

An update on UCITS & Luxembourg's role as the global fund hub

Panel discussion moderated by:

Thomas Seale, CEO, European Fund Administration,
and Vice Chairman, ALFI

Panelists:

Michèle Eisenhuth, Partner, Arendt & Medernach

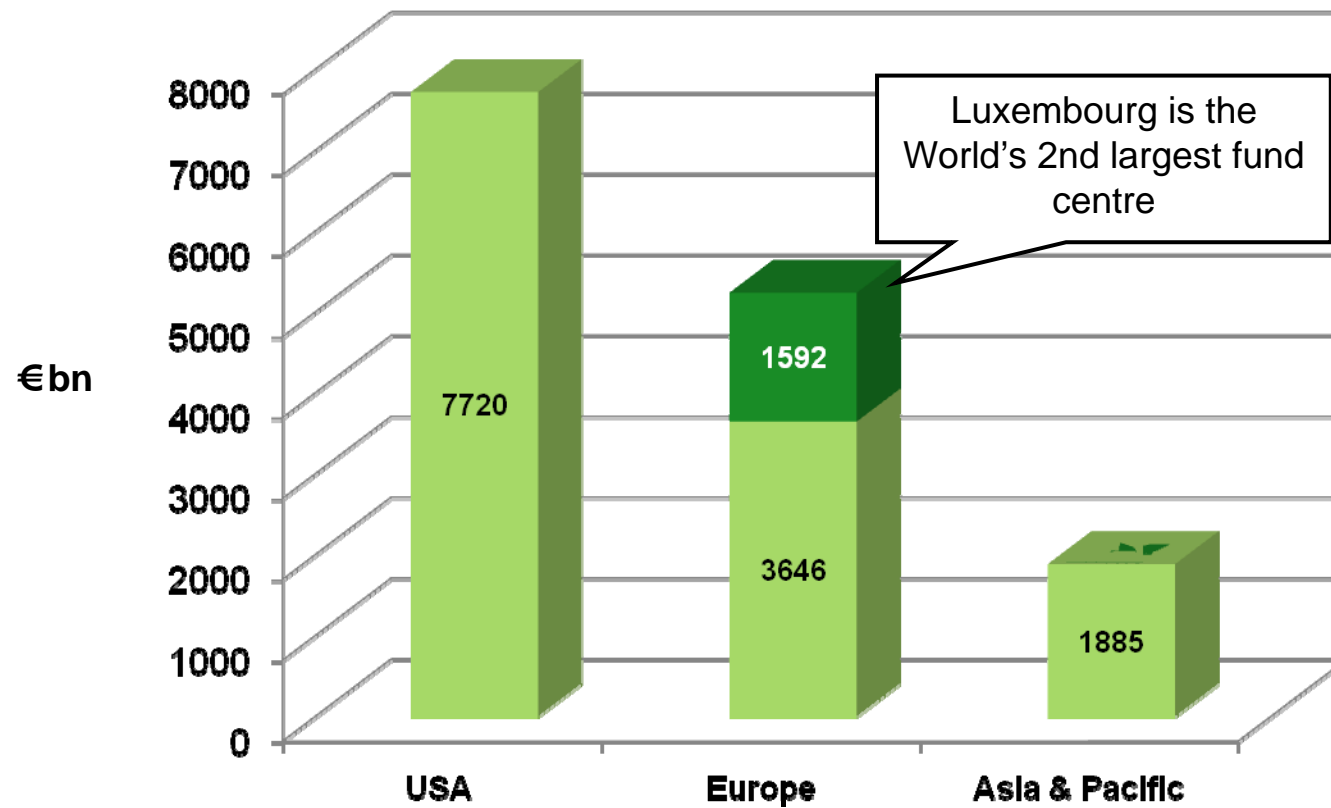
Freddy Brausch, Partner, Linklaters LLP

Timothy Caverly, Executive Vice President, State Street Global Services

Mark Evans, Partner, PricewaterhouseCoopers

Worldwide Fund Industry

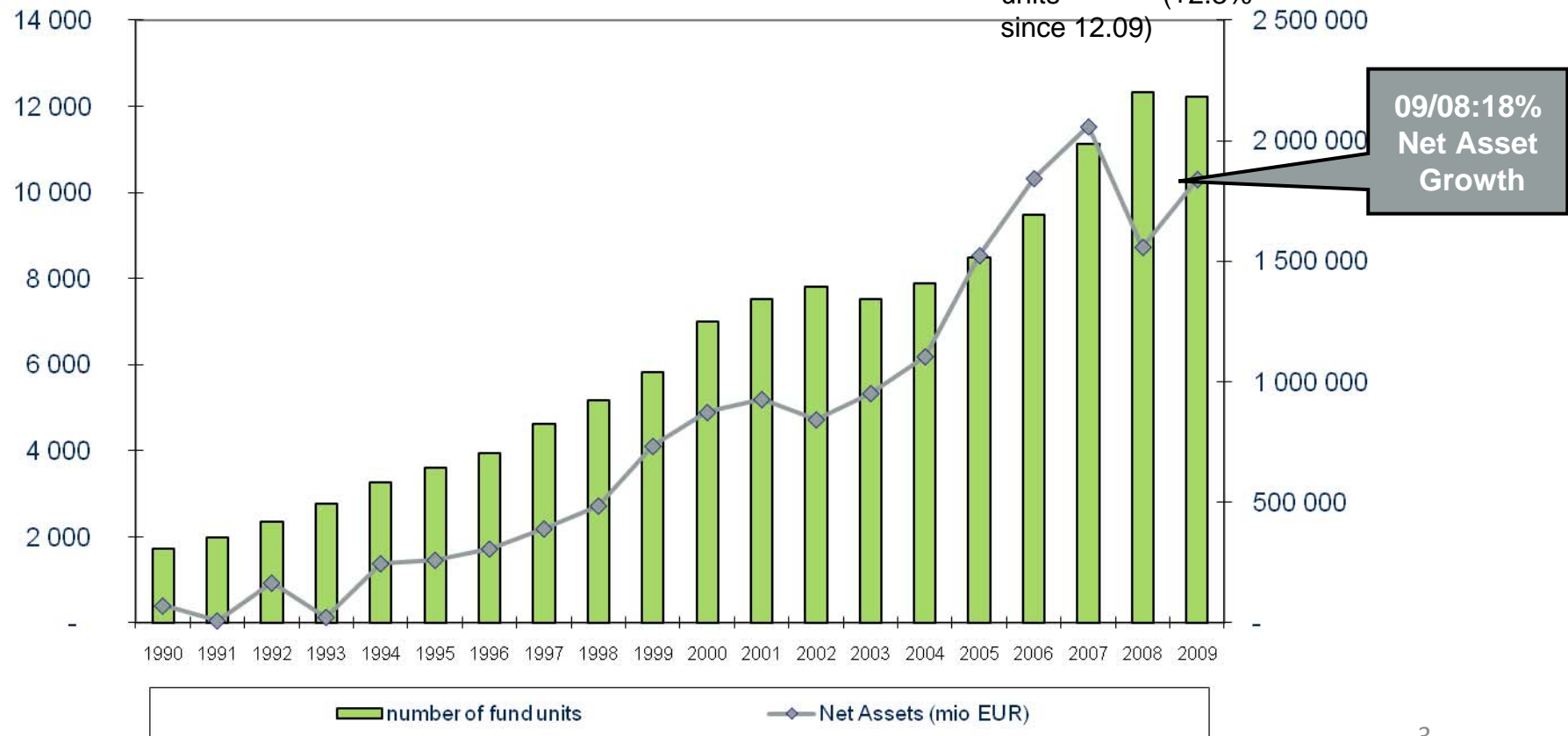
Worldwide Mutual Funds



The Luxembourg Fund Investment Sector

Net assets of Luxembourg domiciled UCIs

March 2010:
 Net Assets €1'980 bn
 (+7.6% since 12.09)
 12'513 fund units
 (+2.3% since 12.09)



Source : ALFI as at 31.12.2009
 CSSF, UCIs monthly statistics, March 2010

UCITS : Luxembourg Market Share



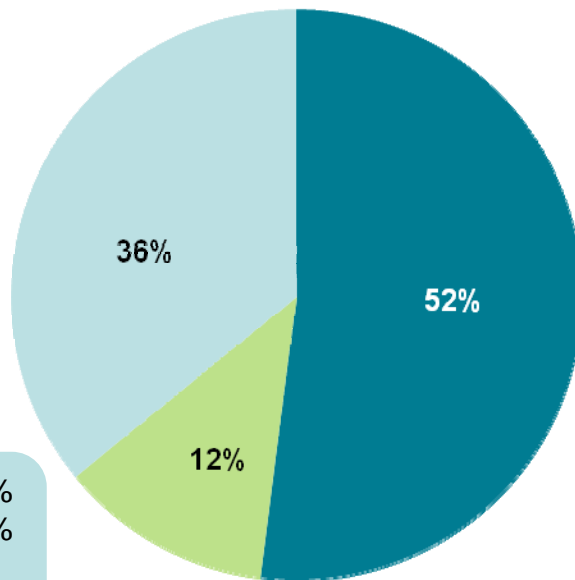
Top 50 cross-border fund groups

Rank	Promoter	First Domicile	Countries of Sale
1	Franklin Templeton	Luxembourg	50
2	HSBC holdings	Luxembourg	42
3	BlackRock	Luxembourg	40
4	Schroder	Luxembourg	38
5	BNP Paribas	Luxembourg	33
6	Fidelity	Luxembourg	33
7	Société Générale AM	Luxembourg	32
8	Barclays	Ireland	30
9	JPMorgan Chase & Co	Luxembourg	30
10	INVESCO LTD	Luxembourg	29
11	Allianz Group	Luxembourg	28
12	Deutsche Bank	Luxembourg	28
13	Swiss & Global Asset Management	Luxembourg	28
14	UBS	Luxembourg	28
15	Fortis Investments	Luxembourg	27
16	Legg Mason	Ireland	27
17	Pioneer Investments	Luxembourg	26
18	BNY Mellon /Westlb Mellon	Ireland	25
19	Aberdeen Asset Management	Luxembourg	24
20	Crédit Agricole	Luxembourg	24
21	Crédit Suisse Group	Luxembourg	24
22	ING Groep	Luxembourg	24
23	Henderson Group PLC	Luxembourg	23
24	Lloyds TSB Group	Jersey	23
25	Morgan Stanley	Luxembourg	23

Rank	Promoter	First Domicile	Countries of Sale
26	Pictet & Cie	Luxembourg	23
27	Alliance Bernstein Management LP	Luxembourg	22
28	PIMCO	Ireland	22
29	Axa	Ireland	21
30	Goldman Sachs	Luxembourg	21
31	Massachusetts Mutual Life Insurance	Ireland	21
32	Massachusetts Financial Services Company	Luxembourg	20
33	Pinebridge Investments	Ireland	20
34	Gartmore Group	Luxembourg	19
35	Royal Bank of Scotland	Luxembourg	19
36	American Express	UK	18
37	Aviva	Luxembourg	18
38	Bank Sarasin	Luxembourg	18
39	Dexia Group	Luxembourg	18
40	Groupe BPCE	Luxembourg	18
41	Investec	Luxembourg	18
42	Janus Group	Ireland	18
43	Nordea	Luxembourg	18
44	Pearl Group	Ireland	18
45	Rabobank Group	Luxembourg	18
46	Skandia Group	Ireland	18
47	East Capital Asset Management	Luxembourg	17
48	KBC Group NV	Luxembourg	17
49	Russell	Ireland	17
50	Skandinaviska Enskilda Banken	Luxembourg	17

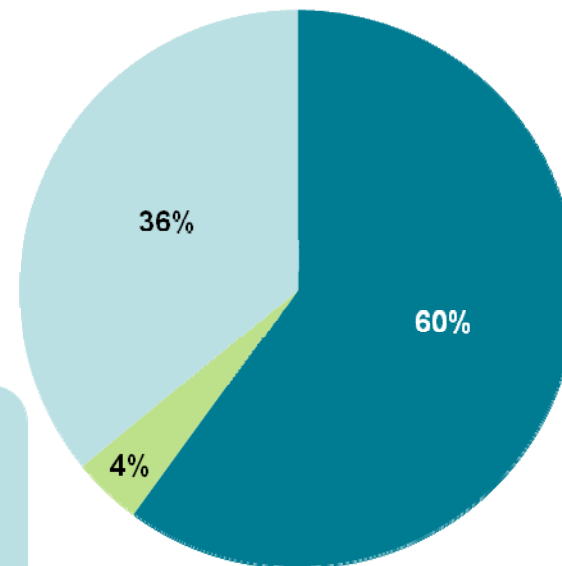
Top 25 European fund leaders in 2009

Best Selling Funds
N=25



FR	12%
UK	12%
D	8%
B	4%

Most Successful Fund Launches
N=25



FR	8%
UK	8%
CH	8%
ES	4%
AT	4%
FI	4%

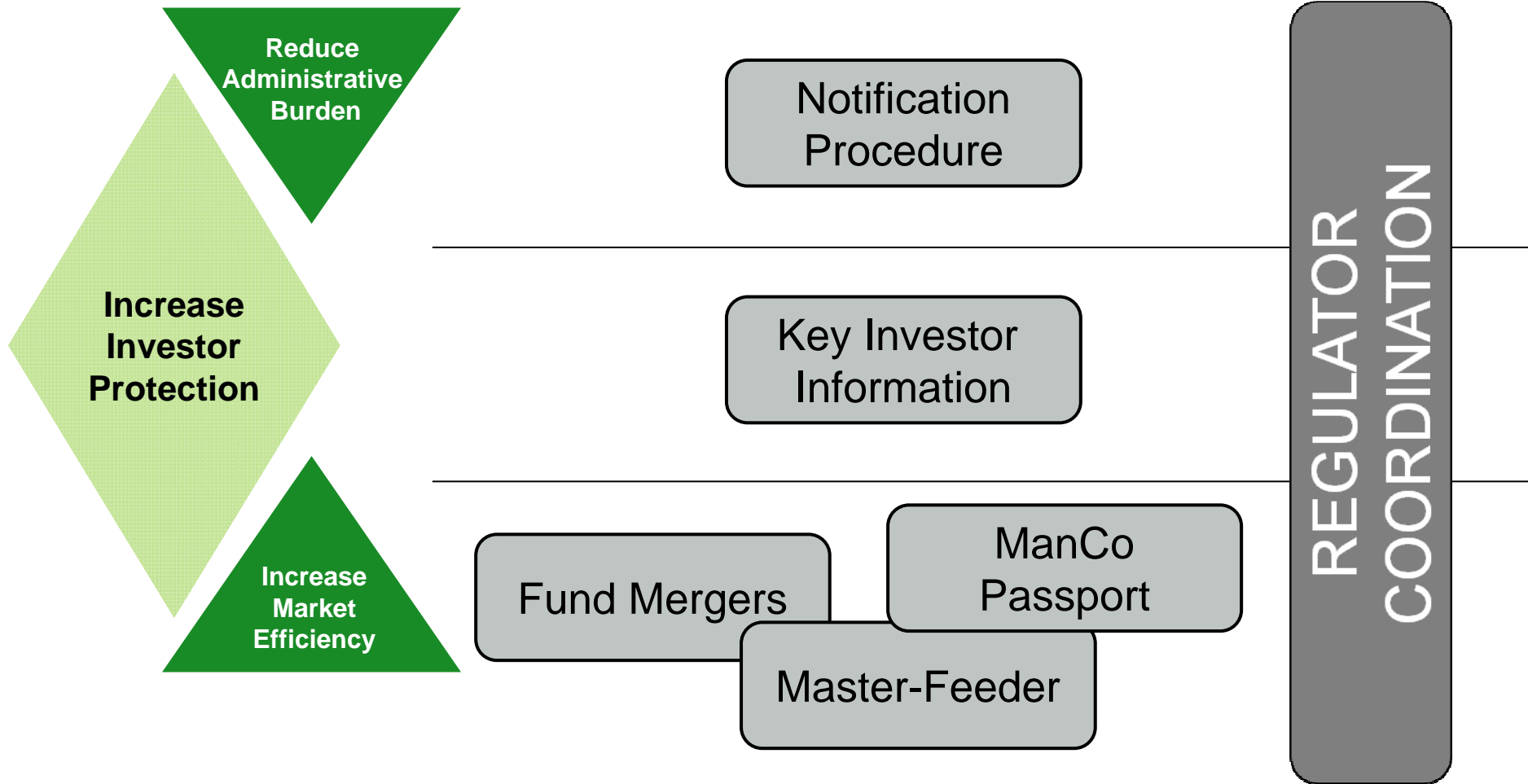
- Luxembourg
- Ireland
- Other

Source : European Fund Market, Data Digest 2010, Lipper FMI

What is Luxembourg's greatest export ?

UCITS

UCITS IV



Date of Implementation : July 1st, 2011

What is England's greatest export ?



Michèle « Spice Girl » Eisenhuth, Partner, Arendt & Medernach



**Freddy «Glimmer Twin» Brausch, Partner,
Linklaters LLP**



**Tim « Spencer Davis » Caverly, Executive Vice President,
State Street Global Services**





Mark « Bowie » Evans, Partner, PricewaterhouseCoopers



What is the timing from a EU standpoint?

Luxembourg transposition?

1st mover advantage?



How will UCITS IV Spice up our life?

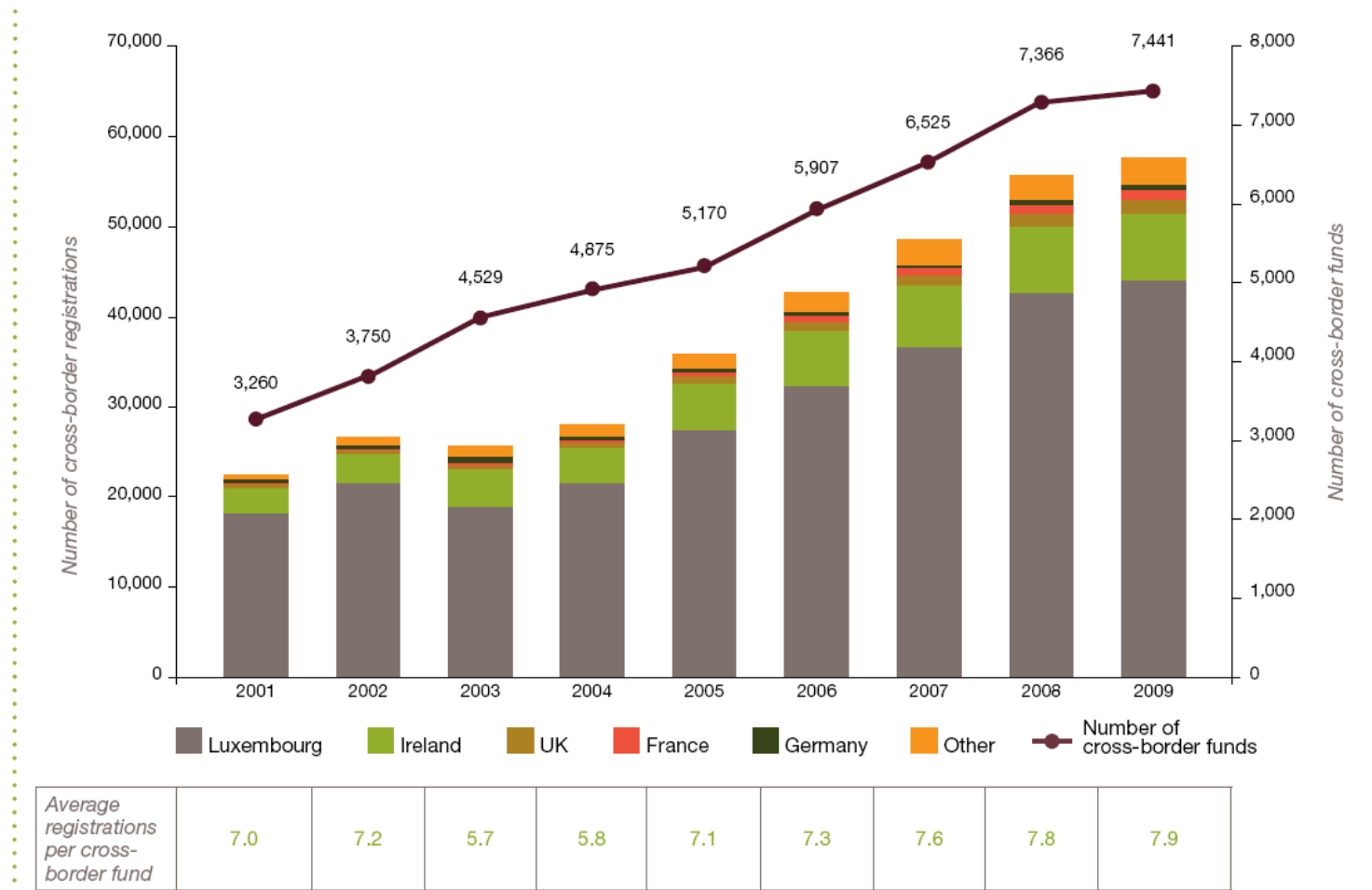
Efficiency gains?

Master feeder versus fund mergers?

Accelerated notification?

ManCo Passport?

Global Distribution : growth in cross border funds and registrations



Source: Lipper Hindsight and PwC analysis, December 31, 2009

Note : Only true cross-border funds were taken into account – i.e funds distributed in at least 3 countries including their domicile



Global distribution : top 100 cross border fund groups

Number of times domicile used as the primary platform

Fund domiciles	Used as 1st domicile	Used as 2nd domicile	Used as 3rd domicile	TOTAL
Luxembourg	67	11	2	80
Ireland	21	14	3	38
France	3	7	5	15
UK	4	8	2	14
Germany	1	2	5	8
Belgium	-	3	1	4



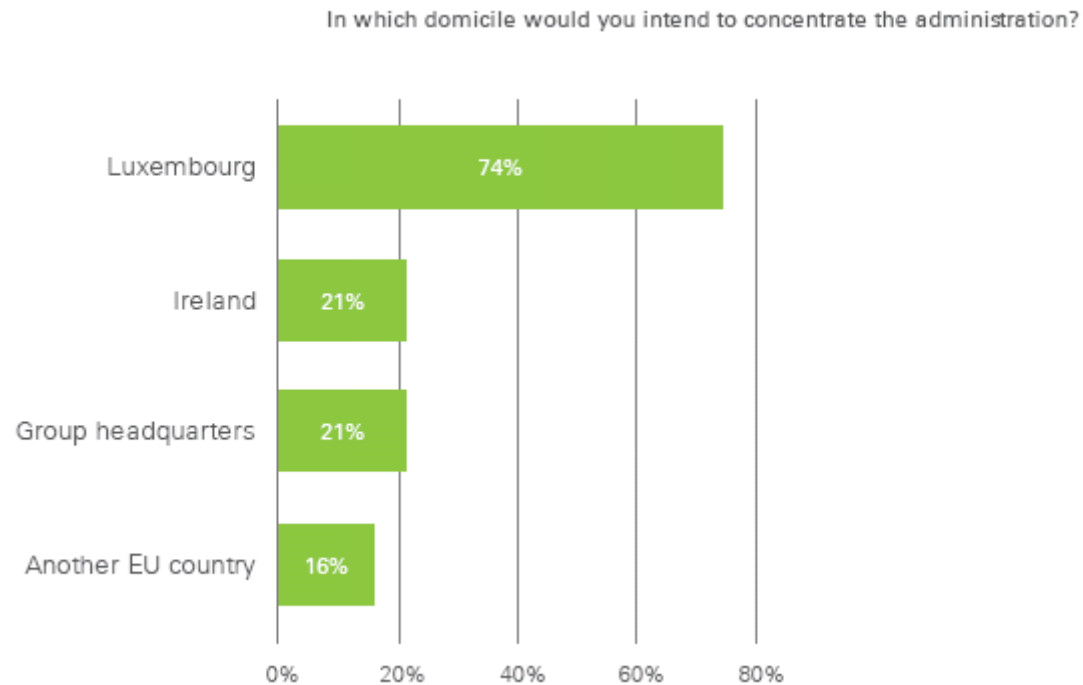
Client support?

Optimal post-UCITS IV servicing model?

KID timing and practicality?

Luxembourg to gain with UCITS IV

In which domicile would you intend to concentrate the administration ?



NB : Report based on a two-step approach :

- Online questionnaire of 52 assets managers
- Interviews with senior executives from a number of major asset management companies

Source : RBC Dexia & KPMG 's 2009 Report

Luxembourg fiscal benefits?



Product Innovation

Qualified Staff

CSSF

Political, Economic and Fiscal Stability

Luxembourg: Finding Solutions

Tuesday, May 4, 2010

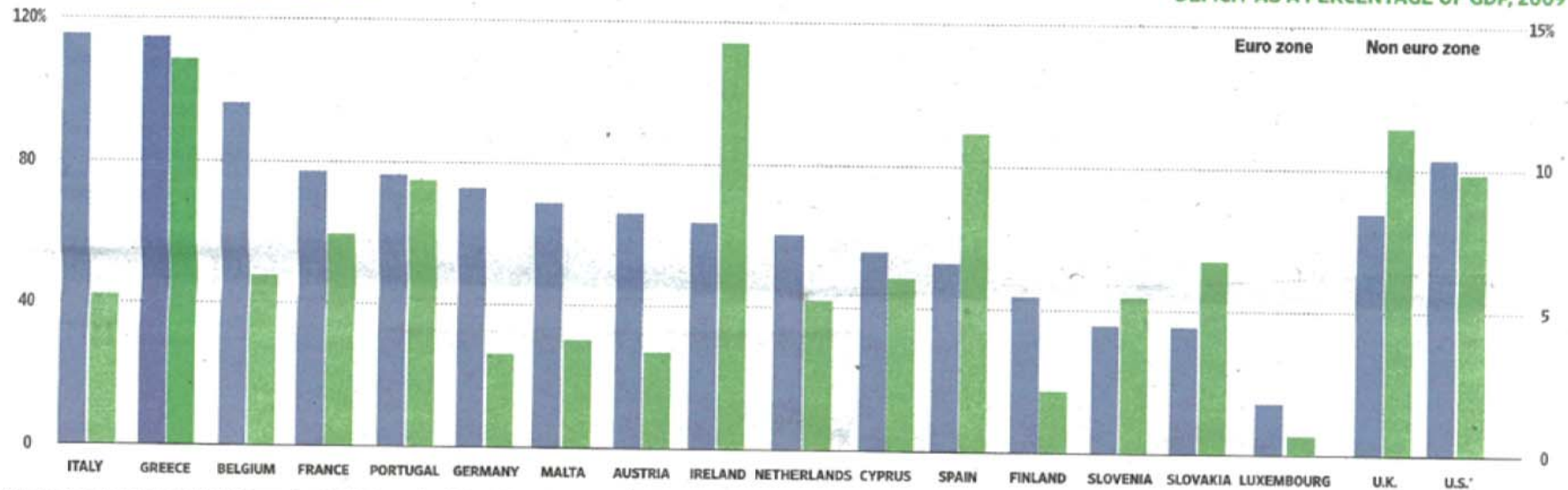
THE WALL STREET JOURNAL.

EUROPE NEWS

Twin peaks | How Greece compares to other countries on budget deficits and public debt

DEBT AS A PERCENTAGE OF GDP, 2009

DEFICIT AS A PERCENTAGE OF GDP, 2009



Note: Data is for gross debt; *For FY2009; Sources: Eurostat; U.S. Congressional Budget Office (U.S. numbers)



Thank you



Thank you

Thank you



Thank you

