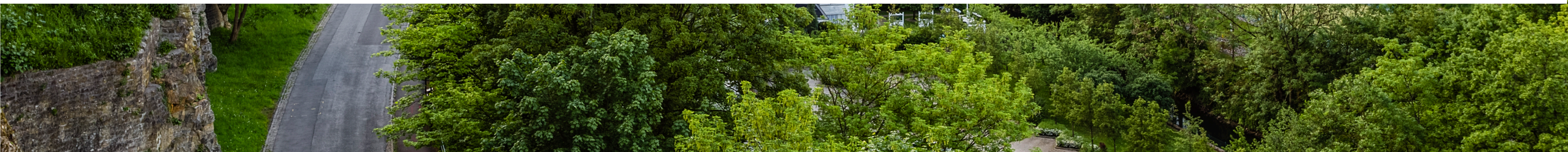




# WELCOME ADDRESS

HE Gérard Philips,

Ambassador of the Grand Duchy of Luxembourg





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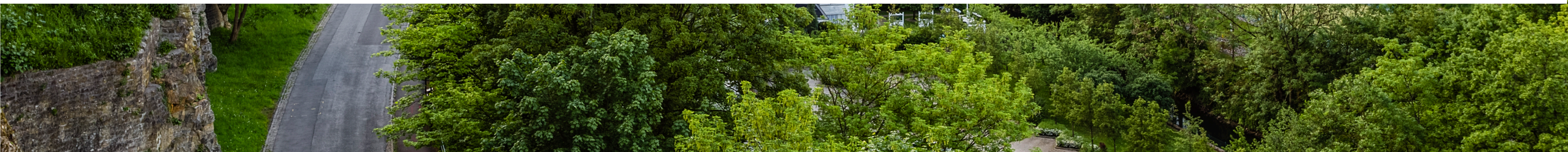


# CHOPPY WATERS AHEAD ? THE FUTURE OF FINANCIAL SERVICES IN EUROPE



HE Pierre Gramegna,

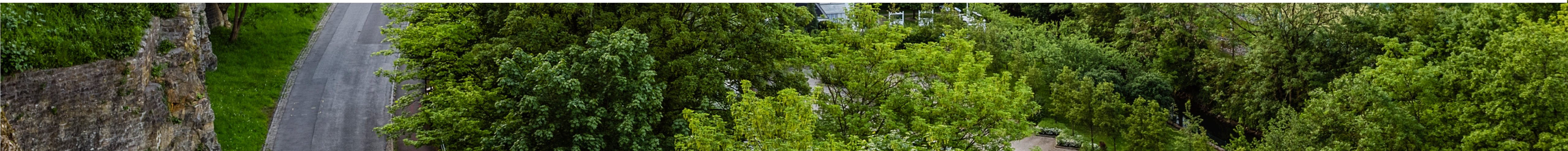
Minister of Finance, Grand Duchy of Luxembourg







# CLIMATE CHANGE: A CALL TO ACTION FOR THE FINANCIAL SERVICES INDUSTRY





# Panelists

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## Experts:

**Anette Andersson**, Portfolio Manager & ESG Investments Specialist, SEB Investment Management

**Annemarie Arens**, General Manager, Luxembourg Finance Labeling Agency (LuxFLAG)

**Julie Becker**, Head of International Primary Markets and Member of the Executive Committee, Luxembourg Stock Exchange (LuxSE)

**Christopher Knowles**, Head of Infrastructure Funds and Climate Action, European Investment Bank

## Moderator:

**Tom Théobald**, Deputy CEO, Luxembourg for Finance





# THE EUROPEAN FUND INDUSTRY IN A CHANGING WORLD





# Panelists

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## Experts:

**Paul Carr**, CEO & Conducting Officer, East Capital Asset Management

**Bob Kneip**, Founder and Chairman, KNEIP

**Johan Lindberg**, Director, Global Client Coverage, RBC Investor & Treasury Services

## Moderator:

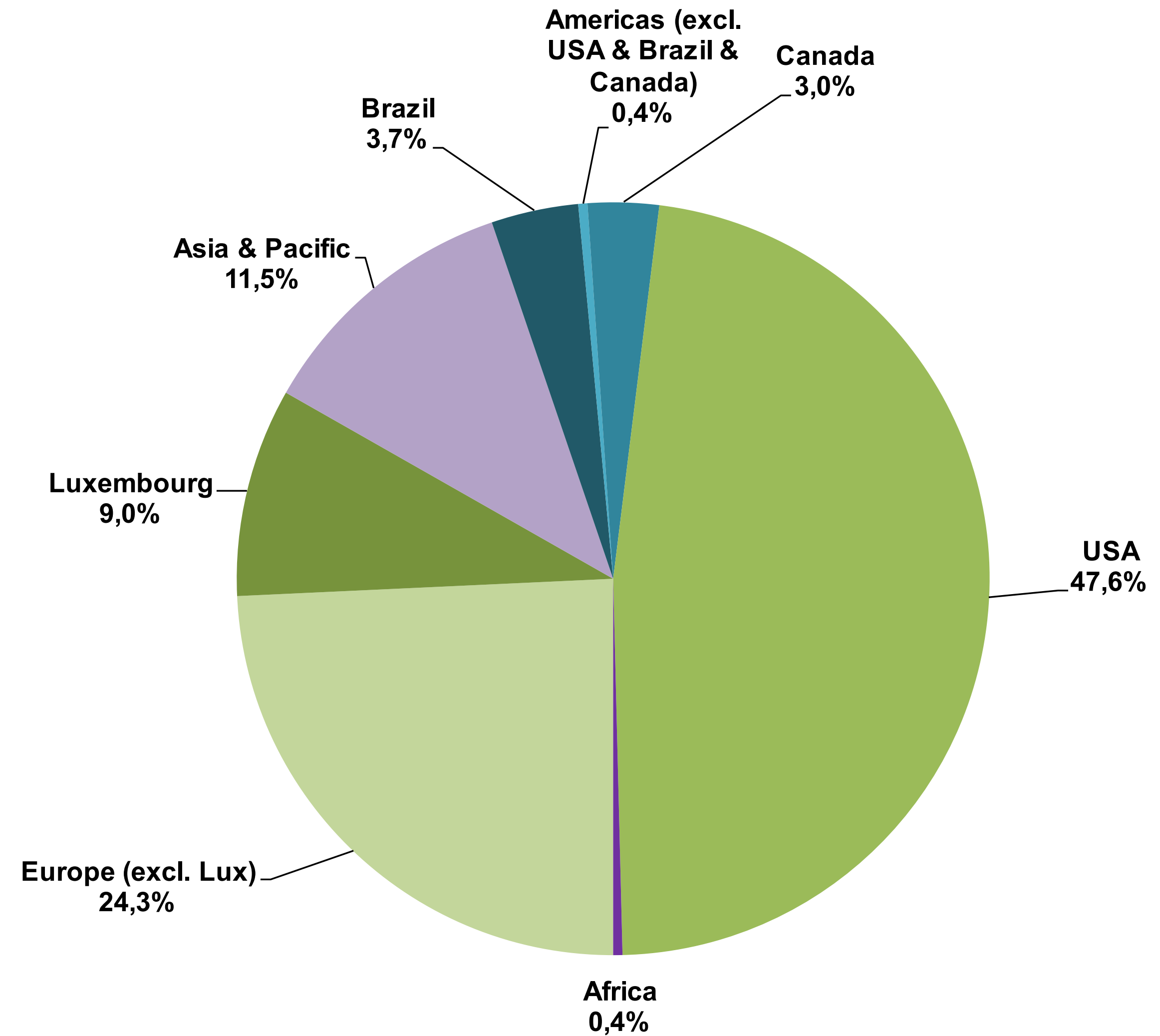
**Anouk Agnes**, Deputy Director General, Association of the Luxembourg Fund Industry (ALFI)



# Worldwide investment funds

Market share (%) by assets

Global net assets  
41294.74 € bn





# European fund industry

<i>UCITS &amp; AIFs</i>		
Country	Assets EUR millions	Market share
Luxembourg	3 701 076	26.2
Ireland	2 084 748	14.7
Germany	1 885 937	13.3
France	1 783 830	12.6
United Kingdom	1 465 651	10.4
Netherlands	801 858	5.7
Switzerland	537 771	3.8
Sweden	303 874	2.1
Italy	297 704	2.1
Denmark	275 968	2.0
Others	1 003 097	7.1
Total	14 141 514	100.0

<i>UCITS</i>		
Country	Assets EUR millions	Market share
Luxembourg	3 116 104	36.0
Ireland	1 578 920	18.2
United Kingdom	1 084 231	12.5
France	795 696	9.2
Switzerland	437 886	5.1
Germany	328 484	3.8
Sweden	283 468	3.3
Italy	234 214	2.7
Spain	193 454	2.2
Denmark	117 455	1.4
Others	488 507	5.6
Total	8 658 419	100.0



# Luxembourg fund industry

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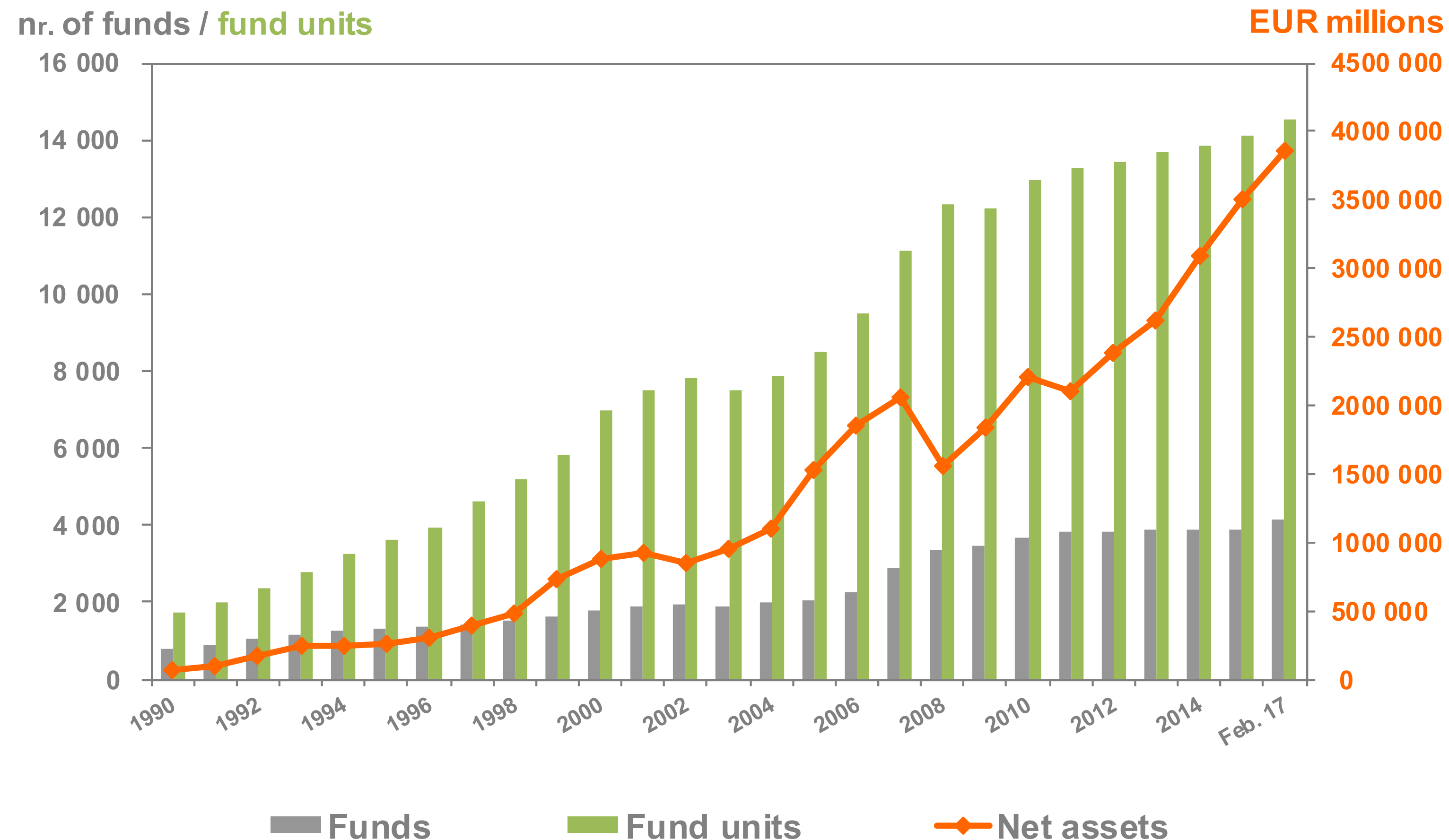
... at a glance:

- 4130 investment funds
- 14553 compartments
- 3860.32 billion euros in assets under management
- Number 1 investment fund centre in Europe, Number 2 in the world



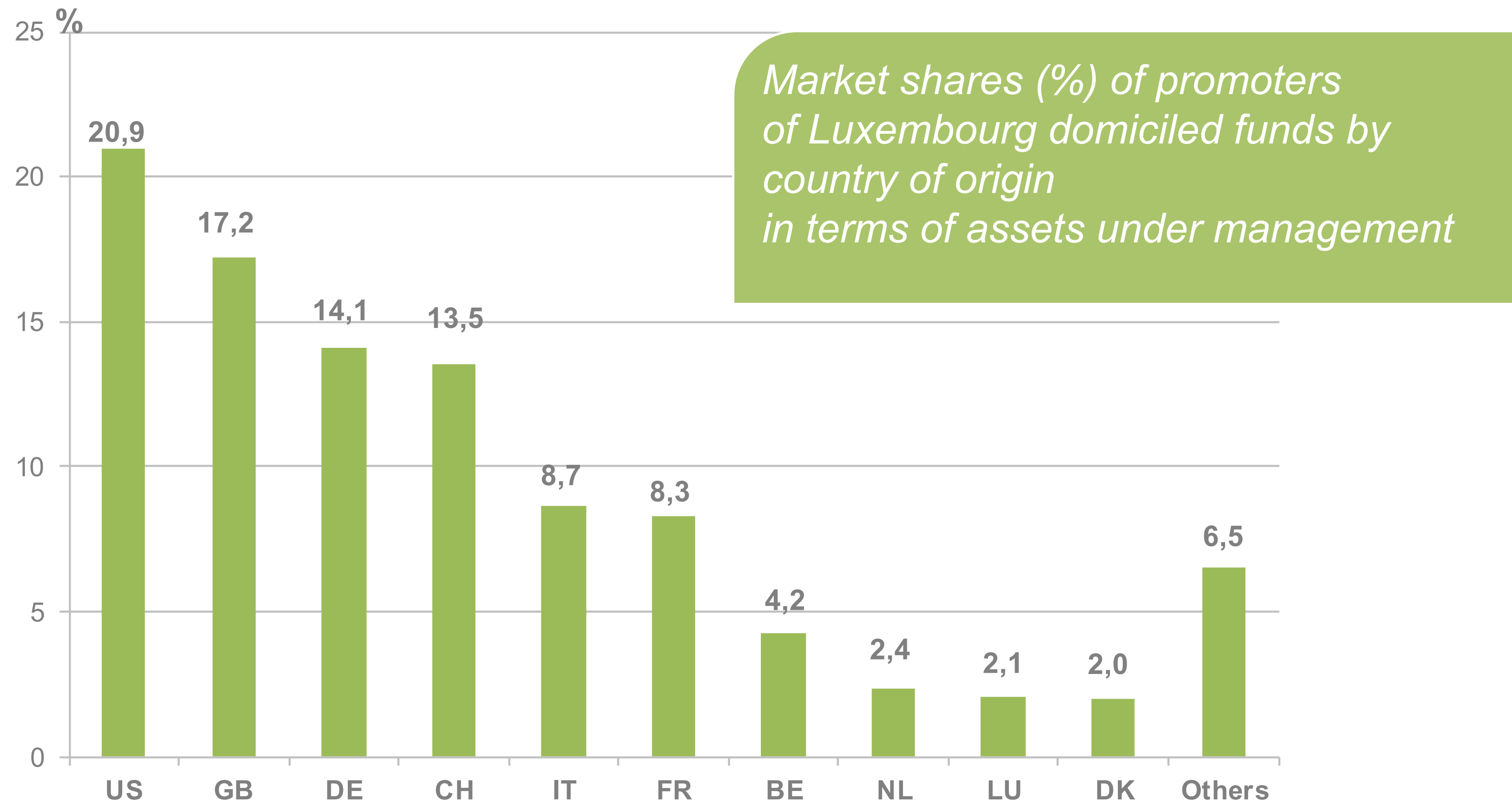
# Luxembourg fund industry

## Global overview





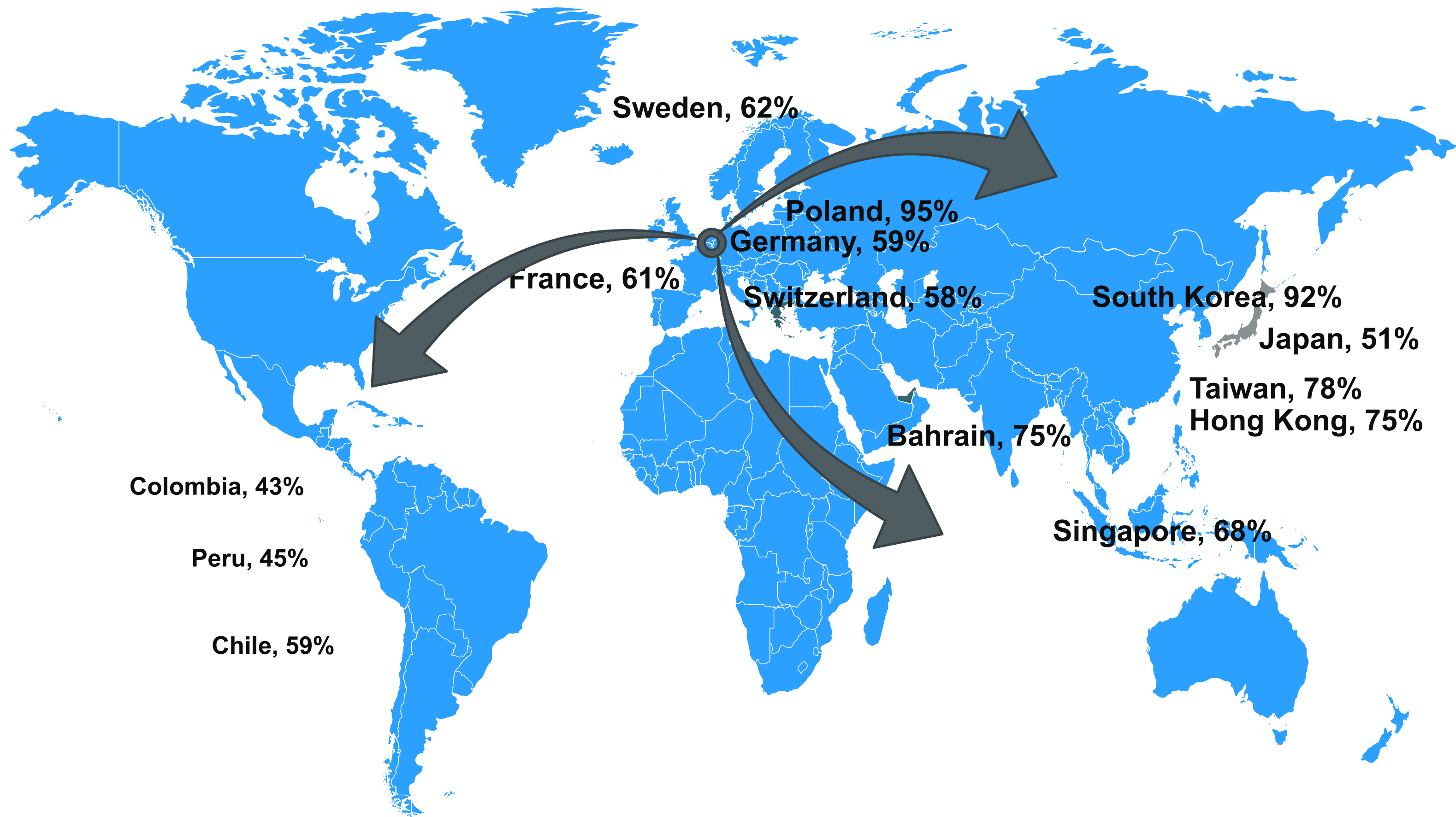
# Luxembourg fund industry





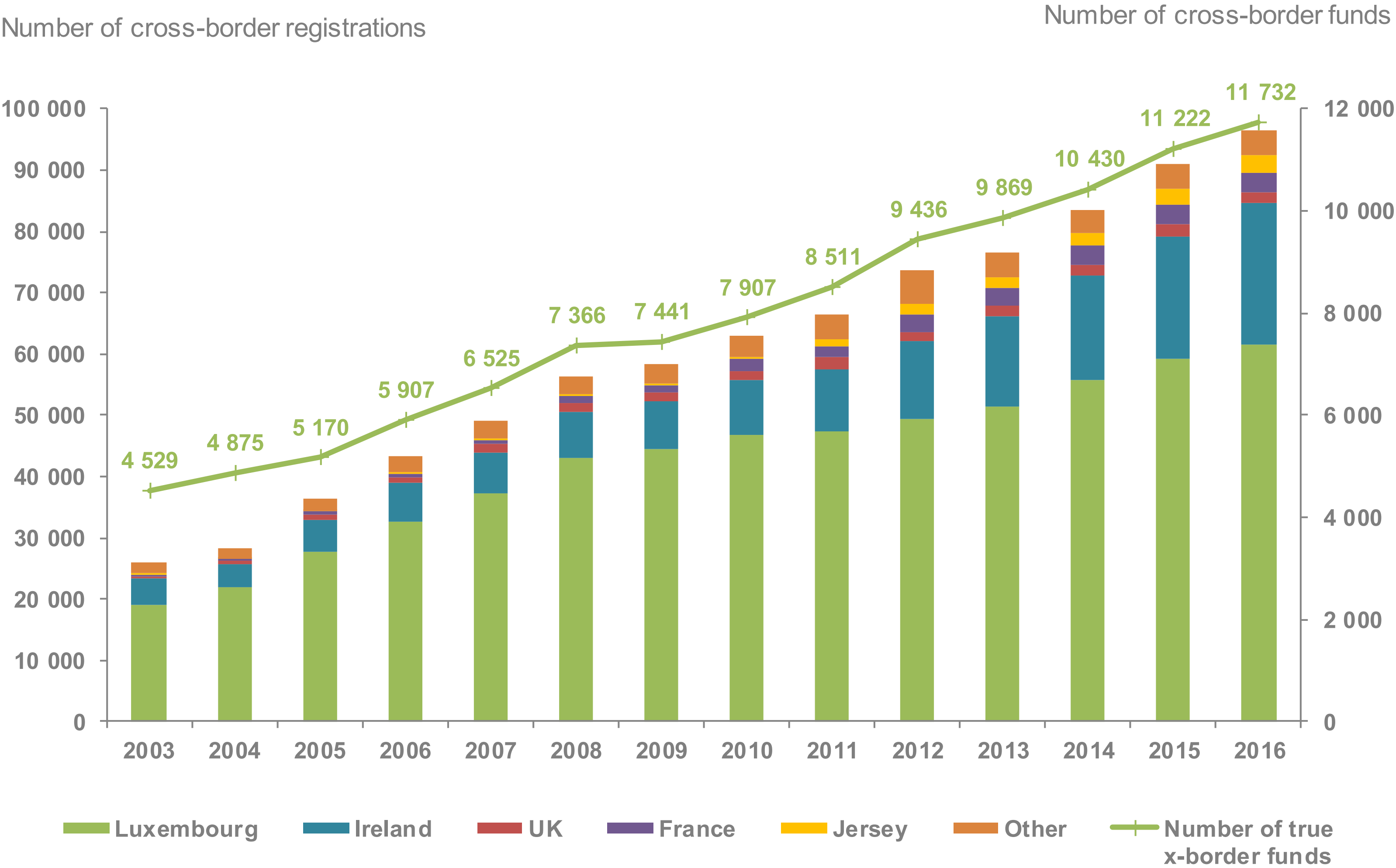
# Luxembourg funds: the vehicle of choice cross-border distribution

Luxembourg market share of foreign cross-border funds registered for sale



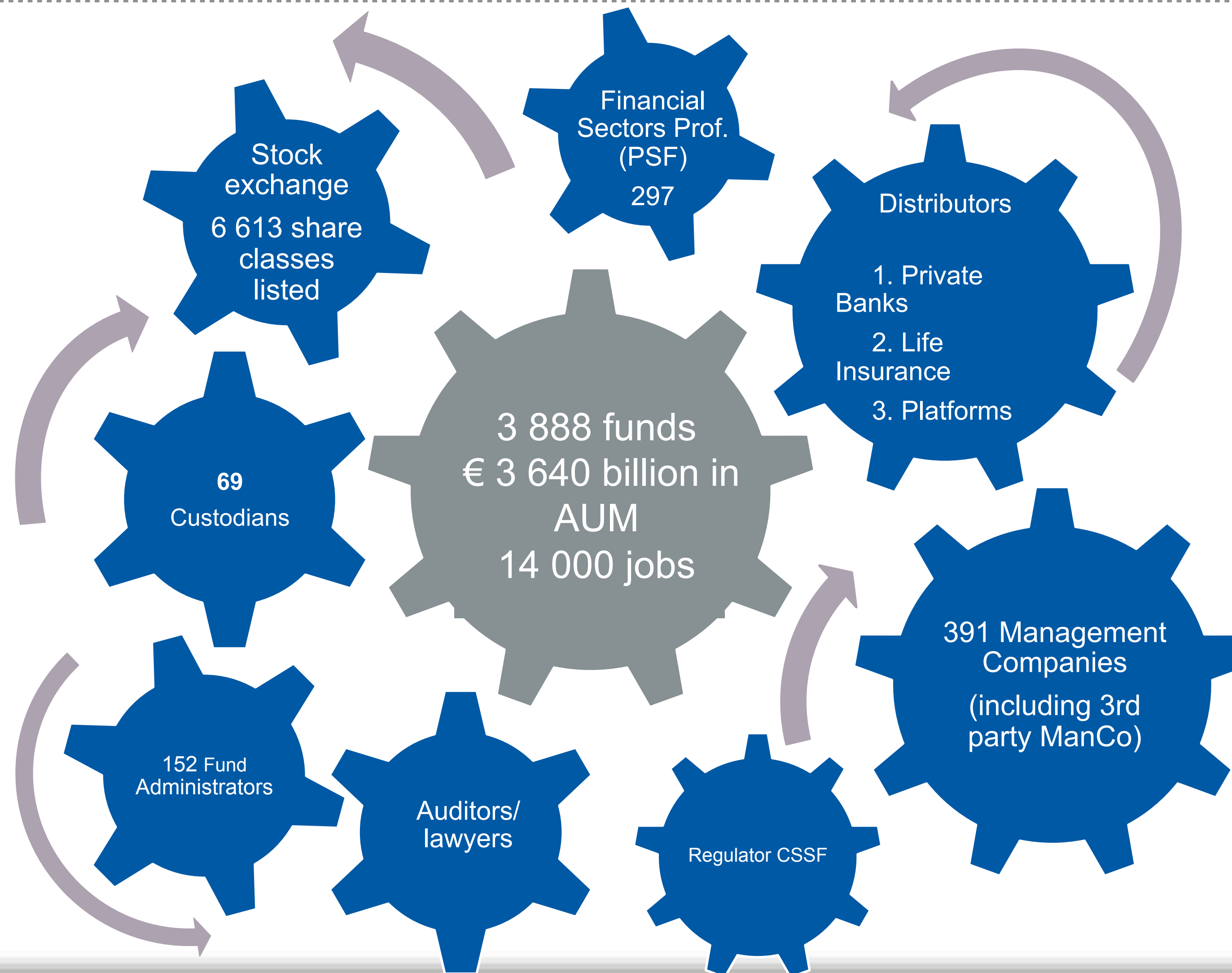


# Evolution of cross-border fund distribution





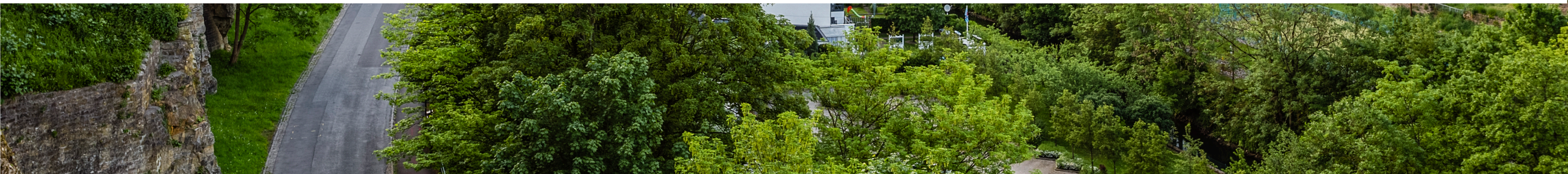
# Luxembourg: a full fledged market infrastructure







# LUXEMBOURG AS A PLATFORM FOR SWEDISH PRIVATE EQUITY FIRMS





# LPEA Today

## LPEA - The Luxembourg Private Equity and Venture Capital Association

**148**  
**members**  
*from 25 founders  
in 2010*

*LPEA represents, promotes  
and protects the interests  
of the Luxembourg private  
equity and venture capital  
industry*

**200 active members on  
5 technical committees**

**68**  
**PE Houses**  
**80**  
**Service  
Providers**

**AFFILIATION TO  
Invest Europe**

\* Rep. Group

\* Tax, Legal and Reg. Com.

**HCPF**

**PROFIL**

**LFF**

*& close contacts with  
ALFI, LIMSA, LAFO,  
ILPA, EMPEA,  
LAVCA...*



# LPEA - Full Members





# Private Equity in Luxembourg

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+€400b  
AuM

international hub for  
Cross Border Investments

EN-FR-DE...  
multilingual jurisdiction

The **top 13** PE firms  
worldwide have  
operations in  
Luxembourg

90% of EU PE-  
funds are  
domiciled in  
Luxembourg

**6000**  
*PE / VC*  
*professionals*

+25%  
increase  
PE jobs  
vacancies

state of the art  
**Legal & Tax**  
regulation



# Private Equity in Luxembourg

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## TRENDS

- Increase of substance
- Increase of «small» funds (€ 400 à 500 millions)
- Over 10 «billion \$» funds (>€1B): Ardian, Astorg, PAI, Castik, EQT, Goldman Sachs...
- «private debt» funds increased 5 fold in last 3 years
- PE houses restrict their operations to fewer jurisdictions
- Managers US : «reverse solicitation» decrease



# Recent Market Movers

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**Blackstone**

THE CARLYLE GROUP

**“Private equity looks to  
Luxembourg for access to  
single market.”**  
Financial Times  
25/01/2017

 **ARES** **ICG**

**“Ares and ICG bet on  
Luxembourg post Brexit”**  
Financial News  
20/02/2017

**EQT**

**“EQT creates one fund  
hub in Luxembourg”**  
EQT  
4/04/2017



# Panel Discussion

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## Experts:

**Alain Farana**, Counsel, Linklaters, Stockholm

**Peter Veldman**, MD Head of Fund Management, EQT Luxembourg & the Netherlands

**Peter Franks**, Group CFO, NREP, Stockholm

**Paul Junck**, Managing Director, LPEA

## Moderator:

**Anja Grenner**, Private Equity & Real Estate Leader, SGG Luxembourg



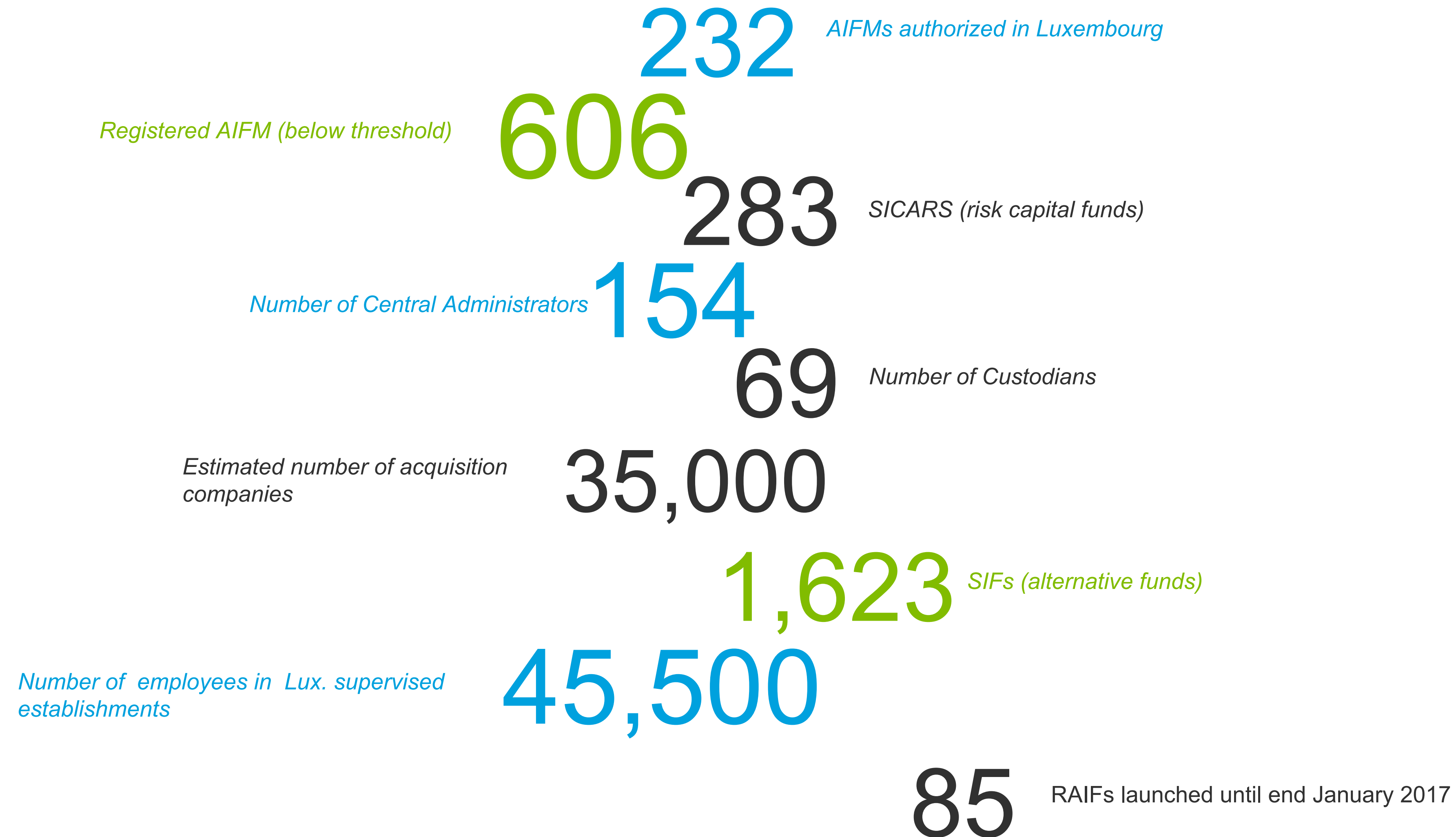
# Luxembourg 2016

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1. Luxembourg – Facts and Figures
2. Structuring a PE and a VC Fund
3. NREP and EQT – 2 Luxembourg structures in practice
4. The Luxembourg Reserved Alternative Investment Fund (“RAIF”)
5. Case Studies
6. The Luxembourg Operating Model
7. The Luxembourg Cluster Concept



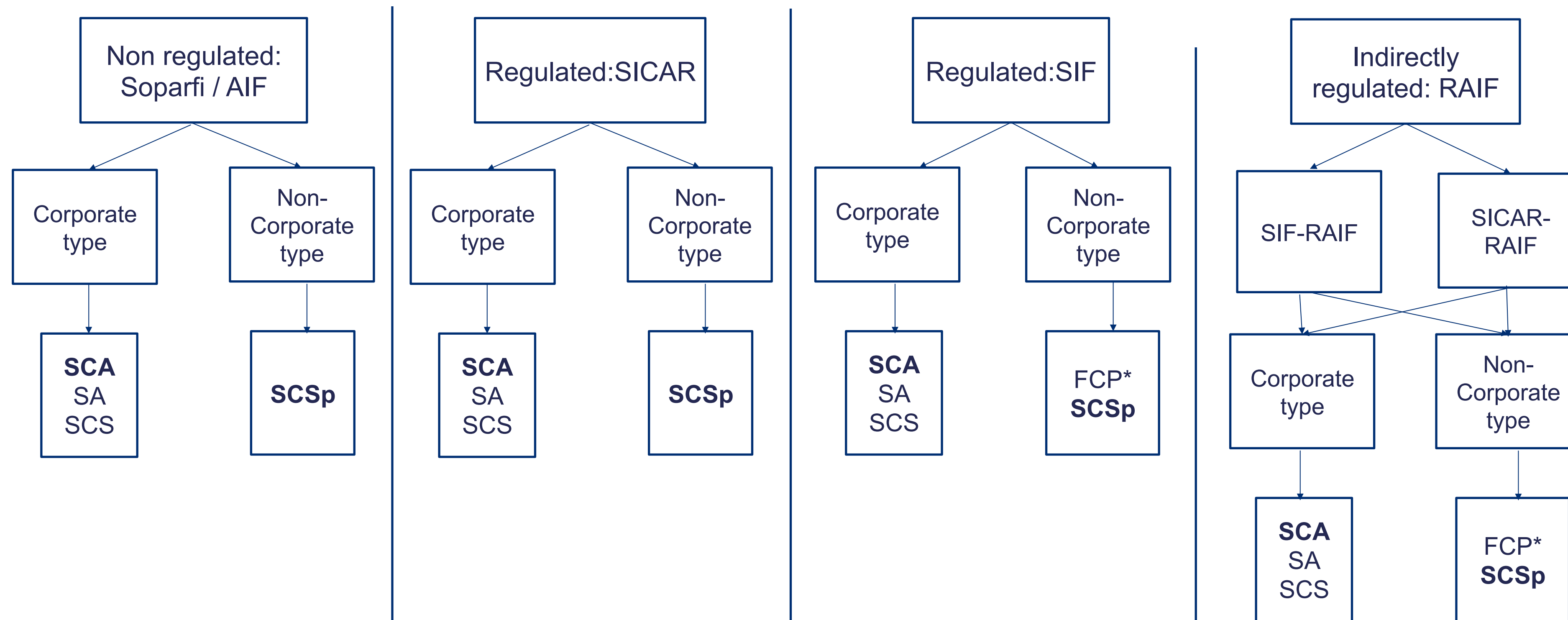
# Luxembourg - Facts and Figures



All data as of 31.1.2017



# Structuring a PE and VC fund in Luxembourg (I)



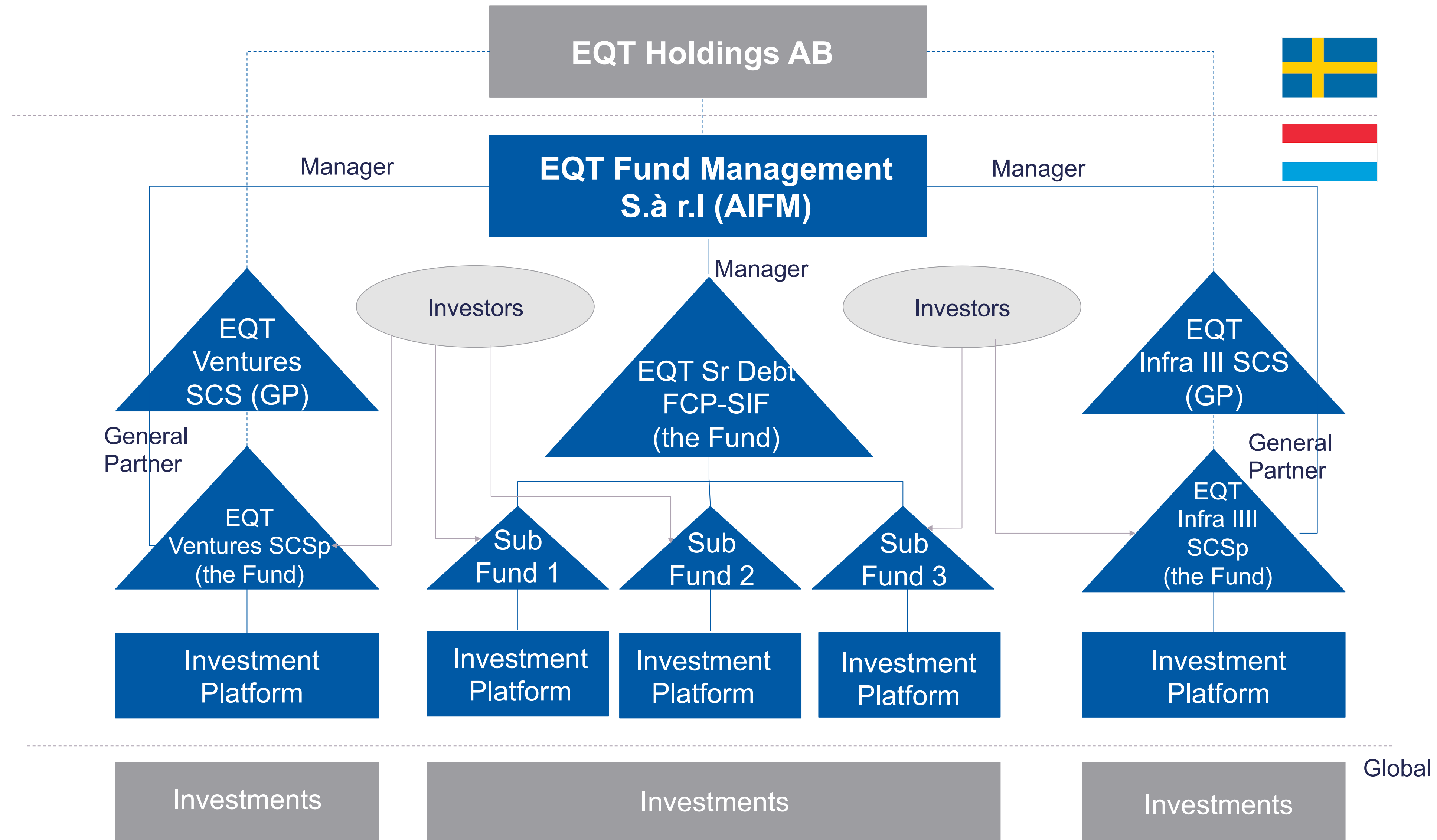
## Distribution Regimes:

- ▶ AIFMD compliance (with / without size exemption)
- ▶ EuVECA (AIFMD “light”)
- ▶ Private Placement

\* FCP: SIF only

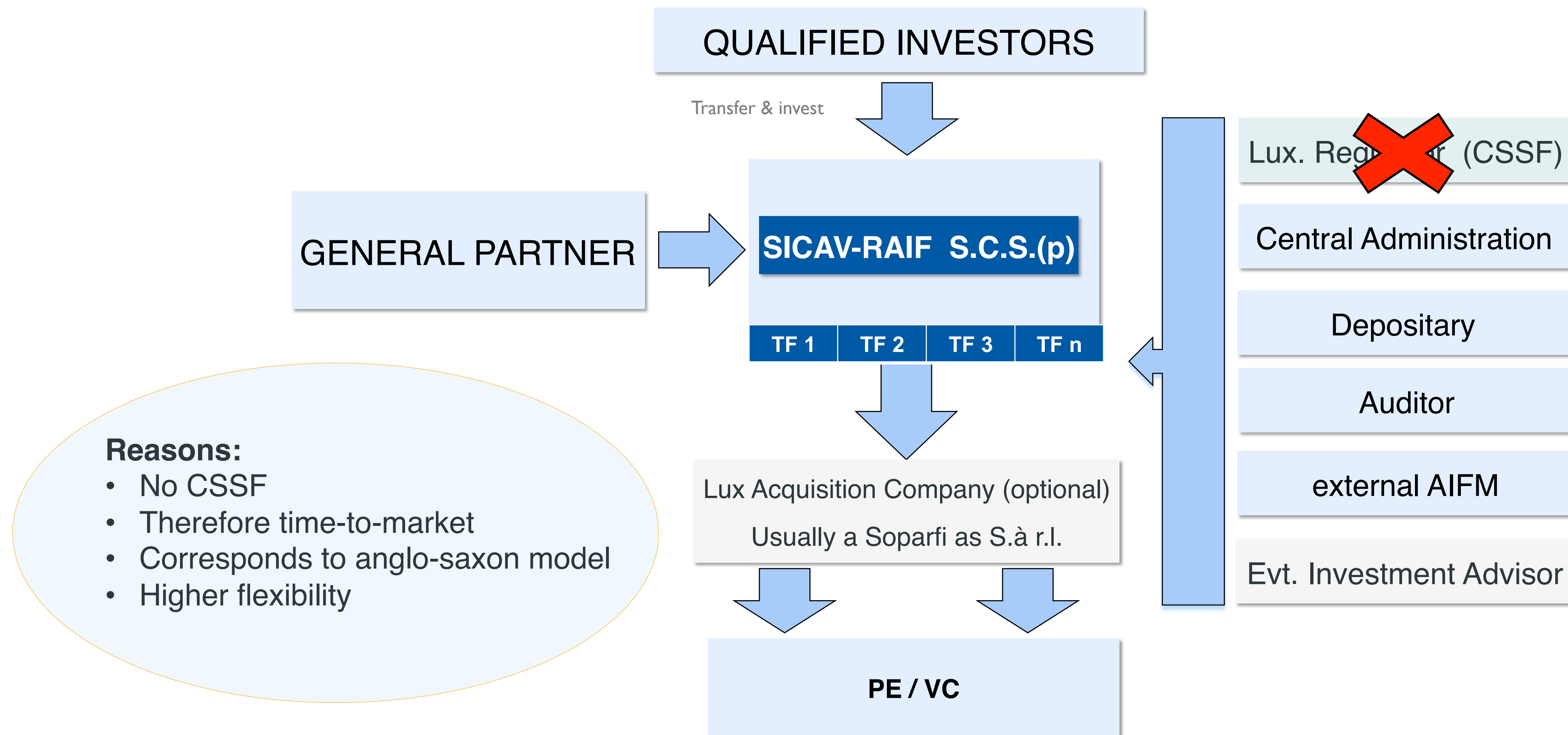


# Case Study EQT – Luxembourg structures in practice





# Structuring a PE and VC fund in Luxembourg (II)





# The RAIF (1)

## What:

- ✓ An indirectly regulated AIF (via the AIFM)
- ✓ which uses a SIF's or SICAR's DNA
- ✓ without the burden of regulatory approval
- ✓ sheltered by the requirement to be managed by an authorised AIFM

## Why:

- ✓ To provide market players with a flexible, efficient and fast time-to-market structure
- ✓ Building on the well-known SIF and SICAR structures
- ✓ Using the advantages of an authorised AIFM

## How:

- ✓ Regime creates a “non-regulated” AIF which benefits from the “passport” of the authorised AIFM to market its securities to qualified investors throughout the EU



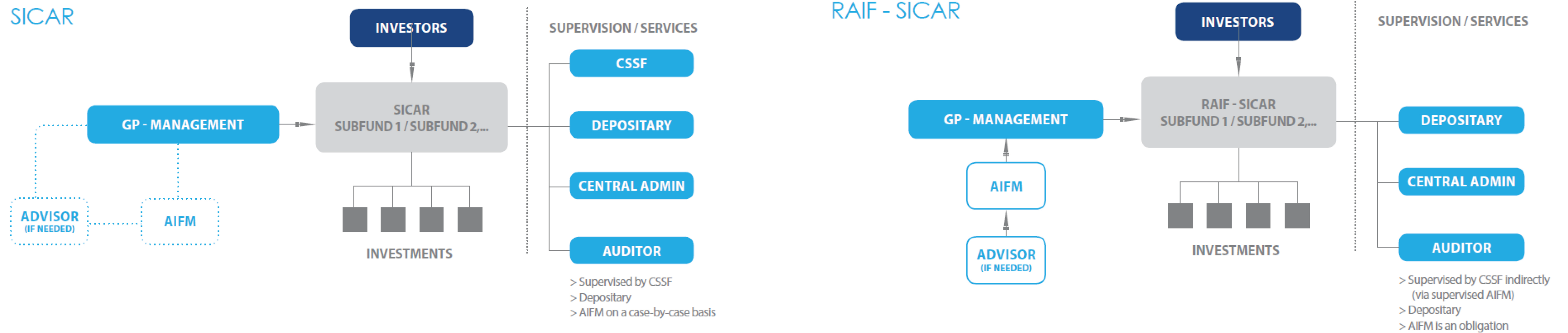
# The RAIF (2)

## Core features :

- ✓ Full AIFMD regime
- ✓ Real marketing passport without local law strings
- ✓ €125,000 minimum for well-informed investors
- ✓ Flexibility in structuring:
  - FCP / SICAV / SICAF
  - All legal forms
  - Ring-fenced subfunds
  - Multiple share classes
  - Distribution
  - Redemption rights at initiative of investors
  - Possibility to function like a «SIF» or «SICAR»

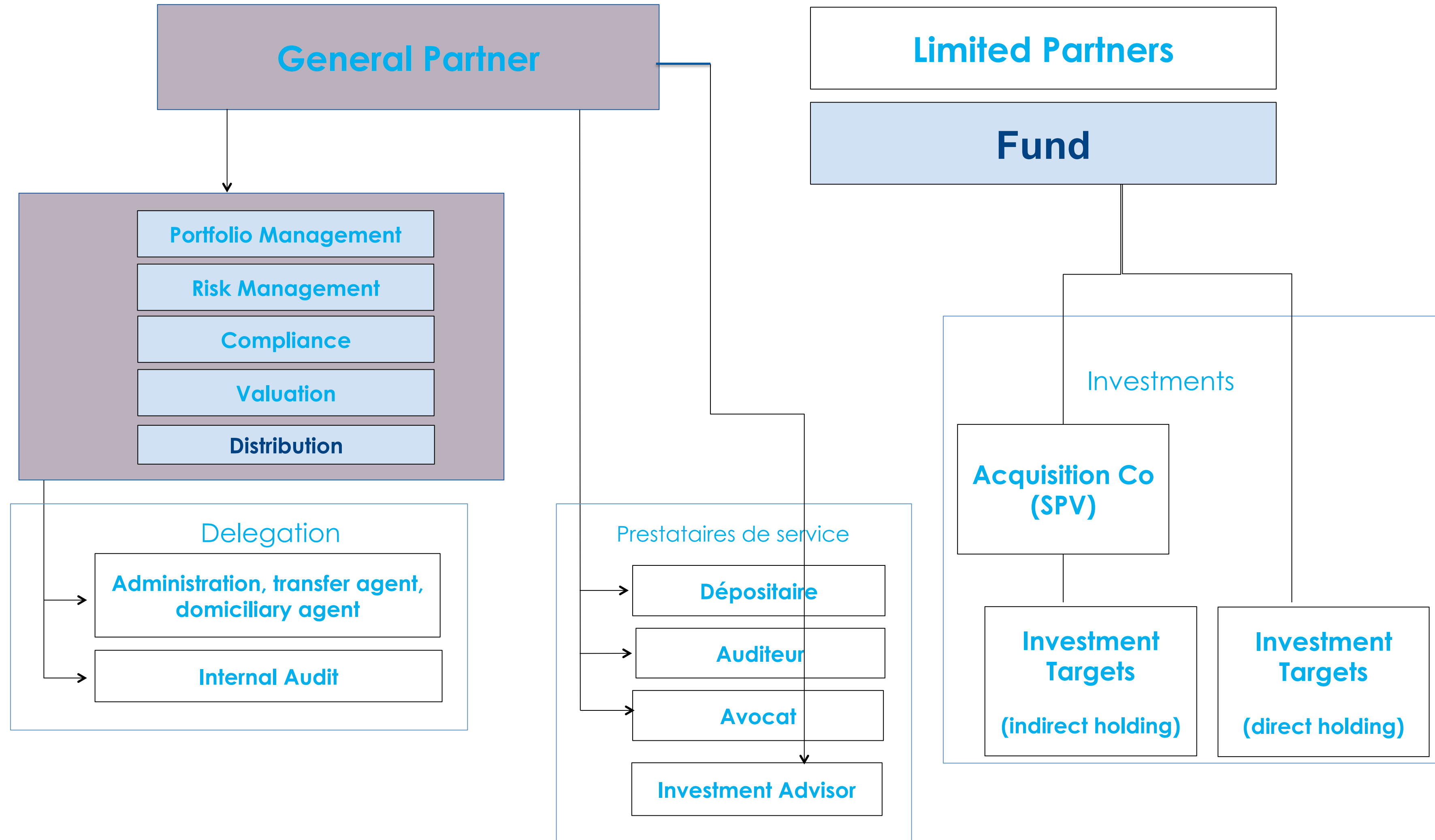


# Luxembourg 2016





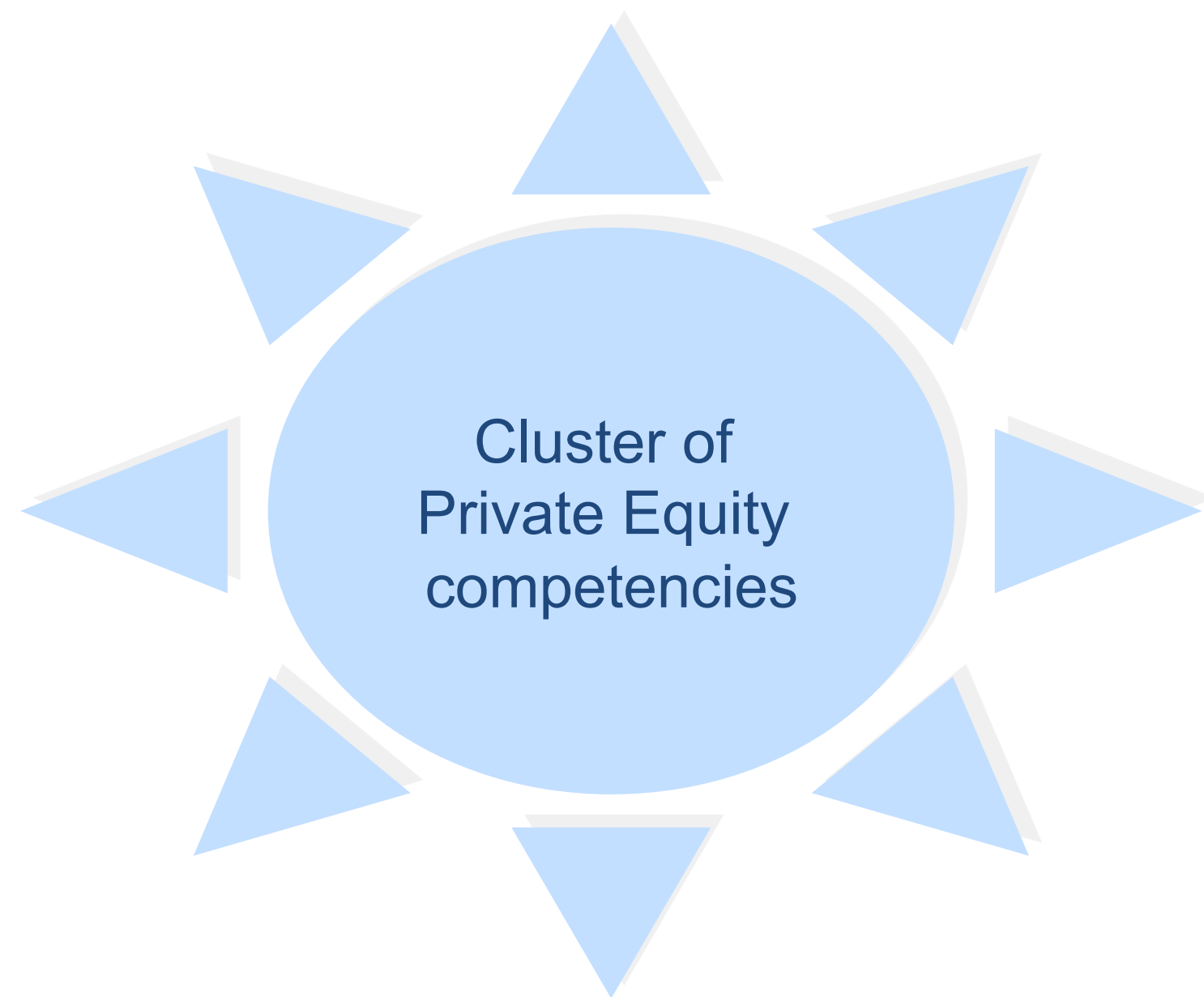
# The Luxembourg Operative Model





# “Cluster” – Concept

A well-oiled machinery of different competencies



Specialized Private Equity back-office services (depository, accounting, reporting, value-added services)

Professional personnel (independent directors, other directors, consultants, management companies)

Existence of Specialized Private Equity tax consultants, lawyers and auditors

The Luxembourg regulatory authority (CSSF) maintains the balance between control / supervision and openness and a sense for practicability and commerciality

Presence of Middle/Back-Offices of many Top 20 PE Houses as well as headquarter to several local PE houses

Use of Luxembourg for international PE acquisitions



# Thank you

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For more information  
check our publications  
available in [www.lpea.lu](http://www.lpea.lu)

@lpea\_lux

