

A Month in the Market

May 2020

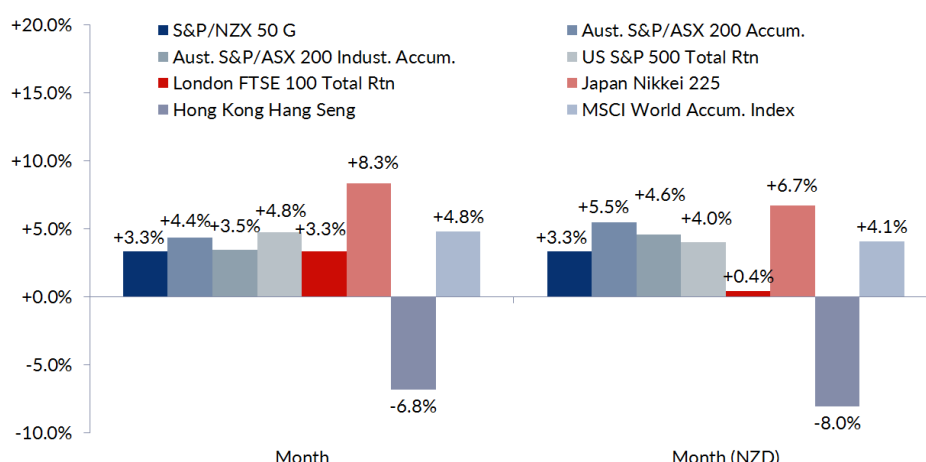
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The S&P/NZX 50 G rose 3.3% in May 2020 and is now down just -5.3% year to date, following a bounce of +28% since the March 23 low. In May, Mid-caps outperformed the large caps with strength in Information Technology, Industrials, Financials and Healthcare. Off-shore markets, S&P/ASX200 Accum, S&P500 TR and FTSE100 TR returned +4.4%, +4.8% and +3.3% respectively (local currency).

Figure 1. International Returns, May 2020 (Local and NZD)


Source: Forsyth Barr analysis, Bloomberg

Movers and Shakers

The month of May finished with 33 positive returns and 16 negative returns and an overall range of 101.2%. Top performers for the month included PPH (+77.3%), THL (+37.5%) and KMD (+31.6%), whilst NZR (-23.9%), ZEL (-9.0%) and SKC (-8.3%) performed the worst. The main (positive) contributors to the index were FPH (+140bp), PPH and AIA with ATM, FBU and SKC providing the largest negative contributions for the month.

Figure 2. Index and Sector Movements: May 2020

S&P/NZX Indices	Close	1mth Return	3mth Return
50 Gross	10,882.41	+3.3%	-3.4%
50 Portfolio Gross	6,359.93	+3.4%	-6.7%
Large Caps Gross	11,344.49	+2.5%	+0.4%
Mid-Caps Gross	28,038.74	+4.7%	-8.8%
Small Caps Gross	53,525.07	+3.8%	-10.1%
All Real Estate Gross	1,542.50	+3.1%	-15.3%

Source: Forsyth Barr analysis, Refinitiv

Figure 3. Expected 12 month forward Total Return

	S&P/NZX 50		Large Cap		Mid Cap	
	Weighted	Median	Weighted	Median	Weighted	Median
Forsyth Barr	+0.6%	+10.8%	-0.8%	+12.7%	+5.2%	+10.6%
Consensus	+3.2%	+5.6%	+0.2%	+3.3%	+7.2%	+5.6%
Difference	-2.6%	+5.2%	-1.0%	+9.4%	-1.9%	+5.0%

Source: Forsyth Barr analysis, Bloomberg

Expected 12 month forward Total Return

Our expected 12 month forward total returns are +0.6% (weighted) for the benchmark S&P/NZX 50 index or +10.8% on a median basis. Large cap companies are expected to deliver -0.8% (+12.7% median) versus the mid-caps at +5.2% (+10.6% median).

Figure 4. Company Headlines: May 2020

Code	Date	Total Return	Headline
AIR	13/05/2020	+1.9%	Jetstar remained undecided on when it will resume domestic flights in New Zealand, leaving the market open to rival Air New Zealand.
AIR	18/05/2020	+1.9%	Air New Zealand plans to axe almost 300 engineering jobs, as it shears its workforce to cope with reduced revenue.
AIR	20/05/2020	+1.9%	Air New Zealand will cut more than 1,300 cabin crew as it slashes costs in line with reduced revenue.
AIR	21/05/2020	+1.9%	Air New Zealand defended its redundancy programme, after coming under fire from its workers' union for the planned cutting of 1,300 cabin crew jobs.
AIR	22/05/2020	+1.9%	Air New Zealand Chief Executive Officer Greg Foran is reducing his executive team from nine to six to match reductions in other parts of the company.
AIR	26/05/2020	+1.9%	Air New Zealand expects to report an underlying loss this financial year, and will be hit with up to NZ\$560m of fuel hedge losses and aircraft impairment charges.
AIR	27/05/2020	+1.9%	Air New Zealand will start running flights timed for business travellers from next month, to connect the regions with main business centres.
ANZ	5/05/2020	+9.4%	ANZ is forecasting a significant drop in the farm gate milk prices for next season, reinforcing Fonterra's warning to farmers to be cautious with on-farm decisions.
ANZ	19/05/2020	+9.4%	ANZ said while financial institutions were partly to blame for causing the 07/08 global financial crisis, banks can help during the latest pandemic-induced recession.
ARV	26/05/2020	+0.7%	Arvida Group's FY20 underlying profit of NZ\$51.7m, in line with expectations for most of 2020.
CEN/ MEL	4/05/2020	-1.3%/+5.8%	Contact and Meridian will not stump up any more money for Transpower's NZ\$110m project to accelerate upgrades to South Island transmission lines.
FBU	6/05/2020	-5.1%	A three-year legal dispute over Fletcher Construction's payment to Electrix for its work on the NZ\$300m Christchurch Justice Precinct was resolved.
FBU	20/05/2020	-5.1%	Fletcher Building announced plans to cut 1,500 jobs in New Zealand and Australia as it prepares for an expected sharp downturn in economic activity.
FSF	21/05/2020	-0.8%	Fonterra provided a third-quarter update affirming its expected full-year earnings guidance.
MET	18/05/2020	+0.0%	Metlifecare filed a statement of claim in the High Court to enforce a NZ\$1.5bn sale of the company after the buyer backed out.
MFT	27/05/2020	+9.0%	Mainfreight reported a strong increase in earnings in the 2020 financial year following growth in its air freight business and expansion into new markets.
PPH	6/05/2020	+77.3%	Pushpay posted revenue growth of almost a third, putting it down to increased brand recognition and people being more open to digital giving.
RBD	28/05/2020	+6.7%	Restaurant Brands NZ sales were down nearly \$45m since 25 March, with a -\$15m impact on EBITDA.
SKC	11/05/2020	-8.3%	SkyCity planed to let another 700 employees go as the COVID-19 pandemic takes a toll on its business.
SKT	7/05/2020	+1.1%	Sky TV shares responded positively to news that professional sports will return when the country shifts to Alert Level 2.
THL	26/05/2020	+37.5%	Tourism Holdings Limited advised the NZX it is looking at a restructure that will likely see 140 staff lose their jobs.
TPW	27/05/2020	+7.7%	Trustpower posted a disappointing year to March as factors it deemed outside of its control hampering its performance.
WBC	4/05/2020	+10.5%	Provisioning for bad loans as a result of the COVID-19 crisis has hit half-year cash earnings at Westpac's New Zealand banking arm.
WBC	5/05/2020	+10.5%	Westpac said it will definitely tap into the Reserve Bank's new term lending facility designed to boost low cost loans to business customers.
ZEL	1/05/2020	-9.0%	Z Energy postponed releasing its results for the year to March as it shores up its accounts and continues to deal with the impacts of COVID-19.
ZEL	7/05/2020	-9.0%	Z Energy expected to disclose its decision on whether to participate in the government's wage subsidy scheme at its coming full year result.
ZEL	11/05/2020	-9.0%	Z Energy launched an equity raise of up to NZ\$350m as part of a deal with debt financiers in obtaining waivers for covenants.

Source: Forsyth Barr analysis, Sharechat

Figure 5. Economic Headlines: May 2020

Date	Headline
6/05/2020	Auckland CBD could lose more than NZ\$3b in GDP in the next year from COVID-19 pandemic fallout, a new report has warned.
13/05/2020	The Reserve Bank announced it is going to almost double its large-scale asset purchase programme, from NZ\$33bn to NZ\$60bn.
15/05/2020	The forestry industry is torn down the middle by new legislation requiring forestry advisers and traders to register and adhere to standards aimed at protecting the domestic processing industry.
19/05/2020	Data from eftpos systems provider Paymark showed a significant lift in consumer retail spending as New Zealand moved from Alert Level 4 down to Level 2.
20/05/2020	The index of dairy prices rose in the latest GlobalDairyTrade auction with skim milk powder one of the main gainers.

Source: Forsyth Barr analysis, Sharechat

Figure 6. Forsyth Barr Ratings Changes: May 2020

Code	Indicator	Rating	Previous Rating	Date	Comment
MCY	▲	OUTPERFORM	NEUTRAL	7/05/2020	We are upgrading Mercury (MCY) to OUTPERFORM in a sector-wide call that we expect the electricity stocks to do well in the coming months.
MEL	▲	OUTPERFORM	NEUTRAL	7/05/2020	We are upgrading Meridian (MEL) to OUTPERFORM in a sector-wide call that we expect the electricity stocks to do well in the coming months.
GMT	▼	UNDERPERFORM	NEUTRAL	29/05/2020	GMT is currently trading on a cash yield of 2.4%, a forward AFFO multiple of 35.3x, and a 27% premium to its NTA backing vs. peers on a 4.2% average cash yield, a forward AFFO multiple of 23.9x, and slightly below NTA. This valuation disparity leaves little room for relative upside and we downgrade our rating to UNDERPERFORM.

Source: Forsyth Barr analysis

Figure 7. Forsyth Barr Target Price and Earnings Changes

	Target Price Changes	Forecast Year 1	Forecast Year 2
Upgrade ▲	8	7	6
Downgrade ▼	6	19	13

Source: Forsyth Barr analysis

Figure 8. Forsyth Barr Target Price and Earnings Changes: May 2020

Code	Target Price Change	Earnings Changes	Comment
ABA	▲ NZ\$2.70 (from NZ\$2.55)	EBITDA: ▲ FY20 +5.8%, ▲ FY21 +3.5%	Restrictions easing. Our revisions reflect revised guidance from the company with COVID-19 related restrictions in Australia and New Zealand easing earlier than initially expected.
APL	n/a	EPS: ▲ FY20 +0.2%, ▼ FY21 -19.8%	Rent relief and vacancies. Our revisions take into account expected rent relief and heightened vacancies, while also reflecting the tax benefit from newly-reintroduced depreciation on building structures.
ARG	▲ NZ\$1.17 (from NZ\$1.13)	EPS: ▲ FY21 +1.6%, FY22 n/a	Project delays but lower interest. Our revisions reflect the impact of project delays being offset by lower interest and minor tax adjustments. Our FY21 forecast also includes the NZ\$4.5m Albany Lifestyle Centre deposit in both distributable income and AFFO.
ARV	▲ NZ\$1.82 (from NZ\$1.72)	NPAT: ▲ FY21 +3.4%, FY22 n/a	Strong result. We make minor upgrades to NPAT to reflect ARV's strong FY20 result. We believe there is upside risk to these forecasts, however, we have not at this point made any material changes to our assumptions.
BGP	n/a	NPAT: ▼ FY21 -51.0%, FY22 n/a	Store closures. We lower our FY21E revenue assumption, reflecting seven full weeks of store closures and a period of 16 weeks at Alert Level 2, with social distancing limitations in store impacting operating capacity, offset to some extent by higher online sales penetration.
CEN	▲ NZ\$8.15 (from NZ\$8.00)	EBITDA: ▼ FY20 -2.3%, ▼ FY21 -2.2%	Sector call on demand. Our analysis indicates the direct effects of the COVID-19 fall in demand are relatively minor. Most electricity is sold on fixed price terms, hence, the wholesale electricity price impacts are relatively minor and offset by lower cost of generation and increased high margin residential sales.
FBU	▼ NZ\$3.80 (from NZ\$3.90)	EBIT: ▼ FY20 -6.1%, ▲ FY21 +4.6%	Construction is a later-cycle industry. We anticipate activity and FBU's revenue will bounce once lockdown restrictions are fully lifted, but fade as current projects are completed and the pipeline empties. There is risk both around the magnitude of the downturn, and, more significantly, of further underlying deterioration in FBU's businesses.
GMT	▼ NZ\$1.90 (from NZ\$1.92)	EPS: ▼ FY21 -5.0%, FY22 n/a	Lower development activity. We have lowered our FY21 EPS forecast, largely driven by lower development activity impacting top-line growth and GMT's ability to capitalise interest.
GNE	▲ NZ\$3.30 (from NZ\$3.15)	EBITDA: ▼ FY20 -2.0%, ▼ FY21 -0.1%	Sector call on demand. Our analysis indicates the direct effects of the COVID-19 fall in demand are relatively minor. Most electricity is sold on fixed price terms, hence, the wholesale electricity price impacts are relatively minor and offset by lower cost of generation and increased high margin residential sales.
IPL	n/a	EPS: FY20 nc, ▼ FY21 -6.0%	Rent relief and vacancies. Our revisions take into account expected rent relief and heightened vacancies, while also reflecting the tax benefit from newly-reintroduced depreciation on building structures.
KPG	▼ NZ\$1.10 (from NZ\$1.29)	EPS: ▼ FY21 -20.8%, FY22 n/a	Rent relief and vacancies. Our revisions take into account expected rent relief and heightened vacancies, while also reflecting the tax benefit from newly-reintroduced depreciation on building structures.

Source: Forsyth Barr analysis

Figure 9. Forsyth Barr Target Price and Earnings Changes: May 2020 cont.

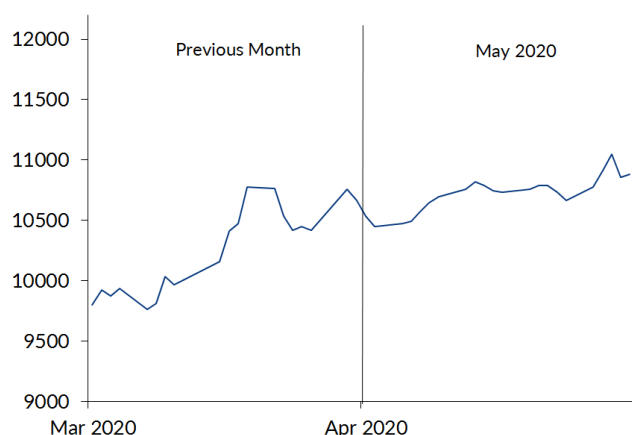
Code	Target Price Change	Earnings Changes	Comment
MCY	▲ NZ\$4.95 (from NZ\$4.60)	EBITDA: ▼ FY20 -1.7%, ▼ FY21 -2.2%	Sector call on demand. Our analysis indicates the direct effects of the COVID-19 fall in demand are relatively minor. Most electricity is sold on fixed price terms, hence, the wholesale electricity price impacts are relatively minor and offset by lower cost of generation and increased high margin residential sales.
MFT	▲ NZ\$40.00 (from NZ\$37.50)	EBITDA: ▲ FY21 +54.9%, FY22 n/a	IFRS 16 & market share. Our forecasts incorporate IFRS 16 accounting for the first time. We expect FY21 profitability to be modestly lower than FY20, though MFT's ability to win market share will help to mitigate the full cyclical pressures on its operations.
NPH	▲ NZ\$3.05 (from NZ\$2.95)	EBITDA: ▲ FY20 +1.5%, ▲ FY21 +1.1%	Trade & log volumes. We have made minor adjustments to our EBITDA forecasts to reflect NPH's recent result. The company is reliant on a recovery in trade volumes, higher log export volumes and sustained pricing gains.
NZK	n/a	EBIT: ▼ FY20 -6.0%, ▲ FY21 +7.3%	Sales recovery FY21. We lower our FY20E EBITDA forecast and upgrade our FY21E EBITDA forecast. Our forecasts assume that salmon not sold in FY20 to be either harvested later or frozen to be sold in FY21E and assumes a sales recovery in FY21.
NZR	n/a	NPAT: ▼ FY20 -6.2%, ▲ FY21 +0.7%	Pipeline throughput. The only change we have made to our profit forecast is lowering slightly our pipeline throughput fee assumption as NZR indicated that volumes were less than 30% of normal during the lockdown period, although that has increased to 60% of normal during Alert Level 2.
NZX	n/a	NPAT: ▼ FY20 -4.9%, ▲ FY21 +0.7%	Little impact from volatility. We see modest short term earnings impact as a result of market volatility; dampening growth in the annual listing fee and Funds Management Businesses. However, we see little impact to longer term performance and remain confident that the company is broadly on track to meet long term targets set out for FY23E.
PCT	n/a	EPS: ▼ FY20 -6.7%, ▼ FY21 -5.0%	Rent relief and vacancies. Our revisions take into account expected rent relief and heightened vacancies, while also reflecting the tax benefit from newly-reintroduced depreciation on building structures.
PEB	n/a	Revenue: ▼ FY20 -32.1%, ▼ FY21 -20.1%	No reimbursement yet. We lower our near-term revenue expectations for PEB ahead of the upcoming FY20 result on 29 May — as key reimbursement milestones in the US market continue to be frustratingly slow and take longer than anticipated, despite a growing body of supportive clinical evidence.
PFI	n/a	EPS: ▼ FY20 -4.5%, ▼ FY21 -2.1%	Rent relief and vacancies. Our revisions take into account expected rent relief and heightened vacancies, while also reflecting the tax benefit from newly-reintroduced depreciation on building structures.
SAN	▼ NZ\$7.45 (from NZ\$7.70)	EBIT: ▼ FY20 -12.3%, ▼ FY21 -8.7%	Toothfish troubles. We have cut our FY20E EBIT forecast -12%, reflecting the disappointing Antarctic toothfish season, with additional costs as a result of social distancing policies, and the uncertainty relating to foodservice demand and export trading disruption.
SKC	n/a	EPS: ▼ FY20 -4.2%, ▼ FY21 -6.7%	Re-opening path clearer. The backdrop and restrictions for re-opening is becoming clearer for SKC's New Zealand properties, however, the demand recovery path remains highly uncertain.
SPG	n/a	EPS: ▼ FY20 -0.1%, ▼ FY21 -9.3%	Rent abatement. Our FY21 change reflects the mid-point of SPG's rent abatement guidance being partially offset by lower corporate costs and depreciation benefits. Our broadly unchanged FY22 earnings assumes depreciation benefits and corporate cost savings are offset by increased vacancy and lower rental rates.
TLT	▼ NZ\$3.50 (from NZ\$3.70)	EBITDA: ▼ FY21 -13.1%, FY22 n/a	Low prices and low generation. We have lowered our FY20 EBITDA forecast due to the low wholesale electricity prices in 4Q20 and slightly lower than assumed generation volumes. We have also dropped our FY21/FY22 EBITDA forecasts due to the lower wholesale electricity price outlook in Australia.
TPW	▼ NZ\$7.50 (from NZ\$7.70)	EBITDA: ▼ FY20 -3.9%, FY21 n/a	Hydro, commercial and bad debts. We have trimmed our FY21 EBITDA forecast NZ\$199m, which is slightly below the middle of TPW's wide FY21 guidance range of NZ\$190m to NZ\$215m. Challenges to TPW's earnings include lower hydro generation, lower commercial consumption and an increase in bad debt levels.
VHP	n/a	EPS: ▲ FY20 +0.8%, ▼ FY21 -3.9%	Rent relief and vacancies. Our revisions take into account expected rent relief and heightened vacancies, while also reflecting the tax benefit from newly-reintroduced depreciation on building structures.
WHS	n/a	NPAT: ▼ FY20 -23.3%, ▼ FY21 -68.7%	COVID hit. The revenue impact of COVID-19 is captured in FY20, however, temporary cost relief masks the underlying earnings hit, which becomes more apparent in FY21. In FY21E we assume a partial recovery in sales, although expect activity to remain subdued.

Source: Forsyth Barr analysis

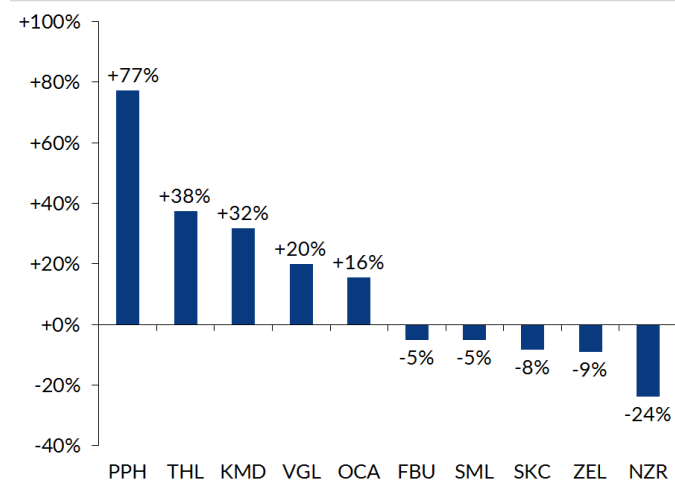
Figure 10. Changes in Substantial Security Holder Notices (SSH), Forsyth Barr Universe

Code	Name	Shareholder Name	Initial Holding	Holding after Change	Change
AFT	AFT Pharmaceuticals	Capital Royalty Partners	13.42%	15.99%	+2.56%
AUG	Augusta Capital	ANZ NZ Investments	13.01%	14.95%	+1.93%
		ANZ NZ Investments	14.95%	13.65%	-1.29%
		Centuria New Zealand Holdings Limited	n/a	16.28%	n/a
		Centuria New Zealand Holdings Limited	16.28%	22.88%	+6.60%
		Kawaroa Trustees	6.06%	4.85%	-1.21%
		Mark Edward Francis	17.22%	13.81%	-3.42%
		Mark Edward Francis	13.81%	11.91%	-1.89%
CVT	Comvita	Milford Asset Management	n/a	6.95%	n/a
EVO	Evolve Education Group	Regal Funds Mgmt	11.88%	10.87%	-1.01%
FBU	Fletcher Building	Allan Gray Group	n/a	5.07%	n/a
		BlackRock Investment Management (04/05/2020 - 15/05/2020)	5.01%	4.98%	-0.03%
IPL	Investore Property	ACC	7.20%	8.82%	+1.61%
		ANZ NZ Investments	11.24%	10.22%	-1.02%
		Salt Funds Management	10.21%	9.15%	-1.06%
		Stride Property	19.90%	18.80%	-1.10%
KMD	Kathmandu Holdings	ACC	9.50%	8.43%	-1.07%
		Harbour Asset Management & Jarden Securities Limited	10.01%	9.36%	-0.65%
MET	Metlifecare	Credit Suisse (07/05/2020 - 15/05/2020)	5.56%	5.01%	-0.55%
		UBS	11.80%	10.56%	-1.24%
NZX	NZX	Highclere International Investors	6.03%	4.99%	-1.04%
OCA	Oceana Group	ACC	n/a	5.06%	n/a
		ACC	5.06%	5.00%	-0.06%
		Salt Funds Management	6.75%	5.43%	-1.32%
		Salt Funds Management	5.43%	4.90%	-0.53%
SCL	Scales Corp	Harbour Asset Management & Jarden Securities Limited	9.90%	10.80%	+0.90%
SKC	SKYCITY Entertainment Group Lt	Lazard	8.55%	7.33%	-1.22%
		Sumitomo Mitsui Trust Holdings	10.02%	8.85%	-1.17%
SUM	Summerset Group Holdings	ACC	5.00%	5.00%	+0.00%
		Milford Asset Management	n/a	5.27%	n/a
VGL	Vista Group International	ACC	5.14%	4.92%	-0.22%
		Fisher Funds Management	13.89%	14.95%	+1.06%
		Investment Services Group	7.93%	6.53%	-1.40%
ZEL	Z Energy	ACC	7.11%	8.11%	+1.01%
		ACC	8.11%	9.31%	+1.20%
		Lazard	6.70%	5.63%	-1.07%
		Lazard	5.63%	4.89%	-0.74%

Source: Forsyth Barr analysis, NZX. Note: based on SSH notices only.

Figure 11. S&P/NZX 50 G Index


Source: Forsyth Barr analysis, Refinitiv

Figure 12. S&P/NZX 50 w/Imp: Best and Worst Performers (1m)


Source: Forsyth Barr analysis

Figure 13. Benchmark and Sector Movements: May 2020

S&P/NZX Indices	Last	Month	Year to Date	3 Months	12 Months	3 year	5 year	10 year
50 Gross	10,882.41	+3.3%	-5.3%	-3.4%	+7.6%	+13.6%	+13.2%	+13.5%
50 Portfolio Gross	6,359.93	+3.4%	-10.5%	-6.7%	+1.8%	+11.4%	+11.9%	+13.1%
Large Caps Gross	11,344.49	+2.5%	+1.2%	+0.4%	+14.9%	+15.9%	+14.0%	+13.8%
Mid-Caps Gross	28,038.74	+4.7%	-14.3%	-8.8%	-2.1%	+10.3%	+12.2%	+14.2%
Small Caps Gross	53,525.07	+3.8%	-19.6%	-10.1%	-10.3%	+2.5%	+8.1%	+10.5%
All Consumer Discretionary Gross	916.08	+1.2%	-35.4%	-23.7%	-23.1%	-6.0%	-2.5%	+3.8%
All Consumer Staples Gross	6,766.35	-2.6%	+18.3%	+14.6%	+15.1%	+46.4%	+47.1%	+26.6%
All Energy Gross	567.08	-10.3%	-39.7%	-31.5%	-52.9%	-24.9%	-8.7%	-5.1%
All Financials Gross	939.25	+6.2%	-21.3%	-17.2%	-7.3%	-9.4%	-1.2%	+5.1%
All Health Care Gross	2,637.33	+5.7%	+3.1%	-0.7%	+46.5%	+25.7%	+22.1%	+22.1%
All Index Gross	11,730.76	+3.3%	-5.7%	-3.4%	+7.3%	+13.4%	+13.4%	+14.3%
All Industrials Gross	1,676.04	+6.9%	-21.5%	-9.2%	-14.8%	+4.6%	+10.5%	+16.3%
All Information Technology Gross	1,696.64	+41.5%	+0.7%	+14.4%	-10.2%	+12.7%	+10.1%	+23.4%
All Materials Gross	520.42	-4.7%	-30.3%	-31.6%	-30.6%	-19.5%	-12.9%	-4.0%
All Real Estate Gross	1,542.50	+3.1%	-14.9%	-15.3%	-2.7%	+9.9%	+9.3%	+12.1%
All Communication Services Gross	2,173.41	+1.4%	+7.7%	+2.9%	+20.4%	+12.1%	+17.1%	+15.9%
All Utilities Gross	2,074.93	+2.8%	-5.5%	-0.5%	+7.7%	+18.4%	+14.1%	+13.3%

Source: Forsyth Barr analysis, Iress, 3, 5 & 10 year returns annualised

Figure 14. International Returns (local currency): May 2020

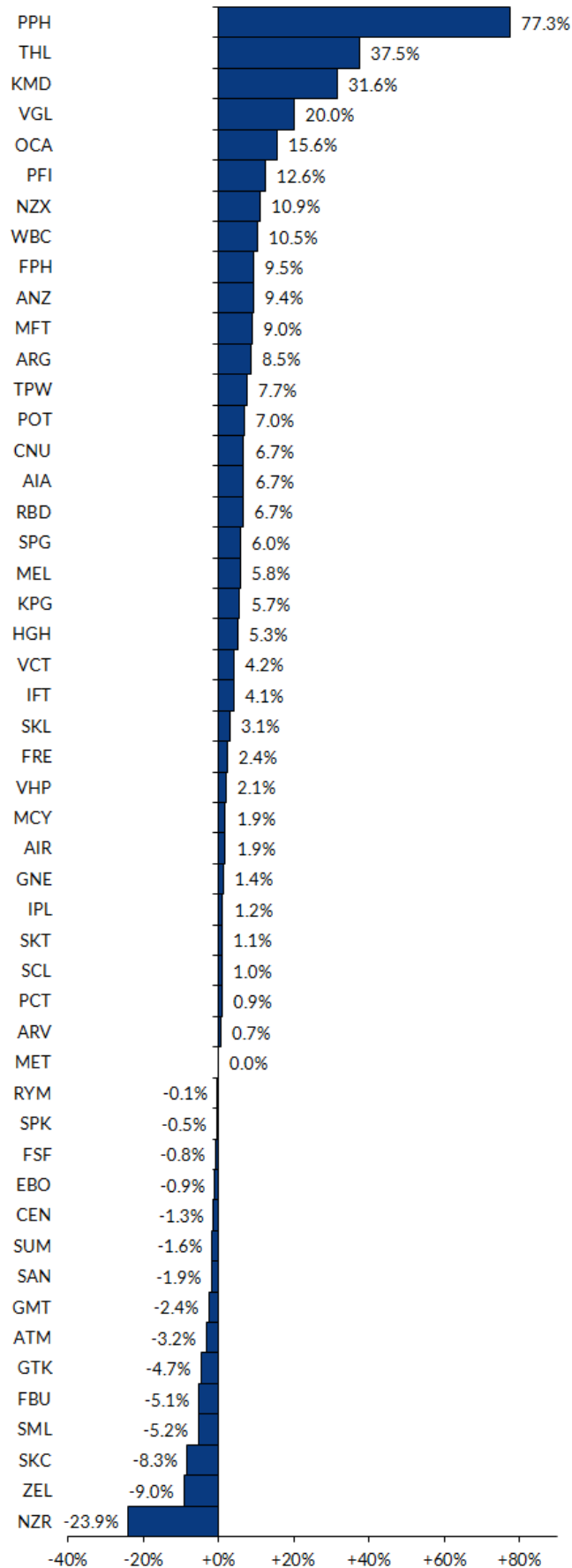
Market (local returns)	Last	Month	Year to Date	3 months	12 months	3 year	5 year	10 year
Aust. S&P/ASX 200 Accum.	63,244.36	+4.4%	-12.7%	-9.9%	-6.7%	+4.3%	+4.3%	+7.2%
Aust. S&P/ASX 200 Indust. Accum.	123,446.50	+3.5%	-13.5%	-12.9%	-7.6%	+2.4%	+3.4%	+8.9%
Aust. S&P/ASX 200 A-REIT Accum.	46,285.07	+7.0%	-20.2%	-21.1%	-16.8%	+0.8%	+3.8%	+9.3%
US S&P 500 Total Rtn	6,227.81	+4.8%	-5.0%	+3.6%	+12.8%	+10.2%	+9.9%	+13.2%
London FTSE 100 Total Rtn	5,708.44	+3.3%	-18.2%	-7.0%	-11.8%	-3.0%	+1.2%	+5.5%
German DAX 30	11,586.85	+6.7%	-12.5%	-2.6%	-1.2%	-2.8%	+0.3%	+6.9%
France CAC 40 Total Rtn	12,904.55	+3.4%	-20.5%	-10.7%	-8.0%	-1.1%	+1.9%	+6.5%
Japan Nikkei 225	21,877.89	+8.3%	-7.5%	+3.5%	+6.2%	+3.6%	+1.2%	+8.4%
Hong Kong Hang Seng	22,961.47	-6.8%	-18.5%	-12.1%	-14.6%	-3.6%	-3.5%	+1.5%
MSCI World Accum. Index	6,343.31	+4.8%	-8.2%	+0.9%	+6.8%	+5.9%	+5.8%	+9.3%
MSCI New Zealand	631.83	+3.1%	-4.8%	+1.0%	+14.2%	+10.5%	+11.1%	+12.3%
NZDAUD	0.9306	-1.1%	-3.1%	-3.0%	-1.3%	-0.8%	+0.0%	+1.5%
NZDUSD	0.6205	+1.3%	-7.9%	-0.7%	-5.0%	-4.3%	-2.7%	-0.9%

Source: Forsyth Barr analysis, Bloomberg, 3, 5 & 10 year returns annualised

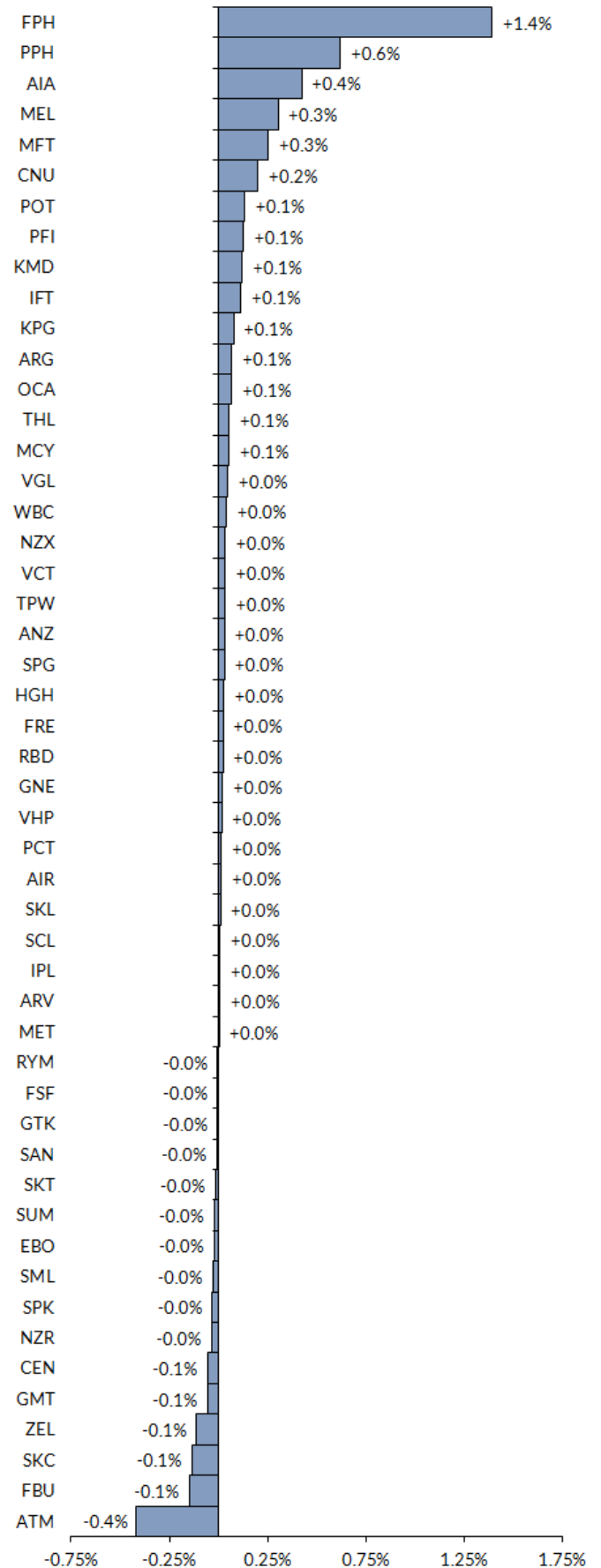
Figure 15. International Returns (NZ\$): May 2020

Market (NZ\$)	Last	Month	Year to Date	3 months	12 months	3 year	5 year	10 year
Aust. S&P/ASX 200 Accum.	63,244.36	+5.5%	-10.0%	-7.2%	-5.6%	+5.2%	+4.2%	+5.7%
Aust. S&P/ASX 200 Indust. Accum.	123,446.50	+4.6%	-10.9%	-10.3%	-6.6%	+3.2%	+3.3%	+7.3%
Aust. S&P/ASX 200 A-REIT Accum.	46,285.07	+8.1%	-17.7%	-18.7%	-15.9%	+1.6%	+3.7%	+7.7%
US S&P 500 Total Rtn	6,227.81	+4.0%	+3.6%	+4.3%	+19.1%	+15.4%	+12.9%	+14.2%
London FTSE 100 Total Rtn	5,708.44	+0.4%	-17.2%	-9.6%	-9.2%	+0.0%	-0.3%	+4.8%
German DAX 30	11,586.85	+7.5%	-5.8%	-1.0%	+3.7%	+1.3%	+3.3%	+6.7%
France CAC 40 Total Rtn	12,904.55	+4.2%	-14.4%	-9.3%	-3.5%	+3.1%	+4.9%	+6.4%
Japan Nikkei 225	21,877.89	+6.7%	+1.6%	+4.5%	+12.9%	+9.4%	+7.0%	+7.6%
Hong Kong Hang Seng	22,961.47	-8.0%	-10.8%	-11.0%	-8.9%	+1.0%	-0.8%	+2.5%
MSCI World Accum. Index	6,343.31	+4.1%	+0.1%	+1.6%	+12.7%	+10.9%	+8.8%	+10.3%
MSCI New Zealand	631.83	+2.4%	+3.8%	+1.8%	+20.6%	+15.6%	+14.2%	+13.3%
NZDAUD	0.9306	-1.1%	-3.1%	-3.0%	-1.3%	-0.8%	+0.0%	+1.5%
NZDUSD	0.6205	+1.3%	-7.9%	-0.7%	-5.0%	-4.3%	-2.7%	-0.9%

Source: Forsyth Barr analysis, Bloomberg, 3, 5 & 10 year returns annualised

Figure 16. S&P/NZX 50 G w/Imp Index: Returns (month)


Source: Forsyth Barr analysis

Figure 17. S&P/NZX 50 G w/Imp Index: Contribution (month)


Source: Forsyth Barr analysis

Figure 18. S&P/NZX 50 C Index: May 2020 Month

Company	Price \$ May-20	% Change May	Contribution %	No. Shares (millions)	Mkt Cap (\$mil)	S&P/NZX 50 Ind'l Wgtg %
1 F&P Healthcare	29.98	+9.5%	+1.4%	574.39	17,220.12	15.48
2 A2 Corporation	19.00	-3.2%	-0.4%	735.88	13,981.74	12.57
3 Spark NZ	4.42	-0.5%	-0.0%	1,837.05	8,119.74	7.30
4 Auckland Int. Airport	6.50	+6.7%	+0.4%	1,158.00	7,527.01	6.77
5 Meridian Energy	4.75	+5.8%	+0.3%	1,255.87	5,965.38	5.36
6 Ryman Healthcare	12.10	-0.1%	-0.0%	-	-	-
7 Contact Energy	6.21	-1.3%	-0.1%	-	-	-
8 Chorus	7.60	+6.7%	+0.2%	-	-	-
9 Mainfreight	39.79	+9.0%	+0.3%	-	-	-
10 Infratil	4.79	+4.1%	+0.1%	-	-	-
11 Fletcher Building	3.51	-5.1%	-0.1%	-	-	-
12 Mercury NZ	4.65	+1.9%	+0.1%	-	-	-
13 Ebos Group	22.00	-0.9%	-0.0%	-	-	-
14 Goodman Property Trust	2.20	-2.4%	-0.1%	-	-	-
15 Port of Tauranga	7.20	+7.0%	+0.1%	-	-	-
16 Precinct Properties NZ	1.59	-0.3%	-0.0%	-	-	-
17 SKYCITY	2.44	-8.3%	-0.1%	-	-	-
18 Kiwi Property Group	1.02	+5.7%	+0.1%	-	-	-
19 Pushpay Holdings	7.66	+77.3%	+0.6%	-	-	-
20 Genesis Energy	2.85	+1.4%	+0.0%	-	-	-
21 Z Energy	2.82	-9.0%	-0.1%	-	-	-
22 Summerset Group	6.00	-1.6%	-0.0%	-	-	-
23 Property for Industry	2.42	+11.5%	+0.1%	-	-	-
24 Freightways	6.84	+2.4%	+0.0%	-	-	-
25 Argosy Property	1.15	+8.5%	+0.1%	-	-	-
26 Vector	3.68	+4.2%	+0.0%	-	-	-
27 Vital Healthcare Property Trust	2.46	+2.1%	+0.0%	-	-	-
28 Arvida Group	1.38	+0.7%	+0.0%	-	-	-
29 Air New Zealand	1.37	+1.9%	+0.0%	-	-	-
30 Metlifecare	4.19	0.0%	+0.0%	-	-	-
31 Heartland Bank	1.19	+5.3%	+0.0%	-	-	-
32 Scales Corporation	4.92	+1.0%	+0.0%	-	-	-
33 Stride Property Group	1.60	+6.0%	+0.0%	-	-	-
34 Kathmandu	1.04	+31.6%	+0.1%	-	-	-
35 Oceania Healthcare	0.89	+15.6%	+0.1%	-	-	-
36 Synlait Milk	6.50	-5.2%	-0.0%	-	-	-
37 TrustPower	7.00	+7.7%	+0.0%	-	-	-
38 Westpac	19.00	+10.5%	+0.0%	-	-	-
39 Sanford	6.85	-1.9%	-0.0%	-	-	-
40 Investore	1.73	+1.2%	+0.0%	-	-	-
41 Restaurant Brands	12.80	+6.7%	+0.0%	-	-	-
42 NZX	1.42	+10.9%	+0.0%	-	-	-
43 ANZ	19.60	+9.4%	+0.0%	-	-	-
44 Fonterra Shareholders Fund	3.64	-0.8%	-0.0%	-	-	-
45 Skellerup Holdings	2.00	+3.1%	+0.0%	-	-	-
46 Vista Group	1.50	+20.0%	+0.0%	-	-	-
47 Sky Network Television	0.15	+1.1%	-0.0%	-	-	-
48 Tourism Holdings	1.76	+37.5%	+0.1%	-	-	-
49 NZ Refining	0.70	-23.9%	-0.0%	-	-	-
50 Gentrack Group	1.43	-4.7%	-0.0%	-	-	-
Market Capital					\$111,249.12	100
S&P/NZX 50 C Index					4621.51	+3.30%
S&P/NZX 50 C Portfolio Index					2763.38	+3.32%

Source: Forsyth Barr analysis, IRESS, S&P DJI. S&P DJI limit the publication of index weights to 10% of the constituents of any S&P/NZX index. Individual returns calculated as the product of the monthly % change ie. (last price + gross div)/base price. Price returns, dividend and contribution reflects the time period that the stock was a member of the index.

Figure 19. S&P/NZX 50 G Index: May 2020 Month

	Company	Price \$ May-20	Gross Div. \$	% Change May	Contribution %	No. Shares (millions)	Mkt Cap. (\$mil)	S&P/NZX 50 Ind'l Wgtg %
1	F&P Healthcare	29.98		+9.46%	+1.4%	574.39	17,220.12	15.48
2	A2 Corporation	19.00		-3.21%	-0.4%	735.88	13,981.74	12.57
3	Spark NZ	4.42		-0.45%	-0.0%	1,837.05	8,119.74	7.30
4	Auckland Int. Airport	6.50		+6.73%	+0.4%	1,158.00	7,527.01	6.77
5	Meridian Energy	4.75		+5.79%	+0.3%	1,255.87	5,965.38	5.36
6	Ryman Healthcare	12.10		-0.08%	-0.0%	-	-	-
7	Contact Energy	6.21		-1.27%	-0.1%	-	-	-
8	Chorus	7.60		+6.74%	+0.2%	-	-	-
9	Mainfreight	39.79		+9.01%	+0.3%	-	-	-
10	Infratil	4.79		+4.13%	+0.1%	-	-	-
11	Fletcher Building	3.51		-5.14%	-0.1%	-	-	-
12	Mercury NZ	4.65		+1.86%	+0.1%	-	-	-
13	Ebos Group	22.00		-0.90%	-0.0%	-	-	-
14	Goodman Property Trust	2.20		-2.44%	-0.1%	-	-	-
15	Port of Tauranga	7.20		+6.98%	+0.1%	-	-	-
16	Precinct Properties NZ	1.59	0.0158	+0.68%	+0.0%	-	-	-
17	SKYCITY	2.44		-8.27%	-0.1%	-	-	-
18	Kiwi Property Group	1.02		+5.70%	+0.1%	-	-	-
19	Pushpay Holdings	7.66		+77.31%	+0.6%	-	-	-
20	Genesis Energy	2.85		+1.42%	+0.0%	-	-	-
21	Z Energy	2.82		-9.03%	-0.1%	-	-	-
22	Summerset Group	6.00		-1.64%	-0.0%	-	-	-
23	Property for Industry	2.42	0.0180	+12.36%	+0.1%	-	-	-
24	Freightways	6.84		+2.40%	+0.0%	-	-	-
25	Argosy Property	1.15		+8.49%	+0.1%	-	-	-
26	Vector	3.68		+4.25%	+0.0%	-	-	-
27	Vital Healthcare Property Trust	2.46		+2.08%	+0.0%	-	-	-
28	Arvida Group	1.38		+0.73%	+0.0%	-	-	-
29	Air New Zealand	1.37		+1.86%	+0.0%	-	-	-
30	Metlifecare	4.19		0.00%	+0.0%	-	-	-
31	Heartland Bank	1.19		+5.31%	+0.0%	-	-	-
32	Scales Corporation	4.92		+1.03%	+0.0%	-	-	-
33	Stride Property Group	1.60		+5.96%	+0.0%	-	-	-
34	Kathmandu	1.04		+31.65%	+0.1%	-	-	-
35	Oceania Healthcare	0.89		+15.58%	+0.1%	-	-	-
36	Synlait Milk	6.50		-5.25%	-0.0%	-	-	-
37	TrustPower	7.00		+7.69%	+0.0%	-	-	-
38	Westpac	19.00		+10.47%	+0.0%	-	-	-
39	Sanford	6.85		-1.86%	-0.0%	-	-	-
40	Investore	1.73		+1.17%	+0.0%	-	-	-
41	Restaurant Brands	12.80		+6.67%	+0.0%	-	-	-
42	NZX	1.42		+10.94%	+0.0%	-	-	-
43	ANZ	19.60		+9.38%	+0.0%	-	-	-
44	Fonterra Shareholders Fund	3.64		-0.82%	-0.0%	-	-	-
45	Skellerup Holdings	2.00		+3.09%	+0.0%	-	-	-
46	Vista Group	1.50		+20.00%	+0.0%	-	-	-
47	Sky Network Television	0.15		+1.12%	-0.0%	-	-	-
48	Tourism Holdings	1.76		+37.50%	+0.1%	-	-	-
49	NZ Refining	0.70		-23.91%	-0.0%	-	-	-
50	Gentrack Group	1.43		-4.67%	-0.0%	-	-	-
Market Capital							\$111,249.12	100
Accumulated Dividend							\$8.98	
S&P/NZX 50 G Index							10882.41	+3.33%
S&P/NZX 50 G Portfolio Index							6359.93	+3.35%

Source: Forsyth Barr analysis, IRESS, S&P DJI. S&P DJI limit the publication of index weights to 10% of the constituents of any S&P/NZX index. Individual returns calculated as the product of the monthly % change ie. (last price + gross div)/base price. Price returns, dividend and contribution reflects the time period that the stock was a member of the index.

Figure 20. S&P/NZX 50 G w/Imp Index: May 2020 Month

	Company	Price \$ May-20	Gross Div w/Imp (\$)	% Change May	Contribution %	No. Shares (millions)	Mkt Cap (\$mil)	S&P/NZX 50 Ind'l Wgtg %
1	F&P Healthcare	29.98		+9.5%	+1.4%	574.39	17,220.12	15.48
2	A2 Corporation	19.00		-3.2%	-0.4%	735.88	13,981.74	12.57
3	Spark NZ	4.42		-0.5%	-0.0%	1,837.05	8,119.74	7.30
4	Auckland Int. Airport	6.50		+6.7%	+0.4%	1,158.00	7,527.01	6.77
5	Meridian Energy	4.75		+5.8%	+0.3%	1,255.87	5,965.38	5.36
6	Ryman Healthcare	12.10		-0.1%	-0.0%	-	-	-
7	Contact Energy	6.21		-1.3%	-0.1%	-	-	-
8	Chorus	7.60		+6.7%	+0.2%	-	-	-
9	Mainfreight	39.79		+9.0%	+0.3%	-	-	-
10	Infratil	4.79		+4.1%	+0.1%	-	-	-
11	Fletcher Building	3.51		-5.1%	-0.1%	-	-	-
12	Mercury NZ	4.65		+1.9%	+0.1%	-	-	-
13	Ebos Group	22.00		-0.9%	-0.0%	-	-	-
14	Goodman Property Trust	2.20		-2.4%	-0.1%	-	-	-
15	Port of Tauranga	7.20		+7.0%	+0.1%	-	-	-
16	Precinct Properties NZ	1.59	0.0186	+0.9%	+0.0%	-	-	-
17	SKYCITY	2.44		-8.3%	-0.1%	-	-	-
18	Kiwi Property Group	1.02		+5.7%	+0.1%	-	-	-
19	Pushpay Holdings	7.66		+77.3%	+0.6%	-	-	-
20	Genesis Energy	2.85		+1.4%	+0.0%	-	-	-
21	Z Energy	2.82		-9.0%	-0.1%	-	-	-
22	Summerset Group	6.00		-1.6%	-0.0%	-	-	-
23	Property for Industry	2.42	0.0229	+12.6%	+0.1%	-	-	-
24	Freightways	6.84		+2.4%	+0.0%	-	-	-
25	Argosy Property	1.15		+8.5%	+0.1%	-	-	-
26	Vector	3.68		+4.2%	+0.0%	-	-	-
27	Vital Healthcare Property Trust	2.46		+2.1%	+0.0%	-	-	-
28	Arvida Group	1.38		+0.7%	+0.0%	-	-	-
29	Air New Zealand	1.37		+1.9%	+0.0%	-	-	-
30	Metlifecare	4.19		0.0%	+0.0%	-	-	-
31	Heartland Bank	1.19		+5.3%	+0.0%	-	-	-
32	Scales Corporation	4.92		+1.0%	+0.0%	-	-	-
33	Stride Property Group	1.60		+6.0%	+0.0%	-	-	-
34	Kathmandu	1.04		+31.6%	+0.1%	-	-	-
35	Oceania Healthcare	0.89		+15.6%	+0.1%	-	-	-
36	Synlait Milk	6.50		-5.2%	-0.0%	-	-	-
37	TrustPower	7.00		+7.7%	+0.0%	-	-	-
38	Westpac	19.00		+10.5%	+0.0%	-	-	-
39	Sanford	6.85		-1.9%	-0.0%	-	-	-
40	Investore	1.73		+1.2%	+0.0%	-	-	-
41	Restaurant Brands	12.80		+6.7%	+0.0%	-	-	-
42	NZX	1.42		+10.9%	+0.0%	-	-	-
43	ANZ	19.60		+9.4%	+0.0%	-	-	-
44	Fonterra Shareholders Fund	3.64		-0.8%	-0.0%	-	-	-
45	Skellerup Holdings	2.00		+3.1%	+0.0%	-	-	-
46	Vista Group	1.50		+20.0%	+0.0%	-	-	-
47	Sky Network Television	0.15		+1.1%	-0.0%	-	-	-
48	Tourism Holdings	1.76		+37.5%	+0.1%	-	-	-
49	NZ Refining	0.70		-23.9%	-0.0%	-	-	-
50	Gentrack Group	1.43		-4.7%	-0.0%	-	-	-
Market Capital							\$111,249.12	100
Accumulated Dividend							\$11.43	
S&P/NZX 50 G w/Imp Index							13269.18	+3.33%
S&P/NZX 50 G w/Imp Portfolio Index							7619.12	+3.36%

Source: Forsyth Barr analysis, IRESS, S&P DJI. S&P DJI limit the publication of index weights to 10% of the constituents of any S&P/NZX index. Individual returns calculated as the product of the monthly % change ie. (last price + gross div)/base price. Price returns, dividend and contribution reflects the time period that the stock was a member of the index.

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