

# Real Estate Investing through a Reserved Alternative Investment Fund (RAIF)

Highlighting the benefits to professional investors of  
Luxembourg's RAIF fund structure

29 June 2021

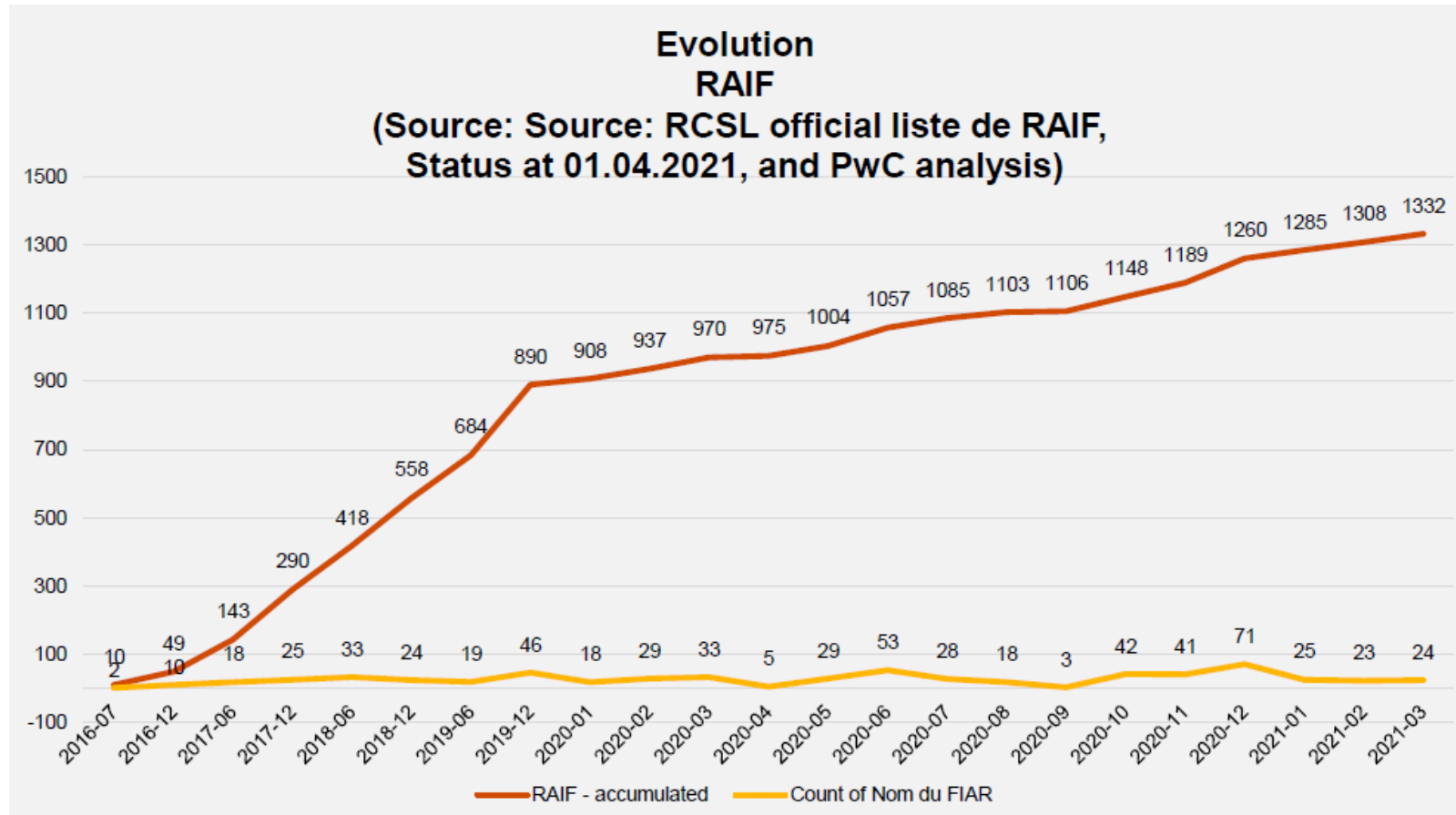
# Agenda

- ✓ What is a RAIF
- ✓ The Luxembourg RAIF market
- ✓ Why investing in Luxembourg
- ✓ Why choosing a RAIF for investing in Real Estate
- ✓ Passporting and eligible investors
- ✓ What we do

# What is a RAIF

- RAIF = Reserved Alternative Interest Fund;
- a Luxembourg alternative investment fund (**AIF**);
- Managed by an external authorised Alternative Investment Fund Manager (**AIFM**);
- Fully compliant and subject to AIFMD requirements and the Luxembourgish AML-Law;
- not itself subject to CSSF supervision;
- Subject to the Luxembourg law of 23 July 2016 (RAIF Law) and Luxembourg law of 12 July 2013 on AIFMs applies (AIFM Law).

# The Luxembourg RAIF market



Source: PwC Luxembourg

# Why investing in Luxembourg

1. Luxembourg, your gateway to Europe and beyond
2. Steady growth in alternative investment sectors over the last years
3. A unique and innovative toolkit of investment products
4. Flexible structuring options for operating AIFMs
5. A stable and trusted jurisdiction
6. An established experience in servicing alternative assets
7. An international and multilingual environment
8. A pragmatic legal and supervisory framework
9. A favourable and predictable tax environment
10. Looking ahead

# Why choosing a RAIF for investing in Real Estate

- No limitations as regards to type of assets;
- Risk-diversification requirements similar to a Specialised Investment Fund ("SIF"):
  - RAIF is not required to apply the principle of risk spreading (risk capital regime);
- Flexible subscription, redemption and distribution features;
- Can be constituted in different forms/flexibility:
  - **Contractual form:** *fonds commun de placement* ("FCP")
  - **Corporate form:** société d'investissement à capital variable/fixed ("SICAV"/"SICAF")
    - SA, SCS, SCSp, SCA, S.à r.l. (public limited company, private limited company, limited partnership, special limited partnership, partnership limited by shares)
- Can be set up as a single fund or as an umbrella fund with multiple compartments and multiple classes of shares;

# Why choosing a RAIF for investing in Real Estate

- Multi Manager Model possible for each compartment;
- The minimum capital requirement for RAIFs amounts to €1.25m, within 12 months;
- Possibility to convert a RAIF into a SIF at a latter stage;
- Time to market
  - No authorisation or ongoing supervision by the CSSF\*
- Tax environment
  - Normally subject to a 0,01% subscription tax (levied on the NAV of the Fund):
    - Exemption in case of pension funds investing
  - Not subject to any other Luxembourg direct taxes;
  - RAIFs that invest exclusively into risk capital may opt for a tax regime similar to the tax regime of a SICAR (subject to minimum Net Wealth Tax).

\* Financial Sector Supervisory Commission („Commission de Surveillance du Secteur Financier“)

# Passporting and eligible investors

## Passporting:

The RAIF benefits from all passporting advantages for distribution:

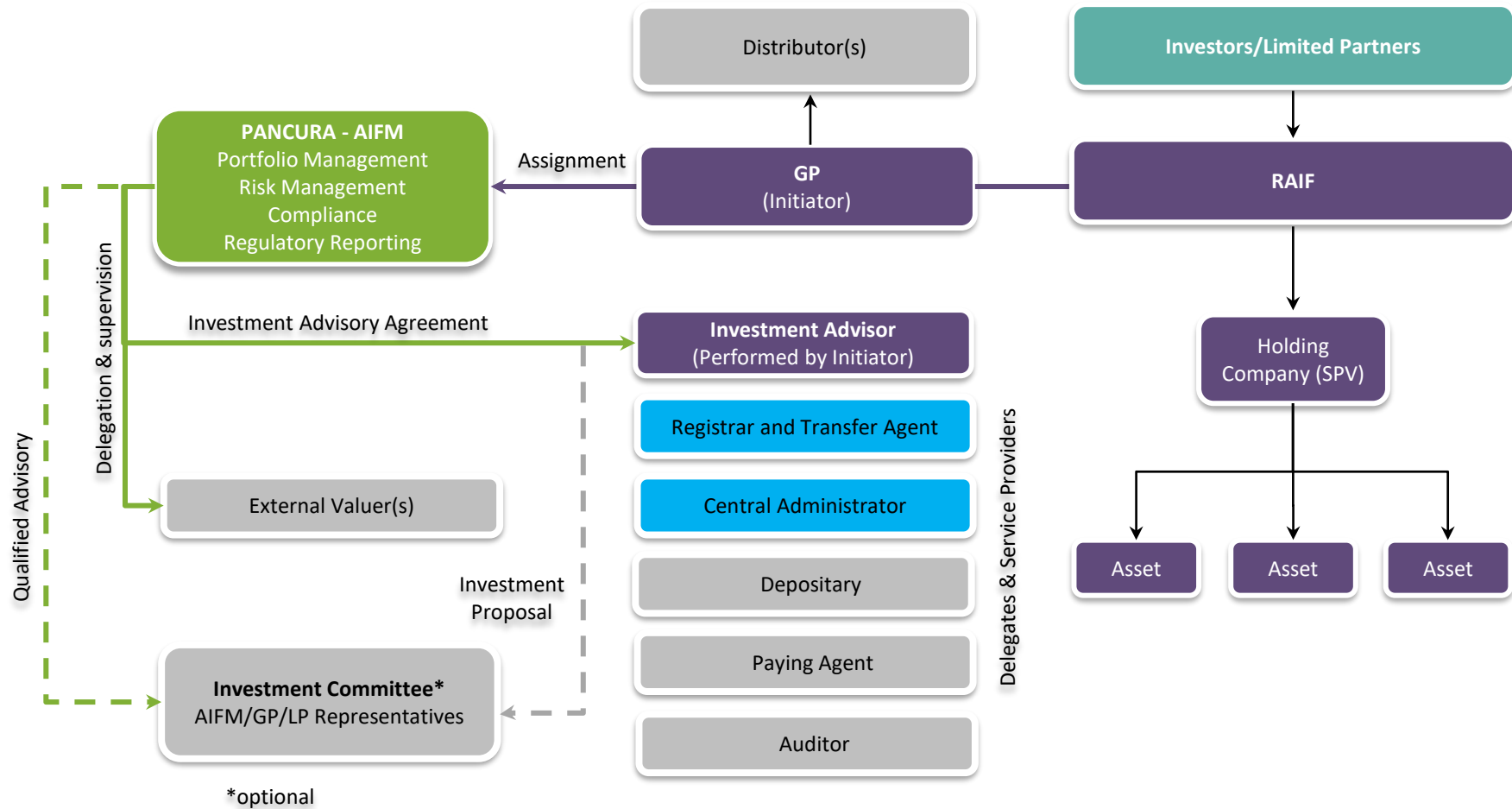
The shares/units can be distributed to professional investors across Europe by way of the EU marketing passport (authorised AIFM)

## Eligible investors:

Similarly to a SIF or a SICAR, RAIFs are available to institutional investors, professional investors and well-informed investors.



# What we do – A RAIF Service Model



# Your Pancura contact



**Johannes Reis**  
Executive Director

Conducting Officer Portfolio Management

Mobile (+352) 621 583 629

Direct (+352) 267 384 491

[johannes.reis@pancura.lu](mailto:johannes.reis@pancura.lu)

Johannes is an Executive Director and Member of the Board of Directors of Pancura. He joined Pancura in 2019 and is also acting as Conducting Officer Portfolio Management. From 2010 to 2019 he was acting as Senior Manager in Assurance for PwC Luxembourg on large international Real Estate, Debt Funds, Private Equity and Securitisation assignments for regulated and unregulated structures. His expertise covers as well Lux GAAP and IFRS for a wide range of Alternative Investment structures. Johannes holds a Diploma in Business Administration with Auditing/Controlling and Business Taxation from the University of Trier. Johannes is a member of several ALFI working-groups and he is expert-comptable in Luxembourg. He is fluent in German, English and French.



121, avenue de la Faïencerie

L-1511 Luxembourg

Tel (+352) 267 384 - 1

Fax (+352) 267 384 - 489

[www.pancura.lu](http://www.pancura.lu)