

Alternative Investment Survey 2007

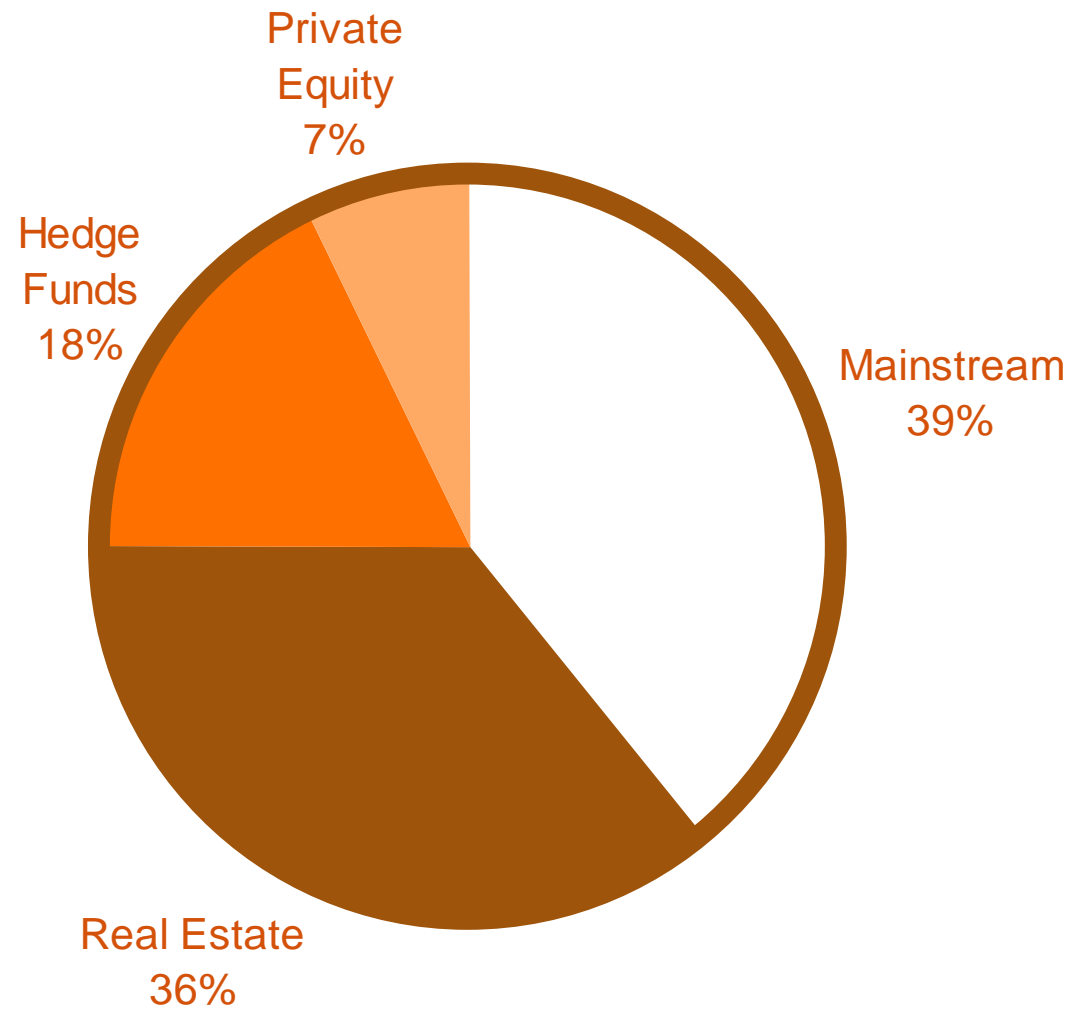
Results and analysis

July 2007

Objectives and scope of the Survey

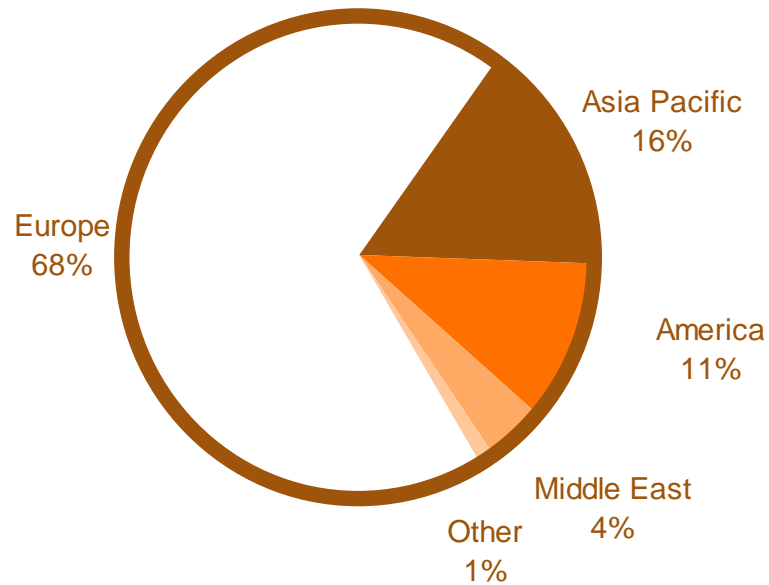
- In March 2007, 28 interviews with product developers of international funds were conducted
- 85% European participants
- Objectives of the survey:
 - To reveal the investors' criteria and preferences for the choice of asset domiciles
 - To discover their key priorities within the product development process

The participants' asset classes

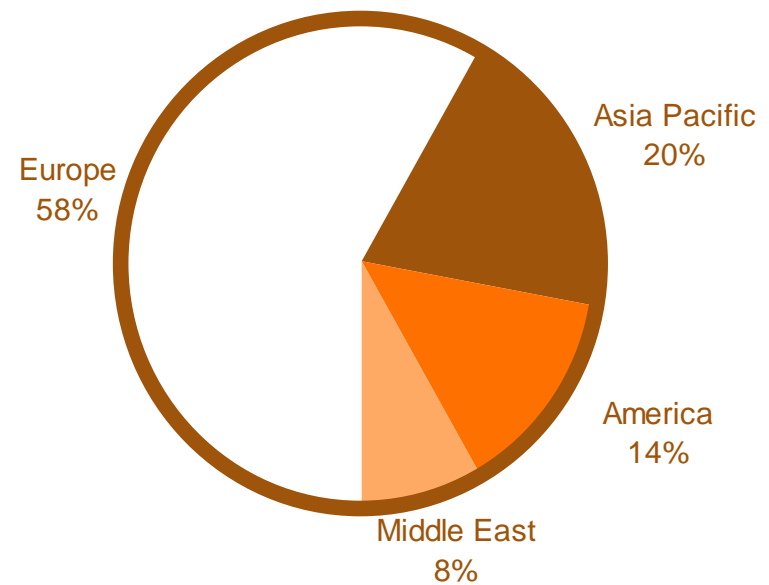


Investor location – today and in the future

Where are your investors located today?

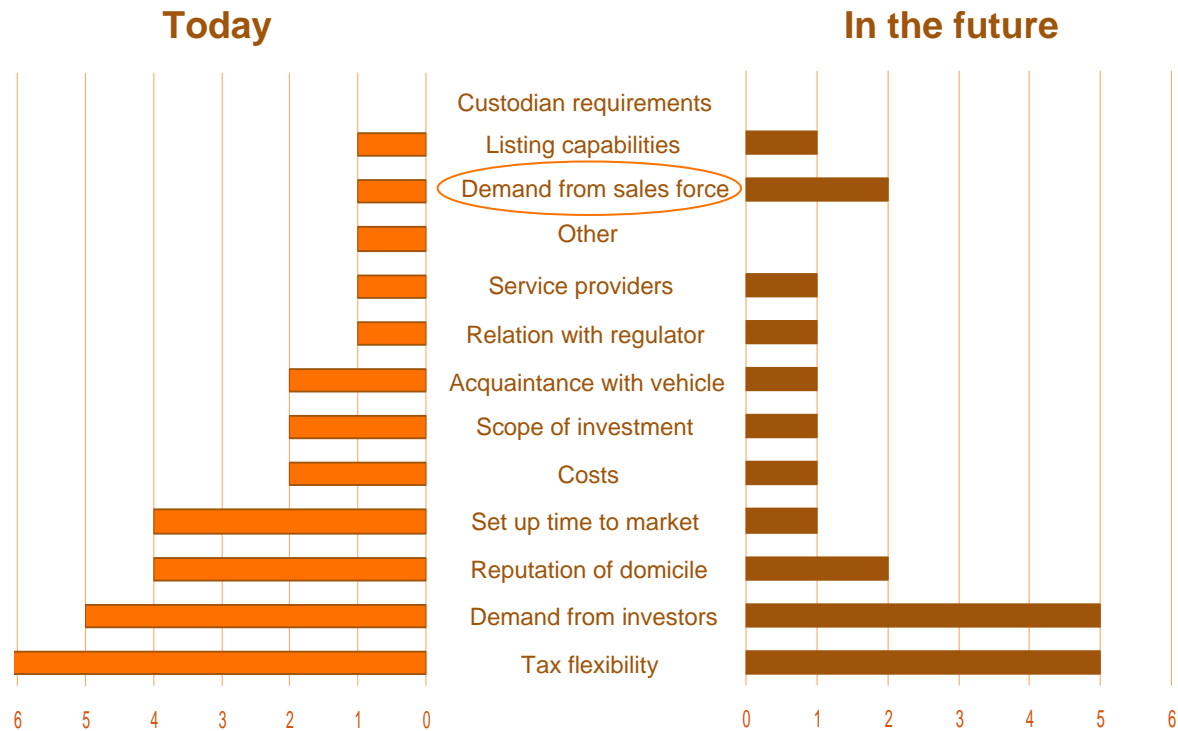


Where are your investors located in three years?



Key factors for the choice of jurisdiction – Real Estate

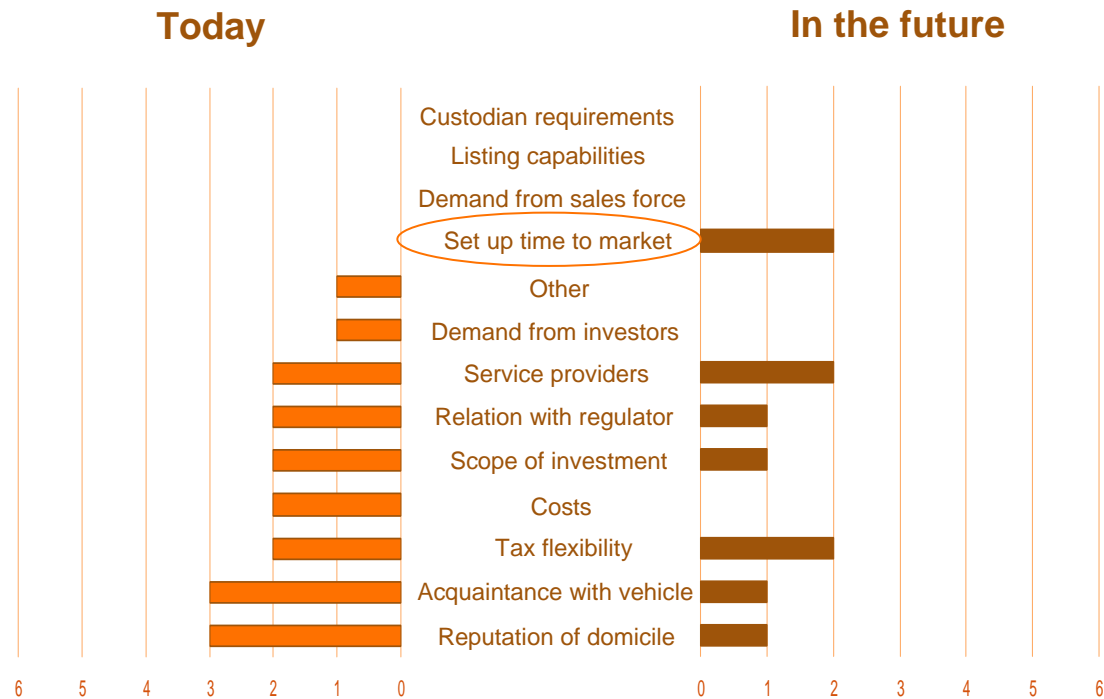
Key factors for choosing a jurisdiction



- Demand from sales force is gaining influence
- Demand from investors and tax flexibility remain the most important criteria

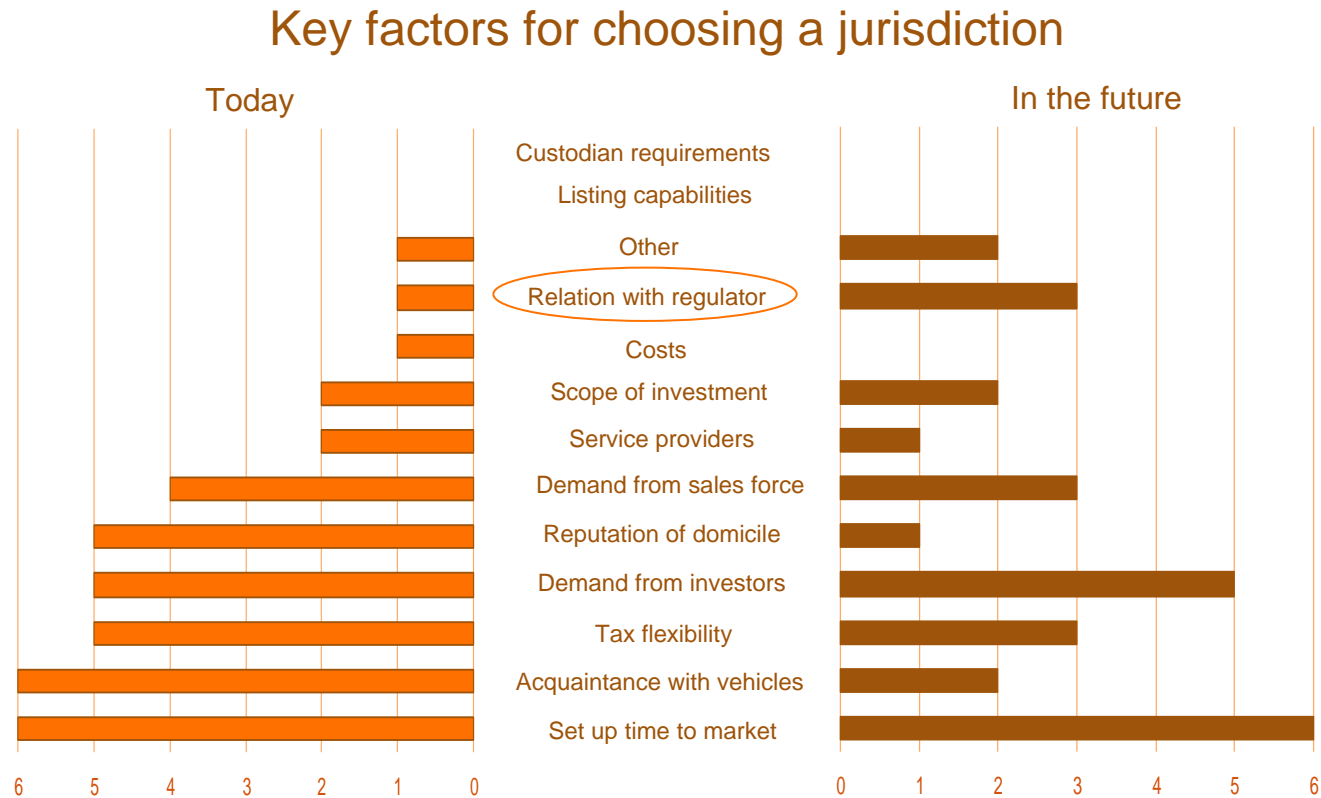
Key factors for the choice of jurisdiction – Hedge Funds

Key factors for choosing a jurisdiction



- The importance of the set up time to market will increase in the future
- The quality of service providers and tax flexibility will remain key criteria

Key factors for the choice of jurisdiction – Mainstream



- The factor which will gain more importance is the relationship with the regulator
- Set up time and demand from investors will remain highly important

Improvements in the product development process - key priorities

Rank	Priorities within the product development process
1	Develop knowledge of the characteristics of potential vehicles
2	Improve competencies and knowledge of product development team
3	Improve Market Watch Process
4	Improve Knowledge Management
5	Increase use of external advisors
6	Change external advisors

Overview of the most common European vehicles

	Real Estate	Private Equity	Hedge Funds	Mainstream
Germany	<ul style="list-style-type: none"> • Immobilien-Sondervermögen • Spezial-Sondervermögen 	<ul style="list-style-type: none"> • Unternehmensbeteiligungsgesellschaft (UBG): <ul style="list-style-type: none"> • GmbH • GmbH & Co KG 	<ul style="list-style-type: none"> • Sondervermögen mit zusätzlichen Risiken • Spezial-Sondervermögen 	Sondervermögen
France	<ul style="list-style-type: none"> • SIIC • OPCI (FPI, SPICAV) • SCPI • SCI 	<ul style="list-style-type: none"> • FIP • FCPR • SCR • FCPI 	<ul style="list-style-type: none"> • Contractual OPCVM • ARIA / ARIEL • FCIMT 	<ul style="list-style-type: none"> • FCP • SICAV
Jersey	<ul style="list-style-type: none"> • Limited Partnership • Expert Fund 	Limited Partnership	Expert Fund	<ul style="list-style-type: none"> • Unit Trust • CIF
UK	<ul style="list-style-type: none"> • Limited Partnership • Limited Liability Partnership • Unit Trust 	<ul style="list-style-type: none"> • Venture Capital Trusts • Limited Partnership • Limited Liability Partnership 	N/A	<ul style="list-style-type: none"> • Unit Trust • OEIC
Ireland	Limited Partnership	Venture Capital Fund	PIF / QIF	<ul style="list-style-type: none"> • Unit Trust • ICVC • CCF
Luxembourg	<ul style="list-style-type: none"> • FCP Part II • SICAV Part II • SIF • SOPARFI • SICAF Part II 	<ul style="list-style-type: none"> • SICAR • SICAV Part II • SIF • SOPARFI • FCP Part II • Société Européenne 	<ul style="list-style-type: none"> • FCP Part II • SICAV Part II • SIF • SICAF Part II 	<ul style="list-style-type: none"> • FCP Part I • SICAV Part I • SICAF Part I

Comparison of selected European vehicles

	Criteria	SIF	Irish QIF	UK L.P.	Jersey Expert fund	French funds	German Spezial Sondervermögen
REGULATORY	Regulated vehicle?	Yes	Yes	No	Yes	Yes	Yes ¹ / No
	Pre-approval by regulator?	No	Yes	No	No	Yes / No	Yes
	Other than local GAAP?	Yes	Yes	Yes	Yes	No	Yes
	Investment restrictions?	No	No	No	No	Yes	Yes
	Investment in RE, PE, HF?	All	All	RE, PE	RE, HF	RE, PE, HF	RE, HF
	Simplified prospectus regime?	Yes	Yes	N/A	Yes	Yes	N/A
TAX	Subscription tax?	Yes	No	No	No	No	No
	Income tax?	No	No	No	No	No	No
	Access to DTT?	Yes / No	Yes / No	No ²	No	Yes / No ³	Yes
	Withholding tax on dividends paid? (residents / non residents)	No	Yes / No	No	No	No / Yes	Yes
	Standard VAT rate?	15 %	21 %	17.5 %	0 %	19.6 %	19 %
DISTRIBUTION	Listing possible?	Yes / No	Yes	No	Yes / No	No	No
	Maximum number of investors?	No	No	20	No	No	30
	Minimum investment amount?	Min. €125k	Min. €250k	No	Min. US\$ 100k	Yes / No	No
	Minimum experience required?	Yes	Yes	No	No	Yes / No	Yes
LICENSING	Service providers / persons subject to regulator's approval?	<ul style="list-style-type: none"> • Directors • Custodian • Auditor 	<ul style="list-style-type: none"> • Promoter • Investment manager 	<ul style="list-style-type: none"> • Manager (not mandatory) 	<ul style="list-style-type: none"> • Promoter • Investment manager 	<ul style="list-style-type: none"> • Custodian • Prime broker • Auditor 	<ul style="list-style-type: none"> • Custodian • ManCo

¹ Yes for Hedge Fund
² Transparent

³ Depending on legal regime

Competing new vehicles

Ranking of product developers' preferred vehicles

Vehicles / Participants' asset class	All categories	Mainstream	Private Equity	Hedge Funds	Real Estate
Specialised Investment Fund (LUX)	1	1	1	2	1
French Contractual Fund (FR)	2	2	3	4	2
Qualified Investor Fund (IR)	3	5	2	3	3
Professional Investor Fund (IR)	4	3	2	1	4
Retail Funds of Unregulated Funds (IR)	5	4	1	4	4

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