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# quantanalysis

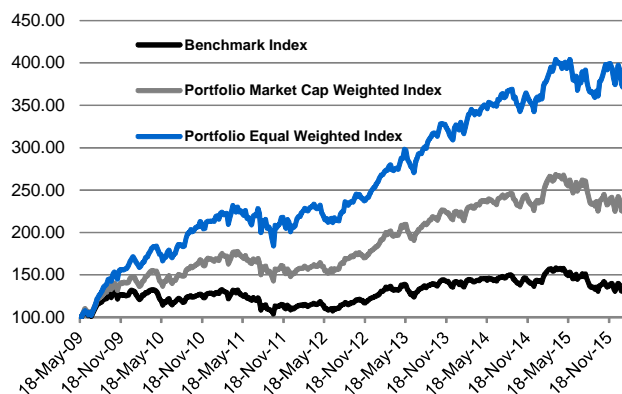
## Market Manager

### QUANTITATIVE ANALYSIS

#### January update – Going new economy for growth

- *Note: The forecast data used in this report is based on Thomson/IBES consensus data to remove any house skew effect.*
- **Strategy outlook:** We remain bullish long term while expected short term January profit taking should set the market up for a February recovery cycle. US Fed raising rates strengthened the USD and forced China to devalue the Yuan with a slowing economy. The devaluation of the Yuan has started the rebalancing of manufacturing away from US, Germany and Japan and back to China. The next phase of the currency war has raised questions about US growth due to a stronger USD, rising cost of debt and declining global growth. We expect China to start to stabilise through 2016 while US growth will recover after a slower Q1. We continue to expect global growth to remain low for longer and force central banks to keep rates low for longer. The domestic market will return to yield trade as the currency stabilises in the mid to low 60's. We continue to favour small caps and tech sectors (i.e. MITCH universe) to add new economy exposure before the reporting season in February.
- **Large & mid cap talking points:** The best 5 multi-factor ideas are BSL, QAN, STO, NCM and ORG while the worst 5 multi-factor ideas are APA, HSO, FMG, AIO and WFD.
- **Small cap talking points:** The best 5 multi-factor ideas are SAR, MLX, FXL, NEC and IMF while the worst 5 multi-factor ideas are MQA, AQG, OZL, AIA and BKW.
- **Quant strategy model changes:** GBT, HUB, IFM, MTR, NTC and QUB were added while ALL, CSL, SHL, SLK, WES and WOW were removed.
- **Current quant strategy model portfolio:** Materials – large (BHP); Transport – large (SYD, TCL), mid (QUB); Consumer Services – small (AAD, AGI, MTR, RFG); Media – mid (FXJ), small (VRL), micro (ICQ); Health Care – large (RHC), mid (RMD), small (GXL); Banks – large (ANZ, NAB, WBC); Diversified Financials – large (MQG), mid (HGG), small (IMF); Insurance – large (SUN), small (SDF), micro (AUB); Property – large (LLC); Information Technology – small (GBT, IFM), micro (HUB); Telecommunications – large (TLS), micro (NTC, SDA).

#### QUANT STRATEGY MODEL PORTFOLIO PERFORMANCE



Source: ASX, Baillieu Holst, Bloomberg, IRESS, Thomson

## Quant ranking screens

- Quant ranking screens at sector and stock level help to analyse market preferences and overall trends. The styles are value, growth, yield and momentum. We have added a multi-factor rank as the overall balanced measure. The multi-factor rank is calculated using the average ranking of the four main styles. Each style rank is driven by two factor models with utilities using cash flow instead of earnings in value and growth screens.
- The stock screens are split into large/mid cap and small cap screens while we mainly concentrate on the top 20 and bottom 20 in each size category. The key points of interest are the relative rankings and the movements from last month.
- The factors used in the process by style are:
  - **value:** PE, PB;
  - **growth:** EPS growth, ROE;
  - **yield:** dividend yield, payout; and
  - **momentum:** 3 month earnings revision, 3 month price momentum.
- The ranks are created using normalised scores that allow different factors to be compared to on a like-for-like basis. The data used is 2016 consensus forecasts.
- The substantial moves in each style category are colour coded in the screens. They are selected when the rank moves by at least 20% of the sample.
- The previous ranks of “#N/A” are due to lack of coverage of the stock in the previous month or changes in the S&P 300 index constituents.

## Quant strategy model portfolio

- Quant strategy model portfolio stocks are identified via a balanced multi-style sector selection to set the universe. Some sectors have been excluded due to a lack of strong stock ideas while the Materials and Finance sectors are automatic strategic picks due to their size in the benchmark (S&P 300) index.
- The quant strategy model portfolio maintains a 30-stock portfolio with market cap weights calculated using the individual market capitalisations in the S&P 500.
- Stock selection in specific sectors is carried out by balancing a number of aspects such as:
  - **style:** growth versus value versus fundamental versus quality;
  - **beta:** market beta, currency beta;
  - **trend:** yield versus momentum;
  - **exposure:** US versus Euro versus Asia; and
  - **cycle:** cyclicals versus defensives.
- The factors used in the process by style are:
  - **fundamental:** market cap, expected return, net debt to equity;
  - **growth:** ROE, ROA, EPS growth, BPS growth, CFPS growth;
  - **value:** PE, PB, PCF;
  - **yield:** dividend yield, payout;
  - **momentum:** earnings revision, price momentum; and
  - **technical:** moving average, VWAP, spread.
- Performance analysis of the market cap-weighted and equal-weighted quant model portfolio does not take into account the transaction costs or implementation costs in portfolio changes. The model portfolio is designed to provide ideas and trends that are working at different times rather than a working portfolio.

## Sector style ranks

- Diversified Financials remains the best multi-factor sector due to growth and yield sustainability doubts in Energy, Media and Materials sectors. Pharmaceuticals & Biotech sector outperformance was purely driven by CSL. Sectors that are linked to commodities, consumer spending and residential property market carry substantially higher risk in current market conditions.

FIG.1: SECTOR QUANT RANK CHANGES BY STYLE

Sector	Sector Name	Value Rank Now	Value Rank Last Month	Growth Rank Now	Growth Rank Last Month	Yield Rank Now	Yield Rank Last Month	Momentum Rank Now	Momentum Rank Last Month	Muti Factor Rank Now	Multi Factor Rank Last Month
3520	Pharm & Biotech	19	19	1	1	3	6	2	4	1	4
1010	Energy	1	1	2	2	4	1	18	19	1	1
4020	Diversified Financials	7	9	8	8	5	8	9	3	3	3
2540	Media	8	7	12	10	9	7	3	2	4	2
1510	Materials	4	3	3	6	7	5	19	18	5	5
2550	Retail	9	8	11	13	11	9	4	8	6	10
4010	Banks	2	5	17	16	1	3	15	13	6	7
3020	Food & Beverage	14	15	6	3	16	16	1	1	8	6
4030	Insurance	3	4	15	14	2	4	17	15	8	7
5010	Telecommunication	13	14	4	4	10	10	13	12	10	11
2010	Capital Goods	5	2	14	17	6	2	16	16	11	7
4510	Information Technology	16	16	5	5	14	15	7	6	12	12
2020	Commercial Services	10	11	10	9	12	12	10	11	12	13
2530	Consumer Services	12	12	13	12	13	13	5	9	14	14
4040	Property Trusts	6	6	19	19	8	11	11	10	15	14
3010	Staples Retailing	11	10	16	15	15	14	8	17	16	18
3510	Health Care Services	18	17	7	7	18	18	12	14	17	18
5510	Utilities	15	13	18	18	17	17	6	5	18	16
2030	Transportation	17	18	9	11	19	19	14	7	19	17

Source: ASX, Baillieu Holst, Bloomberg, IRESS, Thomson

## Large & mid cap style ranks

FIG.2: LARGE & MID CAP TOP 20 QUANT MULTI FACTOR RANKS BY STYLE

Code	Name	Market Capital (\$b)	Value Rank Now	Value Rank Last Month	Growth Rank Now	Growth Rank Last Month	Yield Rank Now	Yield Rank Last Month	Momentum Rank Now	Momentum Rank Last Month	Muti Factor Rank Now	Muti Factor Rank Last Month
BSL	Bluescope	2.62	8	7	23	18	6	5	5	9	1	1
QAN	Qantas	7.96	6	8	21	22	3	3	35	12	2	2
STO	Santos	5.23	2	5	1	10	10	14	91	94	3	6
NCM	Newcrest	10.04	26	25	18	15	1	1	67	36	4	3
ORG	Origin Ene	7.09	3	3	14	2	14	9	84	97	5	5
SRX	Sirtex Med	2.22	96	96	10	8	20	21	10	11	6	8
LLC	Lend Lease	7.54	17	22	45	48	22	23	52	58	6	12
IPL	Incitec Pv	5.30	13	18	32	30	15	25	83	35	8	4
CGF	Challenger	4.44	33	37	48	47	37	42	27	23	9	11
SPO	Spotless	1.19	12	10	35	36	4	4	97	95	10	9
BOQ	Bank Qld	4.92	27	29	74	76	24	26	24	31	11	17
JBH	JB Hi-Fi	2.26	74	53	16	16	56	31	7	67	12	19
S32	South32	5.30	4	2	3	13	47	19	99	99	12	7
BEN	BEN Ade Bk	4.89	16	16	83	87	18	22	38	43	14	20
ANN	Ansell	3.00	29	43	55	59	25	33	48	74	15	58
WBC	Westpac	103.11	36	34	54	55	23	24	47	47	16	14
SGM	Sims Metal	1.36	15	13	4	1	48	49	94	98	17	15
ANZ	ANZ Bank	70.46	14	14	64	69	8	10	78	77	18	23
HGG	Hend Group	3.37	48	56	27	28	39	48	54	16	19	10
CBA	Cwltw Bank	134.90	51	55	46	45	41	46	31	30	20	30

Source: ASX, Baillieu Holst, Bloomberg, IRESS, Thomson

FIG.3: LARGE & MID CAP BOTTOM 20 QUANT MULTI FACTOR RANKS BY STYLE

Code	Name	Market Capital (\$b)	Value Rank Now	Value Rank Last Month	Growth Rank Now	Growth Rank Last Month	Yield Rank Now	Yield Rank Last Month	Momentum Rank Now	Momentum Rank Last Month	Muti Factor Rank Now	Muti Factor Rank Last Month
APA	APA Group	9.43	90	91	68	61	90	88	63	73	99	99
HSO	Healthscpe	3.92	67	77	71	68	86	91	79	70	98	98
FMG	Fortescue	4.73	9	9	99	99	89	69	95	1	97	32
AIO	Asciano	8.30	69	69	73	73	80	84	62	40	96	92
WFD	Westfieldc	20.43	54	57	78	80	76	79	69	63	95	97
TTS	Tatts Grp	5.99	77	80	80	83	87	87	29	19	94	94
TCL	Transurban	21.79	97	99	59	53	98	98	11	24	93	96
ALQ	ALS	1.86	38	26	85	82	51	44	90	92	92	80
TPM	Tpgetelecom	8.50	89	88	24	23	68	73	77	13	89	45
SHL	Sonic Hlth	7.56	62	60	61	58	64	61	71	86	89	91
ORA	Orora	2.69	56	58	70	72	67	68	65	60	89	89
QUB	Qube	2.24	61	72	77	75	82	86	37	38	88	95
REC	Recall Hld	2.12	70	71	40	42	72	78	73	64	87	86
ASX	ASX	7.88	72	70	76	74	71	72	34	51	86	93
TAH	TABCORP	3.85	75	73	56	54	60	60	61	61	85	82
RHC	Ramsay	12.44	91	93	25	24	91	93	44	41	84	83
AST	AusNet	5.24	78	75	92	96	57	52	23	8	83	76
WOW	Woolworths	30.87	73	66	44	43	69	66	57	87	82	90
GMG	Good Group	10.73	44	47	91	79	55	65	51	50	81	79
SGR	Star Ent	4.38	52	46	81	84	74	71	32	52	80	85

Source: ASX, Baillieu Holst, Bloomberg, IRESS, Thomson

## Small cap style ranks

FIG.4: SMALL CAP TOP 20 QUANT MULTI FACTOR RANKS BY STYLE

Code	Name	Market Capital (\$b)	Value Rank Now	Value Rank Last Month	Growth Rank Now	Growth Rank Last Month	Yield Rank Now	Yield Rank Last Month	Momentum Rank Now	Momentum Rank Last Month	Muti Factor Rank Now	Multi Factor Rank Last Month
SAR	Saracen	0.55	52	39	3	2	4	1	12	12	1	1
MLX	Metals X	0.48	8	7	7	7	10	8	124	108	2	2
FXL	FlexiGroup	1.02	45	56	51	52	43	52	28	64	3	10
NEC	Nine Ent	1.50	57	67	78	82	12	16	22	62	4	12
IMF	Imfbentham	0.20	13	19	24	29	7	11	133	119	5	3
ARI	Arrium	0.14	1	2	27	63	6	15	154	160	6	14
BDR	Beadell	0.12	7	6	44	77	23	23	116	146	7	15
OGC	OceanaGold	1.60	25	28	20	21	106	123	44	114	8	34
SBM	St.Barbara	0.70	14	17	13	14	157	159	13	3	9	5
CCV	Cash Conv	0.27	16	16	97	95	11	9	78	60	10	4
ACR	Acrux	0.11	82	89	49	44	31	36	42	59	11	13
CNU	Chorus	1.34	74	79	47	49	82	86	2	5	12	9
NST	Nth Star	1.92	66	49	14	13	109	100	33	35	13	6
RRL	Regis	1.19	88	87	31	28	91	91	20	9	14	7
BBG	Billabong	0.33	58	109	15	17	1	3	158	154	15	27
MYX	M Pharma	1.01	137	144	56	56	9	25	31	27	16	15
APN	APN N&M	0.53	19	18	94	92	57	56	67	112	17	26
GEM	G8 Educate	1.27	92	93	59	58	44	46	47	76	18	24
TGA	Thorn Grp	0.27	30	40	67	65	26	29	125	134	19	22
PRT	Prime TV	0.18	20	26	107	108	5	6	121	149	20	37

Source: ASX, Baillieu Holst, Bloomberg, IRESS, Thomson

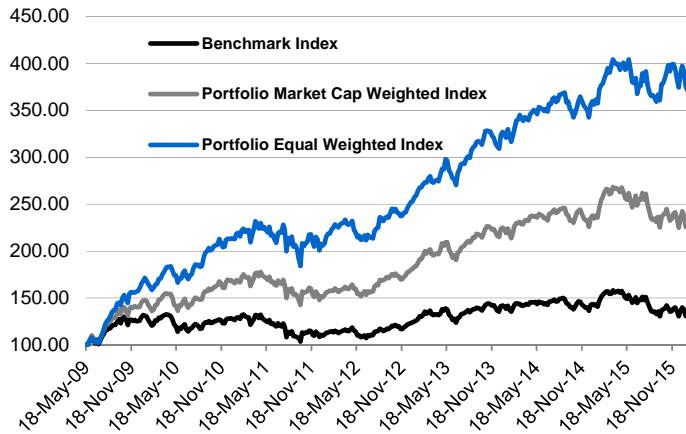
FIG.5: SMALL CAP BOTTOM 20 QUANT MULTI FACTOR RANKS BY STYLE

Code	Name	Market Capital (\$b)	Value Rank Now	Value Rank Last Month	Growth Rank Now	Growth Rank Last Month	Yield Rank Now	Yield Rank Last Month	Momentum Rank Now	Momentum Rank Last Month	Muti Factor Rank Now	Multi Factor Rank Last Month
MQA	Macq Atlas	2.19	139	113	164	134	125	87	151	52	164	130
AQG	Alacergold	0.15	81	97	163	167	157	159	123	2	163	155
OZL	Ozminer	1.17	56	37	160	164	141	138	155	158	162	166
AIA	Auck Airpt	6.19	147	150	151	146	142	141	48	65	161	167
BKW	Brickworks	2.27	93	95	159	163	131	133	101	93	160	165
NWS	News Corp	0.91	54	54	157	161	149	156	119	102	159	164
VED	Veda Group	2.37	148	153	96	98	144	144	76	24	158	154
MYO	MYOB Group	1.79	118	121	101	102	105	110	130	107	157	158
GHC	Gen Health	0.40	111	118	147	145	94	102	94	37	156	144
CAJ	Capitol H	0.13	60	58	161	101	62	53	161	161	154	121
PMV	Prem Inv.	2.08	114	116	129	131	118	118	83	80	154	160
BWP	BWP Trust	1.98	110	114	155	159	77	78	97	97	153	161
GXL	Greencross	0.78	107	96	95	96	124	119	106	83	152	136
TOX	Tox Free	0.35	86	90	122	123	116	124	107	118	151	163
AOG	Aveo Group	1.54	96	102	145	152	128	134	58	49	150	157
NUF	Nufarm	1.84	65	85	88	89	132	146	135	53	149	121
EQT	Equity Tr	0.38	99	104	108	110	68	68	137	123	148	145
UXC	UXC Ltd	0.40	105	108	111	117	86	79	105	69	147	121
GBT	GBST Hldgs	0.29	129	131	34	38	134	139	109	144	145	162
BGA	Bega	1.09	153	151	87	87	156	157	10	21	145	153

Source: ASX, Baillieu Holst, Bloomberg, IRESS, Thomson

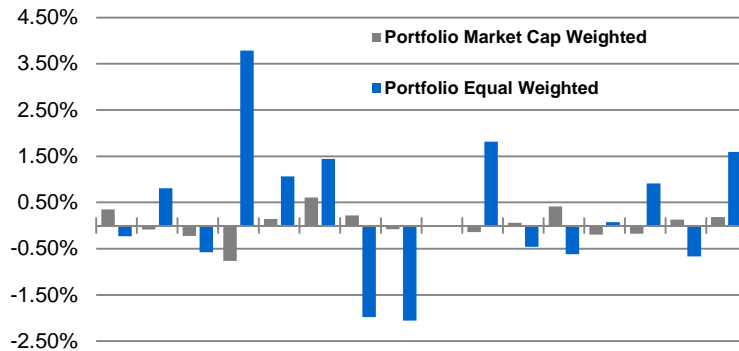
# Quant strategy model portfolio

FIG.6: MODEL PORTFOLIO PERFORMANCE



Source: ASX, Baillieu, Bloomberg, IRESS, Thomson

FIG.7: MODEL PORTFOLIOS LAST 16 WEEK EXCESS RETURNS



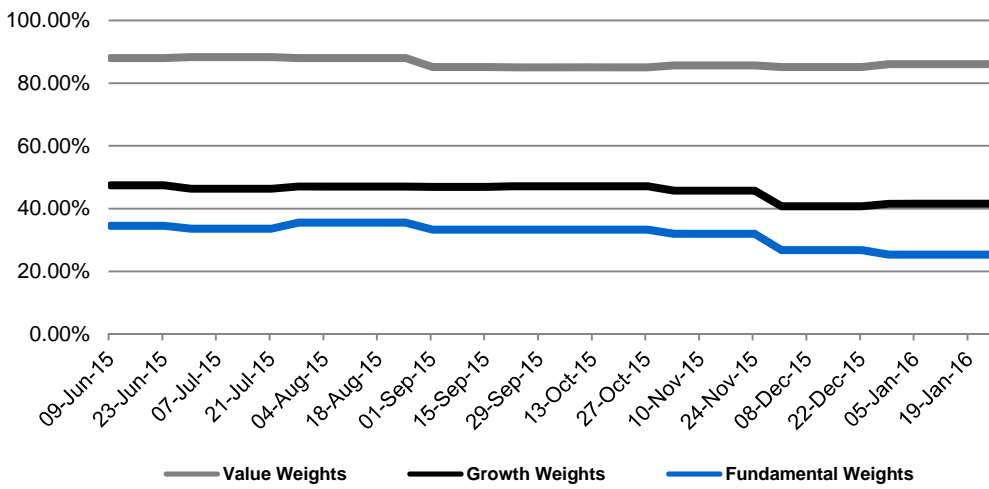
Source: ASX, Baillieu, Bloomberg, IRESS, Thomson

FIG.8: QUANT MODEL PORTFOLIO SECTOR BREAKDOWN

GICS	Sector	Weight	Average Stock Return since Last Update
1510	Materials	8.46%	-9.21%
2030	Transport	5.37%	4.93%
2530	Consumer Services	1.43%	-1.26%
2540	Media	0.55%	-2.62%
3010	Staples	11.79%	3.80%
3510	Health Care	12.54%	3.50%
4010	Banks	40.73%	-5.48%
4020	Div Financials	4.81%	-8.16%
4030	Insurance	2.60%	-1.52%
4040	Construction	1.24%	-4.98%
5010	Telecommunication Services	10.47%	4.89%
	Quant Portfolio	100.00%	-0.97%

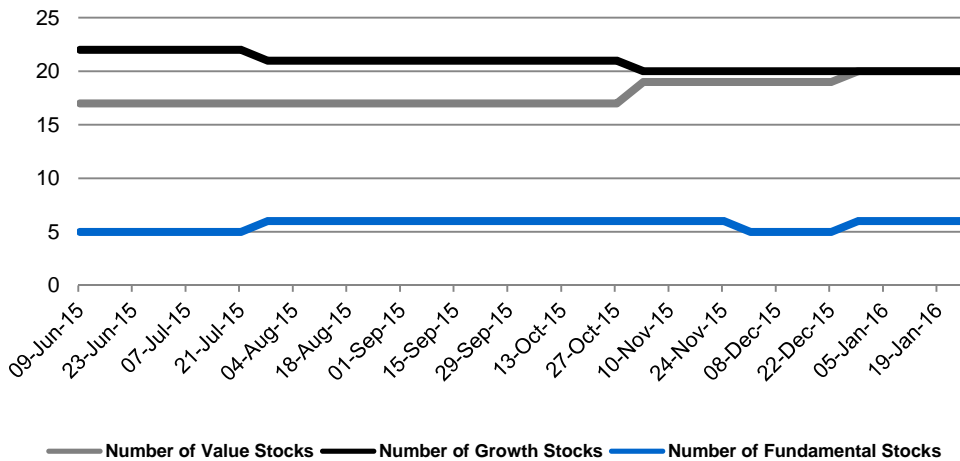
Source: ASX, Baillieu, Bloomberg, IRESS, Thomson

FIG.9: QUANT MODEL PORTFOLIO STYLE WEIGHTS



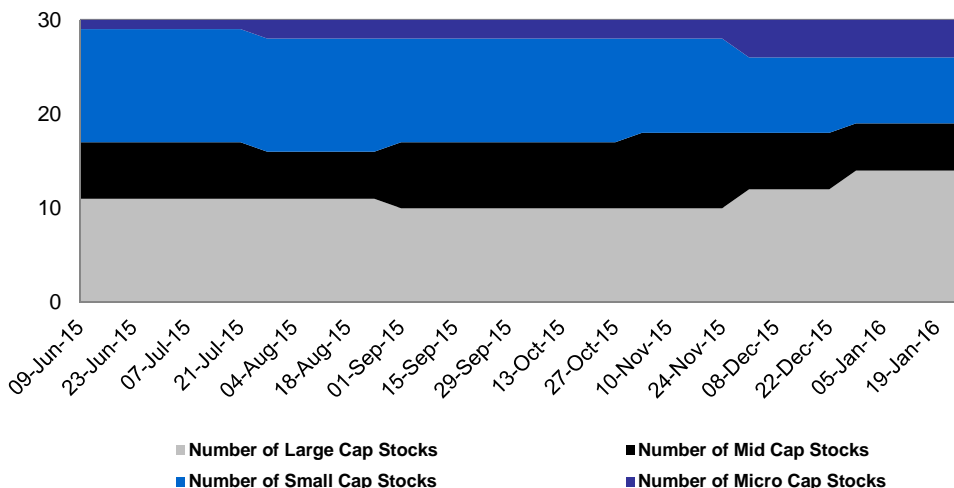
Source: ASX, Baillieu, Bloomberg, IRESS, Thomson

FIG.10: QUANT MODEL PORTFOLIO STYLE STOCK COUNTS



Source: ASX, Baillieu, Bloomberg, IRESS, Thomson

FIG.11: QUANT MODEL PORTFOLIO SIZE STOCK COUNTS



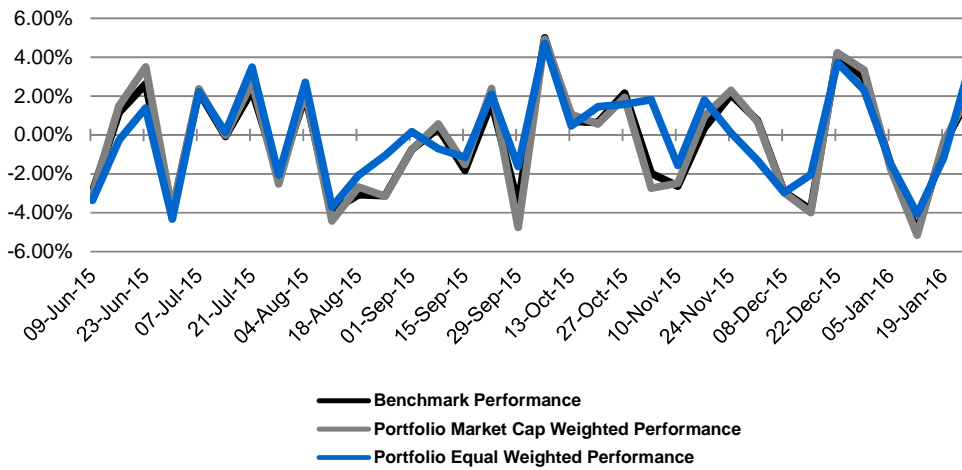
Source: ASX, Baillieu, Bloomberg, IRESS, Thomson

FIG.12: QUANT MODEL PORTFOLIO PERFORMANCE BREAKDOWN

Performance Analysis	Benchmark Index	Portfolio Market Cap Weighted Index	Portfolio Equal Weighted Index
Performance since inception (May 2009)	33.06%	130.13%	285.05%
Average performance per month	0.38%	1.49%	3.27%
Standard Deviation (weekly)	2.10%	2.20%	2.30%
Performance over the past 1 month	-2.17%	-1.86%	-0.89%
Performance over the past 3 months	-6.31%	-6.03%	-1.52%
Performance over the past 12 months	-9.46%	-6.74%	3.46%

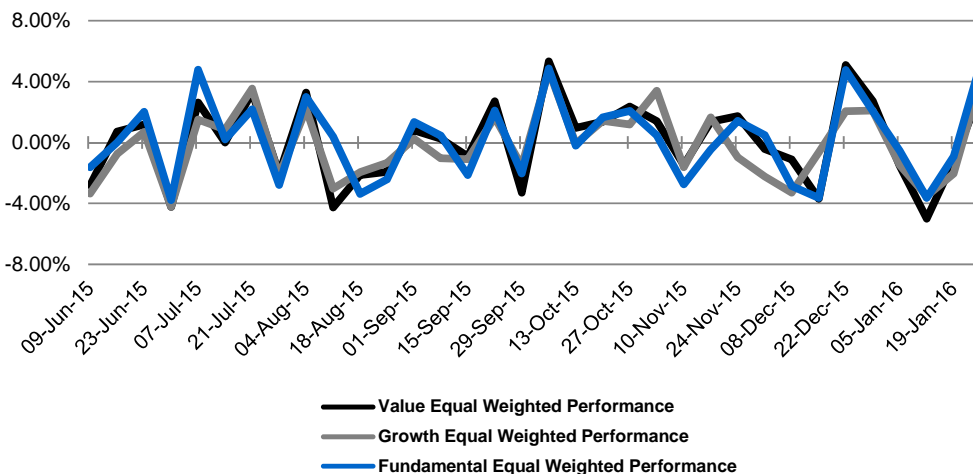
Source: ASX, Baillieu, Bloomberg, IRESS, Thomson

FIG.13: QUANT MODEL PORTFOLIO WEEKLY RETURNS



Source: ASX, Baillieu, Bloomberg, IRESS, Thomson

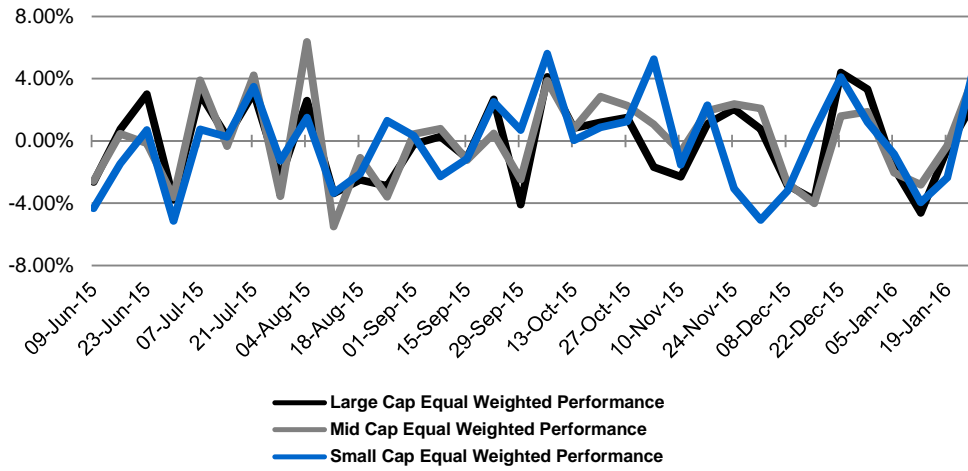
FIG.14: QUANT MODEL PORTFOLIO WEEKLY RETURNS BY STYLE



Source: ASX, Baillieu, Bloomberg, IRESS, Thomson

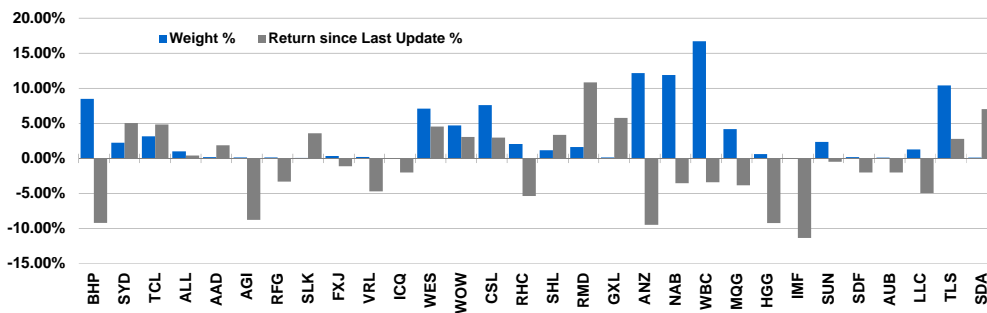


FIG.15: QUANT MODEL PORTFOLIO WEEKLY RETURNS BY SIZE



Source: ASX, Baillieu, Bloomberg, IRESS, Thomson

FIG.16: MODEL PORTFOLIO STOCKS SINCE LAST UPDATE



Source: ASX, Baillieu, Bloomberg, IRESS, Thomson

# Quant Model Portfolio

FIG.17: QUANT STRATEGY MODEL PORTFOLIO PART 1 (THOMSON/IBES ESTIMATES)

Code		BHP	SYD	TCL	QUB	AAD	AGI	MTR	RFG	FXJ	VRL
Share Price (\$)		15.28	6.56	10.74	2.11	2.15	2.08	4.76	4.39	0.88	6.89
Issued Shares (mn)		3,212	2,229	2,029	1,061	5,346	323	268	1,849	2,420	160
Market Capital (\$mn)		49,074	14,625	21,789	2,238	11,494	671	1,274	8,117	2,118	1,105
Price Target (\$)		22.45	6.18	10.39	2.61	2.64	3.44	4.29	6.43	1.03	7.40
Exp. 12-Mth Tot. Ret. (%)		56.30	-1.51	0.96	26.64	28.84	70.29	-7.42	52.26	22.63	11.68
Rating		<b>HOLD</b>	<b>BUY</b>	<b>HOLD</b>	<b>BUY</b>	<b>BUY</b>	<b>BUY</b>	<b>HOLD</b>	<b>BUY</b>	<b>BUY</b>	<b>BUY</b>
EBITDA (\$mn)	FY2014	34574.2	947.7	765.4	210.5	105.6	95.7	61.4	59.7	307.0	172.9
	FY2015	32628.3	1014.0	1033.7	269.0	116.2	75.7	74.3	92.6	289.7	159.6
	FY2016	20360.8	1106.5	1382.4	274.9	133.5	95.2	89.3	109.4	307.7	181.1
	FY2017	23817.3	1178.0	1579.4	298.6	159.9	112.0	99.7	122.0	312.8	196.3
NPAT (\$mn)	FY2014	15028.5	182.5	175.6	87.4	54.6	68.5	28.7	37.4	138.4	60.2
	FY2015	10682.0	240.1	158.2	108.3	58.7	56.9	38.1	57.5	147.6	47.9
	FY2016	2785.8	267.3	261.5	107.0	60.5	57.6	45.8	66.6	153.7	60.5
	FY2017	4778.5	312.4	378.3	120.2	73.2	68.4	51.6	74.8	159.8	68.3
EPS (¢)	FY2014	279.4	8.3	13.4	9.2	13.3	21.2	11.7	27.2	5.8	37.1
	FY2015	195.3	10.9	8.1	10.2	13.7	17.1	14.5	36.7	6.2	29.6
	FY2016	43.5	12.0	14.2	10.2	13.6	18.0	17.2	40.1	6.6	36.1
	FY2017	80.3	13.9	19.1	11.4	16.4	21.2	19.2	44.8	7.0	42.3
EPS Growth (%)	FY2014	7.0	34.7	42.0	14.7	9.3	42.6	N/A	-1.6	6.7	1.7
	FY2015	-30.1	31.9	-40.1	10.9	3.1	-19.1	23.8	35.0	6.9	-20.2
	FY2016	-77.7	10.1	76.3	-0.2	-1.1	5.0	18.4	9.3	6.8	21.8
	FY2017	84.8	15.8	34.5	11.8	20.6	17.8	11.6	11.7	6.1	17.2
DPS (¢)	FY2014	132.2	23.7	34.6	5.0	13.0	10.7	0.0	21.8	3.4	45.5
	FY2015	173.1	25.7	39.8	5.8	12.8	10.2	10.6	26.4	3.9	27.4
	FY2016	142.9	28.5	45.2	5.9	13.3	10.2	12.0	25.9	4.3	29.4
	FY2017	134.0	31.4	49.3	6.4	15.4	11.7	13.5	28.6	4.7	32.0
PB (x)	FY2014	0.9	7.6	3.7	1.6	1.7	2.7	4.6	2.0	1.0	2.2
	FY2015	0.8	13.4	4.4	1.5	1.7	2.5	4.0	1.7	1.1	2.8
	FY2016	1.0	17.4	5.3	1.5	1.6	2.1	3.6	1.7	1.0	2.4
	FY2017	1.0	28.6	6.0	1.4	1.6	1.9	3.5	1.5	1.0	2.3
PE (x)	FY2014	5.5	79.4	79.9	22.9	16.1	9.8	40.6	16.2	15.1	18.6
	FY2015	7.8	60.2	133.3	20.6	15.6	12.1	32.8	12.0	14.2	23.3
	FY2016	35.2	54.7	75.6	20.7	15.8	11.6	27.7	10.9	13.3	19.1
	FY2017	19.0	47.2	56.2	18.5	13.1	9.8	24.8	9.8	12.5	16.3
ROE (x)	FY2014	18.2	10.3	5.4	7.1	10.7	30.6	14.7	13.6	7.3	11.2
	FY2015	9.7	19.3	2.9	7.6	10.3	22.0	13.1	15.7	7.1	9.4
	FY2016	2.8	30.0	1.5	7.2	10.1	19.0	13.6	15.9	7.9	11.5
	FY2017	6.2	56.3	1.6	7.9	11.6	20.7	14.8	16.7	8.1	12.7
Yield (%)	FY2014	8.6	3.6	3.2	2.4	6.0	5.1	0.0	5.0	3.8	6.6
	FY2015	11.3	3.9	3.7	2.8	6.0	4.9	2.2	6.0	4.5	4.0
	FY2016	9.4	4.3	4.2	2.8	6.2	4.9	2.5	5.9	4.9	4.3
	FY2017	8.8	4.8	4.6	3.0	7.2	5.6	2.8	6.5	5.4	4.6
EV/EBITDA (x)	FY2014	2.2	22.4	36.2	12.3	111.0	7.0	22.2	137.0	6.8	8.5
	FY2015	2.6	21.8	29.9	9.7	101.3	8.8	18.1	89.7	7.0	9.4
	FY2016	4.2	20.1	24.1	8.7	89.0	6.4	15.1	75.9	6.7	8.5
	FY2017	3.6	19.1	21.5	7.7	74.7	5.4	13.3	67.9	6.4	7.8

FIG.18: QUANT STRATEGY MODEL PORTFOLIO PART 2 (THOMSON/IBES ESTIMATES)

Code		ICQ	RHC	RMD	GXL	ANZ	NAB	WBC	MQG	HGG	IMF
Share Price (\$)		0.96	61.55	8.28	6.81	24.15	27.76	30.91	75.39	5.59	1.17
Issued Shares (mn)		248	337	1,396	114	2,918	2,638	3,336	340	1,132	169
Market Capital (\$mn)		238	20,742	11,563	778	70,459	73,228	103,109	25,655	6,327	198
Price Target (\$)		1.11	66.33	9.02	7.80	30.82	32.51	34.35	92.29	6.82	2.57
Exp. 12-Mth Tot. Ret. (%)		15.42	9.70	12.75	17.47	35.06	24.10	17.27	27.58	26.28	128.63
Rating		<b>BUY</b>	<b>HOLD</b>	<b>HOLD</b>	<b>BUY</b>	<b>HOLD</b>	<b>BUY</b>	<b>BUY</b>	<b>BUY</b>	<b>BUY</b>	<b>BUY</b>
EBITDA	FY2014	-12.8	729.0	526.5	47.5	9726.0	8577.5	11201.5	2269.3	379.9	23.9
(\$mn)	FY2015	-12.0	1091.8	680.0	86.0	10036.4	9205.2	11176.4	2445.9	476.3	3.7
	FY2016	-6.8	1270.8	762.9	101.3	947.0	-3900.0	12353.8	3073.5	523.7	39.1
	FY2017	-0.3	1390.3	832.1	115.4	969.0	10948.8	13477.9	3368.7	593.3	55.9
NPAT	FY2014	-13.9	335.2	372.9	19.3	7043.0	5320.1	7612.6	1223.7	327.6	17.0
(\$mn)	FY2015	-12.8	409.4	481.7	38.0	7307.9	6322.4	7794.8	1500.2	389.9	5.9
	FY2016	-7.5	470.2	535.0	43.6	7611.9	6872.9	8430.5	2094.2	429.0	28.4
	FY2017	-1.2	534.5	590.0	52.0	8012.3	7139.9	8858.0	2218.0	486.6	41.1
EPS	FY2014	-7.2	163.0	25.9	24.4	254.8	220.2	241.2	360.5	28.2	10.3
(¢)	FY2015	-5.5	200.8	33.9	34.2	259.8	251.6	245.0	456.7	35.2	3.6
	FY2016	-3.1	229.7	38.0	38.6	252.8	254.1	252.4	599.6	38.9	17.0
	FY2017	-0.6	261.2	42.5	45.3	261.4	260.7	259.5	624.7	44.7	24.2
EPS Growth	FY2014	-80.6	20.5	7.8	31.6	10.6	-10.7	8.4	45.4	4.3	-19.2
(%)	FY2015	23.9	23.2	30.7	40.5	2.0	14.3	1.6	26.7	24.9	-65.5
	FY2016	43.6	14.4	12.2	12.8	-2.7	1.0	3.0	31.3	10.4	376.6
	FY2017	80.6	13.7	11.7	17.4	3.4	2.6	2.8	4.2	14.9	42.4
DPS	FY2014	0.0	82.5	11.0	12.9	177.0	196.1	183.5	270.6	16.9	8.8
(¢)	FY2015	0.0	103.5	15.5	17.1	180.7	197.1	186.5	309.6	21.1	10.1
	FY2016	0.0	119.5	31.7	20.2	179.6	194.1	190.2	389.2	23.5	10.5
	FY2017	0.0	136.2	37.7	23.1	184.4	194.7	193.9	421.0	26.7	12.0
PB	FY2014	5.0	7.6	6.3	2.5	1.4	1.5	2.0	2.1	3.2	1.0
(x)	FY2015	5.7	7.0	5.6	1.9	1.2	1.4	1.9	2.0	2.9	1.0
	FY2016	7.1	6.2	5.0	1.7	1.2	1.4	1.7	1.7	2.8	0.9
	FY2017	7.6	5.5	4.6	1.6	1.1	1.3	1.7	1.6	2.6	1.0
PE	FY2014	-13.3	37.8	31.9	28.0	9.5	12.6	12.8	20.9	19.8	11.3
(x)	FY2015	-17.5	30.6	24.4	19.9	9.3	11.0	12.6	16.5	15.9	32.8
	FY2016	-31.0	26.8	21.8	17.6	9.6	10.9	12.2	12.6	14.4	6.9
	FY2017	-160.0	23.6	19.5	15.0	9.2	10.6	11.9	12.1	12.5	4.8
ROE	FY2014	-47.5	21.4	20.8	10.1	15.5	12.5	16.5	10.6	18.3	9.8
(x)	FY2015	-33.6	23.4	21.2	9.0	14.2	13.5	15.8	12.6	18.5	7.0
	FY2016	-18.5	24.4	22.8	10.1	13.1	12.9	15.2	14.5	20.6	14.1
	FY2017	-3.1	24.7	24.6	10.9	12.9	13.2	14.8	13.9	21.9	19.1
Yield	FY2014	0.0	1.3	1.3	1.9	7.3	7.1	5.9	3.6	3.0	7.5
(%)	FY2015	0.0	1.7	1.9	2.5	7.5	7.1	6.0	4.1	3.8	8.7
	FY2016	0.0	1.9	3.8	3.0	7.4	7.0	6.2	5.2	4.2	9.0
	FY2017	0.0	2.2	4.6	3.4	7.6	7.0	6.3	5.6	4.8	10.3
EV/EBITDA	FY2014	-18.1	30.1	20.9	18.8	N/A	N/A	N/A	N/A	15.7	4.3
(x)	FY2015	-19.6	21.3	15.9	11.6	N/A	N/A	N/A	N/A	11.7	34.0
	FY2016	-34.7	18.5	14.5	10.1	N/A	N/A	N/A	N/A	10.5	3.0
	FY2017	-922.7	16.7	13.1	8.8	N/A	N/A	N/A	N/A	9.8	2.0

FIG.19: QUANT STRATEGY MODEL PORTFOLIO PART 3 (THOMSON/IBES ESTIMATES)

Code		SUN	SDF	AUB	LLC	GBT	IFM	HUB	TLS	NTC	SDA
Share Price (\$)		11.55	1.46	8.70	12.97	4.28	0.73	4.00	5.58	2.32	4.42
Issued Shares (mn)		1,287	750	63	581	67	310	53	12,226	129	121
Market Capital (\$mn)		14,860	1,095	550	7,538	289	225	211	68,219	299	534
Price Target (\$)		12.96	1.73	9.84	16.21	4.72	1.04	5.00	5.81	3.99	4.94
Exp. 12-Mth Tot. Ret. (%)		19.00	22.81	17.74	29.59	12.55	48.14	25.00	9.86	71.98	14.83
Rating		BUY	BUY	BUY	BUY	BUY	BUY	BUY	HOLD	BUY	BUY
EBITDA (\$mn)	FY2014	1670.1	59.8	49.9	922.4	20.1	24.2	-7.2	10753.9	5.1	25.4
	FY2015	1699.8	84.7	54.0	937.4	24.6	26.6	-5.0	10757.9	6.8	42.8
	FY2016	1738.4	131.6	52.3	1064.3	21.2	25.0	-0.4	11058.0	10.8	62.0
	FY2017	1898.5	139.8	56.2	1156.7	26.1	29.4	10.6	11531.6	21.2	72.2
NPAT (\$mn)	FY2014	1195.3	38.7	35.0	618.6	11.5	11.6	-6.8	4045.2	1.4	13.3
	FY2015	1166.3	50.1	35.1	621.3	16.5	13.9	-5.2	4209.2	1.8	20.1
	FY2016	1185.4	77.5	37.9	673.1	15.3	12.5	-1.0	4321.1	4.8	29.0
	FY2017	1291.4	83.1	41.2	732.1	18.9	15.6	7.1	4631.6	11.4	35.5
EPS (¢)	FY2014	97.1	7.4	59.9	93.9	17.4	3.8	-15.2	32.8	0.8	11.1
	FY2015	90.2	9.2	57.2	106.7	26.2	4.5	-9.3	34.2	1.4	17.3
	FY2016	91.3	10.3	60.3	118.7	22.8	4.0	-1.5	35.4	4.0	24.8
	FY2017	99.8	11.2	64.4	128.1	28.0	5.0	11.2	38.1	8.8	32.0
EPS Growth (%)	FY2014	112.4	-14.0	8.4	-1.0	9.8	26.7	18.3	8.5	N/A	N/A
	FY2015	-7.1	25.6	-4.4	13.6	51.2	17.8	38.8	4.4	68.0	55.5
	FY2016	1.2	11.5	5.4	11.3	-13.1	-10.6	83.9	3.5	185.7	43.9
	FY2017	9.3	8.7	6.8	7.9	22.8	25.0	846.7	7.6	120.0	28.9
DPS (¢)	FY2014	91.7	4.2	37.6	63.3	8.1	3.9	0.0	29.3	0.0	3.4
	FY2015	91.2	5.0	38.3	54.7	10.4	4.1	0.0	30.6	0.0	8.7
	FY2016	78.5	5.9	40.3	59.8	10.1	3.5	0.0	31.6	0.0	13.2
	FY2017	81.6	6.5	41.9	63.8	11.7	4.3	0.0	32.4	0.0	16.5
PB (x)	FY2014	1.1	1.4	2.2	1.7	5.6	5.6	13.7	5.3	13.8	11.6
	FY2015	1.1	1.1	2.0	1.6	4.4	5.1	21.3	5.1	12.1	12.0
	FY2016	1.1	1.3	1.9	1.5	4.0	5.0	1.2	4.7	9.0	10.1
	FY2017	1.1	1.2	1.8	1.4	3.6	4.7	N/A	4.5	7.4	7.9
PE (x)	FY2014	11.9	19.9	14.5	13.8	24.7	19.1	-26.3	17.0	278.4	39.8
	FY2015	12.8	15.8	15.2	12.2	16.3	16.2	-43.0	16.3	165.7	25.6
	FY2016	12.7	14.2	14.4	10.9	18.8	18.1	-266.7	15.8	58.0	17.8
	FY2017	11.6	13.0	13.5	10.1	15.3	14.5	35.7	14.6	26.4	13.8
ROE (x)	FY2014	9.0	9.8	16.0	16.6	21.3	29.5	-32.0	32.0	5.3	31.5
	FY2015	8.6	7.6	13.8	22.7	28.9	32.1	-27.0	31.1	6.5	38.5
	FY2016	9.0	9.6	13.6	14.3	20.7	28.0	-5.8	30.0	16.0	48.9
	FY2017	9.4	9.8	14.0	14.7	23.0	33.2	15.9	31.0	31.4	49.3
Yield (%)	FY2014	7.9	2.9	4.3	4.9	1.9	5.3	0.0	5.2	0.0	0.8
	FY2015	7.9	3.4	4.4	4.2	2.4	5.6	0.0	5.5	0.0	2.0
	FY2016	6.8	4.0	4.6	4.6	2.4	4.8	0.0	5.7	0.0	3.0
	FY2017	7.1	4.5	4.8	4.9	2.7	5.9	N/A	5.8	0.0	3.7
EV/EBITDA (x)	FY2014	13.2	18.0	10.4	9.8	14.4	8.8	-27.2	7.3	58.4	22.7
	FY2015	9.8	13.8	9.2	9.3	11.5	7.9	-39.7	7.5	43.9	15.3
	FY2016	9.6	8.1	8.7	7.7	13.2	8.7	-467.1	7.4	27.7	10.8
	FY2017	N/A	7.6	N/A	7.5	10.4	7.3	18.1	7.1	14.1	9.0

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