PRIVATE EQUITY

INSIGHT/OUT

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Shaping a New PE Horizon

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Dear members, friends and partners,

After a reviving and revitalising summer season, we wish you a nice homecoming and hope that you are ready for the transformative opportunities that lay ahead of us at many levels. With our new ExCom, Board, and the addition of Sonja Becker to the team, we are in the starting blocks and ready to create a strong second semester together.

From the IPEM in Paris to the roadshow in Warsaw, we have represented our Luxembourg ecosystem with conviction and built synergies with our respective partners, members, and prospects. Now, the 2025 edition of the Insights Conference is nearing, and is already showing high demand and massive uptake thanks to the combo of world-class speakers, well curated themes, three distinct stages, an exclusive networking area, the PE Tech Zone, and the partnership with Luxinnovation on Luxembourg Venture Days.

Taking a look at Private Markets this quarter, tackling fundraising, investment, and exits in these turbulent times, it is fair to say that our industry has shown relative resilience. Fundraising is picking up, with some attractive strategies such as Private Credit, Infrastructure, and Secondaries, which have fared quite well in the meantime. Deals have shown resilient volumes and values, and a clear preference for quality over quantity in an environment that has attracted significant focus around AI/data infrastructure, healthcare, energy transition, and defense. The current environment demands developments that impact valuations, the attractiveness of Secondaries and the creativity around Fund Financing, clearly signalling the prominence of liquidity management for players in Private Markets who continue to innovate to support business development, especially during tighter conditions.

With this in mind, we are adamant about deploying an ambitious strategy to cover a wider range of upstream activities along the value chain. The Alternatives Hub in Luxembourg is gaining strength through the addition of value-add competences and services, laying the foundations for the next cycle. Let's embrace this promising future with lots of energy and prepare the next steps of our success.

Stephane Pesch
CEO, LPEA

Hind El Gaidi
President, LPEA

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LPEA Launches Second Edition of VC Masterclass

LPEA has unveiled the second edition of its VC Masterclass, with registration opening soon. Building on the success of the 2024 program, the initiative offers a comprehensive deep dive into the venture capital ecosystem. Participants will explore investment sourcing, due diligence, fund structuring, portfolio management, and board governance, complemented by specialist sessions on FinTech, SaaS, Space, HealthTech, and other verticals. Delivered by experienced VC practitioners and supported by leading partners, the program is designed to equip the next generation of VC professionals with practical skills and cutting-edge insights.

Revamped PE in Luxembourg Brochure

The LPEA is pleased to announce the launch of the updated Private Equity in Luxembourg brochure — a comprehensive guide to Luxembourg's strengths as Europe's premier hub for Private Equity and Venture Capital fund structuring.

Since the first edition in 2011, the landscape has evolved significantly, notably with the rise of the RAIF structure and increased demand for substance in fund setups. The new brochure reflects these developments and walks readers through the full lifecycle of a PE fund — from structuring and setup to day-to-day operations — while detailing legal, regulatory, and tax frameworks, along with the ecosystem of expert service providers.

Download the brochure

We extend our sincere thanks to all LPEA members who contributed to this updated edition. Their insights and collaboration made this long and thorough process possible.

Sonja Becker Joins LPEA as Head of Business Development

The Luxembourg Private Equity & Venture Capital Association (LPEA) is pleased to announce the arrival of Sonja Becker as its new Head of Business Development.

In this role, Sonja will act as a central point of contact for members and the key contact person for sponsorship relations. She will also drive membership expansion in alignment with LPEA's strategy and take leadership roles in project management and in the coordination of some of the association's working groups.

She spent over a decade with Hauck Aufhäuser Lampe in Luxembourg, where she drove business development by supporting asset managers and institutional clients within their sales & marketing activities. Most recently, she was Head of Business Development at Zortify, a Luxembourg-based HR tech startup.

Passionate about building strong networks and fostering communities, Sonja brings an entrepreneurial perspective that bridges the corporate world with the agility of the startup ecosystem.

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A Game-Changer: Luxembourg's New Carried Interest Bill

Luxembourg has introduced a bill revising the carried interest regime, aiming to enhance the country's competitiveness in Europe. The proposal provides long-awaited legal clarity and, if adopted, would further consolidate Luxembourg's role as a leading hub for private capital funds. Key measures include a full exemption from personal income tax on equity-linked carried interest when holdings exceed six months and shareholdings remain below 10%. Contractual carried interest would be treated as a speculative gain, taxed as extraordinary income at just one quarter of the taxpayer's global rate. The framework would also broaden eligibility to independent directors and attract top talent by removing employment-based restrictions. The bill is expected to be approved by the Parliament before the end of the year and will come into effect starting 2026.

Trade Republic Partners with Apollo and EQT to Provide Retail Investors Access to Private Markets

Trade Republic, Europe's largest savings platform with over 10 million clients and €150 billion in assets under management, is expanding from brokerage into wealth management. The company will introduce three new asset classes by year-end, starting with Private Markets. Through strategic partnerships with Apollo and EQT, clients can now invest in this asset class from as little as €1 thanks to fractional shares, with monthly liquidity via Trade Republic's internal marketplace. This contrasts with traditional funds, which typically require €10,000 minimums and quarterly redemptions. To mark the launch, Trade Republic is offering a 1% bonus on all Private Markets investments made within the first 30 days, with no upper limit.

EIB Launches €250bn TechEU Platform to Boost European Innovation

The European Investment Bank Group has launched the TechEU Platform, a major initiative designed to mobilise €250bn in investment for European startups, scale-ups and innovators by 2027. Backed by €70bn in equity, quasi-equity, loans and guarantees, the programme will provide a fast-track system to accelerate financing and advisory support.

A central feature is the TechEU Portal with an "Investment Readiness Checker," debuting on 27 August at the TechBBQ innovation conference in Denmark, to help companies in cleantech, life sciences and digital technologies assess funding options.

The platform aims to streamline access to finance, enabling European innovators to grow and reinforcing Europe's leadership in key sectors such as cleantech, health tech and AI.

Hind El Gaidi, ICG:

Shaping a New PE Horizon


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Interview by **Stephane Pesch,**
CEO of LPEA

Newly elected President of the LPEA and Head of Luxembourg at ICG, Hind El Gaidi has framed her mandate around governance excellence, competitive advocacy, and global positioning - pillars she believes will reinforce Luxembourg's role as a strategic Private Equity hub.

Congratulations on your election as President of LPEA. What objectives have you set for your mandate?

I'm excited and humbled by this role and looking forward to the next years of my presidency at the LPEA. My mandate centers on three transformational pillars: governance excellence, competitive advocacy, and global positioning—principles I've applied throughout my career, including at ICG through disciplined strategy execution.

We're implementing comprehensive governance restructuring—creating clearer distinctions between our clubs and technical committees, introducing term limits for leadership roles, and establishing enhanced reporting structures with ExCom sponsorship. This isn't just administrative reform; it's about maximizing our advocacy impact with the same rigor that's driven ICG's success across structured capital, secondaries, and real assets.

On competitiveness, we're strengthening LPEA's position with local and European authorities (such as CSSF, Invest Europe, etc.) to ensure Luxembourg maintains its edge in fund operations and investor onboarding—capabilities that have been instrumental in maintaining LPEA's members committed to maintaining and developing their platforms in Luxembourg,

Finally, we're positioning Luxembourg not just as a domicile, but as a strategic hub where PE players increase substance and operational sophistication. My experience building platforms that attract institutional confidence—as evidenced by ICG's presence in Luxembourg—shows me that execution excellence, not just vision, drives lasting change.

What is your vision for Luxembourg as an investment hub?

Luxembourg's evolution as an investment hub is entering its most dynamic phase. We're witnessing a fundamental shift from traditional fund administration to comprehensive investment ecosystems.

The substance requirements aren't obstacles—they're catalysts for Luxembourg to become the European center

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> **“Luxembourg’s evolution as an investment hub is entering its most dynamic phase.”**
>
> Hind El Gaidi

for sophisticated PE operations. I see three key developments: enhanced fund operations capabilities, streamlined investor onboarding processes, and deeper integration of technology to enhance investor services across the board.

Our competitive advantage lies in combining regulatory excellence with operational agility. While other jurisdictions compete on cost, Luxembourg competes on capability. We’re building infrastructure that supports the entire investment lifecycle, from initial fundraising through portfolio management to exit strategies.

The vision is clear: Luxembourg as the premier destination where global PE players don’t just park capital, but build their European strategies with genuine operational substance.

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You have been involved in several industry-wide initiatives in Luxembourg, such as the LHoFT’s Catapult programme and the creation of the Luxembourg Valuation Professionals Association (LVPA). Can you tell us more about these initiatives and your role in them?

These initiatives reflect my belief in building industry infrastructure that elevates our entire ecosystem.

With LHoFT’s Catapult programme, with the support of a very capable team and senior Steerco, we focused on bridging the gap between fintech innovation and traditional PE operations. Too often, we see promising technologies that never reach institutional adoption. Catapult creates structured pathways for PE firms to evaluate and integrate breakthrough solutions—from deal sourcing platforms to portfolio monitoring tools.

Creating the Luxembourg Valuation Professionals Association (LVPA) addressed a critical market need. As PE transactions became more complex, we needed standardized valuation expertise that met both regulatory requirements and investor expectations. LVPA established professional standards, certification processes, and knowledge-sharing frameworks that now serve the entire Luxembourg financial community, with the endorsement of the CSSF.

Both initiatives share a common thread: collaborative infrastructure building. Rather than competing for individual advantage, we create shared platforms that strengthen Luxembourg’s collective capabilities. This approach—building bridges between sectors, establishing professional standards, fostering innovation adoption—is exactly what I bring to the LPEA leadership.

Can you explain to our readers what initiatives LPEA is implementing to strengthen Luxembourg’s competitive position in the European Private Equity landscape?

At the LPEA we’re implementing a comprehensive competitiveness strategy built on three foundational pillars that directly address market realities. First, we’re strengthening our advocacy position with key regulators, particularly the CSSF, to ensure Luxembourg maintains its operational advantages in fund operations and investor onboarding. This isn’t just about defending existing positions—we’re proactively shaping regulatory frameworks that support sophisticated PE operations while meeting evolving European requirements.

Second, we’re reshaping targeted international roadshows to key markets, particularly the UK and US, where institutional investors need clearer understanding of Luxembourg’s enhanced capabilities. These aren’t traditional marketing exercises—they’re strategic positioning initiatives that demonstrate how Luxembourg’s substance requirements have actually strengthened our value proposition for serious PE players.

Third, we’re fostering deeper collaboration between our technical committees and clubs to create more impactful

> **“The inherent bond between alternatives and real economies means that Luxembourg's success as a financial hub directly translates into economic impact across Europe and globally.”**
>
> Hind El Gaidi

industry positions. Our governance restructuring ensures that when LPEA speaks on competitiveness issues, we’re presenting unified, technically sound positions that carry real weight with policymakers and investors alike. The goal is clear: position Luxembourg not as a defensive choice, but as the proactive destination where European PE strategies are built with genuine operational substance and regulatory excellence.

How do you see LPEA’s role evolving in advocating for Luxembourg’s interests with European regulators and policymakers?

LPEA’s advocacy role is evolving from reactive commentary to proactive policy leadership—a transformation that’s essential as European financial regulation becomes increasingly complex.

We’re establishing more systematic engagement with European authorities, moving beyond ad-hoc responses to create structured dialogue channels. This includes regular technical briefings with the European Commission, ESMA, and other key bodies where Luxembourg’s expertise in alternative asset management can inform broader European policy development.

Critically, we’re strengthening our position in line with the interests of our members, players in the alternatives space - while partnering with ALFI on common areas of interest. LPEA provides specialized PE and VC expertise that European policymakers increasingly need. Our members’ operational experience—managing billions in assets through Luxembourg platforms—gives us unique credibility in these discussions.

We’re also building strategic alliances with Invest Europe and other pan-European organizations, ensuring Luxembourg’s voice is heard in broader industry initiatives while maintaining our competitive advantages.

The evolution is fundamental: from defending Luxembourg’s existing position to actively shaping European PE regulation in ways that reinforce Luxembourg’s leadership. When European policymakers need PE expertise, LPEA should be their first call—not their last resort.

How is ICG leveraging its Luxembourg presence to support and roll out its global strategy?

Luxembourg serves as ICG’s European strategic hub, not just a fund domicile.

From a regulatory perspective, Luxembourg’s sophisticated framework has been crucial to our success in raising capital across strategies. This capability allows us to structure complex international transactions while meeting diverse institutional investor requirements across our $123bn platform.

Operationally, Luxembourg’s central European location facilitates our expansion across European markets. We can efficiently partner up with teams from London to Milan, Frankfurt to Paris, with consistent governance standards—a capability that's directly contributed to our diversified growth across structured capital, secondaries, and real assets.

Most importantly, Luxembourg enhances our institutional credibility. When we approach pension funds, sovereign wealth funds, or family offices globally, our Luxembourg platform signals the operational sophistication that has enabled us to reach $123bn in AUM while maintaining strong investor relationships across all our strategies.

> "Rather than competing for individual advantage, we create shared platforms that strengthen Luxembourg's collective capabilities."
> Hind El Gaidi

What are your key priorities for enhancing collaboration between LPEA members and Luxembourg's broader financial ecosystem?

My vision for enhanced ecosystem collaboration is rooted in the fundamental reality that private markets serve as the critical bridge between capital and the real economy—a role that Luxembourg is uniquely positioned to amplify.

Private Equity and Venture Capital are not financial abstractions; they are the primary mechanisms through which institutional capital—pension funds, sovereign wealth funds, family offices—flows into real businesses, real innovation, and real economic growth. In Luxembourg, we have the opportunity to strengthen this vital connection across the entire capital deployment chain.

First, we're fostering deeper collaboration between LPEA members and Luxembourg's real economy sectors—manufacturing, technology, logistics, and services. PE firms don't just provide capital; they bring operational expertise, strategic guidance, and growth acceleration to businesses that drive employment and innovation. By creating more systematic connections between our members and Luxembourg's business community, we strengthen the entire economic ecosystem.

Second, we're enhancing the institutional investor experience in Luxembourg. Our members serve as fiduciaries for teachers' pensions, university endowments, and retirement savings across Europe and beyond. Every investment decision we make in Luxembourg ultimately serves these end beneficiaries. By improving our operational infrastructure—from fund administration to investor reporting—we strengthen the trust that enables institutional capital to flow efficiently into productive economic activity.

Third, we're building bridges between private markets and public policy objectives. Whether it's supporting energy transition, digital transformation, or demographic challenges, private capital deployed through Luxembourg platforms can directly address Europe's strategic priorities. LPEA's role is ensuring that policymakers understand how private markets serve broader economic objectives, not just financial returns.

The inherent bond between alternatives and real economies means that Luxembourg's success as a financial hub directly translates into economic impact across Europe and globally. When we strengthen LPEA's ecosystem collaboration, we're not just building industry relationships—we're enhancing the mechanisms through which savings become investments, investments become growth, and growth creates prosperity for millions of beneficiaries who depend on institutional capital for their financial security. ●

By **Bertrand Chevalier,**
Senior Managing Director
at Ardian

and **Paul Camincher,**
Investment Manager
at Ardian

Secondaries Trends and the Changing Role of Luxembourg

Slower exits, tighter liquidity and changing geopolitics have made investors reassess how and where they operate in recent years. This has led to very strong growth in the secondary market for private assets. Against this backdrop, Luxembourg is emerging as a strategically important market for GPs.

Luxembourg has historically been a very strong place for incorporating funds. It has built a world-leading private fund servicing industry ecosystem. More than just a purely support function destination, we've seen an increasing trend of Luxembourg as a serious investment hub. It combines many advantages: laws facilitating the relocation of dealmakers, strong local financial advisory and next-door access to fund services.

The local fund servicing ecosystem remains strategic. For example, we recently announced the launch of a new Ardian Access SICAV-RAIF, a solution to market funds to larger groups of private investors, alongside large institutional investors and the wealthiest families.

Overall, Luxembourg has an ecosystem that can handle complexity, multi-asset deals, multi-jurisdictional funds and bespoke structuring. You do not need to explain what a continuation vehicle is here.

The types of conversations happening here, the language that LPs and GPs are using, and the deal activity demonstrate the maturity of the market. Over time, the conversations happening locally have become more sophisticated and more forward-looking. It is no longer just about lawyers and fund administrators; Luxembourg is now also home to dealmakers, capital raisers and investors.

For instance, when we opened our Luxembourg office in 2011, it was a modest operation. Today, it has grown into a full platform, with more than 20 people across investment, compliance, operations and other functions. It is integrated into how we think about execution, relationship management and governance. The ability to be close to the market, to our partners and to the capital makes a difference. We are also seeing how Luxembourg's attractive regulatory environment makes it an increasingly important channel for connecting with high-net-worth individuals and family offices.

US policy and European capital

Macroeconomic forces driven by the US are also accelerating the professionalisation of the Luxembourg market. For US investors, European assets offer diversification against an uncertain domestic policy environment defined by protectionist tariffs and shifting fiscal policy.

Even before these policies took effect, investors were being drawn to European shores. According to Pitchbook, Europe accounted for 30% of global Private Equity deal value in 2024, up from 23% a decade ago. Rising US interest rates are also pushing many to rebalance allocations abroad, with European funds seeing record commitments. For European managers, this has resulted in deeper pools of capital. However, this surge in demand brings with it heightened expectations around transparency, governance and speed of execution, representing an opportunity for Luxembourg's financial hub.

New trends for secondaries

At the same time, while Luxembourg cements its role as a centre of innovation, the secondary market is gaining scale and strategic relevance. For years, Secondaries were treated as a useful but niche part of the industry – a liquidity valve for sellers and a source of discounted assets for opportunistic buyers. That narrative no longer holds.

Today, Secondaries are becoming a mainstream tool for active portfolio management. Institutions are using them not just to solve problems, but also to manage risk, rebalance exposures, allocate more strategically or accelerate liquidity. The investment community is also increasingly aware that the secondary market is a useful tool for rebalancing portfolios and hedging against potential geopolitical headwinds. This is not confined to institutional investors – high-net-worth individuals are also increasingly curious about secondary investment thanks to the democratisation of fund structures.

"Today, Secondaries are becoming a mainstream tool for active portfolio management. Institutions are using them not just to solve problems, but also to manage risk, rebalance exposures, allocate more strategically or accelerate liquidity."

The story is borne out by the numbers. In 2024, the market saw a record $171 billion in global secondary volume with activity roughly split between LP-led and GP-led transactions, according to data from Evercore. By the end of H1 2025, that momentum had kept pace. Deal volume was up 42% compared to the same period last year. It is not just volume that is changing; it is also the nature of the deals. Sellers are coming to market with more structure, clearer objectives and a better understanding of how to run a process. GPs are using continuation vehicles more deliberately and with more alignment. This is now a professionalised market.

Infrastructure secondaries are one of the fastest-growing market segments. The demand drivers are clear: predictable cash flows, inflation linkage and low correlation to public markets. However, demand alone is not the whole story. There is a growing supply of interesting opportunities, often involving mature assets that investors not only want to hold but also repackage. Last year, infrastructure secondaries accounted for $14-20 billion in closed deals, but observed deal flow was estimated to be more than double that. There is a gap between what is available and what the market can absorb.

Shifting market behaviours

Looking ahead, there is a trend towards more repeat sellers, with institutions using the secondary market as a regular tool.

More than half of the transactions we closed in the past two years have been made with sellers with whom we transacted in the past. Dealmakers in the market need to be able to execute rapidly, with little execution risk, and draw on strong knowledge of the market to price assets swiftly.

These are not distressed or one-off situations; they are often structured, thoughtful portfolio management moves. On the GP side, we are seeing more creativity, especially in infrastructure, where asset duration and fund lifecycles do not always line up neatly. Continuation vehicles, syndication and strip sales are all part of the current toolkit.

The real challenge and opportunity is the ability to identify quality. Not everything in the secondary market is worth owning, and the best deals are often the hardest to source, requiring time, information and conviction. Volume is not the same as value. Having the ability to say no and the patience to wait is just as important as having capital ready to deploy. That is particularly true in infrastructure, where headline characteristics can mask uneven fundamentals. You have to go bottom-up, deal by deal. We are optimistic about what lies ahead. While liquidity remains tight, exit markets remain slow, and the need for portfolio reshaping has not gone away.

We expect secondary volumes to remain high. This is especially true in Europe, where many institutions are managing legacy portfolios more actively. Infrastructure will continue to grow, particularly as more capital looks for predictable, real asset exposure that is still reasonably priced.

Luxembourg can play a part in the growth of Secondaries. It has private investors increasingly interested in Secondaries, strong private banks, a world-leading ecosystem of service providers, an increasing number of investment professionals and an active deal pipeline.

There is a lot of talk about how private capital is entering a new phase: slower, more selective and more mature. That may be true, but it is also a phase that rewards clarity, patience and a strong local footing. Secondaries are now a core part of how capital moves, and Luxembourg, more than ever, can help make that happen. ●

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By **Raman Rajagopal,**
Senior Client Portfolio Manager – Private Credit at Invesco

CLO Equity: A Compelling Opportunity?

Sitting at the crossroads of equity and debt, CLO equity investments present an attractive investment opportunity by combining structured finance with active management to generate potentially attractive levels of return and historically high levels of portfolio diversification. These investments benefit from a front-ended return profile and structural advantages inherent in a CLO vehicle that can enhance performance while focusing on risk management.

What is a CLO?

A CLO, collateralized loan obligation, is a special purpose vehicle (SPV) securitized by a pool of assets, primarily senior secured leveraged loans. The CLO collects interest and principal distributions from the pool of assets – typically hundreds of unique borrowers – and governs the distribution of these collections based on a waterfall outlined within the CLO indenture. Before issuance, the CLO vehicle is capitalized via the sale of debt tranches and equity. Investors take exposure to the underlying pool by investing in the tranches, with each CLO debt tranche (note) having its own risk and return profile with the lowest risk carrying (AAA-rated) tranche being the largest source of funding — an important point later for optionality considerations. Overseeing the structure sits an active manager who handles the assets and ensures they remain within specified tolerance bands over a typical four-to-five year investment (reinvestment) period (after two years, CLO debt tranches are typically callable).

Within the CLO structure, coupon and principal payments collected on the underlying assets (loans) are used to make coupon and principal payments on the CLO's liabilities (CLO notes). Payments first flow to the highest debt tranche of the CLO structure and continue to the lowest debt tranche. Thereafter, the residual cash flows are distributed to the equity. This is referred to as the "cash flow waterfall". CLOs are structured to capture the spread, or arbitrage, between income from its underlying assets and payments to its noteholders, which benefits its equity holders

Why CLO Equity?

Investing in collateralized loan obligation (CLO) equity can be a compelling option for portfolio diversification[1]. Not only does the asset class have the potential to generate attractive absolute and risk-adjusted returns, its quarterly dividends have been consistently high[2]. CLO equity distributions start relatively early in the investment's lifecycle, thus creating a front-ended return profile that can act as a natural complement to private equity investments. Further, there are potential benefits of the structure itself, including the demonstration of skill by active management and that the financing is both long-term and locked-in in nature.

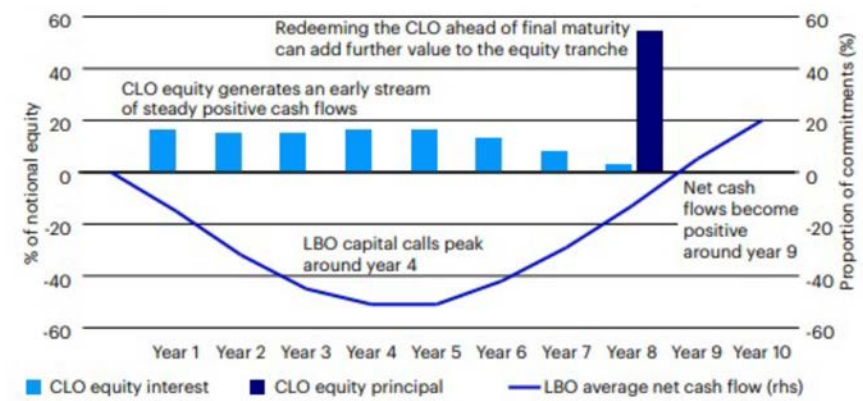
Historically higher income potential: The source of CLO equity returns

While individual quarters can see fluctuations, long term global CLO Equity cash distributions have historically averaged 3-4%[2], with several factors contributing to these distributions.

1. Credit Arbitrage: The CLO collects the floating rate interest payments from the underlying pool of loans, pays the necessary fees (admin, trustee), and then pays its financing liabilities (CLO notes), distributing the requisite interest payments down the capital stack, first to the senior notes followed by the mezzanine debt tranches and then the equity holders. Equity holders, earning the residual cashflows, benefit from the built-in leverage of the CLO structure and have the potential to receive outsized levels of returns as a result, albeit at the cost of sitting in the first loss position and with the expectation of certain inherent credit loss occurring throughout the CLO's life. With skilled active management, realized credit loss risk could be reduced.
2. Potential fee-sharing arrangement: Often, a captive CLO equity portfolio will have an arrangement with the asset manager to share in some of the underlying CLO portfolio management fees.
3. The majority equity holder typically benefits from sources of optionality: Refinancing the debt, resetting the debt, and redeeming the structure in its entirety.

> **"Investing in CLO equity can be a compelling option for portfolio diversification. Not only does the asset class have the potential to generate attractive absolute and risk-adjusted returns, its quarterly dividends have been consistently high."**
> Raman Rajagopal

Magnitude and direction of cash flows complement those of private equity



Sources: PitchBook and Invesco, as at 30 November 2024. Using average net buyout cash flows 1997-2013 and a hypothetical example of a CLO equity payment schedule using a 2% CDR (constant default rate) priced at 99 with a 60% recovery rate and a 340 bps spread. For illustrative purposes only.

Front-ended return profile

An equity tranche investor receives two streams of cash flows, interest payments and principal investment. In some cases, the equity investor provides financing to the warehouse facility, and, from this, can start to accumulate returns even ahead of the debt tranches accumulating their returns. The warehouse facility is a temporary holding facility where the loan portfolio is built prior to the final CLO structure being created and marketed to investors. This can start the equity tranches' "front-ended" return profile with significant early payments directly followed by the more traditional excess spread/interest income.

As the CLO structure closes the portfolio enters its re-investment period when there is a relatively steady stream of positive cash flows, although quarter-to-quarter fluctuations can occur based on a number of factors.

As the end of the life cycle approaches, a CLO will begin deleveraging by paying down its debt tranches, beginning with its largest and lowest-cost source of financing. With this, the majority equity investor will be evaluating an optimal time to redeem the structure as it comes to its final maturity. At this time, the assets will be sold to pay down the outstanding debt tranches with the remainder of the principal proceeds flowing to the equity tranche. The early distributions (from six months after the structure has closed and then quarterly) can provide an excellent complement to the cash flows of private equity (PE) strategies. This is because PE strategies typically exhibit a J-curve since they draw down capital in the early stages of the vintage, using committed capital in the form of dry powder to source equity investments, only becoming cash flow positive years later after exiting their multi-year investments in portfolio companies. PE strategies can, therefore, be thought of as "back-ended.[3]"

CLO Structural advantages and how they benefit equity investors

The standout feature of the CLO is how it is financed. More than just the combination of debt and equity, is that the financing is locked in for the longer term that allows the fund manager to focus on sourcing the most appealing

> **"CLOs are structured to capture the spread, or arbitrage, between income from its underlying assets and payments to its noteholders, which benefits its equity holders."**
>
> Raman Rajagopal

investments without being concerned of needing to meet exit requests of investors and put downward pressure on the underlying assets.

This permits the manager to focus on improving the value of the structure without sacrificing performance to meet liquidity issues. The manager actively seeks to improve returns for the equity holder through distinct channels including:

- Investment screening: Selecting loans to include in the principal pool is an unambiguous way to potentially generate outperformance.
- Trading to build par and mitigate losses: Constant monitoring navigates the risk of the underlying investments as well as potentially adding strategic opportunities to the pool.
- Active refinancing: Once a CLO's non-call period has expired (typically within the first 12-24 months of the reinvestment period) the debt tranches within the structure can be refinanced, reset, or redeemed in their entirety, depending on the prevailing economic conditions. These options allow CLO managers to potentially lower their overall cost of capital and better position their CLOs for years to come. There is skill in choosing when to use the call options of the strategy, specifically as there are optimal circumstances to enact these types of restructurings.
- Unique relationships with sponsors and arrangers: This allows for favorable allocations, which are markedly important in the warehousing phase.

Conclusion

Investing in CLO equity can present a compelling opportunity for portfolio diversification and potentially attractive returns. With their front-ended return profile and ability to leverage active management, CLOs can offer significant advantages. The potential for high returns, driven by the excess spread from interest payments and the strategic use of leverage, makes CLO equity a valuable addition to an investment portfolio. Moreover, the optionality inherent in CLO structures, such as refinancing, resetting, and redeeming, provides additional avenues for enhancing returns. The resilience of CLOs during periods of market stress, as evidenced by their performance during the global financial crisis and the pandemic, further underscores their robustness compared to other structured finance products. In conclusion, CLO equity stands out as a strategic investment choice, offering a blend of high return potential, diversification benefits, and structural advantages that can complement traditional and alternative assets within a portfolio. ●

1. Citi Research as of January 2013 – September 2024, and based on Citi internal racking/reporting, rather than specific indices. Past performance does not predict future returns. Used with permission. Diversification does not guarantee a profit or eliminate the risk of loss.
2. Deutsche Bank & Intex, as of Nov. 8, 2024. Includes 1,686 US CLOs and 523 Euro CLOs. Excludes US CLOs with less than 2 cash flows to equity and Euro CLOs with less than 3. Distributions are computed assuming equity issued at par. Deal universe includes reinvesting and amortizing deals. 2024 payments are annualized based on reported deals as of 8 November 2024. Median annual distribution based on US 2011–2024, median quarterly distribution based on 2017–2024.
3. PitchBook and Invesco, as at 30 November 2024. Using average net buyout cash flows 1997–2013 and a hypothetical example of a CLO equity payment schedule using a 2% CDR (constant default rate) priced at 99 with a 60% recovery rate and a 340 bps spread. For illustrative purposes only. EMEA 4771669.

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By **Gabriele Damiani,**
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Returning to the Foundations of Infrastructure Investing

In recent decades, infrastructure investing has emerged as a preferred strategy for investors seeking long-term, stable returns. The growing recognition of the importance of infrastructure in the modern economy, combined with its intrinsically strong characteristics, has propelled infrastructure investments to the forefront of the Private Equity investment landscape. However, this popularity has, in some ways, diluted the original intent of infrastructure investing. The foundational principles –focusing on essential, tangible assets with reliable cash flows and enduring value –have often been overshadowed by more complex strategies and the pursuit of higher returns. This has led many to call for a return to the "roots" of infrastructure investing. But what does this return look like, and why is it relevant in today's financial environment?

Understanding the roots of infrastructure investing

At its heart, infrastructure investing has always been about supporting the development and maintenance of vital assets that underpin economic and social activity. These include transportation systems (roads, bridges, airports, railways), utilities (electricity grids, pipelines, water and sewage systems), telecommunications networks, and social infrastructure (hospitals, schools, student housing, etc). Such investments are crucial to society's functioning, providing the backbone for everyday business and life.

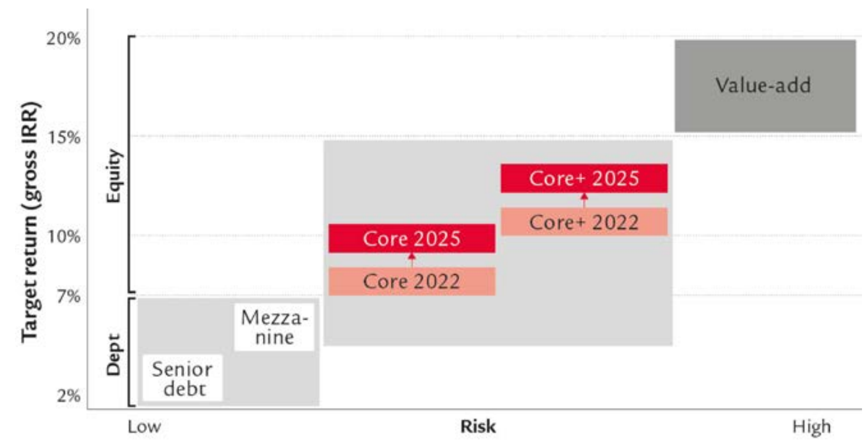
Historically, infrastructure projects were seen as straightforward, long-term commitments. Investors would finance the construction or refurbishment of these assets, which typically produced stable, predictable revenue through user fees, government payments, or long-term contracts. With minimal correlation to broader market fluctuations, infrastructure investments became especially attractive to long-term investors –such as pension funds and insurance companies –seeking steady returns over time.

In this traditional model, the value proposition of infrastructure investments lay in their stability. Investors would expect steady, inflation-linked returns from assets that were vital to the economy. Risk was generally low because the demand for these services was predictable and relatively inelastic. The focus was on the long-term nature of the assets and the reliability of the cash flows they generated.

The evolution of the asset class and the expansion of the risk/return offering

However, as infrastructure investing evolved, particularly in the 21st century, the sector began to attract more private capital and in order to meet this demand, the investment landscape became more complex, with the definition of infrastructure continuously expanding and financial engineering playing an increasingly significant role. This shift gave rise to strategies targeting higher returns, but it also introduced greater risk, challenging the original rationale for infrastructure investing: stability and predictability.

The emphasis on higher returns has led to a focus on more speculative assets with potentially higher growth but also greater risk. While these types of investments may offer short-term rewards, they also expose investors to political, regulatory, operational and execution risks that were traditionally less of a concern in the infrastructure space. Furthermore, recent geopolitical volatility and subsequent ramifications have led to a repricing of traditional infrastructure whereas returns for Core/Core+ assets have moved upwards while the associated risk has not increased due to the fundamental characteristics of the underlying assets.



Risk spectrum infrastructure

Going back to the roots of infrastructure investing means refocusing on the qualities that made these assets attractive to begin with: essential, long-lasting, and stable. By prioritising predictable cash flows and the durability of the underlying assets, investors can mitigate risk and shift the focus back to long-term value over short-term gains. Moreover, core infrastructure assets offer a degree of protection during economic downturns. Because many of these services are inelastic –meaning demand holds steady even during downturns –they can provide insulation from broader economic cycles. This stability is especially valuable for institutional investors that rely on steady cash flows to meet long-term obligations. Additionally, traditional infrastructure assets typically have long lifespans, allowing for effective long-term planning driving active value creation initiatives to deliver steady, reliable returns

A balanced approach to infrastructure investing

Although today's infrastructure investing environment presents ample opportunity for growth and yield, there is undeniable value in returning to its foundational principles. By investing in essential, long-term assets that provide vital services, investors can benefit from predictable cash flows, lower risk, long-lasting value and solid returns. This approach not only benefits investors but also contributes to the broader economy through the financing of projects that are crucial for economic development and societal well-being.

In an increasingly complex and uncertain investment environment, going back to the roots of infrastructure investing may offer the balance between risk and reward that many investors seek. In doing so, they can achieve reliable long-term returns while helping sustain the infrastructure that powers the modern world.

Swiss Life Asset Managers has been investing in the infrastructure space across various strategies since 2011 and currently has EUR 12 bn of assets under management across all sectors in 13 different countries. With Swiss Life Asset Managers' fourth generation Core/Core+ infrastructure fund, we will continue to lean on our proprietary origination capabilities to identify quality investment opportunities which encompass the fundamental attributes of traditional infrastructure investing while striving for enhanced returns through active value creation. ●

> **"Going back to the roots of infrastructure investing means refocusing on the qualities that made these assets attractive to begin with: essential, long-lasting, and stable."**
>
> Gabriele Damiani

By **Christian Moersch,**
Member of the Management Board
of HANSAINVEST LUX S.A.

ELTIF 2.0 – The iPhone Moment for Europe's Alternative Asset Management Industry?

The ELTIF Wave – Democratizing Access to Alternative Investments

Private markets in areas such as Private Equity, Infrastructure, and Private Debt are expanding at double-digit growth rates. PitchBook and Morningstar estimate their current volume at $15 trillion, projected to reach $20–25 trillion by 2030. Meanwhile, investment needs in digitalization, energy transition, and climate infrastructure are soaring. Institutional investors and public funds alone cannot meet these needs. By October 2024, the EU's ESMA register listed 139 ELTIFs, two-thirds in Luxembourg. By June 30, 2025, this surged to 196 - a 40% increase in nine months. The ELTIF market's volume and depth are experiencing significant growth.

The revised ELTIF Regulation ("ELTIF 2.0") acts as a bridge: private capital can be channeled efficiently into the real economy within a harmonized European framework. The democratization of private markets is becoming reality—access is opening up without sacrificing regulatory certainty.

ELTIF – The UCITS for Illiquid Markets

Previous traditional private investment structures faced high minimums, complex onboarding, and manual processes. The solution lies in a familiar instrument: the global certificate.

Held as book-entry security by a custodian, it lets investors access ELTIFs through their existing securities accounts. When deposited with central securities depositories like Clearstream or Euroclear, ELTIFs can be traded directly, with automated settlement, daily valuation, and complete custodial support.

This streamlines order processing, reporting, and distribution across channels. Much like UCITS for liquid markets, the global certificate is a cornerstone of accessibility, benefiting everyone involved.

The Market Awakening – ELTIF Emerges as the Preferred Tool for Top Asset Managers in Retail Investment Strategies

ELTIF 2.0 is picking up speed, driven by regulation and growing market acceptance. Its role in savings and pensions is transformative for retail investors. In Germany, the Bundesbank notes that 40% of households—16 million—hold assets over €150,000. About 65% of these lack access to private markets due to regulatory barriers or limited products, creating a market of over 10 million households. Even a modest 5–10% allocation to illiquid assets suggests a potential exceeding $150 billion. With a widening pension gap and demand for stable returns, this market is set to grow.

Global managers such as **BlackRock, J.P. Morgan, Allianz GI, Carlyle, StepStone, Ares Management, Apollo, EQT, Swiss Life, Neuberger Berman and Schroders** launching ELTIF strategies. Platforms, distributors, and custodians are professionalizing rapidly, with digital order solutions and APIs on the rise. Alternative investments are becoming mainstream, and ELTIFs are the go-to vehicle for long-term retail strategies.

Portfolio Management – From a Slow Start to a Head Start

Unlike traditional closed-end funds, which rely on a subscription phase and capital calls (a slow start), open-architecture ELTIFs hit the ground running. Assets and capital must be ready from day one. Managers raise subscriptions upfront, investing in existing assets or using warehouse solutions. This demands disciplined cash management. Short-term private debt or bridge financing helps generate income while smoothing the typical J-curve.

Valuation and Redemption – Transparent Structure Beats Liquidity Illusion

Retail ELTIFs invest in illiquid assets such as Private Equity, Infrastructure, or Private Debt. Valuation is based on mark-to-model methods such as discounted cash flow or multiples. While liquid components may be valued daily, NAVs for illiquid assets are typically determined quarterly by external valuers. This hybrid valuation logic creates transparency while preserving long-term orientation.

Redemptions are possible under ELTIF 2.0—provided liquidity is sufficient. Typical features include lock-up periods (e.g., 24 months), quarterly redemption windows, redemption caps of 5–10% of NAV, and advance notice requirements. Tools such as gates, soft lock-ups, and notice periods allow for predictable redemption management.

Increasingly, redemptions are processed via digital platforms, APIs, and standardized workflows. Some providers are experimenting with internal matching systems as a secondary market option. The best practice is to balance liquidity buffers, valuation rules, and transparent communication. Retail investors need predictability—not the illusion of liquidity.

ELTIFs – No Traditional Pull Sales Approach

Despite regulatory easing under ELTIF 2.0, the market remains immature for retail investors. Long maturities, limited liquidity and unfamiliar asset classes require education; hence a pull strategy will not work. ELTIFs must be actively promoted, with financial advisors central to building trust. Growth depends on retail- and semi-institutional-ready platforms combining scalable access, administration and education. Momentum is driven by partnerships such as **Revolut, BlackRock & Scalable Capital, Trade Republic with Apollo Global Management, Inc. & EQT Group, UBS with NAO, Commerzbank with Aquilla and LIQID & Neuberger Berman**—reflecting the shift to younger, digitally native investors. Nevertheless, the traditional private banking system continues to play a crucial role.

Never Change a Winning Structure

The legal structure of an ELTIF strongly influences its success in retail. Tax treatment and technical compatibility with banking systems is decisive. Only if both functions seamlessly can ELTIFs be sold efficiently through banks, platforms, and advisors.

In Luxembourg, the Fonds Commun de Placement (FCP) has proven highly effective: fiscally opaque, legally flexible, and easy to integrate. It has demonstrated its success in the UCITS market, particularly in the German market. Approval by the CSSF is swift. Its open-ended structure further supports retail distribution, as it allows periodic subscriptions and redemptions within the regulatory framework, ensuring accessibility for a broad investor base. This flexibility enables smoother alignment with MiFID-driven advisory processes, compatibility with standard custody accounts, and straightforward integration into digital investment platforms. Alternatives such as the SCSp SICAV-RAIF are better suited to semi-institutional investors. For retail, the FCP remains the preferred, scalable model.

> **"ELTIFs success among other factors will depend on a substantial market size, a compelling product offering, effective education and professional advice, standardized settlement processes and distribution platforms."**
>
> Christian Moersch

ELTIF Setup - Make or Buy?

Deciding whether to set up an ELTIF in-house (Make) or to outsource to an external third party AIFM (Buy), is strategic. Many opt for external AIFMs or service providers to avoid regulatory burdens and keep operations streamlined. Portfolio management and sales processes for institutional closed-end products may appear similar but often interfere with each other in reality, leading to inefficiencies and higher costs. In particular, internal AIFMs with a pure alternative focus frequently outsource certain components to specialists. And white-label models are gaining ground: external AIFMs handle administration, risk management, and compliance, while initiators focus on asset management and distribution.

In the retail business, transparency, digital integration, and clear role allocation are key. Partnerships are therefore crucial to scale ELTIF products effectively.

Luxembourg's Unique Mix – Fast Fund Service Ecosystem and Pan-European Distribution

The ELTIF is a European product, but Luxembourg remains the leading domicile. Other EU jurisdictions can hardly match Luxembourg's unique mix: fast and proactive regulator, international service ecosystem, and cross-border acceptance. The CSSF maintains a highly dialogue-oriented approach and was one of the first movers with regard to the ELTIF. The frameworks are established; the infrastructure is robust. Moreover, Luxembourg builds on decades of UCITS and AIF experience—accelerating scalability.

For distributors, Luxembourg products are easier to integrate into cross-border networks. Tax standards, operational templates, and legal certainty provide clarity for sustainable growth.

ELTIF – Europe's Future Alternative Fund DNA

With demand rising for infrastructure, energy transition, and private credit, ELTIF 2.0 is arriving at exactly the right time. The vehicle unites private market access, retail suitability, and standardized distribution under a single European brand. For the first time, it is fully viable for retail investors—bridging institutional strategies with private long-term savings needs.

The success of ELTIFs will ultimately depend on achieving substantial market size and depth, a compelling product range, effective investor education combined with professional advice, standardized settlement processes, and efficient distribution platforms. Beyond the bulge-bracket houses, these platforms must also open up to the growing number of small and medium-sized providers, ensuring a diverse and competitive ecosystem.

If these elements align, ELTIF 2.0 has the chance to become the iPhone moment for Europe's alternative markets - redefining Europe's alternative investment landscape and shaping a new alternative fund DNA. ●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By **Norman Finster,**
Consulting Partner, Alternative Investments Leader at EY Luxembourg

Is the Retail Market Really Ready for Semi-liquid Products?

For years, the direction was clear: retail demand for alternative investments is accelerating. These asset classes are attractive for potential higher returns, improved diversification and reduced exposure to market volatility, ultimately enhancing the risk-return profile compared to traditional portfolios. Hence, it is no surprise that retail investors are also looking for vehicles that promise more compelling returns.

Historically, alternative asset classes were mostly out of reach for the average investor, requiring high minimum investments. Regulation such as the European Long-Term Investment Fund (ELTIF) 2.0 framework has now reduced some of the barriers. In recent years asset managers have expanded their offerings through ELTIFs, while the UCI Part II has seen a revival. Still, the market remains nascent, and some early movers have capitalized on their head start.

Unfortunately retail adoption has lagged expectations with a slower uptake than anticipated. EY recently embarked on open conversations with major asset managers and other key market players in this space to explore the reasons behind this phenomenon.

Europe is still saving – not investing

Despite having the means, Europeans are reluctant to invest in such products. Europe has long been and still is a continent of savers – not investors. Over €10 trillion of household wealth (around 41%) is still parked in cash and savings accounts. By contrast, in the US, just 16% of household wealth sits idle[1]. So why are Europeans choosing low-yield bank deposits instead? The answer might lie in low financial literacy levels.

The difficulty for investors to understand semi-liquid products

Only 18% of EU citizens are considered highly financially literate[2], which can become a barrier when considering the complexity of semi-liquid private assets – sometimes even a challenge for the investment advisors of retail investors who are still more familiar with traditional UCITS products. Retail investors also like to understand what companies they are investing in (e.g., US technology stocks). However, many existing semi-liquid retail products have been launched with indirect fund of funds strategies, which are often perceived as opaque and costly. Hence, to overcome investment barriers, not only retail investor education matters but also better understanding retail investor preferences.

Another point is the traditional lack of transparency and accessible data found in public markets. A shortage of performance data in sectors like Venture Capital and Private Equity dampens investments, even as demand for private markets grows. On top of that the mechanics of semi-liquid products that usually come with liquidity management tools – such as notice periods, gating, lock-ups, etc. – are difficult to understand and require as much educational focus as the investment strategy.

Shifting the focus: from investor readiness to industry dynamics

While investor hesitation is one factor, the distribution strategy also plays a crucial role. The current distribution model, brand dynamics and technology could be reconsidered.

Distribution remains a key challenge

Most asset managers rely on intermediaries (typically retail banks or wealth managers) to distribute their products to retail clients. The complexity of the fund mechanics of semi-liquid ELTIFs and UCI Part II vehicles makes these products already more expensive in their administration. On top of that fund managers pay significant fees to prime distributors, such as top-tier wealth managers. Such high entry barriers effectively restrict participation to only the largest or best-capitalized managers.

> **“Even when semi-liquid funds reach the market, success often hinges less on liquidity or expected returns but more on brand strength and track record.”**
>
> Norman Finster

Brand familiarity – a key differentiator

Even when semi-liquid funds reach the market, success often hinges less on liquidity or expected returns but more on brand strength and track record. Investors tend to stick with names they know, rather than explore unfamiliar providers offering potentially better-tailored solutions. In this sense, brand trust continues to outweigh product innovation, limiting competition and slowing broader offerings and retail adoption.

Technology development supporting semi-liquid distribution is showing traction, but adoption is lagging

Despite constant industry conversation around innovation, technology is not yet playing a transformative role in the distribution of semi-liquid products. While a few markets with dedicated solutions designed to support alternative investments exist, technology overall remains underutilized and has achieved little traction in expanding retail success.

A key situation for technology is in the settlement area. A couple of considerations expressed by stakeholders show interesting aspects:

- Tokenization is promising but not much utilized, with significant adoption expected in five to 10 years. At the distribution support level, recently developed blockchain-based solutions enabling order aggregation and disaggregation of retail investor orders and Ultimate Beneficial Owner (UBO) tracking show promising results.
- Another promising technological development is API-based account opening, which facilitates distributor account opening and related AML/KYC processes alongside the distribution chain.

So, is the retail market ready for semi-liquid products?

The answer depends on the retail investors we are looking at. Alternative semi-liquid products can be an interesting addition and diversification element to the portfolios of UNWI/HNWI and mass affluent types of investors while the mass retail market is not yet ready for such complex products. Appetite can only be sparked by breakthrough legislative initiatives, such as tax incentives. Hence, it will be interesting to see what impact the recent changes to 401(k) eligible investments will have on the adoption of semi-liquid alternative funds by US retail investors.

How can alternative asset managers be successful within this market?

Entry barriers to strong distribution networks for semi-liquid products are high. The general criteria for fund distribution success, such as track record, fund size and compelling investment story also apply to these products. In addition to that the element of brand recognition by retail investors plays a key role. Successful funds always have a clear distribution strategy with regard to targeted investors, distribution countries, the use of intermediaries and a strong relationship with their distribution network. Asset managers must also consider investing in the education of their distribution network to be successful. When it comes to product design simplicity is key and fund managers should therefore resist the temptation to make fundamentally illiquid asset classes look liquid. ●

1. Unlocking Europe's Savings and Investment Potential, ALFI, 14 March 2025.
2. Monitoring the level of financial literacy in the EU, European Commission, July 2023.


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By **David Rincon,**
Business Development
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Unlocking the Brazilian PE Opportunity and Why Luxembourg is Emerging as the Gateway for Global Growth

A Global Shift in Private Equity

Private Equity has never been more international, but the way funds are raised and structured is undergoing rapid change. Global LPs demand transparency, regulators tighten oversight, and tax regimes evolve constantly. Against this backdrop, the choice of fund domicile is no longer administrative, it is strategic. And here, Luxembourg has emerged as a frontrunner. It combines regulatory resilience, global credibility, and a sophisticated fund services ecosystem that attracts international managers. For Brazilian Private Equity firms, long reliant on Delaware or the Cayman Islands, Luxembourg is increasingly the new launchpad for global growth.

Brazil at a Turning Point

Brazil's Private Equity scene is vibrant and expansive. With Latin America's largest economy, a rising middle class, and booming sectors like healthcare, fintech, infrastructure, agribusiness, and energy transition, Brazil has become the region's leading PE destination.

Brazil anchors Latin American Private Equity, not only by deal flow and sector breadth, but by scale. According to ANBIMA, Private Equity funds manage USD 154.31bn within an investment fund industry of USD 1,666.39bn. That pool is already globally connected as roughly 56% of PE AuM comes from foreign investors, with the remaining 44% spread across private, retail, and corporate segments. And its manager base is deep; out of 1,000+ asset managers overall, it accounts for 440 dedicated PE managers. That creates both opportunity (specialization, co investment, sector expertise) and competition for international capital. (Source: ANBIMA, 2025)

Those figures bring in some implications for Brazilian GPs:

Standards travel with capital. With more than half of the capital coming from abroad, governance, reporting, and ESG standards must meet EU/US institutional norms by default.

Cross border distribution matters more than ever. Access to European pension pools, insurers, and sovereigns is easier when the vehicle is AIFMD ready and recognizable to ICs and ODD teams.

Scale requires optionality. With hundreds of PE managers active, differentiation comes from flexible structures (feeders, co invests, compartments) that align strategy, ticket size, and speed to market.

As the local market matures, Brazilian managers face more complex fund structuring challenges. Offshore vehicles in the U.S. or Caribbean provided a straightforward path to global capital. That era is changing rapidly. And this is where Luxembourg is a perfect fit. Its toolbox addresses all of these needs: institutionally familiar, efficient to launch, passportable across the EU, and compatible with feeder/co investment architecture. For Brazilian GPs, it is the shortest path from domestic strength to global reach.

The Reform Agenda: Progress and Complexity

For decades, Brazilian managers defaulted to offshore structures. But recent reforms are reshaping the landscape. CVM Resolution 175, which came into force in 2023, modernizes the entire fund industry and brings important updates for Private Equity funds (FIPs). While this represents progress, it also introduces new compliance burdens for managers already navigating a demanding environment.

The more decisive shift, however, has come on the tax front. Between the introduction of periodic ("come-cotas") withholding for certain Brazil-domiciled funds and the new accrual-basis taxation of offshore income, the loss of exemptions, and most importantly the introduction of Law 14,754/2023, which aligned offshore vehicles with domestic taxation and eroded long-standing deferral strategies, have sharply reduced the advantages of traditional offshore structures. In addition, Law 14,711/2023 grants 0% WHT for certain non-resident investors in FIPs. The result is heavier compliance, more tax leakage, and rising uncertainty for international allocators when using the old playbook.

Enter Luxembourg: Built for Global PE

Luxembourg steps in not as an experiment but as a proven hub for global Private Equity. Well structured funds are typically tax neutral at the fund level, eliminating leakage. Its extensive treaty network and alignment with the EU provide predictability and comfort for investors. For Brazilian managers, that combination of efficiency and credibility is increasingly hard to find elsewhere.

Crucially, Luxembourg doesn't just offer a new domicile, it offers a platform for scale. Its toolbox is among the most versatile in the world. Structures like the Reserved Alternative Investment Fund (RAIF), Specialised Investment Fund (SIF), SICAR, and the SCSp partnership enable managers to tailor vehicles to their strategy.

Among them, the RAIF stands out: optimal tax treatment, efficient, and lighter on regulatory hurdles, it has become a preferred option for first-time managers seeking to reach global capital.

Distribution is another decisive advantage. Through the Alternative Investment Fund Managers Directive (AIFMD), Luxembourg funds enjoy a European passport, enabling seamless marketing to professional and institutional investors across the EU. Beyond Europe, access depends on national regimes in locations such as the UK, Switzerland, or the Middle East. While not automatic, Luxembourg's reputation often streamlines approvals compared to offshore structures.

Equally important is Luxembourg's leadership on ESG. With sustainability now a prerequisite for many allocators, the jurisdiction has built a robust framework for sustainable finance and impact strategies, equipping managers to meet rising LP expectations.

Finally, credibility matters. Regulated by the CSSF and supported by a deep network of legal, tax, and fund services expertise, Luxembourg provides predictability at a time when stability is scarce. For Brazilian GPs aiming to win over risk-averse LPs, that combination of resilience and trust can turn a polite "no" into a firm commitment.

> **"For Brazilian Private Equity managers, Luxembourg has evolved from a "nice-to-have" option to a strategic imperative."**
> David Rincon

Real-World Momentum: Brazil Meets Luxembourg

All of this could remain theoretical, but the market is already moving. The shift is no longer just about "what if," but about "what now." And the early signals are already visible in the market:

Large fund providers are reporting that a number of clients investing in Chile, Peru, and Colombia are opting for Luxembourg fund structures to reach broader EU investor pools. Brazilian first time and spin out managers are launching RAIF/SCSp structures to attract European and Middle Eastern LPs, bypassing Caribbean defaults.

At the April 29, 2025 Luxembourg Private Equity Seminar in Lisbon (hosted by LPEA), ANBIMA flagged Brazil's FIP reforms as drawing on European fund models—marking a tangible move toward integrated cross-border fund structuring.

These cases reflect a clear shift: Brazilian managers increasingly view Luxembourg not only as a regulatory haven but as a strategic vehicle for global expansion.

The Bigger Picture

Momentum toward Luxembourg unfolds against a global backdrop marked by rising interest rates, geopolitical fragmentation, tightening tax regimes, and elevated demand for stability. Meanwhile, sustainability has become non-negotiable for many allocators, further elevating the value of ESG-aligned, credible fund structures.

For Brazilian managers, the choice of fund structure is now strategic. Luxembourg delivers the stability, credibility, and investor access that align with these new realities.

Looking Ahead: A Strategic Pivot

For Brazilian managers, this moment is more than adaptation, it is a chance to reposition for the next phase of global Private Equity. Luxembourg enables GPs to:

- Safeguard long-term capital through a stable regulatory and tax framework.
- Broaden investor access via European passporting and enduring global recognition.
- Boost credibility with sovereign wealth funds, pensions, and ESG-focused allocators.
- Scale strategically with feeder funds, co-investment vehicles, and ESG-compatible structures.

Rather than preserve the status quo, Brazilian managers can leverage Luxembourg as a springboard to become global players.

A Strategic Imperative

For Brazilian Private Equity managers, Luxembourg has evolved from a "nice-to-have" option to a strategic imperative.

In today's fundraising environment—where transparency, compliance, and scale define success—Luxembourg provides the clarity and credibility that international investors demand.

Brazil's Private Equity future is not just national—it is global. And its next chapter does not begin in New York or the Cayman Islands. It begins in Luxembourg. ●

INSIGHTS

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By **Nick Maton,**
Managing Director
at Alpha Private Markets

Key Trends and Developments in the Fund Finance Market

The fund finance market is a mirror of the private capital funds it serves; fast-moving, ever-evolving, and constantly under pressure to innovate. As GPs adapt to shifting investor expectations, complex liquidity demands and changing fundraising dynamics, the financing tools that support them must evolve in lockstep.

Whether it's subscription lines, NAV facilities or GP financing, fund finance offerings must continuously evolve as new players enter the market, regulatory pressures deepen and borrower needs shift.

Against this backdrop, we've drawn on insights from Alpha Match, our proprietary lender platform tracking over 400 lender profiles and 130+ data points per profile, to explore what's really happening beneath the surface.

Combined with live deal experience from the Alpha Fund Finance team, this dataset provides one of the most current views of fund finance activity in the market today.

In this article we spotlight the most notable trends emerging across each of the market's core products:

- Subscription lines: How a more diverse investor base is reshaping lender appetite
- NAV facilities: Why non-bank lenders are taking the lead
- GP financing: Why this high-demand product still isn't functioning at scale.

Subscription Lines: Adapting to a changing investor base

Subscription credit lines, which are secured against LP commitments, have become a routine part of fund operations. They offer administrative ease, IRR enhancement and liquidity smoothing. But as the investor base evolves, so too must this staple product.

In recent years, private capital fundraising has declined from its $1.8 trillion peak in 2021 to $1.2 trillion in 2024. At the same time, non-traditional capital structures, particularly open-ended and evergreen vehicles, are gaining traction. According to McKinsey, alternative channels now account for $7–8 trillion in AUM, a 20% year-on-year increase, contributing to a global private markets size of approximately $22 trillion.

This diversification of capital brings new questions for lenders: will they underwrite against non-institutional commitments from HNWIs, family offices, and fund-of-funds?

Our data analysis shows clear regional and structural differences. US lenders are more likely to include non-institutional investors in the borrowing base, reflecting their deeper experience with these LP types and a more standardised regulatory regime. While European lenders, operating under stricter internal ratings-based (IRB) models, are more conservative.

Bank vs non-bank structures also reveal contrasts: non-banks show marginally greater flexibility and lower exclusion rates when assessing non-institutional capital.

Key takeaway: For GPs raising capital from a broader investor base, the choice of lender - both in geography and structure - can materially impact the terms and availability of subscription lines. As capital sources diversify, sub-line frameworks must evolve in step.

NAV Facilities: The rise of non-bank lenders

NAV (Net Asset Value) facilities, secured against a fund's portfolio, have seen a dramatic rise in demand, especially as exits slow and traditional liquidity sources dwindle. With banks being highly selective over which GPs they provide facilities to, increasingly non-bank lenders are stepping in.

The growth of non-bank lenders in NAV finance is reminiscent of the rise of direct lenders in the private debt world. At first, there was hesitation. Many GPs were wary of working with non-bank institutions.

Would a non-bank behave responsibly in a stressed situation? Would their return-driven motivations clash with the long-term nature of fund management? And perhaps most worryingly, would they be a competitor disguised as a lender?

These were fair questions a few years ago. But fast forward to today and the data paints a very different picture. Today, the vast majority of leveraged finance in PE deals comes from direct lenders, a dramatic change from ten years ago when banks dominated the market.

According to Alpha Match data, 73% of NAV Heads of Terms came from non-bank lenders, with just 27% from banks.

Unlike the initial hesitation seen when direct lenders entered the LBO space, it would seem GPs have welcomed non-bank NAV lenders with open arms. And it's easy to see why.

First, banks are constrained, either by internal capacity, regulatory requirements or an aversion to complex portfolios. Second, non-banks bring flexibility, sector familiarity, and a willingness to underwrite bespoke deals, often backed by institutional capital seeking yield.

Comparing two offers from a recent NAV facility highlights the divergence.

- Bank terms are typically more conservative: lower pricing, but stricter covenants and mandatory prepayment events.
- Non-bank terms come at a premium (e.g., 1100–1300bps vs 600–700bps over SOFR) but are more flexible, with fewer performance-related triggers.

Key takeaway: GPs are increasingly choosing non-banks. Not just out of necessity, but for the agility, speed, and creative structuring they offer. NAV finance is no longer a niche; it's a catalyst for lender innovation.

GP Financing: High demand, limited supply

Of the three major fund finance products, GP financing holds the greatest misalignments between supply and demand. GPs need liquidity to meet their own fund commitments, especially in a market where exits are delayed, but the lending infrastructure hasn't kept pace.

Alpha Match data exposes the constraints:

- Of 279 lenders tracked, just 63 (23%) offer GP financing.
- Of those, fewer than a quarter will lend at tickets of £10 million or less.

This is largely because banks, which are heavily reliant on short-term funding, tend to favour revolving credit facilities (RCFs), that don't align with long-term fund lifecycles.

Non-banks, by contrast, prefer longer-dated deployments (2–3 years minimum) to justify their return thresholds, making small, short-term facilities economically unattractive.

As a result, GPs often find themselves stuck between two imperfect options: short-dated bank lines or high-cost non-bank facilities.

The numbers echo the dilemma:

- Tenor: Non-banks edge ahead with an average of 41 months vs 36 for banks; some stretch to 72 months.
- Pricing: Non-bank GP loans average 1,322bps, compared to 1,009bps from banks.

For many managers, especially in the lower and mid-market, this is a tough pill to swallow. High documentation costs, opaque profitability at the GP entity and complex structures all contribute to lender hesitation.

And while large GPs (with £10bn+ AUM) may access broader solutions from investment banks, smaller firms face a much tougher environment.

Key takeaway: The GP financing market is heating up but remains frustratingly dysfunctional. Until providers adapt their models, or new entrants emerge, many GPs will remain underserved. ●

> **"GPs are increasingly choosing non-banks. Not just out of necessity, but for the agility, speed, and creative structuring they offer. NAV finance is no longer a niche; it's a catalyst for lender innovation."**
>
> Nick Maton

INSIGHT/OUT #35

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By **Philippe Belche,**
Partner FS consulting
at PwC Luxembourg

Pursuing the "Wow!" Asset Service Providers Evolving to Delight

PwC followed up its paper from last year ("Evolving for advantage – in pursuit of the "Wow!"), which reflected the collective and consensus views of the Asset Manager community on what they need from Asset Service Providers ("ASPs"), by interviewing, probing, and provoking them about their reactions to the views, opinions and conclusions so well-articulated by the Asset Managers in that paper. The general consensus amongst readers of that first paper was very much a "wake up call" to the ASPs, something for the sector to easily understand even if hard to accept, and in this summary of the ASP responses we hope to tease, provoke, and encourage readers to study the full paper.

The "conversation series" by PwC is based upon face-to-face interviews, totally anonymous and conducted in a spirit of trust, transparency, and honesty, at C-Suite level. The full diverse spectrum of ASPs was covered, from large banks, specialist administrators, third party ManCo's, Managed Services providers, and Trust Companies.

We had perhaps anticipated a broad view reflecting a defensive tone against the constructive criticism reflected in the previous paper; an effort to explain themselves, to correct "misunderstandings", to shield behind a wall of regulatory complexity. We were wrong; we met a collective voice of maturity, acknowledging the opportunity to "listen", to reflect, to realise, and to refocus efforts around areas identified by the Asset Managers to aid the ASP sector into becoming more of a partner, to evolve in pursuit of mutual benefit, and to seek and find the "Wow!"

The full paper captures five key sections:
Response to Asset Manager themes: We reassuringly capture the ASPs general consensus of "we agree!". The ASPs clearly aspire to be a Partner not a vendor, and we discuss best practice in pursuit of this. The reminder from Asset Managers to treat their investors as if they were valued clients of the ASP resonated well, as we capture the important theme raised by ASPs that many clients from outside the EU remain confused by what they see as duplication of oversight performed in Luxembourg. Client delight is reenforced as an obsession, a never-ending journey, and that ASPs must keep pace with the Asset Manager strategic agenda. Finally, reflections around opportunities offered by presenting to a fund board appeared to be widely embraced.
Strategic ambitions: An understanding that ASPs must articulate the benefits to their clients of the evolution of ASP business, an increased embracing of the benefits of outsourcing certain non-core activities, the importance of a "brand" (what do we stand for?), the bifurcation between larger banks who focus on a "deliver the firm" proposition in contrast to the specialist Administrators who promote agility, specialism, and commitment. We noted how well aligned the ASP strategic agenda is with the Asset Manager product agenda, and we debate whether strategic ambitions of ASPs are truly transformational and bold, or rather more tactical.
Technology agenda: We discuss the focus on core tool and basic service automation, on improving client experience around investor onboarding, the pursuit of the "holy grail" in automating Private Asset administration and emphasise the opportunity of a clear strategy around data and the virtues of a robust cyber security competency. Indeed, we found the advanced knowledge and ambition around technology related solutions being planned or introduced to be refreshing, albeit from a start point still rather dominated by "user defined tools" and spreadsheet applications.
Obstacles: Whilst pursuing a very positive tone throughout the paper we felt we must include a discussion on what are perceived to be impediments to the "Evolving for Advantage" ambition. These include talent and capacity, a perceived lack of industry collaboration, and "can do, must do" culture (it is timely to remind the ASP industry that it moved its entire operation from office based to home based in the space of one week in March 2020!).

> **The paper reflects the collective and consensus views of the Asset Manager community on what they need from Asset Service Providers."**
>
> Philippe Belche

Wish List: We ended conversations with a challenge to name one "wish" the respondents believed would make a massive difference to their contribution and value. We shall leave it there and tempt you into reading the paper in full to reveal some of those rather provocative, intriguing, and insightful ideas offered!

As we noted in our previous paper on Evolving for Advantage, the Luxembourg ASP sector has continuously proven its ability to evolve, improve, extend, and expand to meet the changing needs and demands of Asset Managers. This latest in our "conversation" series re-enforces this and is a tribute to the maturity of the ASPs: to listen, to learn, and to evolve further in response. Many recognised the feedback received as a wake up call. Our participants welcomed the opportunity to absorb the views of their collective client base, have debated the points with a positive not defensive mindset, to recognise there is always room for improvement especially in a competitive environment, and have been proud to share with us their strategic ambitions and technology driven priorities.
Whilst there was a small minority of "resigned indifference" expressed, bemoaning the fact that ever-increasing regulatory scrutiny takes all the focus and investment leaving little to "evolve for advantage", the clear majority of ASPs are applying operating model and technology solutions to the "mechanics" of what they do, allowing a greater focus on "intelligent servicing" and client friendly applications. Innovation and pursuit of new solutions was clearly evident, and ASPs recognise yesterday's Wow! can quickly become today's ordinary.

Although difficult to extract just a few highlights given the breadth and depth of comments captured, we would perhaps tease the readers of this summary paper with the following for further digestion and debate, and we hope that may encourage you to read the paper in full and to draw your own conclusions:

- We agree!; a very broad consensus on the hard-hitting accuracy of the Asset Manager community, especially around client delight as a differentiator, treat my clients as if they were your own, and never forget the opportunity presented through an invitation to present to a fund board.
- They don't know what we do or why we do it: an urgent need to educate clients (particularly non-EU Asset Managers) on the Luxembourg and European multi-layered investor protection eco-system. A continuous questioning by those clients as to the purpose of the Luxembourg ASP detracts from all the good work on servicing and client intimacy.
- We are bifurcating, and that's a good thing for competition: there appears to be a clear difference of approach to gaining and retaining clients between the larger banks: "we are a bank with an ASP component" and the specialist administrators "we are nimble, agile, and specialist".
- We all compete for the same scarce talent pool, yet we all appear to be the same in the eyes of that talent: it felt sometimes like an identikit parade, with each ASP explaining why their approach to attracting and retaining talent made them "employer of choice" yet it was exactly the same as all their competitors.

ASPs remain rightly proud of their achievements in supporting the massive growth delivered by their Asset Manager clients, and those growth ambitions remain huge in both scale and complexity. We thank them for their opinions and insights, and particularly for their transparency and trust in us to capture their thoughts in the constructive spirit intended. What we heard and captured in the full paper bodes well for the industry, and we have no doubt the ASPs will rise to the challenge of "evolving for advantage" and will deliver the "Wow!"
We look forward now to individual and collective feedback sessions with the industry, both ASPs and Asset Managers, working with the ideas captured and collectively playing our role in supporting change for the benefit of the industry.
We trust our "conversation" series will continue to be enthusiastically supported with senior participation and to deliver provocative themes to debate.
The QR code to read the full paper is below. We do hope this paper will be read by not only the ASP participants, but also by Asset Managers, whose collective, constructive criticisms formed the basis of the responses reflected in this paper. ●

Read the publication

By **LPEA and ABBL Depositary Experts and Members**

Demystifying Complexity: Inside the Push for Look-Through Alignment

"Private assets are never straightforward — and that's exactly what makes them fascinating," says Hélène Lange, Head of Business Coordination at the ABBL. This description depicts a world that, to outsiders, might seem like a niche corner of finance. But to depositaries working in Luxembourg's booming private assets sector, it represents the beating heart of a growing challenge: how to bring clarity and consistency to one of the industry's trickiest requirements — the look-through.


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Hélène Lange (ABBL), Eric Guerrier (Bank Pictet & Cie), Maxime Perrin (JP Morgan), Laurent Fessman (Baker & McKenzie), Fabrice Buchheit (IQ-EQ) and Stephane Pesh (LPEA) during the event presenting the Look-Through & Control Guidelines.

Why Everyone's Talking About Look-Through

In the public markets, assets are neatly wrapped, recorded, and traded in highly standardised ways. Private assets? Not so much.

Here, deals are crafted one contract at a time, settlements can unfold in stages, and ownership structures often resemble Russian dolls — layers within layers. Sometimes cash changes hands before a deal is even formally closed. The operational risks are obvious.

"You're dealing with complex structures, foreign-language documentation, and in some cases, a reliance on third parties for title verification," Hélène Lange explains. Add in strict regulatory obligations and you have a recipe for wildly different interpretations from one depositary to another. The result? Friction.

"If depositaries, AIFMs, GPs, and auditors don't interpret the rules the same way, you get inefficiencies and misunderstandings," she warns. "And that ultimately hurts investor protection."

The Gap Left by Brussels

Part of the problem is that the rules haven't kept pace. When the European Commission reviewed the Alternative Investment Fund Managers Directive (AIFMD) in 2021, many hoped for clearer, harmonised guidance on look-through obligations. That didn't happen. Eric Guerrier, Head of UCI Depositary Duties at Bank Pictet & Cie (Europe) AG, puts it bluntly: "Without EU-level clarity, we're left with national interpretations. And that's where divergence starts."

An ESMA peer review is under way, but early signs from the CSSF suggest look-through isn't a top priority. That leaves the industry to take the lead.

One Rulebook, Different Playbooks

On paper, the AIFMD treats all depositaries the same, whether they're banks, investment firms, or professional depositaries of non-financial instruments. The idea: consistent investor protection.

In practice, different business models mean different approaches. Some institutions have global custody networks; others deliberately avoid certain asset classes or geographies.

That variety also feeds into liability concerns. Look-through duties touch both safekeeping and oversight. "If what's actually in the portfolio doesn't match the fund's stated investment strategy and the depositary does not point it out, that's an oversight failure — and potentially a liability issue," says Eric Guerrier. Without a shared yardstick for diligence, defending your actions becomes harder.

"This isn't just about satisfying the regulator. It's about creating a shared language between managers and depositaries, anticipating problems before they happen, and showing investors that our oversight adds real value."

Hélène Lange

The Search for the "Sweet Spot"

So how do you define how deep a look-through should go?

Maxime Perrin, Executive Director and Head of Alternatives, Depositary Bank Services at JP Morgan, calls it a balancing act: "Too conservative and you drive up costs unnecessarily. Too light and you risk breaches. The sweet spot is where regulatory expectations, operational reality, and commercial viability meet."

Getting AIFMs and GPs — particularly those on the LPEA board — to agree has been critical. And here, Luxembourg has an advantage: an unusually active regulator.

The CSSF Effect

Over the past four years, the CSSF has openly shared its vision for look-through requirements. Sometimes its interpretation diverged from the industry's starting point — but that's pushed the conversation forward.

"Having an engaged regulator is a competitive advantage," says Maxime Perrin. "It reduces disputes, clarifies roles, and strengthens trust."

Managers Take Notice

Fund managers are also more aware of what depositaries need for record-keeping and ownership verification. In today's multi-depositary market, they compare how different providers handle the same situation. That competitive pressure is slowly driving convergence — though differences persist.

That's why guidelines jointly endorsed by the ABBL and LPEA matter. They give everyone the same reference point, levelling the playing field.

A New Control Model

One of the most significant updates in the revised guidelines is the preliminary target asset identification test. Before any oversight can begin, AIFMs and depositaries must agree on the fund's true underlying assets.

"You can't supervise effectively if you don't first agree on what you're supervising," says Eric Guerrier.

The knock-on effects are big:

- External procedures under Article 105 of CSSF Circular 18/697 will need revisiting.
- Staff will need training to ensure consistent application.
- Internal controls — and even certifications like ISAE 3402 — may need updating.
- Auditors and clients will need clear communication so these changes filter into SLAs and operating memoranda.

The Obstacles Ahead

If full alignment were easy, it would have happened already.

There are different market maturities, business models, and asset strategies — particularly multi-layered "cascade funds" — it complicates standardisation.

Strength in Numbers

This is where industry associations earn their keep. The ABBL–LPEA working group on look-through is one example, our recent exchanges with the Irish Funds Association is another one, pooling expertise to compare Luxembourg's progress with other markets, like the Central Bank of Ireland's approach.

The recent publication of common guidelines is, in Hélène Lange's words, "a milestone that shows what's possible when we share knowledge and work towards the same goal."

The Next 12 Months

Everyone agrees on the big priority: finalising a common understanding of the control test for look-through — especially in private assets, where the complexity (and frequency) of the requirement is highest.

But Maxime Perrin warns against overlooking financial instruments: "They have their own quirks that need clarity."

Hélène Lange takes the long view: "This isn't just about satisfying the regulator. It's about creating a shared language between managers and depositaries, anticipating problems before they happen, and showing investors that our oversight adds real value."

From Challenge to Advantage

Total harmonisation won't happen overnight. Different interpretations, uneven market maturity, and diverse business models will slow the process.

But the combination of strong industry collaboration, proactive regulator engagement, and practical, endorsed guidelines offers a clear path forward.

As Maxime Perrin sums it up: "If we align now, we can turn complexity into a competitive advantage — for Luxembourg, for Europe, and for the investors who rely on us." ●


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By **Nicoletta Centofanti,**
CEO of Luxembourg Sustainable Finance Initiative

The Business Case for Sustainable Finance

How sustainable finance has shifted from a nice addition to a business imperative

Sustainable Finance can be described as financial services used to fund the transition of the economy towards a more sustainable, just, and equitable future. In other words, it refers to financial decisions that not only seek financial return, but also consider their non-financial impact, which involves environmental, social, and governance aspects (ESG). However, can sustainable finance be considered merely a compliance exercise and an obligation to address today's social and environmental challenges? It would be a mistake to do so, as sustainable finance stands as an opportunity for the financial sector to foster growth in the long term.

Sustainable finance should, though, be regarded as a priority. Not only is sustainable finance beneficial for the competitiveness, robustness, and resilience of the business, it also brings benefits to recruitment across the finance sector, helping firms attract top talent[1].

It is equally crucial for anticipating risks, particularly those posed by climate change, which can lead to significant financial losses. A case in point: in 2024 alone, climate-related disasters cost the global economy $320 billion[2].

Sustainable finance also strengthens corporate reputation, builds market trust, and helps organisations differentiate themselves, especially as scrutiny over ESG initiatives grows. Indeed, public concerns over issues like greenwashing and labor abuse heighten the risks of reputational and financial damage. Evidence also shows that sustainable funds have outperformed traditional funds in recent years by a median of 4.7%[3], illustrating a growing investor interest in ESG-aligned investments - driven both by financial motivations and recognition of climate risks to portfolios.

It is therefore not surprising that over three-quarters of individual investors are interested in companies with both financial returns and positive social and environmental impact[4]. These benefits underscore the fact that investing responsibly is not only beneficial for the planet, it is also smart business.

Luxembourg: A Growing Sustainable Finance Hub

Luxembourg is a global leader in sustainable finance, consistently innovating and collaborating with the ecosystem's players to accelerate the adoption of best practices. It is ranked among the top green finance centres worldwide, with the Global Green Finance Index (GGFI) placing it at the top for green finance penetration and quality[4]. Luxembourg is home to the pioneering Luxembourg Green Exchange (LGX), the world's first and leading platform dedicated exclusively to sustainable finance, with 1.2 trillion EUR of green, social, sustainability, and sustainability-linked (GSSS) bonds issued through LGX securities[5], and accounts for 34% of European sustainable investment funds[6].

Additionally, leading sustainable finance organisations have spearheaded the transition to green finance:

- The Luxembourg Finance Labelling Agency (LuxFLAG) is the only agency in Europe that labels financial products across many different jurisdictions, offering a unique range of both impact labels and sustainability transition labels[7].
- Accelerating Impact powers the International Climate Finance Social Finance Accelerator (ISFA), two programmes aimed to support impact investment managers developing strong, innovative climate and social investment strategies, and are in the process of fundraising[8].
- The Luxembourg-EIB Climate Finance Platform (LCFP) is a joint initiative between Luxembourg Government and the European Investment Bank to support investment in international climate finance by mobilising private sector investment, thereby acting as a catalyst for additional financing[9].
- The Gender Finance Taskforce (GFTF), led by the Ministry of Finance, fosters gender balance. Supporting Women in Finance is a key priority for Luxembourg's financial ecosystem, whose objective is to become a Centre of Excellence in gender finance[10].
- The Luxembourg Sustainable Finance Initiative (LSFI) is Luxembourg's coordinating entity on sustainable finance, whose mission is to build expertise among professionals and develop new opportunities to mobilise capital in sustainable investments[11].

> **"Evidence shows that sustainable funds have outperformed traditional funds in recent years by a median of 4.7%, illustrating a growing investor interest in ESG-aligned investments - driven both by financial motivations and recognition of climate risks to portfolios."**
>
> Nicoletta Centofanti

Private Equity's Role in Sustainable Finance

The Private Equity (PE) and Venture Capital (VC) ownership models create a direct link between responsibility and action for the investors. Climate change, regulatory developments, supply chain pressures, and evolving stakeholder expectations are no longer peripheral concerns, they are central to driving financial performance and mitigating associated risks.

ESG is also directly linked to exit value, since ESG factors measurably impact company valuations, exit strategies, and long-term value creation. Given the typical multi-year holding periods of both PE and VC, these considerations are no longer optional: they are strategic imperatives for value creation and risk management. An asset with poor ESG credentials is no longer seen as just operationally inefficient, but as a potential liability. Failing to address ESG requirements can result in lower exit multiples, longer holding periods, or even a reduced pool of potential buyers. This is particularly true in an environment where LPs, regulators, and public stakeholders expect demonstrable ESG performance as a prerequisite for investment.

The importance of ESG integration is not only theoretical. It is also clearly reflected in market data. ESG private market funds domiciled in Luxembourg experienced an exponential compound annual growth rate (CAGR) of 95.2% between 2019 and 2023, reaching EUR 622.8bn and making up 36.5% of the total private markets AuM in 2023 - far outpacing the 11.7% CAGR recorded by non-ESG private market funds[12]. Notably, as of 2023, ESG PE funds managed €267.5 billion in assets under management, the highest share among all ESG private market strategies. By comparison, ESG infrastructure funds accounted for €188.9 billion, real estate funds for €107.7 billion, and private debt funds for €58.7 billion[13]. This clear appetite from investors to continue their efforts towards implementing ESG strategies is confirmed in the LPEA GP Survey of 2024, where it has been found that General Partners (GP's) intend to strengthen their investment in ESG operations.

The growing involvement of PE and VC in sustainable finance is characterised by a combination of opportunities. PE is particularly well-positioned to deploy long-term, patient capital into sectors fundamental to the transition towards a more sustainable economy (renewable energy, sustainable infrastructure, and housing segments, for example) that remain less accessible to traditional debt instruments, particularly at early stages of development[14]. This evolution is driven by growing investor demand and the steady expansion of sustainable PE strategies in Luxembourg.

VC plays an equally vital role in advancing sustainable finance by channelling capital into early-stage startups that are often the source of breakthrough innovations. From climate tech and circular economy solutions to green mobility and energy efficiency platforms, startups are driving the development of next-generation technologies critical to achieving global sustainability goals.

Key Challenges and Opportunities

PE plays a central role in financing and developing companies by providing not only capital but also strategic and operational support. In doing so, PE investors often assume significant execution and operational risks, as they typically take ownership or control positions and actively manage portfolio companies.

In the context of sustainable finance, PE firms face persistent challenges. Chief among these are complex regulations, fragmented reporting frameworks, and difficulties in managing and interpreting ESG data[15]. According to the LSFI Report on ESG Data, the most common obstacle for private assets is accessing accurate and comprehensive information, particularly for SMEs. Data reliability is another issue, as financial professionals often rely on their own interpretation of incomplete or inconsistent disclosures. The absence of mandatory ESG reporting for SMEs, combined with a lack of standardised definitions and methodologies, limits comparability

> **"Failing to address ESG requirements can result in lower exit multiples, longer holding periods, or even a reduced pool of potential buyers."**
>
> Nicoletta Centofanti

and inflates the cost of data collection. These challenges are compounded by budgetary constraints and resource limitations across firms[16].

The rapid evolution of ESG regulations further increases compliance complexity. While new initiatives aim to fill regulatory gaps, the proliferation of different standards creates uncertainty and scalability issues for the PE market.

Yet, these challenges also present opportunities. They encourage PE firms to strengthen collaboration with portfolio companies, develop clear internal evaluation frameworks, and ensure consistency in ESG measurement across investments. Building robust internal systems and integrating ESG data and reporting costs into fund structures are critical steps to improving transparency and resilience.

Stewardship, also called active ownership, has a key role in the management of ESG risks, as well as in guiding the investee companies' sustainability journey, and is then a key driver for long-term value creation. For example, insights gained from engaging with investee companies can enhance investment decision-making processes.

Investor-related challenges remain, particularly for retail investors who face barriers tied to the illiquid nature of PE and limited diversification opportunities. However, the revised European Long-Term Investment Fund (ELTIF) 2.0 framework marks an important step in widening access to private sustainable investments. Additionally, recent reforms, including the removal of minimum investment thresholds, are expected to accelerate retail participation in PE, infrastructure, and real assets, driving the growth of the ELTIF market across Europe.

Collaboration and Innovation Beyond Regulation

The regulatory environment is evolving rapidly, driven by increasing investor demand for transparency and accountability. However, innovative initiatives are being taken to address these issues.

An important industry initiative are the Invest Europe ESG Reporting Guidelines, which are setting the industry standard for ESG reporting. In addition, the ESG Data Convergence Initiative (EDCI) harmonises a core set of ESG metrics for PE portfolio companies, improving comparability and consistency.

Besides regulatory reforms, there is a whole innovation wave emerging at the intersection of technology and sustainability, driven mostly by fintech. Fintech tools are streamlining ESG data collection, verification, and reporting, enhancing transparency and engagement across the investment lifecycle.

PE and VC offer the agility, resources, and influence to provide the fertile ground to turn ESG commitments into measurable progress. Now is the moment for stakeholders, investors, and innovators to seize this opportunity and channel capital where it can drive meaningful, lasting impact.

Strategic Next Steps for Investors in Luxembourg

Sustainable finance is increasingly recognised as a source of competitive advantage as ESG integration generates value while also protecting against financial risks linked to climate change, biodiversity loss, regulatory evolutions, and reputational issues.

In Luxembourg, the benefits of sustainable finance have been recognised early on, enabling the country to rise as a global hub. PE is a key driver of the real economy, providing capital for unlisted companies to grow, innovate, and create jobs while establishing stable governance structures. With its long-term investment horizon and active ownership model, the sector is uniquely positioned to advance sustainable finance by fostering meaningful impact, promoting more resilient business practices, and supporting broader economic and societal transitions. ●

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By **Ian Atkinson,**
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Collaborative by Design: Building Luxembourg's Shared Digital Infrastructure

The Catapult: Future Foundation – a Mutualisation programme, launched by the LHoFT with the support of the Ministry of Finance, the CSSF, and a broad coalition of industry associations — including LPEA, ALFI, ABBL, L3A, LuxCMA, ACA, and LuxSE — set out to create a shared digital solution for data and document exchange across Luxembourg's financial institutions.

The programme's mission was clear: create a collaborative platform to standardise data and document exchange across Luxembourg's financial ecosystem. The process brought the industry together around a common challenge.

From idea to implementation

From more than 30 applicants, six finalists were shortlisted, among them Proximus/Wecan, UME, and other respected fintech innovators. Over the course of an intensive bootcamp, the finalists worked directly with the Steering Committee and leading financial institutions before presenting their proposals in a final pitch to the jury.
The result is the blueprint for a new shared ecosystem. Rather than building isolated tools, the goal is to establish a "single source of truth" for critical information — documents and data that exist once, in standardised form, and can be reused across institutions.

The first step will be onboarding, where the duplication of data and documents is most acute. From there, the platform can expand into delegate oversight, reporting, and other areas where inefficiencies persist.

Why Governance.com

Governance.com was selected by the jury and Steering Committee for two reasons: the maturity of its platform and the strength of its vision.

Already trusted by Tier 1 institutions, the technology offers a robust foundation — a collaborative, scalable infrastructure designed to support data and document exchange in onboarding as the initial use case, while remaining adaptable to many more across the ecosystem.

Just as important was the vision. Governance.com's leadership argued that the sector doesn't just need digital tools — it needs a shared ecosystem that removes duplication and allows standards to emerge collectively. This longer-term perspective resonated with the Steering Committee's ambition to build infrastructure that will benefit the entire market, not just individual firms.

Collaboration as the driver of innovation

A core reason for the programme's

success so far is that it is collaborative by design. Governance.com is the technology provider, but the direction of the platform will be shaped by the broader ecosystem: financial institutions, industry associations, and service providers working together to define standards and prioritise use cases.

The platform itself reflects this approach. It is built to respect data boundaries while connecting across them — a secure, permissioned infrastructure that tracks, updates, and links information consistently across participants. Mutualisation is about shared effort and shared value, and this project has been structured to embed those principles from the start.

"True innovation in Luxembourg has always come from collaboration. This initiative is not about one provider, but about building shared infrastructure that raises the standard for everyone. By working together across institutions and disciplines, we can turn the challenge of duplication into an opportunity for efficiency, trust, and growth."
Ian Atkinson, CEO, Governance.com

"The sector doesn't just need digital tools — it needs a shared ecosystem that removes duplication and allows standards to emerge collectively."

Looking ahead

The coming months will focus on establishing the governance framework and confirming pilot participants. The pilot programme and minimum viable product (MVP) scope are expected to be defined before the end of 2025.

Pilot participants will be at the centre of this phase, testing the platform in practice and ensuring it delivers measurable value. Their feedback will shape how the MVP evolves into a solution that works across the ecosystem.

A call to collaborate

A strong group of leaders has already committed their time and expertise through the Steering Committee and jury, giving this initiative both momentum and credibility.

The next phase will broaden that circle. Industry groups, associations, fintech partners, and experts will play a crucial role in defining governance and standards. At the same time, new institutions are invited to join as pilot participants — gaining first-mover advantages while helping to validate the MVP and shape the priorities that guide future expansion.

The door is open, and the benefit is clear: a chance to reduce duplication, create shared value, and strengthen Luxembourg's position as a leader in digital finance.

"The success of this initiative depends on collective commitment. We have the technology and the framework, but it is the engagement of institutions, associations, and partners that will bring it to life. I encourage organisations across our ecosystem to join the pilot and play an active role in building the trusted digital infrastructure Luxembourg needs for the future."
Hind El Gaidi, President of LPEA, representing the LPEA at the Catapult Steerco as a chair

The next step is clear: build it together. ●

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By **Robin Ledoux,**
Co-chair and Conducting Officer at 6 Monks (6M)

and **Romain Swertvaeger,**
Co-chair and Partner and Fintech Leader at EY

LPEA Market Practice and Operations Committee – Digital Assets & Tech

LPEA has launched a new Digital Assets & Tech Sub-Committee under its Market Practice and Operations Committee. The sub-committee has been created to explore two fast-growing areas that are reshaping the Private Equity industry: the integration of blockchain technology and digital assets into the investment landscape, and the strengthening of cybersecurity as a core pillar of operational resilience.

The timing of this initiative is not accidental. Over the past decade, cryptocurrencies, tokenization, and blockchain-based tools have moved from niche experiments to significant topics of discussion within financial markets. As adoption grows, the need for operational best practices, legal clarity, and strategic guidance becomes essential. Luxembourg, already renowned for its regulatory sophistication, is well positioned to play a leading role in shaping how digital assets are integrated into mainstream finance.

At the same time, cybersecurity has shifted from being a box-ticking exercise for compliance teams to becoming a strategic differentiator. Firms that embed cyber risk management into their DNA protect more than just data and systems; they reinforce investor trust, meet rising regulatory expectations, and position themselves as credible players in an increasingly digitalized environment.

This dual focus, innovation in digital assets and vigilance in cybersecurity, defines the work of the new sub-committee.

Who are we?

The sub-committee is co-chaired by Robin Ledoux (6 Monks - 6M) and Romain Swertvaeger (EY Luxembourg). Its strength comes from having members with different backgrounds across Luxembourg's financial and professional services.

This mix of asset managers, legal professionals, consultants, auditors, and service providers creates a rich ecosystem of perspectives. It ensures that discussions on blockchain, tokenization, and cybersecurity are not focused into one discipline but bring insights into legal, operational, tax, and regulatory dimensions. In a rapidly evolving environment, such an ecosystem is essential.

Two Complementary Streams

The sub-committee's activities are structured around two streams: Digital Assets and Technology & Cybersecurity.

The Digital Assets stream is supported by contributions from 6 Monks (6M), which brings expertise as the authorized AIFM for traditional Private Equity funds and cryptocurrency vehicles; EY Luxembourg, offering perspectives from the audit side; Deloitte, addressing tax implications of digital assets and tokenization structures; and DLA Piper Luxembourg, contributing legal expertise. Together, these members are examining how blockchain-based innovations can reshape fundraising, investor access, and capital deployment in Private Equity.

The Technology & Cybersecurity stream draws on the insights of CMS Luxembourg, and Dentons. Their focus is on enhancing resilience within Private Equity firms, from implementing protective strategies and governance frameworks to addressing the complex regulatory obligations that now apply to cyber risk. In a world where digital attacks can compromise not just IT systems but also deal confidentiality, portfolio company value, and reputational standing, robust cybersecurity is no longer optional but fundamental.

Thematic Priorities

At the heart of the sub-committee's work is the recognition that Luxembourg occupies a unique position in Europe's financial ecosystem. The country's legal and regulatory infrastructure, its proven expertise in structuring cross-border investment vehicles, and its forward-looking regulators make it an ideal jurisdiction for crypto funds and blockchain-related innovation.

One priority is enhancing Luxembourg's position as the European jurisdiction of choice for crypto funds. The country's regulatory frameworks and fund toolbox, such as the RAIF and SCSp, offer flexibility while ensuring compliance with European standards. These advantages combined with a highly developed fund ecosystem support investors' confidence and encourage innovation.

Another area of focus is the tokenization and its disruptive potential. Tokenized securities and fund units promise to simplify distribution, enhance liquidity, and create new models for capital raising. Luxembourg's financial center is positioning itself as a hub for such developments, providing the necessary legal certainty, regulatory endorsement and service infrastructure to support tokenized funds.

The sub-committee is also considering how Luxembourg can attract and support non-EU digital asset managers. For many managers outside the EU, access to the European market is attractive but complicated by regulatory and operational challenges. By examining the hurdles these managers face, from initial setup to ongoing compliance and reporting, the sub-committee is identifying solutions that Luxembourg's ecosystem can offer, including third-party management companies, legal structuring expertise, and advisory support.

A further priority is clarity for Web3-native fund managers. For managers entering the market with roots in decentralized finance and blockchain-native business models, frameworks such as AIFMD and the recent MICA regulation creating a framework for crypto-asset service providers may raise questions about scope, compliance, and innovation. The committee's role is to demystify these frameworks, assess how they apply to Web3 actors, and highlight the practical steps managers can take to meet requirements while maintaining their innovative edge. Within this context, the committee is also analyzing tokenized feeder vehicles and wrappers, structures that can expand investor access, increase flexibility, and innovate capital deployment strategies.

Looking Ahead

The sub-committee's work is not confined to closed discussions. It aims to share its insights with the broader LPEA membership and beyond.

Over the coming months, a dedicated Podcast series on Digital Assets will be launched, offering thought leadership and expert perspectives from the committee's members. In addition, new podcasts on cybersecurity will expand the content already available on the LPEA podcast channel across major platforms.
By combining technical depth with accessible explanations, these podcasts will serve as a valuable resource for fund managers, investors, and service providers seeking to navigate the intersection of Private Equity, digital innovation, and cyber resilience.

Digital assets and cybersecurity may appear as separate issues at first glance, yet they share a common thread: both are central to the future competitiveness of Private Equity firms.

Crypto assets are growing as a classic alternative asset class, offering innovative products to investors, and blockchain technologies are beginning to transform the way capital is raised and deployed. Firms that adapt early will gain a strategic advantage. Similarly, as cyber threats increase in their sophistication, firms that treat cybersecurity as a strategic priority rather than a compliance afterthought will safeguard their assets and reinforce investor trust. ●

Alessandro Turcato
Dentons

Marceau Visano
DLA Piper

Milan Dans
CMS

Robin Ledoux
6 Monks - 6M

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By **Daniel Kohl,**
Director of Cluster for Logistics Luxembourg

Luxembourg: Where Capital Meets Cargo – A Strategic Nexus for Private Equity

Positioned at the very heart of Europe, Luxembourg has long established itself as a premier financial center, renowned for its sophisticated ecosystem of Private Equity, Venture Capital, and wealth management. Yet beyond its formidable reputation in financial structuring, Luxembourg offers an equally compelling dimension that is reshaping Private Equity horizons: its unparalleled role as a European logistics hub.

Luxembourg's geographic location is a core strategic asset. Bordering Germany, France, Belgium, and the Netherlands, the country sits at the crossroads of Western Europe's most dynamic economies. This centrality is more than geographic convenience; it is a powerful catalyst for high-velocity supply chains and next-day delivery networks across the continent. Being part of the Schengen zone further ensures seamless access to a consumer market exceeding 500 million people, removing bureaucratic friction and unlocking operational agility on a pan-European scale. Luxembourg is the ideal place for fast, safe and secure last-mile deliveries.

Infrastructure plays a critical role in this value proposition. Luxembourg offers an integrated multimodal transport network that blends highways, high-speed rail links, and navigable inland waterways via the Port de Mertert and the Moselle River, giving businesses the flexibility to optimize logistics flows with precision. The North Sea – Rhine – Mediterranean corridor, which crosses Luxembourg, is a key part of the TEN-T core network, which also supports public investments in the rail and road infrastructure.

The Cargocenter at the airport, anchored by Cargolux, ranks among Europe's busiest cargo hubs, providing rapid and secure freight connections to major markets - a logistical backbone that is indispensable for portfolio companies with time-sensitive distribution models. Road transport continues to be a key driver in the logistics sector. The country is home to major operators capable of reaching distances of up to 650 km within 24 hours.

About the Cluster for Logistics Luxembourg

The Cluster for Logistics is a vibrant association bringing together more than 150 members from across the logistics ecosystem. Our mission is to facilitate networking, drive innovation, and champion the interests of our members, all with the goal of strengthening the competitiveness and enhancing the visibility of Luxembourg's logistics sector. Under the leadership of Director Daniel Kohl, we actively promote collaboration and knowledge sharing among our diverse membership. We also advocate on behalf of our members by supporting policies and initiatives that advance the logistics industry, while encouraging the development of cutting-edge skills and innovative solutions that bolster the sector's long-term competitiveness.

Private Equity Lens

For Private Equity investors, these fundamentals translate into opportunities that reach well beyond traditional financial plays. Luxembourg has cultivated a logistics sector characterized by strong public-private collaboration, fostering advancements in intelligent mobility, sustainable transport, and cutting-edge warehousing. Purpose-built hubs such as Eurohub South and Centre exemplify this strategic focus, offering high-efficiency customs, storage, and cross-border distribution solutions. Notably, Vodafone's decision to establish its centralized European warehouse in Bettembourg underscores Luxembourg's credibility as a logistics command center for multinational operations. Luxembourg's central location means Vodafone can reach 88% of its European warehouses within 24 hours—a major efficiency boost.

Equally important is Luxembourg's talent pool. With a multilingual workforce adept in English, French, German, and Luxembourgish, the country provides an ideal platform for managing centralized procurement and orchestrating continent-wide supply chains. This is further enhanced by Luxembourg's leadership in ICT, which is now driving digital transformation across its logistics ecosystem. From AI-optimized route planning and IoT-enabled inventory systems to blockchain-based supply chain verification, Luxembourg is positioning itself at the forefront of digital logistics—a sector ripe for Private Equity investment.

> **“Luxembourg stands out not just for its numbers on spreadsheets but for its convergence of finance and logistics—a dual advantage that turns capital into real operational leverage.”**
>
> Daniel Kohl

Sustainability is another dimension where Luxembourg aligns closely with evolving Private Equity mandates. The government actively champions green mobility, energy-efficient warehousing, and broader decarbonization initiatives like Lean & Green, creating fertile ground for PE-backed ventures that prioritize ESG outcomes alongside financial returns.

Overlaying all of this is Luxembourg's hallmark stability. A transparent, investor-friendly regulatory environment, robust legal protections, and an extensive network of double taxation treaties provide Private Equity funds with a secure foundation for structuring and growing investments. Hosting key EU institutions only amplifies Luxembourg's profile as a jurisdiction of political and economic credibility.

Major players have already validated Luxembourg's strategic calculus. The real-world impact of Luxembourg's strengths is evident in the decisions of global giants such as Ferrero and Goodyear, who have established significant central procurement operations in the country. Amazon's headquarter in Luxembourg leverages the country's location to streamline cross-border operations, while Cargolux continues to set benchmarks for global air freight from its Luxembourg base. For Private Equity, these examples illustrate how Luxembourg serves not merely as a financial jurisdiction but also as an operational engine for Europe-wide growth. “Multinational companies also bring additional know-how and research possibilities to Luxembourg”, notes Daniel Kohl.

Innovation stands at the heart of sustained economic growth, serving as a crucial catalyst for competitiveness and long-term prosperity. In Luxembourg, startups are playing an increasingly significant role in shaping this innovation-driven landscape. These young, agile companies are not only introducing cutting-edge technologies and business models but are also injecting fresh energy into the broader economy, creating new jobs and attracting international talent.

Recognizing the strategic importance of fostering such entrepreneurial activity, Luxembourg has cultivated a supportive ecosystem where startups can thrive. An essential element of this ecosystem is the ability to seamlessly connect innovative ventures with the capital they need to scale. This is precisely where the Vai platform comes into play. Acting as a dynamic matchmaking and networking hub, Vai bridges the gap between promising startups and investors eager to support the next wave of high-impact solutions. In doing so, the platform not only accelerates individual funding rounds but also strengthens Luxembourg's reputation as a vibrant hub for innovation and investment.

Today, Private Equity in Luxembourg is increasingly looking beyond financial engineering toward investments that integrate logistics, technology, and sustainability. Whether through backing automated warehousing, supporting next-gen mobility platforms, or enabling green logistics hubs, PE firms are tapping into a future-proof ecosystem that blends proximity to markets with world-class execution capabilities.

In sum, Luxembourg stands out not just for its numbers on spreadsheets but also for its convergence of finance and logistics—a dual advantage that turns capital into real operational leverage. For Private Equity investors prepared to rethink traditional asset strategies, Luxembourg offers a rare blend of security, scalability, and forward-looking growth, making it a jurisdiction where returns are measured in terms of both their financial and strategic impact. ●

People on the Move

Renata Olow
Chief Compliance and Risk Officer
Investre

Anastasia Semertzidou
Senior Risk Manager | AIFM
Coller Capital

Evi Gkini
Senior Marketing Executive
Calista Direct Investors

Isabel Gomez Vidal
Chief Commercial Officer
Alter Domus

Francis Parisis
Head of Business Development (MD) Luxembourg
Carne

Monica R. da Fonseca
Executive Director - Business Development
Value & Risk

Sonja Becker
Head of Business Development
LPEA

Benoît Rose
Partner
EY Law Luxembourg

Alexandre Dumont
Country Head Luxembourg and member of Executive Committee
Fundcraft

Paulo Fernandes Da Cunha
Luxembourg Country Head
Trustmoore

People on the Way Up

Isabell de Wit
Regional Director, Europe
Multifonds

Alban Aubrée
Country Managing Partner
EY Luxembourg

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This section aims to share recent promotions and the career moves of Private Equity and Venture Capital professionals in Luxembourg. To those joining a new team, we wish you great successes ahead and we extend our congratulations to newly promoted individuals.

LPEA AGM

Nicolas Milerioux, Head of Venture Capital of Encevo on the panel Resilience and Innovation in the European Energy Market.

Robert van Kerkhoff and the BNP Paribas team offered a cake to celebrate LPEA's 15th anniversary.

James Burron, Founder of the Canadian Association of Alternative Strategies & Assets, and Stéphane Pesch, CEO of LPEA.

LPEA Summer Party

Hind El Gaidi, President of LPEA, Head of Luxembourg at ICG and Chair of the Catapult Steering Committee announcing the winners of the LHoFT Catapult initiative.

Welcome Speech by Stephane Pesch, CEO of LPEA.

Leaving present for Evi Gkini – former Head of Business Development who has strongly contributed to the relevance of the Business Development role and to the growth of the association in the past five years.

Luxembourg Private Equity Seminar in Brussels

Welcome speech by Jean-Louis Thill – Ambassador of the Grand Duchy of Luxembourg in Belgium.

Luxembourg Private Assets Cocktail in Berlin

Welcome speech by Sylvie Lucas, Ambassador of the Grand Duchy of Luxembourg in Berlin.

About LPEA

The Luxembourg Private Equity and Venture Capital Association (LPEA) is the most trusted and relevant representative body of Private Equity and Venture Capital practitioners with a presence in Luxembourg.
Created in 2010 by a leading group of Private Equity and Venture Capital players in Luxembourg, with 660 members today, LPEA plays a leading role locally, actively promoting PE and VC in Luxembourg. LPEA provides a dynamic and interactive platform which helps investors and advisors to navigate through the latest trends in the industry. International by nature, the association allows members to network, exchange experience, expand their knowledge and grow professionally, attending workshops and trainings held on a regular basis. If Luxembourg is your location of choice for Private Equity, LPEA is your choice to achieve outstanding results.
LPEA's mission towards its members is to represent and promote the interest of Private Equity and Venture Capital ("PE") players based in Luxembourg and abroad.
LPEA's mission towards Luxembourg is to support government and private initiatives to enhance the attractiveness of Luxembourg as an international hub for carrying out PE business and/or servicing the PE/VC industry in all its dimensions.
In summary, LPEA is the go-to platform where PE practitioners can share knowledge, network and get updated on the latest trends in the industry across the value chain.

Executive Committee

Hind El Gaidi
President
LPEA / ICG

Hans-Jürgen Schmitz
Vice-President
Mangrove

Laurent Capolaghi
Vice-President
EY

Nick Tabone
Treasurer
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Member
Advent International

Giuliano Bidoli
Member
BC Partners

Stephane Pesch
CEO
LPEA

Discover our Committees and Clubs

LPEA Team

Stephane Pesch
Chief Executive Officer

Luís Galveias
Chief Operating Officer

Kheira Mahmoudi
Executive Office, Governance & Operations

Johann Herz
Head of Events and Communications

Sonja Becker
Head of Business Development and Project Management

Emilie Moray
Legal & Regulatory Coordinator

Natália Vieira
Events & Communications Officer

Francesco Simonetta
Junior Marketing Officer

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