

23 April 2014



The Luxembourg Fund Industry:

*Latest trends, challenges
and opportunities*

Marc Saluzzi
Chairman
ALFI

Luxembourg fund industry



... at a glance:

- 3,881 investment funds
- 13,674 fund units
- 2,679.51 billion euros in assets under management
- 48% of new money invested in European funds in 2013 i.e E193 billion
- More than 51,000 distribution agreements for Luxembourg UCITS i.e a 67% global market share



Two virtuous circles

- Building the best global fund distribution platform to attract the best fund managers
- Explaining and defending the concept of regulated fund (UCITS and AIF) to maintain its relevance for retail and institutional investors



First class regulatory and market infrastructure

- Second fund centre in the world
- The best investment vehicles tool box around
- More than 360 fund management companies, 200 of which have filed for an AIFM license
- 60 depository banks and 143 fund administrators
- 14,000 direct and indirect jobs
- Pragmatic regulator
- One of the government's top priorities



AIFM Directive - Scope

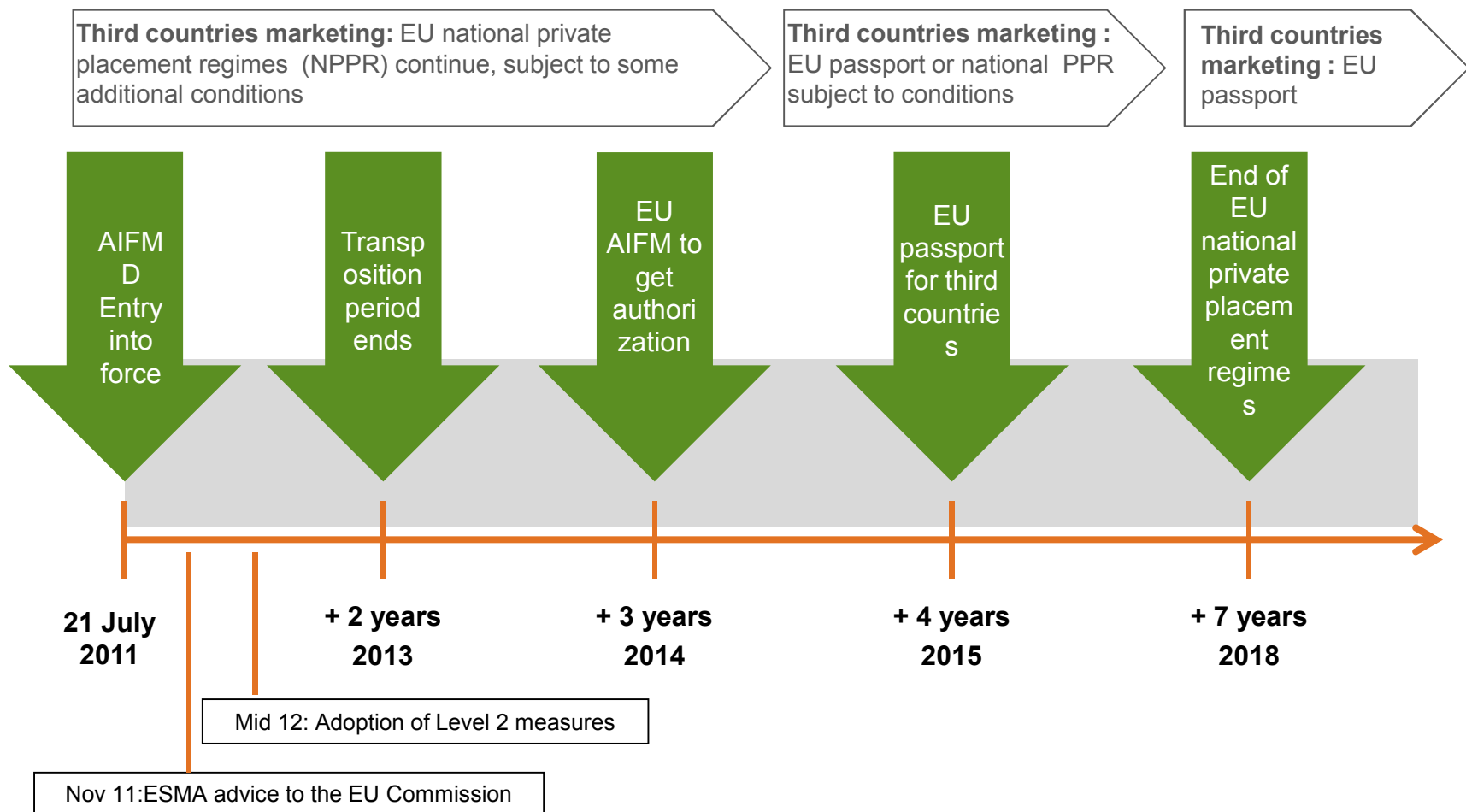
AIF means:

- any collective investment undertaking other than UCITS
- which raises capital from a number of investors (i.e. at least 2)
- with a view to investing it in accordance with a defined investment policy for the benefit of those investors

AIFM = legal persons whose regular business is managing one or more AIF

Hedge Funds, Real Estate, Private Equity

The AIFMD implementation timeline



EU distribution post AIFMD

EU AIFM / EU AIF

- Distribute under EU Passport (from 2013)

EU AIFM / Non-EU AIF

- Distribute under National Private Placement Regimes (until at least 2018) + some AIFMD requirements
- Distribute under EU Passport (from 2015)

Non-EU AIFM / EU AIF

- Distribute under National Private Placement Regimes (until at least 2018) + some AIFMD requirements
- Distribute under EU Passport (from 2015)

Non-EU AIFM / Non-EU AIF

- Distribute under National Private Placement Regimes (until at least 2018) + some AIFMD requirements
- Distribute under EU Passport (from 2015)



ALFI's ambition plan

- **Ensuring UCITS remains the best-in-class for investor protection;**
- **Helping fund managers and institutional investors to leverage the development of regulated European alternative funds, with AIFMD;**
- **Stimulating innovation within the funds industry;**
- **Facilitating cross-border fund distribution;**
- **Ensuring Luxembourg remains the partner of choice for the asset management industry.**



Our 2 key messages

- **Funds are good for you**
- **Luxembourg is good for funds**



Marc.saluzzi@alfi.lu
+352 22 30 26 1
www.alfi.lu