The Association of the Luxembourg Fund Industry (ALFI), the representative body for the Luxembourg investment fund community, was founded in 1988. Today it represents over a thousand Luxembourg-domiciled investment funds, asset management companies and a wide variety of service providers including depositary banks, fund administrators, transfer agents, distributors, law firms, consultants, tax advisers, auditors and accountants, specialist IT providers and communications agencies.

Luxembourg is the largest fund domicile in Europe and its investment fund industry is a worldwide leader in cross-border fund distribution. Luxembourg-domiciled investment structures are distributed in more than 50 countries around the globe, with a particular focus on Europe, Asia, Latin America and the Middle East.

ALFI defines its mission as to “Lead industry efforts to make Luxembourg the most attractive international centre”.

Its main objectives are to:

- Help members capitalise on industry trends
- Promote the Luxembourg investment fund industry
- Shape regulation
- Foster dedication to professional standards

ALFI actively promotes the Luxembourg investment fund industry, its products and its services. It represents the sector in economic and financial missions organised by the Luxembourg government around the world and takes an active part in meetings of the global fund industry.

For more information, visit our website at www.alfi.lu

Luxembourg is Europe’s number 1 investment fund centre and the world’s leading hub for global fund distribution.

UCITS are now recognized as the only truly globally distributed investment funds. Luxembourg has successfully positioned itself as the global leader for cross-border distribution of investment funds, and today more than 75% of UCITS funds distributed internationally are based in Luxembourg.

A Luxembourg UCITS set up as a common fund (FCP) must be managed by a ManCo. A UCITS investment company (e.g. SICAV) must also appoint a ManCo, unless it has designated itself as a self-managed investment company. UCITS ManCos are in charge of the investment management, administration and marketing of UCITS.

Under the current law of 20 December 2002 on undertakings for collective investment, as amended, a UCITS, its ManCo and its custodian bank must be located in the same EU Member State and all three are subject to the legislation and supervision of that Member State.

However, as from July 2011, under the management company passport portion of the new UCITS IV legislation, UCITS may be managed by a ManCo authorised and supervised in another EU Member State. This offers very specific opportunities for existing ManCos in the EU as well as for ManCos still to be created.

Given Luxembourg’s expertise, experience and its leading position in global fund distribution there are many good arguments in favour of Luxembourg as the location … for a ManCo.

¹ UCITS is the acronym for “Undertaking for Collective Investment in Transferable Securities”. It refers to European Directive 85/611/EEC, dated 20 December 1985, which set up a single regulatory regime across the European Union for open-ended funds investing in transferable securities such as shares and bonds, with a view to defining high levels of investor protection and which has been implemented into Luxembourg law by the Law of 20 December 2002 on undertakings for collective investment, as amended.
10 reasons for a Luxembourg management company “ManCo”

- Largest fund centre in Europe
- Largest international hub for fund distribution
  - EUR 1.8+ trillion fund assets under management – world’s 2nd largest with 3,480 umbrella or single-compartment funds representing 12,316 sub-funds (units) (CSSF January 2010)
  - 75% of the world’s cross border funds are Luxembourg funds
- Worldwide recognition of UCITS brand “Made in Luxembourg”
  - Luxembourg UCITS distributed in 58 countries, including some of the most important markets in Asia, the Middle East and Latin America
  - Longstanding relationships between the Luxembourg regulator and authorities of UCITS distribution countries
- Very low country risk
  - Very stable EU Member State with sound public finances, relatively low government debt and low deficit levels, which constitute the best guarantee for fiscal stability
- Ideal strategic position at the heart of Europe & high standard of living
  - 70% of EU wealth is within 700 km of Luxembourg
  - Central location attracting a highly educated pool of labour from surrounding countries, the rest of the EU and the world
  - Excellent public and cultural infrastructure, social services and low crime rate
- Efficient & reliable fund infrastructure
  - Dedicated platforms: regulatory approval, stock exchange listing, order routing, registration, clearing and settlement
  - 70 custodian banks with world wide sub-custodian networks
- Large offer of fund structures beyond UCITS
  - A leading fund centre for real estate, private equity funds, onshore hedge funds and funds of hedge funds
  - Nearly 1000 Specialized Investment Funds (SIF)
  - Centre of redomiciliation of off-shore Non-UCITS and for passported Alternative Investment Fund Manager activities and Non-UCITS vehicles
- Business-friendly political & tax environment
  - Competitive tax and social security regime
  - The government is accessible and promotes consultation
  - Very active investment fund industry association (ALFI)
- Sophisticated but pragmatic legal and regulatory framework
  - Flexible & understandable legal framework for fund creation, merger and liquidation
  - Proactive, multi-lingual regulator (e.g. application files accepted in English, French & German, E-filing)
- Long-standing experience in multi-location fund administration
  - More than 20 years of experience in multi-location fund administration, tax reporting, delegation arrangements, multi-class funds, etc
  - Technology and expertise is constantly evolving to accommodate new products and ever widening distribution of funds
- International multi-lingual professionals & environment
  - 42,000 professionals employed in regulated financial service companies
  - 190 management companies
  - 140 banks from 33 countries
  - Nearly 300 regulated financial service companies
  - Multitude of nationalities (176) and languages spoken in Luxembourg

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