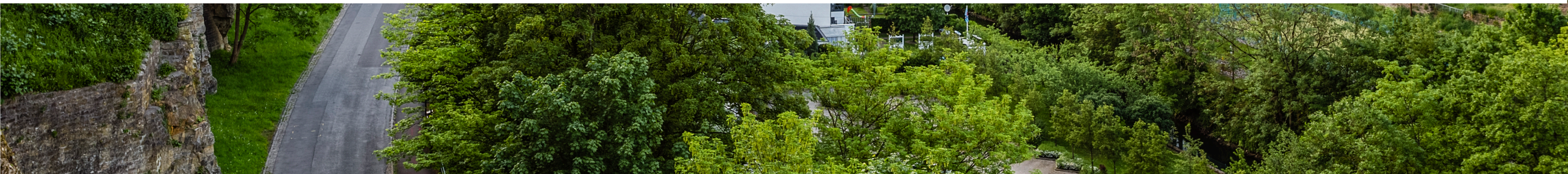




# SOLUTIONS FOR ASSET MANAGERS





# SOLUTIONS FOR ASSET MANAGERS

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## MODERATOR

Chris Edge                      Managing Director, PwC, Luxembourg

## EXPERTS

Steve Bernat                      CEO Luxembourg, Carne Group

Stefano Chao                      Investment Manager, AZ Investment Management, Shanghai

Stéphane Karolczuk              Partner, Head of Hong Kong office, Arendt & Medernach, Hong Kong

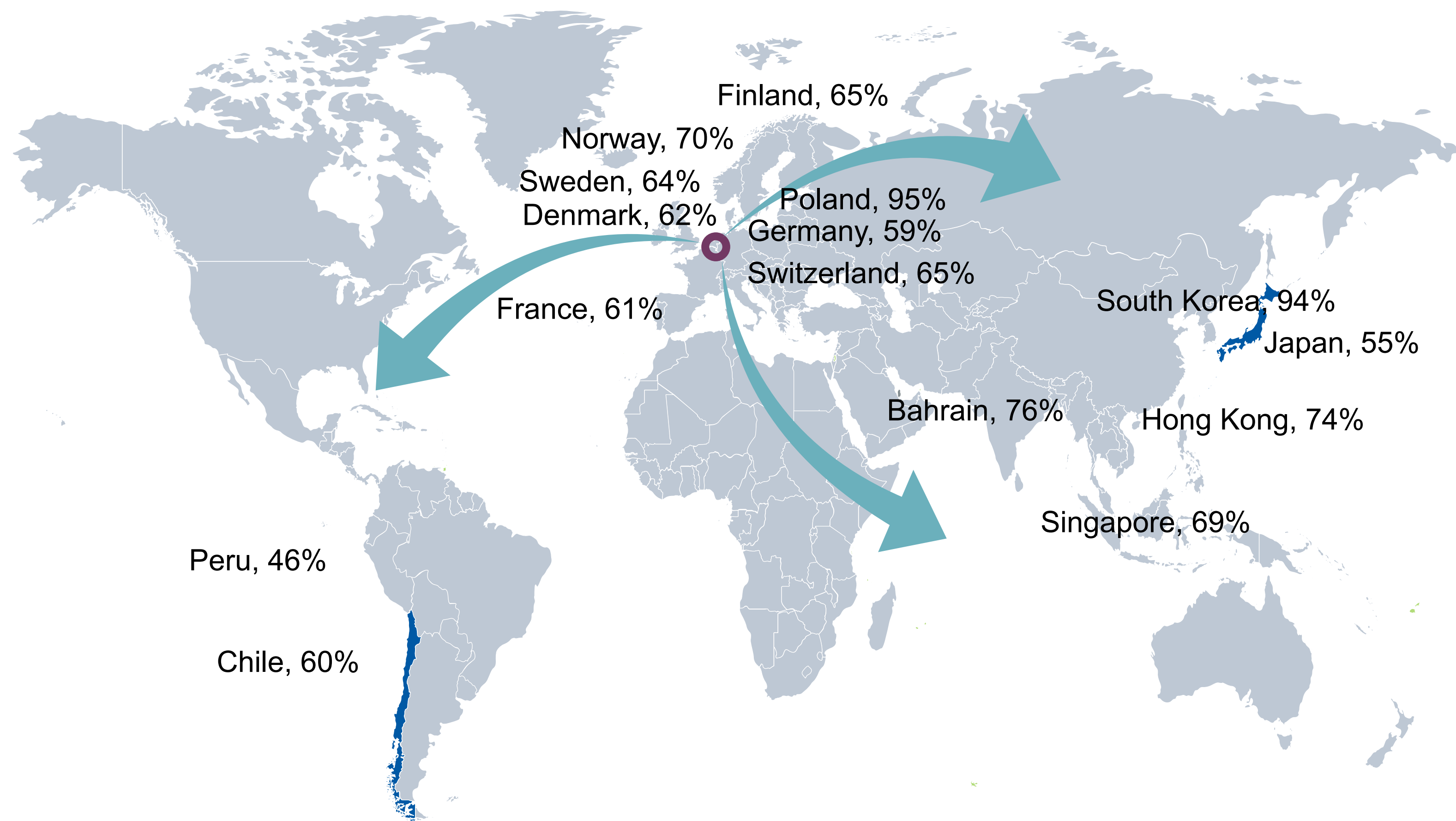
Denise Voss                      Chairman, Association of the Luxembourg Fund Industry (ALFI)

Conducting Officer, Franklin Templeton Investments, Luxembourg

Revel Wood                      Chief Executive Officer, Conducting Officer, FundRock Management Company, Luxembourg

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

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



# Largest fund promoters in Luxembourg

*80% of the top 30 Assets Managers use Luxembourg as their primary European platform for distribution*

**Allianz**   
Global Investors

**BLACKROCK**

 **BNP PARIBAS**

**CREDIT SUISSE** 

**DWS**  
INVESTMENTS  
Deutsche Bank Group

 **Fidelity**  
INTERNATIONAL

  
FRANKLIN TEMPLETON  
INVESTMENTS

 **Henderson**  
Global Investors

**HSBC** 

**ING** 

 **JPMorgan**

 **Mitsubishi UFJ Trust and Banking**

**Morgan Stanley**

**MIZUHO**

 **PIONEER**  
Investments®

 **Schroders**

**NOMURA**

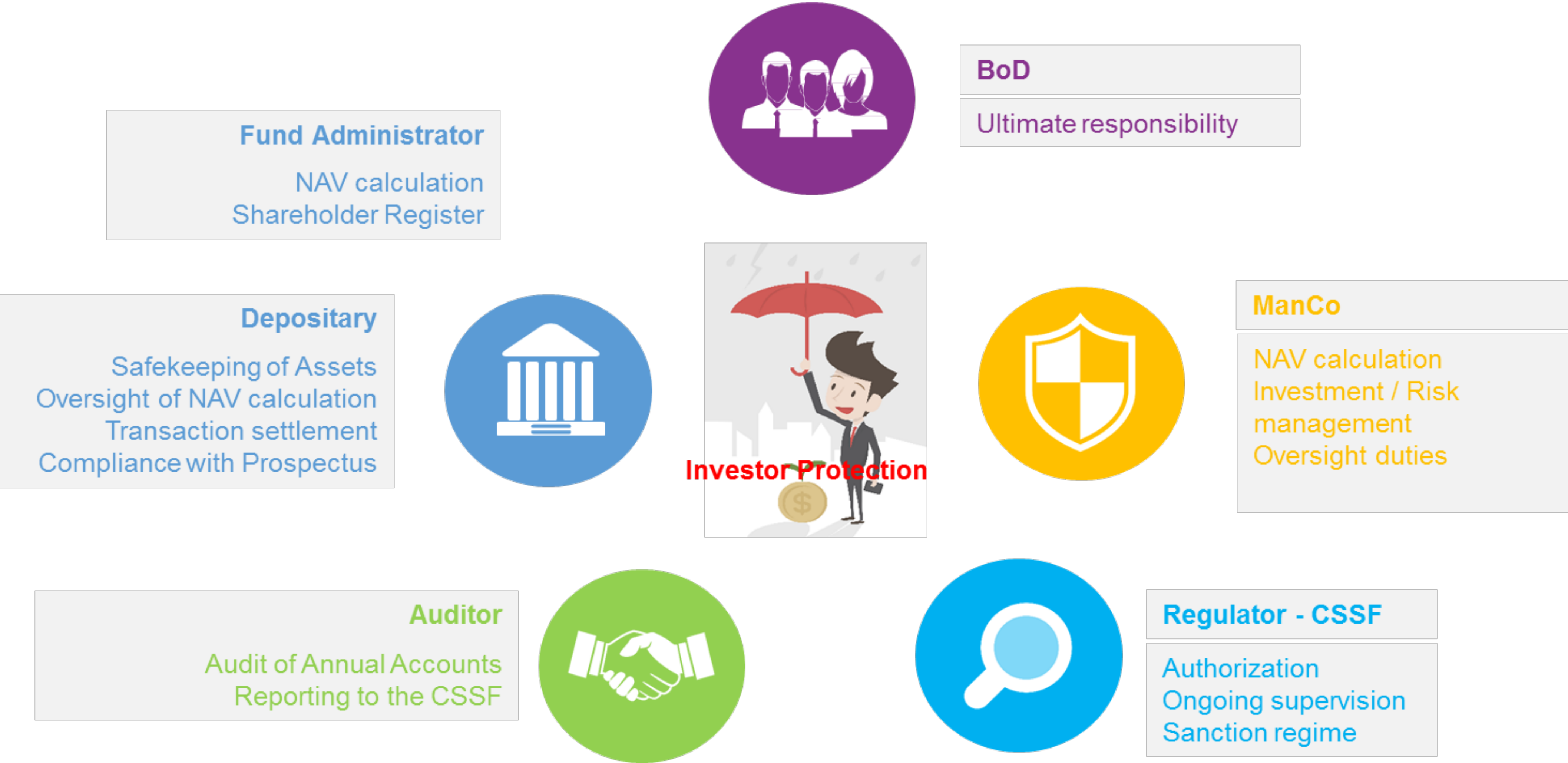
**SEB**

 **UBS**

 **SOCIETE  
GENERALE**

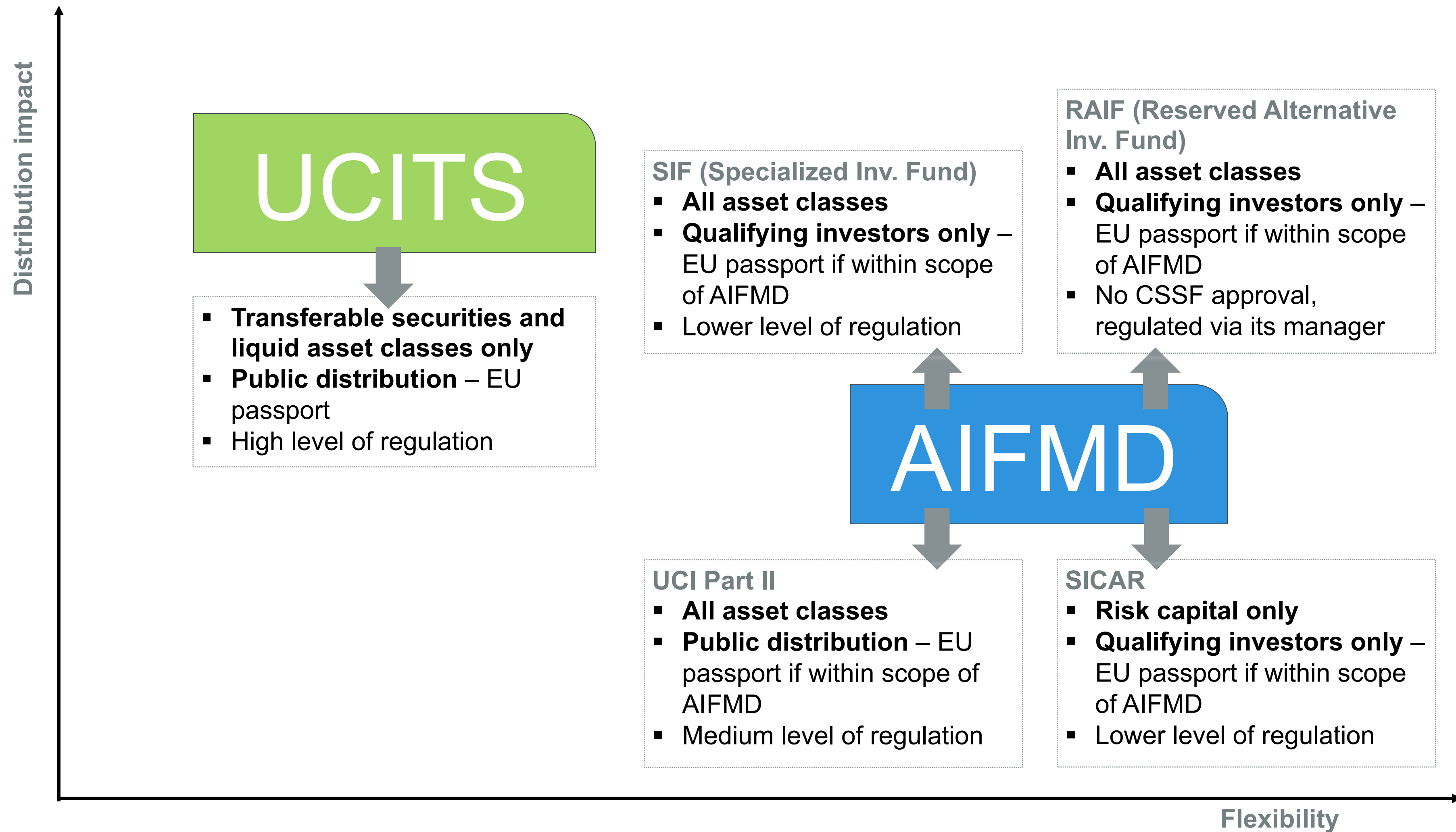


# Governance: an increasing focus of regulators and fund investors



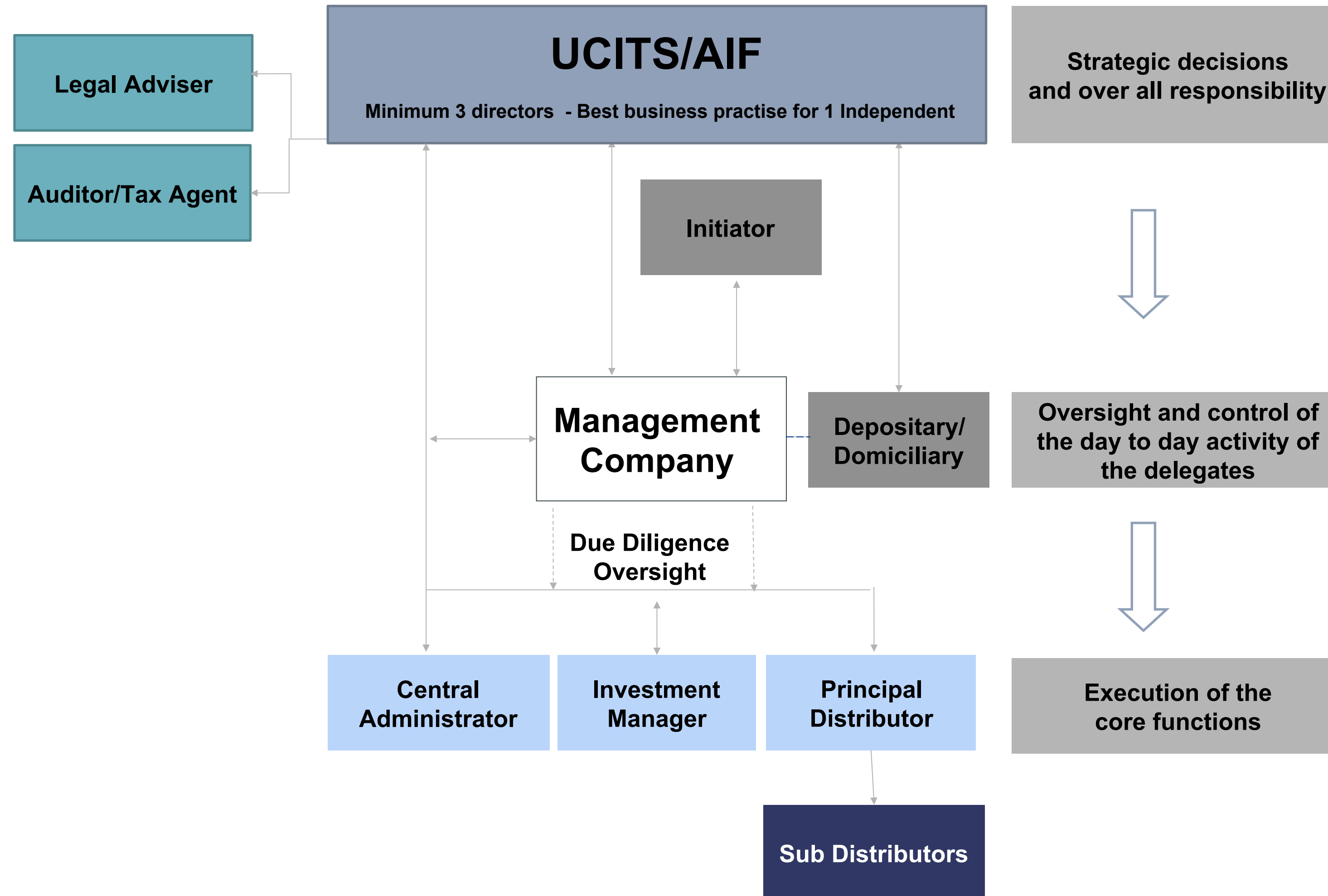


# AIFMD compared to UCITS – General Overview








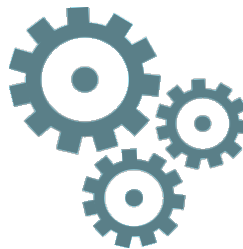


# Management Company Model





# Satisfying regulatory requirements

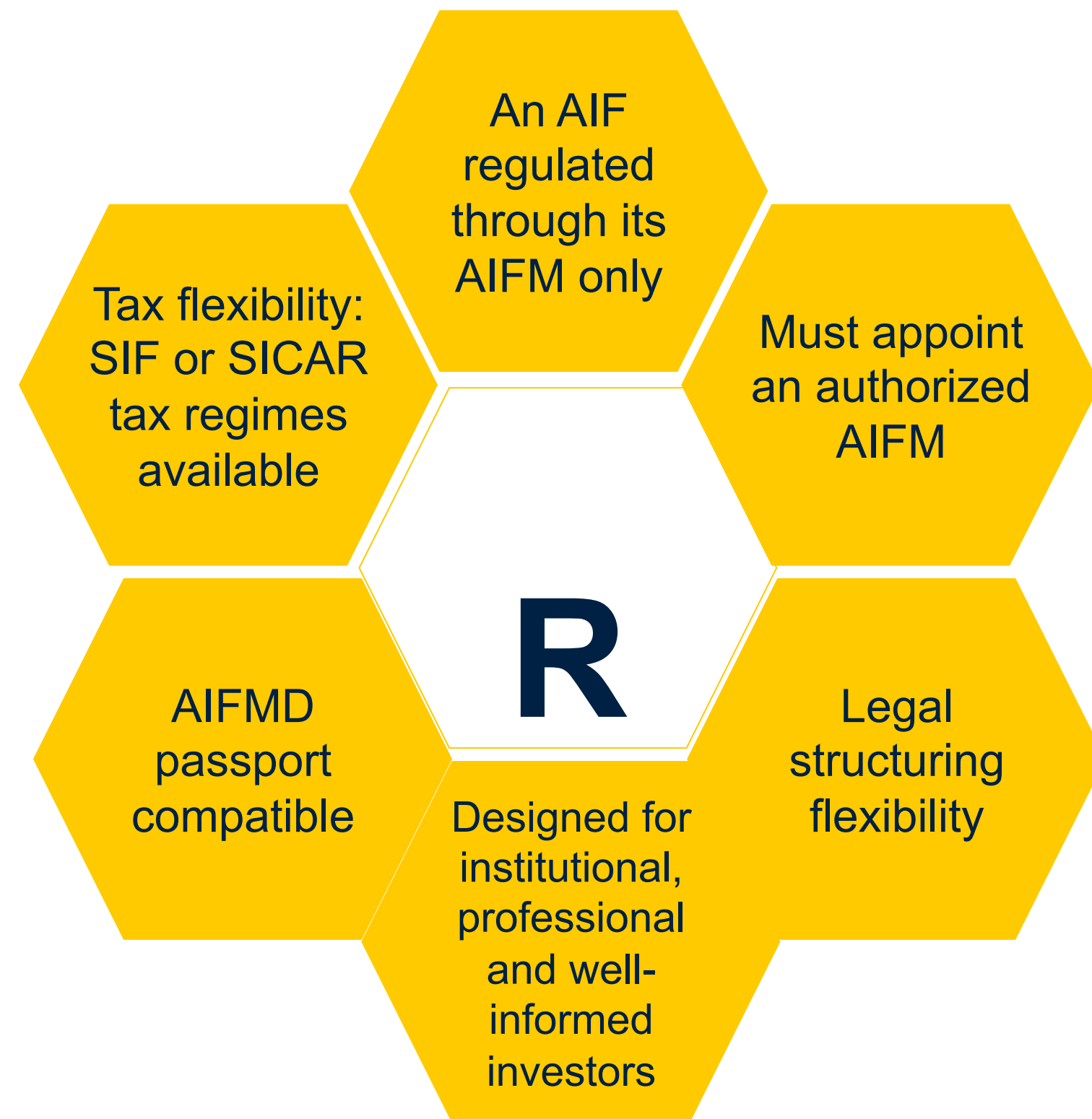
## CSSF Circular 12/546

Substance	Capital	People	Systems	Controls
				
 Luxembourg office with administration center & decision making center	0.02% of assets > EUR250 million up to a maximum of EUR10 million	Sufficient number of qualified & experienced staff.  Board of Directors Conducting Officers - Compliance Officer - Internal Audit	IT Infrastructure	Evidence of Control/ Due Diligence of any delegated function  Internal Audit – Compliance - Accounting - Function – BCP



# ***The RAIF***

## ***(non-supervised investment fund)***



- Not subject to the prior approval of the CSSF or CSSF supervision. In terms of flexibility it is therefore comparable to the LLP in the form of an SLP or CLP and can be set up in a few days;
- Can be set up as an umbrella structure with multiple sub-funds.
- Risk-spreading requirements are aligned with those applicable to SIFs except if the RAIF elects to invest in qualifying risk capital investments only, in which case the risk-spreading requirement does not apply;
- Available to well-informed investors. This category includes institutional investors, professional investors and investors investing certain minimum amounts or who qualify as well-informed investors;
- Automatically qualifies as an AIF and must designate an authorised AIFM established in Luxembourg or in another Member State of the European Union and hence benefit from the AIFM distribution passport;
- Must appoint a depositary as well as an independent auditor in Luxembourg.



# Overview of investment channels in Chinese securities

		Instrument type				
Investment Channel		B - Shares	A - Shares	CIBM <sup>1</sup> bonds	Chinese listed bonds	Chinese equity index futures
		Equity	Equity & Fund	Bond	Bond	Derivative Future
		Can be acquired by international players <sup>2</sup>	Domestic securities subject to restrictions <sup>3</sup>	Debt instruments traded on the CIBM	Debt instruments listed on SSE & SZSE	Index Futures on CSI 300/500 & SSE 50
	Standard a/c in USD or HKD	✓				
	RQFII		✓	✓	✓	✓
	QFII		✓	✓	✓	✓
	Stock Connect		✓ <sup>4</sup>			
	CIBM Direct			✓		

1/ **CIBM** - Chinese Interbank Bond Market

2/ **B-shares** - Equities traded on B-share segment of Shanghai Stock Exchange (SSE) in USD and Shenzhen Stock Exchange (SZSE) in HKD

3/ **A-shares** - Equities & funds listed on the A-share segment of the SSE and SZSE

4/ **Equities listed on the Shanghai Stock Exchange** (“SSE”) that are constituent stocks of the SSE 180 Index, constituent stocks of the SSE 380 Index, and all SSE-listed A-shares that are not included as part of the SSE 180 or SSE 380 indices but that have corresponding H-shares listed on the Stock Exchange of Hong Kong (SEHK) except those that are not traded in CNY and those that are included on the risk alert board. **The Shenzhen Stock Exchange link** is expected to be accessible soon.