

**ELVINGER  
HOSS** LUXEMBOURG  
LAW



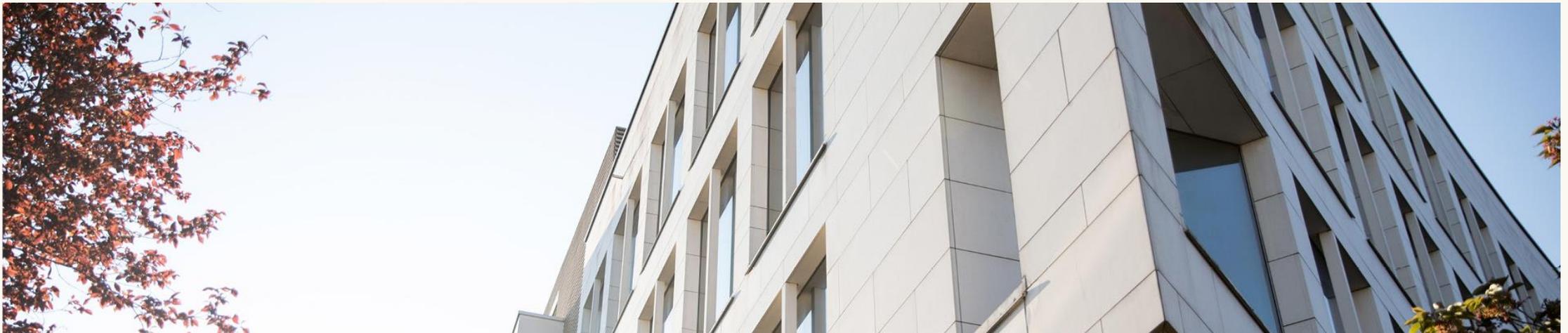
Private wealth in the Luxembourg fund industry

24 February 2026

# Objective & value

Discuss the recent ascent of 'private wealth' in the Luxembourg fund industry and its impact on two key areas: fund structuring and regulation.

- The 'rush' towards private wealth is a structural movement that is changing our industry and its culture and to which professionals need to adapt.



# Key points

## Our firm & market position

## Private wealth

- Opportunity
- Evolution
- Structures
- Principal terms
- Distribution
- Timelines

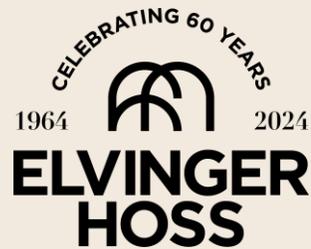
## Regulatory changes

- Overview of main regulations
- Law of 2010 (July 2023 updates)
- Circular 25/901 & Key concepts
- Part II and SIF - Diversification and other main rules

# Our firm

## Main facts and figures

Founded in 1964



4 offices



Luxembourg



Hong Kong



Paris



New York

Unique position in the financial centre of Luxembourg, operating on an international scale.

**Our priority:** Legal excellence paired with independence, openness and innovation.

**Our key purpose:** Guide our clients in their most critical legal matters and offer a range of complete legal advice and services.

We are top ranked in multiple legal guides



**+500**

Team members

**55**

Partners

**20**

Counsel

**33**

Nationalities

**3**

Offices

**1**

Partner office

Leading in Diversity  
56% F / M 44%

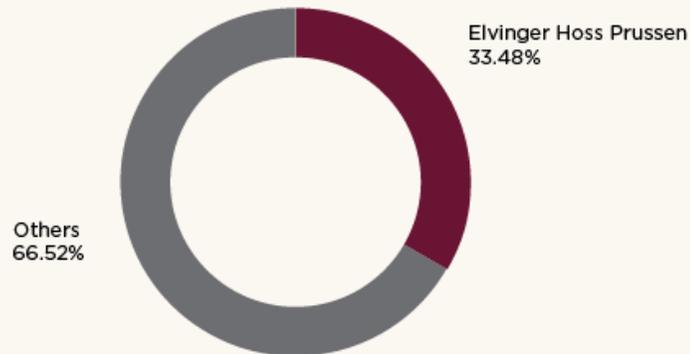
Our **partners** provide responsive service, **pragmatic advice**, and meticulously executed work, always prioritising efficiency and client interests. Our partners are actively engaged in each matter, adopting a **hands-on** approach throughout the process.

# Our firm

## Market share in investment funds

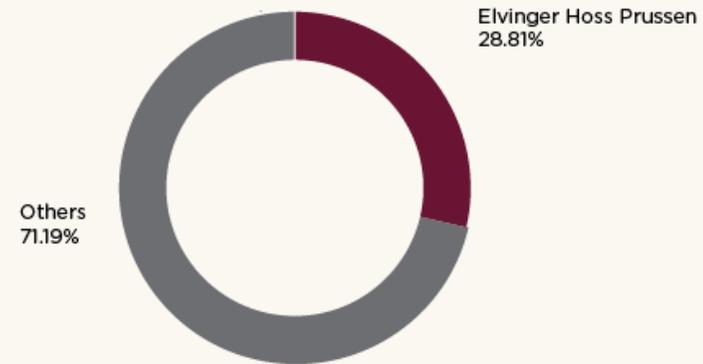
### Combined Market Share

Combined Market Share by Assets  
as of 31 December 2024



Elvinger Hoss Prussen	2,414,509,358,776	US\$
Others	4,797,633,982,243	US\$
<b>Total Market Size</b>	<b>7,212,143,341,019</b>	<b>US\$</b>

Combined Market Share by Number of Funds  
as of 31 December 2024



Elvinger Hoss Prussen	5,438
Others	13,440
<b>Total Market Size</b>	<b>18,878</b>

# Our firm

## Main contacts



**Jérôme Wigny**  
Partner



**Gast Juncker**  
Partner



**Frédérique Lifrange**  
Partner



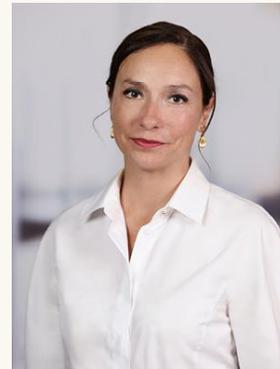
**Joachim Cour**  
Partner



**Benjamin Rossignon**  
Partner



**Yves Elvinger**  
Partner



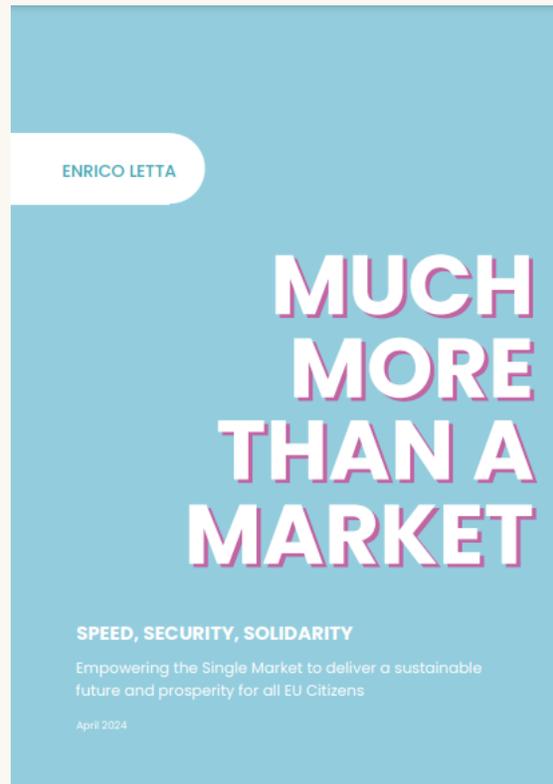
**Olivia Moessner**  
Partner



**Thomas Göricke**  
Partner

# Private wealth

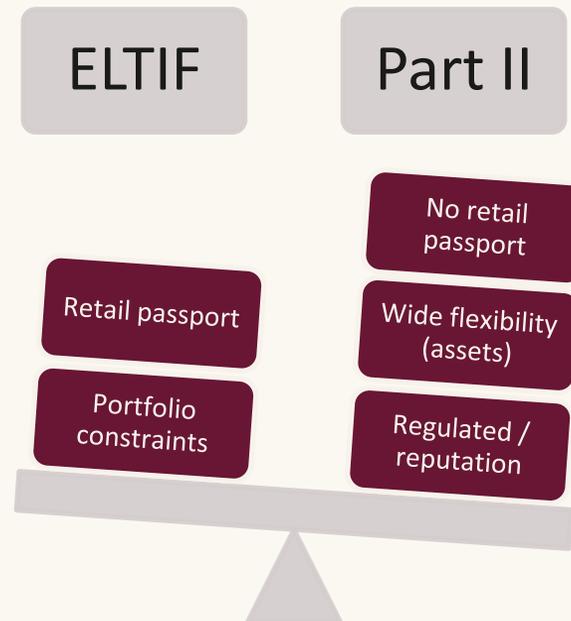
## Opportunity



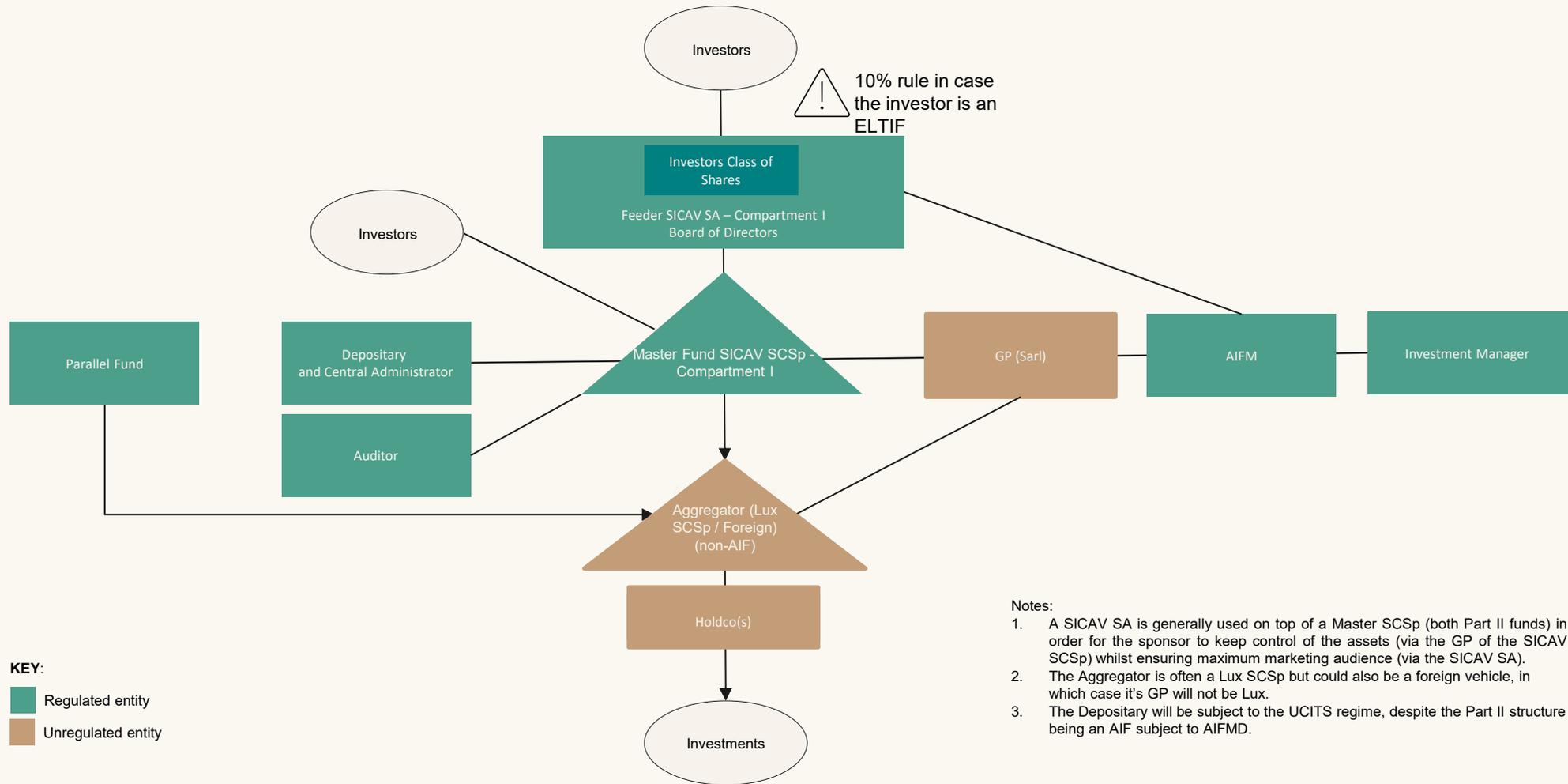
**The initial priority should be to mobilise private capital**, a crucial step that lays the groundwork for a more inclusive and efficient financing framework, as it is the area where the EU is most lagging behind. **The European Union is home to a staggering 33 trillion euros in private savings, predominantly held in currency and deposits.** This wealth, however, is not being fully leveraged to meet the EU's strategic needs. A concerning trend is the annual diversion of around €300 billion of European families' savings from EU markets abroad, primarily to the American economy, due to the fragmentation of our financial markets. This phenomenon underscores a significant inefficiency in the use of the EU's economic assets, which, if redirected effectively within its own economies, could substantially aid in achieving its strategic objectives. In this context, **this Report calls for a significant transformation: the creation of a Savings and Investments Union**, developed from the incomplete Capital Markets Union. By fully integrating financial services within the Single Market, the Savings and Investments Union aims to not only keep European private savings within the EU but also attract additional resources from abroad.

# Private wealth Structures

## Evolution



# Private wealth Structures

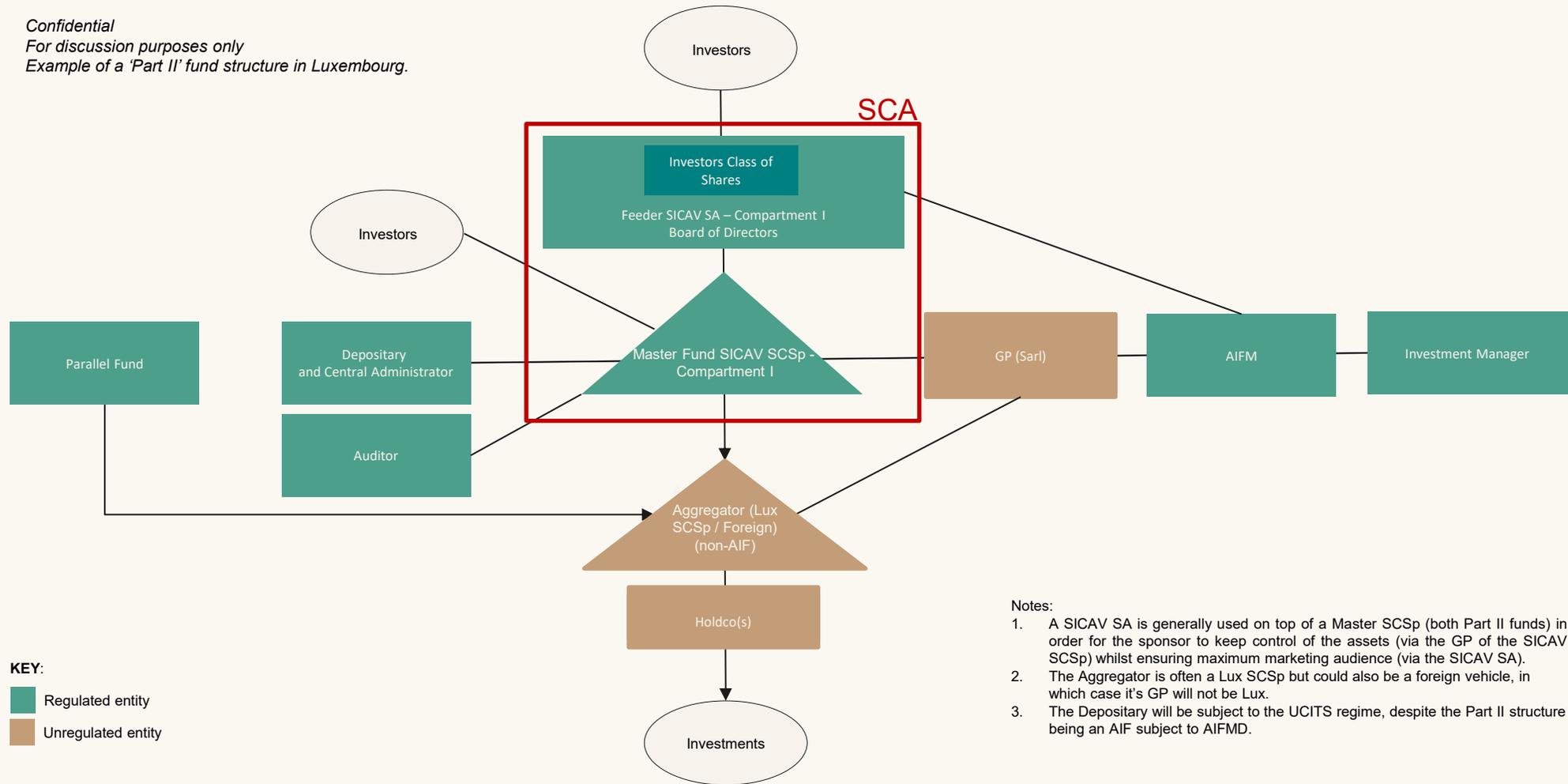


**KEY:**  
 Regulated entity  
 Unregulated entity

- Notes:**
1. A SICAV SA is generally used on top of a Master SCSp (both Part II funds) in order for the sponsor to keep control of the assets (via the GP of the SICAV SCSp) whilst ensuring maximum marketing audience (via the SICAV SA).
  2. The Aggregator is often a Lux SCSp but could also be a foreign vehicle, in which case its GP will not be Lux.
  3. The Depository will be subject to the UCITS regime, despite the Part II structure being an AIF subject to AIFMD.

# Private wealth Structures (evolution)

*Confidential  
For discussion purposes only  
Example of a 'Part II' fund structure in Luxembourg.*



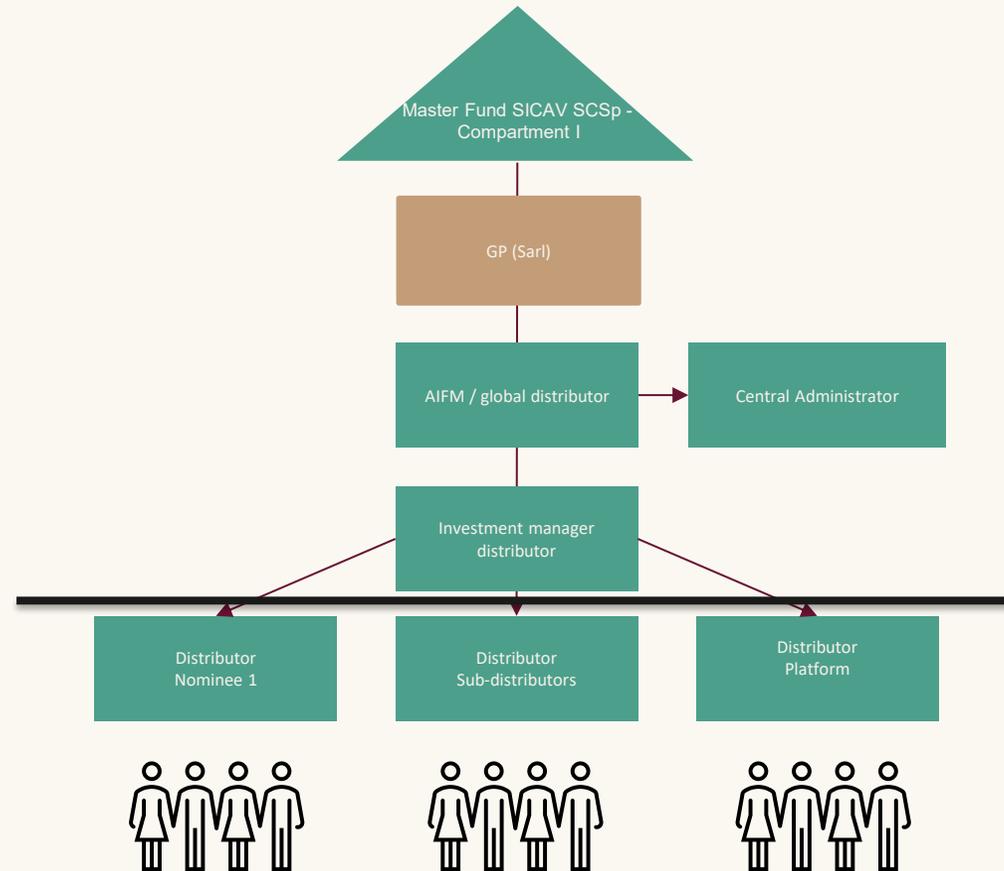
# Private wealth

## Principal terms

Principal terms	
Investment universe	Private equity, private debt, infrastructure, funds of funds...
Diversification	20% (ramp up)
Borrowing	30% to 70%
Subscriptions	Monthly
Redemptions	Monthly or quarterly
Redemption limits	2%/month – 3%/5%/quarter
Lock-up	Soft lock, 12 to months
Management fee	1% to 1.25%
Performance fee	10% to 15%, hurdle, HWM

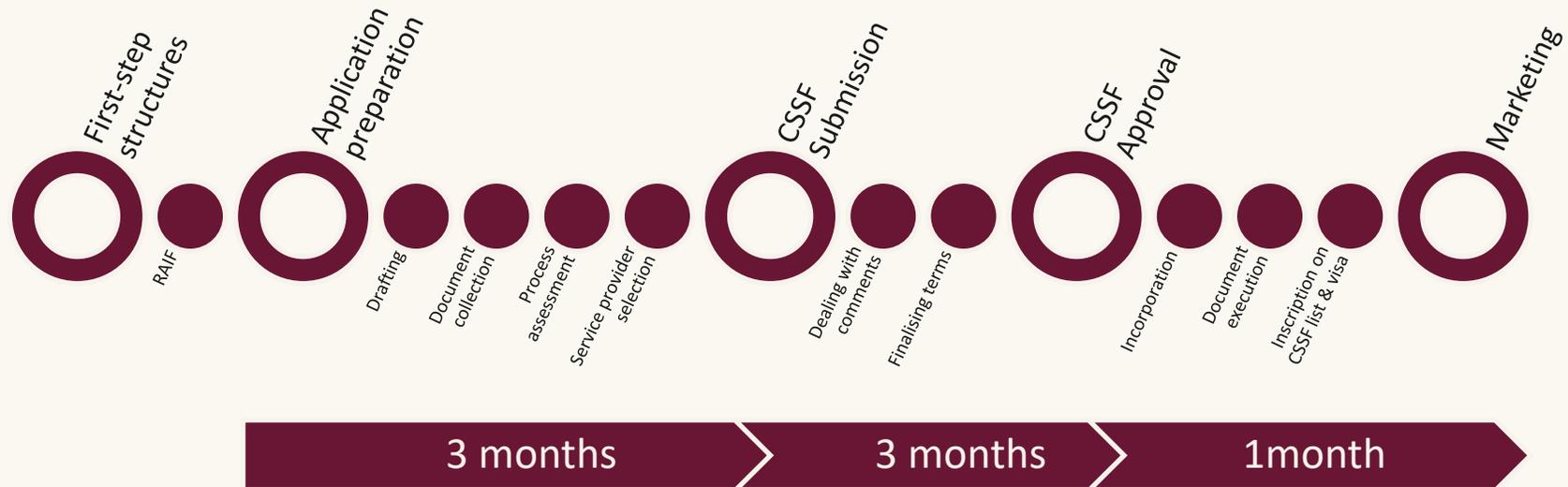
# Private wealth

## Distribution



# Private wealth

## Timeline: new Structures



# Private wealth

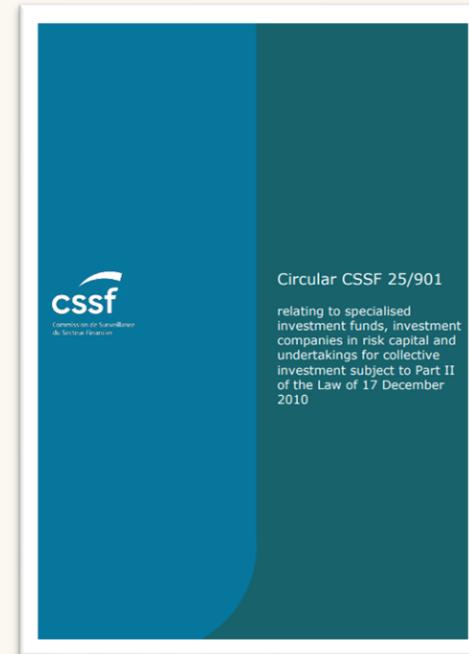
## Timeline: new Sub-Funds



# Regulatory changes

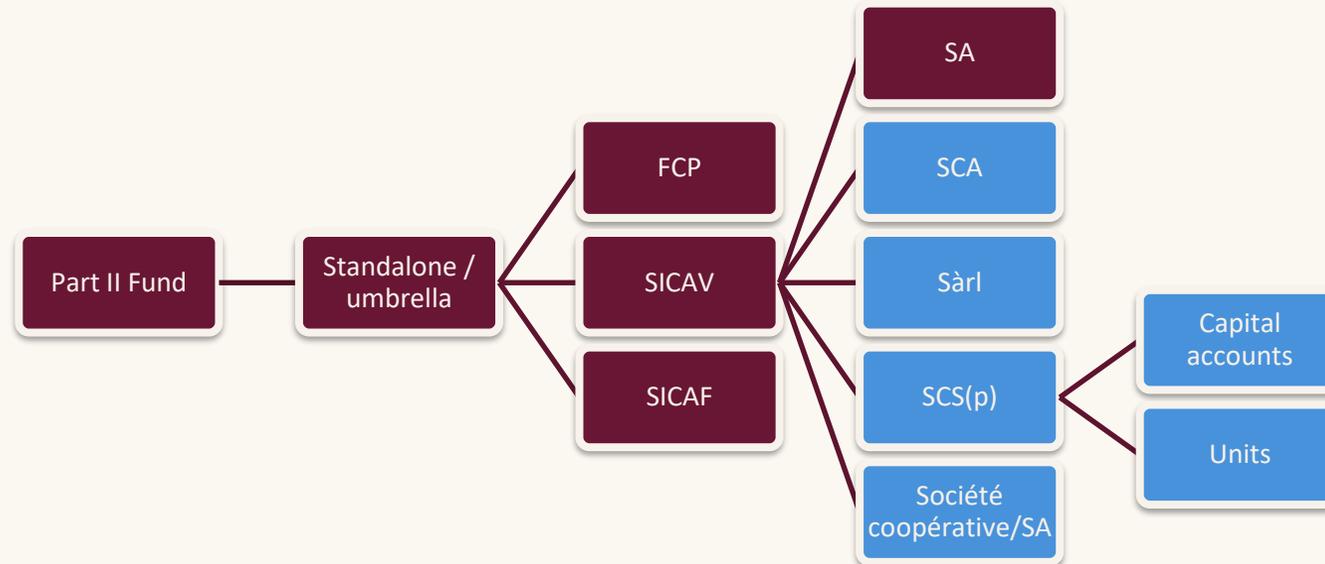
## Overview of main regulation

15



# Regulatory changes

Law of 2010 (July 2023 updates)



# Regulatory changes

## CSSF Circular 25/901 & key concepts

**Circular IML 91/75**  
as amended by Circulares CSSF 05/177, 18/697, 21/790, 22/811 and 25/901

### CIRCULAR CSSF 02/80

Concerns: **Specific rules applicable to Luxembourg undertakings for collective investment ("UCIs") pursuing alternative investment strategies.**



### CSSF CIRCULAR 08/356 as amended by Circular CSSF 25/901

**Re:** Rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments

### CIRCULAR CSSF 06/241

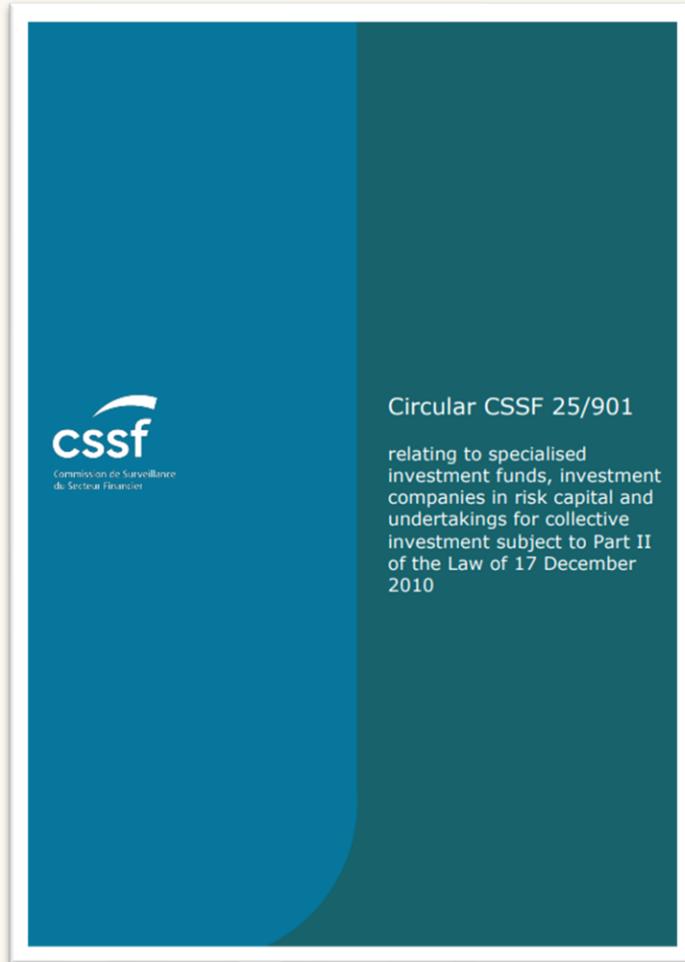
**Re: Concept of risk capital under the Law of 15 June 2004 relating to the investment company in risk capital (SICAR)**

### Circular CSSF 07/309

**Re: risk-spreading in the context of specialised investment funds ("SIF")**

# Regulatory changes

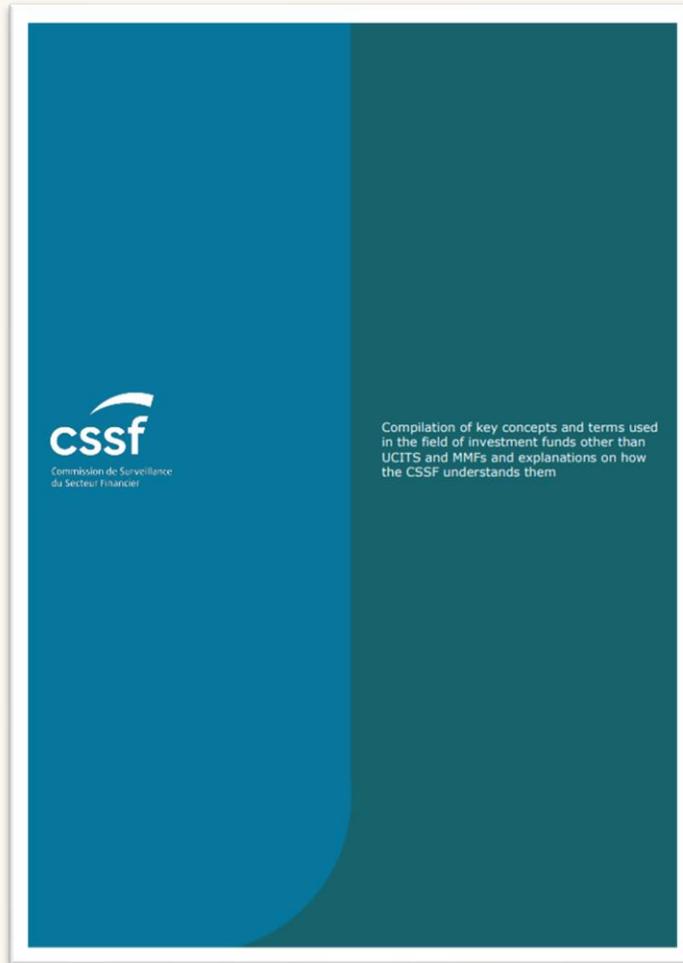
## CSSF Circular 25/901



- ✓ SIF, SICAR, Part II
- ✓ Concept of assets (any type of investment that may be entrusted to the depositary for safekeeping)
- ✓ **Investment limits**
- ✓ Concept of security representing risk capital
- ✓ Techniques (repos, securities lending/borrowing)
- ✓ **Borrowing**
- ✓ Transparency
- ✓ Entry into force

# Regulatory changes

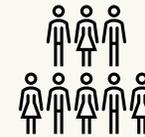
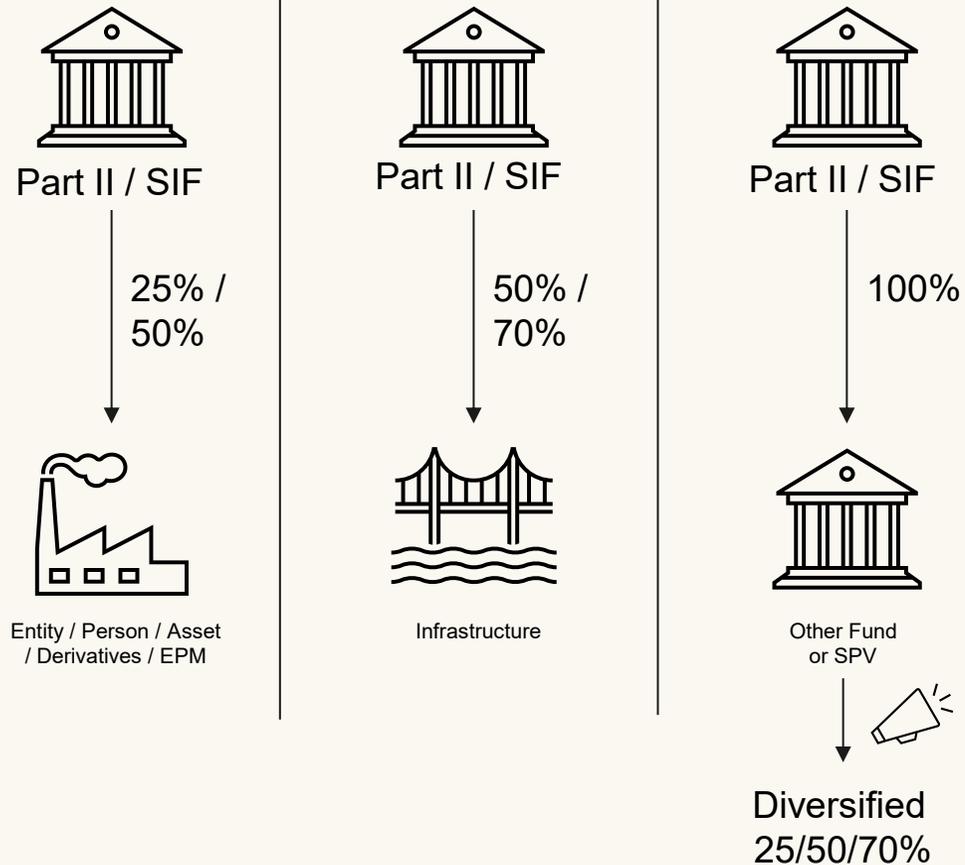
## Key concepts document



- ✓ **Definitions** (e.g., **Private investment**: an investment made outside the regulated markets or other stock markets; **Unsophisticated retail investor**: a retail investor, as defined in the AIFMD and in the AIFM Law, who does not meet the criteria of a well-informed investor, as defined in the SIF Law.
- ✓ **Investment policy** considerations (concept and transparency)
- ✓ **Investment strategies** (e.g., private equity, private debt, hedge funds, fund of funds, real estate, infrastructure, virtual/crypto assets...)
- ✓ **Investment methods** (primary/secondary, direct/indirect, simple/joint...)
- ✓ **Subscription / redemption models**

# Private wealth Structures

## Part II & SIF Funds – diversification and other main rules



More relaxed rules for funds that may not be marketed to unsophisticated retail investors



Ramp up:

- 12 months for liquid strategy
- 4 + 1 years for private assets

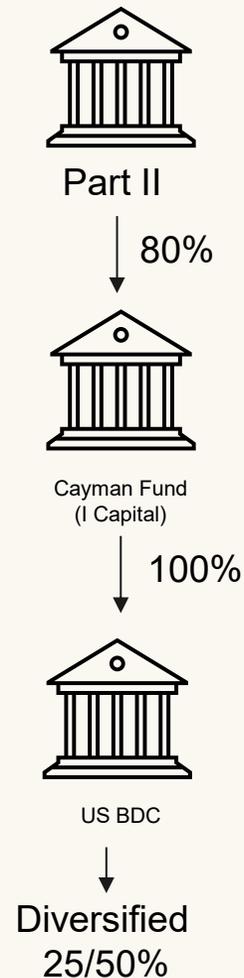


Cash borrowing:

- May be used for all purposes
- Limited to 70% for investments

# Private wealth Structures

## Part II Funds – US BDC



### Transparency requirements of Circular 25/901:

- ✓ Specify that a risk-spreading comparable to or stricter than that applicable to a Part II is ensured at the level of the target UCI, in accordance with its prospectus or applicable law.
- ✓ If the target UCI is not supervised by or registered with a supervisory authority (with an MoU with the CSSF), this must be clearly disclosed to investors.
- ✓ If the target UCI is managed by the same sponsor as the Part II, investors must be informed of the nature of the fees or charges that may be incurred.

# EHP brochures



## European Long-Term Investment Funds (ELTIFs) in a Nutshell

What you should know about ELTIF 2



## Part II Funds

Luxembourg regime for alternative investment funds  
accessible to non-professional investors



## Luxembourg Partnerships

In the asset management industry



## Reserved Alternative Investment Funds

Luxembourg regime for investment funds not supervised by the  
Luxembourg regulator and dedicated to sophisticated investors



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