

## Funding and liquidity in today's capital markets

### Introduction

On 7-8 April 2009, members of the European Audit Committee Leadership Network (EACLN) met in Paris for the network's 11th stand-alone meeting. For further information about the network, see [About this document, on page 11](#). Members discussed regulation with the chairman of the Autorité des marchés financiers (AMF),<sup>1</sup> the audit committee role in financial communications<sup>2</sup> and the funding and liquidity challenges companies are facing in the current economic environment.

For the session on funding and liquidity, members were joined by Mr Didier Valet, Group Chief Financial Officer, Société Générale, and Mr Thierry Willième, Chief Executive Officer, GE Capital France, and focused on the following three topics during their discussion:

- **The broader economic and political context**
- **Funding trends and options**
- **Considerations for the audit committee**

Biographical information for Mr Valet and Mr Willième can be found in [Appendix 1, on page 9](#).

The members of the network participating in the meeting sit on the boards of over 30 large-, mid- and small-capitalisation public companies. Network members participating in the meeting included:

- Mr Aldo Cardoso, Audit Committee Chair, GDF SUEZ
- Mr Daniel Lebègue, Audit Committee Chair, SCOR
- Mr Anders Nyrén, Audit Committee Chair, Sandvik and SCA
- Sir Ian Prosser, Audit Committee Chair, BP
- Mr Pierre Rodocanachi, Audit Committee Member, Vivendi
- Ms Guylaine Saucier, Audit Committee Chair, Areva
- Mr Kees Storm, Audit Committee Chair, Anheuser-Busch InBev and Unilever
- Dr Bernd Voss, Audit Committee Chair, ABB
- Mr Lars Westerberg, Audit Committee Chair, Volvo
- Mr Mario Zibetti, Audit Committee Chair, Fiat Group

Ernst & Young was represented by Mr Tom McGrath, Managing Partner, EMEIA Financial Services, and Mr Christian Mouillon, Deputy Area Managing Partner, EMEIA.

<sup>1</sup> European Audit Committee Leadership Network, "The future of financial regulation: a discussion with the chairman of the AMF," *ViewPoints*, 8 May 2009. Available at [http://www.tapestrynetworks.com/documents/Tapestry\\_EY\\_Euro\\_ACLN\\_May09\\_View18.pdf](http://www.tapestrynetworks.com/documents/Tapestry_EY_Euro_ACLN_May09_View18.pdf).

<sup>2</sup> European Audit Committee Leadership Network, "The audit committee role in financial communication," *ViewPoints*, 8 May 2009. Available at [http://www.tapestrynetworks.com/documents/Tapestry\\_EY\\_Euro\\_ACLN\\_May09\\_View20.pdf](http://www.tapestrynetworks.com/documents/Tapestry_EY_Euro_ACLN_May09_View20.pdf).

*ViewPoints* reflects the network's use of a modified version of the Chatham House Rule whereby names of participants and their company affiliations are a matter of public record, but comments made before and during meetings are not attributed to individuals or corporations. Participants quotations from the meeting are shown in italics.

## Executive summary

During the discussion of the financial crisis and its implications for funding and liquidity, members and guests focused on the following topics, which are covered in more detail on the following pages:

- **The broader economic and political context** (Page 2)

Participants expressed concern about the global economy; they do not expect a recovery to begin in Europe before the first quarter of 2010, at the earliest. Although participants generally approved of governments' efforts to address the crisis, including the outcomes of the G-20 summit in London, they anticipated a resurgence of inflation by the middle of 2011. Participants also foresee possible geopolitical turmoil stemming from the poverty and unemployment associated with the crisis. Participants noted the emergence of a new economic model to address global financial imbalances and predicted a continuing role for government in the operation of the economy.

- **Funding trends and options** (Page 4)

Participants noted continued constraints on bank lending, partially caused by the increased capital requirements imposed by some governments. They fear the potential impact of excessive bank regulation, although they acknowledged the need for an updated regulatory regime in financial services.

Several recommendations for securing funding emerged. Companies should broaden and deepen their relationship with banks, but they should also consider other sources of funding, including equity and bond issuances, asset monetisation, and asset backed lending.

- **Considerations for the audit committee** (Page 6)

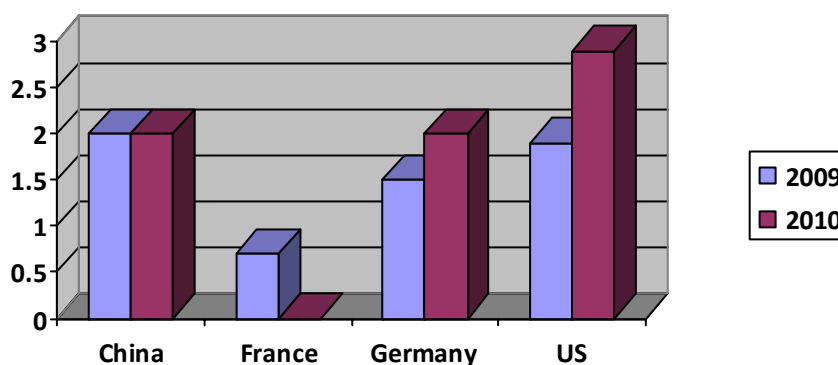
Participants noted that audit committees are now much more involved in monitoring funding and liquidity, including details such as debt covenants and cash flows, as well as the financial risk more broadly writ. Audit committees are also focusing more closely on the health of business partners, including customers, suppliers, joint venture partners and even subcontractors. While all types of partners are receiving scrutiny, critical suppliers are a special concern.

## The broader economic and political context

Throughout the meeting, participants discussed the prospects for the global economy and governments' efforts to revive it. In general, both network members and their guests expressed concern and uncertainty about the economy. One participant noted, *"If the consensus is right, then the European scene will be rough for some time. It will be spring of 2010 before things will get better."* Another remarked, *"Technically, it will be the end of GDP contraction in the second half of 2009. But we are not bullish on future economic growth; there are still large imbalances in the US, UK and Spain, and there is more deleveraging needed. At some time we will need to raise tax to replace spending post 2009, and that could reduce growth."*

Other participants expressed a hint of optimism (or perhaps a tempering of pessimism): *“The worst is probably behind us. The stimulus plan for the banks and the G-20 decisions were for the best and to avoid the worst.”* One said, *“I’m not optimistic, but not as pessimistic as we were before.”* Most participants predicted a faster recovery in the United States: *“The economy is more flexible. By the fall [of 2009], I think we will see America hit bottom and begin to recover.”*

The G-20 summit in London in early April was a source of cautious optimism, though some wondered if the impact would be mostly psychological. One participant noted, *“Worldwide regulators came together in a common agreement to regulate hedge funds, private equity etc. Now the details need to be discussed, but this is a positive sign. I agree the psychological impact was good, but will they execute?”* Another said, *“It’s a positive sign because the media reported it as positive, and that helped with the crisis in the minds of people. They are looking for any sign that things are getting better, any sign that someone is taking charge and doing something – it’s good for the psyche.”*



**Table 1. Discretionary stimulus spending as a percentage of GDP, selected countries<sup>3</sup>**

The run-up to the G-20 summit saw considerable debate about the proper response to the crisis, particularly the appropriate level of stimulus spending (see chart above for spending announced as of late January 2009). The Americans pushed for greater spending by other countries, while mainland Europeans argued for a more limited relaxation of fiscal discipline. In particular, France, Germany and Italy argued that the level of new spending already undertaken presented a future danger that should not be exacerbated with further spending.<sup>4</sup> While European discretionary stimulus spending lags that of the United States as a percentage of GDP, the additional stimulus from automatic stabilisers (such as unemployment and welfare benefits) tends to be greater in Europe.<sup>5</sup>

For many participants at the EACLN meeting, a longer-term concern stemming from the crisis was the likely resurgence of inflation resulting from many factors including heavy government spending, although

<sup>3</sup> International Monetary Fund staff, Group of Twenty Meeting of the Deputies (Washington, DC: International Monetary Fund, 2009), page 18. Available at <http://www.imf.org/external/np/g20/pdf/020509.pdf>.

<sup>4</sup> Tony Barber, Alan Beattie, and George Parker, “Atlantic stimulus rift grows,” *Financial Times*, 20 March 2009. Available at <http://www.ft.com/cms/s/0/fla38502-0ddc-11de-8ea3-0000779fd2ac.html>.

<sup>5</sup> Ben Hall and Ralph Atkins, “Transcript of interview with Christian Noyer,” *Financial Times*, 12 March 2009. Available at <http://www.ft.com/cms/s/0/ebd0d808-0f14-11de-ba10-0000779fd2ac.html>.

members disagreed on when it might return and how severe it might be. As one participant put it, *“It’s a big difficulty to determine if governments and central banks will allow inflation to rise – it’s the easiest way to finance debt.”* On average, members of the EACLN expected inflation to return by 2011, with rates in the 8-12% range.

Other participants were more sanguine and preferred to see a modicum of inflation as a lesser evil in the current environment. One participant said, *“Inflation will come back, but it will be small. We don’t fear it for several years. Governments can control inflation if they want to. More are fearing deflation today. Inflation may come back, but that will be a nice worry to have.”* Another predicted inflation in the 2-4% range: *“I’m not fearing the 70’s level.”*

Participants identified heightened geopolitical risk as another potential consequence of the crisis. One participant warned, *“Crises always make people poorer. If the result of the crisis is enormous poverty (in China or India or the Middle East), we could have enormous uprisings of people.”* Another noted, *“All big crises have led to war. Twenty million men are unemployed in the Middle East right now.”* Any political turmoil in the Middle East would drive up the price of oil and damage the global recovery. Alluding to one of the early drivers of European integration, one participant commented, *“One of the good things about the euro: there will never be a war within Europe again.”*

Participants also discussed a new economic model emerging from the crisis: *“Before the crisis, it was using one thing to finance another. There were different deficits in different regions: in the Anglo-Saxon world, it was houses; on the continent, it was government spending. There are surpluses in emerging markets, especially in China. All these imbalances need to be solved.”* Another facet of the new economy is growing government participation: *“What we have learned is that companies will need to deal with governments for the months and years to come. Banks have been nationalised. We have to play with these [politicians] who will decide, and we want to make it happen. Money will come from the government into industry.”*

## Funding trends and options

Leveraging the expertise of the two guests from the banking and finance community, the discussion focused closely on the health of banks, the availability of credit and the impact of regulation. In general, board directors saw the banks facing continued difficulties, with sombre implications for credit. One participant noted, *“Banks have only slightly loosened [lending], but it is still very, very tough.”* Another participant commented, *“The capacity for new lending is not there.”*

Echoing the hints of optimism regarding the economy as a whole, however, one participant said, *“The situation is better today than three to six months ago. Last September, when we asked banks whether they were prepared to extend our credit lines or short-term credit, there was a period when the answer was clearly no. For several weeks, it was no. Now, it’s not necessarily yes, but they are willing to discuss and respond. It’s progressively improving ... it’s now less stressful than it was.”*

## Government regulation

Although participants acknowledged the role of governments in saving the financial system from collapse, some identified government intervention as a cause of restricted lending. One participant remarked that the British government’s much-vaunted bank rescue in the autumn of 2008 had actually undermined banks’ ability to lend: *“[British Prime Minister] Gordon Brown destroyed the banks’ [ability to lend] ... he raised*

*the capital adequacy bar too high [to 10%] – well beyond Basel II [at 6%]. He called himself the saviour, but he destroyed it.”*

Participants addressed the issue of government regulation and potential over-regulation several times during the meeting. Speaking of Britain and the Financial Services Authority (FSA), one participant said, *“The FSA has made a total reverse on its banking regulation compared to 15–18 months ago. Then it was friendly and high level. Now [it is] asking for a huge capital cushion. And the UK was supposed to be the most banking friendly. Now we will have regulation in the most market friendly country.”* One participant retorted, *“Good; it’s fairer. London had an unfair advantage.”*

As mentioned above, participants see a new era of government involvement in banking across Europe, bringing with it certain costs. One participant stated, *“We have the risk of over-regulation from regulators like the FSA. There is a risk of re-nationalisation of credit. The UK government wants lending to the UK and doesn’t care about the rest of Europe. The same in France. Certain banks, even if global, will do this because only one taxpayer is paying [for them].”* Despite Gordon Brown’s warning about protectionism, banks such as the Royal Bank of Scotland (RBS) have reportedly favoured domestic borrowers at the expense of foreign ones.<sup>6</sup>

Participants discussed the tensions between innovation and regulation, noting that banks have to innovate to grow and thrive, but innovation can leave regulators behind, allowing financial instruments that have legitimate uses to be abused. One participant noted, *“People are criticising CDOs [collateralised debt obligations], etc., but the instruments are not bad. It is the complexity that made them bad. Conduits are not that risky if you refinance, but if you put hedge funds in it, that is bad.”*

Stepping back to consider the financial services sector more broadly, participants discussed the beneficial role that regulation might have played in preventing the rampant sale of credit default swaps (CDSs) that was a key factor in the crisis. Because the US *Commodity Futures Modernization Act* of 2000 exempted CDSs from the laws passed in 1908 to regulate certain types of speculation in securities, AIG was free to sell an enormous quantity of CDSs with insufficient capital to back up its exposure.<sup>7</sup> As one participant pointed out, *“It was two-thirds of their balance sheet, and it was unregulated.”* Another added, *“If this regulation hadn’t been lifted, it would be different.”*

### Funding options

The persistent difficulties in the banking sector pose significant challenges for companies trying to secure funding. Participants came up with several recommendations to address those challenges:

- **Move quickly to secure funding.** *“Companies need to secure 2009 and 2010 funding now.”* One participant mentioned that banks are willing to negotiate with large companies if borrowers are about to break their covenants: *“With large corporates, we are seeing some waivers.”* Governments too are sometimes pushing banks to be more flexible: *“In some countries, [banks] have no choice but to renegotiate covenants, because of government pressure. [They] are pushed to refinance at good rates.”*

<sup>6</sup> Simon Clark and Jon Menon, “RBS Banking Retreat Reveals Financial Protectionism,” *Bloomberg.com*, 11 February 2009. Available at <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aLzg6wKVqxt0>.

<sup>7</sup> Eric Dinallo, “We modernised ourselves into this ice age,” *Financial Times*, 30 March 2009. Available at <http://www.ft.com/cms/s/0/3b94938c-1d59-11de-9eb3-00144feabdc0.html>.

- **Build relationships with multiple banks.** *“Scale is not the answer for banks. You will need to retain more banks.”* However, some members were wary about that: *“Companies in the 1990s were promiscuous with their banking relationships and lost them ... We need to restore trust.”*
- **Develop deeper relationships with banks.** As a participant put it, *“Corporates will need to be more selective and have better, longer relationships with their banking pool.”* One approach might be to rely more on general banks rather than investment banks for higher-value-added work, so that the general banks don’t just *“get the bread but not the butter.”*
- **Think outside the box and beyond the banks.** Participants mentioned the cost of loans in the current environment. As one participant noted, *“Companies are learning what banks learned several months ago. Liquidity is expensive, but if you are keen to pay the right price, it is available. Everything is re-priced.”* However, another participant saw it differently: *“Banks are being difficult about funding, and it’s daylight robbery when you get it.”* Some participants indicated that there was little hope of getting funding from banks at a reasonable price and suggested that companies bypass banks: *“Companies have to think outside the box on where to get the money ... [They should] go outside the banking system for now.”*

Several alternative options for funding emerged. One participant said, *“We all need to be open to all sources of finance. Equity is cheaper now [than other sources]. We will see more convertible debt issues – why shouldn’t shareholders get the benefit of spreads?”* Analysts expect a wave of equity issuances in 2009,<sup>8</sup> and the first few months of the year brought many bond issuances.<sup>9</sup> Even the market for convertible bonds, which imploded in 2008, is seeing a revival as recovering equity markets make them cheaper than plain bonds.<sup>10</sup>

Other participants pointed to asset monetisation: *“Companies should consider unused assets for financing. Asset financing is good and guaranteed.”* Factoring, in which receivables are sold off to raise cash, is an option that one participant saw as competitive. In addition, receivables and other assets, such as inventory and equipment, can be used to secure asset-backed lending, an option favoured by banks because eligible assets in turn make it easier for banks to get funds from the Eurosystem (which expanded the list of eligible assets in October 2008).<sup>11</sup>

## Considerations for the audit committee

The challenges companies face in the current economic environment are placing new demands on boards and audit committees. Audit committees are finding themselves much more involved in monitoring funding and liquidity issues and in assessing business partner risk. For questions audit committees should be asking themselves and management about funding and liquidity, see Appendix 2, on page 10.

<sup>8</sup> Kate Burgess, Peter Thai Larsen and Miles Johnson, “Investors braced for new wave of rights issues after HSBC success,” *Financial Times*, 7 April 2009. Available at <http://www.ft.com/cms/s/0/980eccc-2309-11de-9c99-00144feabdc0.html>.

<sup>9</sup> Paul Davies, “Bond sales drive capital markets as loans falter,” *Financial Times*, 30 March 2009. Available at <http://www.ft.com/cms/s/0/142ef24c-1cc3-11de-977c-00144feabdc0.html>.

<sup>10</sup> Anousha Sakoui, “ArcelorMittal highlights convertible bond revival,” *Financial Times*, 24 March 2009. Available at <http://www.ft.com/cms/s/0/7684b2be-18aa-11de-bec8-0000779fd2ac.html>.

<sup>11</sup> Marc Jones and Krista Hughes, “ECB changes collateral rules, foreign exchange swaps,” *Reuters*, 15 October 2008, page 1. Available at <http://www.reuters.com/article/rbssFinancialServicesAndRealEstateNews/idUSLF7534720081015>.

## Monitoring funding and liquidity

Funding and liquidity have become top priorities for boards and audit committees. As one member noted in a pre-meeting discussion, “Funding, liquidity [and] refinancing are clearly on the top of the agenda of audit committees for all companies, not just financial companies.”

This focus has led to more frequent meetings, including by telephone. It has also prompted closer communication with the treasury function. In a pre-meeting discussion, another member highlighted the special capabilities of the audit committee: “If there is an imminent funding need, it is important to use the expertise of the audit committee to discuss how re-funding could or should take place.”

These measures are in line with the recommendations of several experts who, speaking prior to the meeting, emphasised that audit committees must go further than before to understand their companies’ situations: “You have to get under the numbers, challenging management and the treasury rather than just deferring to them, asking them to show you rather than tell you.” At the meeting in Paris, participants noted the importance of trying to identify risks that traditionally have been unforeseen. One participant asked, *“How many of us attended board meetings after the Lehman situation to address what was next, but who saw the risk coming?”*

Audit committees also need to keep a close eye on such details as the mobility of cash between different entities and jurisdictions, the cross default provisions in debt covenants and the potential impact of margin calls by counterparties. A participant in Paris warned about cash and cash equivalents on the balance sheet: *“We need to be careful to ask the CFO and treasurer how fast they can access this cash. Cash equivalents in subsidiaries are difficult or more expensive to access in some countries, like Algeria.”*

## Assessing business partner risk

Even if many larger companies are surviving in today’s constrained funding environment, smaller companies may be facing severe difficulties. EACLN members discussed the audit committee’s involvement in assessing the status of customers, suppliers and other business partners. One member commented before the meeting, “We are reviewing and monitoring counterparty risk – the financial situation and risks of major and even less important clients – in every audit committee meeting ... [We are] reviewing counterparty risk in all directions, including joint-venture partners.” At the meeting, one participant said, *“There is no decoupling in the world between countries or companies. If your suppliers and customers are falling down, it will impact you.”*

Members highlighted the need to pay attention to several types of business partners:

- **Financial counterparties.** The status of key financial counterparties such as insurers and hedging providers will need to be monitored closely to identify dangerous exposures.
- **Customers.** Companies will need to manage receivables carefully and keep a close eye on financing programmes.
- **Suppliers.** The situation is particularly difficult if a supplier is the sole source of a critical input.
- **Joint ventures.** Companies may need to be extra careful in evaluating the financial condition and creditworthiness of joint ventures – particularly those of strategic importance – and of their joint-venture partners, to the extent that additional capital may be required to weather the crisis.

One participant noted, *“Suppliers can be a problem. We have some who only [supply] us – this is a [particular] problem. We have to support them. We have no choice.”* Another said that the audit committee was looking carefully at partners in joint ventures: *“Management is presenting a clear assessment of the financial situation of major partners to the audit committee. [This] used to be done only for management – now [it is] done for the audit committee together with management.”*

Participants raised additional issues as well: *“When you are reviewing the financial health of a company, one thing being missed is the need to consider their pension scheme. Not just an accounting review, but a trustee evaluation – it is very different.”* Subcontractors also emerged as a challenge, particularly if they operate in distant countries. One participant said, *“It is important to check their solidity, and it’s not easy. When looking at the Lebanese or Korean subcontractors, how do you check their solidity?”*

## **Protecting the internal control environment**

Although few members had seen an increase in fraud or similar problems at their companies, many members are alert to the pressures that funding and liquidity issues can put on management and employees. One member stated before the meeting, *“The audit committee has to be extremely careful to safeguard the integrity of the numbers.”* Another noted, *“This morning, I spent more than one hour with the external auditors and asked several questions about the risk of fraud, corruption [and] accounting manipulation.”*

Protecting the internal control environment against cost-cutting initiatives was seen as important. Prior to the meeting, one member commented, *“We were warned by external audit and internal audit not to cut – this is a climate where fraud risk increases.”* Another member noted, *“We set up a co-ordinated team of [external audit] and internal audit, which has monthly meetings and is running smoothly, managing internal costs and audit fees.”* One member, also speaking before the meeting, explained that one of his companies had not touched internal audit because *“too many board directors want to see this maintained – they will take the budget to pieces to make sure it’s okay.”*

## **Conclusion**

EACLN members and their guests at the Paris meeting see continuing difficulties for the global economy and companies’ funding efforts. While the European economy will likely begin to recover by early 2010, participants expect that recovery will bring a surge of inflation. Although bank lending may be improving a bit, it remains very restricted. Participants recommend that companies build deeper relationships with multiple banks while also tapping other sources of funding, such as equity and bond issuances, asset monetisation, and asset backed lending. Audit committees should monitor companies’ liquidity and funding closely, and they should assess the health of business partners, especially critical suppliers who may require support to remain viable.

## Appendix 1: Brief biographical information on meeting guests

### **Didier Valet**

Didier Valet is group chief financial officer at Société Générale and a member of the group executive committee. Prior to this role, he was head of strategic performance management for Société Générale Group in the finance and development division.

Previous roles also include head of the European banking team in the equity research department at Société Générale Corporate and Investment Banking and head of investor relations, also at Société Générale Corporate and Investment Banking.

Prior to joining Société Générale, Mr Valet worked for Dresdner Kleinwort Benson as a research analyst covering the banking sector in France and the Benelux area.

### **Thierry Willième**

Thierry Willième joined GE in 2003. He is general manager of GE FactoFrance (the leading French factoring company), GE Equipment Finance, GE fleet services and commercial distribution finance. He is also chairman of Cofacrédit, a co-enterprise between Coface and GE, and board member of the Association Française des Sociétés Financières (ASF).

Mr Willième was formerly a member of the IBM France executive committee, director of IBM global financing for IBM in France, Belgium and Luxemburg, and chief executive officer of the French subsidiary IBM France Financement.

## Appendix 2: Questions audit committees should be asking themselves and management about funding and liquidity

- ? How do you see the banking sector and capital markets evolving over the next few years? What will be the impact of new regulations and other government initiatives?
- ? What challenges are your companies facing with their banks and in the capital markets?
- ? Are you satisfied with your company's liquidity management and funding efforts? How do you see these efforts adapting to the changing environment?
- ? Is the current board committee structure and process adequate for dealing with the funding challenges posed by the financial crisis? What is the division of labour between the audit committee and other committees? What changes might be helpful?
- ? Which extra initiatives to assist with and oversee management's handling of funding issues have proven useful? Which have been less useful? What sources of expertise are available to support the audit committee?
- ? Is the severity of the current crisis requiring new measures for monitoring partners and planning for disruptions? Have the thresholds for board or audit committee monitoring of customers or suppliers changed? Have more aspects of business partner risk been pushed up to board level?
- ? How can the audit committee ensure that management has adequately addressed business partner risks? What kinds of questions should the committee be asking?
- ? What types of compliance and control issues stemming from financial pressures are coming to the fore in your companies? How is the internal control environment faring in the face of these challenges? What measures might bolster it? What can the audit committee do to safeguard the internal control environment?
- ? How are you working with your audit partner in order to address funding and liquidity concerns? What kinds of pressure is management exerting on external auditors that could impact audit scope or quality? How should audit committees respond?
- ? What particular concerns do you have about your financial statements and related disclosures given the financial crisis? How is the audit committee dealing with these concerns?
- ? What do you think the long-term impact of the crisis will be on audit committee and board oversight? How are you ensuring your audit committee agenda keeps pace with the needs of your company in these financial markets?

## About this document

The European Audit Committee Leadership Network is a group of audit committee chairs drawn from leading European companies committed to improving the performance of audit committees and enhancing trust in financial markets. The network is convened by Ernst & Young and orchestrated by Tapestry Networks to access emerging best practices and share insights into issues that dominate the new audit committee environment.

*ViewPoints* is produced by Tapestry Networks to stimulate timely, substantive board discussions about the choices confronting audit committee members, management and their advisers as they endeavour to fulfil their respective responsibilities to the investing public. The ultimate value of *ViewPoints* lies in its power to help all constituencies develop their own informed points of view on these important issues. Anyone who receives *ViewPoints* may share it with those in their own network. The more board members, members of management and advisers who become systematically engaged in this dialogue, the more value will be created for all.

*The views expressed in this document represent those of the European Audit Committee Leadership Network, a group of audit committee chairs drawn from Europe's leading companies committed to improving the performance of audit committees and enhancing trust in financial markets. They do not reflect the views nor constitute the advice of network members, their companies, Ernst & Young or Tapestry Networks. Please consult your advisers for specific advice. Ernst & Young refers to all members of the global Ernst & Young organisation.*

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