

LPEA

Newsletter

LUXEMBOURG PRIVATE EQUITY &
VENTURE CAPITAL ASSOCIATION



Dear Reader,

Luxembourg just broke the barrier of the €4 trillion of assets under management, conserving the title of the 2nd largest fund centre in the world after the US. These are good news for our financial centre which has, for many years, been building a solid reputation among investors worldwide.

Private equity, representing a small fraction of the industry, remains nevertheless a fast-growing asset class, ever more familiar to finance professionals.

But how well do citizens of Luxembourg know about private equity? Very little actually. That is why LPEA will, starting in the coming month, conduct a campaign to bring the concepts and impact of private equity and venture capital closer to Luxembourgers and further residents of Luxembourg.

As much as possible, we will keep track of all initiatives in our website. Stay tuned!

Paul Junck

*Managing Director
LPEA*



Upcoming Events

GP Workshop: Company Law Reform
November 15th, *lunch break*
Luxembourg



wat ass private equity

LPEA is setting up a campaign to bring the concepts of private equity and venture capital closer to the general population in Luxembourg.

All members are welcome to take part in this challenge and contribute with their insights to events and publications taking place in Luxembourg in the coming months.



**RECENT
PUBLICATIONS**

The GP Workshop will cover the topic of the Luxembourg Company Law Reform and its implications for the PE/VC industry. The presentation will be led by Renaud Graas and based on the work of LPEA's Legal Committee. Limited seats. [[registration](#)]

This event is exclusive to GP and LP members of LPEA.



LPEA Breakfast in Munich

December 12th

Literaturhaus München

With many Munich-based private equity managers already present in Luxembourg, this will be the occasion to wrap-up an update on the latest changes to the Luxembourg "toolbox", listen first-hand testimonials from local GPs operating in Luxembourg and to meet a delegation of Luxembourg professionals. [[registration](#)]



ALFI Private Equity Conference

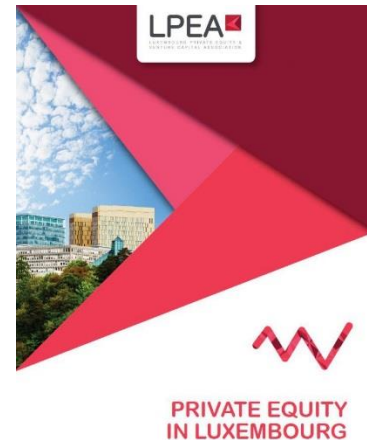
November 21st

European Convention Center Luxembourg

The ALFI PE Conference in Luxembourg brings together several experts to debate the status of PE today. Governance, fundraising, private wealth allocation and the challenges of the asset class, are some of the topics featured in the agenda. This event will be a good opportunity to meet LPEA and collect our latest publications from our booth. [[more information](#)]



- [Capital V #10 \(2H2017\)](#)



- [Private Equity in Luxembourg](#)

- [Limited Partnership in Luxembourg](#)



Alter Domus announced the [launch of a new third party AIFM management service offering](#). The new offer comes from the signature of an agreement to acquire Luxembourg Fund Partners (still subject to the regulatory approval). On completion of the deal, Alter Domus will be able to provide set-up support, administration and



Past Events



LPEA Private Equity & Venture Capital breakfast in London

Last week LPEA invited London-based private equity and venture capital professionals to join Luxembourg's breakfast at The National Gallery. The event comprised an overall update of the Luxembourg PE scene, a debate on the latest legal and tax matters, a state of the industry presentation by Cambridge Associates and an interactive panel with representatives of 17 Capital, Quilvest and Expon Capital. The full panel and pictures of the event are available [here](#).



LPEA/ ALFI/ LFF Financial Seminar & Cocktail in New York

The Luxembourg financial seminar held in New York earlier this month welcomed the participation of over 300 participants interested in the multiple aspects of Luxembourg's funds: UCITS and Alternatives. The session was opened by the Minister of Finance Pierre Gramegna and concluded with a networking cocktail. Pictures of the event are available [here](#).

management company services to international fund promoters.

Arendt & Medernach summarised the [tax changes for 2018](#) disclosed in the new budget bill.

KPMG shared [three insights on Luxembourg's new transfer pricing circular](#), based on its client experience and answering to the following questions: 1. What exactly does "qualified personnel" mean?; 2. What are the main factors influencing the necessary level of equity at risk? and 3. Can boards include foreign board members?

Mangrove Capital Partners published "[Tokenisation: Implications for the Venture Capital Industry](#)".

The growth of ICOs poses some fascinating questions – is this a bubble linked to hype around cryptocurrencies or does it represent a fundamental change in the way startups raise money? And if it is truly disruptive, how will it impact the venture capital industry?

PwC Luxembourg published a guide with a complete overview on the [Luxembourg Limited Partnership](#).



Royalton Partners, the AIFM of Royalton Capital Investors II L.P., announced that it has sold City Parking Group z o.o. ("CPG") to Energy and Infrastructure SME Fund, a Lithuanian private equity fund managed by Lords LB Asset Management. The sale of City Parking Group marks Royalton's first sale from the six investments held by the fund. Royalton originally purchased control of ACTIV, a Czech



Guest Articles

Quantifying Risk for Private Equity - Challenges and Approaches



by Jörg Henzler, Member of LPEA

Value-at-Risk (VaR) as the most important risk indicator in the world of liquid assets is well known and generally accepted but still often critically discussed. The AIFMD requires the quantification of VaR for alternative (illiquid) assets as well, although there are no standard models available yet. Apart from formal requirements, it is fair to say that many experienced market participants in the "illiquid world" are not really convinced whether it makes sense at all to calculate VaR. [\[full article\]](#)

Luxembourg: The Private Equity Hub That Asset Managers Deserve



by David Capocci, Member of LPEA

Luxembourg's credentials are numerous, but the most remarkable ones in its toolkit are perhaps its diversity and inclusivity, assets that have featured in the daily lives of Luxembourgers for decades. As a result, Luxembourg is keen to welcome new skills, very often with attractive remuneration packages. [\[full article\]](#)

and Slovak parking company in January 2009.

Nigel P. Williams, the Chairman of Royalton, said: "We are happy with the sale of City Parking Group. Under Royalton's stewardship the group has become a regional player and the leading force in both the off and on street parking segments in Central Europe."

Royalton Capital Investors II L.P. is a PE fund focused on making private equity investments in the EU accession countries of Central and Eastern Europe. The fund was established in 2007. Royalton Partners S.A., the manager of the fund, is a Luxembourg Alternative Investment Manager (AIFM) managing Euro 1.3 billion of private equity, real estate and infrastructure funds.



[Nev EarthFund and Luxembourg: making waves in sustainable finance](#)

Australian surfing legend and philanthropist Neve Hyman explains why he set up a Luxembourg investment fund (RAIF) to raise capital to build efficient prefabricated houses out of recycled plastic.





New Members

The Board meeting of LPEA held on October 3rd approved the following new members:

Full Membership:

- [EDIFY S.A.](#)
- [Encevo S.A.](#)
- [ICG Luxembourg S.à.r.l.](#)

Associate Membership:

- [FundRockManagement Company S.A.](#)
- [IMBarnesconsult S.à.r.l.](#)
- [LTCO –The Luxembourg Tax Compliance Office S.A.](#)

LPEA has of today 158 members, 71 of which Full Members and 87 Associate Members.

«We [GPs] will need to continue adapting to regulatory changes and service providers will also need to continue improving their service offering»

Andreas Fuchs, Head of Business Services Development of Quilvest Private Equity, participating at the LPEA roadshow in London.

«Luxembourg has been very flexible and innovative to answer the needs of private equity investors»

Oliver Pritchard, CFO of Capital 17, participating at the LPEA roadshow in London.



Other industry events

November 7

[Substance in a post-BEPS world](#)

What will be the impact of these recent developments on substance requirements in a post-BEPS world? How can you ensure that you have the right substance in Luxembourg?
KPMG, Luxembourg

November 14-17

[SuperInvestor](#)

The annual SuperInvestor will gather +1000 participants to understand how will private equity navigate through the new world order and who is best placed to unlock value.

Amsterdam

10% discount to LPEA Members

November 21

[Deal Drivers Benelux Forum](#)

The new, all-encompassing event offers the opportunity to network with the most prominent players across the whole of the deals and financing community in one day.



LUXEMBOURG

- [Luxembourg Funds' AuM reach €4 trillion](#)
According to CSSF, the Luxembourg regulator, assets under management (AuM) in the Luxembourg fund industry reached a new record of €4.037 trillion. Luxembourg has the largest amount of AuM in the world after the US. The record of €3.000 trillion had only been reached 3 years ago.
- [The value of impact investing and doing it from Luxembourg](#) (Wort)
- [ABBBL mapped the 139 firms that make Luxembourg's Fintech and Software Vendors industry.](#)
- [Dudelange will have a new Innovation hub dedicated to "ecotechnology"](#) (Paperjam)

EUROPE

- [Invest Week](#), the public advocacy initiative that will examine the impact of investment on sustainable growth in Europe will take place from 20 to 24 November.
- Invest Europe's Blog - [Why long term investors are investing in private equity](#)

- Invest Europe's Blog - [European VC: out of Silicon Valley's shadow](#)

INTERNATIONAL

- [Private Equity Market 2017](#)
As part of a series of research papers, with responses from over 140 Private Equity professionals around the globe, Intertrust partnered with the British Private Equity and Venture Capital Association (BVCA) to commission a research whitepaper looking at current trends in the market.
- [Asset & Wealth Management Revolution by 2025](#)
PwC released a report in which it estimates the alternative funds industry to double its size and take up 15% of the global asset management industry.
- [First-time PE funds keep on rolling](#) (Pitchbook)



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

With 158 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!

Amsterdam
20% discount to LPEA Members

November 28-29
[Capital Structure Forum 2017](#)

Europe's largest private debt focused event returns. Join over 250 peers to discuss the evolution of private lending, meet with leading investors, and evaluate fund offerings in Europe and beyond.

London
10% discount to LPEA Members

November 30
[Private Equity Exchange Awards](#)

The Private Equity Exchange & Awards is the largest Pan-European event on Private Equity and Restructuring, gathering more than 1,200 high-profile participants. The summit is followed by an exquisite evening ceremony with 400 Private Equity leaders, rewarding the best performers of LBO Funds, Limited Partners and Management Teams.

Paris
20% discount to LPEA Members

December 4-6
[SuperReturn Africa](#)

Where the African private equity community comes together to be inspired and discover new opportunities

10% discount to LPEA Members

January 24-26

[IPEM](#)

With +1400 participants, IPEM offers an exclusive format to do business with private spaces and lounges to conduct appointments and facilitate productive meetings. LPEA will be present at this event and can help you obtain a discount to your booth there too.

Cannes

February 22
[5th Annual Polish & CEE Private Equity Conference](#)

Last year we brought together more than 260 top LP & PE funds. This year, the conference focus even more on deal sourcing.

Warsaw
30% discount to LPEA Members

February 26 - March 1

SuperReturn International

Attend the 21st annual SuperReturn International, the world's leading private equity and venture capital conference.

Berlin

10% discount to LPEA Members



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