



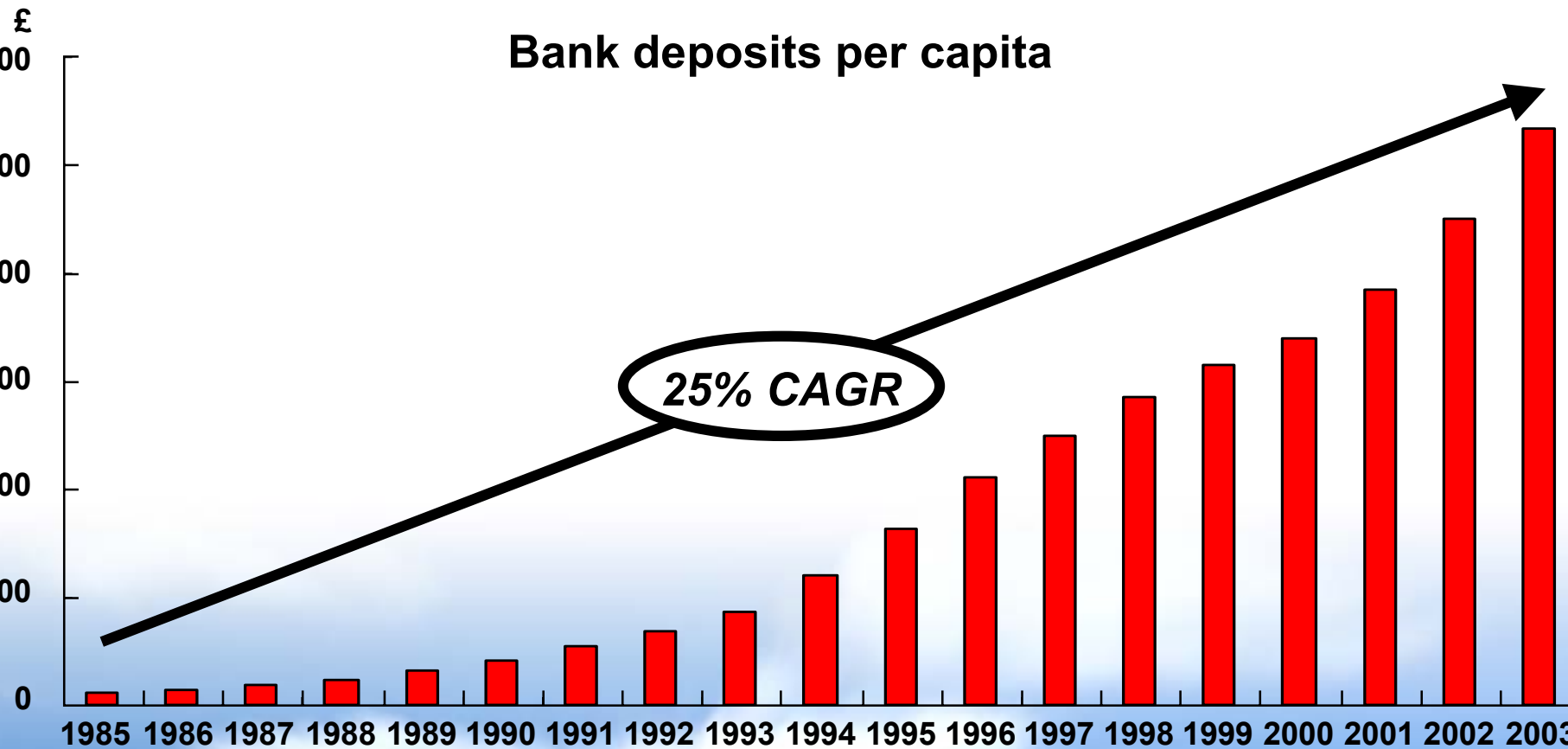
Prudential
Seizing
the
Opportunity

Mutual Funds : Opportunity in China

Thomas Tsao
November 2004

Bank deposits per capita

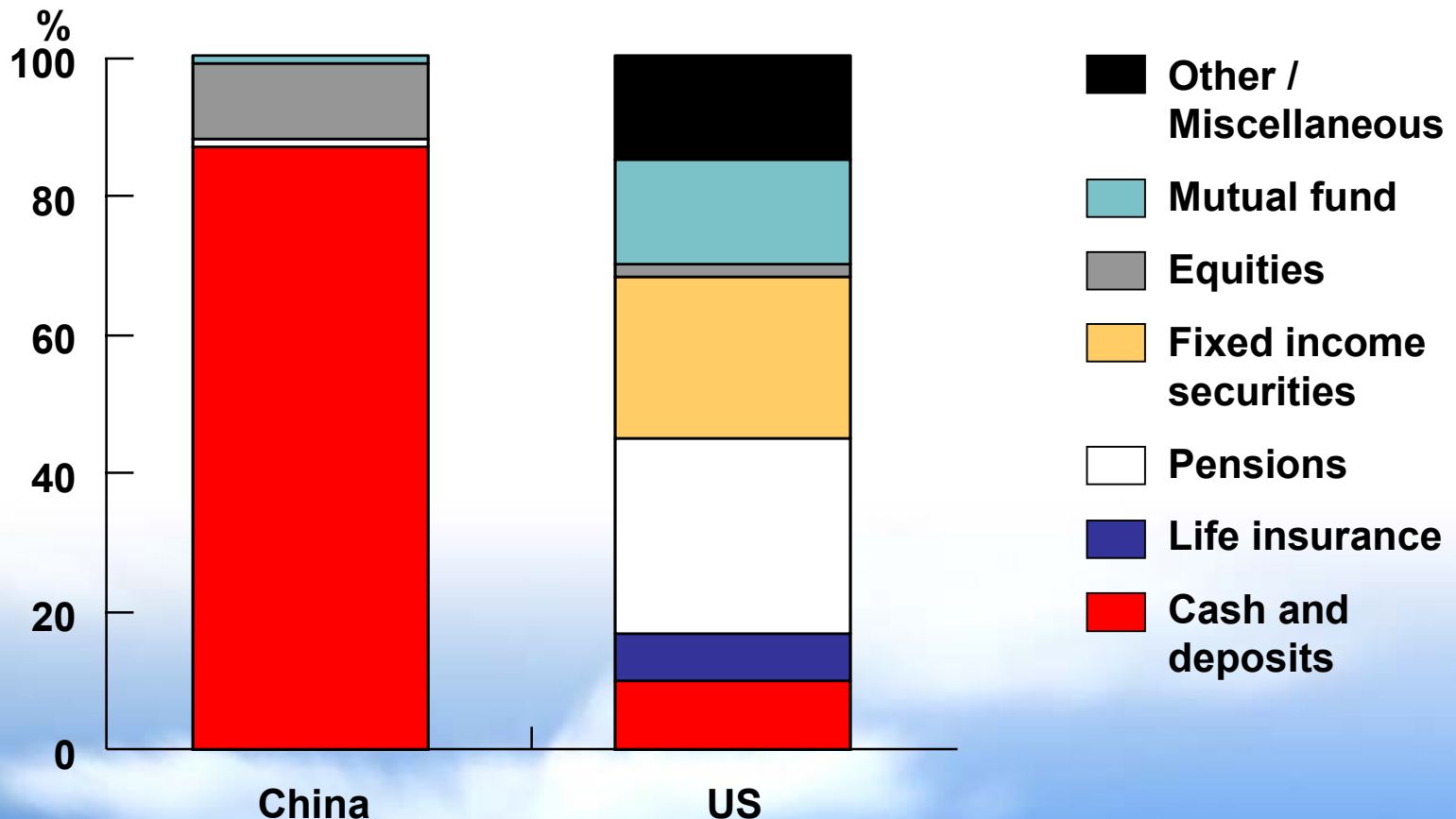
China's household savings provide a large and growing savings pool in China



Distribution of personal financial holdings

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

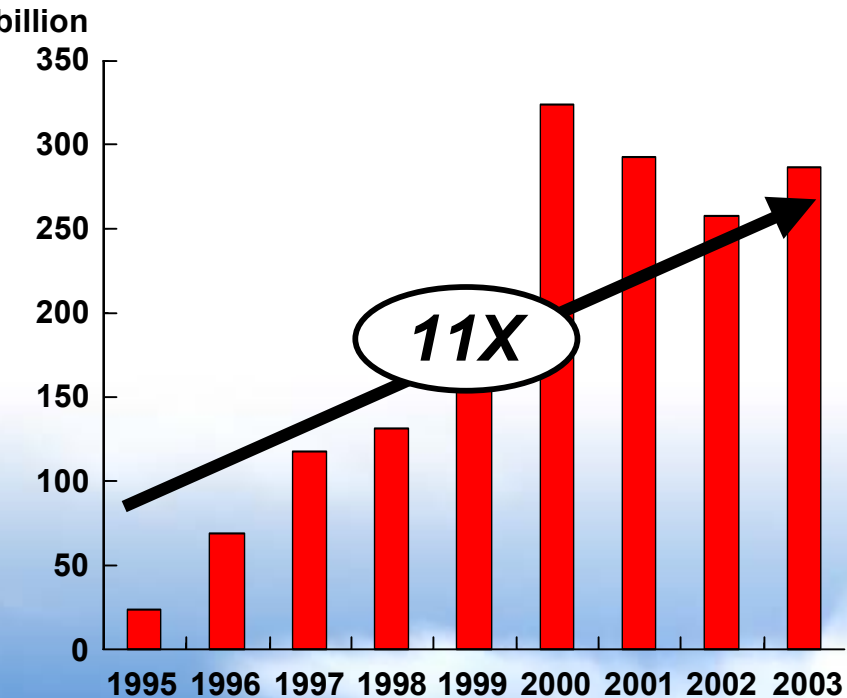
Distribution of personal financial holdings by asset class



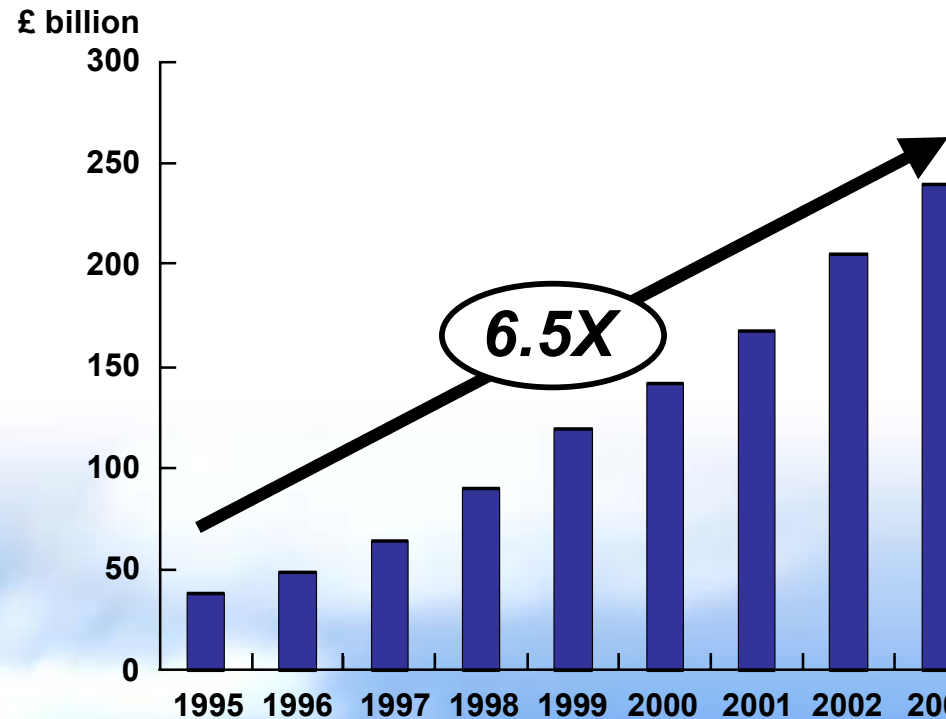
China's equity and bond markets

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

Market cap of Shanghai and Shenzhen stock market

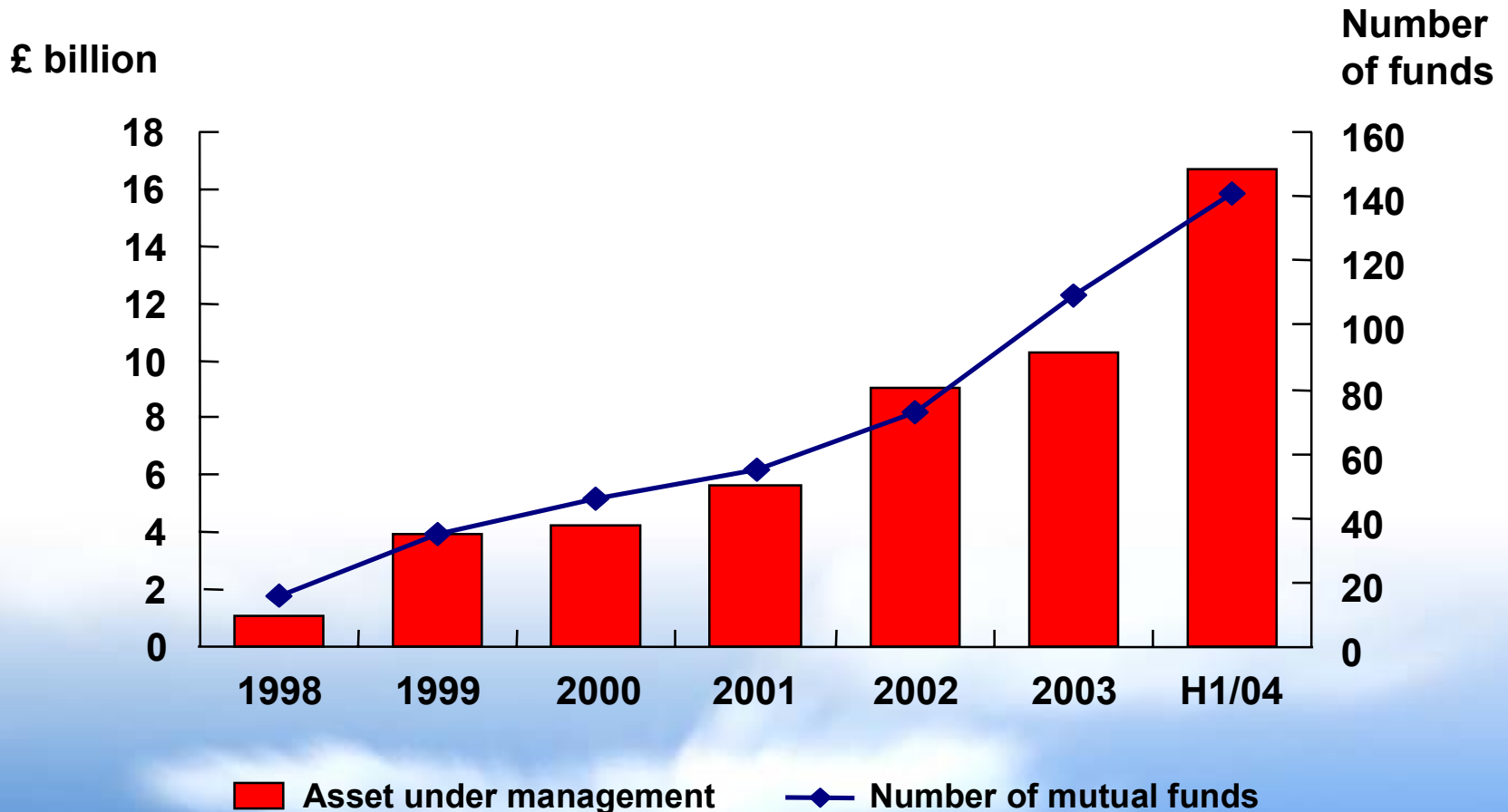


Bond market size



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**