



UNIVERSITY OF AUCKLAND  
**INVESTMENT  
CLUB**

# INVESTMENT BULLETIN

STUDENT WRITERS · STUDENT OPINIONS

## THE ISSUE OF SPONSORSHIP IN SPORT

BY RILEY BOGARD-ALLAN

### + MORE ON:

INEQUALITY IN WOMEN'S FOOTBALL

SHRINK IT AND PINK IT

THE SOCIO-ECONOMIC RIPPLE OF THE WOMEN'S WORLD CUP

### & FROM OUR PARTNERS:

MYOB COLUMN: CRIME, COSTS AND COMPLIANCE KEY

ELECTION PRIORITIES FOR LOCAL SMES

FORSYTH BARR FOCUS: BANKING PANIC ACROSS THE ATLANTIC

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# An Update from the fund

A RUNDOWN OF THIS WEEK'S PITCHES WRITTEN BY OUR INVESTMENT COMMITTEE ANALYSTS



Audinate Group (ASX:AD8)

By Bronson Cotter, Gavin MacMillan & Daniel Yang

Audinate Group Ltd (ASX:AD8) is leading Australian audio and visual company who with 2 key business lines: professional audio, and professional video. These products are leading the way in pro AV (professional audio/visual) networking technology globally. Their technology (Dante) distributes digital audio and video signals over computer networks which provide simultaneous connection to multiple audio and visual devices without the need for specific wiring connections to those devices. Dante is provided as a software as well as manufactured chips, adaptors, modules, and cards.

Audinate customers include Yamaha and Bose who integrate Dante into their products (speakers, microphones etc). Audinate's products are also used directly in churches, universities, recording studios, who use audio and visual systems in their operations. Despite Audinate having yet to become profitable, they are focused on growth in

their industry which is displaying superb top-line growth.

Audinate has zero reliance on debt. This has enabled the company to avert significant interest expense cost in the past years and has enabled greater investment into R&D. With a recent acquisition of Dante, Audinate is capturing greater share of the professional audio and video market, which is estimated to be \$1B in size.

The Investment Committee voted in favour of passing the pitch at a vote of 6 yes, 4 no. The Committee liked the pathway to profitability and its continued top line revenue growth from contracts in venues ranging from sports stadiums, churches, and other venues across the world. The Committee also liked the cross selling of products between the 2 business lines among its customer base as noted this as a growing revenue driver for the future.


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GLOBAL

# The Issue of Sponsorship in Sport

BY RILEY BOGARD-ALLAN

For the past few weeks, the stars of women's football, their presence in our lives once thought to be bounded by the occasional television appearance, have plied their trade in little old New Zealand. And even though the matches have taken place in the main centres – Auckland, Wellington, Dunedin and Hamilton – World Cup fever has caught on across the country, even in Palmerston North. The game's greats have inspired a generation of budding athletes, including many girls, for whom the idea of playing professionally has long seemed so impossible.





But an aspect of the World Cup that is less glamorous is the gaping hole in this edition's sponsorship revenue. On the 11th of August, news outlets reported on a '\$2.3 billion corporate sponsorship hole'. What they are really referring to is the difference in sponsorship revenue between this year's event (\$500 million) and its men's counterpart (\$2.8 billion), which took place in Qatar last December. This is despite it being the biggest Women's World Cup in history and having more sponsors than ever before. Are sponsors of the event getting bang for their buck? Or is it time to investigate other investment opportunities?

The event's headline sponsors are Unilever, Budweiser and McDonalds. Right about now, the respective head of marketing for each company will be reconsidering their decision. The revenue shortfall translates to a 72% pull-back, which is never a great return. Now, I do not think anyone expected the Women's World Cup to outperform the Men's financially, and so using it as a sort of break-even point is more an exercise in sensational

reporting than anything else. Further, there is a degree of proportionality that outlets running this story are glazing over. But certainly there was a vision of harnessing the footballing magic of WC '22 and producing an especially profitable event down under in 2023. Unfortunately, this is not reflected in the numbers. Progress may well be better found in comparing the event with the last Women's World Cup. While a billion people watched the 2019 edition, which has been labelled a 'resounding success', this event has been plagued by sponsorship and broadcasting issues right up to the first whistle.

A major factor sponsors of events take into consideration is the non-economic impact. Whether they sponsor every sporting event or none at all, McDonald's would still go on to make their tens of millions of dollars every single day. But they have identified the Women's World Cup as special and signed on accordingly. The non-economic impact of the event is significant, not only for the way it directly inspires so many, but time and again it symbolises the continued march towards better

pay for female athletes. In this context, sponsors like McDonalds are almost accepting of an otherwise inferior return on investment if it is to guarantee the accelerated progress of such important causes. Macca's can claim to be a part of this event that is ultimately much more than just a series of football matches.

However, the harsh reality is that no amount of social good will satisfy shareholders if they do not conjunction with Sport NZ, allocates its funding based on a variety of factors. One of these factors is the amount of sponsorship the sport attracts. As an example, the All Blacks get little to no government funding due to their success gathering sponsors. The sponsorship shortcomings of this year's Women's World Cup paints a dire picture, meaning that a re-evaluation of funding with regards to women's football in New Zealand clearly is in order.

And so what is an intelligent investment decision? Firstly, Friedman's shareholder theory gives way to the important distinction between social purpose



and social consequence ventures. It is certainly possible that the most good will be realised when businesses focus on business and not-for-profits focus on the fantastic work they do. Where businesses stray into areas they are not comfortable, things can go wrong. The prevalence of McDonald's sponsorship of sporting events is already a strange contradiction. Unlike football fever, Big-Mac's are hardly going to support the population become fitter and healthier. The same could be said of Budweiser lager.

Maybe, just maybe, the answer is not broad sponsorship of whole events. A more efficient form of sponsorship could be one that targets the athletes themselves. We very much see this already, with every item of an athlete's clothing or equipment being the result of some sponsorship deal. Companies outside the likes of Nike and Adidas also cut deals for eye-watering sums in exchange for a sponsored Instagram post or two. Unilever, Budweiser and McDonalds are less active in this form of sponsorship, instead opting to leverage their licence by augmenting World Cup themed products, for example. But even

these methods have not appeared to reap any great reward this time around. In contrast, the ethnic-themed burger range from McDonalds, as part of their sponsorship of the 2014 FIFA World Cup in Brazil, springs to mind as an effective sponsorship campaign. Going forward, sponsorship of individuals is a potential solution to their multi-million – or should I say two-point-three billion – dollar problem.

Mention must be made of the role of governments. Hosts New Zealand and Australia have pumped millions into the 2023 Women's World Cup. Their return on investment is realised in, again, both economic and non-economic channels. In recent years, governments of the day have combated opposition to host successful high-profile sporting events like the America's Cup (2000 and 2021) and Rugby World Cup (2011). However, the appetite for such events appears to be waning, at least given the present economic outlook. Victoria Premier Dan Andrews' announcement that the state would not accommodate the Commonwealth Games, followed by a recent announcement that Alberta in Canada would follow


suit, are just two examples.

In terms of sponsoring certain sports in New Zealand, High Performance Sport NZ, in conjunction with Sport NZ, allocates its funding based on a variety of factors. One of these factors is the amount of sponsorship the sport attracts. As an example, the All Blacks get little to no government funding due to their success gathering sponsors. The sponsorship shortcomings of this year's Women's World Cup paints a dire picture, meaning that a re-evaluation of funding with regards to women's football in New Zealand clearly is in order.

Sponsorship in sport can be a tale of high expectations unrealised. The highest profile sporting events attract attention from across the globe. In the background of every single one is a corporate logo just trying to find its way in the world. Sometimes it does; one just knew that Champions League nights which featured the distinct blue PlayStation 3 advertising boards would be special. This year's Women's World Cup promised so much. On the field, it has delivered on these promises. Off the field? Clearly not so much.







GLOBAL

# Inequality in women's football

BY ISSIE DEKKER

The drama of the women's football world cup has been a fantastic source of entertainment over the past few weeks. We have seen so many upsets from the world rankings, New Zealand has made its first world cup appearance and pulled off a historic win over world ranked 12th Norway in their first game. Trying to get tickets to the semi-finals in Eden Park weeks before it happened was nearly impossible. There have been epic games and goals, with the highest calibre of players seen in a world cup. However, football is especially rife with unequal pay.





The prize pool for the FIFA's women's world cup is a quarter of the men's prize pool (US\$110m compared to US\$440m), which is just ridiculous. Both teams train equally as hard, lots of the women's players play for clubs across the UK and in the European league. Both teams travel across the world for months to qualify and then compete in the world cup. The women deserve every cent that the males make. Even worse, the FIFA president has been very non-committal when asked if we will see a more equal prize pool in the future, shifting the blame towards sponsors paying less for the women's side. FIFA announced earlier this year that they will ensure at least a US\$30,000 pay out to each player, but had to retract this. FIFA cannot guarantee that the players actually receive the money, as it gets paid to the Federations who are then "encouraged" to divide it to the players.

Because of the utter disrespect for women's sport reflected in pay, two-thirds of the women players have jobs aside from football. They had to take unpaid or holiday leave to represent their countries because the dream of being a professional footballer just is not sustainable. Some of the women are incredibly talented in their second field, Nigeria's Michelle Alozie (who England's Lauren James stepped on and earned herself a red card) graduated from Yale with a Molecular Biology Degree, and works part-time in cancer research. Josefine Hasbo is a current student at Harvard and is representing Denmark, all as a

teenager. Absolute legends. As a biomedical engineering student, I have done a few medical and biological science papers during my time at university and they were the most intense papers of my whole degree. I cannot imagine trying to study, attend lectures and labs while also juggling training and games for an international sports team. Whilst the context of their two lives is heart breaking in terms of the inequality in sport, it is a reassuring and inspiring reminder that women can do it all. The least they deserve is fair payment and resources, otherwise you risk losing exceptional players who simply cannot afford this lifestyle.

New Zealand, Australia, and the USA are some of the only teams in the world cup that have equal pay for their women's team. The USA only achieved this in the last few years. Teams have been very vocal about their pay, with Jamaica, Canada, England, Nigeria, and South Africa all demanding equal treatment to the men's teams. Women's sport is not going to continue growing and attracting players if no one feels respected or wanted by their own countries' football federations.

At their second ever world cup, Jamaica's Reggae Girlz had to fund their own way with a GoFundMe after a severe lack of support from the Jamaican Football Federation (JFF). And it's not just equal pay they are fighting for, their star player Bunny Shaw released a statement about the struggles with the JFF to receive adequate transportation, accommodation, and training conditions to name a

few. Shaw highlighted how unprepared they felt for the World Cup given they were unable to have adequate friendly matches. Not having a proper shot at such a large tournament will only continue to negatively impact JFF's treatment of the Reggae Girlz. Between 2009 and 2014, Jamaica didn't even have a women's team because the JFF would not fund one, despite continuing the men's team. Bob Marley's daughter Cedella fought long and hard to get the women's team back up and running, getting the Bob & Rita Marley Foundation onboard. In 2016, the Federation again disbanded the women's team, but Cedella kept pushing and ensured their participation in the 2019 world cup. The Marley Foundation provided a training camp in Amsterdam, and one of the players' mothers set up a GoFundMe page that raised over

\$50,000. Shockingly, the players did not receive any compensation for their participation from the JFF. To struggle for so long for fair treatment is just horrendous. The inspiration and entertainment provided by the Reggae Girlz to young girls throughout their country is worth so much more than any sum of money, but fair training conditions and support from the JFF is a good place to start.

With such lack of equality being shown on the international level, it's no surprise that domestic leagues are just as horrendously underfunded and supported. This extends beyond players, in April 2022, 16 of the 20 Premier teams had pay gaps in favour of male employees across all positions, with a median pay gap of 8.3%. However, this has been improving steadily in the past few years which is a good start, but

definitely could be better. West Ham United had a 68% advantage to women's wages due to their vice-chair, executive director and ticketing director all being women. Brentford had no women in their upper quartile of hourly pay, Nottingham Forest only had 2.8%. With women's football drawing so much attention, change is needed to reflect this in higher level positions in these clubs.

This world cup has been so exciting and has enraptured millions of women of all ages across the world. There needs to be significant systematic change to represent the time and energy these women put into so proudly representing their countries and doing a darn good job at it. It's time to give them what they deserve. Equal pay and treatment. If little old New Zealand can respect and show up for these women players, why can't other football federations across the world?





GLOBAL

# Shrink it and Pink it

BY DANIELLE SMITH

We've all seen the logos on players shirts, big brands preaching inclusivity on the back of buses and billboards, and even the giant Adidas sculpture in Britomart Square. Yet, the world's top female athletes are forced to squeeze into men's boots with pink stitching and a 'unisex' tag. Isn't it shocking that big brands like Nike and Adidas, who proudly sponsor these champions, offer them nothing more than cost-driven convenience?







Football boots marketed to women amount to scaled-down replicas of male boots, neglecting women's distinct foot shapes, sizes, and body weights, leading to compromised fit and performance. This one-size-fits-all approach overlooks fundamental differences in the centre of gravity, muscle distribution, and movement patterns of female athletes. Women's football boots need shorter, cone shaped studs to optimise rotational traction and minimise the risk of "stick and twist" injuries, unlike the longer studs found on so-called 'unisex' boots. Because of the lack of boot options, women are six times more prone to non-contact ACL injuries compared to males. The repercussions of this extend far beyond individual players,

impacting the collective talent pool. In the 2023 FIFA Women's World Cup, more than 200 professional female footballers were sidelined due to these injuries, among them notable names such as English striker Beth Mead and captain Leah Williamson.

Despite Nike and Puma offering women's shoes at an inflated price, both companies continue to push their unisex alternatives. Meanwhile, Adidas clings to a staunch unisex stance. These major brands risk diluting their commitment to inclusivity by upholding a predominantly unisex strategy. The question arises of how these brands can proudly sponsor the Women's World Cup while disregarding the needs of

female players?

The demand for specialised female football gear is undeniable. Before even stepping onto the pitch, the official Nike jersey sales for the Australian Matildas eclipsed the men's team sales both during and following the male equivalent tournament held last year. The resounding support of women's sports, evidenced by record-breaking crowds and surging TV viewership, shows the value of investing in this sector. Evidently, there is a market for female football gear, so, why aren't manufacturers actively promoting products tailored for females?

The issue boils down to complacency: big brands like Nike and Adidas don't pressure retailers



to carry their specialised boots because they can avoid manufacturing expenses. It's more cost-effective for them to produce the same boot components and label it as 'unisex'. This approach circumvents the need for investing in the production of two distinct boot designs. For retailers, selling 'unisex' boots avoids extra promotion for women's footwear, having to only market one booth rather than two. It also reduces inventory risks, based on perceived lower female demand.

However, the "shrink it and pink it" approach is no longer enough. Projections for the global football boot market suggest a compound annual growth rate of 5.3% from 2022 to 2030, with an anticipated market value of USD 28.9 billion by 2030, with a significant portion of this growth attributed to the increasing prominence of women's football. This surge in women's sports highlights the urgency for manufacturing giants to reconsider their stance on the products they produce for women. Embracing this shift could

lead to not only increased profits but also enhanced brand reputation and customer loyalty.

As players, coaches, medical experts and even politicians begin to voice their concerns on the world stage, change to the industry is inevitable. For example in the UK, The Women and Equalities Committee have launched an inquiry into the lack of boots specifically designed for women and girls, and players such as Sweden's Magda Eriksson have called Adidas and Nike out. How many more injuries will occur until the shoe fits?

By prioritising company profits over performance, industry giants have inadvertently allowed smaller niche companies like Ida Sportswear who are dedicated to designing womens boots, to intercept market share out from underneath them. As the clamour for inclusivity and performance-enhancing gear gains traction, major brands need to recognise that relegating women to an afterthought weakens their

market position.

Growing up, whilst boys were taught how to kick goals, girls were taught how to stand on the sidelines and watch. There was almost this collective agreement that girls will eventually give up whatever sport they start playing, and that the few that didn't give up, were only successful because they could play like the boys. The 2023 Women's World Cup has ultimately changed sports for the better. Seeing women playing in the world cup has opened my eyes and many others, especially young girls, that playing sport whether it be recreational or professional is not bound by gender and is something that we all can do. Women and girls are not just small men who might like pink, and it's about time that industry giants start to recognise this.

Female players are finally demanding to be recognised for the differences that they bring to the game and not as small men who might like pink.



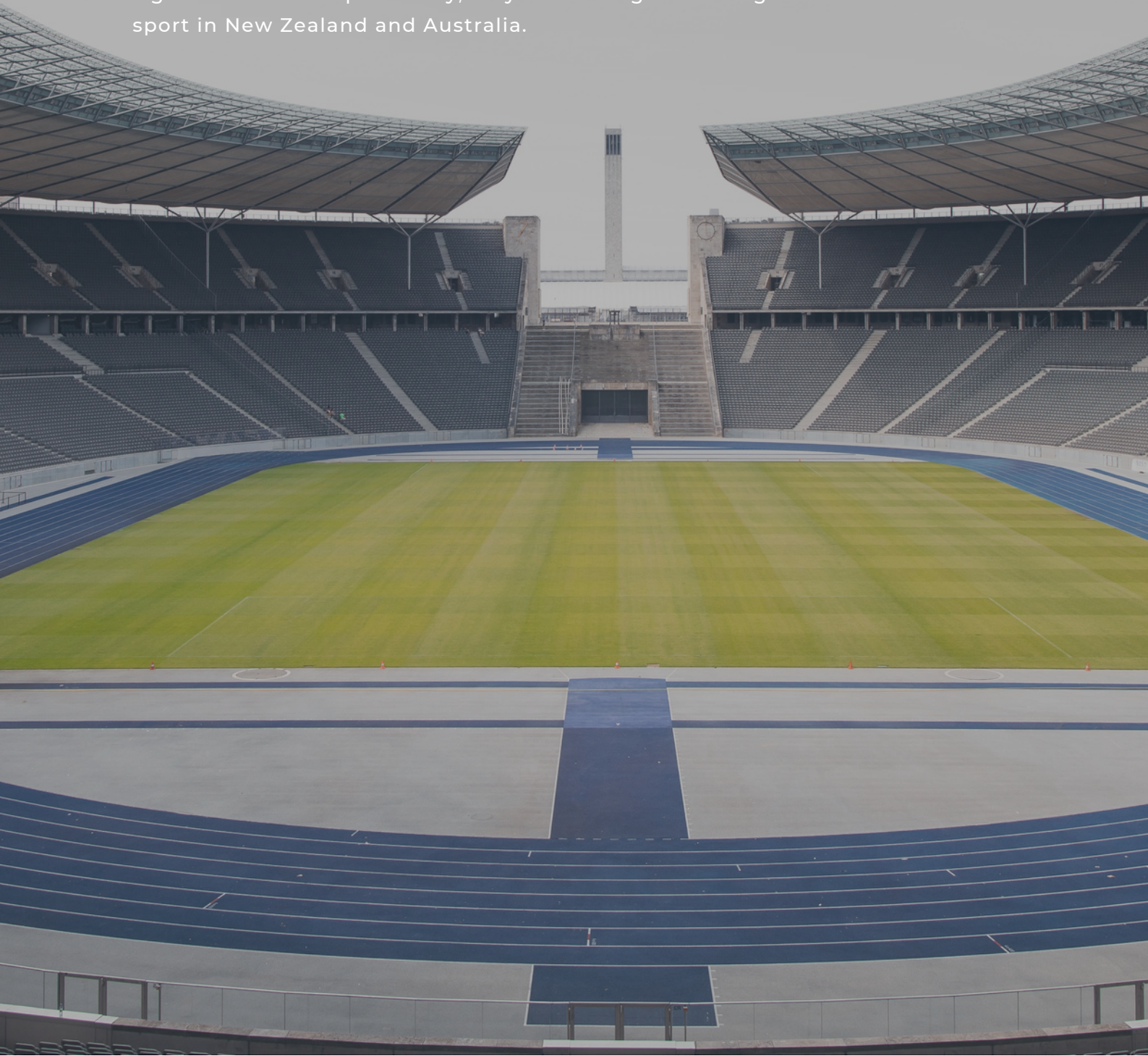


GLOBAL

# The Socio-Economic Ripple of the Women's World Cup

BY FAHEEM IBRAHIM

The Women's FIFA World Cup unfolding in New Zealand and Australia isn't just a series of matches or another event dotting the sports calendar – it is a turning point in our regional sporting narrative. The moment the first whistle echoed through the stadium, it symbolised more than just the start of a match. It signalled a vibrant possibility, maybe even a game changer as to how we view sport in New Zealand and Australia.







Historically in this part of the world football (or soccer, depending on who you're chatting with) hasn't always been in the spotlight, especially when you've got titans like rugby or cricket dominating conversations. But there's been a palpable shift. Massive credit goes to teams like the Matildas and the Football Ferns. Their performances on global platforms have not only grabbed eyeballs but have paved the way for a broader, more inclusive vision of football back home.

The tangible implications of hosting such a prestigious event like the FIFA World Cup are multi-fold. On the surface, there are immediate economic gains from

tourism, sponsorships, and media rights. Cities are bustling with international visitors and local businesses are booming. But the more profound impact lies in the legacy such a tournament leaves behind.

With the FIFA World Cup comes the undeniable boost to our sporting infrastructure. We're witnessing the rise of upgraded stadiums, enhanced training facilities, and modern football academies equipped to mould the next generation. After the global spotlight moves on and the international teams head home, these infrastructures will remain. For many local aspirants, these places offer a glimpse into what

professional football feels like, bridging the gap between dreams and reality.

With all the international attention, there's hope that this event that it will drive tangible policy changes. We're talking about potential governmental and corporate commitments to grassroots football. A prime example is Xero, the New Zealand accounting software firm, stepping up as a key sponsor for the Women's FIFA World Cup 2023. Their sponsorship signals not just a corporate endorsement of the event, but a broader recognition of the value and potential of women's football on the world stage. Historically, women's sports initiatives,



particularly football, have faced disparities in funding and attention. But with companies like Xero backing the event, the World Cup's influence might just tilt the scales even further. The hope is for an increase in funds, which could lead to more local tournaments, school outreach programs, and mentorship initiatives centred around women's football. For instance, inspired by the World Cup, local councils might allocate more budgets towards building female-friendly sports facilities or begin subsidising football training for schoolgirls. Other corporations, inspired by Xero's lead, might see the potential for positive PR and genuine community engagement, launching scholarship programs or

sponsoring local women's football leagues.

The growing attention on women's football is opening up many new financial opportunities. We could see a lot more sponsorships specifically for female footballers and scholarships aimed at supporting young talent. Companies, always on the lookout for the next big thing, might see women's football as a win-win: a chance to do some good and make a profit at the same time. Following this trend, we might see new merchandise lines, brand partnerships, and ads that shine a spotlight on women footballers. Local businesses might

jump on board too, with events around match days or football-inspired promotions. The more businesses get involved, the more it boosts the sport's profile, creating a positive loop where everyone benefits.

The Women's FIFA World Cup isn't just a fleeting spectacle. For Australia and New Zealand, it feels like the beginning of an era. A period where the landscape of football undergoes a transformation. As matches unfold, one can't help but sense that this is more than just a game. For young girls, it underscores a pivotal moment, reminding them of the possibilities ahead: they too can be leaders, challengers, and champions in football's evolving narrative.





# MYOB Column

## Crime, costs and compliance key election priorities for local SMEs

Nearly two-thirds of local SME leaders from across the country believe it is time for a change in government, as key issues like crime, the rising cost of living and complex compliance requirements sit top of mind ahead of this year's General Election.

Our latest SME Snapshot, a nationwide survey of just over 550 SME owners and decision-makers, also revealed that local business leaders are clear that improving law and order, reducing costs to households, cutting red tape and a focus on skilled labour needs, should feature among the next Government's key priorities.

SMEs' top priorities for the next elected Government over the new term:

1. Harsher penalties for criminals: 43%
2. Remove GST from fresh food items: 33%
3. Tax law simplification and streamlined compliance: 28%

Read more from our latest media release [here](#)





# Forsyth Barr FOCUS

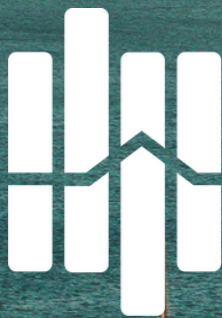
## Banking Tremors Cross the Atlantic

Ruptions across the global banking sector has spread to Europe. On the heels of the collapse of Silicon Valley Bank and Signature Bank, the biggest US bank failures since the Global Financial Crisis, Credit Suisse has been rescued by Swiss rival UBS. The failure of one of the world's 30 systemically important banks is both remarkable and disconcerting. That said, all the banks that have failed in recent weeks faced idiosyncratic issues that are not widespread across the industry. Credit Suisse had been plagued by a series of scandals which had undermined customer confidence in the bank. While further failures are possible, even likely, we do not expect the crisis will become systemic across the industry.

Read the full article [here](#).







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