

Let me give a brief summary from JPMorgan Asset Management's point of view of what we experienced.

The one thing I would immediately add to Dominic's remarks is 'trust'. Regaining trust remains the biggest hurdle that the industry has to overcome now, given what happened in the last couple of years.

We came out of 2007 recognizing that there was a market correction, which meant that we had to correct our cost base and unfortunately that meant redundancies in 2008. Earlier today, Markus Ruetimann talked about the war for talent, and the value of talent retention. Making redundancies of course always affects the talent pool you move forward with.

Following the Lehman collapse, it became apparent that there needs to be a greater awareness of local market infrastructures and some of their administrative functions, given the new market dynamics. When you dig beneath the surface you realize that there is a lot to learn and a lot of interpretation that has to be undertaken.

Securities lending is a critical area. Again, on the surface, everyone in asset management knows what securities lending is and how it is used. But security lending is a custody speciality, and few portfolio managers have detailed knowledge of the mechanics of how security lending is administered. We realized that we needed to make people much more aware of the workings of security lending.

Our custody cash sweep was another product to consider. We knew that we had time deposits with a list of approved counterparties, but was the concept of time deposits sufficiently understood? Can you break a time deposit if a counterparty comes up on a watch list? You will still get conflicting views as to whether you can break a time deposit. Ultimately we take the view that in good times you can, by mutual agreement with your counterparty, but in a stress situation, it's very unlikely.

The repo market in Europe is not as advanced as the US, and it comes as a surprise to our American colleagues that we put out such sums of money with no collateral. The tri-party agreements that are used particularly in the US market are fundamentally much more secure in that respect.

Post Madoff, a strong light was shone in the industry on issues around the segregation of client assets. We realized there is a big difference between looking at a global custodian's statement of holdings to understand your assets, and actually going through the different interpretations of the rules and regulations in the multiple jurisdictions where the assets are ultimately located.

There was a lot of talk yesterday about converting invested assets into cash, because people feel cash is a safe haven. However, in some situations it can actually be the worst thing to own. There is another layer that you need to get beneath to understand the exact situation.

So overall, we emphasise strong governance with clear responsibility. Who pays for that? We believe good governance is just part of the cost of doing business. We have a fiduciary responsibility as an asset management company, so we have to have good

governance and now we have simply moved up a couple of notches. Who bears the cost? We do.

As we strive for best practice in vendor governance, there is an impact on some of our key suppliers. Just as we now want new reports to improve clarity and transparency as to how money is held, that is multiplied at our custodians, our fund accountants and our transfer agents who all have new client requirements to meet. We are all paying more for the cost of doing business.

A final aspect: The financial crisis is also a huge distraction for us. There is so much time and energy spent worrying about the economy and what is going to happen next, what is safe and what isn't. Instead we should start concentrating more on our own sphere of influence. What can we do to prepare for whatever is going to happen, because we can't predict the future.

Our sphere of influence is to make our own operating environment more efficient. We should make good judgment calls about the new regulation that is coming out now, and we should try to work towards harmonized regulation across Europe to better protect our client assets. We should always remember that, ultimately, it is our mums' and dads' money and our own money that we are looking after!