

Maple-Brown Abbott Ltd

- Manages **Australian shares** for MLC, since 1992.
- Manages \$ 12 billion, across the company, as at 30 June 2011.
- Managed money with the same investment philosophy since 1984.
- Entirely owned by founders, directors 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 portfolio run by Maple-Brown Abbott for MLC is built from the bottom-up and will typically hold around 40 stocks.



Dougal Maple-Brown
Executive Director &
Portfolio Manager

Philosophy on investing

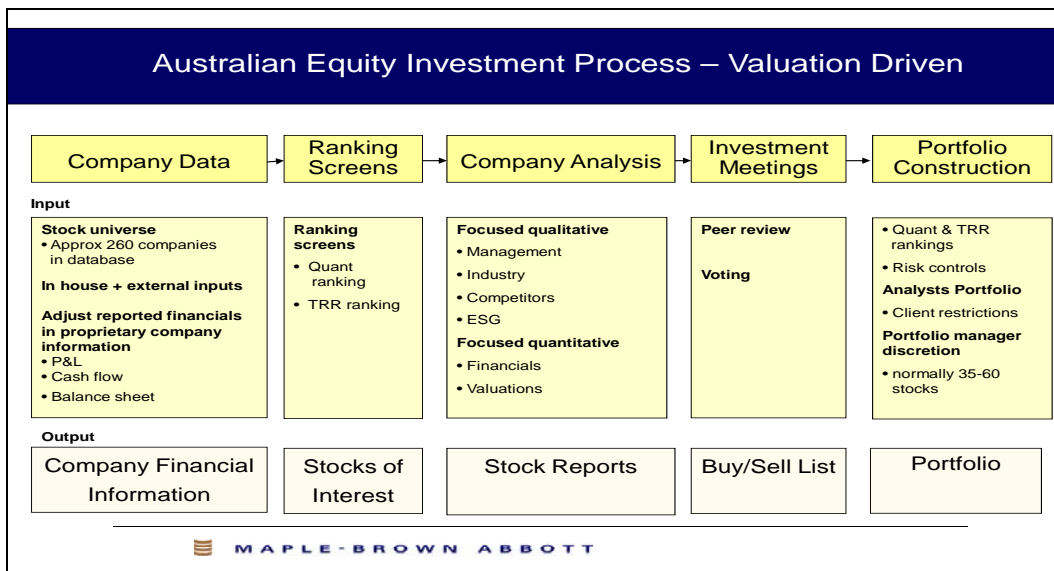
Maple-Brown Abbott use a value-oriented investment style to identify quality undervalued Australian companies. Value is assessed and defined according to a number of criteria, including Price to Earnings, Price to Cash Flow, grossed-up dividend yield, and measures of balance sheet strength. Maple-Brown Abbott assess 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

A key aspect of the investment process is a bottom-up approach to portfolio construction based on company analysis and estimates prepared by the investment team.

For all stocks in, or being considered for the portfolio, Maple-Brown Abbott conducts their own proprietary research. This research is based on an objective examination of financial information for that stock, and normally, discussions with management of the company. They rank stocks on selected value criteria and on the company's estimated four year investment returns. This process clearly identifies those stocks that are considered to be cheap or expensive. Any stock that is then to be added to the portfolio requires a written investment report, as well as a financial model with at least four years of financial forecasts. These reports are then subject to critical peer review at regular research meetings.

Key data from the financial models is reviewed on a regular basis together with the latest market prices and these summaries, together with the research reports, form the basis of Maple-Brown Abbott's decision to buy, hold or sell stocks in the portfolio. Maple-Brown Abbott also applies a qualitative overlay to the quantitative research before buying or selling a stock.



Key Investment people

Dougal Maple-Brown B Ec LLB (Hons) F FIN CFA Executive Director and Head of Australian Equities

Dougal worked after graduation as a solicitor in a national law firm and then in corporate finance with an international investment bank. He joined Maple-Brown Abbott in 2001 and was appointed as an executive director in July 2009. Dougal is Head of Australian Equities and his responsibilities include equity analysis and portfolio management, managing a large number of institutional accounts.

Garth Rossler M Comm CA (SA) CFA Managing Director and Chief Investment Officer

Garth manages the IncomeBuilder mandate and a number of other key portfolios at Maple-Brown Abbott. Garth has over 20 years industry experience and has been a member of the Maple-Brown Abbott senior investment team since 1997. He is the Chief Investment Officer and responsibilities include equities analysis and portfolio management.

Stock story - AMP

AMP Recent Portfolio Addition

- Historically AMP has traded at a significant premium to the market (approximately a 25% premium on a 5 year basis). On our numbers the stock is currently trading at a discount to the market.
- The stock has been significantly de-rated, primarily on regulatory concerns, but also on uncertainty in relation to the acquisition of AXA Australia.
- AMP remains well exposed to the significant growth expected to flow from superannuation and wealth management.
- We believe the stock is trading on very attractive multiples, with an appealing dividend yield and appears to be pricing an overly pessimistic outlook

* Numbers from Maple-Brown Abbott quant data

MAPLE-BROWN ABBOTT

Analyst: Dougal Maple-Brown

@ Feb 2011:2011e	AMP*	Market*
Price to Earnings Ratio	13.2x	14.3x
Price to Cash flow	13.2x	10.5x
Gross Dividend Yield	7.1%	5.3%

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

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