



LUXEMBOURG PRIVATE EQUITY &  
VENTURE CAPITAL ASSOCIATION  
NEWSLETTER



Join LPEA  
Your Gateway  
to Luxembourg's  
PE Community

RECENT  
PUBLICATIONS



[Capital V #6](#)



Dear Luis Galveias,

December is usually the time to look back, to recap our achievements of the past year. At LPEA we will soon do this exercise, together with our members in the New Year's Event to which you can already save the date: January 25th.

Today, however, we find it is far more relevant to point out to the future, notably to 2020. Luxembourg for Finance has recently published the financial sector's commitment and expectations for the next 5 years.

On the private equity side we aim no less than to become the world's prime on-shore location for private equity. We have the expertise, state of the art legal and tax frameworks and a financial ecosystem like no other.

The Reserved Alternative Investment Fund (RAIF), expected from the 2nd half of 2016, is a good example of Luxembourg's flexibility and



[Private Equity in Luxembourg](#)

innovation; one that will certainly contribute to the country's affirmation as the leading private equity hub.

We trust you will join us in this challenge!

As for now, we wish you wonderful holidays and look forward to working with you in the year to come.

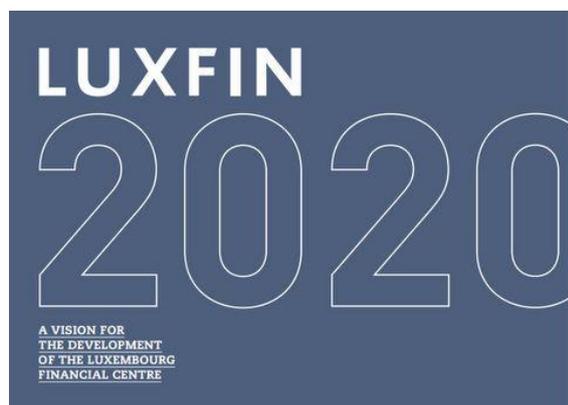
*Jérôme Wittamer*  
President

*Paul Junck*  
Managing Director

LPEA

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## LUXFIN 2020



### Private Equity's growth plans in Luxembourg

Luxembourg for Finance (LFF) released the [LuxFin2020](#), a vision for the development of the Luxembourg Financial Centre.

The document is a commitment to build on Luxembourg's core strengths, seize opportunities and support innovation in other, newer sectors of the financial services arena. However, LuxFin2020 is, above all, a public statement on the 3 principal objectives guiding the financial services industry:

**1- To develop further as a centre of excellence in cross-border finance** by consolidating and developing Luxembourg's expertise in cross-border financial services;

**2- To be the EU onshore financial hub of reference** by expanding Luxembourg's role as the European location of choice for global financial services providers and

**3- To become a digital leader in Europe**, notably by fostering innovation and becoming a leader in digital financial services.

The objectives of the industry are too those of the **private equity and**



[Limited Partnership in Luxembourg](#)

## MEMBERS' NEWS

**Arendt & Medernach** remark that the CSSF has published [regulation N° 15-03](#) concerning the marketing of foreign AIFs to retail investors in Luxembourg.

The **EIF** published its latest [European Small Business Finance Outlook](#) which includes a chapter on private equity.

**Genii Capital's** President Gerard Lopez, stated in the [Investors Day of La Bourse](#) that «*Private Equity is a prerequisite to enter a public stock market*» (free translation; article from Paperjam)

**OPF Partners** announced it will [join global law firm Dentons Europe LLP](#) from January 1st. According to the Chair of Denton's Europe Board, Evan Lazar, «*Luxembourg plays a key role in the global and European investment fund and private equity sector*».

**PwC Luxembourg** just made Transfer Pricing a lot easier by creating a few [videos](#) explaining the concept and challenges.

**Mangrove's** portfolio company [Lesara](#), a Berlin-based online fashion and lifestyle retailer, expands to the United Kingdom and Scandinavia. Mark Tluszczyk also explains the [5 reasons why Mangrove invested in Apester](#).

**Partners Group's** three founding partners have entered into a [five-year derivative transaction](#) which supports further private markets investment alongside clients

## venture capital sector.

The Luxembourg private equity industry's goal is to become the **prime on-shore centre for private equity by 2020**, building on the strong foundation of asset management know-how, the availability of a broad range of investment vehicles and regulatory expertise.

More specifically, the industry has the ambition of **increasing GP presence in Luxembourg**. Having seen a continuous inflow of mid market private equity houses in Luxembourg, the industry also aims to attract a private equity 'mega fund' to further increase the centre's international reputation.

Factors that will drive the industry's expansion in Luxembourg include the European Investment Plan ("Juncker Plan"), innovation in financial technology, BEPS, as well as a positive global M&A activity. The industry sees particular potential for growth in investment activities in the areas of impact finance, infrastructure, energy, mid market, debt, venture capital and FinTech. The Luxembourg private equity industry also expects the sector to further expand its back and middle offices in Luxembourg.

[Read LuxFin2020.](#)

## Upcoming Events

SAVE THE DATE



- LPEA New Year's Event (members only) - 25/01/2016

- European Alternative Investment Funds Conference - 19-

Saphir Capital Partners' portfolio company Molinare, operating in the media sector, [acquired post production facilities from VET.](#)



[Perception and success: Silicon Valley & Europe's start-up hubs](#)  
by InvestEurope



## OTHER INDUSTRY EVENTS

January 19-20



[European Alternative Investment Funds Conference](#)

20/01/2016

Join LPEA and the full set of Luxembourg's alternatives industry in the European Convention Center Luxembourg. The EAIF Conference, hosted by ALFI, is the annual meeting point for alternatives' professionals from all across Europe to meet, to debate the latest industry trends and to discover Luxembourg's unique legal and tax toolbox.

Hereby a quick preview of some of the PE-related items of the agenda:

- Private Equity, LP comments and concerns
- Private Equity SWOT Talk - EU and US views
- Debt and Credit Funds for Europe: the emergence of an alternative financing industry
- EU Policy Objectives & Fund Labels: putting the ELTIF, EuVECA & EuSEF labels to work
- AIFMD and passport: Where will the journey take us?

50 FREE TICKETS are available for asset managers & institutional investors who are not based in Luxembourg. [Register now!](#)

- LPEA Roadshow in Zurich - 4/02/2016

Further details will be announced in 2016.

## Recent Events

**Warranties and Indemnities Insurance: A facilitating tool in M&A transactions (15/12)**



An update on the products available for private equity and mergers and acquisitions' professionals according to the different phases of the deal process and the challenges each poses. Event co-organised by LPEA, Deloitte and Gras Savoye.

**GP Club Meeting (11/12)**

The Association of the Luxembourg Fund Industry (ALFI) will again turn Luxembourg into the European capital of alternative funds in January. The 2-days conference will welcome presentations and panel discussions on the latest news and trends in the alternative investment industry in an event that is expected to, once again, influence the future of AIFs.

**LPEA will be present in this event both on stage with the participation of its President Jérôme Wittamer and of many other members of the association, as well as in the exhibition area with a booth where delegates will be able to learn more about LPEA and the sector we represent.**

*European Convention Center, Luxembourg*

*January 22*

**[French Private Equity Conference](#)**

One-day event to be held in Paris with more than 50 outstanding speakers and an opportunity to make new contacts within the 300 participants.

*Special 35% discount for LPEA Members.*

*February 17-19*

**[IPEM - International Private Equity Market](#)**

Structured as a marketplace with hospitality suites, business meetings, and social events, the International Private Equity Market (IPEM) is the first international event to gather PE professionals (GPs, LPs, Debt, Advisors...) and entrepreneurs for 3 days of networking.

Cannes

*Special 25% discount for LPEA Members.*

*February 22-25*

**[SuperReturn International](#)**

Berlin is, for one week, the center of the private equity world. The World's largest private equity & venture capital conference boasts 1700+ global private equity professionals from 40+ countries. **LPEA will be present in this international gathering with a booth promoting Luxembourg as**



Luxembourg based GPs gathered together for the 3rd time this year under the GP Club meetings initiative coordinated by LPEA. After a brief [presentation on tax trends](#) in Luxembourg, the group networked throughout a walking lunch. During the meeting some of the participants also contributed to the production of a promotional video of LPEA to be released in 2016. Some pictures of the event are available [here](#).

#### LPEA Roadshow in Munich (10/12)



We invite you to review the [slides of the session](#) held in Munich last week and to browse some [pictures](#) of the event.

#### Closing session of the How to Start a Startup course (9/12)

**a leading global Private Equity hub.** Visit our booth during the event and participate in the drawing of a gift that LPEA and ALFI will be awarding onsite.

*Special 25% discount for LPEA Members.*

March 4

#### [Polish & CEE Private Equity Conference 2016](#)

The Polish & CEE Private Equity Conference is a one-day event with inspirational keynote speakers, enriching panel discussions and valuable networking opportunities for high-level professionals.

Warsaw

*Special discount of 15%-30% for LPEA Members.*

April 21st

#### [Iberian Private Equity Conference 2016](#)

The 3rd IPEC takes place in Madrid and brings together 50 speakers and 300 attendees (+80 GPs, +60 LPs and +50 CxO's). The one-day event provides the unique opportunity to meet the Iberian and European Private Equity elite.

Confirmed attendees and speakers include companies such as Corpfm Capital, Adams Street Partners, Bain Capital Private Equity, Advent International, PAI Partners, Explorer Investments, The Carlton Group, Akina Partners, MCH Private Equity and many more.

*Special discount of 15%-30% for LPEA Members by using the code LPEA\_EB (early bird) and LPEA\_RT (regular).*



Visit us in [www.lpea.lu](http://www.lpea.lu) and follow LPEA's information flow and community activity on Twitter, LinkedIn and Slideshare.





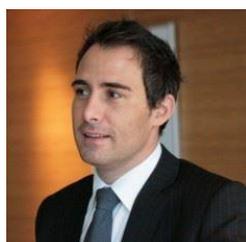
Video preview of the last class and Q&A with Luxembourg investors and entrepreneurs Jérôme Wittamer (Expon Capital) and Marco Houwen (BHS Services). Watch the original Sam Altman's video [here](#).

#### How to Start a Startup course - How to speak with investors (26/11)



Two weeks before the final closing, a session tailored to entrepreneurs willing to learn how to approach investors took place at nyuko with some of Luxembourg's early stage investors. Check the event in [pictures](#).

### Guest article



by Alexandre Prost-Gargoz and Christophe Diricks, Members of LPEA

## Securitization vehicles in Luxembourg

The first edition of the Private Debt Conference held in November aimed at giving a thorough picture of the assets class' development and how drivers behind private debt differ from those of Private Equity and Real Estate.

“Primarily driven by new regulations such as BASEL III and the ECB's Asset Quality Review, the lending market in Europe is undergoing a shift from bank towards non-bank funding”, elaborates Alexandre Prost-Gargoz, Tax Partner at Deloitte Luxembourg.

One of these trends will include the utilization of Luxembourg securitization vehicles (SVs) to allow for a new form of financing and refinancing for industries that have traditionally heavily relied on bank financing (e.g. shipping, infrastructure and real estate, SME). Together with loan originating debt funds, a new European financial market landscape is emerging with the European Commission, the European Central Bank and the Bank of England taking a positive view on securitization. It is anticipated that Simple, Transparent and Standardized (STS) securitization will receive favourable treatment under the European Capital Requirements Directive IV (CRD IV) and Solvency II.

[Read full article.](#)

# Market News & Insights

## LUXEMBOURG

- [The bill of law for the Reserved Alternative Investment Fund \(RAIF/ FIAR\) has been tabled before the Luxembourg Parliament](#) (free english translation by Arendt&Medernach)
- [ICT Seed Fund: a public-private 19,2 million fund to support start-ups in the domains of cyber security, fintech, big data, digital health, telecommunications, satellite services and IoT](#)
- [Claude Marx à la tête de la CSSF](#) (Paperjam)

## EUROPE

- [Belgium-based Gilde Buy Out Partners secures €1.1bn for new fund targeting Benelux and DACH regions](#) (Real Deals)
- [Horizon 2020's SME Instrument: Looking for Europe's next innovation leader. SME's can receive up to €2,5M in funding](#)
- [Invest Europe: Professional Standards Handbook and Investor Reporting Guidelines](#)
- [Invest Europe's Dörte Höppner: More Unicorns, More VC](#)
- [French firms Apax, Ardian, Eurazeo, LBO France and PAI have committed to reducing portfolio company carbon emissions](#) (Real Deals)

## INTERNATIONAL

- [Blackstone: Seeking an Alternative - Understanding and Allocating to Alternative Investments](#)
- [Collier Capital: Global Private Equity Barometer - Winter](#)
- [What returns LPs are expecting from managers - LPs expect top quartile funds a 2x multiple of cost and an IRR of 17.4 per cent](#) (RealDeals)
- [First Round: State of Startups 2015 Infographics](#) (Business Insider UK)

## About LPEA

The Luxembourg Private Equity and Venture Capital Association (LPEA) is the representative body of private equity and venture capital professionals in Luxembourg.

With over 130 members, LPEA plays a leading role in the discussion and development of the investment framework and actively promotes the industry beyond the country's borders.

Luxembourg disposes of a stable tax regime and is today at the forefront of international PE regulation providing a flexible, secure, predictable and multi-lingual jurisdiction to operate in.

LPEA provides a dynamic and interactive platform for its members to discuss and exchange information and organises working meetings and networking opportunities on a regular basis.

If Luxembourg is your location of choice for private equity, LPEA is where you actually become a player!

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