

## *Shakeup in* **ADLAND**

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**Feature, A28-29**

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Match-fit  
or flabby?**

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**Auckland International Airport**

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# Rio sorry for enviro failings

Smelter operator shares clean-up plans for region

**Hamish Rutherford**

**R**io Tinto's global chief executive flew to Wellington earlier this month to apologise to the Government for its handling of waste from the Tiwai Point aluminium smelter and make commitments around clean-up.

Environment Minister David Parker yesterday published a letter Rio Tinto chief executive Jakob Stausholm sent to Prime Minister Jacinda Ardern, which formalised the apology and set out clean-up plans. "We understand that we have to be better at listening to the communities in which we operate," Stausholm wrote in the letter, dated yesterday.

"In New Zealand we did not do a good job of listening to our community regarding the ouvea premix waste, especially the material stored in Mātaura and again I apologise for that. It did not belong to us, and we did not put it there, but it originally came from our operation and we should have done the right thing by removing the risk it presented to the community."

Early in 2020 hundreds of residents of Mātaura in Southland were forced to evacuate amid fears flooding would come into contact with the 9500 tonnes of ouvea premix from Tiwai which contractors had stored in the town's former paper mill.

Some of the waste remains in Mātaura, although Stausholm's letter spelled out a plan for its removal, one of a series of clean-up commitments including promises to remove waste from Tiwai Point and the results of testing of ground at the site.



Environment Minister David Parker (inset) says Rio's promise to do better in Southland must turn into action.

**We did not do a good job of listening to our community regarding the ouvea premix waste, especially the material stored in Mātaura.**

Letter from Rio Tinto chief executive Jakob Stausholm to Prime Minister Jacinda Ardern

This includes taking over the Crown's costs for removing the ouvea premix from Mātaura, and later from other buildings in Southland, make other changes to its processes to reduce cyanide emissions from Tiwai Point and share ground samples with the Government, Ministry for the

Environment and Ngāi Tahu.

"I will continue to closely monitor progress in New Zealand to ensure that we fully re-align the efforts and engagement to address your concerns," Stausholm wrote.

"I am committed to rebuilding an ongoing collaborative and positive working relationship with the New Zealand Government."

The Government welcomed the move. "It has taken a long time to get to this point, but we welcome this commitment and the more conciliatory and open stance ... NZAS has taken in recent months," Parker said.

"We also welcome the acknowledgment by NZAS of its responsibilities and how its environmental performance had disappointed the Government and the community of Southland. With the smelter expected

to close by the end of 2024, it is important to ensure these commitments are followed up by action to get the environmental outcomes for Southlanders and the region."

In a statement, a spokeswoman for Rio Tinto confirmed it would remove the material from around Southland and meet the cost of doing so.

"The material came from our operation and we will take responsibility for it, because it is the right thing to do," the spokeswoman said.

Ngāi Tahu welcomed the news. "Our local jobs and economy are dependent on our environment and environmental degradation would be a long-term threat to employment and incomes in our region," Ngāi Tahu spokesman Terry Nicholas said.

"We look forward to Rio Tinto keeping their word."

## Assault case: Court denies businessman bail

**Sam Hurley**

A prominent and wealthy New Zealand businessman has been denied bail pending an appeal of his convictions and prison sentence.

Yesterday, the man was sentenced to a total term of two years and four months by Justice Geoffrey Venning for indecently assaulting three men and twice attempting to pervert the course of justice.

As his client was being led away into the cells of the High Court at Auckland, however, the businessman's lawyer, David Jones QC, said

he would be seeking bail pending an appeal.

A short hearing followed about an hour later, but Justice Venning dismissed the bid for bail ahead of a future date at the Court of Appeal.

The businessman, who maintains interim name suppression, will be eligible for parole in a little more than nine months' time.

He was found guilty by a jury in March of assaulting a trio of men in the early 2000s, 2008 and 2016.

The businessman also tried bribing the 2016 victim to drop his claims by engaging others to do his dirty work.

He continues to deny any wrongdoing. Prior to being sentenced, the businessman wrote an email to more than 100 people and organisations asking for help and a letter to provide to the judge.

"I would greatly appreciate such support ... I am innocent of all charges as I have stated in my earlier email," he wrote.

The businessman claimed "we will win the appeal" but said it may not be heard until next year.

"I would doubt I would survive any period in prison. In these circumstances innocent people can and do

rot in jail only to be cleared some time later. Such is the law," he said.

Crown prosecutor Simon Foote QC said during the sentencing the rich Kiwi was a "man of privilege, business success and significant philanthropy".

But he used his wealth and power to indecently assault people and later attempt to thwart any attempt to hold him accountable, Foote said.

Throughout the case, which began in court in February 2017, the businessman has strenuously denied the charges and said he was the victim of an "amazing blackmailing circuit".

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## News

# F&P shares slide as Covid harm lessens

82% profit rise fails to mollify investors eyeing growth track

**Jamie Gray**

**A** record profit wasn't enough to satisfy investors in Fisher & Paykel Healthcare as the focus turns to the company's growth track as Covid-19 hospitalisations decrease.

The stock plunged by more than 10 per cent at one stage, despite the respiratory products maker announcing an 82 per cent lift in its annual net profit to \$524 million.

It closed at \$29.70, down more than \$3 from Wednesday's close.

In its result, the company said its operating revenue shot up by 56 per

cent to \$1.97 billion based on Covid-19 driven demand.

"The result [is] a little below most forecasts, although this was always going to be an unusual year due to Covid-19," Matt Goodson, managing director of Salt Funds, said.

"The issue is more the outlook and the earnings path over the next year or two as the benefits from Covid-19 hospitalisations fade, but it takes time for clinical practice to adapt and use up surplus installed capacity," he said.

"We may see downgrades to [the next] year or two's forecasts before solid growth resumes in the medium term," he said.

F&P Healthcare managing director and chief executive Lewis Gradon said it had been an extraordinary year with healthcare professionals around the world operating often in difficult conditions.

The record result was driven by the company's hospital product

## F&P HEALTHCARE

Year to March 31	2021	2020	Change
Revenue	\$1.97b	\$1.26b	▲ 56%
Net profit	\$524.2m	\$287.3m	▲ 82%
Dividend	38cps	27.5cps	▲ 38%

Source: NZX / Herald graphic

group, which includes "Optiflow" and "Airvo" systems used to deliver nasal high-airflow therapy.

Sales of its hospital hardware and consumables have continued to track Covid-19 hospitalisation surges in countries around the world, he said.

The company is the NZX's biggest by market capitalisation.

F&P Healthcare approved a final dividend of 22 cents per share, an increase of 42 per cent on the final dividend last year, bringing the total dividend for the year to 38 cents per share, an increase of 38 per cent.

No guidance was provided, but the company said a global vaccine rollout during 2022 was likely to reduce global hospitalisations requiring respiratory support for Covid-19 compared to 2021.

"It has been an extraordinary year and we want to thank healthcare professionals for giving their all to care for patients, often under the most difficult conditions," Gradon said in a statement.

"We also want to acknowledge the people of F&P Healthcare for their commitment to delivering for our customers, and the partners and families of our employees for the invaluable contribution they have made," he said.

In recognition of the "incredible contributions" of its staff, the board approved a profit-sharing bonus totalling \$29m for the 2021 financial year.

Revenue for the hospital product group was \$1.5b, an increase of 87 per

cent over the previous financial year, or 94 per cent in constant currency terms.

Hospital products made up 76 per cent of the company's operating revenue.

Although Covid-19 restrictions impacted sleep clinics and reduced OSA (obstructive sleep apnea) diagnosis rates, revenue for the homecare product group was \$466m, an increase of 2 per cent over the previous year, or 4 per cent in constant currency terms.

F&P Healthcare's gross margin decreased by 295 basis points for the year to 63 per cent.

F&P Healthcare committed \$20m to establish the Fisher & Paykel Healthcare Foundation during the 2021 financial year.

The foundation's charitable purposes include supporting and funding health research and programmes that improve access to healthcare.

**Hamish Rutherford**

A shortage of people to fill the jobs on offer is expected to see wages rising at the fastest rate in more than a decade, as employers bid up the price of labour.

The latest forecasts from the Reserve Bank on Wednesday show that the labour cost index – a measure of general wage inflation – is expected to increase from 1.6 per cent in March to 2.4 per cent by the end of the year and remain at high levels for the next few years.

The rise might sound modest, but if the forecasts prove correct it would represent the strongest rise in wages since before the Global Financial Crisis, economists at Westpac said.

At a briefing for MPs yesterday, Reserve Bank chief economist Yuong Ha said nominal wage growth could be about 2 percentage points higher than the labour cost index.

As well as being more confident that the economy will continue to expand out of Covid-19, the strength of the labour market appears to be what is underpinning the Reserve Bank's signals that it will begin a series of interest rate increases from the middle of next year.

The expectation on wages appears to be based around an expectation that a shortage of people with skills needed to do certain jobs – a long-running concern of business which has been intensified by closed borders – will see employers forced to up wages to fill vacancies.

Members of the Reserve Bank's monetary policy committee said they "expect to see wage growth lift as firms compete for labour, in particular given the current low levels of immigration".

## RBNZ tips wage lift as employers fight for staff

Economists say wage rises are more likely to be seen in roles most reliant on migrant labour.

Photo / Jason Oxenham

But the spoils may not be enjoyed by everyone. At the same time as wage growth is expected to accelerate and stay higher than normal for several years, there is expected to be only a marginal fall in unemployment from current levels.

In March, unemployment dropped to 4.7 per cent. The Reserve Bank only forecasts unemployment will gradually drop to 4.3 per cent over the next few years.

Meanwhile, the sharp rise in wages is not expected to lead to a persistent increase in inflation.

Economists appeared to question the argument put forward by the Reserve Bank.

Bagrie economics managing director Cameron Bagrie said a hike in the minimum wage in recent years and other government measures supported strong wage growth.

However Bagrie said the Reserve Bank continued to forecast low productivity growth, meaning higher wages would eat into business margins, yet the central bank was not forecasting high inflation.

"That's a pretty big judgment, as

typically, you do see some sort of spillover effect. If you're a business absorbing higher wages and you're not passing the costs on, something happens to your margin," Bagrie said.

The Reserve Bank's statement did acknowledge the risk that rising wages could lead to inflation, which could in turn lead to more pressure for wage increases.

"If households and businesses perceive an increase in inflation to be persistent, they are likely to respond by asking for higher wages to compensate for a higher cost of living

or by setting higher prices," the Reserve Bank said.

"This can become self-fulfilling, as higher actual wages and prices can lead to higher expectations for future inflation."

Westpac acting chief economist Michael Gordon said he did not agree with the Reserve Bank's argument, pointing to the fact unemployment had fallen further and faster than the market had expected as the country moved out of lockdown.

"We've all been surprised at how much it translated into employment growth so it seems strange to take the lesson that it's suddenly going to stop," Gordon said.

There may be examples where employers bid up pay by competing for workers, Gordon said, but it may not be widespread enough to show up in nationwide pressures.

"It may show up in wages for certain jobs that were more reliant on access to migrants, but that does not mean it applies at a national level which is what the Reserve Bank is meant to be forecasting."

Gordon believed the argument may fall into the "lump of labour fallacy" which assumes that there is a set amount of work in the economy to be shared, which was often behind the belief that migrant workers suppressed wages. International evidence suggested that migrants entering the labour market created roughly the same amount of demand as they absorbed.

Changes in migration had not tended to be related to swings in the labour cost index, Gordon said.

"We've had net migration at zero, or negative, before, in the last couple of decades. It did not correlate with changes in the wage growth trends."

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# Kiwis go loco for local travel

Spend on domestic holidays up \$1.1b to \$8.37b in 9 months

Grant Bradley

New Zealanders have fallen head over heels for travelling within the country. Spending by Kiwis on domestic holidays is up \$1.1 billion to \$8.37b in the nine months to March according to figures crunched by Tourism New Zealand (TNZ).

While the figure goes nowhere near offsetting the estimated \$12.9b a year lost because of closed borders in that time, TNZ says the domestic spend is encouraging and believes the momentum will continue.

Bjoern Spreitzer, Tourism NZ domestic manager, said its research had shown 64 per cent of Kiwis intend taking a domestic holiday during the next 12 months.

New Zealanders felt safe travelling domestically and were spending some of the \$7b to \$9b they spent on overseas trips on holidays here.

A year since switching its decades-old focus on international visitors to the domestic market, he said the organisation had developed a better understanding of Kiwi travellers.

"They are the perfect visitor for us – they travel all year round."

There were three main drivers: Kiwis like stunning scenery and landscapes, like to unwind and relax and want to try new things – active relaxing.

Spreitzer said TNZ's "Try some-



New Zealanders' love of "active relaxing" has kept cycle-based activities around the country busy.

Photo / Lee Slater

thing new New Zealand" had encouraged them to travel to new spots and try new activities.

More than half of New Zealanders have tried a new tourism activity or visited a new place since May last year and TNZ has calculated that its domestic campaigns had reached three quarters of the population.

Kiwis were more price-sensitive than overseas visitors but once they knew what they were getting they were usually happy to pay for experiences.

"Once a New Zealander under-

stands what it is that they're buying they're prepared to pay for it," he said.

"There are some tourism experiences they might do overseas but not in New Zealand, but a year in they have spent a lot more money and 84 per cent say they love what they're doing in New Zealand."

Active relaxing included cycling and Spreitzer said the 22 Great Trail Rides had experienced a busy summer. He said while some tourist spots had boomed others with a heavier reliance on overseas visitors had continued to suffer badly.

The Tourism NZ figures, from Ministry of Business, Innovation and Employment data, are backed up by Bachcare numbers which show domestic bookings in April were 113 per cent up on the same period in 2019.

Year to date bookings are up 38 per cent versus the same period in 2019 – pre-pandemic.

Spreitzer said one benefit of more happy Kiwi domestic tourists would be their role as "unofficial ambassadors" for the country when they could travel overseas again.

## Blow for Chorus

Chorus received a setback in its tussle with the Commerce Commission over maximum allowable revenue. In a draft decision, the regulator proposed Chorus' annual revenue from UFB fibre be capped at \$689 million for 2022, rising to \$786m in 2024, in line with forecast demand. Earlier this month, Chorus submitted that its maximum allowable revenue for the period should be around 4 per cent higher at \$720m, rising to \$820m.

## 5G boosts Rakon

Rakon more than doubled its full-year net profit, helped by 5G. The firm, whose products are in everything from smartphones to guidance systems – said net profit rose from \$4m to \$9.6m with revenue up 8 per cent to \$128.3m. Higher demand from telecommunications operators, due to 5G mobile network upgrades, made a "substantial" contribution to Rakon's improved numbers.

## Asset Plus rebound

Property firm Asset Plus said it made \$15.95m for the year to March 31, 2021, a turnaround after the \$14.6m loss last year when it was hit by devaluations. It raised \$60.2m new capital in the year and booked unrealised property revaluation gains of \$9.2m. The firm's big play is at Albany's Munroe Lane where it is building the council's \$200m-plus northern service centre.

## Stride profit soars

Stride Property Group reported annual net profit after tax of \$131.9m, up 400 per cent on last year's \$25.3m, and said it is buying the AA Insurance Centre built by Mansons TCLM for \$152m. The company announced a total cash dividend of 9.91 cents per share for the 2021 financial year.

Many experts agree the share and property markets are currently overpriced, and the volatility in alternate currencies isn't for everyone. In these unpredictable times, it therefore makes sense to protect your hard-earned wealth through diversification.

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## News

# AMP entities face wrongful charging case

Tamsyn Parker

**T**he Australian regulator is taking legal action against five companies associated with AMP over allegations the entities were involved in charging premiums and fees to more than 2000 deceased customers.

The issue first came to light as part of the Australian Royal Commission into the misconduct of financial services firms held in 2018.

AMP has already paid out more than A\$5 million (\$5.3m) in remediation to the estates or representatives of the deceased customers for wrongfully charging premiums and advice fees to more than 10,000 superannuation accounts.

But in a statement ASIC yesterday said it had commenced civil penalty proceedings in the Australian Federal Court against AMP Superannuation, NM Superannuation Propriety, AMP Life which has since been sold to Resolution Life NZ, AMP Financial Planning Propriety and AMP Services.

The regulator alleges that from May 2015 to August 2019, each of the AMP companies deducted life insurance premiums from 2069 deceased customers' superannuation accounts despite being notified that the customer had died and or failed to ensure that a system was in place to manage conflicts between the AMP

companies' interests in continuing to charge premiums and advice fees, and members' interests in premiums and advice fees ceasing after death.

It is also alleged the companies contravened their overarching obligations as Australian financial services licensees to act efficiently, honestly and fairly and the AMP companies demonstrated a system of conduct or behaviour that was, in all the circumstances, unconscionable.

ASIC alleges that the AMP companies received more than A\$500,000 in insurance premiums from the superannuation accounts of deceased customers, with at least A\$350,000 charged between May 2015 and August 2019.

It is also alleged the AMP companies received more than A\$100,000 in advice fees from deceased customer accounts, with at least A\$75,000 being charged between May 2015 and August 2019.

"ASIC [is seeking] pecuniary penalties and other orders to be made by the Federal Court."

In statement to the stock exchange dual ASX and NZX-listed AMP acknowledged the civil proceedings.

It said it had taken action to change its processes and policies to address the issues raised and had remediated 10,155 customer accounts a sum of A\$5.3m.

The hearing date has yet to be set.

# RBNZ acts on bank's law breaches

Tamsyn Parker

The Reserve Bank is taking TSB Bank to court over breaches of the Anti-money Laundering and Countering Financing of Terrorism Act which the bank has acknowledged.

The banking regulator said it had filed a statement of claim in the High Court against the bank which was an escalated response to TSB's non-compliance with the law.

Geoff Bascand, RBNZ deputy governor and general manager of financial stability, said it is not alleged that TSB was involved in money laundering or financing of terrorism.

Bascand said TSB had been co-operating with the Reserve Bank in respect of the claim and had acknowledged liability, and the Reserve Bank and TSB had filed an agreed statement of facts with the High Court.

The AML/CFT Act came into force for banks on June 30, 2013 and in 2016 TSB received a formal warning from the RBNZ for failure to comply.

Three years later the RBNZ found that the bank continued to show inadequate and ineffective compliance with its AML/CFT obligations.

"We are disappointed that TSB did not respond sufficiently to our initial formal warning. We are now obliged to take this High Court procedure," Bascand said. The Reserve Bank is seeking pecuniary penalties in re-



**TSB chief executive Donna Cooper says the bank is committed to building effective compliance programmes and processes.**

**We are disappointed that TSB did not respond sufficiently to our initial formal warning.**

Geoff Bascand, RBNZ deputy governor

spect of four categories of non-compliance: the absence of adequate and effective procedures, policies and controls for monitoring and managing compliance with its AML/CFT programme; the failure to review and maintain TSB's AML/CFT programme; the failure to conduct a risk assessment in respect of its realty operations and the failure to have regard to certain countries it deals with when reviewing its 2017 risk assessment.

TSB said it was continuing to work with the Reserve Bank in relation to acknowledged breaches of the Anti-Money Laundering and Countering Financing of Terrorism Act.

TSB chairman John Kelly said it acknowledged it has needed to address some areas of AML/CFT compliance and a significant work programme has been in place since 2019 to achieve this. "TSB is committed to raising the bar in its risk maturity and compliance management."

TSB chief executive Donna Cooper, who took over the role in July 2018, said the bank was committed to continuing to identify any areas needing attention and implementing effective compliance programmes and processes.

"We've invested in ensuring we have strong expertise, capability and capacity across our business teams to do this."

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Anne Gibson

Investors who poured millions of dollars into the failed Nido homeware share ownership scheme have told of the misery they are suffering.

One investor with \$1 million-plus invested has complained to the Financial Markets Authority, another who put in \$1m fears he will have to shoot rabbits and dig vegetables to eat, while a third is suffering insomnia and nightmares after putting in \$250,000.

A retired farmer, aged 79, said: "I can shoot rabbits and I grow my own vegetables. If I have to, I'll carry on working. I was getting around \$5000 per month interest."

Another shareholder in her early 70s is one of 229 shareholders in Central Park Property Investment, which owns the failed Nido West Auckland homeware store and site.

Magsons Hardware, Nido's trading arm, is in receivership and liquidation, the property is under a \$46.3m conditional contract after a mortgagee sale by lender Pearlfisher and shareholders' returns are now uncertain.

The retired woman has received no projected 8.5 per cent monthly interest payments since late last year and fears she will not get any money back, let alone thousands in unpaid interest.

The Nido store was built on land paid for with \$30m raised by Maat Consulting through a proportional share ownership scheme and \$25m of debt from Pearlfisher Capital, a non-bank lender half-owned by investment bank Jarden.

Another \$7.5m came from the vendor of the property and ultimate tenant – Nido founder Vinod Kumar.

Neil Tuffin, managing director of Maat Group which issued the shares, said his business was doing all it could to help investors. Other property investment schemes which Maat had were successful, he said.

Tuffin has tried many different avenues, including subdividing the property into 12 smaller units but Pearlfisher did not agree to this, is charging 21 per cent and its \$25m loan now stands at \$35m due to charges and default clauses.

Tuffin told investors last month of "a verbal offer from a funder, Century Group, to refinance Pearlfisher \$30m of the \$35m debt" but no further updates have been issued on that.

Tuffin told the *Herald* that the demise of this investment is attributed to the following factors:

- Vinod Kumar, the businessman behind the concept and Nido director, failed to deliver the development on time and on budget.

- Numerous assurances were made from Kumar that additional capital would be obtained to complete the building and re-capitalise the tenant of the property, his company Magsons Hardware, but which he failed to do, resulting in the liquidation of his entities and appointment of a receiver.

- Covid-19 impacting the forecasted retail sales, which culminated in the tenant unable to pay the rent or service the debt to Pearlfisher, first mortgagee.

- The first mortgagee, upon the default of mortgage payments, exercised their right to sell the property despite there being a retail concept that was supported by investors. Kumar has not responded to requests for comment.

"We are extremely sympathetic to the plight of our investors, who we are reaching out to help through this difficult time," Tuffin said yesterday.

The \$1m-plus investor said he took no legal or financial advice before investing. Nor did he read the Financial Markets Authority website property syndicate warnings.

Asked if he'd read the risks in the Central Park company product disclosure statement, he said: "I glanced through. I didn't ask any questions. It just seemed like the return would be quite good and good for future income."

The professional has worked for

# Nido nightmare: Investors tell of heartbreak

## Insomnia, regret as stakeholders await fate of millions poured into failed scheme



Maat Group, which issued shares in the Nido venture, said it is doing all it can to help investors.

Photos / Michael Craig

decades, is aged over 50 and said if the money was lost, that would have a big impact on his and his wife's life. He said: "Money you think you saved up to pass on to children. I think there are some quite big lessons to learn. There should be a limit to how much people can invest in schemes like this, something like \$50,000 or \$100,000."

A Financial Markets Authority spokesman confirmed a complaint had been received over the Maat offer.

"We ordinarily do not confirm whether we have received complaints in relation to a specific issue, to protect the privacy of the complainant and subject of the com-

plaint from undue prejudice.

"However, given this complainant has provided that information to the media, we can confirm we have received a complaint from a Central Park Property Investment shareholder regarding Maat Consulting, in relation to the Nido property syndicate.

"We are assessing it through our normal processes. Complaints to the FMA are confidential so we will not comment further on whether or not we have received other complaints relating to this matter," the FMA spokesman said.

The retired woman in her early 70 said: "I put in some hundreds of thousands." She wants Maat to repay shareholders from other, more successful Maat funds.

The woman had a mortgage-free house and said she thought Nido was a good deal but said she had never visited the now-abandoned store, which shut two months ago.

"Covid came along and I worried my superannuation money in a managed fund would have a balance going down and down and down. So I grabbed it all out and I talked to a person at church who sent me a newsletter earlier last year from Maat.

"I hadn't heard of them at the time but felt that they had belief in faith like I do. I was drawn to the 8.5 per cent return. I was looking for somewhere to invest my money. I read a newsletter from May 2020 which said

that the Nido store scheme in West Auckland was projecting 11 per cent although it came back to 8.5 per cent."

So she met executives behind the fund.

"I'm not investment savvy, although I've had rental properties in the past. Maat had 12 funds they were managing and had a good track record. I felt they could be trusted."

She then attended a presentation and although Nido founder Vinod Kumar was absent, she said she felt even more comfortable about the scheme.

"They knew what they were doing. So I invested in stages and in hindsight it was far, far too much. It should

I invested in stages and in hindsight it was far, far too much. It should have just been a small amount but I was attracted to the return.

Maat shareholder

have just been a small amount but I was attracted to the return. It was so much more than putting my money in the bank," she said.

New Zealand bank interest rates were declining constantly at the time, which made her even more sure about the wisdom of her decision.

The scheme went well until December when no interest was paid.

"It wasn't in my bank account so I rang them and they said 'oh, did you not get our email?'"

That email was to say that the interest payment would be delayed because Magsons [Nido's trading entity] had gone belly up.

"I was totally alarmed, absolutely – obviously. This was the only savings I had after owning two houses mortgage-free. I still have a little but it's taken half my savings. I had a business and I sold it."

Since December, she said she had been under extreme stress due to financial losses.

"I do sincerely think the Maat people have tried very hard, since December, to try to sort this out and they did get the backing of a new funder to the tune of \$30m but that didn't work out.

"This changes my future because my new partner and I want to buy a house together. I'd hoped to put in a significant amount but I'm going to be limited now. We want to start our new lives but I can't ask my new partner to put in 100 per cent of the house price.

"We've been living with this for six months, since December and you go to sleep with it, you wake up with it in your head. You wake up in the morning and realise the nightmare is real."

She attended an Auckland meeting of Nido investors a few weeks ago but that new scheme would have taken five to six years before people got any interest.

"Many people in the room were older than me. That scheme didn't work either, because Pearlfisher exercised their rights of mortgagee sale so Maat couldn't go ahead with an alternative proposal," she said referring to the financier which loaned \$25m.

Asked about the 21 per cent interest Pearlfisher charged, she said: "There was no understanding of our plight, our situation.

"The section on risks was about half an inch thick. I glanced through it, but it didn't make a lot of sense to me. I should have gone to a lawyer or just not invested."

Earlier this month, she spent an entire day in bed and said she was unable to eat or function due to the shock of the situation. She feels shame "and such a fool. But a lot of other people did the same as me."

The retired farmer said he still had savings but he asked: "Can they come after us?"

He was referring to the FMA's website which explains that investors in syndicates can be asked to contribute more money: "As a part-owner of the property, you may share responsibility for its costs and debts. This means you may need to invest more money, for example, if the building needs essential maintenance."

That worried him: "But it's lucky I didn't put everything into this."

The Financial Markets Authority warns that property syndicates advertise regular income with attractive returns but says "structures can be complex, there are risks to be aware of and returns are only estimates, and you may struggle to get your money out".

Fees can be high, unitholders or shareholders may have to invest more money and "we strongly recommend you seek financial advice", the authority says.

Before buying units or shares, syndicate investors should realise returns might not be what was advertised, read the documentation about risks, understand that fees can be high and rise and consult a professional such as a financial adviser to understand if such a syndicate is right for them, the authority says.





Senior mechanic and owner of Auto Super Shoppe Pukekohe, Aaron Dutton, and automotive apprentice Toni Harris

# “You’re hired” - the real-life Apprentice show

## Apprentices are in high demand - and employers can receive substantial Government subsidies

As everyone in the automotive trade knows, the industry is enduring a chronic shortage of qualified technicians.

Part of the answer, according to Aaron Dutton, owner of Auto Super Shoppe Pukekohe, is to take advantage of the Government incentives to take on an apprentice.

“Now is the time,” urges Dutton. “There’s always a cost when you take somebody on, so the financial support from the Government does help mitigate that.”

In Budget 2020, the Government announced a range of initiatives to support trades training and rebuild the economy after the effects of the Covid-19 lockdowns.

Apprenticeship Boost provides employers with a subsidy to help cover the costs of apprentices with payments of \$1,000 per month in each apprentice’s first year and \$500 per month in their second year. It’s available for new and currently enrolled apprentices until August 2022.

In addition, the Targeted Training and Apprenticeship Fund underwrites the training fees for all apprenticeships and approved traineeships until 31

December 2022.

“Taking on an apprentice right now, combined with these incentives, is a timely investment in your business, plus it helps address the skills shortage facing our industry,” he says.

Dutton has personal proof of the benefits of these schemes. His apprentice, Toni Harris, started as a receptionist-administrator at the business, but has now moved to the workshop and is on her way to qualifying as an automotive

***“The support from MITO has been excellent; our MITO industry training advisor has been first-rate”***

technician through industry training organisation MITO.

With the available free fees, combined with the Apprenticeship Boost payments for her employer, the mother of four realised she could fulfil a long-held dream of gaining an automotive apprenticeship and asked Dutton if he would give her the opportunity.

“It has been a great experience to find somebody like Toni who has such an excellent attitude, aptitude and work ethic – and the payments

to the employer are just a massive help,” says Dutton. “It provides a buffer for the first year, as an apprentice obviously comes to you with a lot of enthusiasm but little skill.

“The support from MITO has been excellent; our MITO industry training advisor has been first-rate.

Dutton knows there are other employers who could take advantage of the subsidies



having to re-train as they have lost jobs due to Covid-19. Some employers have had to lay off staff over the last year, no matter what industry they are in.

“AB Equipment has always been committed to running an apprentice programme. There was no crystal ball back then but now it’s definitely a case of realising that we need even more apprentices. It’s been like that for many years, of course, but it’s particularly the case now with the construction and automotive sectors in such a state of expansion.”

Milne says as it is difficult to bring in people from overseas, taking on an apprentice is the best way to build for the future.

“We employ many service technicians, with 69 apprentices across AB Equipment’s 18 branches, reaching from Whangarei to Invercargill. Taking on apprentices ensures that we will have the essential skills in the future to service and maintain the machines and equipment we provide for our customers.”

“During these tough financial times, this Government support will help us maintain our current apprenticeship programme and continue our search for enthusiastic new recruits. “We look for a positive attitude, a strong work ethic and we keep an eye on the MITO Job Hub to spot keen job seekers across the country to join our national team.

“It’s great to see our apprentices grow and flourish in their careers. One of our former apprentices is now a branch manager at Mount Maunganui, leading a team of 30 people. Now that’s a real success story.”







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# Politics

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## NZ Rugby – match-fit or out of shape?

Sport needs to sort out its governance before chasing after Silver Lake's cash

**S**ports Minister Grant Robertson wants to stay on the bench but may yet need to take the field, if only as referee.

As talks carry on between New Zealand Rugby (NZR) and the New Zealand Rugby Players' Association (NZRPA), Robertson says commercial decisions about rugby and its players are "ultimately" up to NZR. He says he continues to encourage NZR and NZRPA to reach agreement about the most "appropriate" path forward.

Whatever they decide, Robertson says the Government, through Sport NZ, will continue supporting grassroots rugby, and promote growth areas of the game, including women's rugby.

Sport NZ's \$700,000 each year is immaterial alongside NZR's losses of \$35 million last year and \$7m the year before. But the Government is a bigger stakeholder than Sport NZ's cash implies. Rugby's national importance means governments both red and blue put their hands in the taxpayers' pockets for major events like next year's Rugby World Cup (RWC) for women and the 2011 and future RWCs for men.

While David Lange boycotted RWC 1987 over the previous year's Cavaliers tour, RWC 2011 wouldn't have happened without Helen Clark's extraordinary support, nor would it have been a success without John Key. For Eden Park to host an RWC final for men in 2035, NZR will need Prime Minister Arena Williams or Simeon Brown onside.

Robertson may be diplomatically keeping mum, but NZR and NZRPA would be wise not to ignore his and Jacinda Ardern's perspectives, and those who may follow them.

It is extremely unlikely a Labour Government would be happy with NZR selling 12.5 per cent of the All Blacks' commercial rights to a California technology investment firm. If anything, National's

conservative base would be even more appalled.

The Silver Lake deal is the legacy project of long-serving NZR chairman Brent Impey, also director of strategy for Ports of Auckland. It is an attempted response to NZR's ongoing losses as a consequence of its broken business model. Despite hundreds of millions of dollars from the likes of adidas and AIG, Impey and his board have so far failed to make NZR financially sustainable. They and NZR's 26 provincial union shareholders have been convinced the answer is setting up a new CommercialCo, with two Silver Lake directors on its board.

Apparently, these two directors will open doors in Silicon Valley to help CommercialCo transition the All Blacks from a team of 5 million to one of 7 billion.

As someone who still buys tickets to actual All Blacks games, I confess to not knowing what that all means. Then again, I couldn't imagine watching yachting through Animation Research when listening to Pete Montgomery on NewstalkZB in 1986. There is clearly much more to do, to bring rugby to life for a wider audience, especially women's rugby, one of the world's fastest growing team sports.

Silver Lake would pay \$387m for 12.5 per cent of CommercialCo, valuing it at \$3.1 billion. If Silver Lake's networks double that, it will make a cool \$387m in capital gains, while NZR thinks it would then own 87.5 per cent of a \$6.2b company, albeit equity that would presumably never be sold.

In fact, there's no reason to think CommercialCo would do better than NZR alone.

Even if Silver Lake is the rainmaker Impey believes, it will have just two seats on an eight-person board controlled by NZR. That board will then hire an international recruiter recommended by Silver Lake to appoint a CEO and senior managers.



**More needs to be done to win a bigger audience for women's rugby, one of the world's fastest growing team sports. (Pictured, Black Fern Portia Woodman.)**

Photo / Getty Images

It will be those executives who determine whether CommercialCo succeeds. If they're available, NZR should hire them now, perhaps using Silver Lake's preferred recruiter. Silver Lake directors don't do day-to-day management.

The real driver of Impey's plan is NZR's thirst for cash. Revenue keeps growing strongly, but costs by more. The only part of the empire turning a profit is the All Blacks.

The salaries for 270 fully

professional All Blacks, Super Rugby and National Provincial Championship (NPC) players take 36.5 per cent of NZR's revenue.

Despite their best talent being paid by NZR, the provincial unions collectively make losses, which is hardly surprising since they try to run 14 professional NPC teams off a population of 5 million, plus 12 heartland teams. To stop them becoming insolvent, the provincial unions take 16 per cent of NZR's

revenue. Impey is promising even more cash for the grassroots.

NZR has decided its broken business model can only be solved by selling equity rather than increasing sponsorship revenue. The NZRPA agrees, with its Forsyth Barr proposal calling for a 5 per cent Initial Public Offering (IPO) on the New Zealand Exchange (NZX). If, as NZRPA and Forsyth Barr chairman David Kirk says, the idea is to keep the All Blacks brand out of foreign ownership, then this would need to include a Kiwishare concept, restricting ownership to New Zealand citizens. That could include people like Sir Ian Taylor, Rod Drury, Sir Peter Jackson, Sir Richard Taylor and Peter Thiel, all of whom know a thing or two about making money from new technologies. It might be easier to just invite them to invest directly, to avoid an IPO requiring CommercialCo to notify the NZX whenever an All Black sprains an ankle.

A third option, pushed by former NZR CEO David Moffett, calls for a co-operative like Real Madrid, the Green Bay Packers or Fonterra. This would also keep the brands in New Zealand ownership.

Whatever happens, the much bigger question is whether NZR has the governance arrangements to ensure, first, that the new capital is invested wisely to generate sustainable returns and, second, that new grassroots spending is effective.

We might start by asking where all the adidas and AIG money has gone. What assurances are there that the new grassroots spending won't just be wasted on fixing up decrepit provincial stadiums and subsidising loss-making NPC teams, than genuinely make a difference for young players the way the adidas and AIG money hasn't?

This time, the stakes will be higher, since equity in the premium brand will have been sold, never to return. Unfortunately, the new chairman to take over from Impey on Monday will not have a background in technology, international finance or marketing.

New Zealand rugby has never had as much money as its rivals in Australia, South Africa, England and France. Likewise, Team New Zealand and Luna Rossa had less money than the New York Yacht Club and the Royal Yacht Squadron. But it was the Kiwis and Italians who made it to this year's America's Cup.

Until all rugby stakeholders are convinced the rugby establishment knows what to do with a cool \$300m-plus in cash, NZR shouldn't be selling any equity in one of this country's most sacred icons.

**Matthew Hooton** is an Auckland-based public relations consultant

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# Economy

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## Inflation surge? Don't bet on it

There are good reasons to ignore the scaremongering about price rises

**T**he Reserve Bank's monetary policy statement this week gives scant support to those inclined to scaremonger about inflation.

The bank expects consumer price inflation will peak in the middle of this year at 2.6 per cent – for reasons that are transitory and which it should disregard – and will have fallen back into the bottom half of its 1 to 3 per cent target band by the March quarter next year.

Nevertheless, it is sufficiently nervous about the risk of wage inflation over the medium term to pencil in a start to official cash rate rises in the September quarter next year. It projects the OCR to rise from there until by early 2024 it is back to the less-than-vertiginous heights it was at two years ago, 1.75 per cent.

Governor Adrian Orr stressed that this projection is conditional on some key assumptions.

One is that expectations of a stronger global recovery are realised. That, in turn, is conditional on “containing” a virus which is still spreading, mutating and killing people in large numbers.

The bank expects border restrictions to ease from early next year, easing labour shortages.

It expects supply chain disruptions to begin to ease later this year and dissipate gradually over 2022.

It expects house price inflation to fall swiftly to near zero in quarterly terms from the middle of this year.

And its forecasts include the Budget's plans to boost spending, which the bank sees as helpful burden-sharing.

With all those fingers crossed, the monetary policy committee has decided to maintain its current stimulatory monetary settings “until it is confident that consumer price inflation will be sustained near the 2 per cent per annum target mid-point and that employment is at its maximum sustainable level”.

Previously, it had said “at or above” its maximum sustainable level.

It says attaining that confidence will require “considerable time and patience”.

But it is evidently willing to run the risk of tightening ahead of the two



central banks that are most relevant to us.

The Reserve Bank of Australia says it will not increase its cash rate until actual inflation is sustainably within its 2 to 3 per cent target range – not looks like it will be – while the US Federal Reserve says it is on hold until inflation is “on track to moderately exceed 2 per cent for some time”.

New Zealand's vaunted “resilient” labour market is not as robust as headcount measures would suggest.

While it is welcome that the number of people employed has returned to March 2020 levels, that masks a decline in hours worked, an increase in the number of part-timers and a marked increase in the under-employed – part-timers who want to, and could, work longer hours – as well as broader measures of labour market slack.

The bank says that employment is closer to, but still below, its maximum sustainable level.

The problem is that that level, it reckons, has declined since the pandemic struck. “The skills of those who lost their jobs in industries such as tourism are not necessarily well matched to sectors demanding more workers.”

It notes that wages, as reflected in the private sector labour cost index, barely kept pace with inflation in the

year to March. It expects wage growth to strengthen over the year ahead, reflecting continuing labour shortages and last April's increase in the minimum wage, and to outpace CPI inflation over the next three years.

But would some real wage growth be such a bad thing?

The Reserve Bank is likely to continue to scale back its purchases of government bonds under its quantitative easing programme, just as the Treasury has scaled back its

The Reserve Bank is expecting the official cash rate to start rising from the September quarter next year – depending on some key assumptions, such as a global economic recovery.

expected issuance. That would continue the trend which has seen bond purchases decline steadily from an initial \$21 billion in the June quarter last year to \$6.8b in the March quarter this year.

It would not per se represent a tightening.

In recent months the wholesale interest rate curve has steepened markedly as yields on longer-dated bonds – which tend to be driven by international bond markets – rather than the Reserve Bank, have climbed.

That reflects concerns offshore about inflation risk and a belief that central banks are being too sanguine about it.

It is inevitable that inflation will increase as pent-up demand from prolonged lockdowns runs up against disrupted supply chains.

It is not obvious, however, that the central banks are wrong to expect those effects to be transitory rather than the persistent kind which threatens to lift inflation expectations to levels they would want to curb.

While it is frustrating to have delays, bottlenecks and skyrocketing charges in container shipping, for example, it is not as if U-boats have sent much of the merchant marine fleet to the bottom.

And on the demand side, there are the scarring effects of a serious recession, like the fact that there are

**Border restrictions will ease from early next year, the Reserve Bank expects, as will supply chain disruptions and house-price inflation.**

Photo / Alex Robinson

still 8 million fewer Americans employed than there were pre-Covid.

There seems to be a kind of amnesia in the markets. It is not that long ago that the question about inflation was why it was so stubbornly low and resistant to efforts by central banks to push it up towards the 2 per cent level they consider ideal.

The debate was about what long-term trends have been driving that.

Is it demographics, as ageing baby-boomers have got more serious about saving?

Is it globalisation, driving down the embedded labour costs in manufactured goods?

Is it information technology making it easier, for example, for consumers to compare prices and strengthen competitive discipline on firms' pricing power?

Or (d) all of the above?

It is not as if the coronavirus has killed those trends off.

As for New Zealand-specific factors, there are reasons to expect the demand side of the economy to be weaker than it was before Covid struck.

Population growth was rapid, largely driven by rates of net immigration greater than the economy could accommodate, literally.

The Government sounds as if it wants to throttle that back, while allowing firms to recruit the skilled workforce they need.

Getting that balance right will be tricky and the policy settings which emerge will affect both the supply and demand sides of the economy, but the net effect may prove disinflationary.

Another factor underpinning demand has been the wealth effect from runaway house price inflation as homeowners spend a few cents in the dollar of the increase in their housing equity. The road spikes rolled out in its path by tax changes and the Reserve Bank's macro-prudential policy ought to diminish that, or even reverse it.

## Federal Reserve officials hint at less stimulus as economy grows

A senior US Federal Reserve official has called for a debate about tapering the central bank's asset purchases if the US recovery keeps gathering steam, the latest sign the Fed is edging towards reducing its support for the economy.

Randal Quarles, a Fed vice-chairman, on Wednesday (US time) said he believed that even after “discounting temporary factors”, the increase in US inflation since December would “prove sufficient” to merit a drawdown in asset purchases later in 2021.

However, the labour market is still lagging, he said in remarks to the Hutchins Centre on Fiscal and Monetary Policy at the Brookings Institution, a think-tank.

“If my expectations about econom-

ic growth, employment, and inflation over the coming months are borne out... and especially if they come in stronger than I expect... it will become important for the [Federal Open Market Committee] to begin discussing our plans to adjust the pace of asset purchases at upcoming meetings,” Quarles said.

“In particular, we may need additional public communications about the conditions that constitute substantial further progress since December toward our broad and inclusive definition of maximum employment,” he added.

Quarles is not the only top official at the Fed to hint at the central bank's readiness to begin considering a reduction of its monetary policy support should the economy continue to

recover. This represents a shift from the central bank's stance that any discussion of tapering asset purchases was premature.

“There will come a time in upcoming meetings, we'll be at the point where we can begin to discuss scaling back the pace of asset purchases,” Richard Clarida, also a Fed vice-chairman, said in an interview with Yahoo Finance. “It's going to depend on the flow of data that we get.”

San Francisco Fed president Mary Daly has also confirmed the central bank is beginning to broach the topic of tapering. “We're talking about talking about tapering, and that is what you want out of us,” she said in an interview with CNBC on Tuesday.

Quarles said the discussion about curtailing the massive monetary stimulus put in place by the Fed during the pandemic was a matter of “risk management”.

“The best analysis we currently have is that the rise in inflation to well above our target will be temporary. But those of us on the FOMC are economists and lawyers, not prophets, seers and revelators. We could be wrong, and what happens then?” he said.

“Part of the calculus in balancing the risks of either overshooting or undershooting our 2 per cent goal is that the Fed has the tools to address inflation that runs too high, while it is more difficult to raise inflation that falls below target”

In a subsequent question and

answer session, Quarles added: “If we had changed our monetary policy framework at 6 per cent inflation, that would be a different thing. We have some elbow room to be wrong here.”

The Fed's favourite inflation gauge, core PCE, sits at 1.8 per cent, and as part of its new approach unveiled last August, it has committed to keeping policy ultra accommodative until it achieves a more inclusive recovery.

Even as he stressed the importance of a Fed discussion on limiting asset purchases, Quarles said the central bank needed to be “patient” in the face of temporary rises in prices and wages, as long as inflation expectations were “consistent” with its goals. Any talk of an interest rate increase was “far in the future”.  
– Financial Times



# Business traveller

**Grant Bradley**

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Passenger levies  
one idea suggested  
by Air NZ to fund  
sustainable fuels

**A**ir New Zealand first started talking seriously about biofuels back in 2008.

The conversation continues, and many sustainability reports later, the airline is now suggesting to the Government ways of encouraging the development of sustainable aviation fuels (Safs) with mandated targets, tax incentives, and even a passenger levy to pay for them.

In a paper sent to six Government ministers, the airline says Safs are the only way of decarbonising longhaul flights – the main contributor to greenhouse gas emissions by aircraft in New Zealand skies and beyond.

It warns that even full use of technology – including shorter range electric, hybrid and hydrogen aircraft and those powered by Safs – would not allow the aviation industry to decarbonise by 2050.

Those electric, hybrid and hydrogen aircraft could be in used on regional routes as early as 2035, provided manufacturers continue to invest in their development and ground infrastructure is built.

“What’s more, the industry’s share of emissions will continue to increase in coming decades as other sectors decarbonise more quickly given available technology and policy support,” says the airline in the paper, posted through the LinkedIn page of its head of sustainability Meagan Schloeffel.

While aviation accounts for about 2.8 per cent of global emissions, Ministry of Environment figures show that for New Zealand in 2019 this figure reached 11.5 per cent of carbon dioxide emitted.

Like all airlines, Air New Zealand faces having to work harder on its green credentials and social licence to operate, with even greater international focus post-Covid on the sector’s longstanding commitment to cap and then reduce emissions within the next 30 years. The flight-shaming movement was prominent in the news before the pandemic and it hasn’t gone away.

The airline, 52 per cent owned by the Government, was last month reminded by Finance Minister Grant Robertson of the need for it to demonstrate a commitment to sustainability.

Its voluntary offset programme accounts for just a fraction of carbon emissions. This year, the Parliamentary Commissioner for the Environment Simon Upton proposed a distance-based passenger tax – adding as much as \$155 to an economy fare to Britain or \$25 to Australia.

In Europe, finance ministers have moved to tax aviation fuel (it is not taxed here) while in the United States a tax incentive is being discussed to encourage the production of sustainable fuel.

Air New Zealand is part of the Safs Consortium with Crown research institute Scion, Z Energy, LanzaTech and LanzaJet, which has concluded there is enough feedstock in New Zealand to meet demand for Safs.

Possible sources of alternative jet fuel that are being investigated are forest residues, which could provide the bulk of it, municipal solid waste, log fibre, hydrogen and sugar beet, and thousands of jobs could be created.

Twelve years ago, a trial Air New Zealand flight used a fuel blend made from jatropha, an oily plant that turned out to be environmentally unfriendly. While other measures such as improved aerodynamics,



Photo / AP

weight reduction and most importantly new planes, have made the airline more efficient, the increase in flying in the past decade has seen total carbon emissions steadily grow until Covid-19 hit.

The Air NZ paper was sent to Energy and Resources Minister Megan Woods and fellow ministers Michael Wood, David Parker, James Shaw, Stuart Nash and Grant Robertson.

The paper outlines key measures to establish Safs in New Zealand.

## A decarbonisation advisory body for aviation

This would be a public-private, cross-agency organisation. It would manage and secure the policies and investment settings needed. In Britain the Government has established the Jet Zero Council to deliver net-zero aviation by 2050 and a similar body has been established in Norway.

## A study of New Zealand’s pathway to Safs

A detailed study is required to confirm high-level production cost estimates and feedstock supply, determine the most viable pathways to Safs and identify the necessary policy and

investment settings.

## An increasing Safs mandate

Overseas, Safs mandates are being used by governments as a key tool for kick-starting the industry. Here, the consortium has proposed 2.5 per cent Safs in the aviation system by 2025 and up to 50 per cent by 2050.

## Supporting policies

These include:

- A Safs production incentive, per litre
- Capital grants to help establish Safs production capacity and supply chain infrastructure
- NZ Emissions Trading Scheme (NZETS) exemptions for Safs use
- Ring-fenced funds for use for capital spending relating to establishing Safs production, and/or financial incentives for feedstocks sold for mandated Safs production (for example from the NZETS or International Visitor Levy)
- A levy on individual passenger carbon emissions, possibly through the visitor levy or “another funding mechanism”

Schloeffel writes on LinkedIn that Safs have the potential to reduce carbon emissions by up to 85 per cent

compared with traditional jet fuel.

“It can be used in our current fleet without modification, and is proven and safe – since 2016, more than 300,000 flights have operated (globally) on Safs.”

Currently there is no Safs available in New Zealand and due to the high initial cost of establishing supply and the ongoing cost of production, it commands a price premium compared to traditional jet fuel.

She said Safs would create skilled jobs benefiting the regions – both in the construction and operational phases of a plant.

The Safs Consortium estimates this could result in about 6400 temporary infrastructure development jobs, 1800 new permanent jobs and 5000 additional indirect jobs (such as tradespeople, caterers and security).

A New Zealand Safs plant would also produce some biofuel for the country’s wider transport sector.

Founding members of the group Fly-Less Kiwis, Paul Callister and Robert McLachlan, welcome Air NZ’s initiative but have reservations.

“At the moment there is a bit of a standoff in which the industry and governments know they have a problem but the way forward is not clear

or easy for them. Industry would like to reduce emissions but do not want to see dramatically increased ticket prices or reduced travel. They would like the Government to pay the upfront costs,” says McLachlan, a professor in the School of Fundamental Sciences, Massey University.

He notes the report doesn’t mention traffic growth, which has been the main driver for increased aviation emissions and around which the whole industry is structured.

Callister, a senior associate at the Institute of Governance and Policy Studies, Victoria University of Wellington, says it is good the issue is being discussed more.

“But my rather cynical reading of this fairly basic report is a call for more reports – and more importantly a call for various subsidies,” he told the *Herald*.

He supports the idea that a mandate for drop-in fuel is being called for, and understands the initial low starting level, given the shortage of Safs, but believes the subsequent ramp-up plan is far too slow, especially given global forecasts for air travel, and wants the more ambitious target of 100 per cent.

The subsidy argument is problematic, says Callister.

“Even if Safs cost much more than fossil based jet fuel, starting at a drop-in rate of 2.5 per cent would hardly change the price of airfares (given that fuel is about a quarter of operating costs). There are plenty of other things I would subsidise in New Zealand before I subsidise flying.”

A spokeswoman for Megan Woods’ office said the Government has agreed in principle to introduce a biofuels mandate to help reduce emissions, including for aviation.

“We’re considering a range of policies to support implementation. We’ll have further announcements on the next steps for biofuels in the coming weeks.”

**Flashback to 2008, and an Air New Zealand plane tests a fuel mix made partly from the jatropha plant – an experiment that ultimately didn’t prove viable.**

Photo / NZME





At the end of last week, powerful swells bashed New Zealand's shores, while gale-force winds whipped up sand with a ferocity that could lash bare skin.

For anyone in the advertising industry, the wild weather would have seemed a poetic metaphor, given the tempestuous onslaught of news that kept pouring in.

Among the torrent of moves and departures, none provoked more intrigue and gossip than the revelation that DDB chief executive Justin Mowday and chief creative officer Damon Stapleton would be leaving their agency to join a consulting firm. The question being asked over last Friday's long lunches was: "what the hell are they thinking?"

The veteran advertising duo were essentially giving up a pair of cosy seats at the top of the biggest creative agency in the country to join Accenture – a long-established consulting firm, but one that doesn't have an established advertising footing in this market.

The gravity of the move isn't lost on them. "I think I'm feeling somewhere between super-excited and utterly terrified right now," Mowday tells the *Herald*.

"For Damon and I, this was about throwing ourselves into the deep end again and really taking and pushing ourselves in our career.

"It's super-hard to walk away from DDB, a great agency with 270 incredible people, to go off and potentially sit in a garage somewhere, but that's the point."

Mowday might be exercising a bit of creative licence in describing their new workspace as a garage, but right now the team is limited to just the pair of them. They are yet to announce any additional local hires and, while the inevitable rumours abound, no clients have officially signed up yet.

"We don't have a thing, buddy. We've got zilch," says Mowday. "And that's scary and exciting all at once. Accenture obviously has their own clients here, but we're starting with a blank sheet of paper."

For now, they're focusing on setting up The Monkeys – as Accenture's ad operation is known – in the local market, adding to the offices already in Sydney and Melbourne.

Established in 2006, The Monkeys was acquired by Accenture in 2017 – a significant indication of the consulting firm's intention to move into creative services. Today the advertising company employs more than 150 staff and the pressure will be on Mowday and Stapleton to replicate that success in this market.

One advantage the pair have over other executives who go out alone and start their own thing is that they will hold on to their high salaries.

They won't disclose how much Accenture is paying them, with Mowday saying only that "it's about the same, plus a bit".

Mowday also confirms the pair will become shareholders in Accenture, although he won't disclose the extent of that stake.

"This wasn't a move about money for personal wealth," he says. "This was a move about exploring the future and figuring out a new model and actually re-energising ourselves."

For Stapleton, there was no existing agency that could offer him that. "If we were going to leave DDB, it was not to go to another agency.

"It had to be something different. It had to be about us trying to do something different. The questions I'm looking to answer are: Where is advertising going? What is advertising becoming? What do we want to do in the next five years?"

"I don't think those questions would have been answered by going to another ad agency."

**Pressure from the start**

The salaries may offer financial security, but they also bring the burden of justifying the remuneration they'll be earning.



Advertising men  
Justin Mowday (L)  
and Damon Stapleton (R).  
Photo / Supplied

aging US\$6.5 billion in digital revenue from its clients.

Thanks to more than 30 acquisitions, Accenture Interactive is now considered the biggest digital agency in the world.

The advertising industry hasn't been sitting still through all this. They've also expanded their services and invested heavily in digital and data services to ensure they can do far more than produce a few radio and TV ads. These days, the biggest ad agencies are working across digital, data and customer experience for their clients.

However, their function is still seen as being part of the marketing department – and those budgets haven't become much bigger in recent years. In many ways, the evolution of ad agencies has been about holding on to the pot of money that's been spread increasingly thinly across a number of disciplines.

In launching creative services, the consultancies, meanwhile, are going after revenue that has never fallen into their remit before. The difference here is between an attack and a defensive strategy.

Comparing the sharemarket trajectory of Accenture to those of the Big Four advertising holding companies offers a hint of which narrative investors are more willing to buy into.

In the past five years, Accenture's share price has risen from around US\$113 in 2017 to more than US\$284. Over the same time, advertising giant Omnicom has hovered at around US\$83, Publicis at about €55, WPP has risen slightly from £977 to £988 and Interpublic Group has lifted from US\$23 to US\$33.

#### Closing the loop

Accenture NZ boss Ben Morgan says the purpose of the move into advertising is to enable businesses working with Accenture to deliver on the promise of helping businesses grow.

"We've got a serious growth agenda," says Morgan, who employs about 400 people in New Zealand.

He sees Stapleton and Mowday as playing an integral role in bringing life to the strategies that might be developed on the consulting side of the business.

Morgan says this move is about incorporating creative thinking from the beginning of the strategy process rather than tagging it on right at the end.

This is where the exciting opportunities lie for both Mowday and Stapleton.

"Agencies have always had people and the ability to do more than just the ads," says Mowday.

"It's about whether you get access to that bigger playing field, or whether you're on the B field, out the back on the muddy grass where you just get to do the comms."

"It's a terrible analogy, but it's sort of the truth. If I think over my career in the last 25 years, the agency that I started at, Saatchi, used to be right at the top table on every client, every major decision."

"It wasn't just comms decisions. It was a case of whether we should sponsor this or launch this product. The agency was right there. Now, I don't think that's the case, unfortunately."

Stapleton sees Accenture's full-blown move into creativity as "completing the circle".

"The strategy aspect is already there, the information and the data is there. And now it's a question of execution and how you wrap experiences in what we do. It's a question of completing the circle and not stopping. If you have all this information and all these insights, then how do you execute? What do you do with it?"

Mowday and Stapleton's success in answering those questions will ultimately determine how this experiment in career change goes for the pair.

Others will be watching closely, for clues on where the industry is heading.

## Adventures in

# ADILAND

A veteran advertising duo's decision to leave a top agency has others watching and wondering if it's a sign of where the industry is heading, writes **Damien Venuto**

Asked for his view on the move, industry veteran and commentator Paul Catmur told the *Herald* the pressure will be on the pair from the beginning.

"Having some initial clients from Australia would really help as those are two major salaries which need to be paid from somewhere, let alone all the others that are needed to make it into an agency, not just two blokes in a shed," Catmur says.

"They are two very smart operators

so I'm sure they'll know what they're getting themselves into, though DDB is the polar opposite of a start-up."

Catmur says there is very little chance of any major clients following the pair out of DDB.

"No doubt there will be a circling of the wagons," he says. "I'm sure the DDB legal eagles will be keeping a close eye on proceedings."

Beyond the potential legal quagmire, Mowday says he has absolutely no desire to pull anything out of DDB. "We helped build that place [over the past decade]," he says. "We've got nothing. We're starting again."

Accenture's decision to hire a pair of executives is unorthodox as an expansion strategy. The more well-worn approach would instead be to acquire a fully formed agency and build from there – as the Dentsu Network did with its acquisition of Barnes, Catmur & Friends in 2016.

However this unconventional strategy is one Accenture has employed before.

Mark Green, The Monkeys founder and Accenture Interactive's lead for Australia and New Zealand, tells the *Herald* that when the firm expanded

into Melbourne in 2017, it hired some of the best people in the city.

In that instance, the company lured Clemenger BBDO's chief executive Paul McMillan and planning director Michael Derepas to run the local office.

It had an immediate effect, with clients coming on board and jumping at the opportunity to work closely with some of the best people in the industry.

Whether it works in this market is yet to be seen, but the widespread industry fascination suggests that

clients around the country are keeping a close eye on what's happening at Accenture – and some might be willing to take a gamble on the untested model.

#### Entering the shadow

In the Netflix fantasy show *Shadow and Bone*, a dark cloud hangs heavy over the centre of the earth, separating two land masses from each other. Anyone who enters that shadow faces almost certain death.

Stapleton and Mowday have just walked into that space that exists somewhere between consultancies and the creative industry.

To put this into context, consultancies have long been viewed as the efficiency machines of the corporate world, helping businesses find ways to reduce costs and increase profitability, while advertising has long been seen as a cost-driver.

We now have a melding of these two worlds, with a creative agency being

forged in a space long occupied by accountants, MBAs, PhDs and a wide assortment of other business nerds. It's a cultural clash waiting to happen, but it's also the setting for one of the most interesting turf wars to hit the advertising industry in decades.

Industry commentator Bob Hoffman tells the *Herald* this battle has been firing up for years.

"Consultancies are after agency business and will continue to be," he says.

"They are buying agencies and/or hiring agency executives – particularly creative and media executives."

"And they have an advantage over agencies because they are often connected to brands at a higher level. Consultancies are often connected at the CEO level while agencies are mostly connected at the CMO [chief marketing officer] level."

"Meanwhile agencies are trying to claim that they are strategic partners but consultancies are better at pretending they're ad agencies than ad agencies are at pretending they're consultancies."

In his book *Madison Avenue Manslaughter*, Michael Farmer elaborates on this point, pointing to the key role consultancies have played in large-scale transformation projects within companies after the global financial crisis.

"The consultants exploited the insecurities of CEOs who watched brand growth disappear during the 2008 financial crisis and did not have the confidence that their CMOs or IT professionals were on top of the momentous technological changes occurring in the marketplace," Farmer writes.

"Marketing required a complete overhaul, and the consulting firms seemed to know more about this than anyone else. Accenture and Deloitte had all the necessary credentials; they were already working on large scale projects in most companies, so why not hire them to accelerate the transition to digital and social marketing?"

By 2017, Accenture Interactive's aggressive acquisition and expansion strategy would see the company man-



#### Consultancies are better at pretending they're ad agencies

#### than ad agencies are at pretending they're

#### consultancies.

Industry commentator Bob Hoffman

## Advertising skills in hot demand

Big consultancies aren't the only organisations on the hunt for advertising skills these days.

The move by Mowday and Stapleton is just one story in a growing trend of cross-disciplinary migration across sectors.

The talent war is now also being fought by tech companies, in-house marketing teams and start-ups.

This year, for example, former Saatchi & Saatchi NZ boss Nicky Bell left her role at a Los Angeles ad agency to join Facebook as the global vice-president of its Creative Shop, its in-house creative strategy team.

Meanwhile, Scott Coldham left a leadership role at Colenso BBDO to become chief marketing officer at tech company Whip Around.

There have also been a number of defections, with advertising staff joining the in-house teams at major corporates around New Zealand. One example is former Carat general manager Alex Lawson, who left the advertising industry in 2016 to join The Warehouse as its head of performance marketing.

The point here is that advertising agencies aren't the only ones doing creative things. Talented writers, storytellers, art directors and brand strategists are now coveted across a wide spectrum of industries.

And this only puts a further squeeze on an industry that's simultaneously fighting on numerous other fronts as it battles aggressively to evolve amid continuous changes in global media.



## INFINZ Industry Awards 2021

# Winning top place

### Link Market Services Sharebroking Firm of the Year

**Forsyth Barr** may be grabbing headlines for its proposal to float part of New Zealand Rugby, but the firm earned itself another good one last week.

For the second year running, the broker was crowned Sharebroking Firm of the Year at the Infnz Awards.

In accepting the award, head of research Andy Bowley paid tribute to Sir Eion Edgar, the firm's long-serving former chairman who is battling health issues, having been diagnosed with pancreatic cancer.

Managing director Neil Paviour-Smith told the *Herald* that Forsyth Barr had been the beneficiary of Edgar's input for a long time.

"He's got his health challenge at the moment but he's still as positive and enthusiastic, doing things, getting involved and trying to make things happen as he ever has been. So, he continues to have that formidable positive spirit."

Paviour-Smith said the sharebroking award – received for the second year in a row – was a big coup for the firm's staff.

"It's really good for the team. I think it's great they are recognised by our fund manager clients for the work they do with their research and servicing from our institutional desk. These awards tend to be an outcome of delivering a consistent service and product and the team has been pretty focused on doing the best they can

for the client," he said.

"From a firm point of view, we've invested significantly in our research and built up our capabilities across the business. We are well known for our wealth management business, but this is great recognition of our work in the institutional space and our research product."

In making the award, the judges noted Forsyth Barr's consistent strength across research, account management, corporate access and deal execution.

The Infnz awards are determined by polling New Zealand-based fund managers which are active investors in Australasian equities.

Aside from its latest proposal involving NZ Rugby, Forsyth Barr has been increasingly active in all areas of the financial markets.

On the M&A front, the firm was financial adviser for Freightways' acquisition of Big Chill Distribution. And during 2020's Covid disruption it was at the forefront of major capital raisings, including Kathmandu's \$207 million placement and rights issue, Sky Television (\$157m), Z Energy (\$348m), Vital Healthcare (\$157.5m) and a \$323m block trade of Ebos shares.

The firm has also played a big role in the debt markets, helping manage most of the big bond issues last year, including the likes of Kiwibank, Chorus, Mercury and Summerset.



Forsyth Barr's Andy Bowley and Marcelle Ashcroft of Link Market Services, with the sharebroking trophy.

### Bloomberg Excellence in Treasury

In a year disrupted by Covid-19, the winner of this award – **SkyCity** – was one of the most-affected.

As the judges noted, in March 2020 SkyCity "was closed, revenue reduced to almost zero and they faced uncertainty as to when their businesses would re-open".

In response, said the judges, SkyCity "initiated a series of negotiations and actions to ensure resilience and liquidity through to FY22. The outcome highlighted the benefits of long-term sustainable treasury management, strength of relationships and a conservative approach to liquidity management."

According to the judging criteria, this award is for the corporate treasury team that can demonstrate improvement or adaptation of its own practices.



Bloomberg's Paige Gardner & Clinton Lee (R) with SkyCity's Bruce Macdonald.

### Hunter Campbell Diversity and Inclusion Award

The Diversity and Inclusion Award aims to recognise and acknowledge an organisation within the Infnz grouping which has "proactively cultivated focus on encouraging and nurturing diversity, aiming to achieve equal gender and diverse representation and inclusion at all levels".

This year the winner is **Westpac NZ: He Huarahi tū Ngāhahi – Pathway to Inclusion**.

The judges said the winner had provided clear evidence of its commitment to and achievements in building diversity and inclusion capability into the organisation's strategic culture. It had also demonstrated a pursuit of improvement in the execution of diversity and inclusion, a willingness to identify shortfalls, and to investigate internal barriers to that execution.



Hunter Campbell's Lee Marshall (second from right) with the Westpac team (L to R): Diana Haxton, Chelsea Rowlands, Marc Figgins, Fonteyn Moses-Te Kani and Niall McCarthy.

### NZX Emerging Leaders Best Investor Relations



Pacific Edge's David Darling (L) and NZX chief executive Mark Peterson.

At a time when health issues have been so much in the news, it was fitting that this award went to health innovator **Pacific Edge**, led by chief executive **David Darling**.

The award goes to a listed company outside of the S&P/NZX20 and based in New Zealand. The winner is decided by a panel of expert judges, who consider criteria such as the clarity and timeliness of communications with both retail and institutional investors.

Pacific Edge's business is cancer diagnostics and, said the judges, it "clearly demonstrated alignment between its investor relations strategy and outcomes delivered".

During 2020, said the judges, Pacific Edge "kept the market informed as headlines came thick and fast, taking advantage of the acceleration of Covid-19 trends – both for the company (telehealth) and in its engagement with shareholders/potential shareholders via increased virtual engagement".

They said improved investor engagement and positive milestones for Pacific Edge had seen the company deliver excellent investor outcomes through the year, as its share price was re-rated strongly, liquidity improved and both the number and diversity of the company's shareholders increased.



# for finance

Some 800 people came together last week for the annual awards night where Infinz – the Institute of Finance Professionals NZ – named the year’s best performers

## Chapman Tripp Fund Manager of the Year: Equities

## Fitch Ratings Fund Manager of the Year: Bonds

Thinking long term was the key to **Fisher Funds’** success in winning both the equities and bonds categories at this year’s Infinz awards, says Fisher Funds senior portfolio manager David McLeish.

“Not getting caught up in the moment – that is really difficult,” he says. “We are human beings, we have that fight or flight mechanism inside our brains.”

McLeish said it felt terrible at the time, but both the equity and fixed income teams were putting money to work in that March, April, May period of last year, which was a very uncertain time.

“But we had a long-term view and knew that over a number of years things would come right. We were surprised by how quickly it turned around.”

McLeish said it was the third year running that Fisher Funds had won the bonds award, and the fourth year out of the past six, but it is the first time they have won on the equity side. “To do the double header is

particularly satisfying.”

McLeish said last year was a tumultuous one for markets. “So to have come out on top across both asset classes in such a difficult year is really pleasing.”

The fund manager had 20 of its investment and adviser team at the awards to celebrate the wins. McLeish said that was one of things it was trying to be better at – celebrating its successes.

“In an asset management industry you are really only ever as good as your next month’s return or your next year’s return. No one remembers the past. You live and die on your performance in the future.”

“We are not very good at sitting back and celebrating that success. So it was a heavy night.”

The company is now kicking into its annual nationwide roadshow, which McLeish said would be a good opportunity to show off its awards and meet people in person again after having to do so virtually amid last year’s restrictions.



(Above) Fisher Funds’ Robbie Urquhart and Sam Dickie with Chapman Tripp’s Tim Williams (R). (Left) David Brooks of Fitch Ratings and the fund manager’s David McLeish (R).



Institute of Finance Professionals NZ Inc

# Regenerate

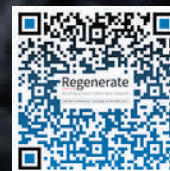
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Director  
Ngai Tahu Holdings

Ross Taylor  
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Fletcher Building

Vittoria Shortt  
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Alison Andrew  
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# INFINZ Industry Awards 2021

## INFINZ Distinguished Fellow

**Catherine Savage** says she has been called a lot of different names during her career, but never thought she would be called a Distinguished Fellow.

Savage, who was given the highest award at the annual INFINZ awards last week, has just stepped down as chair of the New Zealand Superannuation Fund, having served on its board for more than 10 years.

She was previously chair of the National Provident Fund and earlier led AMP Capital in New Zealand. She is now an independent director of Infratil and is co-chair of the New Zealand chapter of Women Corporate Directors.

"It means a lot to me to be recognised by my peers in the industry where I have spent most of my career," she said.

"The award is really reflective of the work of all the amazingly talented and dedicated people that I have been fortunate to work with over my career to date. Infinz has always been an inclusive industry body that supports a wide variety of roles within the investment sector, as well as recognising success and encouraging life-long learning. It has a great representation of ages and genders and gives support to its members."

On receiving her award, Savage also laid down a challenge to the

people in the room.

"I believe that knowledge and expertise gained, must be shared. That there is an obligation on everyone to give back. Not only because it is the best way for us to continue to learn and stay relevant, but importantly because it helps us develop capacities for change and action."

The judges said Savage had been able to effect change in the industry through an inclusive approach, supporting other treasury professionals, and the development of future female leaders had been a focus.

"Catherine has been an active member of

Infinz, having spoken at conferences and served as an awards judge."

Now that Savage has stepped down from the board of the Super Fund, she will focus on running her Wellington-based Savage Group, which invests in growing businesses in the healthcare and hospitality sectors.

She plans to take six months off before committing to any other governance roles but says she is passionate about growing resilient and successful New Zealand businesses that create tangible long-term value.

*I believe that knowledge and expertise gained, must be shared. That there is an obligation on everyone to give back.*

Catherine Savage



Infinz chair Mark Edwards with Catherine Savage – until recently the chair of the NZ Superannuation Fund.

## INFINZ Fellowships

Each year, Infinz honours leading industry figures by naming them as fellows of the organisation.

This year's trio of fellows are **Gavin Walker, Fran O'Sullivan and Louise Tong**.

Company director and consultant **Gavin Walker** has held senior leadership and governance roles in both New Zealand and Australia.

Walker was the founding CEO/managing director of Bankers Trust New Zealand and later appointed CEO of Bankers Trust Investment Bank Australia.

He has been chair of ASB since 2011 and was formerly the chair of the New Zealand Superannuation Fund. Through Infinz, he has mentored young members and emerging leaders.

Veteran journalist **Fran O'Sullivan** – NZME's editorial director of business – has been a



Herald columnist for 23 years and has supported New Zealand capital

markets with her coverage of the sector, providing expert coverage of

**Newly-minted Infinz fellows Fran O'Sullivan, Gavin Walker and Louise Tong at last week's events ceremony.**

both the political economy as well as business.

O'Sullivan has been very supportive of the New Zealand capital markets, said Infinz, with her coverage of the sector including an annual supplement featuring the latest developments in the markets.

She has been an active contributor to Infinz, including as a regular speaker at events and as an awards judge.

O'Sullivan was made an Officer of the New Zealand Order of Merit in

the 2019 New Year Honours for services to journalism and business.

**Louise Tong**, BNZ's general manager of sustainable development, stepped down from the Infinz board at last year's AGM after serving as a director for seven years, including as chair for two years.

Tong helped establish the Infinz mentoring programme and was a mentor herself for several years. During her tenure on the board, Infinz became more diverse and youthful, with membership growing 2.5 times and female representation increasing six-fold.

Louise has long been a strong proponent of sustainability. When she was at Contact Energy, it secured the first green debt certification by a New Zealand company and the largest climate bonds certification globally.

## Caldwell Partners Leadership Award

In a year when airlines were mostly grounded, the Leadership Award went to the boss of a travel software maker – **Serko chief executive Darrin Grafton**.

While the planes may not have been flying, for Serko it was an action-packed year, marked by an oversubscribed capital raise, a major partnership deal with the multinational Booking.com, and the Auckland company's entry into the NZX50 as its shares climbed out of a pandemic trough in April 2020 to hit an all-time high in April 2021.

Chief executive and co-founder Grafton told the *Herald* he didn't panic when Covid hit. As a travel industry veteran who had led companies through 9/11, the GFC and Sars, he was confident not only that downturns could be weathered, but that they were a chance to grab market share.

"I couldn't control border closures, so I decided to focus on what I could control," said Grafton.

Buoyed by his company's \$67.5 million capital raise in late 2020, the CEO increased staff numbers by 54

to 287 full-time equivalents – in part to expand its Zeno platform, which underpins the giant Booking.com's new Booking.com for Business service, launched in March.

"I call myself the conductor; my job is to be always coaching and taking a group of champions to becoming a true championship team," Grafton said.

"As founders – a farm boy from Waimauku and a Māori boy from Avondale [co-founder Bob Shaw], we have built our culture on inclusion and diversity and live our values and principles."

"I lead by example, staying true to our vision and mission and strategy. My objective is to be the dumbest person in the room, by finding exceptional talent ready to take Serko on the next stage of its journey."

To achieve Serko's goal of becoming a global company that touches 20 per cent of the world's business travellers, Grafton said he's constantly looking for a "gap in the traffic jam" and then hitting the accelerator hard with a team that's encouraged



**Darrin Grafton, chief executive of travel software company Serko (L) with Caldwell Partners' Nick Scarlett.**

to think big.

Recognised as the PwC Hi-Tech Company of the Year in 2020, Serko has grown to become one of the world's leading online travel booking and expense management platforms for business travel, with close to 300 employees and more than 6000 corporate customers worldwide.

## University of Auckland Business School Emerging Leader of the Year



**James Palmer and professor Norman Wong of the University of Auckland Business School.**

This year's Emerging Leader Award goes to someone who has combined an interest in capital markets with positive social outcomes.

The winner is **James Palmer, chief executive of Christian Savings and Community Finance**.

In choosing the award recipient, the judges said they were looking for leadership, performance in their professional role and contribution to the wider industry and community.

The judges noted that Palmer "has led the way in showing how the finance sector can support social outcomes whilst providing a return to investors."

They said Palmer "has shown strategic vision and commercial expertise by harnessing support from several faith-based organisations to create NZ's fourth-largest licensed non-bank deposit taker, with deposits of approximately \$230 million."





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# INFINZ Industry Awards 2021

## PwC NZ Equity Market Transaction of the Year

It meant burning the midnight oil for **Auckland International Airport's** chief financial officer **Phil Neutze** and his team, but they managed to get the deal of the year away in fairly short order.

The winning deal was: **Auckland International Airport – \$1.2 billion Capital Raise** – consisting of a \$1b fully underwritten placement and a \$200 million non-underwritten share purchase plan. The issuer was **Auckland International Airport** and the joint lead managers and underwriters were: **Citigroup Global Markets, Credit Suisse (Australia) and Jarden**.

"There were some late nights leading up to the capital raise – particularly over the weekend," says Neutze. "On Sunday night we were talking to institutional investors up until midnight ... then we went straight off those calls to our final discussions with our bankers regarding our bank restructuring and covenant waivers, so it was a 2am finish."

"The evening before launching the offer was touch and go in many respects and pretty stressful."

In the lead-up to the deal, board meetings were taking place two or three times a day.

"It was extremely satisfying to get that deal away," says Neutze. "Everybody worked very well together" and

the response from investors was pleasing.

Neutze says the airport company's main goals for the \$1.2b equity raise were:

- To eliminate the solvency chatter in the media and equity markets that was pushing down its share price

- "Do it once and do it well" – raise enough cash for Auckland Airport to be able to survive an extended "scorched-earth" period

- To put the company in a sound financial position before any potential meltdown of the global economy and capital markets

"We had to take immediate and drastic action to slash the cash burn after the borders shut and, at first, our revenues were down by more than 80 per cent."

"It was very distressing for Auckland Airport's people to have to cancel or suspend well over \$2b of airport infrastructure projects that had only recently gotten underway as well as farewelling 35 per cent of our colleagues through redundancies."

The equity raise was executed largely by Auckland Airport's management team, the board and the company's investment banking and legal advisers entirely from home during level 4 lockdown, with very long days of back-to-back Zoom and Teams video conferences.



(L to R) Sam Shuttleworth of PwC, the airport company's Phil Neutze and Citigroup's Nick Forster.

## MinterEllisonRuddWatts M&A Transaction of the Year



The award for the top M&A deal – as decided by an expert judging panel – went to the **sale of Ultrafast Fibre Ltd for \$854 million**.

The vendors were **WEL Networks and Waipa Networks** and the lead financial adviser was **Cameron Partners**.

To be eligible for this award, transactions had to relate to NZ-headquartered corporates, or New

Zealand assets or businesses. Judging criteria included the success of the deal in meeting the corporate's strategic and financial goals.

As well as being a significant transaction, signed and announced during Covid-19 lockdown, said the judges, the Ultrafast Fibre sale stood out because of: the highly competitive sale process, which tested various divestment options; the broad range

**Celebrating the award for top M&A deal (L to R): WEL Networks' Carolyn Steele, Garth Dibley and David Barnett; Hugo Ellis and Daniel Good of Cameron Partners; Ultrafast Fibre's John Hanna; and MinterEllisonRuddWatts' Silvana Schenone.**

of stakeholders involved and approvals required; the provision of tailored vendor funding for the purchase, while still achieving a clean exit for the vendors; and the careful navigation of a complex and uncertain regulatory environment.

Ultrafast Fibre is a broadband provider operating in the central North Island, and was sold in May to Japanese company First State Investments.

## Tax Management NZ Excellence in Institutional Banking

This award goes to the institutional bank which – in the judges' view – has introduced the best new or enhanced product and/or service in the past two years. The innovation must have a positive impact on the performance and prospects of institutional clients, thus improving New Zealand's economic performance.

This year, the award goes to the **ANZ View Bills Service**.

The judges said the winner showed an ability to deliver significant real value – not only for its own institutional clients, but also for the entire customer base of the NZ banking system.

They said: "the removal of a number of 'pain points' in paying and receiving bills moves the ambulance to the top of the cliff and provides real benefits in working capital, reconciliation,



**Chris Cunniffe, Tax Management NZ, with the ANZ's Sarah Berry.**

rework, lower fees and financial stress."

ANZ has now won this title in four of the past five years.

## Craigs Investment Partners Market Leaders Best Investor Relations

One of the NZ sharemarket's high-profile power companies, **Meridian Energy**, took the award for the market heavyweight with the best investor relations.

This award goes to the best communicator to the investment community from among the listed companies in the S&P/NZX20 that are based in New Zealand.

The winner is decided by voting among equity analysts with the full-service sharebroking firms and those larger New Zealand-based fund managers which are active investors in Australasian equities.

Broker analysts and fund managers judging the award noted that investor relations manager **Owen Hackston** was highly responsive and deeply knowledgeable in his area of expertise.

This year's award marks a



**Meridian's Owen Hackston (L) with Craigs' Geoff Zame.**

second-time victory for Meridian, which also won the same category in 2018.

## Guardian Trust NZ Debt Market Issue of the Year

This award goes to both the bank/adviser and the issuer of the best New Zealand debt issue of the year – as nominated by the industry and decided by an expert judging panel.

At the 2021 awards, the winner was the **Auckland Council \$500m Secured Unsubordinated 30-Year Fixed Rate Green Bonds**. The issuer was **Auckland Council**, the joint lead manager and green bond co-ordinator was **ANZ**, and joint lead managers were **BNZ** and **Westpac**.

In choosing the winners, the judging criteria included the extent to which the issue met the needs of both the issuer and investors, and the extent to which it developed the capital markets.

In this case, the judges said the winner was a landmark debt market transaction for the New Zealand market, with a 30-year term and a fixed coupon, in addition to being the largest green bond issued in this country.

It was extremely well executed and finely priced, while attracting strong support from investors.



**(L to R) Patrick Mullins (ANZ), Auckland Council's John Bishop, Hannah Port (BNZ), Mat Carter (Westpac) and Guardian Trust's Harry Koprivicic celebrate the award for best debt market issue.**



# INFINZ Industry Awards 2021

## CFA Society Research Analyst of the Year



Winning analyst Stephen Ridgewell (R) with CFA Society chair Jeff Stangl of Massey University.

A year of pandemic uncertainty was capped by a familiar result in this category, with Craigs Investments Partners' **Stephen Ridgewell** winning the Research Analyst of the Year for the fourth straight year – and clocking his fifth win overall since he first took the title in 2015.

The award was judged by polling 11 leading fund managers. The judges noted Ridgewell's "excellent calls backed by industry contacts and that his research consistently challenged consensus thinking". Ridgewell covers the healthcare, software, retirement and dairy sectors.

He told the *Herald* that "in a year of extreme volatility in trading conditions, some companies have been able to adapt better than others, and this has created significant winners and losers which have been re-rated by investors accordingly. Staying ahead of these trends has been challenging but rewarding."

Ridgewell said he had been "very fortunate to be able to cover some of the most ambitious growth companies listed on the NZX".

"The transformation of the NZX over the last decade has been remarkable, as more Kiwi companies seek

and find growth offshore. It's also been heartening to see strong support from local investors for these success stories, which have come to make up a larger and larger part of our market".

Ridgewell's victory means a Craigs analyst has now won this award for eight of the past 10 years, which he puts down to the firm's modus operandi.

"We try to develop a deep understanding of the companies that we research, which also includes keeping tabs on their competitors here and offshore, and the direction of the industry as a whole."

## Public Trust Debt Deal of the Year



(L to R) Electric Kiwi's Nick Haines, Public Trust chief executive Glenys Talivai and the BNZ's Tim Wixon celebrate at the InFINZ Awards.

This award has two winners – both the client and the banking arranger/underwriters concerned.

This year those winners are: **facilities provided to Electric Kiwi Ltd and The Energy Collective.** The borrower was **Electric Kiwi Ltd, ReAmped Energy Pty** and the sole financier was **BNZ**.

The award recognises all debt transactions – apart from bond deals which are covered by the NZ Debt Market Issue Award – and is decided by an expert panel.

The panel's judging criteria include the degree to which the client's objectives were met, the complexity of the deal, innovation

and the importance of the transaction to the wider economy.

In this case, the judges said they were particularly impressed by the innovative funding arrangement that provided a six-year-old technology company, servicing the electricity sector and earning revenue but not yet profitable, access to about \$20 million without tangible security.

The deal, said the judges "demonstrated a deep understanding by the financing team of where and how value was being created and derived", and would set a precedent to accelerate the growth of other technology businesses.

# "I can dream, but they are the dream makers."

– Darrin Grafton

## Congratulations to Serko CEO Darrin Grafton

on being recognised with the Caldwell Partners INFINZ Leadership Award, from your global team of more than 300 who are proud to be reinventing the world of business travel retailing with you.



#WeAreSerko



serko



# Stock Takes

**Tamsyn Parker**

tamsyn.parker@nzherald.co.nz

**CMIC**  
cmc markets

## Retirement stocks under pressure

Changing property market seen as a head wind for future revaluations

**R**etirement village stocks have benefited from large revaluation gains in the latest round of financial results, as surging property prices boosted the value of their units.

But with Treasury forecasting house price growth to slump from 17.3 per cent over the last year to 0.9 per cent next year, and the official cash rate expected to begin rising again from mid-way through 2022, these revaluations could come under pressure.

Mark Lister, head of private wealth research at Craigs Investment Partners, said rising property prices were not the only driver for retirement village operators' valuations.

"They have two aspects to their business – one is the healthcare side and the care fees and all of those healthcare operations. That demand is there and it is going to be pretty insulated from whatever is happening in the economy or housing market. That piece of the business is very much needs-driven."

But he said the companies were also essentially property developers. "The ebbs and flows of the property market do have an impact and as they resell units or apartments or properties, the selling price of the units will be driven by what is happening out there in the broader market. That can be a very lucrative part of the business."

Lister said he expected the big property uplift across the country over the past 12 months would be reflected over the next couple of years as many units changed hands.

"There is still a bit of that good stuff to come."

But he said analysts would probably be dropping their property price growth expectations.

"There is a few more headwinds than there were three months ago. We have got all those policy changes from the Government and now we are all expecting interest rates to rise maybe sooner and more quickly than we thought before. That is not going to tank the property market. But I think it slows down the pace of those



A Ryman project under development in Havelock North.

Photo / Hawke's Bay Today

gains. . . it is a head wind to the sector."

But he believed it was still a good sector to be invested in because of the ageing population and the healthcare pressures on the public sector, which meant there was growing demand.

**Fletcher's retirement foray**  
Fletcher Building revealed plans to enter the retirement village business at its investor day this week.

Lister said it was an interesting move by Fletcher. "There is certainly plenty of opportunity to go around. I don't think it necessarily detracts from the investment case for some of the established players like Ryman or Summerset or Oceania. It doesn't change our view on them."

"There is no harm in having credible competition."

Harbour Asset Management portfolio manager Shane Solly said the Fletcher announcement highlighted the attractive and growing market for senior living in New Zealand.

"There is a silver tsunami of over-60-year-olds wanting different living options and this is an extension of

what's on offer."

Solly said Fletcher's offer was very lifestyle focused and very different from the integrated care offer provided by the listed retirement village operators.

"The Fletcher offer seems to be aimed at younger lifestyle focused residents. This may mean they will need to move to another village as they get older and need care support."

Solly said Fletcher's offer was also relatively modest in size at 100 units versus the 200-plus units being developed annually by the smallest of the listed integrated care village operators.

He said it was not always an easy sector for developers to get into, pointing to some in Australia which had struggled to find their feet.

"Developers in Australia that have entered the sector have generally struggled – it's hard to get right. For example, developer Lendlease has spent several years trying to reduce its lifestyle focused exposure to the space, while Stockland has had a stop-start exposure to the sector."

### Out of favour

One-time sharemarket darling Ryman Healthcare appears to have fallen out of favour with analysts.

Both UBS and Jarden reiterated their sell ratings on the stock this week after Ryman reported a full-year underlying net profit after tax of \$224 million.

UBS analyst Jeremy Kincaid said the result was 3 per cent below consensus and his expectations.

Kincaid said the miss reflected a lower than expected number of new sales at 503 units – UBS had expected 566 sales.

The company's debt also rose to \$2.25 billion which was \$110 million higher than UBS expected, although that was also offset by a record valuation gain.

Kincaid increased his 12-month price target from \$12.90 to \$13.20 but maintained his sell rating on Ryman due to its rising debt and profit growth headwinds.

"In our opinion, debt has been an ongoing and growing issue for Ryman."

Kincaid said its analysis of individual villages had found that the working capital drag during the construction of high-density villages was likely to be the key cause for the debt issue.

While Ryman appeared to be moving its build programme to a more even split of high-density and broad-acre development sites, that came with other issues.

"Broad-acre units typically sell for less than high density units which makes growth in realised development margins challenging. For this reason, we do not believe Ryman will achieve its target of doubling underlying net profit every five years."

Jarden analyst Andrew Steele also reiterated his sell rating, calling it a "soft" result with the underlying profit in line with Jarden forecasts but down 7 per cent year on year.

Steele said on an ex-development

basis Ryman's net profit had declined every year since 2018.

Jarden cut its target price on the stock from \$12.10 to \$11.60 based on higher than expected net debt and lower selling of developments.

Steel said Ryman's development guidance of 900 to 1000 beds and units for the 2021 full year was below his forecast of 1100 and considerably below the company's stretch target of 1300, presented the its half-year result. "We believe at the current share price, Ryman represents an unappealing risk/reward."

### High interest

Infratil has launched a six-and-a-half-year bond offer looking to raise up to \$100m, and paying 3.6 per cent.

The rate seems attractive compared to others in the market but David McLeish, head of fixed income at Fisher Funds, says it comes with some fishhooks.

McLeish said Infratil had about 10 bonds outstanding and they all traded at a similar spread above the government bond rate.

"It is not particularly attractive versus all the other bonds that are outstanding for Infratil but Infratil does trade at a higher yield than a number of other issuers."

He said that was because the bonds were unrated, which typically meant the company had to pay a higher yield to compensate investors for that uncertainty, especially retail investors.

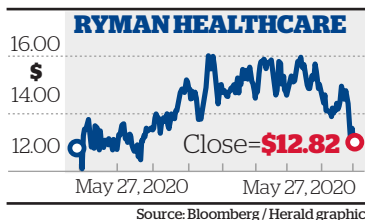
McLeish said Infratil was a great business for share investors but was less attractive for debt investors as the company was an acquisitive business and used debt to do that.

"When you are putting leverage inside a business that does make it more risky. They have done well with those acquisitions so they do have a good track record of performing and making it worth their while but there is a higher risk associated with that."

And he said when the company sold an investment the money was used to acquire other assets or return those funds to shareholders rather than looking after bondholders first.

Despite that, McLeish said he expected it to be well supported by retail investors due to the Infratil name and the higher interest rate. "From a more institutional perspective, we think from a risk adjusted sense that there are better opportunities out there in the market."

The offer closes on June 30 or sooner if the capital target is met.



**SPECIAL  
12-MONTH  
TERM DEPOSIT RATE**

**1.20% p.a.**

**AVAILABLE UNTIL 30 JUNE 2021  
MINIMUM DEPOSIT \$1,000**

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# Markets

NZX50

12243.34

-104.10

Rises

102

Falls

87

Last FOUR weeks

Last TWELVE months

Top 10 TURNOVER

Share name	Shares
Spark NZ	9,359,228
Meridian Energy	8,165,161
AuckAirport	7,128,102
Fishr&Paykl Health	5,600,442
a2 Milk	4,839,937
Chorus	4,381,461
Mercury NZ	3,798,697
Kiwi Prop	3,745,358
Ryman Health	3,674,928
Fletcher Building	3,258,344

Top 10 VALUE

Share name	Dollars
Fishr&Paykl Health	163,990,705.22
AuckAirport	50,149,171.00
Ryman Health	47,379,204.33
Meridian Energy	42,786,433.12
Spark NZ	42,530,492.66
Chorus	27,567,374.49
a2 Milk	27,311,413.47
Mercury NZ	26,324,143.85
Fletcher Building	24,202,838.23
Contact Energy	16,026,869.10

Biggest 10 RISES

Share name	Percentage
Gentrack Grp	9.30
DGL Grp Ltd	8.06
AMP	6.19
Synlait Milk Ltd (NS)	4.37
ikeGPS Grp	4.16
Mainfreight	4.04
MarWineEst	4.00
Accordant Group Ltd	3.93
Mercury NZ	3.58
Fonterra Shrhlds Unts	3.42

Biggest 10 FALLS

Share name	Percentage
Rakon	5.37
Fishr&Paykl Health	5.35
Ryman Health	4.96
RestaurantBrands	4.31
NZ Oil & Gas	3.44
Tourism Holdings	2.81
Chorus	2.78
Plexure	2.73
Harmony Corp Limited	2.51
Smartpay	2.43

Issues traded

244

Volume traded

112.79m

Value traded (\$)

599.40m

● Official market statistics provided by the NZ Exchange. Closing data compiled at 5.30pm yesterday.

# F&P tumble drags down wider index

Extended trading session clouded by MSCI rebalancing

Graham Skellern

**F**isher & Paykel Healthcare, always conservative in its financial forecasts, was hammered on the New Zealand sharemarket for its non-commitment on the future, despite delivering a record profit.

The S&P/NZX 50 Index fell 104.10 points or 0.84 per cent to 12,243.34 – back to the level of early March – after reaching an intraday low of 12,134.55. But the market was clouded by the half-year review for the MSCI equity indices, with **Napier Port** (up 2c to \$3.21) falling out of the small cap index and the seven large cap New Zealand stocks being reweighted.

The “adjust” trading session at the end of the day was extended from half an hour to 45 minutes, and an impressive 102.55 million shares worth \$588.82 million finally changed hands. There were 61 gainers and 76 decliners over the whole market.

Heavyweight **Fisher & Paykel Healthcare** drove the market down by slumping \$1.68 or 5.35 per cent to \$29.70 on trade worth \$164m, after reaching \$27.81 earlier in the day and having hit \$36.46 on April 29.

All this after Fisher & Paykel recorded an 82 per cent rise in net profit to \$524.2m on revenue of \$1.97 billion, up 56 per cent, for the year ending March and is paying a final dividend of 22c a share, an increase of 42 per cent, on July 7.

Matt Goodson, managing director



Fisher & Paykel Healthcare weighed the market down by falling \$1.68 or 5.35 per cent to \$29.70 on trade worth \$164m,

of Salt Funds Management, said the result was a little below expectation and people are concerned about the next year or two ahead. “There may be a lull in earnings before growth resumes, and a lot more information needs to become apparent. It was probably wise of Fisher & Paykel not to make a forecast.”

The medical devices company told the market it is not providing guidance for the 2022 financial year because of the ongoing uncertainties with vaccinations, lockdowns, Covid-19 variants, localised waves and re-

turn to stable hospitalisation rates around the world.

Fisher & Paykel sells in more than 120 countries, and revenue from the hospital product group rose 87 per cent to \$15b, making up 76 per cent of the company's total sales.

Two of the country's best companies, Fisher & Paykel and Ryman Healthcare, have been lately struck down by the market. **Ryman**, the biggest retirement village operator, shed another 67c or 4.97 per cent to \$12.82, falling from \$15.70 on April 7. Rival **Summerset Group Holdings**

was down 28c or 2.26 per cent to \$12.11. The Commerce Commission has provided an annual revenue range of \$689m-\$786m for **Chorus** in the regulatory 2022-24 period for fibre, and Chorus' share price fell 18c or 2.78 per cent to \$6.29.

**Mercury Energy** was again strong, climbing 24c or 3.58 per cent to \$6.94; consistent performer **Mainfreight** surged \$2.96 or 4.04 per cent to \$76.22; **Freightways** rose 15c to \$11.99; **Serko** gained 15c or 2.24 per cent to \$6.85; and **Sanford** increased 7c to \$4.63. The milk operators had

strong days – **a2 Milk** was up 10c to \$5.70; **Synlait** gained 10c or 3.37 per cent to \$3.07, and **Fonterra Shareholders' Fund** rose 13c or 3.42 per cent to \$3.93.

**Auckland International Airport** decreased 12c to \$7.01 on trade worth \$50.15m; **Ebos Group** fell 40c to \$32.40; **Restaurant Brands** declined 60c or 4.32 per cent to \$13.30; and **Harmony** was down another 4c or 2.52 per cent to \$1.55.

**Air New Zealand** declined 2.5c to \$1.665 after being given another five months of cargo flights under the Government's maintaining international air connectivity scheme. The airline will operate 30 flights a week to 13 destinations through to the end of October, with Government contributing \$120m-\$145m.

**Rakon**, a world leader in making advanced frequency control and timing products, fell 5c or 5.38 per cent to 88c, after increasing revenue 8 per cent to \$128.26m and net profit 142 per cent to \$9.63m for the year ending March. Rakon told the market it had gained market opportunities in telecommunications, data centres and space ventures, as well as supplying a global chip shortage.

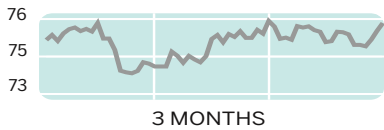
**Stride Property Group**, unchanged at \$2.35, reported a big turnaround from a loss of \$66,000 to a net profit of \$131.87m on revenue of \$74.92m for the year ending March.

**AMP's** share price rose 7c or 6.19 per cent to \$1.20.

Utilities software company **Gentrack** climbed 16c or 93 per cent to \$1.88 after showing signs of a turnaround. Its revenue increased 0.7 per cent to \$50.95m and its loss narrowed to \$1.1m from \$12.8m for the six months ending March, and Gentrack said revenue for the full-year was slightly ahead at \$100.5m.

## >> The Dollar

Trade Weighted Index  
27 MAY: 75.63



The NZ dollar (Trade Weighted Index):

Yesterday 75.63 +0.33

Primary Exchange Rates on the NZD:

Currency	Close	Move
US Dollar	0.729	-0.003
AUS Dollar	0.941	+0.003
Euro	0.598	+0.001
Japan Yen	79.53	-0.04
UK Pound	0.516	0.00

Cross Rates:

Currency	Close	Move
AUD/USD	0.774	-0.005
EUR/USD	1.219	-0.007
EUR/GBP	0.864	-0.002
JPY/USD	109.12	+0.35

Source: Reuters

Buy/Sell Rates on the NZD Yesterday:

Currency	Buy	Sell
Australian Dollar	0.9272	0.9595
US Dollar	0.7177	0.7427
Pound Sterling	0.5084	0.5262
Euro	0.5881	0.6092
Japanese	78.24	81.05
Canadian Dollar	0.8695	0.9007
Swiss Franc	0.6433	0.6665
Danish Krone	4.3688	4.5307
Fiji Dollar	1.4372	1.5117
Hong Kong Dollar	5.5592	5.7642
Indian Rupee	51.9528	53.9856
Sri Lanka Rupee	141.1794	148.1626

Norwegian Krone	6.0003	6.2275
PNG Kina	2.4199	
Philippine Peso	34.4178	35.7679
Solomon Is Dollar	5.3842	6.1578
Swedish Krona	5.9540	6.1784
Singapore Dollar	0.9486	0.9837
Thai Baht	22.4065	23.2414
Tonga Pa'anga	1.5508	1.7077
Vanuatu Vatu	74.70	84.25
Samoa Tala	1.7424	1.9087
CFP Franc	69.05	73.61
South African Rand	9.8349	10.2278

## >> Interest rates

90-Day Bank Bills (%)  
27 MAY: 0.36

NZ rates at close yesterday:

	Yield %	Change
90 Day Bank Bill	0.36	-0.01
180 Day Benchmark	0.37	+0.01
5 Year Benchmark	1.17	+0.027
10 Year Benchmark	1.91	+0.012
US Prime Bank	3.75	0.00

World bank bill rates yesterday:

	Yield %	Change
US 90 Day	0.018	-0.008
US 10yr Bond	1.581	+0.005
US 30yr Bond	2.263	-0.003
Aus 10yr Bond	1.594	-0.026
UK 20yr Gilt	1.266	-0.037
Ger 10yr Bond	-0.205	-0.031
Japan 10yr Bond	0	0.00

## >> Metals & Oils

Gold (\$US)  
26 MAY: 1,896.44

Metals

Yesterday 5pm (\$US)	Price	Change
Gold (ounce)	1,896.44	-2.824
Silver (ounce)	27.69	-0.29
Palladium (ounce)	2,744.73	-25.867
Platinum (ounce)	1,191.276	-0.505
Aluminium* (tonne)	2,368	+29.95
Aluminium Alloy* (tonne)	2,126	-2.00
Copper* (tonne)	9,961.25	+60.75
Lead* (tonne)	2,173.25	+18.00
Nickel* (tonne)	17,256	+252.25
Tin* (tonne)	31,025	-569.00
Zinc* (tonne)	2,949.25	-19.00

Oil (\$US a barrel)

	Price	Change
Light Crude	66.21	+0.14
Brent Crude	68.81	+0.18

## >> London

FTSE-100  
26 MAY: 7,026.93



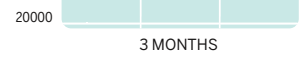
## >> Paris

CAC 40  
26 MAY: 6,391.6



## >> Hong Kong

Hang Seng  
27 MAY: 29,088.42



## >> Frankfurt

DAX  
26 MAY: 15,450.72



## >> New York

DOW JONES  
26 MAY: 34,323.05



## >> Tokyo

Nikkei 225  
27 MAY: 28,549.01





# New Zealand

Share Code	NZX Market Shares	Closing quotes		Last Sale	Move	1000s Sold	52-week High	Low	Dividend CPS	t/c	Yld%	P/E Ratio	Share Code	NZX Market Shares	Closing quotes		Last Sale	Move	1000s Sold	52-week High	Low	Dividend CPS	t/c	Yld%	P/E Ratio
A-C																									
ATM	a2 Milk	560	570	570	+10	4839.937	2174	542	-	-	-	13.14	PEB	Pacific Edge	117	119	119	-2	1757499	130	11.2	-	-	-	-
AGL	Accordant Group Ltd	128	136	132	+5	69.884	156	117	-	-	-	7.31	PYS	PaySauce	25.5	27	25.5	-	103.434	52	25	-	-	-	-
AFT	AFT Pharm	466	470	470	+2	23.222	565	380	-	-	-	62.33	PGW	PGG Wrightson	335	336	335	+2	3.847	365	258	16.67	1.45	4.98	19.27
AIR	Air NZ	166.5	169	166.5	-2.5	1200.05	196	122	-	-	-	-	PX1	Plexure	71	72	71	-2	116.581	159	64	-	-	-	-
ALF	AlliedFarmrs	57	58	57	-1	2.655	82	50	1.67	4.37	2.92	10.87	PLP	PLP Fund	113.2	113.6	113.6	-	5.151	115	104.8	4.54	-	4.00	-
AMP	AMP	118	122	120	+7	174.858	210	113	10.79	.51	8.99	21.85	POT	Port of Tauranga	719	725	725	-4	93.281	814	677	17.22	1.08	2.38	54.11
ANZ	ANZ	3020	3040	3032	-20	16.947	3170	1773	155.25	1.36	5.12	15.92	PCT	Precinct Prop	156.5	162	157	-3	1959.938	183	153	6.52	1.76	4.15	13.81
ARB	ArborGen	18.3	18.4	18.3	+3	118.172	19.5	12.8	-	-	-	19.95	PHL	Promisia Healthcare Ltd	.1	.2	.1	-	-	.3	.1	-	-	-	-
ARG	Argosy	151	154	152	-5	1527.563	160	111	6.79	4.52	4.47	5.23	PFI	Prop For Ind	282.5	283	282.5	-1.5	225.48	301	227	9.83	2.95	3.48	12.44
ARV	Arvida	183	184	184	+1	746.286	186	137	5.3	4.56	2.88	7.61	PPH	PushpayHld	175	177	175	+1	2194.75	242.1	152	-	-	-	43.23
Q-S																									
ACE	AscensionCap	-	.1	.1	-	-	.3	.1	-	-	-	-	QEX	QEX	-	-	28.5	-	-	69	19.5	-	-	-	-
APL	Asset Plus Ltd	31.5	32	32	-	200.19	40.5	29	1.75	4.47	5.45	5.31	RAD	Radius	90	91	91	-	32.609	182	89	.58	-	.63	-
AIA	AuckAirport	701	720.5	701	-12	7128.102	825	592	-	-	-	131.06	RAK	Rakon	88	89	88	-5	644.066	106	24	-	-	-	20.91
AKL	Auckland Real Estate Trust	87	-	79	-	-	-	-	-	-	-	-	RBD	RestaurantBrands	1325	1385	1330	-60	36.481	1400	1101	-	-	-	53.63
AFI	Aus Found	794	800	800	-3	3.355	827	640	25.88	.60	3.23	51.12	RUA	Rua Bio	40	40.5	40	-5	19.517	75	37	-	-	-	-
AFC	Aust Food	-	.1	.1	-	-	.2	.1	-	-	-	-	RYM	Ryman Health	1281	1320	1282	-67	3674.928	1602	1210	21.5	3.94	1.68	15.15
BIT	Bankers Inv	223	224	224	+3	56.465	250	180	4.16	2.20	1.86	24.47	SAN	Sanford	463	464	463	+7	53.373	704	430	6.94	4.20	1.50	22.07
BRM	Barramundi	105	106	106	+1	74.486	114	65	5.74	2.68	5.42	7.01	SVR	Savor Ltd	20	20.5	20.5	+6	40.084	24.8	12.5	-	-	-	-
BGI	Blackwell	.6	.7	.7	-	24.794	9.5	.6	-	-	-	-	SCL	Scales Corp	454	469	455	-11	83.617	535	422	26.39	.78	5.80	30.71
BLT	BLIS Tech	5.8	6	5.7	-5	2350.786	9	5.4	-	-	-	111.9	SCT	Scott Tech	242	250	242	-	4.12	270	155	2	.44	.83	273.47
BGP	Briscoe Grp	579	580	579	-	7.932	591	302	39.58	1.16	6.84	17.59	SEK	Seeka Kiwifruit	507	510	507	-3	17.751	568	364	47.22	1.39	9.31	10.75
BFG	Burger Fuel	37.5	39.5	37.5	+1	.78	45	35	-	-	-	63.63	SKO	Serko Ltd	680	685	685	+15	16.15	710	282	-	-	-	-
CBD	Cannasouth	41	41.5	41	+1	93.112	148	38	-	-	-	-	SKL	Skellerup	458	471	463	+7	71.624	480	195	16.72	1.34	3.61	24.75
CO2	Carbon Fund	132	133	133	+2	60.455	156	100	-	-	-	-	SKT	Sky Network	171	173	172	-3	1717037	20	12.5	-	-	-	-
CAV	Cavalier Corp	42	43	42	-1	7.964	44	20	-	-	-	-	SKC	SKYCITYEnt	354	357	356	+3	1148.393	364	233	-	-	-	-
CDI	CDL Inv	110	111	112	-	13.874	114	75	4.86	3.07	4.34	10.41	SPY	Smartpay	79	80	80	-2	8.575	111.5	51	-	-	-	-
CRP	Chatham Rock	11.5	11.6	11.6	+1	79.46	25	8.9	-	-	-	-	APA	Smartshr APAC	227.2	227.9	226.1	-1.3	167.299	239.2	192.2	2.38	-	1.05	-
CNU	Chorus	629	646	629	-18	4381.461	939	610	34.03	.42	5.41	61.33	AUS	Smartshr ASX Units	298.7	300.3	299.4	-2.4	79.022	306.2	249	2.98	-	1.00	-
TCL	City of Lond Inv	770	772	767	-	.026	805	602	36.86	-	4.81	-	OZY	Smartshr AU 20	432.2	432.9	435	-	126.385	442.1	334.7	12.67	-	2.91	-
CMO	Colonial Motor	934	938	935	-3	1.372	960	615	65.28	1.73	6.98	11.53	ASD	Smartshr AU Div	165	165.2	165.2	-3	27.849	171	140.3	8.49	-	5.14	-
CVT	Comvita	330	340	330	-3	9.95	360	255	-	-	-	30.74	ASF	Smartshr AU Fin	779	784.5	782.3	-5.3	29.11	791	529.1	14.41	-	1.84	-
CEN	Contact Energy	780	784	784	+1	2047.246	1116	557	46.33	.54	5.91	39.15	MZY	Smartshr AU Mid	876.9	883	882.3	-2.6	57.835	905	656.3	10.22	-	1.16	-
CGF	Cooks Glob Fds	3	3.4	3.4	-	3.884	6	3	-	-	-	-	ASP	Smartshr AU Prp	150.5	152.5	151.6	-1.3	259.188	155.9	124.4	4.39	-	2.89	-
D-F																									
DGL	Delegat Group	1461	1495	1495	-7	3.13	1582	1020	23.61	4.28	1.58	20.57	ASR	Smartshr AU Res	576	579.3	579.4	+2.4	9.562	632	453.5	20.31	-	3.51	-
DGC	DGL Grp Ltd	133	134	134	+10	32.59	134	110	-	-	-	-	BOT	Smartshr Auto	405.7	407.8	407.7	+2	19.021	449.7	316	-	-	-	-
DOW	Downer EDI	-	-	-	-	-	-	-	9.65	-	-	-	EMF	Smartshr Emr	146.5	147	147.2	+1.1	182.446	158.6	119	1.23	-	.83	-
EBO	EBOS Group	3225	3250	3240	-40	106.056	3309	2130	90.52	1.38	2.79	28.51	EMG	Smartshr Emr Equ	244.1	246	246.1	-1.4	6.664	265.4	197	-	-	-	-
ENS	Enprise Group	171	175	169	-	.204	169	62	4	2.76	2.37	15.28	EUF	Smartshr EU	188.1	189.1	188	-1	298.043	193.3	149	.58	-	.31	-
ERD	EROAD Ltd	541	545	541	-5	550.606	579	234	-	-	-	172.48	EUG	Smartshr EU Equ	265.6	267.7	267.7	-4	2.893	271.7	215.1	-	-	-	-
EVO	EvolveEduc	108	112	111	+2	10.275	150.4	72.8	-	-	-	20.													



# Australia

ASX200

7094.9\*

+2.40

Rises

788

Falls

665

Last FOUR weeks

Last TWELVE months

Top 10 TURNOVER

Share name	Shares
AMP Ltd	348,707,283
Imugene Ltd	231,598,218
Aeris Resources	230,321,844
Sayona Mining	156,013,089
Amani Gold	121,919,535
ClassicMineral	101,692,006
Paladin Energy	84,349,932
Fremont Petrol	65,929,265
Emerge Gaming	63,106,807
Ragnar Metals Ltd	58,221,972

Biggest 10 RISES

Share name	Percentage
Galaxy Res	3.88
AMP Ltd	1.155
PilbaraMin	1.205
Fortescue Met	22.27
New Hope Corp	1.395
Service Stream	0.900
Orocobre Ltd	6.47
Oz Minerals	24.27
Pendal Group	7.94
Perpetual Ltd	37.25

Top 10 VALUE

Share name	A\$
Reece Aust	722,676,707
Dominos Pizza	605,367,451
BHP Group	490,337,429
AMP Ltd	400,645,421
CBA	345,972,444
Fortescue Met	335,346,385
Xero Ltd	297,417,680
CSL Limited	291,680,548
Westpac Bank	281,185,435
Nat Aust Bank	277,312,034

Biggest 10 FALLS

Share name	Percentage
Costa Group	3.37
Sigma Health	0.610
Fisher&PaykelH	27.94
Dominos Pizza	106.36
Ramsay Health	62.30
Newcrest Min	27.85
Emeco Holdings	0.880
SthrnCrossM	1.80
Cromwell Group	0.910
Resolute	0.575

Issues traded

1,883

Volume traded

5.00b

Value traded (A\$)

\$12.16b

● Official market statistics provided by ASX. Closing data compiled at 5.30pm yesterday (AEST).

## INDUSTRIAL (A¢)

Share Code		Last Sale	Move	100s Sold	52-week High	Low	Dividend CPS	Yld%	P/E Ratio	Share Code		Last Sale	Move	100s Sold	52-week High	Low	Dividend CPS	Yld%	P/E Ratio	Share Code		Last Sale	Move	100s Sold	52-week High	Low	Dividend CPS	Yld%	P/E Ratio	
A2M	A2 Milk	533	+2	63909	2005	504	-	-	13.2	DHG	Domain	490	+10	16828	561	295	2	-	-	ORA	Orora Ltd	312	+2	42717	328	219	6.5	3.87	12.4	
AAC	AAC Ltd	124	+1	8875	124.5	101	-	-	16.1	DMP	Dominos	10636	-548	56677	11597	5967	88.4	1.26	58.6	PDJ	PendalGp	794	+25	35179	781	533.5	17	5.07	14.9	
APT	Afterpay	9501	+147	18477	16005	4487	-	-	-	DOW	DownerEDI	559	+1	20119	590	394.7	9	4.12	-	PTM	Plat Mgmt	461	-	33570	514	302	12	4.99	16.0	
AGL	AGLEgy	819	-5	73555	1802.9	796.5	41	9.95	-	APE	EagersAuto	1510	+24	7067	1766.5	578	25	2.44	25.8	PMC	PlatCapti	154.5	-	1578	156	121	3	3.88	97.1	
ALQ	ALS Ltd	1200	-30	26044	1241	628	14.6	1.88	34.3	EBO	Ebos Group	3058	-24	29	3084	1976	35.0	2.20	28.8	PPK	PPKGroup	1495	+147	5100	1396	288.7	2.5	.15	171.5	
ALU	Altium	2801	+40	5619	4021	2366	19	1.38	96.1	ERG	Eneco Ltd	4.2	-	-	6.5	3.4	1	-	-	PMV	Premier	2589	+32	4613	2733	1506	34	2.74	17.9	
AMC	Amcor	1511	+1	18432	1650	1354	15.12	4.16	22.1	ENV	EnovaMin	2.4	-	-	6.3	1.4	-	-	-	PRT	Prime MG	22	-	-	28	8.8	1.7	-	6.4	
AMP	AMP	115.5	+9	3487072	184.1	105	10	-	20.4	FRM	FarmPride	38	-5	2532	50	17	-	-	-	PME	ProMedicu	4493	+5	3004	4869	2241	7	.29	190.1	
ALD	Ampol	2935	+26	27059	3145	2220	23	1.65	-	FCL	Fineos	365	+3	647	575	305	-	-	-	PGL	Prospra Grp	89	+1	296	143	67	-	-	-	
ANN	Ansell	4057	-65	7380	4317	3323	41.9	1.94	19.3	FPH	Fis&PayHc	2794	-178	27063	3492	2525	15.0	1.00	45.3	QAN	QantasAir	469	+2	84004	579	312	13.5	2.89	-	
ANZ	ANZ Bank	2854	+4	61326	2955	1534	70	3.68	16.2	FBU	FletchBld	703	+6	19510	703	300	9.5	2.65	-	QBE	QBE	1097	+15	109860	1103	776	4	2.87	-	
APA	APAGroup	930	-17	39826	1182	899	24	5.39	85.3	FLT	FlightCtr	1531	+42	26810	2016	976	40	2.69	-	QUB	Qube Hold	300	-2	36555	318.5	248.5	2.5	1.59	59.2	
ARB	ARBCorp	4157	+57	2199	4138	1594.5	29	1.67	38.1	FGL	Foster'sGrp	5.6	+1	1035	9.3	2.1	-	-	-	RHC	Ramsay	6230	-224	9909	7094	5861	48.5	1.72	62.9	
ARG	Argo	874	+1	1490	905	710	14	3.21	42.5	GNE	GenesisEn	322	-	263	370	251	76	4.75	39.8	REA	Rea Group	16572	+132	4679	16537	9843	59	69	156.8	
ARA	Ariadne	54.5	-	-	57	39	7	1.28	-	GMA	Genworth	284	-2	25581	309	131.5	75	2.62	-	RCL	ReadClld	37.5	+2	1441	84.5	25.5	-	-	-	
ALL	Aristocrt	4153	+47	22553	4175	2413	15	.61	62.5	GLB	GlobeInt	500	-	-	639	105.5	12	3.60	11.8	REH	ReeceAus	2040	-47	352896	2182	850	6	.57	51.7	
AHY	Asaleo	141	+5	3269	145	92	3	3.56	23.8	GMG	GoodGrp	1904	-22	92289	2007	1437	15	1.56	20.3	RWC	RelianceW	520	+3	22639	535	254	6	1.64	30.9	
ASX	ASX Ltd	7618	+63	11787	9132	6560	112.4	3.11	29.8	GOZ	GrowthPro	376	-	10790	394	296.5	10	5.32	10.5	RMD	Resmed	2661	-1	12454	3008	2289	3.5	.55	39.7	
ALX	AtlasArt	597	-3	23326	709	539	13	4.00	-	GUD	GUd Hldgs	1188	-17	3969	1369	957	25	3.07	22.2	RIC	Ridley	117	-	1230	121	66.5	1.5	1.28	167.1	
AIA	AuckAirprt	670	+2	6627	777	542	10.5	1.57	155.7	HMY	Harmony	149	+4	214	355	142.5	-	-	-	SCG	Scentre	267	-3	185271	313	188	7	6.78	-	
AZJ	Aurizon	359	-	219179	507	344	14.4	7.83	12.7	HVN	Harvey	527	-5	29858	609	292.9	20	7.14	9.0	SMX	SecurityM	35	+2	66	48.5	23	-	-	-	
AUN	Aurumin Ltd	27	+5	304	37	22.5	-	-	-	HIL	Hills Ltd	14	+5	1090	21.5	13.5	2.1	-	-	SEK	SeekComm	3079	+1	13261	3269.6	1838.7	20	42	-	-
AFI	AusFound	751	-	3269	772	575	10	3.20	51.1	HTA	Hutchison	10.5	-	1681	20	10.5	-	-	1.7	SVW	SevenGrp	1996	-42	8180	2425	1524	23	2.16	15.6	
AST	AusNet Srvc	174.5	-5	90096	210	163.5	4.75	5.43	21.7	IAG	IAG	489	-7	112807	642	430	7	3.43	-	SCP	ShopCenAu	242	+1	39552	270	204	5.7	4.44	27.4	
ABB	AussieBrdbnd	265	+2	4071	330	169.5	-	-	-	IEL	IDP Edu	2211	+35	6908	2922	1273	8	1.13	154.3	SIG	SigmaH	61	-4	21648	74	50.7	1	1.54	10.6	
ASB	Austal	235	+1	15317	386	198	4	3.85	8.3	IDT	IDTAust	34	+1	3111	51	14.5	-	-	165	SLX	SilexSyst	100	+5	2683	170	31	-	-	-	
API	AustPharm	115.5	-1	6049	1375	100.5	1.5	3.00	-	IPL	IncitecPV	226	-4	147793	298	180.7	1	4.3	46	SGM	Sims Ltd	1560	+33	9298	1759	725	12	1.18	-	
BOQ	BankQld	882	-7	23857	944	457.3	17	3.26	23.2	IFM	Infomedia	143.5	+3	4349	202	125.5	2.15	3.06	26.4	SHL	SonicHlth	3439	-24	19042	3800	2722	36	2.51	17.3	
BAP	Bapcor	800	+13	11544	853	526	9	2.35	25.3	IFT	Infratil	711	-18	254	738	430	10.3	2.20	-	SOL	Soul Pat	2958	+18	5713	3348	1835	26	2.07	7.2	
BEN	BenAdeBnk	1024	-12	16747	1168	554	28	2.70	19.0	IOF	IOOF	379	+4	21586	512.2	283	11.5	5.20	19.3	SKI	Spark I. Grp	215	-2	30225	236	193	6.5	6.22	35.5	
BYI	BeyondInt	65.5	-	-	68	50	2	-	-	IRE	Iress Ltd	1047	+8	8835	1201	890	30	4.43	32.1	SPK	Spark NZ	428	+6	12984	468	401	11.4	5.45	20.6	
BKL	Blackmore	6908	+15	498	8849	6005	29	4.2	71.3	IOZ	iSharASX	2923	+2	1708	2950	2280	24.9	2.07	59.1	STW	SPDR200	6621	-	635	6675	5170	51.7	2.17	35.0	
BSL	Bluescope	2089	+46	25505	2399	1005	6	.69	42.4	IVV	iSharSP500	54220	+181	95	54578	43545	142.7	1.23	17.5	SPT	SplititPay	67	+2.5	15377	193	45.5	-	-	-	
BLD	Boral	674	-6	184818	686	260	9.5	1.40	-	JBH	JB Hi-Fi	4807	-14	6978	5525	3544	180	5.60	12.3	SGR	StarEnter	403	-1	21581	430	246	10.5	2.60	-	
BXB	Brambles	1071	-8	47259	1178	954	13.08	2.37	25.4	JHX	JHardie	4219	-32	16229	4457	2358.7	67.4	-	54.7	GAS	StateGas	50	-3	985	119	35	-	-	-	
BRG	Breville	2735	+39	3874	3285	2038	13	1.24	45.6	LLC	LendLease	1230	+13	46809	1489	1073	1.5	1.50	-	SDF	SteadfstGrp	397	-2	36845	4275	314	4.4	2.61	37.1	
BKW	Brickwork	2086	+5	2726	2154	1343	21	2.88	10.0	LME	Limeade	60	-1	5926	217.5	59	-	-	-	SUN	Suncorp	1104	+9	61946	1118	809	26	3.29	18.2	
BWP	BWP Trust	422	-1	14552	459	359	9.02	4.32	12.4	LNK	Link Adm	519	+6	56098	568	367	4.5	1.56	-	SDG	Sunland	240	-4	596	2478	98.5	30	6.15	32.1	
CAA	Capral	718	+18	42	828	294	45	6.43	4.4	MAH	Macmahon	19.5	+5	49798	28.7	18	.3	3.42	4.9	SUL	SupaCheap	1286	+22	11409	1289	759	33	4.15	12.2	
CAR	Carsales	1909	+30	20057	2262	1531.9	25	2.66	42.3	MQG	MacqGroup	15177	-84	8520	16206	10350	335	3.08	18.1	SYD	SydAirprt	576	-2	65765	749	499.2	19.5	3.37	-	
CBA	CBA	9897	+61	34884	10020	5865	150	2.49	21.1	MFG	MagellanF	4781	+30	12248	6600	4201	97.1	4.61	21.5	TAH	Tabcorp	506	-6	62050	518	311	7.5	3.61	-	
CBAPD	CBA opt	10094	-2.1	310	10200	9405	50.05	1.98	-	MRL	MayurRes	22	-	-	65	15	-	-	-	TNE	TechOne	925	+26	28507	990	747	3.82	1.47	39.8	
CLT	Cellnet	6.2	-	-	175	3	1.25	-	-	MCP	McPherson	142.5	-2.5	2001	340	112.5	3.5	7.24	111.5	TLS	TelstraCp	346	+2	244738	357.5	263.5	8	2.91	23.0	
CGF	Challenger	505	+3	24248	737	355	9.5	5.38	-	MPL	Medibank	312	+3	118483	313	245	5.8	3.92	23.5	TGG	Templeton	150	+5	1777	153	112.5	1	3.01	121.5	
CHC	CharterHG	1388	-7	12847	1529	866	18.55	2.64	31.4	MCY	MercuryNZ	659	+27	282	717	420	6.2	2.36	36.4	TSO	Tesorores	16	-	5884	52.5	6.1	-	-	-	
CML	ChaseMin	1.8	-1	22687	4.7	1.2	-	-	-	MEZ	MeridianEn	500	-	548	933	416	5.1	3.06	65.7	TLT	Tiltrenew	756	+2	145	776	235.2	16	-	45.1	
CNU	ChorusLtd	596	-9	4873	878	565	9.7	3.75	65.9	MTS	MetcashL	357	+1	33151	390	253														





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