

## Maple-Brown Abbott Ltd

- Manages **Australian shares** for MLC, since 1992.
- Manages \$12 billion, across the company, as at 30 September 2008.
- Managed money with the same investment philosophy since 1984.
- Entirely owned by founders and staff.

Maple-Brown Abbott has a well defined value style. The investment approach is long term and often contrarian in nature.

## Why has MLC chosen Maple-Brown Abbott?

MLC appointed Maple-Brown Abbott to manage Australian shares because of the impressive scale and experience of the investment team and their disciplined application of a well defined, value oriented investment philosophy. Their value-based style and investment management approach complements the broader MLC Australian Share strategy. The high conviction portfolio run by Maple-Brown Abbott for MLC is built from the bottom-up and will typically hold around 30 stocks.



**John Kightley**  
Managing Director &  
Portfolio Manager

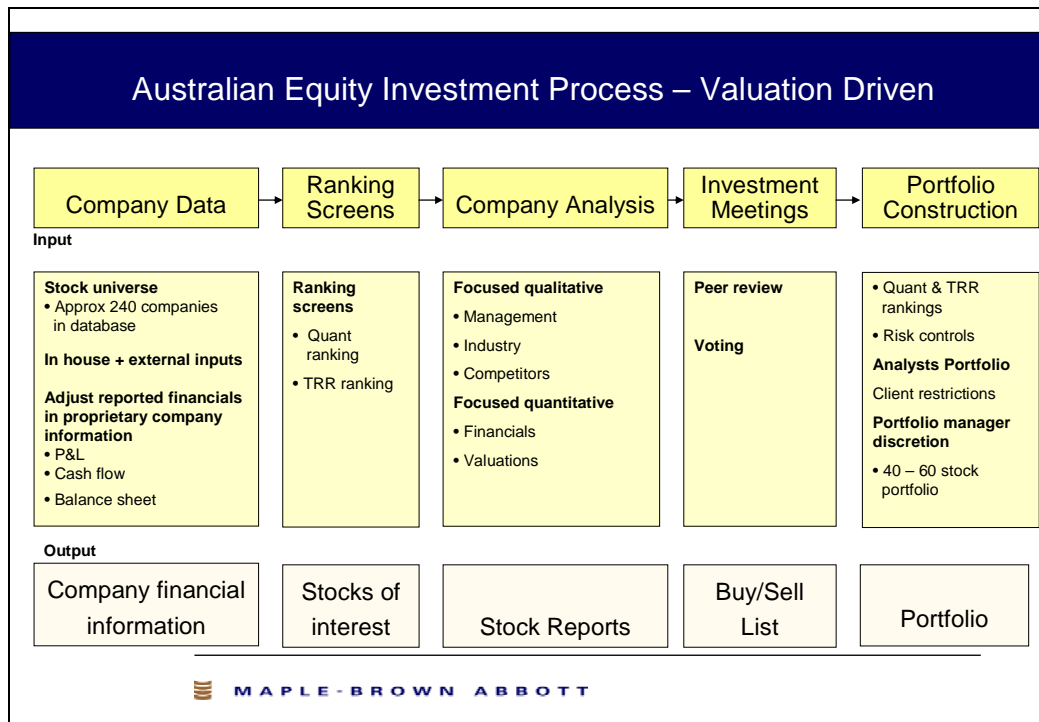
## Philosophy on investing

Maple-Brown Abbott use a value-oriented investment style to identify quality undervalued Australian companies. Value is assessed and defined according to a number of criteria, including Price to Earnings, Price to Cash Flow, grossed-up dividend yield, and measures of balance sheet strength. Maple-Brown Abbott also assesses value on a long-term basis, and will often therefore be contrarian to other managers, purchasing stocks that are out of favour in the market, and holding them for the medium to long-term until their value is recognised.

## Investment process

Maple-Brown Abbott use their valuation assessment in conjunction with a quantitative screen to rank approximately 240 companies. This screen is used to confirm the appropriateness of the current stock selection as well as highlighting stocks that may deserve more focussed analysis. However, Maple-Brown Abbott does not automatically buy stocks that are ranked cheaply. The firm's process incorporates a qualitative assessment of companies. This includes an appraisal of management quality, the strength of the company within its industry, financial risk, etc.

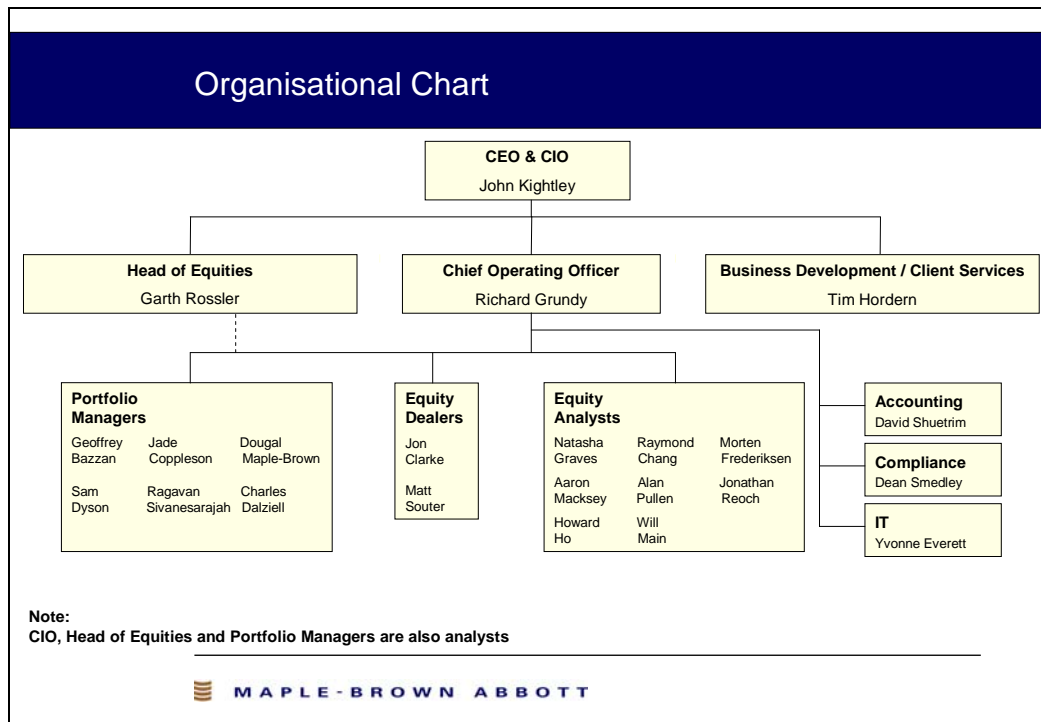
The quantitative screen requires the analysts to focus on generating the required statistical inputs. Internal accounting guidelines are applied to ensure there is consistency of analysis and comparable results.



Analyst responsibilities are split on a sector basis. Research meetings are conducted regularly and can be convened at short notice to review issues of portfolio significance. These meetings, attended by investment staff, are intended to provide a vigorous review of the research reports and recommendations from the analysts. A daily meeting is held to review market developments and activity in stocks that are held (eg. profit announcements). The ultimate stock selection and portfolio management responsibility for the MLC Australian share portfolio lies with John Kightley.

### Investment people

**John Kightley** manages the MLC Australian share portfolio on behalf of Maple-Brown Abbott. John has over 25 years industry experience and has been a member of the Maple-Brown Abbott senior investment team since 1994. John holds a Master of Philosophy degree and is also a CFA charterholder.



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