

Press release

Luxembourg, 20 November 2018

ASSETS UNDER MANAGEMENT IN LUXEMBOURG PRIVATE EQUITY FUNDS INCREASED BY 20% IN 2018

According to the Luxembourg Private Equity and Venture Capital Investment Fund Survey conducted by Deloitte on behalf of ALFI, released today, assets under management have increased by 20% year-to-year¹, confirming Luxembourg's attractiveness as a domicile for alternative investment funds.

Benjamin Collette, Partner at Deloitte Luxembourg, commented: "While Luxembourg has been active in the private equity field for more than two decades, until recently very few large investment vehicles were established in the Grand Duchy. This has been changing over the last couple of years. This survey highlights the latest trends and the main growth factors of this industry: the number of Luxembourg PE funds above €500 million is steadily increasing, the number of US originated PE funds is on the rise, and last but not least, a majority of fund managers is reinforcing or planning to reinforce their presence in Luxembourg."

Denise Voss, Chairman of ALFI, commented: "We are seeing strong growth because no other centre offers such expertise in structuring funds that involve many jurisdictions. In addition, the introduction of the RAIF regime, and the Limited Partnership structure has boosted the appeal of Luxembourg as a domicile – indeed 4 out of 5 PE fund managers surveyed believe the RAIF and the Limited Partnership have been game changers for Luxembourg."

According to the survey:

- The PE fund landscape is still dominated by funds of EUR 100 Mio and below, however the number of large PE funds (EUR 500 Mio and above) have increased to represent over 4% of the total.
- PE funds structured under the RAIF regime or as unregulated Limited Partnerships have increased by close to 20 points, representing 30% of all Luxembourg PE funds in 2018.
- Large PE Houses embrace Luxembourg as their fund-structuring jurisdiction with, in particular, North American PE Houses-initiated funds representing 8% of the Luxembourg PE funds population.
- Top PE houses established in Luxembourg currently run, or plan to operate within 12 months, at least one Luxembourg PE fund.
- While half of the top PE Houses present in Luxembourg currently employ mainly finance professionals, they all plan to reinforce their presence with Compliance and Risk professionals.

Arnaud Bon, Director at Deloitte Luxembourg, commented: "Luxembourg's alternative investment fund sector is growing strongly but putting a figure on the size of Luxembourg's private equity fund sector has proved elusive as most of the data is not publicly available. However, the survey shows growth and we know that there will be more to come. It seems that the Luxembourg PE industry is currently benefiting from a favourable alignment of planets: while all signs point to a rapid growth of

¹ The survey covers regulated and unregulated Private Equity funds.

the market, the pace of launch of new PE funds by managers (every few years) means that the data we are able to collect is, in fact, only the tip of the iceberg.”

He concludes: “Looking forward, in 2019 we would expect to witness a significant increase in the number of funds launched in Luxembourg with EUR 1 bn and more under management.”

Download the report: <http://www.alfi.lu/node/3692>

ENDS

For more information, please contact:

Anna Přihodová

Senior Communications Manager

ALFI

Tel: +352 22 30 26 - 1

anna.prihodova@alfi.lu

David Masters

Lansons

Tel: +44 (0)7825 427514

ALFI@lansons.com

Notes to editors:

The Association of the Luxembourg Fund Industry (ALFI) is the representative body of the Luxembourg investment fund community. Created in 1988, the Association today represents over 1500 Luxembourg domiciled investment funds, asset management companies and a wide range of service providers such as custodian banks, fund administrators, transfer agents, distributors, legal firms, consultants, tax experts, auditors and accountants, specialist IT providers and communication companies. The Luxembourg fund industry is the largest fund domicile in Europe and a worldwide leader in cross-border distribution of funds. Luxembourg-domiciled investment structures are distributed on a global basis in more than 70 countries with a particular focus on Europe, Asia, Latin America and the Middle East. For further information, do not hesitate to consult our website at www.alfi.lu.

To keep up with all the news from ALFI and the fund industry in Luxembourg, join us on LinkedIn (The Luxembourg Fund Industry Group by ALFI), Twitter (@ALFI-funds), Flickr, Youtube and Vimeo