



PRESS RELEASE - #NZXNOW

4 October 2018

NZX Limited (“NZX”) Chairman (James Miller) has today issued a market statement. As with past statements and like their strategy it is long on words and short on content. His statement today fails to address the core issues we have raised of poor past performance and organisational profligacy.

In 2012, NZX market capitalisation was approximately NZ\$ 274mln and today is NZ\$ 294mln, while the ASX has grown its market capitalisation from approximately NZ\$ 7.04bln to NZ\$ 13.1bln. This is over a period when the New Zealand economy has outperformed the Australian economy, and a number of SOEs have been listed. This is a truly disappointing performance over a prolonged period.

As well as not addressing past performance, and future targets supported by clear financial metrics, the NZX Chairman also failed to address use of shareholders’ funds. However, it is not just continuous disclosure of financial matters that is material, it is leadership. This is like the public’s view of politicians’ expenses - very material for stakeholders to form a view on whether there is effective governance or not.

A Board that on the one hand spends - we estimate - hundreds of thousands of dollars on a less than necessary visit to New York, when core dividends are not growing and earnings are pressured, but has not disclosed the reasons and resulting value and learnings, and on the other hand, pontificates about disclosure, is living a double standard. This information is material to all stakeholders forming a view on leadership of a critical organisation in New Zealand.

It is company culture and strategy that has seen this valuable piece of New Zealand’s market infrastructure go from one of the best performers in the world, to one of the worst.

Over the last 48 hours a significant number of NZX shareholders have contacted us to express their support for our detailed analysis and recommendations contained in #NZXNOW (www.nzxnow.com) for building a stronger, more focused NZX business. This includes a listed spin-off of the Funds Services business for existing shareholders, not a sale, as the NZX Chairman incorrectly asserts today. These concerned shareholders have requested us to bring these matters to a special meeting of shareholders and we are seriously considering their requests.

We welcome the remaining shareholders to contact us with their views.

Ends.



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