

4^h of December 2015

RAIF, the new Luxembourg Alternative Investment Fund

The Reserved Alternative Investment Fund ("RAIF") should be available before summer 2016 (following a draft bill on this new type of Alternative Investment Fund which has been approved by the Luxembourg Council of Government).

This new status of AIFs is not submitted to the agreement and the supervision of the Luxembourg supervisory authority (the "CSSF"), but benefits from the same flexibility proposed by SIFs (Specialised Investment Funds) and SICARs (Capital Risk Funds).

This unregulated fund is reserved for institutional or well-informed investors, who wish to invest a minimum of EUR 125.000.

CSSF Approval

No need of CSSF approval for creation and launch of a RAIF, and for amendments to the RAIF's constitutional documents, information document or other documents governing the functioning of the RAIF.

The lack of approval allows the RAIF to be setup within a few days.

AIFM regime

The RAIF will be managed by an authorised AIFM (based in Luxembourg or in another EU Member State).

The AIFM will then ensure that the RAIF complies with all requirements of the AIFMD.

As the AIFM regulation and its investor protection is applicable, the RAIF will then benefit from the European passport granted by the AIFM Directive for marketing to professional investors.

Legal form

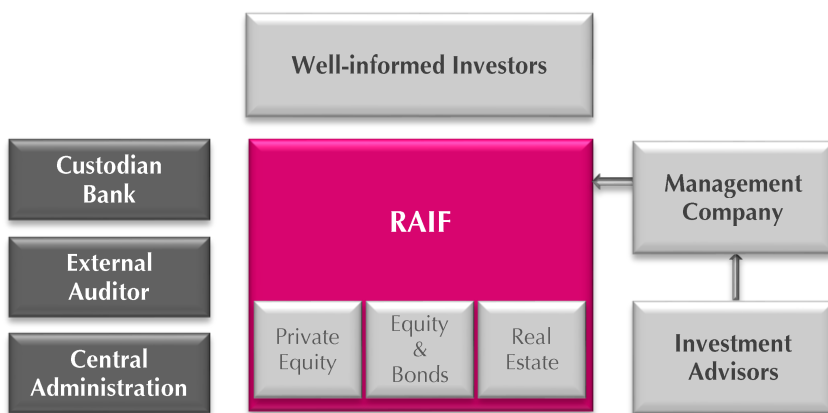
The RAIF is largely modelled on the SIF regime
It can adapt different legal forms (corporate and contractual).

**FIAR – Fonds
d'Investissement
Alternatif
Réservés
Or
RAIF - Reserved
Alternative
Investment Fund**

The RAIF should be able to adopt any fund strategy and to invest in any eligible alternative assets among which :

- private equity
- hedge funds
- real estate
- arts or other collectibles
- Bonds, shares
- Currency, noble metals, ...

It can also be considered as an unregulated AIF with multiple compartments, with segregation of assets and liabilities.



Tax regime

The RAIF can be subject to the same tax regime that currently applies to the funds.

If it restricts its investment policy in its constitutive documents to investments in risk capital, it should not be subject to corporate income tax, municipal business tax and net worth tax and would be exempt on withholding taxes on distributions or taxes on speculative capital gains for investors.

Creitrust acts as a one-stop-shop to provide Investment Managers and Promoters with the optimal solution: from initial advice on the various options available to implementation of the chosen solution. We also organise the on-going management of income flows and domiciliation of the chosen investment fund structure.

www.creitrust.com

Creitrust sarl

BP 027 - West Side Village
89E, Parc d'Activités
L-8308 Capellen
G.D. Luxembourg
T +352 277 299 99
F +352 277 299 11

funds@creitrust.lu

Matricule: 2005 2425 108
A.E.: 136 001
RCSL: B110593

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