

Investment Strategies

- **Those who are right 75% of the time are not telling anyone what to do....**
- **The remaining “crowd” of advisors, offer opinions that range from “sell the market” to “buy the market”.**
- **...which is why we have a market**

What do most of use want....

- Good, inflation-adjusted returns at some acceptable Risk level.

What do most of us want...

- Good, inflation-adjusted returns at some acceptable Risk level.
- **Most do NOT get what they want, expect, hope for...**

What do most of us get...

- On inflation adjusted basis, most (often at best) stand still
- ...and those with Brokers who trade an account a lot, usually fall behind
-and statistically a majority of retail investors are extremely prone to selling at or near “panic sell offs”

Investment Possibilities.....are endless

- **US Stocks including ETF's and Mutual Funds (Sectors and Styles)**
 - Healthcare sector....and so on
 - Large Cap stocks ...and so on...
- **US Bonds**
- **US Real Estate**
- **Commodities**
- **Currencies via ETF's or FX markets**
- **International Stocks**

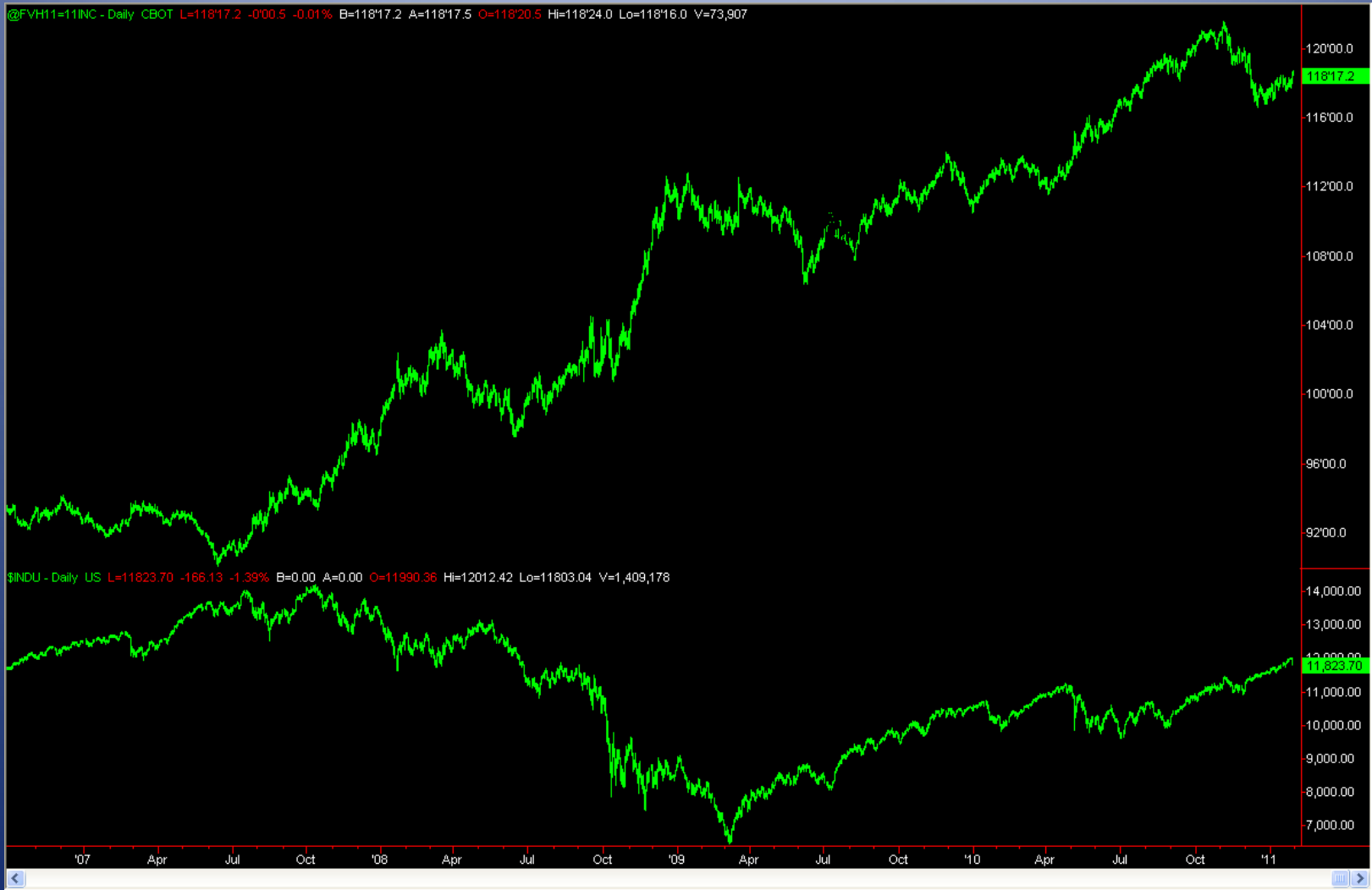
Investment Parameters

- **Risk.....most do not understand**
- **Time Horizon...differences for 40 yr old versus 60 yr old**
- **Objectives...Income, capital preservation and so on**
- **Portfolio Balance.....Stocks/Bonds**
- **Timing...**
 - Buy and hold (cost averaging)
 - Buy in Oct 87, Sept 2001, March 2009
 - Buy near tops, sell near bottoms

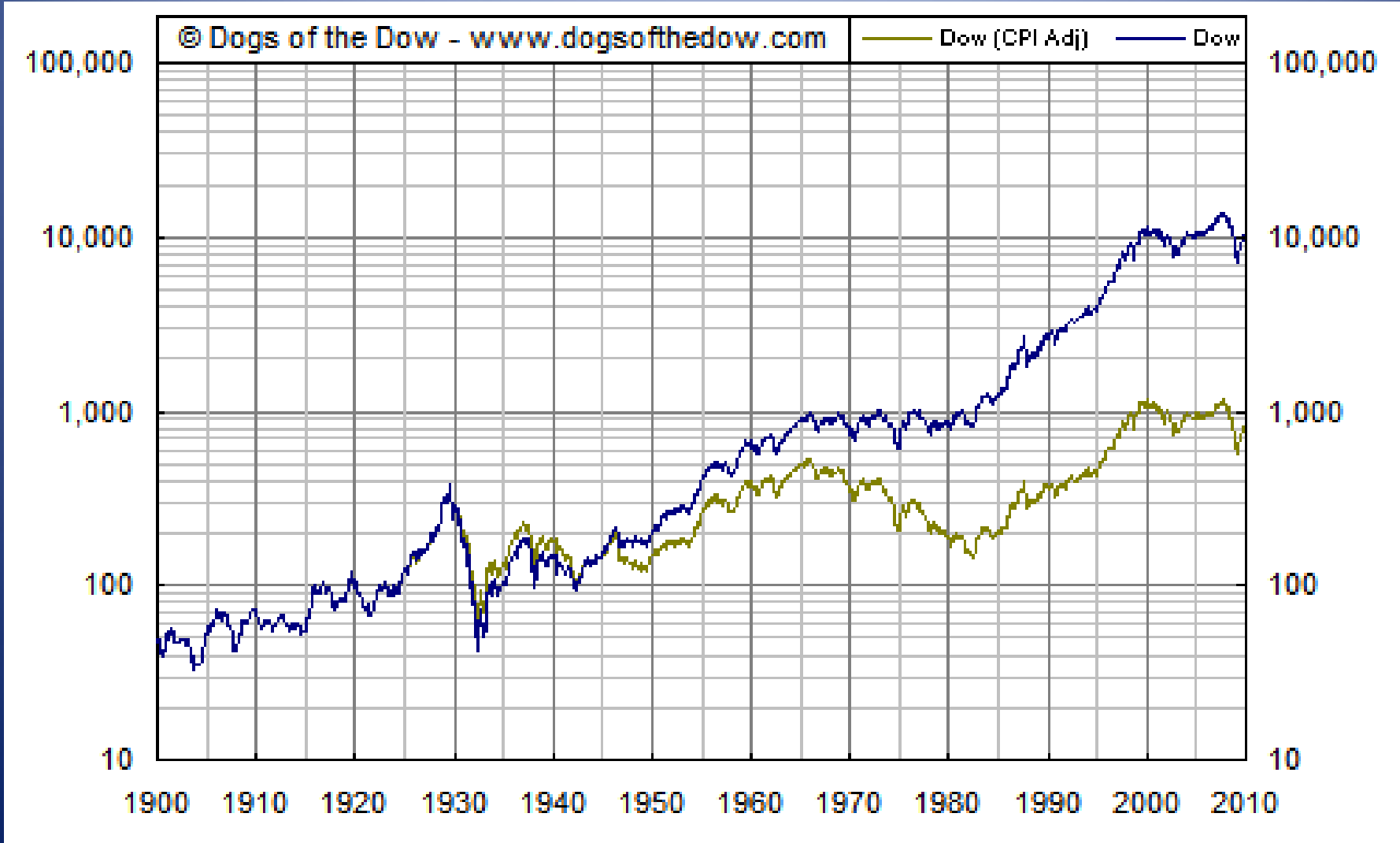
Buy and Hold

- The most frequently heard strategies are;
 - BUY and Hold
 - Blend of Stocks and Bonds

Bonds and Dow



Inflation adjusted Dow Industrials



Why is it Important to be aware of whats happening in USA, Europe and selected other Countries - 1

- **Globalization**
- **Fortune 500 Companies in USA now generate a massive percentage of their profits from overseas**
- **Issues or Risks as well as opportunities in overseas locations can have a major impact on our Markets**

Why is it Important to be aware of what's happening in USA, Europe and selected other Countries - 2

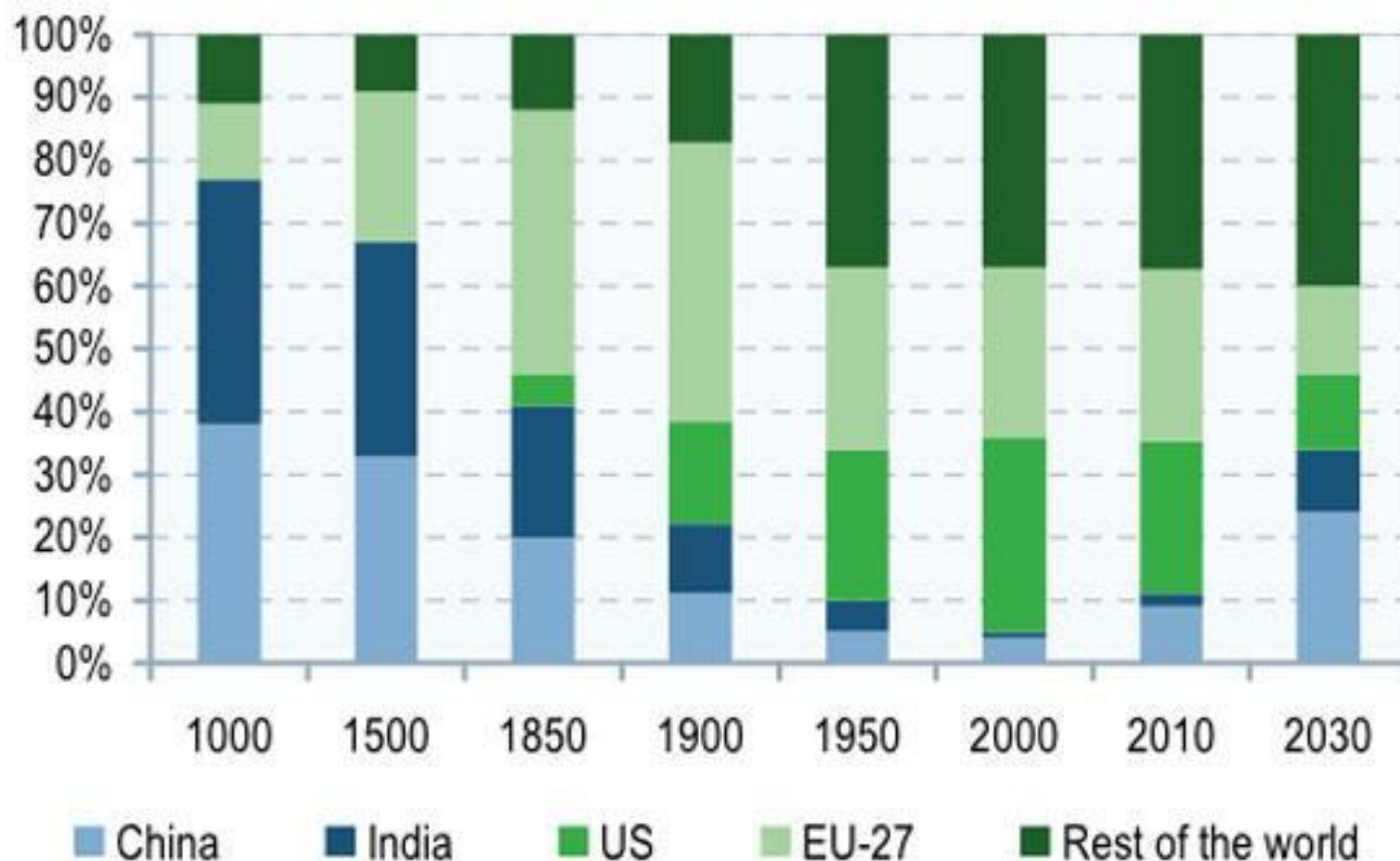
- **US Share of World Trade will decline in years ahead as China, India, Brazil and Mexico grow**
- **World Financial Markets are closely inter-related and each major country can affect others**

Global Outlook

- **For USA/Europe Next “Golden age” is immediately ahead (starts in 2014/15?)**
- **In 1950 400 million people Dominated**
- **In 2010 another Billion people added to “cash economy”**
- **By 2030-40 another 2.5 billion people will be added**
- **Education – Technology – Social Productivity**

Chart 14: Back to the future – share of global output

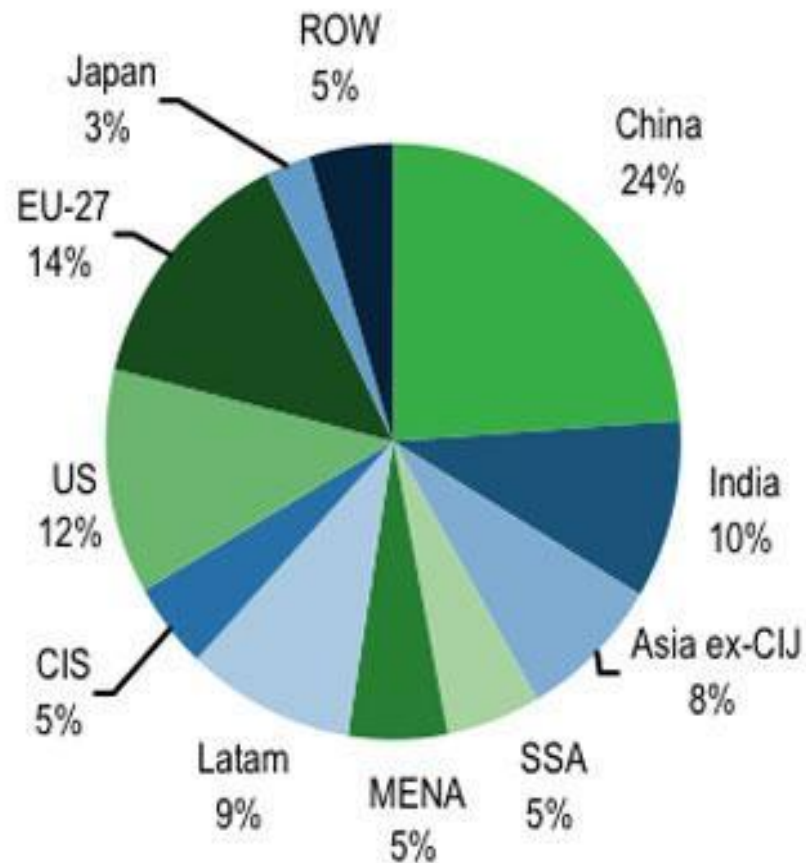
% of total (nominal basis 2000 onwards, PPP-basis prior)



Sources: Angus Maddison, IMF WEO, Standard Chartered Research

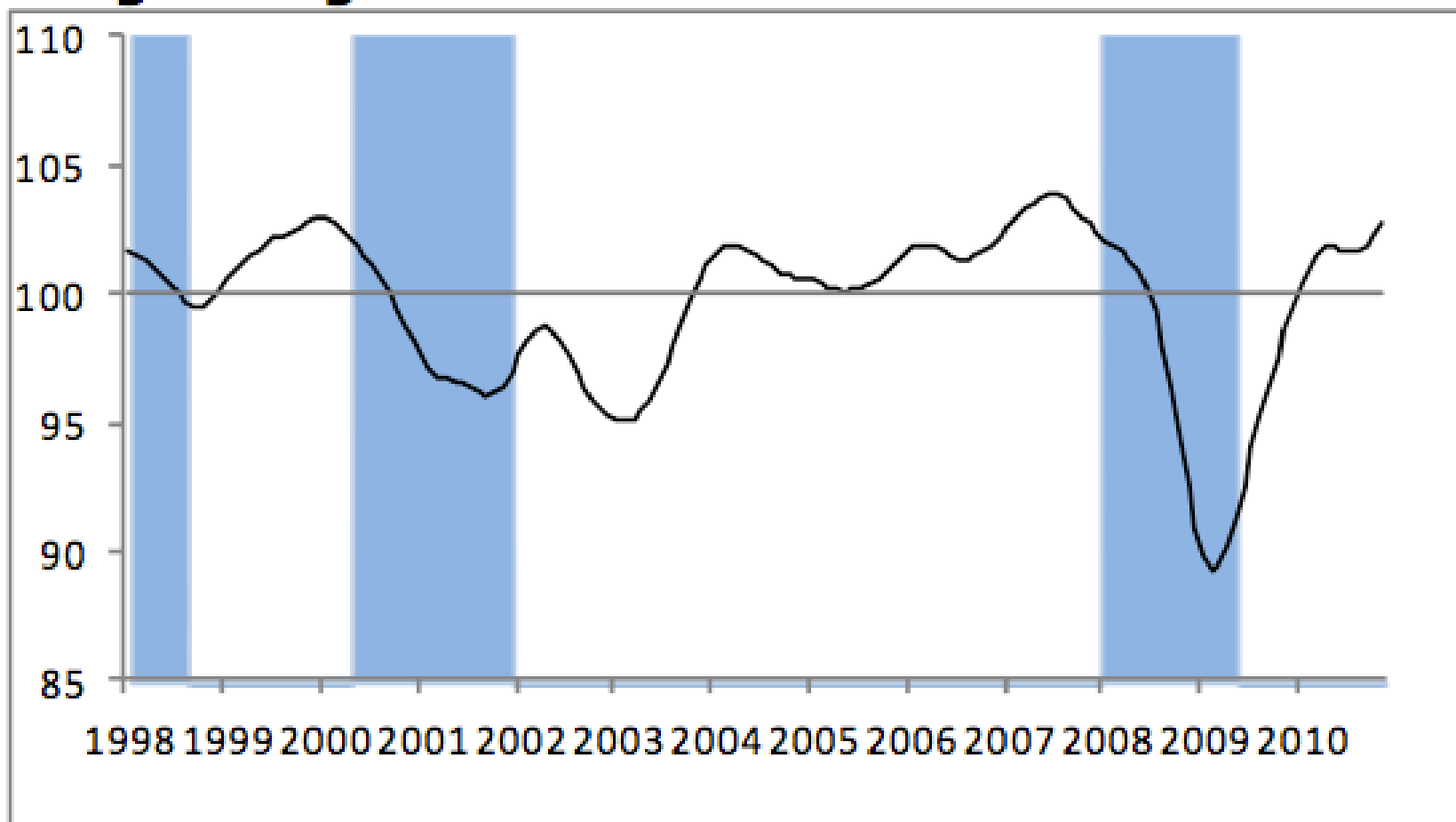
Chart 4: Nominal global GDP 2030, USD 308trn

% of global

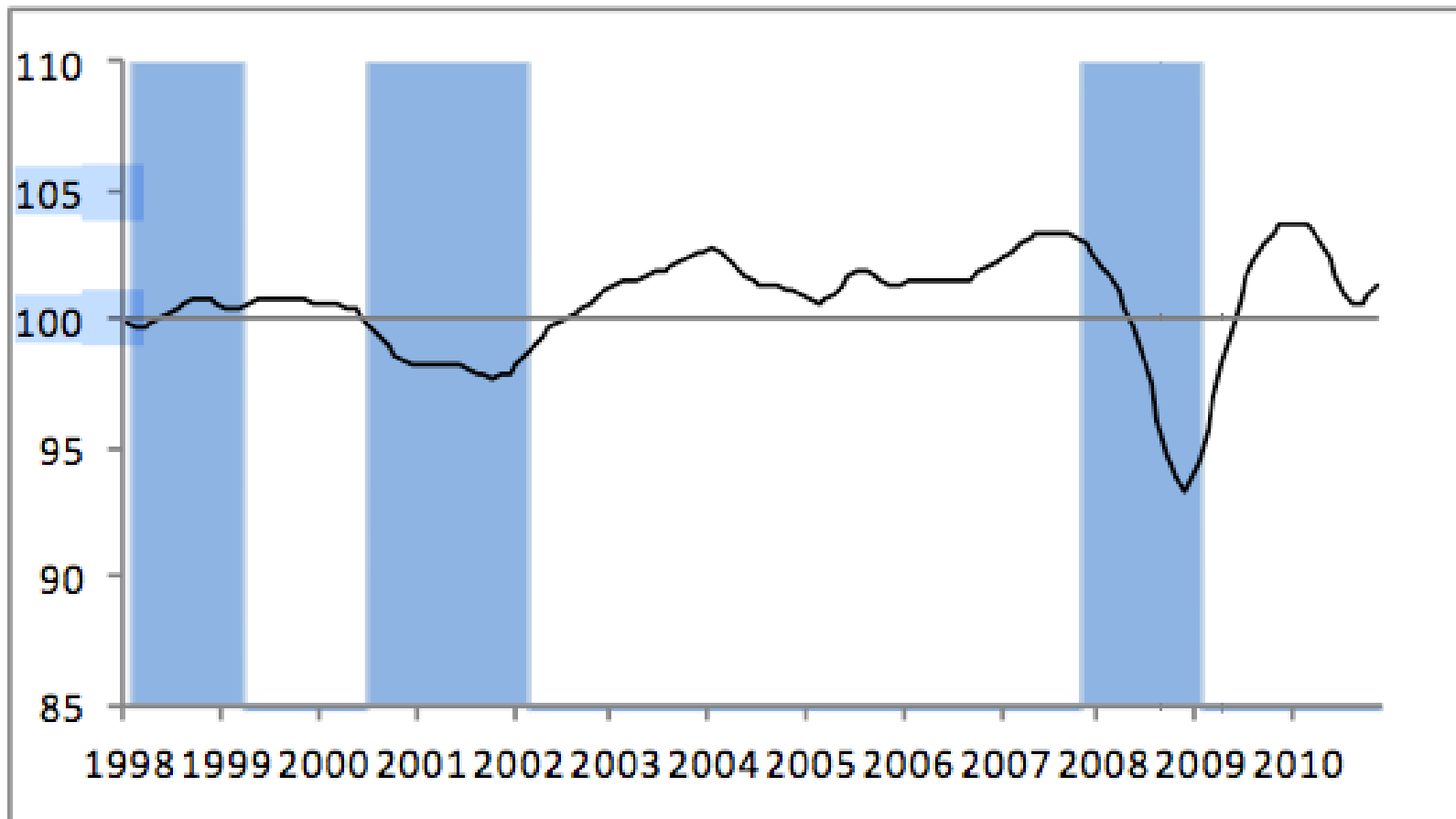


Sources: IMF, Standard Chartered Research

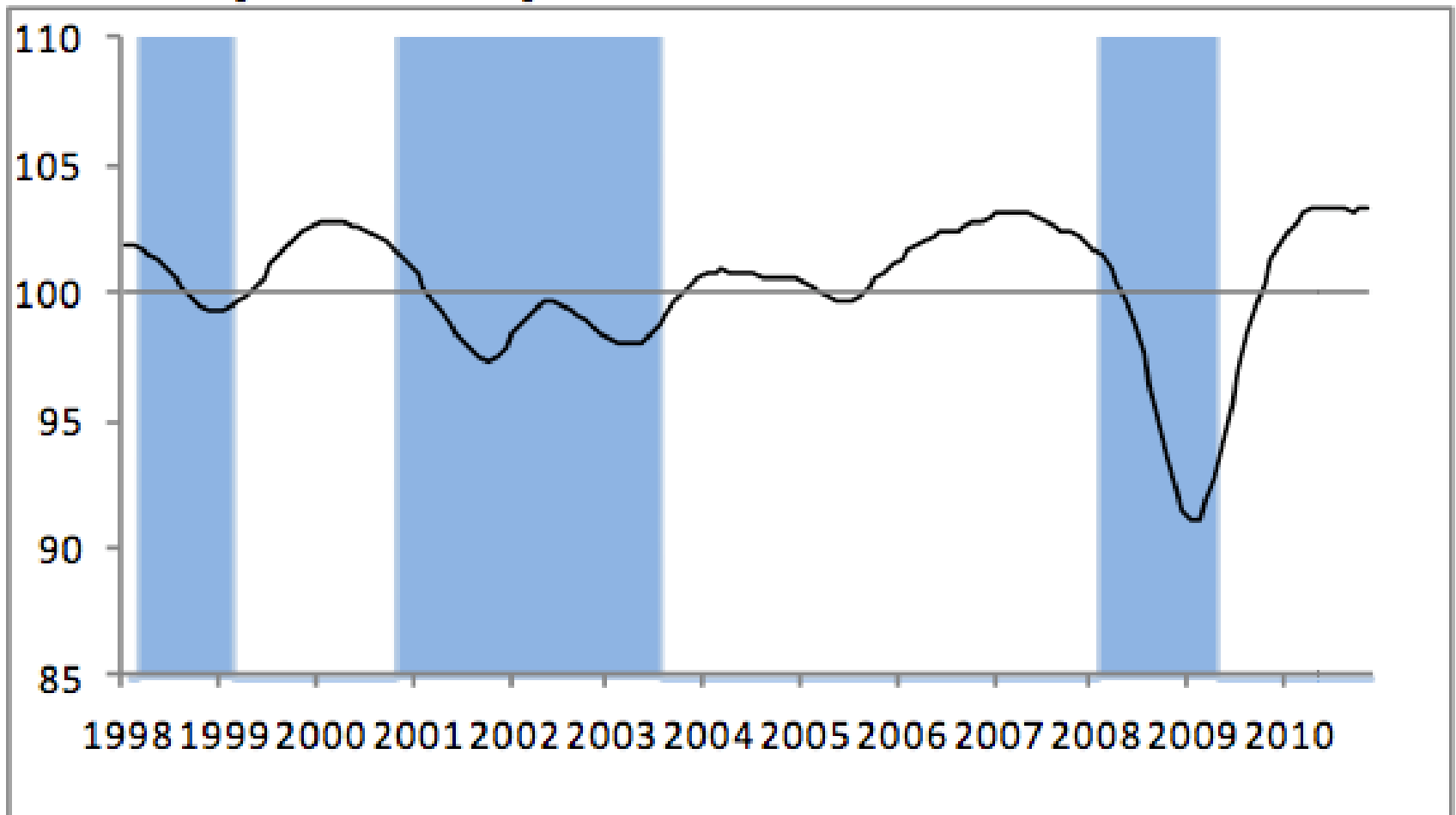
Regained growth momentum in the United States



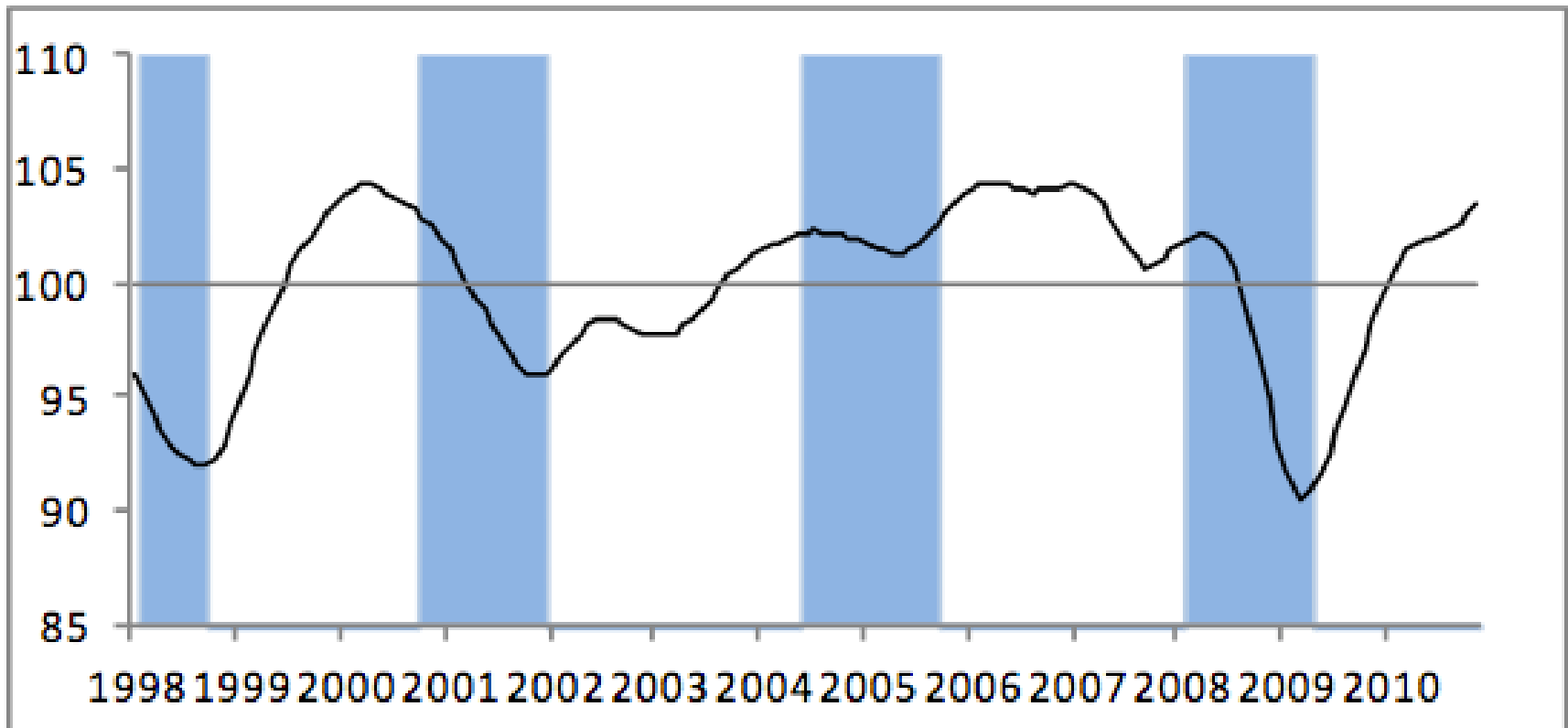
Regained growth momentum in China



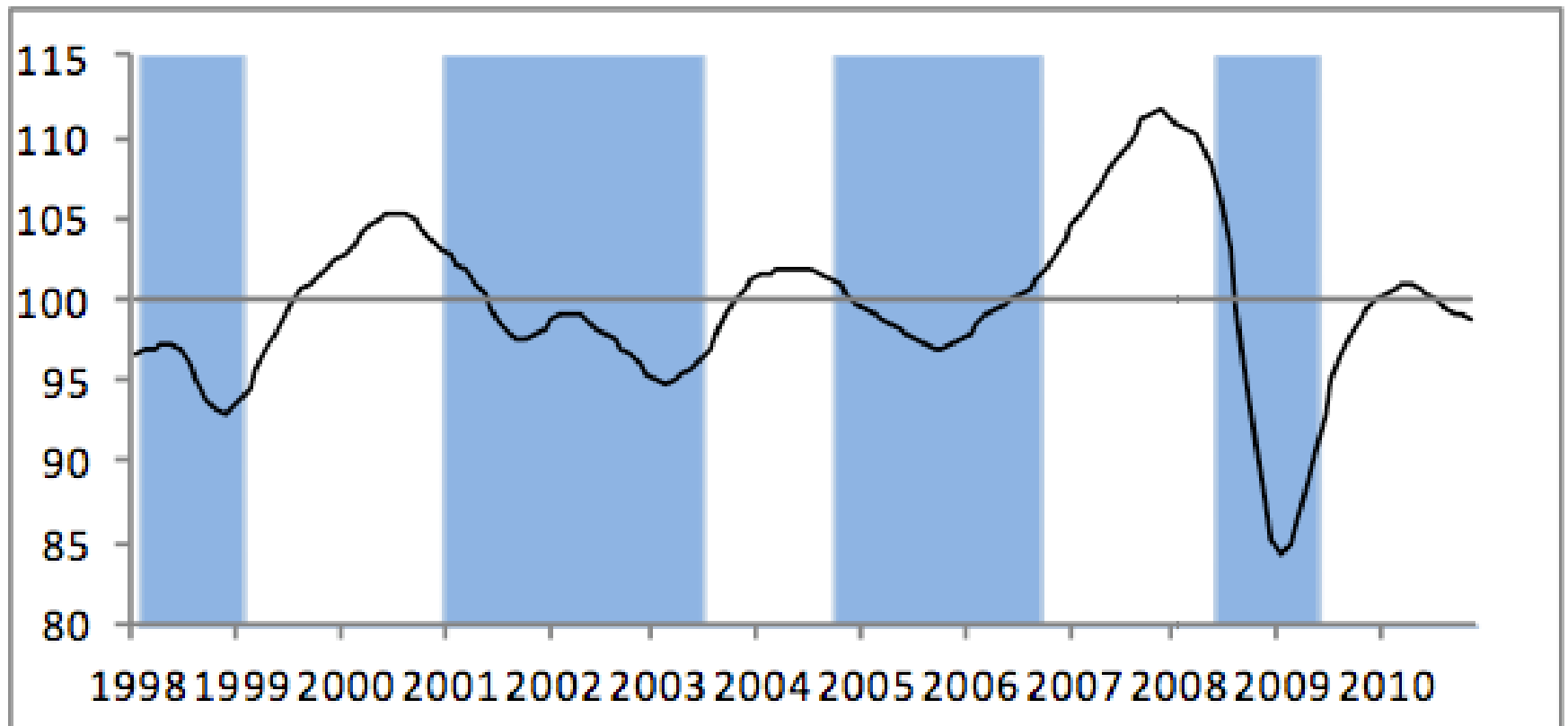
Stable pace of expansion in the Euro area



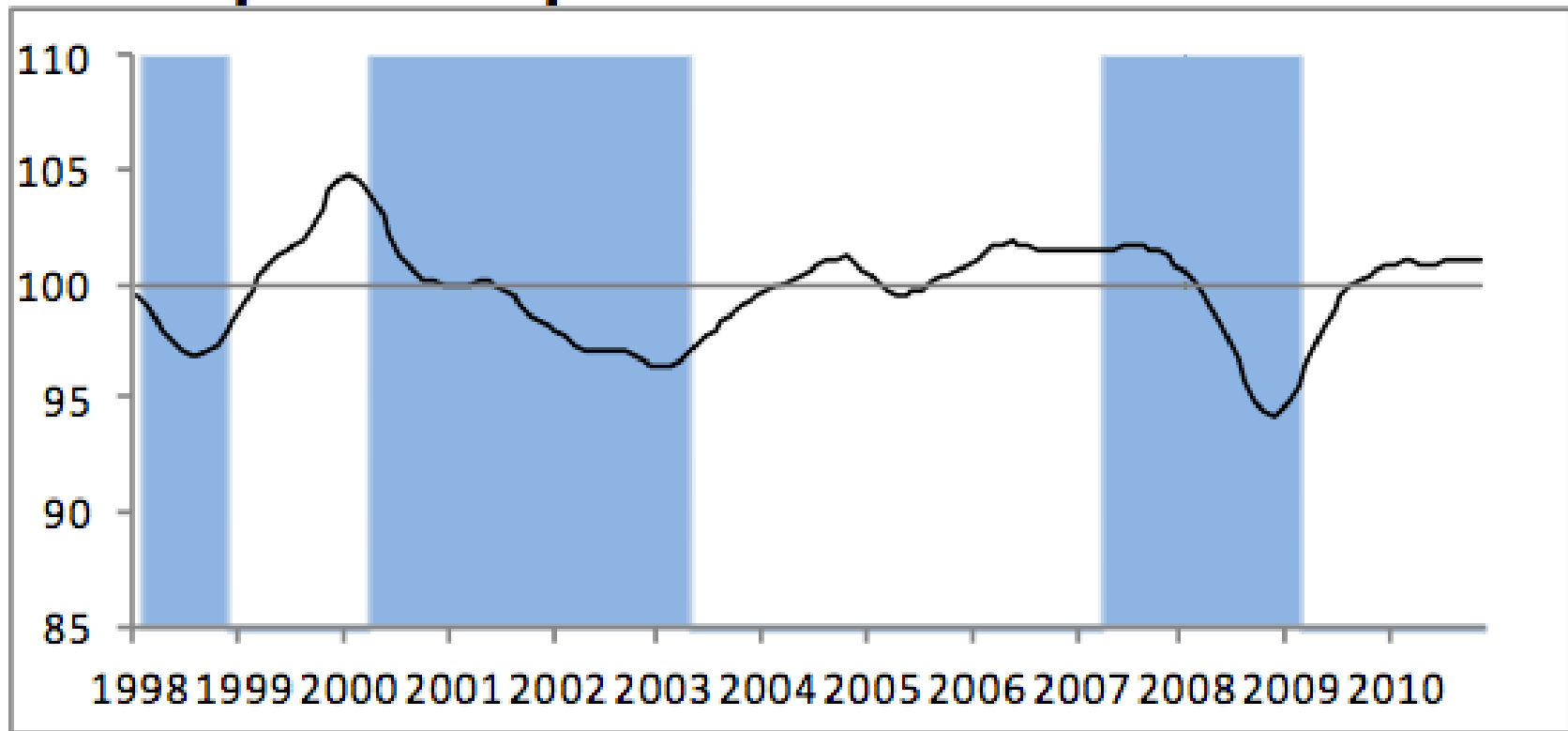
Regained growth momentum in Japan



Slowdown in Brazil



Stable pace of expansion in India



The Economist View of World Jan 20 2011

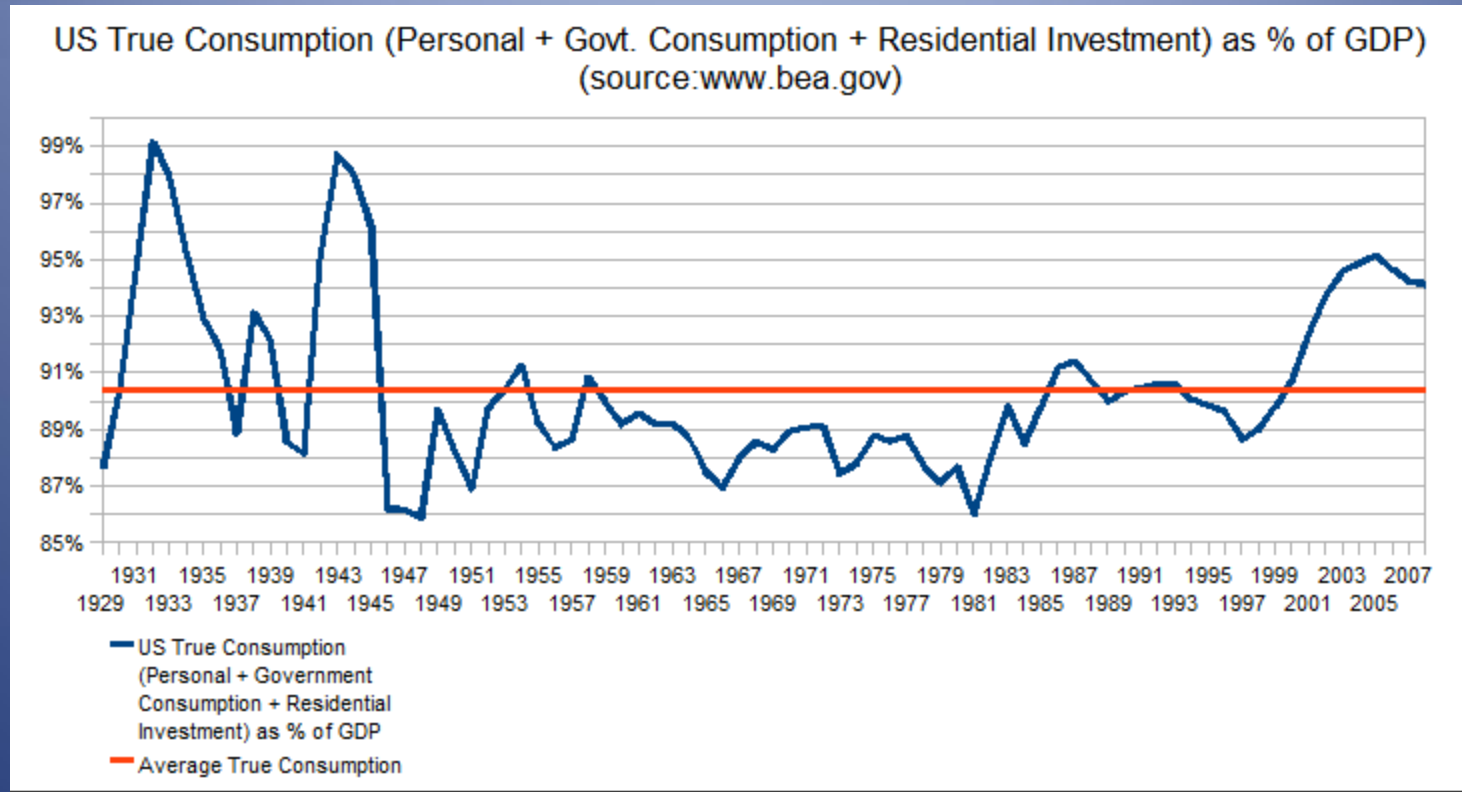
World economy: Forecast summary

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Real GDP growth (%)										
World	5.1	5.2	2.7	-0.8	4.8	4.0	4.1	4.2	4.2	4.2
US	2.7	1.9	0.0	-2.6	2.8	2.7	2.2	2.4	2.5	2.4
Japan	2.0	2.3	-1.2	-6.3	4.3	1.3	1.3	1.1	1.2	1.2
Euro area	3.1	2.8	0.4	-4.1	1.7	1.5	1.3	1.5	1.8	2.1
China	12.7	14.2	9.6	9.1	10.2	8.8	8.7	8.4	8.1	8.0
Eastern Europe	7.5	7.6	4.5	-5.6	3.1	3.6	4.1	4.1	4.1	4.0
Asia & Australasia (excl Japan)	8.3	9.3	5.7	4.9	8.1	6.7	6.8	6.7	6.6	6.6
Latin America	5.6	5.6	4.0	-2.0	5.6	4.1	4.0	4.3	4.4	4.4
Middle East & North Africa	5.9	5.3	5.9	1.4	4.1	4.3	4.4	4.4	4.6	4.7
Sub-Saharan Africa	6.7	7.0	4.9	0.9	4.2	4.6	5.5	5.0	4.9	4.8
World inflation (%; av)	3.3	3.4	4.9	1.5	2.9	2.7	3.0	3.2	3.3	3.4
World trade growth (%)	9.1	7.7	3.8	-11.1	12.4	6.4	6.3	6.7	6.7	6.0

USA Gross Investment Private Sector

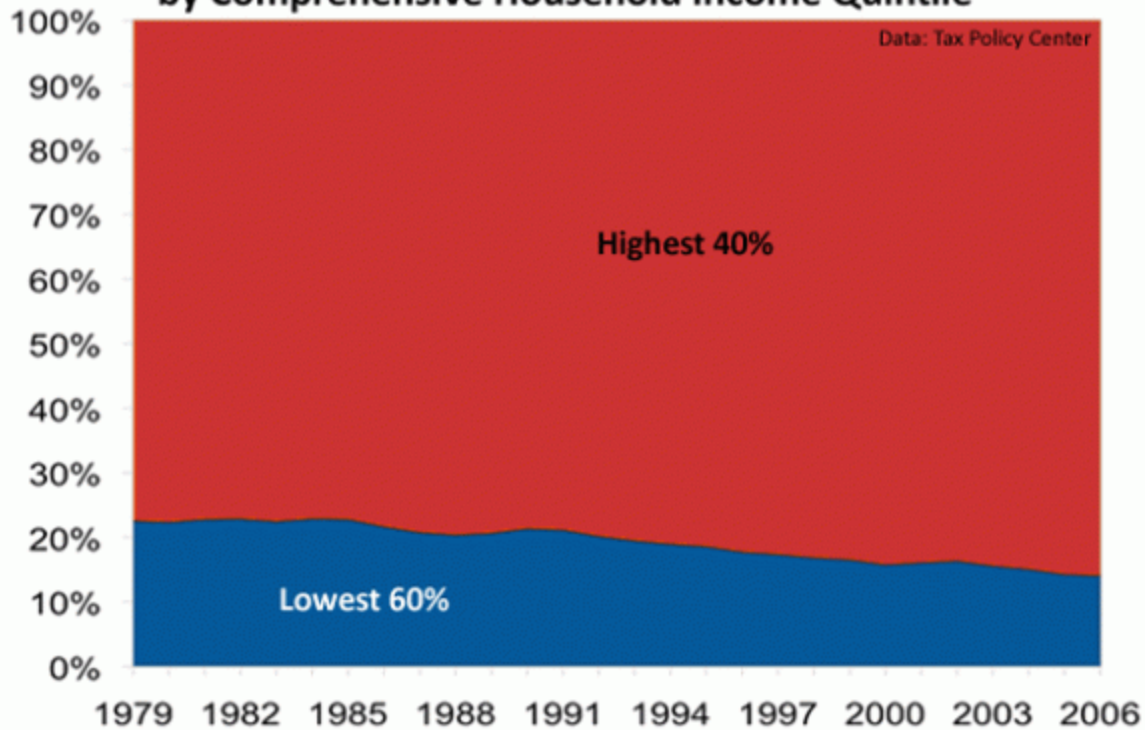
• 2003	2,085 \$ Trillion	
• 2004	2,340	
• 2005	2,564	
• 2006	2,752	
• 2007	2,751	
• 2008	2,592	2,920
• 2009	2,092	3,110

USA Consumption as Percentage of GDP



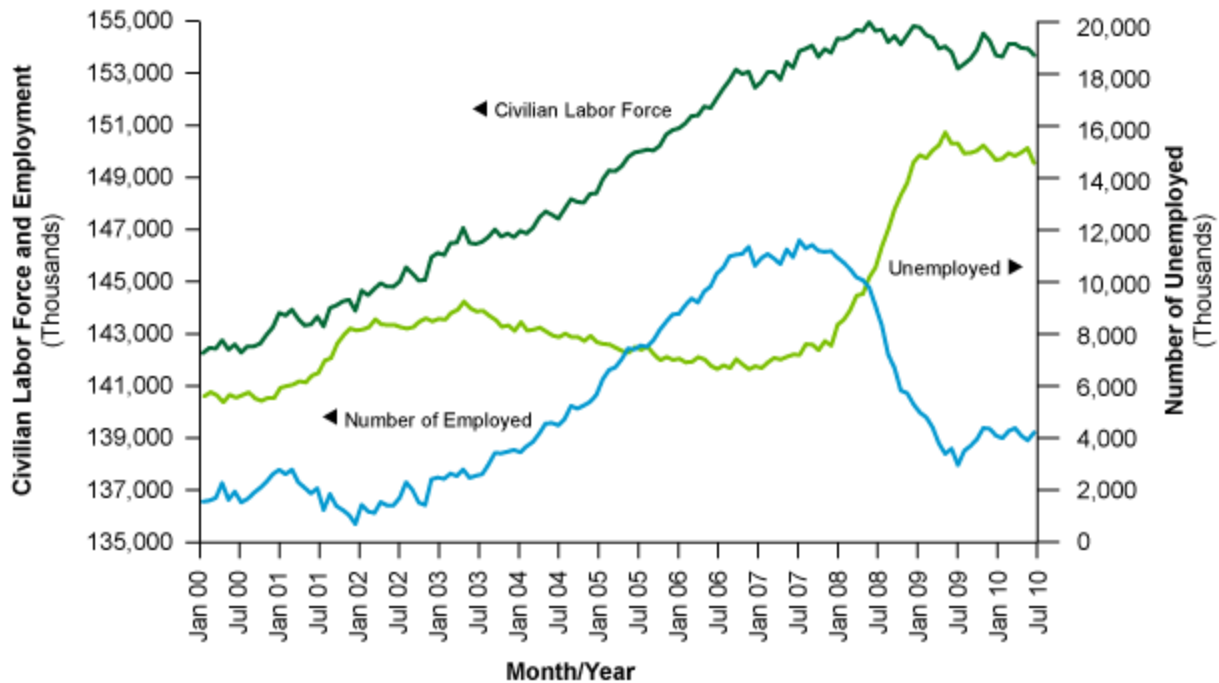


Share of Total Federal Tax Liabilities by Comprehensive Household Income Quintile



The Size of the Civilian Labor Force and Employment Levels Have Stagnated Since 2008

January 2000 to December 2010



Source: U.S. Bureau of Labor Statistics

At-risk-of-poverty rate, by household %

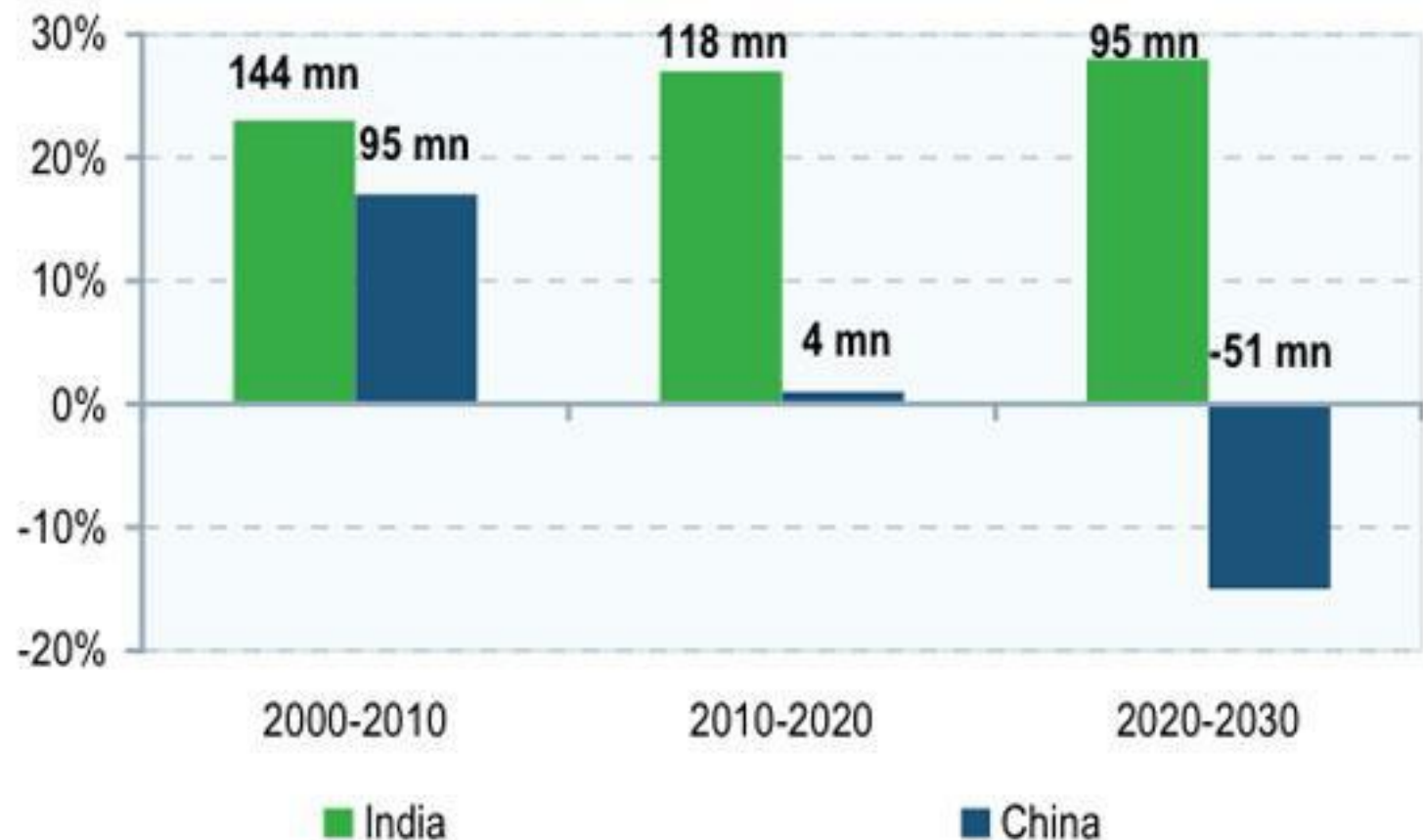
	2000	2009
European Union (15 countries)	15	16.1
Belgium	13	14.6
Denmark	:	13.2
Germany	10	15.5
Ireland	20	15
Greece	20	19.7
Spain	18	19.5
France	16	12.7
Italy	18	18.4
Netherlands	:	11.1
Poland	:	17.2
Portugal	21	17.8
Finland	11	13.8
Sweden	:	13.3
United Kingdom	19	17.3
Norway	:	11.2
Switzerland	:	15.4
USA		14.3

GDP per capita in PPS

	1995	2009
Euro area (15 countries)	116	109
Norway	135	178
United States	159	146
Switzerland	153	145
Netherlands	123	131
Ireland	103	127
Austria	135	124
Denmark	132	121
Sweden	125	118
Belgium	129	116
Germany	129	116
Finland	108	113
United Kingdom	113	112
France	116	108
Italy	121	104
Spain	92	103
Greece	84	93
Portugal	77	80

Chart 7: Contribution to global working-age population

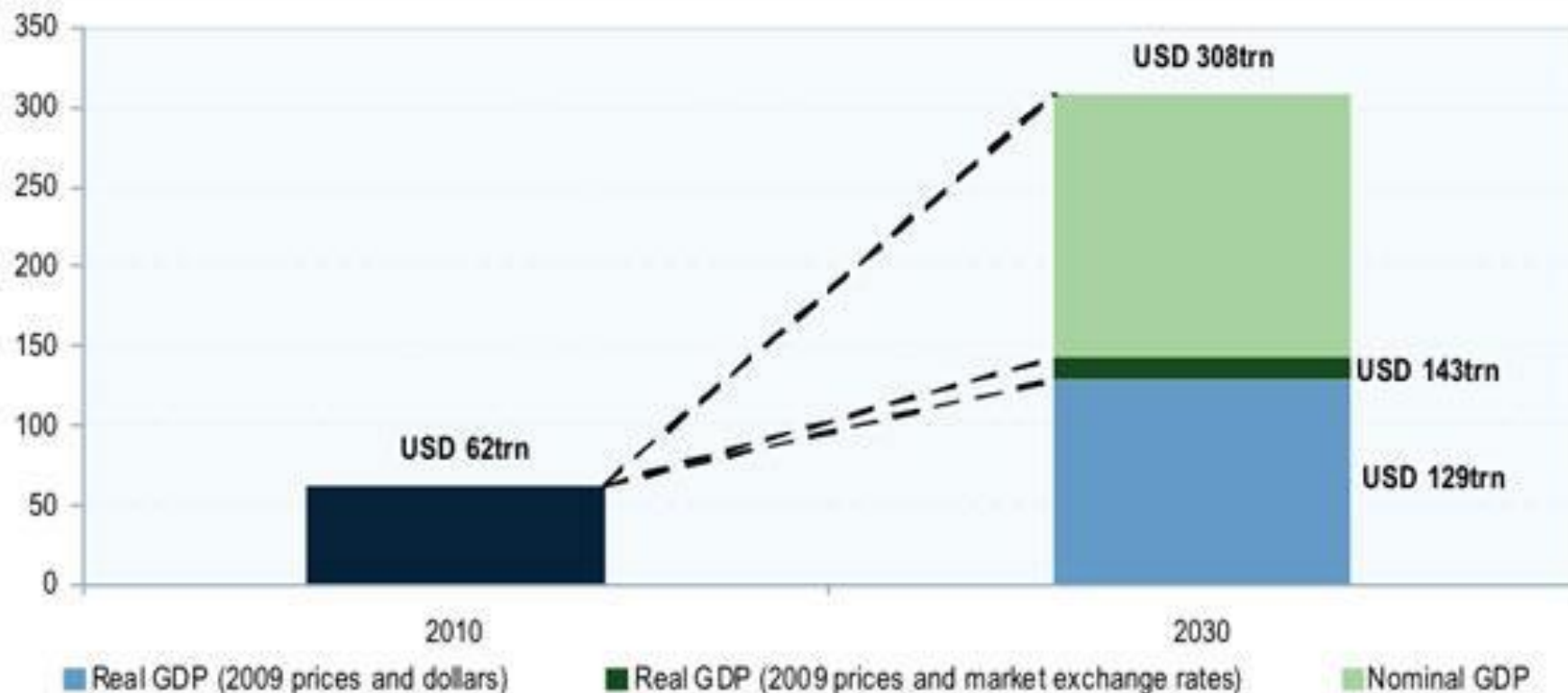
% and mn



Sources: UN, Standard Chartered Research

Chart 2: Scale and perspective – size of the world economy today and in 2030

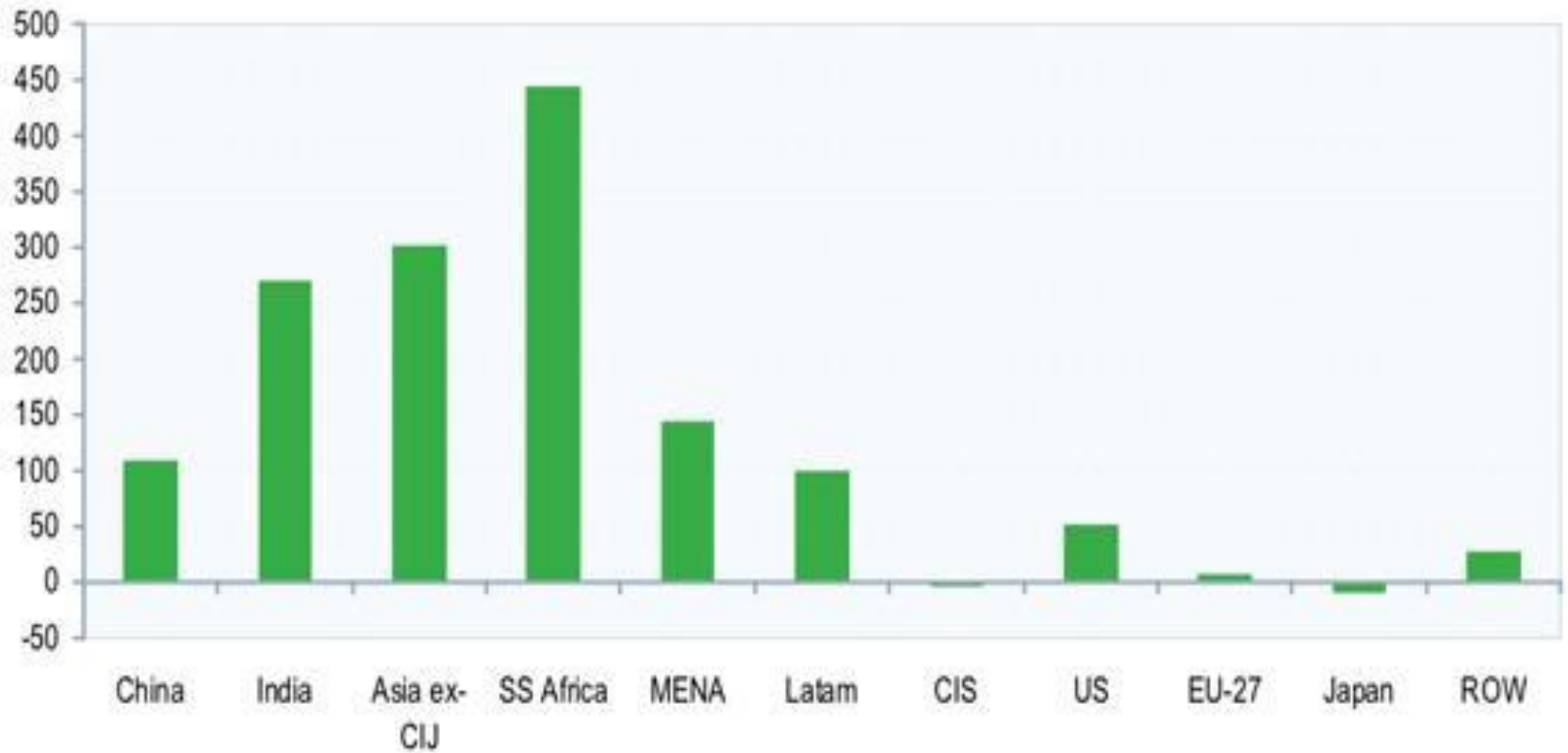
USD trn



Sources: IMF, Standard Chartered Research

Chart 10: Population change by region, 2010-2030

millions



Sources: UN, Standard Chartered Research