meridian

ASSET MANAGEMENT (C.I.) LIMITED

Investment Memorandum

Because of what has happened since the quarter end, the third quarter report appears academic but it is important to maintain the cycle of reports in their usual order. Our review this quarter considers the possible repercussions from events which have occurred in financial markets in recent days and some tentative conclusions may be overtaken by events, so fast moving are they. But it is important to try to look ahead because it is easy to lose sight of longer term consequences for economies and markets

The tables below detail relevant movements in markets :

International Equities 30.06.08 - 30.09.08

Total Return Performances (%)				
Country	**Local Currency**	**£**	**US$**	**€**
Australia	-10.9	-18.3	-26.8	-17.9
Finland	-18.5	-18.9	-27.4	18.5
France	-9.6	-10.0	-19.4	-9.6
Germany	-10.1	-10.5	-19.9	-10.1
Hong Kong, China	-24.2	-15.1	-23.9	-14.7
Italy	-12.0	-12.4	-21.5	-12.0
Japan	-17.3	-7.8	-17.4	-7.3
Netherlands	-13.4	-13.8	-22.8	-13.4
Spain	-7.4	-7.8	-17.5	-7.4
Switzerland	-4.5	-3.1	-13.2	-2.7
UK	-11.7	-11.7	-20.9	-11.3
USA	-8.3	+2.4	-8.3	+2.9
Europe ex UK	-10.8	-11.2	-20.5	-10.8
Asia Pacific ex Japan	-16.3	-16.3	-25.1	-16.0
Asia Pacific	-16.8	-12.0	-21.2	-11.6
Latin America	-21.4	-24.3	-32.2	-23.9
All World All Emerging	-19.5	-17.5	-26.2	-17.2
The World	-11.4	-5.9	-15.7	-5.5

Source FTSE World Indices

FT Government Securities Index All Stocks (total return) : +4.5%

International Bonds – Benchmark Ten Year Government Bond Yields (%)

Currency	30.06.08	30.09.08
Sterling	5.13	4.46
US Dollar	3.98	3.84
Yen	1.60	1.48
Germany (Euro)	4.63	4.04

Sterling's performance during the quarter ending 30.09.08 (%)

Currency	Quarter Ending 30.09.08
US Dollar	-10.4
Canadian Dollar	-6.1
Yen	-10.3
Euro	+0.5
Swiss Franc	-1.4

Other currency movements during the quarter ending 30.09.08 (%)

Other Currency	Quarter Ending 30.09.08
US Dollar/Canadian Dollar	+4.8
US Dollar/Yen	+0.2
US Dollar/Euro	+13.3
Swiss Franc/Euro	+1.9
Euro/Yen	-10.7

Significant Commodities (US dollar terms) 30.06.08 – 30.09.08(%)

Significant Commodities	30.06.08 – 30.09.08
Oil	-30.6
Gold	-2.6

Markets

Returns differed greatly over the last quarter depending upon a portfolio's base currency. The total return on the FTSE World Index was -11.4% in local currency terms, -5.9% in sterling terms, -15.7% in US dollar terms and -5.5% in euro terms. In all major equity markets, local currency returns were negative. The USA showed the smallest negative return, -8.3%, whilst the largest negative return from the main markets was seen in Japan, -17.3%. The total return from the FTSE Europe ex UK Index was just slightly better than on the FTSE World Index at -10.8%. Within Europe ex UK, Switzerland held up relatively well with a total return of -4.5%. Elsewhere, Asia Pacific ex Japan, Latin America and emerging markets experienced an underperforming quarter with respective returns of -16.3%, -21.4% and -19.5%. One of the features of the quarter has been the weakness of sterling against the main currencies with the exception of the euro which has been weaker even than sterling. Sterling adjusted returns, except against the euro and Australian dollar, have therefore been less negative than the local currency returns and, in terms of the FTSE USA index, have even been positive. In sterling adjusted terms, the FTSE USA Index returned 2.4% whilst the negative return on the Japanese market was reduced to -7.8%. On the other hand, because the euro was slightly weaker than sterling, the negative return on the FTSE Europe ex UK Index increased to -11.2%. Elsewhere, because of the significant weakness of the Australian dollar, the negative return on the FTSE Australia Index increased to -18.3%. The negative return on the FTSE Latin America Index was increased in sterling terms to -24.3% but, on the other hand, currency strength against sterling reduced the negative return on the FTSE All World All Emerging Markets Index to -17.5%.

Because of the turbulence in financial markets, high quality bonds have benefited during the quarter. Taking ten year government bonds as a benchmark, sterling government bond yields fell by 67 basis points to 4.46%, those on US government bonds by 14 basis points to 3.84%, those on Japanese government bonds by 12 basis points to 1.48% and those on German government euro denominated bonds by 59 basis points to 4.04%.

As we indicated above, movements in the currency markets have been quite spectacular with the US dollar, yen and Canadian dollars powering ahead against sterling and the euro. Against the US dollar sterling fell by 10.4% over the quarter, against the yen by 10.3% and against the Canadian dollar by 6.1%. It was slightly lower against the Swiss franc by 1.4% but managed a 0.5% improvement against the euro. In the cross rates, the US dollar rose 13.3% against the euro whilst the euro fell by 10.7% against the yen.

Lost in all the financial news was weakness in the commodity markets with oil falling by 30.6% in US dollar terms. The movement in gold was small, down just 2.6%.

Usually, in our economic and financial review, we look at the important issues which have influenced markets over the previous quarter, discuss general economic issues and then move on to discuss the main areas of the world economy. Given recent events, it would seem appropriate to change the format for this review and try to draw some general conclusions from what is happening and relate them to longer term investment policy. Events are moving so fast that short term conclusions might be overtaken by events but, nevertheless, it is an exercise worth undertaking. Because of what has happened in financial markets over the last few weeks, economic forecasts, made even very recently, risk becoming out of date as soon as they have been written so it is not of great value at this moment to try to forecast the growth or contraction in GDP in the world economy or different areas of the world. General thoughts, however quickly they may be overtaken by events, may, therefore, be of more relevance.

Firstly, what will it mean for the banking system? Whilst we cannot say that things will never be the same, they certainly will not be the same for a very long time. A number of banks will contract and the stronger will become stronger as they either acquire weaker banks or gain market share. We are seeing this already. Through a mixture of stronger regulation and greater conservatism, more assets will move on to their balance sheets, lending standards will tighten and lending margins will almost certainly widen. Banks' increased financial standing might also lower their relative funding costs.

It follows that there will be consequences for consumers, businesses and the wider economy. Credit will become more difficult to obtain and become more expensive relative to base rates. Banks will want to shore up their profits because it is almost inevitable that bank supervisors will want to raise capital requirements so they will want better margins on their lending businesses. The effect on the economy will be contractionary relative to what it would have been prior to problems in financial markets. The effects on the housing markets in many countries, and we are already seeing this in countries such as the USA, UK, Spain and Ireland, will be profound. Difficulties in obtaining mortgages as well as higher costs will affect the perceptions of house prices which, for many until recently, have been a one way bet. Houses will be places to live in rather than speculate in. The collapse of the buy to let market in the UK is a case in point.

The economic effect on individuals from the decline in house prices will be negative. Whereas rising house prices raised consumer confidence and led to a positive wealth effect having a positive multiplier effect throughout the economy in question, the reverse is true as house prices fall and negative equity becomes more common. Consumers will trade down and spend less. The woes of some UK retailers bear testament to this effect and it will get much worse.

Because the credit crunch is an international phenomenon, many businesses will feel the effect. Unemployment is bound to rise as businesses cut costs or go bankrupt. They may simply be unable to obtain finance. Other things being equal, this will have a disinflationary effect as price competition increases. One may expect to see retailers offering more price promotions or holding more frequent sales. Commodity prices may fall although caution is in order here. Agricultural commodities can be susceptible to different influences such as the weather or a reduction in land available for food because of it being diverted to biofuels. Oil prices can be influenced by the OPEC oil cartel which will undoubtedly lower production in the face of demand weakness.

Many countries will suffer a deterioration in government finances as tax revenues are affected by falling profits, incomes and sales taxes or, at least, not the increases which had previously been expected and expenditure is raised because of increased unemployment levels. The UK stands out as an example of a country which stands to be particularly severely affected. It has been running an imprudently large budget deficit going into the downturn. This now threatens to reach serious levels. Normally, governments are wise to use the good times to build up surpluses ready to use in the bad times to stimulate the economy. In these circumstances, the automatic stabilisers should come into play whereby expenditure can rise as revenue disappoints and be accommodated by a government's financial position. Thus taxes do not have to rise to fund unemployment benefits and the automatic stabilisers provide some offsetting stimulus. Countries like the UK do not have the luxury of the automatic stabilisers providing a low risk economic stimulus because the government is already overborrowed. If we take the UK as one example of a country which is in this position, we see a number of malign consequences following. Government deficits fall into two parts, structural and cyclical. Ideally, there should be no structural deficit with the surpluses and deficits being of a cyclical nature so that, in good times, surpluses are run which can finance the deficits in bad times and help to keep an economy on a more stable path. A structural deficit is one which is built into an economy, irrespective of its state, and implies a chronic imbalance between expenditure and income. In these circumstances, the normal position would be that public borrowing as a percentage of GDP would continue to rise, as would debt servicing costs, creating a vicious spiral.

Should this matter ? Yes, it should, because the consequences will have to be faced at some stage, either in the domestic bond markets or in the currency, as foreigners express their concern. We have seen an excellent example at the moment in the eurozone bond markets where there are a number of over indebted countries. Germany is the highest regarded eurozone credit and, at the time of writing, the ten year government euro denominated bond has a gross redemption yield of 4.03%. Even France and the Netherlands, still good credits, have gross redemption yields over 30 basis points higher whilst, in the case of Italy and Greece, the respective figures are 82 basis points and 90 basis points. These spreads have widened considerably in recent weeks and reflect a lack of confidence in various eurozone credits and the fact that governments have to ensure that their finances are in a respectable shape, otherwise they will be punished by financial markets. The single currency cannot bale out eurozone countries running imprudent economic policies. It is true that, in the examples above, the Italian and Greek economies cannot experience their own currency devaluation but they can be punished by a low credit rating and increased borrowing costs which can lead to an economic crisis. Although we will not concentrate on it in this review, we have mentioned in the past the threat to the euro as a concept caused by economic divergence. The present turmoil in financial markets which has spread to Europe with a vengeance is a major test of the euro project.

Perhaps the best example of the dangers to an economy caused by the effects of the events in financial markets can be seen in the UK. The economy is vulnerable in a number of ways. The financial services sector accounts for around 10% of GDP. Not only will the sector shed significant numbers of employees but the losses and profit reductions in the financial services industry will seriously affect the government's tax take. The importance of the housing market to the UK economy and, therefore, to the government because of stamp duty, will be another negative point for the UK's finances. During the years of good economic growth, the Treasury consistently underestimated the level of government borrowing and the "golden rules" for borrowing are going to have to be rewritten. Rising unemployment will adversely affect the expenditure side of the equation. Recent tax concessions resulting from the abolition of the 10p tax band and a temporary suspension of stamp duty on houses up to £175,000 are, at present, unfunded. Politically, coming up to a general election, it is going to be difficult to cut public spending and / or raise taxes so it looks as if public borrowing is going to rise well above forecast. If this happens, and it can be anywhere, not just the UK, some adverse consequences will follow. The currency could well weaken. Sterling has fallen sharply, firstly against the euro and now against the US dollar and yen. It also has the disadvantage of the UK suffering from a considerable current account deficit which, when international confidence in an economy is low, can weaken a currency. A fall in the value of sterling is inflationary. As more and more government stock is issued to finance the government's deficit so the appetite of potential buyers can diminish, necessitating the offer of higher yields. It is possible that investors may be so risk averse for a while that they will be willing to buy increasing amounts of government stock, even with negative real yields, particularly when confidence in the banking system is low. This cannot go on indefinitely, and the probability of higher interest rates in the medium and longer end of the bond market is a threat. Whilst the Bank of England can set short term interest rates, the market sets longer term interest rates and the increasing amounts of government debt, together with its cost, pushes up the servicing costs each year and, so, adds to government expenditure. The fact that sterling has fallen so sharply indicates that what has happened to government finances and the current account deficit has not gone unnoticed abroad. Because of the single currency the effects are different in some respects in the eurozone but are still malign. However, it looks as if banking and economic problems in several eurozone economies are dragging down the single currency. Whilst the problems in the financial sector started in the USA and the US economy slowed down first, as we have seen Europe has been hit full on. The eurozone economy has come to a halt and the Belgian, French and Dutch governments have for example had to provide support to one or both of Fortis and Dexia, two major financial institutions. France is showing signs of reneging on its promise to the EU to balance its budget by 2012 and budget deficits almost everywhere in the eurozone will be under pressure in cases where there is an existing problem. So, having been a very strong currency, as our table shows, it has fallen heavily against the dollar and been stable against a weak sterling having earlier risen strongly against it. The euro can be infected by some of the problems of its weaker members, and the widening in bond yield differences between the strongest and weakest credits in the eurozone, as we showed earlier, will also be a source of increasing strain. Almost certainly, economic performances will diverge, and because of economic tensions and the fact that the eurozone is not an optimal currrency area, we believe it is not certain that the eurozone can exist as a monetary union indefinitely. The test for sceptics may come earlier than expected.

The economic situation at present will present an interesting dilemma for eurozone finance ministers and the ECB. The stability and growth pact will be tested by worsening government finances which will challenge the target of moving towards balanced budgets. As we said above, we have already seen France beginning to backslide on its commitments again in this respect and, in such challenging circumstances, it must be expected that governments will put their national interests before those of the eurozone. Budget deficit rules in the eurozone will go by the wayside. We are seeing this with individual countries giving guarantees on bank deposits which are beggar thy neighbour policies although co-ordinated action is now being taken. Although not at the very top of people's minds at present, the ramifications for the eurozone of what is happening are likely to be significant.

The general deterioration in governments' finances threatens to "crowd out" the private sector. As it is, businesses and individuals will find it more difficult and expensive to borrow because of banks' unwillingness or inability to lend to certain classes of borrower but the extent of governments' increased borrowing needs would, in any case, make it more difficult for the private sector as it is "crowded out" by governments' borrowing.

There are two weapons which governments and central banks have at their disposal to influence their economies, fiscal and monetary policy. For those countries which have not been running structural deficits, unlike the UK for example, there is room to provide a fiscal stimulus to help to offset the effects of slower growth or recession. For those economies where the size of their budget deficit precludes a fiscal stimulus, this course is not open to them or, at least, should not be. If a government proposes a fiscal stimulus when it is already running a large budget deficit, it runs the risk of seeing interest rates rise, increasing doubts about its creditworthiness (see our comments above about strains within the eurozone bond market), perhaps currency weakness and increasing inflation. The USA has already, earlier this year, provided a fiscal stimulus but it is doubtful whether it could provide another one. The other tool is monetary policy, but it is likely to have only a very limited effect at present. This is because, even if interest rates fall, many borrowers would not benefit.

As we have indicated above, they may have difficulty in obtaining finance in any case so lower borrowing costs may be academic to them. Even if they can obtain finance, it is likely to be more expensive, relative to what they would have paid before, because stresses in the money market and competition for savings make borrowing more expensive to them. At present, stress in the interbank market is extreme. For example, at the time of writing, one month sterling LIBOR stands at about 107 basis points over base rate and three months' LIBOR stands at about 128 basis points over base rate. Similar strains are shown in the relevant US dollar and euro interbank markets. What this means is that the transmission effect of lower official interest rates is very limited at present. Furthermore, there can be inflationary risks being run if real interest rates are negative. In practical terms, because companies and individuals are battening down the hatches at present, they will not be able to go on a borrowing and spending spree which could be inflationary but the effects may be felt indirectly through the foreign exchange market. A lowering of relative interest rates in one country could, but not necessarily will, mean that foreign investors will find a currency less attractive vis-à-vis another one and sell it. This will not always be the case. For example, the recent recovery in the US dollar has coincided with a time of negative real interest rates with the federal funds target rate at only 2% now reduced to 1.5%. But for a currency in a declining trend, such as sterling, relative reductions in interest rates could exacerbate a trend.

Whilst much of the attention has, naturally, focused on the banking industry, some hedge funds have been making the news for the wrong reasons. In some quarters, there has been a tendency to regard them as an answer to everyone's investment requirements but that has never been the case and, now, some unpleasant issues are beginning to arise for the sector. This, of course, is a generalisation - some funds are performing as investors would expect but many are not and showing up the fundamental problems of many funds. It is also making many people aware of the charges levied by hedge funds. In a conventional investment portfolio, temporary downward movements in value are likely to be recovered and then reversed in line with the normal long term uptrends in markets. The nature of hedge funds is that a downward movement may never be recovered because of their structure or type of strategies employed if the latter do not work according to plan. So, in present market conditions, when so many unthinkable events have occurred, some hedge funds have incurred problems which have been well documented in the press. In market terms, for whatever reason, including expected large redemptions, considerable forced selling will be seen in the near future which can be expected to contribute to market volatility. Further bad news from the industry is inevitable and the industry will not be the same again.

As with everyone else, governments, central banks and regulators have been shocked by what has happened and profound changes will follow. Whenever there is a major shock to the system, there is a tendency to believe that something like this will never happen again but something different inevitably does. But we can be confident that, this time, lessons will be learnt which will last for longer than usual and governments, central banks and regulators will see to that. Banks will face much tougher capital requirements and supervision and off balance sheet items will be scrutinised carefully. Measures will be taken to reduce leverage. As a broad generalisation, banks will become more like banks used to be in the past, not only in terms of restrictions on what they may have off balance sheet, but in much more conservative lending policies. There will be a political price to pay as voters' anger at some of the remuneration packages of those in the finance industry has to be assuaged by the politicians. The truly shocking vote against the US Administration's financial rescue package plan on 29 September when it had been expected to pass, given the nature of the situation, was partly put down to voters' anger, transmitted to their representatives, about the rewards for failure on Wall Street. The other reason given, more worrying in a way, was a belief by some voters, also transmitted to their representatives and even perhaps believed by some of them, that what was happening on Wall Street would not affect them. Nothing, of course, could be further from the truth. With the Democrats likely to control Congress and the Presidency, retribution is likely to be swift and strong. It is important, in lawmakers' anxiety to avenge voters' wrath at what has happened, that nothing is done which will hamper the proper functioning of the financial system in any country through excessive legislation and regulation. For countries like the UK, where the financial sector is so important to the economy, it is important that politicians' natural desire to increase regulation and oversight does not, in the medium and long term, kill the goose which lays the golden eggs. Important financial centres in the Middle and Far East are ready to gain from over regulation in the UK or USA or, indeed, fiscal measures for individuals which make existing important financial centres like these two so important.

In terms of stock markets, investors need to watch out for attacks on the free market system which has given those who dislike it a chance to berate it. But whatever its faults, and the current problems have been caused by excesses in the financial services industry, it has normally delivered increasing prosperity. Investors need to watch for political trends which threaten this state of affairs for economic growth measured over any but the shortest time.

As banks become much more conservative in their lending policies, governments are restrained from stimulating their economies and individuals become much more cautious in their economic behaviour, the present economic contraction in a number of economies is likely to give way to slower medium term economic growth. What we can now see as excesses of the past will take a long time to work out of the economic system. The likely positive effect, which will take time to emerge, is that economic growth, although slower, will be of better quality and likely to be more sustainable. Because of the battering which Western economies have taken, economic power, which has been moving steadily eastwards, will continue to move, perhaps more rapidly, in that direction.

As always, in these circumstances, there will be winners. In the financial sector, for example, we are already seeing examples of banks acquiring others or parts of them which should provide benefits which they could not have imagined they would receive in normal circumstances, the businesses not being available for sale or not available at that price or not being available for competitive reasons, now overruled by circumstances. Companies in any field with a strong financial position will acquire weaker companies or, perhaps, parts of companies in administration. These will enhance their investment attractions. It is very easy to be gloomy with the economic and financial news which we hear each day. We need to remember that it is in everyone's interests, whether they be governments, central banks or regulators, to ensure that the severe problems in the financial sector are addressed and a framework established whereby confidence returns to the banking sector. The money markets have to be freed up which will happen when banks stop hoarding cash and start to lend to each other again.

Once that happens, money market interest rates should start to ease relative to base rate. When conditions become more normal in this respect, monetary policy has a better chance to be effective because the transmission effect into the real economy will be stronger. Lower interest rates will provide some relief to businesses and individuals and a slight increase in confidence should cause most to spend a little more with modestly positive multiplier effects throughout the economy. But the path back will be slow. Unemployment in the west will rise, probably sharply, and many businesses will not survive the crunch. Demand will fall or, at the least, be very subdued and price competition will increase. Efficient firms will do well at the expense of less efficient ones. Gradually through the mechanism described above, the seeds of a recovery will be sown.

The still rapid growth in the Middle East, Far East, parts of Latin America and emerging markets gives some cause for optimism on two fronts. Although their growth rate in absolute terms will slow down, it will be at a rate of provide some impetus to the world economy. Secondly, although some of the sovereign wealth funds and private overseas investors have experienced short term losses on some of their investments in western financial institutions, they are long term investors and are likely to invest more. Opportunistic purchases of companies or assets by strong western or wealthy foreign investors, which we are already seeing, are likely to be a feature for some time to come and they should eventually provide good returns.

At times like these, it is tempting to look back for historical precedents. The Great Depression was aggravated by poor policy decisions on interest rates and moves towards protectionism. In the first oil crisis of the early 1970s, inflation rocketed and by those standards, current inflation levels are benign. The Asian and Russian banking crises were generally well handled internationally and an action plan to deal with the collapse of the Long Term Capital Management hedge fund worked. The aftermath of 9/11 also seemed to be handled well in terms of recovery in the world economy. The contrary view of which one hears much now is that the Greenspan "put" - i.e. accommodating monetary policy to support asset values, led to excessive risk taking on the basis that the Federal Reserve would bail out markets. Macroeconomic conditions and inflation are nowhere near as bad as in the Great Depression or the first oil crisis but the banking position is worse than in the secondary banking crisis of the early 1970s. If the authorities can gradually restore confidence to the banking sector, the outcome, although unpleasant, might be less unpalatable than in either of those first two economic events.

In these circumstances, it is important not to take hasty action. A well diversified portfolio, in the circumstances we have seen, will experience a number of very disappointing performers as hits have occurred in very unexpected places. The majority of companies in such a portfolio will remain sound even though affected by economic circumstances. As we have shown, they may gain a competitive advantage as weaker companies fall by the wayside. Even though the earnings outlook for companies has deteriorated against the outcome we might have expected until recently, ratings of many shares internationally look low, certainly against bonds. They look better value than bonds which, in the case of top quality issues, have benefited from a flight to safety. When things settle down, the sheer volume of issuance is likely to push up yields to more realistic levels. Yields are too low at present.

How might events turn out for the final quarter of 2008 ? Events are moving so quickly that it might seem foolhardy to try to set out a scenario, but we will try to do so. The prerequisite for economic stability is a restoration of trust in the banking system which has been so lacking. Whilst most individuals and businesses accept that the stock market goes up and down and that business cycles are part of economic life, no individual or business would ever believe that money placed in large well known banks could be at risk. Nothing prepares them for this scenario. The frantic movement of funds between banks seen in the second week of October bears testament to the fears about the banking system. Individual and collective measures taken by the leading nations to restore confidence in the banking system ranging from effective nationalisation to the guaranteeing of bank deposits and interbank loans should work in tandem with central banks' provision of further access to liquidity. It is probable that the interbank market will gradually start to unfreeze and interest rates relative to normal expected levels will begin to appear. Assuming that this happens, the transmission effect of the co-ordinated (mostly half point) cut in interest rates in the second week of October might start to become effective.

Although we have previously been sceptical about the pace of interest rate reductions, the disinflationary effect of what has happened to the world economy, plus the need to stimulate it to try to move it to more normal conditions, makes it likely that there will be further co-ordinated interest rate reductions which will have a greater transmission effect because of more normal conditions in money markets. Because of the severity of the current banking situation, a reduction in interest rates would not risk causing any "bubble" effects caused by cheap money for obvious reasons. It goes without saying that most countries will be reporting poor economic numbers. As some semblance of normality returns to the markets, it is likely that short dated government bonds in the main centres will see their yields move closely towards money market rates whilst, because of the sheer volume of government bond issuance, medium and longer dated issues will see yields rise. However, market volatility is likely to remain an issue for international equities. Deleveraging will continue. Hedge funds will continue to be forced sellers as they deleverage and / or sell assets to meet redemptions. This will be a big issue for the sector and one which is likely to see it reduced in size. For companies, one thing is certain. The strong will become stronger and many weaker companies will go out of business. There is serious economic pain to come for many individuals, as unemployment rises and house prices continue to fall, and for companies. But for those who are not forced sellers of good quality assets, a recovery will come at some stage. Yields and price / earnings ratios are attractive for many companies and, amidst all the gloom and worry, business will continue albeit that there will be profound changes for many companies particularly in the financial sector.

September 2008

Notice to readers: