

Amundi

ASSET MANAGEMENT

Amundi Asset Management (previously Credit Agricole Asset Management)

- Manages **global multi-sector bonds** for MLC, since 2010.
- Manages \$934billion, across the world, as at 30 June 2011
- Amundi was formed by combining the asset management expertise of two major financial institutions: Crédit Agricole S.A. and Société Générale.
- The Global Fixed Income Team is based in Singapore and London.
- Amundi has been managing Global Fixed Income since 1965.

The corporate culture is deeply influenced by its agricultural roots as the Credit Agricole group was founded by farmers one century ago. Long-term commitment to grow the best teams and products, all-weather value creation are the cornerstone of the company.

Why MLC has chosen Amundi

The team's pragmatic approach to generating investment ideas served them well during the extreme market conditions of recent years. They also bring a different perspective being based outside of the US. Amundi's distinctive investment approach complements our other multi-sector bond managers very well.

Primary people responsible for MLC's mandate



Philippe Jauer
CIO– Amundi Singapore



Patrick Chia
Head of Global Fixed Income, Asia -
Amundi Singapore

Philosophy on investing

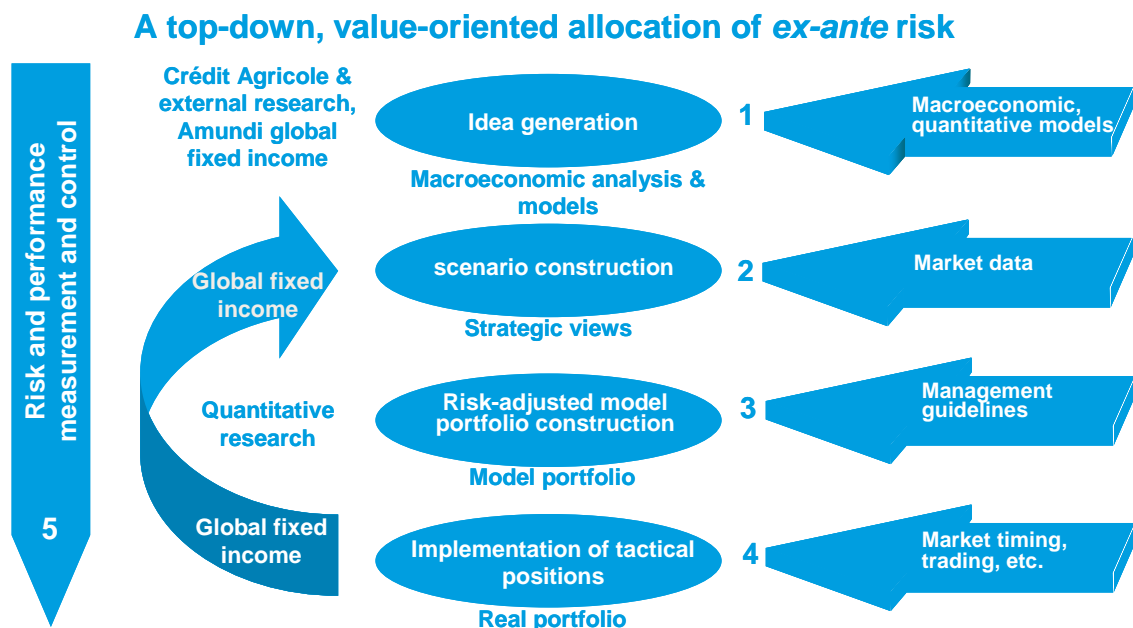
Amundi's investment process is based on a rigorous global top-down approach consisting of allocating the portfolio active risk proportionally across several normally low-correlated sources of added value. The key factors to generating strong risk-adjusted out-performance include:

- accuracy and as importantly, statistical consistency of market views;
- broad diversification between assets, strategies, managers and instruments, with a clear-cut split between long-term statistical (market) diversification and short-term objective (managers) diversification;
- focus on portfolio construction based upon an overlay of separate risk allocations;
- balanced mix between active relative value (long/short) management and pure market directional anticipation;
- systematic quantification and continuous monitoring of all contributors to risk and performance.

Investment process

Amundi have a five-step risk (and not asset) allocation process based on the quantification, allocation and monitoring of active risk budgets (relative to a benchmark) with a proven ability to control the risk contribution and diversification effect of their positions across government bonds, corporate and emerging credit and currencies. The five steps of this process are as follows:

1. Relying upon Crédit Agricole S.A.'s macro-economic research and various external (consultants, sell-side) economic research, the investment team puts together a consistent macro-economic scenario;
2. The seven architects (two operating out of Singapore) then determine a set of qualitative strategic views on bond, credit and currency markets. They assess the expected value of the asset classes (as well as their value relative to each others) based upon macro-economic quantitative (valuation) and market considerations (flows). These views are validated by the Deputy CIO of Amundi London, and reviewed on an ad-hoc basis;
3. Using proprietary optimizers, these views are translated into quantitative market forecasts, which are in turn reconciled with MLC's investment constraints so as to produce model portfolios with a risk budget (in point of *ex-ante* Tracking-Error) assigned to each strategy;
4. The final portfolios consist in adding a tactical overlay to the model portfolios and in adjusting to additional specific constraints;
5. A systematic monitoring of sources of risk & value is conducted at each step of the process. The Front Office risk monitoring tool enables the portfolio managers to check all risk aggregates and allocations on an instant-update basis.



Source: Amundi London Branch

Amundi believes the following points make its Global Fixed Income & Currency investment process unique and make it stand out from its competitors:

- Proven investment process first developed in 1999;
- A close-knit team of investment professionals;
- Distinctive active management style based on diversification and risk allocation;
- Proprietary state-of-the-art risk monitoring tools.

The key decision makers of the investment team are the 7 architects. The “architects” meet on an ad-hoc basis to determine the team’s strategic and tactical views on the main global, corporate and emerging bond, equity and currency markets. The Deputy CIO retains the final validation decision making power on team views. The Head of Global Fixed Income, Absolute Return and Currency Management is responsible for proposing and formulating views.

The “Architects Committee” based in London and Singapore consists of 7 Members:

- **Laurent Crosnier**, CEO and CIO of Amundi London
- **Markus Krygier**, Deputy CIO of Amundi London
- **Cédric Morisseau**, Head of Global Fixed Income, Absolute Return & Currency Management of Amundi London
- **Merrick Styles**, Head of Absolute Return, Amundi London
- **Christopher Morris**, Senior Portfolio Manager, Amundi London
- **Philippe Jauer**, CIO of Amundi Singapore
- **Patrick Chia**, Head of Global Fixed Income, Asia of Amundi Singapore

Biographies for the Architects Committee

* previously Crédit Agricole Asset Management (CAAM)

Laurent Crosnier, CFA, CEO and CIO – Amundi London Branch

Laurent Crosnier began his career in investment in 1989 as a futures trader at ODDO, a European investment banking boutique. He joined Amundi* in 1991 as a Euro Fixed Income manager, specialising in Euro Corporate management from 1997. He became Head of Euro Inflation, Duration & Credit in 2006 and overall Head of Euro Fixed Income & Credit (including Money Markets & Absolute Return) in February 2008.

Laurent holds a BA in Economics and a Post Graduate degree in Economics and Finance from the University of Paris (Dauphine), and received his CFA charter in 2001.

Markus Krygier, Deputy CIO – Amundi London Branch

Markus Krygier re-joined Amundi* in 2007 as a Global Fixed Income & Currency manager within the Global Fixed Income & Currency team. Prior to joining the company he worked as a Managing Director, Chief Debt Strategist & Global Head of FX Strategy at Dresdner Kleinwort (2004-2007), as an Economist in the International Capital Markets Department at the International Monetary Fund (2003-2004), as Head of Strategy at Amundi (2000-2003), as an Emerging Market Economist & Strategist (1999-2000), as a Financial Market Economist (1997-1999) at West Merchant Bank (WestLB Group) and as a Bond Analyst at WestLB Research (1996-1997).

Markus holds a PhD in Economics from Wayne State University, Detroit (1998) and the Advanced Studies Certificate in International Economics from the Kiel Institute of World Economics (1990).

Cédric Morisseau, Head of Global Fixed Income, Absolute Return & Currency Management – Amundi London Branch

Cédric Morisseau began his investment career in 1994 with Amundi*. After working three years as an assistant fixed income manager, he became a Global Fixed Income portfolio manager in 1997. He was promoted Deputy Head of Global Fixed Income & Currency Management in May 2006 and subsequently to Head of Global Fixed Income, Absolute Return & Currency in September 2010.

Cédric holds a Bachelors degree in Management and a Masters Degree in Political Science from the University of Paris II.

Philippe Jauer, CIO– Amundi Singapore

Philippe Jauer joined Amundi* London Branch in November 2004 as a Global Fixed Income & Currency portfolio manager. In the beginning of 2006, he was also appointed Head of Treasury management. In 2008, he joined the Global Fixed Income & Currency team in Amundi* Singapore as CIO Global Fixed Income & FOREX Asia.

Philippe Jauer started his career in 1990 as a Fixed Income & Derivatives Trader at Caisse des Dépôts & Consignations (1990 – 1992). In 1992, he joined Credit Suisse First Boston as a Treasurer (1992 – 1993). In 1993, he joined Elf Aquitaine as Head of the proprietary fixed income portfolio (1993 – 1996). In 1996, he moved to Calyon, first as Head of Interest Rate Structured Products Portfolio (1996/97), then as a Proprietary Trader on Interest Rate and Credit (1997/2001) based in New York, and finally as Head of Group Treasury Department (35 staff) for Banque Al Saudi Fransi in Saudi Arabia, a subsidiary of Calyon (2001/2004).

Philippe holds a Post Graduate degree in International Finance from Panthéon - La Sorbonne University (Paris) and a DPS in Financial Analysis from CNAM.

Patrick Chia – Head of Global Fixed Income, Asia - Amundi Singapore

Patrick Chia joined Amundi* Singapore in January 2001, bringing with him years of financial investment experience. He began his career as a foreign exchange trader with Standard Chartered Bank and later joined the Monetary Authority of Singapore (MAS) as an investment manager handling its US Treasuries portfolio. In 1992, Patrick joined OCBC Asset Management as a proprietary trader in global bonds and subsequently took charge of the bond team. Patrick joined DBS Asset Management in 1999, where he headed the global bond investment team. He has managed bond unit trusts in Singapore over the last 12 years which have consistently given good performance, namely, the OCBC Global Savers Bond Fund, the DBS Income Fund and the DBS Dynamic Bond Fund.

Patrick graduated from National University of Singapore in 1987 and holds an Honours degree in economics and has an MBA from Heriot Watt University.

Merrick Styles – Head of Absolute Return

Merrick Styles joined Amundi London Branch in October 2005 as a quantitative portfolio manager with particular expertise in currency markets. He has previously managed all the Amundi London currency portfolios, unfunded overlays and some global macro mandates. He is currently Head of Absolute Return, managing the flagship VaR funds.

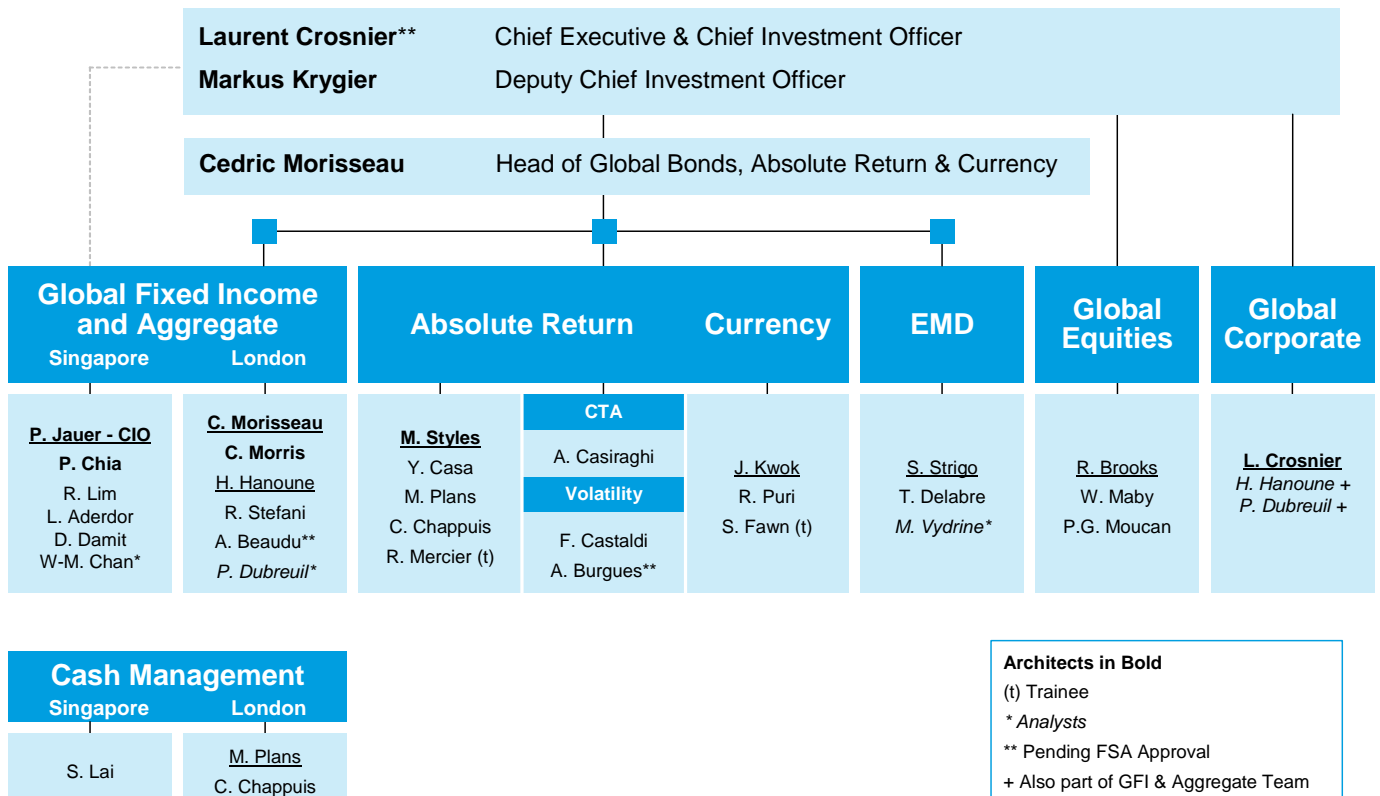
Merrick holds a BEng in Mechanical Engineering (University of Southampton), an Engineering Doctorate in Automotive Engineering (Cranfield University) and a MSc in Investment Management (CASS Business School).

Chris Morris – Senior Portfolio Manager

Chris Morris joined Amundi London Branch in October 2010 after having worked for 18 years at the International Monetary Fund. As a representative of the IMF's Monetary and Capital Markets Department, Christopher was a key contributor to the IMF Global Financial Stability Report and has headed the IMF's London Representative Office since 2004.

Mr. Morris graduated from the London School of Economics and has a masters degree in economics from George Washington University in Washington D.C.. He is a qualified accountant.

The organisation chart of the team:



Investment Idea – Bearish view on Euro

The investment team implemented across the whole 2010 a bullish view on the US dollar relative to the Euro based on purchasing power parity. The short position was adjusted across 2010 as the USD fluctuated: the position was reduced when the greenback traded below 1.28/1.25 (vs. EUR) last May.

Early 2011, as a pan-EMU refinancing vehicle was finalised, the investment team decided to keep the short Euro but to re-deploy it against a basket of European currencies (GBP, NOK, SEK). The latter significantly lagged the Single currency in 2010. The move contributed positively to the performance as European currencies outperformed the Euro. In the meantime, the USD lost ground against all major currencies.

This stock may no longer be included in Amundi's portfolio as their view may have changed since this document was prepared.

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