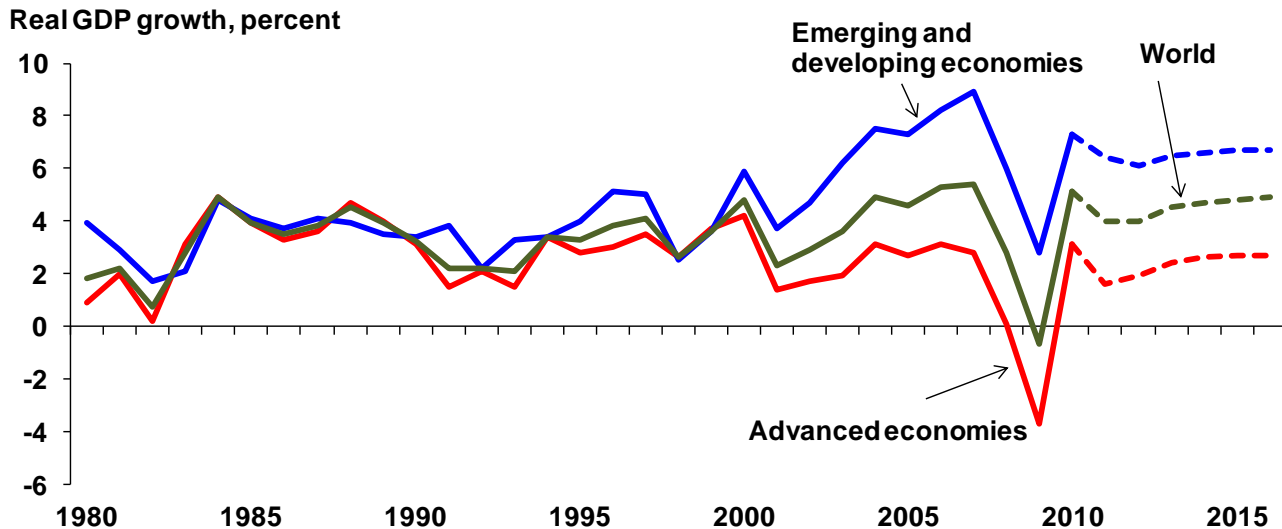




Natural Resources and Rising Worldwide Demand

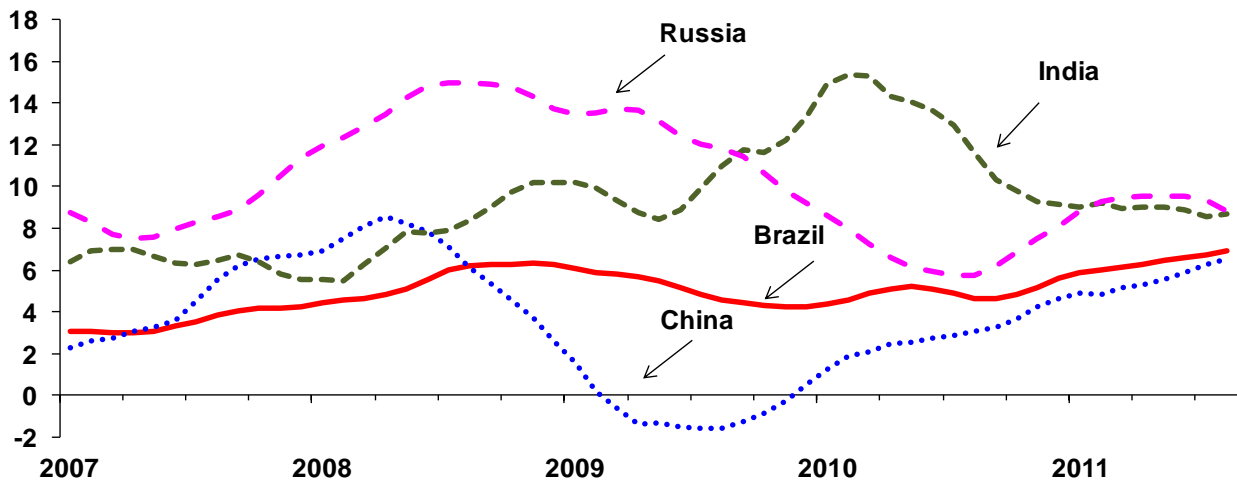
Recession to recovery: Double-dip ahead?



Source: World Economic Outlook, International Monetary Fund, September 2011 update.

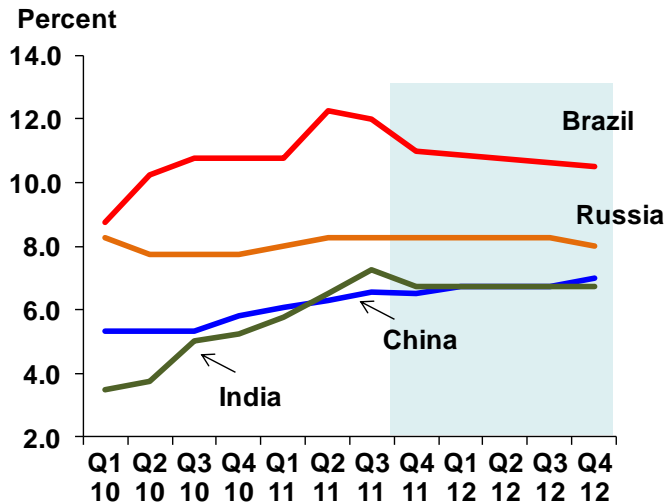
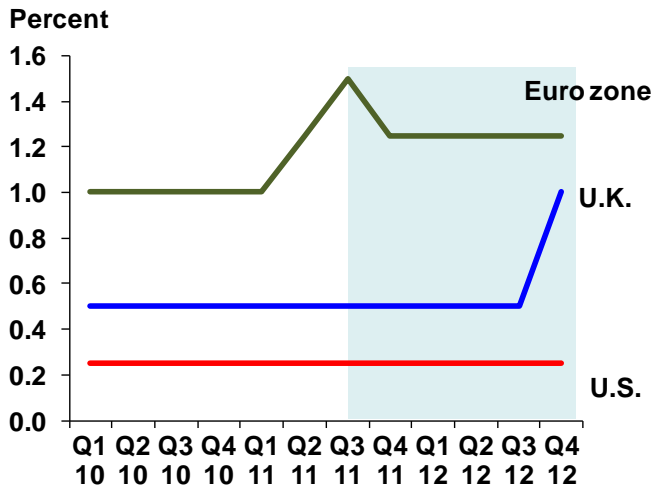
Inflation pressure rising in emerging countries

% change in consumer price index, 3-month rolling average



Sources: OECD, Milken Institute.

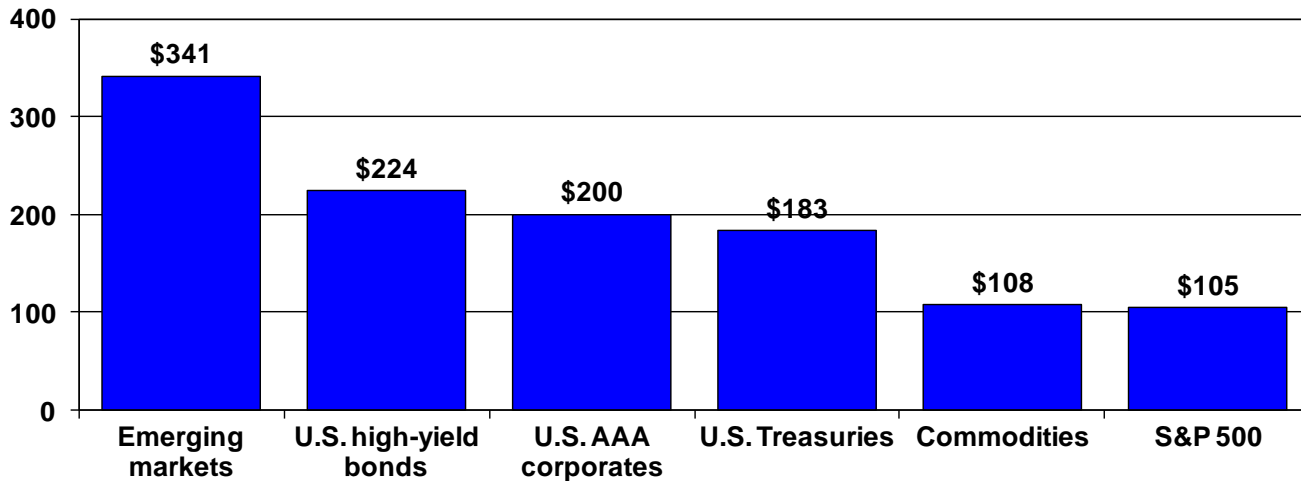
End of the era of cheap capital?



Source: Bloomberg.

Investment returns for selected asset classes

As of September 2011, a \$100 investment made in December 2000 gives you:



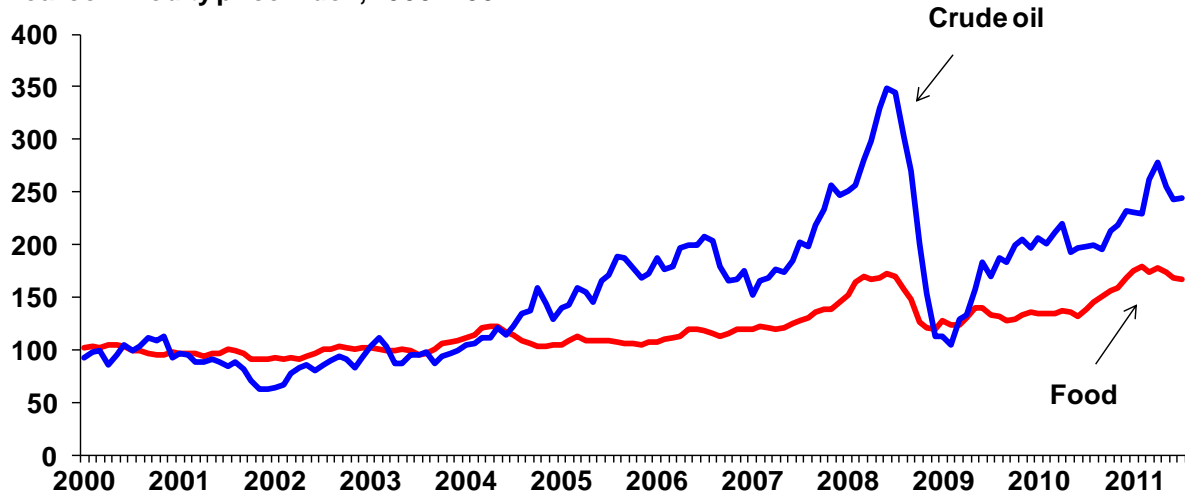
Sources: Bloomberg, Milken Institute.

Will structural forces push commodity prices above previous peaks?



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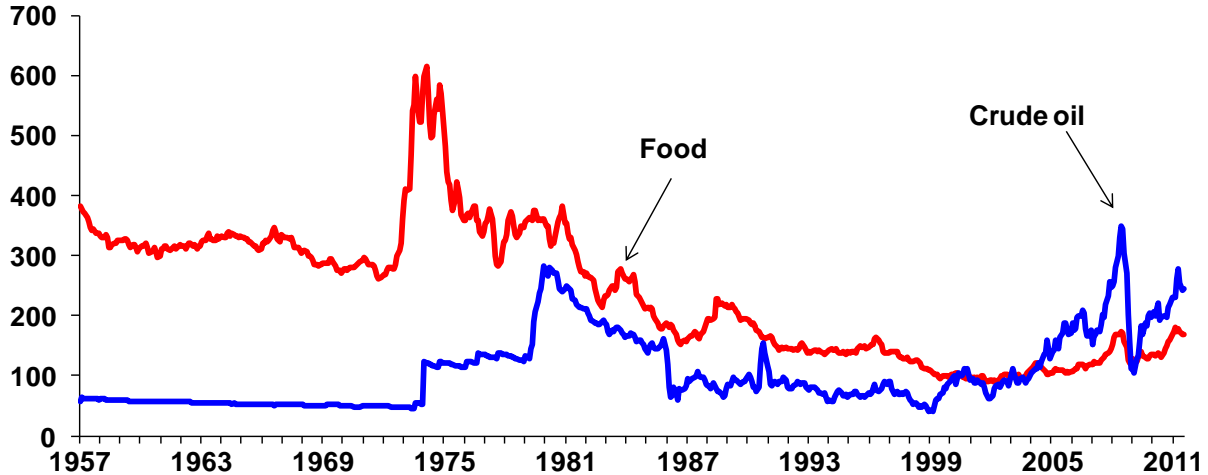
Real commodity price index, 2000=100



Sources: Haver Analytics, IMF, Milken Institute.

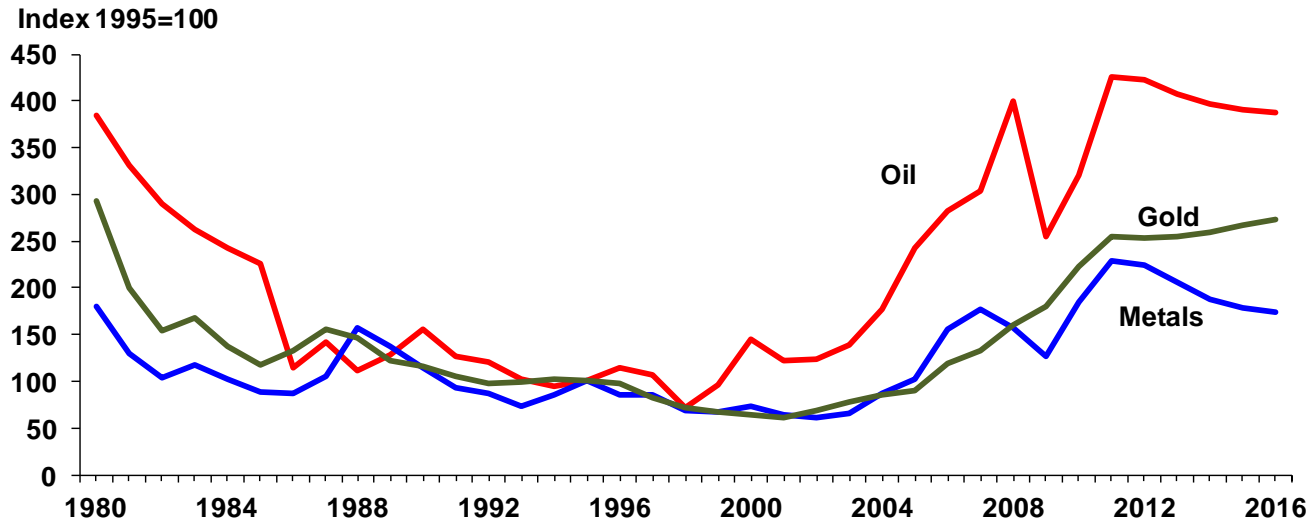
Real commodity prices in a long-term historical context

Real commodity price index, 2000=100



Sources: Haver Analytics, IMF, Milken Institute.

Real commodity prices



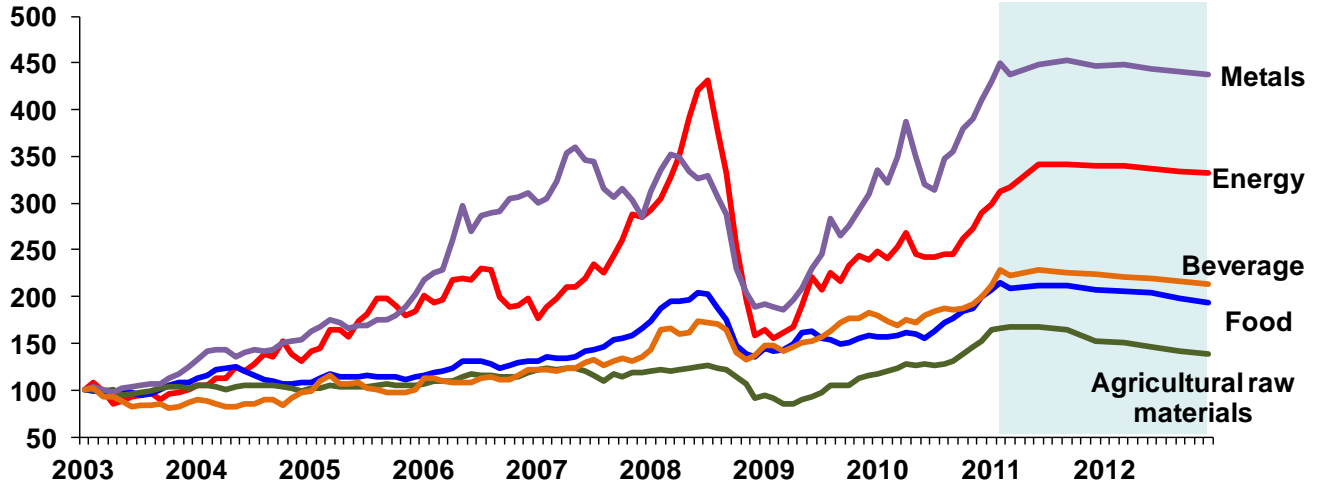
Outlook for commodity prices

Monthly, 2003–2012



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Commodity prices, Jan. 2003 = 100



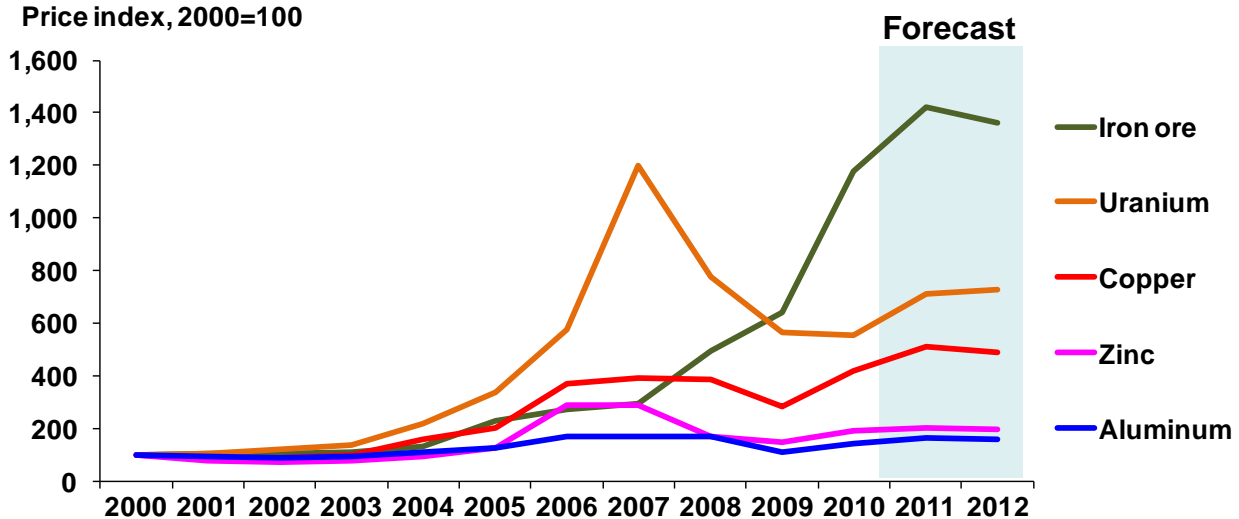
Sources: International Monetary Fund, Milken Institute.

Outlook for metal prices

2003–2012 (Projections after 2010)



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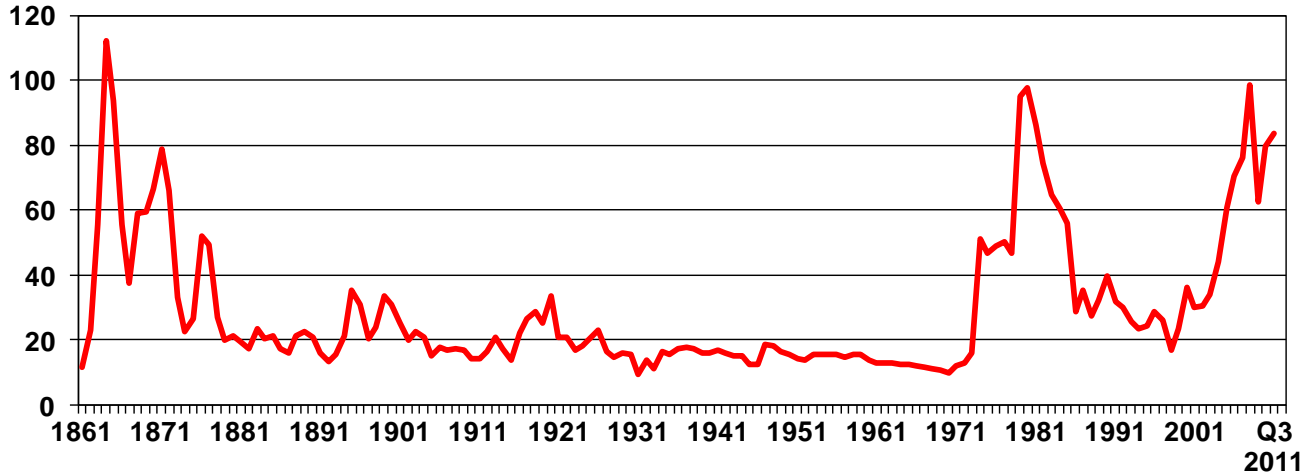
Oil prices in real terms

1861 to Q3 2011



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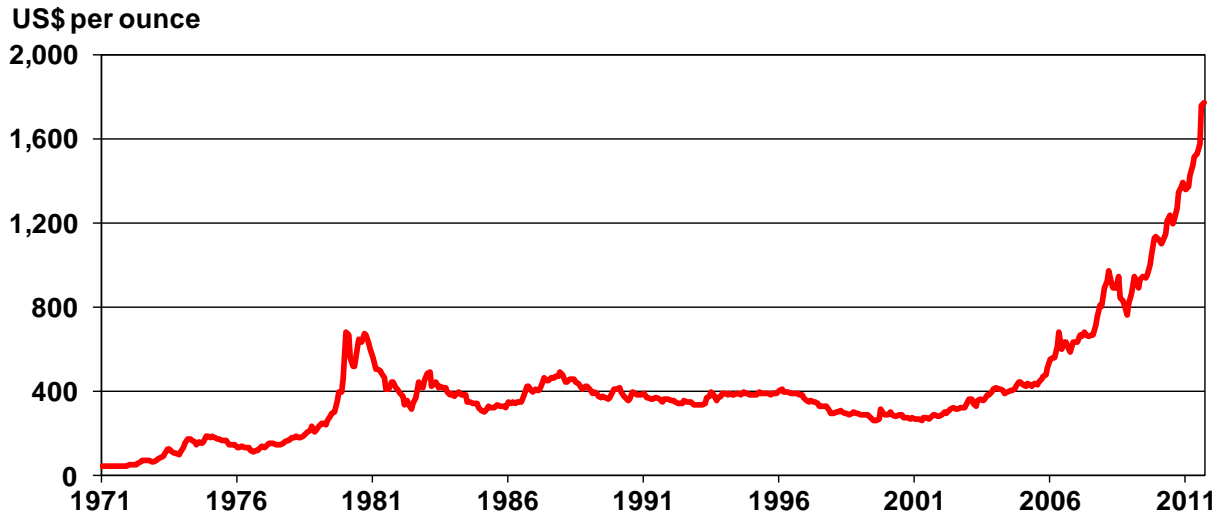
Average crude oil price in 2010 dollars, US\$ per barrel



Sources: BP Amoco's, Bloomberg, Bureau of Labor Statistics, Milken Institute.

Note: 1861-1944 U.S. average. 1945-1983 Arabian Light posted at Ras Tanura. 1984 onward Brent dated. 1861-2009 figures calculated by BP. 2010 and 2011 figures calculated by MI staff using data from Bloomberg and Bureau of Labor Statistics.

Recent run-up in the price of gold



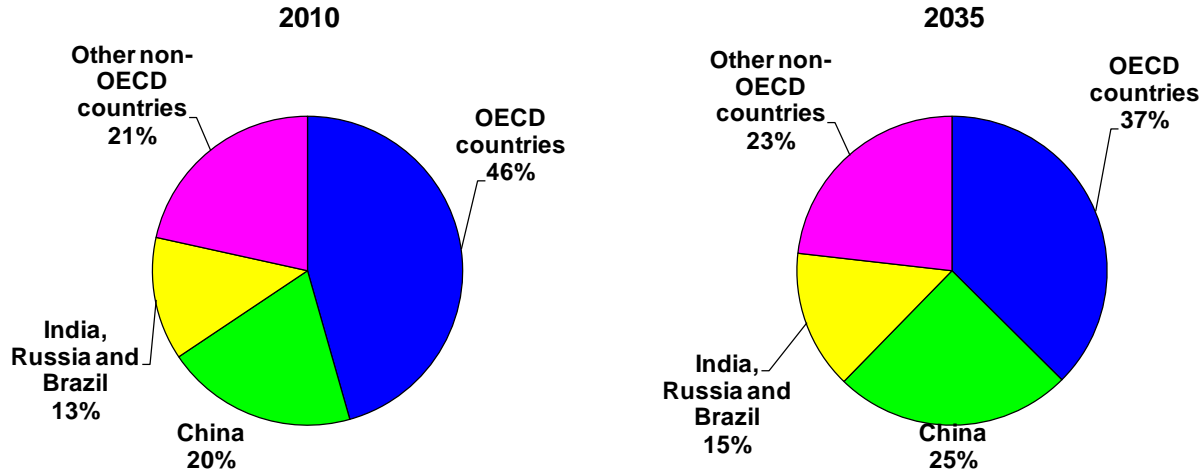
Source: World Gold Council.

World primary energy consumption

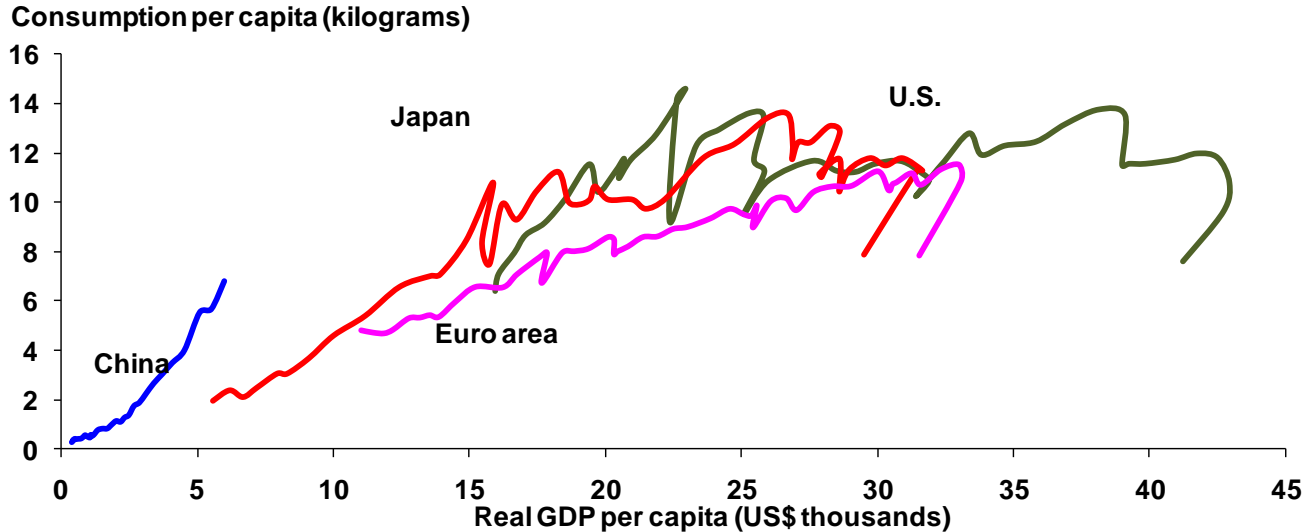
2010 vs. 2035 projection



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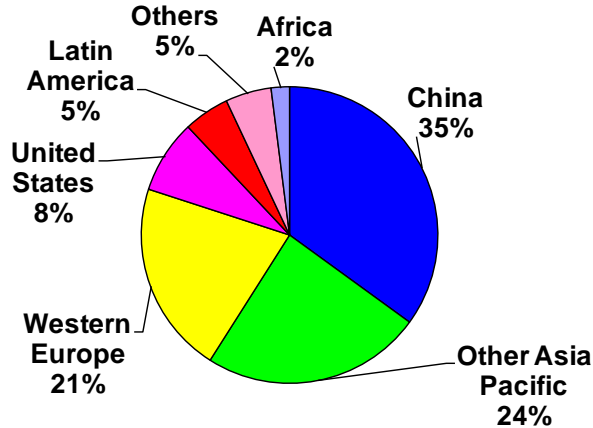
Aggregate metal consumption: China's path mirrors the exponential growth in its manufacturing sector



Copper consumption

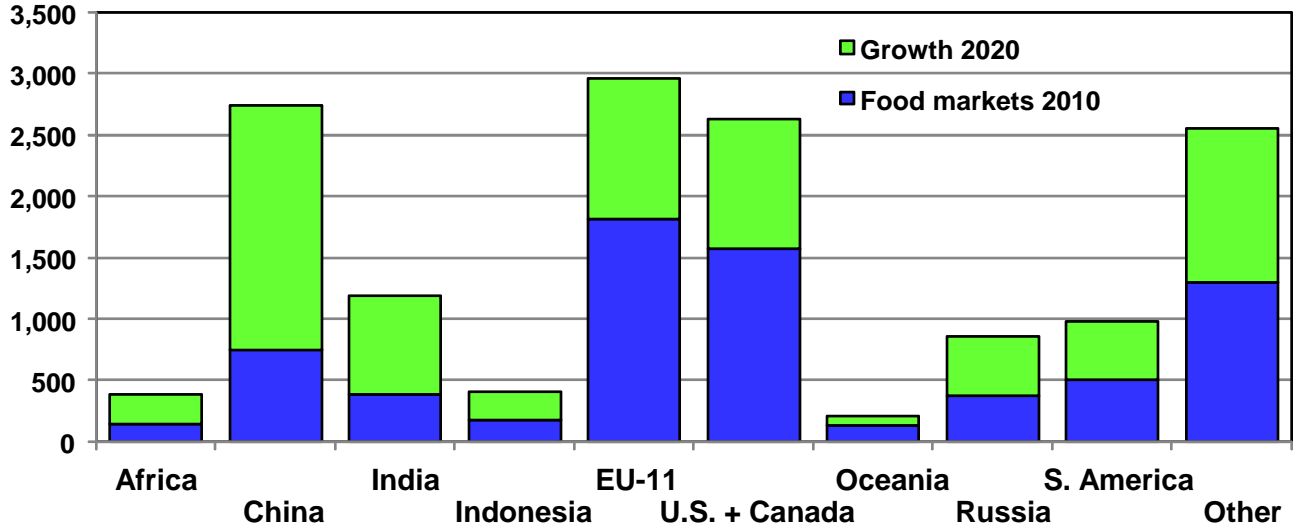


Refined copper consumption, 2010



The effect of economic growth and population growth: Food markets to grow by 109% in ten years

Size of food market, US\$ billions



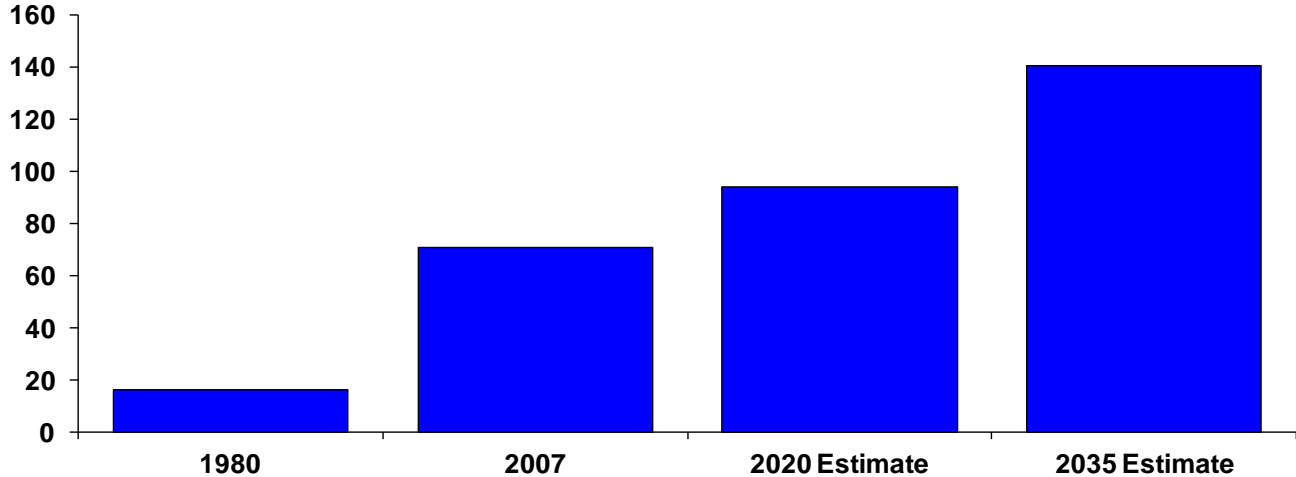
Current and projected coal consumption

Non-OECD Asia



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Coal consumption (quadrillion Btu)



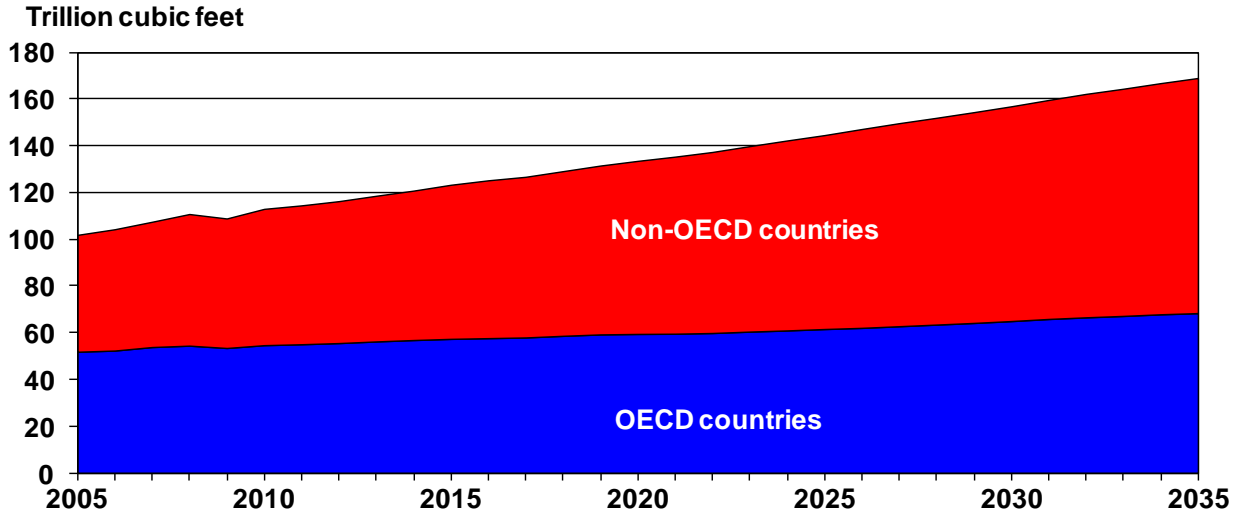
Source: Energy Information Administration

World consumption of natural gas

Projection after 2010



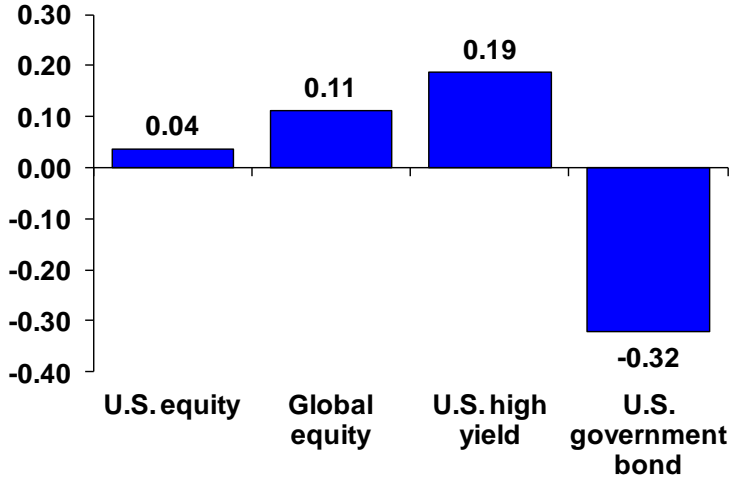
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Source: Energy Information Administration

Commodities: low correlation with other asset classes

Return correlation with commodities (Q1 1986-Q1 2011)



Sources: Bloomberg, Milken Institute.

Note: Measured quarterly from Q1 1986 to Q1 2011.



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