

## Walter Scott & Partners Limited

- Manages **global shares** for MLC, since 2005
- Manages \$47 billion, across the company, as at 30 June 2011
- Over 27 years of fund management experience

Walter Scott's strong preference is to train, develop and mentor its own investment staff. Generally new recruits are hired from university having obtained at least a good first degree and undergo lengthy training in-house.

## Why has MLC selected Walter Scott?

Walter Scott has a strong focus on real returns over a long time horizon which differentiates the firm from many other investment managers. Walter Scott is solely committed to global equity investment. It pays no attention to indices and practices a disciplined 'buy and hold' approach to stock picking. Part of the firm's competitive edge is that it considers the value of stocks over a much longer timeframe than the rest of the market. This results in a unique portfolio of approximately 50 stocks which is managed by a very close knit, stable team of investment professionals.



**JANE HENDERSON**  
*Managing Director*

## Philosophy on investing

The objective for all long-term investors is to maintain and enhance the after-inflation purchasing power of their assets. Walter Scott targets long-term compound real returns of 7% to 10% per annum for portfolios managed. This is most likely to be achieved by investing in companies with high rates of internal wealth generation which in time translates into total return for the investor. Thus the firm's research efforts are directed towards identifying companies that meet its investment criteria.

## Investment process

Walter Scott's core conviction is that the return to a shareholder can, over the long term, be no more than the wealth generated by the underlying business. Original research is at the heart of the firm's investment process to identify companies capable of sustained high rates of wealth generation. This is the firm's primary value-adding activity and is carried out by its own investment professionals.

Walter Scott's portfolios are the result of stock picking and its long-term 'buy and hold' approach has led to low turnover. The industrial and geographic structures of portfolios reflect the firm's independent judgement, rather than the composition of indices.

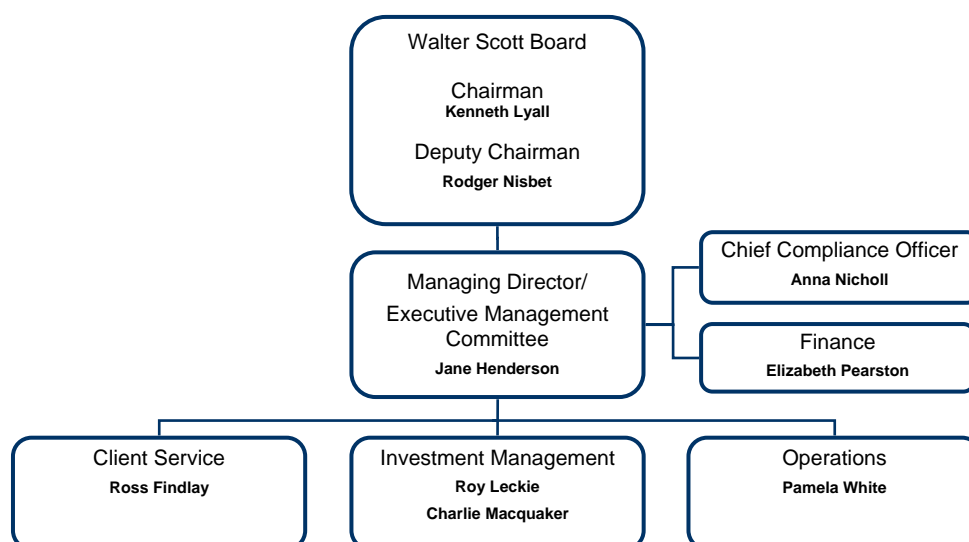
Portfolios are managed by bringing to bear the skill, judgement and experience of Walter Scott's investment team. The team works closely together in an open and collegiate environment. New members of the team are trained and developed by senior members, whose long experience combines with a very low staff turnover to ensure consistency of philosophy, process and culture.

## Investment people

The key people who make decisions on MLC's portfolio:

<u>Name</u>	<u>Title</u>	<u>Responsibilities</u>	<u>Years with firm</u>	<u>Years of experience</u>	<u>Education</u>
Ken Lyall	Chairman	Global	27	27	PhD Financial Economics, University of Edinburgh
Rodger Nisbet	Deputy Chairman	Global	17	17	BA (Hons) Environmental Design, University of Dundee
Ian Clark	Founder & Director	Senior Advisor	27	47	
Jane Henderson	Managing Director	Global	15	15	BSc (Hons) Marine & Environmental Biology, University of St Andrews
Roy Leckie	Director	Global	15	15	BSc (Hons) Statistics, University of Glasgow
Charlie Macquaker	Director	North America	19	19	BSc Econ (Hons) European Studies, Buckingham University
Hilda West	Investment Manager	Europe	15	15	BA (Hons) Napier University
Jimmy Smith	Director	Portfolio Implementation	27	27	MA Economics, University of Edinburgh
Keith Bilton	Investment Manager	Dealing	13	13	BA Business Studies, Napier University
Ian Howie	Investment Manager	Asia & Emerging Markets	17	17	MBA, Heriot-Watt University
Russell Robles-Thomé	Investment Manager	Asia & Emerging Markets	10	10	MA Mathematics & Theoretical Physics, Cambridge University
Christel Brodie	Investment Manager	Europe	9	13	MBA in International Finance & Banking, University of Birmingham Business School
Jamie Mayer	Investment Manager	Portfolio Implementation	7	7	

Data as of 31<sup>st</sup> December 2010.



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