



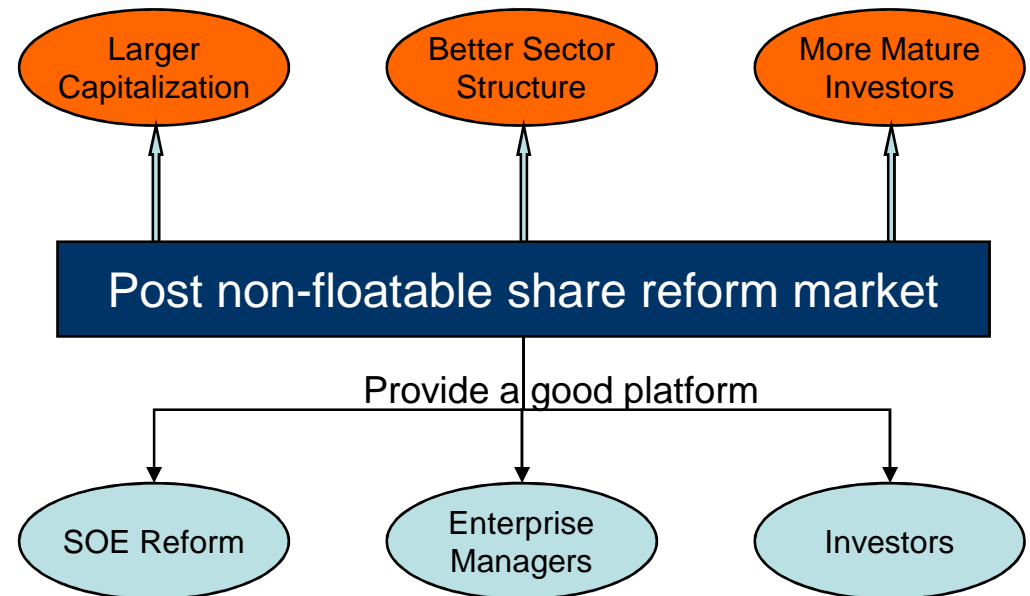
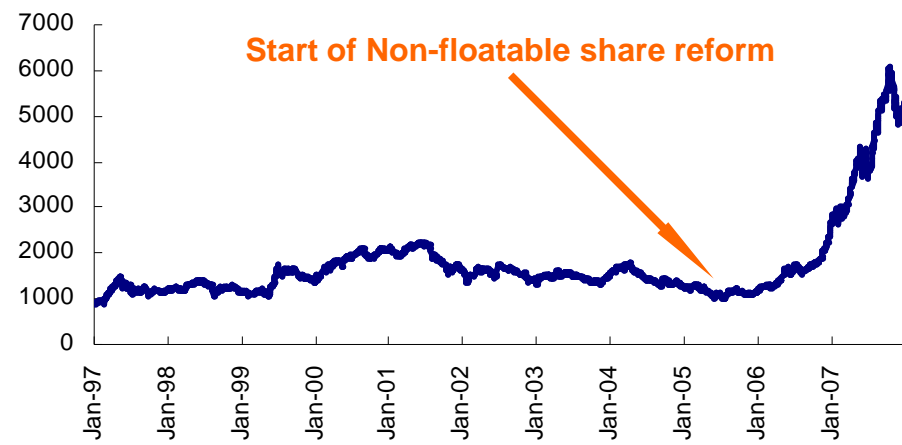
## **IMAS 9th Annual Conference 2008**

Greater China/India Themes – Managers Perspectives  
GTJA Allianz Fund Management Company

# Changing Market Environment

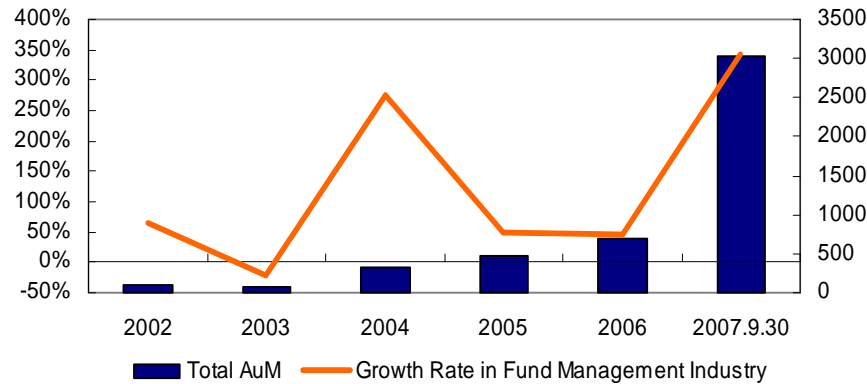
- ▶ Since the non-floatable share reform, the Shanghai Stock Exchange Index increased from 1000 to about 5500
- ▶ Non-floatable share reform gives rise to:
  - ▶ Larger capitalization
  - ▶ Better sector structure
  - ▶ More mature investors
- ▶ Post non-floatable share reform market provides a good platform for
  - ▶ SOE Reform
  - ▶ Enterprise Managers
  - ▶ Investors

Shanghai Stock Exchange Index (1997.1-2007.12)

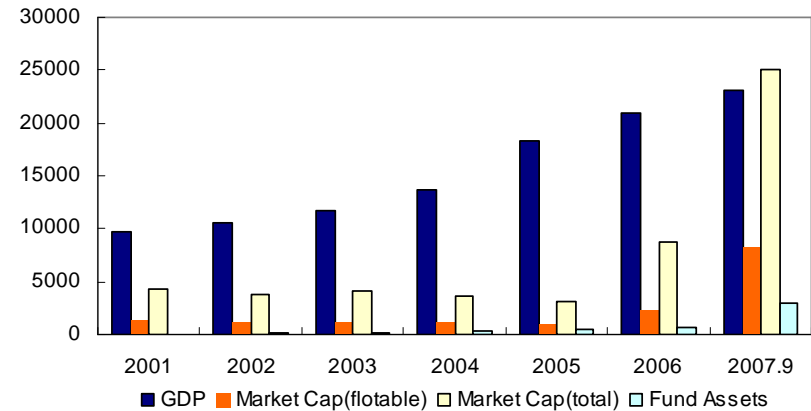


# Development of Chinese Fund Management Market

**Growth of AuM in Fund Management Industry**



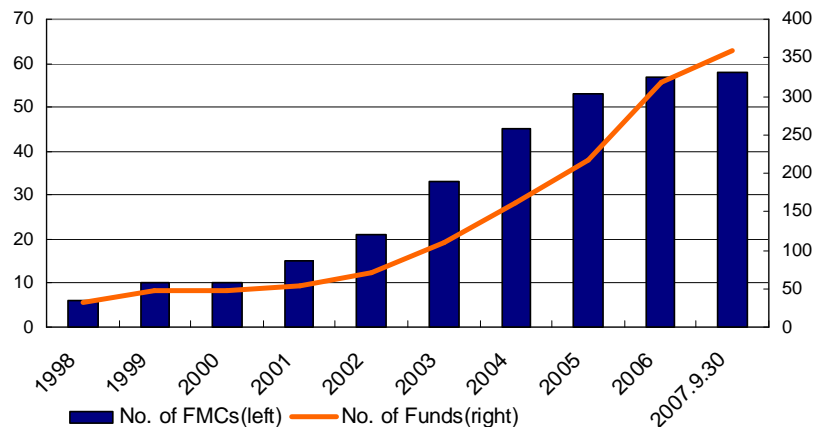
**GDP, Market Capitalization & Fund Assets (RMB bn)**



Note: GDP data at 2007.9 is the estimated number of GDP of 2007

- ▶ Rapid growth in fund management AuM, especially in 2007.
- ▶ Total market capitalization exceeds GDP
- ▶ 59 FMCs: 34 locals, 25 JVs

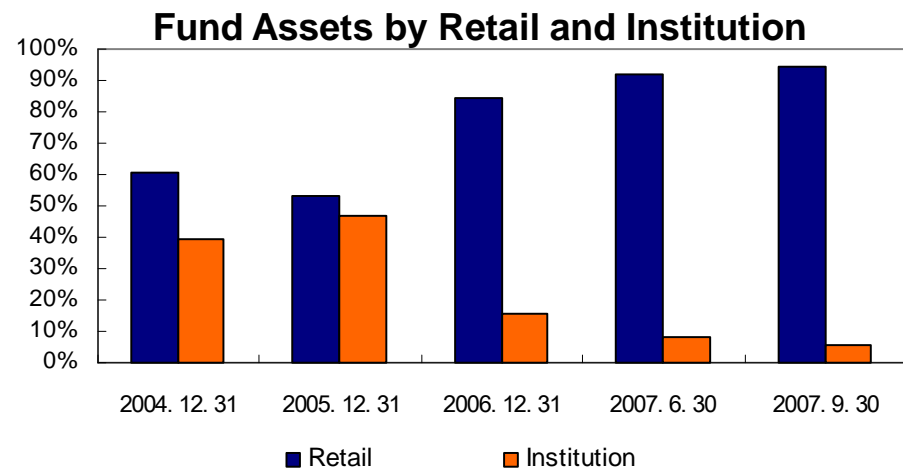
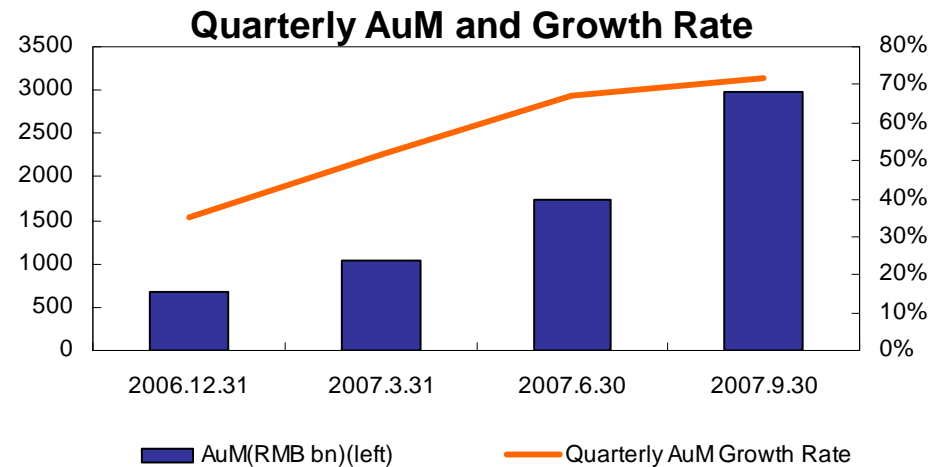
**Number of Funds & FMCs**



Source: TianXiang, GTJA Allianz

# 2007 Fund Management Industry Characteristics

- ▶ Unprecedented AuM growth rate
- ▶ Retail business dominates
- ▶ QDII license for FMCs
  - ▶ 15 FMCs got licenses
  - ▶ 6 products launched
- ▶ Segregate account business in pipeline
- ▶ Internet becomes the largest channel:
  - ▶ Internet: 50%
  - ▶ Bank: 34%
  - ▶ Securities: 8%
  - ▶ Others: 8%



# Opportunities

## ▶ Onshore

- ▶ Fixed income products
- ▶ Index future
- ▶ Enterprise annuity
- ▶ Private pension

## ▶ International

- ▶ Qualified Foreign Institutional Investors (QFII)
- ▶ Qualified Domestic Institutional Investors (QDII)

