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Luxembourg for Finance

THE OFFICIAL NEWSLETTER
OF THE LUXEMBOURG FINANCIAL CENTRE

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TRAINING IN PRIVATE BANKING

Nothing is eternal

DOSSIER

Passion investments

WINE FUNDS

Wine matures as a viable asset class

FOOTLOOSE IN THE FUND INDUSTRY

Many asset management groups are reviewing the domicile of their current fund ranges, and not just for alternative asset classes but also for traditional funds like UCITS. LFF asked Michael Ferguson, European regulated funds leader at Ernst & Young Luxembourg, and Jérôme Wigny of Luxembourg law firm Elvinger, Hoss & Prussen, why this was happening.

In Michael Ferguson's view, the pressure to rethink strategy is driven by such developments as the G20 pressure on tax havens, corporate governance pressure against the use of offshore funds and additional regulatory scrutiny (new accounting standards, the AIFM Directive[1]). Jérome Wigny sees redomiciliations as mainly driven by demand. Certain investors cannot or do not wish to invest in non-regulated funds and they put pressure on promoters to establish or redomicile funds. They agree that the UCITS III regime offers an attractive alternative due to its distribution potential, avoiding the uncertainties of the AIFMD. Whatever the reason, business is brisk: "Not a week passes that I don't personally get at least 3-4 inquires from alternative managers wanting to discuss the options offered by Luxembourg", says Ferguson.

Which markets are winning the business?

Luxembourg and Ireland offer the main alternatives to non-regulated jurisdictions, but it is too early to state who is "winning". With its reputation for cross-border selling, Luxembourg has the bulk of the UCITS market, but this is not the case for alternative investment funds: "Most groups (...) are in the process of conducting due diligence on their various options" comments Michael Ferguson. "Luxembourg and Ireland are at the top of the list, followed by Malta for some asset classes."

Jérôme Wigny points out that the reputation of the Luxembourg SIF[2] regime is growing fast. However, "Dublin has long standing expertise in servicing hedge funds and has therefore developed contacts with their promoters." Where alternative funds are concerned Luxembourg must work to make itself attractive, but there is a clear opportunity, he feels, because "It's all about distribution".

Ernst & Young estimates that Luxembourg has taken 30% of the on-shoring of so-called Newcits[3]; in addition to Newcits, other assets amounting to over EUR 140 bn have moved to Luxembourg in the last 5 years. "The key driver has been that these groups were seeking to facilitate and enhance their international distribution, whether in Europe, the Americas or Asia" says Ferguson. However, he warns that "certain countries where asset management expertise is based are exploring the possibility of building an international investment fund platform." Moreover, Dublin is implementing new legislation and regulations to facilitate the legal re-domiciliation of funds - and bring Ireland into line with Luxembourg.

Luxembourg must believe in the opportunity

Luxembourg needs to increase its share of the non-UCITS market. A key advantage is its brand reputation for having an agile, pragmatic legislator, a cohesive industry, servicing capability for international distribution and strong investor protection, such as regulations to safeguard against market timing abuses, compensation for investment breaches and valuation errors.

"The growth in recent years has been impressive", says Wigny, but "we need a nation-wide consensus for allocating appropriate resources to become a centre of excellence for servicing these kinds of funds". Ferguson agrees, adding that Luxembourg must listen carefully to both investors and asset managers and react to their needs in a timely manner.

They agree that the AIFM directive, whatever its outcome, is likely to drive significant additional business to Luxembourg, where the SIF legislation meets most of the proposed requirements. "The success factor for Luxembourg in 1985, with the onset of UCITS, was that everybody pulled in the same direction" says Wigny. The key for winning business post AIFMD is to be "ready" from an operational, regulatory and legislative point of view. This is something that Luxembourg knows how to do. (ER)

(1) The Alternative Investment Fund Managers Directive, as drafted, will increase regulatory scrutiny of offshore funds.

(2) Specialised Investment Fund (2007)

(3) UCITS funds adopting hedge fund strategies

NOTHING IS ETERNAL

Around the world the wealthiest people are getting richer. Ultra high net worth clients are the fastest growing slice of the private banking market and many banks have revised their product range in consequence. But have they revised their staff training too? Are private bankers up to client expectations? Roger Hartmann, CEO of VP Bank Liechtenstein Group since April 2010, has strong views on the subject. After spells in London, New York and Singapore Roger Hartmann was CEO of UBS Luxembourg for 7 years before later joining Ernst & Young for a couple of years. He has been one of the initiators of private banking training programmes in Luxembourg.

The main role of a private banker is to help clients manage their money. But this job is becoming increasingly complex: clients become ever more demanding and the array of potential investment products has widened. Roger Hartmann agrees that the profession has become more challenging. He sees three areas in which the modern private banker needs to excel. "He must have outstanding social skills in order to understand what the customer wants. Another skill is related to the complexity of the job: he must have very good skills in asset management and structuring. Last but not least, solid tax skills are required. In the new environment, the private banker needs to know the tax system of the client's residence."

Is Luxembourg in the driving seat?

For Roger Hartmann, it is imperative that private bankers undertake rigorous training. He praises the Luxembourg Institute for Training in Banking (IFBL) for having reacted rapidly to changing circumstances. In 2008, the Certified Private Banker was launched, a training program developed by the financial centre for the financial centre. The course benefited from the support of the Private Banking Group Luxembourg (PBGL).

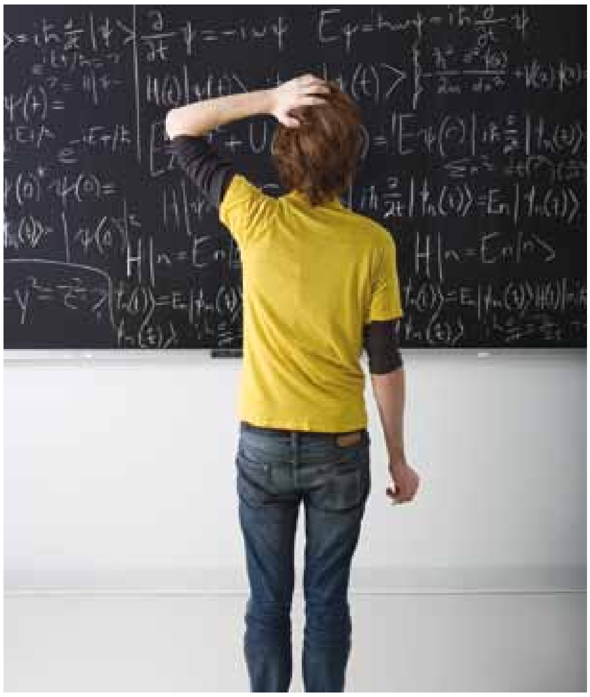
But there is more. Roger Hartmann goes on to talk of an international qualification, awarded by the Association of International Wealth Management (AIWM), in cooperation with the Luxembourg Bankers' Association (ABBL) and the IFBL. "It is a Swiss programme which works well in Switzerland, of course, but also in many other financial centres and it has now been imported to Luxembourg. The courses are extremely robust and demanding. When talking with students who are in this programme, they confirm that it takes great effort, tenacity and a lot of discipline too". For Roger Hartmann, it is essential that universities close the gaps by setting up their own private banking courses. He mentions a programme soon to be offered by the Ecole des HEC in Lausanne in cooperation with the Carnegie Mellon University in Pittsburgh. The Luxembourg School of Finance acts as a junior partner alongside these two universities, with its undertaking to offer the module on investment funds and fund administration. "I am convinced of the fact that this high level programme will be second to none regarding private banking training. So all summed up, we can say that Luxembourg really is in advance in this matter."

Well armed to meet the enemy fleet

The private banking industry is in rapid evolution and Luxembourg has identified the market niche in which it can excel. A Belgian customer with purely "Belgian" interests will be well serviced by a private bank in Belgium. However, if this same customer has investment structures in Luxembourg, an apartment in France, a holiday property in Spain and companies in Germany and South Africa, the Belgian banker may be unable to service those needs. "These demands can only be met by financial centres such as Luxembourg, Switzerland, Liechtenstein and Singapore", says Roger Hartmann, because they have a multi-country and cross-boarder approach to their work. He adds that those centres have understood that it is important to speak the client's language.

Banks that want to deliver state of the art services to a demanding clientele need excellent staff. Roger Hartmann believes that the shortage of qualified staff is an issue common to all financial centres, be it Luxembourg, Switzerland or Liechtenstein. He speaks from experience, adding that it is hard to find tax experts in the region.

In his opinion the talent war will not be fought out now, because of the effects of the financial crisis, but will become a challenge over the coming decade. There is one



damper though: "From an incentive perspective, I think that Luxembourg is heading in a challenging direction. The tax increase planned for next year by the government could potentially discourage talent from moving to Luxembourg."

Roger Hartmann concludes that Luxembourg is well prepared to compete with rival private banking centres, because of its multilingual staff and multi-country approach that is not, for instance, to be found in Germany or France. Furthermore, the staff training in private banking is exemplary. He is confident that Luxembourg is adapting rapidly to the changing world of finance; but there remains one condition that has to be met in order to succeed: everybody needs to understand that nothing is eternal, not even a system that has worked well for 30 years. (CW)

ART AS AN INVESTMENT

Michael Moses, Adriano Picinati di Torcello and Enrico Lunghi share the same passion. Although working in completely different sectors, the three men have dedicated their professional life to the arts.

Michael Moses, associated professor of New York University's Stern School of Business, together with Jiangping Mei, has developed the Mei Moses® Fine Art Index that compiles data allowing them to track the long-term performance of fine art. Enrico Lunghi, Director of the Luxembourg Musée d'Art Moderne Grand Duc Jean (MUDAM) since its opening in 2008, is one those privileged people who can work in an artistic environment all day long and actively influence the cultural development of a country.

Adriano Picinati di Torcello, Senior Manager at Deloitte Luxembourg, has been analysing the evolution of the art market for several years and is in charge of coordinating initiatives and activities around art and finance. Three men, three interviews on why we need to put more passion into our investments.

© KNEIP Art Collection: *Philippe Huart, Warning, watchout!*

An asset class with three beauties

LFF: What is the Mei Moses® family of fine art indexes used for?

MM: The indexes can be used for several different purposes. They can be used to compare the returns achieved at the major auction houses to those of other asset classes. They can be used with other indexes in wealth management for the design of optimally balanced portfolios. They can be used to mark art assets to market.

LFF: How do you measure relative performance of art indexes compared to other more classical indexes?

MM: Once you have an index that explains well the true returns achieved by the underlying assets that make up the asset class then the index can be used just like any other financial index. Each of the Mei Moses family of art indexes explain at least 50% of the variability in the returns of the repeat sale pairs that make up each index. The post war index is at the 50% level while the old master and impressionist index explains over 70%.

LFF: What is the demand for art and the market size?

MM: No one really knows the true size of the art market. The only public information is what transacts at auction and that can run from 10-25 billion dollars depending on the year. There is no price transparency in the dealer market and therefore it is impossible to know how big it is on a worldwide basis. Our guess is that the markets are of about the same size since if one was better than the other it would drive the other out of business which has not yet happened. If you add to these figures the inventory of museums and other institution we would not be surprised by a market capitalisation of 2-5 trillion dollars for the entire art and antiques market. Therefore art is a major asset class!

LFF: Why make a passion investment?

MM: Art is one the few asset classes that possess three beauties. The observational beauty of the object, the fun of being a collector and the positive, above

Michael Moses,
associated professor
of the Stern School of Business,
New York University

inflation, return the asset produces. Passion investors get the latter for free, financial investors get the first two for free.

LFF: Do you have to be an expert to invest in this relatively new class of assets?

MM: As with any other class, study and information gathering are important characteristics of successful investing. Over the last ten years a substantial body of research and transactional databases has become available in the art market to help the fledging investor. One important fact that any art investor should understand is that art is very democratic. Our research has shown that you do not have to buy the most expensive works to get the best financial performance. Masterpieces tend to underperform the overall art market.

© DekaBank Deutsche Girozentrale Luxembourg S.A.: *Haubitz + Zoche, Luftsprung*

LFF: Is art a safe haven investment in times of crisis?

MM: Our All Art index tends to lag the S&P 500 by 6-18 months. It is often the case that for short downturns the art market is not affected at all. However during significant periods of global wealth destruction, like 2008, the art market will not be untouched. Our All Art index dropped by about 30% in 2009.

LFF: How can an art fund generate return?

MM: Like any other fund an art fund can generate return by the wise buying and selling of the underlying assets. It can also act like a gold or other commodity fund whose assets appreciate on a market-to-market basis without the paying of a dividend.

LFF: Does high quality yield high return?

MM: We have found no quantifiable definition of quality that uniformly implies high returns or less risk based on our database of over 15,000 art objects that have sold at auction at least twice. As mentioned earlier, if price is your definition of quality, then that does not work. If the number of cumulative citations and exhibitions achieved by a work of art at the time of purchase are used to define quality, then a larger count does not yield higher results.

LFF: Which works of art have the highest liquidity?

MM: Liquidity in the art auction based market is difficult to measure. Objects are usually not left on the auction house walls for long periods of time, or from auction to auction, waiting for a buyer. We therefore measure liquidity by how likely an object will sell between the auction house estimates or not sell at all. The question then is: do high price works perform better on these measures than low priced works? This can be studied since the impressionist and modern sales at the biggest auction houses are divided into day and night sales with the really pricey works selling in the night sales. We collected over 20 years of data on these sales, over 20,000 potential transactions, and found that the no sale rates and the out of estimate rates for both the day and night sales were almost identical. There seems to be no liquidity advantage based on price. (CW)

Culture is a long term thing

LFF: In 1995, Luxembourg was "cultural capital of Europe". Did political awareness change as a result of this experience and has Luxembourg become more attractive from a cultural point of view?

EL: Since 1995, Luxembourg has been increasingly perceived, nationally and internationally, as a city with a dense and diversified cultural scene. During the same period, it also became a respected participant in European cultural developments in several artistic fields, such as the visual arts, contemporary music, dance, theatre and literature. The Golden Lyon for the best national pavilion won by Su-Mei Tse at the Venice Biennale in 2003 is a good example of this recognition. The Government created new institutions to respond to and encourage this trend. But culture is a long-term thing: it is only in 10 or 20 years that we will be able to evaluate what has been achieved so far.

LFF: Did 1995 provide a boost for the local cultural scene?

EL: For sure, the enthusiastic atmosphere of 1995 created new possibilities and, especially, direct confrontation with the international scene established new standards. Before 1995, it was easier to ignore developments outside Luxembourg, while today many Luxembourg artists are playing at a European level.

LFF: Did the general public become more aware of the fact that Luxembourg was not a cultural desert?

I think Luxembourg was never a cultural desert: the music and theatrical scenes were always very active and, in the visual arts, things were conservative but not inexistent. The fact was, that as long as you did not make comparisons with other large cities you could have an interesting and bourgeois cultural life here. The change came with the increasingly international role of Luxembourg: as a European capital and global financial center it needed more credibility in cultural affairs, too.

LFF: What major changes have there been to the cultural scene since Luxembourg and the Greater Region were joint "cultural capital" in 2007?

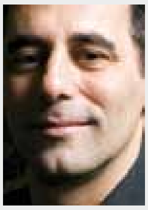
EL: I put it another way: I think the major change was the introduction of the Euro in 2001! This made the "Grande Région" possible, meaning that you can now cross the borders without having to change money after driving 20 km in any direction from Luxembourg city. The cultural year in 2007 also created awareness that in cultural terms we cannot consider the national borders as the reference, any more, and that we should act together to promote the cultural scene in Saarbrücken, Metz, Trier and Luxembourg; there's only a one hour distance between these cities. What is missing, is a sort of regular "metro service" between them.

LFF: Has public opinion evolved with regard to developing a cultural infrastructure and the tax burden that is implied?

EL: I think public opinion has changed very much in the last 20 years. Most people accept the importance of artistic and cultural credibility to a city like Luxembourg. Why do we want to live and work here? Because we have a small, green city with a great cultural offer in a broad range of fields. The younger generation, especially, is growing up in a new and open atmosphere: this will be very important for them when they have to face the rest of the world.

LFF: What is your policy for the Mudam? Do you focus more on exhibitions from abroad or art from the region?

EL: Mudam is an international museum which is attentive to regional expressions in the visual arts and which conceives and organises its own original exhibitions, without importing them from abroad. This gives us the international attention and credibility that we need as a newcomer in the global art world. (EK)



Enrico Lunghi, Director of the Luxembourg Musée d'Art Moderne Grand Duc Jean (MUDAM)

© Deutsche Bank Luxembourg S.A.: *Laure Mackel, The three graces*

A passion for collectors and speculators

Adriano Picinati di Torcello, Senior Manager at Deloitte Luxembourg

LFF: Why invest in art?

Art is a consumer durable that yields an aesthetic return and a capital asset that tends to appreciate in value over time. Even if it is not easy to assess returns over a given period, historical performance monitored by 'valuable indices' (such as the Mei Moses All Art Index, Art Market Research, Art Price, etc.) tends to demonstrate that over the long term art generated moderate positive real returns. However, as the functioning of art markets is complex, people with extensive inside knowledge can make substantial profits.

LFF: Do you have to be an expert to invest in art?

APdT: The motivation to buy art depends on individual preference and ranges from pure collectors to pure speculators. However, there are a number of risks and costs to consider. Depending on the amount of the investment, it is always better to be guided by trustable experts.

LFF: Is the art market the reserve of the rich?

APdT: With the growth in knowledge and the increase in transparency due to the publication of indices, sales information and prices achieved at auctions, a much larger community has started to be interested in collectible assets. No minimum investment is required.

Considerations for would-be art investors:

- there is little chance of quick profits for non-informed investors;
- no dividends or interest payments;
- art is not very liquid;
- substantially more time needs to be spent to acquire specialised knowledge to be successful;
- higher transaction costs should be expected with art investments, especially at the high end;
- risks of fraud and/or forgery exist.

Besides aesthetic return, art provides additional financial benefits:

- art provides a hedge against inflation and currency devaluation;
- art is a store of value; there is little risk of losing your principal if you purchase wisely;
- art investments enjoy favourable tax treatment;
- art provides reduction of risk because of its low correlation with other financial assets;
- art offers the possibility of earning extra revenue by lending to exhibitions and expert meetings;
- art has no geographical risk and can be moved easily.

The large transactions that are reported in the press only represent a small fraction of the market.

LFF: Why do you think passion investments have a serious role to play as a new financial niche?

APdT: People have always invested in emotional assets. However, with trends such as the long term worldwide wealth increase alongside the growth in knowledge on collectible markets, more people will invest in collectible assets. As a consequence, since collectible assets are sought after and scarce, prices will most likely be pushed higher. In addition to that, many investors who lost a lot of money in the financial crisis by investing in products they did not understand are now turning back to things that are closer to their heart and which at the same time offer protection and a return on investment. (CW)

WINE MATURES AS A VIABLE ASSET CLASS

The number of wine investment funds launched in recent years and the rapidly growing volume of these funds are clear indicators that wine has become a viable vehicle for capital growth. Studies show that even during the financial crisis, investments in top wines have performed well compared to traditional equity and bond investments. While this performance might be astonishing to "traditional" investors, it does not surprise dedicated wine investors. They believe that the supply and demand imbalance on the investment grade wine market can only result in rising prices. Does this mean that wine is a low risk investment?

Wine enthusiasts adore the scenario: you buy two cases of young wine and after a certain period of maturation, you drink one and you sell the other with profit, which allows you to buy another two cases... Restarting this game again and again will allow you to drink for free for the rest of your life, and if prices don't rise as expected, well, you still have the fall-back option to drink your whole stock.

Unfortunately, this strategy is not that easy to implement. The success of any investment strategy depends on how you answer a series of key questions: What to buy? When to buy? At what price? When to sell?... And in case of wine investments, another key question emerges: How to store my wine?

"Quality is key"

Here, highly specialised wine funds jump in. All of them focus on top wines. Many confine their investments to "blue chip" Bordeaux wines, others diversify their portfolio by adding products from Burgundy and the Rhône valley, from Tuscany and Piedmont, from Spain or even the "new world". Whatever wine a fund invests in, "quality is key" Christian Roger says. By quality, the investment manager of the Luxembourg based *Nobles Crus* wine fund primarily means "a long aging potential". Given that outstanding and exceptional vintages of top Bordeaux wines have a life span of up to a hundred years and more, it is not surprising that a Mouton Rothschild 1945 is still considered a very young wine – offering accordingly ample scope for growing prices.

Top wines are probably the commodities that are the most impacted by the rule of supply and demand. "Investment grade wines are one of the rare products the supply of which cannot be widened to satisfy a growing demand", Roger explains. In the Bordeaux region, for example, a classification system enacted in 1855 prevents the top châteaux from increasing their prime vineyards, so that supply remains strictly limited. The scarcity factor increases when wines begin to be consumed and stocks are drunk down. On the other hand, there is a growing number of consumers who are increasingly spread around the world. "Wine", Roger says, "is a luxury good that more and more people can afford."

Select wine at a fair price

While finding the 'right' wines to invest in is the first challenge – experts believe that investment grade wines represent less than 1% of the entire world's wine production – buying at a fair price is the second one. The sources are numerous: *châteaux* and *domaines,* French *négociants* and British wine merchants, auction houses, and wine trading companies. To be able to buy, one has to be known – and acknowledged – by the market, Roger says. Together with his team, he does 4,000 to 5,000 wine tastings a year to identify the *grands crus* and the *en primeur* wines the fund is going to buy. The fund manager's personal impressions are cross-checked with scores and ratings from renowned wine critics that may have a considerable influence on demand and prices.

En primeur wines are purchased while still in the barrel, two or three years before being bottled and brought to the market, which normally offers the fund a discount off the release price. Some funds tend to sell their wines before they are bottled in order to avoid the most critical part of the wine investment process: the transport and storage of the precious nectars. *Nobles Crus* sends its wines to a *port franc* in Geneva, a specialised storage location where they are stored in temperature and humidity controlled conditions and under permanent supervision.

While wine funds managed by 'finance guys' rather than by 'wine guys' tend to sell their wines when a predefined price limit is reached, *Nobles Crus* aims to keep the wines until they have come to maturity. The redemption policy – and thus the investors' latitude to withdraw their money – therefore varies from one fund to another.

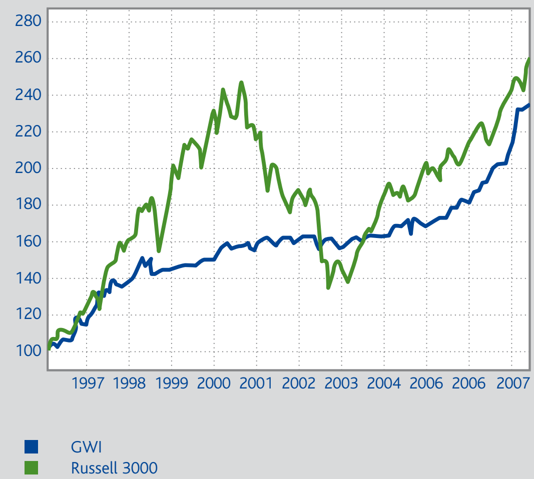
Wine resists an economic downturn better than equities

How should the assets of a wine fund be evaluated? Given the above mentioned variety of price sources, one can imagine a broad range of evaluation methods. The number of wine funds being very limited, there are no internationally acknowledged evaluation standards. Michel Tamisier, managing partner and co-founder of Elite Advisers, the fund promoter of *Nobles Crus*, strives to determine a fair value by applying real prices rather than estimations, which are common practices with art funds for example. For every single wine in the fund's portfolio, the fund management team collects two prices from auction houses and two prices from wine traders that have sold the specific wine during the month under review. Having been checked and validated by the fund promoter, the average prices are used by the fund's custodian bank to calculate the fund's monthly net asset value (NAV).

If the wine fund itself is a *Grands Crus*, its NAV should be constantly growing. When analysing the role top wines can play as an alternative investment, Philippe Masset MA, professor and researcher at the Ecole hôtelière de Lausanne's Hospitality Research department, found out that since 1997, wine investments performed quite well, with top wines showing a sound outperformance and a better resistance to the effects of the financial crisis. Prime wines therefore seem to be an attractive asset to diversify traditional investment portfolios.

However, wine funds tend to address only well informed investors, high net-worth individuals able to make the required high minimum investments. *Nobles Crus* for example is set up as a Specialised Investment Fund (SIF) under Luxembourg law and as such requires minimum investments of 125,000 euro. Further to this, there are wine funds that tend to charge hedge fund-like performance fees. Investors are well advised to compare the fee structures before choosing their wine fund. (JJP)

General Wine Index (GWI) vs. Russel 3000 equity index



Art & Finance Conference: 21 October 2010

For the third consecutive year, Deloitte S.A. Luxembourg is collaborating with the Maastricht University Art Markets Symposium to organise a conference on the subject: **The enhanced importance of art and collectible assets in wealth and asset management**. This event will take place on Thursday, 21 October at Hôtel Lutetia in Paris.

The conference is organised with the patronage of Luxembourg for Finance and the Luxembourg Embassy in Paris and in partnership with FIAC.

http://www.deloitte.com/view/en_LU/lu/market-solutions/art-and-finance/2010/index.htm

AN OBJECTIVE DISCUSSION ABOUT AN EMOTIONAL TOPIC

Are you a real Luxembourger if you like Andy Schleck, Jean-Claude Juncker and the gourmet dishes of Léa Linster? It is not so sure: defining national identity is more complicated than that. A study by the University of Luxembourg has found out that the typical Luxembourger does not exist. LFF talked to the three researchers who coordinated this study, carried out by a team of twenty researchers from twelve disciplines.

"Our main motivation for the project was to counteract the rather one-sided discussion in politics and the media about national identity. We wanted to demonstrate that the debate can be more complex and at the same time well-grounded", says Prof. Dr Christian Schulz, the project leader.

The multidisciplinary team of the IPSE (Identités, Politiques, Sociétés, Espaces) worked for three years on this ambitious project. The result is a book of 300 pages, the first milestone of a long term research project. Establishing a quantitatively viable and representative survey of the population of Luxembourg was the first step: nearly 1,700 people were questioned. The second step consisted of qualitative interviews with 80 people.

The result of the study is surprising in some ways. Dr Rachel Reckinger underlines that there is no such thing as a typical Luxembourger. "The same conclusion is true for any other nationality. There is no typical Chinese person and there is no typical German either".

Prof. Dr Christian Schulz mentions another surprising fact: "We don't use the notion of a national identity. We have found out that there are all kinds of identities; some people even carry contradictory identities within themselves. Furthermore, an identity is not like a jacket that you put on". Christian Wille chips in with the remark that the title of the book is called Doing Identity in order to show that this is a concept that is in constant and rapid evolution.

Do you understand what I am saying?

The use of the different languages is one of the topics of this study. According to Christian Wille, people appreciate the fact that different languages are spoken and they don't want to abandon this principle.

There are mixed feelings about the future of Luxemburgish. On the one hand, there is a fear that it might get lost, but on the other hand there is hope, says Christian Schulz. "More and more foreigners and cross border commuters speak Luxembourgish. The language

has never been so popular. So reality is different from the clichés about the society as a whole. We conclude that the population is far more tolerant and pragmatic than politics or the media think it is."

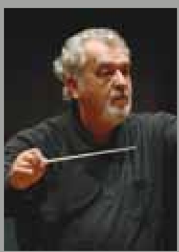
Prime Minister Jean-Claude Juncker and the cyclists Frank and Andy Schleck are probably the most recognizable Luxembourgers abroad. Christian Schulz is convinced that Jean-Claude Juncker plays a central role regarding the ambivalent way Luxembourg is perceived abroad. "On the one hand, Luxembourgers are portrayed as being the model multilingual Europeans; on the other hand, in tourist brochures, the country is also described as being small, traditional and rural". Regarding the Schleck brothers, Christian Schulz admits that he had never been so passionate about the *Tour de France* until he started working in the Grand-Duchy. For the German researcher living in Luxembourg, this demonstrates that it is not about your nationality but about where you live.

The book Doing Identity launches a debate that should be ongoing. With its publication, the three researchers hope to achieve their principal goal: the discussion of an emotional topic in a rigorous and constructive fashion. (CW)

Daniel Buren at the Mudam I Mudam, Luxembourg, 9th October 2010 to 23rd January 2011 I © photo: *Daniel Buren - ADAGP*

LIFESTYLE

Ciné-concert



The Philharmonie is once again staging a live music movie experience. The film "Les Derniers jours de Saint-Pétersbourg" will be accompanied by the Luxembourg Philharmonic Orchestra and the all male choir Chœur d'Hommes of the Institut Européen de Chant Chorale Luxembourg (IECCL). 1st October.
www.philharmonie.lu

Concerts

Cosi fan Tutte

This famous comic opera by Mozart will feature for three nights at the Grand Théâtre as part of the Luxembourg Festival 2010. 5th, 7th and 9th October.
www.theatre.lu

Joe Cocker in concert

Joe Cocker comes to Luxembourg on 30th October with his new album "Hard Knocks". At the Rockhal Main Hall. 30th October
www.rockhal.lu

Museums - exhibitions

Private Art Kirchberg

11 companies and institutions in Kirchberg have invited the public to discover their architecture, art collections or gardens during the fourth edition of "Private Art Kirchberg". This is an opportunity to discover hidden treasures and get a different view on a neighbourhood that is usually known as a business or shopping district. 26th September 2010.
www.artkirchberg.lu

Konscht am Gronn

This open air art gallery allows visitors to meet artists from Luxembourg and the Greater Region and purchase original works of art. The exhibition starts at the foot of the lift linking the Upper City with the Grund and continues across the Alzette bridge as far as the Abbaye de Neumünster. Sunday, 3rd October from 10h to 18h.

10th edition of Museums by Night

The museums of the Ville de Luxembourg are organising a 10th edition of their successful Nuit des Musées. From 18h until 1h, a rich programme of activities will be offered in different museums, linked by a free shuttle bus. 9th October
www.nuit-des-musees.lu

Daniel Buren at the MUDAM

The Pompidou Centre in Metz and the Luxembourg Mudam have invited artist-sculptor Daniel Buren to create bespoke works of art in response to the architecture of their respective museums (designed by Ieoh Ming Pei for the Mudam and Shigeru Ban and Jean de Gastines for the Centre Pompidou Metz). In the Big Hall of the Mudam. From 9th October to 23rd January 2011.
www.mudam.lu

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