

Asset Management Insights

Selected publications from Ernst & Young
Global Asset Management



Issue 6, July-August 2008

 **ERNST & YOUNG**
Quality In Everything We Do

Contents

Introduction	2
Recent Releases	3
Other Selected Publications	7
Global Asset Management Center	11

Introduction



Welcome to this issue of 'Asset Management Insights', collecting together global publications from Asset Management at Ernst & Young. We have included the recent global publications most relevant to asset management professionals. We hope you find them useful.

Publications are available to download from www.ey.com/assetmanagement or from the local country sites. Click 'library' to browse or to search for these and many more publications.

If you have any questions regarding these publications, or require more information, please get in touch with the Global Asset Management Center using the contact details located at the back of this document.

A handwritten signature in black ink, appearing to read 'Ratan Engineer'.

Ratan Engineer

Global Asset Management Leader

Recent Releases



Americas Asset Management News - Summer 2008 Volume II, Issue 3

Published quarterly by Ernst & Young Americas Asset Management Center

Features the latest in technical and industry news and what we're hearing and learning both inside and outside Ernst & Young in the Americas.

Featured articles include:

- ▶ Exchange-traded funds go mainstream
- ▶ Early results - FAS 157 disclosures
- ▶ Hedge Funds: time for a more mature business model
- ▶ Wealth of internal control reports allows greater transparency
- ▶ How investment reporting can improve value
- ▶ Go east, young hedge funds
- ▶ Why funds find IRS Section 6694 challenging
- ▶ New products create challenges for mutual funds

Download: www.ey.com/assetmanagement (click 'library')



Streamlining for sustainable growth Australia Product Rationalisation survey 2008

Published by Ernst & Young Australia, August 08

Australia's wealth management industry is one of the most product-saturated in the world. With legislative reform on the horizon, organisations will soon have a greater opportunity to rationalise a wider range of legacy products.

To gain insights into readiness, opinions and experiences the Australia practice surveyed senior representatives on Product Rationalisation.

Download: www.ey.com/assetmanagement (click 'library')



IFRS outlook - August 2008

Insights on International GAAP

Published monthly by Ernst & Young UK

IFRS outlook continues to bring you insights into recent IFRS developments and emerging issues on a monthly basis.

In this issue of IFRS outlook:

- ▶ IASB consolidation plans, and how they will impact you
- ▶ Shedding light on accounting for alternative energy
- ▶ Financial Reporting Developments - tentative decisions reached by the IASB regarding revenue recognition, income taxes and IFRS for private entities

Download: www.ey.com/assetmanagement (click 'library')



SEC proposes roadmap for IFRS adoption in US

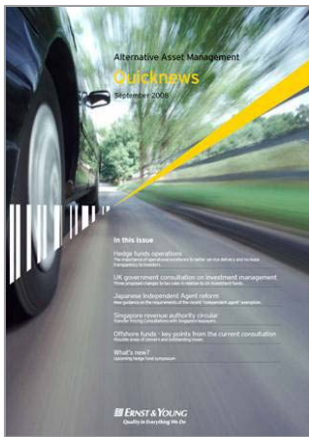
IFRS Hot Topic

Published by Ernst & Young US, August 08

The SEC has approved for public comment its long awaiting proposed "Roadmap" related to the eventual use of International Financial Reporting Standards (IFRS) by US companies.

This publication discusses the proposed roadmap and its content, in particular focusing on the decision to proceed with mandatory adoption of IFRS.

Download: www.ey.com/assetmanagement (click 'library')



Alternative Asset Management Quicknews, Sept 2008

Published monthly by Ernst & Young UK

A monthly synopsis of major news and events in the alternative asset management industry.

In this issue:

- ▶ Hedge funds operations - better service delivery and increased transparency to investors
- ▶ UK government consultation on investment management - three proposed changes to tax rules for UK investment funds
- ▶ Japanese Independent Agent reform - new guidance
- ▶ Singapore revenue authority circular - Transfer Pricing Consultations with Singapore taxpayers
- ▶ Offshore funds - key points from the current consultation
- ▶ Upcoming hedge fund symposium

Download: www.ey.com/assetmanagement (click 'library')



Netherlands Hedge Funds Update - Aug 2008

Published quarterly by Ernst & Young Netherlands

Bringing readers up-to-date on specific hedge-fund and other alternative investments-related news that has been published in recent months.

This newsletter focuses on features that are most relevant for Dutch hedge fund managers and administrators and, of course, the increasing number of institutional investors. Most of the hedge fund business in the Netherlands is driven by trends and regulations in places like the Netherlands, US, UK, Cayman Islands, British Virgin Islands and Bermuda. Consequently, there is a strong focus on trends and news affecting the hedge fund industry in these jurisdictions.

A range of public sources and results of public surveys and studies have been used to compile this newsletter. Where applicable sources are stated. Hedge fund specialists of several Ernst & Young service lines contribute to this quarterly newsletter.

Download: www.ey.com/assetmanagement (click 'library')



Congress focused on tax treatment of oil, natural gas and related commodities

Hedge Funds Tax Alert, August 2008

Published by Ernst & Young US

A draft was recently proposed in the Senate which would eliminate the long-term capital gain treatment on certain oil, natural gas and related commodities. Concern was voiced about excessive speculative trading in the oil and gas industry as traders and investors generally receive long-term capital gain treatment on a portion of their profits while dealers and those who take delivery of these products for their own commercial use do not receive the same treatment.

Download: www.ey.com/assetmanagement (click 'library')



Mutual funds: new strategies bring new challenges

Published by Ernst & Young US, July 08

The evolution of mutual funds into complex investment vehicles has enabled investment managers to utilize non-traditional financial instruments and strategies. Innovation enables them to compete for new capital, but to remain successful, fund managers must effectively navigate the risk, tax and compliance issues associated with this new environment. This article discusses these issues in detail.

Download: www.ey.com/assetmanagement (click 'library')

Other Selected Publications



Regulated Funds Quicknews - June 2008

Published by Ernst & Young UK

An ad-hoc synopsis of major news and events in the alternative asset management industry.

In this issue:

- ▶ A revised Statement of Recommended Practice (SORP) for UK authorised funds - the exposure draft
- ▶ EU Savings Directive (EUSD)
- ▶ The Eligible Asset Directive
- ▶ Offshore funds

Download: www.ey.com/assetmanagement (click 'library')



CrossCurrents Volume 9, Issue 2 - June 2008 *The Magazine for Financial Services Executives*

Published quarterly by Ernst & Young US

CrossCurrents is a quarterly Ernst & Young publication featuring content provided by our financial services practice, covering Asset Management, Banking & Capital Markets and Insurance around the globe.

Featured articles include:

- ▶ Bank finance heads into the breach
- ▶ Ready, set, go! Insurers gear up for Solvency II
- ▶ Back-office bonanza: improving credit derivative operations to gain competitive advantage
- ▶ Seven core challenges life insurance executives must address
- ▶ Rules of the game: winning in emerging markets
- ▶ Peak performance: does your anti-money laundering technology investment deliver?
- ▶ IFRS in the spotlight: preparing for the move
- ▶ Pare, then repair: looking for risk rewards
- ▶ Taxing protected cells: a loan in disguise?
- ▶ Commercial real estate: two ways to improve risk management

Download: www.ey.com/assetmanagement (click 'library')



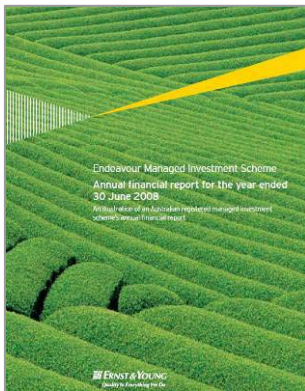
Australia Tax Insight - Managed Investment Trust withholding tax to fall

Published by Ernst & Young Australia Tax Services, June 2008

A series of Bills to implement the new Managed Investment Trust (MIT) final withholding tax regime for payments to foreign resident investors have been introduced into Federal Parliament.

These welcome changes will contribute to promoting Australia as a regional financial hub. They implement the 'Finance Hub' tax policy announced in the 2008 Federal Budget (and included in the May edition of Asset Management Insights - see page 7), replacing the previously announced Labor policy of a 15% final tax rate.

Download: www.ey.com/assetmanagement (click 'library')



Endeavour Managed Investment Scheme Year ended 30 June 2008

Published by Ernst & Young Australia, May 2008

This edition illustrates financial reporting requirements for the year ended 30 June 2008 for an Australian asset management entity applying International Financial Reporting Standards (IFRS). It has been prepared for a managed investment scheme that is a reporting entity, produced under the reporting requirements of the Corporations Act 2001 and Australian accounting standards.

Download: www.ey.com/assetmanagement (click 'library')



Alternative Asset Management Quicknews - Aug 2008

Published monthly by Ernst & Young UK

A monthly synopsis of major news and events in the alternative asset management industry.

In this issue:

- ▶ Proposed changes to the Investment Manager Exemption
- ▶ Changes to the VAT exemption for fund management services
- ▶ Substantial donors to charity
- ▶ Swiss consultation on new reporting regulations for foreign investment funds
- ▶ The MiFID Effect
- ▶ IRS addresses tax treatment of management fees for fund of funds

Download: www.ey.com/assetmanagement (click 'library')



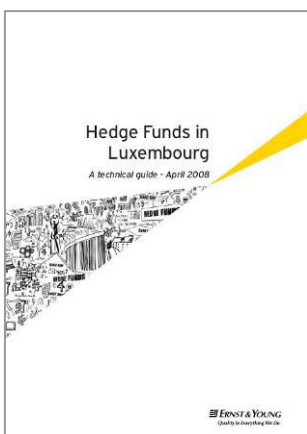
IRS addresses tax treatment of management fees for fund of funds

Hedge Funds Tax Alert, July 2008

Published by Ernst & Young US

This alert discusses the recently issued Revenue Ruling 2008-39 which generally holds that fund of fund-level management fees relative to activities solely related to acquiring, holding, and disposing of limited partnership interests should be categorized under IRC Section 212 and not IRC Section 162.

Download: www.ey.com/assetmanagement (click 'library')



Hedge Funds in Luxembourg

A technical guide - April 2008

Published by Ernst & Young Luxembourg

Ernst & Young Luxembourg's technical guide entitled Hedge Funds in Luxembourg 2008 provides an introduction to Luxembourg as a location for hedge funds, and a comprehensive guide to the setting up and running of Luxembourg hedge funds along with details of the key regulations applicable.

Download: www.ey.com/assetmanagement (click 'library')



The Luxembourg Financial Connection - May 2008 *for Executives in Financial Services*

Published every 6 months by Ernst & Young Luxembourg

Ernst & Young Luxembourg has published the ninth issue of the Luxembourg Financial Connection. This latest issue includes 6 articles and more than 40 news items on Luxembourg, EU and international developments.

Topics covered in this issue include:

- ▶ UCITS IV
- ▶ Management company operating models and monitoring frameworks
- ▶ Funds of real estate funds
- ▶ Expert group report on open ended real estate funds
- ▶ BSRMF Risk principles for asset managers

Download: www.ey.com/assetmanagement (click 'library')



The Luxembourg 2007 Law on Specialized Investment Funds

Published by Ernst & Young Luxembourg, April 2008

Luxembourg introduced a new law for investment funds to be distributed to "informed investors" in February 2007. The law on Specialized Investment Funds (the "SIF Law") significantly simplifies the rules for setting up fund structures such as hedge funds, real estate funds and private equity funds, greatly enhancing Luxembourg as a "domicile of choice" for such products.

This publication summarises the implications of the new law, the impact on the stakeholders, the process for establishing a SIF and the requirements for reporting, taxation and expenses.

Download: www.ey.com/assetmanagement (click 'library')

Global Asset Management Center

Ratan Engineer

Global Asset Management Leader
reengineer@uk.ey.com
+44 (0)20 7951 2322

Crispin Rolt

Markets Director
crispin.rolt@dk.ey.com
+45 35 87 25 35

Richard Le Tissier

Global Channel 1 Technical Leader
rletissier@uk.ey.com
+44 (0)1481 717 468

Leigh Pennington

Marketing Manager
lpennington@uk.ey.com
+44 (0)20 7951 2373

Brendan Dodds

Knowledge Coordinator
bdodds@uk.ey.com
+44 (0)20 795 10293

Joanne Coquard

Business Unit Coordinator
jcoquard@uk.ey.com
+44 (0)20 7951 1921

Ernst & Young

Assurance | Tax | Transactions | Advisory

About Ernst & Young

Ernst & Young is a global leader in assurance, tax, transaction and advisory services. Worldwide, our 130,000 people are united by our shared values and an unwavering commitment to quality. We make a difference by helping our people, our clients and our wider communities achieve potential.

For more information, please visit www.ey.com/assetmanagement

Ernst & Young refers to the global organization of member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients.

About Ernst & Young's Global Asset Management Center

The asset management industry is evolving at a deceptively fast pace. Asset managers and service providers face challenges every single day whether it's managing business growth, mitigating risk, providing transparency or embracing regulatory scrutiny. Ernst & Young's Global Asset Management Center brings together a worldwide team of professionals to help you achieve your potential – a team with deep technical experience in providing assurance, tax, transaction and advisory services. The Center works to anticipate market trends, identify the implications and develop points of view on relevant industry issues. Ultimately it enables us to help you meet your goals and compete more effectively. It's how Ernst & Young makes a difference.

© 2008 EYGM Limited.

All Rights Reserved.

This publication contains information in summary form and is therefore intended for general guidance only. It is not intended to be a substitute for detailed research or the exercise of professional judgment. Neither EYGM Limited nor any other member of the global Ernst & Young organisation can accept any responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this publication. On any specific matter, reference should be made to the appropriate advisor.