Andrew von Dadelszen

Bay Brokers Limited

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

INVESTMENT STRATEGIES

Volume 60

Lockdown Special

VERSUS

WEBSITE:
vond.co.nz

LABOUR IDEOLOGY WILL KILL NZ

This country had no choice but to lockdown. It is important we all follow the rules. The reports to the minister reveal no understanding of the economic cost of lockdowns. Last year's lockdowns were financed by the Reserve Bank printing $40 billion. This is a trick we can't repeat. The government has blown 30 years of fiscal prudence - as the biggest borrower, the government cannot continue to spend us out of lockdowns.

What Ministers should have been getting advice on is how to fix the MIQ system. Take health. The county's ICU units struggled to handle the RSV outbreak. The Minister of Health is puzzled as to why the nurses were planning on striking. Doesn't he understand that 12-hour shifts, understaffed wards and emergency departments are unsustainable.

We do not need to have families broken up because of immigration and MIQ inadequacies. Industries are unable to get the skilled workers, and we are watching our hospitals fail. What we need is ministers focused on today's problems, getting more vaccine, covering children, a tracing app that works, universal Bluetooth Covid cards, safely expanding MIQ places, making available rapid DIY Covid testing kits and a track and trace system that can keep up with the delta variant.

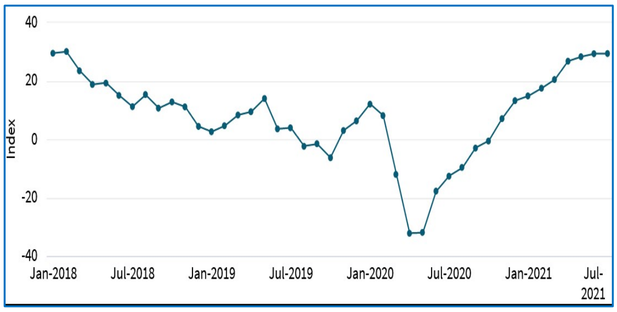
Delta has arrived – our luck just ran out; and yet - still all spin. Oh yes - the return of the 1pm Ardern show. Cynical – hell yes.

CONTENTS

STATISTICS NZ DATA

Estimated population at 30-Jun-21 (↑ 0.6%)	**5,122,600**
Natural Increases (Births minus Deaths) 30-Jun year	**27,700**
Net Migration Year to 30-Jun-21	**4,700**
Consumer Price Index 30-Jun-21 year	**3.3%**
GDP Mar-21 quarter **1.6%** Mar-21 year	**-2.3%**
GDP per Capita Mar-21 Qtr **1.5%** Dec-20 yYear	**-4.9%**
Annual Wage Inflation Jun-21 Year	**2.1%**
Wages average per hour Jun-21 qtr (↑ 4.0%)	**$34.76**
Average FTE weekly earnings at 9-Aug-21	**$1,360.62**
Annual Unemployment Jun-21 year (↓ from 4.7%)	**4.1%**
Employment rate June-21 qtr (up from 72.1%)	**72.6%**
Inflation Rate Jun-21 year	**3.3%**
Consumer Price Index Mar-21 year	**1.5%**
Food Price Index 30-Jun-21 year	**2.8%**
Size of Maori Economy 2018 (2013: $42bn)	**$68.7bn**
Size of NZ Economy Mar-21 year	**$325bn**

GLOBAL INVESTOR SENTIMENT INDEX



THIS IS A LOCKDOWN SPECIAL – JUST IN CASE YOU ARE GETTING BORED!

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.

EPA REASSESSES METHYL BROMIDE

The EPA has released its decision (11th August) on the reassessment of methyl bromide. Regional Council staff are currently working through the decision document and its implications, and note, at a high level:

- There will be no more ship hold fumigation at the Port of Tauranga from January 2022;
- The requirement to increase the amount of MB fumigations being recaptured has been included and this ramps up over time;
- The requirement to increase the amount of MB being recaptured ramps up over time starting at 30% and increasing to 100%;
- The separation distances to the public have been specified based on the degree of MB recapture (not monitor and act if there is an exceedance);
- It will be difficult for fumigation of logs under tarps to occur on the Port of Tauranga without full recapture.

There is also an excellent detailed summary on the main reassessment page of the EPA website: https://www.epa.govt.nz/public-consultations/decided/reassessment-of-methyl-bromide/

I have to congratulate our Regional Council staff, who take a very proactive stance towards ensuring that air quality at Mount Maunganui is monitored and remains safe.

HAMILTON’S GHOST TRAIN TO PAPAKURA IS A FINANCIAL & PATRONAGE DISASTER

There was an average of 29 passengers per trip in the weekdays between July 26 and 30, and an average of 127 passengers across the two Saturday trips. The week before, in the school holidays between July 19 and 23, there was an average of 40 passengers per trip.

Waikato Regional Council Chair Russ Rimmington admitted traveller numbers are a shocker.

“We’ve got to get our heads around it. “If there’s a change of Government, and we don’t improve patronage, this service will be in jeopardy,” Rimmington said in a recent council meeting. He has correctly analysed that Labour will happily waste $100 million on a train no one uses, but National would not regard more than $100m for 30 commuters as sensible spending.

Total funding of $78m was allocated for the project over the first six years from 2019 to 2024, with $68.4m coming from the government and the remaining $9.8m from local government in the Waikato region. Another $49m was used to purchase and modify rolling stock, reinstate a maintenance facility at Te Rapa and to construct a new station at The Base at Rotokauri and upgrade the Huntly station.

In 2018 running costs were estimated at $5.82m per year with 75% coming from a Transport Agency subsidy and the remainder split between passenger fares and Waikato Regional Council rates on Hamilton ratepayers. I am told the true cost is $722 per passenger trip.

There are lessons here for Tauranga’s pro-train lobby.

PORT CHAIR CRITICAL OF CENTRAL GOVT

Port of Tauranga's chairman says the flip-flops by Government Covid border watchdogs which exposed the country's biggest port to a red-flagged infected ship make it "hard to have faith - too many mistakes are being made".

David Pilkington said the port, New Zealand's main export gateway and in current supply chain congestion, (some months its busiest import port) was heavily reliant on Government authority advice in this pandemic.

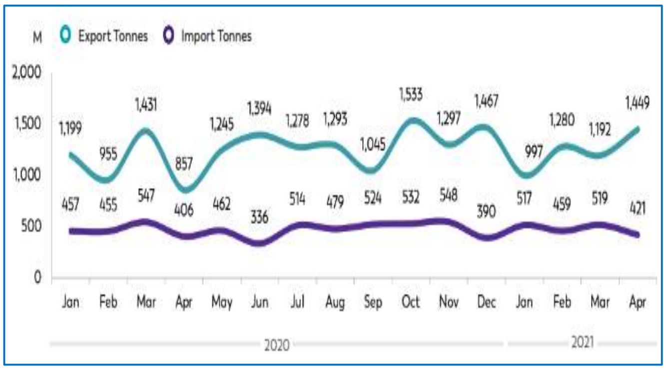
"When we get mixed messages, and when we get information that clearly exposes our whole operation [to risk] it's hard to have faith - too many mistakes are being made."

The port found itself at the centre of a Covid-Delta variant scare this past week after being told by Government agencies Maritime NZ and the Ministry of Health it could allow the container ship Rio de la Plata to tie up and unload imports bound for Auckland, despite official red flag advice its crew could have been exposed to Covid and shouldn't be allowed to berth.

Cargo unloading was stopped then allowed to start again and stopped again when 11 of the crew tested positive.

More than 100 people who had contact with the vessel while it was in port then had to be tested and isolated. The initial results were all negative, the health ministry said. Pilkington said if it wasn't for Port of Tauranga's strict Covid PPE measures and protocols, the situation could have been different. One of the port's pilots had, after official clearance, worked on the vessel's bridge where an Australian pilot, infected by the crew, had earlier navigated the vessel through the Great Barrier Reef area and Torres Strait.

PORT OF TAURANGA VOLUME



The beginning of the kiwifruit season can be seen via export volumes rising in April from the Port of Tauranga, expected to remain high through to July. Import volumes are steady over time.

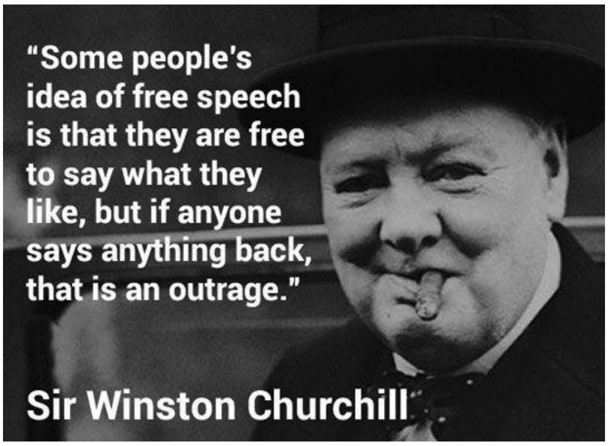
PORT CONTRACT WORKERS

I was very concerned to read (The Weekend Sun, 13th August) that it seems that the problem with non-vaccinated port worker comes from independent contractors - like Independent Stevedoring and C3 – whose staff mostly refuse to be vaccinated. Reports say they will resign, rather than be forced to vaccinate. This is plainly ridiculous, and this "anti-vax" sector is putting the whole of our Tauranga community at extreme risk.

I say – come on 30th September – keep our community safe

TAURANGA AIRPORT FLIGHTS

Tauranga Airport is a critical hub for business in the Western Bay. Flights have fully recovered to pre-Covid levels, with 900 flights transporting over 40,000 passengers per month since March.

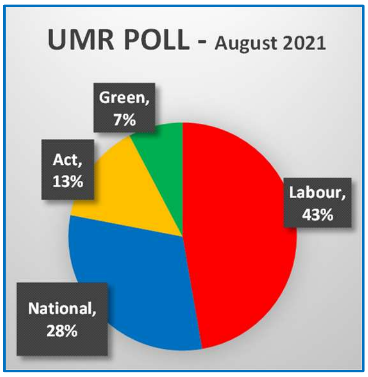


"People need something to vote for, not just against. So the purpose of the party is not just to perpetuate the party, it's to achieve better policy for all New Zealanders."

David Seymour

OUR POLITICAL CLIMATE

LATEST (AUGUST) UMR POLL



LABOUR DOWN NATIONAL UP

A new UMR poll has shown Labour's popularity has taken a hit, dropping from 48% in July to 43% this month – while NZ First has jumped back into the zone of viability on 4.4%.

The New Zealand Insight poll for UMR's corporate clients has Labour on 43% (down 5%), and National on 28% – that is up 4% since last month.

It is Labour's lowest result in the UMR poll since March 2020, when it was on 42% before the Covid-19 lockdowns hit New Zealand.

In this poll, the Act Party was up 2%, hitting 13% – its highest level in the UMR poll. The Green Party was on 7% (down 1%), and the Maori Party on 1.7%. NZ First was at 4.4%, after getting 5% in the same poll last month following the re-emergence of Winston Peters at his party's conference.

Prime Minister Jacinda Ardern had dropped by five points to 50% as preferred Prime Minister – also her lowest result since Covid-19. It was close to her pre-Covid levels of popularity, but she was still miles ahead of National Party leader Judith Collins on 11%.

While National had gained ground from Labour's dip, it was still below 30%, whereas Act leader David Seymour had extended his lead over Collins as preferred Prime Minister. He was on 14%, up from 12% last month.

EDUCATION IS ARDERN GOVT'S BIGGEST FAILURE

It is criminal that 45% of Maori & Pacifica children are not attending school. This failure will condemn New Zealand to slip further towards third world status, because uneducated kiwis will only have a future of misery or crime.

Covid Response Minister & Minister of Education, Chris Hipkins has been in politics all his life. He joined the Labour party as a schoolboy. You have to be highly political not to have acted on the Simpson/Roche report. Recently he was even denying the MIQ booking system is a failure. Hipkins insists New Zealanders should have travelled when he advised there were MIQ places. He has yet to explain how we get cancer to obey his MIQ timetable.

The MIQ system is a shambles. The government's Covid policy relies 100% on luck.

But that is just a short-medium term issue. Even bigger is the state of our education system. Covid isn't the only crisis Hipkins is presiding over. He is the Minister of Education. After receiving a glowing independent report saying that Charter Schools "*are meeting their learners' needs using good and innovative practices*", Hipkins abolished Charter Schools.

In their NCEA results Maori and Pacifica pupils attending Charter schools exceeded the average achievement of all students. The Minister assured us that he was going to introduce policies to ensure pupils succeed in state schools.

Where are these policies? **Under his watch education standards across the board have fallen**. Once we led the world in english and math. Now we are near the bottom of the countries that participate in education comparison testing.

This failure of education standards will prove to be a far greater catastrophe for New Zealand than Covid. Without the next generation of well-educated school leavers we are destined to be a failed state.

For Maori and Pacifica students, it is already a tragedy. The majority are leaving school after 16,000 hours of tuition unable to read or do math at a level required by the modern economy. The problem is that 45% of all Pacifica and Maori children are absent from school every day.

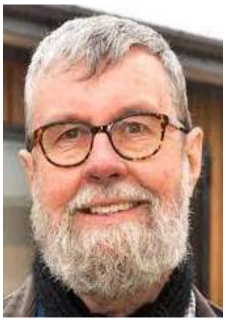
Even before Covid absenteeism by all pupils under this Minister's watch this was increasing. The Education Department has research that shows every day at school is vital. The data shows pupils who do not miss a day's schooling pass NCEA. Pupils who are absent half of the time fail.

IS IT TIME TO ARM OUR POLICE?

NZ is one of just 19 countries around the world in which police officers don't routinely carry firearms. In a sense, this is something to be proud of, reflecting the commitment – cited by Police Commissioner Andrew Coster – to 'policing by consent'.

But an increase in police interactions with firearms and gun-related crime, coupled with the murder of Constable Matthew Hunt, has led the police union to question whether that should change. The association's biennial survey of 6000 of its 11,000 members showed nearly 75% want police to be routinely armed.

GARRY MOORE ON THREE WATERS



"I was elected for 15 years to the Christchurch City Council, nine of those years as Mayor. I have never seen a more poorly thought-through structure than what is being promoted by the Government for Three Waters. The state of some authorities' infrastructure is being shown by the Government as an example of gross mismanagement and all authorities are being swept into one organisation as a result of these bad examples. This is a weak base for such drastic reforms, which will take our water off us locally. If I were promoting these reforms I would be nervous about the numbers they are relying on. Nobody can argue against everybody in this country having access to safe water. However, these reforms are centralising power into a small number of hands with local power being totally removed.

"This is the biggest theft of public assets I have seen in my lifetime. In the case of Christchurch City Council the water infrastructure has a current value of $6.9b. Debt on these assets is $1.1b. The Government is offering a sweetener of $122m to the Council. Then all the assets go into a pool. 20 Local Authorities in the South Island all under a Board which will have only a medium level of accountability."

Under Chris Hipkins - our education system is completely failing our children

HOW DID THE TABLES TURN FOR DR ASHLEY BLOOMFIELD?

Recently, the Ministry of Health has come under new fire. Minister Andrew Little says dealing with it is "a real struggle. Māori leader Tā Mark Solomon calls it **"the Ministry of Incompetence"**.

So what changed from when Dr Ashley Bloomfield was nominated for TV Personality of the Year; when 15,000 people signed a petition saying he should be New Zealander of the Year?

The Director-General of Health says he's focused on doing the best possible job as criticism of his ministry ramps up. *"My response is that I'm very focused on doing the best job I can in this role, and I know my team are as well – across all the work we are responsible for*,'' he said.

On mental health, an area the Government has been under pressure on, Little told Newsroom it was ridiculous how little progress had been made.

"The one thing I really find extraordinarily frustrating is the commitments we made for rebuilds or significant upgrades of facilities and we're still trying to get to a point of starting construction.''

Asked if he was happy with the level of information he received from the Ministry of Health to do his job, Little didn't mince his words. *"**No, no - actually it's a real struggle to get stuff.**''*

LABOUR MINISTERS FAILING IN THEIR PORTFOLIOS

Immigration and Justice Minister Kris Faa'foi has, over recent weeks, almost destroyed any reputation for effectiveness he had built up during his first term as a minister. His weak handling of the hate speech and conversion therapy issues, and the extraordinary inconsistencies in the way migrant workers and their families are being treated during the pandemic have been astounding. Faa'foi, who is apparently keen to leave politics, looks increasingly uninterested, and out of touch with the major issues affecting his portfolios. His media performances on the hate speech and conversion therapy issues have given the impression of someone who neither understands the complexity of the issues involved, nor wants to get too heavily involved in clarifying some of the challenging issues being raised.

While he has been hampered by a lack of support from colleagues on these matters (indeed, the Prime Minister's interventions on both topics have been just as confused, adding to Faa'foi's woes, it also seems Faa'foi has been left largely to his own devices by his officials. There have, for example, been no separate statements from Justice Ministry officials explaining the detail – not the policy – of the hate speech and conversion therapy proposals in the way one normally sees when new government policies are being proposed.

KĀINGA ORA - MORE STAFF THAN HOUSES

New figures released to National show Labour has hired more housing officials than it has built KiwiBuild homes, according to National's Housing spokesperson Nicola Willis.

"The Labour Government has added 1,205 new housing officials across Kāinga Ora and the Ministry of Housing and Urban Development, more than doubling the total number of taxpayer-funded housing officials. As of June this year, Labour had only delivered 105 KiwiBuild houses," Willis said.

THE RMA & CLIMATE CHANGE

What Labour is proposing on the RMA is just basically the Resource Management Act by three other names with mandatory consultation (but worse). They haven't got to the real core of it - the underlying purpose of the legislation. In short, it must preserve the property rights of all New Zealanders, while ensuring that environmental sustainability is maintained. You must retain the right to develop your property so long as you're not harming other people's rights. Listening to ACT Leader David Seymour, he is quite firm about the Climate Change Commission - it has got to be dumped. He says that it can't work anymore than import licensing worked; this whole idea of carbon budgets per sector and prescriptions about what sort of technology you can use. The fundamental problem is the lesson that we learned through the middle of the twentieth century is that governments do not have the information to anticipate what sort of resource allocation decisions should be made. It will eventually collapse under its absurdity. David Seymour reiterates "***We're proud we saw it for what it is; we said what it was, and the Nats again said, oh, we better hunt with hares and run with the hounds, with then Climate spokesperson Todd Muller cuddling up to James Shore. Total insanity. The public policy was wrong. The Nats put the politics first, and they got that wrong, too.***"

LITTLE ATTACKS CANCER SOCIETY

Andrew Little v The Cancer Society: ***"The Cancer Society is completely off the planet when they say that sort of thing. They are just misinformed and totally wrong."***

It is quite extraordinary for the Minister of Health to attack the Cancer Society as being "completely off the planet" simply because they have complained that cancer treatment and waiting times is not one of the 12 health priorities Labour announced.

National made cancer patients starting treatment within 62 days as one of their health targets (which Labour abolished). This saw the percentage starting within four weeks lifting from 78% to 93%. It is now back at 85%.

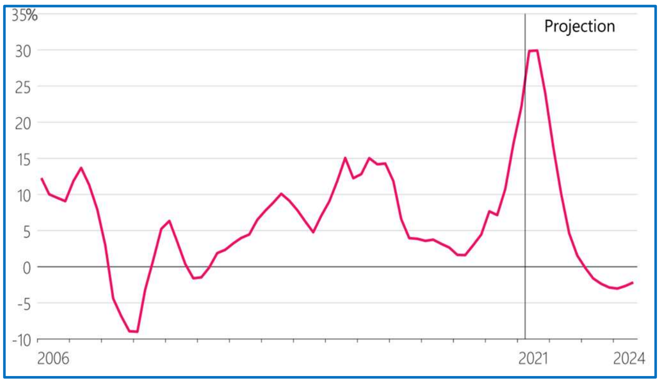
The Cancer Society exists to support all New Zealanders affected by cancer working within communities through services like supportive care nurses, transport to treatment and accommodation.

"We work tirelessly to ensure that the 71 New Zealanders who receive a diagnosis every day in Aotearoa can turn to us for support during one of the most difficult times of their lives."

Think about what that drop from 93% to 85% means for the 71 New Zealanders a day diagnosed with cancer. It means six fewer New Zealanders a day start cancer treatment within 62 days. Over a year that means over 2,000 more New Zealanders waiting longer than 62 days to start treatment.

HOUSE PRICES TO FALL – RESERVE BANK

NZ's Reserve Bank is predicting house prices will continue climbing for another year, before falling for the first time since the Global Financial Crisis – putting heavily-mortgaged new homebuyers at risk.



Speaking after the Monetary Policy Statement on 16th August, Bank Governor Adrian Orr said house prices were well above sustainable levels, and would keep climbing for another year – before dropping for two years through to late 2024. "*Previously we had house prices finishing at zero. We've now got them going slightly negative to around -5.0%*."

New Zealand was seeing its largest increase in housing supply since the early 1960s, he said, at the same time that New Zealand's inward migration bottomed out. That would lower demand and ultimately lower prices.

"*Mortgage debt, relative to household income, is at very stretched levels. And that means any small increase in interest rates has a magnified impact on debt servicing.*"

57.5% OF PEOPLE WITH DISABILITIES UNEMPLOYED

Only 42.5% of people with disabilities, aged between 15–64 years, were employed in the June 2021 quarter, compared with 78.9% of non-disabled people in the same age group, Stats NZ have said. "*This shows that disabled people are under-represented in the workforce. Employment can play an important role in a person's wellbeing, not only providing income, but also social connection and a sense of purpose*."

HE PUAPUA

This Labour Government's *He Puapua* plan for Maori sovereignty by 2040 is racist, separatist, and divisive and it is implementing it by stealth. Labour had this plan on paper in Nov 2019, many months before the 2020 election. So why were the people of NZ not told this before the last election?

As part of Labour's He Puapua 2040 plan, Minister Mahuta's 3 waters plan will result in freshwater, stormwater and wastewater assets and infrastructure owned and controlled by the country's 67 local authorities (and paid for by generations of ratepayers) being transferred to four new regional water agencies in which will be **co-governed with Iwi on a 50/50 basis.**

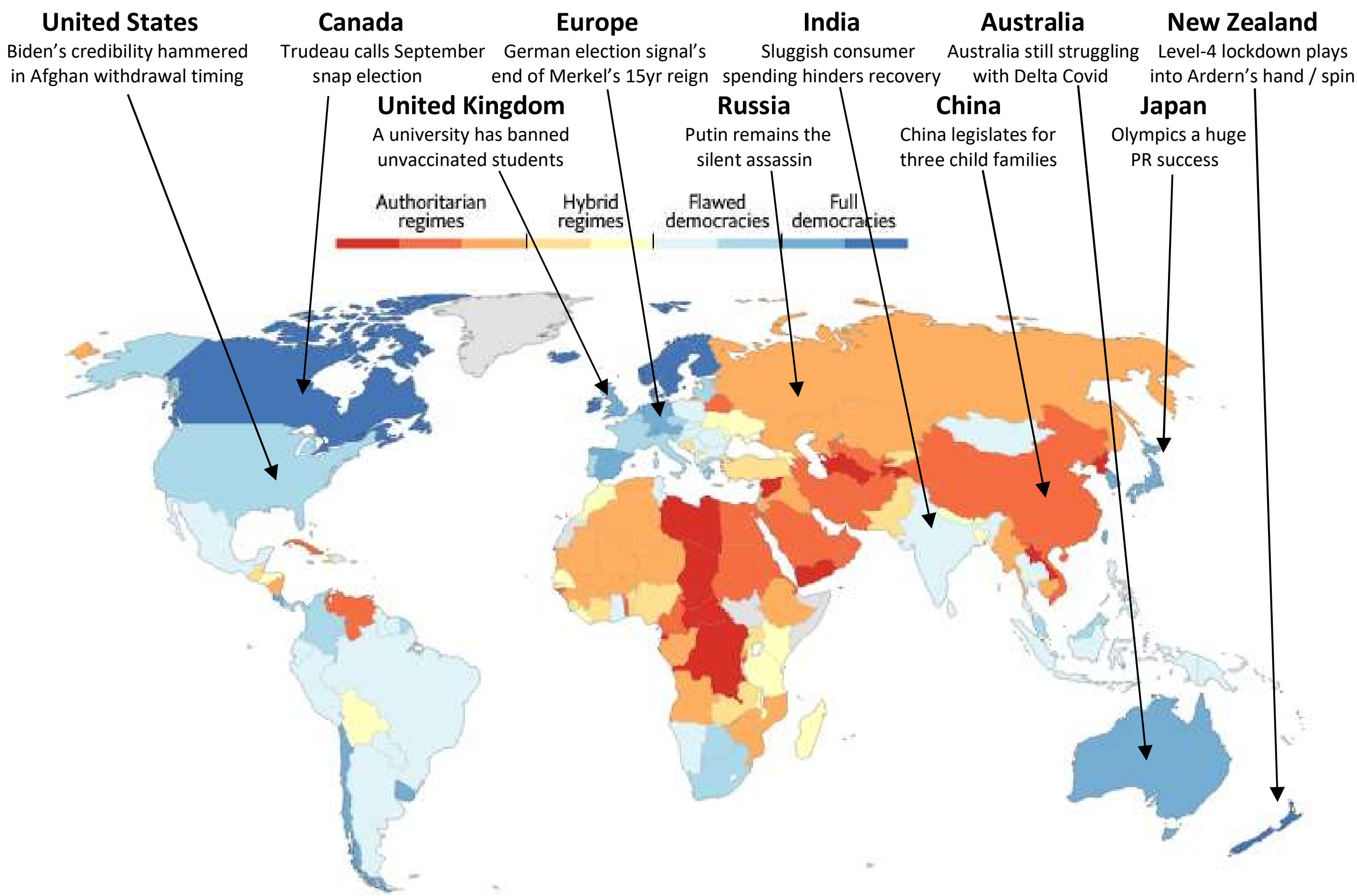
Although local authorities will provide all the assets, they will be given only 50% of the control over them. The other 50% will be given to local iwi who have invested next to nothing.

Not only will councils effectively have control of their assets cut in half, Cabinet papers reveal an extraordinary requirement that "A**ll decisions undertaken by these new agencies "will require a super majority decision of 75%**". That means no decisions can be made without the approval of Iwi. In effect, **Iwi will have a veto right** and be in control of all New Zealand water services decision-making.

Considering the introduction of co-governance and veto rights, one would be naïve to think that Three Waters is anything other than a transfer of water assets to Maori.

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

THE WORLD AT A GLANCE GLOBAL DEMOCRACY INDEX 2020



GLOBAL OUTLOOK

The global economy is projected to grow 6.0% in 2021 and 4.9% in 2022. Prospects for emerging market and developing economies have been marked down for 2021, especially for Emerging Asia. By contrast, the forecast for advanced economies is revised up. These revisions reflect pandemic developments and changes in policy support.

Vaccine access has emerged as the principal fault line along which the global recovery splits into two blocs: those that can look forward to further normalization of activity later this year (almost all advanced economies) and those that will still face resurgent infections and rising COVID death tolls. The recovery, however, is not assured even in countries where infections are currently very low so long as the virus circulates elsewhere.

LATEST WORLD ECONOMIC OUTLOOK

(real GDP, annual percent change)	2020	PROJECTIONS 2021	2022
World Output	-3.2	6.0	4.9
Advanced Economies	-4.6	5.6	4.4
United States	-3.5	7.0	4.9
Euro Area	-6.5	4.6	4.3
Germany	-4.8	3.6	4.1
France	-8.0	5.8	4.2
Italy	-8.9	4.9	4.2
Spain	-10.8	6.2	5.8
Japan	-4.7	2.8	3.0
United Kingdom	-9.8	7.0	4.8
Canada	-5.3	6.3	4.5
Other Advanced Economies	-2.0	4.9	3.6
Emerging Market and Developing Economies	-2.1	6.3	5.2
Emerging and Developing Asia	-0.9	7.5	6.4
China	2.3	8.1	5.7
India	-7.3	9.5	8.5
ASEAN-5	-3.4	4.3	6.3
Emerging and Developing Europe	-2.0	4.9	3.6
Russia	-3.0	4.4	3.1
Latin America and the Caribbean	-7.0	5.8	3.2
Brazil	-4.1	5.3	1.9
Mexico	-8.3	6.3	4.2
Middle East and Central Asia	-2.6	4.0	3.7
Saudi Arabia	-4.1	2.4	4.8
Sub-Saharan Africa	-1.8	3.4	4.1
Nigeria	-1.8	2.5	2.6
South Africa	-7.0	4.0	2.2
Memorandum			
Emerging Market and Middle-Income Economies	-2.3	6.5	5.2
Low-Income Developing Countries	0.2	3.9	5.5

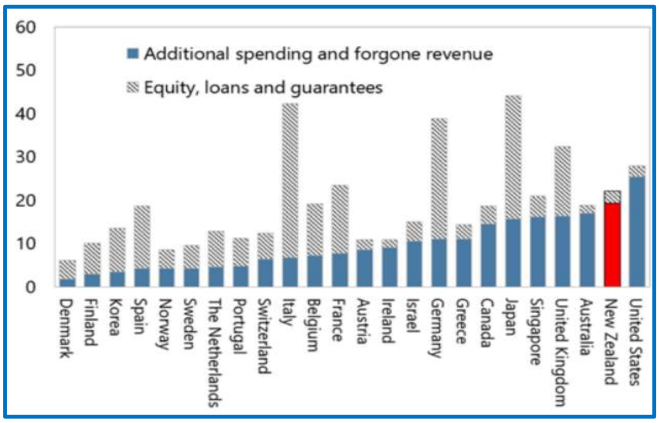
SOURCE: IMF, World Economic Outlook Update, July 2021

NEW ZEALAND'S ECONOMIC OUTLOOK

POPULATION: 5.123 MILLION

In addition to the successful health response, large-scale economic support enabled a fast recovery. New Zealand's fiscal support package, among the largest in the world relative to the size of the economy, featured large wage subsidies to retain employment during the lockdown and beyond, allowing businesses to rapidly re-open once conditions permitted.

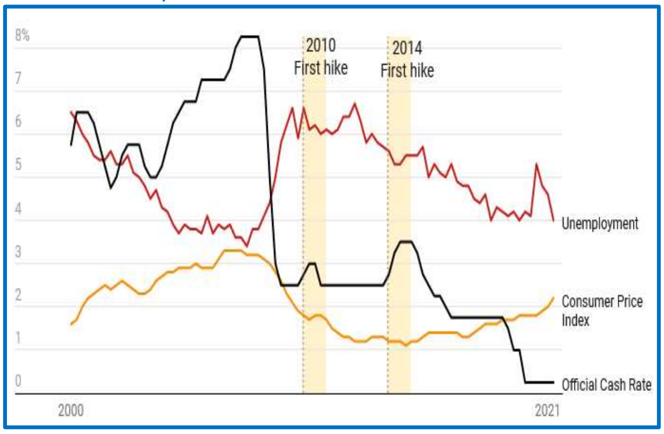
FISCAL POLICY – as a % of GDP



The Reserve Bank of New Zealand also played a key role by easing monetary policy and creating special facilities to ensure credit continued to be available during the crisis. For the first time, New Zealand used unconventional monetary policy featuring large-scale bond purchases to lower longer-maturity interest rates. Together, the unprecedented fiscal and monetary stimulus prevented large-scale unemployment and insolvencies while preserving financial stability.

WHEN NOT TO HIKE INTEREST RATES

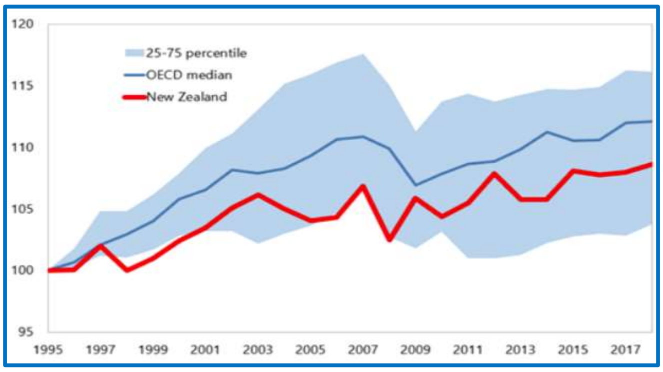
OCR HIKES, AGAINST UNEMPLOYMENT & CORE INFLATION



If the Reserve Bank doesn't raise the official cash rate from its all-time low of 0.25%, prices for the scarce supply of houses will continue to soar. But if the Bank hikes rates, it's dangerously hard for them to service massive debts.

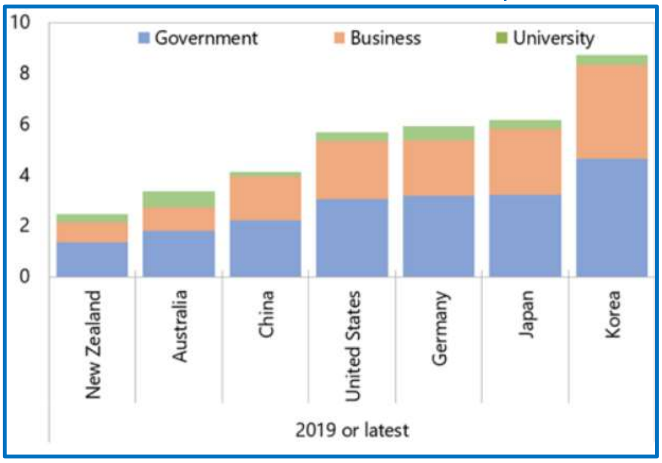
Productivity has been slipping behind our OECD peers for the last quarter of a century, and successive governments have addressed this critical issue.

PRODUCTIVITY GROWTH IN NEW ZEALAND BEHIND PEERS



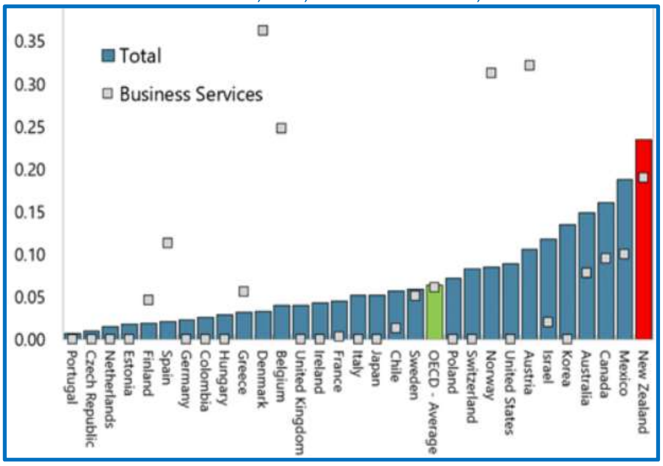
Another problem for our innovation sector is the poor input (and incentivisation) of Research & Development. As a percentage of GDP New Zealand is badly lagging its peers.

RESEARCH & DEVELOPMENT EXPENDITURE, % OF GDP



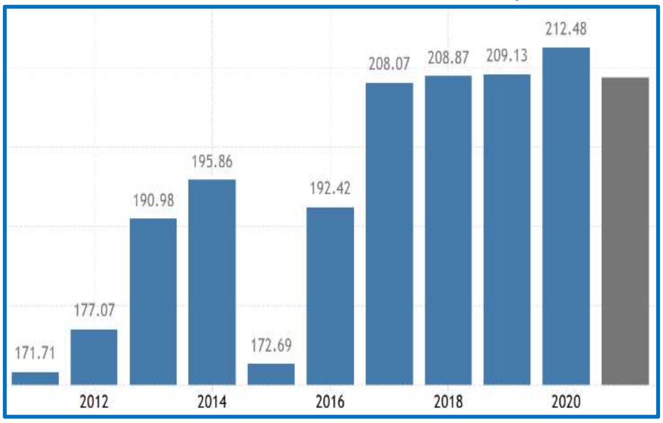
NEW ZEALAND – DIRECT FOREIGN INVESTMENT

FDI RESTRICTIVENESS INDICATOR; 2019; 0=LEAST RESTRICTIVE, 1= MOST RESTRICTIVE



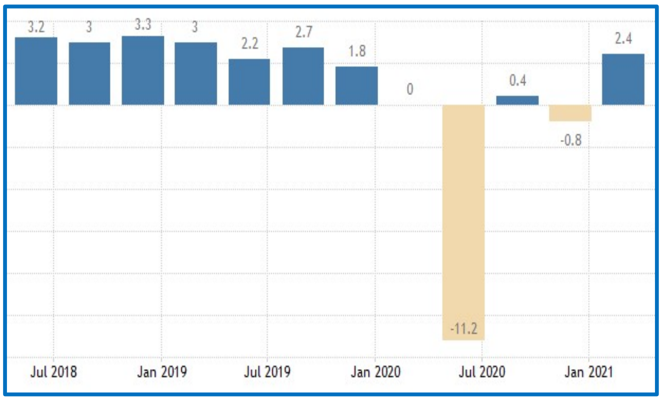
New Zealand could benefit from more foreign direct investment (FDI). Another avenue to strengthen innovation, particularly to promote technology sharing, is to encourage global collaboration, including by attracting more FDI. Economic research shows that stronger connectivity to the global economy through trade and investment promotes innovation and boosts productivity. However, New Zealand has higher barriers to FDI than its peers, which impedes entry to foreign firms. The ongoing review of the Overseas Investment Act, with the aim of streamlining approval procedures, could help promote greater inward investment to address this gap.

NEW ZEALAND – TOTAL GDP IN US$



The Gross Domestic Product (GDP) in New Zealand was worth US$212.48 billion in 2020, according to official data from the World Bank. The GDP value of New Zealand represents 0.19% of the world economy.

NZ – ANNUAL GDP GROWTH RATE

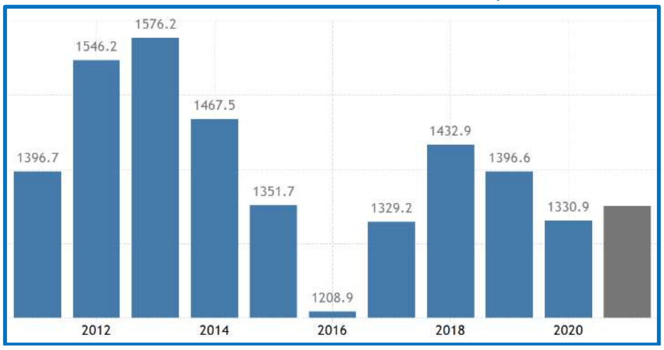


AUSTRALIAN ECONOMIC OUTLOOK

POPULATION: 25.733 MILLION

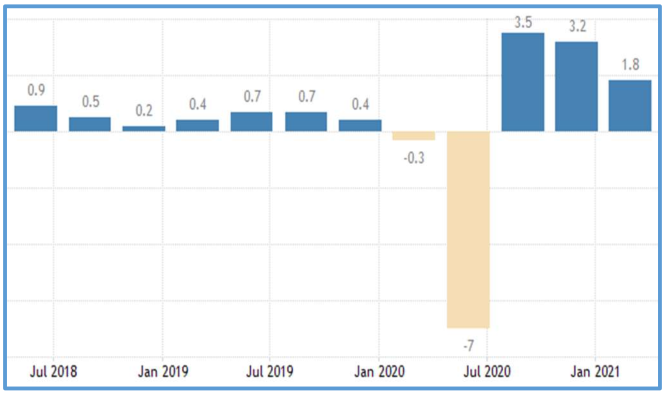
Gross Domestic Product (GDP) in Australia was worth US$1,330.90 billion in 2020. The GDP value of Australia represents 1.18% of the world economy.

AUSTRALIA – TOTAL GDP IN US$



GDP in Australia expanded 1.1% in the first quarter of 2021 over the same quarter of the previous year. Annualised GDP Growth is currently sitting at 1.8%.

AUSTRALIA – ANNUAL GDP GROWTH RATE

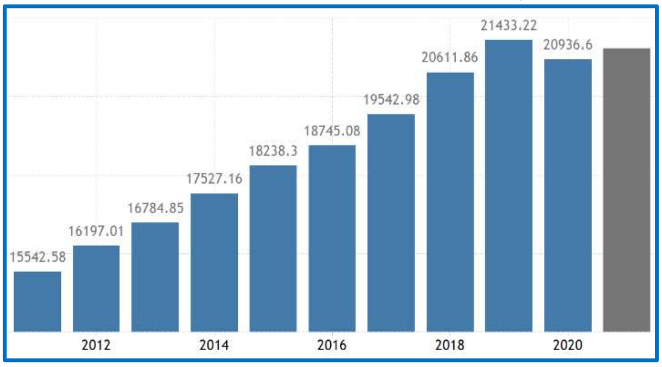


UNITED STATES ECONOMIC OUTLOOK

POPULATION: 330.086 MILLION

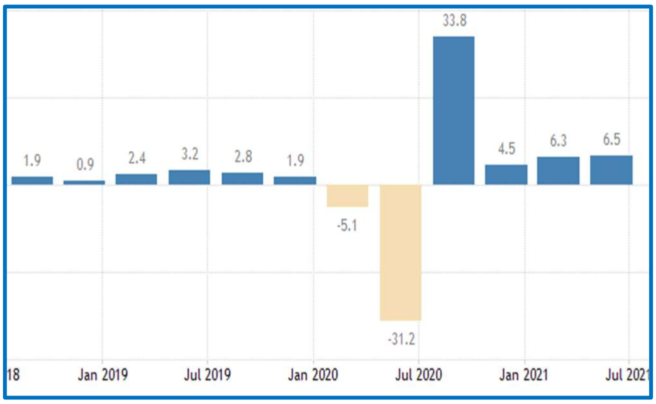
Despite the tragic loss of life and immense challenges brought on by the pandemic, the US economy is making a remarkable recovery. The Biden administration's proposed spending plans will add momentum, raising GDP by more than 5% from 2022 to 2024, and will create a lasting impact by increasing productivity and labour force participation.

UNITED STATES – TOTAL GDP IN US$



The fore-signalling of the withdrawal from Afghanistan will go down as Biden's biggest follies, however. The damage to the Afghan people, and the continued risk of a "terror state" can not be brushed off lightly.

UNITED STATES – ANNUAL GDP GROWTH RATE



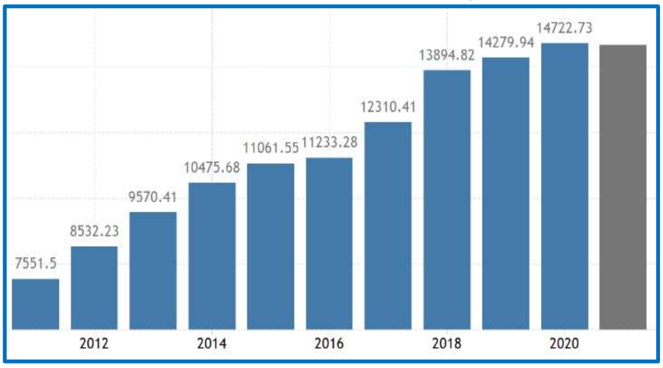
The US economy is projected to grow at 7% in 2021, the fastest annual growth rate since 1984.

Chinese Economic Outlook

POPULATION: 1,404.331 MILLION

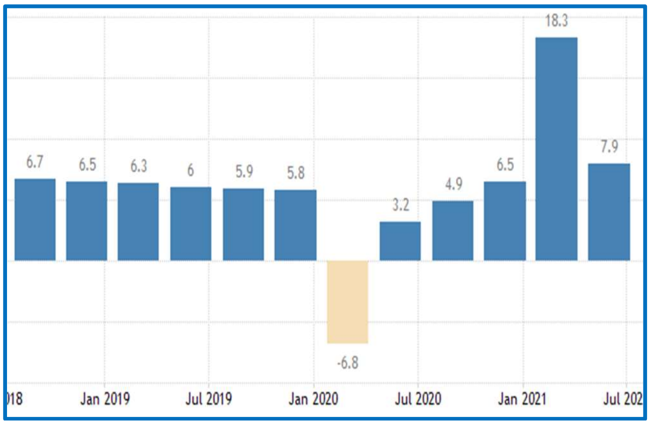
GDP in China was worth US$14,722.73 billion in 2020. The GDP value of China represents 13.04% of the world economy.

CHINA – TOTAL GDP IN US$



The Chinese economy grew by a seasonally adjusted 1.3% on quarter in the three months to June 2021, following a downwardly revised 0.4% advance in the previous quarter. China's economy sustained a steady recovery, with production and demand picking up, employment and prices remaining stable, market expectations improving, and major macro indicators staying within a reasonable range, the National Bureau of Statistics said in a statement. It added, however, there were still concerns about the global spread of the pandemic and unbalanced recovery domestically.

CHINA - ANNUAL GDP GROWTH RATE

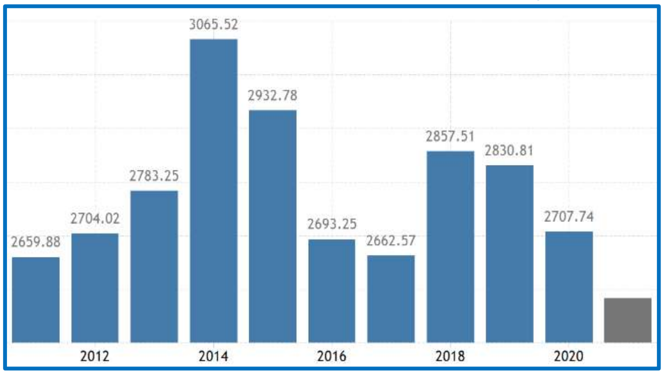


United Kingdom Economic Outlook

POPULATION: 67.093 MILLION

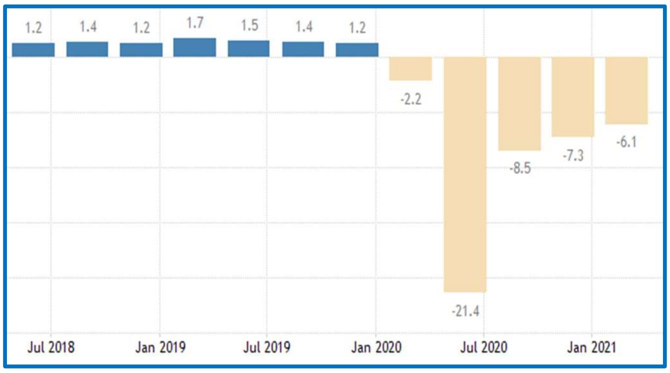
GDP in the United Kingdom was worth US$2,707.74 billion in 2020, and the GDP value of the UK represents 2.4% of the world economy.

UNITED KINGDOM – TOTAL GDP IN US$



UK's GDP grew by 4.8% on quarter in April to June 2021, recovering from a 1.6% contraction in the previous three-month period, as activity and demand rebounded following the easing of coronavirus restrictions. Household consumption jumped 7.3% (vs -4.6% in Q1) and public spending advanced 6.1% (vs 1.5% in Q1). Meanwhile, fixed investment continued to contract (-0.5% vs -1.7%) despite an increase in business investment, and net trade contributed negatively to the GDP as imports rose more than exports. In output terms, the largest contributors to this increase were from wholesale and retail trade, accommodation and food service activities, and education. The level of GDP remained 4.4% below pre-pandemic levels.

UNITED KINGDOM – ANNUAL GDP GROWTH RATE

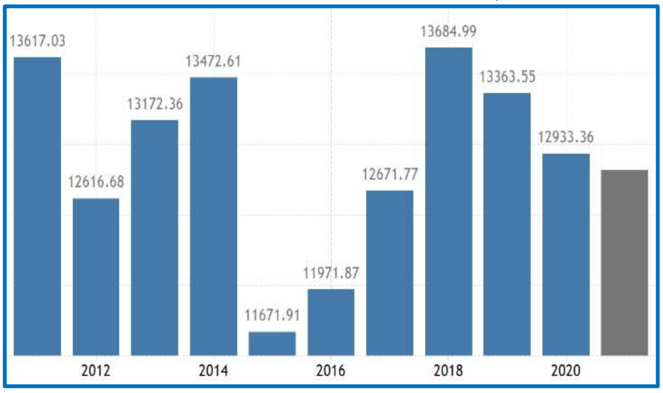


EU Economic Outlook

POPULATION: 447.320 MILLION

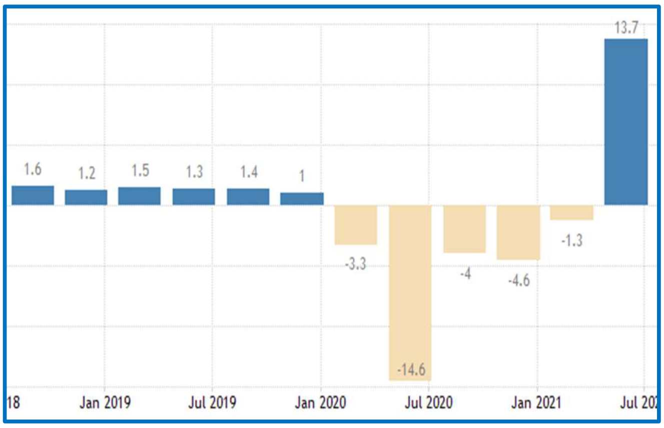
GDP in the Euro Area was worth US$12,933.36 billion in 2020, with the GDP value of Euro Area represents 11.46% of the world economy.

EUROZONE – TOTAL GDP IN US$



The Euro Area economy expanded by 2.0% on quarter in the three months to June 2021, rebounding from two consecutive periods of contraction and beating market expectations of 1.5% growth, a preliminary estimate showed. The bloc's economic recovery gained momentum on the back of the continued re-opening efforts, helped by the rapid pace of COVID-19 vaccination and ongoing government support. Among the bloc's biggest economies, Germany, France and Spain returned to growth, and Italy's expansion gathered pace.

EUROZONE – ANNUAL GDP GROWTH RATE



Canadian Economic Outlook

POPULATION: 38.01 MILLION

Canadian Prime Minister Justin Trudeau has called a snap general election for 20 September, some two years ahead of schedule. Under Canada's fixed election date law, the next vote was scheduled for October 2023, but Trudeau successfully asked Governor General Mary Simon, to formally dissolve parliament and authorise a snap poll.

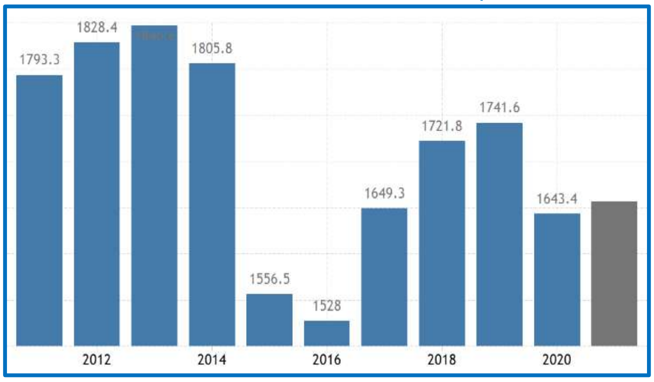
Trudeau, first won a majority in 2015, but "came up short of a majority" in the 2019 election. Therefore, for the last two years, he has led a minority government, relying on opposition parties – largely the left-wing New Democratic Party – to pass legislation and decide on spending.

However, a recent opinion poll put Trudeau on the brink of capturing the 170 seats needed for a majority government. The Liberals have a five-point advantage over the opposition Conservatives. Therefore, Trudeau is *"gambling that voters will reward his administration's handing of the coronavirus pandemic"* because he *"sees an opportunity to win back the majority that voters denied him in 2019"*.

Canadian Economy

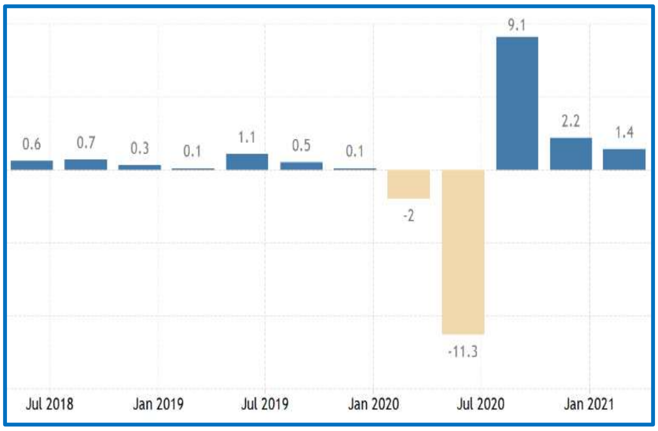
GDP in Canada was worth US$1643.40 billion in 2020, according to official data from the World Bank. The GDP value of Canada represents 1.46% of the world economy.

CANADA - TOTAL GDP IN US$



The Canadian economy expanded 1.4% on quarter in the first three months of 2021, slowing from a downwardly revised 2.2% rise in the previous period but still marking the 3rd consecutive quarter of growth. Favourable mortgage rates, continued government transfers to households and businesses, and an improved labour market continued to support housing investment and household spending. Housing investment expanded 9.4% but rising input costs heightened construction costs. Also, household spending increased 0.7%, with the biggest increases seen for information processing equipment (+18.7%), major tools and equipment (+13.8%), and games, toys and hobbies (+25%). On the other hand, business investment in machinery and equipment fell 2.7%, because of a sharp decline in investment in aircraft (down 98.7%), as a large number of used aircraft were disposed of through international exports. Export rose 1.5% and imports 1.1%.

CANADA – ANNUAL GDP GROWTH RATE



Japanese Economic Outlook

POPULATION: 125.758 MILLION

Japan's economy rebounded faster than expected from its pandemic-driven slump in the run-up to the Tokyo Olympics. Official figures show the world's third-largest economy grew at twice the rate forecast in April to June. But analysts have warned growth will be modest this quarter after a state of emergency was reimposed to ease a spike in Covid-19 infections.

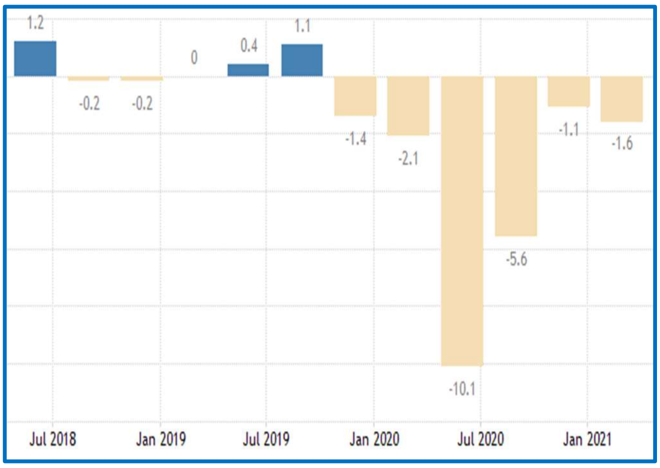
Preliminary data show Japan's GDP grew by an annualised 1.3% in the second quarter of the year. That came after a 3.7% slump in the previous three months.

GDP in Japan was worth US$5,064.87 billion in 2019, according to official data from the World Bank. The GDP value of Japan represents 4.49% of the world economy.

JAPAN - TOTAL GDP IN US$

The Japanese economy advanced 0.3% qoq in Q2 2021, after a downwardly revised 0.9% expansion in Q1, with domestic demand contributing 0.6% points to the GDP growth, preliminary estimated showed. Private consumption (0.8% vs -1% in Q1), capital expenditure (1.7% vs -1.3%) and government spending (0.5% vs -1.7%) all rebounded, as the economy recovered from the COVID-19 initial hit. At the same time, exports rose for the fourth straight quarter (2.9% vs 2.4%) while imports grew for the third quarter in a row (5.1% vs 4%). On an annualized basis, the economy expanded 1.3% in Q2, easily beating consensus of a 0.7% gain and reversing from a downwardly revised 0.9% contraction in Q1.

JAPAN – ANNUAL GDP GROWTH RATE

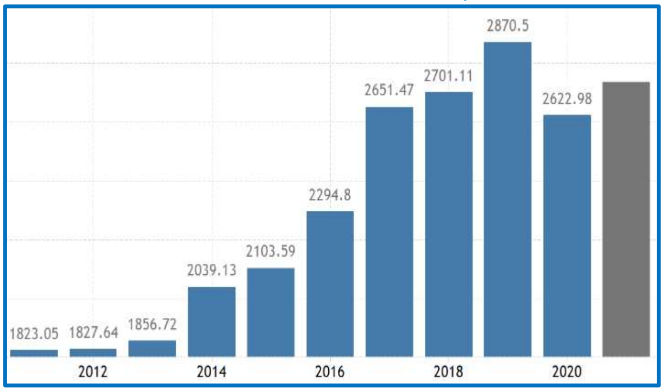


Indian Economic Outlook

POPULATION: 1,378.595 MILLION

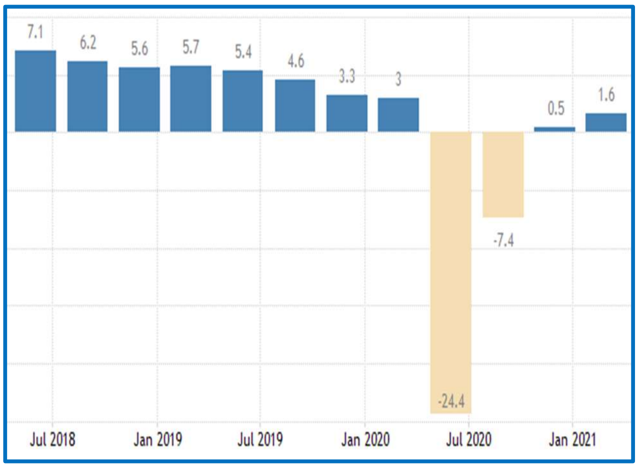
GDP in India was worth US$2,622.98 billion in 2020, with the GDP value of India representing 2.32% of the world economy.

INDIA - TOTAL GDP IN US$



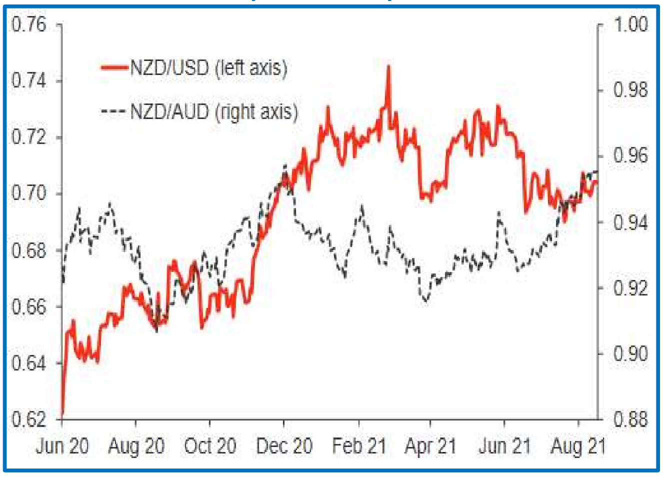
Full-year GDP is expected to grow between 7.9% and 9.6%, according to a poll of economists. Their economy has rebounded, despite increased cases of the second wave of Covid-19. High-frequency indicators have been improving since June as lockdown restrictions were relaxed. Given the localised nature of restrictions during the second wave, economic activity was not as adversely affected as last year, economists said. India's goods exports rose almost 50% on-year to a record US$35.43 billion in July.

INDIA - GDP GROWTH RATE



CURRENCIES

NZD/USD & NZD/AUD



SOURCE: Westpac

It's now very clear that the RBNZ can start to remove last year's emergency stimulus and return monetary policy settings back to more normal ones. It was expected that the Reserve Bank would lift the OCR by 25 basis points, but Level 4 lockdown put paid to that. But for the Level-4 lockdown, it would have been the first hike in seven years.

The (what was) expected OCR hike is a dramatic turnaround from just a few months ago, when the RBNZ was still saying that it would take "considerable time and patience" to meet its targets. Since then however, we've seen a much stronger than expected lift in inflation, and a sharp drop in unemployment back to its pre-Covid lows. We now just have to await the outcome of this latest lockdown.

COMMODITIES

OIL

OIL: BRENT CRUDE (5YR GRAPH)

Brent increased US$14.77/BBL or 28.5% since the beginning of 2021, according to trading on a contract for difference (CFD) that tracks the benchmark market for this commodity.

GOLD

Gold decreased US$113.42per troy ounce, or 6% since the beginning of 2021. Gold peaked at US$2,063 a year ago, before bottoming below US$1,700 in March. It is currently trading at US$1,783 per troy ounce.

GOLD (5YR GRAPH)

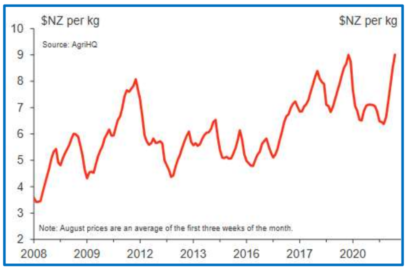
BITCOIN

Cryptocurrency prices continue to remain incredibly volatile, with huge movements over the past 18 months. In April 2020 Bitcoin had crashed below US$4,000, and moved to surpass the US$10,000 market by August 2020. In April this year it then peaked over US$64,650 a troy ounce, before falling again to a July bottoming of around US$28,000. Today (20th August it is back to US$47,000 a troy ounce. This is not a play for the cautious!

BITCOIN (5YR GRAPH)

AGRIBUSINESS – LOOKING FROM THE OUTSIDE IN

LAMB – SILVER MEDAL

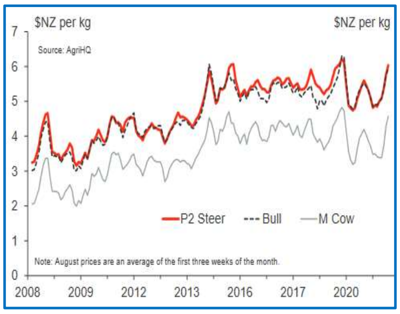


Farmgate lamb prices have cracked $9.00/kg and at the same time set a fresh record high.

Indeed, it has been a spectacular turnaround in prices. Since the low back in March, prices have jumped over $2.60/kg or by over 40%.

And expect more to come. Lamb supplies are tight, and demand is strong, with both showing ongoing momentum in the direction of higher prices. Normally prices don't peak until well into the spring and we are only halfway through August. On this basis, you can anticipate that prices could test the $9.50/ kg mark over the next few months. Importantly, with that high tide water mark, expect prices this autumn to also set record highs relative to previous autumns.

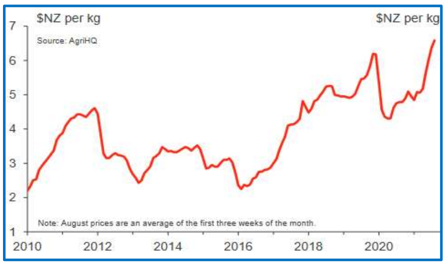
BEEF – BRONZE MEDAL



Farmgate beef prices are on an upward trend. However, they still are one or two steps behind sheep meat prices. P2 steer prices, for example, have jumped around $1.20/kg or 25% since January.

Beef prices are also still shy of the record highs set back in 2019. From here, you can expect beef price records to continue upwards. Demand is strong in China and US demand is rising as the US economic recovery gathers pace. Meanwhile, high grain prices are still crimping global beef supply. As a result, and over the remainder of 2021, you can expect beef prices to continue to lift and set record highs across most, if not all grades. Although, if anything, expectations are for prime cuts to outpace broader gains as more people get vaccinated in key markets and head back to restaurants, pubs and cafes.

MUTTON – GOLD MEDAL

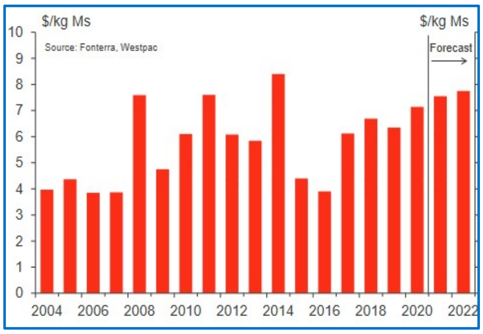


Mutton's star continues to shine brightly. August prices have set a fresh record high, after July prices had broken the previous record. Moreover, it has just dawned on us that mutton prices have surpassed beef prices in per kg terms.

Obviously, some beef cuts will still be higher, nonetheless, this fact is startling. You can expect this remarkable run to continue. Demand, in the key Chinese market remains firm. Meanwhile, the supply of competing proteins is tight. African Swine Fever remains an ongoing issue for the Chinese pork industry, while high feed costs are a challenge generally for all protein producers. In Oceania, the declining trend in sheep numbers continues to underpin prices. All up, you can expect prices to continue to rise and wouldn't rule out prices hitting $7.00/kg at some stage.

DAIRY UPDATE - AUCTION RESULTS

FARMGATE MILK PRICES



Since April, overall prices have fallen around 10%. That said, prices remain 24% up on year ago levels.

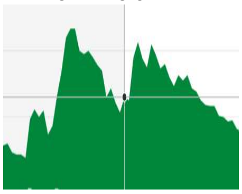
However, by-product prices were mixed. Key WMP prices slid by 3.8% (coincidentally the same fall as the previous auction) and are now down 12.4% over the last six auctions.

In contrast, other prices fared better. Butter prices jumped 3.8%, while skim milk powder and anhydrous milk fat prices both recorded gains in excess of 1%. All up, there were four price gains and three price falls out of the main products monitored. The result was weaker than expected. Prior to the auction, the futures market had predicted a circa 2% rise in WMP prices. The unexpected fall means that WMP prices have dropped to around US$3,600/MT after trading above US$4,000/MT as recently as June.

STOCKS TO WATCH NEW ZEALAND

Prices as at 19th August 2021

ALL GRAPHS ONE YEAR



Air New Zealand

Research: 13h August

Another delay to recapitalisation, with AIR now expecting to complete its capital raise in the first available window in the first quarter of CY2022 - a delay from previous guidance of "by 30 September 2021". Given the closure of the Trans-Tasman bubble, the ongoing spread of the Delta variant of COVID offshore and general operating uncertainty, Jarden thinks this deferral is unsurprising. By Q1 CY2022, vaccine roll out in NZ and Australia should be well advanced and, reflecting recent Government announcements, NZ may be approaching the point where borders reopen. Together these elements will likely provide a much more supportive backdrop to undertake the planned capital raise and provide greater certainty as to the size of the required equity component. Jarden estimates AIR will need to raise ~$1.2bn of new equity.

2021 P/E: (10.1) 2022 P/E: (9.8)

NZX Code:	**AIR**
Share Price:	**$1.44**
12mth Target:	**$0.90**
Projected return (%)	
Capital gain	-37.5%
Dividend yield (Net)	0.0%
Total return	**-37.5%**

Rating: SELL

52-week price range: 1.30-1.96

Auckland International Airport

Research: 20h August

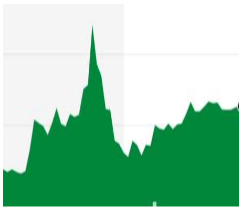
AIA delivered its first loss since listing in 20 years ago, with an underlying NPAT loss of -$41.8m, in line with guidance. This reflected the very tough operating environment for the company which saw international PAX decline by 93% YoY and domestic volumes fall by 17%. These lower passenger volumes drove material declines in aeronautical income (down 62% YoY and -78% vs. FY19) and retail income (-87% YoY / -94% vs. FY19), with AIA highlighting that $185m of contracted rent was abated last year. Unsurprisingly, no earnings guidance for FY22 was provided, but they did note that reflecting the current L4 lockdown, they expect total opex to be at the lower end of previous guidance of $160m-$175m.

2022 P/E: N.M. 2023 P/E: 83.4

NZX Code:	**AIA**
Share Price:	**$7.07**
12mth Target:	**$6.60**
Projected return (%)	
Capital gain	-6.6%
Dividend yield (Net)	0.0%
Total return	**-6.6%**

Rating: UNDERWEIGHT

52-week price range: 6.28-8.25



Contact Energy

Research: 17h August

Contact reported FY21 EBITDA of $553m, $106m up on pcp and c.$73m ahead of the normalised projection at the start of FY21. The 35.0cps dividend is in line with guidance. Considering FY21 normalised EBITDA of $480m, the FY22 normalised EBITDA "guidance" of c.$520m highlights an improved performance over FY21 and outlook for FY22. This was a positive update from CEN, with dividend conservatism possibly the only negative, in Jarden's view. They have raised their FY22 EBITDA estimate to take into account the rebound in lake levels and the good start to the year, with EBITDA estimate up from $505m to $533m. Jarden has lifted their 12m target price from $9.89 to $9.93 and keep their Buy rating.

2022 P/E: 38.7 2023 P/E: 46.9

NZX Code:	**CEN**
Share Price:	**$8.22**
12mth Target: ↑	**$9.93**
Projected return (%)	
Capital gain	20.8%
Dividend yield (Net)	4.4%
Total return	**25.2%**

Rating: BUY

52-week price range: 6.15-11.16

Ebos Group

Research 22nd July

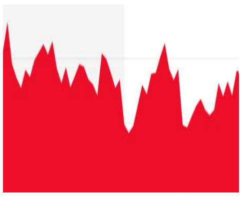
Healthcare and animal products company EBO has announced a record full-year earnings result, with underlying net profit after tax up 15.5% to $188.2m. Revenue exceeded $9 billion for the first time and was up 5%. The final dividend was 46 cents per share, bringing total dividends declared for the year to 88.5 cents per share (up 14.2%). EBO has a stake in the Animates retail chain, and says it has been a difficult environment in both divisions of its business.

2021 P/E: 26.9 2022 P/E: 24.3

NZX Code:	**EBO**
Share Price:	**NZ$32.40**
12mth Target: ↑	**NZ$35.00**
Projected return (%)	
Capital gain	8.0%
Dividend yield (Net)	2.6%
Total return	**10.6%**

Rating: OVERWEIGHT

52-week price range: 22.10-34.20



Fisher & Paykel Healthcare

Research 22nd July

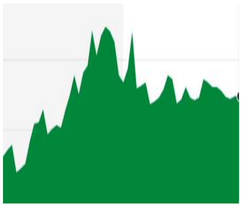
FPH has taken a conservative approach to its capital structure and dividend policy settings. As it's post-Covid operating environment becomes clearer and it is confident it has established appropriate manufacturing capacity buffer, and Jarden expects FPH to look at capital structure with a special dividend more likely than an increase in dividend payout, as the company continues to manage settings for what it views a very long-term growth opportunity and its desire to double revenue every 5-6 years

2022 P/E: 44.7 2023 P/E: 39.1

NZX Code:	**FPH**
Share Price:	**$33.65**
12mth Target:	**$34.00**
Projected return (%)	
Capital gain	1.0%
Dividend yield (Net)	1.5%
Total return	**2.5%**

Rating: OVERWEIGHT

52-week price range:27.10-37.89



Genesis Energy

Research: 2nd August

Genesis lost its arbitration process with Beach Energy (BPT.AX) in respect of a dispute relating to carbon liability under the terms of a long-term gas supply agreement. It was decided that the carbon liability for the gas supplied was with the buyer (Genesis) and not the producer (Beach). This means that Genesis has c.Z$53m of FY21 and back payments to CY18 negatively impacting FY21 EBITDA and an increased obligation of c.$20m p.a. for 3.5 further years. This has an c.11cps negative impact on our valuation, reducing Jarden's target price from $3.85 to $3.74. They keep their Overweight rating.

2021 P/E: 55.8 2022 P/E: 30.0

NZX Code:	**GNE**
Share Price:	**$3.39**
12mth Target: ↓	**$3.74**
Projected return (%)	
Capital gain	10.5%
Dividend yield (Net)	5.1%
Total return	**15.6%**

Rating: OVERWEIGHT

52-week price range:2.81-4.00

Fletcher Building

Research: 11th August

Ahead of FBU's FY21 result announcement on 18 August, Jarden sets out their house price and construction volume growth expectations for New Zealand. While they think volumes will continue at elevated levels, they expect house prices to fall in CY22, down 6%, followed by a further 3% decline into CY23. While they have reduced their FY23 onward forecasts, they have raised their FY21/22 estimates. Due to evidence that trading has been stronger than anticipated going into the FY21 result, Jarden has raised their FBU EBIT estimate to $678m, $13m ahead of FBU's guided range of $650m to $665m. They reduce their 12-month target price from $7.34 to $7.27.

2021 P/E: 21.3   2022 P/E: 15.1

NZX Code:	**FBU**
Share Price:	**$7.84**
12mth Target:	**$7.27**
Projected return (%)	
Capital gain	-6.4%
Dividend yield (Net)	3.6%
Total return	**-2.8%**
Rating: NEUTRAL	
52-week price range:3.35-7.99	

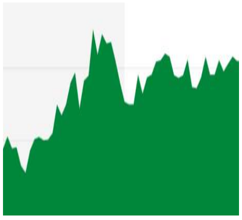
Freightways

Research: 24th August

FRE delivered a solid FY21 result, with revenue of $800.5m (+26.4% YoY), EBITDA of $187.6m (+29.6% YoY) and underlying NPAT of $72.7m. While this YoY growth is optically impressive, it reflects the annualisation of the acquisition of Big Chill Distribution, which completed in 4Q20. Normalising for this cycling of M&A, Jarden estimates group underlying revenue and EBITDA grew by 13% and 16%, respectively, albeit against a COVID impacted PCP. Given the ongoing COVID disruption, particularly in the Australian Information Management business, this is a solid result..

2022 P/E: 29.7   2023 P/E: 23.9

NZX Code:	**FRE**
Share Price:	**$13.00**
12mth Target: ↑	**$13.00**
Projected return (%)	
Capital gain	0.0%
Dividend yield (Net)	3.0%
Total return	**3.0%**
Rating: NEUTRAL	
52-week price range:44.80-88.00	



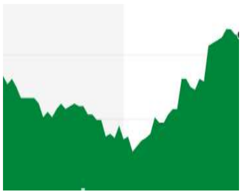
Mercury NZ

Research: 17th August

MCY reported FY21 EBITDA of $463m, well below a normalised level for hydro of c.$520m but in line with the recent guidance downgrade (9 June) to $460m. Dividend of 17.0cps, up 7.6% on pcp, was in line with expectations. The surprise of the result was the acceleration in the dividend guidance to 20.0cps for FY22. FY22 EBITDA guided to $590m, positive momentum but c.$20m lower than Jarden's adjusted expectation. They have reduced their FY22 estimate from $633m to $606m, ahead of guidance due mainly to consolidating six months of the pending TPW retail acquisition that management is yet to incorporate. Due to reduced earnings relative to prior expectations, Jarden reduced their target price from $7.21 to $7.08.

2022 P/E: 59.3   2023 P/E: 46.1

NZX Code:	**MCY**
Share Price:	**$6.80**
12mth Target: ↓	**$7.08**
Projected return (%)	
Capital gain	4.1%
Dividend yield (Net)	3.0%
Total return	**7.1%**
Rating: OVERWEIGHT	
52-week price range:4.66-7.60	



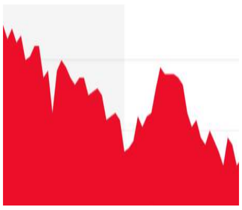
NZ Refining

Research: 20th August

NZR reported $41.5m 1H21 EBITDA (Jarden est. $3.4mn). This result mainly reflects the benefits of ongoing fee floor revenue protection and reduced costs under its simplified operating model. 1H21 EBITDA also includes $7.4m one-off gains from cashing-out a portion of NZR's defined benefit and medical plan obligations. Net debt was $230.1m, demonstrating NZR has successfully maintained cash neutral operation. Management expects cash neutral operation to continue until/if import terminal conversion begins.

2022 P/E: (13.0)   2023 P/E: (11.8)

NZX Code:	**NZR**
Share Price:	**$0.83**
12mth Target:	**$1.05**
Projected return (%)	
Capital gain	26.5%
Dividend yield (Net)	0.0%
Total return	**10.8%**
Rating: BUY	
52-week price range: 1.39-1.84	



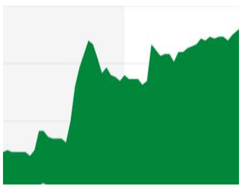
NZ King Salmon

Research: 30th July

NZK has provided maiden FY22 EBITDA guidance of $8-10m, -42% versus Jarden's estimate and -54% versus Thomson Reuters consensus at the midpoint. Single-site farm delivering a double whammy - The single-site year class (began September 2019) has had an adverse effect on fish performance, with both a higher mortality rate and smaller sized fish. The financial impact of this is now being felt in 1H22, due to the 18-24-month fish cycle as this year class is harvested. Higher mortality increases fish costs (e.g. lost feed costs).

2022 P/E: -140.5   2023 P/E: 29.4

NZX Code:	**NZK**
Share Price:	**$1.40**
12mth Target:	**$1.55**
Projected return (%)	
Capital gain	10.7%
Dividend yield (Net)	0.9%
Total return	**11.6%**
Rating: OVERWEIGHT	
52-week price range: 1.39-1.84	



Pacific Edge

Research: 30th July

PEB has provided a 1Q22 volume update, which, while solid, shows the effects of COVID continue to create disruption. Total 1Q22 volume throughput/cash receipts were +9%/+21% on 4Q21. Positive but run-rate moderating slightly. The 1Q22 monthly volume run-rate of 1,785 has moderated from the record March 2021 exit run-rate of 2,084, though this is still pleasingly up on the 11m average over April 2020 to February 2021 of 1,248.

2022P/E: (69.2)   2023 P/E: 156.2

NZX Code:	**PEB**
Share Price:	**$1.27**
12mth Target:	**$1.40**
Projected return (%)	
Capital gain	10.2%
Dividend yield (Net)	0.0%
Total return	**10.28%**
Rating: OVERWEIGHT	
52-week price range: 0.62-1.30	

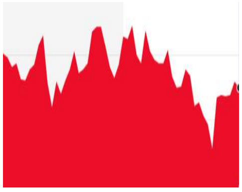
PGG Wrightson

Research: 17th August

Revenue was up +6% and EBITDA up +8%, broadly in line with JARDe. PGW attributed the majority of growth to market share gains in both the Rural and Fruitfed Supplies businesses, with new customers shifting to PGW for its value-added technical offering and advice. PGW remains confident on future growth from further market share gains, horticulture industry investment (noting horticulture land is the highest profit/Ha for PGW) and expanding its product range. Offsetting this is supply-chain disruption, making it difficult to import source input products, and cost pressures likely from FY22 via employee expenses (limited change in FY21) and corporate activity such as Fieldays and conferences. YTD22 indicators (e.g. fertiliser demand) are positive but this could all change with usual agri-related risk such as spring frosts.

2022 P/E: 18.3   2023 P/E: 17.5

NZX Code:	**PGW**
Share Price:	**$3.60**
12mth Target: ↑	**$3.45**
Projected return (%)	
Capital gain	-4.2%
Dividend yield (Net)	4.9%
Total return	**0.7%**
Rating: UNDERWEIGHT	
52-week price range: 2.60-3.79	



Port of Tauranga

POT will report its FY21 result on 27th August. Expect a relatively strong result, with increases in logs and containers. More bigger container ships will likely see less total ship numbers. POT continues to compete strongly with an "in trouble" Ports of Auckland. New CEO Leonard Sampson has seamlessly replaced Mark Cairns from 1st July.

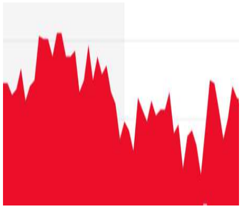
I still say - Maintain POT as a CORE holding. Jarden continues to rate POT a SELL.

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

NZX Code:	**POT**
Share Price:	**$7.25**
Jarden's 12mth Target:	**$5.70**
Projected return (%)	
Capital gain	-21.4%
Dividend yield (Net)	1.6%
Total return	**-19.8%**

My Rating: MAINTAIN

52-week price range: 6.65-7.83



Precinct Properties

Research: 13th August

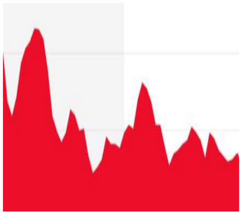
Jarden believes PCT is well placed for growth and the company made clear its intent to do so, including a potential broadening of the scope of its activities and utilisation of outside capital. PCT noted that it was looking at a lot of opportunities - likely city-centre residential development (more likely build to sell) and more large-scale waterfront development. With a strong presence and track record established, as well as large opportunities, PCT outlined plans to reduce capital intensity through the access of third-party capital for passive funds management and development partnerships. Jarden sees potential for PCT to act on this intent over the next 12-18 months. The company reiterated its June capital raise guidance for FY22F AFFO/ dividend of 6.7 cps.

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

NZX Code:	**PCT**
Share Price:	**$1.67**
12mth Target:	**$1.64**
Projected return (%)	
Capital gain	-1.8%
Dividend yield (Net)	4.0%
Total return	**2.2%**

Rating: OVERWEIGHT

52-week price range: 1.54-1.83



Pushpay Holdings

Research: 24th August

PPH has entered into an agreement to acquire Resi Media, a live streaming provider to the US faith sector, with its product used by 70% of the largest 100 churches in the US. The acquisition price of US$150m represents 8.8x FY21 Revenue and will be paid for with the issue of US$40m of scrip (issue price of NZ$1.66 per PPH share) and US$110m of cash, funded by existing cash and debt (US$90m). Significant customer growth in Resi, +314% to 3.4k at FY21 Y/E with Revenue up 102% y/y. Resi's FY21 revenue was ~60% derived from software subscriptions and 40% from hardware sales. However, the SaaS component as a proportion is increasing. The business was founded in 2016 and has 124 employees, with a growing customer exposure outside of the faith segment.

2022 P/E: 28.7 2023 P/E: 25.3

NZX Code:	**PPH**
Share Price:	**$1.67**
12mth Target: ↑	**$2.24**
Projected return (%)	
Capital gain	33.3%
Dividend yield (Net)	0.0%
Total return	**33.3%**

Rating: BUY

52-week price range1.52-2.40

Skellerup Holdings

Research: 20th August

Record performances across both divisions demonstrate quality. The FY21 results were strong across all sectors. The quality of this growth was impressive, coming in multiple forms from market share gains, existing and new customers, new product ranges and process improvements. This was achieved in a period when there was a trifecta of challenges coming from raw material costs, freight costs and a stronger NZD, with SKL navigating all three. As a testament to the repeatability and customer loyalty, 15/20 of the top customers in FY21 were the same as in FY17 (also showing how SKL grows with its customers), with the three largest in Agri/Industrial accounting for 35% & 10% of FY21 sales. Furthermore, 10% of sales over the past two years came from new products (700+ new products).

2022 P/E: 24.0 2023 P/E: 20.7

NZX Code:	**SKL**
Share Price:	**$5.50**
12mth Target: ↑	**$5.70**
Projected return (%)	
Capital gain	3.6%
Dividend yield (Net)	3.5%
Total return	**7.1%**

Rating: OVERWEIGHT

52-week price range: 2.48-5.50

Vital Healthcare

Research: 19th July

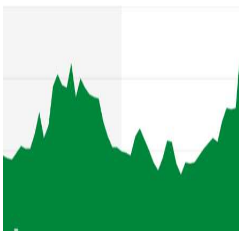
An increase in base management fees and allowance for slightly higher capex and leasing sees Jarden's AFFO forecasts down 5% over FY22-FY24F. Notwithstanding that, VHP delivered on expectations for a reasonable step up in dividend with it committing to FY22F dividend guidance of 9.5cps. VHP highlighted some changes in the development pipeline that reduces the development outlook over FY22F, with Jarden's forecast development capex reducing from $114m to $82m in FY22F. Work to complete on projects underway is currently down to $136m from $202m at FY

2021 P/E: 44.1 2022 P/E: 31.1

NZX Code:	**VHP**
Share Price:	**$3.27**
12mth Target:	**$2.64**
Projected return (%)	
Capital gain	21.1%
Dividend yield (Net)	3.1%
Total return	**24.2%**

Rating: UNDERWEIGHT

52-week price range2.79-3.38



Z Energy

Research: 24th August

ZEL has received a non-binding indicative proposal from Ampol (Not Covered) to acquire ZEL at an offer price of $3.78 per share. This offer needs to be adjusted for the time it takes for the Commerce Commission and the New Zealand Overseas Investment Office to go through their deliberations. Investors would only get a dividend if the deal isn't concluded before 31-Mar-22, and then, if after that date, only to a maximum 10cps. So, if the deal is agreed at $3.78 and takes seven months to conclude, Jarden estimates investors would lose seven months of equity return (7.95%), hence a spot offer of c.$3.61. Jarden has adjusted earnings and target price for developments since the FY21 result. They have raised their 12-month target price to $3.76 from NZ$3.65, and downgraded their Buy rating to Overweight.

2022 P/E: N.M. 2023 P/E: 24.8

NZX Code:	**ZEL**
Share Price:	**$3.00**
12mth Target:	**$3.65**
Projected return (%)	
Capital gain	21.7%
Dividend yield (Net)	5.5%
Total return	**27.2%**

Rating: OVERWEIGHT

52-week price range: 2.52-3.42

JARDEN'S NZ LISTED COMPANIES GROSS DIVIDEND YIELD AS AT 19TH AUGUST 2021

COMPANY	RATING	PRICE (NZ$)	GROSS DIVIDEND YIELD FY-1	FY0	FY1	FY2	DIVIDEND COVER FY-1	FY0	FY1	FY2	NET DEBT/ EQUITY CURRENT
The Warehouse Group	N	$3.55		12.4%	6.4%	6.4%		1.4	1.4	1.4	-26.9%
Seeka	N	$5.02	6.1%	10.0%	4.2%	7.1%	0.4	0.7	2.0	1.5	50.7%
Z Energy	B	$2.96	6.5%	9.4%	10.7%	11.5%	0.0	0.5	0.7	0.7	83.9%
Asset Plus	O	$0.33	8.2%	8.2%	8.2%	8.7%	1.2	0.7	0.6	1.4	19.7%
Michael Hill	B	$0.84	2.6%	7.9%	10.6%	10.6%	1.5	2.7	1.4	1.5	-36.7%
Metro Performance Glass	B	$0.46		7.9%	9.7%	10.8%		1.4	1.7	1.7	42.5%
My Food Bag	B	$1.30		7.4%	8.1%	9.0%		1.2	1.3	1.3	26.3%
Spark	B	$4.73	7.1%	7.4%	7.4%	7.4%	0.9	0.9	0.9	1.0	83.8%
NZME	B	$0.97		7.2%	7.9%	9.3%		2.6	2.5	2.0	6.9%
Kiwi Property Group	O	$1.12	6.9%	7.0%	7.5%	7.5%	1.3	1.2	1.2	1.2	31.8%
Genesis Energy	O	$3.31	6.8%	6.9%	6.9%	7.1%	0.3	0.4	0.6	0.7	61.2%
Heartland Group	B	$2.10	4.6%	6.9%	7.2%	7.6%	2.0	1.4	1.4	1.4	631.6%
Turners	B	$4.29	6.5%	6.9%	7.5%	7.9%	1.4	1.5	1.5	1.5	163.8%
PGG Wrightson	U	$3.60	10.8%	6.8%	7.1%	7.4%	0.8	1.1	1.1	1.1	20.0%
Argosy Property	N	$1.59	6.1%	6.1%	6.1%	6.1%	1.3	1.2	1.2	1.2	48.5%
Precinct Properties	O	$1.61	6.0%	6.1%	6.4%	6.7%	1.0	1.1	1.1	1.2	46.0%
Stride	N	$2.47	6.0%	6.1%	6.3%	6.4%	1.2	1.1	1.2	1.1	38.5%
Scales Corporation	B	$4.35	6.1%	6.1%	6.4%	6.7%	1.0	0.9	1.2	1.2	-28.0%
Investore Property	N	$1.98	5.7%	6.0%	6.0%	6.3%	1.1	1.1	1.2	1.2	37.7%
Trustpower	U	$8.07	5.3%	5.6%	5.6%	5.6%	0.8	0.8	0.7	0.8	68.7%
Contact Energy	B	$8.05	5.3%	5.5%	5.5%	5.8%	0.7	0.6	0.5	0.5	23.3%
Chorus	U	$6.40	5.3%	5.4%	5.6%	6.0%	0.5	0.6	0.5	0.4	275.7%
Kathmandu	B	$1.32		5.3%	8.5%	9.9%		1.2	1.3	1.1	-4.0%
Fletcher Building	N	$7.75		5.0%	5.4%	6.1%		1.3	1.7	1.5	10.1%
NZX	U	$1.80	4.7%	4.7%	4.9%	5.0%	1.0	1.0	1.1	1.0	21.1%
Vector	S	$4.00	4.8%	4.5%	4.5%	4.5%	0.7	0.9	0.8	0.8	148.0%
Vital Healthcare	U	$3.22	4.0%	4.5%	4.6%	5.2%	1.3	1.3	1.3	1.2	62.0%
Meridian Energy	N	$4.98	4.9%	4.4%	4.5%	4.6%	0.6	0.5	0.6	0.6	30.2%
Fonterra	N	$3.77	1.3%	4.2%	3.7%	5.0%	4.7	2.0	2.0	2.0	59.6%
Property For Industry	U	$2.89	4.0%	4.2%	4.2%	4.3%	1.2	1.3	1.2	1.3	35.3%
Mercury	O	$6.65	3.6%	3.9%	4.3%	4.7%	0.6	0.6	0.7	0.6	33.8%
Skellerup	O	$5.28	3.1%	3.8%	4.3%	4.7%	1.1	1.2	1.2	1.2	10.5%
Freightways	N	$12.54	1.7%	3.5%	4.9%	5.1%	2.3	1.4	1.1	1.1	51.0%
Arvida	U	$2.00	2.6%	3.4%	3.8%	4.6%	1.8	1.8	2.0	2.0	47.0%
Steel and Tube	U	$1.13		3.3%	4.6%	4.7%		1.5	1.4	1.4	-13.1%
Goodman Property	U	$2.52	3.1%	3.3%	3.4%	3.9%	1.3	1.3	1.3	1.2	24.9%
Oceania Healthcare	B	$1.44	2.3%	3.0%	3.7%	4.3%	1.7	2.0	2.0	2.0	41.4%
Ebos	O	$31.40	2.5%	3.0%	3.3%	3.6%	1.4	1.4	1.4	1.4	21.6%
Infratil	O	$7.16	2.8%	2.8%	2.9%	3.1%	-1.2	0.4	0.5	0.3	144.0%
AFT Pharmaceuticals	O	$4.41		2.4%	6.1%	6.7%		2.0	1.3	1.3	55.7%
Port of Tauranga	S	$7.04	2.5%	2.2%	2.5%	2.6%	1.1	1.2	1.3	1.2	41.7%
Sky City	O	$3.10	4.4%	2.2%	4.4%	6.7%	1.0	2.3	1.5	1.3	32.9%
Ryman Healthcare	S	$14.21	1.6%	2.1%	2.4%	2.9%	2.0	2.0	2.0	2.0	69.0%
Comvita	N	$3.30		2.1%	2.5%	3.8%		2.8	2.8	2.3	4.0%
Fisher & Paykel Healthcare	O	$32.46	1.7%	1.9%	2.2%	2.6%	2.4	1.5	1.5	1.5	-12.7%
Delegat's Group	N	$13.35	1.8%	1.8%	1.8%	2.1%	3.5	3.6	3.3	3.3	53.9%
Mainfreight	O	$83.00	1.3%	1.7%	1.9%	2.5%	2.5	2.4	2.4	1.9	6.1%
Summerset	O	$12.86	1.0%	1.4%	1.6%	1.9%	3.4	3.4	3.3	3.3	49.3%
Auckland Airport	U	$7.05				1.4%				1.3	22.8%
Air New Zealand	S	$1.44	10.7%				-0.5				106.6%
a2 Milk	U	$6.72									-47.8%
Eroad	-	$6.15									4.0%
Gentrack	N	$2.04									-10.2%
New Zealand King Salmon	O	$1.46			1.1%	2.5%			4.0	4.0	16.7%
New Zealand Refining Company	B	$0.83				22.4%				0.4	41.5%
Pacific Edge	O	$1.21				2.6%				2.9	-69.4%
Pushpay	B	$1.61			1.0%	2.1%			2.0	1.3	-5.1%
Restaurant Brands	N	$15.00									39.5%
Sanford	S	$4.80	1.4%		1.4%	2.9%	4.5		4.6	3.1	27.5%
Serko	N	$7.00									-52.6%
Sky Network Television	U	$0.16				4.4%				1.8	-19.5%
Synlait	U	$3.49									68.6%
Tourism Holdings	B	$2.31	6.0%		1.7%	8.4%	1.4		1.0	1.3	27.5%
Tilt	R	$8.01									
Vista Group	B	$2.27									-32.6%
MEDIAN			**2.5%**	**3.5%**	**4.3%**	**4.7%**	**1.2**	**1.2**	**1.3**	**1.3**	**33.4%**

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

SOURCE: Jarden

JARDEN'S NEW ZEALAND EQUITY RECOMMENDATIONS AUGUST 2021

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

JARDEN'S AUSTRALIAN'S COMPANY NET DIVIDEND YIELD **AS AT 19TH AUGUST 2021**

COMPANY	RATING	PRICE (AU$)	DIVIDEND YIELD				DIVIDEND COVER			
			FY-1	FY0	FY1	FY2	FY-1	FY0	FY1	FY2
ALS Limited	O	$12.67	180.0%	240.0%	270.0%	300.0%	1.7	1.7	1.7	1.6
Cleanaway Waste Management Limited	B	$2.52	160.0%	190.0%	220.0%	260.0%	1.8	1.7	1.7	1.7
QUBE Holdings Limited	B	$3.04	170.0%	180.0%	200.0%	240.0%	1.2	1.3	1.3	1.2
Super Retail Group Limited	U	$13.13	1.5%	7.2%	4.2%	3.9%	3.8	1.6	1.5	1.5
Centuria Office REIT	N	$2.45	6.7%	6.8%	6.9%	7.0%	1.2	1.1	1.1	1.1
Aurizon Holdings Limited	N	$4.01	7.2%	6.8%	6.8%	4.4%	1.0	1.0	1.0	1.0
Harvey Norman Holdings Limited	U	$5.82	4.1%	6.6%	5.1%	5.1%	1.5	1.6	1.4	1.4
Charter Hall Retail REIT	O	$3.74	6.3%	6.3%	7.0%	7.3%	1.2	1.2	1.1	1.1
Charter Hall Long Wale REIT	B	$5.11	5.7%	6.0%	6.2%	6.5%	1.0	1.0	1.0	1.0
Platinum Asset Management Limited	U	$4.17	5.8%	5.8%	4.9%	4.6%	1.1	1.2	1.2	1.2
Accent Group Limited	O	$2.36	3.9%	5.8%	5.1%	5.6%	1.1	1.2	1.2	1.2
Suncorp Group Limited	O	$12.33	6.0%	5.7%	5.8%	5.9%	1.1	1.1	1.2	1.2
Scentre Group	O	$2.53	2.8%	5.7%	6.1%	6.4%	2.1	1.4	1.4	1.4
Stockland Corporation Limited	U	$4.56	5.3%	5.4%	5.8%	5.9%	1.4	1.4	1.4	1.4
Nick Scali Limited	U	$12.09	3.9%	5.4%	5.2%	4.2%	1.1	1.6	1.3	1.2
Aventus Group Limited	U	$3.18	3.7%	5.3%	5.7%	5.9%	1.5	1.2	1.1	1.1
Autosports Group Limited	O	$2.39		5.3%	5.7%	5.3%		2.1	1.7	1.7
Vicinity Centres	U	$1.57	4.9%	5.2%	7.0%	7.8%	1.8	1.5	1.3	1.3
SCA Property Group	O	$2.62	4.7%	5.2%	6.0%	6.3%	1.2	1.2	1.1	1.1
GPT Group	N	$4.77	4.7%	5.2%	5.8%	6.0%	1.3	1.2	1.2	1.2
Abacus Property Group	O	$3.25	5.7%	5.2%	5.7%	6.0%	1.0	1.0	1.0	1.0
Magellan Financial Group Limited	N	$46.20	4.6%	5.1%	5.4%	5.1%	1.1	1.1	1.2	1.2
Dexus	O	$10.53	4.9%	5.0%	5.1%	5.3%	1.3	1.3	1.3	1.3
Pendal Group Limited	B	$8.18	4.5%	4.9%	6.2%	6.8%	1.1	1.1	1.1	1.1
Charter Hall Social Infrastructure	O	$3.58	5.5%	4.7%	5.0%	5.3%	0.8	1.0	1.0	1.0
Atlas Arteria Limited	O	$6.18	1.8%	4.7%	6.1%	6.9%	-0.5	0.9	1.0	1.2
Eagers Automotive Limited	O	$15.69	1.6%	4.6%	3.9%	3.8%	2.3	1.4	1.4	1.4
BWP Trust	S	$4.00	4.6%	4.6%	4.7%	4.8%	1.0	1.0	1.0	1.0
Metcash Limited	O	$4.19	4.2%	4.5%	4.8%	4.9%	1.4	1.4	1.4	1.4
Centuria Industrial REIT	B	$3.88	4.8%	4.4%	4.5%	4.6%	1.0	1.0	1.1	1.1
Perpetual Limited	O	$39.47	3.9%	4.3%	5.9%	5.4%	1.3	1.3	1.2	1.2
Insurance Australia Group Limited	B	$5.31	3.8%	4.3%	5.1%	5.1%	1.6	1.3	1.2	1.3
Beacon Lighting Group Limited	O	$1.88	2.7%	4.3%	4.0%	3.6%	1.9	2.0	1.6	1.7
IPH Limited	B	$8.24	4.4%	4.2%	4.6%	5.0%	1.0	1.0	1.0	1.0
JB Hi-Fi Limited	U	$50.51	5.7%	4.0%	3.7%	3.8%	1.5	1.5	1.5	1.5
Arena REIT	O	$3.94	3.8%	4.0%	4.3%	4.6%	1.0	1.0	1.0	1.0
National Storage REIT	N	$2.22	3.6%	3.7%	4.0%	4.2%	1.0	1.0	1.0	1.1
Transurban Group Limited	N	$13.54	2.7%	3.6%	4.3%	4.4%	-0.3	0.1	0.3	0.4
Medibank Private Limited	N	$3.54	3.4%	3.6%	3.6%	3.8%	1.0	1.3	1.2	1.2
Woodside Petroleum Limited	N	$20.73	1.8%	3.4%	3.5%	3.1%	1.2	1.7	2.0	2.0
Nib Holdings Limited	N	$7.67	1.8%	3.4%	2.9%	3.0%	1.4	1.4	1.4	1.4
Mirvac Group	O	$3.00	3.3%	3.4%	3.6%	3.7%	1.4	1.5	1.5	1.5
Coles Group Limited	N	$18.33	3.1%	3.4%	3.4%	3.5%	1.3	1.3	1.2	1.2
Centuria Capital Group Limited	O	$3.24	3.1%	3.4%	3.6%	3.8%	1.2	1.2	1.3	1.3
Challenger Limited	N	$6.23	3.2%	3.3%	3.6%	3.1%	1.7	1.9	1.9	2.4
Sonic Healthcare Limited	N	$41.82	2.0%	2.9%	2.5%	2.4%	1.3	2.2	1.5	1.5
Homeco Daily Needs REIT	B	$1.45		2.9%	5.5%	5.7%		0.9	1.1	1.0
Computershare Limited	O	$16.03	2.9%	2.9%	2.9%	3.1%	1.1	1.1	1.4	1.5
Healius Limited	O	$5.14	0.5%	2.8%	2.6%	2.3%	3.4	1.8	1.7	1.7
Class Limited	B	$1.78	2.8%	2.8%	3.4%	3.4%	1.3	1.3	1.3	1.4
ASX Limited	U	$81.39	2.9%	2.7%	2.8%	3.0%	1.1	1.1	1.1	1.1
Endeavour Group Limited	U	$7.28		2.6%	2.7%	3.0%		1.4	1.4	1.4
Costa Group Holdings Limited	O	$3.31	2.7%	2.6%	3.6%	3.8%	1.7	1.7	1.9	1.9
Woolworths Group Limited	O	$41.19	2.3%	2.5%	2.3%	2.5%	1.3	1.4	1.4	1.4
Wesfarmers Limited	O	$65.56	2.6%	2.5%	2.5%	2.7%	1.1	1.2	1.2	1.2
Premier Investments Limited	O	$27.33	1.3%	2.5%	2.9%	0.0%	2.5	2.4	1.7	1.7
Collins Foods Limited	B	$11.02	2.1%	2.4%	2.7%	3.3%	1.7	1.8	1.7	1.7
Charter Hall Group	B	$16.62	2.1%	2.3%	2.4%	2.6%	1.9	1.5	1.7	1.7
Bravura Solutions Limited	U	$3.80	2.9%	2.3%	2.6%	2.8%	1.5	1.5	1.4	1.4
Brambles Limited	O	$12.00	2.0%	2.2%	2.4%	2.5%	1.5	1.5	1.5	1.4
Treasury Wine Estates Limited	U	$12.58	2.2%	2.1%	2.5%	2.8%	1.4	1.5	1.5	1.5
Integral Diagnostics Limited	O	$5.20	1.8%	2.1%	2.4%	2.8%	1.7	1.9	1.7	1.7
Home Consortium Limited	O	$5.70	2.1%	2.1%	2.5%	2.8%	0.4	1.1	1.2	1.2
Lovisa Holdings Limited	U	$16.20	0.9%	1.9%	1.9%	1.9%	1.0	0.9	1.5	1.9
Beach Energy Limited	O	$1.03	1.9%	1.9%	1.9%	1.9%	8.0	9.0	7.2	9.2
Oil Search Limited	N	$3.80	0.1%	1.8%	2.1%	2.1%	2.2	2.7	2.7	2.6
Santos Limited	O	$6.16	1.2%	1.6%	2.4%	1.3%	1.9	3.2	2.4	3.3
Ramsay Health Care Limited	B	$68.82	0.9%	1.6%	2.1%	2.4%	2.5	1.8	1.8	1.8
Kogan.com Limited	U	$11.71	1.8%	1.4%	2.0%	2.7%	1.4	2.0	1.2	1.2
Regis Healthcare Limited	O	$1.99	2.0%	1.3%	3.8%	4.0%	1.8	1.8	1.0	1.0
Goodman Group	U	$22.38	1.3%	1.3%	1.5%	1.6%	2.2	2.5	2.5	2.5
Dominos Pizza Enterprises Limited	O	$126.97	0.9%	1.3%	1.5%	1.7%	1.4	1.3	1.3	1.3
Senex Energy Limited	B	$3.08		1.1%	2.3%	3.1%		1.6	2.6	2.2
Cochlear Limited	O	$251.31	0.6%	1.0%	1.3%	1.5%	1.6	1.5	1.4	1.4
REA Group Limited	O	$151.02	0.9%	0.9%	1.2%	1.5%	1.9	1.9	1.9	1.9
Domain Holdings Australia Limited	O	$4.89	0.8%	0.9%	1.1%	1.5%	1.5	2.0	2.0	2.0
Altium Limited	U	$34.98	0.9%	0.8%	0.7%	0.9%	0.6	0.9	1.2	1.2
Resmed Incorporated	O	$38.17	0.6%	0.7%	0.8%	0.9%	3.4	3.5	3.5	3.5
IDP Education Limited	O	$27.11	0.6%	0.5%	1.0%	1.6%	1.6	1.4	1.5	1.4
Estia Health Limited	B	$2.34	2.3%	0.4%	4.3%	5.3%	1.9	1.6	1.0	1.0
City Chic Collective Limited	O	$5.06		0.3%	1.0%	1.2%		6.9	2.9	2.8
Wisetech Global Limited	O	$34.33	0.1%	0.2%	0.2%	0.3%	6.1	5.5	5.4	5.3
Adairs Limited	B	$3.82	0.0%	0.1%	0.1%	0.1%	2.1	1.6	1.7	1.6
QBE Insurance Group Limited	B	$12.45	0.0%	0.0%	0.0%	0.0%	-15.2	1.3	1.1	1.1
CSL Limited	O	$297.94	0.0%	0.0%	0.0%	0.0%	2.3	3.2	2.2	2.2
ZIP Co Limited	O	$7.11								
Xero Limited	B	$142.11								
Uniti Group Limited	B	$3.80								
The Reject Shop Limited	B	$4.96				5.2%				1.9

FOCUS LIST PURPOSE AND CONSTRUCTION

The Focus List is not designed to represent an Australian share portfolio and therefore should not be treated or construed as a portfolio. The key reason is that diversification is not taken into account, with the stocks being selected individually, and no consideration being given to the other stocks on the Focus List. Hence, the stocks on the Focus List could become highly concentrated in a particular sector or provide exposure to a narrow theme which is attractive at the time. An investor with a very high-risk tolerance and probably a short-term time horizon may be quite comfortable with a portfolio which comprises the current Focus List. However, the average equity investor and those with a different tolerance to risk, time horizon and financial circumstances probably would not.

The performance horizon for the stocks selected is short – that is, three to six months. Individual stocks may be on the Focus List for slightly shorter or longer periods. The Focus List should therefore generally only be used as a source of ideas for potential inclusion in an existing portfolio. Clients who actively trade stocks may be interested in the investment ideas which are presented on a monthly basis.

HOW ARE STOCKS SELECTED?

A quantitative screen based off three-month earnings momentum, three-month price momentum and return on equity provides an initial ranking for all the ASX200 Australian stocks. Recent research on the potential stocks is then reviewed and the stock valuation relative to the Australian market is examined.

To make sure that the stocks selected for the Focus List are value-adding, cumulative performance relative to the S&P/ASX100 Accumulation Index on an equally weighted basis will be monitored. Cumulative performance can be extremely volatile. Cumulative performance since inception (8 November 2013) of the Focus List is currently ahead of the Australian equity market (as measured by the S&P/ASX100 Accumulation Index) by 2.9%pa.

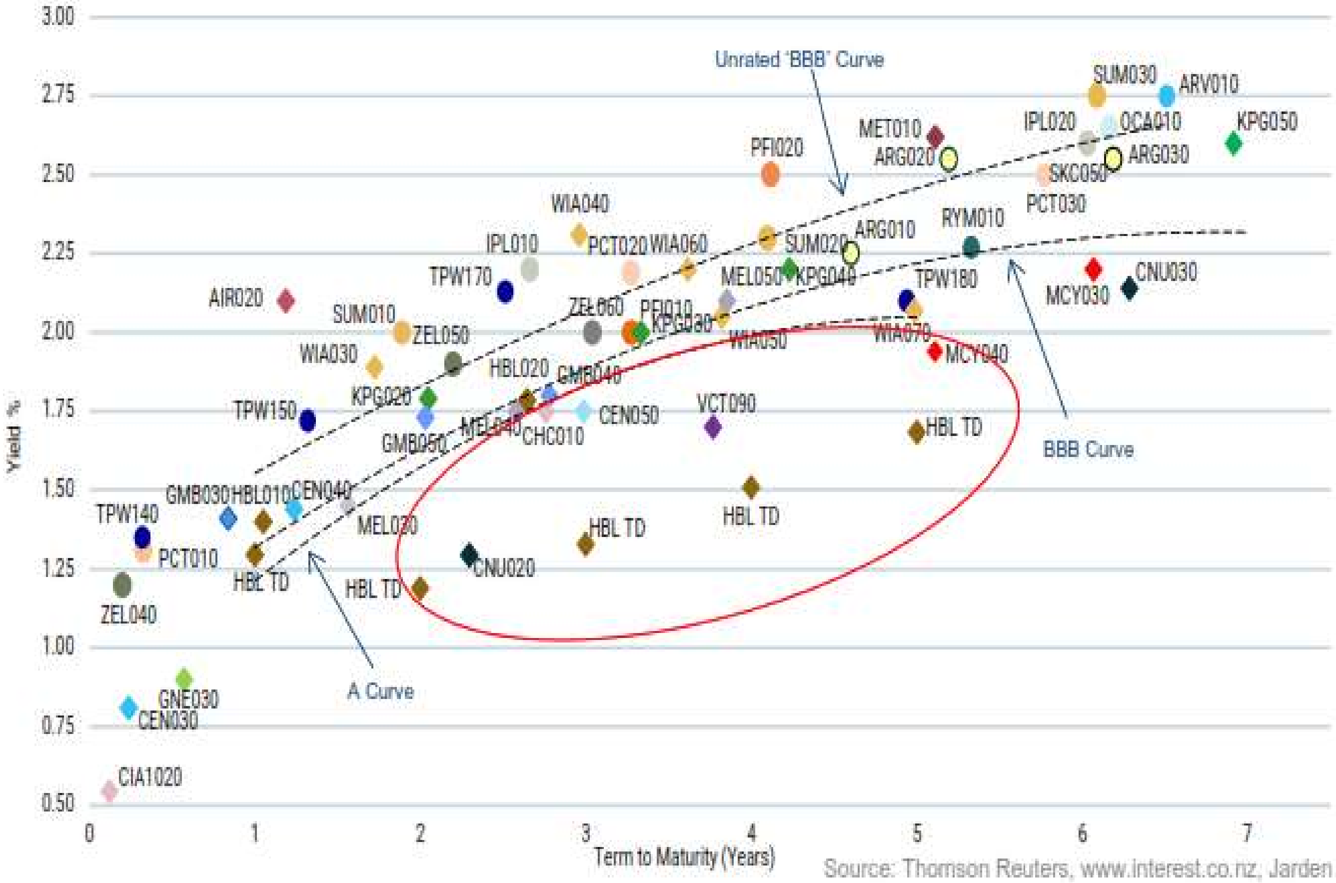
RECENTLY ADDED

IOOF HOLDINGS (IFL.AU)

IOOF screens well on our quantitative screen, driven by strong momentum and an undemanding valuation in both an absolute and relative sense. IOOF is now one of the larger providers of financial advice in Australia. While the industry has been through considerable regulatory change in recent years, it continues to be supported by long dated tailwinds including increasing per capita wealth, an aging population and mandated superannuation employee contributions that are expected to rise from 9.5% of gross salary, to 12.0% over the next few years. There is a large opportunity for an independent financial services firm such as IOOF to deliver advice in a holistic, trusted and low-cost manner.

Index / Stock Name	Stock Code	Current Price $	Gross Stock Performance %			
			Fortnight	Month	Quarter	Year
ASX100 Index	ASX100	21,686	0.9	2.6	7.4	28.1
Amcor	AMC	16.62	5.7	6.7	6.1	10.0
ANZ Banking Group	ANZ	28.42	1.5	3.6	4.1	62.8
Aristocrat Leisure	ALL	42.01	1.1	-0.8	8.3	53.8
BHP	BHP	51.33	-3.1	-1.0	3.5	34.0
Cimic	CIM	20.73	0.9	7.8	3.3	-7.2
IOOF Holdings	IFL	4.65	8.6	7.1	28.1	16.9
James Hardie	JHX	51.26	11.1	12.0	21.8	67.0
QBE Insurance	QBE	12.45	13.3	16.1	19.1	16.3
Resmed	RMD	38.17	5.0	13.3	51.2	55.7
Seek	SEK	30.31	1.2	-4.1	6.0	59.2
United Malt Group	UMG	4.62	2.0	0.0	4.7	19.1
Wisetech	WTC	34.33	6.5	12.2	33.4	76.5
Xero	XRO	142.11	-0.8	3.6	19.7	54.6

Stock Code	Date Added to Focus List	Price When Added to Focus List $	ASX 100 Index When Added	Return Since Added to Focus List	Index Return Since Added	Over / (Under) Performance
AMC	13/05/2020	14.39	15,062	21.1%	44.0%	-22.9%
ANZ	16/12/2020	23.55	18,805	23.7%	15.3%	8.3%
ALL	2/04/2019	25.50	16,584	67.1%	30.8%	36.3%
BHP	24/06/2020	35.90	16,580	48.7%	30.8%	17.9%
CIM	24/06/2020	24.28	16,580	-12.1%	30.8%	-42.9%
IFL	17/08/2021	4.65	21,686	0.0%	0.0%	0.0%
JHX	3/09/2019	22.75	17,879	125.8%	21.3%	104.5%
QBE	12/07/2021	10.65	21,113	16.9%	2.7%	14.2%
RMD	20/05/2019	16.35	17,349	135.1%	25.0%	110.1%
SEK	15/06/2021	32.21	21,209	-5.9%	2.3%	-8.1%
UMG	12/07/2021	4.44	21,113	4.1%	2.7%	1.3%
WTC	14/08/2020	19.93	17,085	72.5%	26.9%	45.5%
XRO	14/09/2020	90.81	16,538	56.5%	31.1%	25.4%



NOTE:

1. The credit ratings above are provided by Standard & Poor's or Fitch or are the Jarden expected credit rating if the security was rated by a credit rating agency. Detailed credit analysis has not been undertaken by Jarden on the subject companies.
2. The Heartland NZ (HBL) term deposit interest rates shown above are available to Jarden clients (minimum $20,000 deposit) as at 19/8/2021. HBL term deposits held in custody currently pay out interest on maturity. However, the yields shown above have been adjusted to equivalent semi-annual yields so that they are comparable with the other securities.
3. The following securities are unrated (refer to circle symbols in graph): ZEL040, ZEL050, ZEL060, TPW140, TPW150, TPW170, TPW180, PCT010, PCT020, PCT030, PFI010, PFI020, IPL010, IPL020, SUM010, SUM020, SUM030, ARG010, ARG020, ARG030, MET010, OCA010, ARV010 and RYM010.

CURRENT PICKS: NOTHING AT PRESENT (LARGELY DUE TO LIQUIDITY)

There are several property securities that appear good value however none of these securities currently exhibit good liquidity. We believe securities such as IPL010, PFI010, PCT020, and ARG020 are worth monitoring if liquidity becomes available. All these securities are trading at spreads above where we would expect them to trade relative to comparable securities.

Kiwi Property Group (KPG) recently issued $150 million of 19 July 2028 senior, secured, fixed rate, green bonds (KPG050). The interest rate on the security was set at 2.85%pa, reflecting the minimum interest rate set by Kiwi Property Group, representing a margin of around 1.31%pa over the seven-year swap interest rate and falling in the middle of the revised indicative range of 1.25%-1.35%pa (after originally being set at 1.35%1.50%pa).

Subsequently, the KPG050 security has traded down to a yield of 2.52%pa despite the underlying swap interest rate increasing almost 0.20%pa. This has seen the spread at which the security trades compress over 0.50% to 0.80%pa. Given the decline in long term interest rates in recent months, Jarden's expectation long term interest rates will rise gradually, and that the KPG050 security represents one of the longest fixed rate securities in their BBB-rated coverage, they suggest caution for investors looking to add the KPG050 security to debt portfolios at this stage as Jarden believes the risk-reward on offer is no longer as appealing.

It is worth noting that WIA060 (rated BBB+), CNU020 (rated BBB) and TPW170 (unrated, but assessed as likely to achieve a BBB- credit rating) are all interest rate reset securities. Jarden expects these securities to trade at wider spreads to comparable fixed rate securities to reflect the uncertainties around the interest rate for the post-reset period and the fact that investors are taking on greater credit risk than the securities reset date would imply. Of the three securities, they believe the WIA060 security represents the best value. The CNU020 security appears particularly poor value and appears to offer no compensation to investors for the uncertainty around the interest rate reset set to occur in 2.5 years.

GLOBAL EQUITIES - ROCKET LAB DUE TO LIST ON NEW YORK'S NASDAQ EXCHANGE

ROCKET LAB USA NASDAQ CODE: RKLB & RKLBW

Rocket Lab shares will begin trading on New York's Nasdaq exchange on Thursday 26th August 2021(NZ time), with interest in the stock from amateur Kiwi investors expected to be high.

Shareholders in Vector Acquisition Corp – the shell company Rocket Lab is merging with in order to float on the Nasdaq exchange. Once the merger is complete - on August 25, 2021 - the common stock and warrants of the combined company, which will be renamed "Rocket Lab USA, Inc." are set to commence trading on the Nasdaq Capital Market under the new ticker symbols, "RKLB" and "RKLBW", respectively.

Founded by New Zealander Peter Beck, RKLB is raising US$467m (NZ$679m) through the float, selling shares at a price that implies an initial market capitalisation on the exchange of about U$S4.5bn.

Whether punters wake up in the money or with a hangover, appears to be anyone's guess, with most commentators expecting Rocket Lab's share price to be volatile during its first days of trading.

Rocket Lab has proved its performance on the launchpad, with 20 successful orbital missions under its belt, along with two mission failures. This end-to-end space company, with an established track record, is uniquely positioned to extend its lead across a launch, space systems and space applications market forecast to grow to $1.4 trillion by 2030

Rocket Lab is one of only two U.S. commercial companies delivering regular access to orbit; with 97 satellites deployed for governments and private companies across 16 missions. It is currently the second most frequently launched U.S. orbital rocket, with proven Photon spacecraft platform already operating on orbit and missions booked to the Moon, Mars and Venus.

This Transaction will provide capital to fund development of reusable Neutron launch vehicle with an 8-ton payload lift capacity tailored for mega constellations, deep space missions and human spaceflight.

Proceeds also expected to fund organic and inorganic growth in the space systems market and support expansion into space applications enabling Rocket Lab to deliver data and services from space.

Rocket Lab forecasts that it will generate positive adjusted EBITDA in 2023, positive cash flows in 2024 and more than US$1 billion in revenue in 2026.

Group of top-tier institutional investors have committed to participate in the transaction through a significantly oversubscribed listing of approximately US$470 million, with 39 total investors including Vector Capital, BlackRock and Neuberger Berman.

Current Rocket Lab shareholders, including founder and CEO Peter Beck, will own 82% of the pro forma equity of combined company. Beck has the option to sell US$30m worth of shares as the transaction goes through, but will still be left with at least 13 per cent of the company worth around US$533m ($770m). Thanks to shares being given to "high performer" employees as a bonus, more than 100 past and present Rocket Lab staff will become millionaires if the listing goes to plan, while more than 180 will hold stock worth more than $500,000 (the company has around 600 staff in total; around two-thirds in NZ).