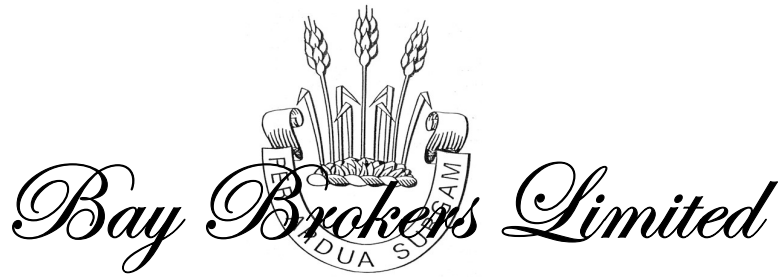




Andrew von Dadelszen

Volume 92



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# INVESTMENT STRATEGIES

AUGUST 2024

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Authorised by AJ van Dadelszen, Caledon Apartments, Fourth Avenue, Tauranga

## TAURANGA RESUMES DEMOCRACY

Tauranga has achieved a pleasing return to democracy with the 20<sup>th</sup> July election of a Mayor and 9 Councillors. It was pleasing to see all but one of the previous dysfunctional Councillors rejected by ratepayers. Yes, the participation (at under 40%) was once again very disappointing, but the outcome gives us all hope.

## GLOBAL UNCERTAINTY REIGNS

We live in very uncertain times and never more so than for serious investors. New Zealanders have a propensity to invest in residential property which, unfortunately relies mainly on capital gains for wealth creation. The housing market allows investors to leverage their investments and this leverage is the key to wealth accretion.

## TIMING IS EVERYTHING

The key is to time your purchases, whether it be property or shares. It is very hard to recognise the right time to buy (at the bottom of an economic cycle) but right now is starting to look promising. My thoughts would be that if you are thinking longer-term then now is the time to start building a portfolio – maybe 20% of what you want to invest now and then “dollar-cost-averaging” buy building your portfolio (say) with another 20% in two monthly timed investment spacings.



VERSUS

| SHAREMARKETS   | CODE  | YTD   | 5 yr/pa |
|----------------|-------|-------|---------|
| New Zealand    | ^NZ50 | 5.5%  | 8.7%    |
| Australia      | ^AXJO | 4.8%  | 6.6%    |
| United Kingdom | ^FTSE | 6.0%  | 1.2%    |
| US - Dow Jones | ^DJI  | 5.7%  | 13.0%   |
| US - S&P500    | ^GSPC | 13.5% | 5.7%    |
| US - NASDAQ    | ^IXIC | 14.9% | 6.5%    |

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## STATISTICS NZ DATA

|   |                  |
|---|------------------|
| <b>Estimated NZ population</b> at 25-July-24  | <b>5,384,226</b> |
| <b>Population:</b> 1950: 1,911,608 2000: 3,855,266 Growth 2.7% this year  |                  |
| <b>Births / Deaths:</b> Births: <b>56,277</b> Deaths: <b>37,623</b> March-24 year   |                  |
| <b>Deaths</b> per 1000 live births: Pasifika: <b>7.3</b> Māori: <b>5.7</b> European: <b>3.8</b>   |                  |
| <b>Māori population</b> Estimate Dec-23 ( <b>17.8% of NZ pop</b> )  | <b>887,493</b>   |
| <b>Net Migration</b> May-24yr (Non NZ: <b>142,900</b> ; NZ Citiz: <b>-61,100</b> ) ↓  | <b>82,800</b>    |
| <b>Total Non-NZ Migration Arrivals</b> May-24yr ↓   | <b>196,000</b>   |
| <b>Net migration by country</b> May-24yr India: 46,400; Philippines: 28,600<br>China: 23,500; Fiji: 9,800; Sth Africa: 7,000; Sri Lanka: 6,600; UK: 6,300 |                  |
| <b>Annual GDP Growth</b> Mar-24 year (Qly Sep-23 -0.3% Dec -0.1%)   | <b>0.3%</b>      |
| <b>Inflation Rate (CPI)</b> Jun-24 year (↓ from 4.0% to Mar-24)   | <b>3.3%</b>      |
| <b>Food Price Inflation</b> Jun-24 year (↓ from 7.0% to Mar-24)   | <b>-0.3%</b>     |
| <b>Household Cost of Living</b> Jun-24year ↓  | <b>5.4%</b>      |
| <b>NZ Core tax Revenue</b> at May-24 Treasury Data ↑  | <b>\$111 bn</b>  |
| <b>NZ Core Govt Debt</b> at May-24 Treasury Data ↑  | <b>\$174 bn</b>  |
| <b>Debt per person</b> (public+private) Jun-23 ↑  | <b>151,080</b>   |
| <b>Minimum Wage</b> (up 45 cents from 1 <sup>st</sup> April 2024)   | <b>\$23.15</b>   |
| <b>Living wage</b> 1-April-23 <b>\$26.00</b> from 1-Sept-24   | <b>\$27.80</b>   |
| <b>NZ Median Wage</b> from 28-Feb-2024  | <b>\$31.61</b>   |
| <b>Annual Wage Inflation (private sector)</b> Dec-23 year   | <b>6.6%</b>      |
| <b>Annual Wage Inflation (public sector)</b> Dec-23 year  | <b>7.4%</b>      |
| <b>Wages average per hour</b> Jun-23 qtr (↑7.4% yoy)  | <b>\$39.60</b>   |
| <b>Labour force participation rate</b> Sep-23 qtr (↓ from 72.4%)  | <b>71.8%</b>     |
| <b>Unemployment</b> Mar-24 ↑  | <b>4.3%</b>      |
| <b>Youth Unemployment</b> Mar-24  | <b>12.4%</b>     |
| <b>Beneficiaries</b> (Job seeker/Solo/Supported living) Mar-24 ↑  | <b>370,251</b>   |
| <b>(11.6% of working-age population as at 31-Mar-24)</b>  |                  |
| <b>Jobseeker Support numbers</b> Mar-24 ↑   | <b>187,986</b>   |
| <b>Size of Māori Economy 2023</b> (2013: \$43bn 2020: \$69bn)   | <b>\$91 bn</b>   |
| <b>Value of Sales by Maori Authorities</b> Mar-24 qtr (↑\$131m)   | <b>\$1.1 bn</b>  |
| <b>Size of NZ Economy</b> (NZ GDP) Mar-24   | <b>\$405 bn</b>  |

**“A recent New Zealand Institute of Economic Research study found a quarter of all new primary school teachers had failed NCEA level 1 maths, 58% did not achieve level 1 in science and 14% did not pass level 1 in English.”**

WEBSITE:  
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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.

### TAURANGA'S CFO EXPLAINS FUNDING OUTLOOK

Tauranga has imposed an average 15.9% rates hike this month, pushing the average residential rates bill over \$3500 – and that's not all. The commissioners appointed to run the city have been forced to finance critical roading for the congested city by imposing a levy of about \$70 a household, coming into force last week, for the next 30 years.

As well as the levy-financed Infrastructure Funding and Financing Act model that the city is using for its new roads, two of Tauranga's highways have for years been tolled. Tauranga City CFO Paul Davidson said the council would look at raising its debt ceiling, bringing in time-of-use congestion charging, public-private partnerships, value capture from businesses that stand to profit from new infrastructure, and it wants a share of local GST, too. The list goes on.

This need for a scattergun attack on the hip pockets of local residents, businesses and passing motorists was part of the reason for the big Future for Local Government Review, which reported back last year.

As Tauranga City heads into its first election in four years, the city goes into it with more than \$1.2 billion dollars of debt, and the second-highest debt-to-revenue ratio in the country.

### MINISTER BROWN REJECTS LOCAL GOVERNMENT'S REVIEW

Local Government NZ went to new local government minister Simeon Brown after the election, with near unanimous agreement from its council members supporting five of the review's 17 recommendations, critically around funding and financing. But Brown responded by issuing a press release that he was rejecting the million-dollar review's 17 recommendations – he wouldn't even be responding to them.

Brown said *"The review lost its way with recommendations focusing on issues such as lowering the voting age, changing the voting system, and removing local voices from establishing Māori wards. These issues are a distraction from the key issues facing local government, such as the need to reform funding and financing, and planning for long-term economic growth, housing and infrastructure, which is what our Government is focused on."*

He has even instructed officials to down tools so we won't waste money preparing a formal response to the report.

## PLANNED LOCAL GOVERNMENT RATE HIKES FOR 2024/25

**When rates exceed 4% of gross household income we have real affordability issues**

| Unitary Council                         | 24/25 rates increase        | District Council                  | 24/25 rates increase | District Council                              | 24/25 rates increase |
|---|-----------------------------|-----------------------------------|----------------------|---|----------------------|
| Auckland Council                        | 6.8%                        | Clutha District Council           | 14.0%                | Selwyn District Council                       | 14.9%                |
| Chatham Islands Council                 | 3.0%                        | Far North District Council        | 4.5%                 | South Taranaki District Council               | 11.1%                |
| Gisborne District Council               | 11.4%                       | Gore District Council             | 21.4%                | South Waikato District Council                | 11.9%                |
| Marlborough District Council            | 13.0%                       | Grey District Council             | 13.7%                | South Wairarapa District Council              | 14.7%                |
| Nelson City Council                     | 8.2%                        | Hastings District Council         | 19.0%                | Southland District Council                    | 13.7%                |
| Tasman District Council                 | 11.1%                       | Hauraki District Council          | 17.4%                | Stratford District Council                    | 15.5%                |
| <b>Average increase</b>                 | <b>8.91%</b>                | Horowhenua District Council       | 17.4%                | Tararua District Council                      | 13.2%*               |
| <b>Regional Council</b>                 | <b>24/25 rates increase</b> | Hurunui District Council          | 11.0%                | Taupo District Council                        | 8.6%                 |
| <b>Bay of Plenty Regional Council</b>   | <b>8.2%</b>                 | Kaikoura District Council         | 14.8%                | <b>Tauranga City Council</b>                  | <b>13.1%**</b>       |
| Environment Canterbury Regional Council | 17.9%                       | Kaipara District Council          | 15.1%*               | Thames-Coromandel District Council            | 13.2%                |
| Hawke's Bay Regional Council            | 16.0%                       | Kapiti Coast District Council     | 17.2%                | Timaru District Council                       | 15.0%                |
| Horizons Regional Council               | 11.7%                       | <b>Kawerau District Council</b>   | <b>12.2%</b>         | Waikato District Council                      | 11.9%                |
| Northland Regional Council              | 15.9%                       | Mackenzie District Council        | 14.7%*               | Waimakariri District Council                  | 9.4%                 |
| Otago Regional Council                  | 16.3%                       | Manawatu District Council         | 7.1%                 | Waimate District Council                      | 13.6%                |
| Taranaki Regional Council               | 16.3%                       | Masterton District Council        | 9.6%                 | Waipa District Council                        | 14.8%                |
| Waikato Regional Council                | 6.0%                        | Matamata-Piako District Council   | 15.7%                | Waioa District Council                        | 19.5%*               |
| West Coast Regional Council             | 27.0%                       | New Plymouth District Council     | 22.0%*               | Waitaki District Council                      | 13.7%                |
| <b>Average increase</b>                 | <b>15.0%</b>                | <b>Opotiki District Council</b>   | <b>13.7%</b>         | Waitomo District Council                      | 9.5%                 |
| <b>District Council</b>                 | <b>24/25 rates increase</b> | Otorohanga District Council       | 10.0%                | <b>Western Bay of Plenty District Council</b> | <b>13.6%</b>         |
| Ashburton District Council              | 6.5%                        | Queenstown-Lakes District Council | 15.6%                | Westland District Council                     | 18.6%                |
| Buller District Council                 | 14.6%                       | Rangitikei District Council       | 10.5%                | <b>Whakatane District Council</b>             | <b>17.1%*</b>        |
| Carterton District Council              | 15.1%*                      | <b>Rotorua Lakes Council</b>      | <b>11.4%</b>         | Whanganui District Council                    | 11.2%*               |
| Central Hawke's Bay District Council    | 20.0%                       | Ruapehu District Council          | 9.0%                 | Whangarei District Council                    | 17.2%*               |
| <b>Average increase</b>                 |                             | <b>Average increase</b>           |                      | <b>Average increase</b>                       | <b>13.3%</b>         |

\*Proposed rates are to be confirmed by the end of July 2024.

\*\* Tauranga City has introduced a new Industrial rate

SOURCE: Taxpayers' Union, Local Government data

## NEW MARINE RESEARCH AND EDUCATION FACILITY A HUGE WIN FOR TAURANGA

Tauranga City Council and the University of Waikato recently announced the new state-of-the-art marine research and education facility coming to Tauranga. Located at Marine Park on the edge of Tauranga Harbour, the new facility will have access to a diverse range of marine environments. The facility will feature cutting-edge technology for innovative research in marine science, conservation, and sustainability, and will also engage and educate the community about marine science. A lease agreement with Tauranga City Council is the first step to developing this facility, which is expected to open in 2027/2028.

University of Waikato marine scientist Professor Chris Battershill said “*Tauranga is uniquely placed to foster the education and research of different marine environments. This will be the only facility in New Zealand, and perhaps the world, with access to almost all marine habitats on its doorstep – from catchments, beaches and lakes to Whakaari/White Island and the largest working harbour in the country. This new facility will enable us to learn critical ways to protect our marine life by making the invisible visible, so we can continue to enjoy our special connection with the water.*”

Priority One noted that Marine Park is an ideal location for the new facility, situated on the edge of the Tauranga Harbour and offering access to a diverse range of marine environments. The new facility will replace the University’s existing Coastal Marine Field Station and will include research laboratories, classrooms, and public engagement spaces. It will be equipped with the latest technology to enable innovative research and education in marine science, conservation, and sustainability. The site will complement the research and education already being undertaken at the University’s Durham Street campus in Tauranga city centre and the Adams Centre at Mount Maunganui.

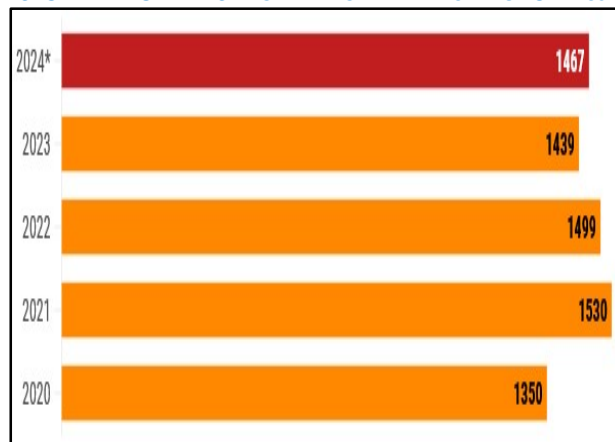
## TAURANGA UNIVERSITY CAMPUS

Tertiary students say Waikato University’s \$55m campus in central Tauranga is “pretty empty”, with some often choosing to study online rather than take long bus commutes or pay for CBD parking.

It comes after slower-than-expected roll growth at the campus, which opened in Durham St in 2019. It aimed to have 1800 students by this year but was at 1467 by June, adding almost 120 since 2020.

A university spokesperson said growth had been hampered by Covid-19 pandemic impacts and changes in demand for some programmes. It remained committed to Tauranga and was playing an “active role” in efforts to revitalise the CBD.

### STUDENT NUMBERS – TOTAL ENROLLED AT TAURANGA CAMPUS



It was unfortunate that Covid hit just as the Tauranga Campus was getting underway. This not only impacted domestic students, but totally curtailed international student attendance aspirations. The new Marine Research Centre (including a visitor aquarium) will continue to drive student numbers at Tauranga. The outlook for Waikato University’s investment into Tauranga continues to benefit our city.

## TAURANGA CITY ELECTIONS



### New Mayor of Tauranga

**MAHÉ DRYSDALE:** 16,178 votes

The former Olympic rowing gold medallist gained just 9,915 votes in the 1<sup>st</sup> iteration of this STV election.

Former Mayor Greg Brownless came in 2<sup>nd</sup> under STV on 10,293 votes, but under 1<sup>st</sup> past the post (FPP) Ria Hall would have come 2<sup>nd</sup>. Under STV she came 4<sup>th</sup>.

### WARD COUNCILLORS

All 9 elected Councillors would have provisionally won their seats under either STV or FPP voting systems. These results are all likely to stand when confirmed.

## PROVISIONAL RESULTS: 20<sup>TH</sup> JULY 2024

### Councillor Ward Seats

**TE AWANUI** MIKAERE SYDNEY

**ARATAKI** RICK CURACH

**BETHLEHEM** KEVIN SCHULER

**MATUA-ŌTŪMOETAI** GLEN CROWTHER

**MAUAO/MOUNT MAUNGANUI** JEN SCOLLAR

**PĀPĀMOA** STEVE MORRIS

**TE PAPA** ROD TAYLOR

**TAURIKO** MARTEN ROZEBOOM

**WELCOME BAY** HAUTAPU BAKER

## NEW ZEALAND'S HIGHEST PAID NZX50 DIRECTORS

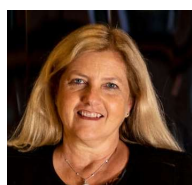
SOURCE: NZ Herald, 29-June-24

Fifteen directors were found to collect more than \$400,000 in fees annually, with most also occupying additional seats at unlisted companies, where director fees are not disclosed.

|    |                  |           |                 |
|----|------------------|-----------|-----------------|
| 1  | Julia Hoare      | \$806,916 | MEL AIA ATM POT |
| 2  | Elizabeth Coutts | \$675,666 | EBO SKL OCA     |
| 3  | Scott St John    | \$668,900 | FPH MCY FSF     |
| 4  | Bruce Hassall    | \$651,131 | FBU FSF         |
| 5  | Cathy Quinn      | \$620,501 | FBU THL FSF     |
| 6  | Robert McDonald  | \$514,375 | CEN, FBU        |
| 7  | Alison Gerry     | \$493,697 | IFT AIR         |
| 8  | Mark Verbiest    | \$484,950 | MEL SUM FRW     |
| 9  | Anne Urlwin      | \$483,578 | IFT VCT SUM PCT |
| 10 | Peter McBride    | \$475,808 | FSF             |
| 11 | James Miller     | \$469,260 | MCY CHI BGL NZX |
| 12 | Mark Cairns      | \$465,350 | MEL AIA FRW SAN |
| 13 | Patrick Strange  | \$449,694 | AIA MCY GNU     |
| 14 | Pip Greenwood    | \$429,243 | FPH ATM VSL     |
| 15 | Abby Foote       | \$412,967 | FRW SAN KMD     |

### THE TOP 10: NEW ZEALAND'S HIGHEST-PAID INDEPENDENT DIRECTORS

**1. JULIA HOARE** – (\$806,916 earned in fees from NZX50 companies during the survey period from a2 Milk, Auckland International Airport, Comvita, Meridian Energy and Port of Tauranga)



Professional director Julia Hoare is arguably New Zealand's busiest independent director. Julia Hoare spent two decades as a partner at advisory firm PwC before moving into directing 12 years ago and says

her earlier experience has been a boon in managing multiple roles. "I probably had the advantage of juggling a number of clients at one time, so it makes it easier to move between different things," she told the Herald this week.

Hoare has long chaired Port of Tauranga and also holds seats at Auckland Airport and Meridian Energy. She recently departed a2 Milk, where she was deputy chair, but quickly filled this gap in her future calendar by taking a seat with honey-maker Comvita.

Arguably the busiest professional director in New Zealand, she puts her appetite for board meetings down to her temperament and stage of life. "I've had a career working hard, and I enjoy it. I'm lucky now that my children are older and I've got a lot more flexibility."

She too has noticed the increasing role of women on boards, and credits mentoring programmes run by the Institute of Directors that assisted her when she began directing. She is now returning the favour and doing similar work with other women entering the field. "So I've gone full circle. You can do it, and I think it's very much about paying things forward."

**2. LIZ COUTTS** – (\$675,666: EBOS, Oceania Healthcare and Skellerup)



Liz Coutts, into her third decade as a professional director, currently chairs NZX50-listed EBOS Group and Oceania Healthcare as well as non-listed Voyager Digital and 2degrees.

After growing up on a farm in Matamata, Coutts blazed a trail way back in 1991 to become chief executive – aged only 31 – of pulp and paper firm Caxton. From there she stepped out into the world of corporate directing, where her multiple decades of experience in boardrooms now see her a common pick for chair.

She currently chairs EBOS Group and Oceania Healthcare and recently stood down from the board of Skellerup. Her ranking here likely understates her influence given that she also chairs two other large non-listed companies not included in this survey: internet provider Voyager Digital and mobile phone upstart 2degrees.

Coutts says managing multiple board roles is a "specialist skill".

"It's not for everyone. It's a lot of responsibility and a lot of liability. You do need to have the mental strength for it."

She says the landscape, particularly for women, has changed markedly. "Even when I was at university, there weren't a lot of women graduates. It's changing, some would like it to change faster, but it's a very different world from when I was first appointed years ago."



**3. SCOTT ST JOHN – (\$668,900: Fisher & Paykel Healthcare, Fonterra and Mercury Energy)**



Scott St John recently switched his chairmanship of Fisher & Paykel Healthcare for one overseeing ANZ Bank's New Zealand operations. A heavyweight boardroom presence, St John retains his chair at Mercury Energy but has recently stood down from his board role at Fonterra, and chair of Fisher & Paykel Healthcare, to make room for his latest appointment chairing ANZ Bank's New Zealand operations. The move is likely to reinforce his position on this podium. While fees for this role aren't disclosed, his predecessor Sir John Key received more than \$400,000 a year in the position.

St John told the Herald this reshuffling was a deliberate process he talked and planned through with his boardroom colleagues: "When you go through the appointment process, inevitably workload or bandwidth – whatever you want to call it – is actively discussed. "It's all very well balancing things when things are ticking along okay, but when there's a crisis or something comes out of the sun – it might be Covid, it could be something else – it occupies you a lot more. You've got to have freeboard to allow you to deal with this."

St John came out of corporate finance and into directing after a long stretch as chief executive of First NZ Capital and says the increasing demands on directors, particularly regarding liability – make the job more complex. "Whether it's the climate change or disclosure regimes coming in, or the modern slavery conventions, there's a lot of stuff coming down the pipe. It is complex and, as I say, so are the consequences of not getting it right."

**4. BRUCE HASSALL – (\$651,131: Fletcher Building and Fonterra)**



Bruce Hassall was Fletcher Building's chairman. Chartered accountant Bruce Hassall is a former PwC partner who stepped down from running the advisory firm's New Zealand operations in 2016 to become a professional director. He had chaired Fletcher Building since 2018 but, as economic stresses continued to rock the company, he brought forward his resignation from October to March. He retains a seat on dairy giant Fonterra and, after the Herald's survey period, picked up a seat on Vector Networks.

Outside the listed sector, he has previously been a BNZ director and currently chairs The Farmers Trading Company and Prolife Food Group. His corporate biography cites extensive experience in "financial reporting, information system processes, risk management, business acquisitions, capital raising and IPOs".

**5. CATHY QUINN – (\$620,501: Fletcher Building, Fonterra and Tourism Holdings)**



Cathy Quinn ONZM is chair of Tourism Holdings and a director of Fonterra and Fletcher Building. Quinn trained as a commercial lawyer, moving up the ranks to chair Minter Ellison Rudd Watts and being a member of the Securities Commission for nine years, before retiring from the firm and taking her chair on the road. She currently chairs Tourism Holdings and is a director of Fonterra and Fletcher Building.

Outside the NZX50, she has a fascinating series of appointments including chairing Fertility Associates, directing Rangatira Investments and serving as pro-chancellor of Auckland University.

**6. ROBERT McDONALD – (\$514,375: Contact Energy and Fletcher Building)**



Robert McDonald is the long-time chair of Contact Energy. McDonald presently serves as chair of Contact Energy, after first making it onto that board in 2015. His other NZX50 appointment, at Fletcher Building, began in 2018 but ends this week. Like Bruce Hassall, his chair at the embattled construction company, McDonald brought forward his planned retirement. He also serves on the board of ASX-listed vehicle leasing company FleetPartners.

McDonald spent the bulk of his earlier career at Air New Zealand, including 14 years as chief financial officer, before leaving to become a professional director in 2017.

**7. ALISON GERRY – (\$493,697: Air New Zealand and Infratil)**



Alison Gerry has taken over as Infratil chair, one of a range of corporate directorships. Based in Arrowtown, and with an avocado business in Northland, infrastructure queen Alison Gerry has been on the board of Infratil for 10 years and assumed the chair there two years ago. She also picked up a directorship of Air New Zealand in 2021 and would likely rank much higher in this list if ANZ Bank disclosed how much directors of its New Zealand subsidiary (like Gerry) received. Outside the NZX50, she also has a significant presence in occupying the chair at high-profile retail share-trader Sharesies.

With training and an early career in corporate finance and trading, she worked in Sydney, Tokyo, London, Hong Kong and Singapore before resettling in New Zealand in 2021. Her previous appointments to boards have included Kiwibank, Spark, Wellington and Queenstown airports, and TVNZ.

**8. MARK VERBIEST – (\$484,950: Freightways, Meridian Energy and Summerset Group)**



Mark Verbiest is the chairman of Meridian Energy. A professional chairman with plenty of miles on his corporate clock, Verbiest heads every NZX50 boardroom of which he's currently a member. He is presently chair of Meridian Group and Summerset Group and only recently stood down from a similar position at Freightways. A lawyer by training, he worked as Telecom's general counsel until 2008, when the company was broken up into Chorus and Spark. He then became a professional director and has since served as chair of Transpower, Spark and UDC.

**9. ANNE URLWIN – (\$483,578: Infracore, Summerset Group, Precinct Properties and Vector Networks)**



Anne Urlwin has recently been appointed chair of Precinct Properties. As a Professional director she splits her time between Wānaka and Wellington and a bewildering range of board seats. In addition to seats on four NZX50 companies included in this Herald survey, she also serves on the board of dual-ASX-listed Ventia Services Group and mega public transport construction project City Rail

Link. While she retired from the Summerset board in February 2023, she filled her spare bandwidth a month later when her seat at Precinct was upgraded to chair. Urlwin has former chair experience overseeing construction giant Naylor Love Enterprise and the New Zealand Blood Service.

**10. PETER MCBRIDE – (\$475,808: Fonterra)**



Fonterra chairman Peter McBride. An odd-one-out on this list of multi-hatted professional directors, Peter fills only one boardroom seat surveyed by the Herald. But as the chair of dairy giant Fonterra, it is the best-paid, and arguably highest-profile, board position in the country and enough by itself to secure the farmer 10th place.

He was the long-time chief executive of Trinity Lands – the Open Brethren charitable kiwifruit and dairy empire – and now sits on the Trinity board after his transition from executive to governor.

A former chairman of kiwifruit exporter Zespri, McBride now also finds himself the independent chairman of Sydney Markets, a co-operative of fresh producer growers, wholesalers and retailers operating in the west of Australia's largest city.

**THE NATIONAL BUSINESS REVIEW 2024 RICH LIST (TOP 60)**

| 2024 Rank | Name                                | \$ Billion | Industry        | 2024 Rank | Name                                | \$ Billion | Industry        |
|-----------|-------------------------------------|------------|-----------------|-----------|-------------------------------------|------------|-----------------|
| 1         | Mowbray Family                      | 20.0       | Make & Sell     | 31        | Higgins Family                      | 0.570      | Property        |
| 2         | Graeme Hart                         | 12.1       | Investment      | 32        | Sir Owen Glenn                      | 0.560      | Investment      |
| 3         | Todd Family                         | 4.3        | Investment      | 33        | Huljich Family                      | 0.560      | Investment      |
| 4         | Goodman Family                      | 3.8        | Property        | 34        | Eyal Aharoni                        | 0.550      | Property        |
| 5         | Sir Peter Jackson & Dame Fran Walsh | 3.0        | Tech & Services | 35        | Gough Family                        | 0.550      | Investment      |
| 6         | Sir Michael Friedlander             | 1.9        | Property        | 36        | Peter & Anya Hutson                 | 0.550      | Make & Sell     |
| 7         | Talley Family                       | 1.6        | Agribusiness    | 37        | Greg Tomlinson                      | 0.520      | Investment      |
| 8         | Fukutake Family                     | 1.6        | Investment      | 38        | Bayley Family                       | 0.500      | Make & Sell     |
| 9         | Peter Cooper                        | 1.5        | Property        | 39        | Richardson. O'Donnell Family        | 0.500      | Tech & Services |
| 10        | Rod Drury                           | 1.5        | Tech & Services | 40        | Murray Bolton                       | 0.480      | Investment      |
| 11        | Bruce Plesed                        | 1.3        | Tech & Services | 41        | Giltrap Family                      | 0.480      | Make & Sell     |
| 12        | Sir Bob Jones                       | 1.2        | Property        | 42        | Ben Cook                            | 0.475      | Property        |
| 13        | Anne & David Norman                 | 1.1        | Make & Sell     | 43        | Mark Dunajtschik & Doroht Spotswood | 0.450      | Property        |
| 14        | Manson Family                       | 1.1        | Property        | 44        | Graham Wilkinson                    | 0.450      | Investment      |
| 15        | Mark Stewart                        | 1.1        | Make & Sell     | 45        | Tom & Heather Sturgess              | 0.450      | Agribusiness    |
| 16        | Berridge Spencer                    | 1.0        | Investment      | 46        | Turley Family                       | 0.440      | Agribusiness    |
| 17        | Trevor Farmer                       | 0.950      | Property        | 47        | Sir Stephen Tindall                 | 0.430      | Investment      |
| 18        | Rod Duke                            | 0.950      | Make & Sell     | 48        | Douglas Family                      | 0.430      | Make & Sell     |
| 19        | Masfen Family                       | 0.950      | Investment      | 49        | Colin & Dale Amerer                 | 0.425      | Agribusiness    |
| 20        | Gibbs Family                        | 0.850      | Investment      | 50        | Stevenson Family                    | 0.420      | Make & Sell     |
| 21        | Brendan & Jo Lindsay                | 0.825      | Investment      | 51        | Van Den Brink Family                | 0.410      | Agribusiness    |
| 22        | Cliff Cook                          | 0.820      | Property        | 52        | Mark Gunton                         | 0.400      | Property        |
| 23        | Kirkpatrick Family                  | 0.800      | Property        | 53        | Hall Family                         | 0.400      | Make & Sell     |
| 24        | Green Family                        | 0.800      | Property        | 54        | Gary Lane                           | 0.400      | Make & Sell     |
| 25        | Guy Haddleton                       | 0.800      | Tech & Services | 55        | Smale Family                        | 0.400      | Property        |
| 26        | Ross Green                          | 0.750      | Investment      | 56        | Karl Ye                             | 0.400      | Make & Sell     |
| 27        | Wyborn Family                       | 0.720      | Property        | 57        | Chris & Michaela Mehhan             | 0.400      | Property        |
| 28        | Sam Morgan                          | 0.700      | Investment      | 58        | Wright Family                       | 0.400      | Tech & Services |
| 29        | Craig Heatley                       | 0.600      | Investment      | 59        | Stephen & Chris Harris              | 0.380      | Tech & Services |
| 30        | Sir Peter Beck                      | 0.600      | Investment      | 60        | Boocock Family                      | 0.350      | Tech & Services |

## POLITICAL CLIMATE



### LATEST POLITICAL POLLS

| CURIA/TAXPAYERS' UNION July-24 POLL |       |         |       |          |
|-------------------------------------|-------|---------|-------|----------|
| Party                               | Vote  | Change* | Seats | Change** |
| National                            | 37.6% | 2.2%    | 47    | (2)      |
| Labour                              | 25.9% | (3.5%)  | 33    | (1)      |
| ACT                                 | 9.1%  | (0.5%)  | 11    | nc       |
| Green                               | 12.5% | (0.2%)  | 16    | 1        |
| NZ First                            | 7.3%  | 1.7%    | 9     | 1        |
| Māori                               | 3.5%  | (0.5%)  | 6     | nc       |

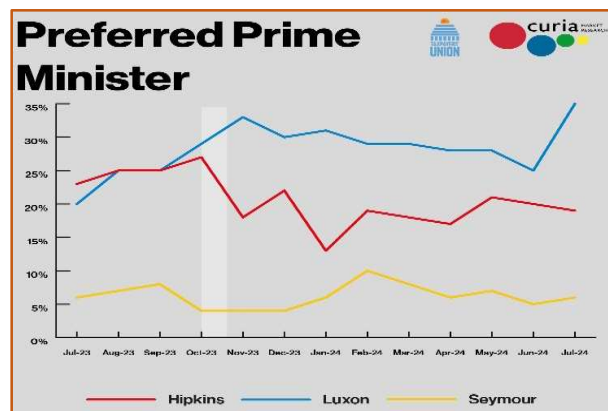
\* Change from May-24    \*\* Change since election

Polling Period: 4<sup>th</sup> to 8<sup>th</sup> July 2024

| ONE NEWS/VERIAN POLL - JUNE 2024 |      |         |       |          |
|----------------------------------|------|---------|-------|----------|
| Party                            | Vote | Change* | Seats | Change** |
| National                         | 38%  | 2%      | 47    | (2)      |
| Labour                           | 29%  | (1.0%)  | 36    | 2        |
| Act                              | 7%   | nc      | 9     | (2)      |
| Green                            | 13%  | (1.0%)  | 16    | 1        |
| Maori                            | 3.0% | (0.4%)  | 6     | nc       |
| NZ First                         | 6.0% | 1.8%    | 8     | (8)      |
| TOP                              | 2%   | 0.3%    | -     | -        |

\* Change from April 2024    \*\* Change since election

Polling Period: 15<sup>th</sup> to 19<sup>th</sup> June 2024



### GOVERNMENT LIBERALISES HOUSE PLANNING RULES

In setting the 30-year goals, Housing Minister Chris Bishop has reiterated that Government will require councils to use “high” demand projections when assessing the amount of houses they need to zone. This, Bishop argues, will stop councils from understating housing demand. He said that the Government will “strengthen” zoning requirements around transit corridors.

The Government will make it easier to develop on the finger of cities. This work is not yet complete and

will be progressed with some of the Government’s other infrastructure work. “Councils will no longer be able to impose rural-urban boundaries in their planning documents. This doesn’t mean they can’t have land zoned for rural use, but it does mean they can’t set hard regulatory boundaries that constrain growth,” he said.

This has often been criticised for the fact that city fringe developments often pass expensive infrastructure costs to councils. These developments will be allowed “on the condition that the infrastructure costs of new development are covered” and that the “growth pays for growth”.

### CENSUS DATA – MORE ASIANS THAN MĀORI

SOURCE: NBR, 15-July-24

The Asian population doubled in the last 10 years and is now bigger than the Māori population within New Zealand. Between 2018 and 2023 the increases in both Asian and Māori populations were the two highest in ethnicity, with 154,000 increase in Asians and 111,700 in Māori.

The problem for Maoridom is the lack of a skill base, with only 18% of adult Māori (25 to 65 year-olds) having a bachelor’s degree or higher – versus 35% across the total population. Asians are the clear winners in this with 53% being degree qualified.

### KĀINGA ORA (HOUSING NZ) TO BE RESTRUCTURED

The National Coalition Government has made big changes in the governance at Kāinga Ora (Housing NZ). Not only is the CEO leaving but also big changes are being made at the Board level.

#### JOB LOSSES

Current Kāinga Ora chief executive Andrew McKenzie has confirmed there would be job losses on top of last year’s removal of 300 roles from budgets. Sources close to Kāinga Ora said staff numbers would have to come down by as much as a third, though the agency disputes there are any targets to that end.

CEO Andrew McKenzie, the former general manager of finance at Fletcher Building, had steered the Crown entity to a tripling of staff under his tenure, from a little over 1000 people when he came on board in 2016, to its current roster of 3400. More than half (1763 personnel) were listed as having an annual income of at least \$100,000 for the 2023 financial year. McKenzie’s remuneration was listed at about \$700,000, up from the \$490,000 he was paid under what was then Housing New Zealand during 2016/17.

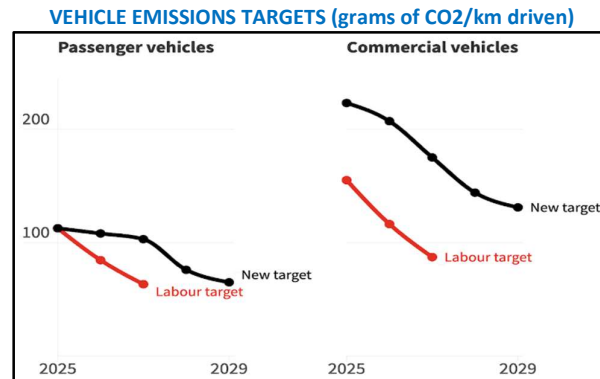
The number of homes under its management, meanwhile, increased from 63,000 during the 2016/17 financial year to a current 70,000.



## STRIKING SENSIBLE EMISSIONS TARGETS

SOURCE: NewsroomPro, 10-July-24

Transport Minister Simeon Brown has announced emissions standards for imported vehicles will be significantly weakened. The changes will mean NZ's clean car standard targets will align with Australia's targets from 2027. "The Government supports the clean car importer standard to ensure that NZ has an affordable mix of clean vehicles."

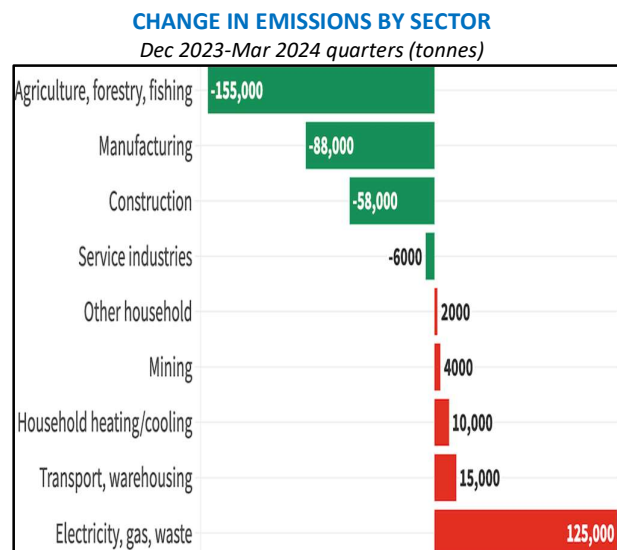


Following a comprehensive review, Simeon Brown said, he'll be making changes to ensure the standard strikes the right balance between reducing transport emissions while ensuring that New Zealanders have access to affordable vehicles.

"The old targets would have increased the average price of vehicles by more than \$5000. But the changes now mean NZ will continue to lag behind much of the rest of the world in its emissions targets."

## RISE IN ELECTRICITY & GAS EMISSIONS

Latest Stats NZ quarterly emissions data shows a 2.7% decline in the March 2024 quarter. **That was driven most strongly by a decrease in agriculture, forestry and fishing emissions, offset partly by an increase in electricity and gas emissions.** Climate pollution from construction and manufacturing also fell.



Emissions have kept to a steady decline since the start of the Covid-19 pandemic, making NZ one of the few countries to not just maintain but deepen reductions

in greenhouse gases achieved during nationwide lockdowns. Industrial emissions are now 8% below their starting point of March 2010, while GDP has grown 41% over that time. That means NZ's total emissions intensity (emissions/\$ GDP) has fallen by more than a third since the start of the 2010s.

## NEW GOVERNMENT'S CLIMATE CHANGE STRATEGY



Climate Change Minister Simon Watts has recently released the Government's climate change strategy. Watts said the strategy was a "comprehensive" and "ambitious" plan, aimed at reducing the impacts of climate change and prepare for its future effects. "This strategy is built on five core pillars and underscores the government's commitment to delivering on our climate change goals," Watts said.

These five core pillars include:

- Infrastructure is resilient and communities are well prepared.
- Credible markets support the climate transition.
- Clean energy is abundant and affordable.
- World-leading climate innovation boosts the economy.
- Nature-based solutions address climate change.

Each of the five pillars was accompanied by three aspirational bullet points (e.g. "The costs of reducing emissions are minimised") arising from the core goal set out in each pillar but gave no explanation as to how all this would be achieved. Watts pointed out that the Government is still working on its emissions reduction plan for the 2026-30 period, stating that consultation will begin in the coming months.

Unlike the previous Labour Government's plan, National is determined to ensure a pragmatic and reasonable plan is initiated that won't be ideologically founded around bankrupting our incredibly important agricultural sector. He said that "If you want a strong environmental response, you must fund it by ensuring that we are economically resilient to be able to afford it."

Watts said climate change could often be seen as a challenge, and a difficult area, but he did not want to view it that way. "I think the way in which I want to frame climate change is: yes, while it is challenging, it also presents New Zealanders with a significant opportunity, and an opportunity to play to our strengths."



He said this included producing innovative technology that had low emissions and could be exported overseas to help other

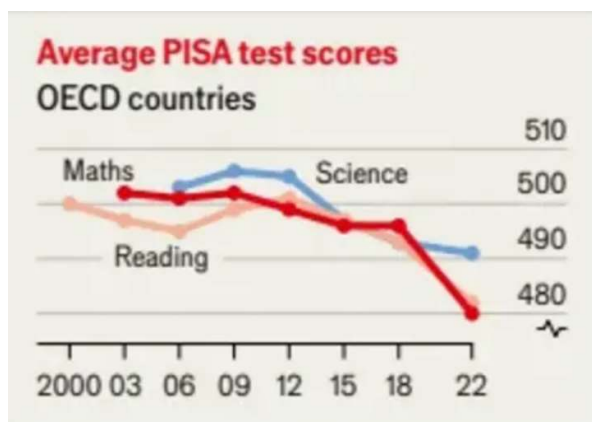
economies transition to a low-carbon economy as well, such as with what Vessev (hydrofoiling electric boats) was doing.



## EDUCATION – THE GREAT STAGNATION

SOURCE: The Economist, 13-July-24

That the pandemic messed up schooling is well known globally. Between 2018 and 2022 an average teenager in a rich country fell some six months behind their expected progress in reading and nine months behind in maths, according to the OECD. What is less widely understood is that the trouble began long before covid-19 struck. A typical pupil in an OECD country was no more literate or numerate when the coronavirus first ran amok than children tested 15 years earlier. As The Economist's special report argues, education in the rich world is stagnating. This should worry parents and policymakers alike.



In America long-running tests of maths and reading find that attainment peaked in the early 2010s. Since then, average performance there has gone sideways or backwards. In Finland, France, Germany and the Netherlands, among other places, scores in some international tests have been falling for years. What has gone wrong?

External shocks have played a part. Migration has brought many newcomers who do not speak the language of instruction. Mobile phones distract pupils and keep their heads out of books at home. The pandemic was hugely disruptive. Many governments closed schools for too long, encouraged by teachers' unions, and children lost the habit of studying. Attendance in many places is lower than before covid. Classrooms have become rowdier.

Yet education policymakers also bear much of the blame for stagnant standards. In America, as in New Zealand, fixing schools was once a bipartisan issue. Today the right obsesses over culture-war trivia, while many on the left practise "the soft bigotry of low expectations", and argue that classrooms are so biased against minorities

that it is impossible and immoral to hold all pupils to high standards. Others want homework and exams to be lightened or scrapped for the sake of pupils' mental health. Faddish thinking is the enemy of rigour.

Policymakers need to focus on the fundamentals. They must defend rigorous testing, suppress grade inflation and make room for schools, such as charters, that offer parents choice. They should pay competitive wages to hire the best teachers and defy unions to sack underperformers. This need not bust budgets, since small classes matter less than parents imagine. Fewer, better teachers can produce stronger results than lots of mediocre ones. Japanese pupils thrash their American peers in tests, even though their average secondary classroom contains an extra ten desks.

The stakes are high. New Zealand is a classic case where the workforce will shrink as the population ages. Productivity will have to rise to maintain living standards. Well-trained minds will be needed to tackle complex challenges, from inequality to climate change. H.G. Wells, a novelist and futurist, wrote that human history is a "race between education and catastrophe". It is a race we can't afford to lose.

## RELAXING GMO LAWS – HUGE BENEFITS FOR NZ INC

SOURCE: NRB, 15-July-24



Providing a cure for cancer is a key argument used by Minister Judith Collins for ending the effective ban on genetic modified organisms,

although she also claims the benefits will be far and wide for the New Zealand economy. She emphasised the "immense potential" the genetic modification has to help with many of the challenges this country faces, from improving human health to tackling climate change, she said.

### GENE EDITING

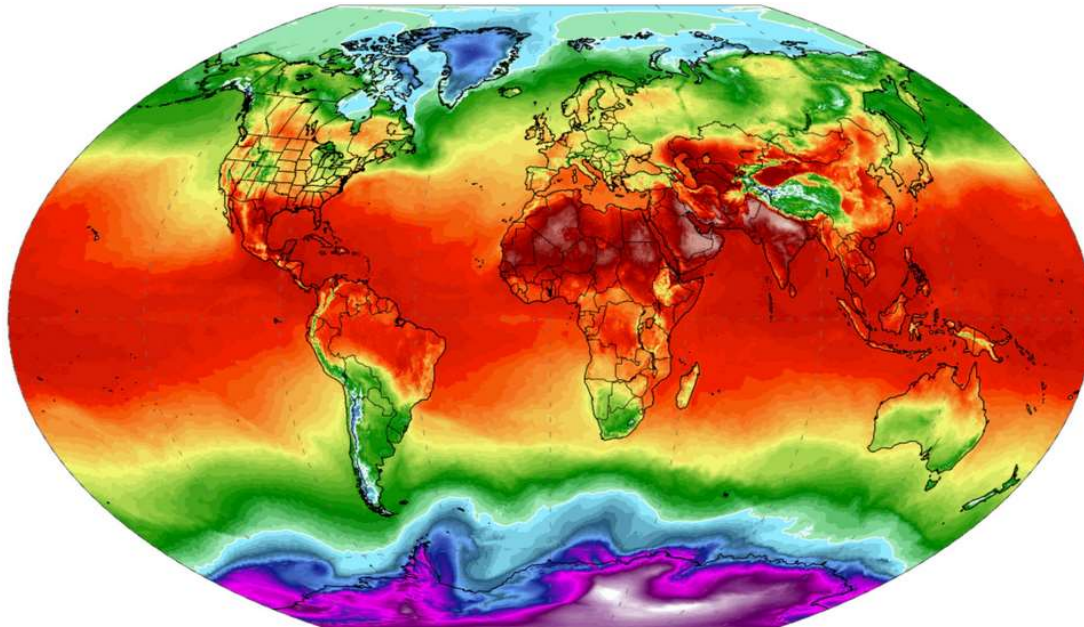
The key is the advances in gene-editing technologies, which means they are safer and more accurate in many areas of potential use. Gene-editing does not introduce any foreign genes but merely "tweaks" the genome and is a no-brainer to advance New Zealand science and ensure that we remain competitive on the international stage. This is not an area of science that is well understood by the average New Zealanders. Unfortunately, the "loony left" continue to squeak loudest but, having spent seven years as a director of the Crown Research Institute Plant & Food, I can

assure you that the pragmatic and sensible response is to move quickly to embrace gene-editing as a safe, sensible science-based solution to help NZ Inc immediately. New Zealand currently lags behind countries such as Australia, Japan, China and the UK on the GMO front. Genetic editing is a “no-brainer”.

New Zealand has restrictive GM laws, and legislation is due to be introduced into the House by the end of the year with the aim to update and modernise them. It can't happen quick enough!

## THE WORLD AT A GLANCE – GLOBAL HEAT MAP JUNE-23 (JUNE-24 IS SIMILAR)

|   |   |  |   |   |
|---|---|--|---|---|
| <b>UNITED STATES</b><br>Biden out - Harris in.<br>Trump & Harris both suspect         | <b>EUROPE</b><br>French has a hung parliament<br>Can Macron hold it together? | <b>INDIA</b><br>Modi Just holds on for a third term<br>His reliance on Russian oil is of concern | <b>AUSTRALIA</b><br>Labour Left is under pressure<br>Can Albanese retain control? | <b>NEW ZEALAND</b><br>Coalition is making progress<br>The Left & Māori can't reconcile change |
| <b>UNITED KINGDOM</b><br>Labour has huge majority<br>Can Starmer grow the UK economy? | <b>RUSSIA</b><br>Zelensky needs peace<br>Putin could look to Trump            | <b>CHINA</b><br>China wants a stable relationship with Japan. A stable SE Asia essential for NZ  | <b>JAPAN</b><br>North Korea 's nuclear ambitions remain Japan's biggest concern   |   |



### WORLD HEAT MAP (ABOVE)

New Zealand is very well placed to have an improving economy as a result of global warming. In 2006 NIWA produced a report that stated that New Zealand's economy would achieve a net 25% increased economic benefit from a warming climate. Countries closer to the equator will be the ones that are most adversely affected. This is not to say that “Storm effect” will not be a huge risk for parts of New Zealand going forward. Warming oceans means that climate change does remain a global risk – albeit cyclical.

### TRENDS IN SEA-SURFACE TEMPERATURES, 1982–2023

#### WHY IT IS IMPORTANT

Measuring oceanic sea-surface temperature tells us how fast the surface layer of the ocean is warming. The surface mixed layer of the ocean typically varies between approximately 10 and 300 metres in depth and is where the majority of primary production (phytoplankton growth that forms the basis of food webs in the marine environment) usually occurs (Pinkerton et al., 2023). Increased temperatures in this layer can affect rates of marine primary production (which can have broad impacts on marine ecosystems) and carbon cycles. Between 1982 and 2023:

- sea-surface temperatures increased on average:
  - between 0.16 and 0.26 degrees Celsius per decade across the four **oceanic** regions (Chatham Rise, Tasman Sea, Subtropical, and Subantarctic waters)
  - between 0.19 and 0.34 degrees Celsius per decade across the nine **coastal** regions
- the Tasman Sea had the highest average rate of ocean sea-surface warming (0.26 degrees Celsius per decade)
- East Coast South Island had the highest average rate of coastal sea-surface warming (0.34 degrees Celsius per decade).





**IRAN ELECTS REFORMIST PRESIDENT**



Reformist Massoud Pezeshkian has been elected Iran’s new president, beating his hardline conservative rival Saeed Jalili. Dr Pezeshkian’s secured 53.3% of the more than 30 million votes counted.

Dr Pezeshkian, a former heart surgeon, is critical of Iran’s notorious morality police and caused a stir after promising “unity and cohesion”, as well as an end to Iran’s “isolation” from the world. He has also called for “constructive negotiations” with Western powers over a renewal of the faltering 2015 nuclear deal in which Iran agreed to curb its nuclear programme in return for an easing of Western sanctions.

**AN EVER INCREASING UNSTABLE WORLD**

Global uncertainty remains the core message, with both war in Europe and Israel as well as so many elections moving to the right. The world seems to be fed up with “woke” behaviour.

**NZ TRADING PARTNER REAL GDP (calendar years)**

|                     | Annual average % change |      |      |      |
|---------------------|-------------------------|------|------|------|
|                     | 2023                    | 2024 | 2025 | 2026 |
| Australia           | 2.0                     | 1.3  | 2.2  | 3.1  |
| China               | 5.2                     | 5.2  | 5.0  | 4.8  |
| United States       | 2.5                     | 2.5  | 1.5  | 1.6  |
| Japan               | 1.9                     | 0.4  | 1.0  | 0.9  |
| East Asia ex China  | 3.3                     | 4.2  | 4.2  | 4.1  |
| India               | 7.8                     | 6.9  | 6.7  | 6.5  |
| Euro Zone           | 0.4                     | 0.6  | 1.5  | 1.3  |
| United Kingdom      | 0.1                     | 0.6  | 1.3  | 1.3  |
| NZ trading partners | 3.4                     | 3.4  | 3.4  | 3.4  |
| World               | 3.2                     | 3.3  | 3.3  | 3.2  |

**NEW ZEALAND’S ECONOMIC OUTLOOK**

**Population: 5.38 million**

**SIGNS INFLATION MIGHT BE BEATEN?**

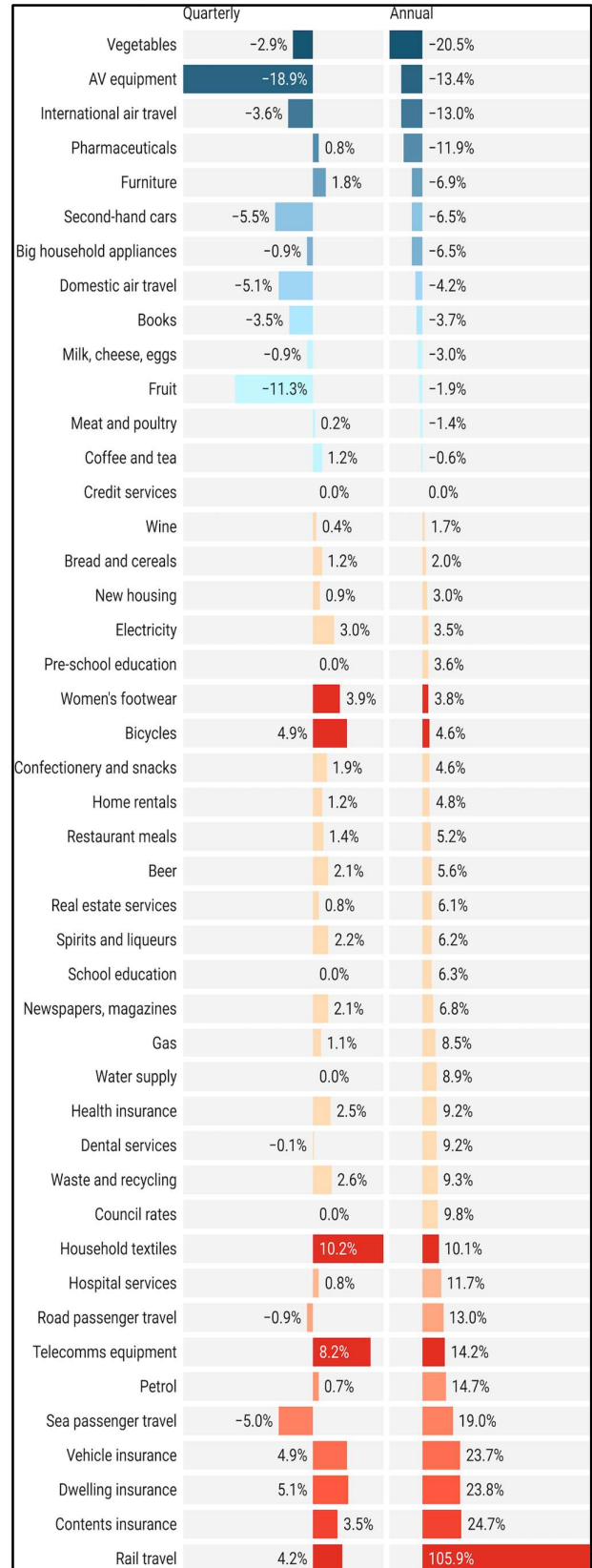
*“It’s looking increasingly likely that the RBNZ will deliver rate relief by November. But prospects for an even earlier cut are rising,”* said several NZ banking economists are now saying.



The core measure, which strips out volatile stuff we don’t want included, fell from 4.1% to 3.4%. It’s not far from the RBNZ’s 1-to-3% target band.

Unfortunately, domestically generated inflation remains a little hot, as imported inflation is nice and cooling.

**QUARTERLY & ANNUAL INFLATION**

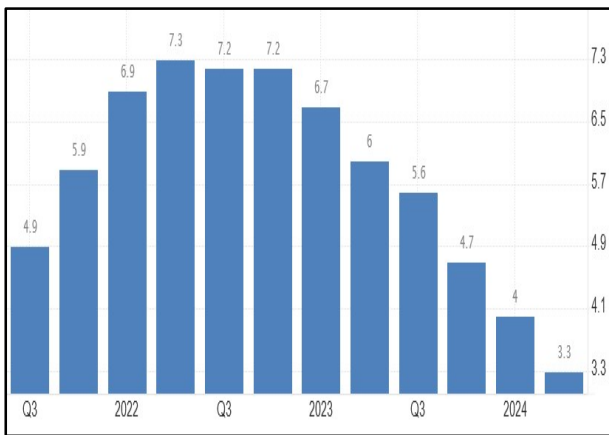
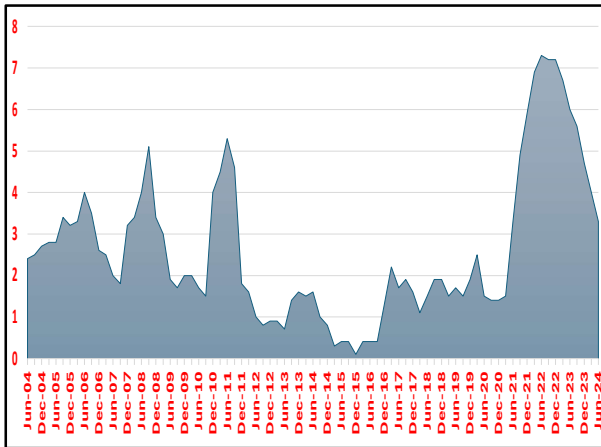


Tradeable inflation – largely imported goods – remained extremely subdued at just 0.3% for the 12 months, from 1.6% previously. That reflected falls in the price of petrol and fresh fruit and vegetables. Non-



tradeable inflation (domestic-driven price rises) is still at a high 5.4%. Only down a bit from 6.6% a year ago. The quarterly figure was a more modest 0.9% which is a more tolerable level.

**NEW ZEALAND ANNUAL INFLATION BACK TO 3.3%**



**NZ ECONOMY**

A dovish Reserve Bank, on 10<sup>th</sup> July, retained the official cash rate (OCR) at 5.5% but noted that economic indicators suggest that monetary policy is hitting demand harder than expected. This negative view gives credence to the opinion that the OCR could be reduced by at least 0.25% before year's end. The next Reserve Bank update is due on 14<sup>th</sup> August.

Technically, NZ is out of recession. The economy grew 0.2% in the first quarter of 2024, but growth is so soft that many are still feeling the sting of a sluggish economy. This has shown with retail card spending in May declining by 1.1%, making it the 4<sup>th</sup> consecutive month of decline.

House prices have also dropped, and pessimism reigns supreme in NZ at present. Both business and consumer confidence is dire as we live in an elevated inflation and interest rate environment. The NZ economy is currently in worse economic conditions than during the 2008 Global Financial Crisis.

We are not growing as fast as other countries because our Reserve Bank does not want us to grow. Governor Adrian Orr not only didn't try to avert a recession but actually induced a recession to curb aggregate spending in the economy.

New Zealand's economic woes lead directly back to the huge and wasteful spending by the Labour

Government. The new Coalition Government has a huge job in reversing that wasteful spending, without fuelling a further deterioration of economic growth.

**NEW ZEALAND GDP GROWTH RATE**



**GDP PER CAPITA – NZ REMAINS A LAGGARD**

According to 2024 International Monetary Fund data, NZ (at US\$47,000) is ranked 27<sup>th</sup>, behind the average of advanced economies (US\$52,000) and well behind our close neighbour Australia – ranked 13<sup>th</sup> at US\$63,000).

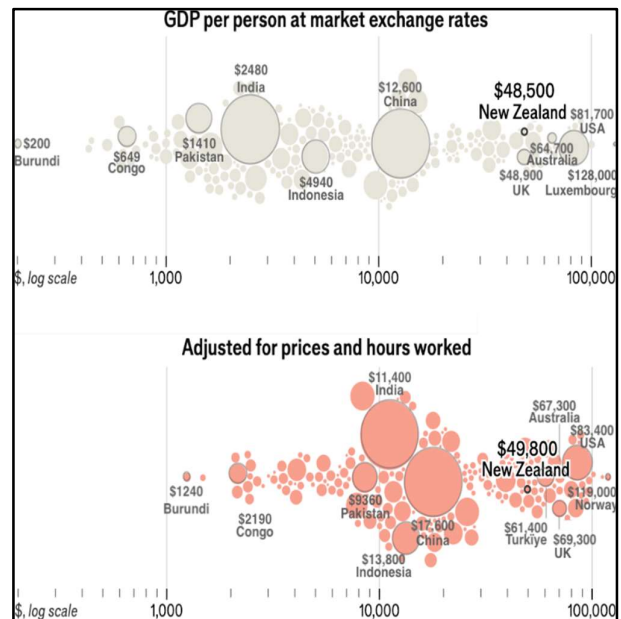
The highest five countries include:

- 1 Luxembourg US\$140,000
- 2 Ireland US\$118,000
- 3 Switzerland US\$110,000
- 4 Norway US\$102,000
- 5 Singapore US\$92,000

ALL OF THE TOP FIVE, BAR LUXEMBOURG, HAVE SIMILAR POPULATIONS TO NEW ZEALAND.

The big concern is that our per Capita GDP rate has dropped significantly more than our GDP – and what's even more concerning is that even when we grow, we don't seem to be better off.

According to new analysis by *The Economist*, NZ ranks 22<sup>nd</sup> in the world for gross domestic product per person, measured in US dollars. But as the publication acknowledges, sorting countries into rich and poor can be difficult.





Measures such as GDP are affected by population size (more people generally mean more output). And adjusting for population alone is not enough. Dollar income per person does not account for differences in prices between countries (a Big Mac, for example, will set you back more in some places than in others, even after converting into dollars). Nor does it account for productivity (overall output per hour worked).

To get a fuller picture, *The Economist* ranks countries by three measures: dollar income per person, income adjusted for local prices (known as purchasing-power parity) and income per hour worked. And once the prices we pay and the hours we work are factored in, NZ barely sneaks into the top 50, lagging behind North America, Australia, the UK, almost all of Europe, Turkey, the Arabian Peninsula and even the fast-growing South American oil state of Guyana. In the 38-member OECD, we only rank 30<sup>th</sup>.

### AUSTRALIAN ECONOMIC OUTLOOK

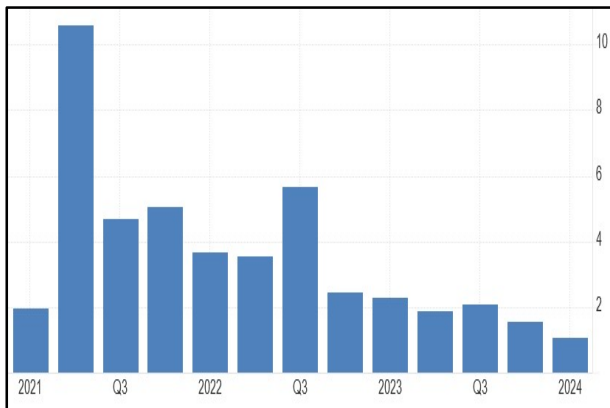
**Population: 26.7 million**

#### AUSTRALIAN ECONOMY

The Australian economy expanded 1.1% year-on-year in the first quarter of 2024, easing from a revised 1.6% growth in the previous quarter and coming below market forecasts of a 1.2% rise. It marked the slowest economic expansion since the fourth quarter of 2020.



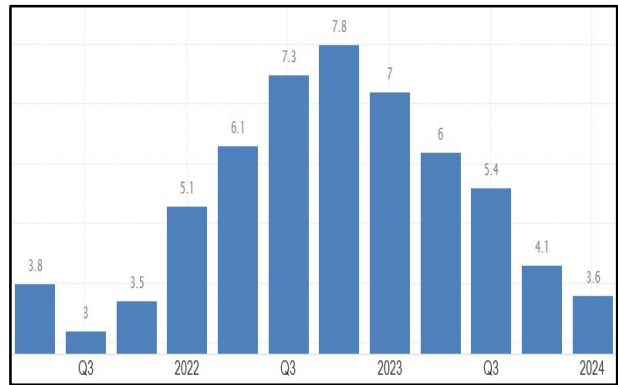
#### AUSTRALIA – ANNUALISED GDP GROWTH RATE



#### INFLATION

Australia's inflation rate was at 3.6% yoy in Q1 of 2024, down from 4.1% in the prior period but above market expectations of 3.4%. This was the lowest figure since Q4 of 2021, as goods inflation eased for the sixth consecutive quarter (3.1% vs 3.8% in Q4) and services inflation slowed for the third straight quarter (4.3% vs 4.6%).

### AUSTRALIA'S ANNUALISED INFLATION



### UNITED STATES ECONOMIC OUTLOOK

**Population: 341.8 million**

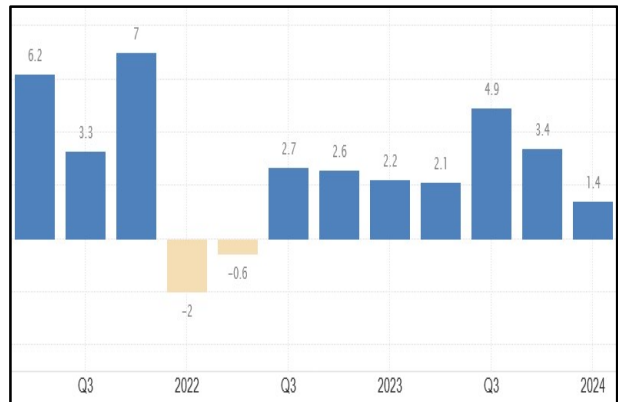
It is predicted that there are at least a further 11.7m undocumented (illegal) migrants in the US currently.

#### US ECONOMY

The US economy expanded an annualized 1.4% in Q1 2024, slightly higher than 1.3% in the second estimate, but continuing to point to the lowest growth since the contractions in the first half of 2022.



#### UNITED STATES – ANNUALISED GDP GROWTH RATE



### BIDEN EXITS PRESIDENTIAL RACE



Will it make a difference? The assassination attempt of Donald Trump will undoubtedly change the presidential election and political history. Already his survival and immediate response has galvanised the Republican Party and given it a sense of unity and invincibility it may not otherwise have had. If the Democrats confirm Kamala Harris then they are truly doomed to fail.

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**TRUMP SELECT VICE-PRESIDENT RUNNING MATE**



Trump's 39-year-old running partner as preferred Vice-President is JD Vance. It was 'Hillbilly Elegy', JD Vance's insider memoir of the white working-class, that propelled him to the fore among those blue-collar rust belt Americans who felt so deeply disaffected with the institutions of US government, business and media. This Ohio senator is the "next generation" politician and seen as an excellent fit for the Trump campaign.

**"You're going to see a much more aggressive approach to protecting domestic manufacturers."**

**VP nominee JD Vance**

**SEVEN SWING STATES IN 2024**

A swing state is one that's "considered to play a key role in the outcome of presidential elections" and where candidates of both the Democratic and Republican parties "have similar levels of support." The group of swing states is often similar during each presidential election cycle, though factors like changing demographics and turnout can make a traditionally red or blue state turn purple.

| Swing States   | Electoral Votes | Swing States | Electoral Votes |
|----------------|-----------------|--------------|-----------------|
| Georgia        | 16              | Wisconsin    | 10              |
| North Carolina | 16              | Nevada       | 6               |
| Pennsylvania   | 16              | Arizona      | 11              |
| Michigan       | 15              |              |                 |

**NOTE** - A total of 93 electoral votes are up for grabs across seven swing states in this year's presidential election.

**Georgia - Biden won Wisconsin for 1st time in 20 years in 2020**

| General election | Winner       | Party      | Margin of Victory | Loser           |
|------------------|--------------|------------|-------------------|-----------------|
| 2020             | Joe Biden    | Democrat   | 49.5% / 49.3%     | Donald Trump    |
| 2016             | Donald Trump | Republican | 45.6% / 50.8%     | Hillary Clinton |

**North Carolina - Obama won it in 2008 but lost it in 2012**

| General election | Winner       | Party      | Margin of Victory | Loser           |
|------------------|--------------|------------|-------------------|-----------------|
| 2020             | Donald Trump | Republican | 48.6% / 49.9%     | Joe Biden       |
| 2016             | Donald Trump | Republican | 46.2% / 49.8%     | Hillary Clinton |

**Pennsylvania - Historically a Democrat state, except for 2016**

| General election | Winner       | Party      | Margin of Victory | Loser           |
|------------------|--------------|------------|-------------------|-----------------|
| 2020             | Joe Biden    | Democrat   | 50% / 48.8%       | Donald Trump    |
| 2016             | Donald Trump | Republican | 47.5% / 48.2%     | Hillary Clinton |

**Michigan - Historically a Democrat state, except for 2016**

| General election | Winner       | Party      | Margin of Victory | Loser           |
|------------------|--------------|------------|-------------------|-----------------|
| 2020             | Joe Biden    | Democrat   | 50.6% / 47.8%     | Donald Trump    |
| 2016             | Donald Trump | Republican | 47.3% / 47.5%     | Hillary Clinton |

**Wisconsin - Historically a Democrat state, except for 2016**

| General election | Winner       | Party      | Margin of Victory | Loser           |
|------------------|--------------|------------|-------------------|-----------------|
| 2020             | Joe Biden    | Democrat   | 49.5% / 48.8%     | Donald Trump    |
| 2016             | Donald Trump | Republican | 46.5% / 47.2%     | Hillary Clinton |

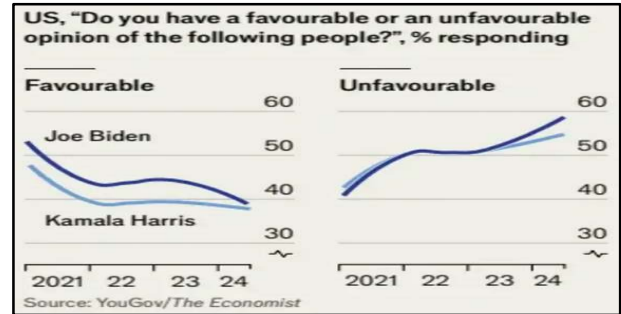
**Nevada - Has been Democrat held since 2008**

| General election | Winner          | Party    | Margin of Victory | Loser        |
|------------------|-----------------|----------|-------------------|--------------|
| 2020             | Joe Biden       | Democrat | 50.1% / 47.7%     | Donald Trump |
| 2016             | Hillary Clinton | Democrat | 47.9% / 45.5%     | Donald Trump |

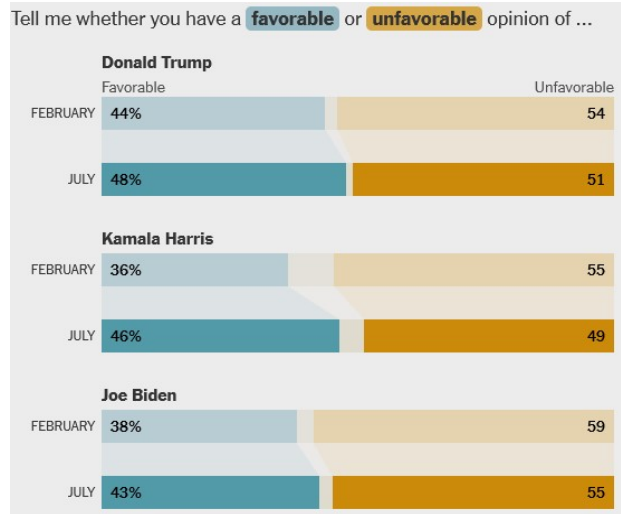
**Arizona - Biden won Wisconsin for 1st time in 20 years in 2020**

| General election | Winner       | Party      | Margin of Victory | Loser           |
|------------------|--------------|------------|-------------------|-----------------|
| 2020             | Joe Biden    | Democrat   | 49.4% / 49.1%     | Donald Trump    |
| 2016             | Donald Trump | Republican | 45.1% / 48.7%     | Hillary Clinton |

**HARRIS' POLLING - WORSE THAN BIDEN**



**LATEST NEW YORK TIMES PRESIDENTIAL POLL**



**CHINESE ECONOMIC OUTLOOK**

**Population: 1.425 billion**

**CHINESE ECONOMY**

The Chinese economy (GDP) expanded 4.7% yoy in Q2 of 2024, missing market forecasts of 5.1% and slowing from a 5.3% growth in Q1. It was the weakest yearly advance since Q1 of 2023, amid a persistent property downturn, weak domestic demand, falling yuan, and trade frictions with the West.



The latest figures came as the communist party began the Third Plenum, a key political event in which various reform measures are

likely to be launched, along with recommendations for more support action to boost recovery.

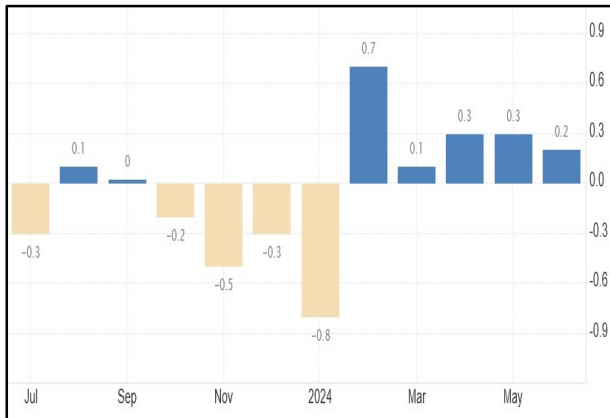
**CHINA – ANNUAL GDP GROWTH RATE**



**CHINESE INFLATION**

China's annual inflation rate edged down to 0.2% in June 2024 from 0.3% in the prior two months, falling short of market estimates of 0.4%. It was the fifth straight month of consumer inflation but the lowest figure since March amid a fragile economic recovery.

**CHINA – ANNUAL INFLATION RATE**



**UNITED KINGDOM ECONOMIC OUTLOOK**

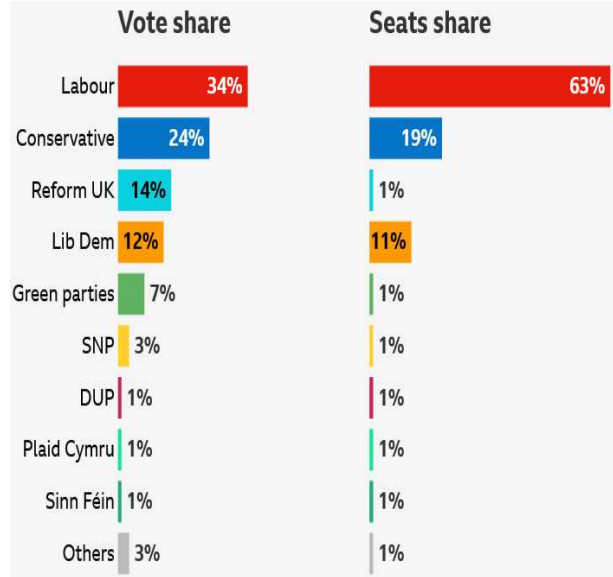
**POPULATION: 68.0 million**

**UK ELECTION – 4<sup>TH</sup> JULY**

Sir Keir Starmer has stormed home in a massive election with for Labour. Labour received 33.7% of the vote but won 63.2% of the seats in Parliament. Their total seats won was 412, whereas the Tories only got 121.



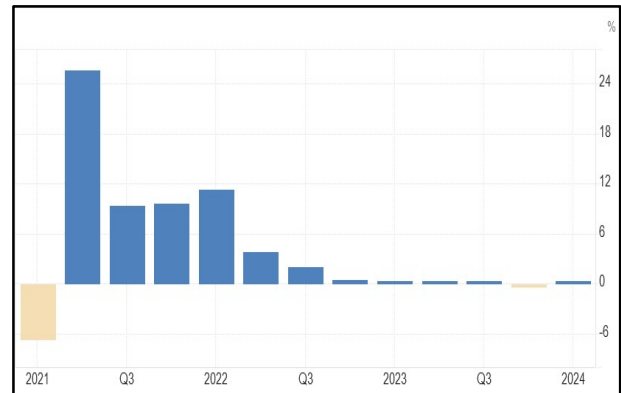
The Liberal Democrats won 72 seats (11% of the seats) versus 12% of the vote. Nigel Farage's right-wing, populist Reform UK party won 14.3% of the vote but only achieved its first 5 seats in this First-past-the-Post election - and came second in many more, splitting the right-wing vote and contributing to the Conservatives' losses.



**UK ECONOMY**

The British economy 0.3% year-on-year in the first quarter of 2024, slightly higher than 0.2% in the initial estimate, and rebounding from a 0.2% fall in the previous quarter. The services sector rose 0.4%, higher than 0.3% in the preliminary estimate and rebounding from a 0.2% fall in Q4 2023. Production went up less than expected (0.3% vs 0.5%), but recovered from a 0.1% fall. Construction on the other hand, fell 0.4%, extending a 0.6% decline in the previous quarter, but less than -0.7% in the preliminary estimate. Compared to the previous quarter, the GDP in the UK expanded 0.7%, exiting recession, and better than 0.6% in the first estimate.

**UNITED KINGDOM – ANNUAL GDP GROWTH RATE**



**EUROZONE ECONOMIC OUTLOOK**

**POPULATION: 447.9 million**

**EU ECONOMY**

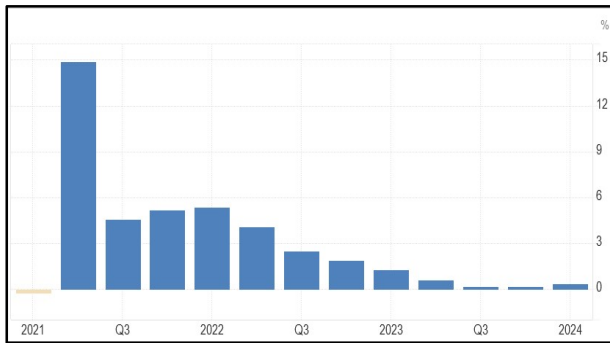
The GDP in the Euro Area expanded 0.4% in the first quarter of 2024 over the same quarter of the previous year. GDP Annual Growth Rate in Euro Area averaged 1.6% from 1995 until 2024, reaching an all time high of 14.9% in the second quarter



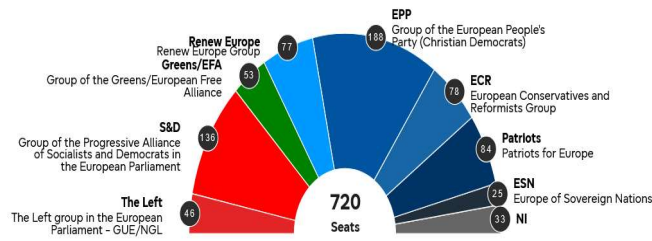


of 2021 and a record low of -14.1% in the second quarter of 2020.

### EUROZONE – ANNUAL GDP GROWTH RATE



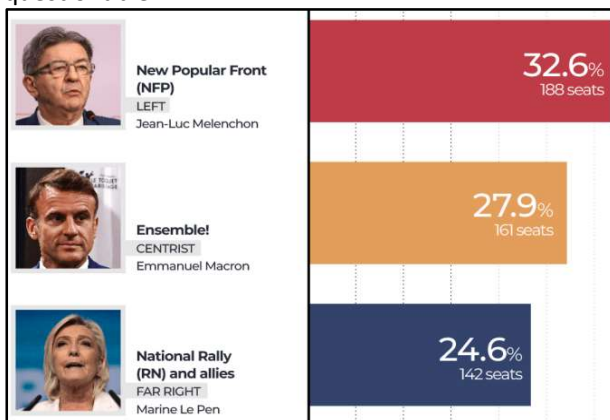
### EUROPEAN PARLIAMENT 2024 - 2029



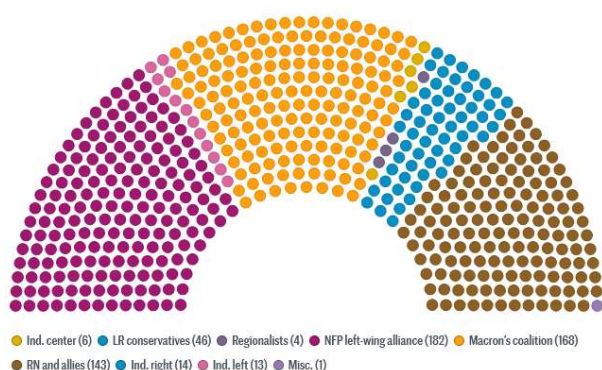
The 2024 European Parliament election was held in the European Union between 6 and 9 June 2024. It was the tenth parliamentary election since the first direct elections in 1979, and the first European Parliament election after Brexit. The result was a huge shift to the Right with EU communities being fed up with the rampant illegal migration.

### FRENCH ELECTION – A HUNG PARLIAMENT

A loose alliance of leftist parties has won the most seats in French legislative elections after a second round of voting, but their ability to govern is questionable.



### FRENCH PARLIAMENT MAKEUP



Macron's presidential term ends in 2027, and he does not intend to step down before that, he has said. The constitution grants Macron power over foreign policy and the armed forces. The success of the leftist alliance in this election means a substantial weakening of Macron.

### JAPAN'S ECONOMIC OUTLOOK

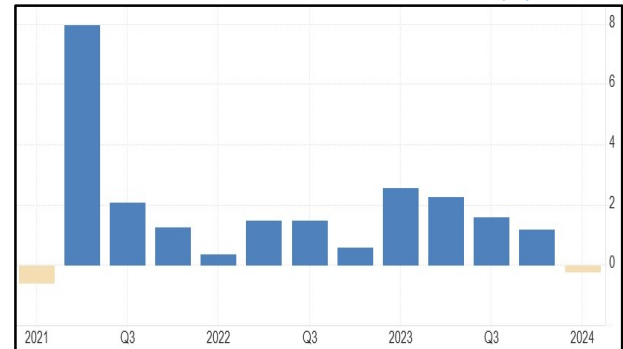
**Population:** 122.6 million

#### JAPANESE ECONOMY

GDP in Japan contracted 0.20 percent in the first quarter of 2024 over the same quarter of the previous year. GDP Annual Growth Rate in Japan averaged 1.7% from 1981 until 2024, reaching an all-time high of 9.4% in the first quarter of 1988 and a record low of -9.7% in the second quarter of 2020.



### JAPAN – ANNUAL GDP GROWTH RATE (%)



### TOKYO GOVERNOR'S ELECTION

Politics in Japan can be a staid affair. The race to become the governor of Tokyo, which reached its climax on July 7th, was anything but that. Fifty-six candidates, many of them eccentrics, traded barbs. Pets featured on election posters. so, in one case, did pornography. A candidate dressed as the Joker from "Batman" spouted nonsense on national television. Another took off her clothes. In the end Koike Yuriko, the incumbent governor, bagged herself a third term with some 43% of votes.

### INDIA'S ECONOMIC OUTLOOK

**Population:** 1.442 billion

India has now overtaken China as the highest population nation in the world.

#### INDIAN ECONOMY

Prime Minister Modi has recently visited Russia to talk to Putin about ongoing trade collaboration. Exports to India have gone up more than 60% since the

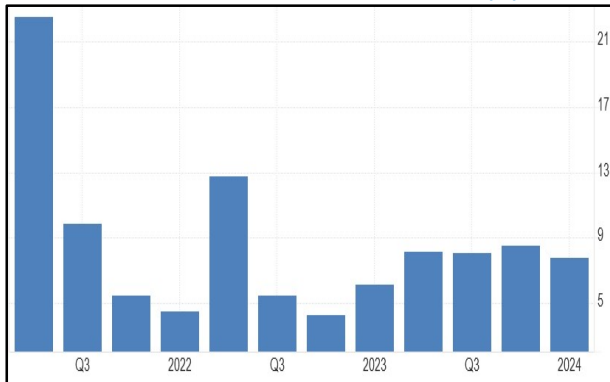




beginning of the Ukraine war and bilateral trade is now worth more than US\$65.7bn.

India is the world's fastest-growing major economy, expanding by 7.8% in Q1 of 2024, sharply above the initial forecasts of a 6.7% expansion, to extend the trend of strong growth for the Indian economy.

**INDIA – ANNUAL GDP GROWTH RATE (%)**



**COMMODITIES**

**NZ/US DOLLAR EXCHANGE RATE**



**GOLD**

Gold peaked at US\$2477 in mid-July, as investors await US economic data for clarity on the timing of the Federal Reserve's anticipated rate cut.

We are seeing a near-doubling in the price of gold over the past five years.

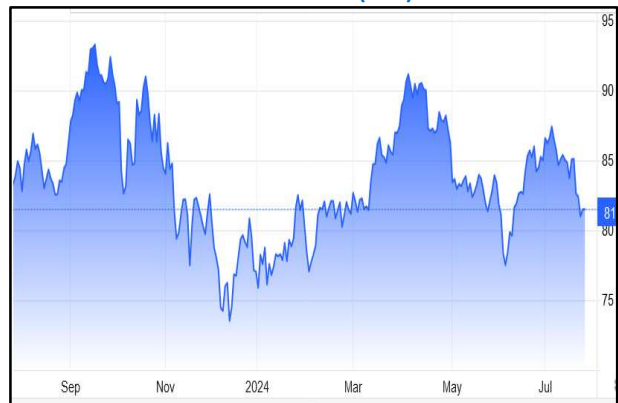
**GOLD (5-YR)**



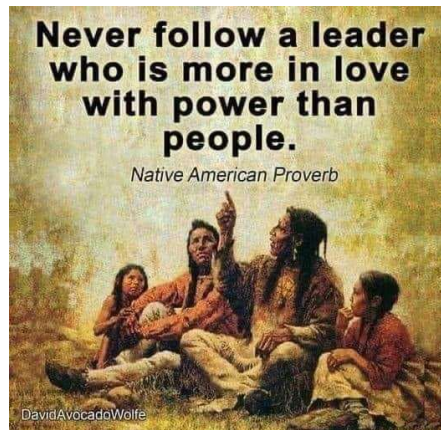
**OIL – BRENT CRUDE**

Brent crude oil futures remain near their lowest level in six weeks. The increase was driven by a larger-than-expected drawdown in US oil inventories with gasoline and distillate stocks also falling. Additionally, the risk of short-term supply disruptions supported oil prices, as wildfires in Canada continue to threaten more than 10% of the region's oil production. However, renewed optimism about ceasefire negotiations between Israel and Hamas exerted downward pressure on prices, following Israeli Prime Minister Benjamin Netanyahu's indication that a ceasefire agreement could be taking shape.

**BRENT CRUDE (1YR)**



**NOTE:** New Zealand trades in Brent Crude Oil



## AGRIBUSINESS – LOOKING FROM THE OUTSIDE IN



| DATA |                                   | 1950         | 1982             | 2023              |
|------|-----------------------------------|--------------|------------------|-------------------|
| 1    | Sheep numbers                     | 33,857,000   | 70,301,461       | 24,400,000        |
| 2    | Beef cattle numbers               | 3,103,299    | 5,162,261        | 3,700,000         |
| 3    | Dairy cattle numbers              | 1,845,510    | 2,968,953        | 5,900,000         |
| 4    | Deer numbers                      | -            | 225,000          | 742,000           |
| 5    | New Zealand gross Government debt | £670 million | \$11.617 billion | \$135.789 billion |

### NZ STILL RELIES ON AGRICULTURAL EXPORTS

In 1990 merchandise exports equalled NZ\$20.56 billion. In 2023 it had risen to \$68.70 billion. Tourism, along with agriculture, are presently the only two New Zealand industries that are world efficient and competitive.

#### TOURISM

Tourism produced \$37.7 billion of financial activity in New Zealand from its overall operations in the year ended 31<sup>st</sup> March 2023. This was split:

|                              |                       |             |
|------------------------------|-----------------------|-------------|
| Overseas visitor expenditure | \$10.8 billion        | 28.6%       |
| Domestic tourism expenditure | \$26.9 billion        | 71.4%       |
| <b>Total</b>                 | <b>\$37.7 billion</b> | <b>100%</b> |

The tourism industry employs approximately 318,000 people. The industry is projected to grow at around 5.8% per year – compared to the overall NZ economy which is expected to grow at around 2.7%. Tourism numbers in 2024 are 5.1 million. 49% of international tourists came from Australia. The second largest was from the US at 15% (mainly from California).

New Zealand has for a long time imported more than it exports. MPI data show that 80% of the exports come from food and fibre industries. There is no easy solution to the problem of too many imports and too few exports.

**KIWIFRUIT** is one of the few export categories with significant potential to increase in scale. Zespri expects New Zealand production of kiwifruit to increase 50% by 2028. China has become the biggest growth market with 26% of sales being made there in the June 2023 year. This is likely to increase further. Japan is the second biggest market. Then comes the EU, Korea and the USA.

Of course, kiwifruit alone is not going to solve the economic problems that New Zealand faces. Even if the kiwifruit industry doubled its export earnings, these earnings would only be 20% of the dairy-industry export earnings. And those additional earnings would cover less than 10% of the current-account deficits we have been running in the most recent years.

### NEW CLIMATE CHANGE FOCUS

SOURCE: NewsroomPro, 17-July-2024

The Chief Executive of the NZ Forest Owners Association, in briefings to the new ministers, Todd McClay and Shane Jones, emphasised the importance of expanding the country's plantation forestry. *"Forestry occupies a comparatively modest 1.8 million hectares of land but delivers more per hectare than most other rural activities," they wrote. "The potential to do more from a relatively small expansion is significant."*

The forest sector earned \$6.7b in export dollars last year, and by 2030 is projected to be worth \$8b. Each year, they wrote, the country's production forest estate sequesters more than half of NZ's total carbon emissions. Wood products generate jobs and regional revenue streams; wood is core to developing a bio-based circular economy.

Nearly 25 years after Rhodes first made that argument for planting more forest as carbon sinks – a quarter century in which such reliance on tree-planting had gradually been discounted by scientists and economists – we now seem to have returned full circle.

This morning, the Government emissions reduction plan provides both opportunities and constraints for plantation forestry.

On the one hand, Climate Change Minister Simon Watts is abandoning the previous government's plans to prioritise the reduction of climate pollution over offsetting through forestry and new technologies. "The Government is now mostly agnostic as to whether emissions fall because pollution falls or because more trees are being planted," according to author Marc Daalder.

Central Government now moots planting 5000-7000ha of native trees on Crown land every year, and 10,000ha of pine trees.

On the other hand, there will be a three-year moratorium on converting high-producing agricultural land to pine forestry. The technical annex reveals restrictions on conversions for land use classes 1 to 5 (the most productive land) and a 15,000 hectare per year limit for land use class 6 (mid-grade land).

Overall, NZ is no longer on track to meet its 2050 net zero emissions target, nor the third emissions budget in 2031 to 2035. The Govt's scrapping of key climate policies like the clean car discount and decarbonising industry fund makes up about a third of the difference. Another fifth is due to Tiwai Point aluminium smelter remaining open for two more decades.

The reliance on a market-based approach has risks, which are laid out in the consultation document. The carbon price will settle around the level at which sheep and beef farms are converted to forestry – roughly \$50/tonne. That's not high enough to incentivise actual emissions reductions, Marc says, so forestry offsetting will contribute to a greater proportion of NZ's 'decarbonisation'.

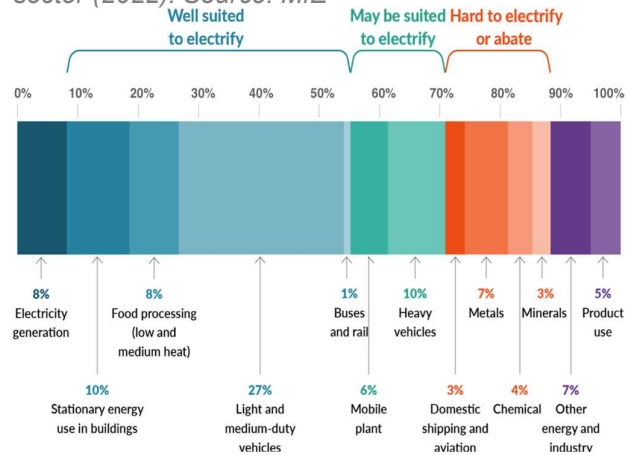
Additionally, the continued exclusion of agriculture from the emissions trading scheme and the industrial subsidies for polluters create a risk that, 10 years from now, the emissions trading may no longer encourage enough reductions or removals to achieve and sustain net zero.

It's been a vexed argument for the past quarter century: whether it's necessary for NZ to dramatically cut its gross emissions, or whether it's enough to just plant more trees to offset those cuts we fail to make.

Today, Simon Watts calls that a “net-based focus”, and it will rely on more and more land being covered by fast-growing exotic plantation forestry.

Yet the Climate Change Commission has warned that without further tweaks, the emissions trading scheme will see a crash in demand for offsets from forestry in the mid-2030s. The Govt has acknowledged that warning but, beyond perhaps reducing the industrial allocation of carbon credits, its draft plan doesn't say how NZ will avoid that happening.

*The challenge to decarbonise NZ emissions by sector (2022). Source: MfE*



If you are looking for a sharebroker  
I recommend



**GRAHAM NELSON** AFA  
Director, Wealth Management Advisor

Graham works out of Jarden's Wellington office. With modern communications you won't be disappointed...



**JARDEN**

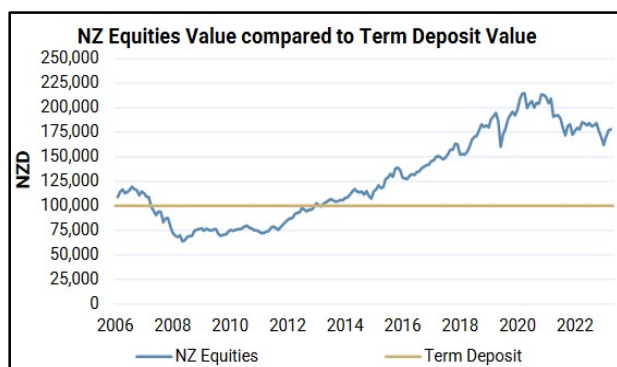
D +64 4 496 5318 | M +64 21 447 242  
Email: [graham.nelson@jarden.co.nz](mailto:graham.nelson@jarden.co.nz)



## NEW ZEALAND EQUITIES

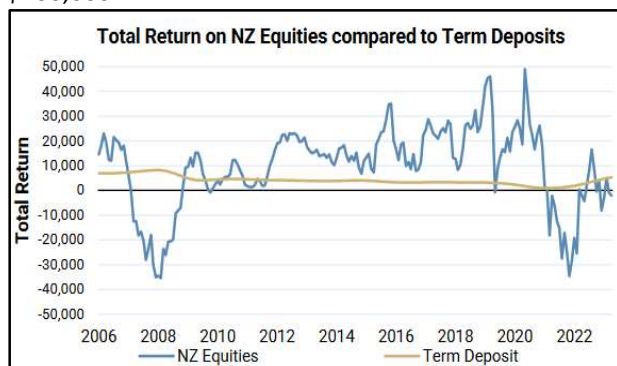
### NEW ZEALAND ASSET ALLOCATIONS

Jarden consider the impact on the value of \$100,000 invested on 30 November 2005.



Over the long-term, equities have typically appreciated in value. The appreciation is far from linear though, and investors will inevitably have to endure periods where values decline. The Global Financial Crisis was an unusual period where the value of the New Zealand equities fell 45.0% over a 21-month period. The recent sharp decline in the value of New Zealand equities in reaction to the economic impact of COVID-19 is another period where equity values have been materially adversely impacted. Some investors will find these value declines unbearable, even if the loss is not realised. The decline becomes a much bigger problem if it is necessary to sell equities at a time when they have fallen in value. Conversely, there was no change in the value of the term deposit investment.

Finally, Jarden considers the total return (income and change in value) over rolling 12-month periods (this is pre-tax, and no allowance has been made for imputation credits) based on an initial investment of \$100,000.



This graph highlights the relative stability of the total returns generated by a low-risk asset such as term deposits. Conversely the total return generated from equities is much greater, largely due to changes in the capital value of equities. Over the period under review, equities have experienced several 12-month periods where 12-month total returns above 15% have been experienced. Conversely the number of periods where losses have been incurred is small. However, these periods can be unnerving when living through them.

While the expected long run investment returns do not appear to be materially different, after an extended period of time, they result in a material difference in cumulative return.

For example, based on expected pre-tax investment returns, \$1 million invested in the conservative and growth asset allocations accumulate as follows:

| Period (years) | Conservative (pre-tax) | Growth (pre-tax) | Difference | Difference |
|----------------|------------------------|------------------|------------|------------|
| 10             | \$1,810,000            | \$1,990,000      | \$ 180,000 | 10%        |
| 15             | \$2,430,000            | \$2,800,000      | \$ 370,000 | 15%        |
| 20             | \$3,260,000            | \$3,940,000      | \$ 680,000 | 21%        |

Source: Jarden

### JARDEN'S DIVERSIFIED MODEL PORTFOLIOS

I remain a fan of seeking growth for investors with a +7-year timeframe.

#### BALANCED/GROWTH

Focuses more on growth, while maintaining exposure to income. Subject to loss of capital but higher expected growth.

Timeframe 7+ years

#### Balanced/Growth

|                          |     |
|--------------------------|-----|
| ■ Cash                   | 3%  |
| ■ NZ Debt Securities     | 20% |
| ■ Global Debt Securities | 7%  |
| ■ Property               | 2%  |
| ■ NZ Equities            | 12% |
| ■ Australian Equities    | 12% |
| ■ Global Equities        | 44% |

| Expected Investment Returns (%pa)                         |                 |
|---|-----------------|
| Expected Long Run Pre-Tax Return (Capital and Income)     | 6.9%            |
| Expected Long Run Post-Tax Return (Capital and Income)    | 5.1%            |
| Return Volatility (Standard Deviation)                    | 8.1%            |
| Probability of a Negative Return Over Any 12 Month Period | 20 in 100       |
| Historical Investment Returns                             |                 |
| Worst/Best Historic 12 Month Return                       | -20.2% / 31.3%  |
| Worst/Best Historic 5 Year Return                         | 0.4% / 11.6%    |
| Worst Peak to Trough Period                               | Oct 07 - Mar 09 |
| Worst Peak to Trough Return                               | -23.0%          |
| Time to Recover to Previous Peak - months                 | 23              |
| Best Trough to Peak Period                                | Mar 09 - Dec 21 |
| Best Trough to Peak Return                                | 238.2%          |

#### GROWTH

Focuses on growth over the long term by investing primarily in equities. Subject to substantial loss of capital but higher expected growth.

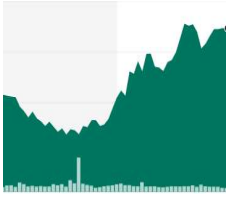
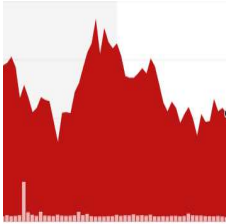
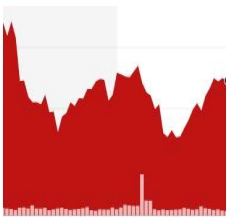

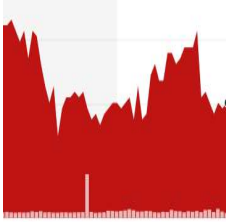
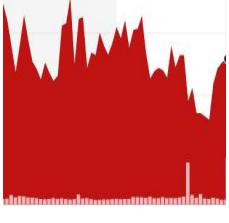
Timeframe 10+ years


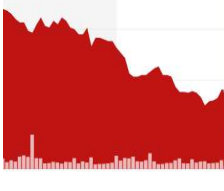

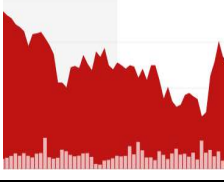

#### Growth

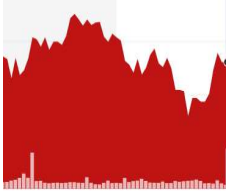

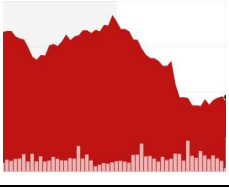


|                          |     |
|--------------------------|-----|
| ■ Cash                   | 3%  |
| ■ NZ Debt Securities     | 12% |
| ■ Global Debt Securities | 5%  |
| ■ Property               | 2%  |
| ■ NZ Equities            | 14% |
| ■ Australian Equities    | 14% |
| ■ Global Equities        | 50% |

| Expected Investment Returns (%pa)                         |                 |
|---|-----------------|
| Expected Long Run Pre-Tax Return (Capital and Income)     | 7.1%            |
| Expected Long Run Post-Tax Return (Capital and Income)    | 5.3%            |
| Return Volatility (Standard Deviation)                    | 9.4%            |
| Probability of a Negative Return Over Any 12 Month Period | 23 in 100       |
| Historical Investment Returns                             |                 |
| Worst/Best Historic 12 Month Return                       | -23.9% / 35.3%  |
| Worst/Best Historic 5 Year Return                         | -0.7% / 12.4%   |
| Worst Peak to Trough Period                               | Oct 07 - Mar 09 |
| Worst Peak to Trough Return                               | -27.5%          |
| Time to Recover to Previous Peak - months                 | 45              |
| Best Trough to Peak Period                                | Mar 09 - Dec 21 |
| Best Trough to Peak Return                                | 264.8%          |



| ALL GRAPHS ARE ONE YEAR<br>GREEN=POSITIVE<br>RED=NEGATIVE                           |   |                                 |   |  |
|---|---|---------------------------------|---|--|
|    | <b>THE A2 MILK COMPANY</b><br>Jarden estimates a strong operating performance with 2H revenue growth of ~9% on pcp, underpinned by China Label IMF and Other Nutritionals. They estimate a modest margin improvement, with the IMF mix being diluted by the upfront costs of launching new products. Key update points for investors are likely to include (1) supply chain strategy to secure further SAMR registrations, (2) feedback on the new product introductions and the O2O distribution deal with Yuou, (3) A2 IMF category penetration and (4) maiden guidance for FY25. On guidance, expect revenue growth range of high single digit to low double digit (Jarden +9%, 2H24 +9%) and some operating margin improvement (Jarden +90bp to 15.4%). They also caution, given the strong ATM price rerate CYTD, that ATM is already priced for a strong momentum result and this momentum extending into the outlook.<br>2024 P/E: 19.1 2025 P/E: 16.3 | Research: 15 <sup>th</sup> July | NZX Code: <b>ATM</b><br>Share Price: <b>\$7.57</b><br>12mth Target: <b>\$7.55</b> ↑<br>Projected return (%)<br>Capital gain -0.3%<br>Dividend yield (Net) 7.2%<br>Total return <b>6.9%</b><br>Rating: <b>OVERWEIGHT</b><br>52-week price range: 4.00-7.98   |  |
|    | <b>AUCKLAND INTERNATIONAL AIRPORT</b><br>AIA is about to make a full switch to a single duty-free operator model and passenger volumes are still in recovery at 88% of the FY19 level. In addition, the passenger mix is yet to normalise, with higher spending Chinese passengers still around half the previous level. Key uncertainties include (1) where the base passenger spend rate (PSR) is likely to settle under a full passenger recovery; (2) what impact the move to a single duty-free operator will have on the PSR; and (3) how this will translate to AIA revenue. While Chinese spend rates are likely to continue declining over time, expect some short-term support for PSR as volumes return.<br>2024 P/E: 41.5 2025 P/E: 40.0  | Research: 18 <sup>th</sup> July | NZX Code: <b>AIA</b><br>Share Price: <b>\$7.67</b><br>12mth Target: <b>\$8.13</b> ↓<br>Projected return (%)<br>Capital gain 6.0%<br>Dividend yield (Net) 1.7%<br>Total return <b>7.7%</b><br>Rating: <b>NEUTRAL</b><br>52-week price range: 7.30-8.80       |  |
|    | <b>CHORUS</b><br>Jarden expects ComCom to deliver a draft MAR determination for RP2 around the end of July 2024. They expect this to be informed by ComCom's draft expenditure proposal decision, which CNU is still hoping will be increased. Following a large step up in WACC (in line with expectations, recently confirmed at 7.68% for RP2 from 4.72% for RP1) expectations have been for a meaningful uplift in MAR in RP2. Jarden will be interested to see what, if anything, ComCom does potentially to reduce the level of step up from one regulatory period to another (e.g. tilting of loss asset amortisation/main RAB depreciation). Jarden is currently using opex numbers between ComCom and CNU and are forecasting a cumulative wash-up at the end of RP2 of ~\$370m.<br>2024 P/E: 204.4 2025 P/E: 27.7   | Research: 9 <sup>th</sup> July  | NZX Code: <b>CHU</b><br>Share Price: <b>\$7.86</b><br>12mth Target: <b>\$7.17</b> ↓<br>Projected return (%)<br>Capital gain -8.8%<br>Dividend yield (Net) 6.2%<br>Total return <b>-2.6%</b><br>Rating: <b>UNDERWEIGHT</b><br>52-week price range: 7.03-8.65 |  |
|  | <b>CONTACT ENERGY</b><br>Contact recently issued FY25 EBITDA and dividend guidance (\$770m and 39c) but also added the dividend would remain at 39c until much of the near-term capex is complete, so through to FY27E at least. On Jarden estimates, the company will likely produce cashflow sufficient for dividends of c. 54c in FY25E, rising to c. 67c in FY27E as the full impact of all the recent builds are felt. With the dividend guided to remain static at just 39c, Jarden thinks this sparks a capital constraint debate. They calculate that, with a bit of financial management, the balance sheet can sustain the near-term projects' capital requirements, staying within their debt covenants. However, we believe Contact may be unnecessarily constraining itself from taking advantage of growth opportunities.<br>2024 P/E: 30.3 2025 P/E: 26.1  | Research: 15 <sup>th</sup> July | NZX Code: <b>CEN</b><br>Share Price: <b>\$8.59</b><br>12mth Target: <b>\$10.70</b><br>Projected return (%)<br>Capital gain 24.5%<br>Dividend yield (Net) 4.3%<br>Total return <b>28.9%</b><br>Rating: <b>BUY</b><br>52-week price range: 7.50-9.43          |  |
|  | <b>CHANNEL INFRASTRUCURE</b><br>The NZ Government announced it will halt work on directly procuring its own 70m litre diesel reserve, reversing a decision by the previous Government in November 2022. Jarden's valuation had assumed 50ml of that reserve diesel tankage would be provided by CHI from 2025, contributing ~7cps to their previous spot DCF estimate. Today's announcement hints that even though the Government's direct reserve will no longer occur (citing large capital requirements), it may instead exercise its powers under the 2022 legislation to increase days-held minimum stockholding obligations (MSO) on diesel suppliers by ~7 days, achieving a similar result.<br>2024 P/E: 19.1 2025 P/E: 16.3  | Research: 6 <sup>th</sup> June  | NZX Code: <b>CHI</b><br>Share Price: <b>\$1.48</b><br>12mth Target: <b>\$1.61</b><br>Projected return (%)<br>Capital gain 8.8%<br>Dividend yield (Net) 7.2%<br>Total return <b>16.0%</b><br>Rating: <b>OVERWEIGHT</b><br>52-week price range: 1.39-1.65     |  |
|  | <b>EBOS</b><br>Expect a solid operating result, with FY24 EBITDA growth of +9% to NZ\$636m (consensus the same). 2H24 also marks the last contribution period for Community Pharmacy of the Australian Chemist Warehouse (CW) contract, which transfers to SIG in July 2024. EBO's outlook comments are usually fairly limited with no earnings guidance provided. Key elements to look for within the results include (1) Community Pharmacy net revenue gains (outside CW), (2) confidence on group opex efficiency gains (targeting 2-5% of total opex), (3) new customer wins within Medical Consumables and/or (4) M&A pipeline for Medical Technologies.<br>2024 P/E: 19.9 2025 P/E: 22.3   | Research: 15 <sup>th</sup> July | NZX Code: <b>EBO</b><br>Share Price: <b>\$35.00</b><br>12mth Target: <b>\$38.00</b><br>Projected return (%)<br>Capital gain 8.6%<br>Dividend yield (Net) 2.8%<br>Total return <b>11.4%</b><br>Rating: <b>OVERWEIGHT</b><br>52-week price range: 31.02-38.60 |  |

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|---|---|--|
|     | <p><b>INFRATIL</b> <span style="float: right;">Research: 1<sup>st</sup> July</span></p> <p>IFT announced it will raise up to \$1.15bn equity, primarily from a \$1bn underwritten institutional placement at \$10.15/share, plus up to a further \$150m in a retail offer conducted between 20 June and 8 July and priced at the lower of \$10.15/share or 2.5% discount to 5-day VWAP. Most of this was raised through institutional investors at an issue price of \$10.15. The equity raised will fund around A\$600 million of contributions to CDC over FY25/26 as the companies' competitive advantages have helped secure major new sales in the booming AI space.</p> <p>2025 P/E: 175.0 2026 P/E:</p>  | <p>NZX Code: <b>IFT</b></p> <p>Share Price: <b>\$10.99</b></p> <p>12mth Target: ↓ <b>\$11.40</b></p> <p>Projected return (%)</p> <p>Capital gain 3.7%</p> <p>Dividend yield (Net) 2.6%</p> <p>Total return <b>6.3%</b></p> <p>Rating: <b>OVERWEIGHT</b></p> <p>52-week price range: 9.72-11.74</p> |
|    | <p><b>KMD BRANDS</b> <span style="float: right;">Research: 21<sup>st</sup> June</span></p> <p>Another retail downgrade with KMD providing a disappointing, albeit not entirely unexpected, trading update. KMD has guided to FY24 underlying pre-IFRS EBITDA of c. \$50m (JARDe \$47m) on the back of lower sales, with gross margin resilient and operating costs controlled. Group sales are down -8.4% y/y for the first four months of 2H24E, improving on the -14.5% experienced in 1H24, although largely as a result of softer comps in the pcp. When comparing CAGRs against normalised periods, Jarden estimates the current negative sales trends are broadly similar to those experienced in the first half. However, Kathmandu sales have weakened again into the key winter sales period, down -11.5% y/y for the first three weeks of June. The additional weakness is in the New Zealand business, with Australia tracking in line with the 2H run rate (c. -8.4%) and improving each week. Given the importance of the period for group trade, Jarden continues to see downside risk should brand momentum remain subdued.</p> <p>2024 P/E: (62.9) 2025 P/E: 16.8</p>   | <p>NZX Code: <b>KMD</b></p> <p>Share Price: <b>\$0.44</b></p> <p>12mth Target: <b>\$0.70</b></p> <p>Projected return (%)</p> <p>Capital gain 57.3%</p> <p>Dividend yield (Net) 0.0%</p> <p>Total return <b>57.3%</b></p> <p>Rating: <b>BUY</b></p> <p>52-week price range: 0.34-0.96</p>           |
|    | <p><b>MICHAEL HILL INTERNATIONAL</b> <span style="float: right;">Research: 18<sup>th</sup> July</span></p> <p>MHJ's FY24 trading update was consistent with expectations as a difficult consumer backdrop continued to weigh on performance, particularly in New Zealand and Australia. FY24 group sales of A\$641m were up +3.8% y/y (adjusted for an extra trading week but including c.11 additional months of Bevilles contribution), which Jarden estimates equates to a fall of c.-5% on a like-for-like basis. On a market-by-market basis, New Zealand has remained soft, with sales down -12% in 2H24, and while Australia's like-for-like sales were also negative in 2H24, suggesting trends have shifted with positive year-on-year growth for the core brand in the past seven weeks of FY24. New Zealand's more pronounced weakness can in part be attributed to the brand's higher exposure to consumer credit sales, which have seen a decline in approval rates. Canada remains the sales bright spot, with 2H24 sales up +1.6% and improving in recent weeks. While sales have been weak, it is encouraging to note MHJ continues to outperform its industry benchmarks, highlighting ongoing brand resonance.</p> <p>2024 P/E: 32.2 2025 P/E: 14.2</p> | <p>NZX Code: <b>MHJ</b></p> <p>Share Price: <b>\$0.65</b></p> <p>12mth Target: <b>\$0.72</b></p> <p>Projected return (%)</p> <p>Capital gain 10.8%</p> <p>Dividend yield (Net) 2.6%</p> <p>Total return <b>13.4%</b></p> <p>Rating: <b>OVERWEIGHT</b></p> <p>52-week price range: 0.43-1.06</p>    |
|  | <p><b>PORT OF TAURANGA</b> <span style="float: right;">Research: 15<sup>th</sup> July</span></p> <p>Jarden estimates weak operating results reflecting subdued economic volumes but still falling within a wide initial guidance range. Looking forward, despite continued volume weakness, they expect to see some benefit from the recently announced price rises. Earnings guidance is typically introduced at the ASM.</p> <p>2024 P/E: 27.1 2025 P/E: 23.7</p>   | <p>NZX Code: <b>POT</b></p> <p>Share Price: <b>\$5.49</b></p> <p>12mth Target: <b>\$5.67</b></p> <p>Projected return (%)</p> <p>Capital gain 3.3%</p> <p>Dividend yield (Net) 2.8%</p> <p>Total return <b>6.1%</b></p> <p>Rating: <b>NEUTRAL</b></p> <p>52-week price range: 4.64-6.20</p>         |
|  | <p><b>RYMAN HEALTHCARE</b> <span style="float: right;">Research: 18<sup>th</sup> July</span></p> <p>Jarden has reviewed the activity and financial performance for RYM Australia over FY12-FY24. RYM Australia provides a useful lens into the timeframe and dynamics associated with building value in the RV sector, including the risks. While there are no surprises that RYM is not generating operating profitability in Australia yet, RYM Australia has built up ~A\$450m book equity, dominated by fair value movements as well as a meaningful deferred tax asset. In addition, RYM achieved free cash flow breakeven a year early in Australia with +A\$5m free cash in FY24, driven by moderating development activity together with a large reduction in receivables/large accommodation bond funding.</p> <p>2025P/E: 9.6 2026 P/E: 8.6</p>   | <p>NZX Code: <b>RYM</b></p> <p>Share Price: <b>\$4.52</b></p> <p>12mth Target: <b>\$4.04</b></p> <p>Projected return (%)</p> <p>Capital gain -10.6%</p> <p>Dividend yield (Net) 0.0%</p> <p>Total return <b>-10.6%</b></p> <p>Rating: <b>NEUTRAL</b></p> <p>52-week price range: 3.40-6.92</p>     |

|   |  |   |
|---|--|---|
|     | <p><b>SKELLERUP HOLDINGS</b> <span style="float: right;">Research: 2<sup>nd</sup> July</span></p> <p>SKL serves a number of segments with cyclical exposure, and hence a deteriorating macro-outlook likely creates earnings uncertainty into FY25E, noting Jarden expects FY24E NPAT of ~\$51m remains likely given no change in guidance to date (since February), and a strong track record of meeting/exceeding guidance. Jarden's analysis shows over 75% of total sales are from outside of NZ, and the highest growth market (in \$ terms) has been the US that now represents 36% of group sales (from 22% in FY09). On the contrary, Australia is the only market that has not experienced any growth with sales remaining around ~\$50m since FY09 (flat across both Agri and Industrial). In terms of customer and product concentration, SKL serves over 4,400 customers and produced over 470 new products in the two years prior to FY23. Within Agri, NZ still remains the largest market though is now almost matched by the US. It's worth noting that while SKL is the largest player in NZ, it has still achieved a ~5% sales CAGR since FY17 despite overall milk volumes having peaked in 2019 and was ~5% off the peak in the 2022-23 season.</p> <p>2024 P/E: 14.0 2025 P/E: 13.6</p> | <p>NZX Code: <b>SKL</b></p> <p>Share Price: <b>\$4.40</b></p> <p>12mth Target: <b>\$5.00</b> ↓</p> <p>Projected return (%)</p> <p>Capital gain 13.6%</p> <p>Dividend yield (Net) 6.1%</p> <p>Total return <b>19.7%</b></p> <p>Rating: <b>OVERWEIGHT</b></p> <p>52-week price range: 3.35-5.19</p> |
|    | <p><b>SKY CITY ENTERTAINMENT</b> <span style="float: right;">Research: 1<sup>st</sup> July</span></p> <p>SKC lowered FY24 EBITDA guidance to \$280-285m, from \$290-310m, due to challenging economic conditions impacting customer spend, further delays to the Horizon Hotel completion, and a potential increase in the Adelaide casino duty expense. In addition, management announced the company's maiden FY25 underlying EBITDA guidance of \$250-270m which was lower than analyst expectations. The company suspended its dividend for 2H24 and FY25. On the positive news front, SkyCity sold their 10% stake in online gaming platform GIG, with proceeds of \$55m intended to be used to pay down debt.</p> <p>2024 P/E: 11.4 2025 P/E: 16.0</p>   | <p>NZX Code: <b>SKC</b></p> <p>Share Price: <b>\$1.46</b></p> <p>12mth Target: <b>\$1.75</b> ↓</p> <p>Projected return (%)</p> <p>Capital gain 19.9%</p> <p>Dividend yield (Net) 3.5%</p> <p>Total return <b>23.4%</b></p> <p>Rating: <b>OVERWEIGHT</b></p> <p>52-week price range: 1.34-2.38</p> |
|    | <p><b>SPARK NZ</b> <span style="float: right;">Research: 16<sup>th</sup> July</span></p> <p>After a few dependable years, delivering to a reasonably tight guidance range set at the start of the year, SPK has come unstuck across 2H24, with a material price derate, triggered by a surprise earnings downgrade in early May, which was mostly attributable to lower Government service management revenues. This fall from grace has set a backdrop for a number of key issues to be addressed by management.</p> <p>2024 P/E: 31.4 2025 P/E: 13.1</p>   | <p>NZX Code: <b>SPK</b></p> <p>Share Price: <b>\$4.16</b></p> <p>12mth Target: <b>\$4.67</b> ↓</p> <p>Projected return (%)</p> <p>Capital gain 11.6%</p> <p>Dividend yield (Net) 6.4%</p> <p>Total return <b>18.0%</b></p> <p>Rating: <b>OVERWEIGHT</b></p> <p>52-week price range: 3.94-5.39</p> |
|  | <p><b>STEEL &amp; TUBE</b> <span style="float: right;">Research: 17<sup>th</sup> June</span></p> <p>Issued guidance for FY24F normalised EBIT of \$14-15m and normalised EBITDA of \$35-36m, highlighting falling volume, as expected, although margins have held up well. This is ~\$10m lower than Jarden's Feb-24 forecasts of normalised EBIT and EBITDA of \$25m and \$47m, respectively. They reduce their FY24F EBIT and EBITDA (excluding SaaS and Project Strong related costs) forecasts to \$14.7m and \$36.0m, respectively, and reduce their 2H24 dividend forecast from 4.0cps to 2.0cps. While the downgrade was unsurprising given recent similar company updates, margin strength and commentary suggesting the cycle has likely bottomed for the company is positive.</p> <p>2024 P/E: 31.4 2025 P/E: 13.1</p>   | <p>NZX Code: <b>STU</b></p> <p>Share Price: <b>\$0.93</b></p> <p>12mth Target: <b>\$1.18</b> ↓</p> <p>Projected return (%)</p> <p>Capital gain 26.9%</p> <p>Dividend yield (Net) 6.4%</p> <p>Total return <b>33.3%</b></p> <p>Rating: <b>OVERWEIGHT</b></p> <p>52-week price range: 0.84-1.30</p> |
|  | <p><b>SUMMERSET GROUP</b> <span style="float: right;">Research: 4<sup>th</sup> July</span></p> <p>SUM's 2Q24 sales update was in line with expectations including commentary suggesting a challenging environment impacting SUM's outlook. While SUM is slightly reducing its deliveries for FY24F as it reacts to a slower market, Jarden still expects debt heading to ~\$1.7bn, with solid sales numbers likely to be impacted by a weaker mix. For the company's 1H24 result, they will be focused on any moves to provide greater transparency and focus on cash flow from existing operations over underlying profit along with recycling cash flows, which are key to SUM's dividend.</p> <p>2024 P/E: 11.1 2025 P/E: 10.3</p>  | <p>NZX Code: <b>SUM</b></p> <p>Share Price: <b>\$10.95</b></p> <p>12mth Target: <b>\$11.13</b></p> <p>Projected return (%)</p> <p>Capital gain 1.6%</p> <p>Dividend yield (Net) 2.8%</p> <p>Total return <b>4.4%</b></p> <p>Rating: <b>NEUTRAL</b></p> <p>52-week price range: 9.11-11.56</p>     |

## RETIREMENT SECTOR as at 23<sup>rd</sup> July 2024

| Key financial metrics            | Rating     | Price (NZ\$) | 12m target price (NZ\$) | Projected return | Price to earnings (x) | Dividend yield |
|----------------------------------|------------|--------------|-------------------------|------------------|-----------------------|----------------|
| Arvida Group Limited             | Neutral    | 1.61         | 1.70                    | 5.6%             | 14.5                  | 0.0%           |
| Ryman Healthcare Limited         | Neutral    | 4.46         | 4.67                    | 4.8%             | 10.4                  | 0.0%           |
| Summerset Group Holdings Limited | Overweight | 10.60        | 12.54                   | 20.8%            | 12.4                  | 2.5%           |
| Oceania Healthcare Limited       | Neutral    | 0.71         | 0.80                    | 12.0%            | 6.8                   | 0.0%           |

Source: Jarden Research



| New Zealand Watch List as at 23 July 2024 | Ticker | Close | Monthly % Change | Annual % Change | Jarden Rating | 12-month Target |
|---|--------|-------|------------------|-----------------|---------------|-----------------|
| Auckland International Airport            | AIA    | 7.79  | 0.9%             | (4.7%)          | NEUTRAL       | 8.13            |
| Air New Zealand                           | AIR    | 0.58  | 7.4%             | (16.7%)         | NEUTRAL       | 0.60            |
| A2 Milk Company                           | ATM    | 7.61  | 9.5%             | (36.9%)         | OVERWEIGHT    | 7.55            |
| Contact Energy                            | CEN    | 8.49  | (3.3%)           | 9.4%            | BUY           | 10.70           |
| Channel Infrastructure                    | CHI    | 1.46  | (1.4%)           | (3.1%)          | OVERWEIGHT    | 1.61            |
| Chorus                                    | CNU    | 7.90  | 5.2%             | 0.5%            | UNDERWEIGHT   | 7.17            |
| Ebos Group                                | EBO    | 35.09 | 8.3%             | (4.6%)          | OVERWEIGHT    | 39.24           |
| Fletcher Building                         | FBU    | 3.36  | 13.9%            | (36.9%)         | RESTRICTED    | NULL            |
| Fisher & Paykel Healthcare                | FPH    | 32.65 | 8.8%             | 35.7%           | UNDERWEIGHT   | 25.30           |
| Freightways                               | FRW    | 8.83  | 13.8%            | 8.5%            | OVERWEIGHT    | 9.48            |
| Heartland Group                           | HGH    | 1.07  | 9.2%             | (34.3%)         | OVERWEIGHT    | 1.72            |
| Infratil                                  | IFT    | 10.87 | 2.2%             | 13.9%           | OVERWEIGHT    | 11.40           |
| Mercury                                   | MCY    | 6.91  | 3.3%             | 12.4%           | OVERWEIGHT    | 7.37            |
| Meridian Energy                           | MEL    | 6.53  | 7.1%             | 27.5%           | NEUTRAL       | 5.95            |
| Mainfreight                               | MFT    | 75.40 | 11.6%            | 9.1%            | OVERWEIGHT    | 82.00           |
| Oceania Healthcare                        | OCA    | 0.77  | 42.6%            | 2.7%            | NEUTRAL       | 0.80            |
| Port of Tauranga                          | POT    | 5.53  | 18.7%            | (7.4%)          | NEUTRAL       | 5.67            |
| Ryman Healthcare                          | RYM    | 4.51  | 18.4%            | (34.4%)         | NEUTRAL       | 4.67            |
| Scales Corporation                        | SCL    | 3.42  | (4.2%)           | 4.4%            | OVERWEIGHT    | 4.15            |
| Sky City Entertainment Group              | SKC    | 1.58  | 7.5%             | (25.6%)         | OVERWEIGHT    | 1.75            |
| Skellerup                                 | SKL    | 4.35  | 15.7%            | (2.1%)          | OVERWEIGHT    | 5.00            |
| Spark                                     | SPK    | 4.19  | 3.2%             | (12.1%)         | OVERWEIGHT    | 4.67            |
| Summerset Group Holdings                  | SUM    | 10.88 | 13.3%            | 8.8%            | OVERWEIGHT    | 12.54           |
| Tourism Holdings                          | THL    | 2.22  | 20.0%            | (31.7%)         | BUY           | 4.52            |
| Vector                                    | VCT    | 3.72  | (2.1%)           | (1.7%)          | OVERWEIGHT    | 4.25            |



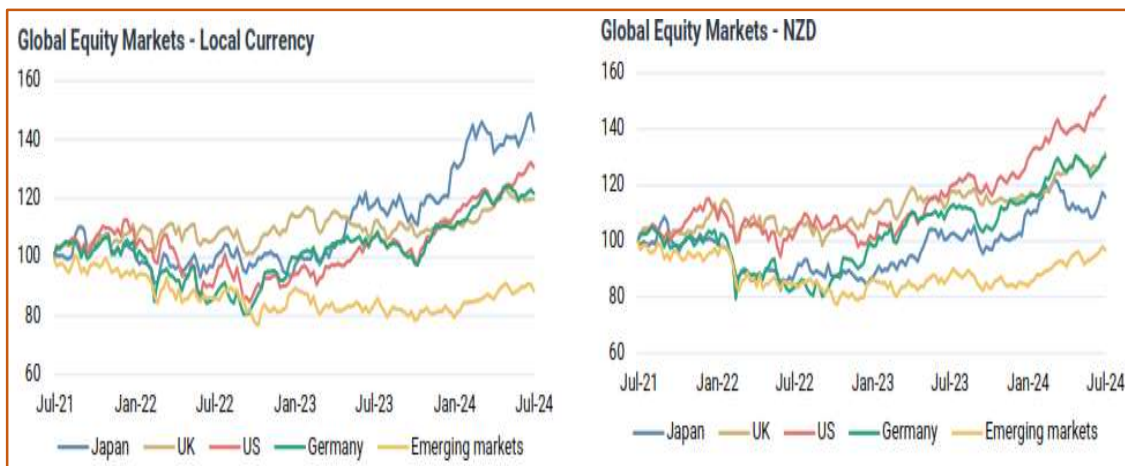
| Australia Watch List as at 23 July 2024 | Ticker | Close  | Monthly % Change | Annual % Change | 12-month Target |
|---|--------|--------|------------------|-----------------|-----------------|
| Aristocrat Leisure                      | ALL.AU | 52.81  | 7.6%             | 39.9%           | 47.20           |
| ALS                                     | ALQ.AU | 14.93  | 3.8%             | 35.8%           | 14.90           |
| ANZ Banking Group                       | ANZ.AU | 29.71  | 2.7%             | 26.3%           | 29.00           |
| ASX                                     | ASX.AU | 64.50  | 10.3%            | 8.5%            | 61.25           |
| BHP Billiton*                           | BHP.AU | 41.46  | (3.1%)           | (2.9%)          | 46.81           |
| Commonwealth Bank of Australia          | CBA.AU | 133.14 | 4.3%             | 32.9%           | 102.00          |
| CSL                                     | CSL.AU | 312.15 | 6.5%             | 18.5%           | 305.34          |
| Corporate Travel                        | CTD.AU | 13.21  | (3.2%)           | (32.0%)         | 19.00           |
| Cleanaway Waste Management              | CWY.AU | 2.80   | 4.1%             | 5.3%            | 3.00            |
| IGO                                     | IGO.AU | 5.63   | 0.9%             | (59.1%)         | 8.53            |
| Magellan Financial Group                | MFG.AU | 9.63   | 15.2%            | 18.6%           | 9.50            |
| National Australia Bank                 | NAB.AU | 37.36  | 3.2%             | 41.3%           | 34.00           |
| NEXTDC*                                 | NXT.AU | 17.01  | (3.7%)           | 35.5%           | 18.92           |
| QBE Insurance Group                     | QBE.AU | 16.88  | (6.5%)           | 10.8%           | 21.10           |
| Rio Tinto*                              | RIO.AU | 113.81 | (5.4%)           | 3.0%            | 135.98          |
| Resmed                                  | RMD.AU | 31.22  | (2.3%)           | (3.0%)          | 32.85           |
| South32*                                | S32.AU | 2.98   | (19.9%)          | (20.6%)         | 3.90            |
| Seek                                    | SEK.AU | 20.77  | (7.1%)           | (9.1%)          | 28.00           |
| Transurban Group                        | TCL.AU | 12.93  | 5.7%             | (2.7%)          | 12.70           |
| Telstra Group                           | TLS.AU | 3.88   | 6.0%             | (4.1%)          | 4.20            |
| Woodside Energy                         | WDS.AU | 27.53  | 0.0%             | (19.4%)         | NULL            |
| Wesfarmers                              | WES.AU | 72.19  | 8.0%             | 52.2%           | 60.70           |
| Worley*                                 | WOR.AU | 15.19  | 6.6%             | (6.8%)          | 18.03           |
| Woolworths                              | WOW.AU | 34.90  | 3.8%             | (7.7%)          | 39.90           |
| Xero                                    | XRO.AU | 135.90 | 2.5%             | 11.2%           | 144.00          |

Note: Prices shown in local currency. \*Target price reflects consensus. Source: Thomson Reuters, Jarden.



| Global Equity Watch List as at 23 July 2024 | Ticker   | Close  | Monthly % Change | Annual % Change | 12-month Target |
|---|----------|--------|------------------|-----------------|-----------------|
| Tencent Holdings                            | 700.HK   | 373.20 | (2.1%)           | 12.1%           | 464.72          |
| Apple                                       | AAPL.US  | 224.00 | 7.9%             | 16.7%           | 223.02          |
| Air Liquide                                 | AI.FP    | 165.20 | 1.4%             | 12.9%           | 182.05          |
| Amazon                                      | AMZN.US  | 182.55 | (3.4%)           | 40.4%           | 228.05          |
| Amphenol                                    | APH.US   | 66.24  | (3.6%)           | 58.4%           | 72.42           |
| ASML  | ASML.NA  | 850.50 | (11.7%)          | 36.0%           | 1053.87         |
| BP  | BP/.LN   | 4.58   | (2.8%)           | (3.8%)          | 604.78          |
| Berkshire Hathaway                          | BRK/B.US | 435.98 | 6.4%             | 26.1%           | 490.00          |
| Citigroup                                   | C.US     | 64.50  | 7.5%             | 37.2%           | 69.02           |
| Disney                                      | DIS.US   | 94.13  | (7.9%)           | 8.0%            | 123.52          |
| Alphabet                                    | GOOGL.US | 181.67 | 1.1%             | 51.4%           | 199.37          |
| Hershey Foods                               | HSY.US   | 191.29 | 5.0%             | (22.4%)         | 204.72          |
| JPMorgan                                    | JPM.US   | 210.28 | 7.1%             | 35.7%           | 213.40          |
| Lululemon                                   | LULU.US  | 285.00 | (8.6%)           | (25.6%)         | 392.54          |
| MasterCard                                  | MA.US    | 447.94 | (1.5%)           | 12.7%           | 514.16          |
| LVMH  | MC.FR    | 692.10 | (3.5%)           | (20.3%)         | 847.21          |
| Morgan Stanley                              | MS.US    | 102.44 | 6.5%             | 9.0%            | 105.38          |
| Microsoft                                   | MSFT.US  | 442.94 | (1.5%)           | 28.8%           | 494.62          |
| Nike Inc                                    | NKE.US   | 74.86  | (22.9%)          | (31.4%)         | 92.45           |
| NVIDIA                                      | NVDA.US  | 123.54 | (2.4%)           | 178.8%          | 135.53          |
| Schneider Electric                          | SU.FP    | 226.60 | 0.0%             | 39.4%           | 228.55          |
| Tesla                                       | TSLA.US  | 251.51 | 37.4%            | (3.3%)          | 200.97          |
| United Health                               | UNH.US   | 558.53 | 15.7%            | 10.3%           | 616.08          |
| Visa  | V.US     | 267.71 | (2.7%)           | 11.9%           | 310.52          |
| Volkswagen                                  | VOW3.GE  | 106.65 | 1.8%             | (14.6%)         | 139.46          |

Source: Thompson Reuters, Jarden. Change calculations incorporate dividends. Target Prices represent consensus





| Investment Trust Watch List as at 23 July 2024 | Ticker | Close | Monthly % Change | Investment Trust Watch List as at 23 July 2024 | Ticker | Close | Monthly % Change |
|--|--------|-------|------------------|--|--------|-------|------------------|
| Schroder Asian Total Return                    | ATR    | 4.56  | 11.2%            | JPM European Inv. Trust                        | JEGI   | 1.06  | 12.7%            |
| Baillie Gifford Japan Trust                    | BGFD   | 7.48  | (4.0%)           | JPMorgan Japanese                              | JFJ    | 5.49  | 14.8%            |
| Bankers Inv. Trust                             | BNKR   | 1.16  | 15.1%            | JPM Global Growth                              | JGGI   | 5.65  | 19.8%            |
| Blackrock World Mining                         | BRWM   | 5.53  | (9.6%)           | Mid Wynd International                         | MIDW   | 7.85  | 11.2%            |
| City of London Investment Trust                | CTY    | 4.38  | 7.0%             | Monks ITC                                      | MNKS   | 11.60 | 16.0%            |
| Asia Dragon Trust                              | DGN    | 4.09  | 12.0%            | Nth American Inc. Trust                        | NAIT   | 3.03  | 8.6%             |
| Euro Small Comp. Trust                         | ESCT   | 1.86  | 15.9%            | Polar Cap Tech                                 | PCT    | 31.75 | 39.9%            |
| F&C Investment Trust                           | FCIT   | 10.40 | 16.5%            | RIT Cap Partners                               | RCP    | 18.62 | (4.1%)           |
| Global Smaller Companies Trust                 | GSCT   | 1.65  | 13.7%            | Schroder Asia Pacific                          | SDP    | 5.34  | 7.1%             |
| HarbourVest Global Private Eq.                 | HVPE   | 25.25 | 12.2%            | Scottish Mortgage Trust                        | SMT    | 8.75  | 26.4%            |
| JPM American                                   | JAM    | 10.00 | 27.9%            | Templeton Emerg.                               | TEM    | 1.64  | 10.9%            |
| JPMorgan Eur Discovery Trust                   | JEDT   | 4.73  | 18.5%            | Worldwide Health                               | WWH    | 3.66  | 16.0%            |

Source: Thomson Reuters, Jarden. Change calculations incorporate dividends. Prices in local currency

## JARDEN'S FIXED INTEREST BONDS

AS AT 23<sup>RD</sup> JULY 2024

| VANILLA  | SECURITY                                       | Credit Rating | Yield | Monthly Change |
|----------|--|---------------|-------|----------------|
| AIA240   | Auckland Airport 3.29% 17/11/26                | A-            | 4.76  | 1.47           |
| ANB180   | ANZ Bank New Zealand Limited 5.22% 16/02/2028  | AA-           | 4.51  | 1.78           |
| BNZ150   | Bank of New Zealand 1.88% 08/06/2026           | AA-           | 4.75  | 1.29           |
| CCB1124  | China Construction Bank (NZ) 2.39% 22/11/2024  | A             | 6.44  | 0.37           |
| CNU030   | Chorus Limited 1.98% 02/12/2027                | BBB           | 4.81  | 1.92           |
| FBI190   | Fletcher Building Industries 3.90% 15/03/2025  | Not rated     | 10.50 | 0.04           |
| FCG050   | Fonterra Co-Operative Group 4.15% 14/11/2025   | A-            | 5.10  | 0.81           |
| IFT310   | Infratil 3.60% 15/12/2027                      | Not rated     | 6.42  | 1.72           |
| KPG050   | Kiwi Property Group 2.85% 19/07/2028           | BBB+          | 5.50  | 1.87           |
| MEL050   | Meridian Energy 4.21% 27/06/2025               | BBB+          | 5.38  | 0.46           |
| SBS020   | Southland Building Society 6.14% 07/03/2029    | BBB+          | 5.05  | 1.56           |
| SUM020   | Summerset Group Holdings Ltd 4.20% 24/09/2025  | Not rated     | 5.96  | 0.75           |
| TRP070   | Transpower New Zealand 1.735% 04/09/2025       | AA            | 5.02  | 0.78           |
| WPAC0724 | Westpac 2.22% 29/07/2024                       | AA-           | 5.63  | 0.30           |
| ZEL060   | Z Energy 4.00% 03/09/2024                      | Not rated     | 6.42  | 0.20           |
| HYBRID   | SECURITY                                       | Credit Rating | Price | Monthly Change |
| ANB170   | ANZ Bank Limited Unsecured, Subordinated Notes | A             | 94.35 | 1.39           |
| MCY020   | Mercury NZ Ltd 3.60% 11/07/2024                | BB+           | NA    | NA             |
| KWB010   | Kiwibank 2.36 11/12/2025                       | BBB           | 94.56 | 0.98           |
| IFTHA    | Infratil Perpetual Infrastructure Bond         | Not rated     | 66.20 | 1.30           |

Source: Thomson Reuters, Jarden

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