



association of the
luxembourg fund industry

| **annual report** | **2009 – 10**



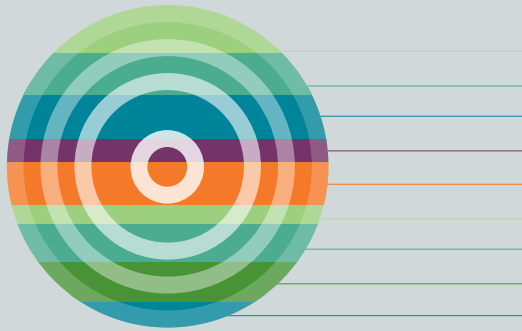
focus on investors



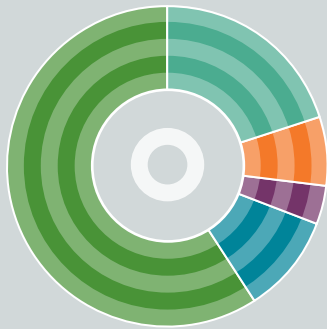


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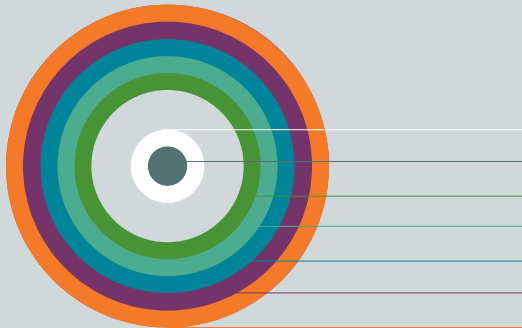
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Dear ALFI member,

After a difficult year 2008, I am pleased to report that 2009 has seen a return to much calmer waters. Assets under management in Luxembourg funds increased by over 18% and amounted to EUR 1,840 billion at 31 December 2009. This is not only due to positive market trends but also, and perhaps more significantly, to positive net sales of over EUR 80 billion. And the beginning of 2010 clearly shows that this encouraging trend is lasting.

There is no doubt that, due to our global investor base, we have been able to weather the storm better than others. In a study commissioned by ALFI and released on the occasion of our Spring Conference 2010, Lipper FMI confirmed that our leadership in cross-border fund distribution was a decisive contributing factor to our development. The study also showed that, despite its success over the past two decades, our industry cannot rest on its laurels. We must address investor expectations in terms of clarity, governance and costs, for funds to continue to be perceived as the best tool for pensions, savings and wealth protection in a lower-growth economic environment.

For years, we took demand for granted. Our focus was on the supply side: innovation, performance, distribution and cost control. This required and continues to require hard work, because competition is strong and the industry evolves rapidly. But the crisis has taught us one lesson: we need to listen more carefully to investors. They have been overwhelmed by increasing sophistication and choice, and disappointed by levels of risk and reward that they had not necessarily understood and accepted.

These reflections have guided ALFI's priorities over the last year, as the content of this annual report endeavours to demonstrate. First and foremost, ALFI is supportive of the efforts from the policy and law makers at G20, EU and national level to review existing regulation, and has constructively participated in this debate, directly and through increased involvement in EFAMA.

Our success as a global market leader stems from the European UCITS Directive that will celebrate its 25th anniversary at the end of this year and has evolved into a brand recognized world-wide. The upcoming implementation of UCITS IV will provide asset managers with the opportunity to work more efficiently and therefore will reduce costs to the benefit of investors.

What is true for UCITS funds should equally be true for alternative investments. The European Union is currently introducing a new directive called the Alternative Investment Fund Managers Directive (AIFMD). We at ALFI firmly believe that if we get it right and if we take UCITS as a source of inspiration, this new framework could replicate the success that we had with the UCITS brand.

Another year has passed with a lot of achievements for our association, which are the result of the collective involvement of a great variety of contributors.

Let me take this opportunity to thank my colleagues at the board of directors as well as the permanent staff from the ALFI team for all their continued and faithful efforts. But my thanks must also be extended to you, our members. The endless hours which you graciously make available for the benefit of the Luxembourg fund industry are an invaluable contribution without which our association would not be where it is today.

One element that is so special about Luxembourg is that the various players of the fund industry form a real community. Even though they may be competitors, all actors work together, both in putting tremendous efforts into ALFI's technical committees and in actively participating in ALFI's events throughout the world with a view helping achieve our common goal: develop Luxembourg as a global leader in cross-border fund distribution and a center of excellence for international investment funds.

Thank you so much for the continued support and commitment.

Claude Kremer
Chairman



Dear ALFI member,

Needless to say, the last year has been a year of transformation for your association: the look of this report is witness to this evolution. But more than a question of appearance, the crisis and its consequences have led us to rethink the content of our action, to analyze and redefine our priorities. As a result, ALFI, under the chairmanship of Claude Kremer, has set five areas of priority and I am glad to report on the action taken in each of them.

(1) Our **first priority**: listen to the investor. In 2009, ALFI created an “Investor Forum” that brought together a panel of experts to advise on investor expectations and trends. As a first result, a new website was launched which includes an “ALFI Investor Centre”, comprising dedicated web pages that provide keys for investors to understand our jargon, do’s and don’ts, and links to sources of reference. This website will expand as we learn more about investor needs in terms of information and education.

(2) As a **second priority**, ALFI supports efforts towards a high level of adequate regulation. 2009 saw the final approval on UCITS IV and we are actively preparing its transposition into Luxembourg law in a manner that will be business-friendly and geared towards delivering those efficiencies that lie at the basis of this new directive. Now the focus should be on distinguishing products for retail investors and those for professionals. The proposed AIFM Directive should ensure that European professionals have access to the full range of financial tools in a competitive global market. Hedge funds, private equity funds, property funds, and other alternative investment vehicles have their legitimate purpose for professional investors, institutions and high net worth individuals who can understand and accept the particular risks and rewards of such products, but the industry needs to reinforce its governance and compliance. That is why ALFI issued an updated Code of Conduct last September, providing a framework of high-level principles and best practice recommendations for fund boards.

(3) Our **third priority** is to create products that meet investors’ new aspirations. Islamic finance and ETFs are prime examples. Microfinance and socially responsible investment are gaining momentum as a new link between private equity investors and small entrepreneurs, with clear benefits for the economy at large as we encourage small business initiatives with promising growth potential.

(4) Our **fourth priority** is to strengthen the competitiveness of the Luxembourg fund industry. In an economic environment offering lower growth and returns, investors expect us to keep our costs under strict control. This is one of the attractions of cross-border funds, offering a broader distribution base from a single, efficient domicile. Within a global market, in which we will see further internationalization of investment patterns and fund distribution, it is essential that Luxembourg retains its competitive edge in order to attract assets worldwide.

(5) Finally, our **fifth priority** is to go out and meet the investor locally. In addition to our many road-shows and international conferences, ALFI has decided to open a representative office in Hong Kong. Alongside Latin America, the Middle East and Central and Eastern Europe, Asia is a key driver in the growth of European funds. Understanding local needs and expectations, and making our products more accessible will ensure that we maximize this opportunity.

Delivering on all these actions simultaneously is a real challenge for an association that, despite its steady growth, remains limited compared to its main European counterparts in terms of human and financial resources.

But with the unwavering support of our members, as well as the impressive dedication of our staff, a lot can be achieved.

I am most grateful to all of them.

Camille Thommes
Director General

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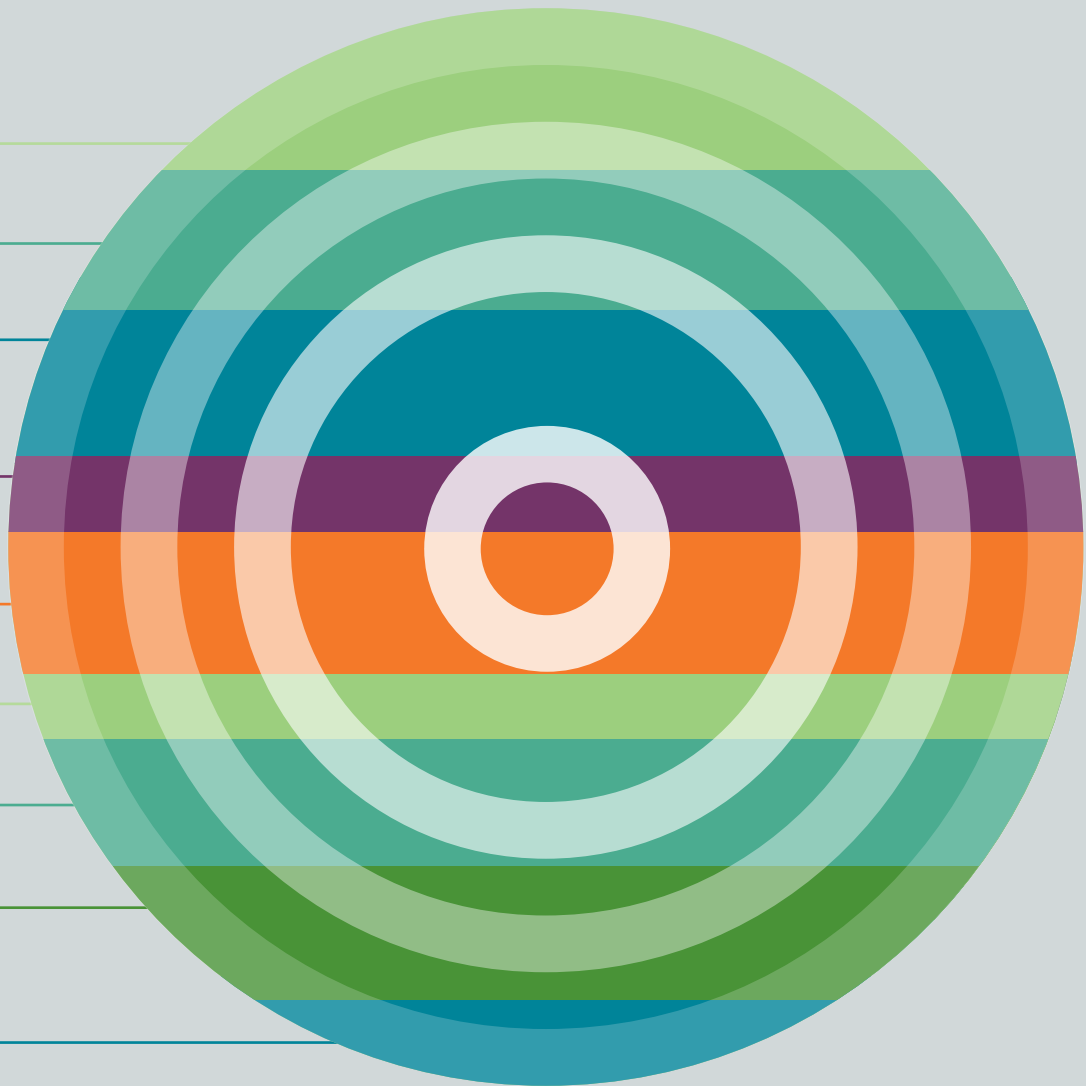
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A. New financial architecture for Europe



With the financial market crisis as a backdrop, a high-level group chaired by Jacques de Larosière presented a report to the European Commission in February 2009, calling for new bodies to enhance financial oversight in the EU. The group's mandate primarily covered organising the supervision of financial institutions and markets in the EU, strengthening European cooperation on financial stability oversight, early-warning and crisis mechanisms and, more generally, cooperation among EU supervisors. In the summer of 2009, the report received the political endorsement of the European Council, and the Commission presented four corresponding legislative proposals in September. The legislative decision-making process is still in progress and is expected to come to an end in summer 2010, with the new authorities operational from 2011 onwards.

Macro-prudential supervision

The EU institutions have agreed to adopt the necessary legal framework to establish a European Systemic Risk Council (ESRC), to be chaired by the president of the European Central Bank (ECB). This will probably be composed of the members of the General Council of the ECB, the European Commission, plus the Chairs of ESMA, EBA and EIOPA (see below). Its role will be to determine macro-prudential policy, provide early risk warnings to EU supervisors, compare observations on macro-economic and prudential developments, and give direction on these issues.

Micro-prudential supervision

The second measure will be the establishment of a European System of Financial Supervision (ESFS) to coordinate the transfer of information and supervision throughout the 27 member states.

The existing level 3 Committees (CESR, CEBS, CEIOPS) will be transformed into the European Securities and Markets Authority (ESMA), the European Banking Authority (EBA) and the European Insurance and Occupational Pensions Authority (EIOPA). In addition to their current roles, these authorities will most likely have the following key competencies:

- I legally binding mediation between national supervisors
- II adoption of binding technical standards
- III adoption of guidelines and recommendations
- IV attendance of meetings of colleges of supervisors
- V licensing and supervision of specific EU-wide institutions (e.g. Credit Rating Agencies and post-trading infrastructures)
- VI in case of breach of EU law and as a last resort measure, adoption of decisions for individual financial institutions
- VII licensing and supervision of specific EU-wide institutions (e.g. Credit Rating Agencies and possibly post-trading infrastructures)
- VIII a coordinating role in crisis situations.

National supervisors continue to be fully responsible for day-to-day supervision of firms.

B. UCITS IV

On 17 November 2009, the UCITS IV level 1 Directive¹ ("the Directive") was published in the Official Journal of the European Union, and it thus came into force on 7 December 2009. The 27 EU Member States are now asked to implement those

provisions into national law by 1 July 2011 at the latest. However, the Directive makes an exception for the simplified prospectus, which must be replaced by the key information document no later than 12 months after that deadline.

¹ Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) – L 302/32

As regards the implementing measures referred to in the Directive, the European Commission has requested and received CESR's assistance in finalising the content of these measures. Based on this, the Commission has been asked to adopt the implementing details (level 2) by 1 July 2010; these must then be included in Member States' legislation within one year. National regulators and legislators will have to analyse the remaining options offered by the UCITS IV Directive and the related implementing measures, in particular with regard to the management company and fund mergers.

The directive will be transposed into the Luxembourg national legislation through the adoption of a law currently being drafted.

Before the European Commission takes charge of the enforcement of the

Directive and implementing texts, closer cooperation between national securities regulators, working under the umbrella of CESR or its successor ESMA, may at level 3 result in the adoption of administrative guidelines, interpretative recommendations or common standards. This could be the case for more technical issues, including certain aspects of the key information document. By 1 July 2013, the Commission is to submit a report on the application of this Directive to the European Parliament and Council.

Luxembourg, the largest fund domicile in Europe, is well prepared for the upcoming implementation. Its many years of experience in cross-border fund distribution will help it to offer, once again, a competitive legal framework for investment funds that simultaneously ensures sufficient and necessary investor protection.

Actions undertaken by ALFI

Right from the outset, ALFI has considered the recast of the UCITS IV Directive as one of its "Vital Issues" and established a **UCITS IV Implementation Steering Committee** to coordinate the efforts of nine working groups dedicated to UCITS IV topics. These groups have worked mainly on preparing draft responses to the numerous consultations carried out by CESR. In 2009, the **KID working group** focused in particular on the content and form of key investor information disclosures, technical issues relating to KID disclosures, and level 2 measures on the format and content of KID disclosures. Apart from CESR's general call for evidence on possible implementing measures concerning the future UCITS directive, the Mergers, Master-feeder and Notification working groups prepared a draft response for the consultation on level 2 measures relating to mergers of UCITS, master-feeder

UCITS structures and cross-border notification of UCITS.

- The **Mergers working group** responded to questions raised in the consultation regarding the contents and format of information to be provided to investors in the event of UCITS mergers and on the costs incurred under proposed measures.
- The **Master-feeder working group** held monthly meetings to exchange views on the market situation in Luxembourg compared to other jurisdictions.
- ALFI's response on the **simplified notification procedure** focused on the scope of information to be published by each Member State, facilitation of the Host State's access to notification documentation, the standard notification letter and attestation, and the electronic transmission of notification files.

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- In September 2009, CESR issued a dedicated consultation paper on level 2 measures related to the UCITS management company passport. The **Management Company and MiFID working groups** drafted a detailed response to this document, in particular with regard to the alignment of UCITS rules with MiFID for organisational requirements,

conflicts of interest and rules of conduct. ALFI insisted on the need to apply the proportionality principle to such alignment in the context of UCITS, given the various business models that exist in the fund industry. Questions related to depositary issues, especially harmonized arrangements between the depositary and the management company of UCITS, were also tackled.

Risk Management

Risk Management is an important part of the three pillars of the European system of collective investment funds and a cornerstone of our financial system. The pillars are the UCITS (the funds themselves), the depositaries and the fund management companies. The Risk Management Process should comprise procedures enabling the management company to assess UCITS' exposure to all material risks including market risks, liquidity risks, counterparty risks and operational risks. Market turmoil that started in 2008 has clearly demonstrated the importance of effective and robust risk management. Today's business environment requires investment firms to ensure that sound risk principles and oversight mechanisms are in place. This is not only of interest for individual companies, but also for the entire financial sector – and thus for the Luxembourg financial industry as such. Appropriate risk management naturally also greatly benefits individual investors.

In the wake of the financial crisis, CESR's current guidelines on risk measurement, which were adopted in 2004 and paved the way for alternative UCITS, have come under scrutiny because of the existing arbitrage between jurisdictions. The CESR's report on "Risk Management Principles for UCITS" is in effect preparatory work for establishing requirements in this area under UCITS IV, as presented in the CESR consultation paper of 8 July 2009

on the management company passport. For ALFI these principles represent a good basis. On 19 April 2010, CESR published its "Guidelines on Risk Measurement and the Calculation of Global Exposure and Counterparty Risk for UCITS" that put an end to market fears that UCITS innovation could be restricted. The proposals apply to the risk measurement for UCITS, which plays a crucial role in determining the level of complexity that can be used for derivatives. CESR's guidelines will not limit their use and will preserve managers' liability to use alternative strategies.

- Against this backdrop, ALFI welcomes CESR's valuable contribution to the development of sound risk management procedures over recent years, since European harmonisation of risk measurement is clearly critical to the success of the revised UCITS directive. ALFI has demonstrated its commitment to risk management over this same period. To support ALFI in light of the upcoming regulations on risk management (i.e. CSSF risk circular 07/308) a dedicated risk-management working group was set up in 2006. The initial focus was on portfolio risks such as market risk (Value at Risk), counterparty and issuer risk etc. Since the regulatory approach laid down in CESR's guidance "Risk Principles" calls for an overall risk management approach, the ALFI Board decided last year to reflect this through a dedicated **Risk Management Committee** that has

dedicated working groups on operational risk, liquidity risk, market risk and counterparty and issuer risk. Furthermore, in the light of the UCITS IV Directive and in particular level 2 measures relating to management

companies, the risk management function will play a key role in the governance framework such companies. This is already reflected in ALFI's newly established Risk Management Committee.

Marketing / promotion

ALFI recently published a UCITS IV brochure¹ setting out the advantages of Luxembourg for innovation in areas including the notification procedure, the key information document, mergers of UCITS, master-feeder structures and the management company passport. Further flyers analysing a selection of these topics in detail are now being prepared: one, published in March 2010, discusses the ten reasons to opt for a Luxembourg

management company². Moreover, together with the Association for Risk Management Professionals (PRiM), ALFI held a joint Risk Management conference on Thursday, 25 February 2010 at the Chamber of Commerce. With over 200 experts from a variety of fields, this demonstrated growing interest in this topic and has encouraged ALFI to step up its efforts in this key area.

C. Depositary Function

European Commission consultations on the UCITS depositary function and its proposal for a directive on alternative investment fund managers (AIFM Directive) must be viewed in the context of the single European market and the UCITS Directive. The focus is thus the establishment of a single market requiring harmonisation of the rules, with domestic laws and practices also taken into account.

At the end of May 2009, EU Commissioner Charlie McCreevy announced that the UCITS Directive was to be clarified and strengthened, particularly with regard to the responsibility of depositaries – a decision arising directly from the Madoff fraud and the collapse of Lehman Brothers. Such events revealed divergent interpretations of UCITS depositary risks and liabilities, and a number of questions arose relating to the need to harmonise and strengthen UCITS requirements. The corresponding consultation process was launched in the middle of last year.

- In ALFI's view, any means of additional protection has a cost that can

be likened to an insurance cost that must be borne by asset management firms and end-investors. It must obviously be taken into account, since it has an impact on portfolio choices and thus – directly – on the investment market. Harmonising the depositary function also implies that member states agree on the precise meaning of the depositary's safekeeping and supervision duties, as well as related obligations. Harmonizing the depositary's responsibilities by imposing very demanding standards and forcing depositaries to become "full risk" insurers is an option that has been put forward in the wider debate on the standard of liability applying to fund depositaries. This would obviously ensure strong investor protection by forcing a depositary bank to return the assets on first demand in all circumstances.

Any changes to the depositary regime in the UCITS directive could be part of a so-called UCITS V package scheduled by the Commission for later this year. Such a package would be preceded by a due consultation of all stakeholders.

¹ Luxembourg: where else? The location of choice for the establishment of management companies and the domiciliation, administration and global distribution (available at ALFI's website, www.alfi.lu)
² 10 reasons for a Luxembourg management company "ManCo" (available at ALFI's website, www.alfi.lu)

D. Alternative Investment Fund Managers Directive

The European Commission published its proposal for a directive on Alternative Investment Fund Managers (the “AIFM Directive”) at the end of April 2009. This proposal – which introduces harmonized requirements for entities engaged in the management and administration of alternative investment funds (“AIFM”) – is part of the ambitious Commission program to extend appropriate regulation and oversight to all actors and activities that embed significant risks.

Between November 2009 and May 2010, both the Presidency of the Council and the Rapporteur of the European Parliament suggested a number of compromises to the initial AIFM proposal.

The three institutions are currently involved in tripartite negotiations to reconcile their positions so that, if possible, the AIFM Directive can be adopted in July/September 2010 and implemented in EU Member States in 2012.

Objectives and scope

The objectives of the proposed AIFM Directive are inter alia to:

- ensure authorisation and registration requirements for AIFM
- provide a framework for the monitoring of and mitigate systemic risks
- enhance investor protection
- develop the single market for AIFM.

Subject to some exemptions, the AIFM Directive will apply to managers all of non-UCITS investment funds, e.g. hedge funds, real-estate funds, private equity & venture capital funds, regardless of their legal form and regime: SIF (SICAV, SICAF, FCP), SICAR, SOPARFI, non regulated funds, etc.

Actions undertaken by ALFI

On publication of the EU Commission AIFM directive proposal, a **new sub-committee “AIFM Directive”** was set up within ALFI, to monitor and analyse the approaches and texts issued by the European institutions. The AIFM Directive sub-committee brings together experts in the alternative investment industry, including, but not limited to, the real estate, hedge fund, private equity & venture capital sectors.

In the last year, this sub-committee reviewed and commented on various versions of the AIFM Directive being worked on by EU institutions. ALFI was also involved and represented in the dedicated EFAMA working group.

EFAMA and ALFI both sent position papers to the European Commission, the European Council and the Parliament.

ALFI remained in constant close contact with all relevant decision makers.

An important objective was to maintain a **full level playing field** between alternative investment funds located inside and outside the European Union (the “EU”), managed by an EU/non EU AIFM, and distributed inside/outside the EU. Issues like depositaries, delegation, valuation or the scope of the directive have among others also been prominent on the ALFI agenda.

E. Definition of money market funds

Money market funds have recently been the focus of increased attention from regulators and central bankers. A clarification exercise undertaken by CESR deals with the introduction of an EU-wide definition of money

market funds. CESR has broadly taken up by its consultation the recommendations of EFAMA and IMMFA calling for a European classification and definition of money market funds. These aim to define clear-cut rules that

investment funds would be required to respect to be certified as “money market funds”, as well as rules clearly informing investors about the risks of particular money market funds.

- ALFI has strongly supported the EFAMA and IMMFA initiative from the outset and continues to do so. It thus welcomes the “recommendation for a European Classification and Definition of Money Market Funds” published 9 July 2009, in particular the proposed harmonised categorisation of money market funds.

While CESR’s consultation is not, strictly speaking, part of the UCITS IV package, the introduction of a common approach to money market funds is seen as necessary for both investor protection and financial stability. The consultation process closed at the end of 2009.

On 19 May 2010, CESR publishes its long-awaited **guidelines on a common**

definition of European money market funds (Ref. CESR/10-049). The guidelines aim to improve investor protection by setting out criteria to be applied by any fund that wishes to market itself as a money market fund. The criteria reflect the fact that investors in money market funds expect the capital value of their investment to be maintained while retaining the ability to withdraw their capital on a daily basis. A common definition will also help provide a more detailed understanding of the distinction between funds which operate in a very restricted fashion and those which follow a more ‘enhanced’ approach.

The guidelines will enter into force in line with the transposition deadline for the revised UCITS Directive (1 July 2011). However, money market funds that existed before that date will be granted an additional six months to comply with the guidelines as a whole.

F. MiFID

In May 2009, CESR issued a consultation on MiFID complex and non-complex financial instruments for the purposes of the directive’s appropriateness requirements.

- ALFI responded to this consultation, welcoming CESR’s interpretation that not all undertakings for collective investment should be considered as complex instruments, but challenging the suggestion of the Committee of European Securities Regulators that not all UCITS are non-complex structures.

In November 2009 another consultation was initiated by CESR, this time on good and poor practices regarding inducements under the MiFID.

- In a position paper published in December 2009, ALFI expressed its satisfaction that CESR recognized the need to respect the concept of proportionality of rules for arrangements and procedures to be adopted

by investment firms to comply with the MiFID inducement rules.

However the association insisted that payments made or received over a period of time for services of a one-off nature should not automatically be considered as non-proper fees under the directive.

CESR’s work programme for 2010 includes publishing preparatory documents in view of the overhaul of MiFID. To this end, three additional consultation papers were issued in March 2010, relating to transaction reporting, equity markets, and investor protection and intermediaries. Of particular importance to the fund industry in this context are requirements relating to the recording of telephone conversations and electronic communications, and the pending issues of complex vs. non complex institutions.

- ALFI will respond to these consultations in cooperation with EFAMA.

A. General provisions



Given the impending update of the ALFI/ABBL/ALCO AML guidelines, a series of discussions took place in 2009 between representatives from the **ALFI Anti-Money Laundering working group** and competent authorities regarding practical problems arising from the new anti-money laundering legislation that entered into force in 2008. Following the abolition of the grand-ducal decree of 29 July 2008 establishing an official list of AML/CFT “equivalent” countries – resulting in the Luxembourg fund industry being again able to apply a risk-based approach for the international distribution of funds – and the adoption of the grand-ducal decree of 1 February 2010 clarifying certain provisions of the law, in particular as regards customer due diligence, the working group has now resumed its work on the guidelines. The same working group has also examined the Law of 4 June 2009 ratifying the Oslo Convention on cluster munitions. This law bans the financing of cluster munitions, and the working group has contacted the authorities to assess its interpretation and impact where investment funds are concerned.

Over the past year, the **Cross Sub-Fund Investment working group** had several discussions on cross sub-fund investment (currently not permitted under Luxembourg company law), identifying a clear need for this option. Cross sub-fund investment should not only be permitted for undertakings for collective investment subject to the amended law of 20 December 2002, but also for specialized investment

funds subject to the law of 13 February 2007 as well as for companies set up under the venture capital investment company law of 15 June 2004 as amended.

The **Changes to Luxembourg Company Law working group** was set up in 2008, primarily to examine proposed modifications in the Law of 1915. Since then, the group has met regularly to discuss the text of draft bill 5730 (Projet de loi portant modernisation de la loi modifiée du 10 août 1915 concernant les sociétés commerciales) and related documents such as the opinion of the Conseil d’Etat. Both ALFI’s **Private Equity & Venture Capital sub-committee and Cross Sub-Fund Investment working group** helped analyse certain aspects of this issue. ALFI also reviews other draft legislation linked to Luxembourg company law that are relevant for UCIs.

The **Corporate Governance working group** finalised the new ALFI code of conduct, which was published in September 2009. This document aims at providing boards of directors with high-level principles and best practice recommendations for the governance of Luxembourg investment funds. Principle-based rather than rule-based, the Code encapsulates existing best practice in the light of implementation of EU Directive 2006/46/EC into Luxembourg law, in particular the requirement for an annual corporate governance statement as a clearly identifiable section in annual financial reports.

B. Remuneration

On 1 February 2010, the CSSF issued guidelines concerning remuneration policies in the financial sector (circular 10/437).

The aim of this particular circular is to implement European Commission recommendations¹ on remuneration policies in the financial sector. Their aim, in turn, is to limit excessive risk-taking and foster long-term value views.

The circular defines the scope and gives general information on the

remuneration policy and defines the structure of such policy. In particular, it stresses the importance of the respective roles and responsibilities regarding governance and oversight in this area.

Luxembourg financial undertakings must implement remuneration policies by 30 June 2010 at the latest, and apply them from financial 2011. Existing contracts must be renegotiated, if necessary, as soon as possible.

C. Alternative Investments

The **Real Estate Funds Sub-Committee** conducted its annual survey once again. It is now a tradition to annually question real estate funds services providers in order to understand and anticipate new market trends.

The 2010 survey – the fifth of its kind – was launched in January and the report will be issued soon. Results and key conclusions of the 2009 survey are summarized in a report available on the ALFI website.

In 2009, the Real Estate Sub-Committee also set up a dedicated Real Estate Training Programme in cooperation with IFBL. Feedback on the course, considered as one of the best programmes on the market, was very positive, even outside Luxembourg. Different modules include:

- Real Estate Fundamentals
- International Real Estate Structuring
- The Role of Real Estate Professionals
- REIF – Business Processes & Controls
- REIF – Accounting
- REIF – Tax Compliance for Luxembourg
- REIF – Fair Value Properties

Last but not least, the FAQ document relating to Real Estate Fund of Funds was finalized in 2009. Three Real Estate FAQ papers are therefore available on our website:

- FAQ 1: Financial framework / Valuation of Properties / NAV / Financial Reporting (Nov. 2008);
- FAQ 1: Supplemental questions: Financial framework / Valuation of Properties / NAV / Financial Reporting (January 2009); and
- FAQ 1.2: Fund of Real Estate Funds (January 2010).

The **SIF Sub-Committee** also remained very active, and focused on improving the competitiveness and recognition of Luxembourg as a prime financial centre. Its aims are to continue developing SIF products, which offer investors the flexibility they need with the advantages of a sound and regulated environment.

¹ Recommendation 2009/384/EC dated 30th April 2009

Taxation of Savings

Over the past year, the **Taxation of Savings working group** continued its review of the savings tax directive, with members discussing in particular the proposed wording for the definitions of “paying agent” and “interest payment”. Following the European Commission’s initial proposal, European Parliament Rapporteur Benoît Hamon published his report on 3 April 2009, and several proposals

from the European Presidency sought a compromise among the 27 Member States of the European Council.

- ALFI was represented in the special EFAMA working group that sent its position paper to both the Commission and the Swedish Presidency. ALFI also participated in a survey of the costs incurred by the industry in implementing the savings tax directive.

Double Tax Treaties

The **Double Tax Treaties working group** met in October 2009 to exchange views on priorities for future treaty negotiations. ALFI also analysed the OECD report on granting treaty benefits for the income of collective investment vehicles (CIVs), published

in December 2009. That document is a modified version of the report of the Informal Consultative Group on the taxation of CIVs and procedures for tax relief for cross-border investors. Both ALFI and the Luxembourg Government are represented in this group.

Value Added Tax

In 2007, the European Commission adopted a proposal for a directive to modernise and simplify the complex VAT rules for financial and insurance services, and to secure a level playing field in the pan-EU market for these services as far as VAT is concerned. Implementing measures will be included in a separate Council regulation. The ALFI working group met regularly to discuss the various texts

that have been issued since then, and submitted its comments to EFAMA. The group also organised a breakfast seminar on 4 December 2009 to inform the industry of the proposed reform of current VAT rules. The second topic was the so-called “VAT package” and included changes from 1 January 2010, in particular rules on the place of supply which is now determined by the customer’s place of residence.

FATCA

A specific **Foreign Account Tax Compliance Act (FATCA) working group** was recently set up to analyse the impact of an extended US Qualified Intermediary programme for the Luxembourg fund industry. On 17 March 2010, President Obama signed into law a bill mandating a 30% withholding tax on payments to foreign financial firms that do not disclose their U.S.-based account holders. The new rules will apply to payments made on or after 1 January 2013.

- ALFI moved quickly to contact EFAMA and initiate discussions with all members who came to the conclusion that Europe should join forces instead of starting parallel lobbying activities. As a result, a delegation with representatives of the European fund industry (including ALFI) went to Washington to meet the U.S. Treasury and discuss the practical implementation of FATCA. In the final analysis, it will be up to the Internal Revenue Service (IRS) to draft regulations giving guidance on the new withholding tax rules.

UCITS IV

- To analyse implications arising from the new UCITS IV Directive, the Tax Committee was rounded out by the **Domestic Initiatives working group** as part of ALFI's "Vital Issues". The group assigned priorities and discussed several

initiatives that should be taken given the upcoming implementation of UCITS IV. At European level, EFAMA will soon issue a report analysing the related tax consequences.

German tax law

Luxembourg is the leading domicile for UCITS funds, and promoters have at their disposal a unique concentration of product development experts, lawyers, accountants and service providers to assist them in designing, launching and marketing their funds. Today UCITS are recognized as the only truly globally distributed investment funds, and Luxembourg has successfully positioned itself as the global leader for cross-border distribution of investment funds: at present, more than 75% of UCITS funds distributed internationally are based in Luxembourg.

Significantly, over 3,900 UCITS authorized to operate in Luxembourg are registered for distribution in Germany, making Germany one of the key markets for the Luxembourg fund industry.

For this reason, it is essential that Luxembourg funds fully comply with reporting requirements under German tax law. In particular, timeliness and accuracy in reporting are of the utmost importance and must be certified by a qualified tax or audit professional. If German investors in a Luxembourg UCI are to benefit from the same tax regime as a fund domiciled in Germany, the Luxembourg UCI must meet the same tax reporting requirements as a local German domiciled fund (e.g.,

daily calculation of interim profit, daily calculation of capital gains, annual tax reporting at financial year end on each distribution date).

The German Investment Tax Act entered into force on 1 January 2004, and applies to both German domestic and foreign investment funds distributed in Germany. As part of the country's 2008 Corporate Tax Reform, the new flat rate tax has significantly affected the taxation of investment funds distributed in Germany.

Given the complexity of the German Investment Tax legislation, in 2008 ALFI established a **New German Tax sub-working group** to keep abreast of the latest developments in interpreting and applying it, and to assist members.

- In the course of the past 12 months, ALFI has achieved a great deal, both through close cooperation with its German sister associations and on a bilateral basis with the German Federal Ministry of Finance. We expect to continue these successful and fruitful dialogs. Over the next few months, we view the most crucial issue as draft tax legislation, including important changes to the German Investment Tax Act published on 30 March 2010, and we will be pursuing our bilateral discussions on proposed amendments with the Ministry.

international representation

Claude Kremer, vice-president of EFAMA

At the June 2009 annual general meeting of the European Fund and Asset Management Association (EFAMA) in Athens, ALFI Chairman Claude Kremer was elected Vice-President for a two-year term. He teams up with President Jean-Baptiste de Franssu (Invesco) and Director General Peter de Proft to lead European industry efforts and represent EFAMA's members with European authorities. At the same meeting, the association welcomed two new national associations (Bulgaria and Romania).

The mission of EFAMA is to:

- Support a high level of investor protection through the promotion of high ethical standards, integrity and professionalism throughout the industry;
- Promote the completion of an effective single market for investment management and the creation of a level playing field for competing saving and investment products;
- Strengthen the competitiveness of the industry in terms of cost and

quality by seeking and obtaining improvements in the legal, fiscal and regulatory environment.

EFAMA is the representative association for the European investment management industry. Through its 26 member associations and 42 corporate members, it represents approximately EUR 13 trillion in assets under management, of which EUR 7 trillion was managed by approximately 52,000 funds at the end of December 2009. Just under 36,000 of this total were UCITS (Undertakings for Collective Investments in Transferable Securities).

Given the size of the Luxembourg fund industry, it is not surprising that ALFI is one of the biggest contributors to EFAMA. It is represented on the EFAMA Board by Camille Thommes, and on the EFAMA Management Committee by Charles Muller.

For further information: www.efama.org

IIFA gains momentum



H.E. the Korean Minister of Strategy and Finance, Jeung-Hyun Yoon, welcomed the IIFA Board of Directors

Recognizing the importance of investment funds and their responsibilities to investors, the mission of the International Investment Funds Association (IIFA) is to promote the protection of investors, to facilitate the growth of the investment fund industry internationally, to advance understanding of the investment fund business around the world, and to encourage adherence to high ethical standards by all participants in the industry. Membership of the International Investment Funds Association and participation in its annual conference are open to any country with a recognized investment fund association or an identifiable investment fund industry and an appropriate representative.

At the October 2009 AGM in Seoul (Korea), IIFA welcomed two new members: Trinidad & Tobago and

New Zealand, bringing the total number up to 35.

The Board of Directors of IIFA is composed of 15 members, 4 of them from Europe. The association is chaired by Peter de Proft (EFAMA), with Susan Olson (USA) as deputy chair. ALFI is represented on the Board of Directors by Charles Muller, who also sits on the Governance and Membership Committee as well as the Audit Committee. IIFA has three working groups, focusing on global regulation (IOSCO – International Organisation of Securities Commissions), on accounting standards and on statistics. In 2009, and for the first time in the association's history, 19 IIFA members signed a joint response to an IOSCO consultation (on point-of-sale disclosure).

For more information: www.iifa.ca

Luxembourg for Finance (LFF) is the agency for the development of the financial centre. In this role, LFF supports the Luxembourg fund industry by creating a strong brand image for the financial centre, engaging in bilateral discussions with third party countries and encouraging new business in Luxembourg.

2009 was marked by the economic and financial crisis and by international determination to put pressure on countries with a policy of banking secrecy, like Luxembourg. In the international press, discussions focused on topics such as tax havens, OECD lists and the automatic exchange of information. The Madoff affair also drew Luxembourg into a whirlwind of media coverage on the role of depositary banks. It was a case of all hands on deck at Luxembourg for Finance, which had to set clear priorities: to focus on managing the image of the financial centre rather than promoting products and services.

Whilst the financial centre is viewed positively by financial sector professionals, Luxembourg's image suffers in the press and in public opinion. In order to promote its message to the public at large, LFF decided to add a business-to-client dimension to its existing business-to-business approach. During 2009, preparations were made to position Luxembourg and the financial centre on Web 2.0, by being present on Facebook, LinkedIn, Viadeo and Xing.

Out of 25 foreign trips made by LFF senior management, 19 were to France, mainly to Paris but also to Marseilles, Nice and the MIPIM real estate congress in Cannes. The agency also visited Austria, Switzerland, Poland and Spain. LFF anticipates that business with Spanish financial institutions will grow rapidly

following the removal of Luxembourg from a domicile black list last year.

As an international centre, Luxembourg does not limit its promotional efforts to Europe. Missions and road shows were organised to Asia (Beijing, Singapore and Hong Kong), the Middle East and Latin America. The principle aim of the missions is to confirm existing clients in their choice of Luxembourg and introduce potential new investors to the quality of products and services "made in Luxembourg". A second, equally important objective is to address any legal or regulatory issues that may be outstanding, by arranging meetings between institutional representatives from Luxembourg and the country concerned. Typical issues include questions relating to UCITS and double taxation treaties.

On its future missions, LFF, which is usually accompanied by experts from the private banking and investment fund industries, will carry a new promotional tool in its bag. This is the promotional film "Is it true what they say about Luxembourg?" Along with the Luxembourg government press service (SIP) and the major interest groups of the Luxembourg economy, ten commercials have been produced with the aim of promoting different facets of the Grand-Duchy, be they professional or cultural.

Microfinance Labels issued in 2010

The LuxFLAG Microfinance Label was created to promote the microfinance sector by reassuring investors that the fund they are interested in (known as a Microfinance Investment Vehicle or “MIV”) actually invests in microfinance. Labels are granted for one year and are renewable. Eligible MIVs may be domiciled in any jurisdiction where supervision of the MIV or its fund manager is equivalent to that in EU countries.

Labels granted for 2010 were announced on 12 April 2010, and included one new vehicle – the Blue Orchard Fund SCA SICAV-FIS. A total of nine MIVs, with estimated total assets under management of €1.7 billion at March 31, 2010, now hold the LuxFLAG label. For details, visit LuxFLAG’s website: www.luxflag.org. In addition, 2010 figures show the

pipeline of new applicants growing, as new MIVs are created. LuxFLAG expects several of these new MIVs to apply for its label before the end of 2010, and will organise a second review session by September 30. MIV candidates may submit their application at any time during the year. In 2010, for the first time, LuxFLAG asked applicants to report on their methodology for social performance, with a view to establishing a social criterion as one of the eligibility criteria for 2011. First indications on the application of the “double bottom line” principle show that all labelled MIVs make an active commitment to social impact. Progress is being made, and the increased transparency promoted by LuxFLAG is expected to improve standards for both disclosure of trends and measurement of social performance.

Microfinance Conference – Spring 2010

LuxFLAG was particularly pleased to be associated with ALFI in organising the microfinance conference held in Luxembourg on 25 March 2010, immediately following ALFI’s two-day spring conference. Feedback on the

event, which was attended by LuxFLAG’s Honorary President HRH Grand Duchess Maria Teresa, has been extremely positive, and all indications are that it will become an annual conference.

Other developments

LuxFLAG would like to thank both ALFI and the members of its SRI and Microfinance committees for their contributions of time, expertise, goodwill and other support, and looks forward to continuing and expanding this cooperation, which is essential to ensure its continuing success.

LUMINIS – a new information service for investors in microfinance

On 12 May 2010, LuxFLAG further contributed towards improvement in the transparency of MIVs towards investors when it entered into an important new long term agreement with MicroRate, a leading microfinance rating agency dedicated to evaluating performance and risk. LUMINIS, a new microfinance investor information service to be developed and managed by MicroRate and supported by the Luxembourg Government, will enhance the information available on MIVs and help keep investors better informed about MIVs with the LuxFLAG label or eligible for it.

A new SRI Label

LuxFLAG is currently advancing its work on diversification of its labeling activities and will soon present a new label for sustainable and responsible investment (SRI) funds dealing with environmental issues or eco-efficient businesses. Strong interest has already been shown in this new label.

New Charter Member

With effect from 1 January 2010, Luxembourg for Finance (LFF) joined LuxFLAG as its eighth Charter Member. Fernand Grulms, CEO of LFF, has now joined LuxFLAG’s Board of Directors, further demonstrating the strong commitment of Luxembourg’s financial market to developing LuxFLAG.

Skilled labour

The Institut de Formation Bancaire Luxembourg (IFBL) was created as a foundation by the ABBL in 1990 in order to deliver the necessary training required by the employees of the banking sector. As the IFBL prepares to celebrate its 20th year of existence, it is proud of its strong partnership with ALFI and comprehensive fund industry training comprising six certifying career paths (fund industry basics, junior and senior fund accountancy, transfer agency, fund law & compliance for funds) that contain almost 50 modules.

The fund industry as a whole has been experiencing numerous challenges. A positive development has, however, confirmed the relevance of training. The market is making ever greater demands in terms of expertise, efficiency and operational quality with the result that access to quality technical training remains as relevant as ever. Together with ALFI (Commission Ressources Humaines & Formation), the IFBL has been diligent in its efforts to try to both maintain and lift the quality of its courses and to identify new training needs in order to play its role in ensuring the continued success of the market place in Luxembourg.

2009 in figures

- In 2009, a total of 97 courses were run in partnership with ALFI in which approximately 1050 persons were trained.
- Satisfaction with our trainers remained extremely high at 4.56 / 5 (expertise and teaching skills).
- Assessment of our course materials scored lower at 4.2 (content and materials).

Content management

Following less positive feedback regarding course materials, an important decision was taken in 2009 to invest in the maintenance and quality of the existing courses in the ALFI programme. This initiative will update the content, remove errors and create a consistent approach for all courses.

In addition, the learning objectives will be reviewed and changes made to the materials to increase delegate participation. The project's objectives were defined at the end of 2009; practical implementation started in January 2010 and will continue for the best part of the year.

New courses

- In 2009, a certifying training programme of seven modules in Real Estate was created and launched. This was a significant achievement and the courses met very strong demand.
- The creation of an M2 module in AML was initiated between the ALFI training committee, the ALFI AML sub-committee and the IFBL. Delays in the market place, however, changes in the underlying legislation have meant that the module will be completed only in the second semester of 2010.
- Complementary to the existing theoretical foundation and diploma modules in Islamic Finance (ICMA Centre, England), the IFBL is working closely with ALFI (training committee and working group) to identify potential fund industry specific modules e.g. accountancy, legal, tax & compliance.

Looking ahead

- 2010 will be another challenging year for the fund industry in Luxembourg. Budgets amongst members will remain tightly controlled and the IFBL will also review developments with its most active members to ensure that there are not other factors impacting the number of registrations to our courses.
- In 2010, IFBL will work closely with its network of recognized experts to create new modules, eg. AML, alternative investments, regulatory issues (eg. UCITS IV), Islamic finance, to support and help the market navigate change, and to respond to demand for increasingly specific skills in less mainstream activities.
- The IFBL is experiencing an increasing number of requests for a more “international outlook” and will work with its members to understand this need and investigate the potential to offer courses with educational value and recognition both inside and outside Luxembourg.
- The IFBL will look to capitalize on its investment in new systems to enhance its administrative control and improve reporting capabilities. The new core system has been implemented and has already proved itself to be both flexible and a significant enabler for increased process quality.

Brochures, publications & studies

In order to promote the Luxembourg investment fund industry, ALFI produces a monthly newsletter with legal and regulatory updates for the “friends of the industry”. Brochures, leaflets and the results of research and other related studies are published and updated on a regular basis by ALFI or together with Luxembourg for Finance. ALFI’s printed material and other media feature its new visual identity since January 2010.

- In October 2009, ALFI concluded a joint venture with IFE Benelux (International Faculty for Executives) to lend support to the Luxembourg

Fund Review, published every two months. LFR provides exclusive updates on the Luxembourg Fund Industry by recognized experts and helps to highlight and enhance Luxembourg’s image as a centre of expertise in the financial services industry.

- At a press conference on 22 March 2010, ALFI unveiled a study on the cross-border fund industry in Europe. The study, “Symbiosis in the evolution of UCITS”, produced by Lipper FMI, looks at the growth of the market from its beginnings in 1988 and the future size of the industry.

A facelift for ALFI’s visual identity



As part of its drive to create a unique, strong and dynamic identity for ALFI, the publications sub-committee has worked on a set of cross-media guidelines. These will enhance ALFI’s corporate design through the appropriate use of graphics including the logo and strapline. As reflected in our latest publications, ALFI’s new visual identity helps to promote Luxembourg as a centre of excellence with a strong focus on investors and sustainability.

UCITS IV: “Luxembourg: where else?”

ALFI’s new flyer explains why Luxembourg is the location of choice for the establishment of management companies and the domiciliation, administration and global distribution of UCITS.

10 reasons for a Luxembourg Management company “ManCo”

This leaflet provides 10 good arguments in favour of Luxembourg as the location for a ManCo.

Re-domicile your fund onshore: Take the road to Luxembourg

Other recent ALFI publications:

- Flyer: Luxembourg Centre of Excellence for Microfinance Investment Vehicles
- Survey: Real Estate Investment Funds (REIFS) 2009
- Hedge Fund Survey for June 2009 (for members only)
- Brochure: “Your bridge between Europe and China: Luxembourg”
- Brochure: Luxembourg Regulated Investment Vehicles

All of our documents can be downloaded from the ALFI website.

To order paper copies please contact info@alfi.lu



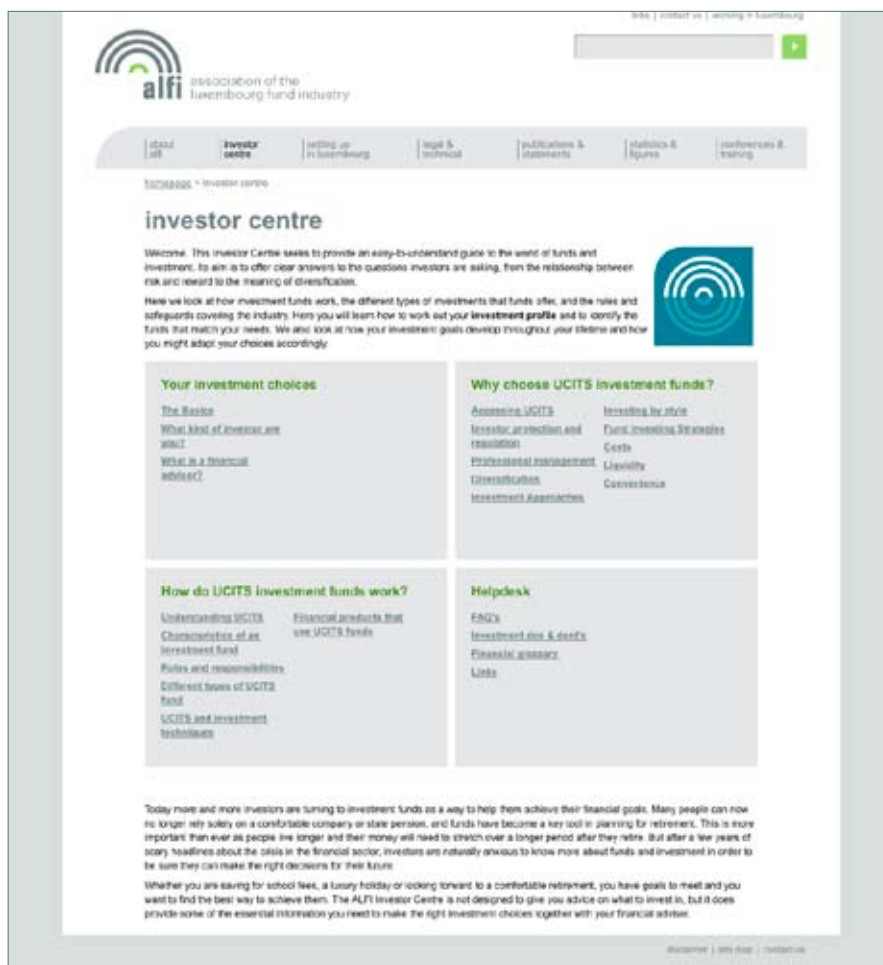
Our redesigned website www.alfi.lu went live on March 22, the day before the opening of ALFI's Spring Conference. The rebuilding of the site was based on feedback from our members and friends of the industry and led by a working group. The target was to provide improved, more intuitive navigation, the possibility to integrate features like video, and improved back-end management.

One of the important enhancements is the newly created Investor Centre,

a section specially dedicated to private investors.

The project started in autumn 2009 amongst other initiatives to respond to the challenges that are facing the investment industry. The objective of the Investor Centre was to give answers to questions and issues raised by investors, including education and information, transparency, the rights and obligations of investors, asset managers and investment fund service providers.

Investor centre



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alfi helps to capitalize on industry trends

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private investors
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investor centre
Click here to read about the basics of investing

latest contributions [view all](#)

New Statistics
23/04/10 - [Statistics](#)
Have a look at our new edition of relevant data regarding Luxembourg and European investment funds: a maximum of dissemination in one click!
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ALFI News Digest April 2010
23/04/10 - [Statistics](#)
Here you will find essential fund industry news from around Europe and information on the industry's most important upcoming events.
We hope you will find our News Digest both enlightening and informative.
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Lipper FMI report: Symbiosis in the evolution of Ucits
22/03/10 - [Studies](#)
1995 - 2010: three decades of funds industry transformation
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New ALFI brochure
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10 reasons for a Luxembourg management company "VanCo"
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New ALFI brochure
14/04/10 - [Statistics](#)
Re-divulge your fund assets: Take the road to Luxembourg
[Read more](#)

Luxembourg creates a new label for renewable energy
10/04/10 - [Press releases](#)
Luxembourg, Europe's premier hub for cross-border SIC funds, creates a new label for renewable energy.
Based on the success of last year's event, ALFI, the Association of the Luxembourg fund industry, hosted its second annual SIC (sustainable and responsible investments) conference on 9 February 2010. Gathering more than 150 European experts from a variety of fields, this year's event confirmed ALFI's intensity in its efforts in this key area.
For ALFI president Claude Kaemer, it is a natural step, consistent with Luxembourg's responsibility as a financial center: "Luxembourg is Europe's largest investment fund center and a world-wide leader in cross-border fund distribution. As such, it has a duty towards investors and must pursue its role as laboratory for innovation in the area of responsible investment. Its location at the heart of Europe combined with strong ties with the world's leading asset managers enable it to identify and spread best practices throughout the financial sector."
[Read more](#)

events [view all](#)

28/09/10 ALFI & NICSA Global Investment Funds Forum
Luxembourg - Centre de conférence
[Read more](#)

24/11/10 ALFI European Alternative Investment Funds Conference
Luxembourg - Chambre de Commerce
[Read more](#)

alfi news digest
30/04/2010
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partners

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ALFI actively promotes the Luxembourg investment fund industry, its products and services by organising conferences and international roadshows. We also participate in economic & financial missions organised by the Luxembourg Chamber of Commerce and Luxembourg for Finance, and represent Luxembourg at leading industry conferences around the world.



LFF Roadshow Middle East, 10-13/01/10



Jean Baptiste de Franssu, President EFAMA, at ALFI's Spring Conference, 23/03/10



ALFI Spring Conference Luxembourg, 23/03/10



H.E. Luc Frieden Finance Minister, Claude Kremer, Chairman ALFI and Kenneth Hay, Chairman LuxFLAG

17/06/09	ALFI Seminar	London
19/06/09	ALFI at the EFAMA AGM	Athens
16-18/06/09	ALFI & LFF stand at GAIM	Monaco
22-26/06/09	ALFI speaker & stand at the ICBI FundForum International	Monaco
07-08/07/09	ALFI speaker at IIR UCITS	London
15/09/09	ALFI T2S-Target 2 Securities*	Luxembourg
16-17/09/09	ALFI speaker at ICBI FundForum Latin America	Sao Paulo
21/09/09	ALFI Golf Tournament	Luxembourg
22-23/09/09	ALFI & NICSA Global distribution conference	Luxembourg
01-02/10/09	ALFI at EFAMA Investment Management Forum	Brussels
14/10/09	ALFI speaker at IIR Regulation of AIF Managers	London
14/10/09	ALFI meets the London-based press	London
15/10/09	ALFI TA FORUM*	Luxembourg
16/10/09	ALFI Breakfast seminar: New opportunities in Australia*	Luxembourg
18/09/09	ALFI Breakfast for the Luxembourg-based press	Luxembourg
18-21/10/09	ALFI speaker at IIFA International Conference	Seoul
19-22/10/09	ALFI speaker at ICBI FundForum Middle East	Bahrain
20-26/10/09	ALFI speaker at LFF Roadshow Asia	Hong Kong, Singapore, Beijing
29/10/09	ALFI Breakfast seminar: Financial crises & the role of the EIB*	Luxembourg
02-04/11/09	ALFI representation at Islamic Funds World Middle East	Dubai
11-12/11/09	ALFI speaker at ITAS Asia	Hong Kong
17-18/11/09	ALFI speaker at LFF Roadshow	Madrid & Barcelona
18-19/11/09	ALFI speaker at IIR Indian Securities	Mumbai
24-25/11/09	ALFI European Alternative Investment Funds Conference	Luxembourg
26/11/09	ALFI: ILA-ALFI Code of Conduct seminar*	Luxembourg
30/11/09	ALFI meets the Frankfurt-based press	Frankfurt
01/12/09	ALFI Seminar, Frankfurt	Frankfurt
01/12/09	ALFI Representation at GAIM Ops Europe	Geneva
04/12/09	ALFI: VAT Update*	Luxembourg
08-09/12/09	ALFI speaker at LFF Roadshow	Paris
11/12/09	ALFI: Depository Bank Forum*	Luxembourg
14/12/09	ALFI: TC Plenary meeting – UCITS IV*	Luxembourg

* for members only



Jean Guill, Director General of the CSSF, joined the ALFI press meeting, 23/03/10



Georges Schmit, Consul General of Luxembourg in San Francisco, welcomed the roadshow, 12/04/10



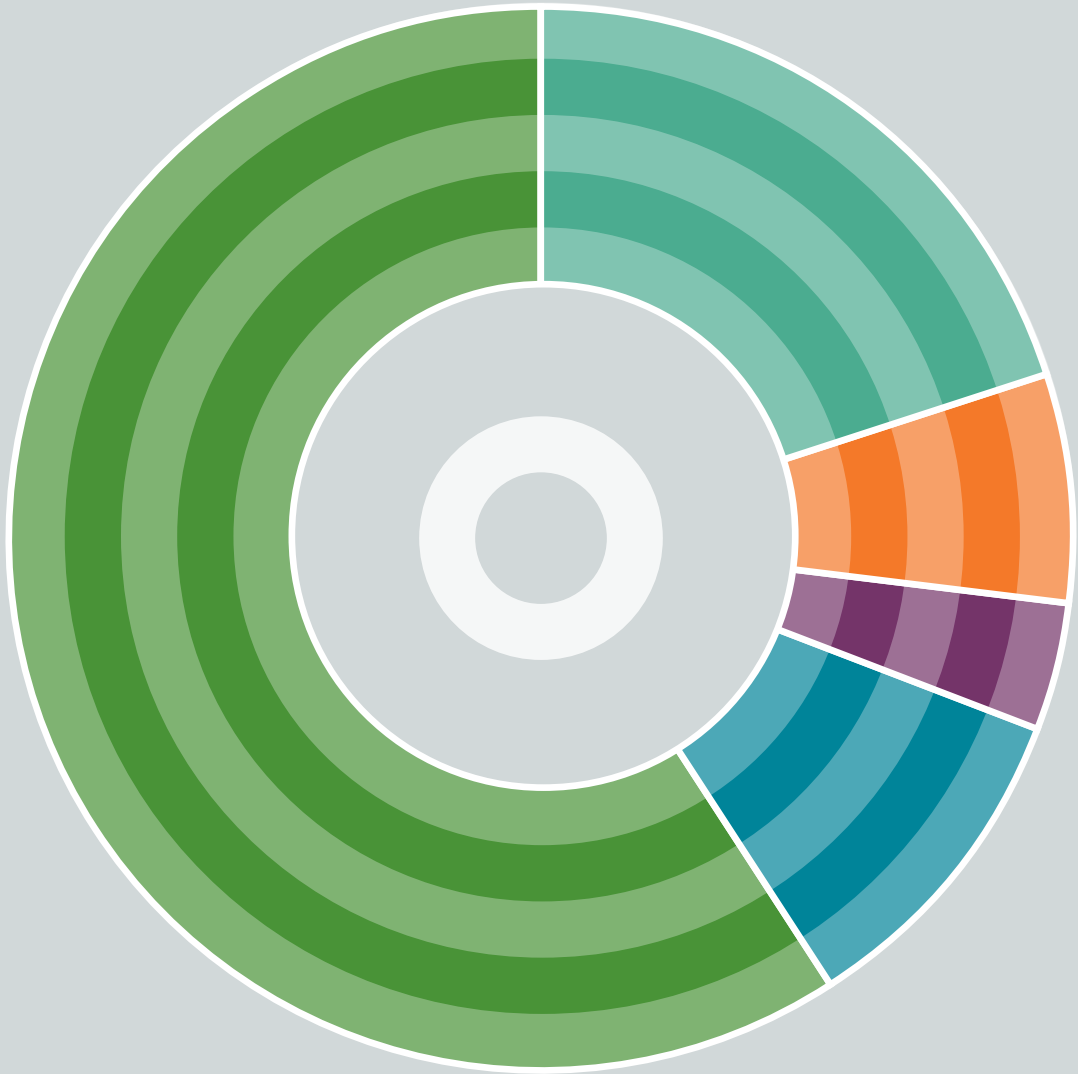
Roadshow New York 15/04/10



Roadshow London: Full House at Savoy Place, 11/05/10

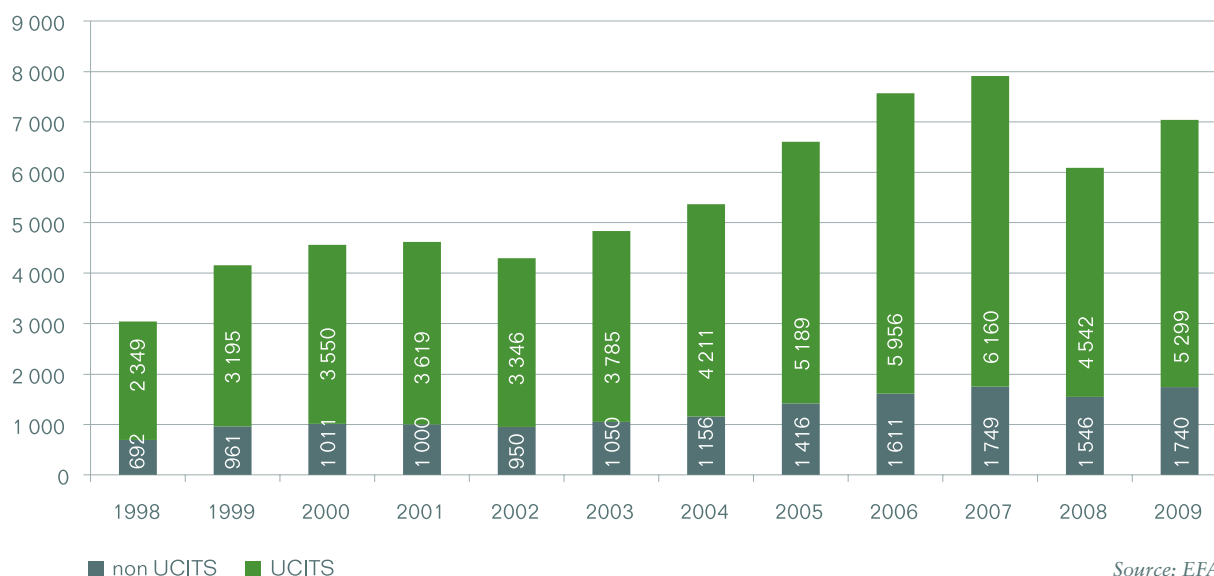
10-13/01/10	ALFI speaker at LFF Roadshow Middle East	Dubai & Bahrain
26-27/01/10	ALFI Roadshow Switzerland	Zurich & Geneva
04/02/10	ALFI Press Breakfast	London
09/02/10	ALFI SRI Conference	Luxembourg
15/01/10	ALFI meets the Munich-based press	Munich
14-17/02/10	ALFI representation & stand at NICSA 28th Annual Conference	Miami
23/02/10	ALFI speaker at IBC Hedge Fund Creation and Redomiciliation	London
23/02/10	ALFI meets the London-based press	London
25/02/10	ALFI & PRIM Risk Management Conference	Luxembourg
23-26/02/10	ALFI representation at ITAS International Transfer Agency Summit	Luxembourg
26/02/10	ALFI Breakfast for the Luxembourg-based press	Luxembourg
01-02/03/10	ALFI meets the Hamburg-based press	Hamburg
17/03/10	ALFI: TC Plenary Meeting*	Luxembourg
23/03/10	ALFI meets national & international press at the LIPPER TR study presentation – special guest Jean Guill, CSSF	Luxembourg
23-24/03/10	ALFI Spring Conference	Luxembourg
23/03/10	ALFI Gala Dinner	Luxembourg
25/03/10	ALFI Microfinance Conference	Luxembourg
12-15/04/10	ALFI Roadshow USA	San Francisco, Chicago, Boston, Greenwich, NY
12-15/04/10	ALFI speaker at LFF Economic Mission to Russia	Moscow, St. Petersburg
15/04/10	ALFI speaker at IBC, Hedge Fund Creation and Re-domiciliation	Luxembourg
19-23/04/10	Representation at ICBI FundForum Asia	Hong Kong
05/05/2010	ALFI Reception Washington	Washington
05-07/05/10	ALFI participation in ICI GMM	Washington
11/05/2010	ALFI Roadshow London	London
11/05/10	Together with Finance Minister Luc Frieden, ALFI meets the London-based press	London
11-19/05/10	ALFI speaker at LFF Economic Mission to Saudi Arabia	Saudi Arabia
16-19/05/10	ALFI representation at IBA Conference	Boston
17-19/05/10	ALFI speaker at IBC UCITS & Depositories Conference	Luxembourg

* for members only



the luxembourg investment fund industry in figures

Assets under management in the European investment fund industry (in billions of euros)



Source: EFAMA

Notice: The data may not always be consistent with data published in last year's ALFI annual report, due to adjustments made by EFAMA.

From 2003 to 2007, growth in assets under management in the European investment fund industry was uninterrupted, but in 2008 this gave way to a decline of 23% as a result of the global financial crisis. Over the ten years from the end of 1998 to the end of 2008, they nonetheless doubled from €3,042 billion to €6,088 billion.

In 2009, there was a return to the double-digit growth seen in the years before the sub-prime crisis of 2007, with assets under management showing a rise of 15.6% or over €951 billion to stand at €7,039.2 billion at December 31. Despite some continuing effect of the financial crisis of 2008, the total thus broke back above the €7,000 billion mark first reached in March 2006, returning to practically the same level as in 2007.

In the first quarter of 2009, the trends of the previous year continued, with financial markets under a cloud and uncertainties persisting as to the outlook for industrialized economies in the grip of recession. Against this backdrop, net assets under management in Europe showed a further decline of 1.70% to

€5,984.5 billion at the end of March. This was despite a net positive inflow of €22 billion in UCITS.

A rebound followed, with the exceptional action taken by various national governments and better than expected business performances in sectors such as banking sparking an upturn in stock markets and renewed inflows of investment capital. In the second quarter of 2009, net assets under management in Europe thus jumped 6.6% overall from the previous quarter, including a 7.4% rise for UCITS. This set the overall total at €6,378.9 billion and the total for UCITS at €4,788.8 billion. Renewed confidence led to massive reinvestment for a total of €40 billion in equity and balanced-profile funds, reflecting a return to favour for riskier products. At the same time, investors pulled €25 billion out of money-market funds.

The turnaround that began in spring gained added pace in the third quarter, with quarterly rises of 7.2% in total assets under management and 7.7% in UCITS setting respective totals at €6,840.1 billion and €5,157.3 billion. UCITS again saw net inflows, amounting to €70 billion, with €34 billion or nearly half the total going to bond funds, favoured by strong

demand and anticipations of improved corporate earnings. The third quarter was also the peak for new net sales in the year, with a net inflow more than doubling as net sales rose 130% from the second quarter.

The industry returned to more sedate trends in the fourth quarter, when rises were limited to 2.9% for net assets as a whole and 2.7% for UCITS, setting respective totals at €7,039.2 billion and €5,298.7 billion. Net investments of €63 billion in equity, bond and balanced-profile funds were almost fully counter-balanced by hefty outflow from money market funds, which totalled nearly €61 billion.

Over the year as a whole, net inflows in UCITS came to €122.5 billion compared with net outflows of

€356 billion in 2008. These investments accounted for close to 13% of the rise in net assets managed by UCI, while the remaining 87% primarily reflected rallies on stock markets, which in most cases made up for slumps at the beginning of the year. As in the previous year, UCITS accounted for around 75% of the total, whereas they had consistently accounted for 78% since 2000.

Firmer trends on financial markets put net assets under management on an upward track in most parts of Europe in 2009. Luxembourg, France and Germany – the three countries with the highest totals of net assets for UCI – recorded annual rises of 18%, 10.2% and 12.4%, respectively. Other European countries also saw impressive gains, with rises reaching 42.7% in the UK, 67.4% in Norway and 52% in Romania.

The 10 largest investment fund domiciles in Europe at 31 December 2009

Total assets / UCIs

Country	Total assets under management (in billions of euros)	Market share in %
Luxembourg	1 840.993	26.2
France	1 426.395	20.3
Germany	1 017.356	14.5
Ireland	748.629	10.6
United Kingdom	631.000	9.0
Italy	249.952	3.6
Spain	194.520	2.8
Switzerland	157.247	2.2
Austria	138.603	2.0
Sweden	126.402	1.8

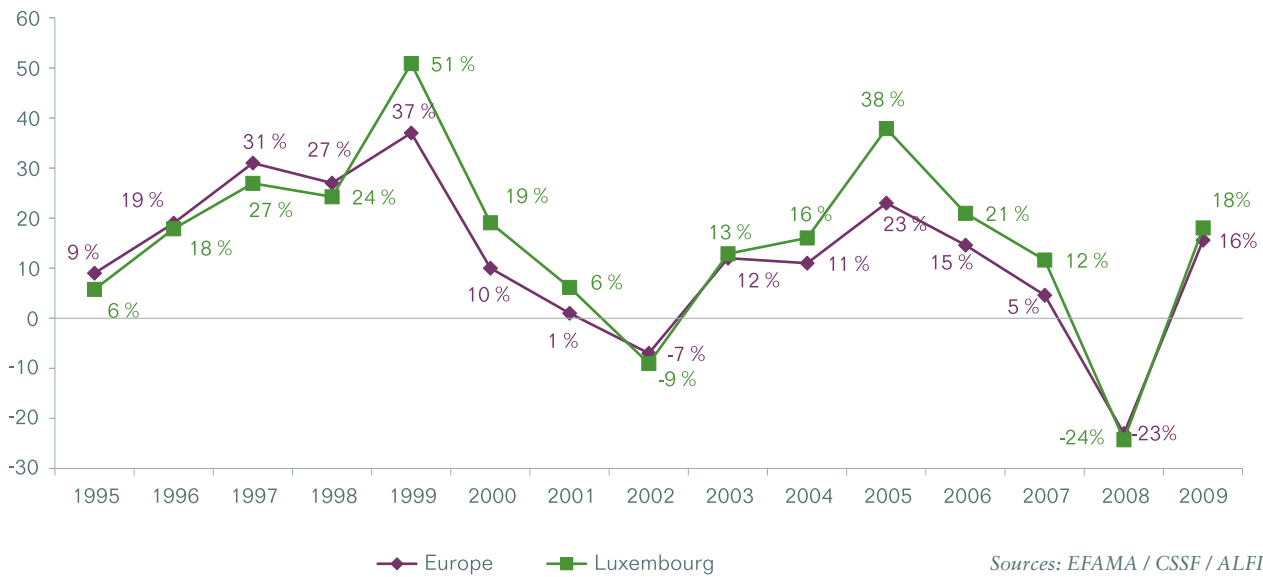
UCITS

Country	Total assets under management (in billions of euros)	Market share in %
Luxembourg	1 592.373	30.1
France	1 253.395	23.7
Ireland	597.331	11.3
United Kingdom	533.506	10.1
Germany	220.424	4.2
Italy	193.998	3.7
Spain	187.152	3.5
Sweden	123.533	2.3
Switzerland	116.798	2.2
Belgium	86.676	1.6

Source: EFAMA

the luxembourg investment fund industry in figures

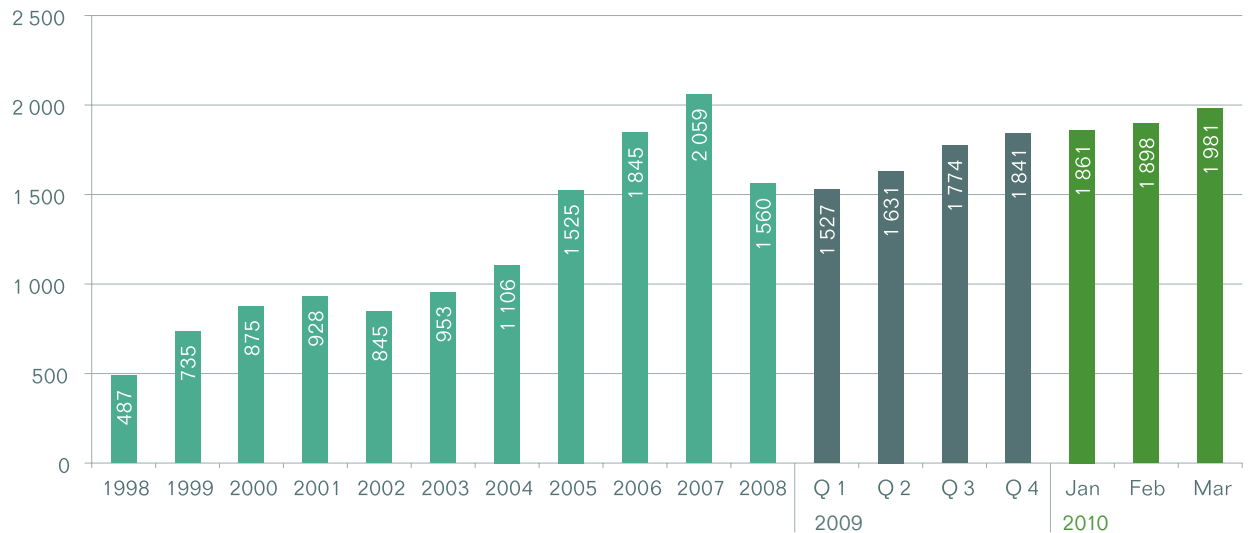
Annual growth in assets under management in the European and Luxembourg investment fund industry (in %)



A review of annual growth rates within the European investment fund industry shows Luxembourg on a steady path since 1995, with pace picking up sharply after 1999 except in the crisis years of 2002 and 2008, when the industry as a whole slipped into negative territory. Regarding those two years, the decline in Luxembourg was in line with the European trend. The financial crisis of 2008 cut three percentage

points off average annual growth in Europe over the years since 1995, bringing it down from 14% in 2007 to 11% in 2008. Despite the robust 15.6% rise recorded in 2009, the annual average growth for Europe was steady at 11.3% at the end of the year, whereas growth for the Luxembourg industry averaged 14.3% from 1995 to 2009.

Net assets under management in Luxembourg funds (in billions of euros)



Sources: CSSF / ALFI

In a context of globalization and in the wake of the sub-prime crisis of 2007, the stock market slump of 2008 triggered a 24% plunge in the total net assets of UCIs based in Luxembourg from the end of the previous year. Actions taken by national governments to contain the crisis and the decisions adopted at the G20 summit in April 2009 then put fresh life into financial markets around the world and, by the same token, the Luxembourg fund industry.

Net assets under management rose by €281.34 billion or 18.04% over the year, reaching €1,840.993 billion on December 31. They thus returned to much the same level as at the end of 2006, when they stood at €1,844.850 billion.

A close look at developments shows the Luxembourg fund industry in step with international financial trends. In a gloomy first quarter, net assets under management saw a further decline of 2.12% or €33.09 billion, reflecting investor disquiet and a 22% plunge in stock markets from the beginning of the year.

Improvement only got under way in spring, with good news including a decline in short-term interest rates, State guarantees to back banks, a return to profit for some businesses and some encouraging economic indicators, in particular an upturn in orders for durable goods in the US. Together these sharply reduced risk

aversion and markets were able to stage a recovery. This carried over to net assets under management, which returned to growth with a rise of nearly 7% in the second quarter, setting the total at €1,526.563 billion.

The renewed upward trend continued in the third quarter, when net assets rose 8.74% to €1,631.256 billion, with nearly 35% of the gain attributable to net sales. The quarter thus accounted for 50% of total annual growth for Luxembourg funds in 2009. The year ended on a highly encouraging note with the rise in net assets over the final quarter reaching €67.159 billion or 24% of the total gain for the year.

The momentum created by government plans plus prospects for an end to recession and renewed growth in GDP in most countries have kept net assets on a steadily upward path since the beginning of 2010. Gains to the end of March had already reached a very healthy 7.58%, raising the total to €1,980.538 billion, which is close to the historic threshold of €2 trillion set in March 2007 before the sub-prime crisis hit in August of the same year.

Renewed investor confidence is clearly illustrated by net inflows reaching a cumulative total of €54 billion since January 2010, which represents nearly 39% of the total rise in net assets under management during the first quarter of this year.

the luxembourg investment fund industry in figures

Growth factors in Luxembourg investment funds (in billions of euros)



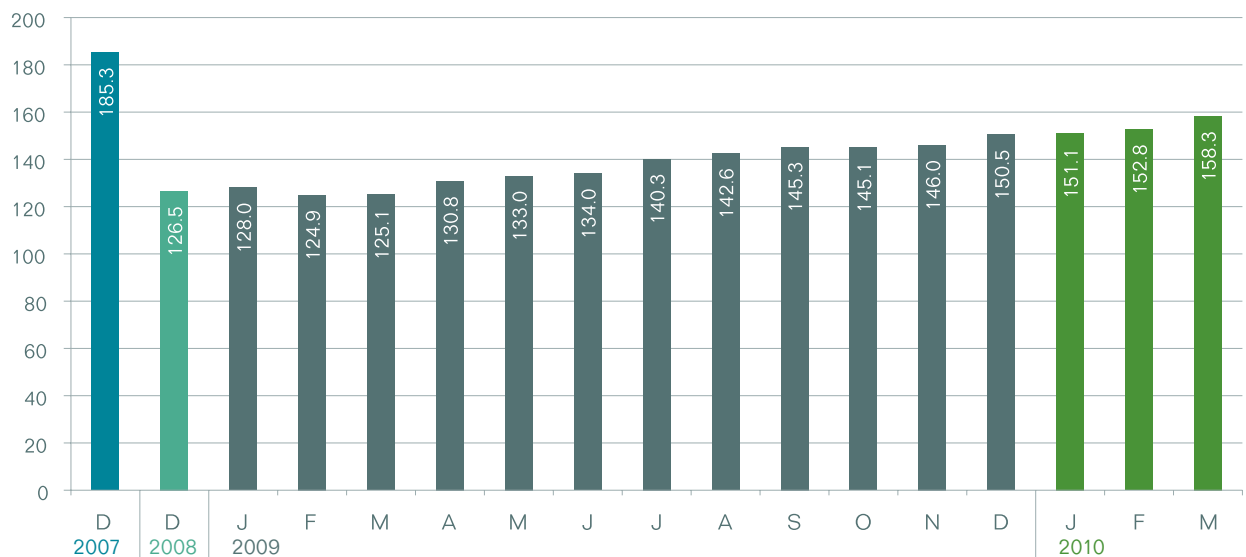
Stock markets staged a generally vigorous recovery following the G20 summit in April 2009, with gains to the end of 2009 reaching 20% in most cases. This accounted for 70% or €196.971 billion out of a total rise of €281.340 billion in net assets during 2009.

The other 30% of the rise represented fresh inflows of capital from private and institutional investors for a total of €84.369 billion. This was attributable in particular to the activity of the Luxembourg fund industry, with 408 new funds launched in 2009 despite persistent uncertainties clouding the environment. It also reflected renewed investor interest in funds following net outflows that made for 15% of the reduction of Assets under Management in 2008. Net subscriptions were positive throughout the year except in February and March, which saw net disinvestment totalling €4.601 billion.

Net sales reached a peak of €22.448 billion in July, the highest figure since October 2007 and the third quarter was thus the strongest in the year, with net investment inflows accounting for nearly 35% of growth over the three months.

2010 offers a promise of continued recovery and a return to firm growth. Investor confidence was particularly high in January, when the net inflow reached €21.474 billion and the trend continued in February and March, when it reached €12.688 billion and €19.848 billion, respectively. However, only the months ahead will reveal the extent of damage the Greek crisis may, or may not, inflict on financial markets and, by the same token, on the investment fund industry.

Net assets per fund unit* (in millions of euros)



* unit = the number of stand-alone funds plus the number of sub-funds in umbrella structures

Sources: CSSF / ALFI

At the end of 2009, the average size of units measured by assets under management stood at €150.51 million, showing a steep 18.93% rise from €126.54 million at the end of the previous year. A steady decline in the average size of units in 2008 gave way to a steady rise in 2009, although February and October were exceptions to this. The steepest decline was in February, when net disinvestment reached €4.375 billion and market upsets cut €36.868 billion off net assets, with the result that the average unit size was down 2.44% on a month despite consolidation of the decrease in the number of units from November 2008.

The months of April and July, on the other hand, saw the steepest monthly rises in the year, with average net

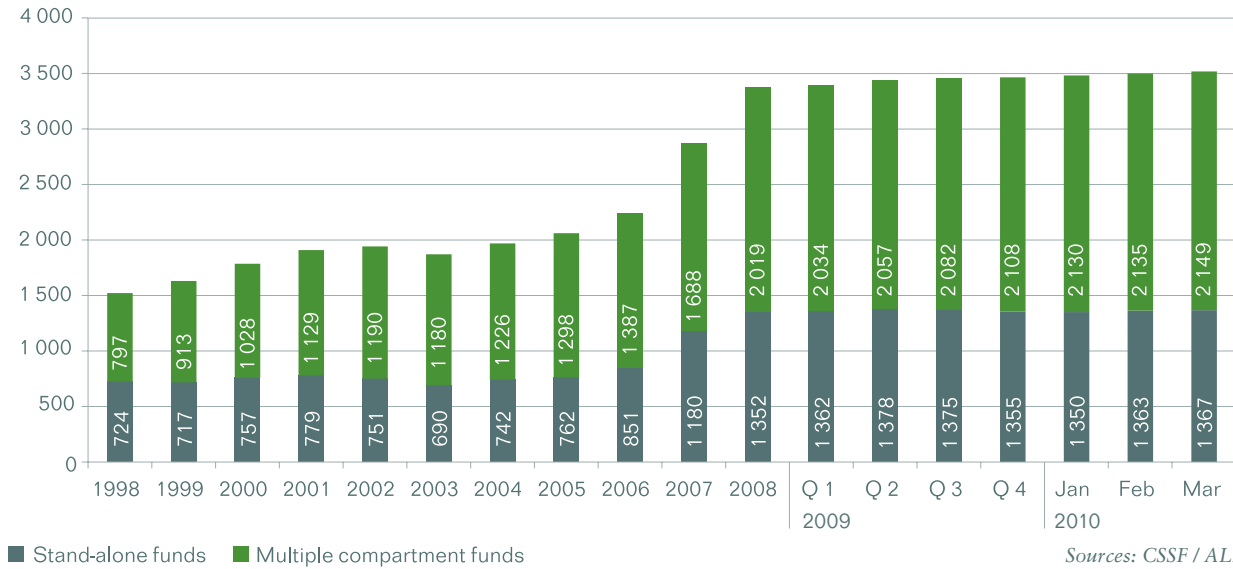
assets per unit up 4.5% and 4.6%, respectively. This reflected the favourable impact of the rebound in financial markets, which accounted for 57% of growth, combined with sizeable net inflows of fresh capital.

In addition, the number of units on the Luxembourg market showed an overall reduction of 0.75% in 2009, with a negative trend consolidated through to July. This also contributed to the rise in average net asset value per fund unit over the year.

At the end of March 2010, net asset value averaged €158.28 million per fund unit, 5.2% more than at the end of December 2009.

the luxembourg investment fund industry in figures

Number of Luxembourg investment funds (legal entities)



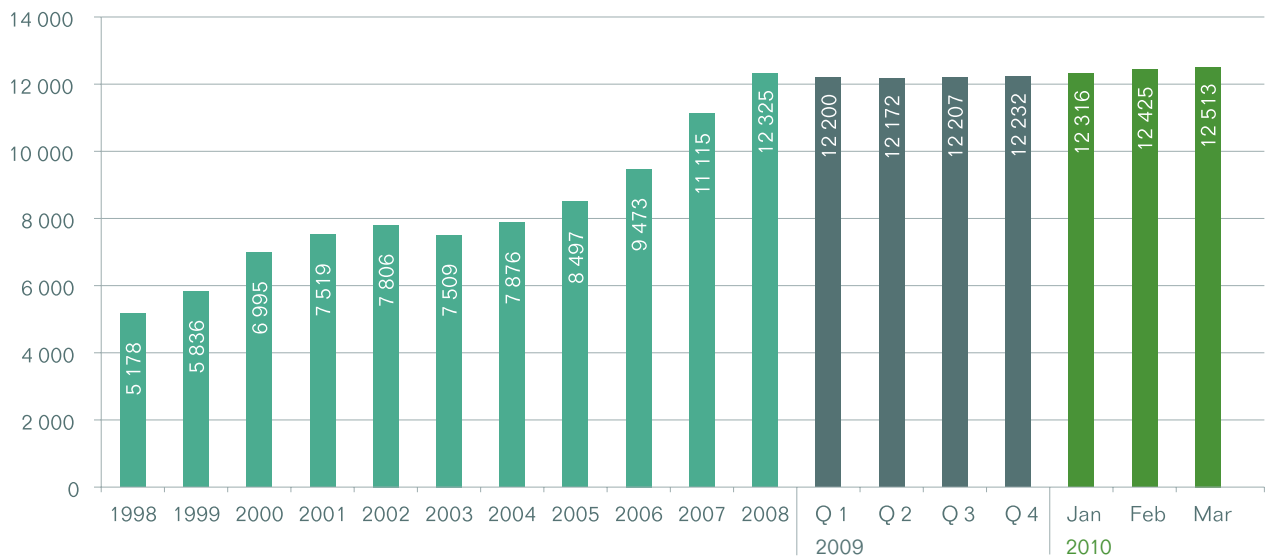
At the end of 2009, there were 3,463 legal entities domiciled in Luxembourg. During the year, 408 new funds registered and 316 withdrawn, making a net rise of 92 over the 12 months. The total was thus up 2.73% after 17.45% in 2008.

While the total of 408 new fund entities launched equalled only 57.3% of the total launched in 2008, 2009 was nonetheless an excellent year with over 18% more launches than in 2006, considered a high point in the history of the Luxembourg

fund industry. In the ranking of years since 1998, 2009 comes in third. During the year, the industry restructured in response to the financial crisis, leading to the withdrawal of no fewer than 316 funds as promoters repositioned offerings to better meet market needs.

This restructuring was also reflected in the first overall decline in the number of fund units domiciled in Luxembourg since 2003. Counting all conventional funds plus sub-funds in umbrella structures, the total was down 0.75% over the year.

Number of Luxembourg fund units*



* unit = the number of stand-alone funds plus the number of sub-funds in umbrella structures

Sources: CSSF / ALFI

Continuing consolidation in the first seven months set the total number of units at 12,164 in July, down 1.31% from January 1, but there were renewed rises in the following months, excepting December, which saw an 0.16% decline. All told, funds and sub-funds totalled 12,232 at the end of the year.

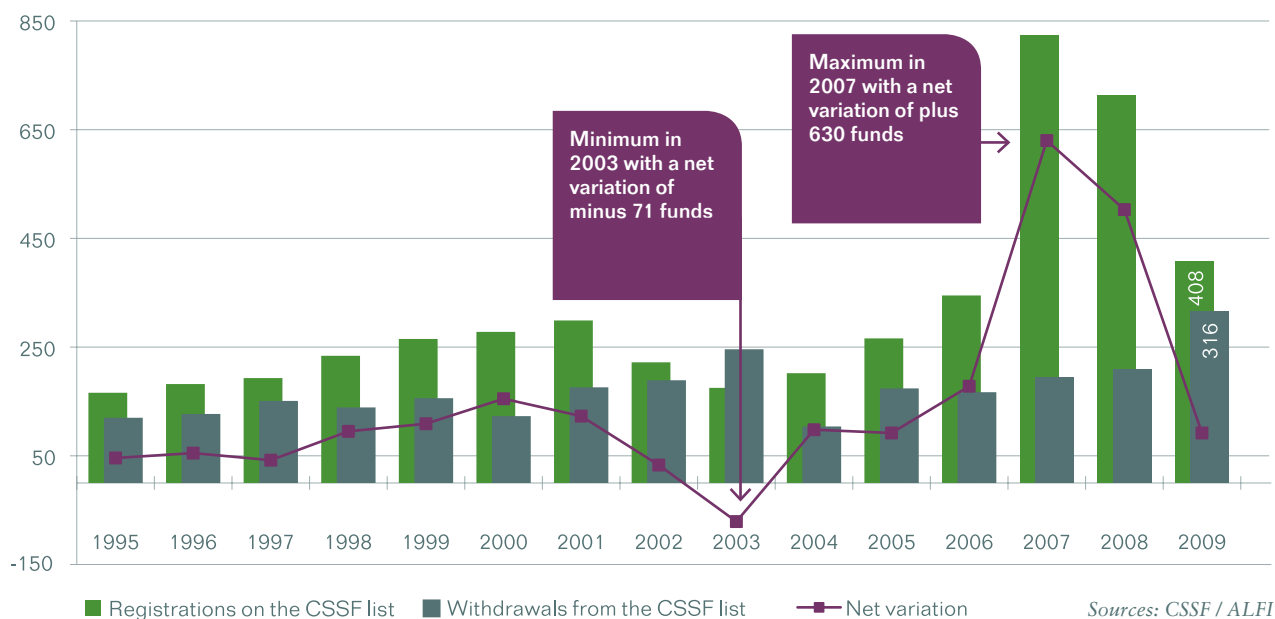
In the opening quarter of 2010, the number headed up again, rising 2.3% to 12,513 at March 31. This represented a net increase of 281, amply offsetting a net decline of 93 in 2009.

Over the same period, 129 new legal entities were set up, 36% more than in the first quarter of 2009. This is all the more promising as it compares with only 93 new legal entities set up in the first three months of 2007, in this regard the best year in the history of the Luxembourg fund industry.

To sum up, successful restructuring has enabled the industry to adapt to the new financial environment and rebound with more effective responses to investor needs in the first quarter of 2010.

the luxembourg investment fund industry in figures

Number of funds registered on or withdrawn from the CSSF list since 1995



Luxembourg is the leading fund industry centre in Europe, and remains a highly attractive domicile. In 2009, 408 new funds were registered on the official

list of the country's financial supervisor CSSF, an excellent result demonstrating Luxembourg's success in overcoming the financial crisis of 2008.

Monthly evolution of registrations on / withdrawals from the CSSF list (number of funds)

	Registrations on the CSSF list	Withdrawals from the CSSF list	Net variation
March 2010	46	28	18
February 2010	33	15	18
January 2010	50	33	17
December 2009	40	50	-10
November 2009	52	33	19
October 2009	18	21	-3
September 2009	38	30	8
August 2009	29	18	11
July 2009	27	24	3
June 2009	40	30	10
May 2009	31	21	10
April 2009	38	19	19
March 2009	19	25	-6
February 2009	24	20	4
January 2009	52	25	27

Sources: CSSF / ALFI

Number of specialised investment funds (SIFs) launched since February 2007



Sources: CSSF / ALFI

The Law of 13 February 2007 on specialised investment funds (“SIF Law”) replaced the Law of 19 July 1991 on institutional UCIs. UCIs formed under the Law of 1991 were automatically converted into SIFs when the former law was repealed.

With this new law Luxembourg wished to create a new legal framework for informed professional, institutional investors that better suited their environment and needs, whilst observing elementary rules on investor protection.

The new law means new products similar to France’s *fonds dédiés* and Germany’s *Spezialfonds* can be introduced.

With the advent of the SIF Law, a new category known as informed investors can now purchase these new products, whereas under the 1991 Law, only investors classed as institutionals could subscribe to shares or units in funds formed under this law. Promoters wishing to create institutional funds may continue to do so under Part II of the 2002 Law or take advantage of the new provisions of the 2007 Law.

This new structure has clearly made its mark on the Luxembourg market and does not appear to have suffered as result of the 2008 financial crisis. By February 2008, just a year after the new legislation came into force, 422 specialized investment funds had been set up and an additional 256 were launched between March 2008 and February 2009. Success continued in the year from March 2009 to March 2010, which saw 255 new funds, raising the total since the introduction of the legislation in February 2007 to 933.

The general trend to consolidation of units does not appear to have affected specialized investment funds, demonstrating their good fit with investor needs. In contrast to funds established under Part I and Part II of the Law of 2002, the number of SIF units showed a further rise of 16.75% in 2009.

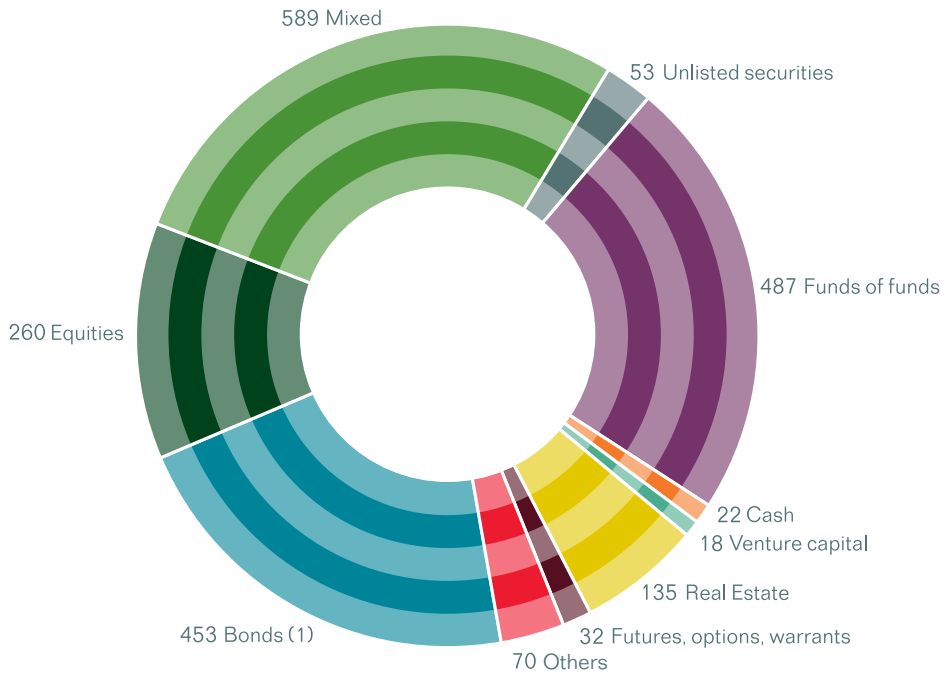
In their first year, 57% of specialized investment funds were set up as FCPs (*fonds commun de placement*), but the trend turned around in the following year and in the period from March 2009 to March 2010 only 60 or 23.5% of the new SIFs were in this form, compared with 190 or 74.5% as SICAVs (*société d’investissement à capital variable*) funds. The gap thus widened from the previous year, when the respective proportions were 31% and 67%.

the luxembourg investment fund industry in figures

Since the introduction of the 2007 law, SIFs have won a growing place as one of the Luxembourg fund industry's leading products. In 2009, they accounted for nearly

50% of all new launched funds, with their number up 16% from the end of 2008 to the end of 2009 and their net assets rising 18% over the same period.

Investment policy of Luxembourg SIFs at 31 December 2009 (number of fund units*)

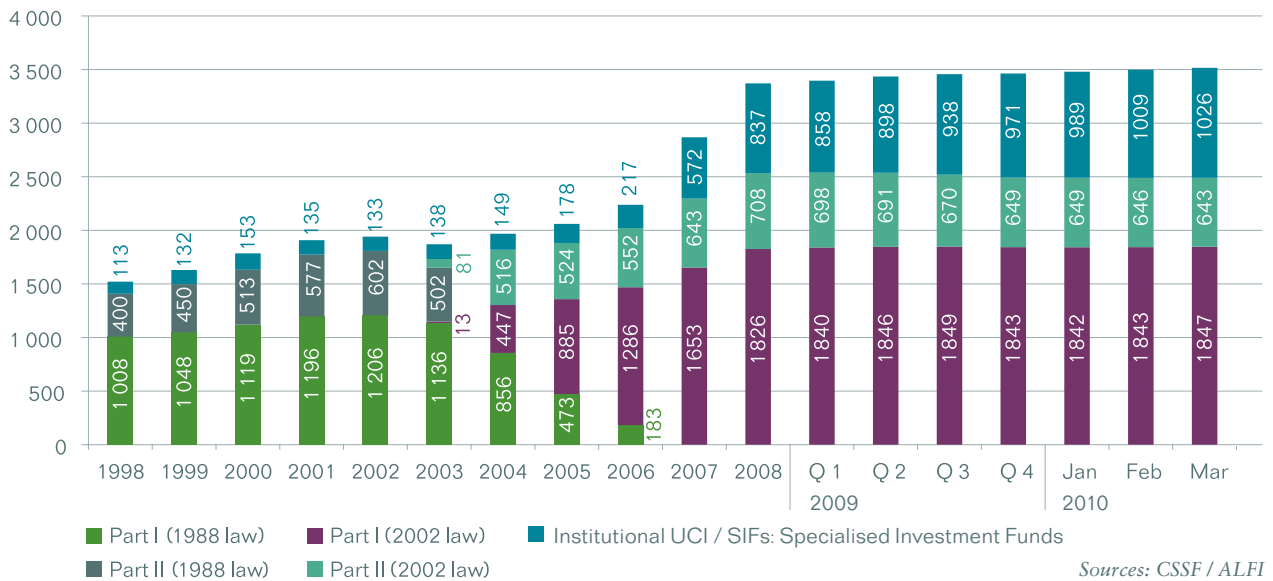


⁽¹⁾ included 13 fund units in money market and other short-term instruments

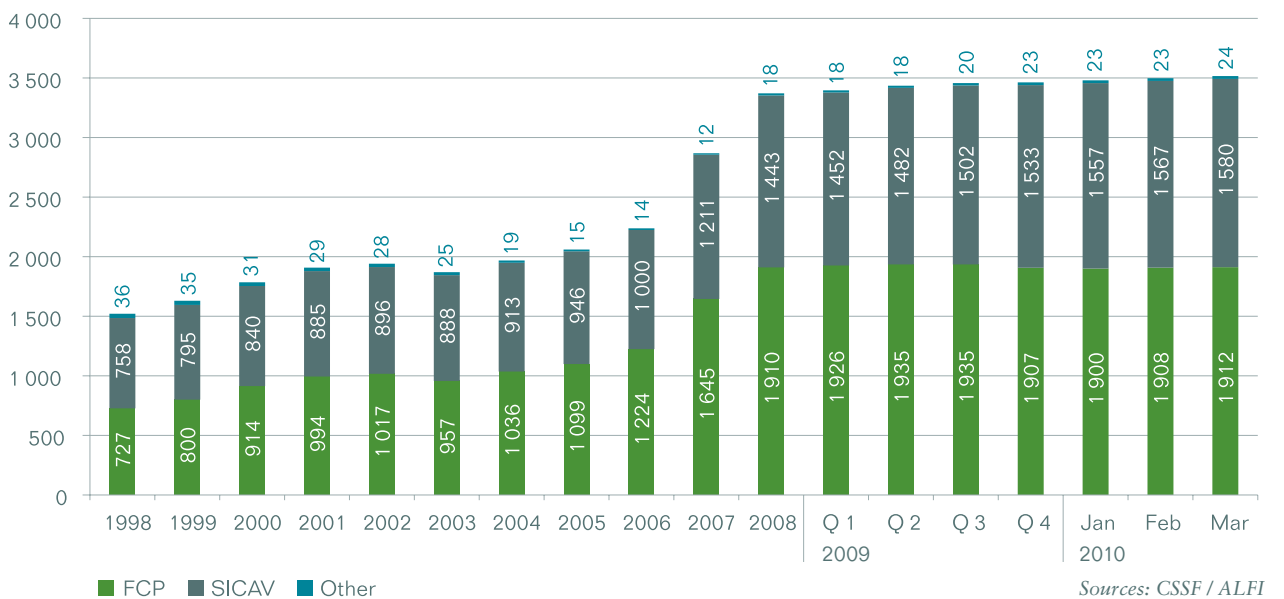
* unit = the number of stand-alone funds plus the number of sub-funds in umbrella structures

Sources: CSSF / ALFI

Legal status of Luxembourg domiciled investment funds (number of funds)



Legal form of Luxembourg domiciled investment funds (number of funds)

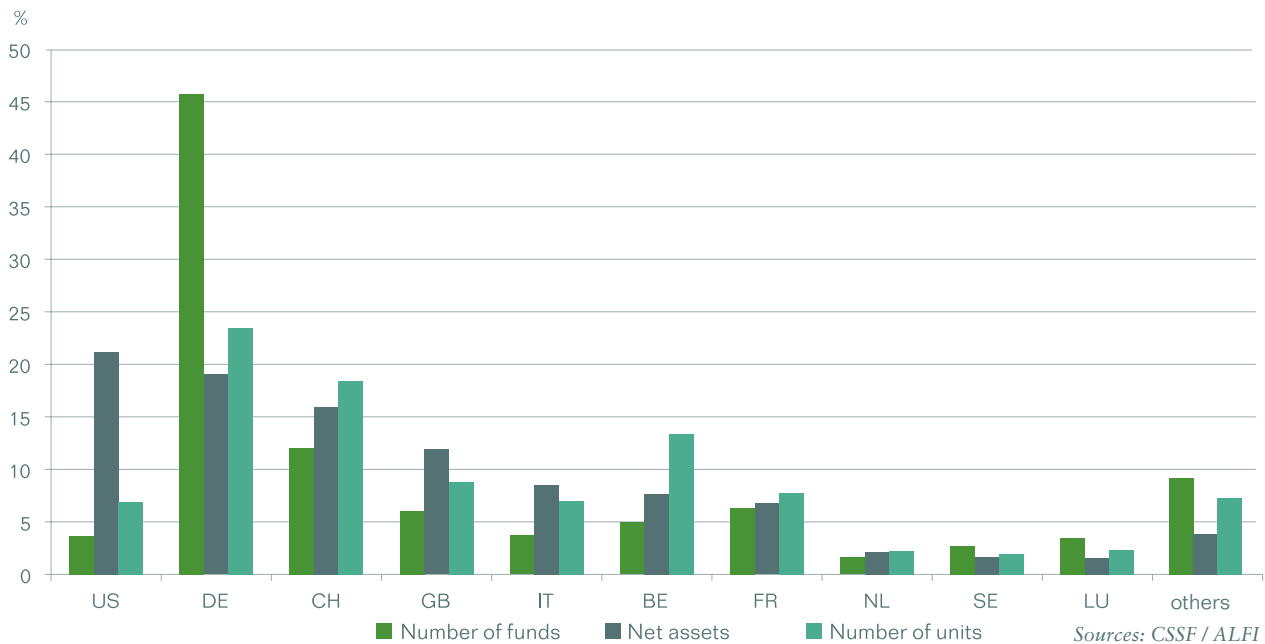


Up to 1985, the *fonds commun de placement* or FCP (contractual fund) was the preferred legal structure for promoters setting up funds under Luxembourg law, but favours for the alternative *société d'investissement à capital variable* or SICAV structure (open-end investment company) grew in the years from 1985 to 1999, with the latter overtaking the former. In 1999, the balance was even, with SICAVs and FCPs each accounting for roughly

49% of all funds, but the trend then turned around again and the gap widened slowly but surely in following years. At the end of March 2010, FCPs accounted for 54.4% of funds domiciled in Luxembourg, SICAVs for 45% and other structures for 0.6%. Restructuring of fund offerings in 2009 thus mainly favoured SICAVs, with their share of the market up over two percentage points from 42.8% at the end of March that year.

the luxembourg investment fund industry in figures

Market shares of promoters by country of origin at 31 December 2009



In 2009, German promoters held on to their top place in terms of net assets under management through to the second quarter, but in the third quarter US promoters regained the first place they had held in 2007.

The US promoters' market share rose 1.5 points over the year to reach 21.1% at December 31, with net assets totalling €389.191 billion followed by €350.482 billion or 19% of the market for the German promoters. Swiss promoters held on to their number-three place with net assets totalling €292.784 billion, but their share of the market was down to 15.9% compared with 17.4% at the end of 2008.

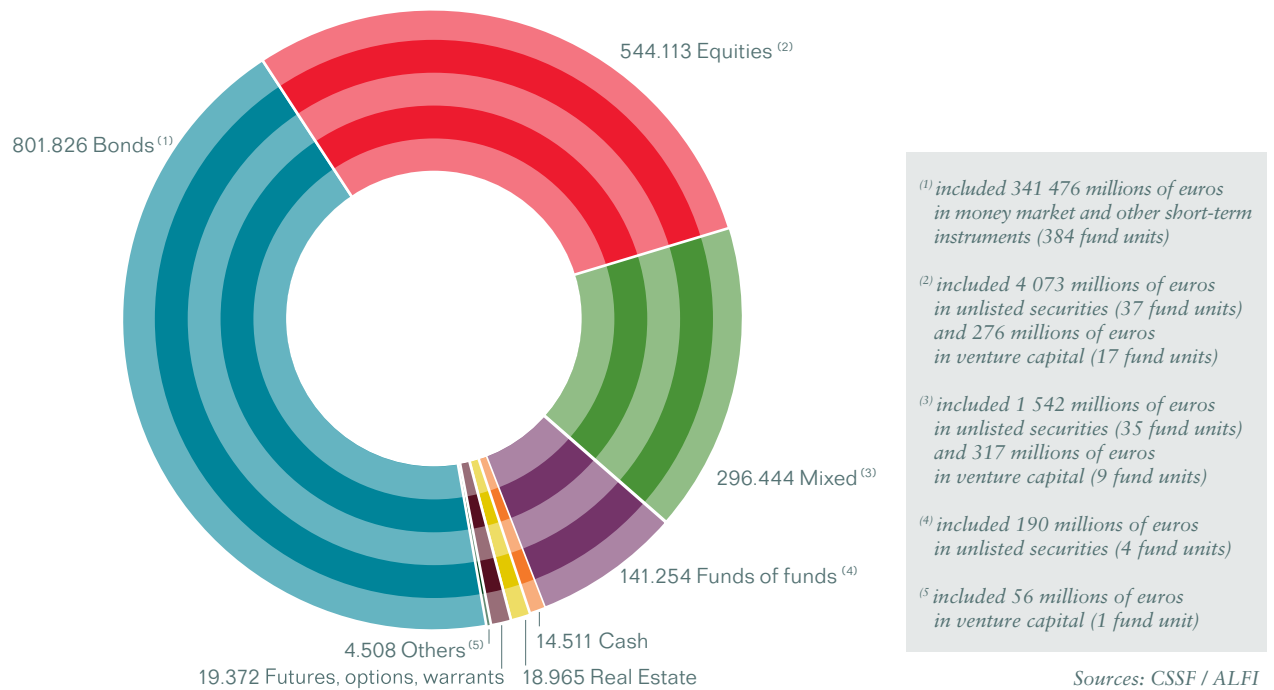
In terms of absolute value, US promoters scored the strongest rise in net assets, up 27.22% or €83.278 billion on a year at the end of 2009. While US, German and Swiss promoters together led the field for years and accounted for 45.2% of the total rise in net assets in 2009, with a contribution representing an amount of €127.328 billion, UK promoters took second place with a rise of €82.440 billion in net assets accounting for 29.30% of total growth for the year. This vigorous surge represented a rise of nearly 60.5% to set the year-end total for UK promoters at €218.794 billion, thus wiping out the negative trend observed in the previous year and restoring the level seen at the end of 2008 (€218.278 billion). Net assets of Swedish and

French promoters rose 28.16% and 21.03%, respectively, over the year.

Since September 2007, German promoters have accounted not only for the largest number of funds, with a total of 1,584 or 45.8% of all Luxembourg domiciled funds, but also for the largest number of 2,869 units (23.5%) of the Luxembourg total units. Traditionally preferring stand-alone funds to umbrella structures, German promoters continue to account for nearly half of all legal entities set up in Luxembourg.

As already noted, 2009 stood apart with a wave of consolidation that brought a drop of 93 in the total number of units. Almost all promoters restructured their offerings during the year, reducing the number of units from 2008. US promoters also took the lead in this area, cutting the total of units on offer by a net 118 or 12.29% from 960 at the end of 2008 to 842 at the end of 2009. Dutch promoters made the second sharpest cuts, with an 11.86% decline setting their total at 275 at the end of the year. German promoters were generally less involved, with their total down only 0.55% from 2,885 at the end of 2008 to 2,869 at the end of 2009. Swiss and British promoters bucked the general trend with respective rises of 4.93% or 106 net units to 2,254 at year-end, and 7.51% or 75 net to 1,074.

Investment policy of Luxembourg investment funds at 31 December 2009 (in billions of euros)



The financial crisis triggered far-reaching changes in the investment strategies pursued by Luxembourg funds in 2008, redefining the weightings of different asset classes that had prevailed for years. In 2009, the resulting balance was not fundamentally altered from 2008 to 2009, but market upturns and relaxation of investors' risk aversion clearly had an impact on policies.

Combined with political and economic developments including the G20 summit, demonstrations of business resilience in the face of the downturn, and promising results in some sectors, the rebound in stock-market indices and declines in interest rates revived investor interest in riskier assets. Against this backdrop, equities and other variable income securities were the main focus of increased allocations, with net assets in this category rising 44.86% on a year to reach €544.113 billion at the end of 2009. Despite a 5.5 point rise in market share, equity funds did not return to their 2007 level, but they accounted for 60% of overall growth in Luxembourg funds, adding €168.489 billion to net assets in 2009.

Diversified security portfolios posted a less spectacular but still vigorous rise of 20.41% or €50.243

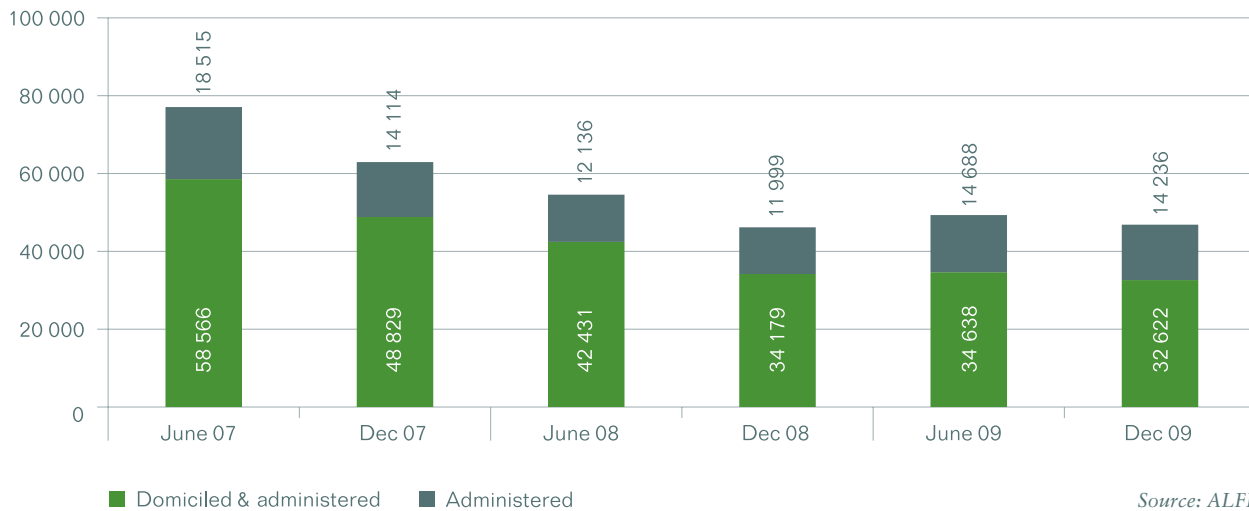
billion to €296.444 billion at year end, while the rise for fixed-income investments, including money-market instruments and other short-term placements, was 10.78% or €78.048 billion. The latter thus remained the largest asset class, representing a total of €801.826 billion or 43.55% of the market at December 31, 2009.

While favourable market trends benefited all three categories above, which together represented 105.5% of total annual growth, other asset classes lost investor favours as lower interest rates triggered large repurchases. This was especially true for cash investment funds, which suffered a 34.67% fall in net assets from 2008 to 2009. Funds of funds and real-estate funds also suffered reductions, with net assets down 7.07% and 9.37%, respectively.

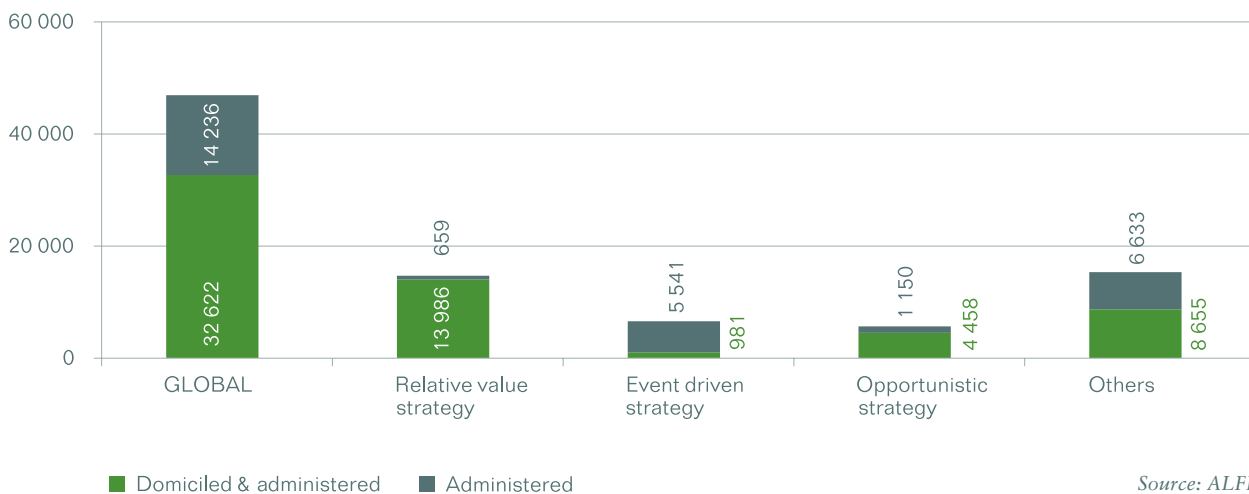
Consolidation in the number of units during 2009 mainly concerned bond funds, equity funds and funds of funds, with the number of units declining by 1.59%, 5.61% and 3.66%, respectively. Repositioning of offerings had the opposite effect for mixed funds, with the total number of units in this category rising 6.03% for the year.

the luxembourg investment fund industry in figures

Net assets in hedge funds under administration in Luxembourg (in millions of euros)



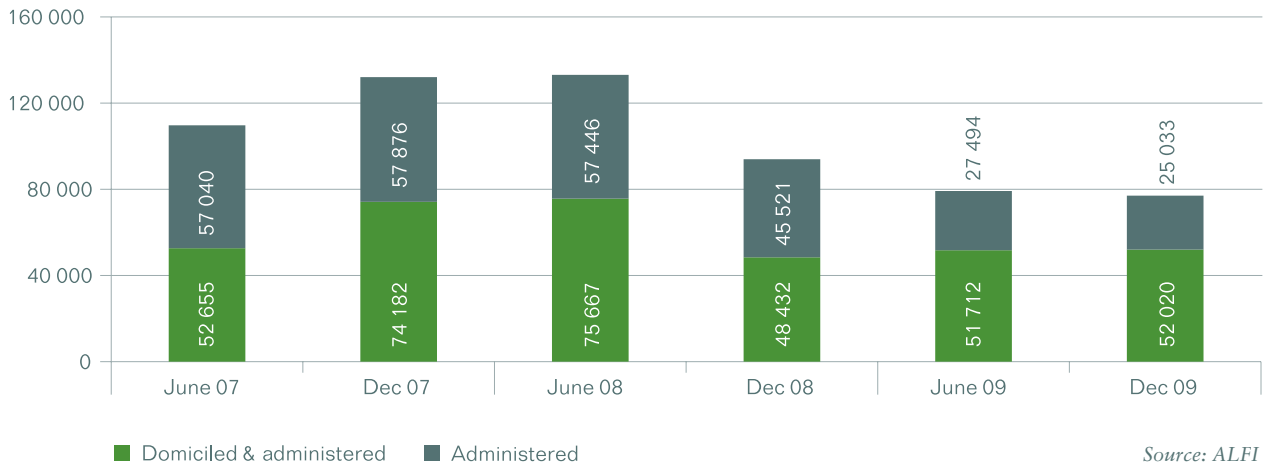
Net assets in hedge funds breakdown by strategy at 31 December 2009 (in millions of euros)



Since the first ALFI member survey in December 2003, hedge funds domiciled in Luxembourg saw steady growth through to June 2007, with net assets multiplied by 12.5 over the period to reach €58.566 billion at the end of that month. Since the sub-prime crisis of August 2007, where they were regularly under fire in the media, assets have been on a steadily downward path, and in 2009 they declined a further 4.55% to set

the total for Luxembourg domiciled hedge funds at €32.622 billion, contrasting with the 18.04% rebound recorded for the Luxembourg fund industry as a whole. The market surge that benefited the funds sector in the first half did little for hedge funds, whose net assets edged up only 1.35% from the end of 2008 to the end of June 2009.

**Net assets in funds of hedge funds under administration in Luxembourg
(in millions of euros)**



Similarly, the restructuring of promoters' offerings that in 2009 led to a contraction in units in Luxembourg did not carry over to hedge funds, with their numbers showing a rise of 6.37% to 451 at year end. This set the rise from June 2007 at 22.2%, clearly demonstrating the continued presence of investor profiles attuned to this type of product.

Turning to hedge funds administered but not domiciled in Luxembourg, net assets rose 18.64% in 2009 to reach €14.236 billion at December 31. They underwent significant restructuring during the year, since their numbers declined by over 21% from the previous year.

Domiciled hedge funds thus continued to take a bigger share of the market, accounting for over two-thirds of both units and net assets.

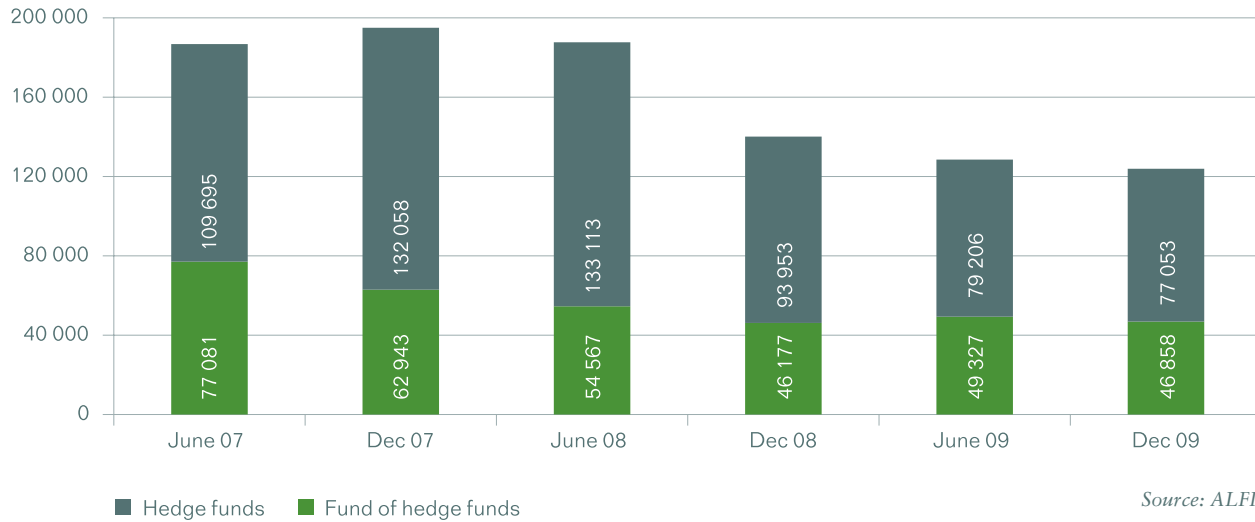
The strategies favoured by Luxembourg-domiciled hedge funds followed the new patterns established in the previous year, as was the case with investment policies generally. Relative value strategies thus

accounted for nearly 43% of net assets at the end of 2009, close to the 41.5% observed at the end of 2008 but down sharply from 70% at the end of 2007. The share of opportunistic strategies slipped a little from 15.7% at the end of 2008 to 13.7% at the end of 2009. In contrast, hedge funds administered but not domiciled in Luxembourg saw a marked change, with the balance between opportunistic and event-driven strategies inversed in the latter's favour. Event-driven strategies that accounted for only 2.6% of net assets at the end of 2008 leapt to first place with nearly 39% at the end of 2009, while the share of opportunistic strategies plunged from 43% to 8.1% over the same period.

Funds of hedge funds had a mixed year in 2008, and in 2009 trends were widely different for those domiciled in Luxembourg and those administered but not domiciled in Luxembourg. The former benefited from the rebound in financial markets, with net assets rising 6.77% to €51.712 billion at June 30, then steadied to end the year with net assets at €52.020 billion, setting the annual rise at 7.41%.

the luxembourg investment fund industry in figures

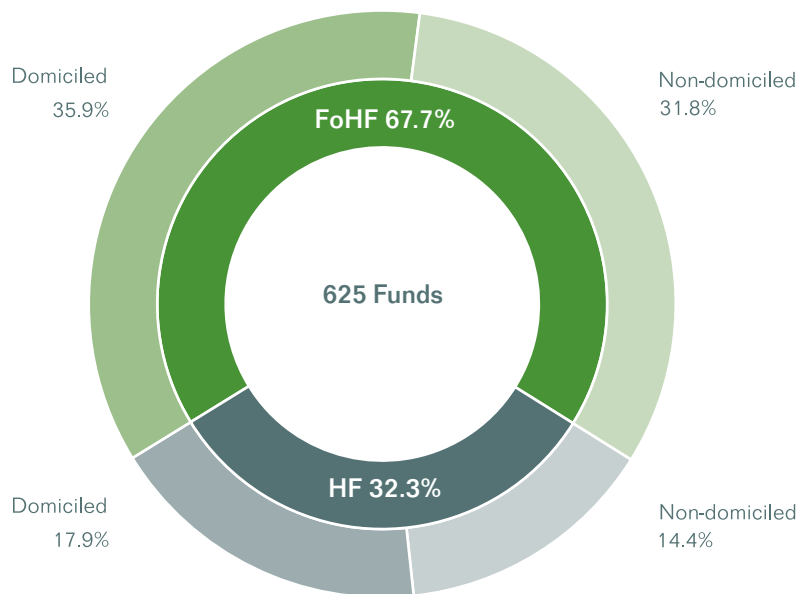
Combined net assets in hedge funds and funds of hedge funds under administration in Luxembourg (in millions of euros)



Turning to funds of hedge funds administered but not domiciled in Luxembourg, not only did their numbers suffer a fall of close to 28% in 2009, but their net assets dropped by 45% to €25.033 billion at year end. The plunge in net assets was partly attributable to the withdrawal of some units from the market, but also reflects repositioning of this type of product, which does not seem to have benefited from the market upturn that boosted net assets for the fund industry as a whole.

All told, while total net assets under management with hedge funds and funds of hedge funds fell by 11.57% from 2008 to €123.910 billion at the end of 2009, trends diverge widely for different sectors.

Global overview of hedge funds & funds of hedge funds at 31 December 2009 (number of funds)

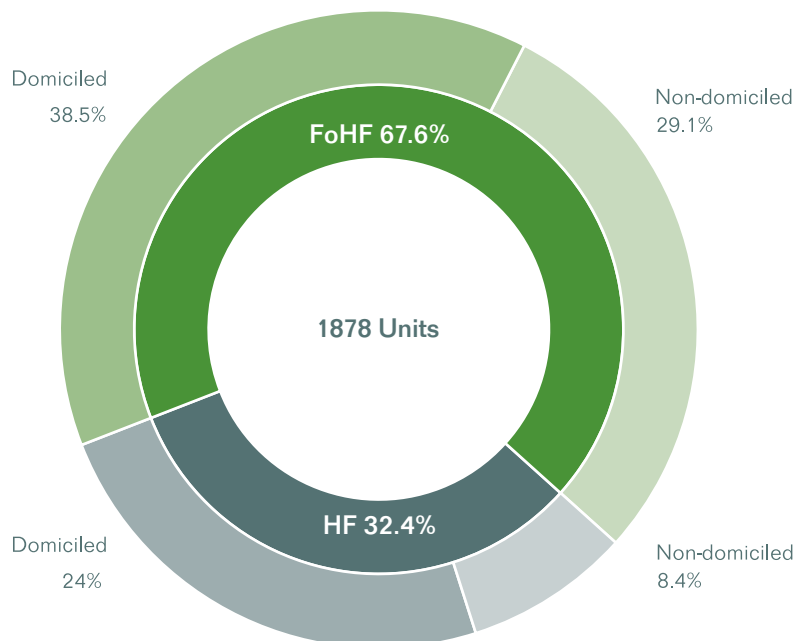


Source: ALFI

In 2009, there were 202 hedge funds under administration in Luxembourg compared with 210 at the end of 2008, while the number of units was down 2.56% to 609. This decline essentially concerned funds administered but not domiciled in Luxembourg. Funds of hedge funds represented a total of 423 entities and 1,269 fund units (down 12.5% from 2008), again accounting for around two-thirds of the market.

As regards the number of legal entities, funds administered but not domiciled in Luxembourg continued to lose ground to domiciled funds, with their market share falling a further four percentage points to 46% of the total market in 2009. This trend is even more marked as regards the total number of fund units, with domiciled funds accounting for 62.5% at the end of 2009 or nearly nine percentage points more than a year earlier.

Global overview of hedge funds & funds of hedge funds at 31 December 2009 (number of units*)



* unit = the number of stand-alone funds plus the number of sub-funds in umbrella structures

Source: ALFI

governing bodies of alfi

Board of Directors

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Executive Committee

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Technical Committees
Chairpersons Group

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Strategic Committee

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Regulatory Advisory Board

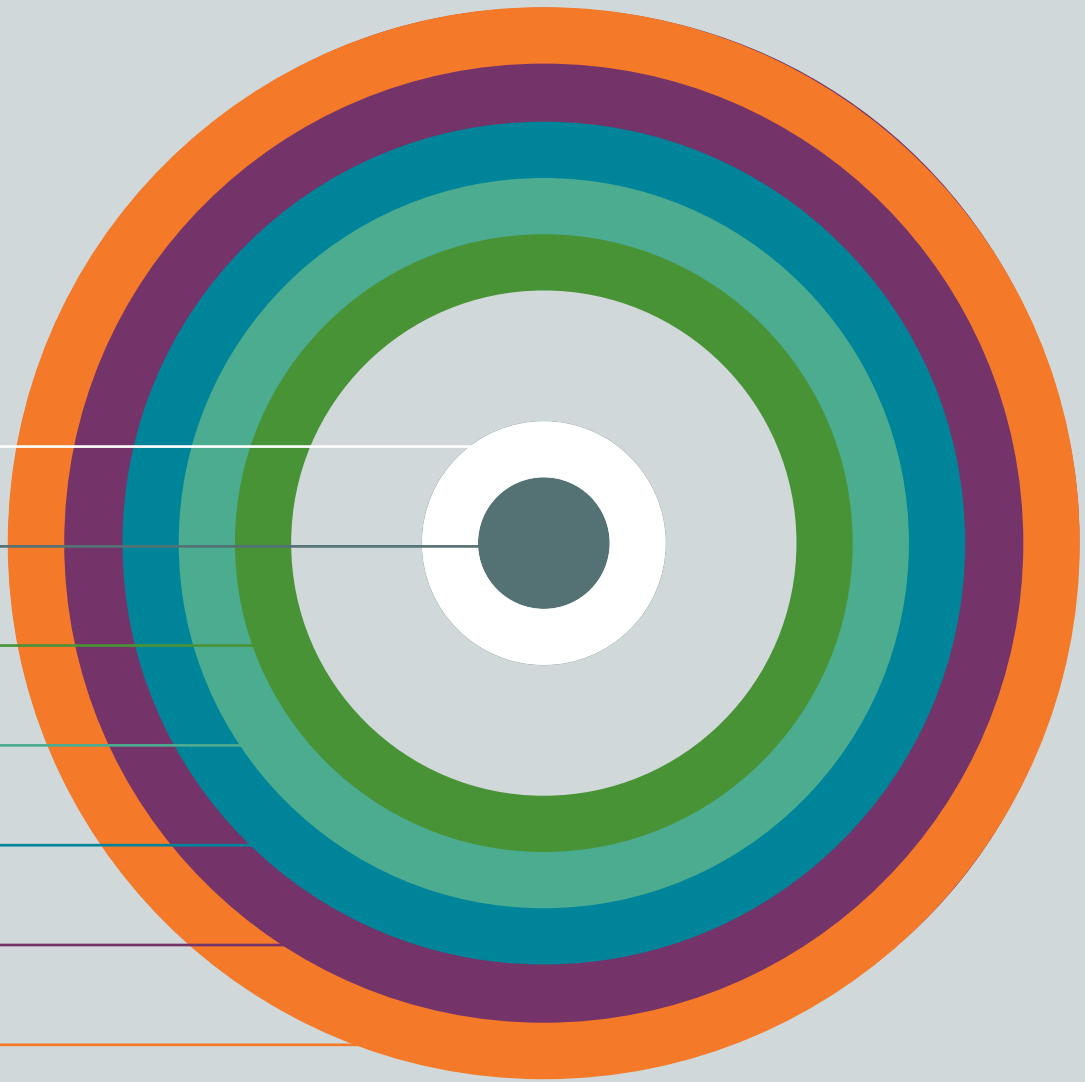
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ALFI Head Office

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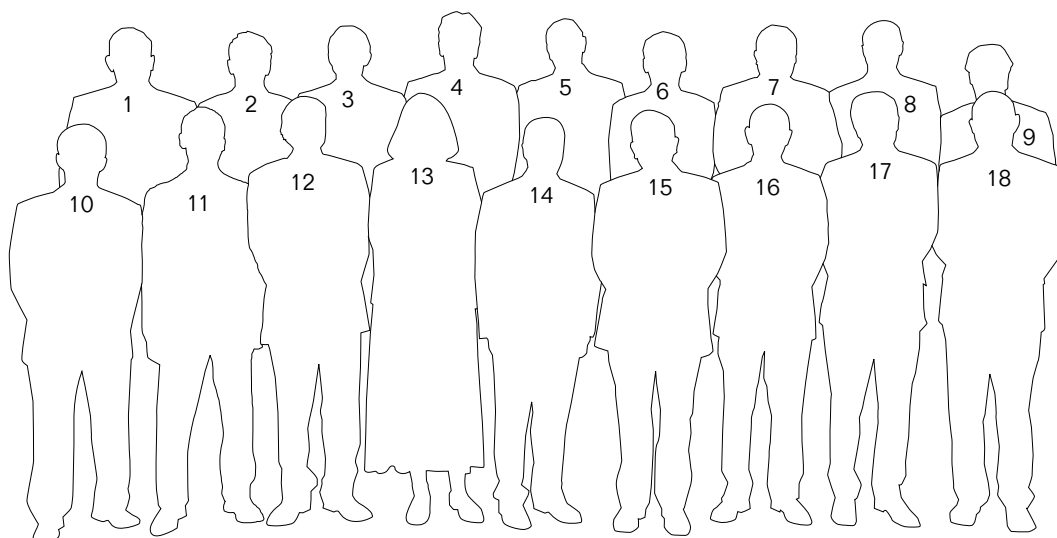
Committees and Forums

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board of directors





Claude Kremer (14)	Chairman	Arendt & Medernach
Gilbert Schintgen (15)	Vice Chairman, National Affairs	UBS Fund Services (Luxembourg) S.A.
Thomas Seale (12)	Vice Chairman, Interational Affairs	European Fund Administration S.A.
Julien Zimmer (11)	Treasurer	DZ BANK International S.A.
Jean-Christoph Arntz*	Allianz Global Investors Luxembourg S.A.	
Freddy Brausch (16)	Linklaters LLP	
Stéphane Brunet (9)	BNP Paribas Asset Management Luxembourg S.A.	
Jacques Elvinger	Elvinger, Hoss & Prussen	
Pierre Etienne	Pictet & Cie (Europe) S.A.	
Noel Fessey	Schroder Investment Management (Luxembourg) S.A.	
Rafik Fischer (5)	KBL European Private Bankers S.A.	
Jonathan P. Griffin	JPMorgan Asset Management Europe S.à r.l.	
Claude Hellers**	FIL (Luxembourg) S.A.	
Holger Hildebrandt (10)	Deka International S.A.	
Rudolf Kessel (3)	Union Investment Luxembourg S.A.	
Lou Kiesch (18)	Deloitte S.A.	
John Li (6)	KPMG	
Jean-Michel Loehr (4)	RBC Dexia Investor Services Bank S.A.	
José-Benjamin Longrée (17)	CACEIS Bank Luxembourg	
Michel Maquil (2)	Société de la Bourse de Luxembourg S.A.	
Marc Saluzzi (8)	PricewaterhouseCoopers S.à r.l.	
Dieter Steberl	Swiss & Global Asset Management (Luxembourg) S.A.	
Germain Trichies	Credit Suisse Asset Management Fund Service (Luxembourg) S.A.	
Denise Voss (13)	Franklin Templeton Investments	

* replaced Wilfried Siegmund (1) as of 17 December 2009

** replaced Hugh Mullan as of 11 March 2010 who replaced Gareth Adams (7) as of 17 September 2009

executive committee

Claude Kremer	Chairman	Arendt & Medernach
Gilbert Schintgen	Vice Chairman, National Affairs	UBS Fund Services (Luxembourg) S.A.
Thomas Seale	Vice Chairman, International Affairs	European Fund Administration S.A.
Camille Thommes	Director General	Association of the Luxembourg Fund Industry
Julien Zimmer	Treasurer	DZ BANK International S.A.

technical committees chairpersons group

Claude Kremer	Chairman	Arendt & Medernach
Gilbert Schintgen	Vice Chairman, National Affairs	UBS Fund Services (Luxembourg) S.A.
Thomas Seale	Vice Chairman, International Affairs	European Fund Administration S.A.
Julien Zimmer	Treasurer	DZ BANK International S.A.
Jean-Christoph Arntz	Chairman Risk Management Committee	Allianz Global Investors Luxembourg S.A.
Freddy Brausch	Chairman Legal and Regulatory Committee (International Affairs)	Linklaters LLP
Stéphane Brunet	Chairman Asset Management Forum	BNP Paribas Asset Management Luxembourg S.A.
Geoffrey Cook	Chairman ABBL/ALFI Depository Bank Forum	Brown Brothers Harriman (Luxembourg) S.C.A.
Josée-Lynda Denis	Chairwoman TA Forum	BNY Mellon Asset Servicing
Martin Dobbins	Chairman Operational Techniques Committee	State Street Bank Luxembourg S.A.
Jacques Elvinger	Chairman Legal and Regulatory Committee (National Affairs)	Elvinger, Hoss & Prussen
Pierre Etienne	Chairman Special Products Committee	Pictet & Cie (Europe) S.A.
Lucien Euler	Chairman Human Resources & Training Committee	Fastnet Luxembourg S.A.
Michael Ferguson	Chairman Accounting and Reporting Committee	Ernst & Young S.A.
Noel Fessey	Chairman Fund Distribution Committee	Schroder Investment Management (Luxembourg) S.A.
Rudolf Kessel	Chairman Investor Forum	Union Investment Luxembourg S.A.
Lou Kiesch	Chairman Conferences & Promotion Committee	Deloitte S.A.
John Li	Chairman Tax Committee	KPMG
Bill Lockwood	Chairman Dirigeant (Conducting Officer) Forum	Franklin Templeton International Services S.A.
Marc Saluzzi	Chairman Alternative Investments Committee	PricewaterhouseCoopers S.à r.l.
Denise Voss	Chairwoman Communications Committee	Franklin Templeton Investments
Patrick Zurstrassen	Chairman Statistics & Economic Research Committee	MDO Services S.A.

strategic committee

Claude Kremer	Chairman	Arendt & Medernach
Thomas Seale	Vice Chairman, International Affairs	European Fund Administration S.A.
Freddy Brausch	Linklaters LLP	
Noel Fessey	Schroder Investment Management (Luxembourg) S.A.	
Rafik Fischer	KBL European Private Bankers S.A.	
José-Benjamin Longrée	CACEIS Bank Luxembourg	
Diana Mackay	MackayWilliams	
Julian Presber	Luxembourg School of Finance – Faculty of Law, Economics and Finance	
Marc Saluzzi	PricewaterhouseCoopers S.à r.l.	
Klaus-Michael Vogel	DWS Investment S.A.	
Denise Voss	Franklin Templeton Investments	
Camille Thommes	ALFI	
Charles Muller	ALFI	

regulatory advisory board

Gilbert Schintgen	Vice Chairman, National Affairs	UBS Fund Services (Luxembourg) S.A.
Julien Zimmer	Treasurer	DZ BANK International S.A.
Stéphane Brunet	BNP Paribas Asset Management Luxembourg S.A.	
Jacques Elvinger	Elvinger, Hoss & Prussen	
Jonathan P. Griffin	JPMorgan Asset Management Europe Bank S.A.	
Holger Hildebrandt	Deka International S.A.	
John Li	KPMG	
Jean-Michel Loehr	RBC Dexia Investor Services Bank S.A.	
Dieter Steberl	Swiss & Global Asset Management (Luxembourg) S.A.	



Administration

ALFI's administrative team forms the core of its service centre. In addition to secretarial tasks, it is in charge of

- Organisation and administration of ALFI's Technical Committees & WG (meetings, membership applications, documents), committees@alfi.lu
- Registrations for non-paying meetings and seminars, registrations@alfi.lu
- Accounting
- Maintaining ALFI's database
- Maintaining ALFI's IT infrastructure and website.

Administration team members are:

Support: Murielle Albessard, murielle.albessard@alfi.lu
Françoise Boettcher, francoise.boettcher@alfi.lu
Filipe de Lemos, filipe.delemos@alfi.lu
Laurent Molitor, laurent.molitor@alfi.lu
Ihsane Silistre, ihsane.silistre@alfi.lu

Accounting: Michel Broucke, michel.broucke@alfi.lu
Lydia Galla-Ruscitti, lydia.galla@alfi.lu

IT: Claude Leuschen, claudio.leuschen@alfi.lu

Industry Affairs & Statistics

This department tracks all issues relating to fund operation and administration, be it from an accounting, TA, depositary, IT, technical, statistical or reporting angle. In addition it produces market statistics and handles membership relations.

Team members are:

François Drazdik (Operations, TA, conference content), francois.drazdik@alfi.lu

Alexander Fischer (Accounting, Depositary, Risk, Tax Reporting),
alexander.fischer@alfi.lu

Laetitia Hamon (SRI, Microfinance), laetitia.hamon@alfi.lu

Régine Rugani (Statistics, Membership), regine.rugani@alfi.lu

Business Development

This unit supervises ALFI's promotion, development, research and communication efforts. It organizes conferences, roadshows and press events, publishes promotional material and looks after website content.

Members are:

Andreea Bran (Events), andreea.bran@alfi.lu

Marthe Noesen (Communications), marthe.noesen@alfi.lu

Pierre Oberlé (Market research, Islamic Finance), pierre.oberle@alfi.lu

Siobhan Roche (Events – Roadshows), siobhan.roche@alfi.lu

Irene Schultz-Gerstein (Events–Conferences), irene.schultz@alfi.lu

Legal & Tax Affairs

Our legal and tax affairs team tracks regulatory developments at international and national level. It prepares responses to regulatory consultations and analyses and addresses national legal issues.

Legal and Tax Affairs team members are:

Evelyne Christiaens (UCITS, MiFID, AML), evelyne.christiaens@alfi.lu

Isabel Hog-Jensen (special products, pensions; corporate governance),
isabel.hog-jensen@alfi.lu

Virginie Lebbe (non-UCITS, AIFMD), virginie.lebbe@alfi.lu

Susanne Weismüller (UCITS, tax), susanne.weismueller@alfi.lu

Luxembourg for Finance

ALFI is one of the main contributors to Luxembourg for Finance and has assigned two of its staff members to LFF activities. They are Jean-Jacques Picard and Eleanor de Rosmorduc.

structure of alfi committees 2010

■ Committee ■ Sub-Committee ■ Working Group ■ Sub-Working Group

A Accounting and Reporting Committee

Chairman: **Michael Ferguson**

(Ernst & Young S.A.)

ALFI Coordinator: **Alexander Fischer**

- A1 Fund Reporting Requirements**
Johnny Yip (Deloitte S.A.)
- A2 Capital Adequacy**
Emmanuelle Caruel-Henniaux
(PricewaterhouseCoopers S.à r.l.)
- A3 Accounting Issues**
Yves Francis (Deloitte S.A.)
- A3.1 Financial Instruments**
Accounting Bible
Gisele Detaille (KPMG)
- A4 IFRS (International Financial Reporting Standards)**
Johnny Yip (Deloitte S.A.)

B Conferences & Promotion Committee

Chairman: **Lou Kiesch** (Deloitte S.A.)

ALFI Coordinators:

B1 Conferences: **François Drazdik**,

B3 Geographical Coverage: **Pierre Oberlé**

- B1 Conferences**
Lou Kiesch (Deloitte S.A.)
- B1.1 Spring Conference**
Laurent Halbgewachs (F2C – Financial Communication Consult)
- B1.2 Autumn Conference**
Michel Lentz
- B1.3 Risk Management Conference**
Christophe Wintgens
(Ernst & Young S.A.)
- B1.4 Alternative Investment Funds Conference**
Michel Lentz
- B1.5 Alfi Golf Event**
Ulrich Binninger (ULB Consult)
- B2 Promotion**
Lou Kiesch (Deloitte S.A.)
- B3 Geographical Coverage**
Carmen von Nell-Breuning
(Ernst & Young S.A.)
- B3.9 Eastern Europe – Greece – Turkey**
Axelle Ferey (Ernst & Young S.A.)

B3.10 Middle East & Islamic Finance

Germain Birgen

(HSBC Securities Services (Luxembourg) S.A.)

B3.10.4 Middle East Dubai

Valerie Mantot (Loyens & Loeff)

B3.12 China – Hong-Kong – Taiwan

Pierre Bouchoms (Eurizon Capital S.A.)

Axelle Ferey (Ernst & Young S.A.)

C Alternative Investments Committee

Chairman: **Marc Saluzzi**

(PricewaterhouseCoopers S.à r.l.)

ALFI Coordinator: **Virginie Lebbe**

- C1 Hedge Funds**
Claude Niedner
(Arendt & Medernach)
- C1.1 HF-Marketing Strategy**
Claude Niedner
(Arendt & Medernach)
- C1.2 HF-Marketing Material**
Claude Niedner
(Arendt & Medernach)
- C1.3 HF-Side Pockets**
Claude Niedner
(Arendt & Medernach)
- C1.4 HF-Conferences**
Claude Niedner
(Arendt & Medernach)
- C2 Real Estate Funds**
Keith Burman (Brown Brothers Harriman (Luxembourg) S.C.A.)
- C2.1 Frequently Asked Questions (Faq) - Nav / 3rd Party Duties / Investors**
Amaury Evrard
(PricewaterhouseCoopers S.à r.l.)
- C2.1.1 Fin. Framework, Valuation of Properties, Nav, Fin. Reporting**
Benjamin Lam (Deloitte S.A.)
- C2.1.2 Responsibilities of Custodians, Centr. Admin., Other Parties REIFs**
Rodrigo Delcourt (Linklaters LLP)
- C2.1.3 Subscriptions, Redemptions, Other Investor Issues**
Patrick Reuter
(Elvinger, Hoss & Prussen)

- C2.2 Publications – Brochure / Survey**
Michele Kemp (Arendt & Medernach)
- C2.3 Conferences**
Joëlle Hauser
(Kremer Associés & Clifford Chance)
- C2.4 Training**
Michael Hornsby (Ernst & Young S.A.)
- C2.5 Reif Models**
Joëlle Hauser
(Kremer Associés & Clifford Chance)
Jeremy Souter (Aviva Investors)
- C3 Private Equity & Venture Capital**
Gilles Dusemon (Loyens & Loeff)
Alain Kinsch (Ernst & Young S.A.)
- C3.1 Private Equity AIFM Directive**
Gilles Dusemon (Loyens & Loeff)
Alain Kinsch (Ernst & Young S.A.)
- C3.2 Custodian and Administrative Agent**
Gilles Dusemon (Loyens & Loeff)
Alain Kinsch (Ernst & Young S.A.)
Christoph Lanz (Banque Privée Edmond de Rothschild)
- C3.2.1 Custodian**
Christoph Lanz (Banque Privée Edmond de Rothschild)
- C3.2.2 Central Administrative Agent**
Christoph Lanz (Banque Privée Edmond de Rothschild)
Robert Brimeyer
(Fideos Financial Services S.A.)
- C3.3 Limited Partnership (SCS)**
Gilles Dusemon (Loyens & Loeff)
- C3.4 Private Equity Brochure**
Alain Kinsch (Ernst & Young S.A.)
Gilles Dusemon (Loyens & Loeff)
- C3.5 Private Equity & MiFID**
Isabelle Lebbe
(Arendt & Medernach)
- C3.6 Private Equity – IOSCO Consultation**
Axelle Ferey (Ernst & Young S.A.)
- C4 SIF**
Michael Ferguson
(Ernst & Young S.A.)
- C4.1 Comparative SIF Analysis**
Gilles Dusemon (Loyens & Loeff)
- C4.2 SIF Brochure**
Nicolas Hennebert
(PricewaterhouseCoopers S.à r.l.)

- C5 Infrastructure Funds**
Amaury Evrard
(PricewaterhouseCoopers S.à r.l.)
Jean-Christian Six
(Allen & Overy Luxembourg)
ALFI Coordinator: **François Drazdik**

D Fund Distribution Committee

Chairman: **Noel Fessey**
(Schroder Investment Management S.A.)
ALFI Coordinator: **Pierre Oberlé**

- D1 Dematerialised Mutual Fund Sales Agreement**
- D2 “Made In Luxembourg” Fund Brand**
- D3 KID**
Noel Fessey (Schroder Investment Management S.A.)
- D3.1 KID – Risk & Reward**
Noel Fessey (Schroder Investment Management S.A.)
- D3.2 KID – Past Performance**
Noel Fessey (Schroder Investment Management S.A.)
- D3.3 KID – Charges**
Noel Fessey (Schroder Investment Management S.A.)
- D4 UCITS IV – Simplified Notification Procedure**
Michael Flynn (Deloitte S.A.)

E Human Resources & Training Committee

Chairman: **Lucien Euler** (Fastnet Luxembourg)
ALFI Coordinator: **Pierre Oberlé**

structure of alfi committees 2010

■ Committee ■ Sub-Committee ■ Working Group ■ Sub-Working Group

- F Legal and Regulatory Committee**
Chairman International Affairs:
Freddy Brausch (Linklaters LLP)
ALFI Coordinator: **Evelyne Christiaens**
–
Chairman National Affairs:
Jacques Elvinger (Elvinger, Hoss & Prussen)
ALFI Coordinator: **Susanne Weismüller**
–
Chairman Secretary (Plenary Sessions):
Jean-Robert Lentz
(PricewaterhouseCoopers S.à r.l.)
- F1 International Affairs and Developments**
Freddy Brausch (Linklaters LLP)
- F1.1 UCITS Developments**
Freddy Brausch (Linklaters LLP)
- F1.2 European Selling Rules**
Hermann Beythan (Linklaters LLP)
- F1.2.1 MiFID**
Alastair Woodward
(Aberdeen Global Services S.A.)
Florence Stainier
(Arendt & Medernach)
- F1.2.1.1 Section1:**
Organisational Requirements & Conflicts of Interest
Alastair Woodward
(Aberdeen Global Services S.A.)
- F1.2.1.2 Section2:**
Rules of Conduct
Florence Stainier
(Arendt & Medernach)
- F1.2.1.5 Section5:**
Supervisory Cooperation
Alastair Woodward
(Aberdeen Global Services S.A.)
- F1.2.2 Private Placement**
Frédérique Lifrange
(Elvinger, Hoss & Prussen)
- F2 National Affairs and Implementation**
Jacques Elvinger
(Elvinger, Hoss & Prussen)
- F2.1 UCITS Eligible Assets-General**
Francine Keiser (Linklaters LLP)
Michèle Eisenhuth
(Arendt & Medernach)
Nathalie Dogniez (KPMG)
Sub Gr 1 – Questions
Sub Gr 2 – Knowledge Sharing
- F2.1.1 Hedge Fund Indices**
Jérôme Wigny
(Elvinger, Hoss & Prussen)
Emmanuel-Frédéric Henrion
(Linklaters LLP)
- F2.1.2 Securities Lending**
Jacques Elvinger
(Elvinger, Hoss & Prussen)
- F2.2 AML**
Marco Zwick (Schroder Investment Management S.A.)
- F2.3 Cross Sub-Fund Investment**
Michaela Imwinkelried (UBS Fund Services (Luxembourg) S.A.)
- F2.3.1 Cross Sub-Fund Investment – Legal**
Michaela Imwinkelried (UBS Fund Services (Luxembourg) S.A.)
- F2.3.2 Cross Sub-Fund Investment – Operational**
Michaela Imwinkelried (UBS Fund Services (Luxembourg) S.A.)
- F2.4 Changes to Luxembourg Company Law**
Jacques Elvinger
(Elvinger, Hoss & Prussen)
- F2.5 Liquidity Funds**
John Parkhouse
(PricewaterhouseCoopers S.à r.l.)
- F2.6 Corporate Governance**
José-Benjamin Longrée (Caceis Bank Luxembourg)
- F3 Legal and Regulatory Product Coordination**
Freddy Brausch (Linklaters LLP)
Jacques Elvinger
(Elvinger, Hoss & Prussen)

G Operational Techniques Committee

Chairman: **Martin Dobbins** (State Street Bank Luxembourg S.A.)
ALFI Coordinator: **Alexander Fischer**

- G1 CSSF Circular 02/77 – Materiality of Errors**
Thierry Blondeau
(PricewaterhouseCoopers S.à r.l.)
- G2 Fund-Related Tax Requirements**
Renato Moreschi (RBC Dexia Investor Services Bank S.A.)
- G2.1 Savings Directive**
Renato Moreschi (RBC Dexia Investor Services Bank S.A.)
- G2.2 Other Tax Reporting Issues**
Renato Moreschi (RBC Dexia Investor Services Bank S.A.)
- G2.2.1 New German Tax**
Jens Uwe Pätsch (European Fund Administration S.A.)
- G2.2.2 UK Tax**
Birgitt Schitthof-Hoenninger (RBC Dexia Investor Services Bank S.A.)
- G2.2.3 Austrian Tax**
Johannes Höring
(The Bank of New York Mellon (Lux))
- G4 TER – Total Expense Ratio**
Daniela Klasen-Martin
(MDO Services S.A.)
- G5 GIPS**
Fanny Sergent
(PricewaterhouseCoopers S.à r.l.)
- G6 Swing Pricing**
Gary Janaway (Schroder Investment Management S.A.)
ALFI Coordinator: **François Drazdik**
- G6.1 Regulatory & UCITS IV**
Francis Kass (Arendt & Medernach)
- G6.2 IFRS**
John Parkhouse
(PricewaterhouseCoopers S.à r.l.)
- G6.3 NAV Volatility**
Chris Hacker (FIL (Luxembourg) S.A.)
- G6.4 Disclosure, Prospectus, KID**
Jérôme Wigny
(Elvinger, Hoss & Prussen)

- G6.5 Asset Class & Performance Fees**
Bob Schamine (RBC Dexia Investor Services Bank S.A.)
- G6.6 Research / Survey**
François Drazdik (ALFI)

H Special Products Committee

Chairman: **Pierre Etienne**
(Pictet & Cie (Europe) S.A.)
ALFI Coordinators:
H1 – H2: **Isabel Hog-Jensen**
H3: **Laetitia Hamon**
H4: **Alexander Fischer**

- H1 Pension Funds (joint with ABL)**
Ruth Bültmann (Assenagon Asset Management S.A.)
- H1.1 Pension Funds – Dedicated Pension Funds**
Ruth Bültmann (Assenagon Asset Management S.A.)
- H2 Securitisation Vehicules (joint with ABL)**
Isabelle Lebbe
(Arendt & Medernach)
- H2.1 Scope of Law**
Isabelle Lebbe
(Arendt & Medernach)
- H2.2 Tax**
Isabelle Lebbe
(Arendt & Medernach)
- H3 Socially Responsible Funds**
Nathalie Dogniez (KPMG)
- H3.1 SRI – Conference**
Xavier Heude (KBL European Private Bankers S.A.)
Francis Pedrini (Citibank)
- H3.2 SRI – Microfinance**
Thomas Seale (European Fund Administration S.A.)
- H3.3 SRI – Luxflag**
Anne Contreras
(Arendt & Medernach)
- H4 ETF Exchange Traded Funds**
Florence Alexandre (State Street Bank Luxembourg S.A.)

structure of alfi committees 2010

■ Committee ■ Sub-Committee ■ Working Group ■ Sub-Working Group

- H4.1 **Tax Analysis**
Laurent Pichonnier
(Global Finance Consult)
- H4.2 **Competitive Analysis**
Philippe Lenges (Deloitte S.A.)
- H4.3 **Promotion**
Eric Bley (Aviva Investors
Luxembourg S.A.)

Statistics & Economic Research Committee

Chairman: **Patrick Zurstrassen**
(MDO Services S.A.)
ALFI Coordinator: **Régine Rugani**

- I1 **Data Collection and Normalization**
Dominique Valschaerts (Finesti)
- I2 **Economic Research**
Paolo Vinciarelli (Banque et Caisse
d'Epargne de L'Etat, Luxembourg)

Tax Committee

Chairman: **John Li** (KPMG)
ALFI Coordinators: **Charles Muller**,
Susanne Weismüller

- J1 **Tax Coordination** (Chairmen SC)
John Li (KPMG)
- J2 **Subscription Tax**
John Parkhouse
(PricewaterhouseCoopers S.à r.l.)
Jacques Elvinger
(Elvinger, Hoss & Prussen)
- J3 **Taxation of Savings**
Georges Bock (KPMG)
- J4 **Double Tax Treaties**
Keith O'Donnell (Atoz Tax Advisors
Luxembourg)
- J5 **VAT**
Michel Lambion (Loyens & Loeff)
- J6 **Foreign Account Tax Compliance Act**
Gérard Laures (KPMG)

Risk Management Committee

Chairman: **Jean-Christoph Arntz**
(Allianz Global Investors Luxembourg S.A.)
Chairman: **Thomas Nummer**
(Allianz Global Investors Luxembourg S.A.)
Chairman: **Olivier Carré**
(PricewaterhouseCoopers S.à r.l.)
ALFI Coordinator: **Alexander Fischer**

- K1 **Market Risk**
Laurent Denayer (Ernst & Young S.A.)
Luc Neuberg
(Lux Investment Advisors)
- K2 **Counterparty Risk and Issuer Risk**
Thomas Nummer (Allianz Global
Investors Luxembourg S.A.)
Olivier Carré
(PricewaterhouseCoopers S.à r.l.)
- K3 **Operational Risk**
Graham Goodhew (JP Morgan
Asset Management (Europe) S.à r.l.)
- K4 **Liquidity Risk**
Bastian Wagner
(Deka International S.A.)

Communications Committee

Chairwoman: **Denise Voss**
(Franklin Templeton Investments)
ALFI Coordinator: **Marthe Noesen**

- L1 **Internet Site and Web 2.0**
Troy Bankhead
(Kneip Communication S.A.)
- L1.1 **Internet Site – Phase 1**
Troy Bankhead
(Kneip Communication S.A.)
- L1.2 **Web 2.0**
Troy Bankhead
(Kneip Communication S.A.)
- L2 **Publications**
Gaëlle Dimmer-Thiault
(European Fund Administration S.A.)
- L3 **Ambassadors**
Georg Lasch
(BNP Paribas Securities Services
Luxembourg)

1 Asset Management Forum
Chairman: **Stéphane Brunet** (BNP Paribas Asset Management Luxembourg S.A.)
ALFI Coordinator: **Camille Thommes**

2 Dirigeant (Conducting Officer) Forum
Chairman: **William Lockwood** (Franklin Templeton Int. Services S.A.)
ALFI Coordinator: **Camille Thommes**

3 Investor Forum
Chairman: **Rudolf Kessel** (Union Investment Luxembourg S.A.)
ALFI Coordinator: **Charles Muller**

4 TA Forum
Chairwoman: **Josée-Lynda Denis** (BNY Mellon Asset Servicing)
ALFI Coordinator: **François Drazdik**

- 4.1 TA Forum Steering Committee (TASC)**
Josée-Lynda Denis
(BNY Mellon Asset Servicing)
- 4.1.1 TA Operations**
Josée-Lynda Denis
(BNY Mellon Asset Servicing)
 - 4.1.1.1 Standardisation**
Caroline Prosperi
(Caceis Bank Luxembourg)
 - 4.1.1.2 Global TA**
Gary Janaway (Schroder Investment Management S.A.)
 - 4.1.1.3 Alternative Investments Operations**
Thierry Detz (BGL BNP Paribas)
 - 4.1.1.4 TA Business Ethics**
Tom Bruno (State Street Bank Luxembourg S.A.)
 - 4.1.1.5 Industry TA Training Programme**
Josée-Lynda Denis
(BNY Mellon Asset Servicing)
 - 4.1.1.6 TA Regulatory**
Josée-Lynda Denis
(BNY Mellon Asset Servicing)
 - 4.1.1.7 TA Reporting**
Investor Communication
Nicolas Buck (Victor Buck Services S.A.)

Fund Communication

Mario Mantrisi
(Kneip Communication S.A.)

4.1.1.8 Industry Issues & Developments
Josée-Lynda Denis
(BNY Mellon Asset Servicing)

4.1.2 Communication

4.1.2.1 Communication

4.1.2.1.1 Lux. TA & Distribution Forum
Josée-Lynda Denis
(BNY Mellon Asset Servicing)

4.1.2.1.2 TA Forum Website

François Genaux
(PricewaterhouseCoopers S.à r.l.)

4.1.2.1.3 TA Newsflash

4.1.2.1.4 Articles

4.1.2.2 Events

4.1.2.3 Industry Associations:
Building Bridges

5 ABL / ALFI Depository Bank Forum

Chairman: **Geoffrey Cook** (Brown Brothers Harriman (Luxembourg) S.C.A.)
ALFI Coordinator: **Alexander Fischer**

- 5.1 Assets Held in Standard Network**
Samuel Kuborn (RBC Dexia Investor Services Bank S.A.)
- 5.2 Assets Held Outside Standard Network**
David Micallef (The Bank of New York Mellon (Luxembourg) S.A.)
- 5.3 UCITS IV**
Frank Roden (BNP Paribas Securities Services Luxembourg)
- 5.4 External Relations**
Franck Wassmer (The Bank of New York Mellon (Luxembourg) S.A.)
- 5.5 EC Consultation – Operational**
Carlo Matagne (Banque et Caisse d'Épargne de L'Etat, Luxembourg)
- 5.6 EC Consultation – Legal**
Hermann Beythan (Linklaters LLP)
- 5.7 Real Estate & Private Equity**
Depository Issues
Christoph Lanz (Banque Privée Edmond de Rothschild)

Vital Issues

- V4 UCITS IV Steering Committee**
Freddy Brausch (Linklaters LLP)
- V7 AIFM**
Marc Saluzzi
(PricewaterhouseCoopers S.à r.l.)
ALFI Coordinator: **Virginie Lebbe**
- V8 Depository Bank**
Rafik Fischer
(KBL European Private Bankers S.A.)
ALFI Coordinator: **Alexander Fischer**



