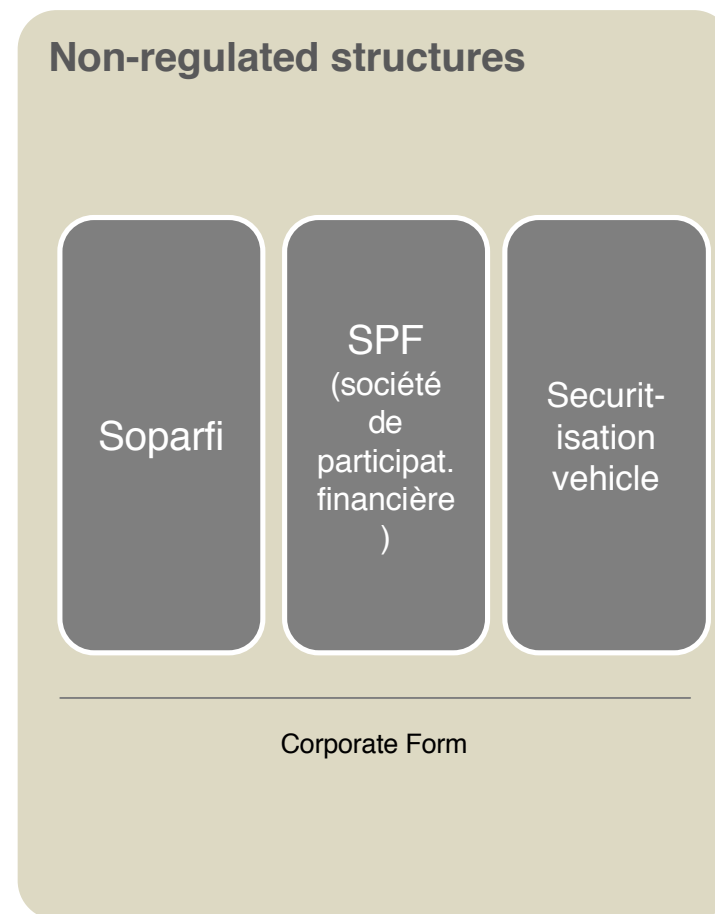
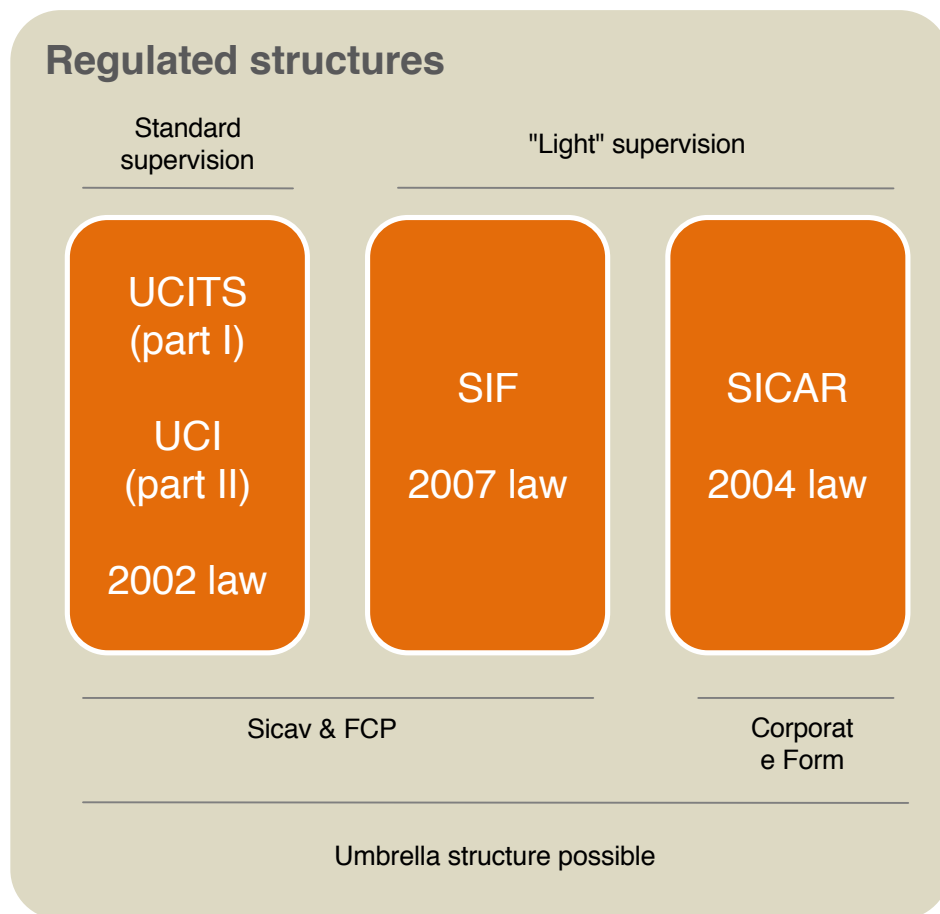


**Demystifier les fonds d'investissement :**  
**de la création au fonctionnement**

July 2010

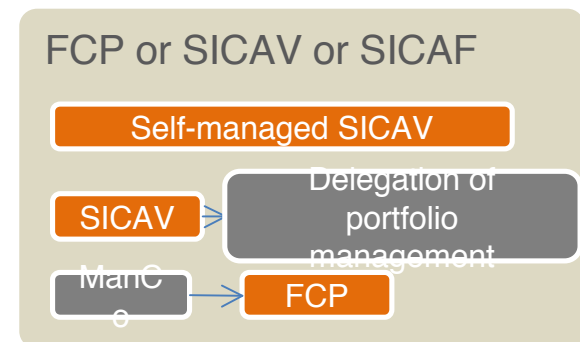
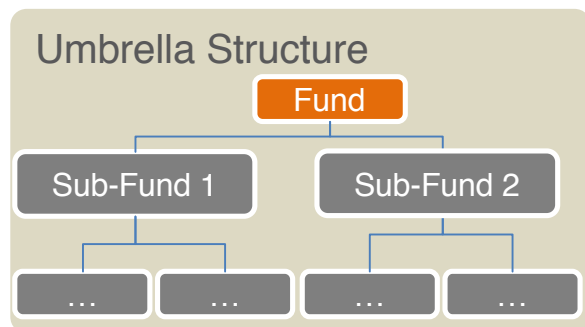
**BANQUE  
DE LUXEMBOURG**

## Legal Framework

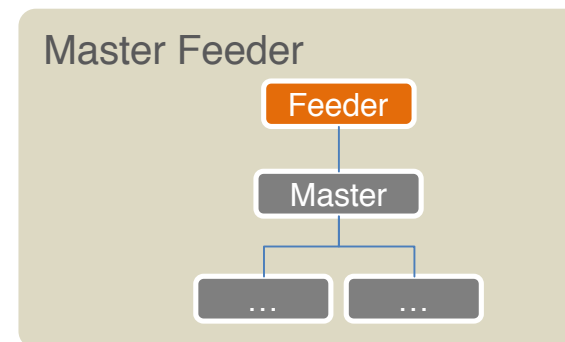
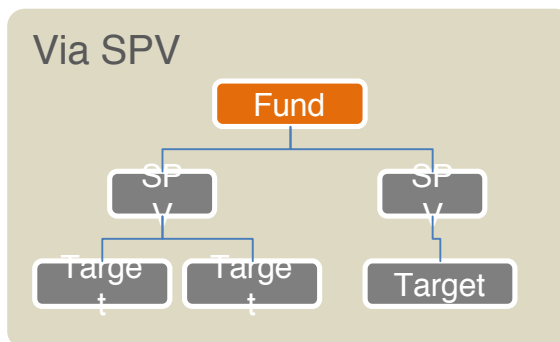
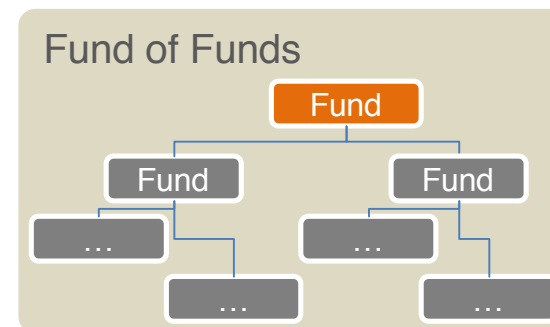
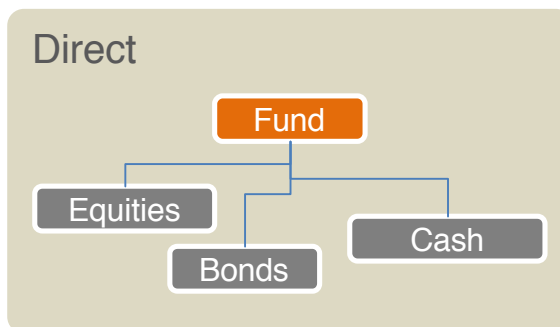


\* can be regulated or non-regulated

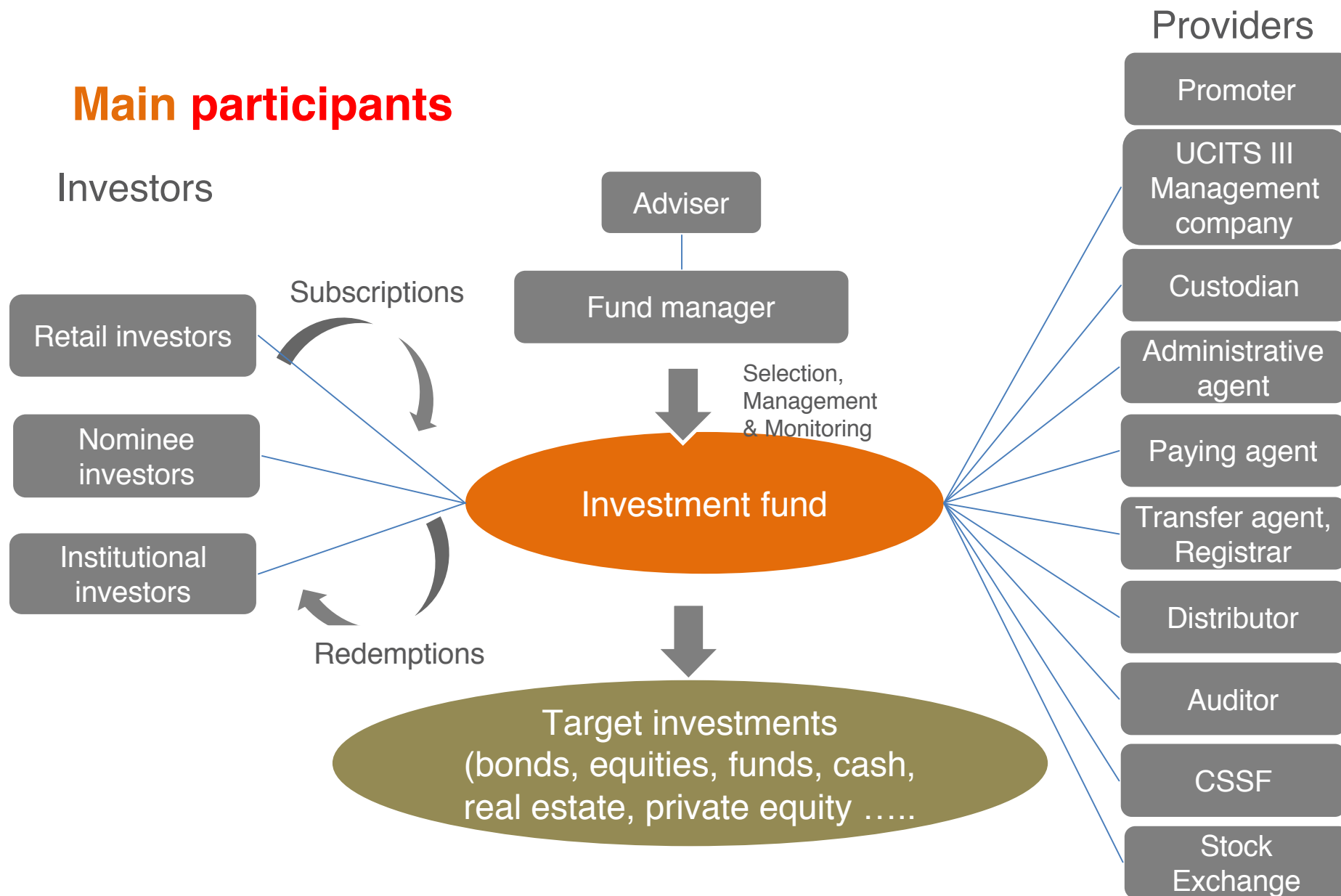
## Fund structuring



## Investment structuring



## Main participants



## Description of the different functions

### Advisory Services

- Legal structuring and drafting of legal documentation (prospectus / PPM, articles of incorporation)
- Operational coordination of fund set-up (operating memorandum)
- Coordination with external service providers (notary)
- Updating legal or regulatory changes

### Custody services

- Legal responsibility for custody of assets
- Settlement of transactions
- Cash management
- Information, monitoring and processing of corporate actions
- Proxy voting / power of attorney
- Payment of invoices, bills, taxes, commissions, etc. on behalf of the fund
- Reporting services (Internet, SWIFT, fax, etc)

### Domiciliation

- Registered office of the Fund
- Safekeeping of legal documentation
- Legal publications
- Processing of notices to shareholders
- Organisation of Boards of Directors and Shareholders Meetings
- Contact with the auditor and the Luxembourg regulatory authorities (CSSF)
- Coordination of financial reports and tax returns
- Secretariat and administrative services

### Central administration

- NAV calculation & publication
  - Fund accounting
  - Securities valuation
  - Financial reports
  - Reporting to the CSSF
  - Management/ performance commissions calculation
  - Liaison with fund auditor
  - Subscription tax calculation
- For private equity funds:
- SPV accounting
  - Waterfall calculation

## Description of the different functions

### Transfer agent & registrar

- Processing of subscriptions, redemptions and share conversions
- Checking compliance of subscription and redemption orders in accordance with AML regulations
- Maintaining shareholder register

### Paying agent

- Receiving subscription and redemption orders from investors
  - Collection and payment of balances resulting from subscriptions and redemptions
  - Instructing payments of dividends and other proceeds to the Fund's registered shareholders
- For PE funds:
- Monitoring and accounting of capital calls and income distributions

### UCITS III Management company

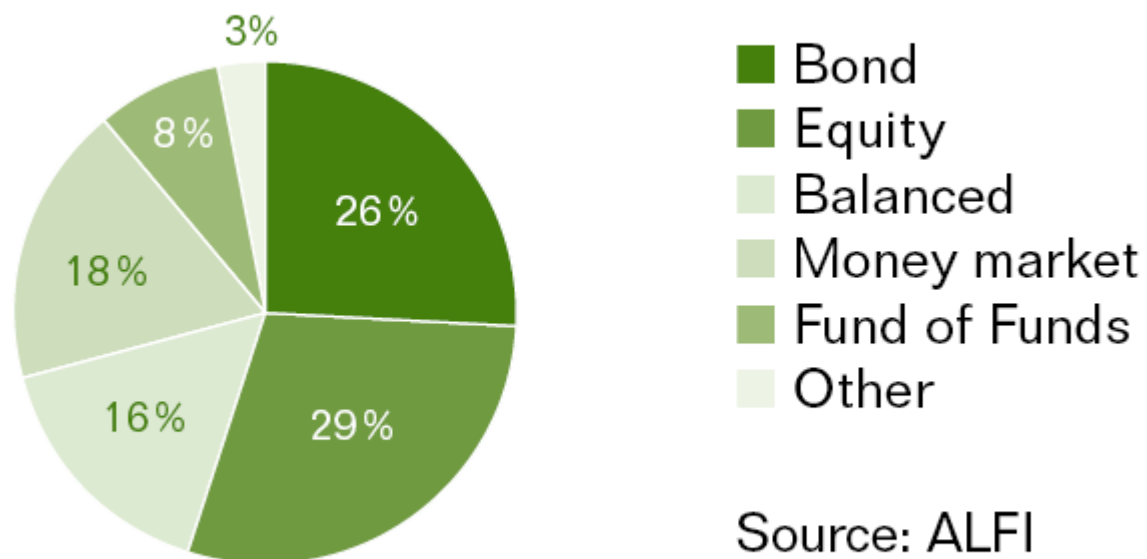
- Supervision of entities appointed to carry out central administration, management and distribution for the Fund
- Risk Management Services & reporting (investment restrictions, eligibility analysis of investments)
- Corporate governance (relationship with the Fund's management bodies: Board of Directors, General Shareholder Meetings) and regular reporting
- Liaising with the Fund's auditor and financial regulator (CSSF)

### Distribution services

- Registering of the fund in other EU countries
- Follow-up of registration

## Statistics

2009



Source: ALFI

## Statistics

	2008			2009		
	Funds	Sub-funds	Assets EUR billion	Funds	Sub-funds	Assets EUR billion
Part I (2002 law)	1,843	7,976	1,465	1,826	8,178	1,169
Part II (2002 law)	649	2,137	221	708	2,332	259
SIF	971	2,119	154	837	1,815	130
SICAR	237	-	N/A	221	-	20
Securitization (regulated)	24	-	N/A	20	-	N/A

Source ALFI



## Questions? Please contact

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