

LPEA

Newsletter

LUXEMBOURG PRIVATE EQUITY &
VENTURE CAPITAL ASSOCIATION



Mario Grotz (SpaceResources.lu) speaking at the AGM of LPEA (8/05/2017)

Dear Reader,

On May 8th we invited all our members to the Annual General Meeting of LPEA. The gathering, kindly hosted by Banque du Luxembourg, was the moment to present our [Annual Report](#), to summarise our activities of the past year and to speak about the future of the association as well as of the "new" space endeavours of Luxembourg.

We thank Mario Grotz from the Ministry of Economy and member of the [Space Resources](#) initiative for sharing with us the plans of this ambitious mission to reinforce Luxembourg's already strong presence in the space industry. A sector we hope, will progress with the support of VC/PE investors.

As for now we are preparing our visit to New York next week, a market which has been at the origin of many of the latest firms establishing new funds in Luxembourg.

See you soon!

Paul Junck

RECENT PUBLICATIONS



- [Annual Report 2016](#)



- [Capital V #9](#)

Managing Director
LPEA



Upcoming Events



LPEA roadshow in New York June 8th

LPEA returns to New York for a new information session about the Luxembourg PE/VC toolbox in the context of the latest European regulation and current trends. We invite US-based GPs and advisers to join in this free session which will count with local testimonials from **KKR** and **The Carlyle Group**.

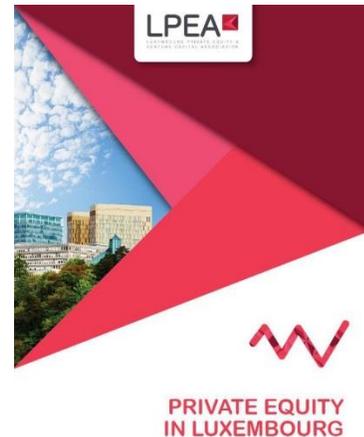
Among the key subjects on discussion you will find:

- How to sell your fund in the EU
- The Luxembourg AIFM operating model
- Structuring possibilities

[Register now.](#)

Young PE/VC Leaders June 26th

Who better to identify the future challenges of our sector than the



- [Private Equity in Luxembourg](#)

- [Limited Partnership in Luxembourg](#)



Arendt & Medernach is proud to have been [named "Luxembourg Law firm of the year"](#) both by Chambers & Partners and IFLR (International Financial Law Review). Arendt & Medernach [also informs](#) that Claude Kremer has been elected as Co-Chairman of the firm alongside Guy Harles, whose mandate as Co-Chairman has been renewed. Jean-Marc Ueberecken has been re-elected Managing Partner.

Baker McKenzie Luxembourg was [awarded the Luxembourg Transfer Pricing Firm of the Year](#) for the second year in a row by the International Tax Review. Baker McKenzie also noted the [appointment of Catherine Martougin to the Management Board of INREV](#), the European Association for Investors in Non-Listed Real Estate Vehicles.

The Acrotec Group, a portfolio company of **Castik** managed

younger generation of PE/VC professionals? On June 26th LPEA will invite for the first time its executives <40 for a roundtable on the current and future challenges of PE/VC in Luxembourg. The meeting will kick-start a new working group which is expected to bring valuable insights to the association. Members who have already demonstrated interest will receive an invitation soon. If you would like to join this group please register through the following [form](#) (*restricted to LPEA Members*).



Past Events



Panelists of the London workshop

ALFI London Conference LPEA's Private Equity Workshop

Luxembourg was again in the spotlight of London's financial centre. A group of over 1000 participants attended the cocktail and conference held last week to hear about the latest developments in Luxembourg's alternative funds and UCITS and the latest developments on the country's strategic bet in Fintech.

LPEA held a private equity workshop with the participation of testimonials from BC Partners and Oaktree and demonstrated why so many funds are moving and/or considering moving further activities to Luxembourg. Pictures of the workshop are available [here](#).

LFF Mission to Stockholm the Private Equity toolbox

LPEA participated in the Luxembourg for Finance mission to Stockholm headed by the Luxembourg Minister of Finance H.E. Pierre Gramegna. Among other topics, the session presented the

EPIC Funds, has [acquired Mimotec SA \("Mimotec"\)](#) for an undisclosed amount.

Funds advised by **Castik Capital** have [acquired a majority stake in inet](#), Austria, from the international transportation and logistics company Gebrüder Weiss.

EQT has [closed its European mid-market fund](#) at its hard-cap of €1.6bn.

[Polynt and Reichhold complete merger](#) to create a global specialty chemicals group. **Invest Industrial (BI-Invest Advisors)** is pleased to see its portfolio company Polynt growing from less than €600 million of revenues at the time of the initial investment to now form a group with revenues of €2 billion and established global operations.

Wildgen updated the [list of double Tax treaties](#) with Luxembourg in force and in negotiation as of 08 May 2017.



*Summary of the LPEA Insights:
360 GP View Conference (26 April)*



multiple aspects of the Luxembourg toolbox and welcomed the local testimonials of fund managers EQT and NREP.



LPEA Insights: 360 GP View How's Private Equity and Venture Capital doing in Luxembourg?

Summary of the LPEA Insights: 360 GP View conference:

- Introducing the Total Rate of Return (TRR)
- Selection of investments as the main driver of fund performance
- 10% is the minimum commitment to invest in the asset class
- Venture capital industry as part of the real economy and not just of the financial sector
- Venture capital outperforms private equity
- The potential of direct lending and how investors are shifting their attention
- The increase of interest rates could become a challenge in the future
- Emerging markets often have complicated regulatory/legal environment and require specialists on the ground
- PE's increasing regulations is an opportunity for more transparency.

Read the [full summary](#).



Guest Articles

Other industry events

May 30-31

[Invest Europe: CFO Forum](#)

A must-go event for private equity CFOs
Berlin

June 26-28

[SuperReturn Emerging Markets](#)

In-depth market analysis and debate. 120+ LPs, 120+ GPs. Create new contacts.
Amsterdam.
Special 10% discount to LPEA members.

September 21

[UK Private Equity Conference](#)

The Annual UK Private Equity Conference is a meeting point for LPs, GPs and CxOs.
Special discount to LPEA Members



Visit us in www.lpea.lu and follow LPEA's information flow and community activity on Twitter, LinkedIn and Slideshare.





by Olivier Lambert and Elona Ajdari, Members of LPEA

Intragroup cost sharing activities: the beginning of a new era

«Luxembourg cost sharing bodies called “independent group of persons” (IGP) have been widely used as a way to reduce VAT exposure in the financial sector. An IGP can render VAT exempt supplies to its members, under certain conditions. The general principle is set by the VAT Directive whereas the exact conditions are clarified at a national level and in reality differ significantly from one EU member state to another.» [Full article](#)



by Mark Tluszcz, Mangrove Capital Partners

Gender diversity: ignore it at your peril....

«Gender diversity works, I know this for a FACT. This FACT is based on observing some of the great companies we are fortunate to be involved with. From birth, each has focussed on hiring the BEST people, irrespective of gender....and amazingly when you approach recruiting with this mind-set, you get outstanding teams and companies flourish.» [Full article](#)

Private Equity, how is the temperature?

Private Equity, how is the temperature?

by Olivier Coekelbergs, Vice-President of LPEA

The "Private Equity, how is the temperature" provides you with a quick update on current market trends and key data from the Private Equity industry.

Highlights:

- PE exits increased in the first quarter. Firms announced 229 exits valued at US\$75.9b, up 15% by value and 9% by volume versus last year.
- PE fundraising remains strong, with firms closing 153 funds valued at US\$132b in the first quarter of the year, representing an increase of 6% from the first quarter of 2016.
- Firms are raising capital faster in 2017 than at any period on record. Buyout funds that closed in the first 3 months of 2017 spent an average of just 8 months between launch and final close.

[\[full article\]](#)



LUXEMBOURG



- [3i plans Luxembourg licence after Brexit](#) (FT)

- [STATEC forecasts near 5% GDP growth for 2017 and for 2018 in Luxembourg](#)
- [ICT Spring's Pitch Your Startup competition awards 2 Luxembourg startups: Aiva and Vertalio.](#) (Paperjam)
- [The Luxembourg's Fund industry reached a new record in February with AuM of collective investments \(OPC\) of 3.860,317 billion Euros.](#) (Paperjam)

EUROPE



- [The SME Instrument is launching a call for investment experts!](#)
The SME Instrument is a successful programme within the framework of the EU Horizon 2020 framework, established in 2014. In three years it committed €882 million in grants, coaching and business support to 2457 SMEs. The program is now looking for experienced investment professionals willing to collaborate in finding the "golden nuggets in a pile of sand".
- Invest Europe: [2016 European Private Equity Activity.](#)
Fund raising in 2016 increased by 37% year-on-year, reaching €74.5 billion
- [The five most popular European funds in the secondary market are...](#) (Real Deals)
- Take part: The Cambridge Judge Business School (CJBS) and Level 20 are carrying out a ground-breaking [survey](#) of the career paths of individuals working in the European private equity industry



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

With 148 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 join the industry!

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