



Annual Conference

Wednesday 17 November 2010

The TISA logo is centered at the top of a dark green rectangular box. The letters 'TISA' are white and set against a dark green background with a curved, abstract shape to the left.

ANNUAL CONFERENCE

17 November 2010

Have the emerging markets
emerged?

Elissa Bayer

Director of Private Clients, Charles Stanley



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Have the Emerging Markets Emerged?

TISA ANNUAL CONFERENCE 2010

Elissa Bayer - Director of Private Clients

17th November 2010

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“October: This is one of the peculiarly dangerous months to speculate in stocks. The others are July, January, September, April, November, May, March, June, December, August and February”

Mark Twain



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| London | Total market capitalization | (US\$m) | Total value of shares traded | (US\$m) |
|--------|-----------------------------|---------------|------------------------------|-----------|
| | 2002 | 1 856 194.410 | 2002 | 4 001 340 |
| | 2009 | 2 796 444.320 | 2009 | 3 391 103 |

Source: Tax Insight for Business Leaders
Ernst & Young Issue 02

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| Hong Kong | Total market capitalization | (US\$m) | Total value of shares traded | (US\$m) |
|-----------|-----------------------------|---------------|------------------------------|-----------|
| | 2002 | 463 054.900 | 2002 | 194 004 |
| | 2009 | 2 305 142.800 | 2009 | 1 501 638 |

Source: Tax Insight for Business Leaders
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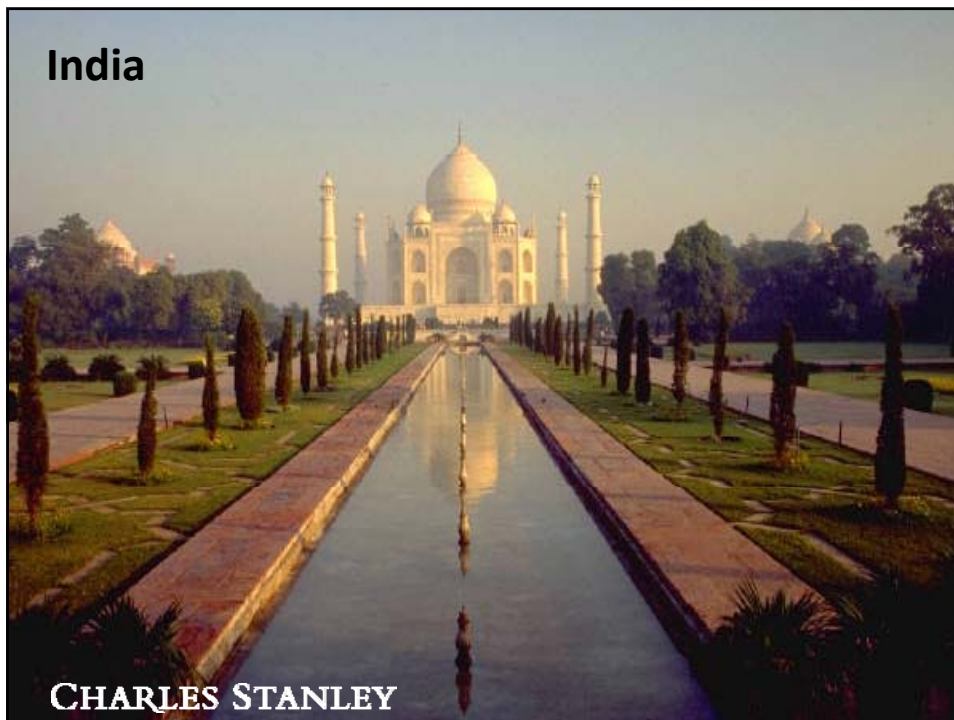
| Shanghai | Total market capitalization | (US\$m) | Total value of shares traded | (US\$m) |
|----------|-----------------------------|-------------|------------------------------|---------|
| | 2002 | 306 443.582 | | 211 644 |
| 2009 | 2 704 778.460 | | 5 061 643 | |

Source: Tax Insight for Business Leaders
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India



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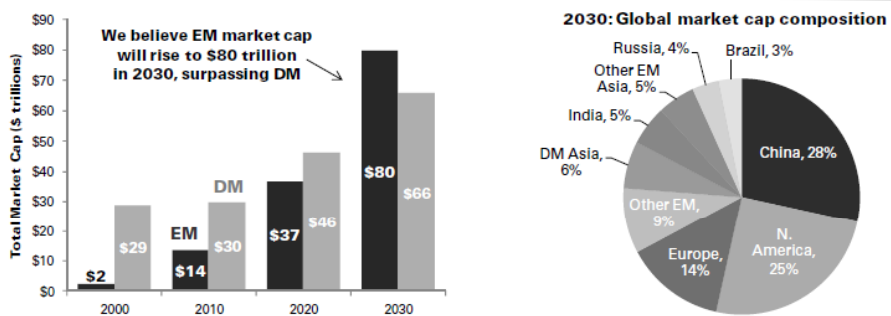
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“While the crash only took place six months ago, I am convinced we have now passed the worst and with continued unity of effort we shall rapidly recover.”

Herbert Hoover, 1 May 1930

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Emerging markets could account for over half the global market cap in 20 years



Source: FactSet, IMF, Worldbank, World Federation of Exchange, Goldman Sachs Global ECS Research estimates.

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Growth in China

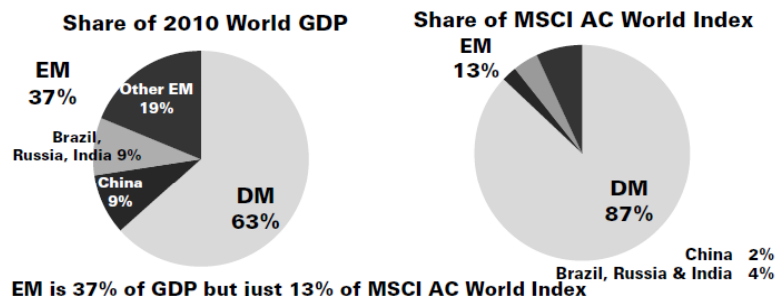
- Tesco – Strong Growth for Retail Giant
- Burberry – Exciting Market Prospects
- Carrefour – Europe's Biggest Retailer in China
- Marks & Spencer – A Cautionary Tale

Source: City A.M. – 8th November 2010

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There are large differences between the economic importance of the EM group and their index weights

Weights of EM (Emerging Markets) vs. DM (Developed Markets) in the economy and equity market



Source: MSCI, FactSet, World Federation of Exchanges, Goldman Sachs Global ECS Research estimates.



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“When written in Chinese, the word ‘crisis’ is composed of two characters – one represents danger and the other represents opportunity.”

John F Kennedy

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