
Exploring Growth Opportunities in Wealth Management

28 March 2007

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Aberdeen Asset Management Sdn Bhd

Terms of foreign fund manager's licence

A Foreign Fund Management Company under the Special Scheme may manage funds sourced from within or outside Malaysia, provided that the amount of each fund sourced from within Malaysia shall be at least RM10 million

Explosion of investment options (i)

Equities

- US
- Japan
- UK / Europe

Fixed Income

- US Treasuries
- UK Gilts
- Blue Chip Corporate Bonds

Property

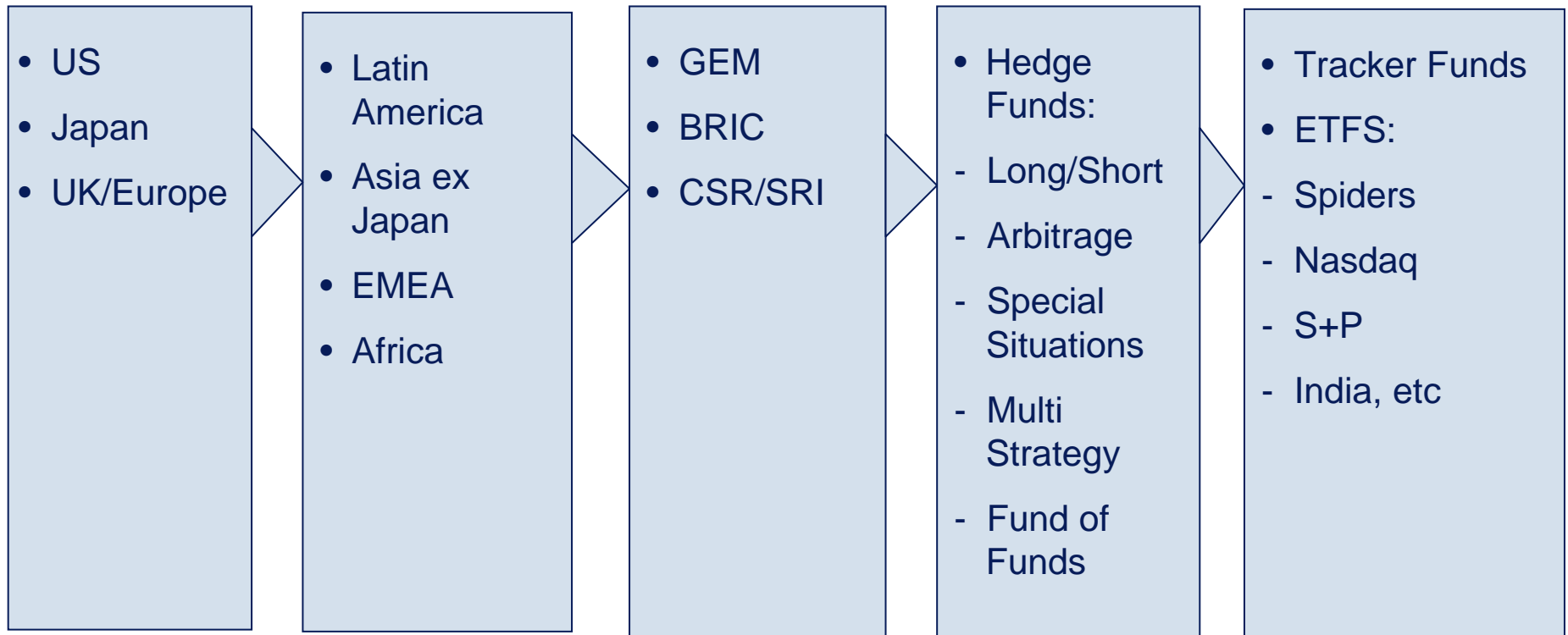
- Residential
- Commercial
- Office

Commodities

- Gold
- Silver

Explosion of investment options (ii)

Equities



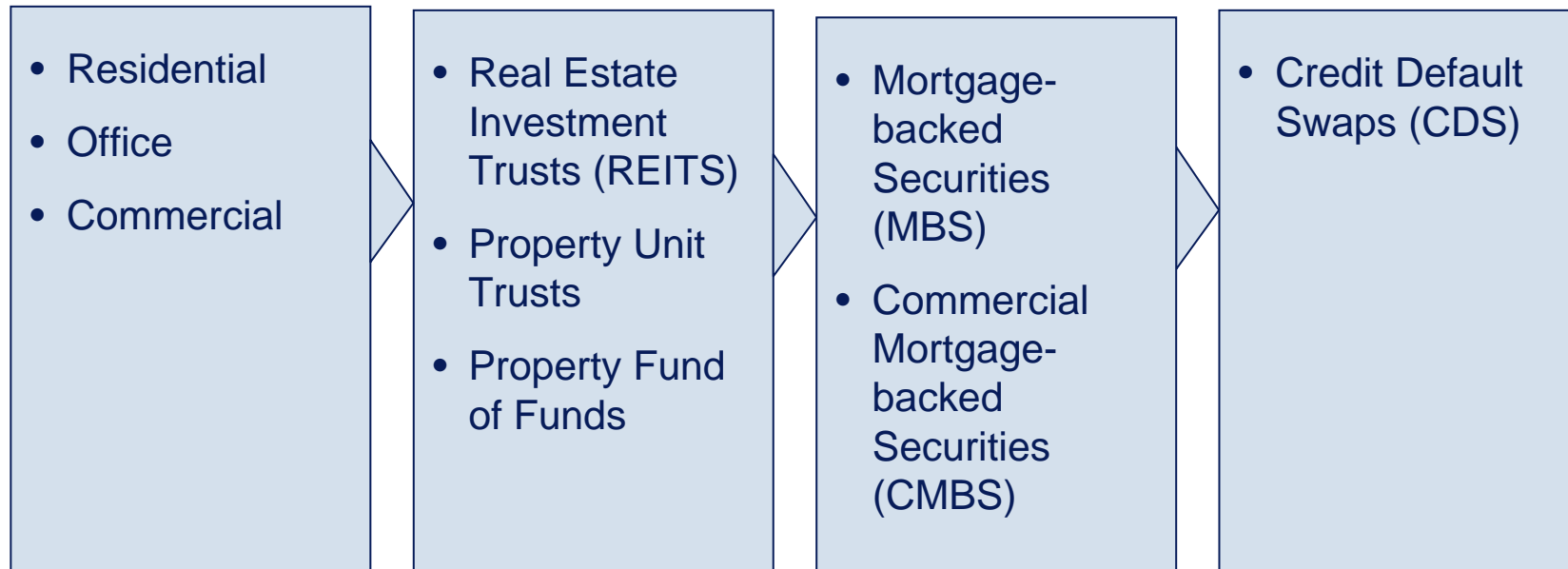
Explosion of investment options (iii)

Fixed Income



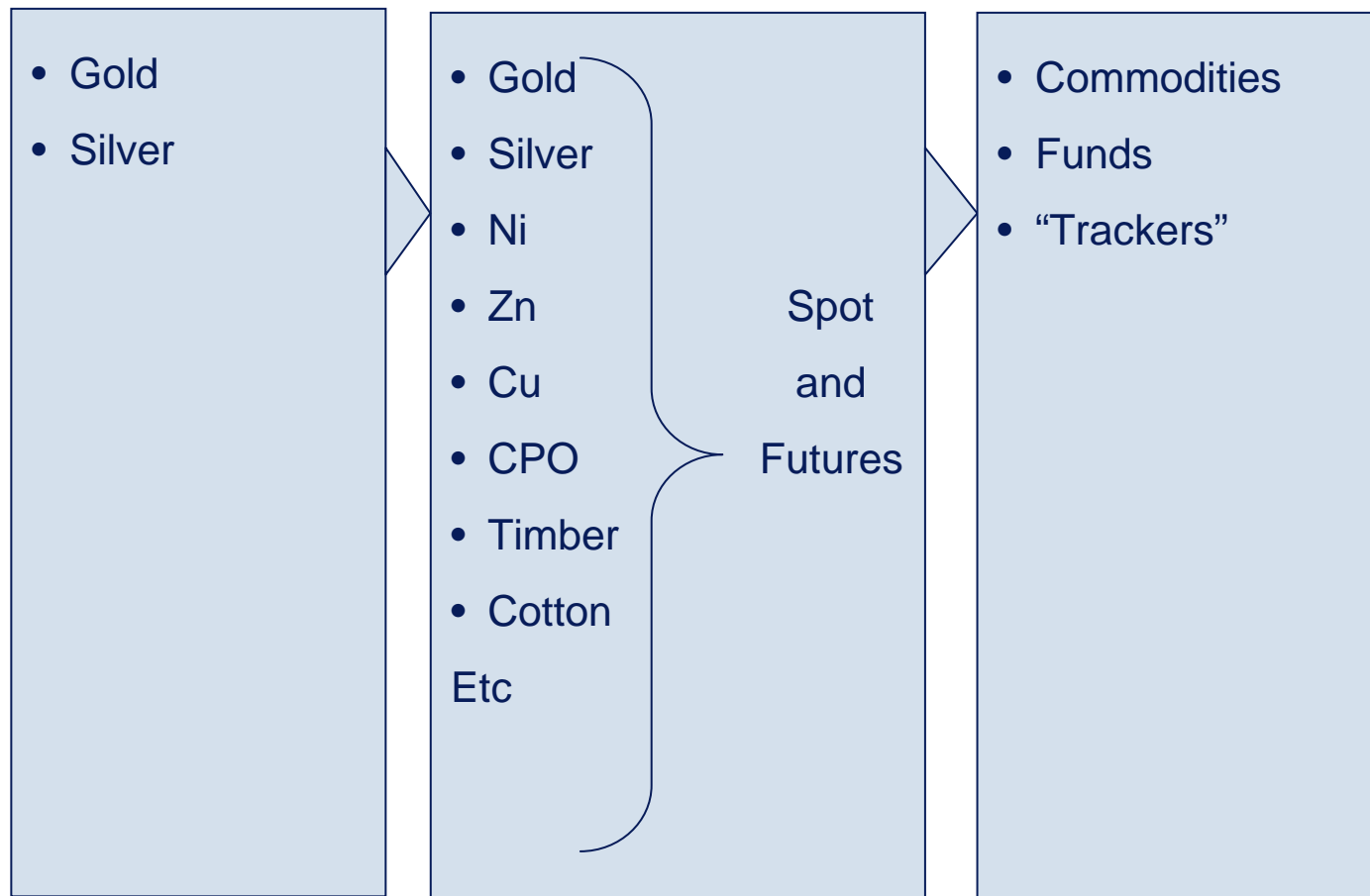
Explosion of investment options (iv)

Property

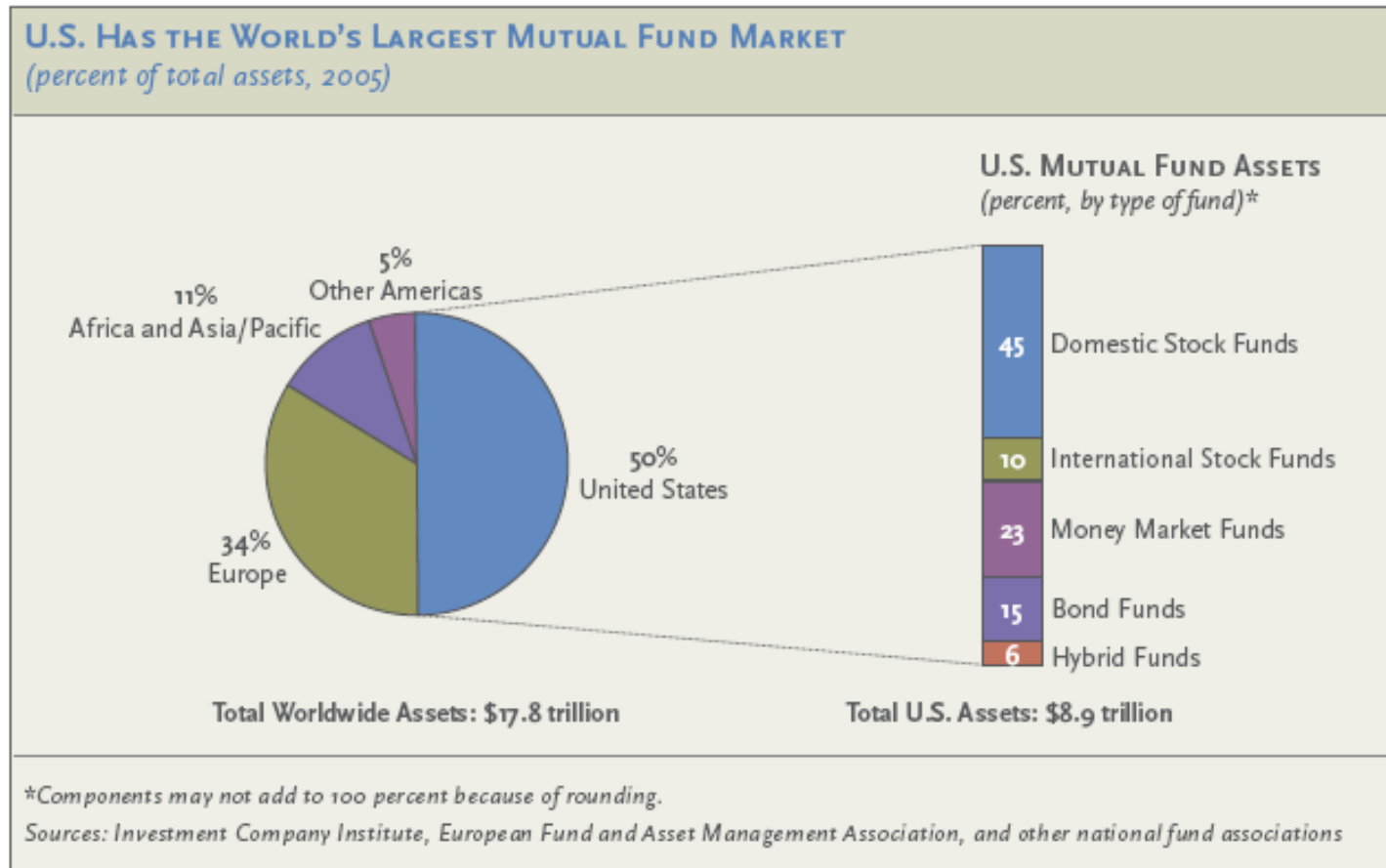


Explosion of investment options (v)

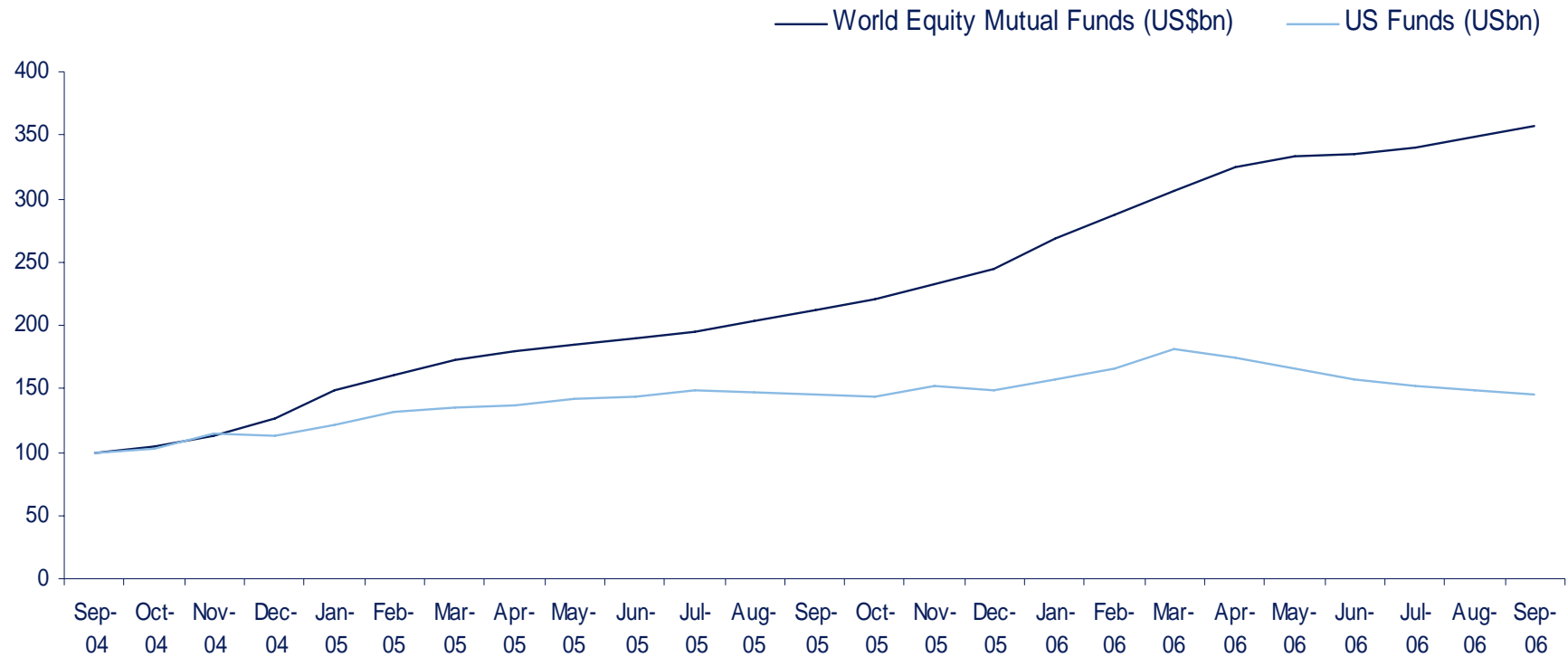
Commodities



World's largest mutual fund market

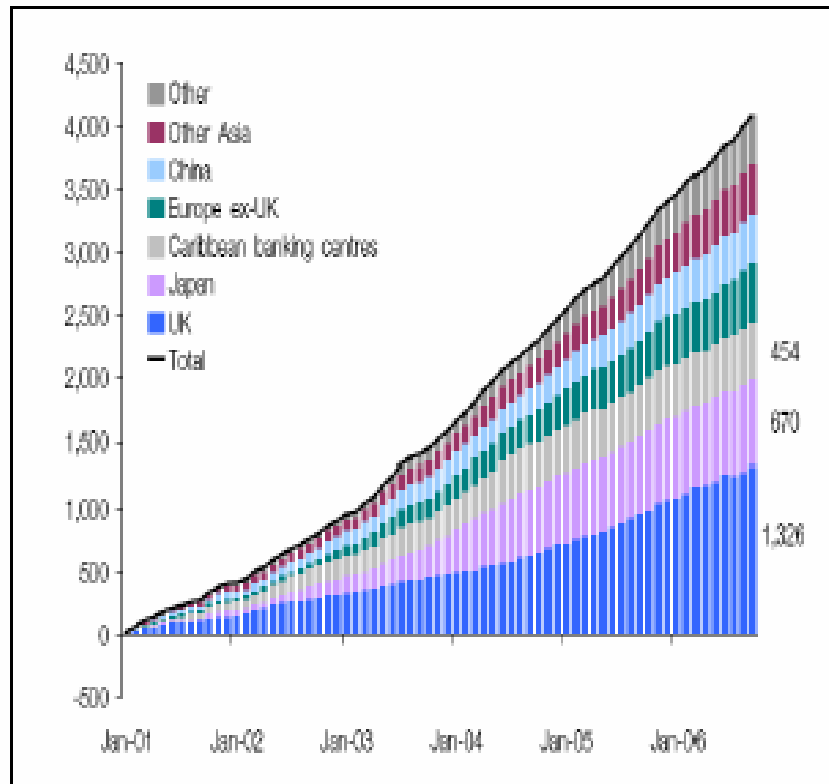


US mutual funds flows

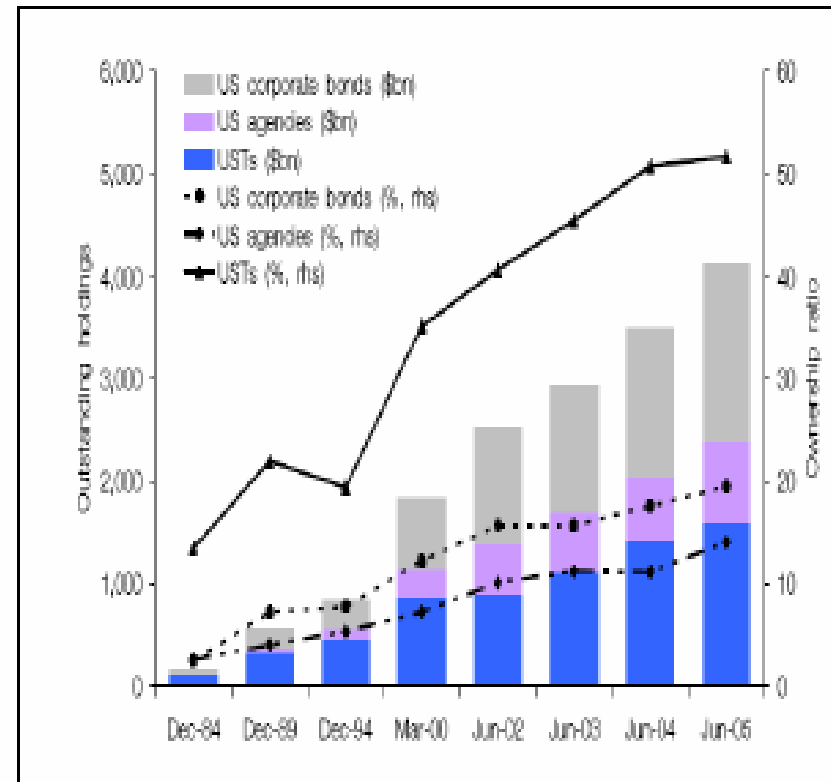


Rising tide of foreign investment

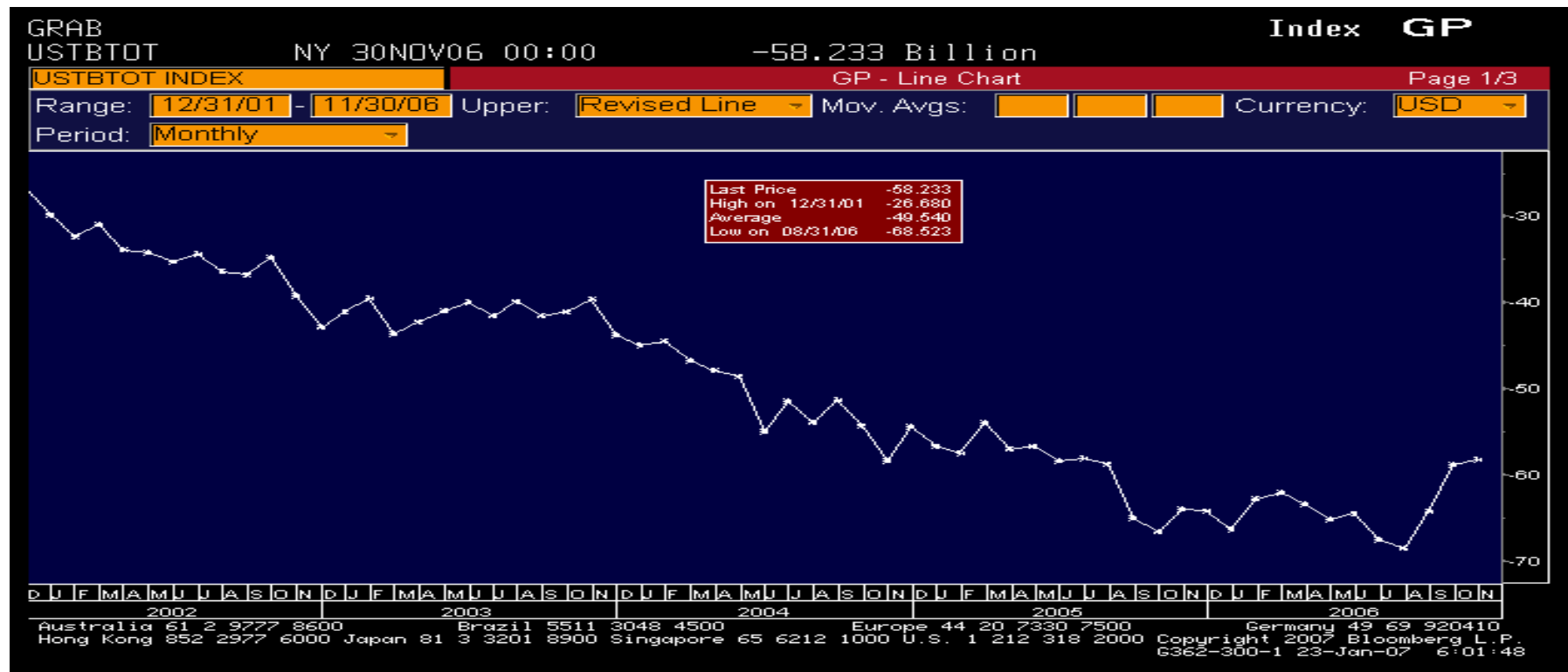
Cumulative net foreign investment in US long-term bonds (US\$bn)



Foreign ownership of US long-term bonds



US trade balance



- By rights twin US deficits should have forced up cost of borrowing...
- And the dollar should have reflected declining terms of trade

The world today

Current account positions

| Developed | |
|------------------|-------------|
| US | -879 |
| Japan | 167 |
| France | -34 |
| Germany | 127 |
| Italy | -45 |
| Spain | -110 |
| Australia | -40 |
| UK | -73 |

| Developing | |
|-------------------|-----------|
| Asia | |
| Hong Kong | 19 |
| China | 161 |
| Korea | 6 |
| Taiwan | 26 |
| Thailand | 0 |
| Latam | |
| Brazil | 14 |
| Argentina | 5 |
| Mexico | -1 |

All figs in US\$ bn

- The tables have turned
- It is now the 'developed' world that is reliant on the 'developing' world for finance

What a difference a decade makes

Current account positions in 1996

| | 1996 |
|------------------|-------------|
| Developed | 34.3 |
| US | -134.9 |
| Japan | 65.8 |
| France | 10.9 |
| Germany | -13.8 |
| Italy | 25.1 |
| UK | -2.9 |

| | 1996 |
|----------------------------|--------------|
| Developing | -71.4 |
| Asia | -38.4 |
| Hong Kong | -1.6 |
| China | 11.0 |
| Korea | -23.0 |
| Taiwan | 11.0 |
| Thailand | -14.4 |
| Latam | -37.8 |
| E. Europe & FSV | -18.0 |

All figs in US\$ bn

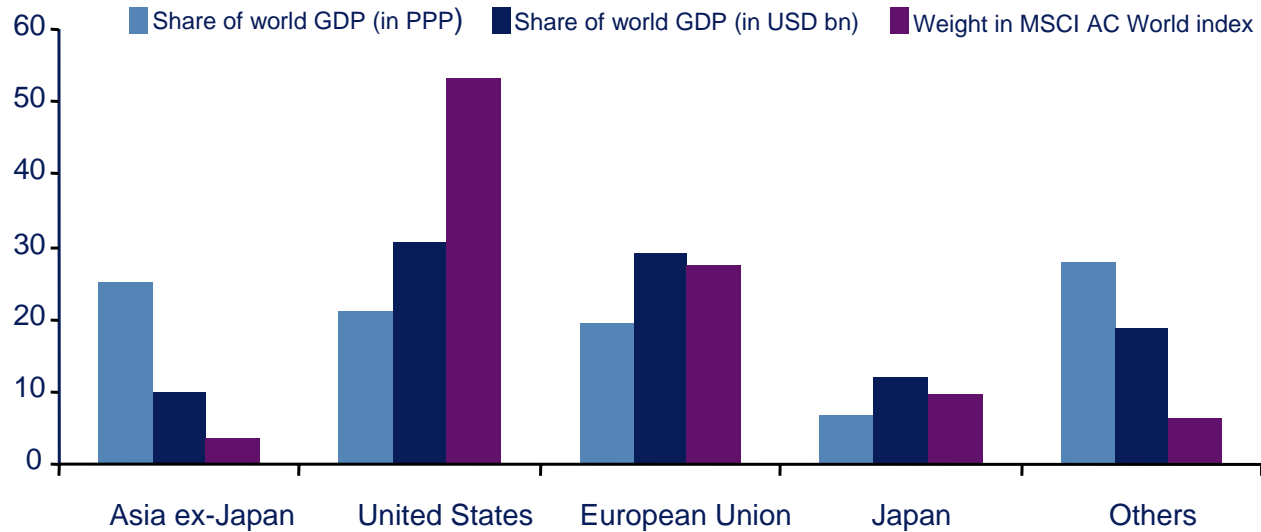
- Remember when the 'developing' world was reliant on the 'developed' world to finance growth

MSCI world index weightings

| | Jan 97 | Dec 06 |
|------------------|--------|--------|
| USA | 44.4 | 48.7 |
| Canada | 2.6 | 3.5 |
| UK | 10.3 | 11.3 |
| Europe | 21.5 | 21.6 |
| Japan | 15.4 | 10.8 |
| Asia | 5.8 | 4.1 |
| Emerging Markets | 0.0 | 0.0 |
| | 100.0 | 100.0 |

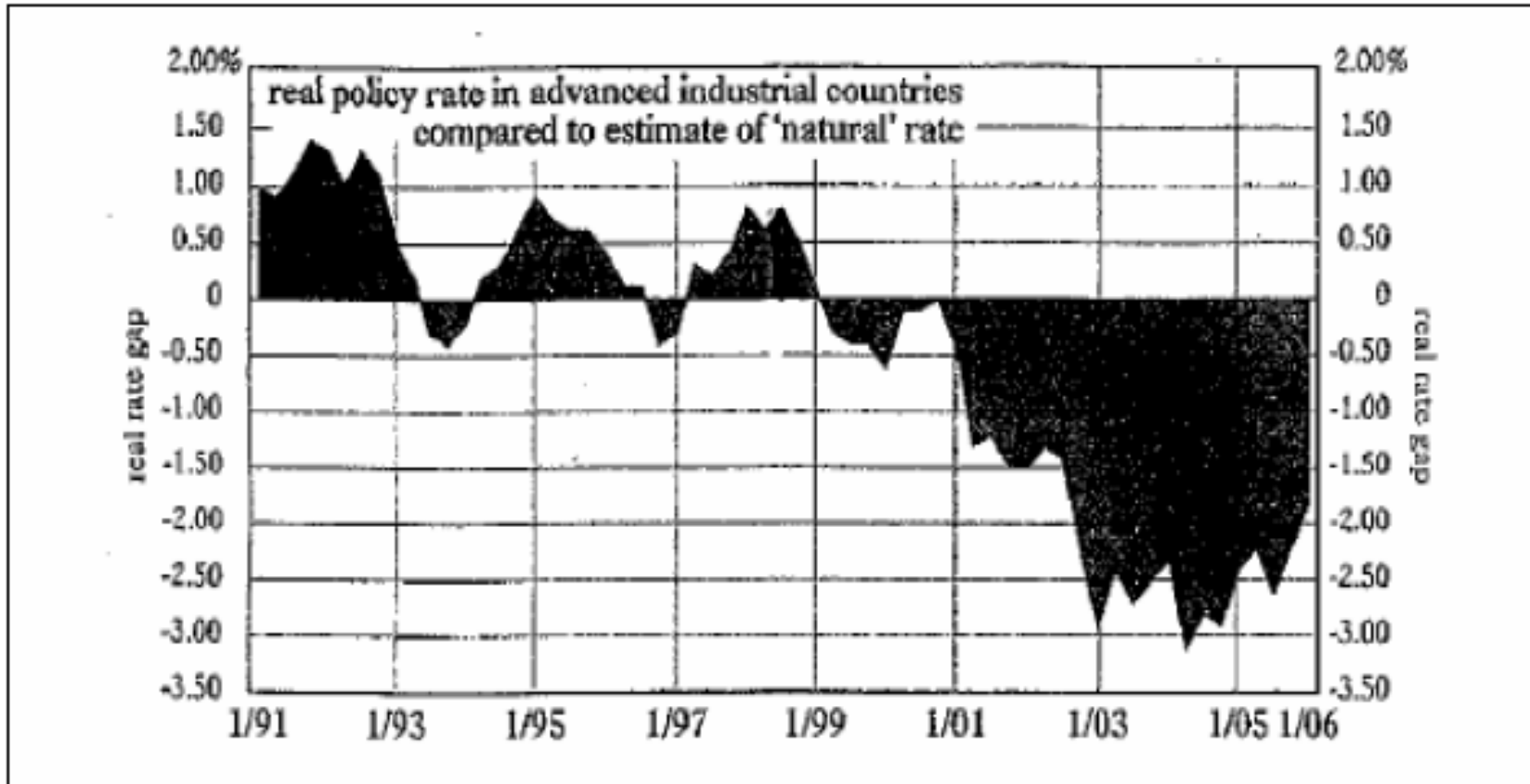
- The US' share of world benchmark has stayed remarkably high
- But like any benchmark it is backward-looking!

An imbalanced world

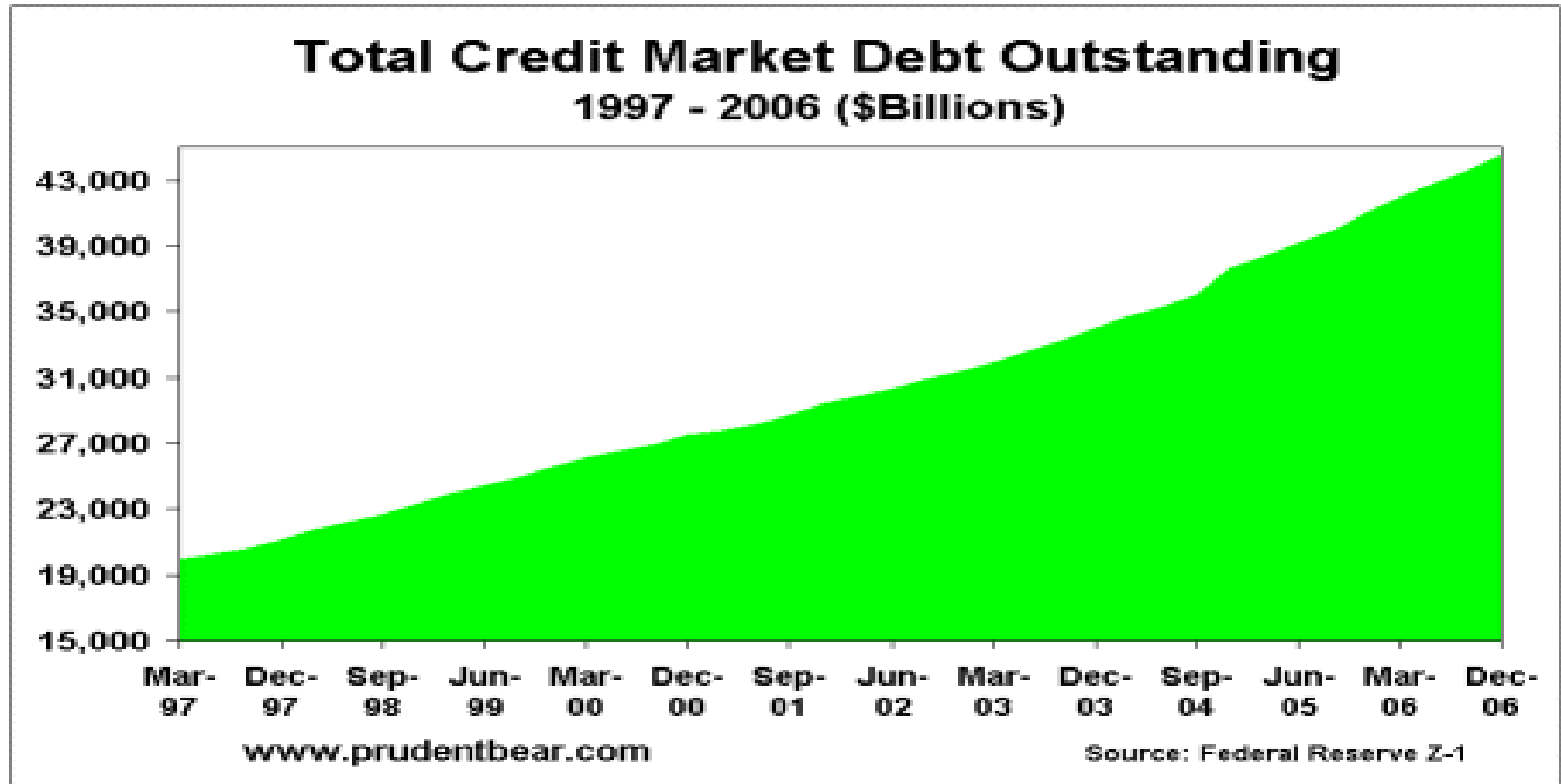


- High growth rates are being maintained in GEM but they are not being reflected in market indices
- This imbalance isn't because GEM stock markets have floundered
- On the contrary, GEM has outperformed developed markets for three years consecutively

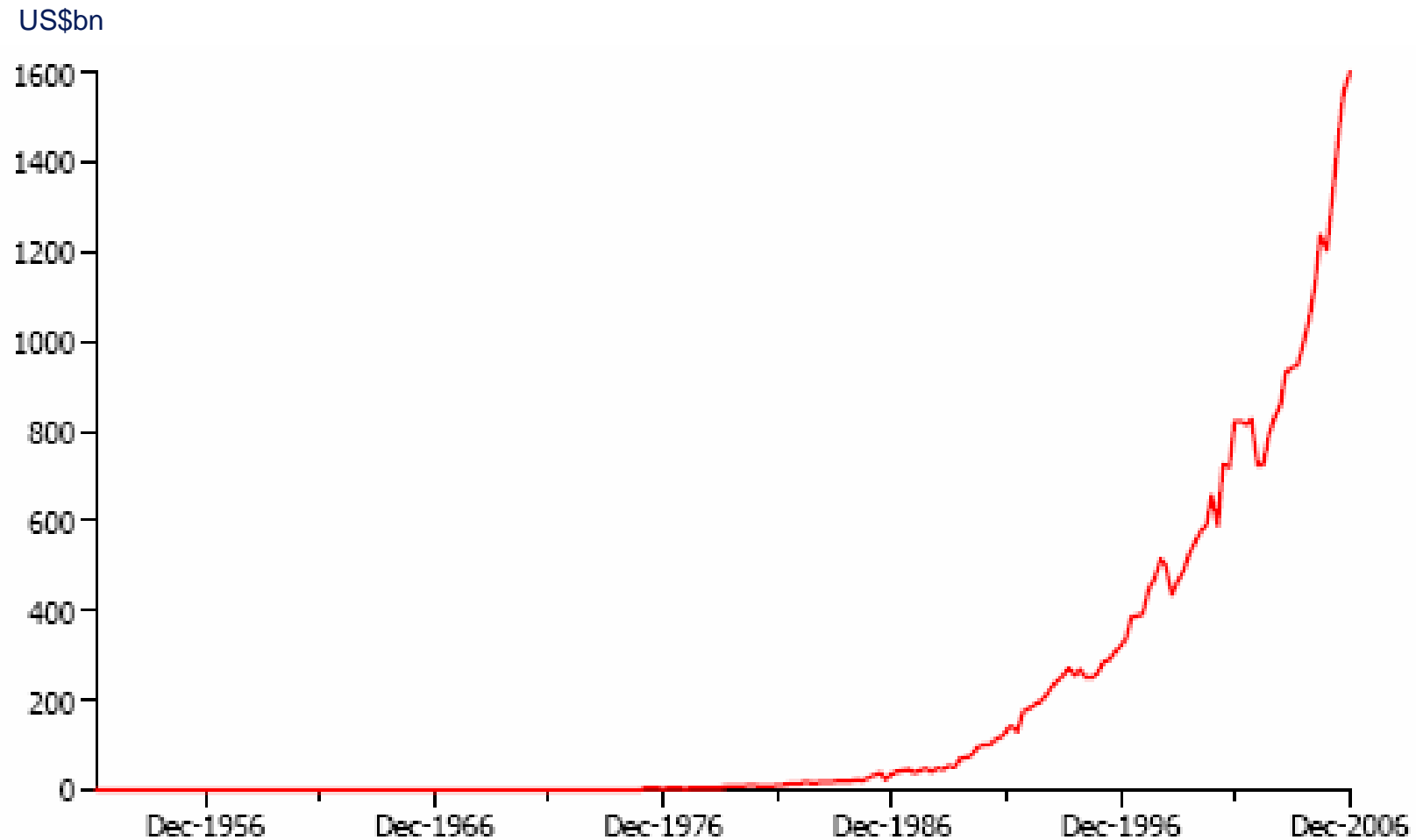
Real interest rates remain abnormally low



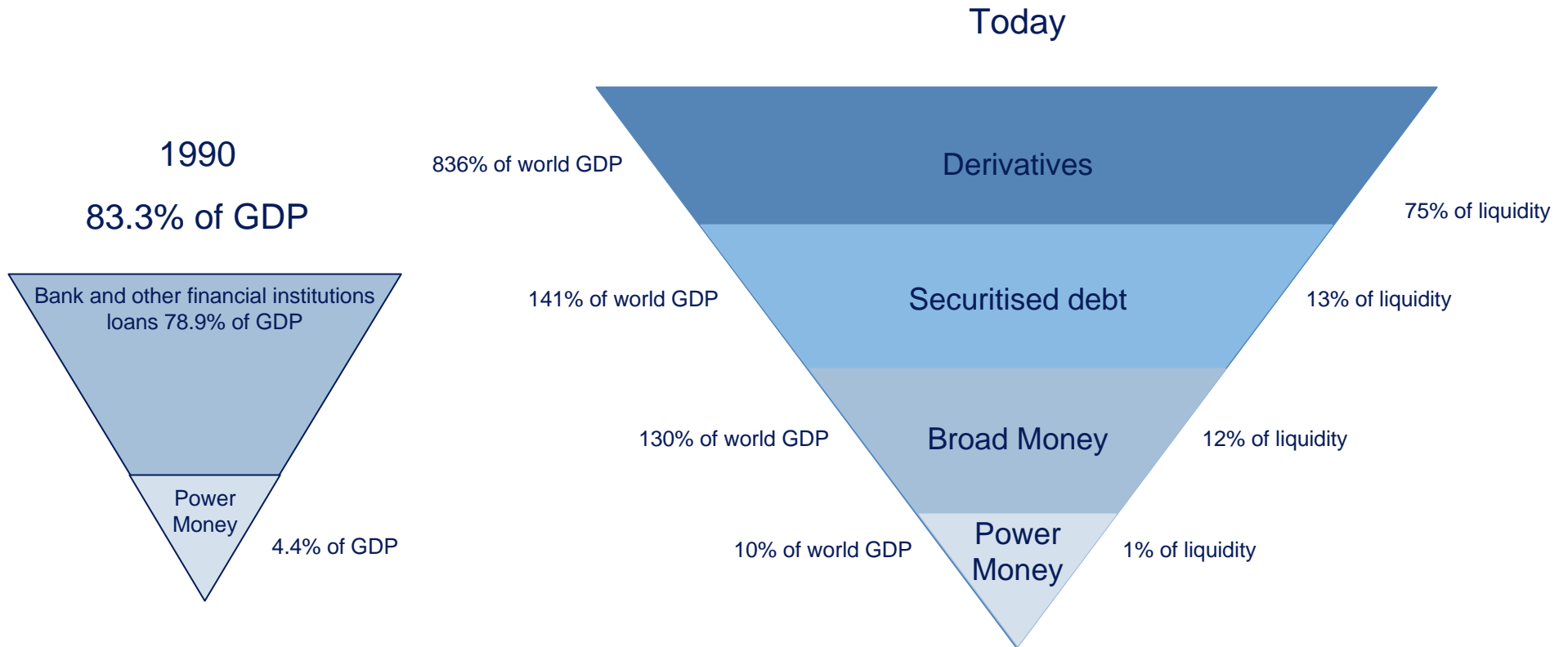
Type of credit rising steadily



Derivative; and other assets of US banks



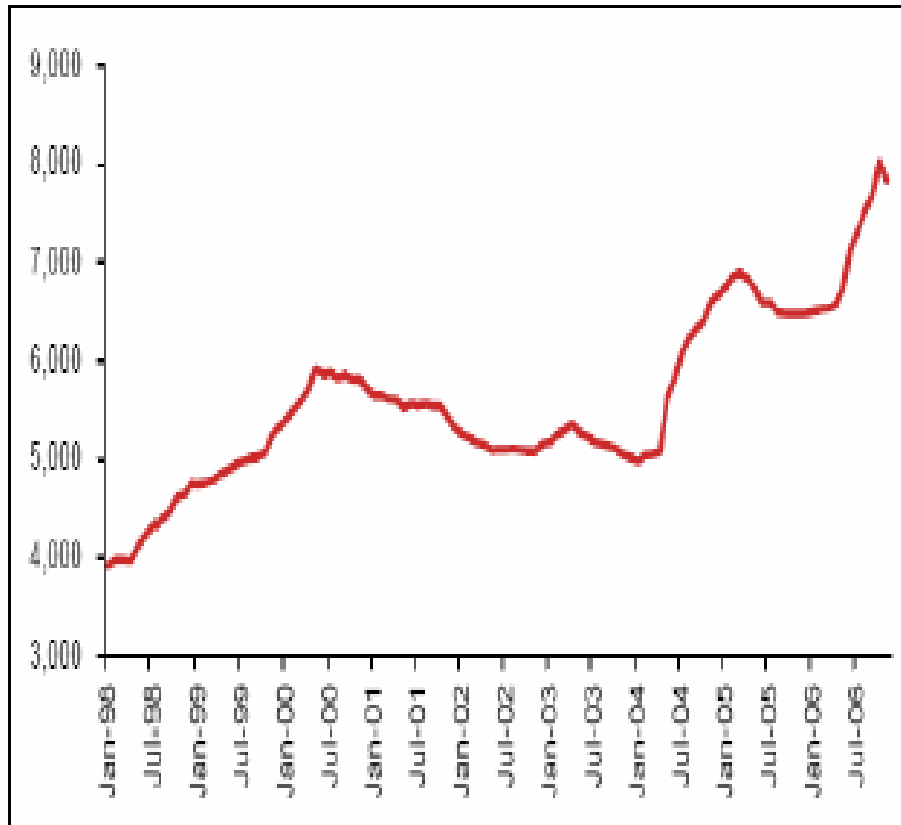
Liquidity is rampant



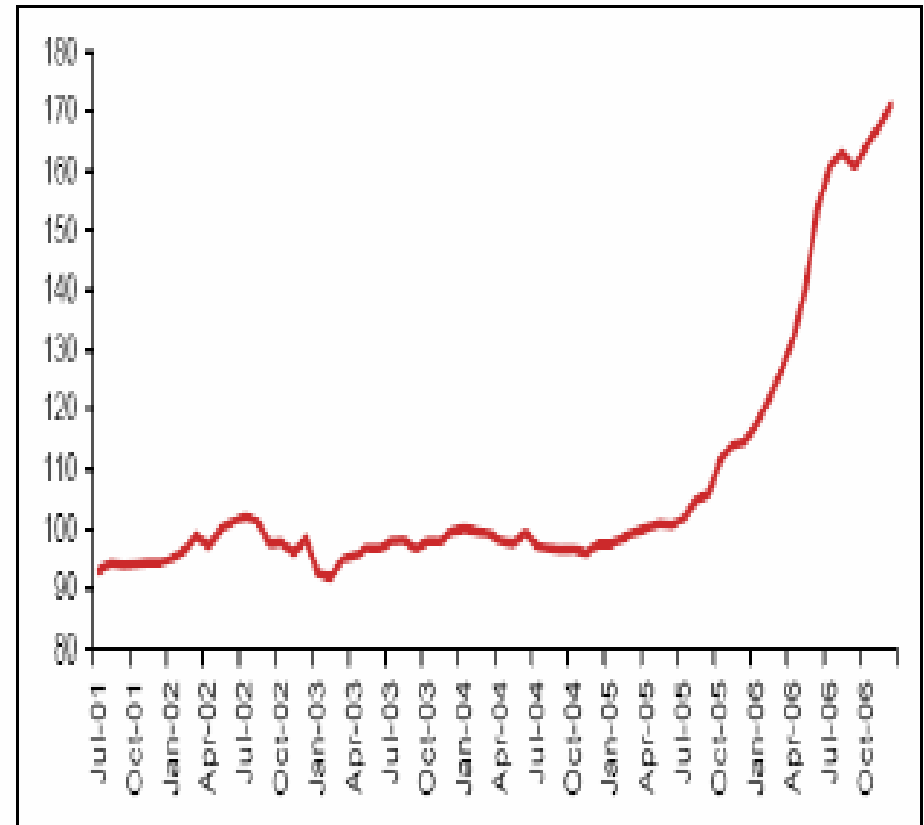
- The developing world's savings are indirectly financing an explosion in credit

Asset prices up across the board

Art market Research Art 100 top 25% index

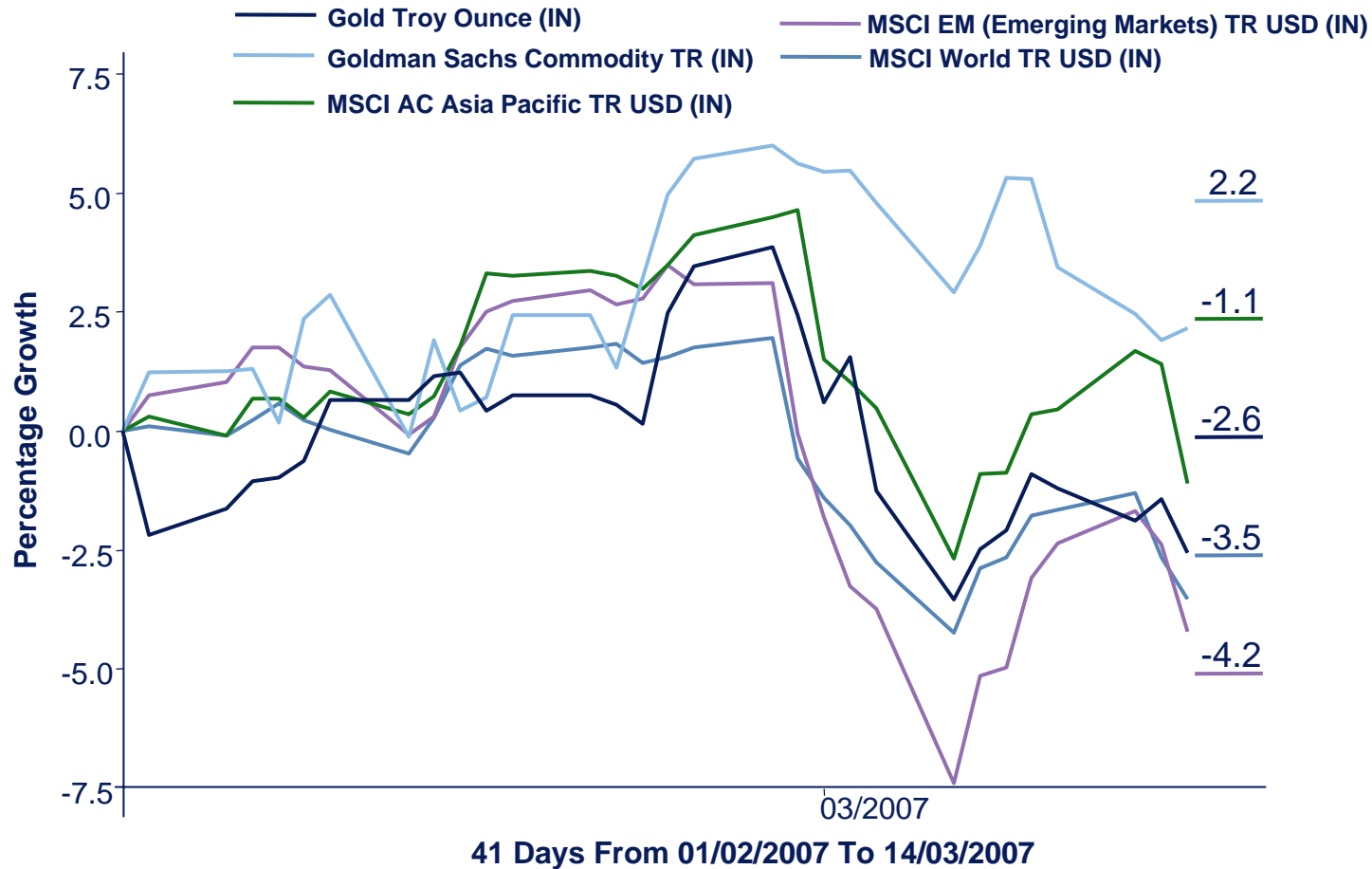


Liv-ex 100 benchmark fine wine index

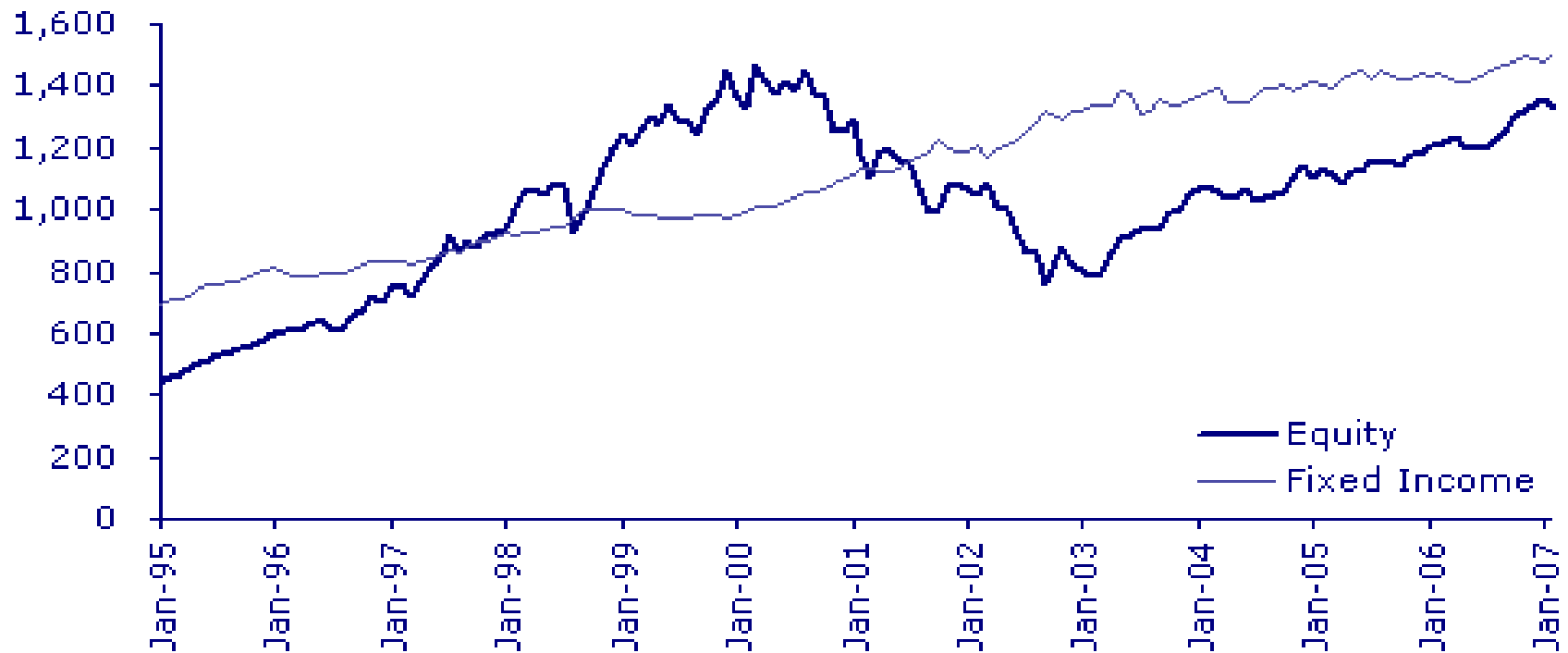


Increasing correlation across assets

Percentage Growth Total Return, In USD



US equity versus fixed income (MSCI Indices)



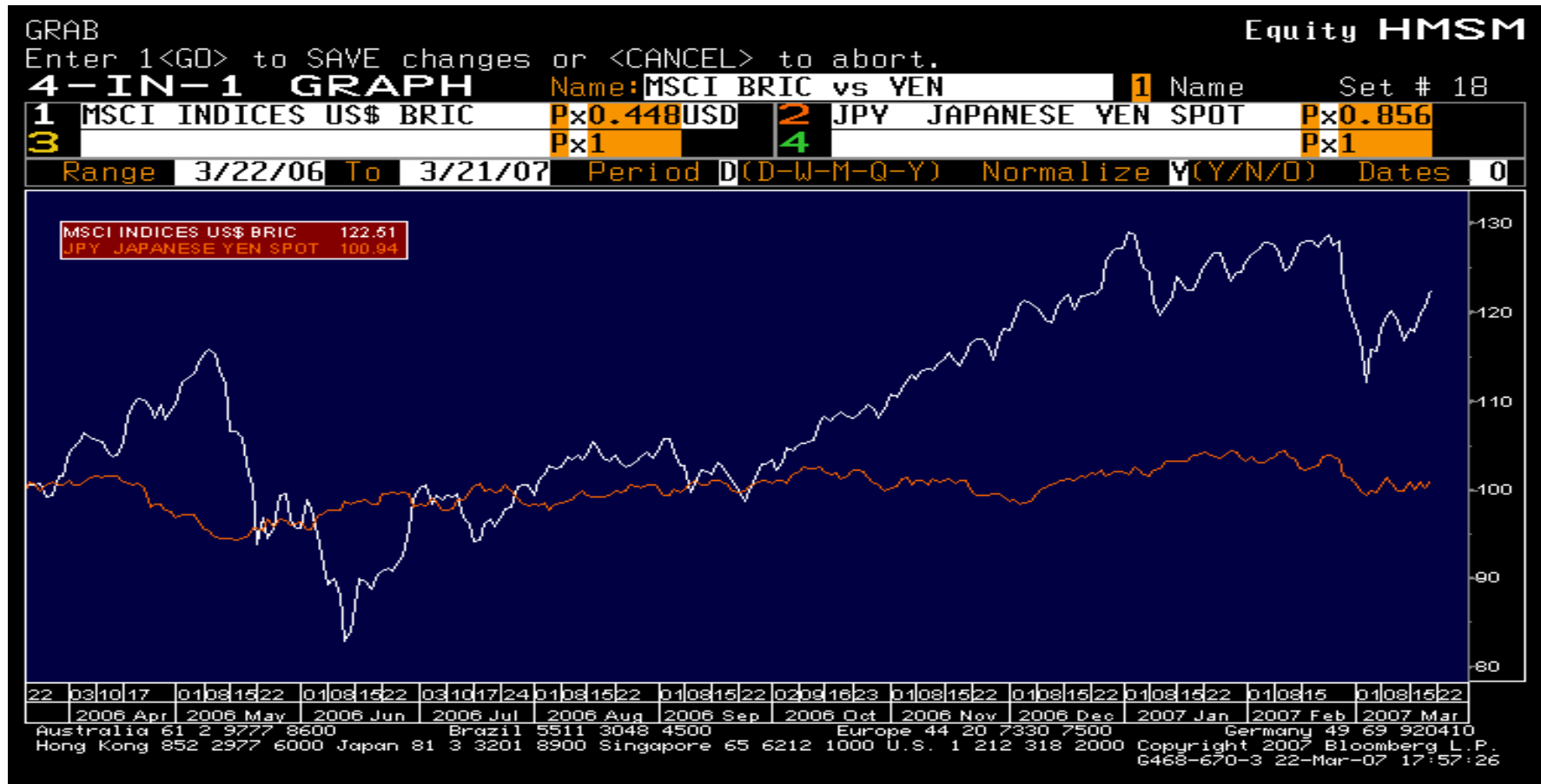
Note: (1) Fixed income is based on MSCI US Treasury TR

(2) Bloomberg codes are MXUS Index (Equity) and MDUSTR Index (Fixed income)

KLCI versus Yen



BRIC markets versus Yen



Pan Asia fund management team

| Hugh Young: Managing Director | | | | | | |
|-------------------------------|--|--|---|---|---|---|
| | Singapore | Sydney | Bangkok | Kuala Lumpur | Tokyo ⁺ | |
| ASIA PACIFIC EQUITY | Kasarin Chakkaphak Flavia Cheong Kristy Fong Andrew Gillan Peter Hames* Kwok Chern Yeh Adrian Lim <i>Boo Siew Yan, Cheng Hui Fang, Felicia Lee Emerald Rosasillfiani, Tan Shuyun, Eunice Toh</i> Central Dealers: Richard Ang, Sarita Bajaj, Geraldine Ng, Marcus Tan | Peter Taylor Lydia Tjhia Jeremy Whitley Christopher Wong Hugh Young | Michelle Casas Mark Daniels* Natalie Tam | Orsen Karnburisudthi Robert Penalzo* Ratanawan Saengkitikomol Adithep Vanabrisksa <i>Sutatip Premruthai</i> Central Dealer: Jira Vereewattanasak | Gerald Ambrose* Vicknesan Balakrishnan Jalil Rasheed | Keita Kubota [^] Pascal Masse**^ Masaru Ogawa [^] Maya Saito [^] |
| | ASIA PACIFIC FIXED INCOME | Kenneth Akintewe Esther Chan Donald Amstad* (incoming) Annette Fraser* (outgoing) <i>Tan Chew May</i> Central Dealer: Yueh Ee Leen | Alton Gwee David Lai Ng Peng Fong | Malcolm Alley Alison Briggs* Nerissa Chew Ky Van Tang | Pongtharin Sapayanon | |

* Head of desk

[^] Japan equity team

⁺ Research office

Investment support staff in italics

Asia Pacific equity team

Singapore

Hugh Young, Managing Director

BA in Politics from Exeter University, started investment career in 1980. In charge of the Group's Far East funds since 1985. Co-founded Aberdeen Asia in 1992.

Peter Hames, Head of Asian Equities

BSc in Economics & Accountancy from Bristol University, started investment career in 1986. Joined the Group in 1989. Co-founded Aberdeen Asia in 1992.

Flavia Cheong, Senior Investment Manager

CFA; MSc in Economics from University of Auckland. Previously with Investment Company of the People's Republic of China and Development Bank of Singapore. Joined Aberdeen Asia in August 1996.

Jeremy Whitley, Senior Investment Manager

MA Joint Honours in English and Art History from St. Andrews University; MBA from Edinburgh University. Started investment career in 1988. Has covered the Asian markets since 1995. Relocated to Aberdeen Asia in 2004.

Adrian Lim, Investment Manager

CFA; BAcc, Nanyang Technological University, Singapore. Joined Aberdeen from Murray Johnstone. Previously he was an Associate Director at Arthur Andersen advising clients on mergers & acquisitions in South East Asia.

Christopher Wong, Investment Manager

CFA; BA in Accounting and Finance, Heriot-Watt University, Edinburgh. Joined Aberdeen in December 2001. Previously, he was an Associate Director with Andersen Corporate Finance advising clients on regional M&A.

Andrew Gillan, Investment Manager

MA Joint Honours in French and European History from University of Edinburgh. Joined Murray Johnstone in September 2000 and transferred to Aberdeen Asia in November 2001.

Peter Taylor, Investment Manager

CFA; MA in Quantitative Economics and International Law, Johns Hopkins University; MA (Hons) in PPE, Oxford University. Previously with International Finance Corporation, Hong Kong. Joined Aberdeen in February 2007.

Kristy Fong, Assistant Investment Manager

CFA; BAcc, Nanyang Technological University, Singapore. Joined Aberdeen in August 2004, prior to which she was a junior equities research analyst with UOB Kay Hian.

Asia Pacific equity team

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BA in Journalism, University of Missouri-Columbia; MSc in Finance from the London Business School. Joined Aberdeen in August 2005, prior to which he was an equity research analyst with MSCI Barra.

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BSc in Business Administration, Boston University School of Management, USA. Joined Aberdeen in February 2006, prior to which she was an investment analyst with UOB Kay Hian.

Kasarin Chakkaphak, Investment Analyst

BA in Economics and French, Amherst College. Joined Aberdeen in August 2006, prior to which she was with Daiwa Securities America, New York.

Asia Pacific equity team

Kuala Lumpur

Gerald Ambrose, Head of Malaysian Operations

MA (Hons) in Land Economy from Pembroke College, Cambridge University. Set up institutional sales desks for BNP Paribas and CIMB Securities between 1990 and 1996 before moving to HSBC James Capel in London. Joined Aberdeen in 2005 from Kim Eng Securities where he was institutional sales director.

Vicknesan Balakrishnan, Investment Manager

BA in Economics & Finance, Manchester University and MSc in Finance & Economics, Cambridge University. Previously with the Central Bank of Malaysia and with Astro All Asia Networks before joining Aberdeen in August 2005.

Jalil Rasheed, Investment Analyst

BSc (Hons) Accounting & Finance, London School of Economics. Joined Aberdeen in August 2005.

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