FUND FINANCE
LUXEMBOURG

DEBROISELEGAL
Luxembourg Law Firm

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CLIENT BRIEFING

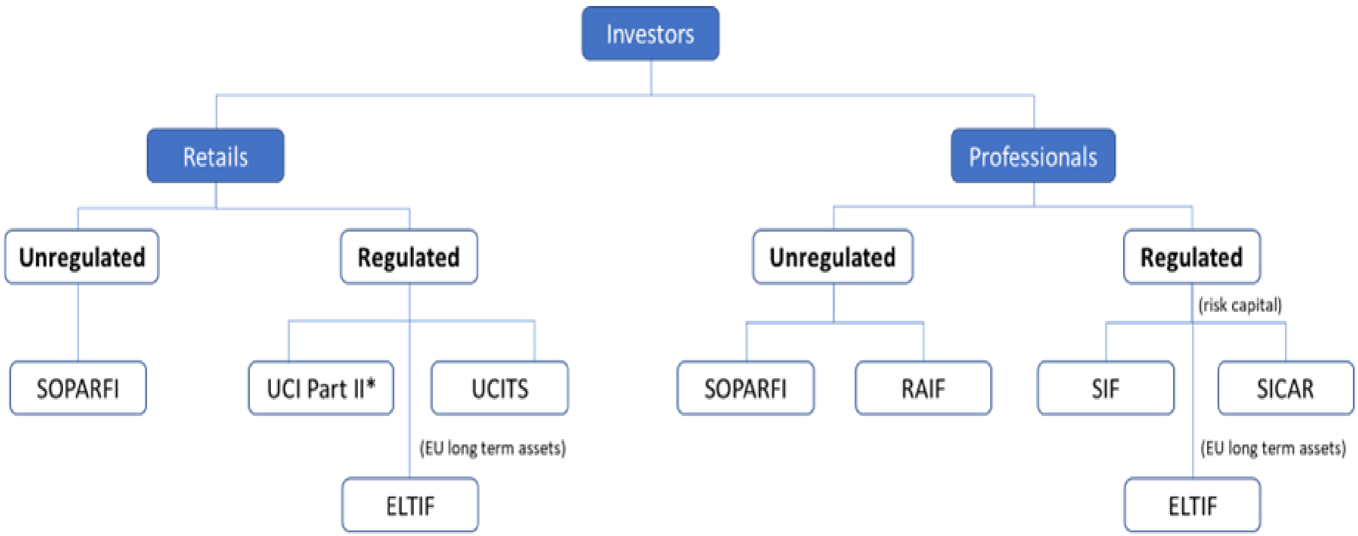
DECODING FUND NAMES

“ as an example, "[...] SCSp SICAV-RAIF – Sub-fund 1" refers to:
· a segregated sub-fund of an umbrella fund
· qualifying as a reserved alternative investment fund
· established as an investment company with variable capital in the form of a special limited partnership “

BEHIND THE ACRONYMES

WHAT YOU NEED TO KNOW

Luxembourg offers a wide range of investment vehicles which combine different legal forms (corporate or contractual forms), tax qualifications (transparent or opaque) and regulatory regimes (regulated or unregulated) depending on the targeted investors, the investment strategy and the marketing strategy of the proposed fund.



* But restricted in other EU countries to professional investor only

It is easy to be overwhelmed by the number of acronyms associated with Luxembourg investment fund vehicles.

To help you navigate the "alphabet soup", below are the definition of some key terms:

CORPORATE FORMS

SA - public limited liability company (managed by a board of directors)

SARL - private limited liability company (managed by a board of managers)

SCA - partnership limited by shares (similar to a SA but managed by a separate general partner)

SCS - common limited partnership (managed by a general partner)

SCSp - special limited partnership (similar to a SCS but without legal personnality)

LEGAL FORMS

SICAV - investment company with variable capital (i.e. whose share capital is equal to its total NAV; making the subscription and redemption procedures easier)

SICAF - investment company with fixed capital

FCP - common fund (co-ownership of assets managed by a management company. Due to its contractual form, a FCP is not subject to company law requirements)

FUND VEHICLES

AIF - Alternative Investment Fund (generic term) i.e. a vehicle raising capital from a number of investors with a view to investing it in accordance with a defined investment policy for the benefit of those investors and which does not require authorisation

SOPARFI - *Société de Participations Financières* (unregulated commercial company - the most common vehicle dedicated to holding and financing activities in Luxembourg - often in the form of a SARL)

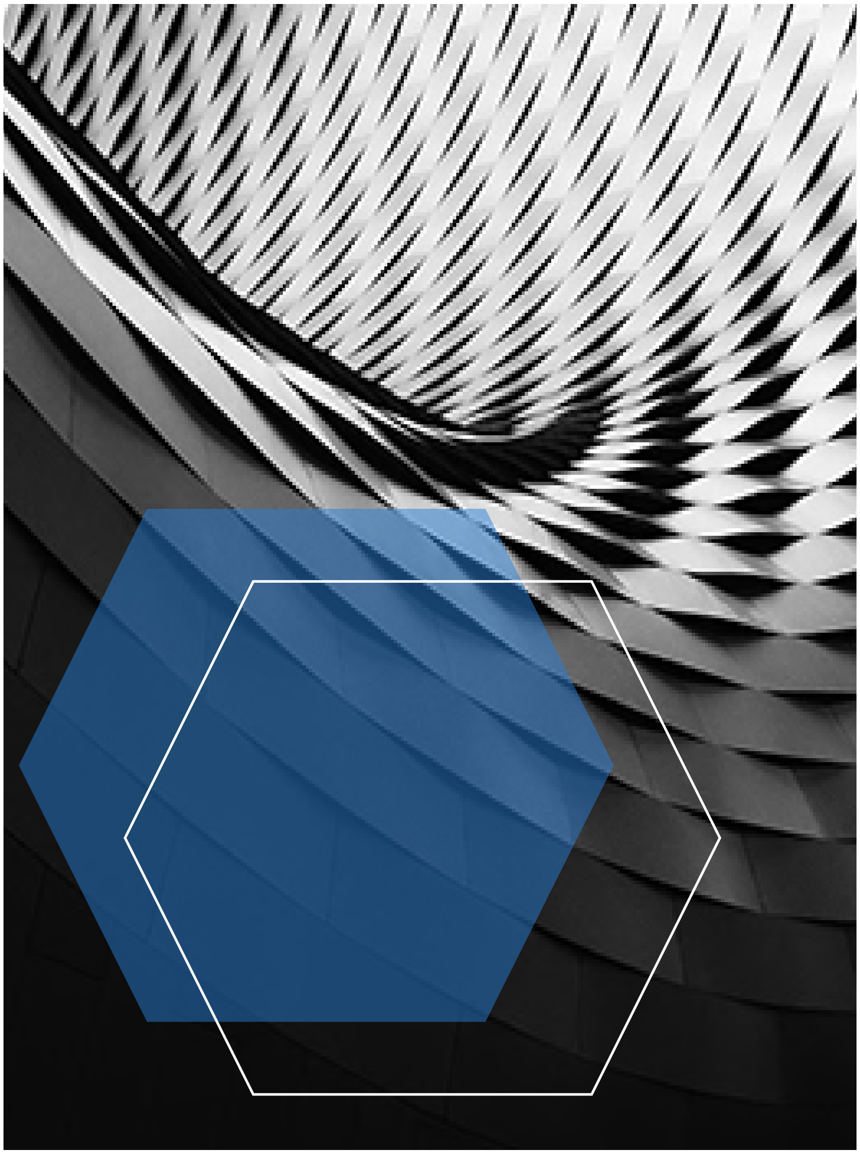
RAIF - Reserved Alternative Investment Fund (unregulated AIF managed by an authorised AIFM and limited to “well-informed” investors)

Part II UCI – Undertakings for Collective Investment (regulated fund that can be sold to retail investors subject to certain conditions)

SICAR - Risk Capital Investment Company (regulated venture capital fund – limited to the direct or indirect contribution of funds to entities in view of their launch, development or listing on a stock exchange)

SIF - Specialised Investment Fund (regulated multi-purpose vehicle for alternative investments limited to “well-informed” investors)

UCITS - Undertakings for the Collective Investment in Transferable Securities (regulated retail fund)



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