

Darkest Before Dawn & the Sun will rise again

Jeffrey Lee, CFA

MD & CIO

Phillip Capital Management

March 2010

SUCCESS AND EXCESSES OF THE 80'S

Japan overtakes the world – Global dominance in many industries

“Japan is different, PER of 80-100x is ok. Property price will go higher”

DECLINE IN THE 90'S AND 2000'S

Samsung overtakes Sony. ASML overtakes Canon & Nikon

Conventional fiscal and monetary policies – limited impact

M&A, Restructuring have been ineffective

END OF 2 LOST DECADES – Crisis will catalyze change

Japan able to capitalize on the growth of China and India

Valuations are attractive – Dividend yield 1.7% > JGB yield

Japan Airlines bankruptcy is good for Japan – end of wasteful government bailouts.

Capitalize and enhance traditional strength in energy efficiency, design & engineering

Global leaders – Hybrid Cars, Semiconductor Wafers, Nuclear Power, Game hardware

Human capital is paramount – Need to embrace foreign talent

Deployment of huge pool of savings to encourage entry of foreign fund managers

Disclaimer

This presentation is solely for general information and private circulation only. It should not be construed as a recommendation an offer or solicitation for the subscription, purchase or sale of the securities, and specifically funds, mentioned herein. No actions should be taken without first viewing the details in a fund's prospectus. All applications for units in the funds must be made on application forms accompanying the relevant prospectus. A copy of the prospectus can be obtained from PCM or online at www.phillipcapitalmanagement.com.sg. Past performance is not necessarily indicative of future returns. Investments in unit trusts are subject to investment risks, including the possible loss of the principal amount invested. Investors should note that the value of the units and income from the fund may rise as well as decline. Investors should also note that there are limitations whenever performance is stated or comparison is made to another unit trust or index for any specific period as no funds or indices are directly comparable.

Any predictions or forecasts mentioned in this document are not necessarily indicative of the future or likely performance of the funds. Investors may wish to seek advice from a financial adviser before making a commitment to invest in the funds. In the event that an investor chooses not to seek advice from a financial adviser, the investor should consider whether the fund/funds is/are suitable for him.

Whilst we have taken all reasonable care to ensure that the information contained in this publication is accurate, it does not guarantee the accuracy or completeness of this publication. Any information contained in this presentation is subject to change without notice. We have not given any consideration to and have not made any investigation of the investment objectives, financial situation or particular needs of any specific person or group of persons as we are not in possession of any such information. Accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of any person or group of persons acting on such information and advice.

Disclosure of Interest

Phillip Capital Management (S) Ltd and its directors and employees may have interest in the securities mentioned herein from time to time, and its associates and connected persons may also have positions from time to time. Opinions and views expressed in this report are subject to change without notice.