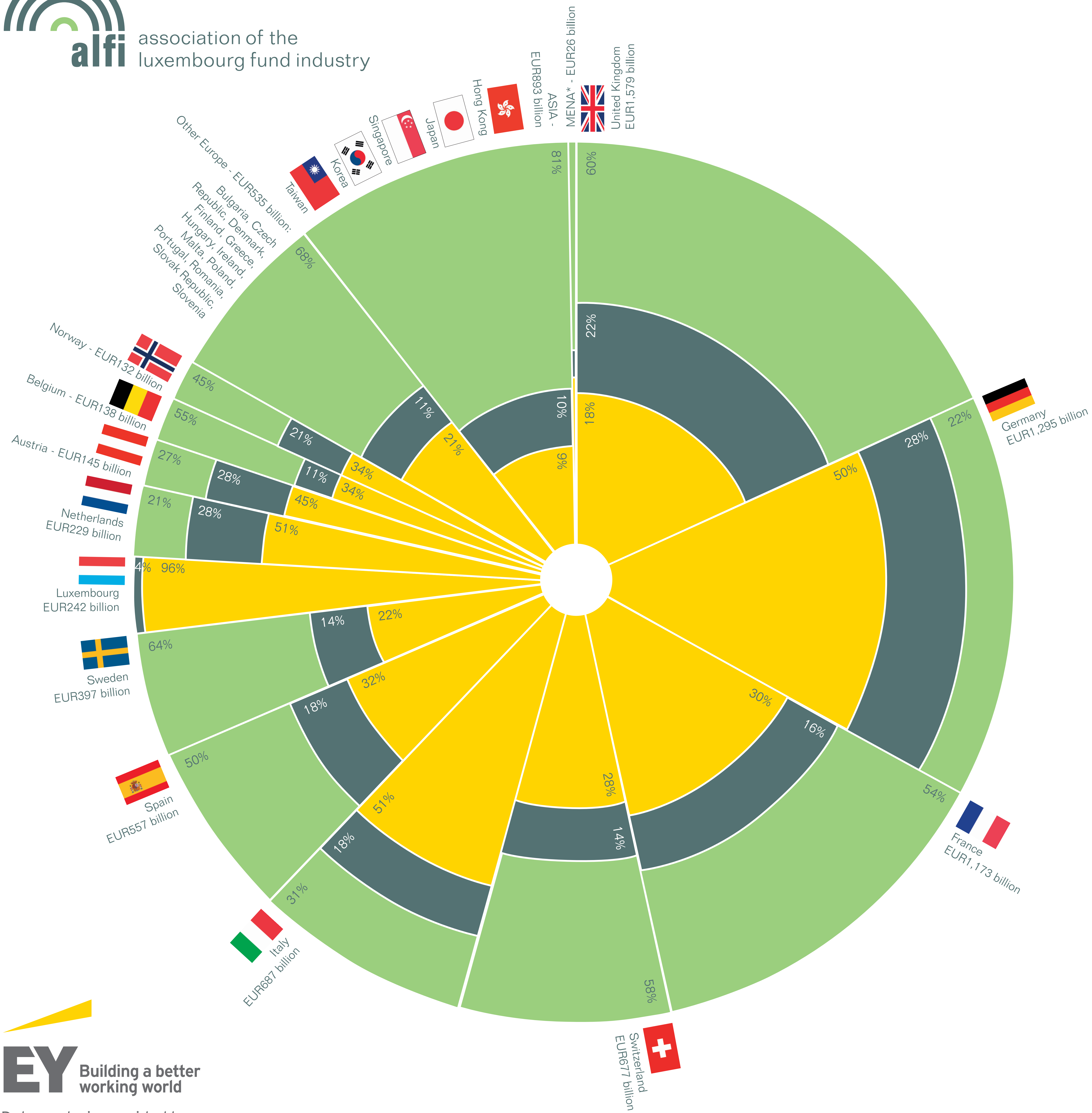
association of the luxembourg fund industry

Footprint of Luxembourg UCITS

The chart displays the volume of assets under management distributed in the respective market as at December 2015. The chart illustrates the distribution of Luxembourg UCITS, other foreign and domestic open-ended funds on selected markets.

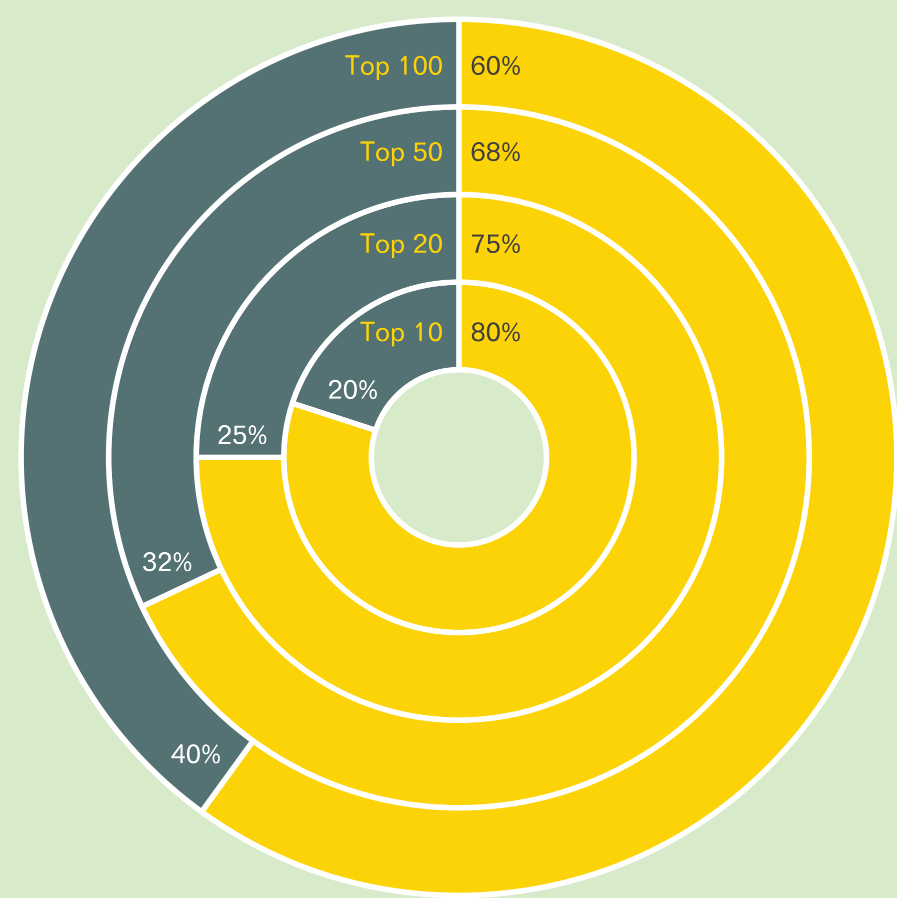
Luxembourg UCITS footprint in terms of AuM among foreign funds distributed globally, **increased from 59% to 62%** between January 2013 and December 2015.



Luxembourg funds – distributed AuM of Luxembourg UCITS
Foreign funds – distributed AuM of funds domiciled in another country except Luxembourg funds
Domestic funds – distributed AuM of funds domiciled in the country

* Bahrain, Lebanon, Oman, Qatar, Saudi Arabia, Turkey, United Arab Emirates

Presence of the top largest investment managers in Luxembourg



Investment managers with Luxembourg domiciled funds
Investment managers without Luxembourg domiciled funds

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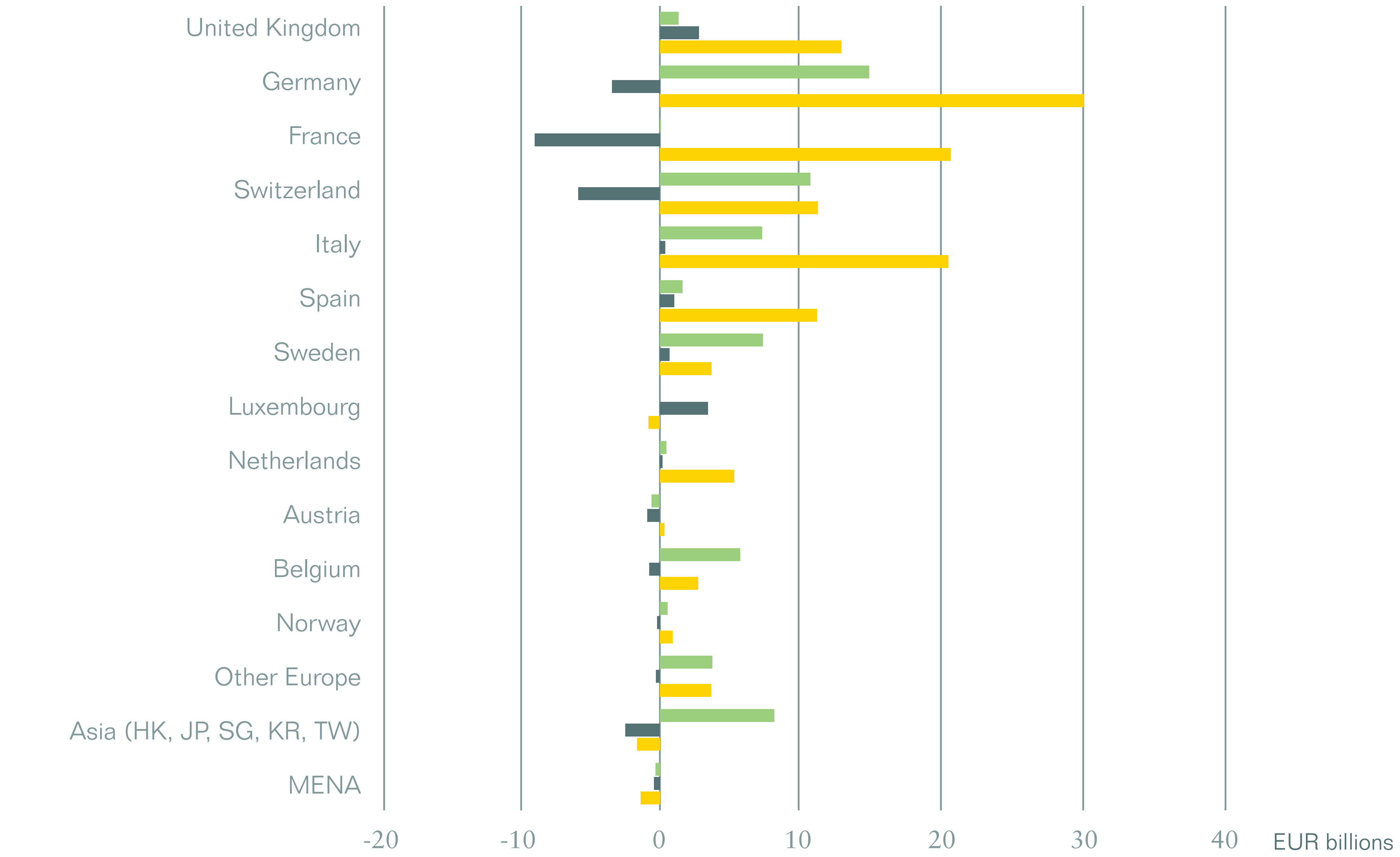
Data analysis provided by EY GFD - www.ey.com/gfd

The chart illustrates the sum of flows attracted by Luxembourg UCITS, other foreign and domestic open-ended funds on selected markets during the 12-month period ending December 2015.

In 2015, Luxembourg UCITS attracted 72% of the sum of flows on the selected markets.

Net flows - 2015



Luxembourg funds – distributed AuM of Luxembourg UCITS
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Introduction and a brief history of UCITS

Since the early days, when the European Steel and Coal Community was established in 1951 in order for commodities to be sold and transported freely within European borders, European policymakers have long sought to create a seamless market for goods and services throughout the continent. After the European Union (EU) was officially created and replaced the European Economic Community following the treaty of Maastricht in 1993, financial services, and asset management in particular, have moved to the very center of widespread sweeping legislative initiatives.

With the first implementation of the Undertakings for Collective Investment in Transferable Securities (UCITS) legislation, the entire European continent has been steadily moving toward a single market in terms of the manufacturing and distribution of asset management products.

What this means for global asset management firms, especially those originally domiciled outside of Europe, is simple: the UCITS regime enables a firm to register an investment product one time in one EU domiciliation and then effectively distribute that product across the entire EU, which is now the world's second largest fund market outside of the United States. Given the relentless integration and globalization of the financial services industry and ongoing regulatory restructuring of the EU distribution landscape, growth-oriented firms can readily leverage the UCITS regime to increase assets under management and widen their investor base efficiently and effectively.

UCITS are regulated investment products established and authorized under a common EU legal and regulatory framework. Once a UCITS is established and authorized by the regulatory authority in its chosen country of domicile (an EU country only), it can then be marketed and distributed to all types of investors (both retail and institutional) throughout the European Economic Area (EEA)* via the UCITS European passport. UCITS can also be sold outside the EEA subject to each individual country's national regime. In fact, many UCITS are available for distribution in non-EU countries such as Switzerland, Hong Kong, Singapore, Taiwan, Chile, Peru, Bahrain, South Africa and Japan. In short, once an investment product is duly registered under UCITS, it can be distributed to a very large proportion of the global asset management market.

Luxembourg, the first among the EU member states to adopt the UCITS directive into its legal system in 1985, has been ever since the leader in UCITS domiciliation and passporting. As at December 2015, Luxembourg UCITS manage €2.8 trillion in assets and distribute into more than 70 markets.

* The European Economic Area includes all EU countries (Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom) as well as Iceland, Liechtenstein and Norway

About ALFI

The Association of the Luxembourg Fund Industry (ALFI), the representative body for the Luxembourg investment fund community, was founded in 1988. Today it represents more than 1,500 Luxembourg-domiciled investment funds, asset management companies and a wide variety of service providers including depositary banks, fund administrators, transfer agents, distributors, law firms, consultants, tax advisers, auditors and accountants, specialist IT providers and communications agencies.

Luxembourg is the largest fund domicile in Europe and its investment fund industry is a worldwide leader in cross-border fund distribution. Luxembourg-domiciled investment structures are distributed in more than 70 countries around the globe, with a particular focus on Europe, Asia, Latin America and the Middle East.

ALFI defines its mission as to "Lead industry efforts to make Luxembourg the most attractive international centre".

Its main objectives are to:

- Help members capitalise on industry trends
  ALFI's many technical committees and working groups constantly review and analyse developments worldwide, as well as legal and regulatory changes in Luxembourg, the EU and beyond, to identify threats and opportunities for the Luxembourg fund industry.
- Shape regulation
  An up-to-date, innovative legal and fiscal environment is critical to defend and improve Luxembourg's competitive position as a centre for the domiciliation, administration and distribution of investment funds.

Strong relationships with regulatory authorities, the government and the legislative body enable ALFI to make an effective contribution to decision-making through relevant input for changes to the regulatory framework, implementation of European directives and regulation of new products or services.

- Foster dedication to professional standards, integrity and quality
  Investor trust is essential for success in collective investment services and ALFI thus does all it can to promote high professional standards, quality products and services, and integrity. Action in this area includes organizing training at all levels, defining codes of conduct, transparency and good corporate governance, and supporting initiatives to combat money laundering.
- Promote the Luxembourg investment fund industry
  ALFI actively promotes the Luxembourg investment fund industry, its products and its services. It represents the sector in financial and economic missions organised by the Luxembourg government around the world and takes an active part in meetings of the global fund industry.

ALFI is an active member of the European Fund and Asset Management Association, European Federation for Retirement, International Investment Funds Association and Global Impact Investing Network.

For more information, visit our website at www.alfi.lu and follow ALFI on social media!

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About EY GFD

EY Global Fund Distribution ('EY GFD') is a set of innovative products and services to support investment managers in their decision making and update of cross-border investment fund distribution strategies, using data analytics, market and regulatory intelligence. EY GFD displays AuM and fund flows by strategies/countries of distribution/investment managers. EY GFD is currently focused on open-ended investment funds available globally (EUR 25,5 Trn).
It is accessible on a web-platform via subscription.

For more information, please visit www.ey.com/gfd

FOOTPRINT OF LUXEMBOURG UCITS

in association with

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January 2016

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