

# LPEA

Newsletter

LUXEMBOURG PRIVATE EQUITY &  
VENTURE CAPITAL ASSOCIATION



Dear Reader,

Our latest Capital V magazine highlights the work carried in Luxembourg by Swancap since 2013. With a background that goes back to 2000, the firm illustrates how many firms within the PE sector perceived the AIFMD opportunity in Luxembourg and how it contributed to change the profile of the operations typically performed in the country.

The magazine also covers other interesting Luxembourg stories such as recent deals involving local companies, the new corporate venture initiative by Enovos and Creos, the changing business model of PE and the increasing role of IT solutions in PE day-to-day business, just to name a few.

This week we are at SuperReturn International in Berlin representing the vibrant Luxembourg PE/VC industry and within a few days we will be in Zurich for a breakfast session with our Swiss peers. There will also be a few occasions to meet the PE community in Luxembourg in the coming weeks so stay tuned and enjoy the reading!

*Paul Junck*

*Managing Director  
LPEA*



Interview

## RECENT PUBLICATIONS



- [Capital V #9 \(NEW!\)](#)



PRIVATE EQUITY  
IN LUXEMBOURG



### Swancap: Seeking Every Opportunity for Higher Returns

Anja Grenner (SGG) interviewed Claus Mansfeldt, Andrea Million and Holger Emmel from Swancap and the result was a long and detailed interview about the background of the firm, its investment strategy and notably the capacity to achieve a consistent IRR from a triple-play approach: investments in funds, direct investments and secondary funds.

While an extract is published in the latest Capital V, the [full interview](#) is available in LPEA's website.



## Upcoming Events



**Luxembourg Breakfast in Zurich**  
 9 March | 7.45 a.m. - 12 p.m.  
 Au Premier, Zurich

*Structuring and EU distribution solutions for PE and VC funds by Swiss Investment Fund Managers.*

- [Private Equity in Luxembourg](#)

- [Limited Partnership in Luxembourg](#)



**Allen & Overy** organises its [Annual Tax Conference](#) on February 28th.

**Alter Domus** [acquires CARTA Fund Services in the US](#). CARTA specialises in providing Private Equity focused, client driven, customisable reporting and administrative solutions for both general partner sponsors and institutional and sophisticated investors.

**Caceis Bank Luxembourg** appointed [Philippe Bourques](#) as new Managing Director.

[The Wix magic...the untold story](#). Mark Tluszc, **Mangrove Capital Partners**: "I believe the Wix magic lies in two of its core values: Equity Participation and Diversity"

**Trilantic**, MCH and GPF [back nightclub operator Pacha Group](#) (Real Deals).



### Other industry events

February 27

#### [LBAN Annual Event](#)

Demystifying Angel Investing: the power of investing through a network  
 Luxembourg

This workshop gives participants the chance to engage with experts from Luxembourg and Switzerland on the changing parameters in the field of fund structuring and distribution.

In this workshop participants will have the chance to learn more about the diverse structuring options, see practical examples and possibilities of converting existing vehicles into RAIFFs (Reserved Alternative Investment Funds).

The session will also explore the consequences Brexit may have on Luxembourg as a financial hub and what this could mean for Swiss Fund promoters. Luxembourg AIFMs, together with AIFM service providers, will report how this topic has evolved in recent months and what they expect for the medium and long run.

Some other topics that will be discussed include ESMA's decision to allow Swiss AIFMs to benefit of the third country regime in fund distribution, Transfer Pricing, BEPS, the application of the Parent-Subsidiary-Directive, all of which impact the structuring of PE and VC Funds already.

To register in the breakfast visit the following [link](#).



**LPEA Insights: 360 GP View**  
**26 April | 2-7 p.m.**  
**Philharmonie, Luxembourg**

LPEA will host in 2017 Luxembourg's first major Private Equity (PE) conference fully dedicated to PE practitioners and investors. The meeting aims at highlighting the work developed by PE firms in Luxembourg and showcasing the asset class and the range of PE investing strategies to the asset management community at large.

The sector has changed considerably since LPEA's creation in 2010. The number of PE firms in Luxembourg increased significantly and the functions deployed locally have evolved significantly towards more middle and front office. The number of professionals has also jumped from a mere couple hundred people to several thousands and many new legal and regulatory tools have been made available to the PE community.

This is why it is paramount to take a new look at the market, hear from the practitioners and discover the latest trends in Luxembourg

*February 27 - March 2*

**SuperReturn International**

LPEA, together with ALFI, will again take part in the exhibitor area of the SuperReturn International in Berlin. The SR is probably the world's biggest private equity event with over 2000 participants and multiple summits and conferences taking place in the 4-day conference.

*Berlin*

*Special discount to LPEA members*

*March 7*

**3rd Annual LPGP Connect Private Debt Conference**

The conference brings together 190 LPs and GPs from the global private debt community to analyse the latest trends in the market, discover new investment opportunities and build meaningful business relationships for long term growth.

*London*

*Special discount to LPEA members*

*March 7*

**3rd Annual LPGP Connect Private Debt London**

The conference brings together 190 LPs and GPs from the global private debt community to analyse the latest trends in the market and discover new investment opportunities.

*London*

*Special discount to LPEA members*

*March 8*

**BIL: Conference The Women Effect - Invest Differently**

*Luxembourg*

*March 16*

**EY Private Equity and Venture Capital Summit**

*Luxembourg*

*March 21-22*

**ALFI European Asset Management Conference**

*Bringing Asset Managers and*

and abroad. The agenda will bring on stage local and foreign GPs and LPs, from venture to buyout strategies to discuss what the opportunities are and explore the future of the industry.

Register today!  
[www.lpeainsights.lu](http://www.lpeainsights.lu)

**Key topics:**

- What it takes to succeed in Private Equity
- Luxembourg in the global Venture Capital ecosystem
- The rise of direct lending in Europe
- Luxembourg in the crossroads of Emerging Markets
- Structuring benchmark

**Confirmed speakers:**



Stephanie Delperdange  
Sofina



Mark Florman  
LPEQ



Uli Grabenwarter  
EIF



Pierre Gramigna  
Minister of Finance



Edouard Guillet  
IPF Partners



Carlos Heneine  
Quilvest



Julien Kinic  
IDI Emerging Markets



Claus Mansfeldt  
SwanCap



Rajaa Mekouar  
Kharis Capital



Andrea Neuböck-Escher  
EQT



Manuel Roumain  
Kharis Capital



Hans-Jürgen Schmitz  
Mangrove



J.-P. de Schrevel  
Bamboo Capital



Rodrigo S. Schulz  
Expon Capital



François Tesch  
Luxempart



Jérôme Wittamer  
Expon Capital

Investors Centre Stage  
Luxembourg

March 23

**Polish & CEE Private Equity Conference**

One-day event that joins more than 50 speakers, a keynote and around 250 attendees within the Polish Private Equity scene.

Warsaw

Special discount to LPEA members

March 29-30

**IE: Investors' Forum**

this event delivers unparalleled relationship building in a collegiate, non-commercial environment. The Investors' Forum is open only to Invest Europe member GPs and qualified institutional investors.

Geneva

May 10

**0100 Conferences Dublin**

LP-GP focused conference which will bring together 70 speakers and more than 350 senior level attendees

Special discount to LPEA members

May 13

**3rd Annual LPGA Connect Private Debt New York**

Up-to-date overview of the American private debt market

New York

Special discount to LPEA members

May 23

**ALFI London Conference**

With an LPEA driven Private Equity workshop.

SAVE THE DATE

[www.lpeainsights.lu](http://www.lpeainsights.lu)



Visit us in [www.lpea.lu](http://www.lpea.lu) and follow LPEA's information flow and



community activity on Twitter, LinkedIn and Slideshare.



**Conference: Luxembourg, a European gateway for China**  
**14 March | 4.30 p.m. - 19.00 p.m.**  
**Chamber of Commerce, Luxembourg**

With the growing number of European headquarters and branches of Chinese banks in Luxembourg, the two countries have in recent years reinforced their financial ties through PE and M&A transactions.

A panel discussion on such operations is being organised by LPEA and Chinalux comprising an update on outbound and inbound investments, state of the market, the role of Chinese banks and several testimonials from a complete range of practitioners.

Check the agenda and confirmed speakers in the following [link](#).

## Past Events



Check out the [pictures of LPEA's New Year's Event](#). Cheerful evening among members to celebrate a new 'private equity' year.

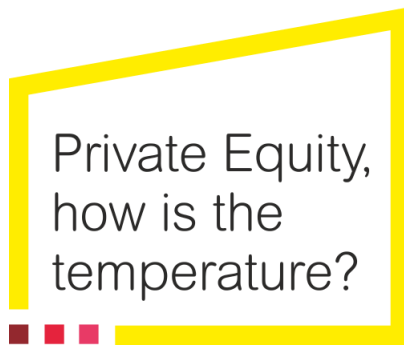
LPEA was also present at **IPEM 2017** where, among many asset managers and entrepreneurs we had the opportunity to speak with our colleagues from the French and German PE/VC associations and with the conference's special guest former French Prime-

Minister Jean-Pierre Raffarin. Some pictures of these days are available [here](#).

More recently, and together with a significant number of our members, we participated in the **Benelux Private Equity Conference** held in Amsterdam.



## Guest Article



### **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:

- 2016 was another strong year for PE fundraising, with firms raising US\$531b, on par with 2015. However, with exit activity slowing and the industry already in possession of record levels of dry powder, the outlook for 2017 may be constrained.
- PE firms announced 1,536 deals valued at US\$319b in 2016, a 4% decline by value versus last year.

[\[full article\]](#)



# Regulatory Update

## **Corporate tax avoidance: European Council agrees its position on hybrid mismatches**

In a meeting of the Economic and Financial Affairs (ECOFIN) Council of 21 February 2017, a proposed amendment to the 'Anti-Tax-Avoidance' Directive adopted in July 2016 was agreed upon. The goal of the Directive is to prevent large companies from exploiting disparities between two or more EU-jurisdictions to reduce their overall tax liability. The proposed amendment by the Council of this Directive includes hybrid mismatches with regard to non-EU countries. Restrictions under the amended Directive will therefore apply to mismatch situations from EU-to-EU hybrids as well as from EU-to-non-EU hybrids. [[Press Release](#)]

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## **LUXEMBOURG**



- [PayCash: From Conception to Acquisition in 5 Years](#); One Luxembourg fintech's journey to becoming Daimler's global e-payment provider (*LuxFutureLab*)
- [The Impact of Brexit on Luxembourg: Report](#) (*Delano*)
- ["Equilibre" launched for a fair gender balance in business](#) (*Paperjam*)

## **EUROPE**



- The [European Investment Project Portal \(EIPP\)](#) is a public web portal established by the European Commission in order to provide greater transparency about EU investment opportunities. Many of the projects on the Portal are cross-border ones, currently resulting in some 200 project-marks on the interactive EIPP project map. The total investment proposed from all the published projects amounts to more than EUR 56 billion
- [Doughty Hanson, the European private equity firm, is to launch a new buyout fund this year](#) (Real Deals)
- [EIF and European Commission receive 17 applications to run VC funds of funds](#) (Real Deals)
- [At a 10-year high, has European VC fundraising hit a ceiling?](#) (Silicon Republic)
- [EIF Working Paper 2017/39: "Guaranteeing Social Enterprises – The EaSI way"](#)
- [IE - Michael Collins: How can private equity prepare for the challenges of populism?](#)

## INTERNATIONAL

- [Does private equity add value to companies they invest in?](#) Comparing private equity-backed and non-private equity backed company performance, PE outperforms on revenue and earnings growth (*Live Mint*)
- [Introducing SoftBank, the world's largest private equity firm](#) (*Editorial of PEI*)
- [The Future of Private Equity: New Opportunities, New Challenges](#) (*Editorial of FINalternatives*)
- [Ernst & Young released the 2017 Global PE Watch](#)



- [S&P Global: EMEA Private Equity Market Snapshot: Issue 12](#)
- [Northern Trust uses blockchain for private equity record-keeping](#) (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 140 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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