



LUXEMBOURG PRIVATE EQUITY &  
VENTURE CAPITAL ASSOCIATION



**Dear reader,**

We had the pleasure of speaking with Castik Capital's team this summer to learn that Luxembourg plays a significant role in their business. With a brand new fund, Castik "choose the best structure for the future" and we are very honoured that it strongly relies on Luxembourg.

This and other stories are accessible in our latest Capital V #8 which you can download on the right or obtain a copy in our upcoming events.

We are also very pleased that LPEA continues to attract new members. We welcome the 4 new ones as we reiterate our commitment to continue developing the Luxembourg private equity and venture capital space!

*Paul Junck  
Managing Director  
LPEA*

**RECENT PUBLICATIONS**



- [Capital V #8](#)



## Interview with Castik Capital





### Capital V #8

#### **Building an onshore hub for Private Equity is a marathon, not a sprint**

Interview with Michael Phillips, Founder and Investment Partner and Dan Arendt, Senior Advisory Partner of Castik Capital: "Once you make the decision to go onshore, then there is one prime choice which is Luxembourg." [\[full interview\]](#)

- [Limited Partnership in Luxembourg](#)
- [Private Equity in Luxembourg](#)
- [LPEA Annual Report 2015](#)



#### [Luxembourg's global private equity & venture capital hub](#)



**Arendt & Medernach** announced several [private equity related trainings](#) in their calendar for October.

Pierre-Olivier Rotheval, **BIL's** Head of Innovation, discusses the [bank's strategy and its recent initiatives to support startups and innovation](#) in Luxembourg. (Silicon Luxembourg)

**EY Luxembourg** will deliver a [training for valuation oversight professionals](#) from 11th to 13th of October.

**Investindustrial (BI Invest)** through B&B Italia becomes [majority partner in Arclinea](#).

**KPMG** launched a new publication covering all [Luxembourg Investment Vehicles](#) with an overview of their legal and regulatory requirements.

## Luxembourg Fund Centre featured in New York



### **LUXEMBOURG FUND CENTRE** Seminar & cocktail reception in **New York**

**October 5 | 3.30 pm - 8 pm**  
**Harmonie Club, New York**



**Luxempart's** [half-year results 2016](#)

LPEA is soon returning to the US for a new information seminar about the Luxembourg financial centre.

The session will present the industry at large but will also focus in private equity subjects which are key to the decision making of US asset managers today such as the Luxembourg Limited Partnership regime, the new Reserved Alternative Investment Funds, the use of 3rd party AIFMs and the impact of Brexit.

In a low interest rate and volatile market combined with political change in the UK and elsewhere, Asset Managers need long term solutions to serve investor needs. The Luxembourg fund industry continues to innovate and evolve in an stable, predictable and attractive environment.

Come and hear how we can support your growth!

» [Further information](#)

## Quilvest is the first to benefit from the new Luxembourg Reserved Alternative Investment Fund (RAIF)



*Jérôme Wigny (EHP) and Bernard Charpentier (Quilvest & Partners Luxembourg) presenting the new RAIF at LPEA's Paris Roadshow (19/09/2016)*

On the same day the new Luxembourg law on reserved alternative investment funds (RAIF) came into force (28/07/2016), Elvinger Hoss Prussen assisted Quilvest Private Equity (the Private Equity arm of the Quilvest Group) in setting up QS RE Investment Programs SCA SICAV-RAIF ("QS RE IP") and QS PE Fund SCA SICAV-RAIF ("QS PE Fund") as reserved alternative investment funds ("RAIFs") pursuant to this new regime. [\[full article\]](#)

achieve a 3,75% value creation. According to the company, €31 million of investments were done in private equity including a majority stake in the Italian manufacturing and distributor of line cooling systems Eurochiller and a majority stake in Marlink, a civil satellite communications provider belonging to Airbus Group.

Fashion shopping service Outfittery [raises \\$22M round led by UK's Octopus](#) and supported by existing investors. Outfittery is backed by **Mangrove Capital Partners** since its Series A. (Techcrunch)



[Cindy Arces](#) appointed Deputy Managing Partner at **MNKS**. Cindy works toward the definition and the implementation of the firm's strategy alongside [Katia Scheidecker](#), Managing Partner and co-founder of MNKS and the members of the management board.

**Partners Group** publishes [market outlook for H2 2016](#): 'The tide is high and waters are rougher: seek stable assets and create value'

**PwC Luxembourg** appointed [Thierry Salagnac as an Audit Partner](#). With a background experience in Private Equity, Salagnac will be in charge of the audit of non-regulated vehicles.

Valerie Tixier and Johan Blaise from **PwC Luxembourg** will be delivering the training "[Introduction to the Private Equity Industry](#)" on October 13th.

Leaders League's interview with the CEO of **SGG** [Serge Krancenblum](#): "Fund managers have an increasingly strong need for outsourcing"

## LPEA roadshow in Paris



The room was again too small to the audience that joined the Cercle de l'Union Interalliée for a presentation on the latest developments that affect Luxembourg's private equity market. The session, opened by H.E. Paul Dühr, ambassador of Luxembourg in France and in Monaco, was followed by presentations providing an overview of the AIFMD passporting, the Luxembourg Limited Partnership, the 3rd party AIFM ManCo and the new Reserved Alternative Investment Fund (RAIF), as well as Luxembourg as a place to work and live.

The participation of Bernard Charpentier (Quilvest & Partners Luxembourg) and of Alexandre Rhea (New Angle Capital) was also critical to showcase the new RAIF and to understand the proximity between France's and Luxembourg's private equity sectors.

Picture of the event are available [here](#).

## Upcoming LPEA events abroad

Follow LPEA abroad by joining us in our roadshows in Europe and in the US.

**REGISTRATIONS OPEN**



**SGG's** Group Management Board announced the appointment of Anja Grenner as [Funds Services Leader Luxembourg](#).

**SwanCap** seeks \$446m towards [third private equity fund](#) (Real Deals).



**Vistra Fund Management S.A.** has obtained regulatory clearance to act as an [authorised third party AIFM](#) to private equity and real estate alternative investment funds.

### QUOTE

«There is a vast pool of knowledge and experience relating to funds and regulations in the financial sector in Luxembourg»

*Stefan Holmer, Managing Director, EQT Management S.à r.l.*

## Job Vacancy: Legal & Regulatory Manager

LPEA is looking for a Legal & Regulatory Manager to reinforce the office regarding Regulatory/Knowledge matters in order to improve LPEA's advocacy and public policy role.



Further details about this position are available in the following [link](#).



### Other industry events

**London** - [Luxembourg Breakfast - October 19th](#)

**Paris** - Luxembourg For Finance Mission - December 1st (Save the Date)

**Munich** - December 7th (Save the Date)

### NEW PARTNERSHIPS



LPEA will be present with a stand in the 2nd edition of the International Private Equity Marketplace (IPEM) in Cannes on 25-27 January 2017.

IPEM aims at answering to the challenges involved in seeking ever more complex and specialized growth opportunities. Organized by Europexpo, IPEM is the first marketplace dedicated to stepping up dialogue and business between all Private Equity players and their stakeholders.

Through the partnership now signed, **LPEA and IPEM offer:**

- Free delegate pass and hotel accommodation to Limited Partners members;
- 15% discount to further exhibitors coming from the LPEA membership and;
- 5% discount on top of the registration fee (early bird tickets still available)

*September 29*

#### **[BEPS for Investment Managers - 2016 Annual Forum](#)**

The only Forum to address the position, impacts and preparation for the OECD Action Plan on BEPS specifically for the Investment Management Sector.

*London*

*Special discount to LPEA members*

*October 6*

#### **[0100 Conferences: Nordic Venture Capital](#)**

High-profile, networking type meetings for the key players of the VC ecosystem. Its a unique chance to meet both Nordic and also European thought leaders under one, single roof.

*Copenhagen*

*October 6-7*

#### **[Invest Europe training: Negotiations in Private Equity](#)**

*Brussels*

*October 14*

#### **[South East Asian PE Conference](#)**

one-day event with inspirational keynote speakers, enriching panel discussions and valuable networking opportunities for high-level professionals.

*Singapore*

*Special discount to LPEA members*

*October 20*

#### **[IE: Venture Capital Forum](#)**

All of Europe's VCs and CVCs under one roof.

*Stockholm*

*October 25*

#### **[Séminaire IFE Private Equity](#)**

Full-day training to PE professionals by local practitioners.

# LPEA welcomes new members

## Full members

### [CIR International S.A.](#)

The Company is the 100%-owned alternative asset management arm of CIR Group (Compagnie Industriali Riunite SpA). Based in Luxembourg since 1977, it manages the Group's portfolio of alternative investments and currently holds a diversified portfolio of interests in private equity, venture capital and hedge funds as well as a portfolio of direct minority investments and transferable securities.

### [Lemanik Asset Management S.A.](#)

Founded in 1993 as an independently-owned society, Lemanik Asset Management S.A. has become a leading third party Fund Management Company in Luxembourg, being both UCITS V compliant and AIFM authorised.

## Associate members

### [Fiduciaire Jean-Marc Faber S.à.r.l.](#)

Fiduciary firm with over 25 years of experience and more than 50 staff, 5 of which chartered accountants. Offering services in accounting, consolidation, IFRS, LuxGaap, Corporate tax, personal tax, domiciliation, HR and payroll.

### [SS&C GlobeOp \(Luxembourg\) S.à.r.l.](#)

SS&C GlobeOp's Private Equity services encompass all aspects in the life of a fund, including consultation in the creation of partnership documents, the offering process, investor and fund manager reporting, tax allocations and partnership closing.

*To learn more about the LPEA membership visit our [becoming a member](#) area in our website or contact us via [lpea-office@lpea.lu](mailto:lpea-office@lpea.lu).*

## Guest articles

*Luxembourg*

*Special 20% discount to LPEA members*

*October 25-28*

### [Luxembourg for Finance Mission to China](#)

Registrations before September 5th.  
Beijing, Shanghai and Shenzhen

*November 7*

### [LPEA GP Workshop on FATCA](#)

Exclusive to GP members of LPEA.  
Save the date.

*November 8*

### [LPGP Connect Private Debt Berlin](#)

Brings together LPs and GPs from the global private debt community to analyse the latest trends in the market, build meaningful business relationships for long term growth and discover new investment opportunities around the globe.

*Berlin*

*November 15-18*

### [Super Investor](#)

The 15th edition of SuperInvestor will attract more than 1000 participants to Amsterdam, including over 330 of the largest limited partners.

*Amsterdam*

*Special conditions to LPEA members*

*November 22-23*

### [European Alternative Investment Funds Conference](#)

Annual gathering of PE, EF and RE professionals.

*Luxembourg*

*November 29*

### [German Private Equity Conference](#)

provides the best platform to follow the latest industry insights and to gain top quality peer-level networking opportunities

*Frankfurt am Main*

*Special discount to LPEA members*

*November 29 - December 1*

### [SuperReturn Africa](#)

Create new contacts and business opportunities with 550+ Influential Members Of The African Private Equity Community

*South Africa*

*Special discount to LPEA members*



Laurent Capolaghi,  
Partner | Private Equity – Audit  
Services  
EY Luxembourg



Maximilien Dambax  
Head of Debt Administration  
Services  
Alterdomus

### Debt origination clarification issued by the CSSF

Luxembourg’s supervisory authority, the Commission de Surveillance du Secteur Financier (CSSF) provided on 9 June 2016 more clarification on the loan origination topic through the issuance of its latest frequently asked question (FAQ) on alternative investment fund managers (AIFMs).

The FAQ states that loan origination and loan participation/ acquisition are per se not actively prohibited by the alternative investment fund manager directive (AIFMD) and the respective product laws. The CSSF mentions though that several aspects should be considered by an AIF/AIFM, among which the Law of 2013 and the respective product laws.

Several key principles shall be adhered to by the AIFM, or the AIF itself, when engaging in loan origination or loan participation/ acquisition:

- All aspects and risks of this activity
- Proper organizational and governance structures and appropriate technical and human resources
- Necessary expertise/experience in origination activity, with a focus on credit and liquidity risk management, concentration and risk limitation, clear policies regarding assets and investors, proper disclosure and transparency

Overall, the AIFM, or the AIF itself, should guarantee the implementation of a robust and appropriate approach to loan origination. The requirements will be evaluated by the CSSF in the context of the approval and during the on-going supervisory process (if applicable, on a case-by-case basis).

*Note: Laurent Capolaghi and Maximilien Dambax lead the LPEA ad-hoc committee which is preparing a special publication on Debt Funds.*

*December 1*  
**Luxembourg for Finance Mission to Paris**

Save the Date

*December 7*  
**LPEA roadshow in Munich**

Save the Date

*December 8*  
**Private Equity Exchange and Awards**

As one of the major Pan-European event on Private Equity & Restructuring, the Private Equity Exchange & Awards gathers each year 1,200 high-profile delegates and is dedicated to all players of these communities: CEOs, Funds, Limited Partners, Banks and specialist advisors.

*Paris*

*January 25-27*  
**IPEM 2017**

Fast-tracking the Private Equity business. An industry-wide marketplace that builds on the success of the first edition in 2016 which gathered 400 companies from 32 countries.

*Cannes*

*Special discount to LPEA members and free access conditions to LPs.*



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



## 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 of July:

- PE acquisition activity in the second quarter was flat versus a year ago, down 0.2% to US\$92.1b;
- The technology sector received the largest proportion of PE investment in H1 2016. It accounted for 23% of deal value, and a fifth of overall PE deal volume;
- Average fund sizes increased 67% in Q2, to US\$842.9m, aided by the seven funds that closed above US\$5b in the quarter.

[\[full article\]](#)



#### LUXEMBOURG

- [BIP, une reconversion en douceur](#) (Paperjam)
- [Selectra Management Company launches the first sub-fund of the SICAV-SIF dedicated to impact investing](#)

#### EUROPE



- **Invest Europe: [Preparing for tougher global PE regulation](#) by Michael Collins**
- Invest Europe: [Why Europe's start-ups and SMEs need a revised EuVECA](#) by Michael Collins
- Invest Europe: New [Guide to Private Equity and Venture Capital for Pension Funds](#)



## INTERNATIONAL

- [World's wealthy saved by private equity in tough 2015: study](#) (Reuters)



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 join the industry!

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