



# Prudential Seizing the Opportunity



**PRUDENTIAL**  
英國保誠集團

機會  
Peluang  
機會  
Opportunity  
oportunitiad



**Prudential**  
Seizing  
the  
**Opportunity**

# **Our Growth Opportunities**

**Mark Norbom**  
Prudential Corporation Asia  
November 2004

# Delivering profitable and sustainable growth

**Accelerating  
profitability**

**Leveraging regional scale,  
expertise and innovation**

● **Integrated operating model**

● **Leadership development**

● **Risk management**

**Building  
sustainability**

**Creating a lasting  
foundation**

● **Brand strength**

● **Business building expertise**

**Continued  
strong growth**

**Driving proven success  
models to all markets**

● **Multi-channel distribution**

● **Product innovation**

● **Customer centricity**

**Strong top-line growth - even faster bottom-line growth**



**Prudential**  
Seizing  
the  
**Opportunity**

# **Overview of the Funds Business**









**Ajay Srinivasan**  
Prudential Corporation Asia  
November 2004



# Key messages

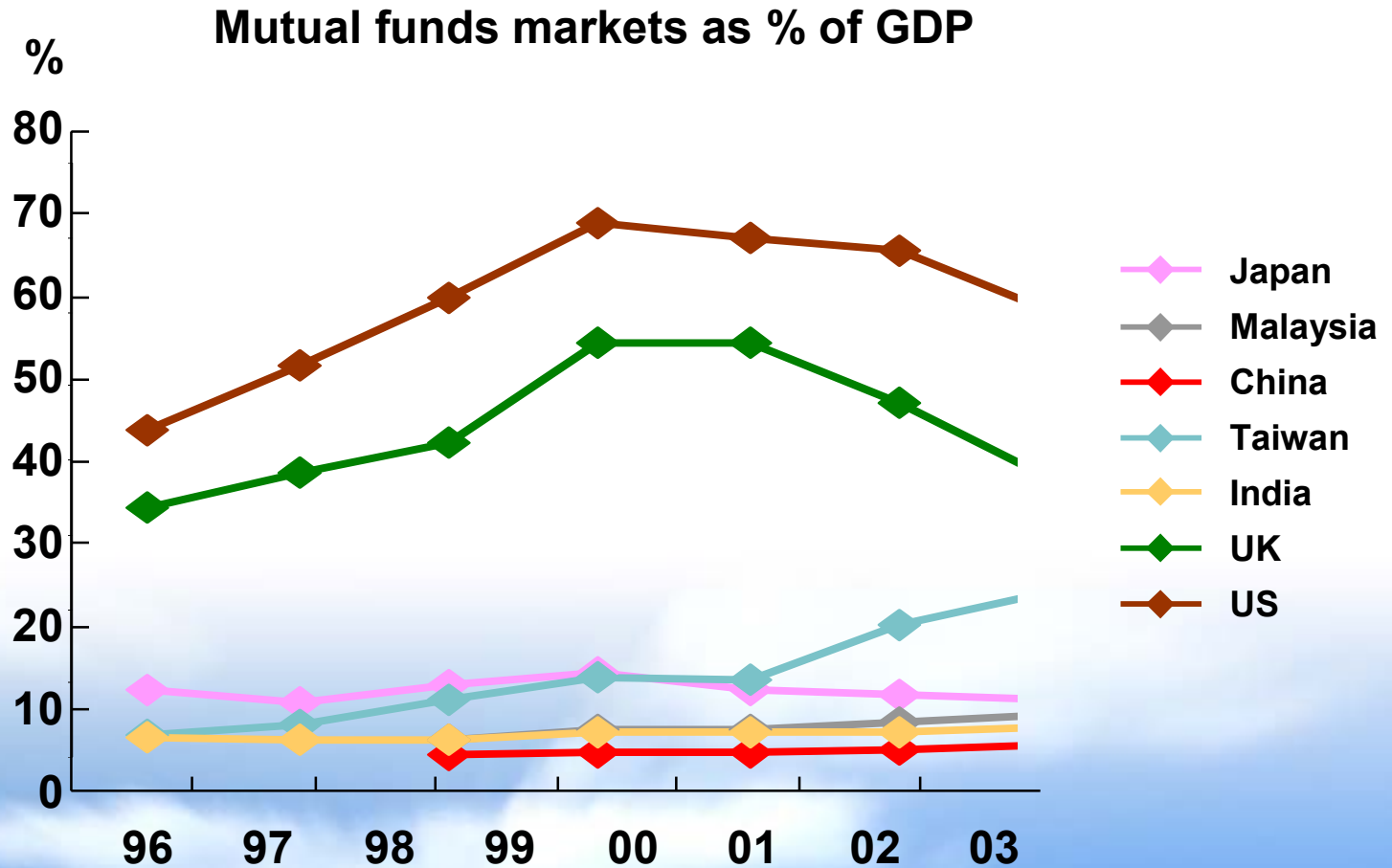
- **Mutual funds in Asia have grown strongly and the potential to grow is substantial**
- **We have a track record of delivery and have built a sizeable business in a short time**
- **We add considerable value to the Life companies through fund management of Life Funds**
- **Our goal is to be a significant and profitable force in all our chosen markets**
- **We have the vision, the strategy and the people to succeed**

# Mutual funds market in Asia : Size and growth

		FUM 2002 (£ billion)	FUM 2003 (£ billion)	2003 v 2002 growth (%)
	Japan	219	241	10
	Korea	78	65	(17)
	Taiwan	35	44	26
	Hong Kong*	15	18	20
	India	15	17	13
	China	9	10	11
	Singapore	5	6	20
	Malaysia**	3	4	33
<b>Total</b>		<b>379</b>	<b>405</b>	<b>7</b>

# Mutual funds market in Asia : Opportunity for growth

Asian mutual fund market is embryonic compared to other countries





# Funds business : Fit with overall strategy

- **Customer perspective**

- One of two best of breed products in our offering (ie life and mutual funds)
- Create more loyal customers for Prudential in Asia

- **Financial perspective**

- Create shareholder value building on Prudential Corporation Asia's core strengths
- Funds business has attractive return on capital profile

- **Synergies with life business**

- Leverage existing local market knowledge (eg customers, competitors, culture and regulatory environment)
- Use Prudential brand strength to broaden Prudential's customer base in Asia



# Funds division : Structure

**Ajay Srinivasan**  
*Managing Director, Funds*

## Regional functions

**Nick Scott**  
*CIO, Equities*

**Kelvin Blacklock**  
*CIO, F/I*

**Ted Pull**  
*Finance,  
Planning and Risk*

**Suraj Mishra**  
*International  
Funds*

**Kong Siew Cheong**  
*Operations*

**New Hire**  
*Marketing*

## Country CEOs

**Pankaj Razdan**  
India

**Mark Toh**  
Malaysia

**Thomas Tsao**  
Taiwan

**S H Hwang**  
Korea

**Felix Pang**  
Japan

**Kong Siew Cheong**  
Singapore

**Oscar Wong**  
HK

# Funds division : Extensive presence in Asia



Country	Mutual funds	Unit linked
China	*	●
Hong Kong	●	●
India	●	●
Indonesia		●
Japan	●	●
Korea	●	●
Malaysia	●	●
Philippines		●
Singapore	●	●
Taiwan	●	●
Thailand		
Vietnam	*	

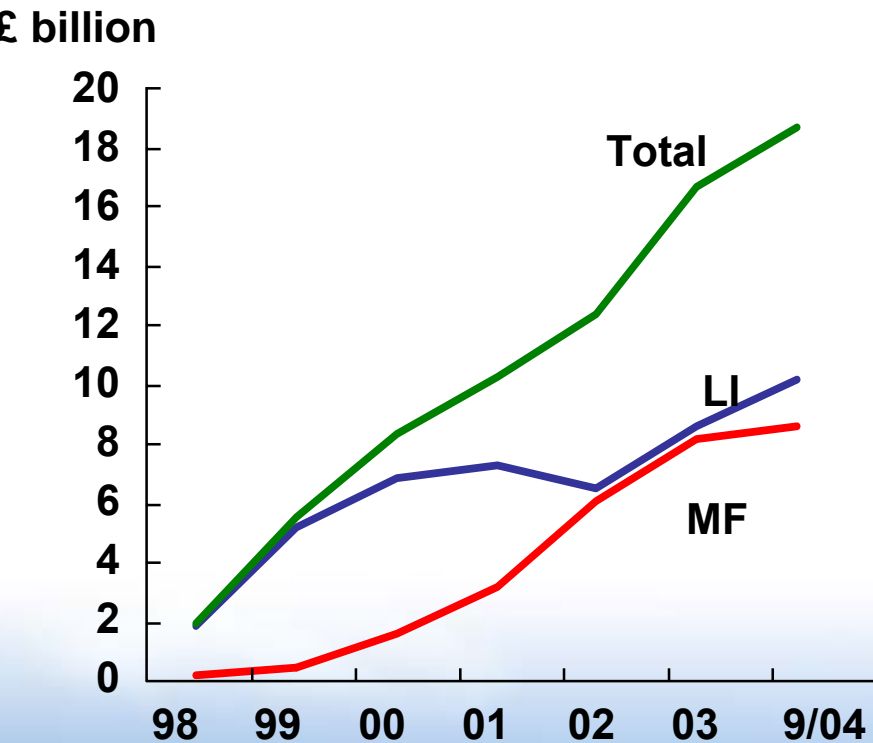
# Mutual funds : Peer comparison

Foreign players are increasing penetration and moving towards multi-country leadership positions

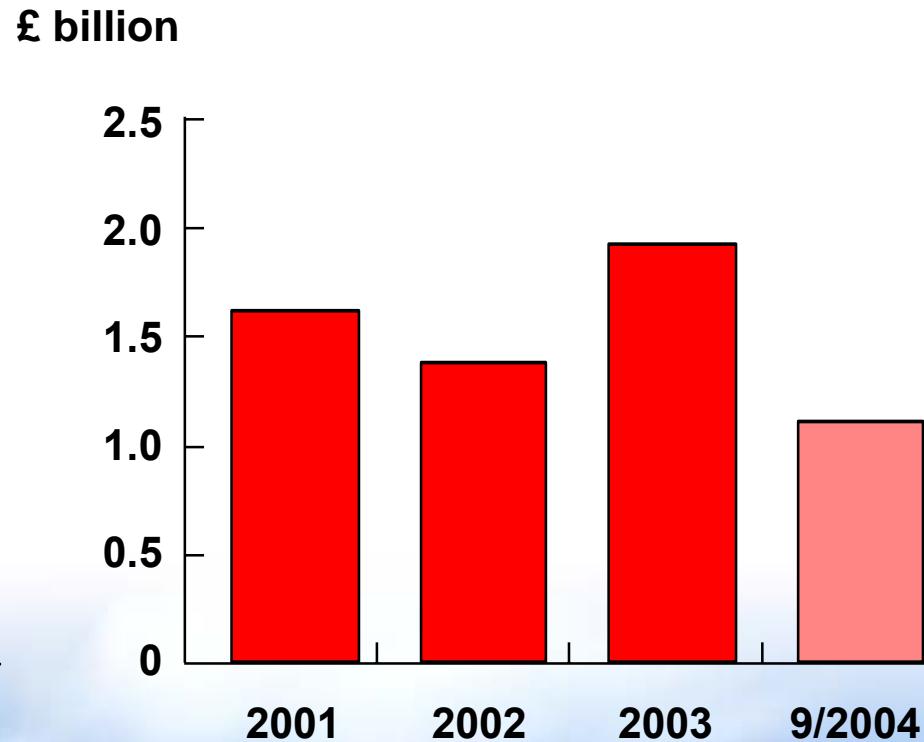
	HK	Sing	Japan	Taiwan	Korea	India	Mal	China	Vietnam
<b>Prudential (7)</b>	✓	✓	✓	✓	✓	✓	✓	*	*
<b>Templeton (7)</b>	✓	✓	✓	✓	✓	✓		✓	
<b>Alliance Cap (6)</b>	✓	✓	✓	✓		✓		✓	
<b>AIG Global (5)</b>	✓	✓	✓	✓				✓	
<b>Jardine Fleming (5)</b>	✓	✓	✓	✓				✓	
<b>ABN Amro (5)</b>	✓	✓		✓		✓		✓	
<b>HSBC (5)</b>	✓	✓	✓	✓		✓			
<b>Schroders (5)</b>	✓	✓	✓	✓	✓				
<b>Fidelity (4)</b>	✓	✓	✓	✓					
<b>Aberdeen (2)</b>	✓	✓							

# Strong FUM growth

## Rapid growth in FUM



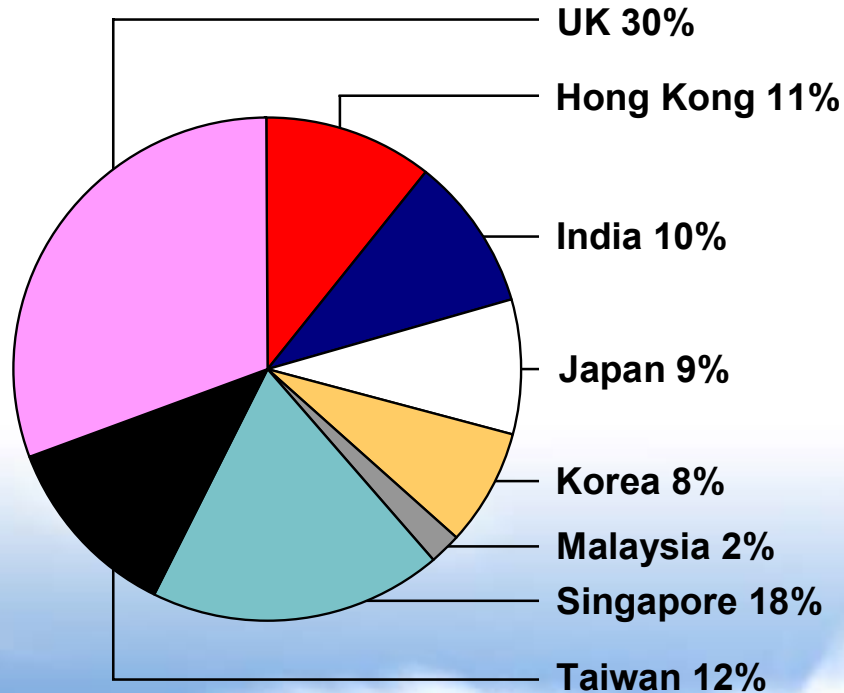
## FUM growth mainly due to increase in net inflows



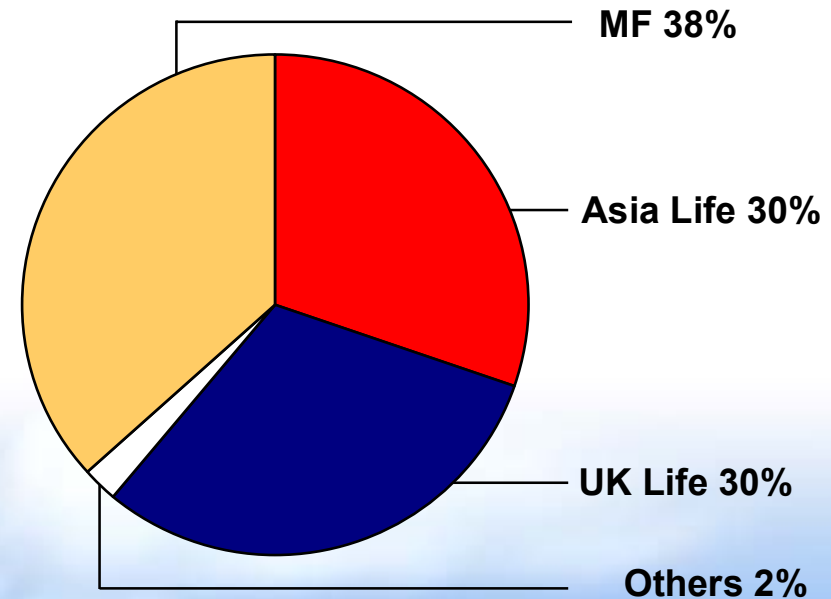
# Drivers of profitability : Diversity of geographic presence and client base

Our FUM is derived from various countries and a diverse client base

## FUM by countries September 2004



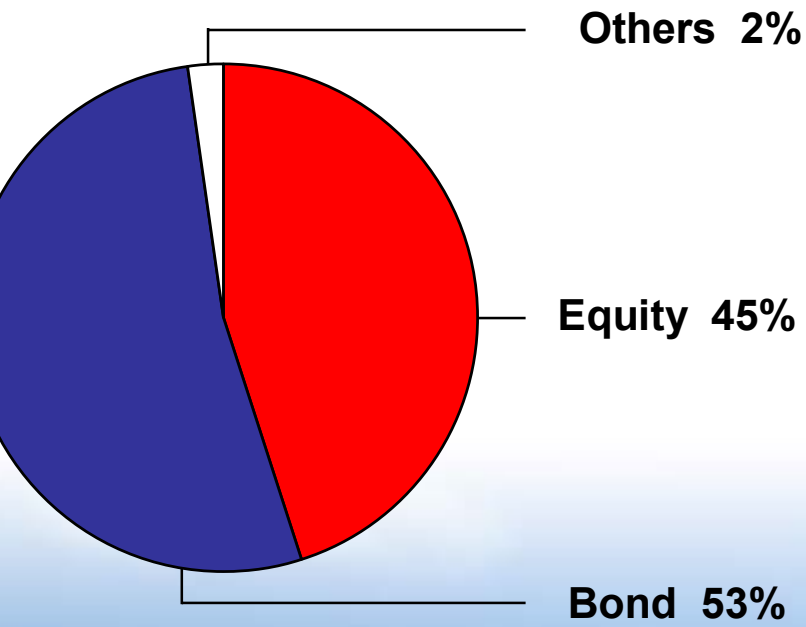
## FUM by clients September 2004



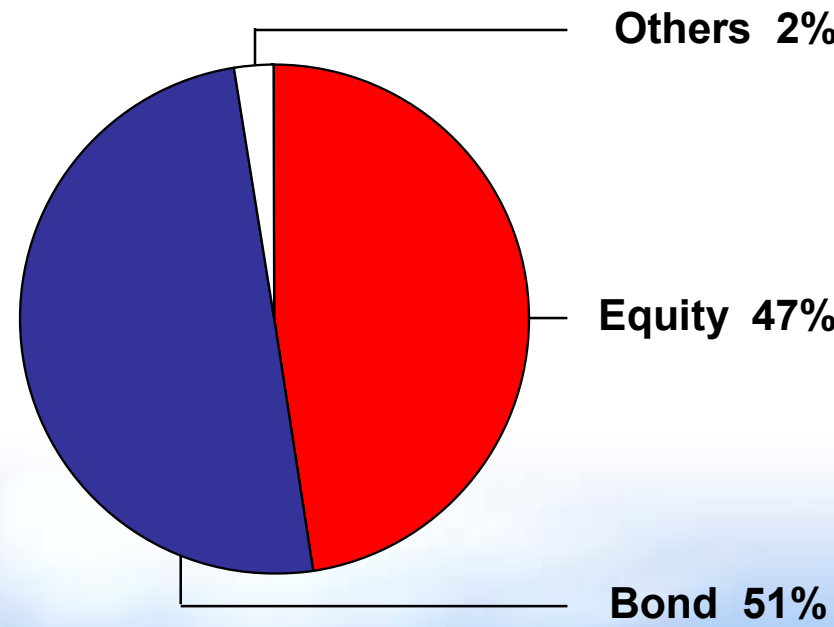
# Drivers of profitability : Asset mix

Our asset mix is moving towards products with higher margin

September 2003 actual

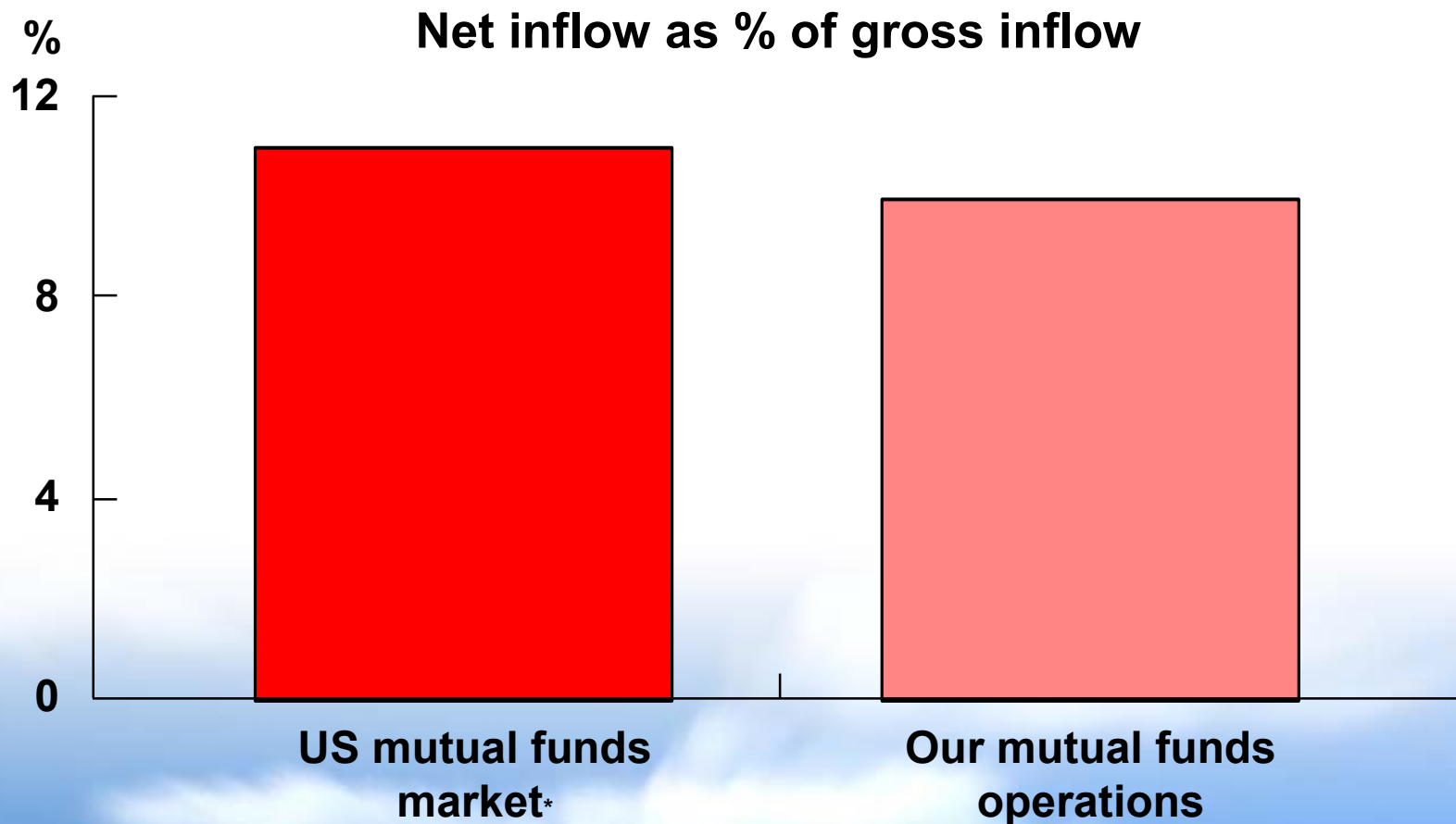


September 2004 actual



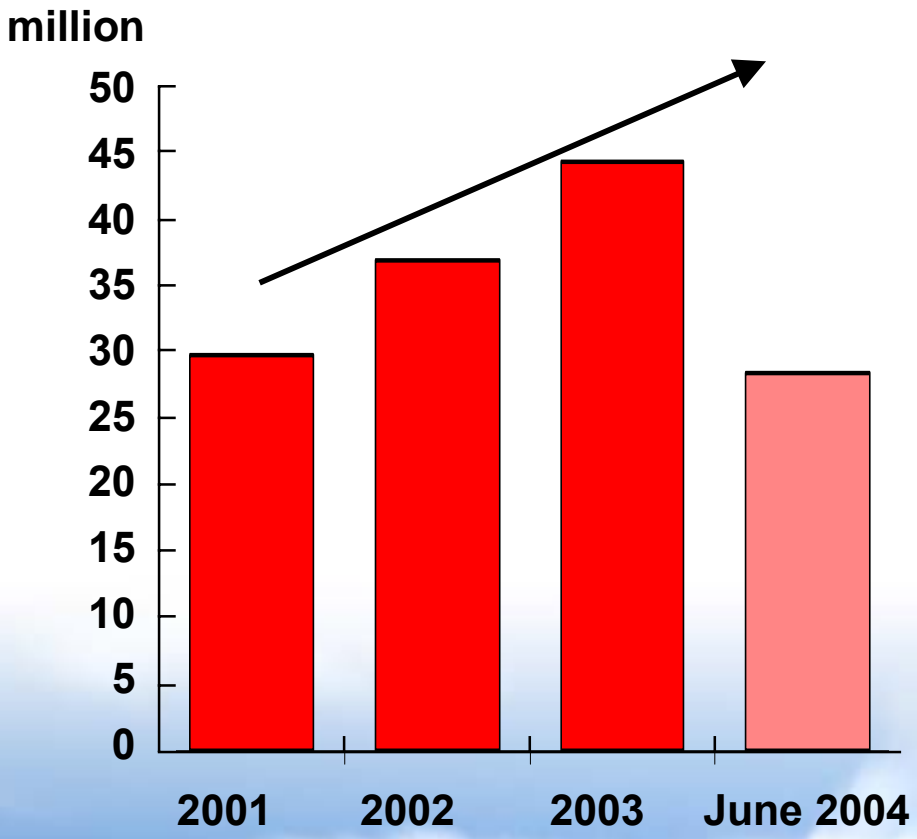
# Our persistency versus US

Our net inflows were 10% of gross inflows in 2003, in line with overall US market which was 11%

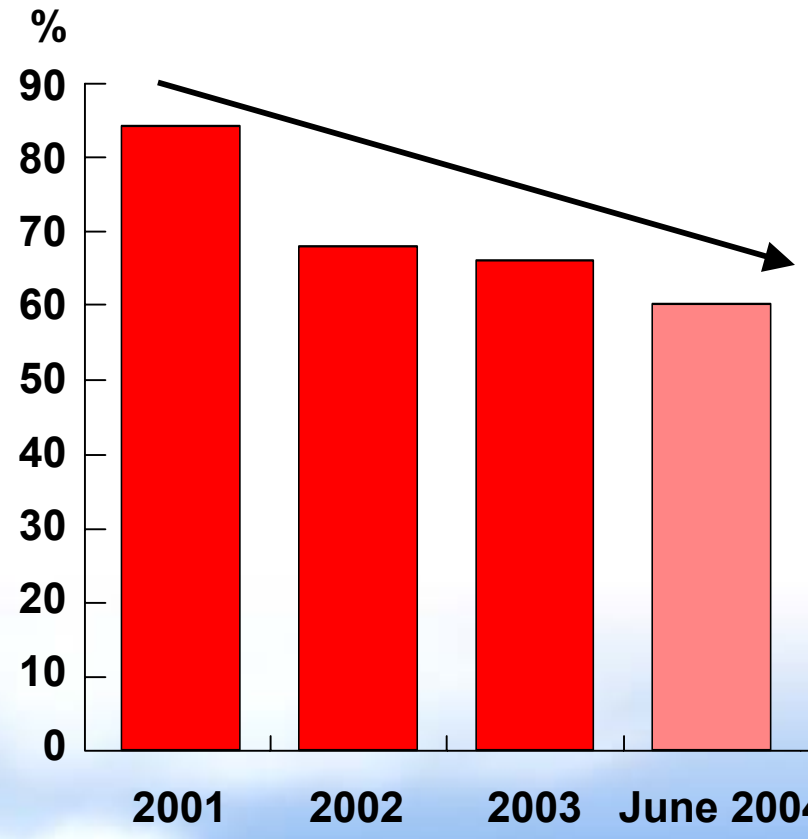


# Strong growth in revenue and economies of scale

## Net revenue continuing to grow



## Cost as % of net revenue\*

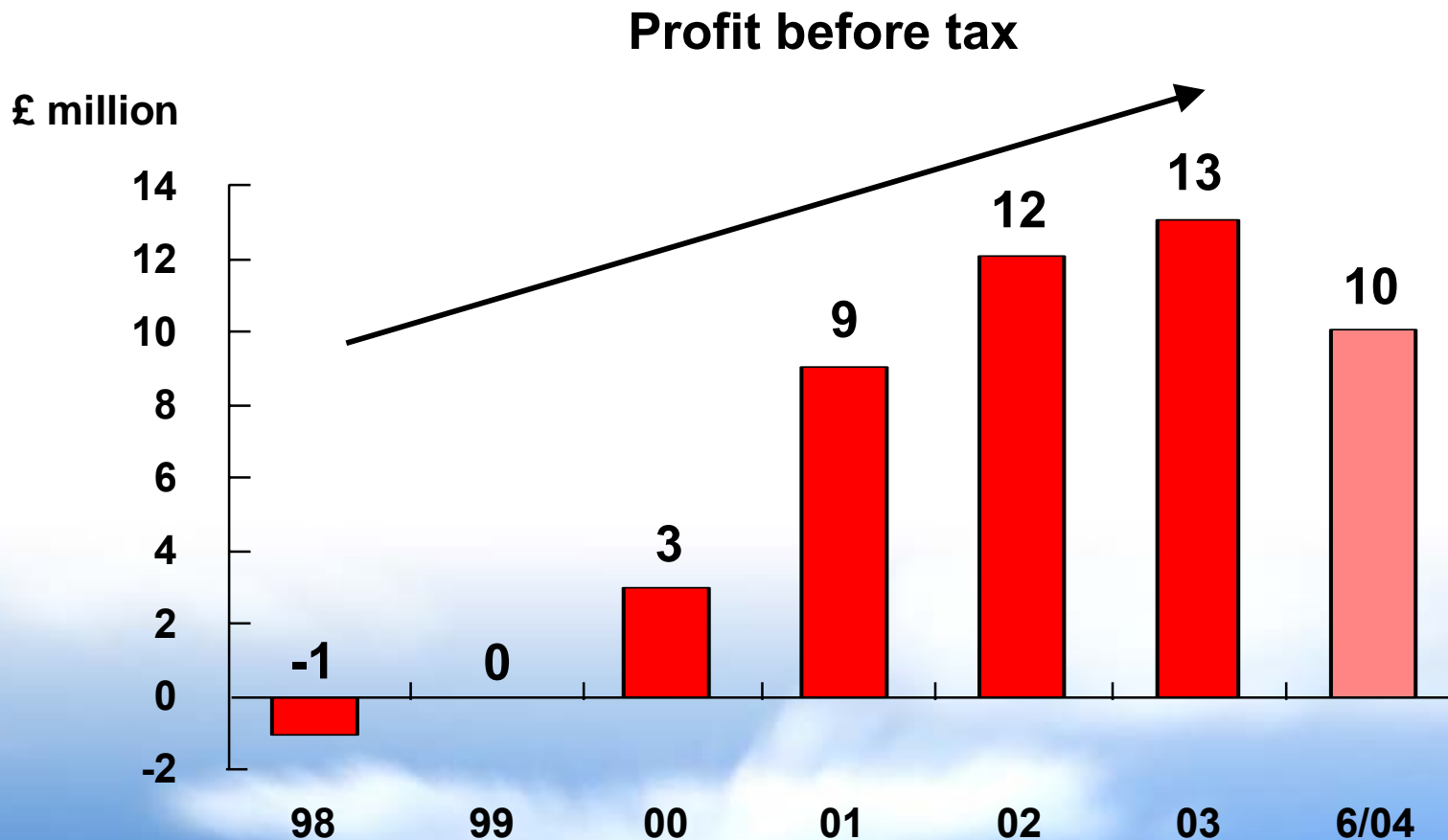


\*Net revenue = Gross management fee less commission



# Strong growth in profits

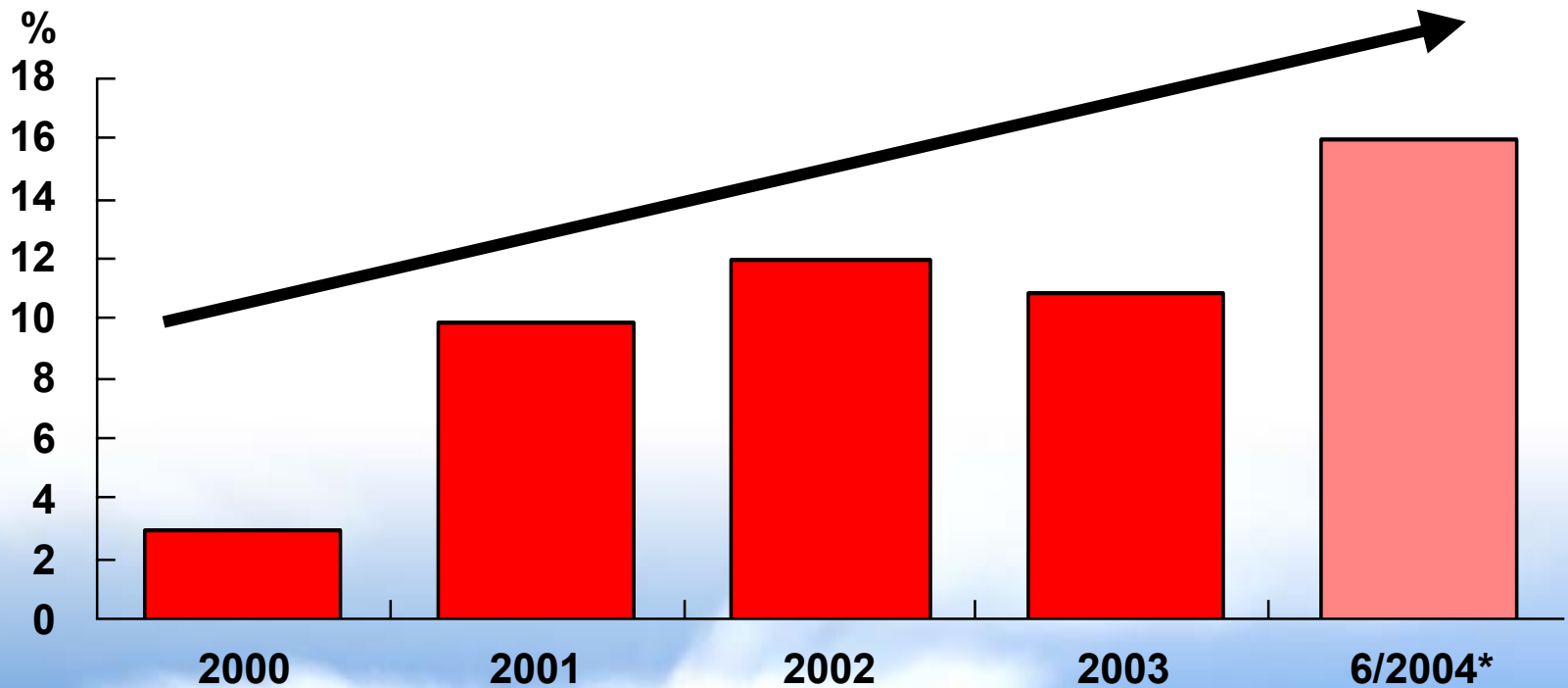
Profitability has improved due to economies of scale and effective cost control



# Return on capital

Strong trend on increasing return on capital





Pre-tax return on capital invested  
= PBT / accumulated capital (pre-dividend)



June 2004 figure was annualised for consistent comparison

# Value added for life funds







We have added significant value to our life companies' funds

	Clients	Value added last 3 years (£ million)
	Singapore Life	49
	Hong Kong Life	43
	Malaysia Life*	23
	United Kingdom Life	127
	<b>Total</b>	<b>242</b>

# Mutual funds : Fund performance summary

Two-thirds of our funds are in top two quartiles

% of funds in top two quartiles as of June 2004

		1 year (%)	3 year (%)
	India	58	50
	Taiwan	60	67
	Singapore	100	50
	Malaysia	83	100
	Japan	100	100
	Korea	65	N/A
	<b>Total</b>	<b>66</b>	<b>65</b>

# Examples of our awards and recognition

Prudential Unit Trusts Malaysia received 4 awards for the following funds :

- Pru Growth Fund
- Pru Small-Cap Fund
- Pru Balanced Fund



Prudential ICICI Asset Management among top 50 most trusted services brands in India (2004 A. C. Nielsen independent survey)



PRULink Singapore Managed Fund won the 10 year Special Award for highest absolute return over 10 years in entire Singapore authorized investment linked products category (Investment Fund Awards 2003)





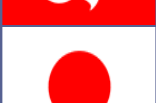
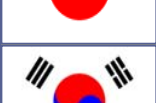



PCA Asia Securities Investment Trust's Hi-Tech Fund recognized as Best Performing Funds in 'Three-year Taiwan TMT (Technology Media Telecommunication)' category (Standard and Poor's Taiwan Investment Funds Awards 2003)



# Market leading position

Top 5 ranking in 4 out of 7 markets with material market share

		Top 5 ranking	Market share <sup>***</sup>
	India	✓	10%
	Taiwan	✓	5%
	Malaysia	✓	7%
	Hong Kong MPF <sup>*</sup>	✓	13%
	Japan <sup>**</sup>		2%
	Korea		3%
	Singapore	N/A	N/A

Source : AMFI, SITCA, Securities Commission of Malaysia, The Investment Trust Association of Japan, KITCA

By members numbers

By Foreign players' AUM

# Mutual funds : Strategic objectives



**To achieve :**

**1. Scale and materiality in terms of :**

- FUM
- Profitability
- Geographic coverage



**2. A material base of retail customers**

**3. A highly salient and relevant brand built on superior and consistent fund performance**

**4. A qualitatively superior business**

- Employer of choice
- The best team in the business
- A business that shareholders truly value and count on for reliable delivery

# Four pillars of our strategy

## Customer



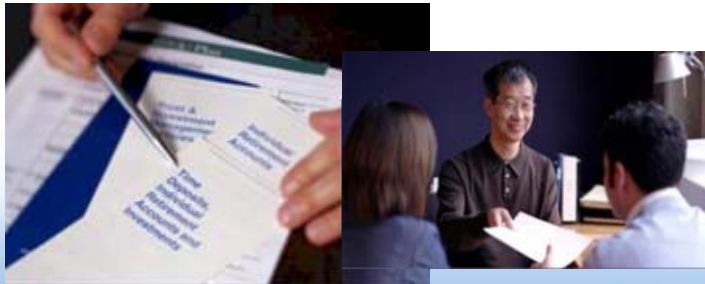
**Understanding our target customers' needs**

## Brand



**Build on the Prudence heritage and add saliency to the brand as it represents a fund management company**

## Product



**Range of products and fund performance to meet our customers' changing needs**

## Distribution



**Continuing to increase our multi channel distribution reach so that customers can access us when and where they choose**



# Customer strategy : Mutual funds

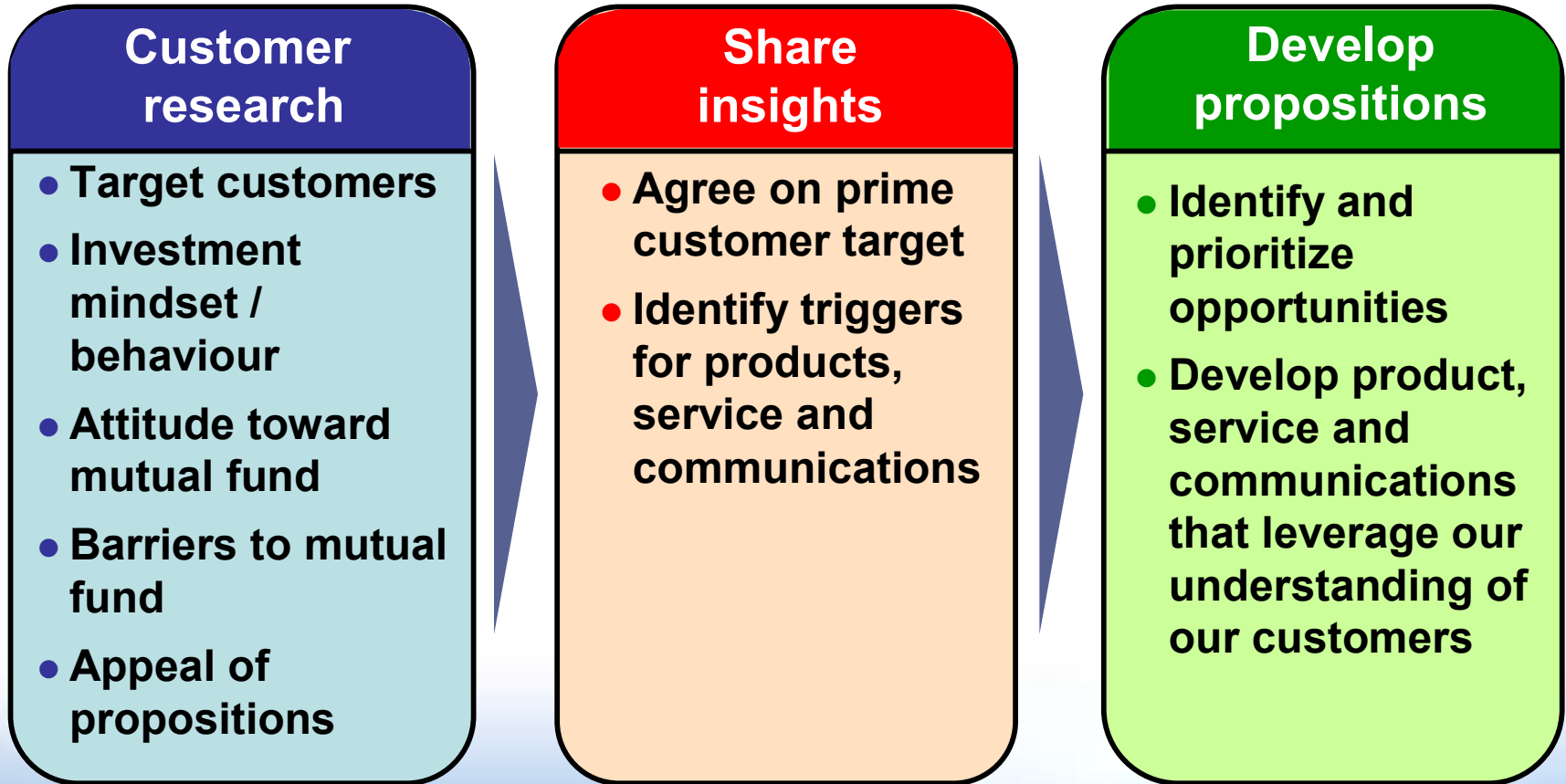
**How do we decide which customer segments to target?**

## **Key factors to consider**

- Total market FUM and fee pools – institutional and retail
- Population demographics and retail savings pools
- Mutual funds “share of wallet”

**Customer strategy**

# Our approach to understanding target customers' needs



***Customer propositions are developed based on customers' needs***

# Four pillars of our strategy

## Customer



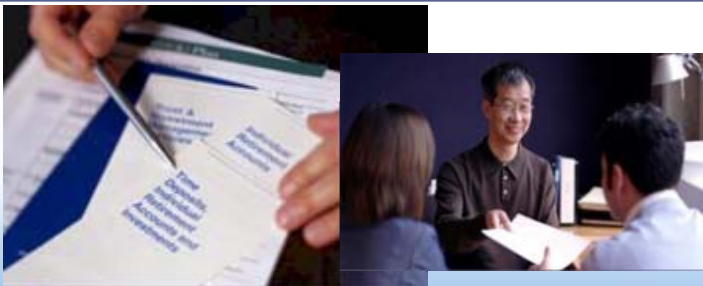
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# Mutual funds : Single regional brand

Our regional brand positioning based on commitment to put the customer at the centre of everything we do

## Consumer Insights

- Find mutual funds confusing and difficult to understand
- Find the idea of a brand that is committed to understanding their needs and offering products to meet those needs highly appealing
- Would look for 'well known' brands they can trust to look after their hard-earned money and help simplify purchase decisions

## Brand platform

**Making your money work  
as hard as you do**



***Different names, same proposition***

# India : Prudential ICICI brand building



- Television Commercial



# Product development

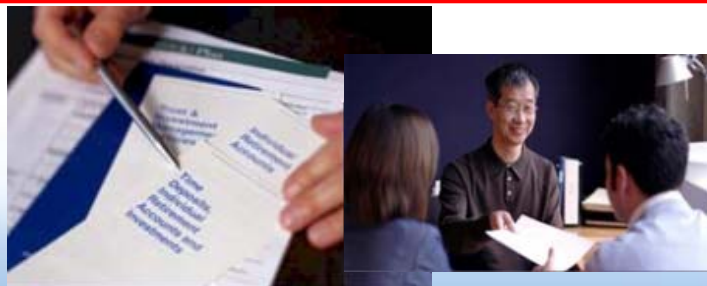
## Customer



## Brand



## Product



**Jon Allen**  
**Regional product development**  
**- Funds**

## Distribution



# Role of regional product development (RPD)

Regional product development facilitates synergies between our funds and life businesses

Product approval committee

Regional operations

Regional compliance

Regional CIOs

Regional risk management

Regional product development team

Prudential Corporation Asia investment linked life companies

Prudential Corporation Asia mutual fund companies

3<sup>rd</sup> party fund providers

# Creating competitive advantage

**Our life companies  
who sell investment  
linked products**

**Regional product  
development team**

**Our mutual fund  
companies**

**Centralised approach to  
product development**

**Work within each business  
as a consultant**

**Add value via early adoption of  
global product trends**



# Product propositions to our target customers



They save  
or invest for

**Specific investment goals**  
eg to grow capital to achieve  
specific returns

**“Financially Savvy”**

I = Investment

**Specific lifestage goals**  
eg marriage, children’s  
education, retirement

**“Needs focused”**

N = Needs

**Without specific goals**  
eg want to invest or save  
but need advice

**“Advice based”**

A = Advice

***Build products that meet these needs***

# India example : Product mapping methodology

“Bottom Up” approach to customer needs

Existing products

**I = Investment driven**

Equity

Bond

Hybrid

**N = Needs**

Lifestage

**A = Advice**

Risk based

Customer voice + Distributor feedback + Global trends = what to build






New products

Eg : Need in India for school fees provision - Child Care Plan

*Apply across each distribution channel*

# Examples of successful product launches

**Successful execution validates our approach**

Country	Product	Key feature	FUM at 30 Sep 04
	Monthly Income Plan	Bond and equity product focused on paying regular yield	£ 130 million
	Balanced Fund	Active bond and equity product focused on absolute returns	£ 107 million
	Islamic Dynamic	Sharia compliant bond and equity product focused on absolute returns	£ 43 million
	Dragon Peacock	Active equity fund investing in China and India	£ 37 million
	KLCI Index Hybrid	Actively managed bond combined with the KLCI Equity Index	£ 28 million

# Product innovation

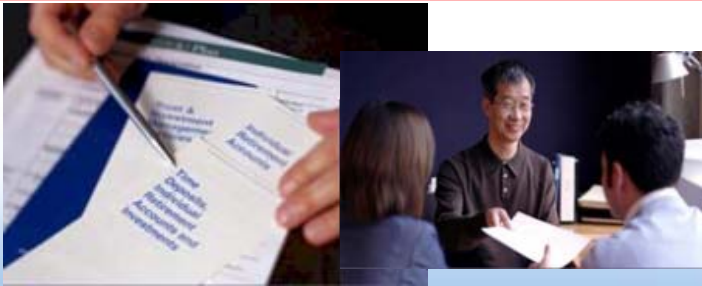
## Customer



## Brand



## Product



**Felix Pang**  
CEO, PCAAM Japan

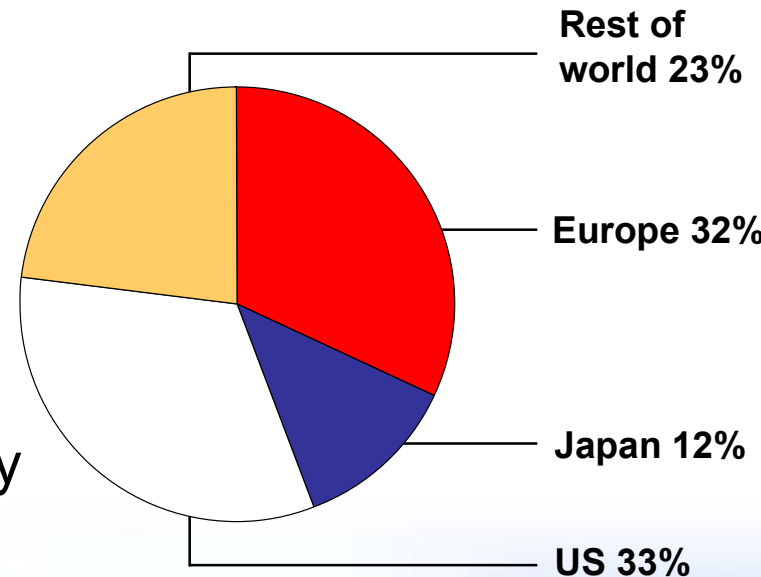
## Distribution



# PCA ASSET Japan : Background

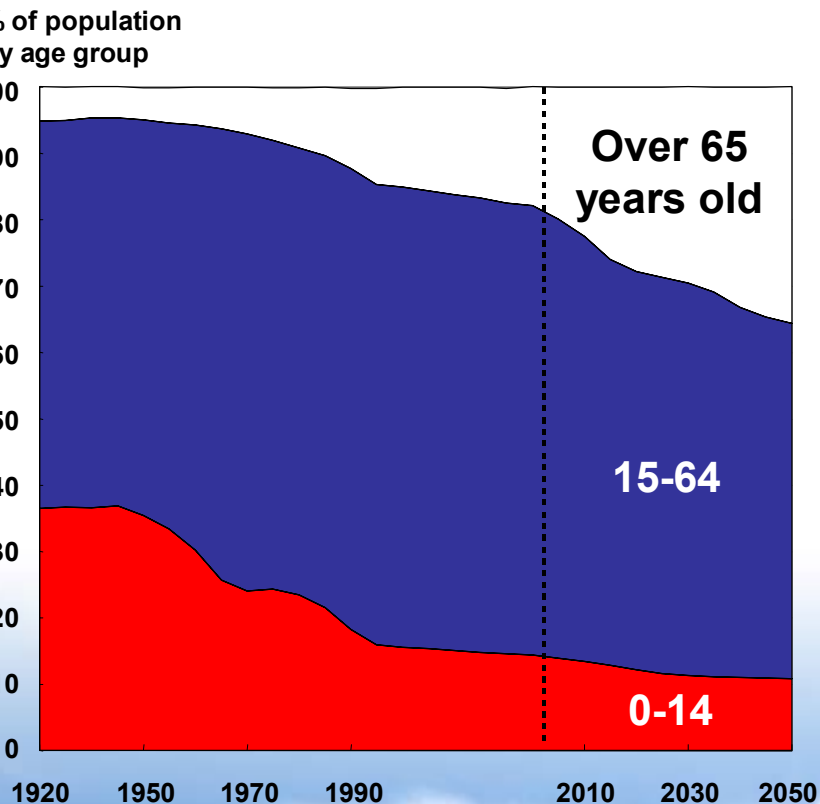
- **Greenfield start-up in mature market**
  - 70 competitors
  - Over 2,500 funds
- **Despite highly competitive environment, demographics make Japan a very attractive market**
  - World's second largest economy
  - Large population with high level of wealth

Global GDP

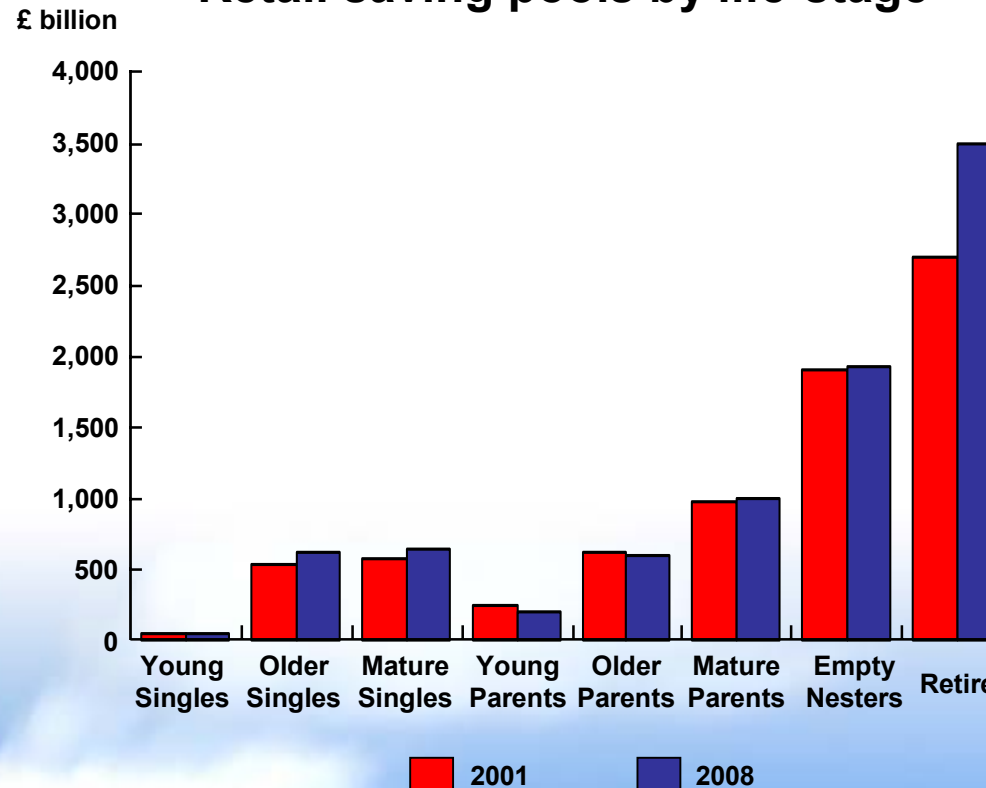


# Opportunities in Japan

- Japan has the fastest aging population in the world
- Older generation has higher saving pools



## Retail saving pools by life-stage



# So what products did we focus on in Japan?

## Our target customers



The older generation

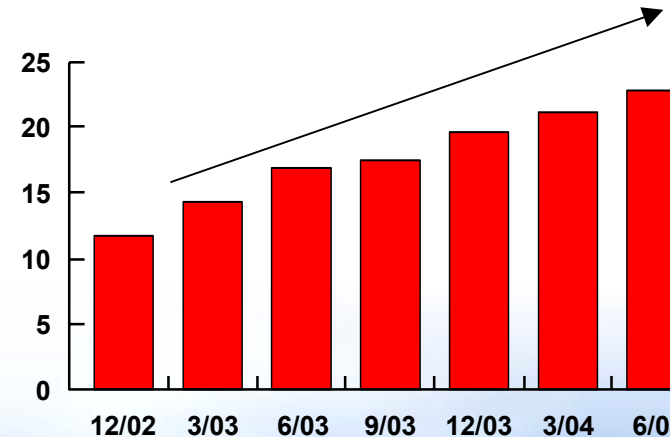
## Customers' needs

- Consider depositors' risk tolerance and monthly allowance needs after retirement
- Customers prefer regular income products with low to medium risk

## Market trend

Proportion of regular dividend fund is increasing

% of regular dividend fund in total market



# PCA ASSET Japan : Introducing key products



徹底した調査と信用分析で、高い収益性の確保を目指す  
**PCA米国高利回り社債オープン**  
高次型株式投資信託(バランス型)毎月分配型

高利回り米国社債グループ  
PCA ASSET  
ピーシーエー・アセット

債券投資の専門家が、高利回り債を厳選します。  
○高利回りの債、米国の高利回り社債に投資します。  
○高い金利収入の確保とともに、債券の値上げ益の獲得も目指します。  
○毎月分配型です。

PCA ASSET  
ピーシーエー・アセット・マネジメント株式会社

## Growth in 2003-4 through United States high yield open fund

- Open-ended fund investing in United States high yield (BBB rating and above),
- Target to pay *stable* monthly dividend payout,
- Attracted many new distributors for PCA Asset Management Japan



# Comparison of returns

Investment in US High Yield Open fund has generated better returns than investments in bank deposits and government bonds

Annualised return

%

8

7

6

5

4

3

2

1

0

0.25

1.45

7.2

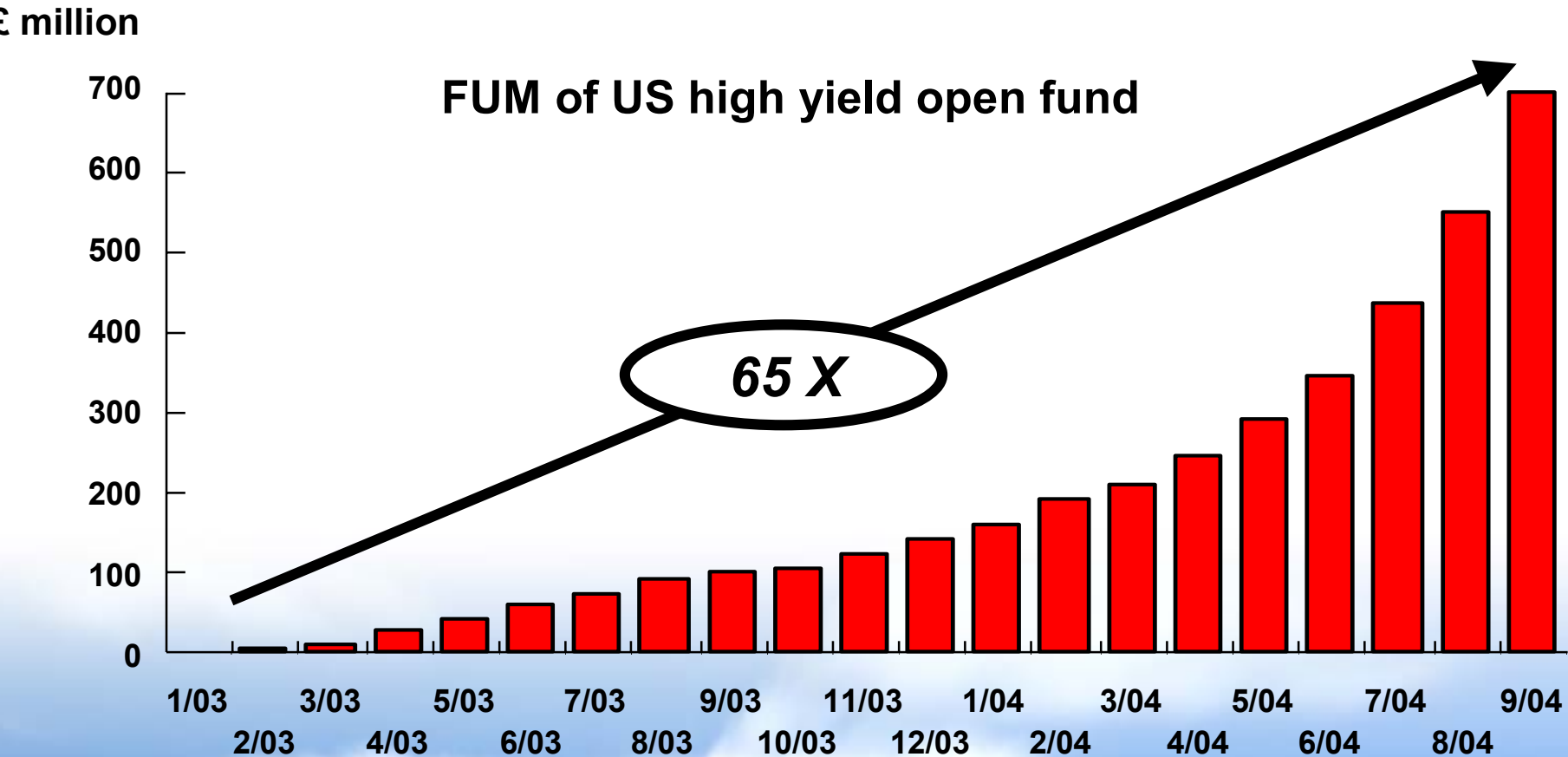
Bank deposit

Japan 10-year  
government bond 10 year

PCA US high  
yield open

# PCA ASSET Japan : Introducing key products

US high yield open fund's FUM grown 65 times over last 18 months



# PCA ASSET Japan : Competitor comparison

Currently ranked 18 out of 33

## FUM positions against key competitors

All in £ million	June 02	July 04	Change	%
<b>PCA Asset</b>	<b>61</b>	<b>828</b>	<b>768</b>	<b>1,261</b>
<b>HSBC</b>	<b>71</b>	<b>240</b>	<b>205</b>	<b>595</b>
<b>Commerz</b>	<b>71</b>	<b>475</b>	<b>404</b>	<b>568</b>
<b>BNP</b>	<b>305</b>	<b>669</b>	<b>363</b>	<b>119</b>
<b>Barclays</b>	<b>879</b>	<b>1,813</b>	<b>934</b>	<b>106</b>
<b>UBS</b>	<b>954</b>	<b>1,319</b>	<b>365</b>	<b>38</b>
<b>Credit Suisse</b>	<b>1,015</b>	<b>912</b>	<b>(103)</b>	<b>-10</b>

# Group synergies

- ***US High Yield*** is managed in the United States by our group company, **PPMA**



- **Another successful example** : Our India fund launched end of September 2004
- **We will continue to launch funds that leverage our understanding of customers, group knowledge and skill base**

# Market recognition

運用会社別純資産額 (百万円) の動き (モーニングスター社調べ)

増加額ベスト20社			増加率ベスト20社				
会社名	9月末	6カ月前の月末	増加額	会社名	9月末	6カ月前の月末	増加率(%)
国際	3,924,024	3,235,314	688,710	PCA	152,545	52,689	189.52
大和	1,860,104	1,597,346	262,758	スパークス	68,558	28,060	144.33
東京三菱	644,519	522,037	122,482	コメルツ	20,385	8,883	129.48
ゴールドマン	734,156	622,078	112,078	ありがとう	226	109	107.34
UFJパートナーズ	1,178,842	1,067,034	111,808	C・アグリコル			
ニッセイ	987,264	878,708	108,556	トヨタ			
PCA	152,545	52,689	99,856	メロン			

2004年9月24日(金) 株式新聞

**Fastest Growing AMC**

三井住友	508,001	461,727	46,274	しんきん
日興	2,089,246	2,045,667	43,579	中央三井
シティグループ	279,336	236,988	42,348	東京三菱
日本	311,536	269,854	41,682	大和住銀
スパークス	68,558	28,060	40,498	国際
DKA	429,604	389,153	40,451	AIG
AIG	191,821	158,923	32,898	フランクリン
JPM-プレミング	401,750	369,098	32,652	三菱信

PCA米国高利回り社債オープン  
ピーシーエーアセット  
資金流純資産1000億  
MON  
金利ハイ



2004年(平成16年) 9月10日 金曜日  
日経金融新聞  
The Nikkei Financial Daily  
日刊 第4424号 (土曜・日曜・祝日休刊) 日本経済新聞社 2004 (創刊1974年) 日経(三井物産発行)

## 異色「外モノ投信」次々

**インド株 高成長**  
**豪ドル 高金利を**

高金利・高成長を期待している海外の投資家に注目を集めたインド株投資信託が相次いで登場。国内市場よりも、より成長が期待されるインド市場に注目が集まっている。国内市場よりも、より成長が期待されるインド市場に注目が集まっている。

**PCA ASSET launches the First India Equity Open in Japan**

次は、インド！  
**PCAインド株式オープン**  
日本初のインド株ファンド。本日より、丸三証券にて募集開始。

PCA ASSET  
インド株式オープン

本ファンドは、インド株式に投資し、中長期的な成長を期待することを目指します。

募集期間：2004年9月10日～2004年12月31日  
募集額：100億円  
募集単位：1万円以上1万円未満まで  
募集開始日：2004年9月10日  
募集終了日：2004年12月31日  
募集方法：店頭募集  
募集場所：丸三証券  
募集手数料：1.5%  
募集手数料：1.5%  
募集手数料：1.5%

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申込メモ  
申込単位：1万円以上1万円未満まで  
申込手数料：1.5%  
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申込手数料：1.5%

申込メモ  
申込単位：1万円以上1万円未満まで  
申込手数料：1.5%  
申込手数料：1.5%  
申込手数料：1.5%

# Distribution strategy

## Customer



## Brand



## Product

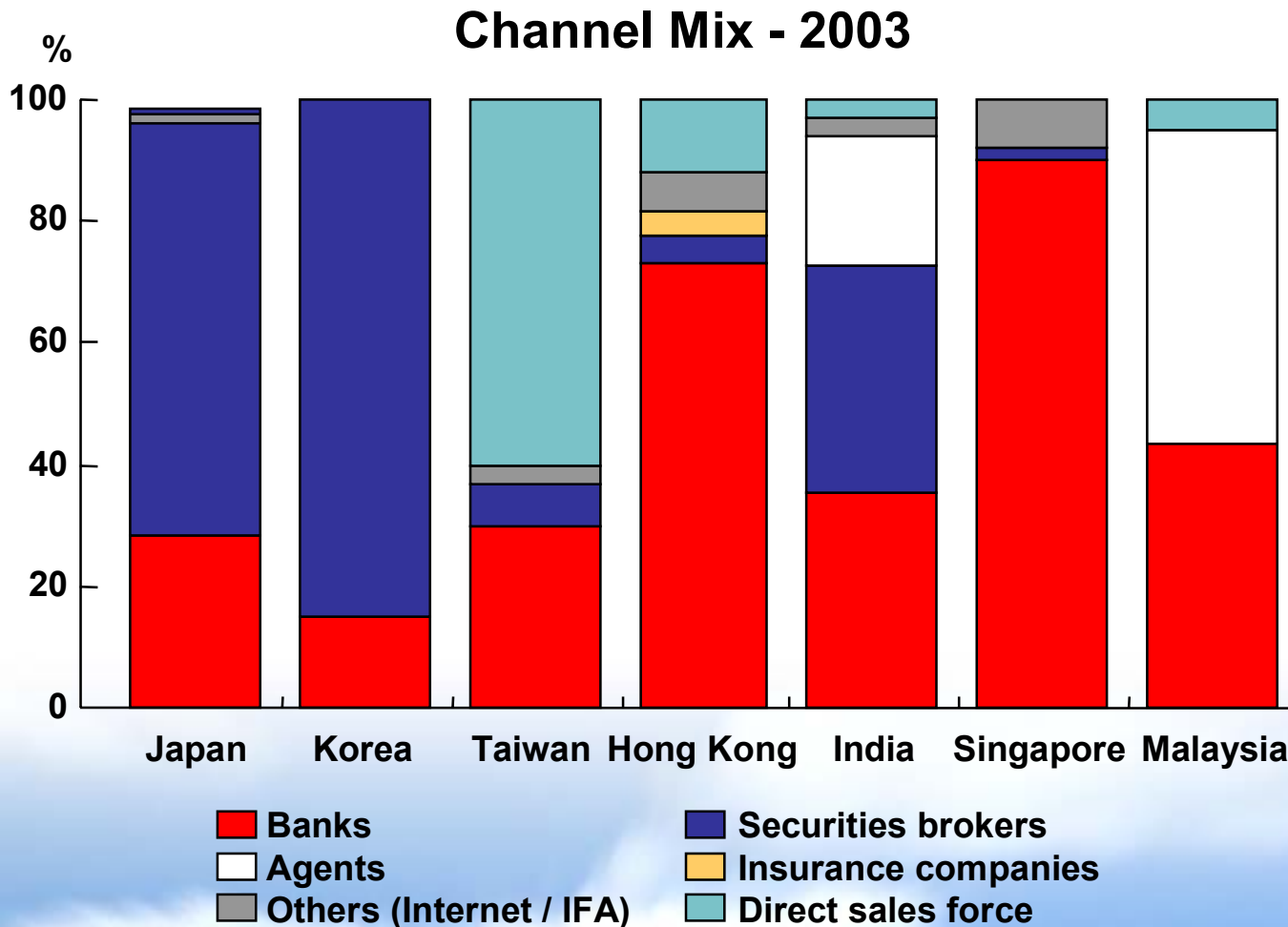


## Distribution



**Pankaj Razdan and Mark Toh**  
CEO, Pru-ICICI and CEO, PUTB

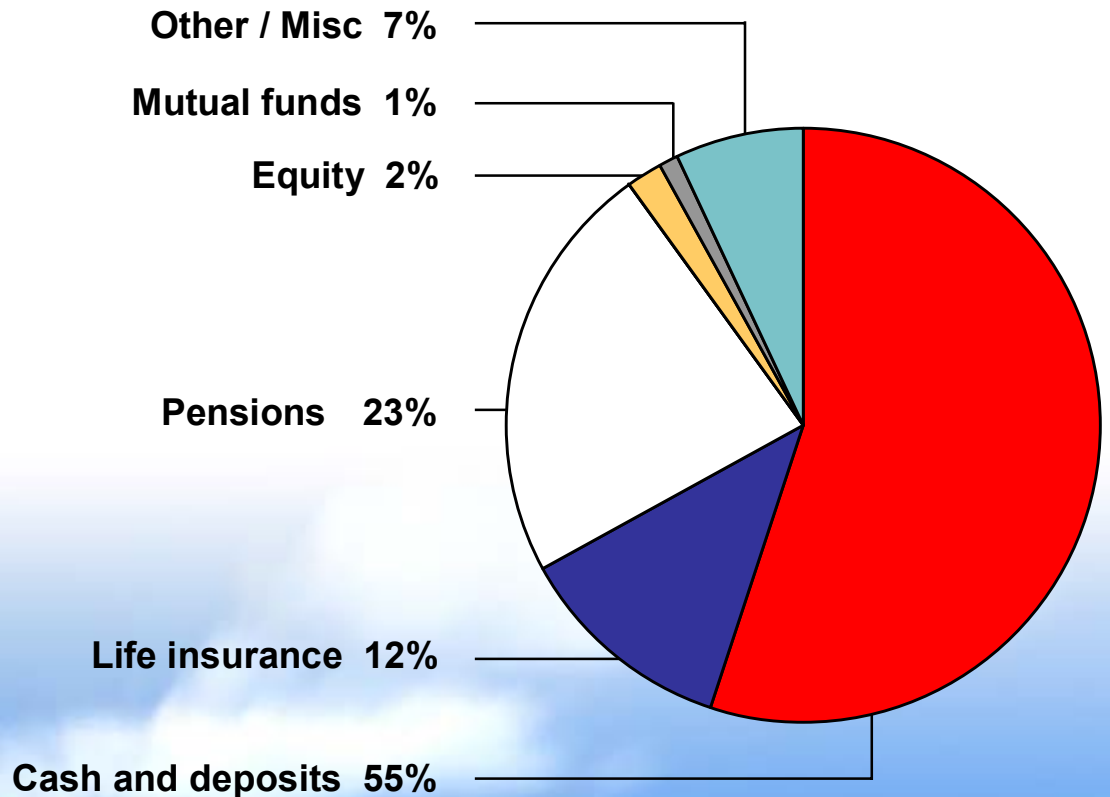
# Distribution channels vary across markets



# India : Opportunities

Penetration of mutual funds in India is still very low

## Distribution of personal financial holdings by asset class

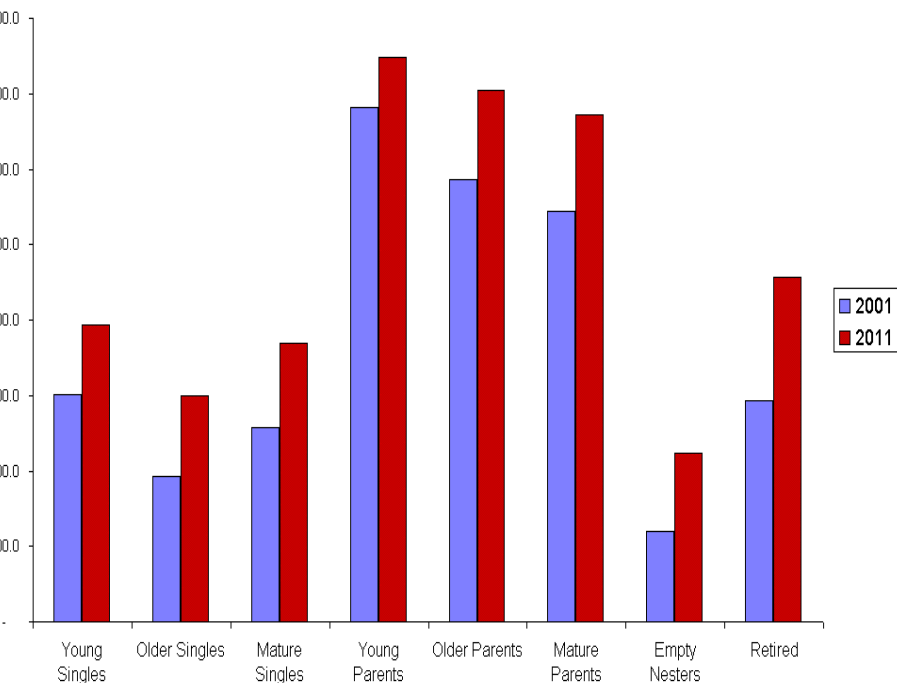




# India : Opportunities

Structural changes in Indian economy could be drivers of future growth for mutual funds business

## Young and growing population



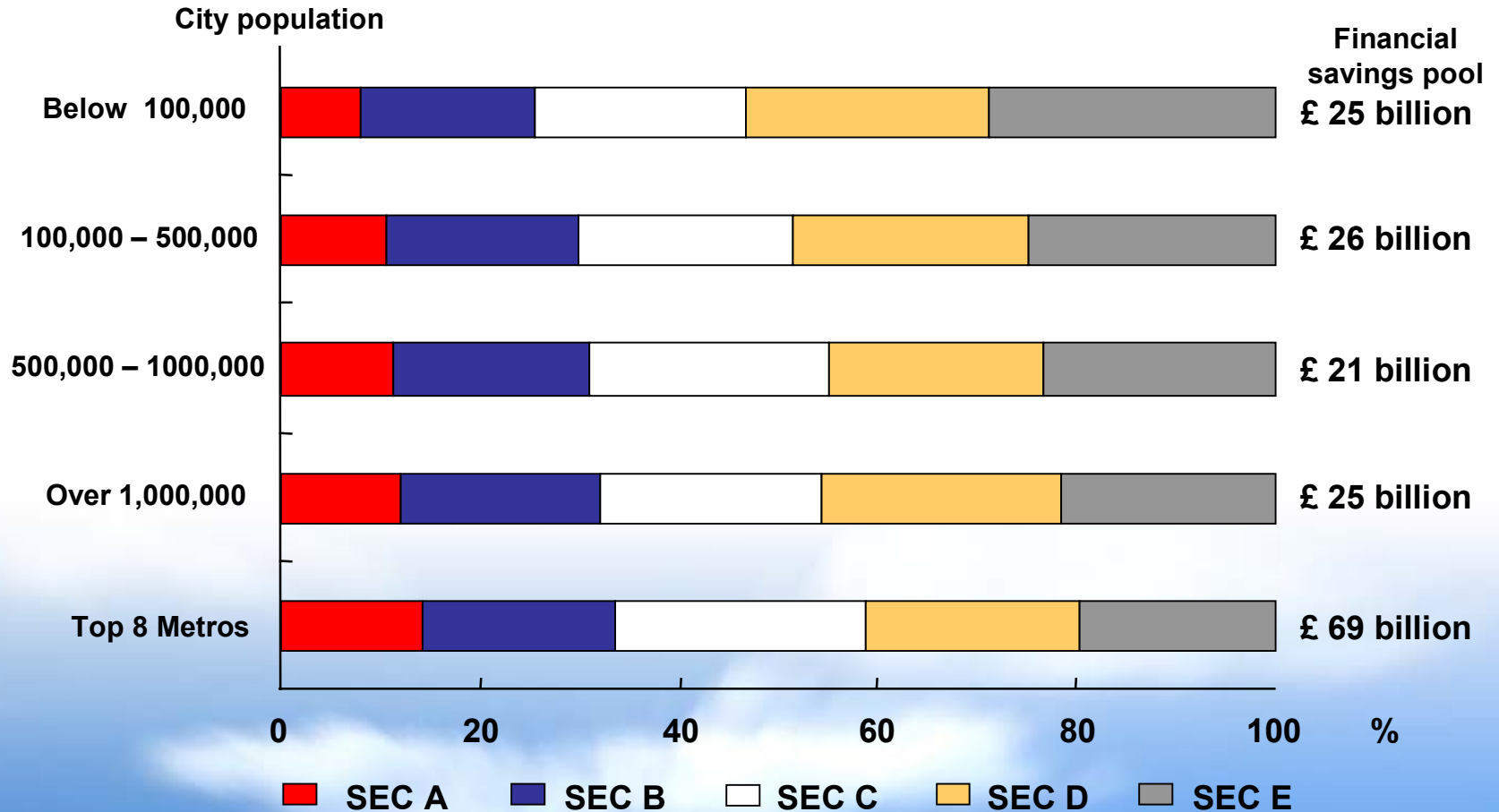
## Low interest rates



# India : Retail distribution strategy

Multiple channel strategy required to grow investor base in India

## Financial savings pool by social economic classification\*

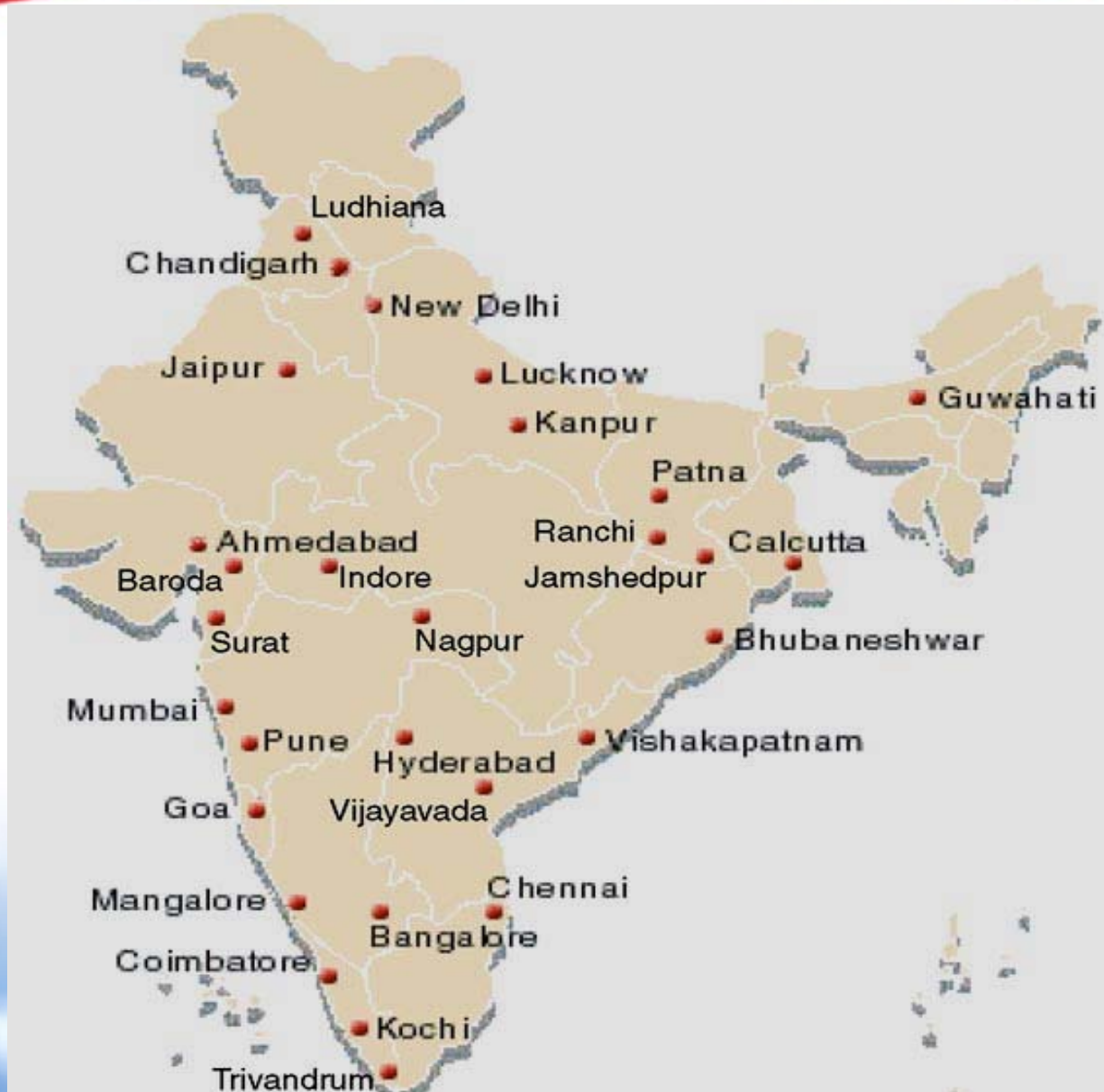


# India : Retail distribution structure

Focus on multiple channel structure

	Large Corporate	Corporate	High Net-worth customers	Retail customers
Direct sales	✓	✓	✓	
Institutional brokers	✓	✓		
Independent financial advisors			✓	✓
Banks		✓	✓	✓
Tied agency			✓	✓
Alternate channels			✓	✓

# India : Our wide coverage



# India : Our points of sale

## Distribution structure

**Branches**



**30**

**Brokers**



**2,000 brokers  
with 8,000  
branches**

**Banks**



**16 banks with  
1,200  
branches**

**Agency**



**10,000**

**Retail shops**



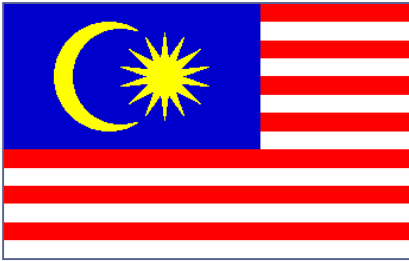
**800**

Number  
points  
of sale

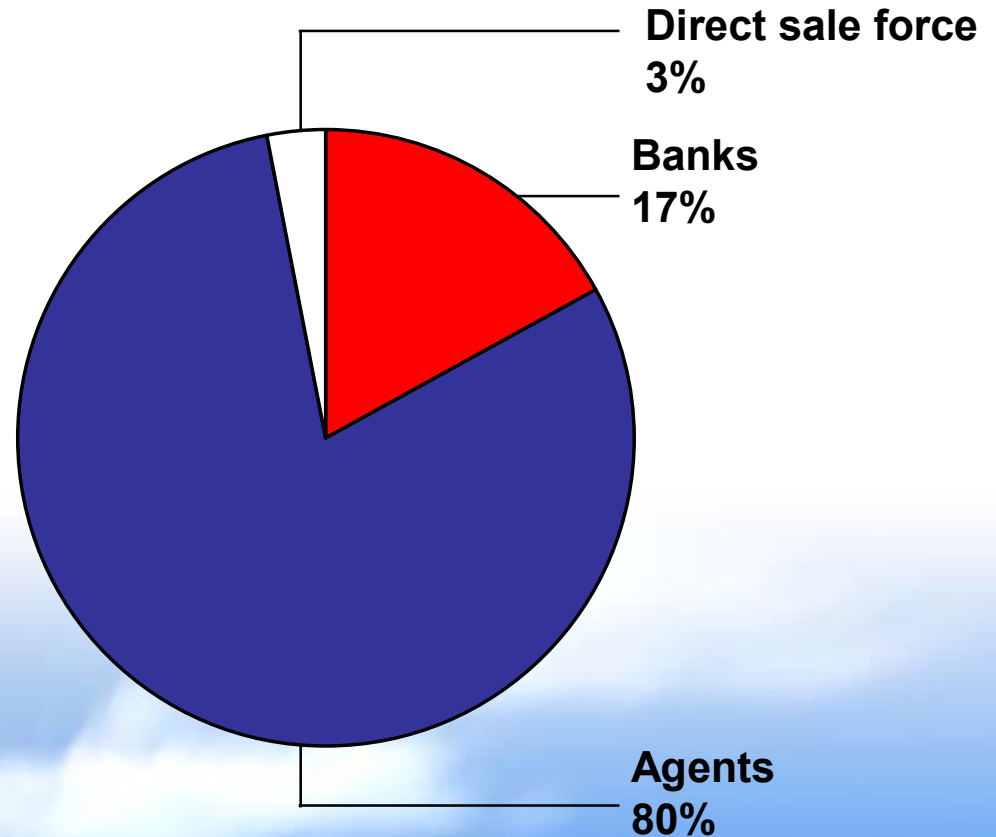
***Over 20,000 points of sale***

# Malaysia : Mutual funds distribution pattern

Products were mainly distributed by agents in 2000



Channel Mix - 2000



# Prudential Unit Trusts Malaysia . Distribution structure

**Multiple-channels to reach out to and serve different market segments**

	Retail Investors	High Net-worth customers	Corporate investors	Large Corporate investors
<b>Institutional agents</b>	✓	✓	✓	
<b>Retail tied agents</b>	✓	✓		
<b>Direct sales team</b>		✓	✓	✓

# Institutional unit trust agents (IUTAs)

We have partnerships with a panel of reputable 3rd party institutional distributors, including banks and stockbrokers



**AmMerchant Bank Berhad**

02742111 A member of the AmBank Group

**Apex**

INVESTMENT SERVICES BERHAD (010296-09)  
(formerly known as Apex Unit Trusts Berhad)

**CIMB**

**Deutsche Bank**



**EON BANK**

**HSBC** 



**Hong Leong Bank Berhad**



**KENANGA**

**Unit Trust Berhad**

**Standard Chartered**



**RHB BANK**

**OCBC Bank**

**UNITED OVERSEAS BANK**

**大華銀行**





# Leveraging Prudential Assurance agents

**Life Assurance**      **Unit Trusts**

**General Insurance**

**Wills & Trusts**      **Investment-Linked**

**More Than Just Life Insurance**  
Meeting More of Your Financial Needs

At Prudential we're always striving to provide solutions to meet all your financial needs. With the addition of General Insurance, we're delighted to add one more piece to our portfolio. As your one-stop retail financial solutions provider, we now have a comprehensive and complete range of financial products and services that meet all your investment and protection needs. As always, we're not just listening and understanding your needs, we're delivering on these promises too. Call on the friendly face of Prudential today to see just how much we can do for you.

ALWAYS LISTENING. ALWAYS UNDERSTANDING. **PRUDENTIAL**

ASSET PROTECTION | ASSET CREATION | ASSET ACCUMULATION | ASSET DISTRIBUTION

- **Leverage Prudential Assurance's large, professional agency force**
  - 37 branch and agency offices
  - Training, customer service and collection
- **Top 32% of Prudential life agents now licensed to sell unit trusts**

# Direct sales : 1 of segments not catered to by traditional channels

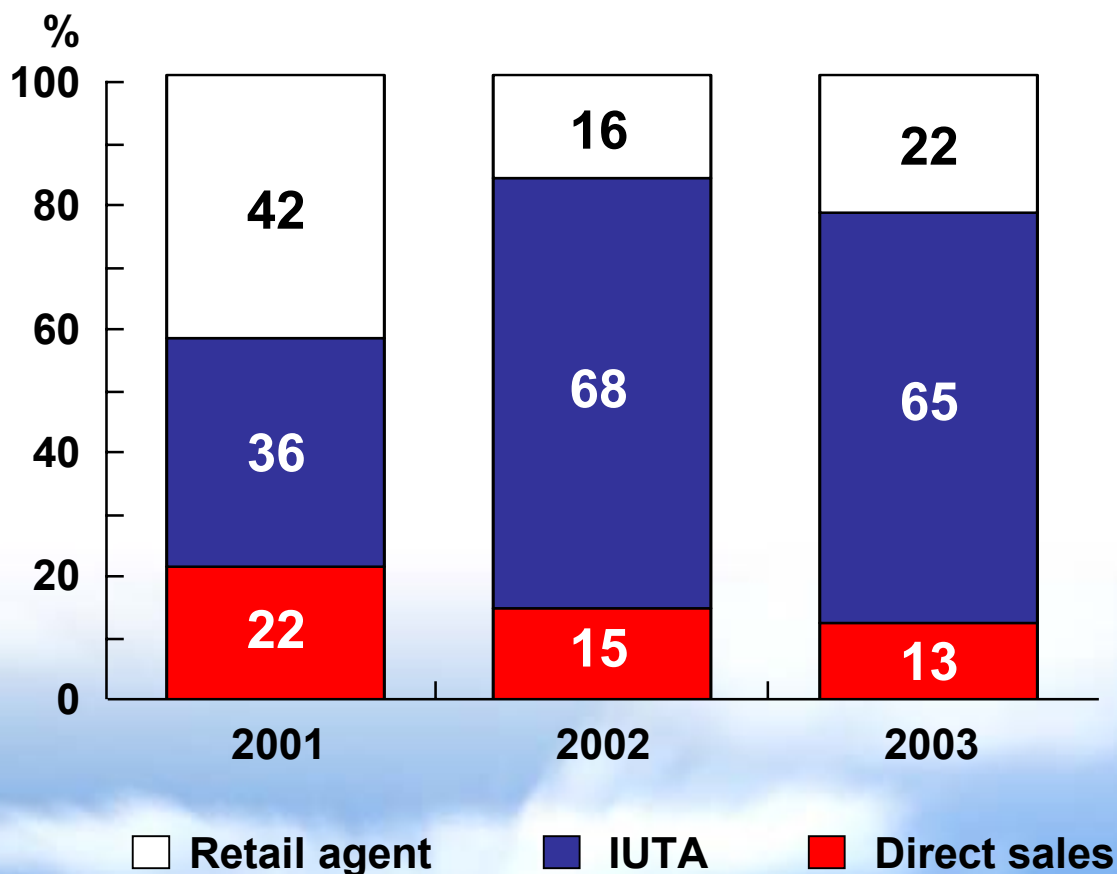
- **Covering major business areas in Peninsular and East Malaysia,**
- **Catering mainly to larger corporate clients and high net worth individuals**



# Prudential Unit Trusts Malaysia : FUM by channel

Multiple channels contribute to business growth with institutional agents playing significant role

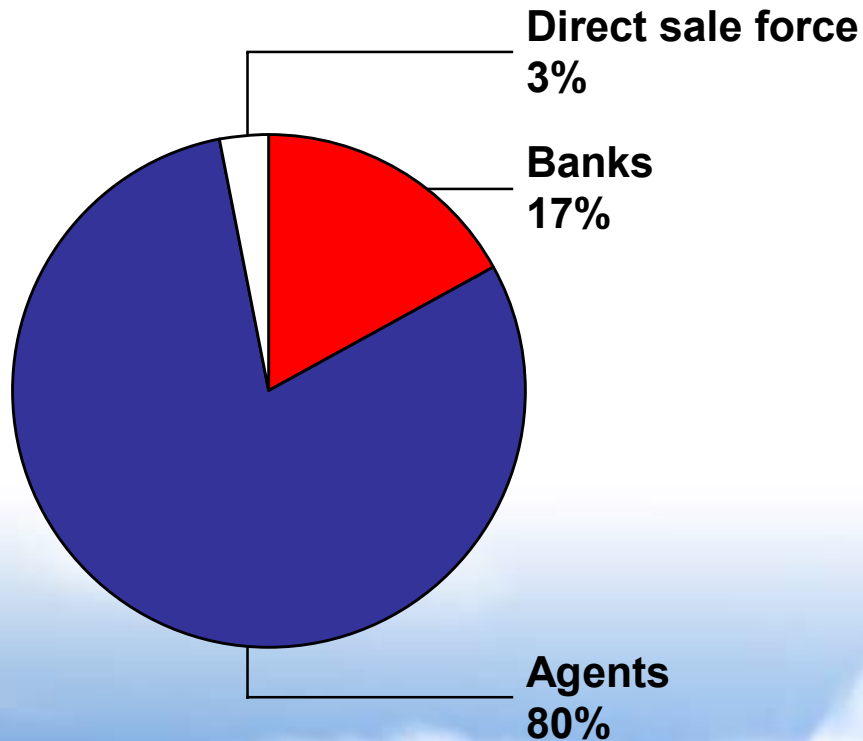
## FUM by channel



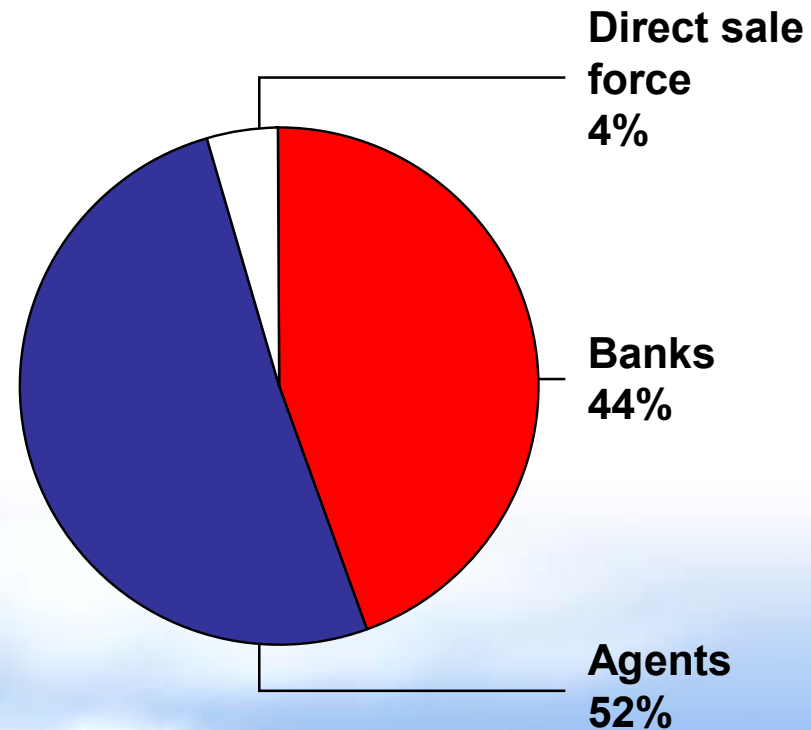
# Malaysia : Mutual funds distribution pattern

Increasing influence of banks for Unit Trust distribution in Malaysia

Channel mix - 2000



Channel mix - 2003



# Recap : Four pillars of our strategy

## Customer



Understanding our target customers' needs

## Brand



Build on the Prudence heritage and add saliency to the brand as it represents a fund management company

## Product



Range of products and fund performance to meet our customers' changing needs

## Distribution



Continuing to increase our multi channel distribution reach so that customers can access us when and where they choose



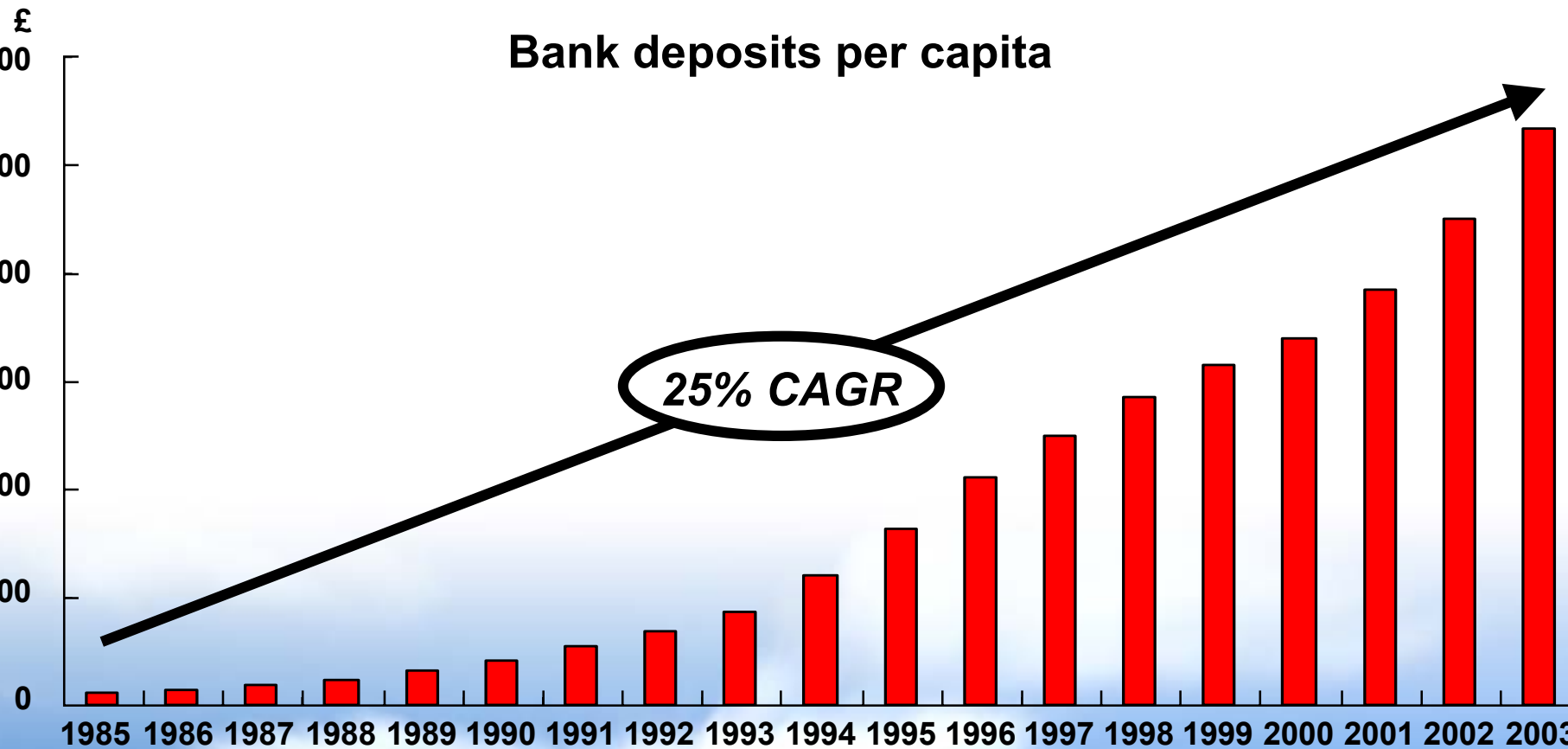
**Prudential**  
Seizing  
the  
**Opportunity**

# Mutual Funds : Opportunity in China

**Thomas Tsao**  
November 2004

# Bank deposits per capita

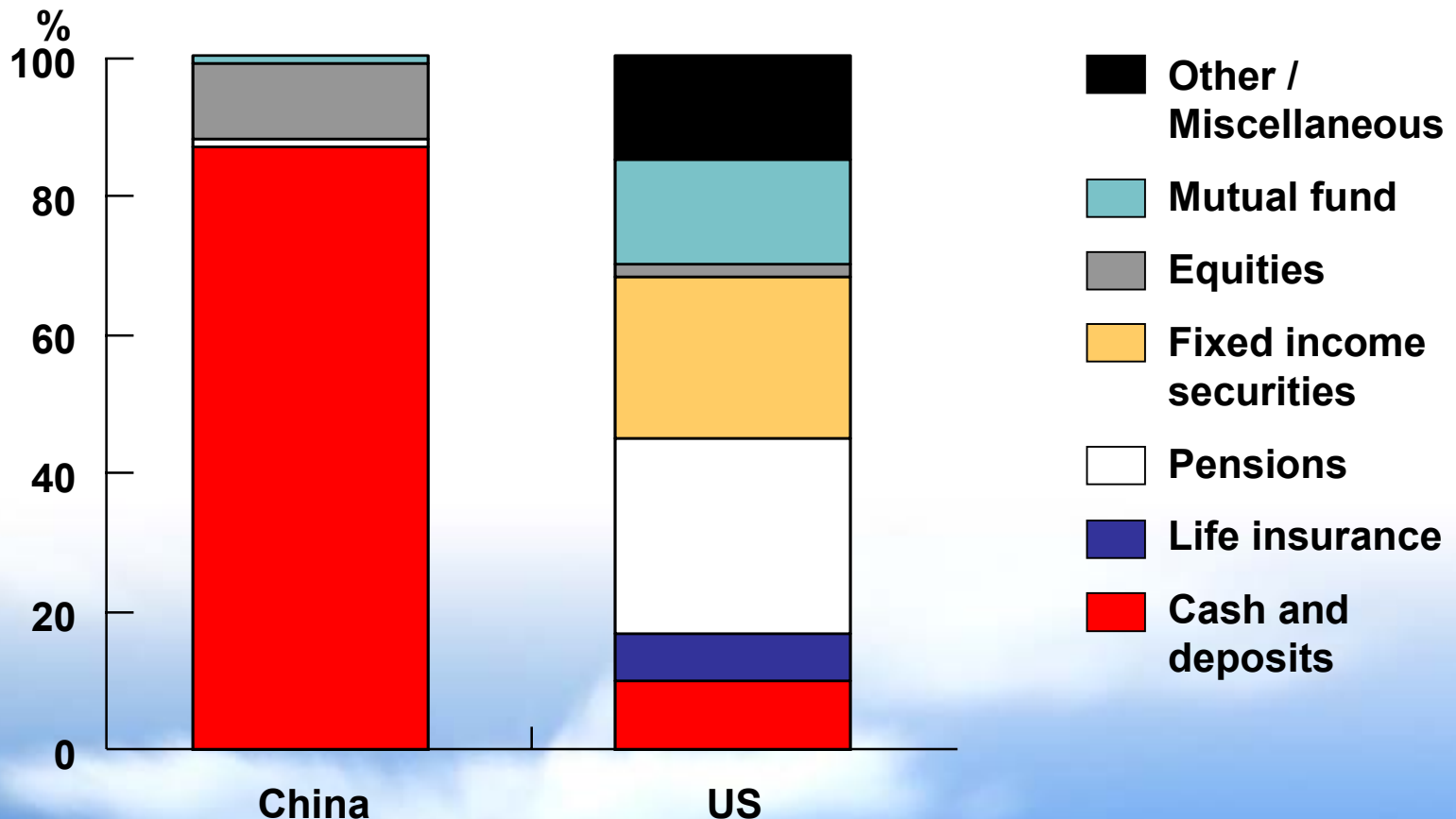
China's household savings provide a large and growing savings pool in China



# Distribution of personal financial holdings

Opportunity to increase penetration of mutual funds by targeting large proportion of balances held as bank deposits

## Distribution of personal financial holdings by asset class

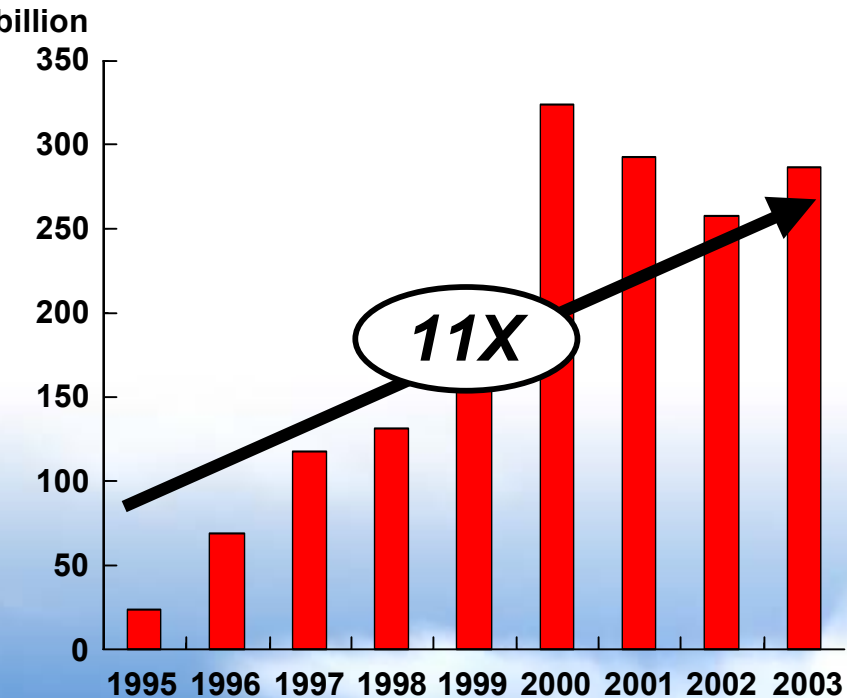




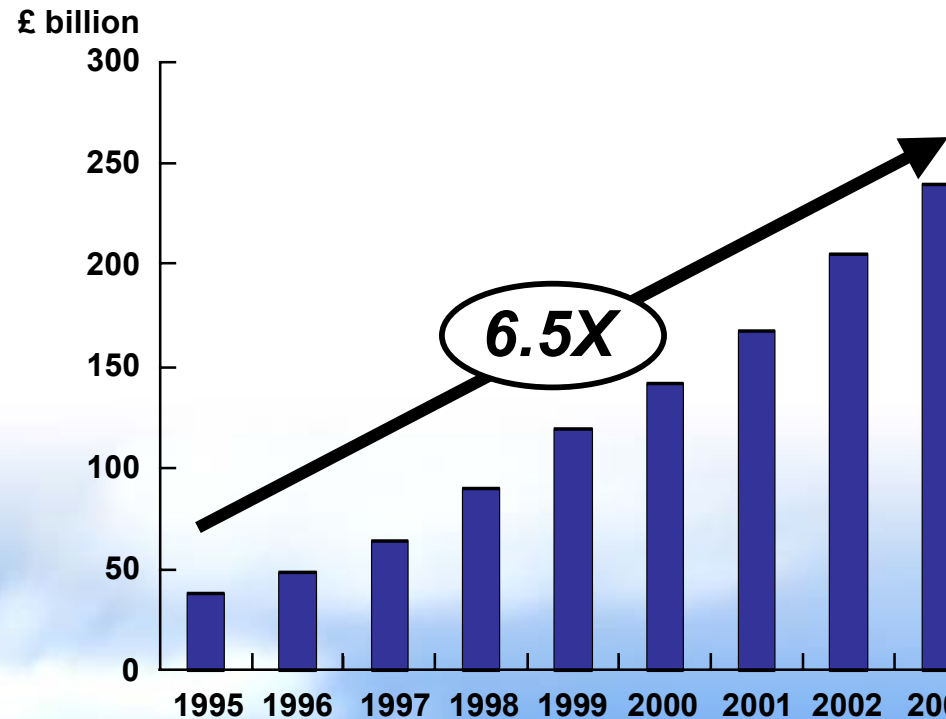
# China's equity and bond markets

China's equity and bond markets experienced substantial growth over last few years

## Market cap of Shanghai and Shenzhen stock market

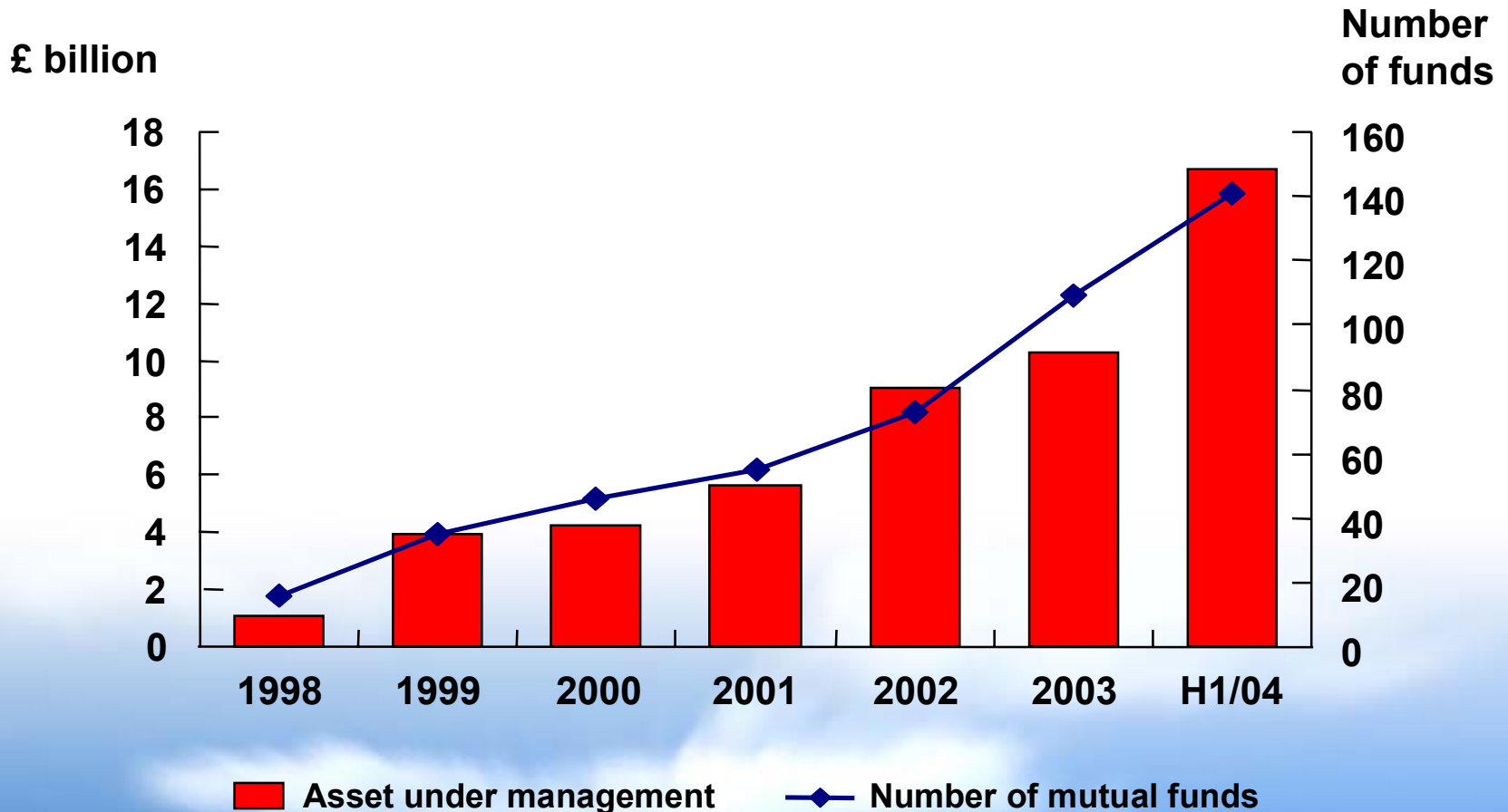


## Bond market size



# Rapid growth of China mutual fund industry

China mutual funds market still embryonic. Strong growth since 1998 and is expected to continue





# Summary : China

- **Favorable demographics make China an attractive market for Mutual Funds**
- **Mutual Funds market in China is embryonic but growing substantially**
- **Entry to China Mutual Fund market presents significant growth opportunities**
- **We have proven track record to capture these opportunities**



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# **Mutual Funds**

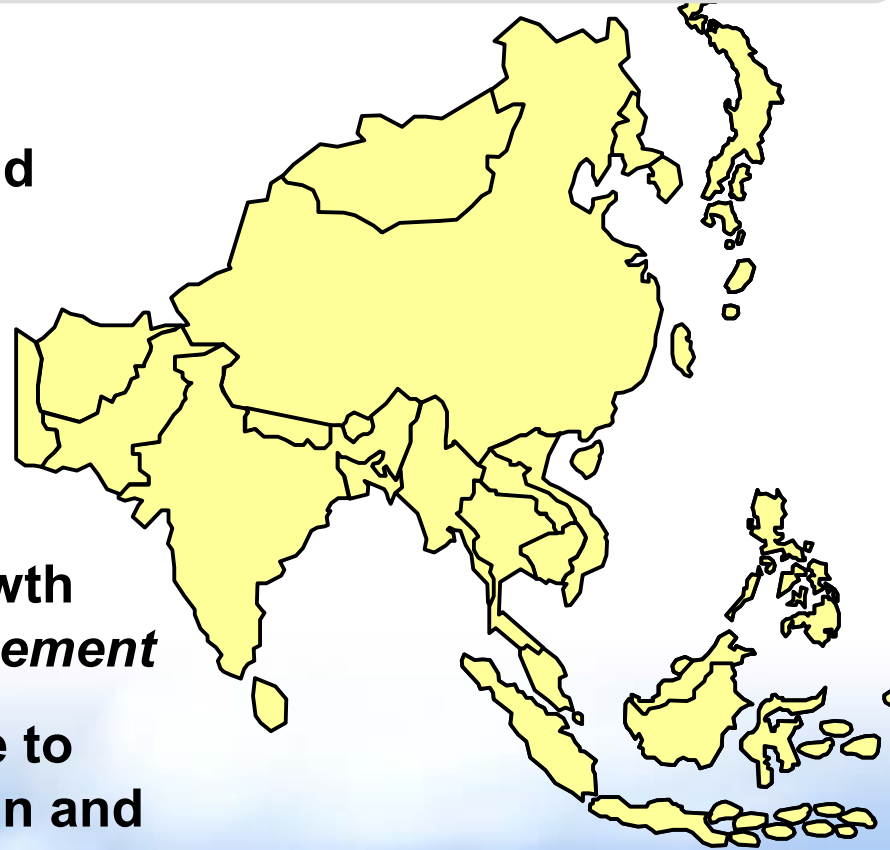
## **Growth Opportunities in Asia**

**Ajay Srinivasan**  
Prudential Corporation Asia  
November 2004

# Mutual funds in Asia : Future outlook

## 7 good reasons for significant growth of mutual funds in Asia

1. **Large *population***
2. **Positive *economic outlook* and growing *wealth***
3. **High propensity to save**
4. **Very *low penetration* for mutual funds**
5. **Continued trend towards growth in *professional wealth management***
6. ***Regulatory reform* to give rise to new products such as Pension and Offshore products**
7. ***Attractive profit pool***



# 1. Geography and demographics

Asia accounts for almost half of the world's population and three of its four most populous countries

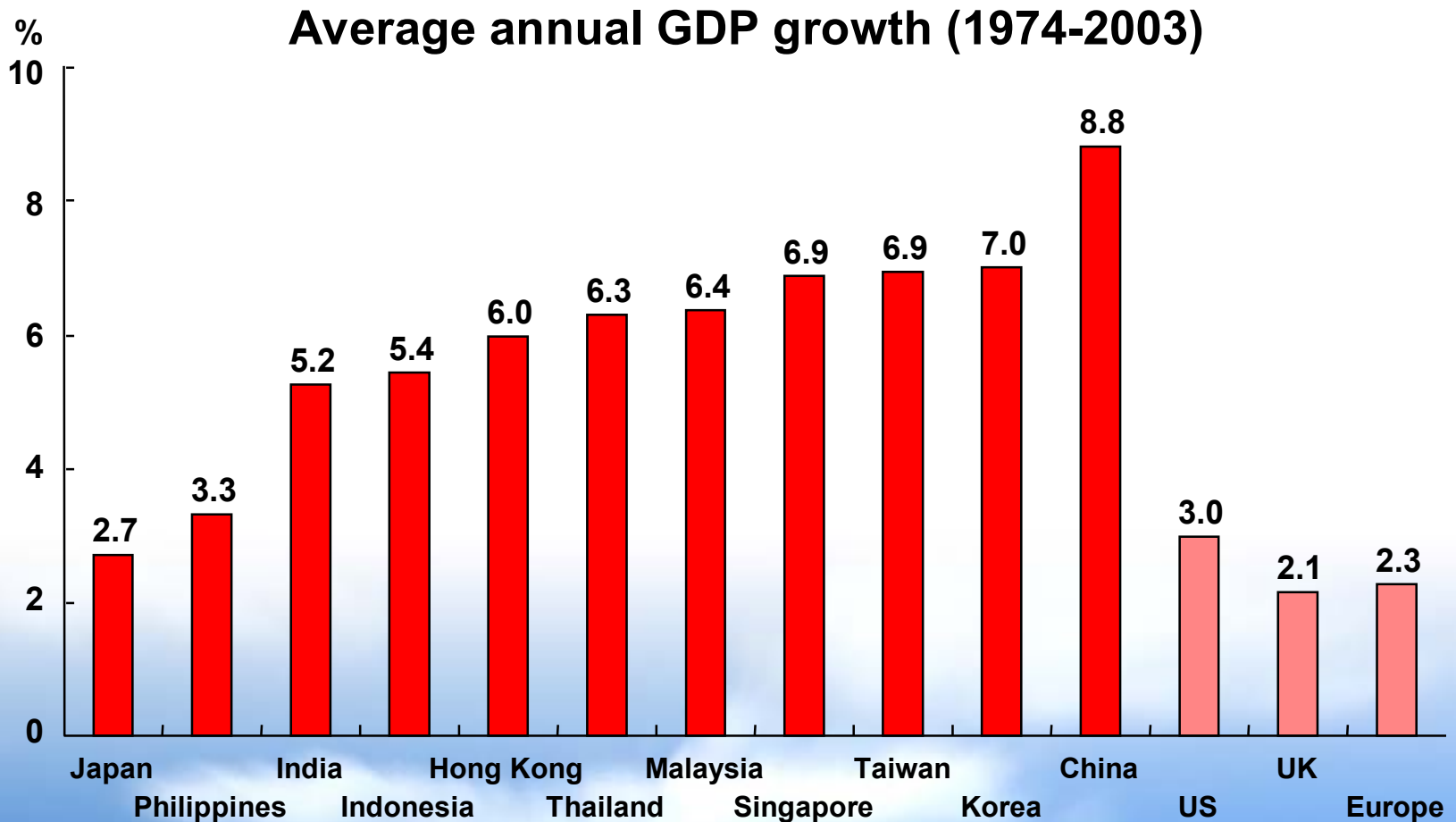
## Asian region



	2001 Pop'n (m)	2011E Pop'n (m)	CAGR
China	1,276	1,359	0.6%
India	1,015	1,165	1.4%
Indonesia	203	215	0.6%
Japan	127	127	0.0%
Philippines	78	92	1.7%
Thailand	61	64	0.5%
South Korea	48	50	0.5%
Malaysia	24	29	2.0%
Taiwan	22	24	0.5%
Hong Kong	7	7	0.9%
Singapore	3	4	1.3%
Total	2,864	3,136	0.9%

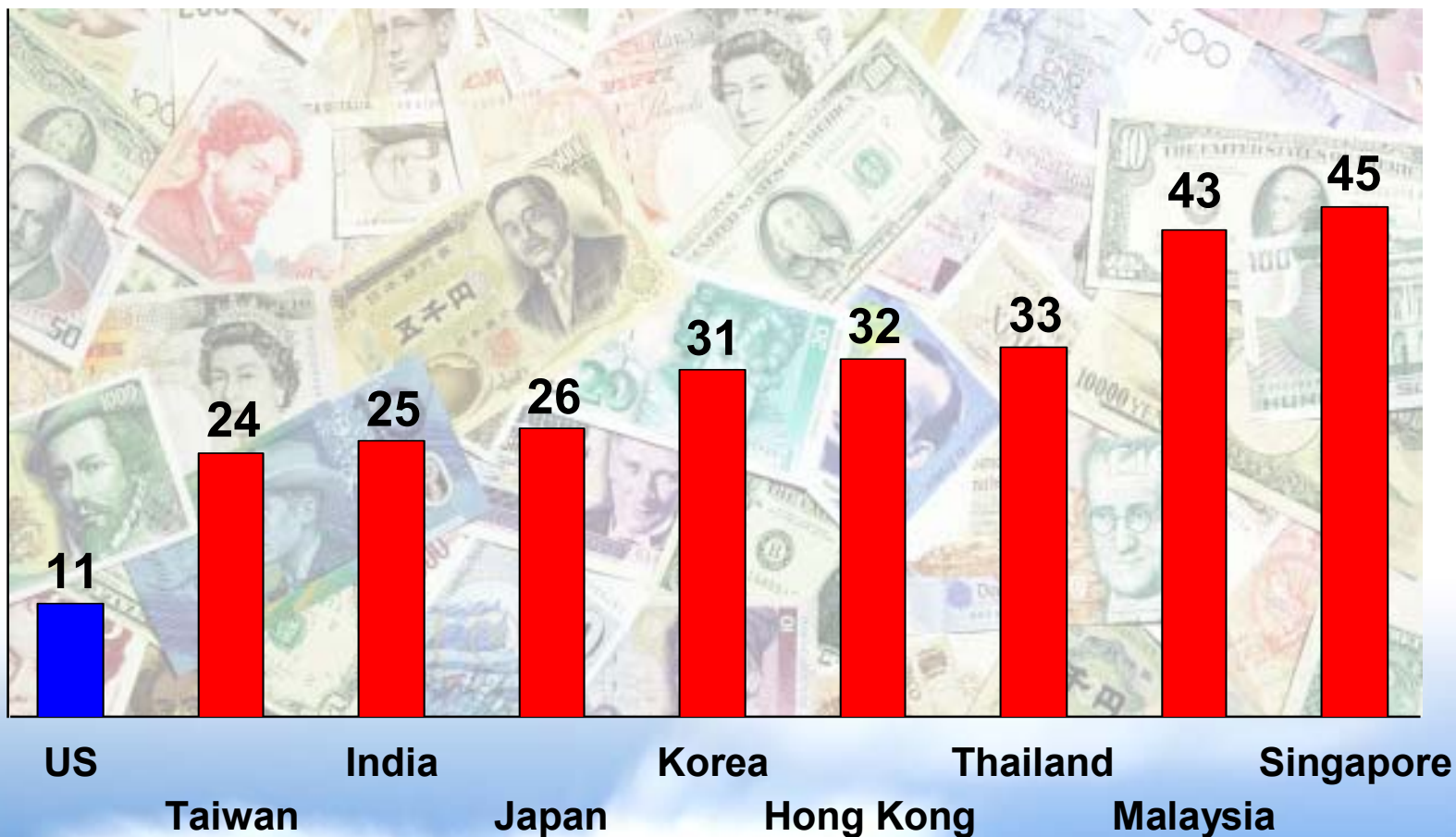
## 2. Positive economic growth in Asia

Asia has weathered many crises in past 30 years and still produced high average GDP growth rates



# 3. High propensity to save

Savings as a % of GDP - 2003

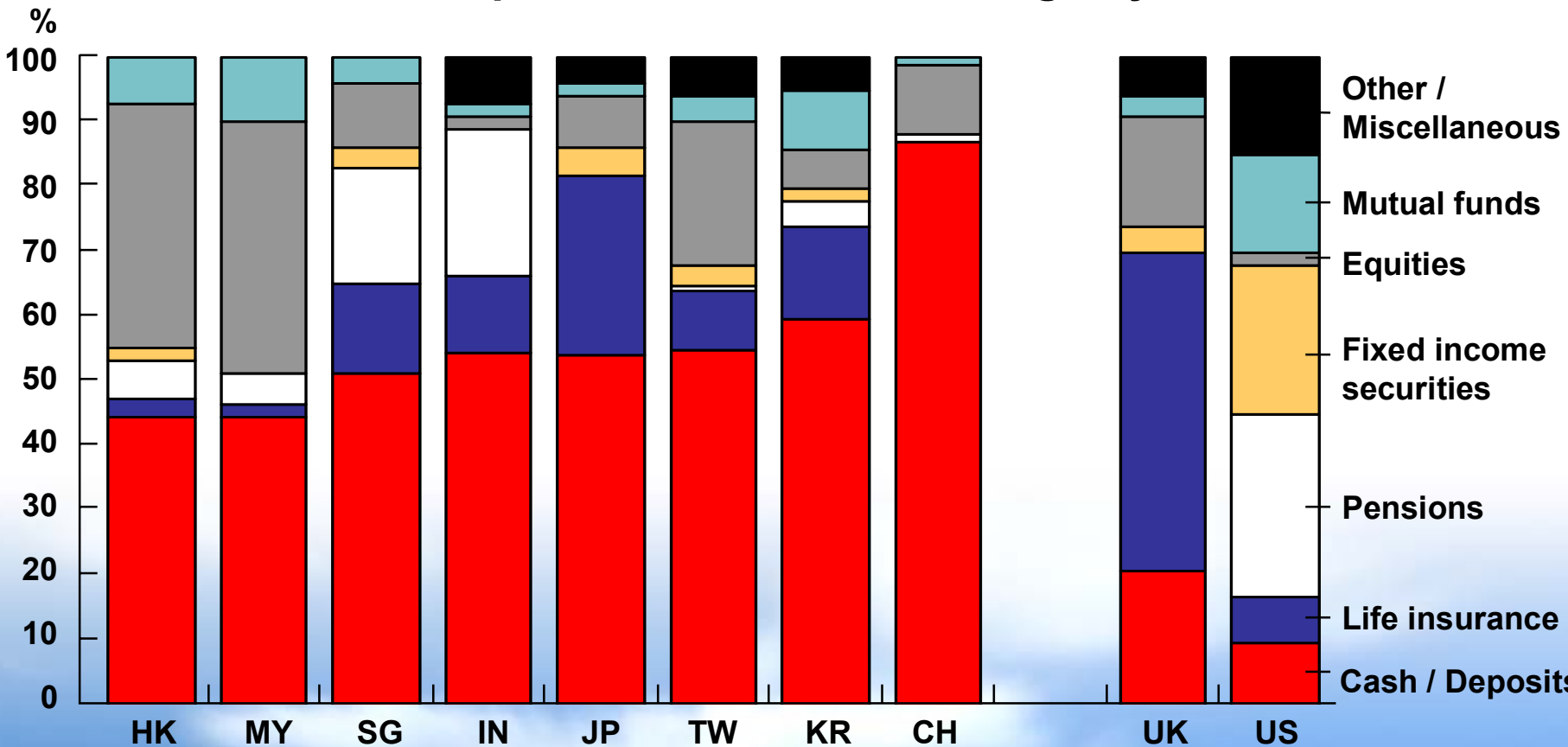




# 4. Low penetration of mutual funds

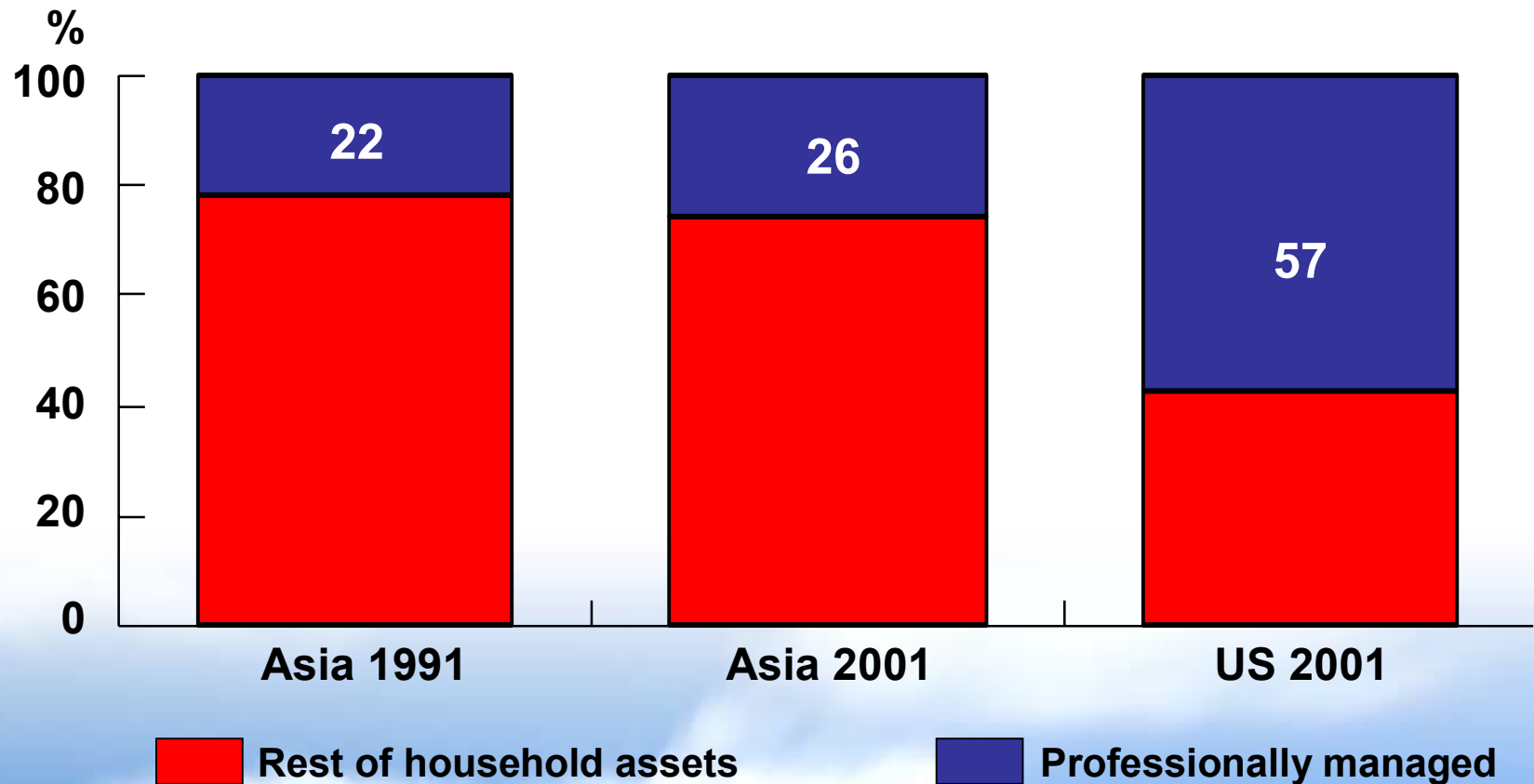
Asian household assets much more concentrated towards cash and deposits than in UK or US

## Distribution of personal financial holdings by asset class



## 5. Continued trend towards professional management

Consistent growth in professionally managed wealth over the last 10 years in Asia but it is only half the US



# 6. Regulatory reform : New products opportunities

## Offshore products

Major markets in Asia

Predominantly domestic markets

India, China and Malaysia

Both domestic and offshore markets

Taiwan, Korea, Japan, Singapore and Hong Kong

Our estimate of current offshore market is £70 - 110 billion

## Pension products

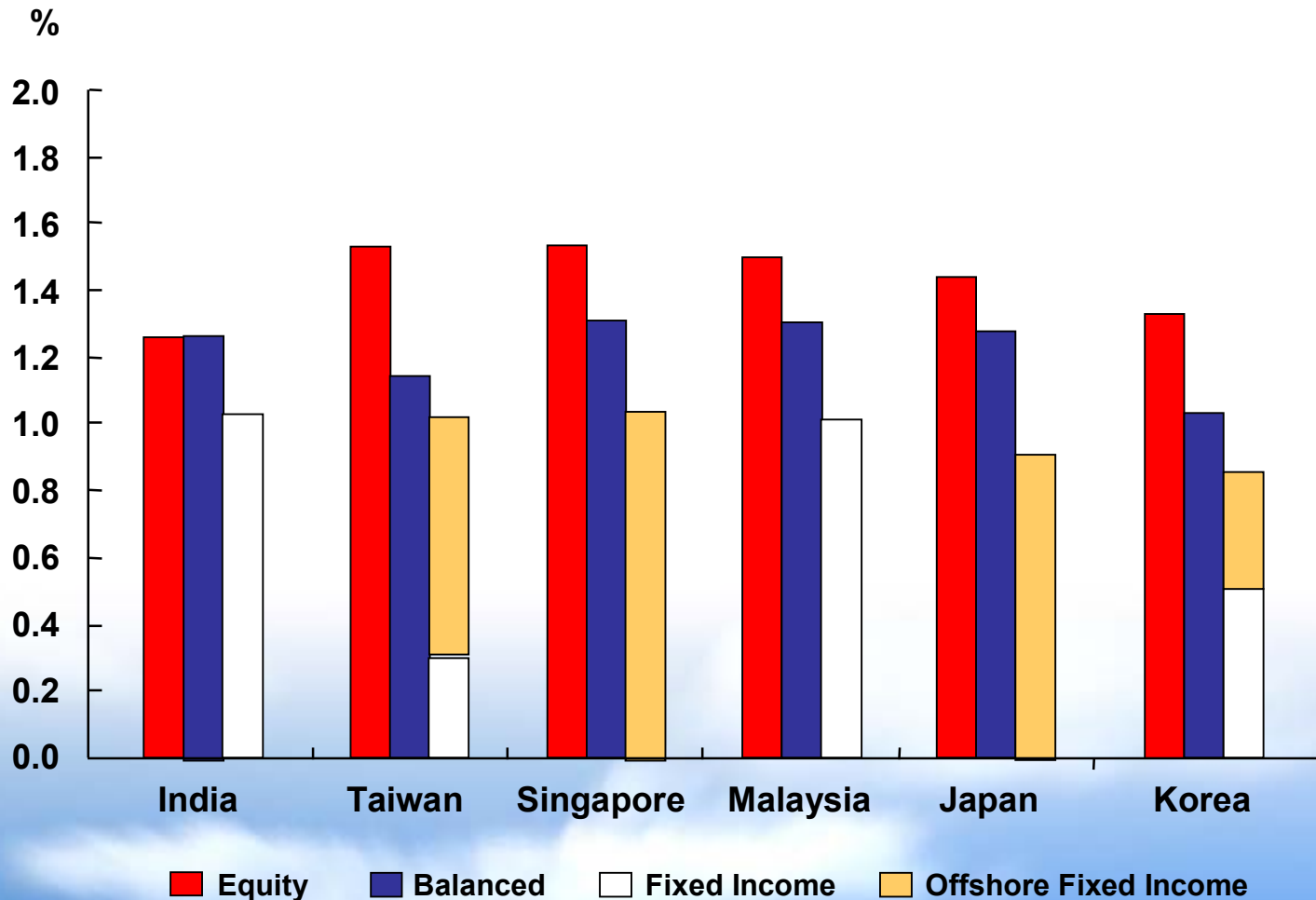
Pension reform in Asia due to :

- Demographics are set to worsen significantly
- Unfunded or under funded pension schemes in Asia
- Replacement rates are set to fall in most markets

*Pension reform gives rise to new market opportunities for asset management companies*

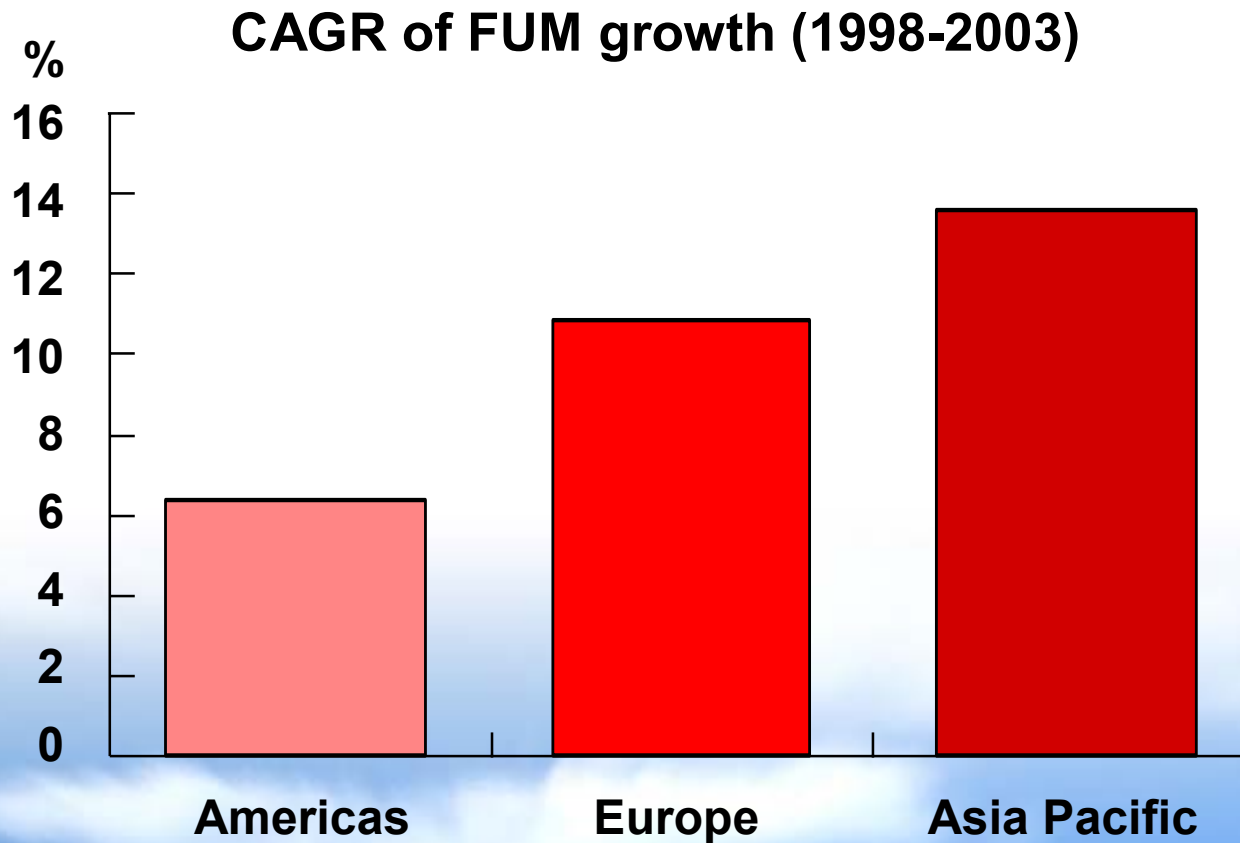
# 7. Attractive management fee rates

## Industry average annual gross management fees by product types



# Mutual funds market overview

Significant growth trend has begun in Asia



# Well placed to capitalise on opportunities

## 7 reasons why our funds business is well positioned



- 1. *Established presence in Key Asian Mutual Funds markets***
- 2. *Customer-centric approach to understand customers' needs***
- 3. *Wide range of products to meet our customers' changing needs***
- 4. *Established distribution network which are tailored to market needs***
- 5. *Good brand recognition***
- 6. *Proven track records in fund performance***
- 7. *Quality people and systems in place***



# Key messages

- **Mutual funds in Asia have grown strongly and the potential to grow is substantial**
- **We have a track record of delivery and have built a sizeable business in a short time**
- **We add considerable value to the Life companies through fund management of Life Funds**
- **Our goal is to be a significant and profitable force in all our chosen markets**
- **We have the vision, the strategy and the people to succeed**







# Prudential Seizing the Opportunity



**PRUDENTIAL**  
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Peluang  
機會  
Opportunity  
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