



Peridiem Global Investors, LLC

Has managed:

- global absolute return bonds
- global multi-sector bonds, and
- US high yield bonds

for MLC, since 2011

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- Manages A\$365 million, across the world, at 30 June 2014
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- Origins dating back to 1997
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- Based in Los Angeles, California, USA
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- Employs 22 investment professionals

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.

Why MLC has chosen Peridiem Global Investors?

- Peridiem provides 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.
- MLC is impressed with the quality and experience of the Peridiem investment team led by Andrew Stenwall.
- MLC believe that the Peridiem investment process and risk management discipline is robust and is confident that the strong performance record of the investment team achieved while at Nuveen Investments will continue in this 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

Peridiem'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.

Peridiem 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 11 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 Peridiem have worked together for over 11 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.

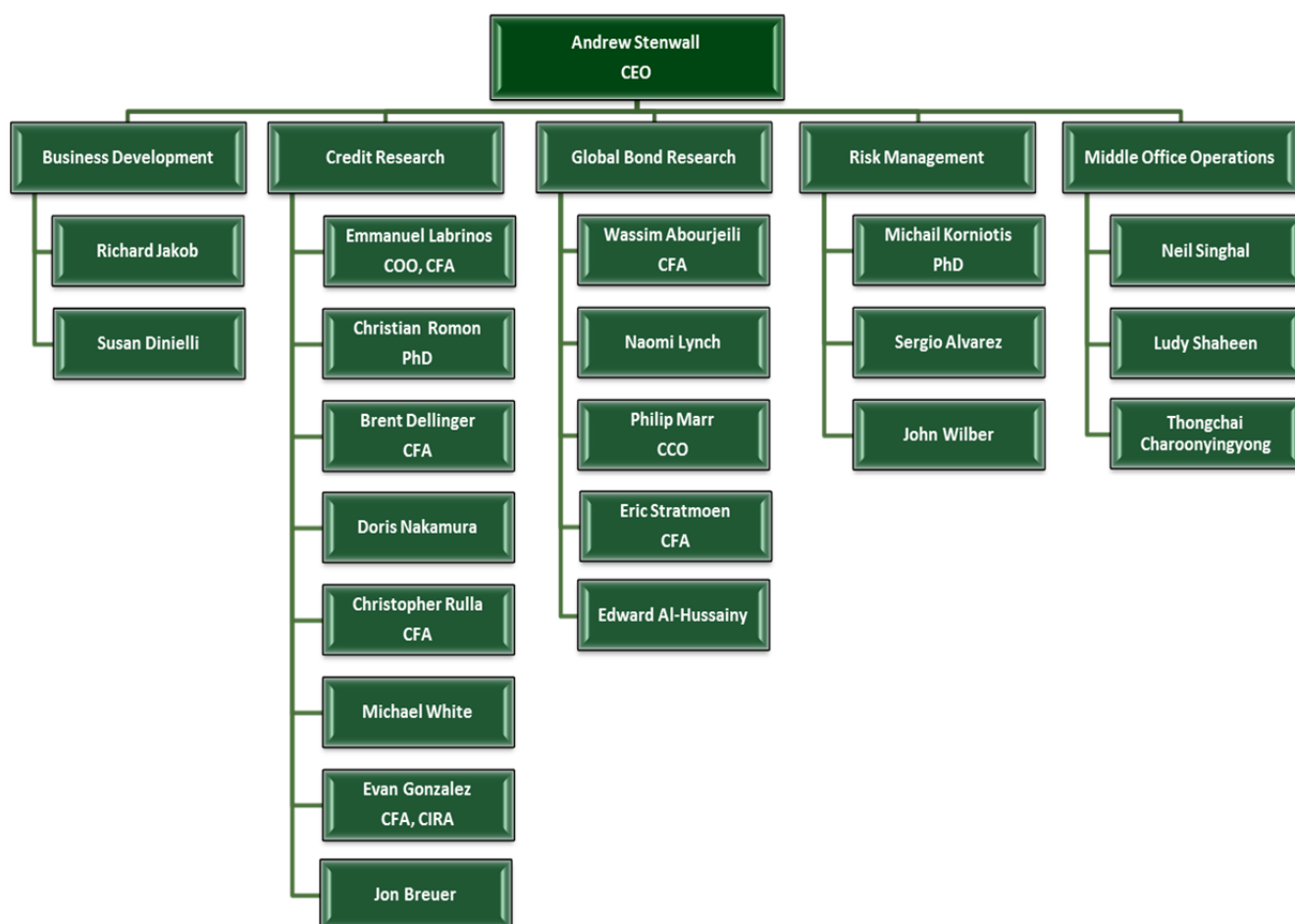
Andrew has over 26 years of fixed income research and investment experience. He has worked at PaineWebber (UBS), Lehman Brothers, Lazard Frere Asset Management and was the Head of Fixed Income for Banc of America Capital Management and Nuveen Asset Management. He holds an MBA from Anderson School of Business at UCLA and a B.S. in Aeronautical Engineering from Rensselaer Polytechnic Institute.

Emmanuel Labrinos, CFA is a Senior Partner, Portfolio Manager and the COO of the firm.

Emmanuel has over 25 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 29 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

With global interest rates and credit spreads hovering near the lows of the past 50 years, investors are looking for alternative, reliable sources of income with limited duration and spread risk. Peridiem believes that the best way to invest in this challenging market is to focus on global relative value opportunities that limit both interest rate and credit spread risk. By identifying relative value opportunities in long/short credit, currencies, interest rates and yield curves, Peridiem seeks to generate a stable return with ability to generate outsized returns as interest rates begin to rise.

Looking forward to 2015, we believe interest rates and credit spreads are likely to drift wider as the US FOMC returns to a more normal interest rate policy and as growth returns to both developing and developed market economies.

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