



Peridiem Global Investors, LLC

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- Has managed:
 - Global Absolute Return Bonds
 - Global Multi-sector Bonds, and
 - Global High Yield Bonds
 for MLC, since 2011

Peridiem is a compound word from Greek and Latin. “Peri” meaning around or edge and “Diem” meaning day. Each day, as markets open around the globe, Peridiem stands ready to extract value from the global fixed income markets.

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- Manages \$315 million, across the world, at 31 December 2011

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- Origins dating back to 1997

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- Based in Los Angeles, California, U.S.

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- Employs 16 investment professionals
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Why MLC has chosen Peridiem Global Investors?

- Access to a set of long/short active fixed income strategies that seek to extract excess returns from a broad universe of developed and emerging market bonds and currencies.
- The quality and experience of the Peridiem investment team led by Andrew Stenwall.
- Robustness of the Peridiem investment process and risk management discipline.
- Confidence that their strong performance record achieved while at Nuveen Investments would continue under the new firm.

Philosophy on investing

- In the global search for total returns, investors have overlooked attractive returns that can be captured by focusing on both long and short opportunities in global government bonds, US high yield bonds, and currency markets.
- Peridiem believes that by combining macroeconomic analysis, fundamental bottom up research, and a quantitative portfolio construction process, investors can systematically extract returns from both long and short positions while adding meaningful diversification to their investment portfolio.

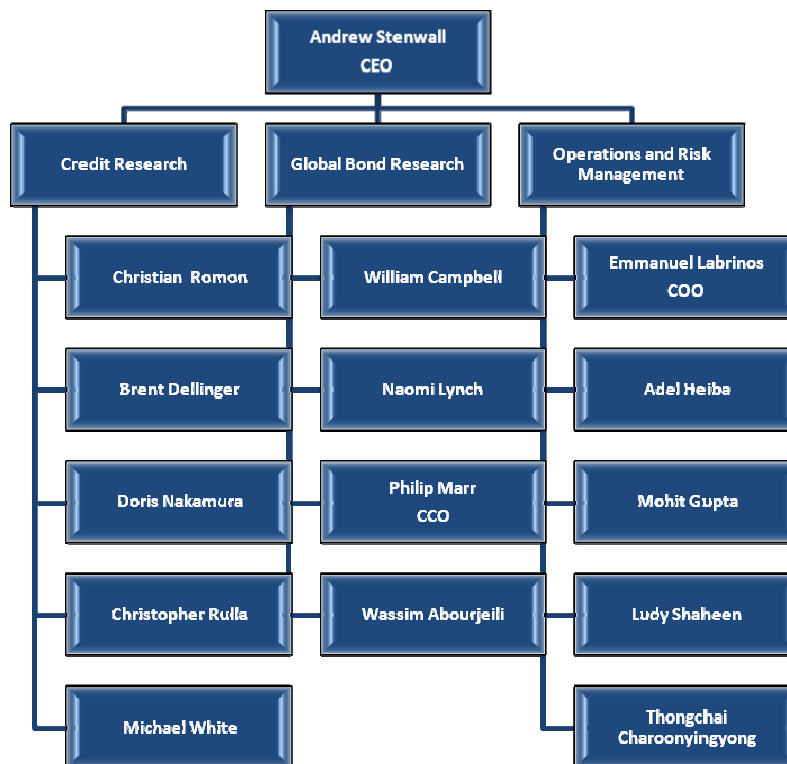
Investment process

- Peridien's investment process begins with a review of macroeconomic conditions around the globe. The investment team combines their economic outlook with information from bottom-up company and country analysis to generate their investment outlook for the next 12 to 18 months.
- Using proprietary forecasts, the investment team ranks opportunities across the global bond, US credit, and currency markets and constructs investment portfolios using their four principal value-added strategies.
- Peridien also employs trading rules and proprietary risk analytics to reduce overall portfolio volatility.
- The investment team has worked together managing fixed income portfolios for over 10 years and has an average of over 18 years of investment experience. Through this time, the team has successfully navigated client portfolios through numerous market cycles.

Investment people

The senior partners of Peridien have work together for over 10 years and originally met at Banc of America Capital Management where they were responsible for over 80 fixed income investment professionals and over US\$170b.

- **Andrew Stenwall is a Senior Partner, Portfolio Manager, and CEO of the firm.** Andrew has over 23 years of fixed income research and investment experience. He has worked at PaineWebber (UBS), Lehman Brothers, Lazard Frere Asset Management and was the Head of Fixed Income for Banc of America Capital Management and Nuveen Asset Management. He holds an MBA from Anderson School of Business at UCLA and a B.S. in Aeronautical Engineering from Renssealaer Polytechnic Institute.
- **Emmanuel Labrinos, CFA is a Senior Partner, Portfolio Manager and the COO of the firm.** Emmanuel has over 22 years of investing experience. He has worked at Prudential Securities, U.S. Trust, Banc of America Capital Management, and Nuveen Investments. He is a Chartered Financial Analyst and he holds an MBA from the University of San Diego and a B.S. in Electrical Engineering from the University of Cincinnati.
- **Christian Romon, PhD is a Senior Partner and Portfolio Manager for all U.S. High Yield Portfolios.** Christian has over 27 years of investing experience and has worked at PaineWebber (UBS), Wertheim Schroder, Bradford & Marzec and Nuveen Investments. He holds a Doctorate from the Sorbonne in Economics, and MBA from the Anderson School of Business at UCLA, and a B.A. in Political Science from the L'Ecole De Sciences Politiques in Paris.



Investment story

- During the global financial crisis, the team has shown the merits of its systematic, risk controlled investment process. In 2007 Peridiem sold all its exposures to subprime mortgage backed securities and mortgage banks and substantially reduced its exposure to companies that were likely to suffer during the downturn. Early in 2009, Peridiem stepped back into the market by increasing its exposure to high yield bonds, emerging market currencies, and global bonds which enabled them to substantially outperform their market benchmarks and generate top decile performance.
- Looking forward to 2012, Peridiem is positioned for a global deflation trade with slow but stable growth, and low but modestly increasing corporate default rates. The team is actively investing in global bonds of countries with high real rates of return, lower quality corporate bonds with improving credit metrics and attractive coupons, and currencies from commodity producers and high growth economies.

This strategy may no longer be used in Peridiem's portfolio as their view may have changed since this document was prepared.

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