



CAYMAN ISLANDS
GOVERNMENT

Portfolio of Finance & Economics Public Relations Unit

1 May 2006

Check against delivery

The Honourable Kurt Tibbetts, Leader of Government Business, Opening Remarks at the GAIM Cayman Conference Opening Session – Monday 1 May 2006

Thank, [INTRODUCER] for that kind introduction.

Good morning ladies and gentlemen. I would like to start by taking this opportunity to welcome you all to our beautiful islands and to this exciting conference. It is my pleasure today to participate in this, the inaugural GAIM Cayman 2006 Conference.

As Leader of Government Business, I recognise the relationship we share with the international hedge fund community, represented so plentifully here today. It is a testament to that relationship that the Cayman Islands have emerged as the leading international financial centre for the hedge fund industry.

But this is not a position we have achieved overnight. It has taken the commitment of many, many, people from both the private and public sectors here in the Cayman Islands and elsewhere to make it a reality.

Throughout that journey, the hedge fund industry has shown unflinching confidence in Cayman, and for that I would like to take this opportunity to offer our appreciation to you all. Our strong relationship and the continued growth of the hedge fund industry is something of which Cayman is justifiably proud.

So how did we get to where we are today? Well, the foundation of our success has been built on three central themes: innovation, excellence and efficiency.

From the government's perspective, what we have tried to facilitate and nurture here in the Cayman Islands is a responsiveness to and flexibility for those who use our services, while ensuring we have the proper regulatory regime in place.

Our pursuit and achievement of this delicate balance has helped our growth, but we must not be complacent. In this competitive market, customer needs are becoming ever more sophisticated. We cannot rest on past success but



must anticipate those future needs and continue to foster an innovative environment in which we have the most highly skilled professionals, the optimal infrastructure and the best products for our customers.

The creation of the Cayman Stock Exchange illustrates how we in government have helped develop the ideal infrastructure for our financial services sector. As we approach the tenth anniversary of the Cayman Stock Exchange (CSX), it is worth looking back over the last decade at what has been a true Cayman success story.

Towards the end of 2005, the Cayman Stock Exchange surpassed 1,000 listings, a benchmark of success in the global market. Reaching this milestone in less than eight years is a testament to the confidence the global marketplace has placed in the CSX and the worldwide recognition for excellence we have gained by providing a specialist market-responsive listing facility for sophisticated institutional products.

Of course, the CSX has been fortunate to continue to benefit from strong fund activity in the Cayman Islands, and it is this interest which brings us here today in the splendid setting of Cayman's newest luxury hotel.



Based on this tradition of innovation and excellence, the Cayman Islands are now truly regarded as one of the world's premier international financial centres.

My Government is committed to further growth – growth that comes through making the Cayman Islands the most efficient centre for access to a wide array of financial services.

What will remain unchanged is our professional expertise and quality of service, exceptional professionals who know and understand the complexities of specialist products, and a commitment to transparency for investors through the most effective use of technology.

These factors, together, will continue to make Cayman the jurisdiction of choice when it comes to setting up international hedge funds.

Just as the hedge fund industry has grown from a niche market into a permanent and substantial feature of the investment landscape, so too have the Cayman Islands emerged as a major centre for servicing alternative investments.

We have become the jurisdiction of choice for hedge funds because of the combination of our legal framework (based on English common law), the efficiency of our supervisory authority and the rigorous measures we have adopted to prevent financial crime. All of these factors have combined to make our island one of the world's strongest service providers in the global hedge fund sector.

So, you see, the timing is perfect for the Cayman Islands to host a premier international hedge fund conference. GAIM will give our clients, investment managers and international service providers the opportunity to meet and network with all the leading hedge fund service providers here in Cayman.

As our guests at this conference, you will be able to learn from the most advanced investors in the world, and share their insights into how they select managers and monitor the risks within their portfolios.

And risk, as you know, is an issue at the forefront of the minds of those in the hedge fund industry; at GAIM you will learn how these operational risks are managed.

Leading industry speakers are here to explain how they conduct due diligence and select managers. On an island that has long established best practice, you will benefit by hearing from others how they maintain those standards in the hedge fund industry – day in and day out.

In closing, I would like to give a big “thank you” to our event partners UBS, Deloitte and Walkers, for their generous support – and to the event sponsor, Ernst & Young. I'd also like to recognise the team at the Institute for International Research for efforts in developing the programme and pulling the event together.

While at the conference, please do make time to enjoy the fabulous facilities of the new Ritz-Carlton Hotel and to venture further afield on Grand Cayman and beyond.



I will now exit the stage to allow the commencement of what promises to be an outstanding conference.

As I do, I would like to leave you with one message: As we look to the challenges that face the industry going forward, it is important to have an understanding of the building blocks that anchored our past success. What will always remain on these islands is the professional expertise, quality of service and exceptional talent that we have fostered and continue to build.

Thank you and have a great conference.