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# INVESTMENT STRATEGIES

Volume 56

May 2021

## NZ ECONOMY – TALE OF 2 HALVES

Ardern is looking more every day like Eva Peron, whose socialist ideology took Argentina from the 5th largest global economy in the 1920's to the cot case it still is today.

Quantative Easing (printing money) would be okay, if the funds were then fairly and evenly distributed – the problem New Zealand has is that it isn't, and so the economic recovery is very uneven, with our poorest suffering the most.

The Left argue that we have one of the OECD's lowest debt to GDP, and that is true – because QE (money that doesn't add to our debt, because it never has to be repaid!) is driving specific sectors of our economy (like rising house prices) and this is making the more affluent in society even wealthier, while our most vulnerable are actually being neglected.

Labour's current Cabinet appear totally inept – and as a result New Zealand Inc is on a very precarious slippery slope. The tide is turning on Ardern and it is now patently obvious that this government is all about spin, with little substance to back it up.

## NZX CORRECTION CONFIRMED

Stats NZ figures show that in the first nine days of the trans-Tasman travel bubble, NZ welcomed 30,936 arrivals. There were 20,796 departures. True, tourist operators aren't celebrating; it's not the job-saving influx they were hoping for. But remember, Australia's school holidays aren't until June – that's when our tourist towns and ski fields may yet see a bump in visitors.

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## *STATISTICS NZ DATA*

| | |
|---|---|
| **Estimated population** at 30-Dec-2020: | **5,112,300** |
| **Migrant Arrivals** Year to 31-Jan (2019:4.44m) | **68,831** |
| **Net Migrant** Year to 31-Jan(2019:4.43m) | **33,179** |
| **Consumer Price Index** Dec-20 year | **1.4%** |
| **GDP** Dec-20 quarter **-1.0%** Dec-20 year | **-2.9%** |
| **GDP per Capita** Dec-20 Qtr **-1.2%** Dec-20 Yr | **-4.9%** |
| **Unemployment** Mar-21 quarter (↓ from 5.3%) | **4.7%** |
| **Consumer Price Index** Mar-21 Year | **1.5%** |
| **Size of Maori Economy 2018** (2013: $42bn) | **$68.7bn** |
| **Size of NZ Economy** Dec-20 year | **$322bn** |

NZ50 GROSS INDEX (1-YR GRAPH)


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# 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.*

## HOW DO WE ADDRESS MODE SHIFT?

Getting people to move away from cars is a laudable objective – but in Tauranga we have a mass of isthmuses within our harbour, and this makes transport planning very problematic. The obsessive anti-car lobby always carries outsized influence in Labour governments relative to their constituency. These are the people who believe that all road building induces more traffic. Which it partially of course does, but along with economic growth and jobs and houses and useful stuff like that.

Auckland has this problem with its Harbour Bridge (with the loony left saying that one of its lanes should be given over to walking/cycling). Tauranga has the same faction, who think that by reducing car lanes we will induce mode shift to walking/cycling and bus use. If only it was that simple.

It is indeed true that if the Harbour Bridge had never been built, Auckland's North Shore would still be mostly a bunch of paddocks with sheep grazing on them.

It's not just Auckland that has the problem of no new transport projects. In growth areas like Waikato, Northland and Bay of Plenty, big transformative projects are finishing, but new ones aren't starting.

## HAMILTON TO AUCKLAND GHOST TRAIN

**SOURCE:** Stuff

It's been a slow start for passenger numbers on the new Hamilton to Auckland train, with only a handful of commuters travelling on some of the trips.

Figures from Waikato Regional Council shows nearly 100 seats empty on every train after its inaugural journey on April 6. The train, known as Te Huia, can seat up to 147 people. On the second day of the service, April 7, 21 commuters travelled on the earliest train from Hamilton at 5.46 am, and 40 took the second train at 6.28 am.

A week later, figures (from Tuesday April 13) show 28 travellers took the earliest train, then 25 people at 6.28 am. Forty-eight people filled the train at Papakura back to Hamilton at 4.42 pm.

This is exactly what many predicted. Some trains have less than 10% of seats filled. This service cost $100m to establish. You only have to do the maths to show what a waste of taxpayer and ratepayer money this is proving to be.

## GOVERNMENT LOOKS TO PHASE OUT FUEL TAXES, ROAD USER CHARGES UNDER TRANSPORT REVIEW

Fuel taxes and road user charges could be abolished and drivers tracked by GPS if one of the options from a review of road taxes is adopted by the Government.

The Ministry of Transport has been quietly conducting a "*future of the revenue system*" work programme, for most of the Government's last term.

Essentially, it is a high-level review of whether it is appropriate for the Government to rely on fuel taxes in an era when it is also trying to get people to use less fuel, and as revenue from fuel taxes declines as electric cars become more common, and public transport more widely used.

The Government currently collects about $4 billion a year from fuel taxes and road user charges. The revenue is currently used to build and maintain roads, and other transport projects.

Currently, electric vehicles are exempt from road-user charges, and do not pay fuel tax. If that exemption were ended – which the Government needs to make a decision on by the end of the year – it would need to look at new ways to pay for roads, Transport Minister Michael Wood said.

One option being considered is to replace the taxes with a GPS tracking system on cars, which could effectively toll drivers for how often they used the road. A National Party discussion document from 2019 floated a similar idea but it was not adopted as formal policy.

# LATEST POLL (ROY MORGAN)

*AS AT 4TH MAY 2021*

| PARTY | SUPPORT | Change since last poll | Seats in Parliament | Change since last poll |
|---|---|---|---|---|
| Labour | 41.5% | -4.0% | 52 | -13 |
| National | 29.5% | 6.5% | 37 | 4 |
| Green | 13.5% | 1.5% | 17 | 7 |
| ACT | 9.0% | -2.0% | 11 | -1 |
| Maori | 2.5% | 1.5% | 3 | 1 |

The Government would be Labour/Green with 69 seats out of 120.

Remember that this is just one poll, and too much shouldn't be read into it. However, it does indicate that public opinion is starting to move – and we can even see it with the media finally starting to become move questioning. The country was promised transparency, which hasn't happened. New Zealanders also want accountability and wise spending from the Government purse.

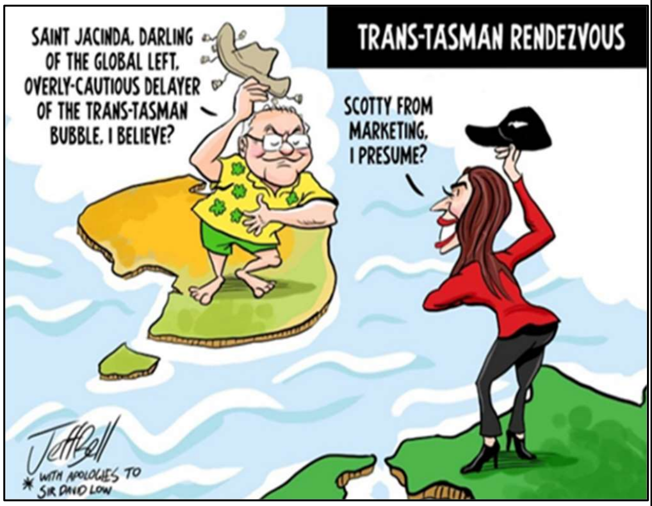

The Public has recently learnt that this Labour Government didn't just capitulate to illegal Ihumātao occupiers – it joined them in their illegality!

The Auditor-General released a damning judgement that the $30 million taxpayer-funded bailout should have been approved by a vote in Parliament.

This is just another example of this Labour Government riding rough over democracy. It is not only reckless, but these erosions of democracy is plain arrogance. It is not as if they don't have a majority in Parliament to push it through.

Treasury had sternly warned the Government against using KiwiBuild money in this way, and there should be serious consequences. All eyes should now be on. It is Attorney-General David Parker's job to ensure the Government follows the law. He needs to be held to account.

## NEW ZEALAND'S TRAVEL BUBBLE




| AUST – NZ TRAVEL BUBBLE | |
|---|---|
| People who use corridor | 7 million |
| Flights annually (2019) | 47,555 |
| Australians spend (2019) | A$2.7bn |
| Kiwis spend (2019) | A$2.6bn |

## ROBERTSON'S HOUSING FAILURE

How Grant Robertson got our economic recovery wrong

"*New Zealanders' addiction to house price inflation is tearing apart our social fabric,*" according to Shai Navot (TOP Leader). As the housing market continues to spiral out of control, it's clear that New Zealand's addiction to house price inflation is holding back our economic recovery and tearing apart our social fabric. It didn't have to be this way – these consequences are the result of political decisions. Let's rewind and take a look at how Finance Minister Grant Robertson got it wrong.

The United States has introduced stimulus cheques (also known as helicopter payments), in which more than 85% of American households will receive cash payments of US$1400 (US$1.9 trillion in total). It's not often people look to the United States as an example of fair wealth distribution, but for nearly 280 million Americans, these cheques will have a real impact.

This was the type of economic stimulus that Opposition Parties were calling for last year. Cash in Kiwis' hands would get spent in Kiwi businesses, leading to fairer, more effective economic outcomes than allowing money to flow straight to assets. Just as important, it would have given people struggling a bit of relief.

To say New Zealand's economic "recovery" has been uneven, inequitable and inadequate is a gross understatement. Robertson has overseen an economic response that has fuelled a growing wealth divide and locked in intergenerational inequality. Property owners' wealth has grown by over 21.5% since the pandemic began. Yet renters who are typically younger and/or poorer, have seen their rents rise while their incomes have stagnated or declined.

These outcomes were not surprising or unpredictable. The Reserve Bank warned Robertson a year ago that "quantitative easing", or money printing, would inflate asset prices and increase inequality, but he failed to put measures in place to counter those impacts. Robertson has allowed the negative consequences of quantitative easing to take hold; standing aside and allowing the negative consequences of quantitative easing to take hold.

In fact, the Reserve Bank was so concerned about the impacts of QE that it offered to hand money directly to the Government to spend. Treasury warned against it, so Robertson passed it up and QE was unleashed.

As predicted, the housing market has sucked up money like a sponge, with unprecedented house price inflation contributing to record house prices throughout New Zealand, compounding the housing emergency. This has left even less money available to be spent in the productive economy. It should surprise no-one then that New Zealand's GDP has dropped again this past quarter. A soaring housing market and falling GDP in tandem shows how broken the New Zealand economy is.

It is time to accept that a "strong housing market" has nothing to do with the strength of the economy.

Helicopter payments would have benefited those with the least wealth and lowest incomes. Such payments would have seen more money flow through the productive economy, instead of straight into housing; when people on lower incomes receive cash, they spend it. It creates a cycle of people buying the things they need at businesses that need income.

The Reserve Bank advised that the economy needed a stimulus of about $100 billion. With that money, each New Zealander could have received $20,000 upfront, or an 18-week Universal Basic Income of $250. The Reserve Bank is about half-way through its money printing programme – perhaps now is a good time to change course…. But of course I am dreaming.

We cannot afford to keep re-mortgaging the present and putting the future on hold, we need to support people and livelihoods – not houses.

Labour came into office pledging to reduce inequality. Jacinda Ardern claimed her Government had found a new way to address it.

## RMA REFORM – BE CAREFUL


In its day, the RMA was ground breaking. However, it was hamstrung by successive governments of both sides failing to provide the much-needed supporting standards. It also created an opportunity for money to become the driver for failures. More importantly, it was highjacked by Local Government bureaucrats, who manipulated it to justify their risk-averse interests.

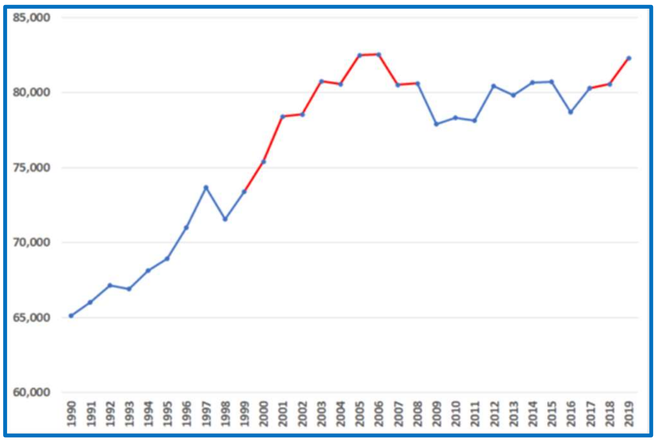
There is a dearth of planners, lawyers, and industry lobbyists that have frustrated and undermined the objectives of the act to serve self-interest. Any new legislation will need to put the objectives of a safe and healthy environment at the forefront of all decisions, while encouraging sensible business and economic growth.

The devil is in the detail, and this Labour Government's naked ideology risks hijacking the much-needed reform. Switching the current RMA (Act) with three separate Acts looks like an increase in bureaucracy – not a game-changing renewal of what should have been an internationally great resource management legislation (prior to being hijacked). Be careful what you wish for….

## GREENHOUSE GAS EMISSIONS RISE UNDER LABOUR

The latest data from the MFE shows that greenhouse gas emissions once again increased under Labour despite the rhetoric from the PM. It's almost as if just talking about it doesn't reduce emissions. A good Emissions Trading Scheme will.

GROSS GG EMISSIONS KT




So gross emissions rose 8,237 kt under Bolger and Shipley. Under Helen Clark they rose 7,239 kt. Under Key and English they dropped 323 kt. And so far under Ardern they were up 2,036 kt in just the first two years (of actual data).

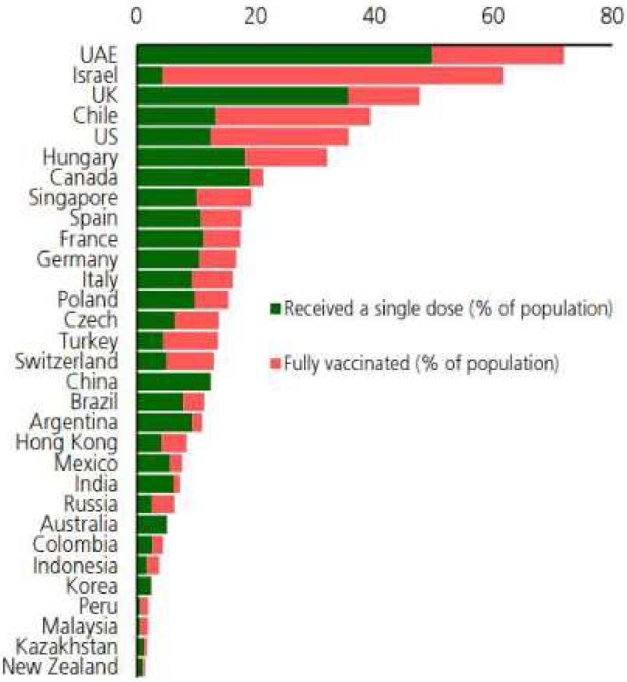
## AFTER 'GREEN RUSH,' CANADA'S LEGAL POT SUPPLIERS ARE STUMBLING

Most marijuana producers in Canada are still reporting staggering losses two and a half years after legalisation. The mayor of the largely rural community of South Huron, Ontario, was looking forward to an employment boom when a marijuana producer used its soaring stock value to buy an enormous greenhouse on the edge of the municipality's largest town.

The purchase three years ago, in Exeter, promised to make his sprawling community a major hub for what seemed like Canada's next big growth industry — legal pot — and the high-paying jobs it would bring. But before any of the 200 or so anticipated jobs in the greenhouse were filled — or before a single marijuana seed was even sown there — it became apparent that Canada was already growing far more marijuana than the market wanted.

## VACCINE ROLLOUT – WHERE IS THE PLAN?

### SHARE OF POPULATION FULLY & PARTIALY VACINATED




By the end of the first week in April, we had vaccinated 28,156 people, falling just short of our goal of 31,523 jabs that week – 89% doesn't sound too bad. So, how many people are we expecting to vaccinate that week? Who knows! The Ministry of Health refuses to say.

The story of New Zealand's lack of vaccination targets and slow rollout has been rumbling away in the background for months but this week it spilled over into the headlines.

National's Covid-19 spokesperson Chris Bishop revealed a leaked document which indicated we should have administered nearly 400,000 vaccines by this date, when we've in fact done just 90,000. Then, Associate Health Minister Ayesha Verrall said the document was a draft plan designed before we committed to an all-Pfizer rollout. Instead, she pointed to a vague chart on the Ministry of Health's website which contrasted weekly actual vaccinations against weekly "plan" vaccinations.

That leads into the second problem with Mythical Plan Chart B (opposite): It appears to be completely made up. When Bishop asked Covid-19 Response Minister Chris Hipkins for the data underlying the chart, so that the Opposition and media can better hold the Government's rollout to account against its own aspirational targets, he said there were no numbers behind it. Instead, he said that Mythical Plan Chart B "*is intended to be illustrative and approximate*". So, our vaccination rollout is based on DHB expectations of how many people they'll vaccinate, layered on top of a chart that appears to be little more than nice-looking lines drawn on a sheet of paper.

That's not a plan, it's summing up how many appointments each DHB expects to make in the next few weeks.

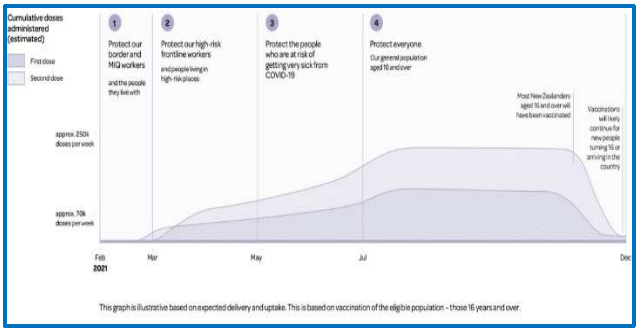
A proper plan would be built around targets that are not merely achievable but aspirational. It should be epidemiologically informed, not based simply on Ministry of Health bean-counters adding up vaccine supply, expected demand and workforce availability.

The Ministry stated that the plans are subject to change with vaccine supply. To some extent, that's fair enough. But if we're waiting until we have complete and total certainty on when each dose of the vaccine will arrive on our shores, and are in the meantime tweaking our plans every time someone makes or cancels a vaccine appointment, then we aren't actually planning a rollout - we're making it up as we go.

The Ministry of Health won't give out daily vaccine data, ministers and officials can't say what percentage of the frontline border workforce were meant to be vaccinated by early March has actually been immunised and now an unvaccinated border worker has tested positive for Covid-19 and no one has any clue why.

Making it up on the fly has failed us - it's time for the Government to give us a plan.

### COVID-19 VACCINE PLAN
### ILLUSTRATION OF VOLUMES & TIMING OF ROLLOUT



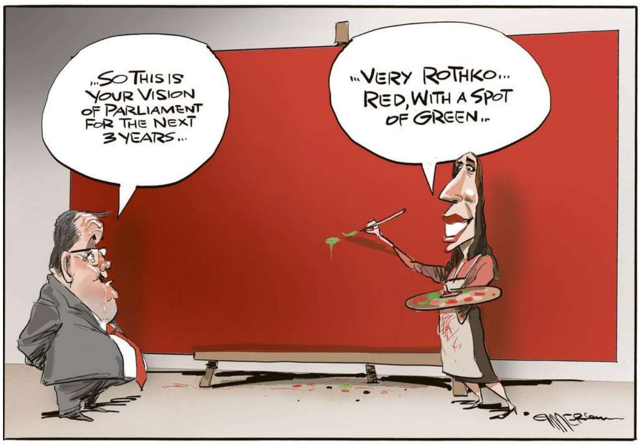

NOTE: The above graph is actually not a graph, but just a "graphic" – designed to sell the vaccine plan, but based on absolutely no actual data – in other words…just spin.

## WORLD ECONOMIC FORUM – GLOBAL COMPETITIVE REPORT 2019 – NZ'S RANKING (OUT OF 141)

## SHOULD WE RETHINK HOW WE MANAGE OUR RESOURCES?

Contaminated waterways, the housing shortage, road gridlock, ageing schools – it all comes back to the deeply unsexy yet essential foundation our lives rely on. Infrastructure. The competitiveness of NZ's infrastructure is so lacklustre that the World Economic Forum rates it 46th in the developed world.

The Resource Management Act failed to protect our water quality, reduce emissions or halt declining biodiversity. That's why infrastructure planning must be a critical part of RMA reform, says Infrastructure Commission Te Waihanga.




"*Environment and infrastructure are not at odds, you do not have to make a choice*," the Commission states. "*Infrastructure very often is built to address an environmental issue – light rail to get cars off the road, or telco infrastructure to allow people to work from home*."

Or wastewater plants. We know we have a water quality problem – if you live in Hawkes Bay, you especially understand this – yet it is taking up to 10 years to get consents for building wastewater treatment plants, with 20% of the cost being gobbled up by the consents process. Meanwhile polluted water is streaming down our rivers and out to the ocean.

Addison (Infrastructure Commission) says one of the failures of the RMA has been its narrow focus.

"*With each consent application, we need to consider the question 'What happens if we do nothing?' What happens if we choose not to widen a road to put in a safety barrier because we think it's more important to protect a neighbouring wetland? It could mean more deaths on our roads.*

"*What happens if we don't consent enough wind turbines because we would rather preserve the natural beauty of a ridgetop? It could mean staying reliant on fossil fuelled electricity generation*."

Unfortunately, the RMA doesn't really allow people making those decisions to think about the alternatives from a wider community perspective – it just looks at the environmental effects. This is one area the new legislation must improve."

Wind farms are another example. No, they are not particularly attractive, but they offer a needed clean energy source. If and when something even better replaces them, they can be dismantled and the landscape returned to its original state.

"There's very little infrastructure that is built that can't be undone as technology develops," says Copland, who was part of the team that remediated the land now occupied by Auckland's Victory Christian Church near the entrance to the Northern Motorway at Beaumont Street. It used to be a contaminated site, where coal had been heated to produce gas for city-wide lighting.

### LET'S NOT FORGET THE HOUSING CRISIS...

Housing is just one piece of the puzzle for Te Waihanga, but there is no doubt it is the one that sucks up the most oxygen – in the minds of the public, at least. Our affordable housing crisis is right up there with Covid-19 as the story of the moment. This is despite the fact we have an abundance of available land and just five million people to house.

"We've managed to create scarcity through planning, and that has an impact on prices," explains Copland.

"We need to trade off amenity, character and views against the burden and cost implications of pushing people further and further away from where they would optimally live if they could choose," says Copland. "Urban sprawl is often a function of planning."

## NATIONAL'S SIX MONTHS IN A LEAKY BOAT

**SOURCE:** Newsroom Pro

Newsroom's Political Editor Jo Moir stated on 16th April that she had spoken to a number of National MPs, on the condition of anonymity, about why the Party had found itself back in such familiar territory after spending the best part of six months insisting that sort of behaviour would no longer be tolerated.

One MP told Newsroom nothing would change "until some in the caucus work out they're not the leader and are never going to be again" - a comment clearly targeted at former leader Simon Bridges.

This indicates to me that "anti-Simon Bridges" MPs are still leaking to the media.

Speaking to Newsroom, one MP described Bridges' behaviour as "bravado'' saying he no longer had support in the party.

There are few levers available to pull MPs into line in those sorts of scenarios, without further destabilising the leadership. Caucus having zero tolerance for it and calling it out is the only real option.

It's easy to blame Bridges, but remember that he has a track record of playing it very straight when it comes to leadership – something not all in the National Party Caucus can claim.

As one MP said, “*We won’t be in government in two-and-a-half years' time if we carry on like this*’’. And given the way Bridges was rolled in a very knives-at-dawn manner by Muller and his supporters, there’s still distrust within the caucus between the two competing sides. As one MP put it, “*When poison gets into the system it takes a while to get it out*’’.

One thing is clear - party members are tired of the leaking and undermining.

Never was that made clearer than when they gave a standing ovation to former leader Sir John Key at November's convention after he said, **"*If you can't quit leaking, quit the party*"**.

## FUTURE MĀORI GOVERNANCE ?

Where is Labour leading New Zealand – separatism seems key to Māori aspirations, and if so we can expect a huge pushback by mainstream New Zealanders.

A document entitled He Puapua (the breaking of the waves) has been produced by a group appointed by Te Puni Kōkiri. As its title implies, it has proposed revolutionary change in New Zealand’s Constitution. After discussion in Cabinet, the document was ‘parked’, and a redacted summary released.

If the government is serious about He Puapua, it will explain its own position more fully, and if it wishes to pursue that agenda, or significant parts of it, it should set up the framework for a further constitutional debate to which all New Zealanders can contribute.

Otherwise, driven by conservative opinion leaders, more and more people will come to suspect that radical change is being covertly pursued behind the scenes in the absence of public consultation.

## MĀORI WARDS CHANGE HASTENED AGAINST OFFICIAL ADVICE

The Government's decision to streamline the process for new Māori wards for next year's local body elections came against the advice of officials, who warned skipping a full policy development and public consultation process could prove controversial and undermine progress on the changes.

## IS DEPARTMENT OF CONSERVATION GOING TO MĀORI?

Leaked documents outline a number of draft recommendations from the Options Development Group – a body tasked with reviewing conservation policies.

The group has recommended that the Conservation Act be reviewed and replaced with a system that better honours Te Tiriti/ the Treaty of Waitangi.

It also asks that the Government reforms all conservation entities, including DoC, to better reflect Te Tiriti partnerships, and that the Crown revokes its ownership of indigenous species.

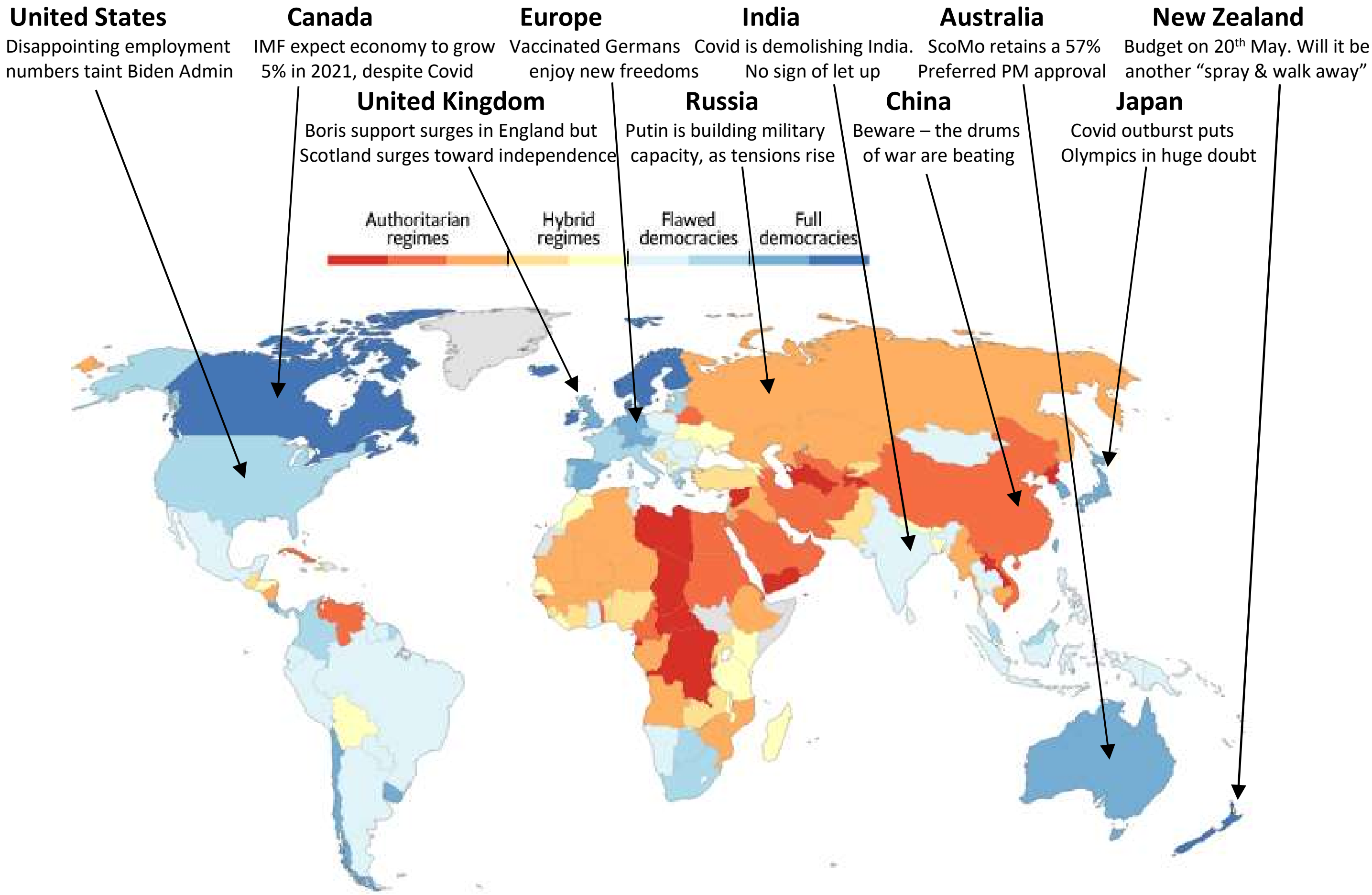
National Party Leader Judith Collins has specifically questioned one of the draft recommendations: "[To] *provide for the delegation, transfer and devolution of functions and powers within the conservation system to tangata whenua*".

Collins said this would represent a significant shake-up of the entire DoC estate in New Zealand – "*That is 85% of the West Coast, for example*." She said Prime Minister Jacinda Ardern needs to be clear with New Zealanders about what the Government's plans are when it comes to the ownership of conservation land.

## WHAT IS A GENUINE SAFETY NET?

The Minister for Social Welfare has a goal of raising the unemployment benefit by $57 a week by 2023. Carmel Sepuloni recently stated she was "confident" the Government would reach the $315 target set by the Welfare Expert Advisory Group for a single person.

# THE WORLD AT A GLANCE — GLOBAL DEMOCRACY INDEX 2020




# THE GLOBAL ECONOMIC OUTLOOK

## GLOBAL OUTLOOK

| GDP | 2017 | 2018 | 2019 | 2020 | 2021F | 2022F |
|---|---|---|---|---|---|---|
| New Zealand | 3.1 | 3.2 | 2.4 | (2.9) | 3.9 | 4.0 |
| Australia | 2.4 | 2.8 | 1.9 | (2.4) | 5.2 | 2.6 |
| United States | 2.3 | 3.0 | 2.2 | (3.5) | 6.0 | 4.1 |
| Japan | 1.7 | 0.6 | 0.3 | (4.6) | 2.7 | 3.9 |
| Euro Zone | 2.6 | 1.9 | 1.3 | (6.6) | 4.2 | 3.9 |
| United Kingdom | 1.7 | 1.3 | 1.4 | (9.9) | 5.5 | 5.5 |
| China | 6.9 | 6.7 | 5.8 | 2.3 | 10.0 | 5.7 |
| East Asia (ex China) | 4.7 | 4.4 | 3.7 | (2.4) | 5.0 | 4.9 |
| World | 3.8 | 3.6 | 2.8 | (3.3) | 5.9 | 4.5 |

SOURCE: Westpac

### IMF UPGRADES ITS OUTLOOK FOR GLOBAL ECONOMY

The International Monetary Fund has upgraded its outlook for the global economy, saying the rollout of Covid-19 vaccines and vast sums of government aid will accelerate global economic growth to a record high this year in a powerful rebound from the pandemic recession.

The lending agency said it expected economic growth to expand 6 percent in 2021, up from the 5.5% it had forecast in January. If the IMF forecast turns out to be correct it would be the fastest expansion for the global economy since its earliest records began in 1980.

In 2022, the IMF predicts, international economic growth will decelerate to 4.4%, up from its January forecast of 4.2%.

The agency's economists now estimate the global economy shrank 3.3% in 2020 after the devastating recession that followed the coronavirus' eruption across the world early last spring. That is the worst annual figure in the IMF's database.

Without $16 trillion in global government aid that helped sustain companies and consumers during lockdowns, IMF forecasters say, last year's downturn could have been three times worse.

The US economy, the world's biggest, is now forecast to expand 6.4% in 2021 — its fastest growth since 1984 — and 3.5% in 2022.

The world's second-largest economy, China, which imposed a severe Covid-19 clampdown a year ago and got a head start on an economic recovery, is expected to record 8.4% growth this year and 5.6% in 2022, the IMF estimates.

The monetary fund expects the 19 countries that share the euro currency to collectively expand 4.4% this year and 3.8% in 2022, while Japan is expected to register 3.3% growth this year and 2.5% next year.

## New Zealand's Economic Outlook

It's early days for the trans-Tasman travel bubble, but the evidence to date supports the view that it won't move the dial much on GDP this year. That said, there are signs that the economy fared better than expected in the absence of international tourists over summer.

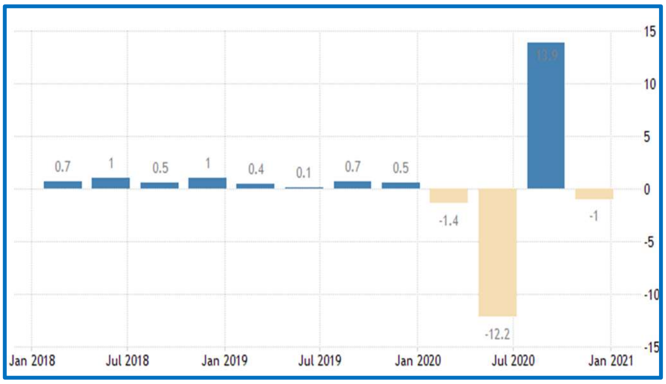
ANZ's recent Confidence Survey show that headline business confidence jumped 6 points in April to a net -2%, and firms own activity lifted 6 points to +22%.

"*The jump relative to the early-April read was likely influenced by a fading of the initial reaction to the new housing policies, plus the announcement of the trans-Tasman bubble, a welcome step back towards normality*," ANZ Economist Zollner said. It indicates that firms are feeling pretty upbeat, and that the recent housing market policy changes are not expected to dent broader activity.

"*Overall, the robustness of the data is starting to challenge our view that the economy will go largely sideways this year*." The survey shows that Inflation pressures are continuing to lift.

The Gross Domestic Product (GDP) of New Zealand unexpectedly shrank 1% on a quarterly basis in the last three months of 2020 after expanding a revised 13.9% in the third quarter, disappointing market expectations of a 0.1% increase. At the industry level (down 3.2%), 7 out of 16 industries declined, dragged mainly by construction (-8.7%) and manufacturing (-0.7%), whereas utilities expanded 1.9% and was the only category in the growth zone. Meanwhile, services edged up 0.1% and primary activity fell 0.6%. For the whole year, GDP dropped 2.9% over the year to December 2020, the largest annual fall ever for New Zealand.

**NZ - GDP GROWTH RATE**



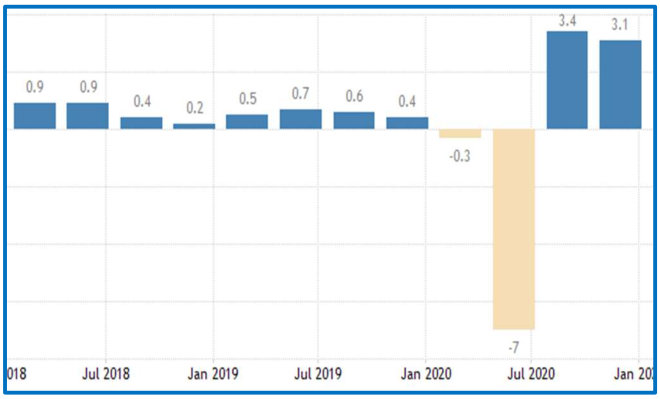

## Australian Economic Outlook

The Australian economy advanced 3.1% quarter on quarter in the three months of December 2020, following an upwardly revised 3.4% growth in the previous period and beating market expectations of 2.5%. This was the first time in the more than 60 years that GDP has grown by more than 3% in two straight quarters on the back of massive monetary and fiscal stimulus.

Australia's unemployment rate is 5.6%, and CPI growth is 0.7% year on year. In Canberra, Treasurer Frydenberg says there will be A$10bn more spending on aged care, $1.7bn on childcare and more on mental health, as well as tax cuts for higher-income earners, in the upcoming Budget (11th May) – "but it's still a Pandemic Budget. Don't expect a 'spendathon'," he said.

Household consumption rose 4.3%, boosted by spending on goods such as vehicles and that on services including recreation and culture, hotels, cafes and restaurants and health. Also, private investment advanced 3.9 percent boosted by rises across both housing and business investment with improved conditions which coincided with government initiatives, such as HomeBuilder and the expanded instant asset write-off. Net external demand contributed negatively to the GDP as exports rose less than imports. Year-on-year, the economy shrank 1.1%, suggesting policy support will still be needed.

**AUSTRALIA - GDP GROWTH RATE**




**AUSTRALIA RAISES THE STAKES IN ITS LATEST DIPLOMATIC SPAT WITH CHINA**

Never ones to shy away from a fight, the Australian government has dramatically cancelled a Belt and Road agreement between China and the state government of Victoria, further escalating trade and diplomatic tensions between the two countries.

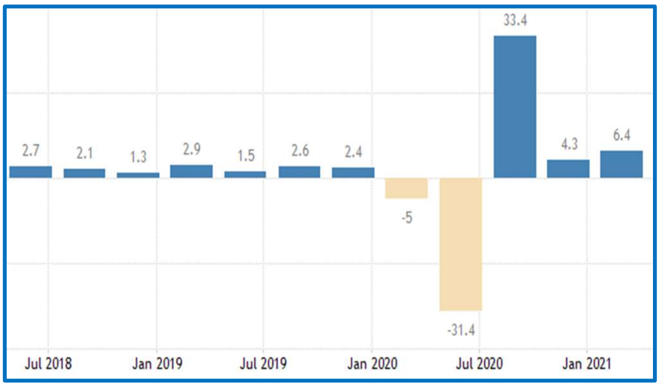
Victoria, Australia's second largest and wealthiest state, signed a memorandum of understanding as part of the Belt and Road Initiative (BRI) with the Chinese government in 2018, the only government in Australia to sign up for Chinese President Xi Jinping's signature global infrastructure initiative.

A strategic part of Xi's vision for China's future economic growth, the BRI is intended to build new trade corridors between Europe and Asia, following the path of the historic silk road. While other countries that have joined the BRI have received large scale funding from Beijing, the deal between China and Victoria had been aimed at encouraging future investment and trade.

## United States Economic Outlook

The US economy grew by an annualized 6.4% in the first quarter, following a 4.3% expansion in the previous three-month period and slightly beating market expectations of 6.1%, the advance estimate showed. Activity and demand consolidated their recovery from last year's steep contraction, helped by reopening efforts amid an acceleration in the pace of COVID-19 vaccinations and continued government response related to the pandemic. Increases in personal consumption expenditures (PCE), non-residential fixed investment, federal government spending, residential fixed investment, and state and local government spending were partly offset by decreases in private inventory investment and exports.

**UNITED STATES - GDP GROWTH RATE**

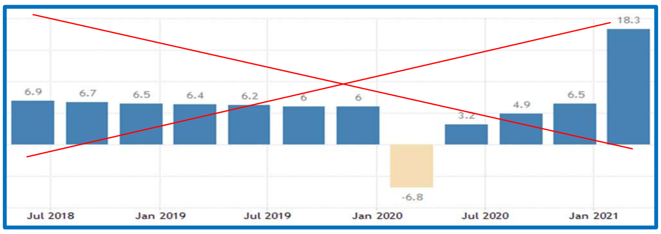



## Chinese Economic Outlook

Analysts estimate China's economic growth could eclipse 8% this year. China's economy grew by 18.3% in the first quarter of 2021 compared with a year earlier, the National Bureau of Statistics (NBS) reported recently, making it the highest quarterly year-on-year growth rate since data first began being published in 1993.

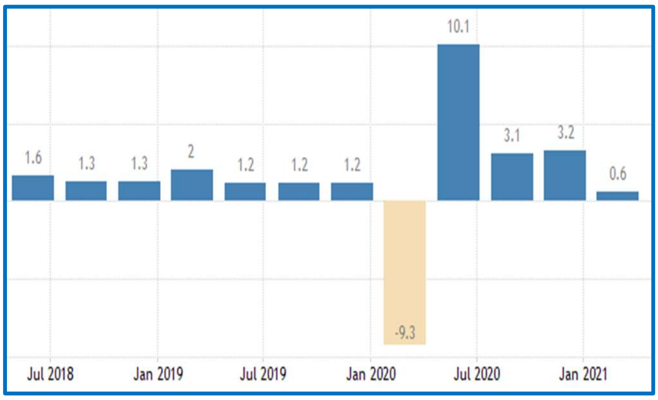
However, the headline number is misleading, given that the year-over-year figure is skewed upwards by the low comparison base resulting from the onset of Covid-19 in the first quarter of last year.

**CHINA - ANNUAL GDP GROWTH RATE**




As a result, analysts focused on first quarter growth compared to the fourth quarter for a better view of the actual trend on the economy. In inflation and seasonally-adjusted terms, China's gross domestic product (GDP) grew by 0.6% in the first quarter this year on a quarter-over-quarter basis, down from a revised 3.2% growth in the fourth quarter, missing the 1.4% rise expected by the median forecast of economists.

**CHINA - GDP GROWTH RATE**

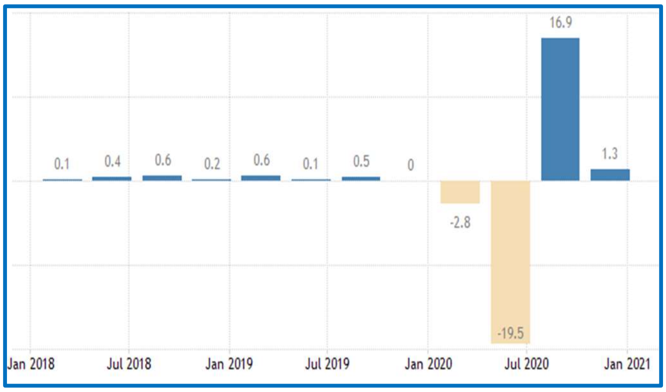



China has set an economic growth target in excess of 6% for 2021 after it grew by 2.3% last year overall. Analysts expect that target to be easily eclipsed and are now forecasting annual GDP growth of around 8% this year.

## United Kingdom Economic Outlook

The British economy expanded 1.3% on quarter in the last three months of 2020, higher than 1% in the preliminary estimate. Government expenditure (6.7% vs 6.4% in the first estimate), particularly healthcare and education; business investment (5.9% vs 1.3%) and inventories were revised upwards while household consumption experienced a bigger fall (-1.7% vs -0.2%). Net external demand also contributed negatively to the GDP as imports rose more than exports. Q3 figures were revised up to show a 16.9% growth. Despite two consecutive quarters of growth, the level of GDP was still 7.3% below its pre-pandemic level. The levels of business investment and household consumption remain 7.4% and 9.2% lower than their pre-pandemic levels respectively. The contraction for 2020 was also revised to 9.8%, from the first estimate of a 9.9% decline.

**UNITED KINGDOM - GDP GROWTH RATE**

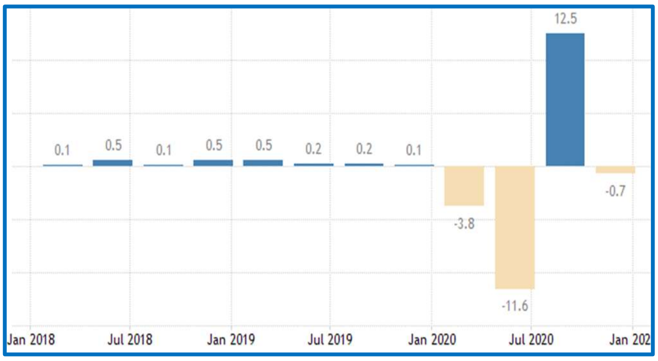



## EU Economic Outlook

The Eurozone economy shrank by 0.7% in the fourth quarter of 2020, following a record 12.5% expansion in the previous three-month period and an unprecedent 11.6% contraction in the second quarter due to the

COVID-19 crisis. Household consumption decreased by 3.0% (vs 14.1% in Q3), and net external demand contributed negatively to the GDP as exports rose less than imports.

**EUROZONE - GDP GROWTH RATE**

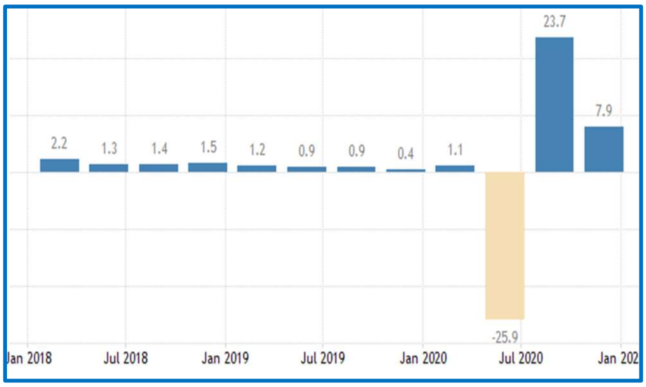



Meanwhile, fixed investment grew by 1.6% (vs 13.9% in Q3) and changes in inventories added 0.6% points to growth. Among the bloc's largest economies, France, Italy and the Netherlands contracted in the fourth quarter, while GDP growth in Germany and Spain slowed sharply. For the year 2020 as a whole, GDP fell by 6.6%, following a 1.3% expansion in 2019.

## Indian Economic Outlook

The Gross Domestic Product (GDP) in India expanded 7.9% in the fourth quarter of 2020 over the previous quarter.

**INDIA - GDP GROWTH RATE**




**INDIA'S LATEST CORONAVIRUS SURGE RISKS FURTHER DAMAGING ITS TENTATIVE RECOVERY**

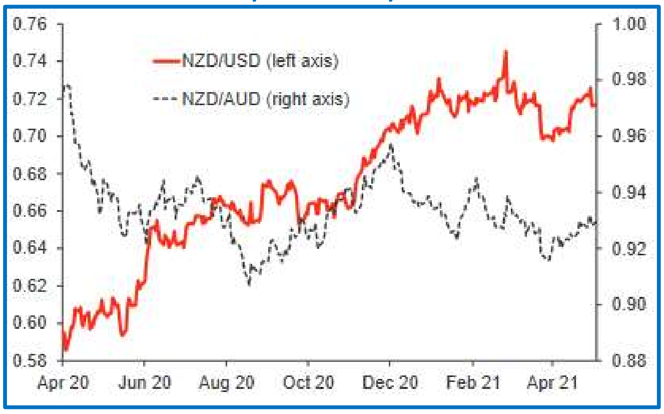
India has experienced the world's biggest one-day jump in coronavirus cases as a ferocious new wave grips the country, overwhelming hospitals and crematoriums and prompting fresh concerns about the damage it will inflict on its economy.

India now has almost 16 million cases, second only to the US, as it struggles to provide enough shots for its 1.3 billion people despite being home to the world's biggest vaccine manufacturer.

The growing rate of infections and the likelihood for further lockdowns will be damaging to India's economic recovery. In April, the IMF raised its growth forecast for India for this year to 12.5%. But Gita Gopinath, IMF chief economist, warned the calculations predated the latest, "*quite concerning*" wave. "*The next few months will be critical, as the renewed Covid surge challenges India's immature recovery*," Oxford Economics, a research group, said in a note, citing possibilities including a "hard lockdown", rising deaths and a faltering vaccination campaign as the biggest threats to growth.

## CURRENCIES

**NZD/USD & NZD/AUD**




**SOURCE:** Westpac

### INTEREST RATES

Banks are shaping up for a stoush over who picks up the tab – an estimated $200-400 million a year – for the Government's new deposit protection scheme. NZ is to join most other OECD nations in providing insurance of sorts, for the eventuality of the collapse of a credit union, building society, finance company or – harder to conceive – a bank. Finance Minister Grant Robertson has announced that if you have money in the bank or another register deposit-holder, a new scheme will protect the first $100,000. That is double the $50,000 he had initially planned, and ensures 93 percent of depositors will be fully covered.

The Government's deposit insurance scheme is the kind of moral hazard madness that led to the GFC. This is the socialisation of banking. The Minister of Finance is saying 93% of bank customers don't care about bank stability because the taxpayer will bail them out.

The major banks where New Zealanders put most of their savings all have A or AA credit ratings.

| DEPOSIT TAKING INSTITUTIONS | S&P | Fitch | Moody's |
|---|---|---|---|
| ANZ Bank NZ Ltd | AA- | A+ | A1 |
| ASB Bank Ltd | AA- | A+ | A1 |
| Bank of Baroda (NZ) Ltd | | BBB- | |
| Bank of China (NZ) Ltd | A | | A1 |
| Bank of India (NZ) Ltd | BB+ | | |
| BNZ | AA- | A+ | A1 |
| China Construction Bank (NZ) Ltd | | A | A1 |
| Heartland Bank Ltd | | BBB | |
| Industrial and Commercial Bank of China | A | | A1 |
| Kiwibank Ltd | A | AA | A1 |
| Coöperatieve Rabobank UA | A+ | A+ | Aa3 |
| Rabobank NZ Ltd | A | | |
| Southland Building Society | | BBB | |
| The Co-operative Bank Ltd | | BBB | |
| TSB Bank Ltd | | A- | |
| Westpac NZ Ltd | AA- | A+ | A1 |

**SOURCE:** RBNZ

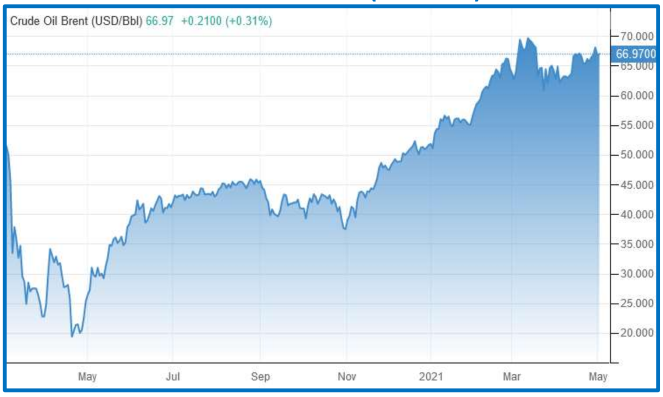
As the retail banks point out, most of them have A or AA credit ratings. That's not the case for the building societies, credit unions and finance companies. The table below shows that that they have B credit ratings, as best – and many aren't required by law to even have a credit rating.

| DEPOSIT TAKING INSTITUTIONS | S&P | Fitch | Moody's | Equifax |
|---|---|---|---|---|
| Asset Finance Ltd | B-, Negative | | | |
| Christian Savings Ltd | | BB, Stable | | |
| Credit Union Auckland | | | | |
| Credit Union Baywide | | BB, Negative | | |
| FE Investments Ltd (in receivership) | | | | |
| Finance Direct Ltd | | | | |
| First Credit Union | | BB, Negative | | |
| Fisher & Paykel Credit Union | | | | |
| General Finance Ltd | | | | BB-, Positive |
| Gold Band Finance Ltd | | | | |
| Heretaunga Building Society | | | | |
| Liberty Financial Ltd | BBB-, Stable | | | |
| Mutual Credit Finance Ltd | | | | |
| Nelson Building Society | | BB+, Stable | | |
| NZ Employees Credit Union | | | | |
| NZ Firefighters Credit Union | | | | |
| Police and Families Credit Union | | | | BBB, Negativ |
| Steelsands Credit Union | | | | |
| Wairarapa Building Society | | BB+, Negative | | |
| Westforce Credit Union | | | | |

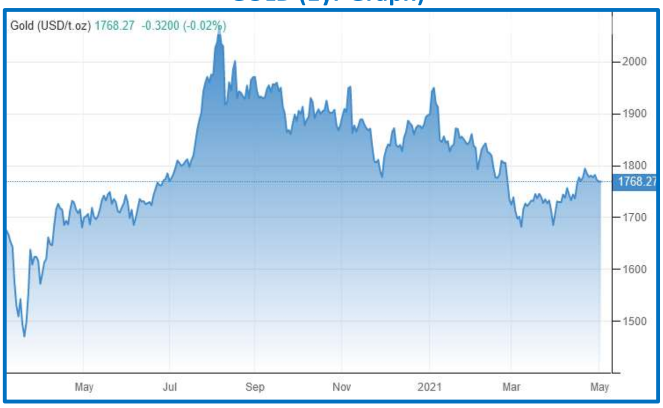
**"We're shooting a machine gun into the dark without knowing where the enemy is. We're firing some rounds in the general direction, some of which will slow the enemy. But not fatally."** Massey University's Professor David Tripe doesn't think increasing banks' capital requirements for residential lending will be a silver bullet for housing prices.

## COMMODITIES

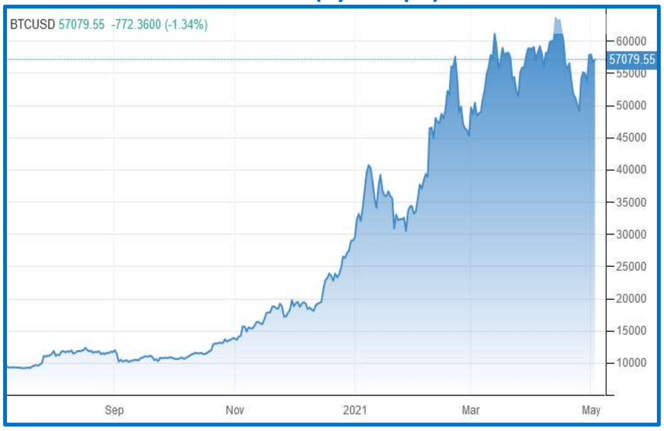
### OIL: BRENT CRUDE (ONE YEAR)




### GOLD (1yr Graph)




### BITCOIN (1yr Graph)




## CRYPTOCURRENCY MARKET DOUBLES AGAIN IN VALUE IN LESS THAN TWO MONTHS

The value of the cryptocurrency market topped US$2 trillion for the first time recently, driven by a rally in Ether, the second-largest digital coin. After hitting $1 trillion in January, the market capitalisation of the cryptocurrency market has again doubled.

Bitcoin, the biggest digital currency, accounts for over 50 percent of the entire cryptocurrency market capitalisation. It has rallied over 100 percent this year alone, helping to propel the cryptocurrency market higher.

But the latest boost in the crypto market appears to have been driven by Ether, the digital coin that powers the Ethereum blockchain.

Unlike Bitcoin, the Ethereum blockchain operates more like a software platform that allows developers to build apps on top of it. Users can then spend Ether on these apps.

There is growing interest in Ethereum being used in so-called decentralised finance, or DeFi, applications. These are blockchain-based financial services, such as lending, which could in theory bypass banks and brokerages completely. Users of these apps may transact using cryptocurrency.

Ethereum also has the underlying technology behind the recent craze in non-fungible tokens, or NFTs — a new type of digital asset.

NFTs have been an investing and pop culture mania for the past few weeks, leading some to wonder if the frenzy is a market bubble fuelled by the wealthy and younger traders flush with stimulus money.

Ether hit an all-time high of US$2,151 recently. It is now up over 180 percent year-to-date.

A leading Chinese central banker called bitcoin an "investment alternative", a significant shift in Beijing's tone after a crackdown on cryptocurrency issuance and trading nearly four years ago. The comments came from Li Bo, deputy governor of the People's Bank of China.

# AGRIBUSINESS – LOOKING FROM THE OUTSIDE IN

### HALTER COMPLETES $32 MILLION FUNDING ROUND BUT COMMERCIAL LAUNCH DELAYED

Innovative agri-tech company Halter has raised $32 million in its latest funding round that will primarily be used to drive new hires at the company as it looks to roll out its product domestically, and then expand overseas.

The days of dairy farmers rounding up cows for milking may soon be a thing of the past, replaced instead by Halter's smart collar tech that uses sounds and vibrations to herd cows using a mobile app. The company had planned to launch the product commercially this year, but ongoing delays have meant the roll out to the NZ farming community has been slower than anticipated.

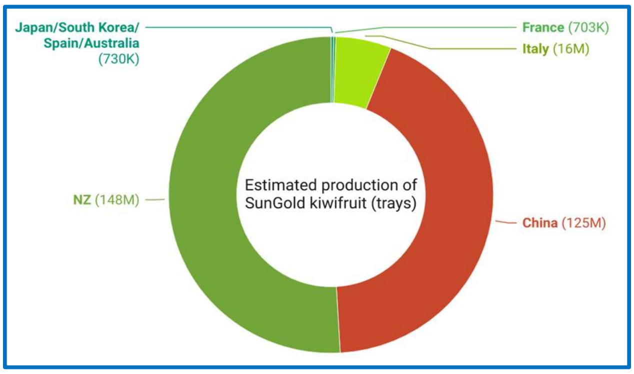
The series B round (for $32m) was led by Blackbird Ventures, with investment coming from existing backers including Rocket Lab's Peter Beck, Icehouse Ventures, and US-based venture capital company Data Collective.

CEO Craig Piggott blamed the lag on the company's ability to hire the right people. Halter is aiming to fill 115 new roles by the end of the year, mostly for its engineering and product teams.

### ZESPRI'S PLAN TO RAKE BACK PROFITS FROM STOLEN KIWIFRUIT

Some say NZ stole the kiwifruit from China. Well, now they've stolen it back. Single desk marketer Zespri developed the SunGold variety to counter the growth of the Psa bacterium and, with its golden colour, smooth skin and mild flavour, it's become wildly popular. Zespri licenses hundreds of growers around the world to plant more than 12,000 hectares of SunGold – but now rogue Chinese growers are producing around $1b worth without permission.

Kiwifruit growers are mulling over a radical plan by Zespri to try to halt the explosion of its illegally grown SunGold brand in China.




# NEW ZEALAND EQUITIES

### CAVALIER CORPORATION

CAV's Bremworth carpet-making business has received a $1.9m grant from the Ministry for Primary Industries for its three-year research and development of natural and green chemistry-based alternatives to the few remaining synthetic components of woollen carpet.

### SKY TELEVISION

New Sky TV chief executive Sophie Moloney has revealed a trimmed down executive team, with two top roles culled. "*We are moving away from a business with a large executive and a hierarchy of teams to a flatter structure where all of Sky's leaders are empowered to innovate, collaborate and make decisions with our customers front and centre stage*," Moloney said in an NZX filing. "*I believe our future success lies in Sky being nimble, quick on our feet and focused on execution*."

"*We will operate with a smaller executive, comprised of our chief financial officer (Andrew Hirst), chief people and operations officer (Michael Frampton), chief commercial officer (Jonny Errington), chief customer delivery officer (to be appointed) and me as chief executive*," Moloney said.

A small number of strategic roles, including external affairs (Chris Major) and technology (Prabhu Singh), will continue to report directly to Moloney.

**Half year to Dec 31**

| | H12021 | H12020 | Change |
|---|---|---|---|
| Net profit | $39.6m | $11.9m | 234% ▲ |
| Revenue | $356.9m | $384.8m | -7% ▼ |
| Ebitda | $116.3m | $89.7m | 30% ▲ |
| Dividend | 0cps | 0cps | n/c |
| Sky box customers | 565,000 | 610,000 | -7% ▼ |
| Streaming customers* | 352,000 | 196,000 | 80% ▲ |
| Total customers | 927,000 | 794,000 | 17% ▲ |
| Sky box ARPU** | $79 | $83 | -5% ▼ |
| Streaming ARPU | $18 | $26 | -31% ▼ |

* Across Neon, Sky Sport Now and RugbyPass
** ARPU = average revenue per customer per month
Source: NZX filing. Herald Network graphic

Sky recently reported a 236% jump in first-half net profit to $39.6 million as its streaming numbers jumped, but also said ongoing cost-controls were necessary, as well as possible price increases in the second half as its new, more expensive contract with NZ Rugby kicked in. It recently increased the price of its Neon streaming service by 15% to $15.99 a month, though offered to hold the line for those who moved from no-contract pay monthly to a 12-month term.

## TILT RENEWABLES

Wind farm specialist TLT rose 38c or 5% to $7.98 after receiving a new takeover bid from Powering Australian Renewables and Mercury NZ at $8.10 a share, up from $7.80.

The new deal is valued at $3.07 billion and majority shareholder Infratil would receive $2bn. Tilt has agreed not to progress any competing proposal that may be presented. Under the deal, Powering Australian will buy all the shares in Tilt and take over its Australian operations. Mercury will purchase Tilt's New Zealand wind farms for $797m (previously $770m) by selling its 19.9% stake to Powering and using debt of $189m.

## TOURISM HOLDINGS

Tourism operator THL has estimated its FY21 net loss after tax is likely to be between $14m and $18m compared with the current average loss of $21.5m projected by market analysts.

THL said domestic rental demand had remained strong during the current shoulder season and it had positive expectations for the upcoming 2021 summer season.

"*Following completion of the Great New Zealand Motorhome Sale campaign in late 2020, average sales margins had recovered to previous norms and in some cases had exceeded these*."

While the New Zealand based rental business would continue to be loss-making under a domestic only environment, THL said it had experienced an increase in web search activity following the re-opening of trans-Tasman travel this week.

## INFRATIL

Infratil has announced plans to buy a majority stake in Pacific Radiology for up to $350 million from its existing doctor owners. Pacific Radiology is the largest private diagnostic imaging service provider in New Zealand, operating 46 clinics in the South Island and lower North Island and employing 90 radiologists.

Infratil will acquire between 50.1% and 60% of Pacific Radiology, conditional on counterparty consents to change of control in relation to a small number of material contracts. Assuming those consents are given, it expects the transaction to settle by May 31.

The existing doctor shareholders and management will hold a minority interest in the company while Infratil will have governance rights consistent with its shareholding.

Infratil said the latest acquisition provided an opportunity to scale its investment in Qscan Group, a leading diagnostic imaging business in Australia, and create a meaningful Australasian healthcare platform with potential synergies and adjacent opportunities.

## HEARTLAND GROUP

Jarden Rating is BUY. Due to the adverse revenue impact of Covid-19 and digital investment increasing operating costs, Heartland has experienced a dip in profitability. Pleasingly, Heartland has navigated Covid-19 relatively smoothly with a record-low level of impairments at its 1H21 result of 0.19%. The domestic economic outlook is positive given the economy has recovered faster than that of other major economies. This, coupled with favourable central bank support through delaying increasing capital requirements and access to cheap funding, provides a supportive backdrop for New Zealand banks. As such, expect solid receivables growth going forward, driven by reverse mortgages and less of a drag from Open 4 business and Harmoney loans. In addition, expect Heartland's cost-to-income ratio to fall from the current 45.9% as the level of digitisation across the business increases. Management expects the cost-to-income ratio to fall to a mid-30% level over the medium term. A relatively strong economy, combined with stronger capital positions as a result of the ban on dividend payments, means Heartlandis well positioned to ramp up growth initiatives such as its reverse mortgage business, particularly in Australia.

## ALLBIRDS PLANS NASDAQ LISTING

Growing media speculation that Allbirds, the New Zealand-born San Francisco-based shoe brand, is readying itself for a Nasdaq listing will be welcome news for local investors keen to grab a slice of the action.

The New York Times has reported the US-registered company, founded in 2016 by ex-All White Tim Brown and US business partner Joey Zwillinger, is in the process of interviewing banks in the lead up to an initial public offering.

A current market valuation had not been offered, though it was last valued at US$1.7 billion (NZ$2.3bn) in October 2020.

The brand has become popular in the US, particularly in Silicon Valley, home to tech giants such as Google and Facebook, where its shoes are almost as ubiquitous as Teslas.

Allbirds now has several retail stores internationally, including in Auckland's Britomart, and can name stars such as Leonardo DiCaprio as investors.

Former US president Barack Obama, actors Matthew McConaughey, Mila Kunis, and Ashton Kutcher have all been seen wearing Allbirds, helping the company to surge in popularity.

Allbirds is the second NZ-founded company in less than two months to prepare for a US IPO after Rocket Lab announced plans to merge with a special acquisition company (SPAC).

# STOCKS TO WATCH NEW ZEALAND

**Prices as at 7th May 2021**

ALL GRAPHS ONE YEAR

## AFT Pharmaceuticals

Research: 29th April

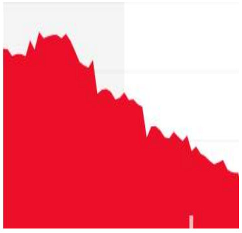
AFT has achieved the first out-license agreement for any of the Maxigesic products in the US market. Their partner is Hikma Pharmaceuticals USA. AFT will receive US$3.6m for signing agreement and filing FDA approval (intended May 2021). This payment will come through in FY22. AFT is entitled to a further US$15.2m). The FDA registration process typically takes 12-18 months. Jarden expects sales to begin shortly after and hence are likely to begin in FY23E. While difficult to calibrate, this appears to be broadly in line with their standing forecast of NZ$3m for FY23, which also includes other countries IV is selling in (currently Licensed/Registered/Selling in = 90+ / 22 / 3 countries).

2021 P/E: 78.7 2022 P/E: 30.3

| | |
|---|---|
| **NZX Code:** | **AFT** |
| **Share Price:** | **$4.80** |
| **12mth Target:** ↓ | **$4.90** |
| **Projected return (%)** | |
| Capital gain | 2.1% |
| Dividend yield (Net) | 0.0% |
| **Total return** | **2.1%** |

**Rating: OVERWEIGHT**

52-week price range: 3.80-5.65



## A2 Milk

Research: 10th May

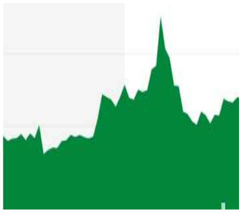
ATM has provided a trading update, a fourth downgrade to the FY21 outlook, and announced the resignation of CEO Asia Pacific Peter Nathan. The downgrade is due to a poor April and an inventory review suggesting higher excess inventory and aging. The positive feature for Jarden is the company accepting the inventory issues and now taking more aggressive corrective actions to protect its future brand health. Jarden finds the negative features to be the magnitude is worse than expectation and still low confidence on the business reset into FY22. Jarden's revised FY21E-23E EPS is -57%/-41%/-35% includes the higher stock provision, a tougher growth reset and at lower margins. As a result, their 12-month TP falls 23% to NZ$6.10 and they retain their Underweight on value grounds and a challenging backdrop to return to growth.

2021 P/E: 51.1 2022 P/E: 35.2

| | |
|---|---|
| **NZX Code:** | **ATM** |
| **Share Price:** | **$7.59** |
| **12mth Target:** ↓ | **$6.10** |
| **Projected return (%)** | |
| Capital gain | -24.4% |
| Dividend yield (Net) | 0.0% |
| **Total return** | **-24.4%** |

**Rating: UNDERWEIGHT**

52-week price range: 7.06-21.74



## Contact Energy

Research: 27th April

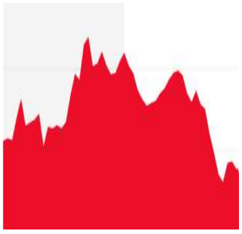
Contact reported operational statistics to April 2021, a $18m beat of pcp at $53m EBITDA contribution for the month. This supports a further upgrade to Jarden's FY21 EBITDA forecast from $495mto $517m, as the company continues to maximise its long position into this heightened wholesale price environment. Jarden's 12-month DCF-based target price lifts modestly from $9.67 to $9.69, and they keep their Buy rating. This was another positive update from the company in Jarden's view.

2021 P/E: 35.9 2022 P/E: 33.8

| | |
|---|---|
| **NZX Code:** | **CEN** |
| **Share Price:** | **$7.73** |
| **12mth Target:** | **$9.52** |
| **Projected return (%)** | |
| Capital gain | 24.6% |
| Dividend yield (Net) | 4.6% |
| **Total return** | **29.1%** |

**Rating: BUY**

52-week price range: 5.57-11.16



## Chorus

Research: 3rd May

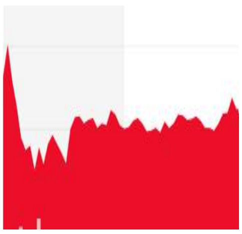
CNU will get a transitionary Maximum Allowable Revenue (MAR) cap for 1 January 2022 but we expect its value will be undermined by the ComCom's acknowledgement that it will not finalise the Regulatory Asset Base (RAB) - including the Financial Loss Asset until mid-2022. In a process where the timetable has been missed on a number of occasions (remembering that implementation should have been 1 January 2020), this should not be a major surprise for investors. It is, however, very disappointing for CNU to get a further delay. Delays in getting the Input Methodologies finalised in many respects made this somewhat inevitable, with the ComCom likely needing to ready itself for any scrutiny by allowing enough time to properly consider fundamental building blocks for the new regulatory regime.

2021 P/E: 47.6 2022 P/E: 66.4

| | |
|---|---|
| **NZX Code:** | **CNU** |
| **Share Price:** | **$6.65** |
| **12mth Target:** | **$7.32** |
| **Projected return (%)** | |
| Capital gain | 10.1% |
| Dividend yield (Net) | 3.6% |
| **Total return** | **13.7%** |

**Rating: NEUTRAL**

52-week price range: 6.31-9.39



## Comvita

Research: 13th April

CVT has upgraded EBITDA guidance +12% at the midpoint for FY21 to $22.5-25.5m (prev. $20-23m). Little detail was provided with CVT pointing to better segmental performance from key target markets China and North America, digital channel performance and better cost control from both production and corporate overhead. It is encouraging that the apiary will deliver a small positive contribution, despite a below average harvest. This is a positive endorsement for the strategy to remove difficult sites and hence fixed costs, while at the same time improving quality (i.e. the old 'supply at any costs' model). My thoughts are to only invest with great care, based on past performance.

2021 P/E: 24.1 2022 P/E: 19.7

| | |
|---|---|
| **NZX Code:** | **CVT** |
| **Share Price:** | **$3.36** |
| **12mth Target:** | **$3.45** |
| **Projected return (%)** | |
| Capital gain | 2.7% |
| Dividend yield (Net) | 1.5% |
| **Total return** | **4.2%** |

**Rating: NEUTRAL**

52-week price range2.55-4.64

## EROAD

Research: 21st April

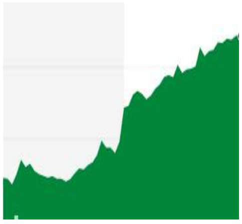
Reported 4Q21 contracted unit growth of +2.7k to reach 126.2k units at 31 March - slightly below JARDe expectations (126.8k). Covid-19 driven constraints continued to hamper North American unit sales over the quarter, with just 182 units sold in the region. Positively, the company has noted encouraging signs across the US market in the latter half of Q4, while its new Dashcam product sold 1,054 units supporting ARPU increases. Jarden's EBITDA assumptions are slightly lower on the weaker US adds (-1%/-3% in FY21E/FY22E), albeit they note ERD guidance remains unchanged for both periods with 1) 2H21 revenue to be slightly higher than 1H21, with EBITDA flat HoH, and 2) FY22 revenue growth improves but remains below FY20, implying a range of 16-32%.

2021 P/E: 165.4 2022 P/E: 98.0

| | |
|---|---|
| **NZX Code:** | **ERD** |
| **Share Price:** | **$540** |
| **12mth Target:** | **$5.49** |
| **Projected return (%)** | |
| Capital gain | 1.7% |
| Dividend yield (Net) | 0.0% |
| **Total return** | **1.7%** |

**Rating: NEUTRAL**

52-week price range: 2.34-5.70



## Fletcher Building

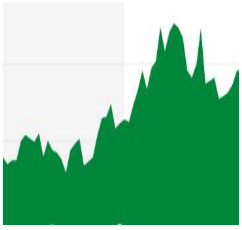
The strong 1H21 result reported EBIT of $323m (up 47%y/y), above top end of the guidance range. Normalised Earnings per share was 23.7cpc (up 85%y/y). Australian margin at 3.7%, while up from 2.4% on pcp, a little softer than Jarden estimates while NZ core a little stronger than forecasts at 11.3% (up from 8.8% in pcp), surprise driven by strong building products performance. Overall group margins at 8.1%, up from 5.5%, with 85% of EBIT growth due to cost-out impacts. Net debt at $269m (down from FY20 end $497m).

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

| | |
|---|---|
| **NZX Code:** | **FBU** |
| **Share Price:** | **$7.38** |
| **12mth Target:** | **$6.89** |
| **Projected return (%)** | |
| Capital gain | -6.6% |
| Dividend yield (Net) | 4.3% |
| **Total return** | **-2.3%** |

**Rating: OVERWEIGHT**

52-week price range:3.16-7.55



## Genesis Energy

Research: 21st April

Q3 operating statistics highlighted hydro generation was up 64GWh on pcp to 419GWh. Coal generation was up 468GWh to 868GWh, offsetting the gas shortage as gas production reduced by 204GWh to 605GWh. Waipipi produced 77GWh, costing ~$65/MWh and hence contributing considerably toward earnings uplift as the spot return for this generation was $171/MWh - improving EBITDA by ~$8m on its own. The generation and PPA volume at 2,037GWh for the quarter. Overall, the update is in line with expectations.

2021 P/E: 33.6 2022 P/E: 22.9

| | |
|---|---|
| **NZX Code:** | **GNE** |
| **Share Price:** | **$3.55** |
| **12mth Target:** | **$3.75** |
| **Projected return (%)** | |
| Capital gain | 5.6% |
| Dividend yield (Net) | 5.0% |
| **Total return** | **10.6%** |

**Rating: NEUTRAL**

52-week price range: 2.75-4.00

## Infratil

Research: 30th April

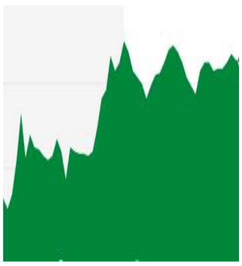
IFT announced its conditional acquisition of 50.1% to 60% of Pacific Radiology (PR), an NZ Diagnostic Imaging (DI) company, alongside doctors and existing shareholders. Deal completion is expected by 31 May but remains conditional on counterparty consents and change of control provisions in material contracts. The acquisition price implies $867m enterprise value, $284mn of which is company debt. IFT's equity contribution will be between $292mn to $350mn, depending on doctor and shareholder uptake. IFT will fund its payment via a dedicated bridging bank facility, to be repaid within 12 months (noting IFT expects $1.9bn proceeds from sale of its windfarms stake by end of September).

2021 P/E: N.M. 2022 P/E: 86.2

| | |
|---|---|
| **NZX Code:** | **IFT** |
| **Share Price:** | **$7.39** |
| **12mth Target:** | **$7.65** |
| **Projected return (%)** | |
| Capital gain | 3.5% |
| Dividend yield (Net) | 2.4% |
| **Total return** | **5.9%** |

**Rating: OVERWEIGHT**

52-week price range:4.55-7.90



## Kiwi Property Group

Research: 6th April

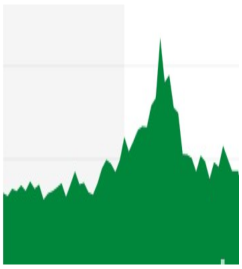
KPG has announced that it has formed a JV with Tainui (its 50/50 JV partner at The Base, also in Hamilton) that sees the two forming a 50/50 JV over Centre Place North, KPG's Central Hamilton retail asset, and a selection of nearby properties, including a vacant site which Tainui is contributing into the JV. Tainui is also contributing a small amount of cash and a new prepaid 100-year ground lease over the sites which the JV will look to develop into a mixed use destination in Central Hamilton over time. As part of its obligations, KPG will undertake seismic work on the Centre Place carpark. Centre Place North was valued at $36.5 mn (10.88% cap rate) at 30 September 2020, down from $66m just 3 and a half years earlier at 31 March 2017. The asset came under pressure during Covid with 1H21 net rental income at $1.8m, down 32% from 1H20. Over the last five years, pre-Covid rental income at Centre Place North has been stagnant around the $5.5m level while KPG has averaged $1.2m annually in capital movements over the same five year period.

2021 P/E: 19.0 2022 P/E: 18.9

| | |
|---|---|
| **NZX Code:** | **KPG** |
| **Share Price:** | **$1.26** |
| **12mth Target:** ↓ | **$1.25** |
| **Projected return (%)** | |
| Capital gain | -0.4% |
| Dividend yield (Net) | 4.1% |
| **Total return** | **3.6%** |

**Rating: OVERWEIGHT**

52-week price range: 0.86-1.34



## Meridian Energy

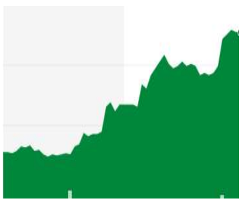
A negative, but expected 3Q update to March 21 implying EBITDA down ~$72m vs pcp at $130m. The downgrade was due to dry NZ conditions and softer AU pricing, which were well forecast. NZ's 3Q EBITDA is expected to drop $55m, with Waitaki catchment at 58% of historical average as of March (-31% vs pcp). An increase in MEL's retail book by 8% over the year has resulted in an increased decline, with wholesale prices up at $210/MWh vs just $58/MWh in the pcp. Some risk has been mitigated with MEL calling its swaption, as well as its ability to call Tiwai to reduce load if dam levels reached an agreed critical level - a contingency expected to provide a further 250 GWh of support over a 3-mth period. Meanwhile, MEL's Australian generation was down 10.5% at a lower average price while retail sales prices also dropped. Jarden is assuming a slow rebound to normal hydrology by year end, although their -$30m lower FY21F EBITDA of $689m leads them to drop their target price to $5.62 (prev $5.68). Retain Neutral.

2021 P/E: 86.3 2022 P/E: 65.8

| | |
|---|---|
| **NZX Code:** | **MEL** |
| **Share Price:** | **$5.33** |
| **12mth Target:** ↓ | **$5.32** |
| **Projected return (%)** | |
| Capital gain | -0.2% |
| Dividend yield (Net) | 2.9% |
| **Total return** | **2.7%** |

**Rating: NEUTRAL**

52-week price range: 4.30-9.94



## Michael Hill International

Research: 14th April

A robust trading update with 3Q revenue +5.7% ahead of Jarden expectations driven by better-than-expected Australia performance. Nevertheless, they note that all regions are cycling a COVID-impacted weak PCP, with 2yr basis same store sales growth in the low-to-mid single digit range. Group gross margin growth of +200bp on PCP is encouraging, particularly in light of MHJ's newly implemented stock provisioning policy that provided a 60-80bp margin headwind in 1H21.A strong A$50mn+ net cash position and evidence of robust retail margins provide comfort over MHJ's balance sheet strength and near-term outlook, in our view.

2021 P/E: 6.7 2022 P/E: 8.9

| | |
|---|---|
| **NZX Code:** | **MHJ** |
| **Share Price:** | **$0.80** |
| **12mth Target:** | **$1.00** |
| **Projected return (%)** | |
| Capital gain | 13.6% |
| Dividend yield (Net) | 5.5% |
| **Total return** | **19.1%** |

**Rating: OUTPERFORM**

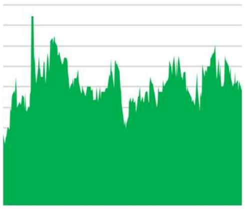
52-week price range: 0.31-0.90

**Pacific Edge** Research: 12th April

Effective 1 April 2021, PEB's bladder cancer diagnostic test Cxbladder will be covered as a 'medically necessary bladder tumor marker test' by United Healthcare (UH), the largest healthcare group in the US. At this stage, coverage is for UH members covered by Medicare Advantage (opt-in insurance plan blending Medicare + private coverage like UH) - 5.7m members within the total 50m UH population. Gaining UH coverage is a significant endorsement as it enters adoption phase. Jarden views the agreement and the recently announced Facey Medical Group agreement (31 March 2021) as implicit components within their existing forecasts. Indicatively, we quantify the potential revenue contribution of these two agreements at ~$100m with the vast majority coming from UH. For UH this could extend to $1bn as residual UH members are potentially included in Cxbladder coverage.

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

| | |
|---|---|
| **NZX Code:** | **PEB** |
| **Share Price:** | **$1.15** |
| **12mth Target:** | **$1.40** |
| **Projected return (%)** | |
| Capital gain | 21.7% |
| Dividend yield (Net) | 5.5% |
| **Total return** | **27.2%** |
| **Rating: BUY** | |
| 52-week price range: 0.111.30 | |

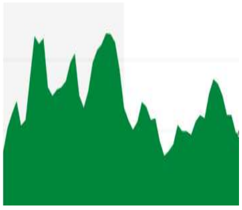


**Port of Tauranga**

The 1H21 result with NPAT of $49.4m was a solid result in a period impacted by supply chain disruption, vessel delays out of Auckland and container yard congestion. Importantly, increased storage revenue helped offset the volume and productivity losses from the congestion issues. Jarden continues to view POT as a high-quality infrastructure asset that is well positioned to benefit from structural changes as NZ container trade progressively moves to a hub and spoke model. I say - Maintain POT as a CORE holding.

2021 P/E: 52.5 2022 P/E: 47.5

| | |
|---|---|
| **NZX Code:** | **POT** |
| **Share Price:** | **$7.51** |
| **12mth Target:** ↑ | **$5.70** |
| **Projected return (%)** | |
| Capital gain | -24.1% |
| Dividend yield (Net) | 1.6% |
| **Total return** | **-22.5%** |
| **My Rating: BUY ON WEAKNESS** | |
| 52-week price range: 6.77-8.09 | |

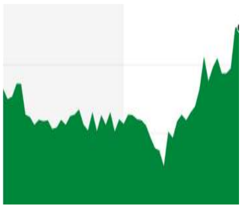


**Pushpay Holdings**

PPH is currently up 240% over the last five years, as it has moved from a start-up loss making company, to one of high profitability. PPH has just announced its FY2021 Accounts. Operating Revenue was up 40% at US179.1m, and Net Profit was up 95% at US$31.2m. Sixth Street, a highly experienced technology and growth investor with a core thematic focus on the convergence of software and payments, has bought Huljich's stake. Sixth Street's global scale and partnership-oriented investing approach (US$50bn) brings considerable strength to PPH. **I still love this strong cash generating stock.**

2021 P/E: 30.3 2022 P/E: 14.8

| | |
|---|---|
| **NZX Code:** | **PPH** |
| **Share Price:** | **$1.72** |
| **12mth Target:** | **$2.30** |
| **Projected return (%)** | |
| Capital gain | 33.7% |
| Dividend yield (Net) | 2.2% |
| **Total return** | **35.9%** |
| **Rating: OUTPERFORM** | |
| 52-week price range1.52-2.42 | |

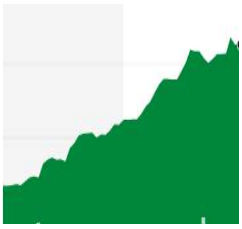


**Restaurant Brands NZ**

Solid 1Q21 trading update. Excluding California, total store sales for the Group increased +11.2% YoY, driven by NZ same store sales strength and 10 additional stores in Australia. On a local currency basis, YoY store sales grew across the board, with NZ up +17.6%, Australia +11.1% and Hawaii +6.8%. Jarden notes ~12% USD depreciation against the NZD vs. PCP has translated into an $6.2m headwind for total Group sales, partially offset by an $2.2m benefit from a stronger AUD (~4%) vs. PCP.

2021 P/E: 29.2 2022 P/E: 24.0

| | |
|---|---|
| **NZX Code:** | **RBD** |
| **Share Price:** | **$13.89** |
| **12mth Target:** ↑ | **$12.30** |
| **Projected return (%)** | |
| Capital gain | -11.8% |
| Dividend yield (Net) | 0.0% |
| **Total return** | **-11.8%** |
| **Rating: NEUTRAL** | |
| 52-week price range: 11.01-14.00 | |



**Skellerup** Research 20th April

SKL has upgraded FY21 NPAT (+9% at the midpoint) to a range of $37-39m (prev. $33-37m) thanks to strong performances across all businesses, in particular potable water, dairy and marine foam. When SKL provided guidance at the 1H21 result in February, it had signalled a softer 2H21 performance due to a strong 2Q21 (so factoring in a potential 3Q21 pullback), general uncertainty, logistical challenges, raw material cost increases and a stronger NZ$. The upgrade reflects a better 3Q21 than expected and confidence for a strong 4Q21 (with reasonable visibility till year-end). The top end of updated guidance would be an even 1H/2H split noting that SKL is typically 2H weighted.

2021 P/E: 22.6 2022 P/E: 20.3

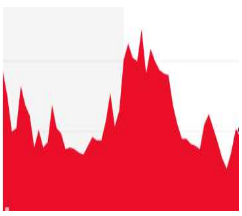
| | |
|---|---|
| **NZX Code:** | **SKL** |
| **Share Price:** | **$4.52** |
| **12mth Target:** | **$4.55** |
| **Projected return (%)** | |
| Capital gain | 0.7% |
| Dividend yield (Net) | 3.8% |
| **Total return** | **4.5%** |
| **Rating: : OUTPERFORM** | |
| 52-week price range: 1.93-4.80 | |

**Summerset Group Holdings** Research: 15th April

Strong 1Q21 sales momentum. SUM has reported news sales (148 units) and resales (127 units) for 1Q21, which were ahead of Jarden's required run-rate for previously published FY21 forecasts. While YoY comparisons are somewhat distorted by the start of lockdown in the PCP, rolling 12-month figures show both new sales (+47% YoY) and resales (+33% YoY) results are at record levels. 1Q resales were at 30% of Jarden's prior FY21 forecast of 494 units, considerably ahead of a typical 1Q result of between 19%-26%; the result is similar for new sales activity, which were at 31% of our prior FY21 forecast of 415 units and ahead of a typical range of 17%-25%..

2021 P/E: 19.7 2022 P/E: 16.7

| | |
|---|---|
| **NZX Code:** | **SUM** |
| **Share Price:** | **$12.10** |
| **12mth Target:** ↑ | **$13.50** |
| **Projected return (%)** | |
| Capital gain | 11.6% |
| Dividend yield (Net) | 1.2% |
| **Total return** | **12.8%** |
| **Rating: OUTPERFORM** | |
| 52-week price range: 5.81-13.25 | |



**Z Energy** Research: 6th May

ZEL reported a broadly in line FY21 result, with EBITDA of $238m (Jarden estimated $243m). ZEL declared a 14.0cps dividend. FY22 EBITDA guided to $270-310m and dividend to 19-23cps, a mid-point yield of 7.6%. We are forecasting FY22 EBITDA of $291m - down from $300m - reduced due to lower-than-expected commercial margins, and dividend of 20cps. Due to reduced earnings forecasts, Jarden has reduced their DCF-driven target price from $4.00 to $3.65 but their rating remains Buy.

2021 P/E: N.M. 2022 P/E: 24.8

| | |
|---|---|
| **NZX Code:** | **ZEL** |
| **Share Price:** | **$2.81** |
| **12mth Target:** ↓ | **$3.65** |
| **Projected return (%)** | |
| Capital gain | 42.3% |
| Dividend yield (Net) | 5.3% |
| **Total return** | **47.6%** |
| **Rating: BUY** | |
| 52-week price range: 2.53-3.42 | |

# JARDEN'S NZ EQUITIES – VALUATION METRICS & RATINGS

**Security Issuer Name**

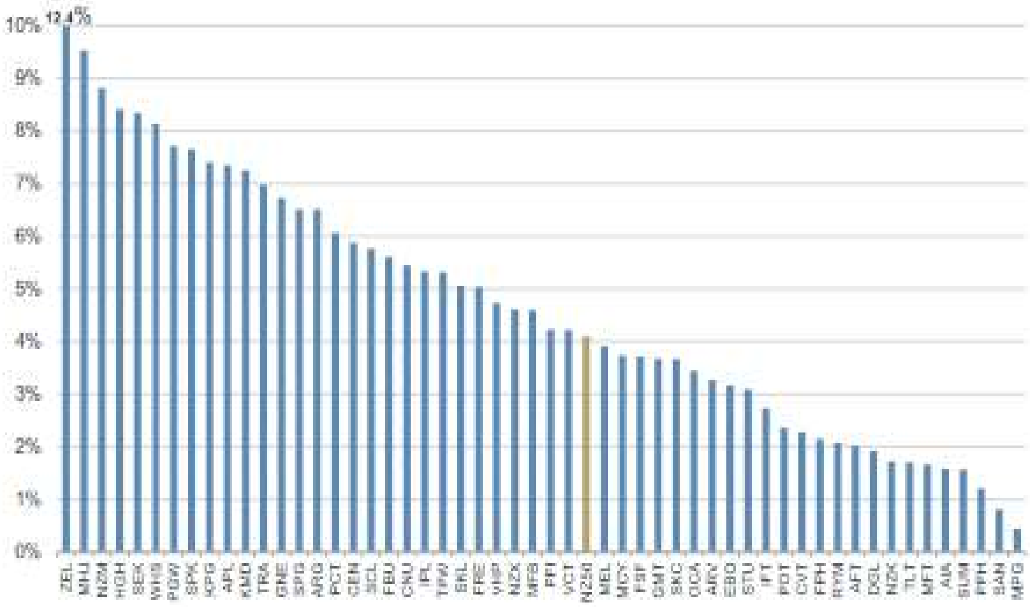
| | |
|---|---|
| AFT | AFT Pharamaceuticals |
| AIA | Auckland Airport |
| AIR | Air NZ |
| APL | Asset Plus |
| ARG | Argosy Property |
| ARV | Arvida |
| ATM | A2 Milk |
| CEN | Contact Energy |
| CNU | Chorus |
| CVT | Comvita |
| DGL | Delegat Group |
| EBO | EBOS Group |
| ERD | EROAD |
| FBU | Fletcher Building |
| FPH | Fisher & Paykel |
| FRE | Freightways |
| FSF | Fonterra |
| GMT | Goodman Property |
| GNE | Genesis Energy |
| GTK | Gentrack |
| HGH | Heartland Bank |
| IFT | Infratil |
| IPL | Investore Property |
| KMD | Kathmandu |
| KPG | Kiwi Property Group |
| MCY | Mercury NZ |
| MEL | Meridian Energy |
| MFB | My Food Bag |
| MFT | Mainfreight |
| MHJ | Michael Hill International |
| MPG | Metro Performance Glass |
| NZK | NZ King Salmon |
| NZM | NZME |
| NZR | NZ Refining |
| NZX | NZX |
| OCA | Oceania Healthcare |
| PCT | Precinct Properties |
| PEB | Pacific Edge |
| PFI | Property for Industry |
| PGW | PGG Wrightson |
| POT | Port of Tauranga |
| PPH | Pushpay Holdings |
| RBD | Restaurant Brands |
| RYM | Ryman Healthcare |
| SAN | Sanford |
| SCL | Scales Corporation |
| SEK | Seeka |
| SKC | SkyCity |
| SKL | Skellerup |
| SKO | Serko |
| SKT | Sky Network TV |
| SML | Synlait Milk |
| SPG | Stride Property |
| SPK | Spark NZ |
| STU | Steel & Tube |
| SUM | Summerset |
| THL | Tourism Holdings |
| TPW | Trustpower |
| TRA | Turners |
| VCT | Vector |
| VGL | Vista Group International |
| VHP | Vital Healthcare Property |
| WHS | Warehouse Group |
| ZEL | Z Energy |
| **NZ50** | **NZ Equity Market** |

Source: Jarden

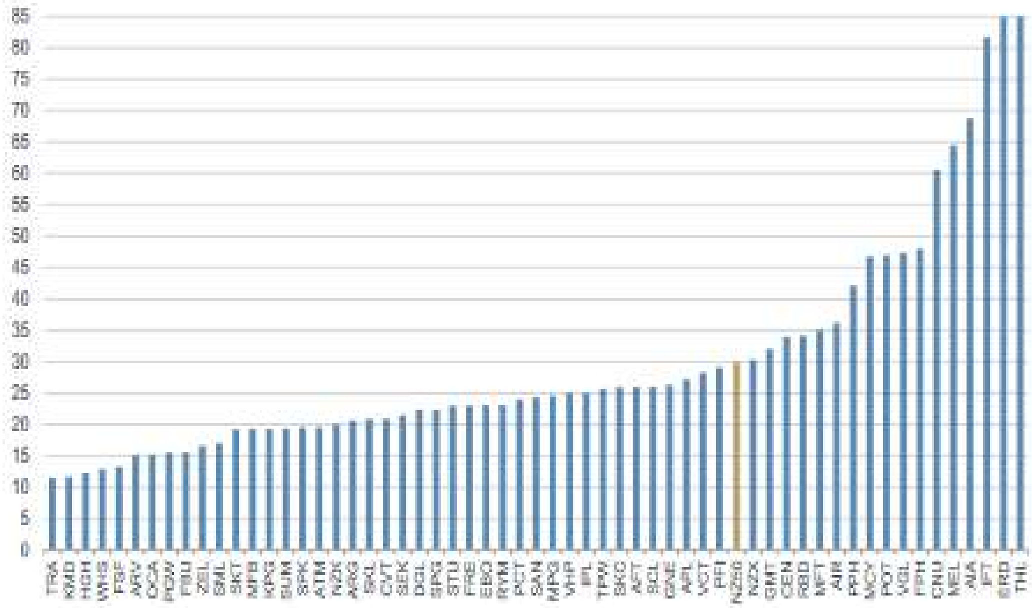
The P/E ratios and Gross Dividend Yield use earnings and dividends forecasts for the next 12 months

## As of 27 April 2021

### Gross Dividend Yield (%)




### P/E Ratio (x)




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

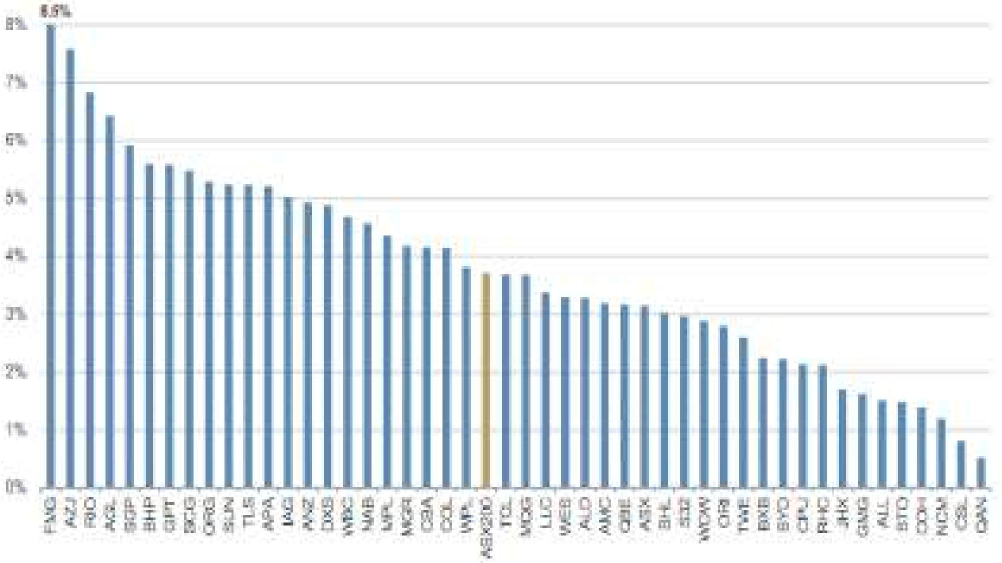
**Security Issuer Name**

| | |
|---|---|
| AGL | AGL Energy |
| ALD | Ampol |
| ALL | Aristocrat Leisure |
| AMC | Amcor |
| ANZ | ANZ Banking Group |
| APA | APA Group |
| APT | Afterpay |
| ASX | ASX |
| AZJ | Aurizon |
| BHP | BHP Group Limited |
| BXB | Brambles |
| CBA | Commonwealth Bank |
| COH | Cochlear |
| COL | Coles Group Limited |
| CPU | Computershare |
| CSL | CSL Ltd |
| DXS | Dexus |
| FMG | Fortescue Metals |
| GMG | Goodman Group |
| GPT | GPT Group |
| IAG | IAG |
| JHX | James Hardie Industries |
| LLC | Lend Lease |
| MGR | Mirvac Group |
| MPL | Medibank Private Limited |
| MQG | Macquarie Group |
| NAB | National Australia Bank |
| NCM | Newcrest Mining |
| ORG | Origin Energy |
| ORI | Orica |
| QAN | Qantas |
| QBE | QBE Insurance |
| RHC | Ramsay Health Care |
| RIO | Rio Tinto |
| S32 | South 32 |
| SCG | Scentre Group |
| SGP | Stockland Group |
| SHL | Sonic Healthcare |
| STO | Santos Limited |
| SUN | Suncorp |
| SYD | Sydney Airport |
| TCL | Transurban |
| TLS | Telstra Corporation |
| TWE | Treasury Wine |
| WBC | Westpac |
| WES | Wesfarmers |
| WOW | Woolworths |
| WPL | Woodside Petroleum |
| XRO | Xero |
| **ASX200** | **Australian Equity Market** |

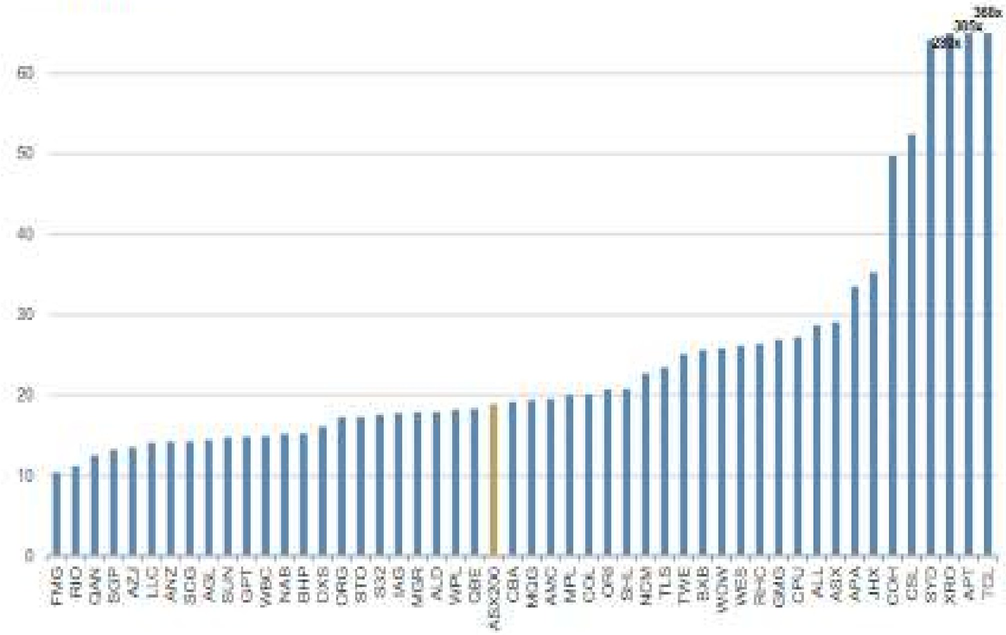
Source: Jarden, Bloomberg. The P/E ratios and Dividend Yield use earnings and dividends forecasts for the next 12 months

## As of 27 April 2021

### Cash Dividend Yield (%)




### P/E Ratio (x)



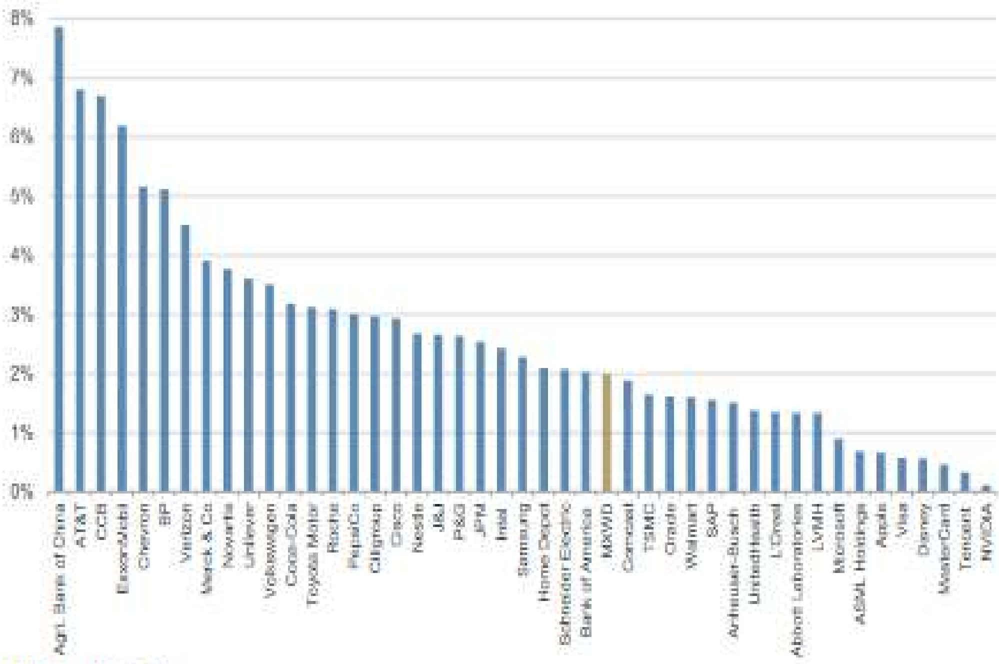

| Least Preferred | | | | Neutral | | Most Preferred | | |
|---|---|---|---|---|---|---|---|---|
| | AGL<br>TWE | SYD<br>COL | ASX<br>GMG | ALD<br>AMC<br>GPT<br>JHX<br>MPL<br>ORG<br>SGP<br>SHL<br>TCL | MGR<br>ORI<br>TLS<br>WPL<br>AZJ<br>BXB<br>COH<br>DXS<br>SCG<br>WOW<br>BHP<br>CBA<br>MQG<br>STO | APA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

| Security | Issuer Name |
|---|---|
| 0939.HK | CCB |
| 1288.HK | Agri. Bank of China |
| 2330.TW | TSMC |
| 5930.KS | Samsung |
| 700.HK | Tencent |
| 7203.JP | Toyota Motor |
| AAPL.US | Apple |
| ABI.BB | Anheuser-Busch |
| ABT.US | Abbott Laboratories |
| ADBE.US | Adobe |
| AMZN.US | Amazon |
| ASML.NA | ASML Holdings |
| BA.US | Boeing |
| BABA.US | Alibaba Group |
| BAC.US | Bank of America |
| BP/.LN | BP |
| C.US | Citigroup |
| CMCSA.US | Comcast |
| CSCO.US | Cisco |
| DIS.US | Disney |
| FB.US | Facebook |
| GOOGL.US | Alphabet |
| HD.US | Home Depot |
| INTC.US | Intel |
| JNJ.US | Johnson & Johnson |
| JPM.US | JPMorgan |
| KO.US | Coca-Cola |
| MA.US | MasterCard |
| MC.FR | LVMH |
| MRK.US | Merck & Co |
| MSFT.US | Microsoft |
| NESN.SW | Nestle |
| NFLX.US | Netflix |
| NOVN.SW | Novartis |
| NVDA.US | NVIDIA |
| OR.FR | L'Oreal |
| ORCL.US | Oracle |
| PEP.US | PepsiCo |
| PG.US | P&G |
| ROG.SW | Roche |
| SAP.GE | SAP |
| SCHN.FP | Schneider Electric |
| T.US | AT&T |
| TSLA.US | Tesla |
| ULVR.LN | Unilever |
| UNH.US | UnitedHealth |
| V.US | Visa |
| VOW3.GE | Volkswagen |
| VZ.US | Verizon |
| WMT.US | Walmart |
| XOM.US | ExxonMobil |
| **MXWD** | **MSCI ACWI Index** |

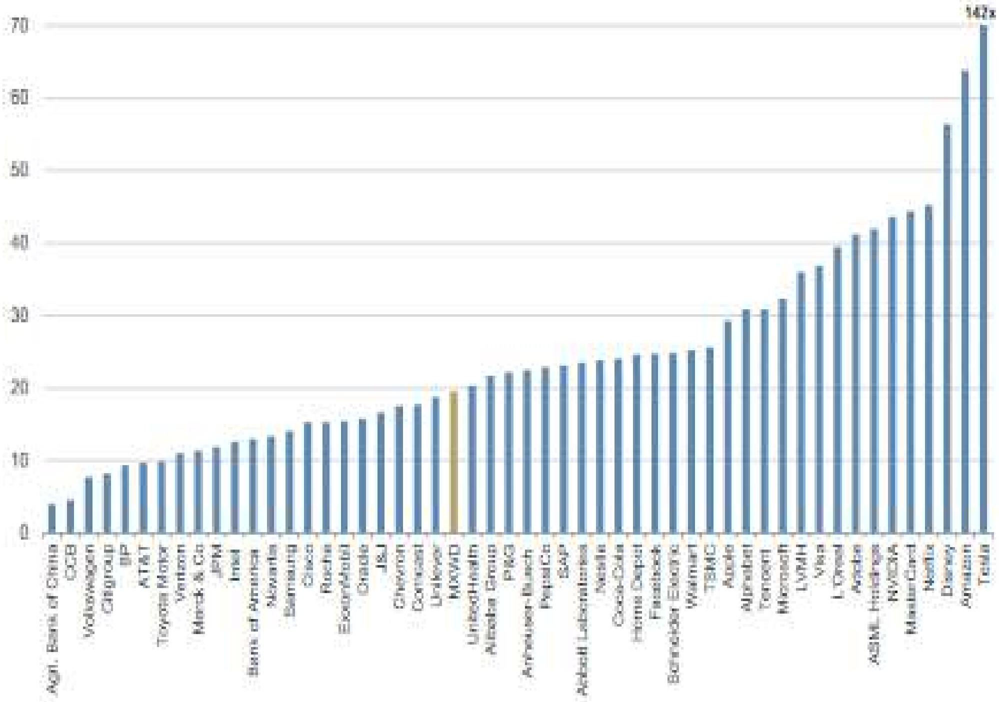
Source: UBS, Bloomberg. The P/E ratios and Dividend Yield use earnings and dividends forecasts for the next 12 months.

## As of 27 April 2021

### Cash Dividend Yield (%)




### P/E Ratio (x)




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

# *JARDEN'S GLOBAL EQUITIES – INTEREST RATE SENSITIVE COMPANIES*

| Ticker | Company | Sector | Sensitivity to Interest Rates* | Dividend Yield FY21 Forecast (%) | Dividend Yield FY22 Forecast (%) | Dividend Yield FY23 Forecast (%) | EPS Growth Forecast (%)** |
|---|---|---|---|---|---|---|---|
| **New Zealand** | | | | | | | |
| CEN.NZ | Contact Energy | Utilities | -0.12 | 4.7 | 4.7 | 4.8 | 2.3 |
| SKO.NZ | Serko | Technology | -0.09 | 0.0 | 0.0 | 0.0 | NM |
| SPK.NZ | Spark NZ | Communication | -0.09 | 5.6 | 5.7 | 5.8 | 7.8 |
| ZEL.NZ | Z Energy | Energy | -0.08 | 2.2 | 9.5 | 11.1 | 139.1 |
| GMT.NZ | Goodman Property | Real Estate | -0.07 | 2.3 | 2.5 | 2.6 | 3.6 |
| AIA.NZ | Auckland Airport | Industrials | -0.07 | 0.0 | 0.6 | 2.1 | NM |
| GNE.NZ | Genesis Energy | Utilities | -0.07 | 5.0 | 5.2 | 5.2 | 2.3 |
| SKC.NZ | Skycity | Consumer Disc. | -0.07 | 1.7 | 4.0 | 4.9 | 33.3 |
| IPL.NZ | Investore Property | Real Estate | -0.07 | 3.6 | 3.7 | 3.8 | 7.4 |
| MCY.NZ | Mercury NZ | Utilities | -0.07 | 2.5 | 2.8 | 2.9 | 6.9 |
| PPH.NZ | Pushpay | Technology | -0.07 | 0.0 | 0.2 | 0.2 | 25.5 |
| MEL.NZ | Meridian Energy | Utilities | -0.06 | 3.1 | 3.2 | 3.2 | 6.1 |
| ARG.NZ | Argosy Property | Real Estate | -0.06 | 4.3 | 4.3 | 4.5 | 2.0 |
| SPG.NZ | Stride Property | Real Estate | -0.05 | 4.3 | 4.5 | 4.5 | 2.7 |
| KPG.NZ | Kiwi Property | Real Estate | -0.05 | 4.0 | 4.7 | 5.0 | 3.8 |
| PCT.NZ | Precinct Properties | Real Estate | -0.05 | 4.0 | 4.1 | 4.3 | 7.9 |
| FPH.NZ | Fisher & Paykel | Health Care | -0.05 | 1.3 | 1.3 | 1.5 | -9.3 |
| FBU.NZ | Fletcher Building | Materials | 0.07 | 3.7 | 4.0 | 4.2 | 1.1 |
| SKL.NZ | Skellerup Holdings | Industrials | 0.09 | 3.5 | 3.8 | 4.0 | 6.4 |
| **Australia** | | | | | | | |
| NST.AU | Northern Star | Materials | -0.24 | 1.8 | 2.1 | 2.2 | 36.7 |
| WTC.AU | WiseTech Global | Technology | -0.19 | 0.2 | 0.2 | 0.3 | 38.4 |
| RMD.AU | ResMed | Health Care | -0.16 | 0.8 | 0.8 | 0.9 | 9.7 |
| COL.AU | Coles Group | Consumer Stap. | -0.13 | 4.0 | 4.2 | 4.4 | 5.1 |
| NXT.AU | Nextdc | Technology | -0.13 | 0.0 | 0.0 | 0.0 | NM |
| SKI.AU | Spark Infrastructure | Utilities | -0.10 | 5.8 | 5.9 | 6.0 | -18.4 |
| ALX.AU | Atlas Arteria | Industrials | -0.10 | 4.7 | 6.3 | 7.4 | 39.3 |
| ANZ.AU | ANZ | Financials | 0.08 | 4.4 | 4.8 | 5.1 | 3.2 |
| QBE.AU | QBE Insurance | Financials | 0.09 | 3.6 | 5.2 | 5.8 | 26.4 |
| BHP.AU | BHP Group | Materials | 0.09 | 6.8 | 6.8 | 5.6 | -9.2 |
| BOQ.AU | Bank of Queensland | Financials | 0.09 | 3.8 | 4.8 | 5.2 | 10.2 |
| WOR.AU | Worley | Energy | 0.12 | 4.2 | 4.6 | 5.3 | 39.8 |
| IFL.AU | IOOF Holdings | Financials | 0.13 | 5.1 | 6.3 | 7.0 | 16.6 |
| STO.AU | Santos | Energy | 0.15 | 1.7 | 2.0 | 1.8 | 3.3 |
| **Global** (local currency) | | | | | | | |
| NG.L | National Grid | Utilities | -0.08 | 5.5 | 5.5 | 5.6 | 8.9 |
| NEE | NextEra Energy | Utilities | -0.08 | 2.0 | 2.2 | 2.4 | 7.6 |
| DUK | Duke Energy | Utilities | -0.07 | 4.0 | 4.1 | 4.3 | 5.5 |
| AZN.L | AstraZeneca | Health Care | -0.07 | 2.7 | 2.8 | 2.9 | 24.5 |
| AMT | American Tower | Real Estate | -0.06 | 2.1 | 2.4 | 2.8 | 7.7 |
| GSK.L | GlaxoSmithKline | Health Care | -0.05 | 6.0 | 4.8 | 4.6 | 10.7 |
| C.US | Citigroup | Financials | 0.12 | 2.9 | 3.1 | 3.4 | 5.1 |
| HCA.US | Hca Healthcare | Health Care | 0.13 | 0.8 | 1.0 | 1.1 | 11.1 |
| NVDA.US | Nvidia | Technology | 0.16 | 0.1 | 0.1 | 0.1 | 13.8 |
| CAT.US | Caterpillar | Industrials | 0.16 | 1.9 | 2.0 | 2.2 | 24.7 |
| SU.FP | Schneider Electric | Industrials | 0.18 | 2.0 | 2.1 | 2.3 | 10.3 |
| MS.US | Morgan Stanley | Financials | 0.26 | 1.8 | 2.1 | 2.4 | 7.5 |
| SLB.US | Schlumberger | Energy | 0.28 | 1.9 | 1.9 | 2.0 | 41.0 |

*Average monthly percentage point change in returns with a one percentage point monthly change in the interest rate on a 10-year government bond.

**NM-Not meaningful as earnings have been distorted by Covid-19

# JARDEN'S NZ LISTED COMPANIES GROSS DIVIDEND YIELD AS AT 6TH MAY 2021

| COMPANY | RATING | PRICE (NZ$) | GROSS DIVIDEND YIELD | | | | DIVIDEND COVER | | | | NET DEBT/ EQUITY[1] CURRENT |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | FY-1 | FY0 | FY1 | FY2 | FY-1 | FY0 | FY1 | FY2 | |
| The Warehouse Group | N | $3.50 | 0.0% | 12.5% | 6.5% | 6.5% | | 1.4 | 1.4 | 1.4 | -24.3% |
| Heartland Group | B | $1.83 | 5.3% | 8.0% | 8.3% | 8.7% | 2.0 | 1.4 | 1.3 | 1.3 | 600.1% |
| Asset Plus | N | $0.33 | 12.2% | 8.1% | 8.1% | 8.1% | 1.2 | 0.9 | 0.7 | 0.8 | 5.9% |
| Spark | B | $4.57 | 7.3% | 7.6% | 7.6% | 7.6% | 0.9 | 0.9 | 0.9 | 1.0 | 83.8% |
| NZME | O | $0.74 | 0.0% | 8.4% | 11.3% | 12.2% | | 3.0 | 2.3 | 2.1 | 8.9% |
| Michael Hill | B | $0.88 | 2.5% | 7.5% | 10.9% | 10.9% | 1.6 | 2.8 | 1.4 | 1.5 | -27.4% |
| Z Energy | B | $2.66 | 8.6% | 7.0% | 10.5% | 13.0% | 0.7 | -0.1 | 0.5 | 0.7 | 72.0% |
| Genesis Energy | N | $3.50 | 6.4% | 6.5% | 6.6% | 6.7% | 0.3 | 0.6 | 0.8 | 0.9 | 63.5% |
| Turners | B | $3.68 | 5.3% | 6.8% | 7.2% | 8.3% | 1.7 | 1.4 | 1.6 | 1.5 | 137.3% |
| PGG Wrightson | U | $3.32 | 3.8% | 6.7% | 8.4% | 8.4% | 1.3 | 1.4 | 1.1 | 1.1 | 19.6% |
| Argosy Property | O | $1.53 | 6.2% | 6.3% | 6.3% | 6.3% | 1.1 | 1.2 | 1.1 | 1.2 | 58.5% |
| Stride | O | $2.36 | 6.3% | 6.3% | 6.4% | 6.5% | 1.0 | 1.1 | 1.0 | 1.1 | 25.2% |
| Seeka | N | $5.49 | 6.1% | 6.1% | 9.1% | 5.4% | 0.7 | 0.6 | 0.7 | 1.4 | 53.9% |
| Precinct Properties | N | $1.66 | 5.7% | 5.8% | 6.0% | 6.2% | 1.0 | 1.0 | 1.0 | 1.0 | 45.3% |
| Kiwi Property Group | O | $1.27 | 4.1% | 5.9% | 7.2% | 7.8% | 2.0 | 1.3 | 1.1 | 1.1 | 48.6% |
| Contact Energy | B | $7.65 | 6.3% | 5.7% | 5.8% | 6.0% | 0.5 | 0.6 | 0.7 | 0.6 | 25.5% |
| Scales Corporation | B | $4.58 | 5.8% | 5.8% | 6.1% | 6.4% | 1.0 | 0.9 | 1.1 | 1.2 | -28.0% |
| Investore Property | O | $2.11 | 5.4% | 5.4% | 5.4% | 5.5% | 1.0 | 1.0 | 1.1 | 1.1 | 36.2% |
| Fletcher Building | O | $7.41 | 0.0% | 5.2% | 5.3% | 5.4% | | 1.6 | 1.6 | 1.6 | 10.9% |
| Trustpower | U | $8.60 | 5.2% | 5.3% | 5.4% | 5.5% | 0.7 | 0.9 | 1.0 | 1.0 | 45.7% |
| Chorus | N | $6.76 | 4.9% | 5.1% | 5.3% | 5.7% | 0.5 | 0.6 | 0.3 | 0.3 | 279.6% |
| Kathmandu | B | $1.48 | 0.0% | 4.7% | 7.6% | 8.9% | | 1.4 | 1.3 | 1.1 | -3.7% |
| Vital Healthcare | U | $2.94 | 4.4% | 4.5% | 4.8% | 5.2% | 1.2 | 1.2 | 1.3 | 1.3 | 58.6% |
| Skellerup | O | $4.50 | 3.6% | 4.5% | 5.1% | 5.5% | 1.1 | 1.2 | 1.2 | 1.2 | 10.5% |
| NZX | N | $2.05 | 4.2% | 4.4% | 4.5% | 5.2% | 0.9 | 1.0 | 1.0 | 1.0 | 9.4% |
| Property For Industry | U | $2.85 | 4.0% | 4.1% | 4.2% | 4.3% | 1.3 | 1.2 | 1.2 | 1.2 | 34.4% |
| Vector | S | $4.14 | 4.5% | 4.2% | 4.2% | 4.2% | 0.7 | 0.9 | 0.9 | 0.9 | 148.0% |
| Meridian Energy | N | $5.52 | 4.4% | 3.9% | 4.0% | 4.1% | 0.6 | 0.4 | 0.5 | 0.6 | 31.2% |
| Freightways | N | $11.25 | 1.9% | 3.8% | 5.4% | 5.7% | 2.3 | 1.4 | 1.1 | 1.1 | 51.0% |
| Goodman Property | U | $2.32 | 4.3% | 3.5% | 3.5% | 3.8% | 1.0 | 1.3 | 1.3 | 1.2 | 28.2% |
| Fonterra | U | $4.60 | 1.1% | 3.5% | 3.9% | 4.1% | 4.7 | 2.0 | 2.0 | 2.0 | 59.2% |
| Mercury | O | $6.97 | 3.1% | 3.3% | 3.5% | 3.9% | 0.8 | 0.8 | 0.8 | 0.9 | 32.5% |
| Ebos | O | $30.75 | 2.6% | 3.0% | 3.2% | 3.4% | 1.4 | 1.4 | 1.4 | 1.4 | 21.6% |
| Arvida | U | $1.80 | 3.2% | 2.7% | 3.2% | 4.1% | 1.8 | 1.7 | 2.0 | 2.0 | 47.2% |
| Oceania Healthcare | B | $1.39 | 2.5% | 2.7% | 3.4% | 4.3% | 2.0 | 2.0 | 2.0 | 2.0 | 46.3% |
| Infratil | O | $7.32 | 2.6% | 2.6% | 2.6% | 2.8% | 1.1 | 0.0 | 0.5 | 0.5 | 156.0% |
| Fisher & Paykel Healthcare | O | $34.55 | 1.1% | 2.3% | 2.1% | 2.6% | 1.8 | 1.7 | 1.4 | 1.3 | -7.7% |
| Port of Tauranga | S | $7.48 | 2.3% | 2.1% | 2.4% | 2.5% | 1.1 | 1.3 | 1.2 | 1.3 | 41.7% |
| Steel and Tube | N | $1.18 | 0.0% | 2.0% | 3.1% | 3.7% | | 1.6 | 1.4 | 1.4 | -13.7% |
| Comvita | N | $3.45 | 0.0% | 2.0% | 2.4% | 3.6% | | 2.8 | 2.8 | 2.3 | 4.0% |
| Sky City | B | $3.62 | 3.8% | 1.9% | 3.8% | 5.4% | 1.0 | 2.1 | 1.4 | 1.3 | 34.1% |
| Delegat's Group | O | $14.80 | 1.6% | 1.8% | 1.8% | 2.0% | 3.5 | 3.5 | 3.3 | 3.3 | 53.3% |
| Ryman Healthcare | S | $14.10 | 1.7% | 1.7% | 2.1% | 2.3% | 2.0 | 2.0 | 2.0 | 2.0 | 82.9% |
| Summerset | O | $12.32 | 1.1% | 1.4% | 1.7% | 2.0% | 3.4 | 3.3 | 3.3 | 3.3 | 47.2% |
| Mainfreight | O | $75.30 | 1.1% | 1.2% | 1.5% | 1.7% | 2.6 | 2.6 | 2.4 | 2.4 | 7.8% |
| New Zealand King Salmon | O | $1.67 | 0.0% | 1.2% | 1.9% | 2.2% | | 4.0 | 4.0 | 4.0 | 17.5% |
| AFT Pharmaceuticals | O | $4.80 | 0.0% | 0.0% | 1.5% | 4.4% | | | 2.0 | 1.3 | 108.5% |
| Auckland Airport | N | $7.75 | 0.0% | 0.0% | 1.9% | 2.7% | | | 1.0 | 1.0 | 22.8% |
| Air New Zealand | S | $1.70 | 9.0% | 0.0% | 0.0% | 5.0% | -0.5 | | | 1.5 | 114.8% |
| a2 Milk | U | $7.98 | 0.0% | 0.0% | 0.0% | 0.0% | | | | | -50.4% |
| Eroad | N | $5.48 | 0.0% | 0.0% | 0.0% | 0.0% | | | | | -8.7% |
| Gentrack | N | $1.58 | 0.0% | 0.0% | 0.0% | 2.5% | | | | 1.2 | -10.4% |
| My Food Bag | B | $1.52 | 6.6% | 0.0% | 6.0% | 6.7% | 0.5 | | 1.3 | 1.2 | 30.0% |
| Metro Performance Glass | B | $0.39 | 0.0% | 0.0% | 0.0% | 7.8% | | | | 1.5 | 57.5% |
| New Zealand Refining Company | B | $0.53 | 0.0% | 0.0% | 0.0% | 35.0% | | | | 0.4 | 41.5% |
| Pacific Edge | B | $1.15 | 0.0% | 0.0% | 0.0% | 0.0% | | | | | -88.2% |
| Pushpay | B | $1.80 | 0.0% | 0.0% | 4.8% | 9.9% | | | 2.0 | 1.2 | -5.1% |
| Restaurant Brands | N | $13.95 | 0.0% | 0.0% | 0.0% | 0.0% | | | | | 39.5% |
| Sanford | S | $4.65 | 1.5% | 0.0% | 1.5% | 3.0% | 4.5 | | 4.6 | 3.1 | 28.2% |
| Serko | N | $6.75 | 0.0% | 0.0% | 0.0% | 0.0% | | | | | -71.0% |
| Sky Network Television | U | $0.17 | 0.0% | 0.0% | 0.0% | 0.0% | | | | | -11.2% |
| Synlait | U | $3.48 | 0.0% | 0.0% | 0.0% | 0.0% | | | | | 56.2% |
| Tourism Holdings | B | $2.61 | 5.3% | 0.0% | 1.5% | 7.4% | 1.4 | | 1.0 | 1.3 | 27.5% |
| Tilt | R | $8.00 | | | | | | | | | |
| Vista Group | B | $2.50 | 0.0% | 0.0% | 0.0% | 1.7% | | | | 2.0 | -32.6% |
| **MEDIAN** | | | **2.6%** | **3.0%** | **3.8%** | **5.0%** | **1.1** | **1.3** | **1.2** | **1.2** | **34.1%** |

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

## AUSTRALIAN EQUITY MARKETS

Aussie sharemarket finally gets back in the black since start of Covid. Australian shares are back at their highest since the Covid market plunge nearly 14 months ago, after technology, property, and energy firms provided a fourth straight session of gains.

The benchmark ASX 200 finished Friday 7th trade at 7,081, its highest close since February 24 last year when stocks were in the early stages of pandemic freefall.

**ASX200 ONE YEAR GRAPH**

It's only in May that the market has finished above 7,000 points after the coronavirus wiped 39% from the index in the steepest bear market in history.

Travel stocks continued to make gains following the trans-Tasman bubble announcement. Qantas shares (QAN.AX) peaked at A$5.45 in May, before easing back to A$4.77 at Friday 7th close, while Flight Centre (FTX.AX) has risen from a March 2000 low of A$8.92 to a 15th March 2021 peak of A$19.35, before easing to A$15.51 on Friday 7th May. .

The Big Four banks each finished higher, while Afterpay and EML Payments drove a May peak of tech sector outperformance.

### XERO (XRO.AX)

XRO is Jarden's preferred stock pick, and they have initiated with a Buy rating, 12-month Target Price of A$150 – an 18% upside.

XRO is a global market leader in a A$74bn Enterprise Resource Planning Finance TAM and with IT adoption <20%, it provides a long runway for growth. XRO has shown the ability to 'cross the chasm' and drive adoption in Australia and New Zealand and, more recently, the UK, and it has shown scalable economics with operating margins in ANZ sitting at 62% vs. 9% internationally. Relative to consensus, Jarden sits 10-30% above consensus on their subscriber growth forecasts for the UK, North America (driven by Canada which they believe the market is underpricing) and Rest of World, driven by cloud software adoption. Jarden sees regulation, platform revenue growth and acquisitions as the next catalysts to driving the share price.

RISKS TO JARDEN'S VIEWS: XRO needs to sustain its growth to justify its high multiples, competition could hamper growth and as XRO continues its acquisition path, it could overpay for an asset.



## JARDEN'S PREFERRED AUSTRALIAN EQUITIES PORTFOLIO AS AT 30TH APRIL 2021

| Ticker | Company Name | Weight | Sector |
|---|---|---|---|
| ALL.AU | Aristocrat Leisure | 5.0% | Consumer Discretionary |
| AMC.AU | Amcor | 5.9% | Materials |
| ANZ.AU | ANZ Banking Group | 5.7% | Financials |
| BHP.AU | BHP Group | 8.8% | Materials |
| BXB.AU | Brambles | 9.5% | Industrials |
| CBA.AU | Commonwealth Bank of Australia | 10.0% | Financials |
| CSL.AU | CSL | 8.4% | Health Care |
| CWY.AU | Cleanaway Waste Management | 10.2% | Industrials |
| NST.AU | Northern Star Resources | 4.7% | Materials |
| QBE.AU | QBE Insurance | 7.8% | Financials |
| RHC.AU | Ramsay Healthcare | 5.6% | Health Care |
| SCG.AU | Scentre Group | 4.4% | Real Estate |
| WES.AU | Wesfarmers | 5.1% | Consumer Discretionary |
| WOR.AU | Worley | 4.4% | Energy |
| XRO.AU | Xero | 4.5% | Info Tech |
| | | 100.0% | |

# AUSTRALIAN LISTED EQUITIES NET DIVIDEND YIELD AS AT 1ST APRIL 2021

| COMPANY | RATING | PRICE (AU$) | DIVIDEND YIELD | | | | DIVIDEND COVER | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | FY-1 | FY0 | FY1 | FY2 | FY-1 | FY0 | FY1 | FY2 |
| Centuria Office REIT | N | $2.23 | 8.0% | 7.4% | 7.4% | 7.4% | 1.0 | 1.2 | 1.0 | 1.1 |
| Harvey Norman Holdings Limited | U | $5.24 | 4.6% | 7.3% | 5.7% | 5.6% | 1.5 | 1.6 | 1.4 | 1.4 |
| Charter Hall Retail REIT | O | $3.75 | 6.5% | 6.2% | 6.7% | 6.8% | 1.2 | 1.2 | 1.1 | 1.1 |
| Adairs Limited | B | $4.39 | 2.5% | 6.2% | 6.2% | 6.6% | 2.1 | 1.6 | 1.7 | 1.6 |
| JB Hi-Fi Limited | U | $45.96 | 4.1% | 6.0% | 4.7% | 4.6% | 1.5 | 1.5 | 1.3 | 1.3 |
| Charter Hall Long Wale REIT | B | $4.90 | 5.8% | 6.0% | 6.1% | 6.3% | 1.0 | 1.0 | 1.0 | 1.0 |
| GPT Group | N | $4.64 | 4.8% | 5.8% | 6.0% | 6.3% | 1.3 | 1.2 | 1.3 | 1.2 |
| Aventus Group Limited | U | $2.94 | 4.0% | 5.8% | 6.2% | 6.4% | 1.5 | 1.2 | 1.1 | 1.1 |
| Scentre Group | O | $2.71 | 2.6% | 5.3% | 5.7% | 5.9% | 2.1 | 1.4 | 1.4 | 1.4 |
| Pendal Group Limited | N | $7.48 | 4.9% | 5.3% | 5.1% | 5.5% | 1.2 | 1.2 | 1.2 | 1.2 |
| Metcash Limited | O | $3.50 | 3.6% | 5.2% | 5.5% | 5.6% | 1.7 | 1.5 | 1.4 | 1.4 |
| Vicinity Centres | U | $1.58 | 4.9% | 5.1% | 7.0% | 7.8% | 1.8 | 1.5 | 1.3 | 1.3 |
| Platinum Asset Management Limited | U | $4.64 | 5.2% | 5.1% | 4.6% | 4.5% | 1.1 | 1.2 | 1.2 | 1.2 |
| SCA Property Group | O | $2.49 | 5.0% | 5.0% | 5.8% | 6.2% | 1.2 | 1.2 | 1.2 | 1.2 |
| Perpetual Limited | O | $35.15 | 4.4% | 4.9% | 6.3% | 5.9% | 1.3 | 1.6 | 1.2 | 1.2 |
| Dexus | O | $10.38 | 4.8% | 4.9% | 4.9% | 5.0% | 1.0 | 1.0 | 1.0 | 1.0 |
| Charter Hall Social Infrastructure | O | $3.27 | 4.9% | 4.8% | 5.3% | 5.6% | 1.0 | 1.0 | 1.0 | 1.0 |
| Centuria Industrial REIT | B | $3.52 | 5.3% | 4.8% | 5.1% | 5.3% | 1.0 | 1.0 | 1.0 | 1.0 |
| Suncorp Group Limited | O | $10.84 | 3.3% | 4.5% | 5.0% | 5.8% | 1.6 | 1.4 | 1.3 | 1.3 |
| Magellan Financial Group Limited | B | $48.81 | 4.4% | 4.3% | 4.9% | 5.3% | 1.1 | 1.1 | 1.1 | 1.1 |
| BWP Trust | S | $4.25 | 4.3% | 4.3% | 4.4% | 4.4% | 1.0 | 1.0 | 1.0 | 1.0 |
| Beacon Lighting Group Limited | B | $1.82 | 2.7% | 4.3% | 3.8% | 3.4% | 1.9 | 2.0 | 1.6 | 1.7 |
| Arena REIT | O | $3.41 | 4.1% | 4.3% | 4.6% | 4.9% | 1.0 | 1.0 | 1.0 | 1.0 |
| Nib Holdings Limited | N | $6.28 | 2.2% | 4.0% | 3.3% | 3.7% | 1.4 | 1.3 | 1.3 | 1.3 |
| Medibank Private Limited | N | $3.08 | 3.9% | 4.0% | 4.0% | 4.2% | 1.0 | 1.3 | 1.2 | 1.2 |
| Insurance Australia Group Limited | B | $5.04 | 2.0% | 4.0% | 5.2% | 5.6% | 1.2 | 1.5 | 1.3 | 1.3 |
| Coles Group Limited | N | $16.40 | 3.5% | 3.8% | 4.0% | 4.3% | 1.3 | 1.3 | 1.2 | 1.2 |
| Kogan.com Limited | N | $11.33 | 2.7% | 3.6% | 3.7% | 4.4% | 1.0 | 1.0 | 1.0 | 1.0 |
| Centuria Capital Group Limited | O | $2.75 | 3.5% | 3.6% | 3.8% | 3.9% | 1.2 | 1.3 | 1.2 | 1.3 |
| Sonic Healthcare Limited | N | $35.15 | 2.4% | 3.3% | 2.9% | 2.8% | 1.3 | 2.3 | 1.5 | 1.5 |
| Homeco Daily Needs REIT | B | $1.29 | 0.0% | 3.3% | 6.1% | 6.4% | | 0.9 | 1.1 | 1.0 |
| Computershare Limited | B | $14.09 | 3.3% | 3.3% | 3.3% | 3.3% | 1.2 | 1.1 | 1.1 | 1.4 |
| Wesfarmers Limited | O | $54.20 | 3.1% | 3.1% | 3.1% | 3.4% | 1.1 | 1.2 | 1.2 | 1.2 |
| QBE Insurance Group Limited | B | $10.45 | 0.3% | 3.0% | 4.4% | 4.9% | -15.2 | 1.2 | 1.2 | 1.2 |
| Woolworths Group Limited | O | $39.36 | 2.4% | 2.9% | 3.1% | 3.4% | 1.3 | 1.3 | 1.3 | 1.3 |
| Bravura Solutions Limited | U | $3.15 | 3.5% | 2.8% | 3.1% | 3.4% | 1.5 | 1.5 | 1.4 | 1.4 |
| Treasury Wine Estates Limited | U | $10.27 | 2.7% | 2.7% | 3.2% | 3.5% | 1.4 | 1.5 | 1.5 | 1.5 |
| Charter Hall Group | B | $14.40 | 2.5% | 2.6% | 2.8% | 3.0% | 1.9 | 1.5 | 1.7 | 1.7 |
| Home Consortium Limited | O | $4.90 | 2.4% | 2.4% | 3.0% | 3.3% | 0.4 | 1.1 | 1.2 | 1.2 |
| Lovisa Holdings Limited | U | $14.69 | 1.0% | 2.0% | 2.0% | 2.0% | 1.0 | 0.9 | 1.5 | 1.9 |
| Collins Foods Limited | B | $10.89 | 1.8% | 1.9% | 2.1% | 2.3% | 1.8 | 1.8 | 1.8 | 1.7 |
| Costa Group Holdings Limited | O | $4.67 | 1.2% | 1.9% | 2.4% | 2.8% | 1.5 | 1.7 | 1.9 | 1.9 |
| Regis Healthcare Limited | O | $2.20 | 1.8% | 1.7% | 4.0% | 4.1% | 1.8 | 1.7 | 1.0 | 1.0 |
| Goodman Group | U | $19.20 | 1.6% | 1.6% | 1.8% | 1.9% | 1.9 | 2.2 | 2.2 | 2.2 |
| Domino's Pizza Enterprises Limited | O | $104.66 | 1.1% | 1.5% | 1.8% | 2.1% | 1.4 | 1.3 | 1.3 | 1.3 |
| Cochlear Limited | O | $221.47 | 0.7% | 1.1% | 1.5% | 1.7% | 1.6 | 1.5 | 1.4 | 1.4 |
| Altium Limited | U | $26.86 | 1.1% | 1.0% | 1.0% | 1.1% | 0.6 | 0.9 | 1.2 | 1.2 |
| IDP Education Limited | O | $22.38 | 0.7% | 0.7% | 1.4% | 2.0% | 1.6 | 1.4 | 1.5 | 1.4 |
| City Chic Collective Limited | O | $4.30 | 0.0% | 0.6% | 1.3% | 1.5% | | 4.0 | 2.3 | 2.4 |
| CSL Limited | O | $277.66 | 0.6% | 0.5% | 0.7% | 0.8% | 2.3 | 3.2 | 2.2 | 2.2 |
| Estia Health Limited | B | $2.49 | 2.2% | 0.4% | 4.1% | 5.0% | 1.9 | 1.6 | 1.0 | 1.0 |
| Wisetech Global Limited | O | $29.37 | 0.1% | 0.2% | 0.3% | 0.4% | 6.1 | 5.5 | 5.4 | 5.3 |
| Xero Limited | B | $137.40 | 0.0% | 0.0% | 0.0% | 0.0% | | | | |
| The Reject Shop Limited | B | $6.19 | 0.0% | 0.0% | 0.0% | 4.2% | | | | 2.0 |
| Temple and Webster Group Limitec | O | $10.27 | 0.0% | 0.0% | 0.0% | 0.0% | | | | |
| Ramsay Health Care Limited | B | $63.99 | 0.0% | 0.0% | 0.0% | 0.0% | -2.5 | -1.8 | -1.8 | -1.8 |
| QUBE Holdings Limited | B | $3.05 | 0.0% | 0.0% | 0.0% | 0.0% | | | | |
| Qantas Airways Limited | B | $4.81 | 0.0% | 0.0% | 0.0% | 0.0% | | | | |
| PointsBet Holdings Limited | B | $14.03 | 0.0% | 0.0% | 0.0% | 0.0% | | | | |
| Janus Henderson Group | U | $46.60 | 0.0% | 0.0% | 0.0% | 0.0% | 2.2 | 2.3 | 2.3 | 2.3 |
| Japara Healthcare Limited | B | $1.00 | 2.0% | 0.0% | 0.7% | 1.7% | -0.1 | | 1.6 | 1.5 |
| Integral Diagnostics Limited | O | $4.57 | 0.0% | 0.0% | 0.0% | 0.0% | -1.7 | -1.9 | -1.7 | -1.7 |
| Harmoney Corporation Limited | B | $1.75 | 0.0% | 0.0% | 0.0% | 0.0% | | | | |
| Healius Limited | O | $4.08 | 0.0% | 0.0% | 0.0% | 0.0% | -3.4 | -1.8 | -1.6 | -1.7 |
| Cleanaway Waste Management Lir | B | $2.81 | 0.0% | 0.0% | 0.0% | 0.0% | | | | |
| Brambles Limited | O | $10.65 | 0.0% | 0.0% | 0.0% | 0.0% | | | | |
| Bingo Industries Limited | N | $3.42 | 0.0% | 0.0% | 0.0% | 0.0% | | | | |
| Aurizon Holdings Limited | O | $3.80 | 0.0% | 0.0% | 0.0% | 0.0% | | | | |

**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

## LIMITATIONS and DISCLAIMER