

RESEARCH ANALYST
Mathan Somasundaram
+61 2 9250 8947 mathan@baillieuholst.com.au

quantanalysis

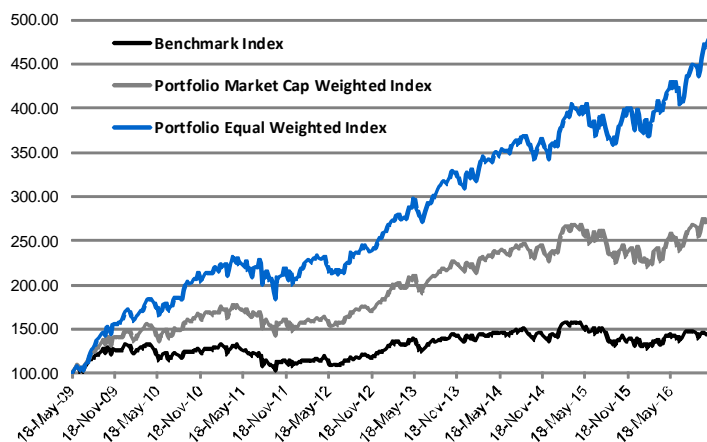
Market Manager

QUANTITATIVE ANALYSIS

October update – Macro volatility ahead

- Note:** This report is a Quantitative Strategy product. The report uses consensus rating and forecast data from Thomson/IBES to get coverage of the whole market and avoid a house skew, and as such sometimes the highlighted themes, sectors and stocks will not match our analysts view.
- Macro outlook:** Global markets are running into a weaker US reporting season, US Presidential election and major central bank updates on interest rate cycles. US reporting season is showing signs of weakness within the mature global models with slowing global growth and a strengthening currency. US Presidential election uncertainty and an inevitable slowdown in the economy preceding the election are likely to keep investors on the sidelines. Higher commodity prices have driven the local currency and inflation outlook higher than expected. We continue to expect the RBA to stay on hold until 2017 after recent inflation and employment data. US Fed and BOJ are expected to hold fire next week while ECB is stuck between Brexit, the Italian referendum and the refugee crisis. Local market continues to see stock specific volatility through the AGM season; meanwhile a potential profit taking risk in US market is likely to drag the USD and global markets lower in the short term.
- Quant strategy model changes:** TPM and VOC have been added, while RCR and UGL have been removed.
- Current quant strategy model portfolio:** Energy – large (WPL), small (KAR); Metals & Mining – large (BHP, RIO); Gold – large (NCM), mid (NST), small (EVN); Capital Goods – micro (GNG, ANG); Transport – large (SYD, TCL); Consumer Services – small (AGI, IPH, MTR); Media – small (VRL), micro (EVT, ICQ); Health Care – large (CSL, RHC), mid (RMD), micro (MVP); Banks – large (ANZ, NAB); Diversified Financials – small (IMF); Information Technology – small (ALU, HSN, IFM); Telecommunications – mid (TPM, VOC), micro (SDA).

QUANT STRATEGY MODEL PORTFOLIO PERFORMANCE



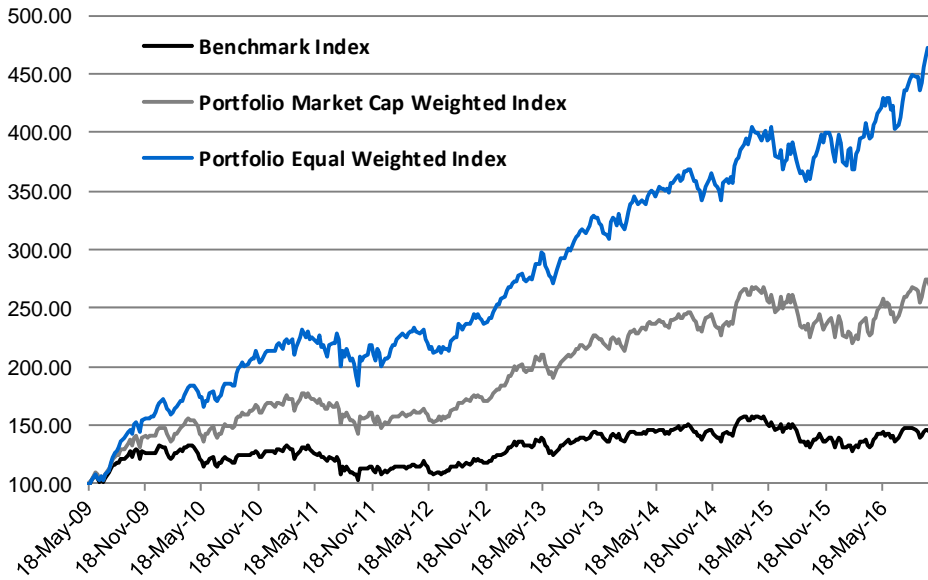
Source: ASX, Baillieu Holst, Bloomberg, IRESS, Thomson

Quant strategy model portfolio

- Quant strategy model portfolio stocks are identified via a balanced multi-style sector selection process from the set universe. Some sectors have been excluded due to a lack of strong stock ideas, while the Materials and Financial 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.

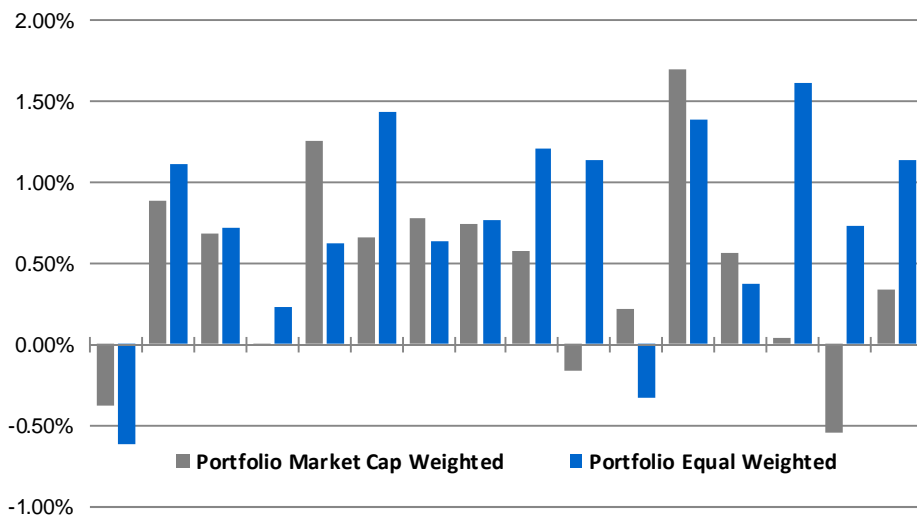
Quant strategy model portfolio

FIG.1: MODEL PORTFOLIO PERFORMANCE



Source: ASX, Baillieu, Bloomberg, IRESS, Thomson

FIG.2: MODEL PORTFOLIOS LAST 16 WEEK EXCESS RETURNS



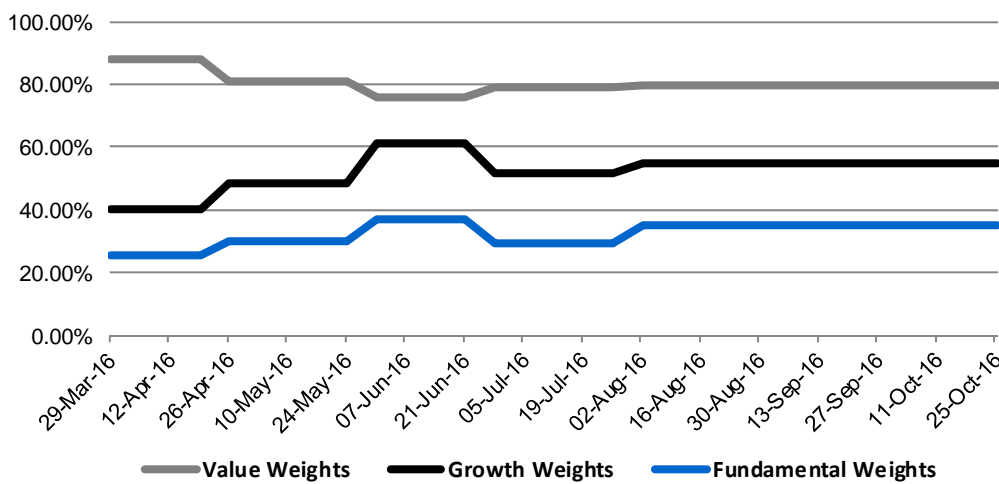
Source: ASX, Baillieu, Bloomberg, IRESS, Thomson

FIG.3: QUANT MODEL PORTFOLIO SECTOR BREAKDOWN

GICS	Sector	Weight	Average Stock Return since Last Update
1010	Energy	5.45%	49.84%
1510	Materials	27.44%	-3.09%
2010	Capital Goods	0.26%	30.72%
2030	Transport	9.19%	-3.96%
2530	Consumer Services	0.66%	0.77%
2540	Media	0.78%	0.10%
3510	Health Care	18.53%	-4.40%
4010	Banks	36.95%	1.63%
4020	Div Financials	0.07%	2.23%
4510	Information Technology	0.54%	-7.58%
5010	Telecommunication Services	0.14%	-1.75%
	Quant Portfolio	100.00%	5.51%

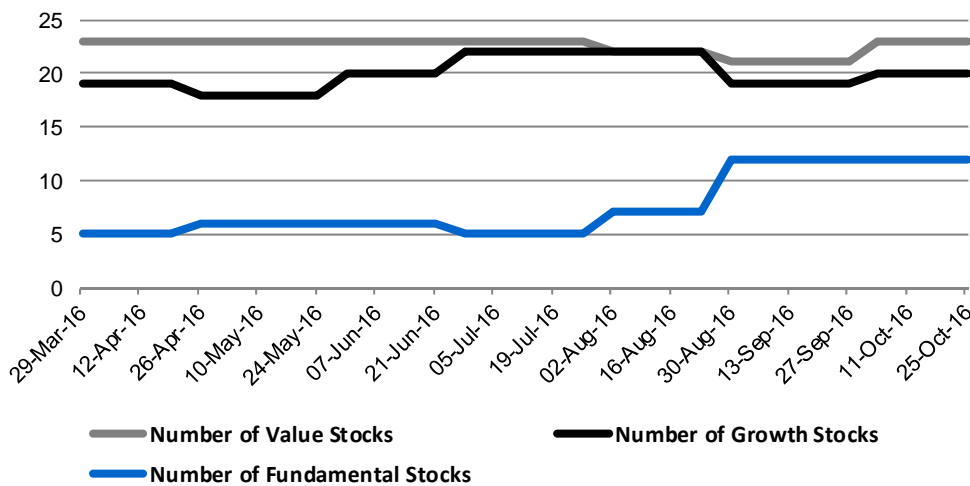
Source: ASX, Baillieu, Bloomberg, IRESS, Thomson

FIG.4: QUANT MODEL PORTFOLIO STYLE WEIGHTS



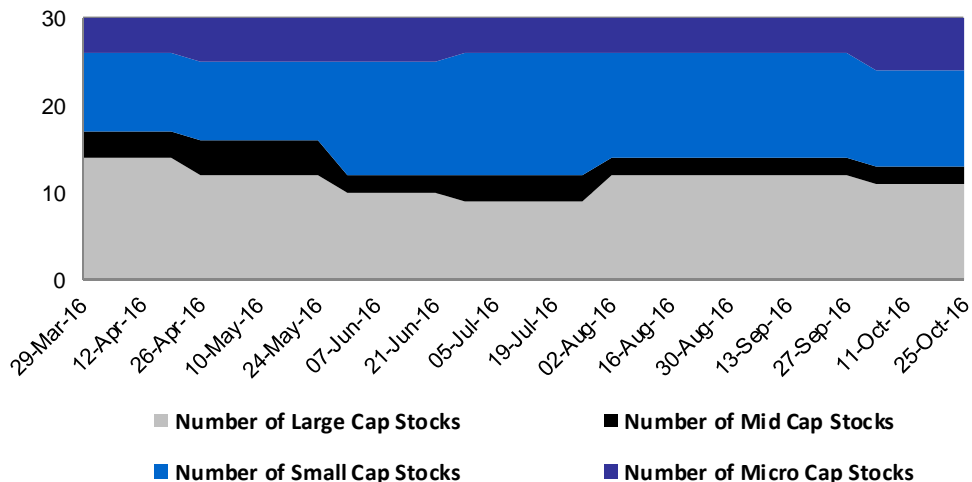
Source: ASX, Baillieu, Bloomberg, IRESS, Thomson

FIG.5: QUANT MODEL PORTFOLIO STYLE STOCK COUNTS



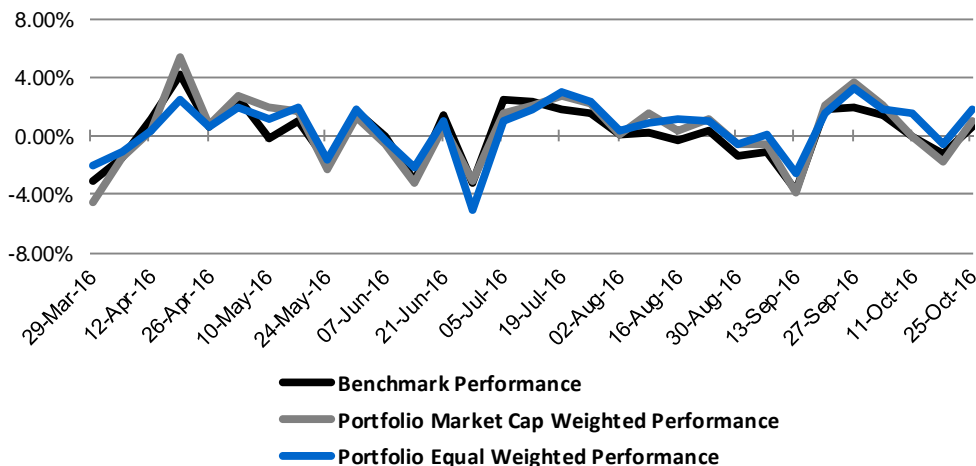
Source: ASX, Baillieu, Bloomberg, IRESS, Thomson

FIG.6: QUANT MODEL PORTFOLIO SIZE STOCK COUNTS



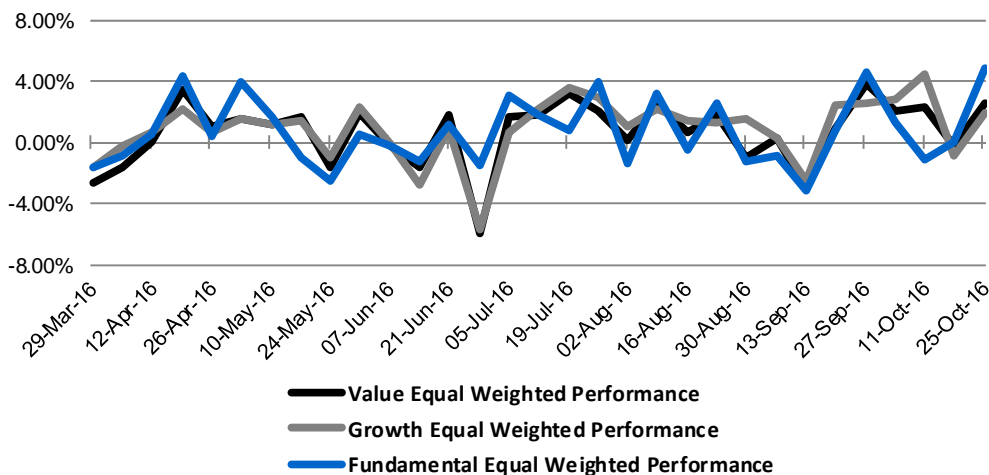
Source: ASX, Baillieu, Bloomberg, IRESS, Thomson

FIG.7: QUANT MODEL PORTFOLIO WEEKLY RETURNS



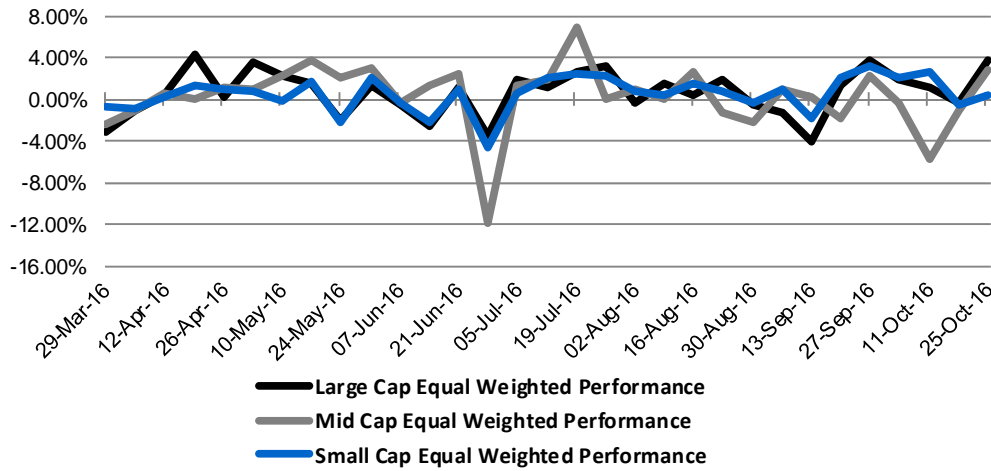
Source: ASX, Baillieu, Bloomberg, IRESS, Thomson

FIG.8: QUANT MODEL PORTFOLIO WEEKLY RETURNS BY STYLE



Source: ASX, Baillieu, Bloomberg, IRESS, Thomson

FIG.9: QUANT MODEL PORTFOLIO WEEKLY RETURNS BY SIZE



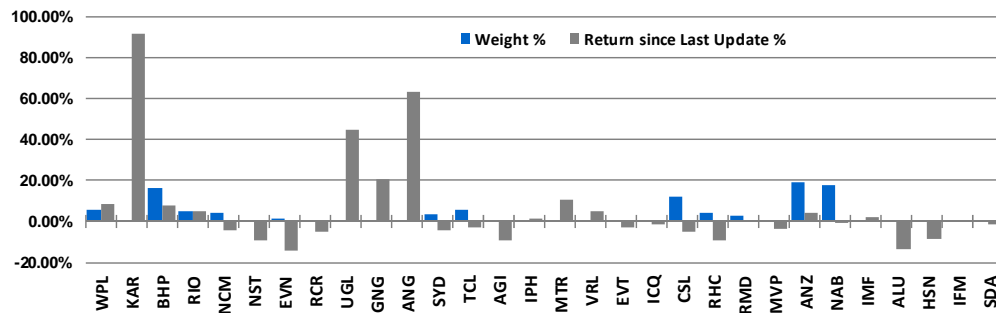
Source: ASX, Baillieu, Bloomberg, IRESS, Thomson

FIG.10: QUANT MODEL PORTFOLIO PERFORMANCE BREAKDOWN

Performance Analysis	Benchmark Index	Portfolio Market Cap Weighted Index	Portfolio Equal Weighted Index
Performance since inception (May 2009)	44.97%	171.13%	377.16%
Average performance per month	0.46%	1.76%	3.89%
Standard Deviation (weekly)	2.08%	2.21%	2.27%
Performance over the past 1 month	0.65%	1.02%	4.57%
Performance over the past 3 months	-1.68%	4.44%	9.65%
Performance over the past 12 months	2.07%	10.72%	22.04%

Source: ASX, Baillieu, Bloomberg, IRESS, Thomson

FIG.11: MODEL PORTFOLIO STOCKS SINCE LAST UPDATE



Source: ASX, Baillieu, Bloomberg, IRESS, Thomson

Quant Model Portfolio

FIG.12: QUANT STRATEGY MODEL PORTFOLIO PART 1 (THOMSON/IBES ESTIMATES)

Code	WPL	KAR	BHP	RIO	NCM	NST	EVN	GNG	ANG	SYD
Share Price (\$)	28.91	2.45	23.19	52.48	21.90	4.11	2.17	1.92	0.22	6.60
Issued Shares (mn)	842	246	3,212	424	767	601	1,676	153	526	2,250
Market Capital (\$mn)	24,355	602	74,479	22,262	16,792	2,468	3,636	294	116	14,849
Price Target (\$)	30.63	2.32	23.66	56.40	22.72	4.28	2.63	2.09	0.37	7.48
Exp. 12-Mth Tot. Ret. (%)	9.80	-5.43	3.77	10.37	4.05	5.64	22.06	14.06	67.36	18.02
Rating	HOLD	BUY	HOLD	HOLD	HOLD	HOLD	BUY	BUY	HOLD	BUY
EBITDA (\$mn)	FY2014 7024.0	-27.6	34574.2	23699.1	1560.5	93.9	221.7	15.0	16.5	947.7
	FY2015 4028.1	-50.7	32628.3	17567.1	1637.9	331.4	271.6	21.0	20.7	1014.7
	FY2016 3599.4	-25.2	15607.3	14910.1	1699.8	404.4	599.5	21.0	19.7	1120.0
	FY2017 4132.1	-21.3	20218.5	15036.6	2236.6	507.5	815.3	24.0	24.0	1208.0
NPAT (\$mn)	FY2014 3233.8	-35.7	15028.5	11439.6	431.8	33.5	61.1	12.1	1.5	182.5
	FY2015 1272.4	-33.4	10682.0	6440.0	483.6	135.3	94.9	13.0	4.3	240.5
	FY2016 1130.8	-19.9	1304.5	5132.3	432.2	170.0	236.2	17.0	1.6	336.6
	FY2017 1408.4	-18.7	5039.3	5096.3	833.3	257.0	358.9	17.0	6.1	376.8
EPS (c)	FY2014 394.9	-25.7	279.4	627.6	57.4	6.6	7.9	8.1	1.4	8.3
	FY2015 163.7	-16.6	195.3	345.3	63.2	23.1	10.8	8.8	3.8	10.9
	FY2016 135.3	-7.6	25.7	285.8	56.5	28.0	14.6	11.1	0.9	15.0
	FY2017 164.1	-7.7	94.0	285.0	106.1	42.0	21.3	10.9	3.2	16.5
EPS Growth (%)	FY2014 57.4	-185.0	7.0	8.7	-8.3	1.3	24.7	72.3	-95.6	34.7
	FY2015 -58.5	35.2	-30.1	-45.0	10.1	250.5	36.9	8.6	172.0	31.6
	FY2016 -17.4	54.3	-86.8	-17.2	-10.6	21.2	34.4	26.1	-76.5	37.9
	FY2017 21.3	-1.3	265.4	-0.3	87.7	50.1	46.1	-1.8	254.5	10.0
DPS (c)	FY2014 323.3	0.0	132.2	255.8	0.4	2.6	1.5	6.1	2.6	23.7
	FY2015 148.7	0.0	173.1	311.3	0.0	5.3	1.5	9.0	3.4	25.7
	FY2016 111.5	0.0	40.6	151.7	7.0	6.7	2.4	10.0	0.0	31.0
	FY2017 128.1	0.0	56.3	149.6	22.8	12.0	3.7	10.5	0.0	33.6
PB (x)	FY2014 1.2	0.8	1.4	1.5	2.0	8.3	2.1	6.4	0.1	7.7
	FY2015 1.2	0.7	1.3	1.6	2.0	6.9	2.1	6.2	0.2	13.5
	FY2016 1.2	0.8	1.7	1.8	1.8	5.4	2.0	5.8	0.3	14.0
	FY2017 1.2	0.8	1.6	1.8	1.7	3.9	1.6	5.5	0.3	20.4
PE (x)	FY2014 7.3	-9.5	8.3	8.4	38.1	62.4	27.4	23.7	15.6	79.9
	FY2015 17.7	-14.7	11.9	15.2	34.6	17.8	20.0	21.8	5.7	60.7
	FY2016 21.4	-32.2	90.1	18.4	38.8	14.7	14.9	17.3	24.4	44.0
	FY2017 17.6	-31.8	24.7	18.4	20.6	9.8	10.2	17.6	6.9	40.0
ROE (x)	FY2014 15.9	-7.2	18.2	17.6	2.7	15.5	7.9	28.3	0.9	10.3
	FY2015 6.6	-3.8	9.7	9.5	6.2	41.2	10.4	28.2	3.2	19.4
	FY2016 5.9	-2.5	1.5	10.1	4.9	39.7	15.4	34.0	1.1	26.7
	FY2017 6.9	-2.3	7.0	9.2	9.1	44.9	17.8	31.6	3.9	41.7
Yield (%)	FY2014 11.2	0.0	5.7	4.9	0.0	0.6	0.7	3.2	11.8	3.6
	FY2015 5.1	0.0	7.5	5.9	0.0	1.3	0.7	4.7	15.4	3.9
	FY2016 3.9	0.0	1.8	2.9	0.3	1.6	1.1	5.2	0.0	4.7
	FY2017 4.4	0.0	2.4	2.9	1.0	2.9	1.7	5.5	0.0	5.1
EV/EBITDA (x)	FY2014 3.5	-20.7	3.0	1.8	13.5	25.8	16.8	21.6	11.4	22.6
	FY2015 7.5	-1.0	3.4	2.5	12.8	7.2	13.1	12.1	9.8	22.0
	FY2016 8.4	-4.3	6.9	2.6	11.6	5.7	6.5	11.5	9.7	20.5
	FY2017 7.2	-13.2	5.1	2.4	8.3	4.1	4.6	9.5	7.3	19.1

FIG.13: QUANT STRATEGY MODEL PORTFOLIO PART 2 (THOMSON/IBES ESTIMATES)

Code		TCL	AGI	IPH	MTR	VRL	EVT	ICQ	CSL	RHC	RMD
Share Price (\$)		10.84	2.02	5.76	3.52	5.25	14.54	0.30	102.98	72.45	8.40
Issued Shares (mn)		2,043	328	191	297	162	159	304	456	202	1,409
Market Capital (\$mn)		22,143	662	1,098	1,046	848	2,308	91	46,951	14,641	11,835
Price Target (\$)		11.91	2.67	7.20	3.89	5.83	16.36	0.50	113.34	79.64	9.86
Exp. 12-Mth Tot. Ret. (%)		14.07	37.24	29.06	13.49	16.41	16.39	66.67	11.64	11.58	19.25
Rating		BUY	HOLD	BUY	BUY	BUY	BUY	HOLD	HOLD	BUY	BUY
EBITDA (\$mn)	FY2014	765.4	95.7	N/A	61.4	172.9	177.1	-12.8	2026.0	729.0	526.5
	FY2015	1033.7	75.7	38.5	74.3	159.6	225.4	-11.9	2686.8	1091.8	680.0
	FY2016	1373.9	94.3	66.9	89.0	166.3	264.5	-14.8	2377.2	1254.3	710.2
	FY2017	1596.5	107.1	73.6	105.2	187.0	279.4	-10.3	2559.1	1372.1	788.0
NPAT (\$mn)	FY2014	175.6	68.5	N/A	28.7	60.2	80.4	-13.9	1433.2	335.2	372.9
	FY2015	158.2	56.9	28.0	38.1	47.9	98.3	-12.9	1909.7	409.4	481.7
	FY2016	247.9	53.0	49.3	45.1	53.1	134.4	-14.9	1621.1	474.0	487.9
	FY2017	344.8	59.7	54.2	54.0	57.1	136.2	-10.9	1658.8	532.1	523.6
EPS (c)	FY2014	13.4	21.2	N/A	11.7	37.1	50.3	-7.2	297.2	163.0	25.9
	FY2015	8.1	17.1	17.7	14.5	29.6	61.8	-5.6	404.9	200.8	33.9
	FY2016	12.4	16.1	27.7	16.4	32.7	83.0	-5.5	349.3	231.5	34.9
	FY2017	17.2	18.2	28.5	18.1	35.4	83.9	-3.9	364.6	260.5	37.5
EPS Growth (%)	FY2014	42.0	42.6	N/A	N/A	1.7	-6.6	-80.6	9.9	20.5	7.8
	FY2015	-40.1	-19.1	N/A	23.8	-20.2	22.8	23.2	36.2	23.2	30.7
	FY2016	54.0	-6.4	56.4	13.1	10.5	34.4	0.9	-13.7	15.3	3.0
	FY2017	38.7	13.4	3.0	10.2	8.1	1.1	29.1	4.4	12.5	7.3
DPS (c)	FY2014	34.6	10.7	N/A	0.0	45.5	42.4	0.0	121.3	82.5	11.0
	FY2015	39.8	10.2	11.7	10.6	27.4	46.6	0.0	164.4	103.5	15.5
	FY2016	45.5	10.3	23.1	10.4	27.8	56.0	0.0	162.7	119.7	16.0
	FY2017	50.6	11.1	24.0	12.3	28.8	54.9	0.0	175.0	141.3	18.8
PB (x)	FY2014	3.8	2.6	N/A	3.4	1.7	2.7	1.6	14.5	9.0	6.4
	FY2015	4.4	2.4	23.7	2.9	2.1	2.7	1.8	12.0	8.2	5.7
	FY2016	6.0	2.1	5.2	2.3	2.0	2.4	2.3	13.0	7.3	5.4
	FY2017	6.8	1.9	4.6	2.2	2.2	2.3	2.4	12.6	6.6	1.9
PE (x)	FY2014	80.6	9.5	N/A	30.0	14.1	28.9	-4.2	34.6	44.4	32.4
	FY2015	134.6	11.8	32.5	24.2	17.7	23.5	-5.4	25.4	36.1	24.8
	FY2016	87.4	12.6	20.8	21.4	16.0	17.5	-5.5	29.5	31.3	24.1
	FY2017	63.0	11.1	20.2	19.4	14.8	17.3	-7.7	28.2	27.8	22.4
ROE (x)	FY2014	5.4	30.6	N/A	14.7	11.2	8.8	-47.5	43.8	21.4	20.8
	FY2015	2.9	22.0	161.3	13.1	9.4	10.4	-33.6	46.4	23.4	21.2
	FY2016	1.8	17.1	32.8	11.7	9.8	13.5	-40.0	45.1	24.8	22.2
	FY2017	2.8	17.7	23.2	11.4	12.0	13.1	-34.2	46.9	25.4	21.5
Yield (%)	FY2014	3.2	5.3	N/A	0.0	8.7	2.9	0.0	1.2	1.1	1.3
	FY2015	3.7	5.1	2.0	3.0	5.2	3.2	0.0	1.6	1.4	1.8
	FY2016	4.2	5.1	4.0	3.0	5.3	3.9	0.0	1.6	1.7	1.9
	FY2017	4.7	5.5	4.2	3.5	5.5	3.8	0.0	1.7	2.0	2.2
EV/EBITDA (x)	FY2014	36.6	6.9	N/A	18.5	7.0	13.0	-6.7	23.8	21.7	21.4
	FY2015	30.3	8.6	28.7	15.0	7.8	10.5	-7.1	18.3	15.8	16.3
	FY2016	24.5	7.6	16.1	12.0	7.9	8.8	-5.6	21.0	14.0	17.3
	FY2017	21.6	6.6	14.5	10.6	7.5	8.3	-7.9	19.9	12.8	15.4

FIG.14: QUANT STRATEGY MODEL PORTFOLIO PART 3 (THOMSON/IBES ESTIMATES)

Code	MVP	ANZ	NAB	IMF	ALU	HSN	IFM	TPM	VOC	SDA
Share Price (\$)	5.05	28.52	27.80	1.83	7.93	4.13	0.78	7.45	5.89	3.93
Issued Shares (mn)	59	2,927	2,657	171	130	182	310	848	620	142
Market Capital (\$mn)	297	83,492	73,864	313	1,033	750	240	6,321	3,652	560
Price Target (\$)	6.85	27.91	28.56	2.05	9.16	4.31	0.81	10.49	8.56	4.75
Exp. 12-Mth Tot. Ret. (%)	36.18	3.47	9.68	15.66	17.94	6.07	8.55	42.82	48.14	23.54
Rating	BUY	BUY	HOLD	BUY	HOLD	BUY	BUY	HOLD	HOLD	BUY
EBITDA (\$mn)	FY2014 1.0	9726.0	8577.5	23.9	21.2	23.2	24.2	354.3	31.8	25.4
	FY2015 2.1	10036.4	9205.2	3.7	32.4	30.6	26.6	482.4	51.9	40.6
	FY2016 3.4	8783.0	9079.8	35.7	32.9	44.5	22.9	780.3	232.3	54.9
	FY2017 6.8	9978.4	9284.5	37.9	45.4	50.1	24.8	836.2	461.4	71.6
NPAT (\$mn)	FY2014 0.8	7043.0	5320.1	17.0	14.4	14.2	11.6	178.0	13.4	13.3
	FY2015 1.2	7307.9	6322.4	5.9	22.6	18.1	13.9	234.7	19.8	20.6
	FY2016 2.0	6215.1	6416.2	26.3	28.2	26.3	10.6	345.9	109.2	27.0
	FY2017 4.1	7142.4	6538.9	28.4	37.9	29.9	12.3	389.1	228.1	36.6
EPS (c)	FY2014 1.3	254.8	220.2	10.3	12.8	9.0	3.8	22.4	15.5	11.1
	FY2015 2.1	259.8	251.6	3.6	17.7	11.0	4.5	29.8	17.9	17.8
	FY2016 3.5	207.3	238.2	15.7	22.4	14.5	3.4	41.4	29.9	20.9
	FY2017 7.2	235.2	238.2	16.6	29.5	16.4	4.0	45.8	38.5	26.4
EPS Growth (%)	FY2014 N/A	10.6	-10.7	-19.2	N/A	54.3	26.7	25.3	48.7	N/A
	FY2015 61.5	2.0	14.3	-65.5	38.3	22.3	17.8	32.8	15.7	60.4
	FY2016 66.7	-20.2	-5.3	339.3	26.6	32.4	-23.5	39.1	66.7	17.3
	FY2017 105.7	13.5	0.0	6.0	31.6	13.1	16.8	10.5	28.8	26.6
DPS (c)	FY2014 1.1	177.0	196.1	8.8	13.2	6.0	3.9	9.1	1.8	3.4
	FY2015 1.7	180.7	197.1	10.1	18.3	6.4	4.1	12.0	6.7	8.4
	FY2016 2.7	160.1	193.7	6.7	19.5	6.8	2.9	15.5	16.3	10.1
	FY2017 5.2	161.1	185.4	9.2	22.4	6.9	3.0	16.2	20.2	12.8
PB (x)	FY2014 16.8	1.6	1.5	1.6	125.9	10.5	6.0	7.2	4.5	10.3
	FY2015 16.8	1.5	1.4	1.6	15.0	7.7	5.5	6.1	3.1	11.4
	FY2016 14.8	1.4	1.5	1.5	6.6	9.2	5.4	3.7	1.0	5.9
	FY2017 12.9	1.4	1.5	1.5	6.0	6.7	5.0	3.2	1.0	5.5
PE (x)	FY2014 388.5	11.2	12.6	17.7	61.9	46.1	20.4	33.2	38.0	35.4
	FY2015 240.5	11.0	11.0	51.3	44.7	37.7	17.3	25.0	32.8	22.1
	FY2016 144.3	13.8	11.7	11.7	35.3	28.5	22.6	18.0	19.7	18.8
	FY2017 70.1	12.1	11.7	11.0	26.9	25.2	19.4	16.3	15.3	14.9
ROE (x)	FY2014 5.0	15.5	12.5	9.8	199.2	22.9	29.5	22.8	12.6	31.5
	FY2015 7.8	14.2	13.5	7.0	50.0	23.3	32.1	25.7	7.8	43.0
	FY2016 10.4	11.0	13.2	13.1	18.5	21.2	24.3	26.3	11.4	43.0
	FY2017 14.8	12.1	13.2	13.2	22.2	21.2	25.7	20.3	6.3	37.8
Yield (%)	FY2014 0.2	6.2	7.1	4.8	1.7	1.5	5.0	1.2	0.3	0.9
	FY2015 0.3	6.3	7.1	5.5	2.3	1.5	5.2	1.6	1.1	2.1
	FY2016 0.5	5.6	7.0	3.6	2.5	1.6	3.8	2.1	2.8	2.6
	FY2017 1.0	5.6	6.7	5.0	2.8	1.7	3.9	2.2	3.4	3.3
EV/EBITDA (x)	FY2014 298.2	N/A	N/A	9.1	49.0	32.0	9.5	18.8	115.5	23.7
	FY2015 141.9	N/A	N/A	65.6	30.5	24.7	8.5	13.5	72.1	16.7
	FY2016 88.3	N/A	N/A	6.8	30.3	16.2	10.1	9.8	18.6	13.2
	FY2017 46.0	N/A	N/A	7.0	21.9	14.6	9.5	9.0	9.6	9.9

This document has been prepared and issued by:

Baillieu Holst Ltd

ABN 74 006 519 393

Australian Financial Service Licence No. 245421

Participant of ASX Group

Participant of NSX Ltd

Analysts' stock ratings are defined as follows:

Buy: The stock's total return is expected to increase by at least 10-15 percent from the current share price over the next 12 months.

Hold: The stock's total return is expected to trade within a range of \pm 10-15 percent from the current share price over the next 12 months.

Sell: The stock's total return is expected to decrease by at least 10-15 percent from the current share price over the next 12 months.

Disclosure of potential interest and disclaimer:

Baillieu Holst Ltd (Baillieu Holst) and/or its associates may receive commissions, calculated at normal client rates, from transactions involving securities of the companies mentioned herein and may hold interests in securities of the companies mentioned herein from time to time. Your adviser will earn a commission of up to 55% of any brokerage resulting from any transactions you may undertake as a result of this advice.

When we provide advice to you, it is based on the information you have provided to us about your personal circumstances, financial objectives and needs. If you wish to rely on our advice, it is important that you inform us of any changes to your personal investment needs, objectives and financial circumstances.

If you do not provide us with the relevant information (including updated information) regarding your investment needs, objectives and financial circumstances, our advice may be based on inaccurate information, and you will need to consider whether the advice is suitable to you given your personal investment needs, objectives and financial circumstances. Please do not hesitate to contact our offices if you need to update your information held with us. Please be assured that we keep your information strictly confidential.

No representation, warranty or undertaking is given or made in relation to the accuracy of information contained in this advice, such advice being based solely on public information which has not been verified by Baillieu Holst Ltd.

Save for any statutory liability that cannot be excluded, Baillieu Holst Ltd and its employees and agents shall not be liable (whether in negligence or otherwise) for any error or inaccuracy in, or omission from, this advice or any resulting loss suffered by the recipient or any other person.

Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment at its original date of publication and are subject to change without notice. The price, value of and income from any of the securities or financial instruments mentioned in this report can fall as well as rise. The value of securities and financial instruments is subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities or financial instruments.

Baillieu Holst Ltd assumes no obligation to update this advice or correct any inaccuracy which may become apparent after it is given.

Baillieu Holst Ltd

ABN 74 006 519 393

Australian Financial Service Licence No. 245421

Participant of ASX Group

Participant of NSX Ltd

www.baillieuholst.com.au

Melbourne (Head Office)

Address Level 26, 360 Collins Street

Melbourne, VIC 3000 Australia

Postal PO Box 48, Collins Street West

Melbourne, VIC 8007 Australia

Phone +61 3 9602 9222

Facsimile +61 3 9602 2350

Email melbourne@baillieuholst.com.au

Adelaide Office

Address Ground Floor, 226 Greenhill Road,

Eastwood SA 5063

Postal PO Box 171

Fullarton SA 5063

Phone +61 8 7074 8400

Facsimile +61 8 8362 3942

Email adelaide@baillieuholst.com.au

Bendigo Office

Address Level 1, 10-16 Forest Street

Bendigo, VIC 3550

Postal PO Box 84

Bendigo, VIC 3552

Phone +61 3 4433 3400

Facsimile +61 3 4433 3400

Email bendigo@baillieuholst.com.au

Geelong Office

Address 16 Aberdeen Street

Geelong West Vic 3218

Postal PO Box 364

Geelong Vic 3220 Australia

Phone +61 3 5229 4637

Facsimile +61 3 4229 4142

Email geelong@baillieuholst.com.au

Gold Coast Office

Address Suite 202 Level 2, Eastside Building

6 Waterfront Place, Robina QLD 4226

Phone +61 7 5628 2670

Facsimile +61 7 5677 0258

Email goldcoast@baillieuholst.com.au

Newcastle Office

Address Level 1, 120 Darby Street

Cooks Hill, NSW 2300 Australia

Postal PO Box 111

The Junction, NSW 2291 Australia

Phone +61 2 4037 3500

Facsimile +61 2 4037 3511

Email newcastle@baillieuholst.com.au

Perth Office

Address Level 10, 191 St Georges Terrace

Perth WA 6000 Australia

Postal PO Box 7662, Cloisters Square

Perth, WA 6850 Australia

Phone +61 8 6141 9450

Facsimile +61 8 6141 9499

Email perth@baillieuholst.com.au

Sydney Office

Address Level 18, 1 Alfred Street

Sydney, NSW 2000 Australia

Postal PO Box R1797

Royal Exchange, NSW 1225 Australia

Phone +61 2 9250 8900

Facsimile +61 2 9247 4092

Email sydney@baillieuholst.com.au