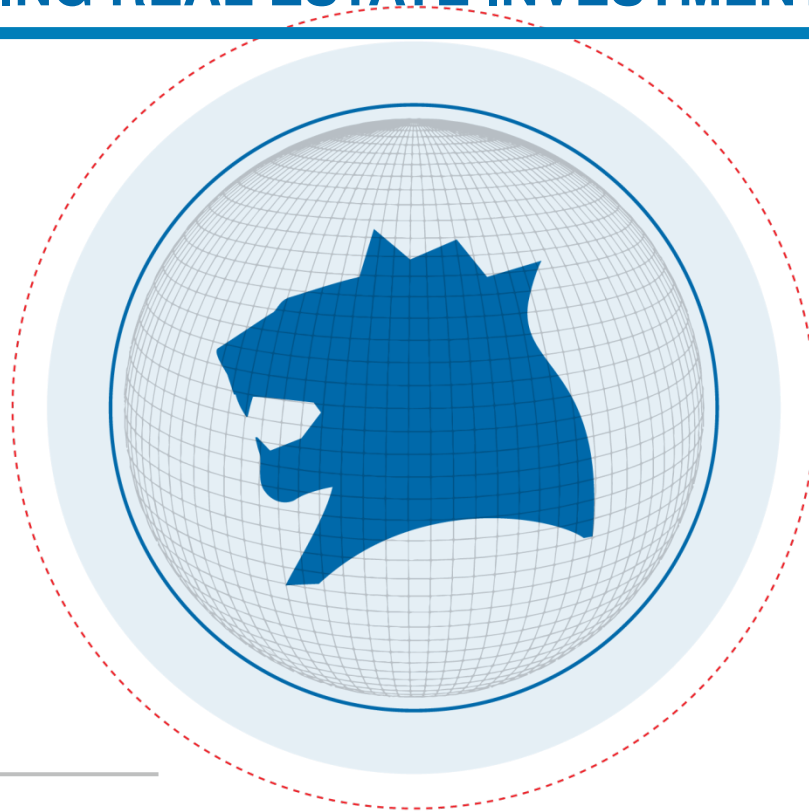

LUXEMBOURG

EUROPE'S LEADING REAL ESTATE INVESTMENT FUND DOMICILE



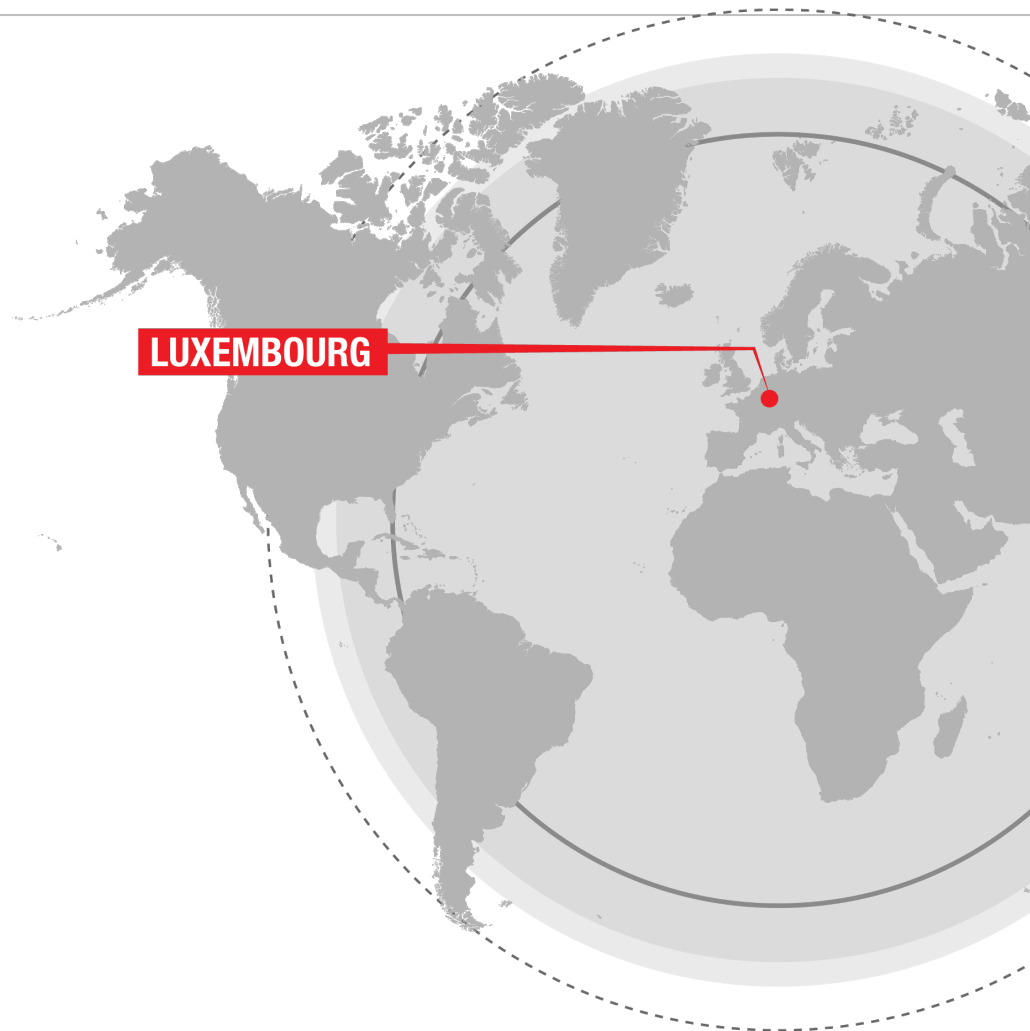
KEITH BURMAN

JOHAN TERBLANCHE

- Why Luxembourg?
- Luxembourg Real Estate Investment Funds – track record
- Opportunities

Why Luxembourg?

- Background, current position
- Marketing / distribution
- Cross-border finance & tax efficiency
- International managers / promoters
- Range of legal & regulatory regimes
- Key success factors

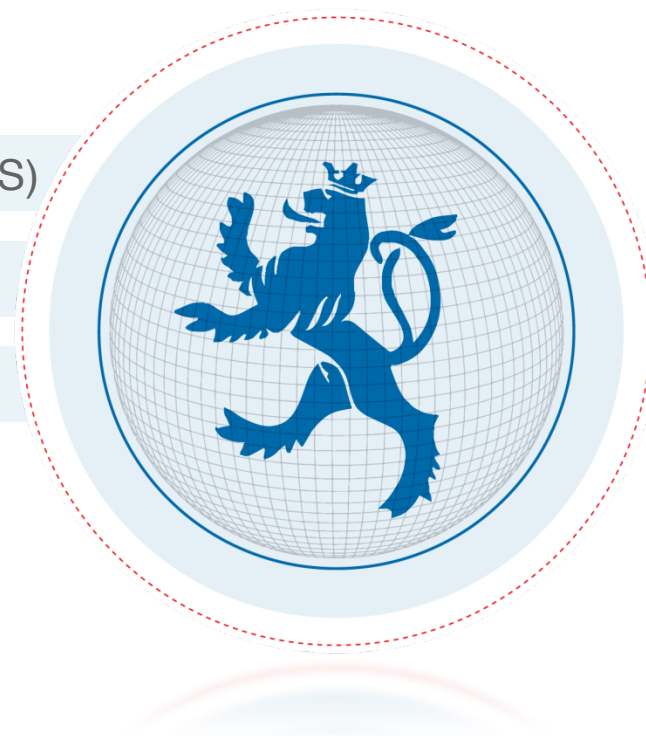


At a glance...

Europe's **leading** investment fund centre (2nd after the US)

Top wealth management centre in the Eurozone

Global fund distribution centre



Know-how in cross-border finance



The principle of the EU passport

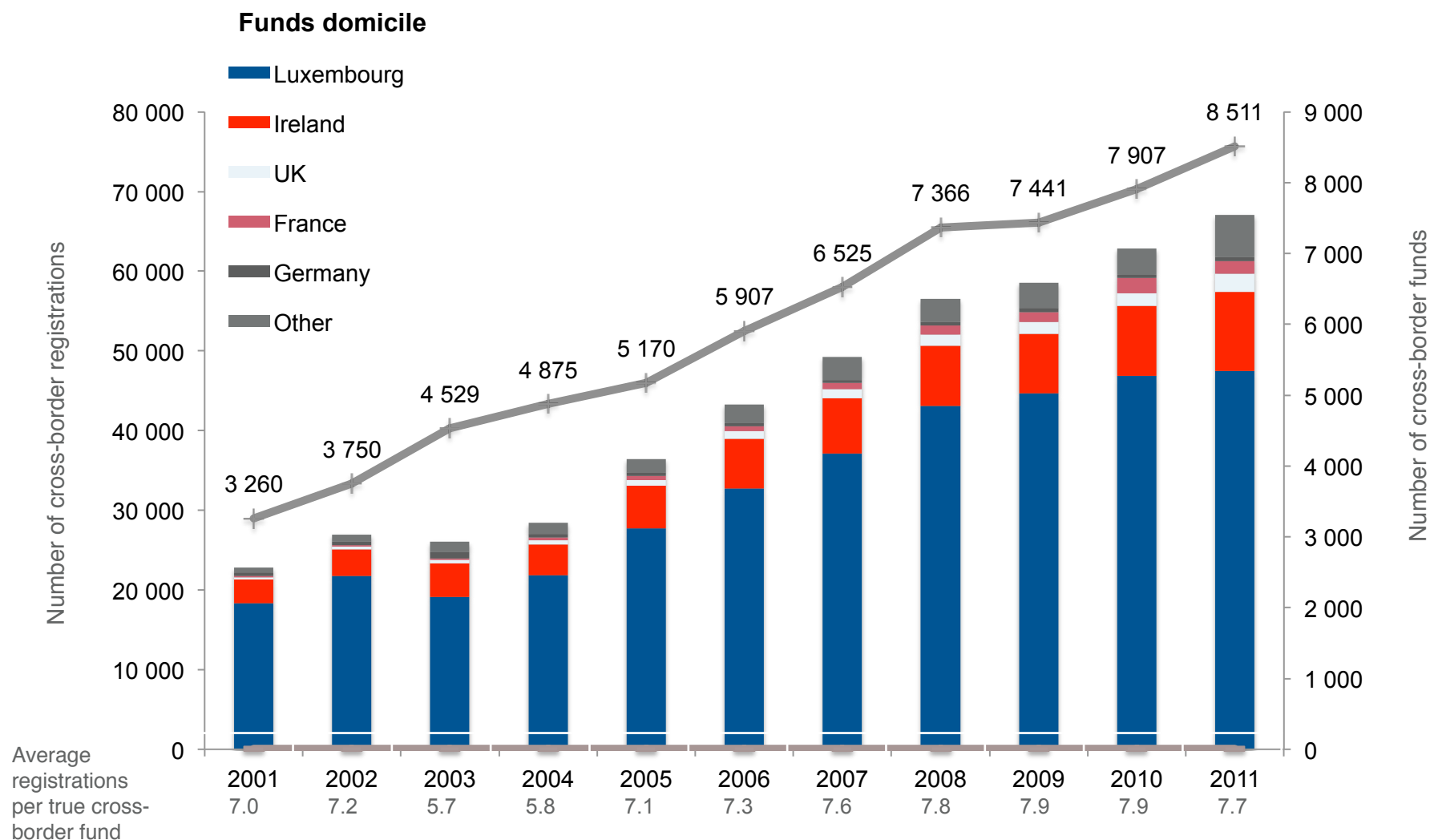


Banking
Insurance
Reinsurance
Securities
UCITS funds

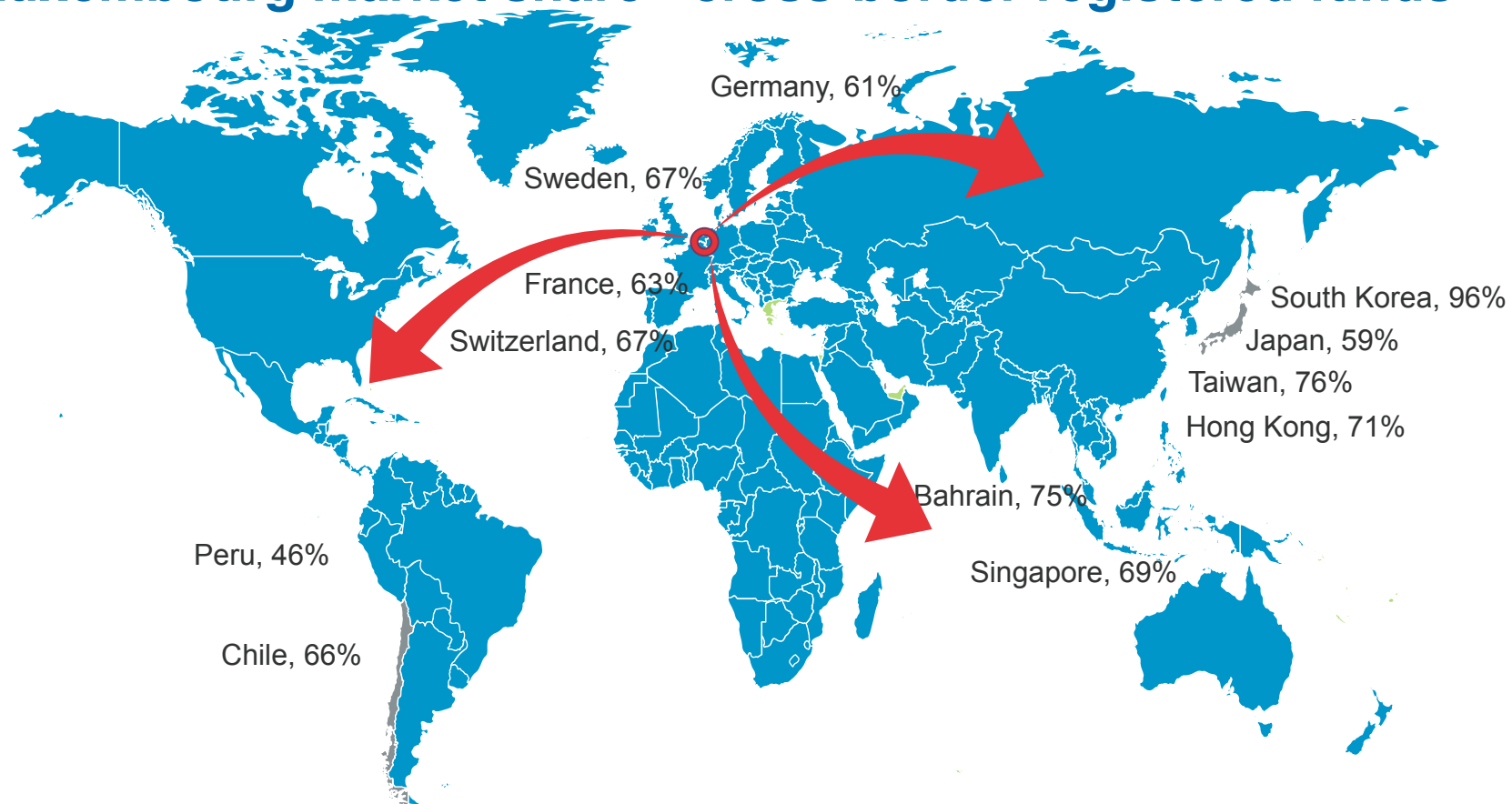
No EU passport yet

Hedge funds
Private Equity
Real Estate

Evolution of cross-border distribution



Luxembourg market share - cross-border registered funds



Source: Global Fund Distribution analysis - December 31, 2013.

International Bilateral Network

Large network of Double Tax Treaties

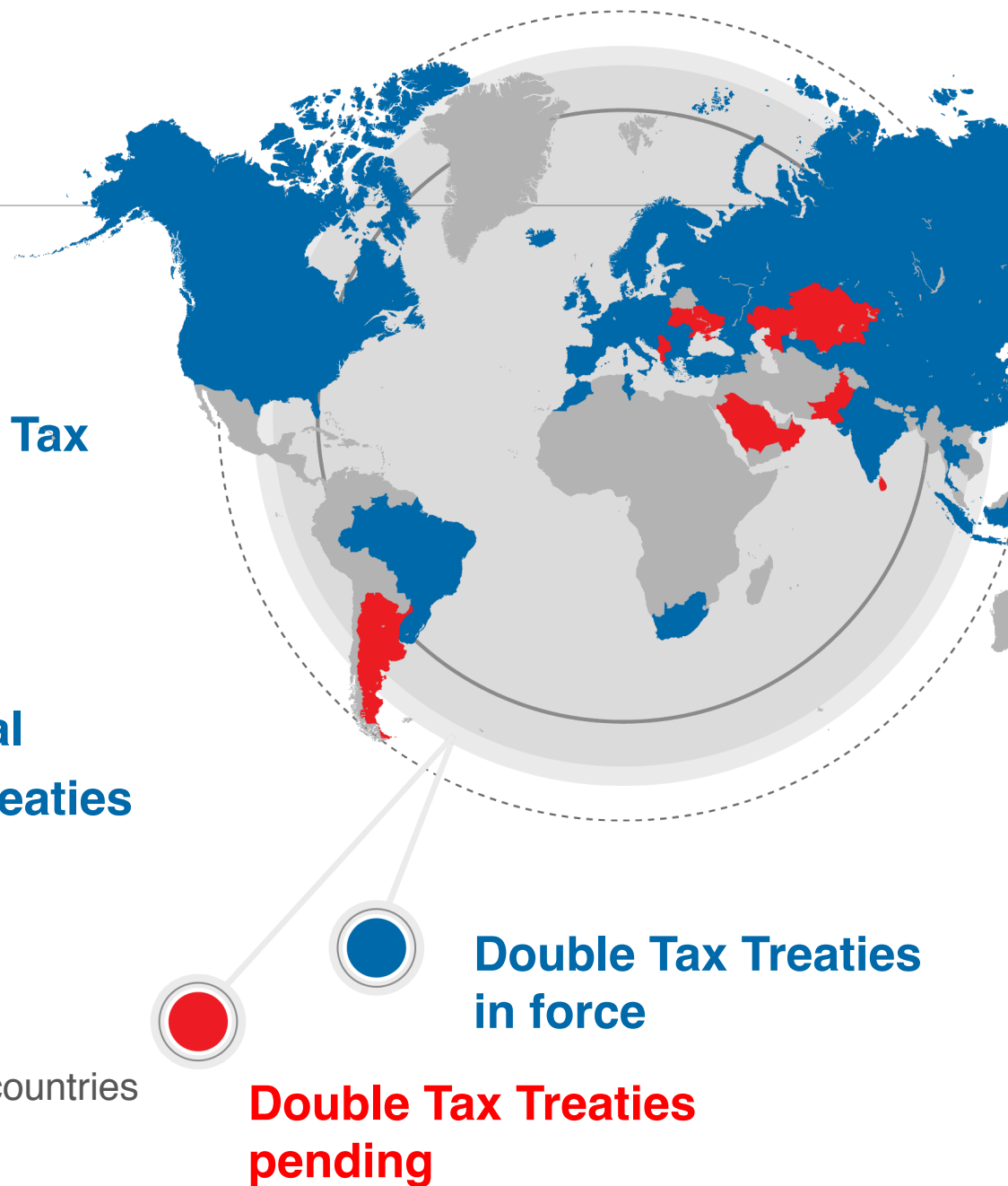
- 64 DTTs in force
- 46 pending

Large network of Bilateral Investment Protection Treaties

- 69 treaties in force
- 24 pending

Regulatory MoUs

- 51 between CSSF and other countries
- 43 multilateral AIFMD
- 4 multilateral other

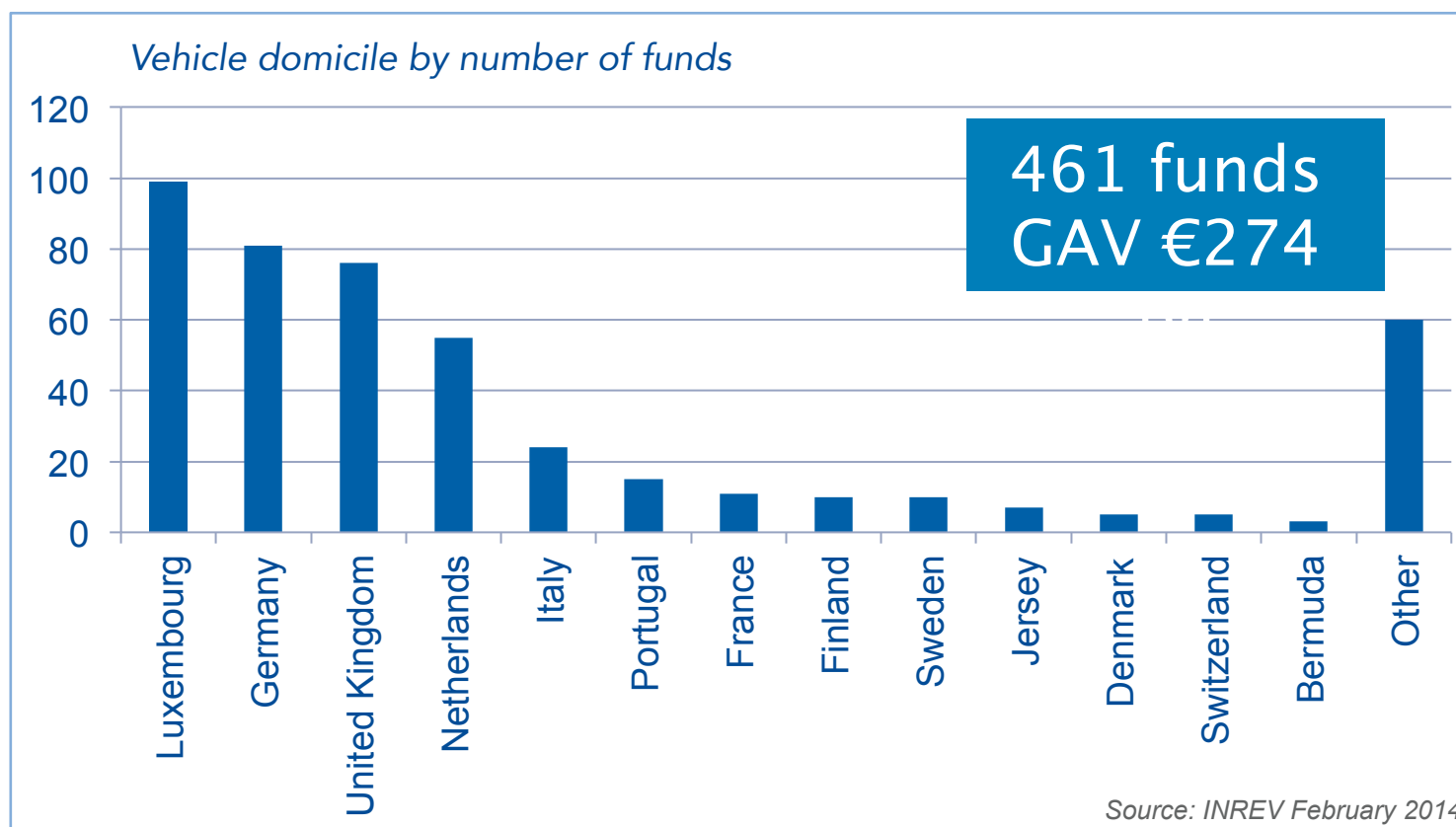


Real Estate Funds track record

- Leading Fund Centre
- Continued success in Real Estate Sector
- Appealing to investors
- Wide range of legal & regulatory regimes
- International managers / promoters
- Key success factors

Funds by domicile

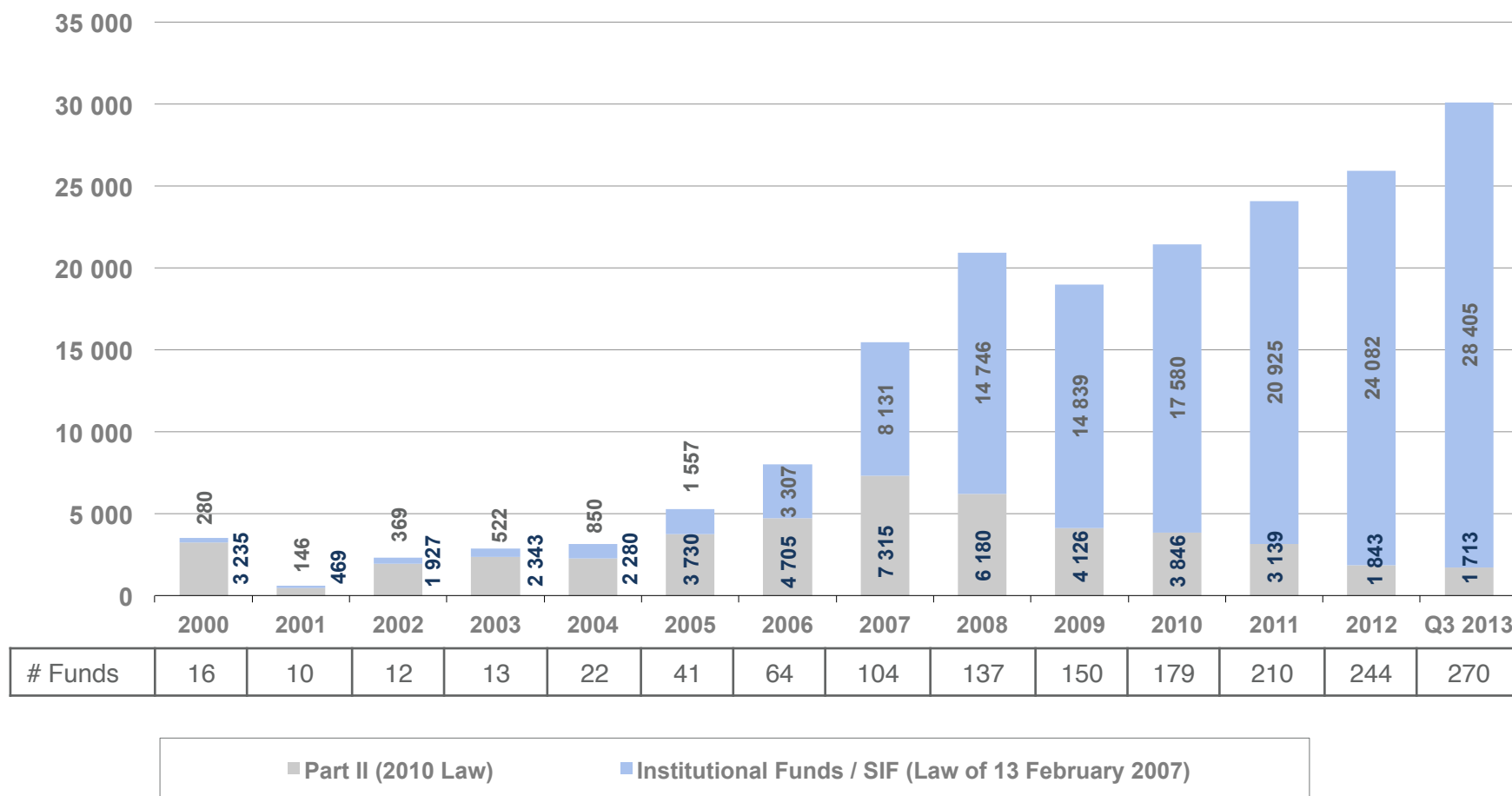
Luxembourg is the **favourite domicile** in the INREV European Real Estate Funds database



Luxembourg Real Estate funds

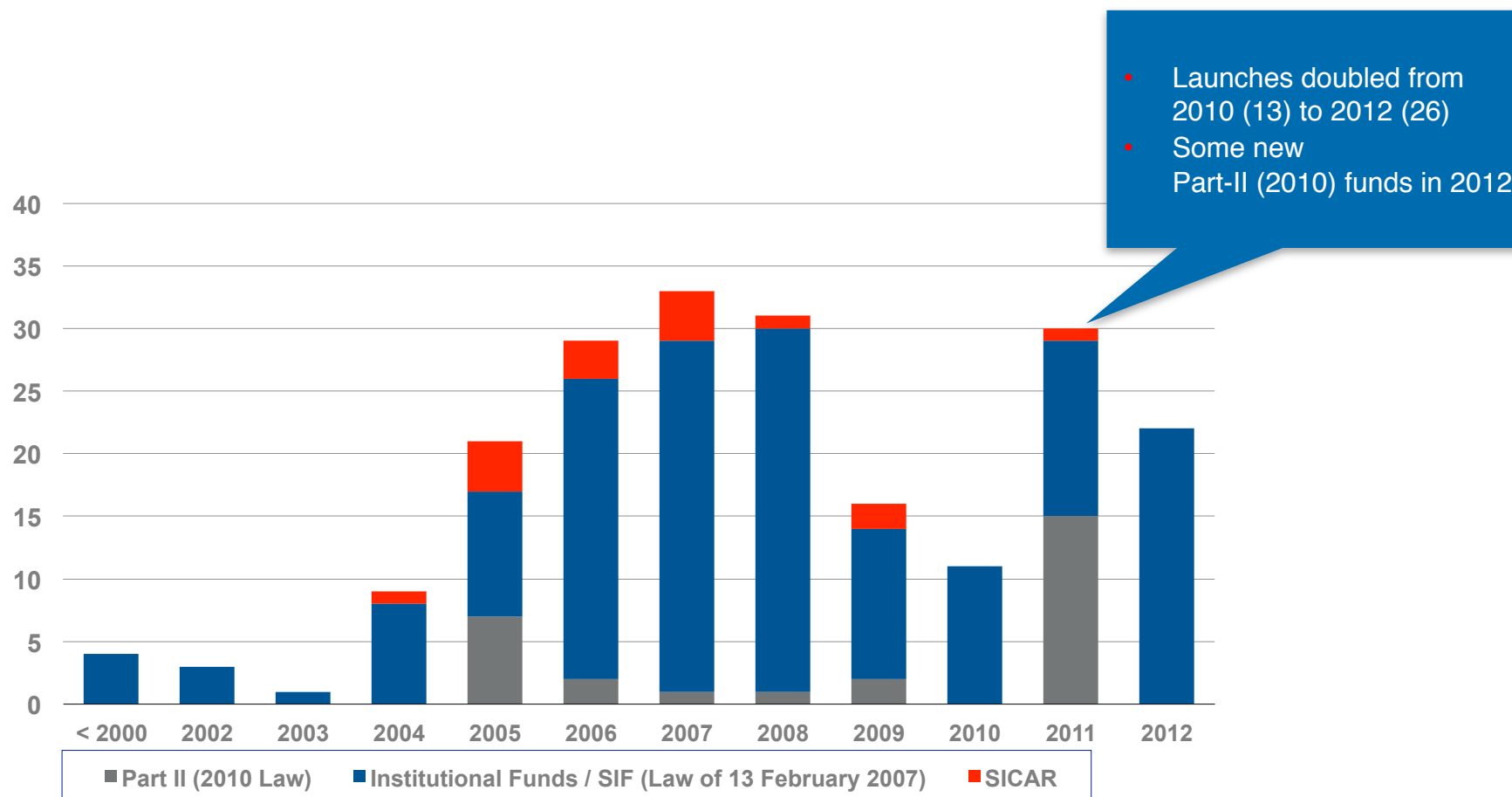
Net assets under management

Strong growth in REIF AuM since 2004 – 30% CAGR

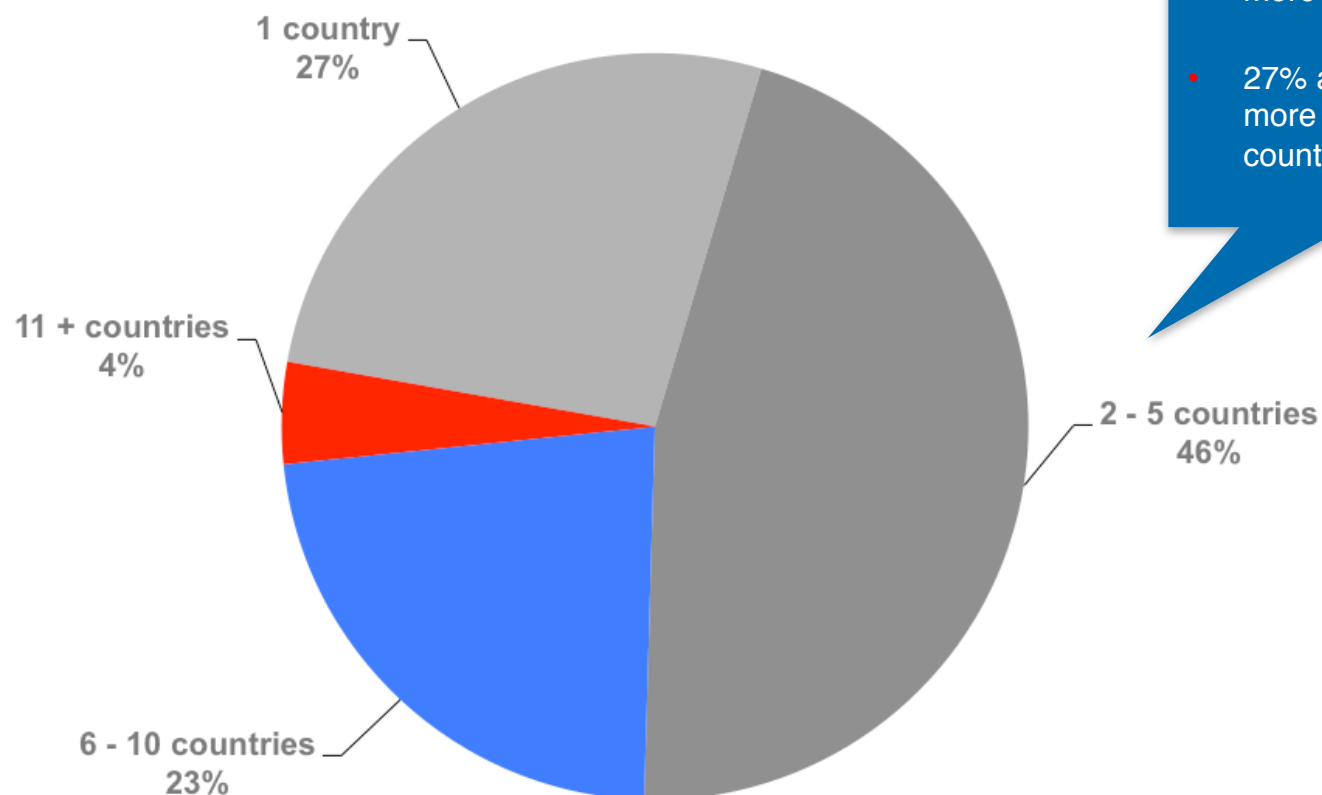


Luxembourg REIFS

Launches by year



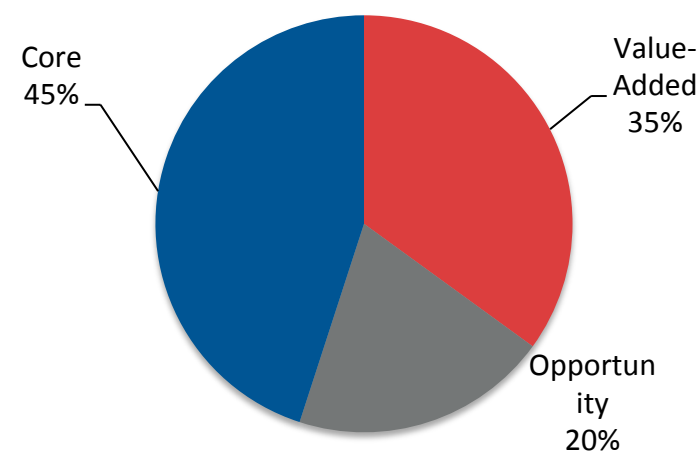
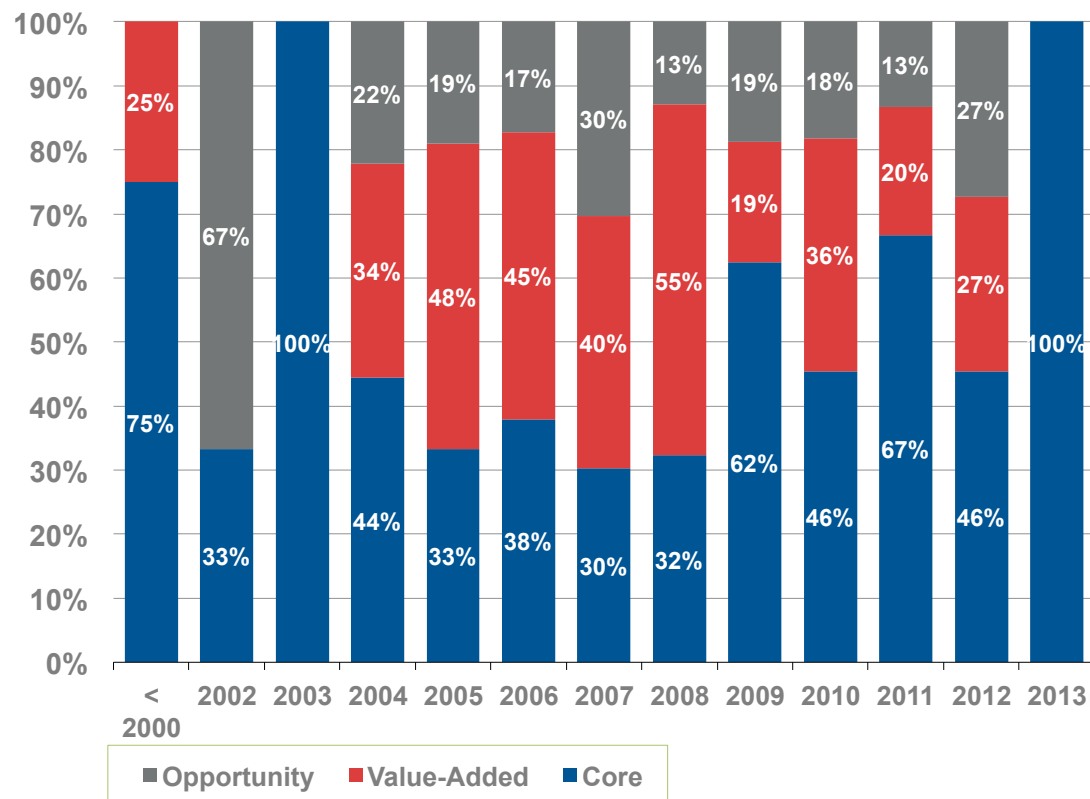
Investors in Luxembourg REIFs



- 73% are distributed in more than one country
- 27% are distributed in more than five countries

Luxembourg REIFS

Investment style



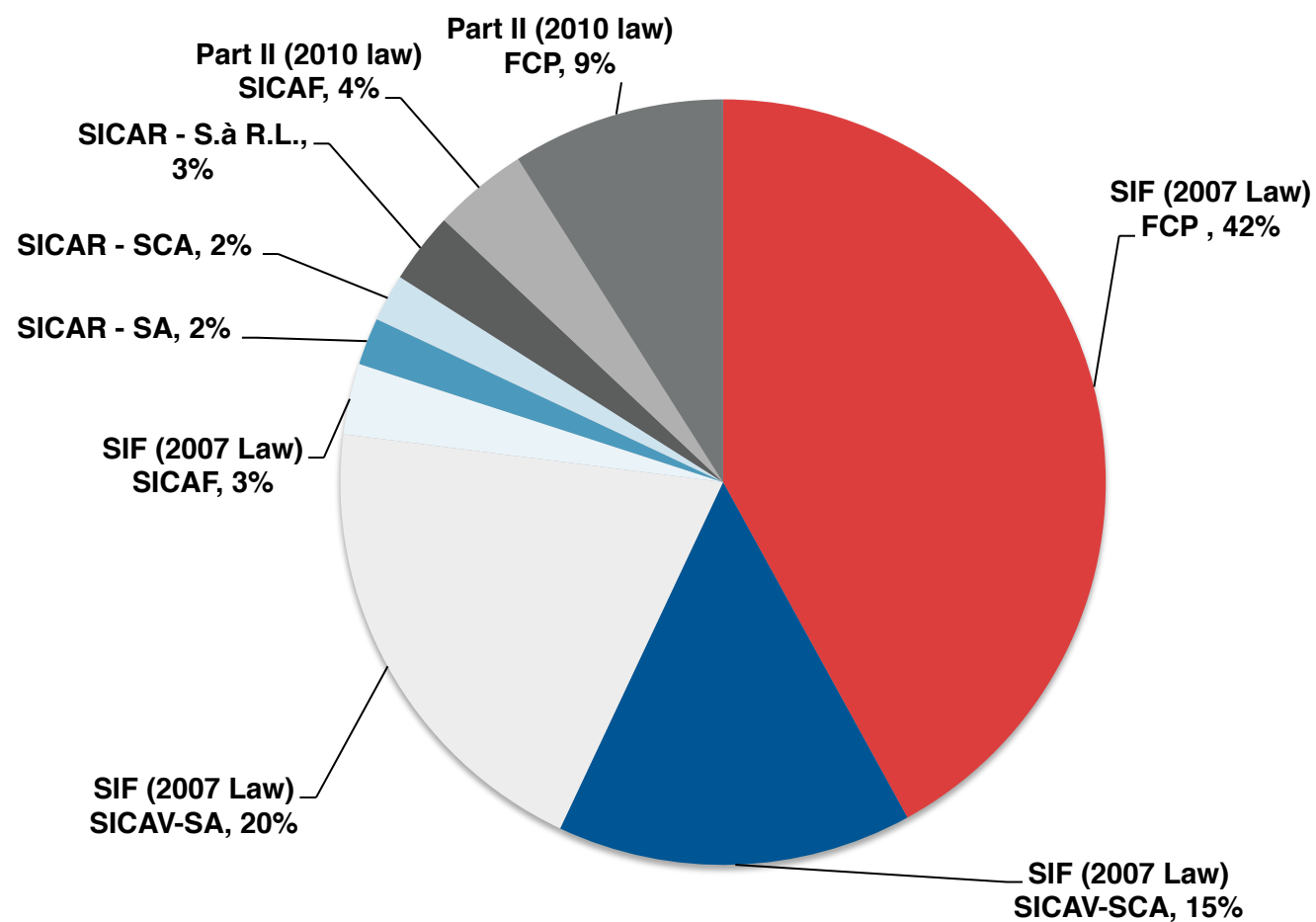
- Core Funds were the only investment style launched in 2013, and represent almost half of the market

Regulatory and legal regimes

- AIF and AIFMs
- “Product” and regulatory regimes
- Legal forms
- Continued evolution, improvement, addition

Luxembourg REIFS

Vehicle type

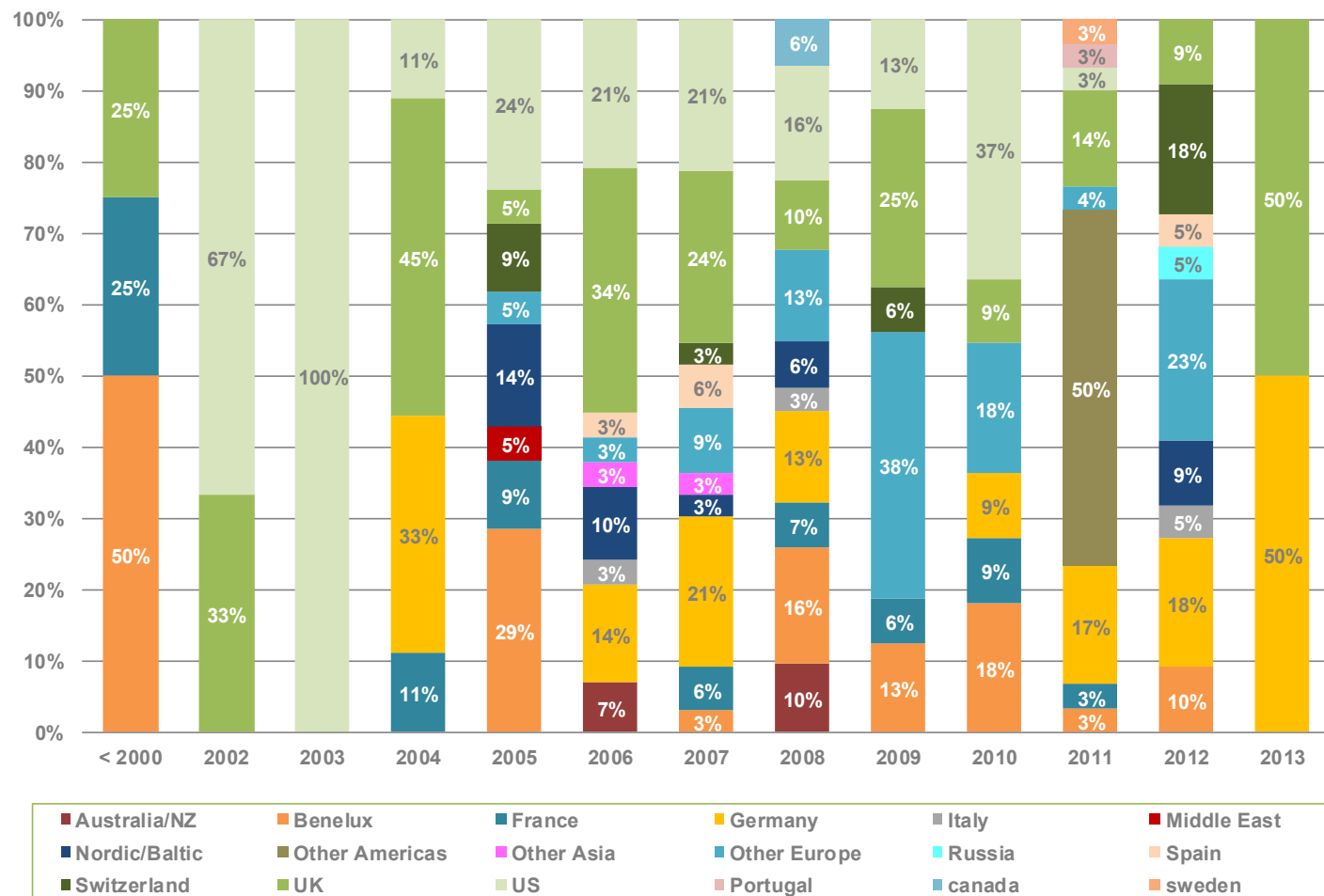


- FCP is used in the majority of cases
- SICAV make up 30% of the market
- The Specialised Investment Fund (SIF) regime is used for 80% of funds

How different groups are using Luxembourg funds

Strategy/ investor type	European Core	Value-added	Debt fund	Opportunistic
Sovereign Wealth Fund	SV/SIF/ Soparfi	SIF/SV/ Soparfi	SIF/FCP/ Soparfi	SIF/SV/Soparfi/ SICAR
EU Insurance Company	Listed SIF/ SICAV	Listed SIF/ SICAV	SCS/SV	Listed SIF/ SICAV
EU Retail	FCP/SICAV	FCP/SICAV	TBD	-
Global HINWI	FCP /SIF	FCP/SIF	FCP/SIF/SV	FCP /SIF
REIT	SIF/SICAF	SIF/SICAF	-	TBD
Japanese Institution	SV feeder	TBD	SV feeder	TBD
Fund of Fund	SIF/FCP/SICAV	SIF	SIF	SIF

Initiator origins by launch year



(*) This graph shows the launch year of fund units that are included in the REIF Survey 2013. It is NOT a cumulative sequence.

Luxembourg: Key success factors

- Complies with all international rules (not offshore)
- Expertise of more than 40 years in international financial transactions
- Experienced international workforce
- Stable political, legal and social environment
- AAA rated country
- Strong support from Government for financial services

Opportunities and Luxembourg positioning

- Onshore financial centre at the heart of the European Union
- Continued investor demand for Real Estate as asset class
- Growing institutional investor allocations to Real Estate
- AIFM and passporting / international distribution
- Attractiveness to wide variety of institutional and other investors
- Efficiency of Luxembourg investment vehicles

Questions

Typical fund structure for Luxembourg REIF

