



STATE STREET

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### **DEUTSCHE ASSET MANAGEMENT LAUNCHES WITHHOLDING TAX BREAK POOLED FUND FOR INSTITUTIONAL INVESTORS 05/17/2004**

**Fund will be first Common Contractual Fund combining withholding tax break benefits of segregated US equity holdings with lower costs of pooled funds**

#### **State Street will Provide Investment Servicing Support for New Fund**

*London and Dublin ...* Deutsche Asset Management (DeAM), the U.K.'s largest active fund manager, has announced the launch of the Deutsche GlobalSpectrum Common Contractual Fund (GlobalSpectrum CCF), the first fund enabling U.K. institutions investing in U.S. equities to benefit from both the lower costs of a pooled fund and the withholding tax breaks previously limited to segregated equity. State Street Corporation (NYSE:STT), the world's leading provider of services to institutional investors, has been appointed investment service provider for the fund.

The GlobalSpectrum CCF is aimed at small- and medium-size U.K. pension fund investors for whom holding a portfolio of U.S. equities has not previously been financially viable. This fund is the first of its kind to take advantage of regulatory changes in Ireland, where the fund will be domiciled, which allow for pooled funds to receive U.S. equity dividends free of U.S. withholding tax. This new structure will result in annual savings of 30 basis points, a significant saving in the context of a pooled fund investing in U.S. equities.

Currently DeAM has clients with assets totaling £128.6 million immediately ready to invest in the fund, with an expectation that the open-ended fund may reach total assets under management of approximately £500 million once all interested clients move their assets from other portfolios.

Paul Berriman, U.K. CEO of Deutsche Asset Management commented: "Until now, many small-and medium-sized institutional investors who wanted to take advantage of liquidity and growth opportunities in the U.S. market have been unable to do so because they would have suffered withholding tax charges.

Deutsche, already the largest pension fund manager in the U.K., is pleased to be the first to offer this lower cost pooled fund, taking advantage of recent regulatory changes in the Republic of Ireland."

The CCF structure also has the potential to be used by DeAM to benefit pension funds domiciled in jurisdictions other than the U.K.

"We are very proud to participate in the launch of this fund with our valued client Deutsche Asset Management," said Willie Slattery, head of State Street's investor services business in Ireland. "We are confident that our pioneering servicing approach will precipitate a significant flow into pooled pension fund products, an area in which State Street remains uniquely placed to serve our client base with a complete solution."

Deutsche Asset Management operates in over 60 countries around the world and manages Eur 589.9bn/ USD 733bn of assets (as of 31/03/04). Almost half of these assets are invested for clients in Europe, the home market of Deutsche Bank, its parent company. Deutsche Asset Management has a presence in 15 locations throughout Europe with major fund management and client servicing hubs in London and Frankfurt.

Deutsche Asset Management works with a wide range of institutional clients in Europe including corporations, insurance companies, industry-wide pension funds, local government authorities, and charities. It has expertise in all major areas of investment

and offers products in four main areas: active equities, active fixed income, balanced and alternative investments.

With roughly Euro 878 billion in assets and approximately 66,900 employees, Deutsche Bank offers unparalleled financial services in 74 countries throughout the world. Deutsche Bank competes to be the leading global provider of financial solutions for demanding clients, creating exceptional value for its shareholders and people.

Deutsche Bank ranks among the global leaders in corporate banking and securities, transaction banking, asset management, and private wealth management, and has a significant private & business banking franchise in Germany and other selected countries in Continental Europe. [www.deutsche-bank.com](http://www.deutsche-bank.com)

State Street Corporation (NYSE:STT), is the world's leading specialist in providing institutional investors with investment servicing, investment management and investment research and trading services. With \$9.4 trillion in assets under custody and \$1.2 trillion in assets under management, State Street operates in 24 countries and more than 100 markets worldwide. State Street first established its presence in Ireland in 1990 and today is one of the largest fund administrators in the market with over 600 employees based in Dublin and Kilkenny.

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