasingly looks like a factor contributing to the significant growth in its debt. SUM is generally more conservative having grown cash dividends but at lower levels, with it also tilting its development to lower peak capex intensity projects.

Jarden expects FPH to revisit capital management with an increase in dividend payout unlikely, given its positive view on long-term addressable market and long-term ambitions to double revenue every 5-6 years. With cash mounting on their balance sheet, a special dividend is likely up for consideration around FY23E - with FPH waiting for the Covid impact on its business to stabilise, providing a better view on the new norm and target manufacturing capacity buffers. With ATM having ~\$600m cash (net of upcoming manufacturing capacity investment) its attention should inevitably turn to capital management; but stabilisation in the diagoou channel will be an important precursor. Dividends are likely still a few years away. ATM's conservative approach over recent years has put it in a strong position to deal with manufacturing capacity investment and a step change up in marketing intensity bought forward by Covid disruption to its early sales channels. PPH will turn its attention to dividends at some point – albeit potential M&A is currently the focus as it looks to strengthen its strategic positioning.

A2 MILK - \$m	FY15	FY16	FY17	FY18	FY19	FY20
Operating cash flow	(8.1)	21.5	99.9	231.1	289.1	425.6
Free Cash Flow	(11.7)	19.4	48.8	210.2	123.4	396.6
Cash equity issued	0.0	44.2	3.8	7.3	2.9	2.4
Net Debt / (Cash)	(3.6)	(2.1)	(51.1)	(20.9)	(165.7)	(29.1)
Total Assets (ex cash)	82.8	140.9	222.9	375.8	542.2	599.1
Share capital	86.3	130.5	134.3	141.6	144.5	146.9

Pushpay Holdings - US\$m	FY15	FY16	FY17	FY18	FY19	FY20
Operating cash flow	(11.1)	(18.6)	(17.1)	(2.8)	21.5	55.0
Free Cash Flow	(13.8)	(24.2)	(19.7)	(3.1)	(63.2)	55.3
Cash equity issued	22.9	29.5	24.6	0.0	0.0	0.0
Net Debt / (Cash)	(8.4)	(13.4)	(17.9)	(13.9)	54.0	(2.3)
Total Assets (ex cash)	8.5	16.7	16.8	39.8	127.8	112.2
Share capital	37.0	66.5	92.3	93.7	94.6	95.9

Were RYM to stop or slow down development, debt levels would come down or stabilise but with RYM seemingly intent on maintaining growth in development activity, the runway for its current capital structure settings is likely running out. The market appears concerned about an increasingly evident misalignment between growth strategy and RYM's capital structure/dividend settings. There are options but Jarden expects raising equity will continue to be resisted for now with a review of dividend policy more likely. Having paid out over \$500m in dividends in the last five years (debt grew from \$545m to nearly \$2.3bn), Jarden thinks suspending dividends would be required to have



a real impact on debt levels against RYM's focus on growing the rate of development.

This review of successful growth companies highlights the market's willingness to forego dividends and to contribute equity to businesses with attractive growth opportunities without it impacting their ability to sustain strong momentum in share price. SUM is five years behind RYM in its growth trajectory and has a more conservative starting point giving it time to adapt. If SUM continues to pursue growth in its rate of development then adjustments in capital structure/dividend settings are likely going to be necessary for it in time too. SUM's asset base is in line with RYM's five years ago while its net debt is slightly higher relative to asset base (larger land bank too). SUM has already been willing to differentiate itself in a more conservative approach, including in its recognition of resale and development sales (a contributing factor to its lower level of dividends vs cash flow); willingness to raise a small amount of equity through dividend reinvestment plan (DRP); and in an adjustment in its development strategy to lower peak capital intensity projects.

ATM and PPH are the only stocks in the group of nine stocks that Jarden has reviewed that don't currently pay dividends. This is despite both generating meaningful free cash flow already.

## NZ PROPERTY MONTHLY REVIEW

The NZ LPV sector closed up 1.05% in June, underperforming the NZ50G (up 2.71%). June also saw acquisitions from PCT and VHP, with both increasing their development pipeline. VHP has already raised equity in the last 12 months and while we were not expecting \$141m of acquisitions (albeit Wellington Government focus and value add in line with strategy), PCT's capital raise of \$250m was in line with expectations following the recent management contract buyout and its growth ambitions. With the stock weighed down by this expectation, Jarden went into the capital raise with a modestly overweight portfolio weight. Through the capital raise, the model portfolio participated on a pro-rata basis. This reasonably large capital raise was funded by portfolio rebalancing in ARG; IPL; KPG; and SPG (all ~-35bps) and GMT and VHP (each ~-17bp). Jarden has updated their forecasts for PCT and

VHP. Given the extent of relative price movements in June and early July, they have updated their stock ratings. With further signs of strong cap rate compression, their forward view on sector stabilised cap rate spreads, reducing them by 5-25bps on the back of ongoing support in market-based transactions, with this flowing through their NAV (25% of our target prices). They also mark-to-market on 10-year Govt bond rate across the sector and review their risk spreads. Their target price revisions are relatively modest at 1-4% across their coverage. On the back of recent share price movements, Jarden sees very little capital upside to their target prices across the sector. Their preferences are now PCT and KPG (Overweight from Neutral) followed by IPL, ARG and SPG (Neutral from Underweight, Overweight and Overweight, respectively). Jarden has unchanged Underweight ratings on GMT, PFI and VHP. Following repositioning for PCT capital raise, their overweight positions at 30 June were more tightly bunched and included PCT, SPG, ARG and KPG. They have been down weighting KPG and IPL in recent months (-50bps each) while upweighting GMT (+50bps). Key underweight positions include VHP (-144bp) and PFI. Following early July share price movements, Jarden has taken the opportunity to sell 15bps each of ARG, SPG and VHP, and buy 15bps each of IPL, PCT and PFI. They continue to prefer GMT, IPL and PFI over VHP amongst the more defensive LPVs. Their largest overweight positions are GMT (66bps) and PCT (65bps - retail capital raise not in index changes yet). Between 31 May and 6 July, the model portfolio outperformed by 16bp (up 22.89% since 13 July 2020, outperforming the NZ REIT index by 77bp.

### NZ LPV SECTOR SUMMARY as at 6 July 2021

Stock	Rating	Price 06 Jul	Target price	PNTA	PNAV	12m fwd PIAFFO	Net div yield	Gross div yield	Committed Gearing
APL	Overweight	\$0.34	\$0.35	0.75x	1.00x	30.4x	5.4%	7.5%	33%
ARG	Neutral	\$1.71	\$1.51	1.12x	1.14x	28.5x	3.8%	5.3%	34%
GMT	Underweight	\$2.46	\$2.03	1.15x	1.16x	37.3x	2.3%	3.2%	22%
IPL	Neutral	\$2.04	\$1.86	0.98x	1.14x	25.0x	3.7%	5.2%	35%
KPG	Overweight	\$1.18	\$1.18	0.80x	0.90x	18.9x	4.6%	6.4%	25%
PCT	Overweight	\$1.65	\$1.62	1.09x	1.06x	24.3x	4.1%	5.7%	34%
PFI	Underweight	\$2.90	\$2.49	1.31x	1.07x	31.3x	2.8%	3.9%	31%
SPG	Neutral	\$2.60	\$2.38	1.21x	1.10x	25.4x	3.9%	5.5%	41%
VHP	Underweight	\$3.36	\$2.64	1.32x	1.35x	27.1x	2.8%	3.9%	42%
<b>Average</b>				<b>1.13x</b>	<b>1.11x</b>	<b>28.3x</b>	<b>3.4%</b>	<b>4.7%</b>	<b>31%</b>

*Source: Company data, Jarden estimates, Refinitiv; target price timeframe is 12 months*

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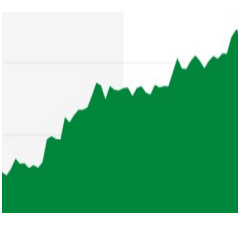
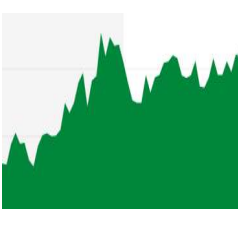
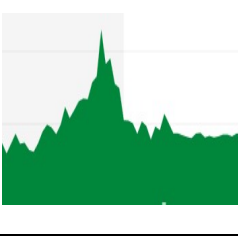
**GRAHAM NELSON** AFA  
Director, Wealth Management Advisor  
Graham works out of Jarden's Wellington office. With modern communications you won't be disappointed...


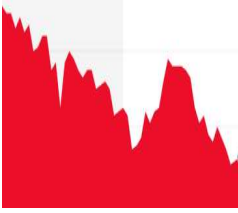



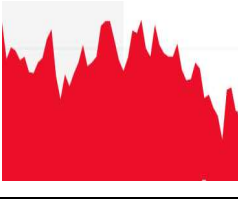
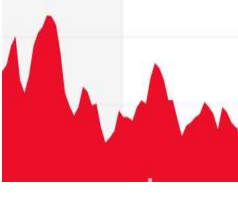


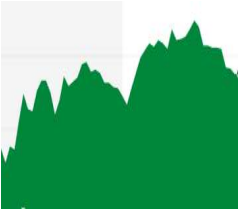
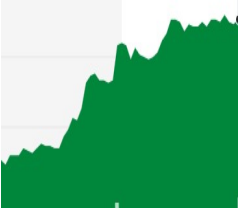

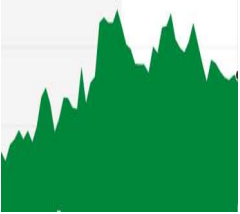


**JARDEN**  
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**ICEHOUSE VENTURES** says the launch of its latest 'IVX' fund is aimed at helping more New Zealand start-ups scale their businesses globally. The \$75 million in funding will go to approximately 30 NZ start-ups, with each receiving between \$1m to \$10m over the next three years to help them accelerate their growth. It is targeted towards more established companies that need funding to push their businesses forward.

ALL GRAPHS ONE YEAR	<b>A2 MILK</b>	Research: 30 <sup>th</sup> July	<b>NZX Code:</b> ATM <b>Share Price:</b> \$6.29 <b>12mth Target:</b> ↓ \$6.10 <b>Projected return (%)</b> Capital gain -3.0% Dividend yield (Net) 0.0% <b>Total return</b> -3.0% <b>Rating: UNDERWEIGHT</b> 52-week price range: 5.42-21.74
	ATM is still in the relatively early stages of its growth trajectory and the approach on dividends reflects the growth runway it still see in front of it. The capital intensity in ATM's business has been growing off a low starting base, firstly through its acquisition of a strategic stake in processor, Synlait (SML), and now in its moves on its own manufacturing capability. ATM's growth in cash flows has been rapid (\$20m operating cash flow to \$425m over FY16 to FY20), enabling it to build up a nearly \$850m cash balance at FY20. Net of the upcoming investment in manufacturing capacity, cash sits at around \$600m. ATM's conservative approach to date on capital structure/dividends has reflected a degree of caution in its key end market risk (concentration of cash flows from sale of a single product into a single market through a non-traditional sales channel), the need to factor in manufacturing capability in time, and its wider growth ambitions (US market). This caution has proved well placed with ATM looking to stabilise momentum following Covid disruption. Jarden expects ATM is likely still a few years away from considering dividend settings as it focuses on a step up in marketing intensity and determines the level of manufacturing capacity investment that it ultimately needs to make. ATM has signalled the potential for capital management with the FY21 result but will likely only progress that once it has confidence the daigou channel has stabilised 2021 P/E: (11.0) 2022 P/E: (13.2)		
	<b>Chorus</b> Research: 13 <sup>th</sup> July CNU recognises that investors have had constrained returns through the decade long UFB investment cycle and their focus is on returning surplus cash flows to shareholders. The expectation was CNU would be in a position to provide dividend guidance for FY22 forward as early as its FY21 result in Aug-21 with that guidance supporting a step up in dividend away from the modest growth on a 20-25cps dividend base. The pushing out of the finalisation of post 1-Jan-22 regulatory implementation to the very end of CY2021 means that specific guidance will need to wait for the 1H22 result in Feb-22. Jarden continues to expect an FY22 dividend that steps up on the post regulatory regime implementation reduction in capex that CNU pointed to in its initial guidance framework. Guidance at the upcoming FY21 result would essentially be suspended for six months. 2021 P/E: 41.2 2022 P/E: 44.3		<b>NZX Code:</b> CNU <b>Share Price:</b> \$6.26 <b>12mth Target:</b> \$6.20 <b>Projected return (%)</b> Capital gain -1.0% Dividend yield (Net) 4.9% <b>Total return</b> 3.9% <b>Rating: UNDERWEIGHT</b> 52-week price range: 6.03-9.39
	<b>Contact Energy</b> Research: 20 <sup>th</sup> July Jarden's 12-month target price for CEN.NZ is \$9.89. They use a 3-stage discounted cash flow (DCF) method based on a terminal WACC of 6.9% and terminal growth rate of 2.1%. Their rating for CEN is Buy on the basis that it is trading below its underlying spot-DCF value and target price. Key risks include regulation, increasing carbon price outlook, and a change in the long-term bond yield outlook. 2021 P/E: 32.9 2022 P/E: 33.8		<b>NZX Code:</b> CEN <b>Share Price:</b> \$8.37 <b>12mth Target:</b> \$9.89 <b>Projected return (%)</b> Capital gain 19.9% Dividend yield (Net) 4.6% <b>Total return</b> 24.5% <b>Rating: BUY</b> 52-week price range: 5.93-11.16
	<b>Delegat Group</b> Research: 14 <sup>th</sup> July DGL has provided a full-year earnings guidance and case sales update for FY21-24. Guidance update for FY21 states operating NPAT has been downgraded -3.6%, from \$67m to \$64.6m. This comes on the back of sales volumes -6% lower than guidance due to the impact of ongoing global port congestion, compounded by shipping constraints and peak export season. It appears there has been a margin improvement, however, no further detail has been provided. Given the cost headwinds indicated for FY22 (down harvest, grape prices, FX, higher freight), it seems that it could be the result of price increases slightly ahead of what the company had signalled (pulled forward slightly from FY22 to FY21). 2021 P/E: 23.7 2022 P/E: 26.0		<b>NZX Code:</b> DGL <b>Share Price:</b> \$13.30 <b>12mth Target:</b> ↓ \$14.80 <b>Projected return (%)</b> Capital gain 11.3% Dividend yield (Net) 1.3% <b>Total return</b> 12.6% <b>Rating: NEUTRAL</b> 52-week price range: 12.68-15.82
	<b>Ebos Group</b> Research: 22 <sup>nd</sup> July EBO is a large and diversified Australasian marketer, wholesaler and distributor of healthcare, medical and pharmaceutical products. It is also a leading Australasian animal care products marketer and distributor. While EBO's core businesses have a moderate organic growth profile, EBO has established a track record of successfully executing on M&A-led growth. EBO maintains a reasonably high dividend with a preference for periodically raising equity, as it did in FY19 with implementation of a DRP in FY20, to support that acquisition growth and maintain capacity in debt levels. 2021 P/E: 26.9 2022 P/E: 24.3		<b>NZX Code:</b> EBO <b>Share Price:</b> NZ\$31.11 <b>12mth Target:</b> ↑ NZ\$35.00 <b>Projected return (%)</b> Capital gain 12.5% Dividend yield (Net) 2.6% <b>Total return</b> 15.1% <b>Rating: OVERWEIGHT</b> 52-week price range: 21.50-34.20
	<b>Fisher &amp; Paykel Healthcare</b> Research: 22 <sup>nd</sup> July FPH has taken a conservative approach to its capital structure and dividend policy settings. As it's post-Covid operating environment becomes clearer and it is confident it has established appropriate manufacturing capacity buffer, and Jarden expects FPH to look at capital structure with a special dividend more likely than an increase in dividend payout, as the company continues to manage settings for what it views a very long-term growth opportunity and its desire to double revenue every 5-6 years 2022 P/E: 44.7 2023 P/E: 39.1		<b>NZX Code:</b> FPH <b>Share Price:</b> \$32.84 <b>12mth Target:</b> \$34.00 <b>Projected return (%)</b> Capital gain 3.5% Dividend yield (Net) 1.5% <b>Total return</b> 5.0% <b>Rating: OVERWEIGHT</b> 52-week price range: 27.10-37.89

	<p><b>Genesis Energy</b> <span style="float: right;">Research: 2<sup>nd</sup> August</span></p> <p>Genesis lost its arbitration process with Beach Energy (BPT.AX) in respect of a dispute relating to carbon liability under the terms of a long-term gas supply agreement. It was decided that the carbon liability for the gas supplied was with the buyer (Genesis) and not the producer (Beach). This means that Genesis has c.Z\$53m of FY21 and back payments to CY18 negatively impacting FY21 EBITDA and an increased obligation of c.\$20m p.a. for 3.5 further years. This has an c.11cps negative impact on our valuation, reducing Jarden's target price from \$3.85 to \$3.74. They keep their Overweight rating.</p> <p>2021 P/E: 55.8 2022 P/E: 30.0</p>	<p>NZX Code: <b>GNE</b>  Share Price: <b>\$3.37</b>  12mth Target: <b>\$3.74</b>  Projected return (%) <b>↓</b>  Capital gain 11.0%  Dividend yield (Net) 5.1%  <b>Total return 16.1%</b>  Rating: <b>OVERWEIGHT</b>  52-week price range:2.75-4.00</p>
	<p><b>Infratil</b></p> <p>IFT aims to have some core lower growth cash generating assets which provide stable cash flow support to the overall platform while the balance of the portfolio is focused on growth platforms (renewable electricity growth; data growth and aging populations /healthcare), with IFT investing in growth companies in these platform areas that are generally cash generative or near cash generative. IFT looks for these growth companies to have reasonably long growth runways and for their operating cash flow to be reinvested into their respective growth opportunities. IFT has been willing to further support their growth from the parent level, if required. As an investment vehicle with solid infrastructure assets with generally growing cash flow outlooks, IFT is relatively highly levered with debt at both the parent and investee company level. That parent company debt and the dividend IFT pays is also supported by the ability to turn off investment at the investee company level if required. Over the period FY16 to FY21, IFT debt has increased from \$296m to \$1.715bn. Flexibility around debt swings both ways with asset recycling: IFT expects to be virtually debt-free within the next few months, upon completion of its most recent asset divestment (~\$2bn proceeds). While IFT looks to recycle out of assets to fund new investments, IFT has also shown a clear willingness to provide equity support for growth in its platforms where the opportunity is sufficiently large enough, over and above free cash flows. IFT raised nearly \$700m in equity in FY20 and FY21 to support growth in its data and medical imaging platforms, with both raisings well supported on the back of IFT's successful investment track record.</p> <p>2022 P/E: 95.6 2023 P/E: 75.7</p>	<p>NZX Code: <b>IFT</b>  Share Price: <b>\$7.30</b>  12mth Target: <b>\$7.75</b>  Projected return (%)  Capital gain 6.2%  Dividend yield (Net) 2.7%  <b>Total return 8.9%</b>  Rating: <b>OVERWEIGHT</b>  52-week price range:4.69-7.90</p>
	<p><b>Mainfreight</b> <span style="float: right;">Research: 30<sup>th</sup> July</span></p> <p>MFT provided a strong ASM trading update for the first 17 weeks, with revenue of \$1,675m (+41% YoY, pre-intercompany adjustments) and PBT of Z\$105.9mn(+97% YoY). While YoY comparisons are distorted by the cycling of a COVID pandemic impacted prior period, MFT delivered a result ~15% ahead of the required run-rate for our previous FY22 forecast. This better-than-expected result was driven largely by Americas and Asia, which in the 17-week period delivered earnings equivalent to ~55% of our FY22 estimate for each market. MFT's European and Australian earnings were also modestly ahead of estimates, while the key New Zealand market was broadly in line. No specific earnings guidance was provided.</p> <p>2022 P/E: 33.9 2023 P/E: 30.8</p>	<p>NZX Code: <b>MFT</b>  Share Price: <b>\$83.11</b>  12mth Target: <b>\$85.00</b>  Projected return (%)  Capital gain 2.3%  Dividend yield (Net) 1.2%  <b>Total return 3.5%</b>  Rating: <b>OVERWEIGHT</b>  52-week price range:43.65-85.51</p>
	<p><b>Mercury NZ</b> <span style="float: right;">Research: 20<sup>th</sup> July</span></p> <p>Mercury historically gives FY+1 guidance at their results and for FY22 Jarden expects this could be as high as \$633m, with variance to this driven by the timing of deal completions. They forecast MCY to report FY21 EBITDA of \$460m, well below an estimated normalised expectation of c.\$530m. FY22 has started off dry and implies a c.\$20-25m lower-than-normalised year expectation. FY22, however, benefits from: 1) The newly constructed Turitea North wind farm is anticipated to begin generating in 1QFY22, adding an expected c.\$30m when fully contributing; 2) 60 internal projects underway targeting to add c.\$30m to its FY22 normalised earnings; 3) MCY stated that its first full-year contribution from its recent wind purchase should add c.\$50m to our normalised run rate; and 4) The latest TPW retail purchase should add c.\$50m to its EBITDA. In the past, MEL and MCY traded at similar multiples, being similar quality assets. The trailing EV/EBITDAs for MCY and MEL are 22.2X and 21.1X, respectively. On FY22 estimates, they are 16.2X and 20.2X, with MCY trending to 14.1X by FY23E, now materially lower than MEL.</p> <p>2021 P/E: 63.4 2022 P/E: 48.3</p>	<p>NZX Code: <b>MCY</b>  Share Price: <b>\$6.84</b>  12mth Target: <b>\$7.21</b>  Projected return (%)  Capital gain 5.4%  Dividend yield (Net) 2.6%  <b>Total return 8.0%</b>  Rating: <b>OVERWEIGHT</b>  52-week price range:4.66-7.60</p>
	<p><b>Meridian Energy</b> <span style="float: right;">Research: 20<sup>th</sup> July</span></p> <p>Jarden rates MEL Neutral on the basis that MEL is trading near its underlying spot-DCF value and target price. Key risks include regulation, successful management of Tiwai exit, increase in electricity demand from consumers and dairy conversion, strong inflow from its hydro generation down the Waitaki river chain and at Manapouri.</p> <p>2021 P/E: 67.8 2022 P/E: 48.3</p>	<p>NZX Code: <b>MEL</b>  Share Price: <b>\$5.27</b>  12mth Target: <b>\$5.79</b>  Projected return (%)  Capital gain 9.9%  Dividend yield (Net) 3.2%  <b>Total return 13.1%</b>  Rating: <b>NEUTRAL</b>  52-week price range:4.55-9.94</p>

	<p><b>Michael Hill International</b> <span style="float: right;">Research: 19<sup>th</sup> July</span></p> <p>A robust 4Q trading update, considering MHJ faced ~25% lost store-weeks in the period as a result of COVID shutdowns and disruptions. Group revenue for the quarter was -15.4% below Jarden forecast, primarily due to greater-than-expected COVID-related operational disruptions in Canada and Australia. Jarden continues to be encouraged by MHJ's trading performance, given that 4Q21 Group revenue was only -12.9% below the non-COVID-impacted 4Q19, despite: i) ~25% lost store-weeks; and ii) ~7% fewer stores. 2021 P/E: 7.1 2022 P/E: 10.3</p>	<p><b>NZX Code:</b> MHJ  <b>Share Price:</b> \$0.90  <b>12mth Target:</b> \$1.10  <b>Projected return (%)</b>  Capital gain 22.2%  Dividend yield (Net) 5.2%  <b>Total return</b> 27.4%  <b>Rating: BUY</b>  52-week price range: 0.32-0.99</p>
	<p><b>NZ King Salmon</b> <span style="float: right;">Research: 30<sup>th</sup> July</span></p> <p>NZK has provided maiden FY22 EBITDA guidance of \$8-10m, -42% versus Jarden's estimate and -54% versus Thomson Reuters consensus at the midpoint. Single-site farm delivering a double whammy - The single-site year class (began September 2019) has had an adverse effect on fish performance, with both a higher mortality rate and smaller sized fish. The financial impact of this is now being felt in 1H22, due to the 18-24-month fish cycle as this year class is harvested. Higher mortality increases fish costs (e.g. lost feed costs). Small fish have been sold unbranded and frozen at commodity-like prices, which has had a significant mix effect on the top line. 2022 P/E: -140.5 2023 P/E: 29.4</p>	<p><b>NZX Code:</b> NZK  <b>Share Price:</b> \$1.41  <b>12mth Target:</b> \$1.55  <b>Projected return (%)</b>  Capital gain 9.9%  Dividend yield (Net) 0.9%  <b>Total return</b> 10.8%  <b>Rating: OVERWEIGHT</b>  52-week price range: 1.39-1.84</p>
	<p><b>NZ Refining</b> <span style="float: right;">Research: 7<sup>th</sup> July</span></p> <p>NZR will take its import terminal conversion proposal to 6 August shareholder vote. The independent advisor report recommends the proposal and the Board have unanimously expressed support. Voting will cover two inter-related resolutions: a special resolution to materially change business operation (requiring 75% approval among all shareholders) plus a 2nd ordinary resolution seeking approval for NZR to execute binding Import Terminal Services (ITS) contracts with BP, ZEL and Mobil at pricing terms in line with the notice disclosures (requiring a majority vote from non-customer shareholders). 2021 P/E: (9.6) 2022 P/E: N.M.</p>	<p><b>NZX Code:</b> NZR  <b>Share Price:</b> \$0.86  <b>12mth Target:</b> \$1.05  <b>Projected return (%)</b>  Capital gain 22.1%  Dividend yield (Net) 0.0%  <b>Total return</b> 22.1%  <b>Rating: BUY</b>  52-week price range: 0.40-0.86</p>
	<p><b>NZX</b> <span style="float: right;">Research: 14<sup>th</sup> July</span></p> <p>Jarden has resumed coverage after a change in analyst responsibilities. In this report, they take the opportunity to review NZX's three divisions in detail. This includes execution of current strategy, forward prospects for growth and an assessment of respective valuations and risk profiles. Markets - stable outlook but higher investment required. After elevated activity in FY20, Jarden expects a moderation in issuance to be offset by revenue support from other revenue streams, including those linked to higher market capitalisation. However, they believe that earnings will be constrained by higher opex and capex to support higher trading capacity and improve system resilience. There seems a risk of volume loss to the Australian exchange if NZX is unable to avoid a repeat of the system outages seen in FY20. However, Jarden hasn't attempted to forecast any such loss. Instead, they assume that NZX is able to address this risk through higher levels of long-term investment. 2021 P/E: 33.1 2022 P/E: 30.1</p>	<p><b>NZX Code:</b> NZX  <b>Share Price:</b> \$1.86  <b>12mth Target:</b> ↓ \$1.80  <b>Projected return (%)</b>  Capital gain -3.2%  Dividend yield (Net) 3.2%  <b>Total return</b> 0.0%  <b>Rating: UNDERWEIGHT</b>  52-week price range: 1.46-2.19</p>
	<p><b>Pacific Edge</b> <span style="float: right;">Research: 30<sup>th</sup> July</span></p> <p>PEB has provided a 1Q22 volume update, which, while solid, shows the effects of COVID continue to create disruption. Total 1Q22 volume throughput/cash receipts were +9%/+21% on 4Q21. Positive but run-rate moderating slightly. The 1Q22 monthly volume run-rate of 1,785 has moderated from the record March 2021 exit run-rate of 2,084, though this is still pleasingly up on the 11m average over April 2020 to February 2021 of 1,248. Annualising this equates to c.21,400 tests before growth. 2022 P/E: (69.2) 2023 P/E: 156.2</p>	<p><b>NZX Code:</b> PEB  <b>Share Price:</b> \$1.23  <b>12mth Target:</b> \$1.40  <b>Projected return (%)</b>  Capital gain 13.8%  Dividend yield (Net) 0.0%  <b>Total return</b> 13.8%  <b>Rating: OVERWEIGHT</b>  52-week price range: 0.62-1.30</p>
	<p><b>Port of Tauranga</b></p> <p>POT remains in a "holding pattern" by shareholders. POT is operating at maximum capacity; being constrained by the Minister's decision to not allow a fast-tracking process to extend its container terminal. POT is also struggling with its "social licence" to operate, with Iwi flexing its muscle - empowered by this current far-left government. I still say - Maintain POT as a CORE holding. 2021 P/E: 52.5 2022 P/E: 47.5</p>	<p><b>NZX Code:</b> POT  <b>Share Price:</b> \$6.94  <b>Jarden's 12mth Target:</b> \$5.70  <b>Projected return (%)</b>  Capital gain -17.9%  Dividend yield (Net) 1.6%  <b>Total return</b> -16.3%  <b>My Rating: MAINTAIN</b>  52-week price range: 6.65-7.83</p>
	<p><b>Pushpay Holdings</b> <span style="float: right;">Research: 22<sup>nd</sup> July</span></p> <p>PPH has amassed a large cash balance quickly, bringing attention to capital structure settings, but has not paid dividends. PPH has had a volatile share price in the last year, with the Huljich family shareholding sale (17.8% of PPH) to US company Sixth Street spooking the market. Sixth Street has more than US\$50bn in assets under management. This should be a great alternate cornerstone shareholder for PPH. 2022 P/E: 30.3 2023 P/E: 25.7</p>	<p><b>NZX Code:</b> PPH  <b>Share Price:</b> \$1.67  <b>12mth Target:</b> \$2.10  <b>Projected return (%)</b>  Capital gain 25.7%  Dividend yield (Net) 0.0%  <b>Total return</b> 25.7%  <b>Rating: OUTPERFORM</b>  52-week price range: 1.52-2.40</p>

	<p><b>Sky City Entertainment</b> <span style="float: right;">Research: 11<sup>th</sup> June</span></p> <p>SKC is a world class entertainment group that operates in five cities across New Zealand and Australia – Auckland, Hamilton, Queenstown, Adelaide and Darwin. Vanguard Group (a US based investment company) has just sold half of its holding in SKC (17m shares). It is due to report its FY result on 25<sup>th</sup> August. In June SKC issued FY21 for normalised EBITDA \$247m - \$253m and normalised NPAT \$84m-\$88m. SKC noted it expects to "comfortably" meet its FY21 debt covenants and pay a final dividend in September. 2021 P/E: 31.3    2022 P/E: 24.0</p>	<p>NZX Code: <b>SKC</b> Share Price: <b>\$3.17</b> 12mth Target: <b>\$3.75</b> Projected return (%) Capital gain 18.3% Dividend yield (Net) 1.4% Total return <b>19.7%</b> Rating: <b>BUY</b> 52-week price range: 2.33-3.69</p>
	<p><b>Steel &amp; Tube</b> <span style="float: right;">Research: 21<sup>st</sup> July</span></p> <p>STU has provided guidance of \$20-22m for the year ending 30 June 2021 including property related gains of \$2.8m, suggesting normalised earnings of ~\$18m at the midpoint. The implied 1H/2H split of ~NZ\$7m/\$11m suggests a continuation of earnings growth (albeit off a low base) supported by ongoing strength in construction activity and the benefit of material cost savings generated over the past 2-3 years. Despite a series of price rises over recent months, Jarden expects that these have largely been offset by higher input costs, with the key driver of 2H earnings improvement likely to have been the higher volumes observed across the construction industry (STU's successful cost-out programme was largely complete at the last full year). Whilst STU's gross margin performance has disappointed over recent years, Jarden views STU's renewed focus on gross margin dollar improvement (sales staff incentivised on GP dollars rather than revenue) and higher returns on invested capital (inventory efficiency) as a positive shift. 2021 P/E: 22.0    2022 P/E: 16.1</p>	<p>NZX Code: <b>STU</b> Share Price: <b>\$1.14</b> 12mth Target: <b>\$1.04</b> Projected return (%) Capital gain -8.8% Dividend yield (Net) 3.1% Total return <b>-5.7%</b> Rating: <b>UNDERWEIGHT</b> 52-week price range: 0.53-1.20</p>
	<p><b>Summerset Group</b> <span style="float: right;">Research: 13<sup>th</sup> July</span></p> <p>Solid 2Q21 sales update. SUM reported new sales (154 units) and resales (116 units) for 2Q21, both ahead of Jarden's required run-rate for their previously published FY21 forecasts. While YoY comparisons are somewhat distorted by lockdown in the PCP, rolling 12-month figures show both new sales (+80% YoY) and resales (+54% YoY) results are at record levels. 1H21 forecasts were 59% of Jarden's prior FY21 forecast, considerably ahead of a typical level of 47% (excl. COVID impacted periods), while 1H21 resales was equivalent to 53% of prior FY21 forecasts vs. a typical range of 45%-52%. 2021 P/E: 21.7    2022 P/E: 18.6</p>	<p>NZX Code: <b>SUM</b> Share Price: <b>\$13.11</b> 12mth Target: <b>\$14.15</b> Projected return (%) Capital gain 7.9% Dividend yield (Net) 1.3% Total return <b>9.2%</b> Rating: <b>OVERWEIGHT</b> 52-week price range: 7.10-13.68</p>
	<p><b>Trustpower</b> <span style="float: right;">Research: 21<sup>st</sup> June</span></p> <p>Now that TPW has sold its retail book, it could be considered 100% renewable generation. On Jarden's FY23 earnings estimate of \$193m, it is trading on a forward EV/EBITDA multiple of just 16.2X, well below an industry implied renewable generation multiple of 18.4X. Jarden sees two issues to consider when getting enticed by this outlook: 1) The near-term earnings are overstated; and 2) Quasi-retail exposure remains. EBITDA is expected to fall to \$166m by FY26 on normalisation, implying an EV/EBITDA multiple of 18.8X in FY26E. They expect that the market could ignore the normalised EBITDA of FY26 when TPW rolls off the accretive CFD that it has sold to Mercury, and the benefit that it is currently receiving from purchased wind generation normalises but on valuation grounds, 2021 P/E: 27.2    2022 P/E: 25.1</p>	<p>NZX Code: <b>TPW</b> Share Price: <b>\$7.92</b> 12mth Target: <b>\$7.64</b> Projected return (%) Capital gain -3.5% Dividend yield (Net) 4.4% Total return <b>-0.9%</b> Rating: <b>UNDERWEIGHT</b> 52-week price range: 6.56-9.02</p>
	<p><b>Vital Healthcare</b> <span style="float: right;">Research: 19<sup>th</sup> July</span></p> <p>Jarden has updated their forecasts and valuation for VHP in line with the framework they are adopting across the sector. VHP operates a defensively skewed portfolio of healthcare real estate assets across Australia and New Zealand. While rental growth has been relatively benign, higher inflation could translate into more meaningful growth given the structure of leases, the majority of which are tied to inflation adjustments. Maintenance capex (triple net leases) and incentives (market practice) tend to be low in the sector, with reported AFFO capex and incentives of just \$1.5-2m per annum over recent years. That being said, VHP remains largely responsible for investment required to maintain physical structure. Jarden's ability to assess VHP's broader maintenance capex requirements over time is difficult for them, with VHP's disclosure relatively limited. While they reflect the impact of low AFFO maintenance capex through their forecasts, Jarden also reflect longer-term maintenance capex requirements in line with their approach for industrial assets. 2021 P/E: 27.5    2022 P/E: 25.2</p>	<p>NZX Code: <b>VHP</b> Share Price: <b>\$3.16</b> 12mth Target: <b>\$2.60</b> Projected return (%) Capital gain -17.7% Dividend yield (Net) 3.0% Total return <b>-14.8%</b> Rating: <b>UNDERWEIGHT</b> 52-week price range 2.60-3.38</p>
	<p><b>Z Energy</b> <span style="float: right;">Research: 28<sup>th</sup> July</span></p> <p>ZEL's investor day presentation (28<sup>th</sup> July) focused on how Z's strategy to simplify and optimise its core business will deliver earnings growth and a sustainable dividend. ZEL will move to an import only supply chain by June 2022. "Z's strategy is clear and simple," said Z CEO Mike Bennetts. "We will optimise our core business so that we can deliver strong and increasingly reliable returns to shareholders while transitioning to a low carbon future. We have already outlined how moving to imports will free up approximately \$150 million of additional working capital, having already released \$30 million from refining less product last year, and we will provide more detail on our earnings outlook and capital management." 2021 P/E: N.M.    2022 P/E: 24.8</p>	<p>NZX Code: <b>ZEL</b> Share Price: <b>\$2.93</b> 12mth Target: <b>\$3.65</b> Projected return (%) Capital gain 24.6% Dividend yield (Net) 5.3% Total return <b>29.9%</b> Rating: <b>BUY</b> 52-week price range: 2.52-3.42</p>

<b>NZ LISTED COMPANIES</b>		<b>Mrkt Cap</b>	<b>Price</b>		<b>Target Price</b>	<b>Price Earnings (x)</b>		<b>Net Yield (%)</b>	
<b>2nd August 2021</b>			<b>2-Aug-21</b>			<b>FY21</b>	<b>FY22</b>	<b>FY21</b>	<b>FY22</b>
<b>Source: Jarden Estimates</b>	<b>Ticker</b>	<b>(NZ\$m)</b>	<b>(NZ\$)</b>	<b>(NZ\$)</b>					
<b>COMMUNICATION SERVICES</b>									
Chorus	CNU	2,767	6.16	6.20	40.4	43.4	4.1%	4.9%	
NZME	NZM	197	0.99	1.04	7.6	7.3	5.1%	5.6%	
Sky Network Television	SKT	290	0.17	0.19	6.0	15.6	n.m.	n.m.	
Spark New Zealand	SPK	8,884	4.74	4.73	22.2	20.4	5.3%	5.3%	
<b>CONSUMER DISCRETIONARY</b>									
Kathmandu Holdings	KMD	976	1.37	1.75	15.8	11.0	5.1%	7.3%	
Michael Hill International	MHJ	352	0.92	1.10	8.2	11.8	5.2%	7.0%	
Restaurant Brands NZ	RBD	2,006	16.00	12.30	35.7	29.3	n.m.	n.m.	
Sky City Entertainment Gro	SKC	2,460	3.22	3.75	28.6	21.7	1.6%	3.1%	
The Warehouse Group	WHS	1,199	3.44	3.70	7.7	14.7	9.2%	4.8%	
Tourism Holdings	THL	357	2.35	2.90	n.m.	75.8	n.m.	1.3%	
Turners Automotive Group	TRA	372	4.30	4.39	12.1	11.5	5.3%	5.7%	
<b>CONSUMER STAPLES</b>									
The a2 Milk Company	ATM	4,647	6.22	6.10	47.8	33.1	n.m.	n.m.	
Comvita	CVT	231	3.27	3.45	23.7	19.3	1.5%	1.8%	
Delegat's Group	DGL	1,382	13.60	14.80	21.3	23.3	1.3%	1.3%	
Fonterra Shareholders' Fu	FSF	403	3.74	3.89	11.9	13.2	4.3%	3.7%	
My Food Bag Group	MFB	319	1.31	1.95	13.7	12.5	5.8%	6.4%	
New Zealand King Salmon	NZK	196	1.40	1.55	29.2	13.0	0.9%	1.9%	
PGG Wrightson	PGW	261	3.44	3.35	16.8	17.6	4.7%	5.8%	
Sanford	SAN	469	4.99	4.00	35.4	21.8	n.m.	1.0%	
Scales Corporation	SCL	652	4.56	5.00	28.0	19.8	4.2%	4.4%	
Seeka Kiwifruit Industries	SEK	199	5.03	5.10	19.1	16.4	7.2%	3.0%	
Synlait Milk	SML	819	3.73	2.90	n.m.	27.1	n.m.	n.m.	
<b>ENERGY</b>									
New Zealand Refining	NZR	261	0.83	1.05	n.m.	n.m.	n.m.	n.m.	
Z Energy	ZEL	1,542	2.95	3.65	30.4	17.7	6.8%	7.7%	
<b>FINANCIALS</b>									
Heartland Bank	HGH	1,207	2.05	2.30	14.0	13.8	5.1%	5.4%	
NZX	NZX	539	1.92	1.80	32.0	28.9	3.2%	3.3%	
<b>HEALTH CARE</b>									
AFT Pharmaceuticals	AFT	479	4.55	5.00	17.7	16.0	4.2%	4.7%	
Ebos Group	EBO	5,093	31.02	35.00	26.5	23.8	2.7%	3.0%	
Fisher & Paykel Healthcare	FPH	18,185	31.55	34.00	39.2	34.0	1.7%	1.9%	
Pacific Edge	PEB	904	1.24	1.40	n.m.	18.9	n.m.	1.9%	
<b>HEALTH CARE PROVIDERS &amp; SERVICES</b>									
Arvida Group	ARV	1,119	2.06	1.90	13.5	11.1	3.7%	4.5%	
Oceania Healthcare	OCA	1,052	1.49	1.50	13.9	12.1	3.6%	4.2%	
Ryman Healthcare	RYM	6,622	13.18	11.60	19.1	16.3	2.6%	3.1%	
Summerset Group	SUM	2,961	12.90	14.15	21.0	18.0	1.4%	1.6%	
<b>TRANSPORT &amp; LOGISTICS</b>									
Air New Zealand	AIR	1,692	1.50	0.95	n.m.	n.m.	n.m.	n.m.	
Auckland International Air	AIA	10,714	7.24	7.10	n.m.	67.7	n.m.	1.5%	
Freightways	FRE	2,129	12.80	10.80	29.1	26.0	2.4%	3.4%	
Mainfreight	MFT	8,298	82.00	85.00	30.4	27.6	1.4%	1.9%	
Port of Tauranga	POT	4,881	7.14	5.70	50.0	45.3	1.6%	1.8%	
<b>INDUSTRIALS</b>									
Fletcher Building	FBU	6,304	7.64	7.34	22.3	16.1	3.7%	3.9%	
Metro Performance Glass	MPG	84	0.45	0.57	8.5	7.6	7.1%	8.0%	
Skellerup Holdings	SKL	1,001	5.10	4.55	26.3	23.5	3.2%	3.6%	
Steel & Tube Holdings	STU	192	1.15	1.04	21.4	15.6	3.2%	4.5%	
<b>INFORMATION TECHNOLOGY</b>									
EROAD	ERD	544	6.61	-	n.m.	n.m.	n.m.	n.m.	
Gentrack Group	GTK	210	2.12	1.82	n.m.	n.m.	n.m.	n.m.	
Pushpay Holdings	PPH	1,886	1.70	2.10	26.6	21.0	1.0%	2.0%	
Serko	SKO	770	7.13	6.14	n.m.	34.2	n.m.	n.m.	
Vista Group International	VGL	536	2.33	1.95	n.m.	n.m.	n.m.	n.m.	
<b>REAL ESTATE</b>									
Argosy Property	ARG	1,373	1.63	1.51	20.0	19.6	4.0%	4.0%	
Asset Plus	APL	118	0.33	0.35	32.8	12.3	5.5%	5.8%	
Goodman Property Trust	GMT	3,419	2.44	2.03	33.0	30.3	2.3%	2.7%	
Investore Property	IPL	751	2.03	1.86	22.2	20.8	3.8%	4.0%	
Kiwi Property Group	KPG	1,838	1.17	1.18	18.0	16.9	4.8%	4.8%	
Precinct Properties NZ	PCT	2365	1.60	1.62	24.2	19.6	4.10%	4.20%	
Property For Industry	PFI	1,462	2.89	2.49	27.9	29.2	2.8%	2.8%	
Stride Stapled Group	SPG	1,179	2.48	2.38	20.5	20.5	4.2%	4.3%	
Vital Healthcare Property T	VHP	1,648	3.17	2.60	43.8	30.8	2.8%	3.0%	
<b>UTILITIES</b>									
Contact Energy	CEN	6,364	8.16	9.89	32.8	36.4	4.3%	4.3%	
Genesis Energy	GNE	3,597	3.43	3.85	36.6	24.6	5.1%	5.1%	
Infratil	IFT	5,311	7.31	7.75	75.4	n.m.	2.7%	2.8%	
Mercury NZ	MCY	9,005	6.61	7.21	64.1	46.0	2.6%	2.8%	
Meridian Energy	MEL	13,439	5.22	5.79	66.2	52.3	3.3%	3.4%	
Tilt Renewables	TLT	3,036	8.01	n.m.	n.m.	n.m.	n.m.	n.m.	
Trustpower	TPW	2,469	7.85	7.64	30.6	29.2	4.4%	4.5%	
Vector	VCT	4,090	4.07	3.51	27.0	28.1	4.3%	4.3%	
<b>MARKET AVERAGE*</b>					<b>22.6</b>	<b>20.6</b>	<b>2.9%</b>	<b>3.2%</b>	

\*PE ratios exclude: IFT, MEL, PEB

\*Net Yields exclude:

Australian Forecasts 3rd August 2021		Ticker	Market Cap (A\$m)	Price 3-Aug-21 (A\$)	Target Price (A\$)	Price Earnings (x)		Net Yield (%)		Ticker	Market Cap (A\$m)	Price 7-Dec-20 (A\$)	Target Price (A\$)	Price Earnings (x)		Net Yield (%)	
Source: Jarden	FY21					FY22	FY21	FY22	FY21					FY22	FY21	FY22	
<b>COMMUNICATION SERVICES</b>										<b>HEALTH CARE PROVIDERS &amp; SERVICES</b>							
Domain Holdings Australia	DHG	2,859	4.86	5.4	77.4	54.6	0.2%	0.9%	Healius	HLS	3,056	4.87	4.86	20.1	25.9		
REA Group	REA	21,506	161.66	180	65.2	53.5	0.7%	0.8%	Integral Diagnostics	IDX	1,060	5.3	5.55	26.2	24.7		
Uniti Group	UWL	2,389	3.49	3.89	49	34.6	n.m.	n.m.	Ramsay Health Care	RHC	14,782	64.14	86	32.2	22.8	1.7%	2.4%
<b>CONSUMER DISCRETIONARY</b>										<b>INDUSTRIALS</b>							
Domino's Pizza Enterprises	DMP	10,163	116.65	100	53.6	46	1.4%	1.6%	ALS	ALQ	6,189	12.74	13.2	22.8	21	2.7%	3.0%
Accent Group	AX1	1,490	2.73	3	16.2	17.9	5.0%	4.4%	Brambles	BXB	16,888	11.62	11.85	31.2	29.3	n.m.	n.m.
Beacon Lighting Group	BLX	382	1.7	2.2	10.4	13.4	4.7%	4.5%	Cleanaway Waste Management	CWY	5,268	2.54	2.9	30.6	27.9	1.9%	2.2%
Flight Centre Travel Group	FLT	3,021	15.05	16.1	n.m.	n.m.	n.m.	n.m.	Emeco Holdings Limited	EHL	655	1.2	1.75	10.3	8.1	n.m.	n.m.
Harvey Norman Holdings	HVN	7,114	5.67	5.6	9.2	13.3	6.7%	5.3%	IPH	IPH	1,763	8.06	8.55	23.6	21.1	4.3%	4.7%
JB Hi-Fi	JBH	5,557	48.04	47	10.9	15.9	6.3%	4.7%	Monadelphous Group	MND	1,030	10.78	12.8	18.2	15.5	n.m.	n.m.
Nick Scali	NCK	1,001	12.27	11.1	12.4	18.5	6.5%	4.3%	NRW Holdings	NWH	784	1.71	2.9	9.3	7.8	n.m.	n.m.
Premier Investments	PMV	4,294	26.84	31.8	16.4	20.5	2.5%	2.9%	<b>TRANSPORT &amp; LOGISTICS</b>								
Super Retail Group	SUL	3,008	13.23	12.2	9	15.5	7.2%	4.2%	Atlas Arteria	ALX	6,055	6.27	7.05	25.3	16.5	4.6%	6.1%
The Reject Shop	TRS	204	5.28	10	44.5	21.1	n.m.	n.m.	Aurizon Holdings	AZJ	7,154	3.86	4.4	14.2	13.8	7.1%	7.3%
Wesfarmers	WES	69,804	61.14	59	30	29.7	2.7%	2.7%	Qantas Airways	QAN	8,717	4.59	6.7	n.m.	n.m.	n.m.	n.m.
<b>CONSUMER STAPLES</b>										<b>MATERIALS</b>							
Coles Group	COL	23,492	17.49	17	22.4	22.9	3.5%	3.5%	Macmahon Holdings	MAH	477	0.22	0.35	8.1	7.9	n.m.	n.m.
Costa Group Holdings	CGC	1,486	3.2	3.9	24	14.5	2.7%	3.7%	<b>REAL ESTATE</b>								
Endeavour Group	EDV	11,957	6.63	5.8	25.5	23.5	2.9%	3.0%	Abacus Property Group	ABP	2,613	3.17	3.4	20.1	17.3	5.4%	5.8%
Lynch Group Holdings	LGL	454	3.69	4.95	14.3	13.9	n.m.	3.6%	Arena REIT	ARF	1,225	3.54	3.45	24.5	22.6	4.1%	4.4%
Metcash	MTS	4,128	4.01	3.7	14.4	14.1	4.7%	5.0%	Aventus Group	AVN	1,802	3.14	2.95	16.1	15.5	5.4%	5.8%
Treasury Wine Estates	TWE	8,657	11.91	9.7	29	24.8	2.2%	2.7%	BWP Trust	BWP	2,659	4.11	3.3	23.1	22.7	4.5%	4.5%
Woolworths Group	WOW	49,475	38.76	38.5	26.2	29.5	2.6%	2.4%	Centuria Capital Group	CNI	2,301	2.92	2.9	24.4	22.7	3.4%	3.6%
<b>EMERGING COMPANIES</b>										<b>Centuria Industrial REIT</b>							
Collins Foods	CKF	1,294	11.01	13.31	21.3	18.3	2.7%	3.3%	Centuria Office REIT	COF	1,280	2.47	2.15	12.5	14.4	6.7%	6.7%
Estia Health	EHE	621	2.36	3.2	n.m.	23.3	0.4%	4.3%	Charter Hall Group	CHC	7,640	16.29	17.2	28	24.1	2.3%	2.5%
Harmoney Corporation	HMY	209	1.79	3.3	n.m.	n.m.	n.m.	n.m.	Charter Hall Long Wale REIT	CLW	3,112	4.92	5.5	18	16.3	5.9%	6.1%
IDP Education	IEL	7,906	28.21	31.36	n.m.	71.5	0.5%	1.0%	Charter Hall Retail REIT	CQR	2,145	3.71	4.2	13.6	13.1	6.3%	6.7%
Japara Healthcare	JHC	371	1.38	1.4	n.m.	78.3	n.m.	0.9%	Charter Hall Social Infrastructure	CQE	1,267	3.46	3.45	21.3	19.4	4.5%	5.0%
PointsBet Holdings	PBH	2,349	11.29	16.58	n.m.	n.m.	n.m.	n.m.	Dexus	DXS	11,134	10.28	10.6	15.6	15.5	4.9%	5.0%
Regis Healthcare	REG	630	2.08	2.83	33.3	23.9	1.8%	4.2%	Goodman Group	GMG	42,116	22.64	19	34.1	30.3	1.3%	1.5%
<b>INTERNET &amp; DIRECT MARKETING RETAIL</b>										<b>GPT Group</b>							
Adairs	ADH	707	4.15	5.14	10	9.3	6.5%	6.5%	Home Consortium	HMC	1,750	5.99	5	47.7	33.3	2.0%	2.4%
Autosports Group	ASG	492	2.43	3.05	9.2	10.6	5.2%	5.6%	Homeco Daily Needs REIT	HDN	1,097	1.48	1.55	48	17.9	2.8%	5.3%
Bravura Solutions	BVS	844	3.39	2.87	26	23.9	2.6%	2.9%	Mirvac Group	MGR	11,340	2.86	3.2	20.6	18	3.5%	3.8%
City Chic Collective	CCX	1,230	5.34	6.29	51.7	37.5	0.3%	0.9%	National Storage REIT	NSR	2,537	2.13	2.1	29.3	22.9	3.9%	4.2%
Eagers Automotive	APE	4,093	15.82	16.21	15.9	18.5	4.6%	3.9%	SCA Property Group	SCP	2,675	2.46	2.8	17.2	14.7	5.0%	5.9%
ELMO Software	ELO	427	4.75	5.89	n.m.	n.m.	n.m.	n.m.	Scentre Group	SCG	13,589	2.6	3.3	12.6	11.7	5.5%	6.0%
Kogan.com	KGN	1,115	10.39	10.12	33.4	37.3	1.5%	2.2%	Stockland Corporation	SGP	10,576	4.4	4.5	13.2	12.2	5.6%	6.0%
Lovisa Holdings	LOV	1,704	15.75	12.71	56.8	35.6	1.9%	1.9%	Vicinity Centres	VCX	7,128	1.55	1.7	12.8	11.3	5.2%	7.1%
Peter Warren Automotive	PWR	605	3.61	4.12	15	13.2	n.m.	4.5%	<b>INFORMATION TECHNOLOGY</b>								
Temple and Webster Group	TPW	1,449	11.95	13.87	96.4	n.m.	n.m.	n.m.	Afterpay	APT	28,189	96.66	120	n.m.	n.m.	n.m.	n.m.
<b>FINANCIALS</b>										<b>Altium</b>							
ASX	ASX	14,989	76.89	74.95	31.4	30	2.9%	3.0%	Computershare	CPU	9,484	15.6	18.3	33	30	2.9%	2.9%
Challenger	CGF	3,873	5.69	6.15	18	15.8	3.3%	3.7%	Sezzle	SZL	753	7.21	5.6	n.m.	n.m.	n.m.	n.m.
Janus Henderson	JHG	9,819	57.76	52	14.8	15.5	n.m.	n.m.	Wisetech Global	WTC	10,074	30.79	31	n.m.	76.8	0.2%	0.2%
Magellan Financial Group	MFG	9,044	48.87	58.75	20.2	17.9	4.4%	5.0%	Xero	XRO	20,808	140.28	150	0.4	0.2	n.m.	n.m.
Pendal Group	PDL	3,102	8.05	9.3	18	14.3	5.0%	6.3%	<b>ENERGY</b>								
Perpetual	PPT	2,137	37.52	41.2	16.9	13.5	4.5%	6.3%	Beach Energy	BPT	2,757	1.2	1.55	8.3	6.7	1.7%	1.7%
Platinum Asset Management	PTM	2,416	4.09	4.3	14.7	17.5	5.8%	4.9%	Cooper Energy	COE	378	0.23	0.32	n.m.	n.m.	n.m.	n.m.
ZIP Co	ZIP	3,758	6.64	8.4	n.m.	n.m.	n.m.	n.m.	Oil Search	OSH	7,972	3.81	4	21.9	18.8	1.8%	2.1%
<b>INSURANCE</b>										<b>Santos</b>							
Insurance Australia Group	IAG	12,039	4.85	5.8	18.1	17.7	4.3%	4.7%	Senex Energy	SXY	587	3.19	4.15	57.5	17.7	1.1%	2.4%
Medibank Private	MPL	9,179	3.31	3.3	20	21.6	3.9%	3.9%	Woodside Petroleum	WPL	21,259	21.91	23.65	18.2	15	3.3%	3.3%
Nib Holdings	NHF	3,291	7.14	6.6	18.6	23.9	3.6%	2.9%									
QBE Insurance Group	QBE	16,176	10.89	13.35	16.9	11.5	2.9%	4.2%									
Suncorp Group	SUN	14,908	11.54	12.15	15.9	16.9	5.5%	5.6%									
<b>HEALTH CARE</b>										<b>Market Average *PE ratios exclude: TPW, ALU, WTC, JHC *Net Yields</b>							
CSL	CSL	132,404	288.91	334.80	42.3	41.5	0.4%	0.7%									
Cochair	COH	16,242	245.34	240.50	64.5	51.2	1.0%	1.4%									
Resmed	RMD	53,856	36.12	34.99	0.9	0.8	0.6%	0.7%									

# JARDEN'S NZ LISTED COMPANIES GROSS DIVIDEND YIELD

AS AT 5<sup>TH</sup> AUGUST 2021

COMPANY	RATING	PRICE (NZ\$)	GROSS DIVIDEND YIELD				DIVIDEND COVER				NET DEBT/ EQUITY CURRENT
			FY-1	FY0	FY1	FY2	FY-1	FY0	FY1	FY2	
The Warehouse Group	N	\$3.54		12.4%	6.5%	6.5%		1.4	1.4	1.4	-26.9%
Seeka	N	\$5.05	6.1%	9.9%	4.2%	6.9%	0.4	0.7	2.0	1.5	50.7%
Z Energy	B	\$2.93	6.7%	9.4%	10.8%	11.7%	0.0	0.5	0.7	0.7	83.9%
Asset Plus	O	\$0.32	8.4%	8.4%	8.4%	8.8%	1.2	0.7	0.6	1.4	19.7%
Metro Performance Glass	B	\$0.45		8.1%	9.9%	11.1%		1.4	1.7	1.7	42.5%
Michael Hill	B	\$0.90	2.5%	7.5%	9.9%	9.9%	1.5	2.7	1.4	1.5	-36.7%
My Food Bag	B	\$1.31		7.4%	8.1%	8.9%		1.2	1.3	1.3	26.3%
Spark	B	\$4.83	7.0%	7.2%	7.2%	7.2%	0.9	0.9	0.9	1.0	83.8%
NZME	B	\$0.99		7.1%	7.8%	9.2%		2.6	2.5	2.0	6.9%
Heartland Group	B	\$2.08	4.7%	6.9%	7.4%	7.6%	2.0	1.4	1.4	1.4	631.6%
Turners	B	\$4.29	6.5%	6.9%	7.5%	7.9%	1.4	1.5	1.5	1.5	163.8%
Kiwi Property Group	O	\$1.19	6.6%	6.7%	7.0%	7.0%	1.3	1.2	1.2	1.2	31.8%
Genesis Energy	O	\$3.39	6.7%	6.7%	6.8%	6.9%	0.3	0.4	0.6	0.7	61.2%
PGG Wrightson	U	\$3.49	3.6%	6.4%	7.9%	7.9%	1.0	1.3	1.0	1.0	20.0%
Argosy Property	N	\$1.62	6.0%	6.0%	6.0%	6.1%	1.3	1.2	1.2	1.2	48.5%
Precinct Properties	O	\$1.64	5.7%	6.0%	6.1%	6.4%	1.0	1.1	1.1	1.2	46.0%
Stride	N	\$2.51	5.8%	6.0%	6.1%	6.3%	1.2	1.1	1.2	1.1	38.5%
Scales Corporation	B	\$4.56	5.8%	5.8%	6.1%	6.4%	1.0	0.9	1.2	1.2	-28.0%
Trustpower	U	\$7.92	5.4%	5.8%	5.8%	5.9%	0.8	0.8	0.7	0.8	68.7%
Investore Property	N	\$2.02	5.7%	5.7%	5.7%	6.1%	1.1	1.1	1.2	1.2	37.7%
Chorus	U	\$6.18	5.4%	5.6%	5.9%	6.3%	0.5	0.6	0.5	0.4	275.7%
Contact Energy	B	\$8.41	5.7%	5.2%	5.3%	5.5%	0.5	0.7	0.6	0.6	23.3%
Fletcher Building	N	\$7.63		5.1%	5.4%	6.3%		1.2	1.6	1.5	10.1%
Katmandu	B	\$1.41		5.0%	7.9%	9.4%		1.2	1.3	1.1	-4.0%
NZX	U	\$1.86	4.6%	4.6%	4.7%	4.9%	1.0	1.0	1.1	1.0	21.1%
Vector	S	\$4.06	4.8%	4.5%	4.5%	4.5%	0.7	0.9	0.8	0.8	148.0%
Fonterra	N	\$3.74	1.3%	4.3%	3.7%	5.1%	4.7	2.0	2.0	2.0	59.6%
Property For Industry	U	\$2.90	4.0%	4.2%	4.2%	4.3%	1.2	1.3	1.2	1.3	35.3%
Vital Healthcare	U	\$3.17	4.2%	4.2%	4.5%	5.1%	1.2	1.3	1.3	1.3	62.0%
Meridian Energy	N	\$5.32	4.5%	4.0%	4.2%	4.2%	0.6	0.5	0.6	0.6	30.2%
Skellerup	O	\$5.09	3.2%	3.9%	4.4%	4.8%	1.1	1.2	1.2	1.2	10.5%
Freightways	N	\$12.67	1.7%	3.3%	4.7%	5.0%	2.3	1.4	1.1	1.1	51.0%
Goodman Property	U	\$2.46	3.3%	3.3%	3.4%	4.0%	1.3	1.3	1.3	1.2	24.9%
Arvida	U	\$2.12	2.5%	3.2%	3.6%	4.3%	1.8	1.8	2.0	2.0	47.0%
Steel and Tube	U	\$1.14		3.2%	4.6%	4.7%		1.5	1.4	1.4	-13.1%
Mercury	O	\$6.95	3.2%	3.2%	3.5%	4.3%	0.8	0.6	0.8	0.8	33.8%
Ebos	O	\$3.57	2.5%	3.0%	3.3%	3.5%	1.4	1.4	1.4	1.4	21.6%
Oceania Healthcare	B	\$1.49	2.2%	2.9%	3.6%	4.2%	1.7	2.0	2.0	2.0	41.4%
Infratil	O	\$7.46	2.7%	2.7%	2.8%	2.9%	-1.2	0.4	0.5	0.3	144.0%
AFT Pharmaceuticals	O	\$4.44		2.4%	6.0%	6.7%		2.0	1.3	1.3	55.7%
Port of Tauranga	S	\$6.94	2.5%	2.4%	2.5%	2.8%	1.1	1.2	1.3	1.2	41.7%
Comvita	N	\$3.22		2.2%	2.6%	3.9%		2.8	2.8	2.3	4.0%
Sky City	O	\$3.17	4.4%	2.2%	4.4%	6.5%	1.0	2.3	1.5	1.3	32.9%
Ryman Healthcare	S	\$13.45	1.7%	2.2%	2.6%	3.0%	2.0	2.0	2.0	2.0	69.0%
Deleqar's Group	N	\$13.17	1.8%	1.9%	1.8%	2.1%	3.5	3.6	3.3	3.3	53.9%
Fisher & Paykel Healthcare	O	\$32.90	1.7%	1.9%	2.2%	2.5%	2.4	1.5	1.5	1.5	-12.7%
Mainfreight	O	\$84.00	1.3%	1.7%	1.9%	2.5%	2.5	2.4	2.4	1.9	6.1%
Summerset	O	\$13.11	1.0%	1.4%	1.6%	1.9%	3.4	3.4	3.3	3.3	49.3%
Auckland Airport	U	\$7.24				1.4%				1.3	22.8%
Air New Zealand	S	\$1.48	10.3%				-0.5				106.6%
a2 Milk	U	\$6.41									-47.8%
Eroad	R	\$6.35									
Gentrack	N	\$2.07									-10.2%
New Zealand King Salmon	O	\$1.41			1.3%	2.6%			4.0	4.0	16.7%
New Zealand Refining Company	B	\$0.86				21.7%				0.4	41.5%
Pacific Edge	O	\$1.23				2.6%				2.9	-69.4%
Pushpay	B	\$1.67			1.0%	2.0%			2.0	1.3	-5.1%
Restaurant Brands	N	\$15.80									39.5%
Sanford	S	\$4.92	1.4%		1.4%	2.8%	4.5		4.6	3.1	27.5%
Serko	N	\$7.10									-52.6%
Sky Network Television	U	\$0.16				4.3%				1.8	-19.5%
Synlait	U	\$3.70									68.6%
Tourism Holdings	B	\$2.42	5.7%		1.6%	8.0%	1.4		1.0	1.3	27.5%
Tilt	R	\$8.01									
Vista Group	B	\$2.28									-32.6%
<b>MEDIAN</b>			<b>2.5%</b>	<b>3.3%</b>	<b>4.2%</b>	<b>4.8%</b>	<b>1.2</b>	<b>1.2</b>	<b>1.3</b>	<b>1.3</b>	<b>33.8%</b>

**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 – Outperform, N – Neutral, U – Underperform, S – Sell, R – Restricted.  
 3. FY0 represents the current financial year



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

**AUSTRALIAN EQUITIES**

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

**GLOBAL EQUITIES**

Least Preferred	Neutral			Most Preferred				
ExxonMobil	Chevron	Oracle	Comcast	Tesla	Tencent	Anheuser-B.	Alibaba	Schneider
BP	Boeing	Abbott	SAP	ABC	CCB	J&J	Facebook	UnitedHealth
	PepsiCo	Roche	Verizon	Netflix	Intel	BOA	Alphabet	Amazon
	Nestle	Cisco	P&G	Novartis	Visa	TSMC	NVIDIA	Merck & Co
			Coca-Cola	L'Oreal	Toyota	Walmart	Citigroup	Disney
				Home Depot	Adobe	AT&T	Unilever	Volkswagen
							JPM	LVMH
								Apple
								Microsoft
								MasterCard
								ASML

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