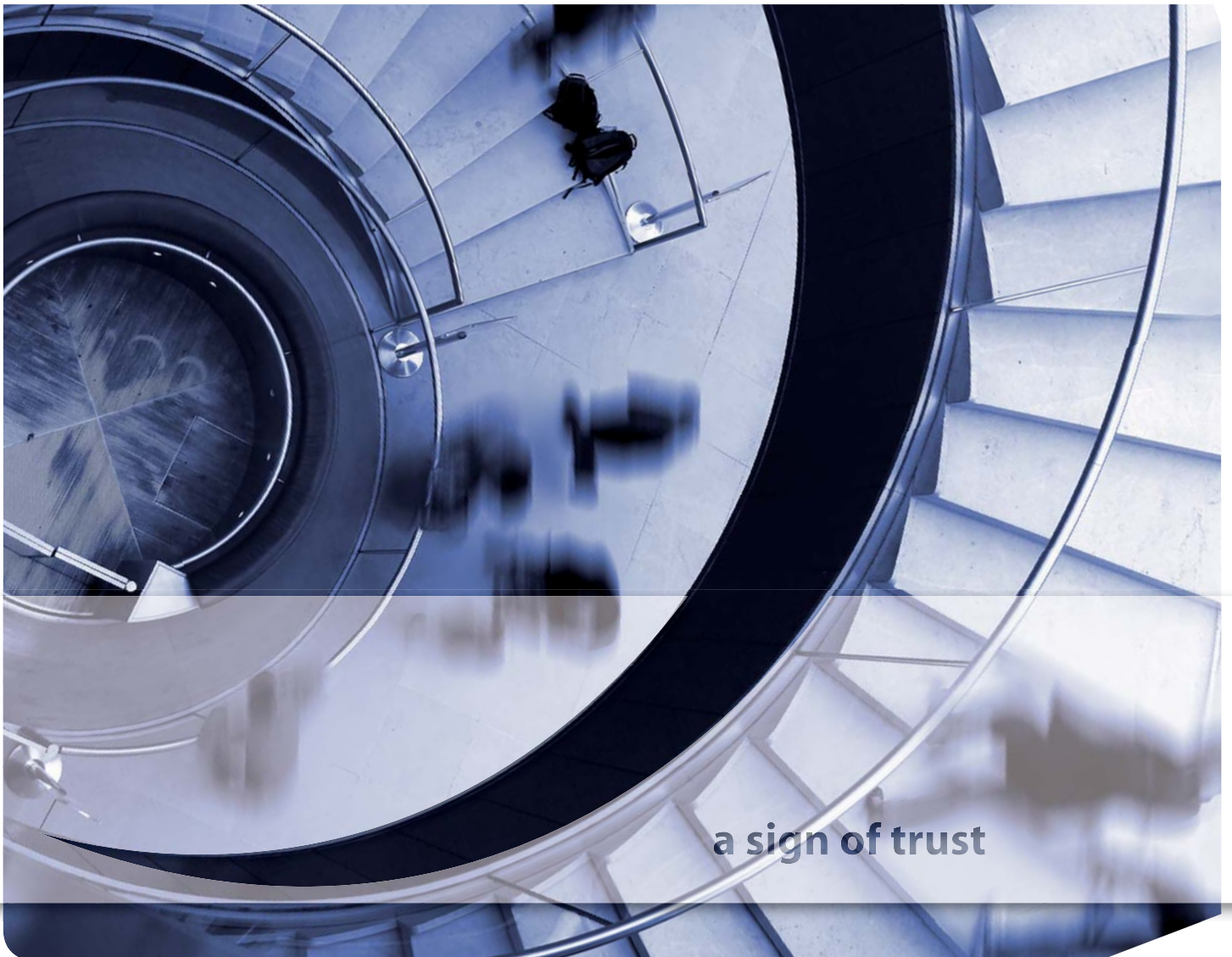


EXPERTA



a sign of trust

Private Equity and real estate investments

In recent years, a number of new investment vehicles were introduced in the Grand Duchy of Luxembourg, intended to create new structuring opportunities for international investors when setting up their cross-border private equity and real estate investments. These investment vehicles feature various characteristics, all aiming to meet the expectations of the investors involved.

In fact, the legal structure and taxation elements governing said investment vehicles facilitate their application in a wide range of situations.

Experta Luxembourg provides services to institutional clients as well as High Net Worth Individuals (HNWIs) with respect to the incorporation and administrative management of an extensive array of corporate structures and investment vehicles.

Our client base includes private equity and real estate funds, portfolio investment companies and other high growth oriented businesses.

At **Experta Luxembourg**, we work very closely with our clients and business partners on a variety of transactions in a common interest while sharing relevant market knowledge and business intelligence.

Bringing together an experienced team, a solution driven approach and thorough executions when it comes to investment transactions, we endeavour to meet the expectations of our clients in terms of servicing their investment schemes.

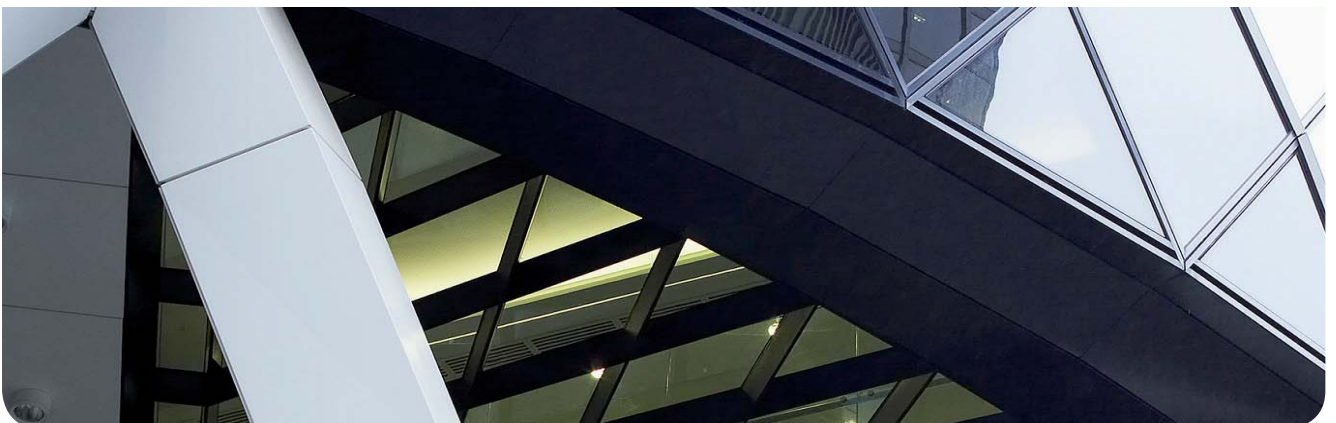


Why Luxembourg ?

Luxembourg has become a major player when it comes to structuring private equity and real estate investments in the most optimized way.

The key factors for this are :

- Flexible and responsive onshore regime intended to create sophisticated and tax efficient vehicles for cross-border investments;
- Ongoing political support for the development of the financial services industry;
- Concentration of skilled market participants (banks, asset managers, niche experts, legal, audit and advisory firms);
- Recognized by the European Venture Capital Association (EVCA) as one of the top ten most favourable jurisdictions in Europe for the development of the private equity industry;
- Leading European domicile for vehicles investing in international real estate in 2008 (according to Luxembourg Banking Supervisory Commission (CSSF) and Association of the Luxembourg Fund Industry (ALFI));
- Giant fund administration platform with over EUR 1,619 billion under management (according to the CSSF and ALFI, as of 31/05/2009);
- Regular trend for large institutional investors to establish operations in Luxembourg (essentially Special Purpose Vehicles (SPVs) used as asset holding companies);
- A high level of investor protection.



How to choose the right Luxembourg investment vehicle ?

Luxembourg offers a choice of both unregulated and regulated investment vehicles that may meet the diverse requirements of investors. The choice of the adequate vehicle will largely depend on its purpose and the profile of the associated investors.

The most common investment vehicles are SPF, Soparfi, Sicar and SIF.

SPF (*Société de Patrimoine Familial, Family wealth management company*)

The SPF is a wealth management vehicle introduced by the law of 26 April 2007. The SPF is intended for individuals to manage their private wealth. The shareholder structure of the SPF is also open to estate planning vehicles and intermediaries acting on a fiduciary basis on behalf of such individuals or said estate planning vehicles. The purpose of the SPF is to invest in financial assets only.

The SPF benefits from a special tax treatment, as it is fully exempt from direct taxation and is not subject to any regulatory restrictions. However, the SPF does not take advantage of the Luxembourg double tax treaty network and European Union directives.

The SPF provides advantages to investors in terms of protection and flexibility and may be an appropriate vehicle in the context of tax deferral of income until the final distribution to shareholders.

Soparfi (*Société de participations financières, Financial holding company*)

The Soparfi is a Special Purpose Vehicle (SPV), usually used as a holding company, with the main purpose to acquire, hold and manage participations in other Luxembourg and foreign companies.

The Soparfi is quite often used as acquisition SPV or holding company, when it comes to the structuring of private equity or real estate investments in a cross-border perspective.

The Soparfi falls within the scope of the general tax law and benefits from the Luxembourg participation exemption which provides tax exemption of dividends and capital gains under certain conditions, as well as the double tax treaties concluded by Luxembourg and European Union directives.

Sicar (*Société d'Investissement à Capital Risque, Luxembourg venture capital investment vehicle*)

The Sicar, introduced by the law of 15 June 2004, is an investment vehicle tailored for qualifying investors for venture capital and private equity projects. The purpose of this investment vehicle is to provide a structuring opportunity to investors by offering an attractive tax regime. The Sicar offers a controlled and regulated framework while maintaining certain flexibility.

The Sicar is subject to a “light” supervision by the CSSF, but it must meet two requirements :

- high risk exposure and
- the intention to develop or create added value at the level of the target companies.

Investments in real estate are eligible assets in a Sicar provided they are considered as investments with potential growth and with an important level of expected risk and return, which is often the case with real estate development projects.

SIF (Specialized Investment Fund)

The SIF, introduced by the law of 13 February 2007, is a new category of investment fund dedicated to HNWIs. In addition, this investment vehicle may be utilized by institutional market participants to create new or transform existing funds in a safe, regulated environment.

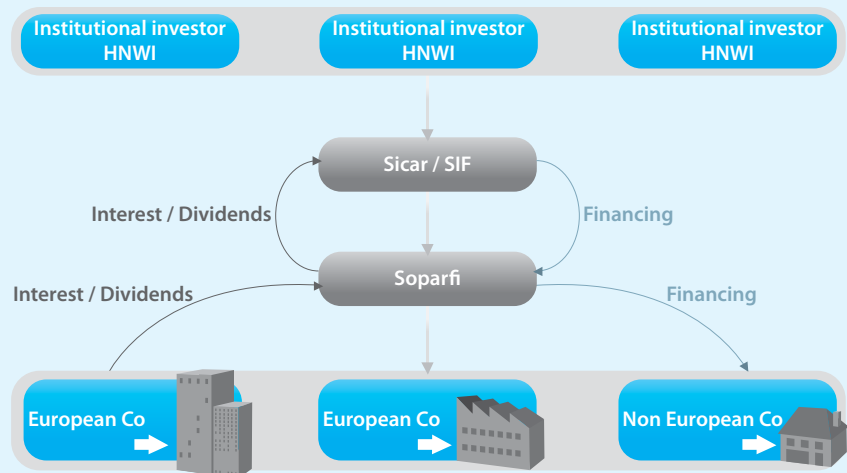
The SIF is subject to simplified rules (e.g. simplified approval process, permitted investment scope) for setting up fund structures such as hedge funds, real estate funds and private equity funds and all other fund products tailored specifically for a sophisticated investor base, while it still benefits from the label of a “regulated fund” in Luxembourg.

The SIF is exempt from direct taxation, as well as from withholding taxes on distributions.

	<i>SPF</i>	<i>Soparfi</i>	<i>SICAR</i>	<i>SIF</i>
<i>Purpose of the vehicle</i>	Private wealth management	Holding of participating interests	Creation of an investment platform (fund structure)	
<i>Control level</i>	Unregulated		Lightly regulated	
<i>Target investments</i>	Financial assets only (no active management of investments)	Unrestricted, mainly participating interest in unlisted and listed companies	All types of private equity and venture capital investments (including real estate private equity) temporary investments in other assets during limited time period	Unrestricted
<i>Investor type</i>	Limited to individual investors and private estate management vehicles	Unrestricted	Institutional investors professional investors well-informed investors	

Typical structure

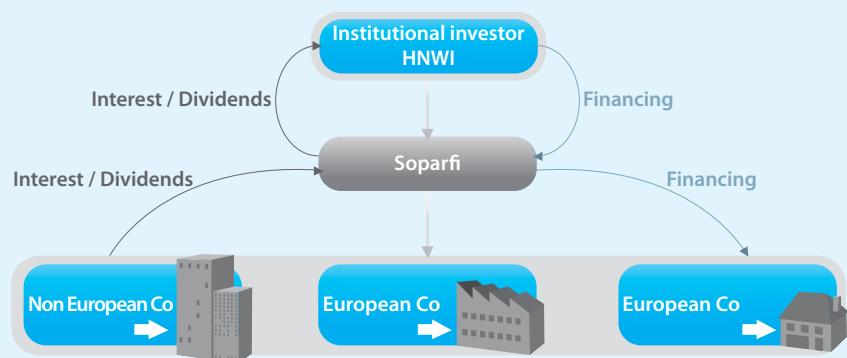
Typical structure of a regulated investment vehicle



Main advantages :

- Under the participation exemption regime, no taxation of dividends and capital gains on sale of shares in Luxembourg, under certain conditions
- No withholding tax on interest payments to SICAR / SIF
- No withholding tax on distribution to investors from SICAR / SIF
- Tax efficient channelling of upward financial flows possible to SICAR / SIF

Typical structure of an unregulated investment vehicle



Main advantages :

- Soparfi may benefit from the Luxembourg double taxation treaty network
- Opportunities for tax efficient financing schemes through the Soparfi
- No withholding tax on interest payments by Soparfi to investors
- No withholding tax on dividend distributions, under certain conditions
- Exit strategies from the Soparfi available, with favourable taxation

Experta Luxembourg, a reliable service provider

Reliability

Experta Luxembourg is licensed as investment advisor, transfer agent, administrative agent and domiciliation agent by the Luxembourg Banking Supervisory Authority (CSSF).

Expertise

Our employees demonstrate a high degree of creativity and professional know how which are essential in meeting our clients expectations as to sophistication, complexity and diversity of corporate and investment structures in today's economic environment.

Reputation

We are member of the Association of the Luxembourg Fund Industry (ALFI), the International Fiscal Association (IFA) and the Luxembourg International management Services Association (LIMSA).

Experience

We have been active in our field for more than 50 years within a major European banking group.

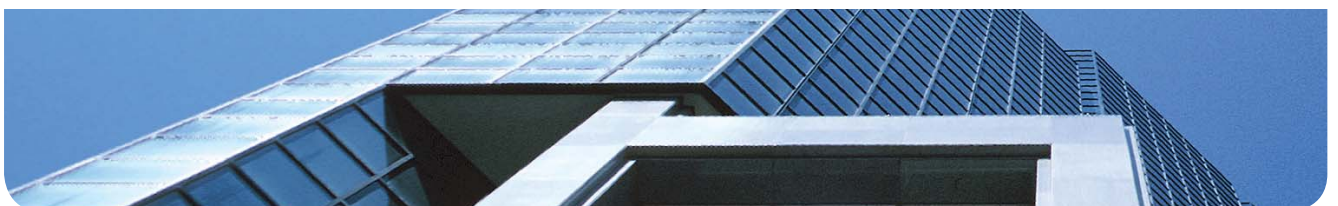
Clientele

Private, institutional and corporate clients are all represented in **Experta Luxembourg's** client portfolio.

Service

Experta Luxembourg offers a comprehensive portfolio of services that is always adopted in response to our client's needs.

- Incorporation services;
- Domiciliation services;
- Accounting services;
- Company secretarial services;
- Tax services.





EXPERTA