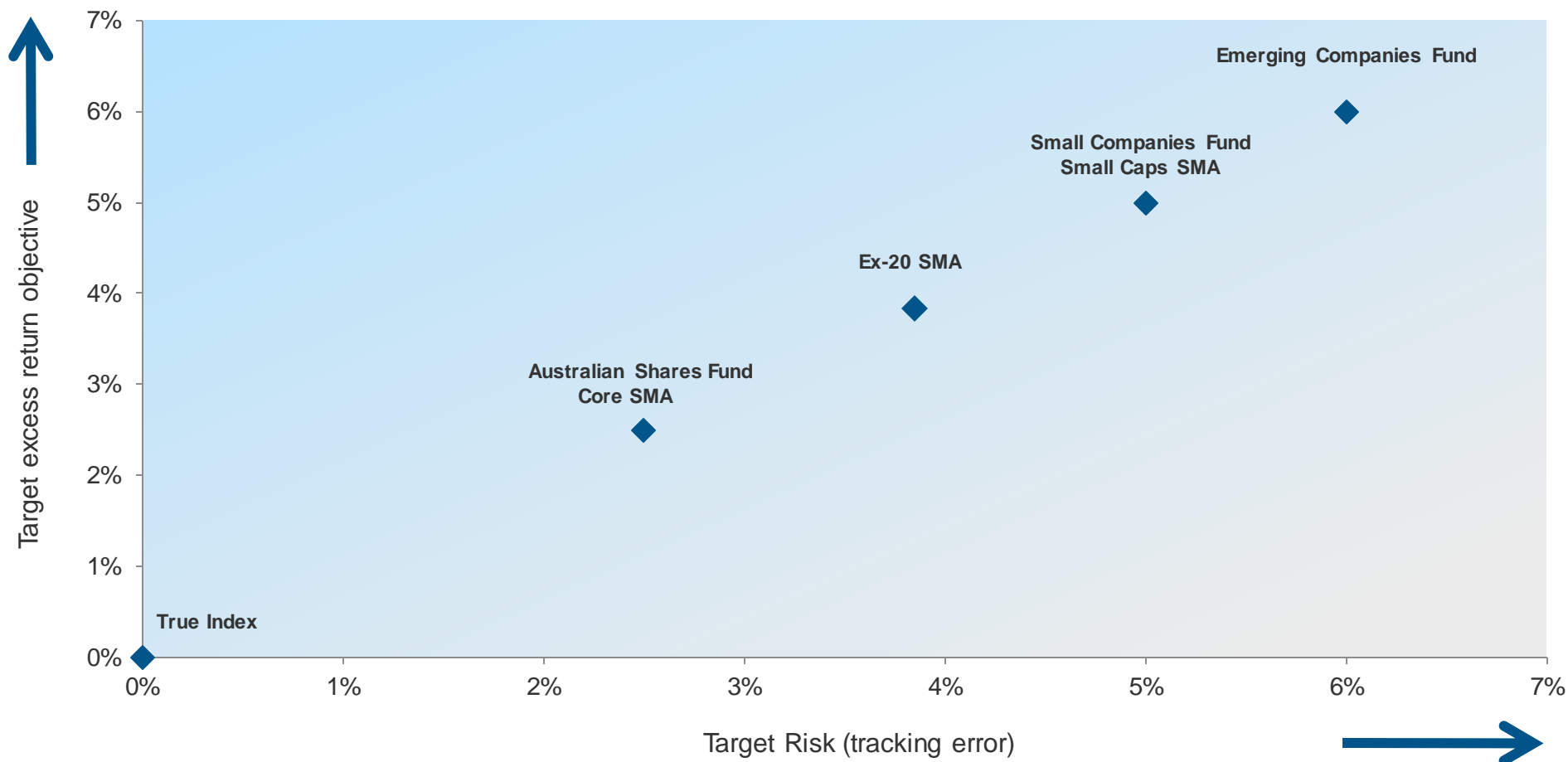


# Investment strategies

## Generating alpha in Australian equities



# Our systematic approach

Ultimately, we look for 3 key features of stocks...

**1**  
**Quality**

Does the company have a strong business model with sustainable earnings?

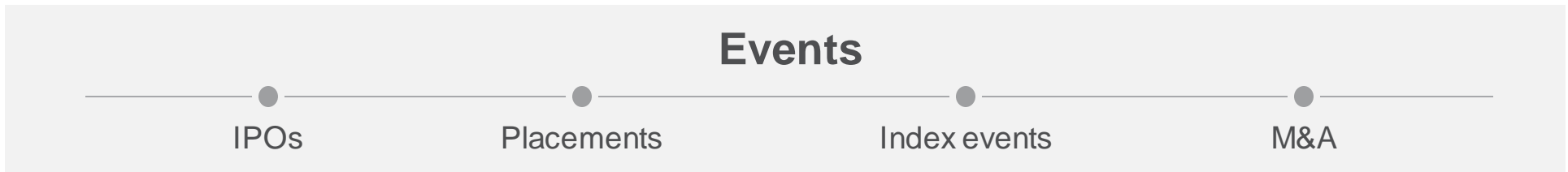
**2**  
**Sentiment**

Is there evidence of positive trending behaviour that is likely to continue?

**3**  
**Value**

Is it good value given its characteristics vs. peers and its own history?

whilst also seeking alpha from opportunistic events

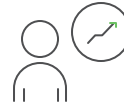


Utilising a robust data-driven approach to identify attractive stock characteristics

# Our systematic approach

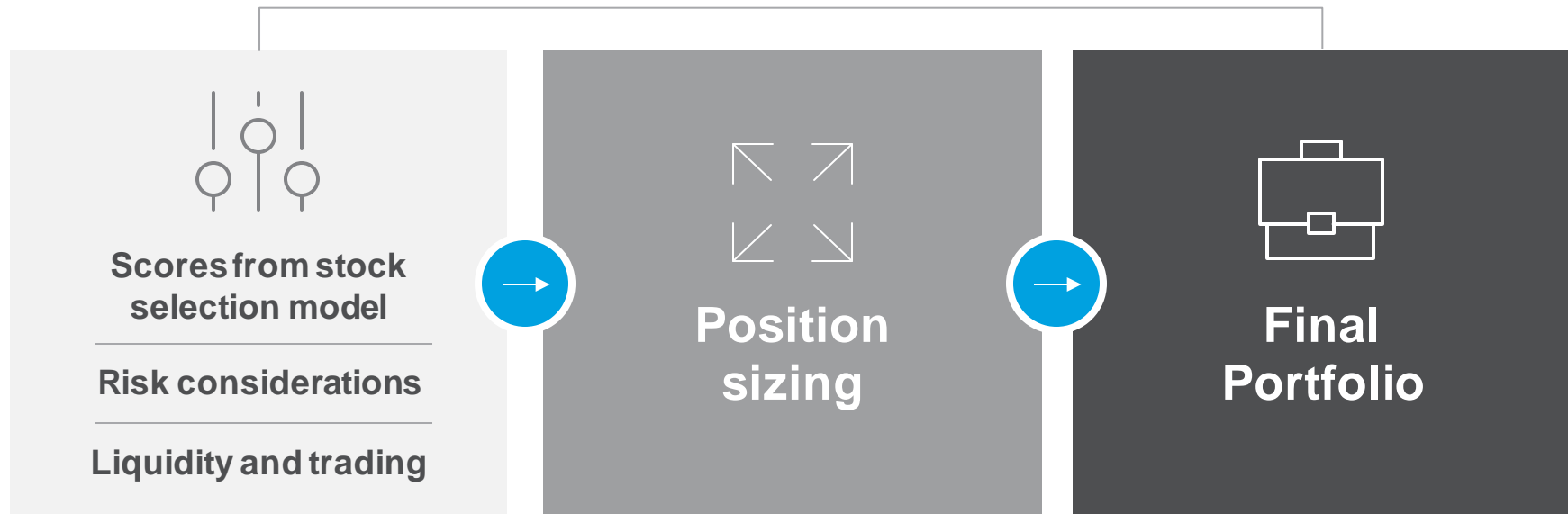
...all through the lens of an experienced Portfolio Manager

Portfolio construction process:



## Portfolio Manager Overlay

Provides a sense check to the investment process  
Ensures 'real world' considerations are accounted for



A smart approach to investing, combining scientific rigor with human judgement

# Process in action

## IDP Education (ASX: IEL) – Student placement and language testing

### Drivers of IEL positioning

1

#### Sentiment

Positive earnings momentum, driven by structural demand for education

2

#### Quality

Increased regional diversity. Capital light business model, drives strong ROE

3

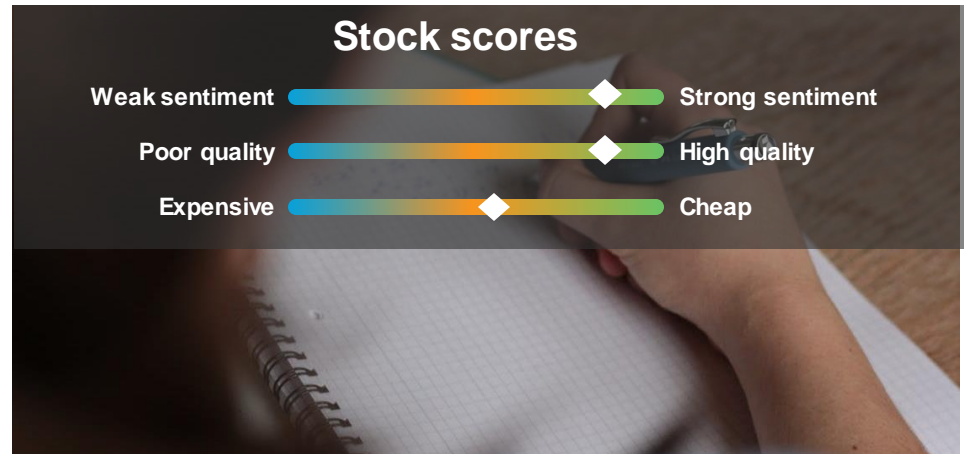
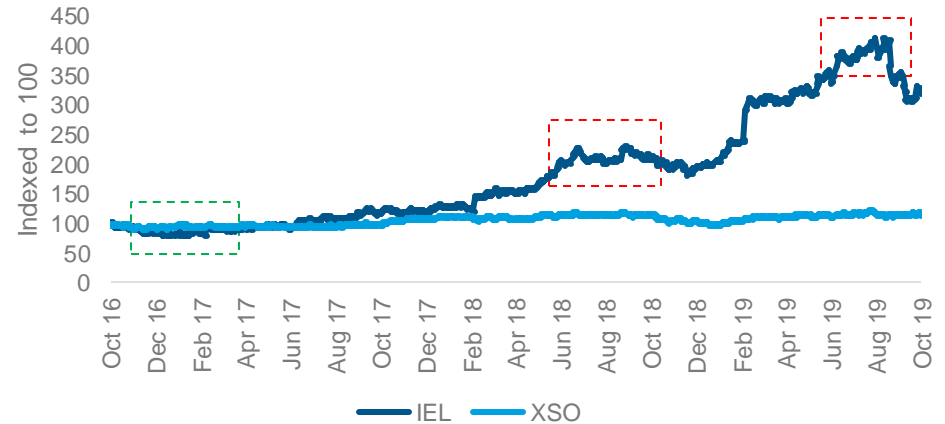
#### Value

Less compelling, but still reasonable relative to growth peers

Indicative trades relate to Macquarie Small Companies SMA Model Portfolio. Past performance is not a reliable indicator of future performance. In no circumstances is this information to be used by a potential investor for the purpose of making a decision about a financial product or class of products. This information, should not be considered as a recommendation in relation to holding, purchasing or selling securities or other instruments. While due care has been used in the preparation of the information, actual results may vary in a materially positive or negative manner.

FOR LICENSED ADVISER USE ONLY  
NOT FOR DISTRIBUTION TO RETAIL INVESTORS

IEL share price vs Small Ordinaries Index (XSO) Added Trimmed



**Strong quality and sentiment = Overweight**