



association of the
luxembourg fund industry



ANNUAL REPORT 2023-2024



GROWING THE FUND INDUSTRY BY EMBRACING CHANGE AND COLLABORATION

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■ 2024 AT A GLANCE

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▲ ALFI ORGANISATION

■ CORPORATE RESPONSIBILITY AND CITIZENSHIP

🌅 HIGHLIGHTS OF OUR WORK

▶ COMMUNICATION

WELCOME

We are thrilled to present to you the ALFI Annual Report 2024, a comprehensive reflection of our organisation's work and accomplishments and that of its members and stakeholders. It covers the period between 1 June 2023 and 31 May 2024.

To our esteemed members, we extend our sincerest gratitude for their constant support and commitment. Their contributions have propelled us forward, shaping our initiatives and guiding our progress.

We invite you to watch Britta Borneff, ALFI Chief Marketing Officer, sharing with you interesting information that is contained in this report.

Enjoy!

OVERVIEW

In this video, we delve into some key trends, regulatory impacts, and technological advancements shaping the investment fund industry.

With €14 trillion of household savings sleeping in cash and bank deposits across Europe, the industry faces a significant opportunity and challenge to mobilise these funds into investments by educating the public about the benefits of investing, promoting financial literacy, building trust through transparency, simplifying the investment process through digital platforms, and demonstrating robust risk management practices to instill confidence.

We also discuss the recent regulatory changes, particularly AIFMD II, which aims to enhance investor protection, market efficiency, and transparency. Some of the main changes include enhanced liquidity, management requirements for openended funds, the introduction of a new regime for loan-originating AIFs, and enhanced governance and substance requirements for AIFMs. Over the past year, investor behaviour has shifted due to macroeconomic factors and technological advancements, leading to increased risk aversion, a focus on sustainable investing, an emphasis on cost reduction and passive investing, growing interest

in alternative investments, and enhanced access to information through online resources.

Additionally, we highlight how technology brings enhanced efficiency to the fund industry by reducing manual intervention, saving time, minimising errors, and cutting operational costs. Looking ahead, the next big challenge is attracting young, tech-savvy professionals proficient with digital tools and data analytics to align talent with technology, reshaping the future of the investment industry.

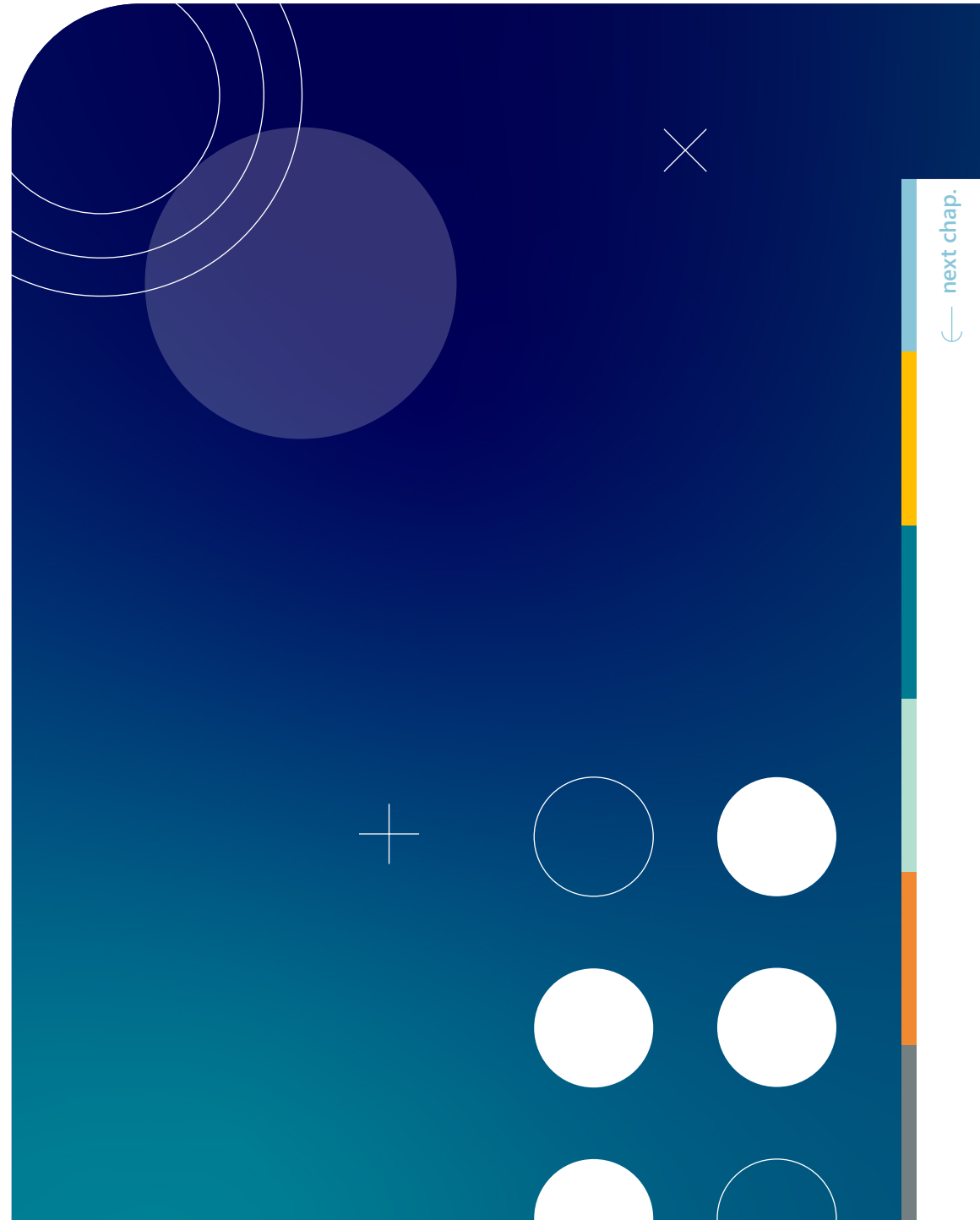
Stay tuned as we unpack these critical topics and explore how the investment fund industry can stay relevant and thrive in the evolving financial landscape.



Britta Borneff
Chief Marketing Officer

INTRODUCTION

ANNUAL REPORT
2023-2024



FOREWORD

BY JEAN-MARC GOY, ALFI CHAIRPERSON AND SERGE WEYLAND, ALFI CEO

Over the past year, the asset management industry has experienced significant changes, with the Association of the Luxembourg Fund Industry (ALFI) adapting and evolving in response. ALFI Chairman Jean-Marc Goy and CEO Serge Weyland highlighted several key developments in this interview.

One major change was the restructuring of the ALFI board to become more diverse and representative, now consisting of 29 members instead of 24, including various industry stakeholders. Additionally, there were significant leadership changes, including the appointment of a new CEO and the recruitment of a new director to replace the outgoing Deputy CEO, Emmanuel Gutton.

ALFI's priorities focused on four main pillars: shaping regulation, developing best practices, identifying new business opportunities, and promoting Luxembourg internationally. Efforts in shaping regulation included significant work on AIFMD II and ELTIFs, which are expected to impact the industry heavily but also create opportunities. In terms of best practices, ALFI worked with partners

like the ABBL to navigate regulations such as DORA.

To drive growth, ALFI emphasised strengthening its representation, enhancing dialogue with the Minister of Finance, and promoting Luxembourg as a financial centre. The new government and active Minister of Finance were noted for their dynamic approach and collaboration with ALFI.

Geographically, ALFI has targeted expansion in Latin America, Asia, and the US, focusing on establishing structures in Luxembourg to channel investments into these regions and promoting Luxembourg's financial products.

To remain competitive, Luxembourg aims to be the world's leading cross-border domicile for funds, accommodating a diverse range of investment strategies and asset classes. The country is addressing challenges in talent retention and attraction, leveraging its central European location to draw in expertise from across the region. This comprehensive approach ensures Luxembourg's position as a go-to domicile in the global financial landscape.



Jean-Marc Goy
Chairperson



Listen to
Jean-Marc and
Serge



Serge Weyland
Chief Marketing Officer

2024 AT A GLANCE

ANNUAL REPORT
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2024 AT A GLANCE

AUM OF LUXEMBOURG FUND MARKET

December 2023

5,285 billion

Total net assets in Luxembourg investment funds

5%

Increase compared to December 2022

April 2024

5,421 billion

Total net assets in Luxembourg investment funds

5.5%

Increase compared to April 2023

SOURCE — CSSF

REIFS

December 2023

133.7 billion

AuM of regulated REIFs

2.7%

Decrease compared to end of 2022

The SIF regime remains popular in Luxembourg with **30% OF FUNDS SURVEYED**

RAIFs and the non-regulated Luxembourgish vehicles are increasing their presence in the market

53% MARKET SHARE IN 2023 VS 46% IN 2022

According to the ALFI REIF Survey 2023

SOURCE — CSSF

2024 AT A GLANCE

— PRIVATE EQUITY

December 2023

173.6 billion

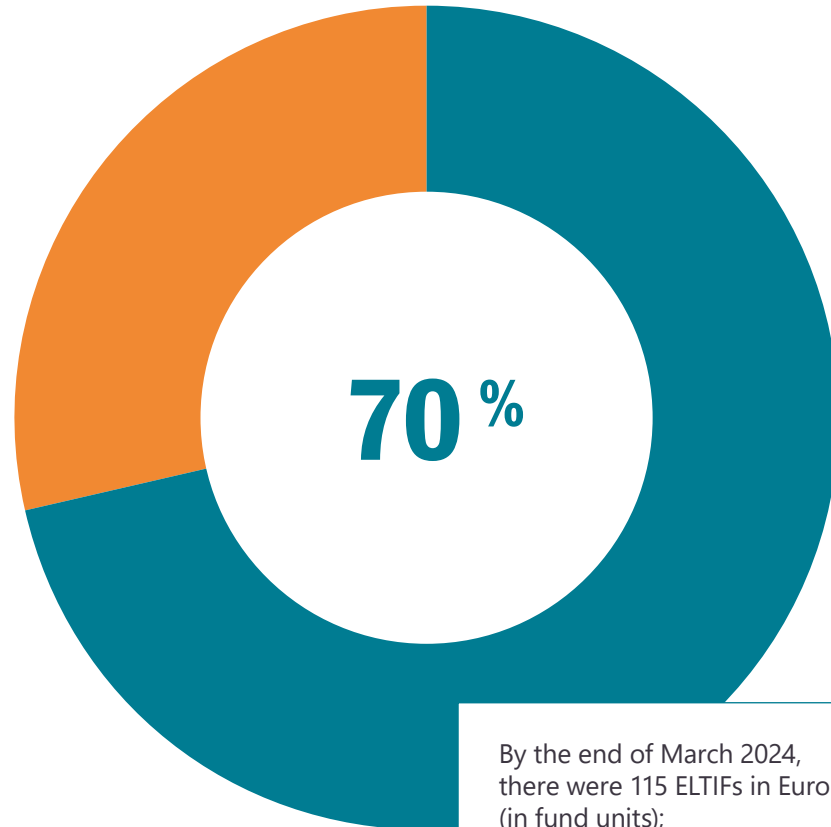
AuM of private equity/
venture capital funds

5.7%

Increase compared
to Decemeber 2022

SOURCE — CSSF

— ELTIFS



By the end of March 2024,
there were 115 ELTIFs in Europe
(in fund units);

80 OF THEM

are domiciled in Luxembourg

SOURCE — ESMA

2024 AT A GLANCE

PRIVATE DEBT

June 2023

404.4 billion

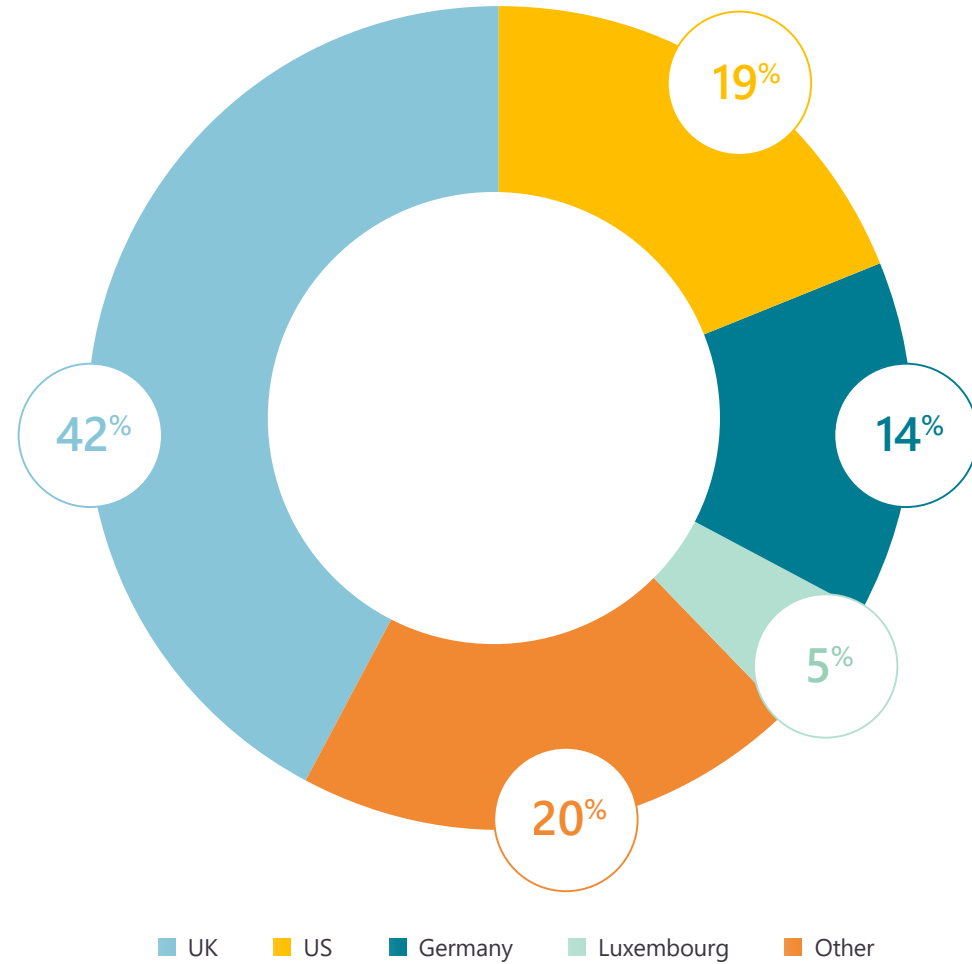
AuM of private debt funds

51%

Average growth
between June 2022
and June 2023

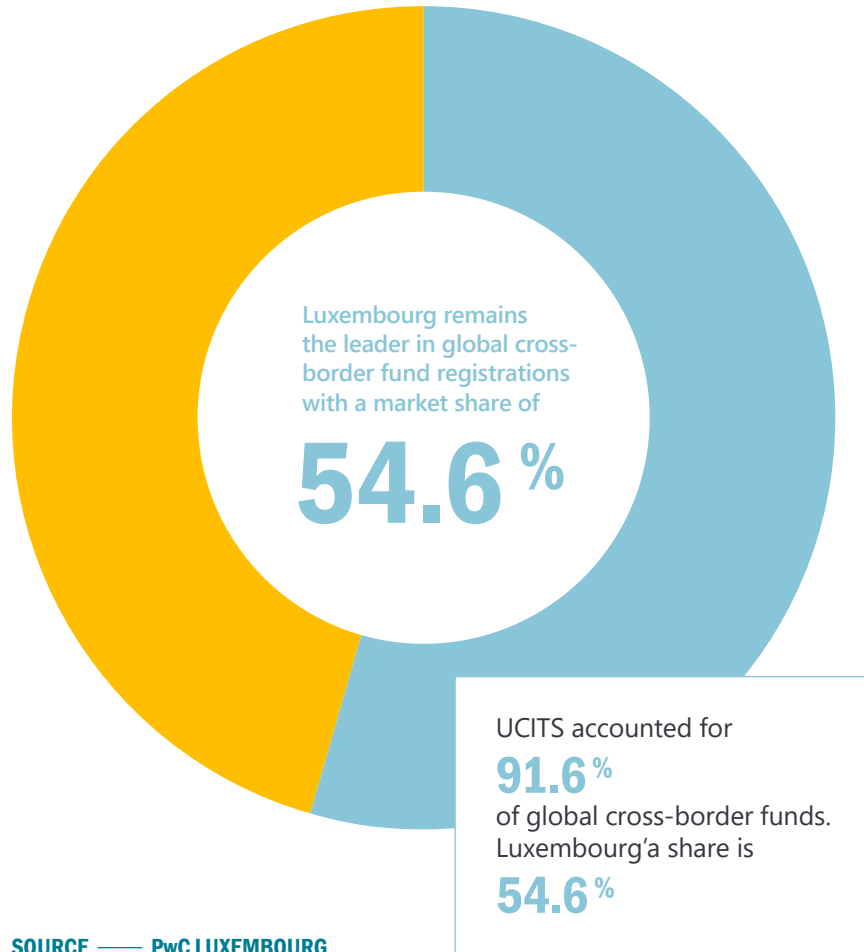
SOURCE — KPMG/ALFI

DEBT FUND INITIATORS IN LUXEMBOURG



2024 AT A GLANCE

CROSS BORDER FUNDS



ESG

By end of 2023

Luxembourg front runner SFDR article 8 and 9 funds

3,908 — article 8 funds (equating to EUR 2,445.6 billion)

418 — article 9 funds (equating to EUR 182.5 billion)

SOURCE — PwC LUXEMBOURG



2024 AT A GLANCE

FUND INDUSTRY PROMOTION

Between May 2023 and April 2024,
we organised

48 events

with a total of 15.464 registrants
and 9.800 attendees.

MARCH 2024

We conducted a CSR survey among sponsors and exhibitors at GlobAM 2024 to assess the event's environmental impact.

GLOBAM 2024

ALFI Global Asset Management Conference took place for first time at the European Convention Center Luxembourg

A 2-DAY EVENT MERGING

- The European Asset Management Conference
- The Global Distribution Conference

MOBILE APP

Dedicated mobile app for our events* as of 2024!

- Easier registration
- Enhanced networking experience
- Improved content sharing

* powered by Swapcard



2024 AT A GLANCE

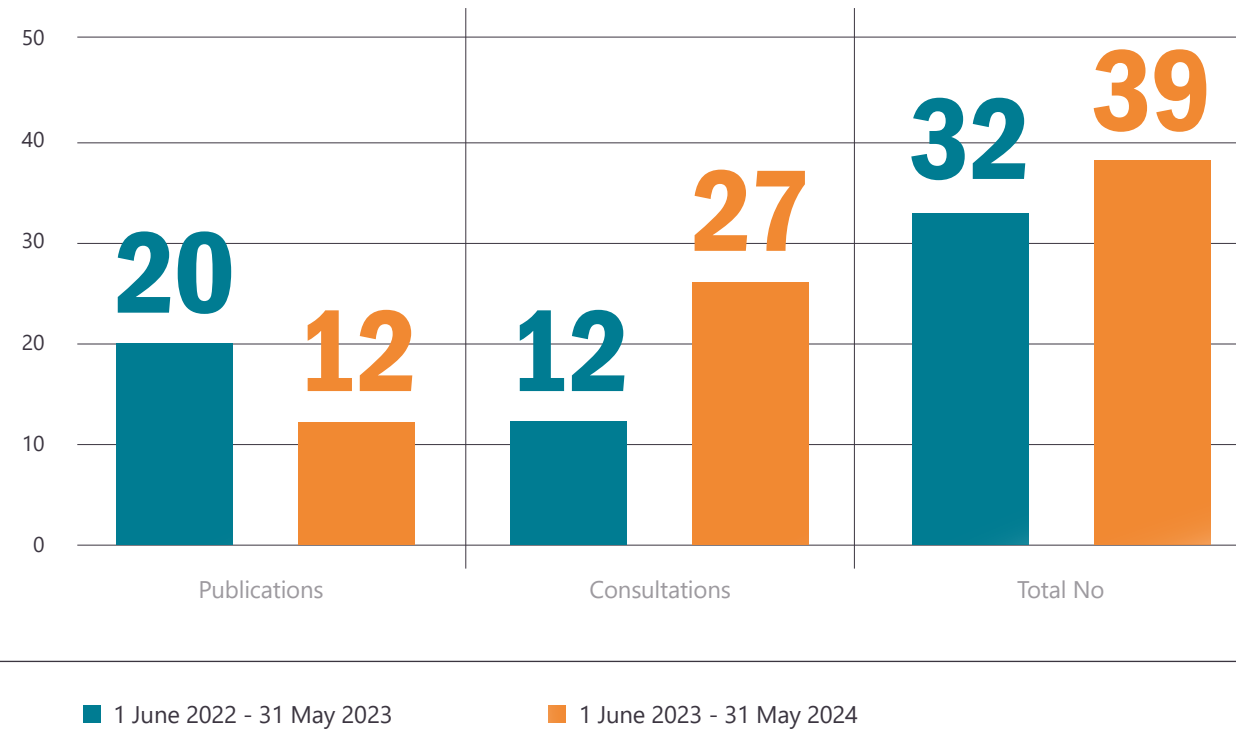
LEGAL AND INDUSTRY AFFAIRS WORK



INCLUDING 3 STUDIES

- ALFI REIF Survey 2023
- ALFI/Broadridge Cross-border Distribution of Investment Funds 2023
- ALFI/KPMG Private Debt Funds Survey 2023

ALFI PUBLICATIONS AND CONSULTATIONS



2024 AT A GLANCE

— LEGAL AND INDUSTRY AFFAIRS WORK

27

Responses to consultations related to DORA, fund settlement cycle, MiCA, SFDR, AIFMD review, taxation, ESG investments, among others.



158

technical committees and working groups during the period reported.



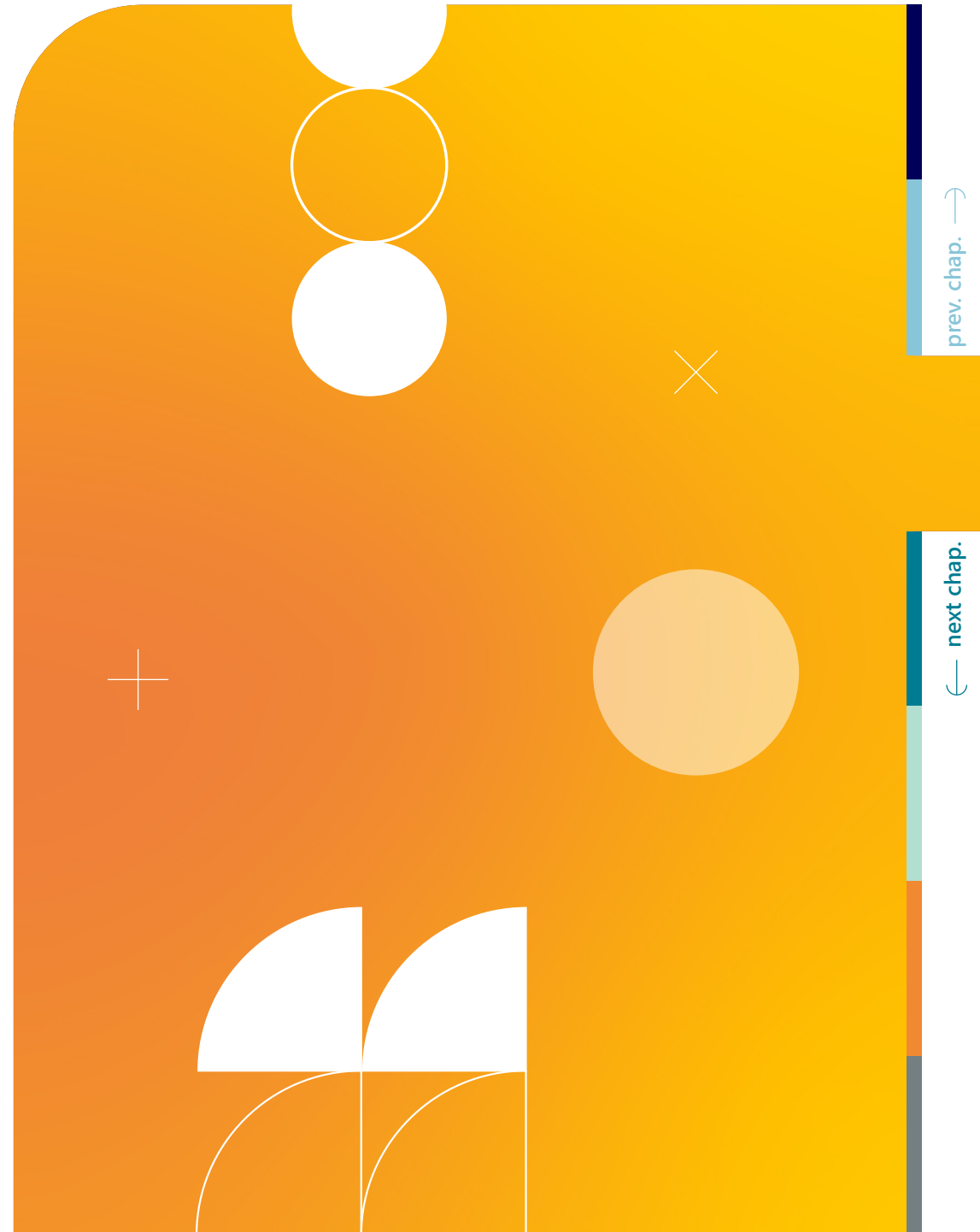
1,728

professionals involved in the working groups and committees.



STATE OF THE INDUSTRY

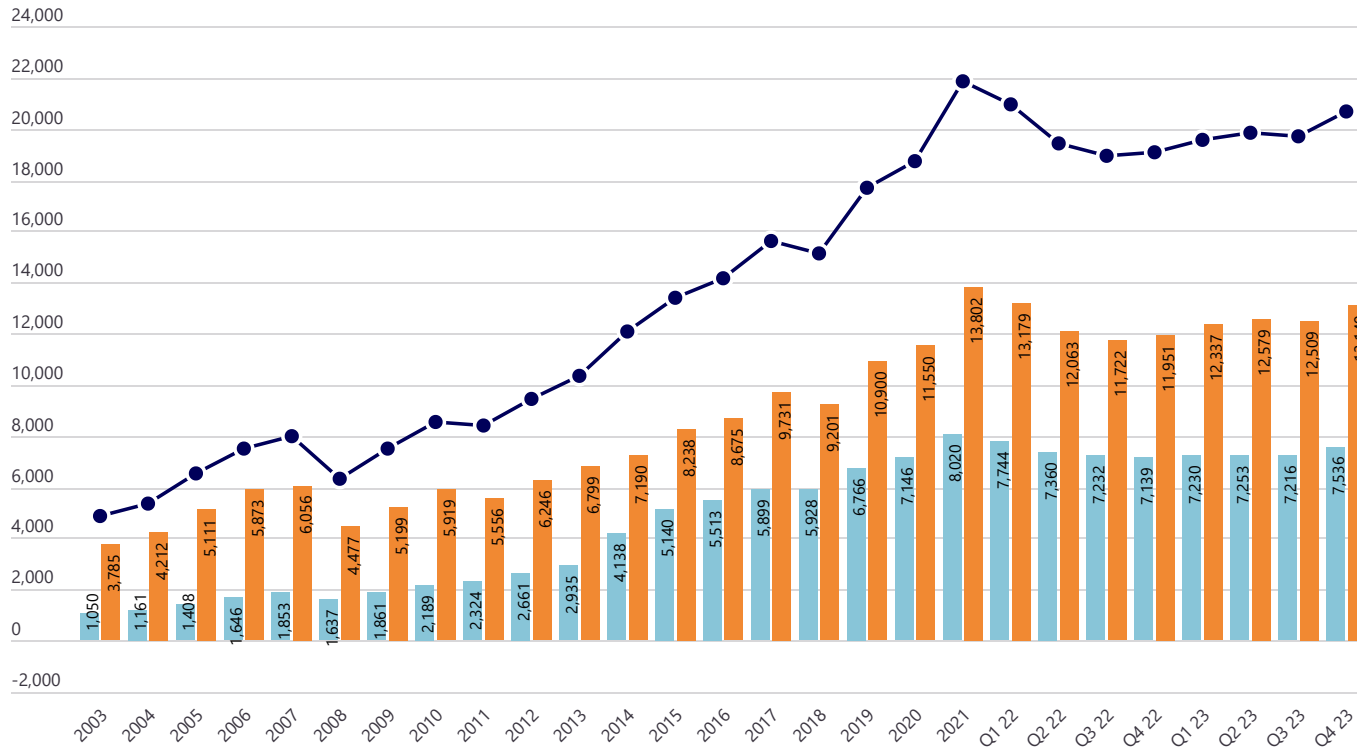
ANNUAL REPORT
2023-2024



STATE OF THE INDUSTRY

— EUROPE STATISTICS

1 ▢ NET ASSETS OF EUROPEAN INVESTMENT FUNDS



SOURCE — EFAMA

■ AIFs ■ UCITS ● UCITS and AIFs

STATE OF THE INDUSTRY

— EUROPE STATISTICS

2 ▢ TOP 10 LARGEST INVESTMENT FUND DOMICILES IN EUROPE (UCITS AND AIFS)

| Country | Total assets under management EUR million | Market share in % |
|----------------|--|-------------------|
| Luxembourg | 5,285,010 | 25.6 |
| Ireland | 4,082,728 | 19.7 |
| Germany | 2,652,861 | 12.8 |
| France | 2,276,860 | 11.0 |
| United Kingdom | 1,909,431 | 9.2 |
| Switzerland | 883,046 | 4.3 |
| Netherlands | 826,280 | 4.0 |
| Sweden | 584,557 | 2.8 |
| Italy | 373,448 | 1.8 |
| Spain | 364,136 | 1.8 |
| Others | 1,446,586 | 7.0 |
| Total | 20,684,944 | 100.0 |

SOURCE — EFAMA

| Country | Total assets under management EUR million | Market share in % |
|----------------|--|-------------------|
| Luxembourg | 4,291,294 | 32.6 |
| Ireland | 3,217,438 | 24.5 |
| United Kingdom | 1,371,924 | 10.4 |
| France | 915,830 | 7.0 |
| Switzerland | 692,389 | 5.3 |
| Sweden | 557,470 | 4.2 |
| Germany | 486,666 | 3.7 |
| Spain | 326,421 | 2.5 |
| Italy | 251,240 | 1.9 |
| Belgium | 200,163 | 1.5 |
| Others | 838,182 | 6.4 |
| Total | 13,149,017 | 100.0 |

SOURCE — EFAMA

STATE OF THE INDUSTRY

— LUXEMBOURG STATISTICS

3 ▽ NET ASSETS UNDER MANAGEMENT IN LUXEMBOURG FUNDS (GLOBAL OVERVIEW)

| | Funds | Fund units | Net Assets (EUR bn) | Net sales (EUR bn) |
|--------------------|-----------------------------|------------|---------------------|--------------------|
| Total | 3,274 | 13,981 | 5,285,010 | 4,196 |
| Part I (law 2010) | 1,596 | 9,934 | 4,291,294 | -4,084 |
| Part II (law 2010) | 239 | 577 | 166,960 | 3,409 |
| SIF (law 2007) | 1,246 | 3,152 | 745,984 | 4,926 |
| SICAR | 193 | 318 | 80,772 | -0,055 |
| Period | Change in net assets | | | |
| Over 12 months | 5.10% | | | |

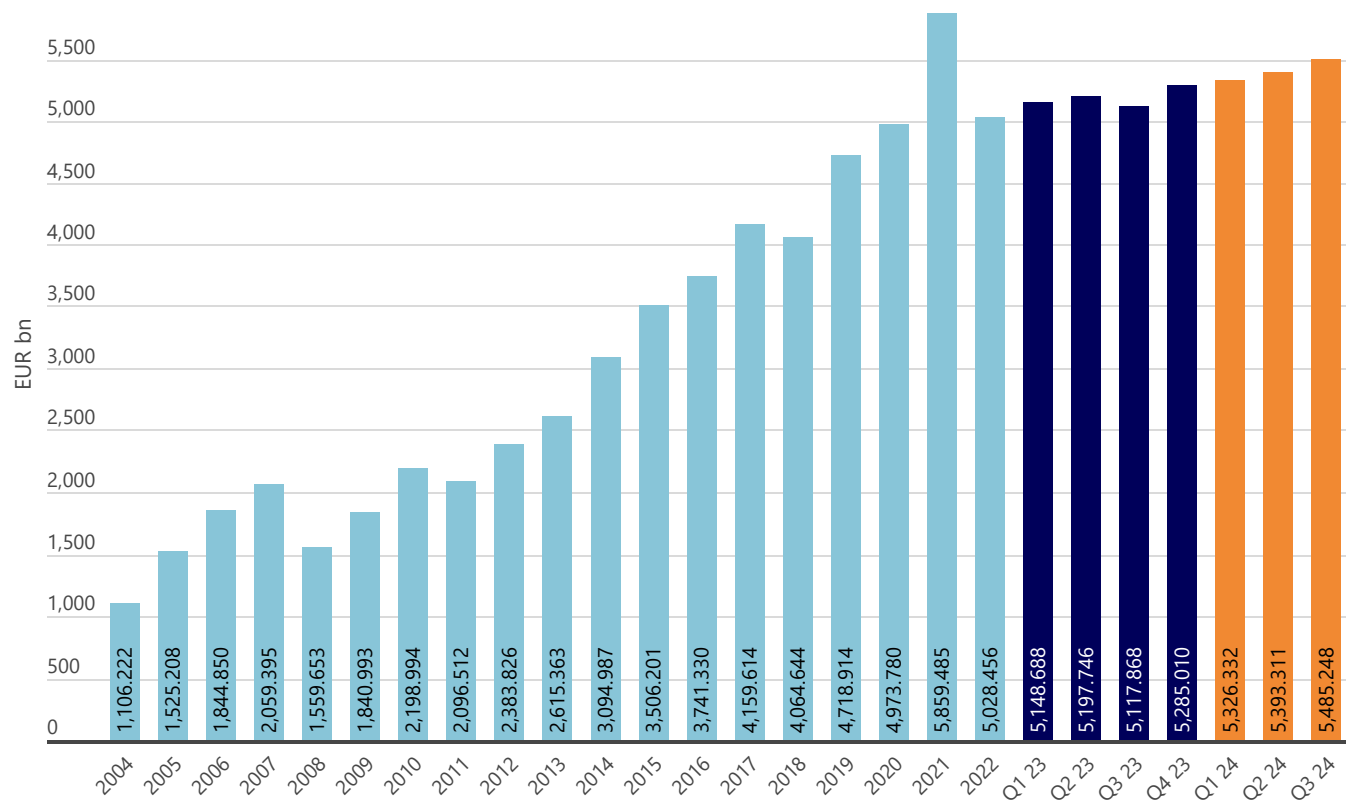
At 31 December 2023

SOURCE — CSSF AND ALFI

STATE OF THE INDUSTRY

LUXEMBOURG STATISTICS

3 ▽ NET ASSETS UNDER MANAGEMENT IN LUXEMBOURG FUNDS

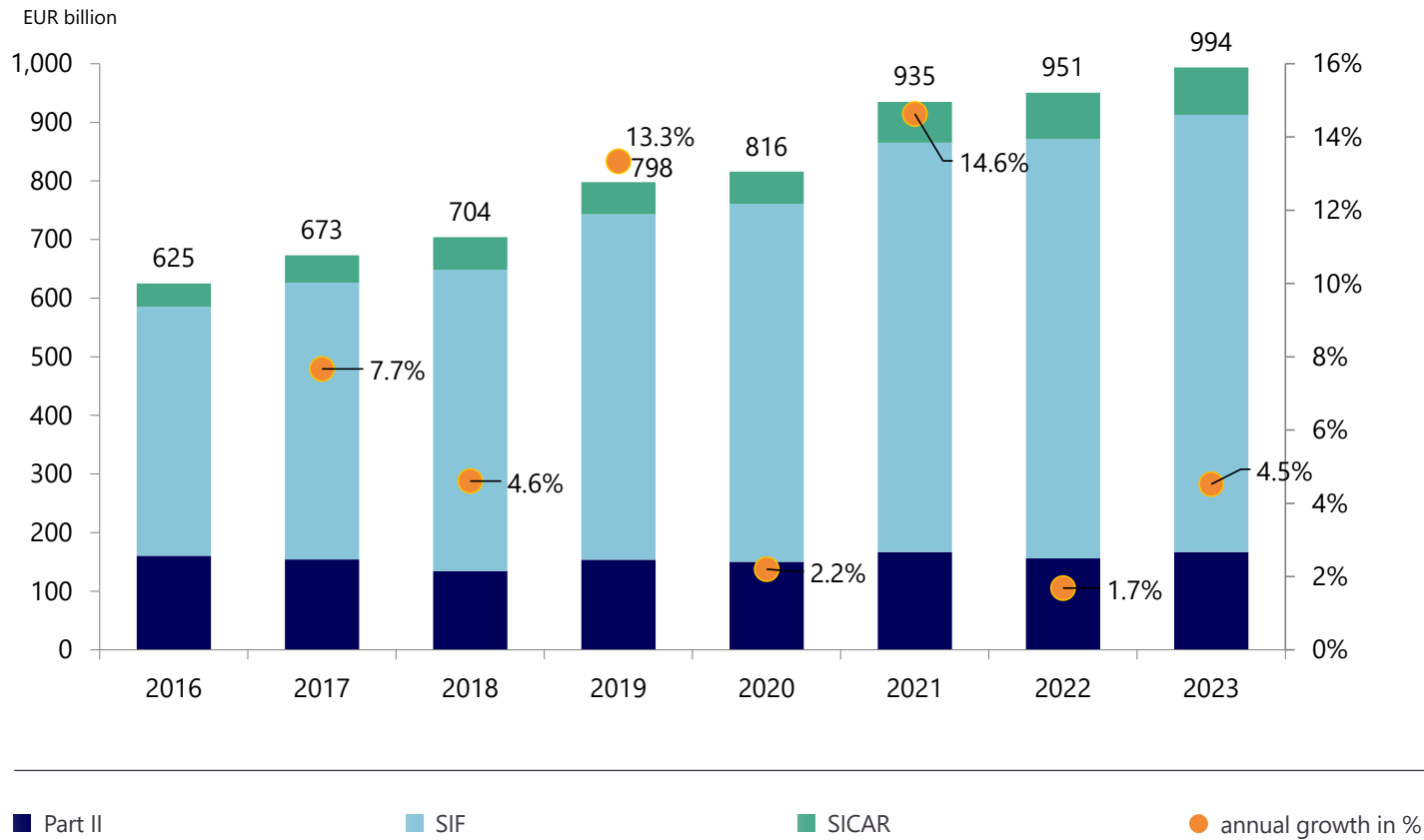


SOURCE — CSSF AND ALFI

STATE OF THE INDUSTRY

LUXEMBOURG STATISTICS

4 ▢ GROWTH IN ALTERNATIVE INVESTMENT FUNDS (ANNUAL GROWTH OF AUM IN AIFs IN %)

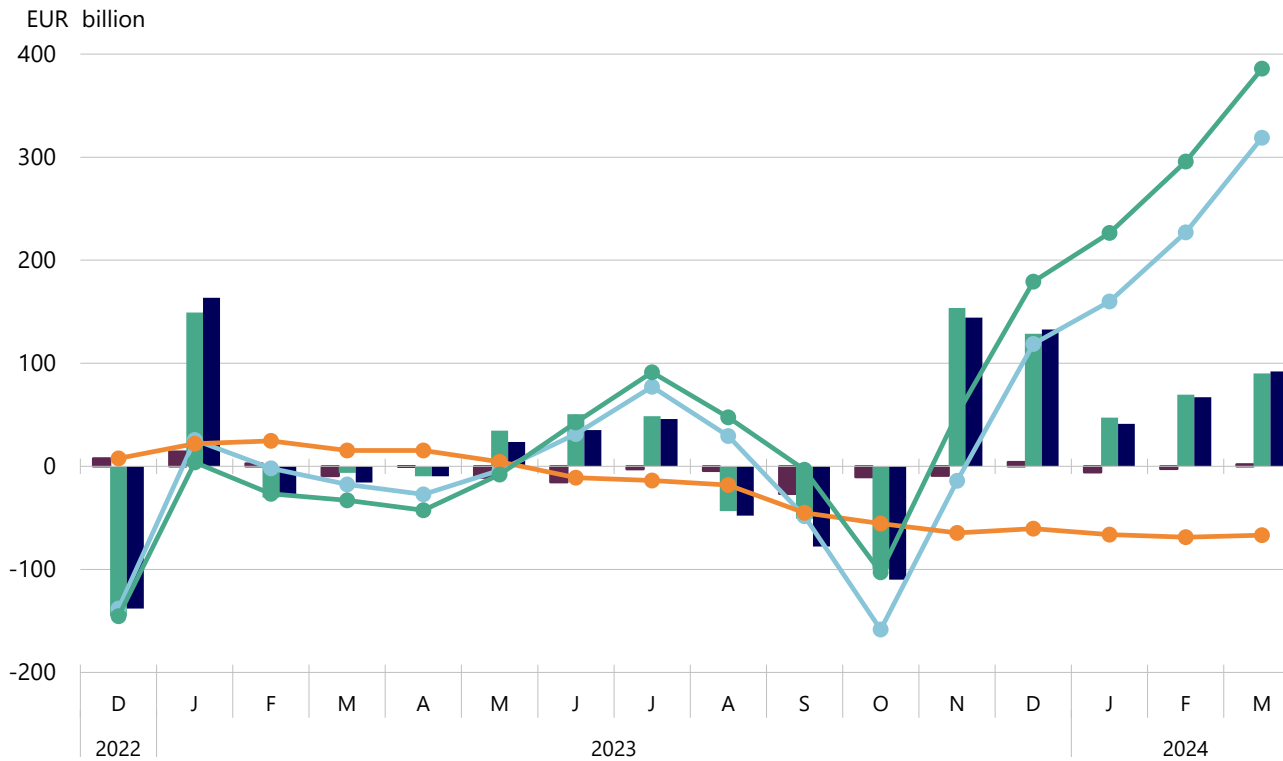


SOURCE — CSSF AND ALFI

STATE OF THE INDUSTRY

LUXEMBOURG STATISTICS

5 ▽ GROWTH FACTORS IN LUXEMBOURG INVESTMENT FUNDS

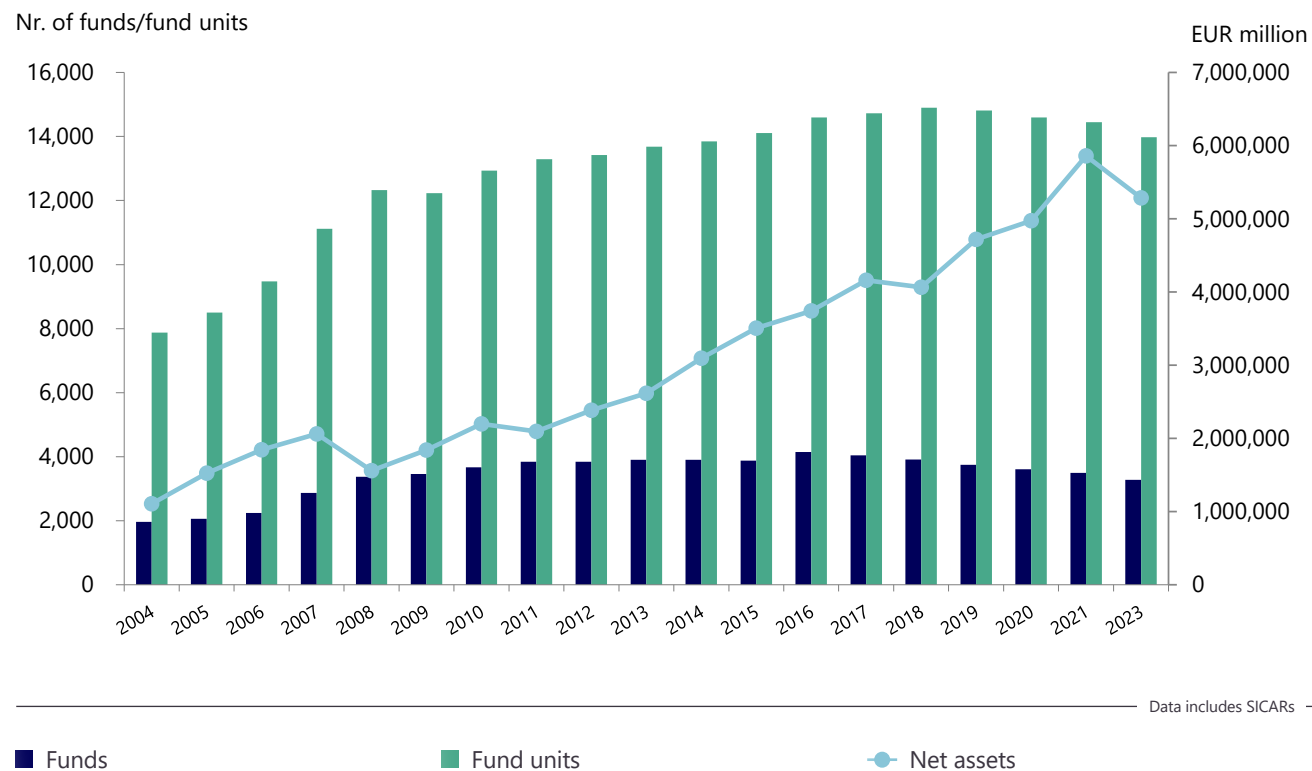


SOURCE — CSSF AND ALFI

STATE OF THE INDUSTRY

LUXEMBOURG STATISTICS

6 ▢ NUMBER OF LUXEMBOURG FUNDS AND FUND UNITS

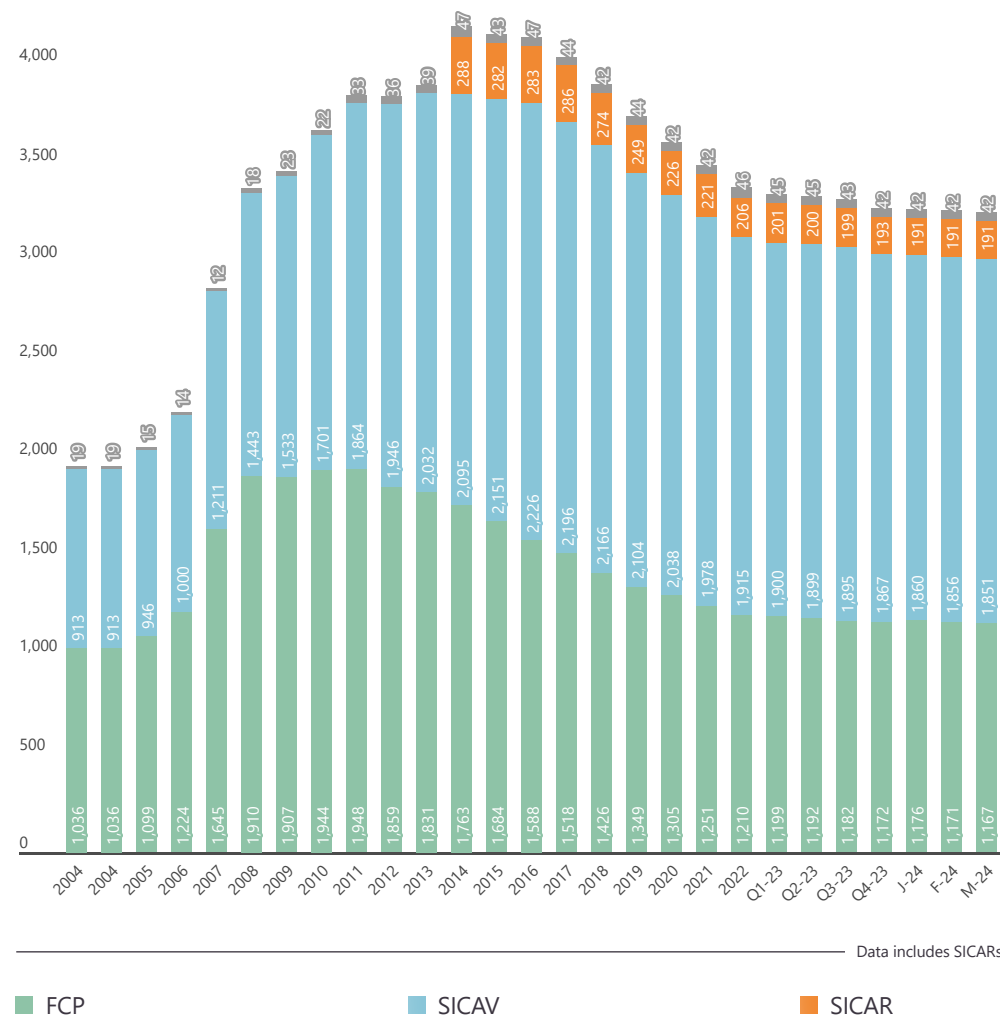


SOURCE — CSSF AND ALFI

STATE OF THE INDUSTRY

LUXEMBOURG STATISTICS

7 LEGAL FORM OF LUXEMBOURG-DOMICILED INVESTMENT FUNDS



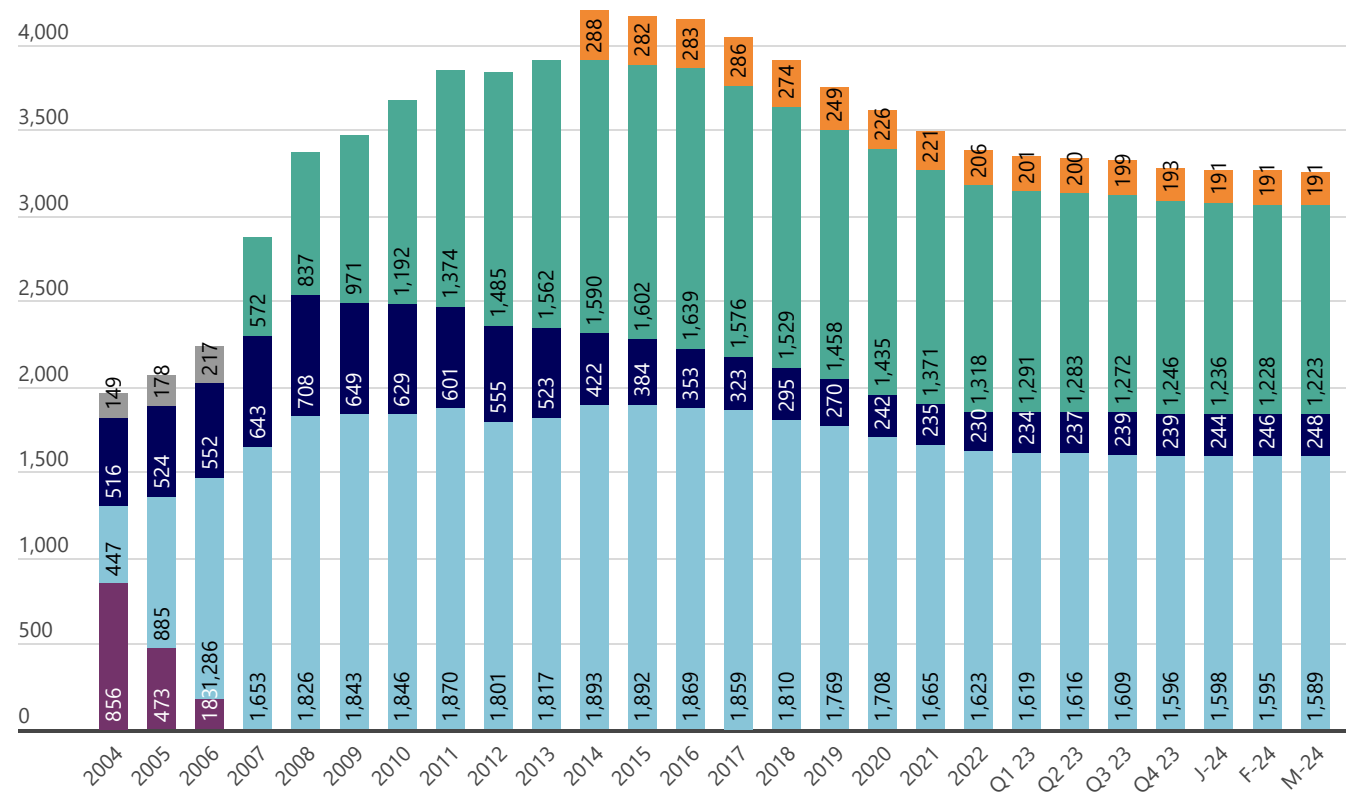
Data includes SICARs

SOURCE — CSSF AND ALFI

STATE OF THE INDUSTRY

LUXEMBOURG STATISTICS

8 LEGAL STATUS OF LUXEMBOURG-DOMICILED INVESTMENT FUNDS



As at Dec 2014, data includes SICARs

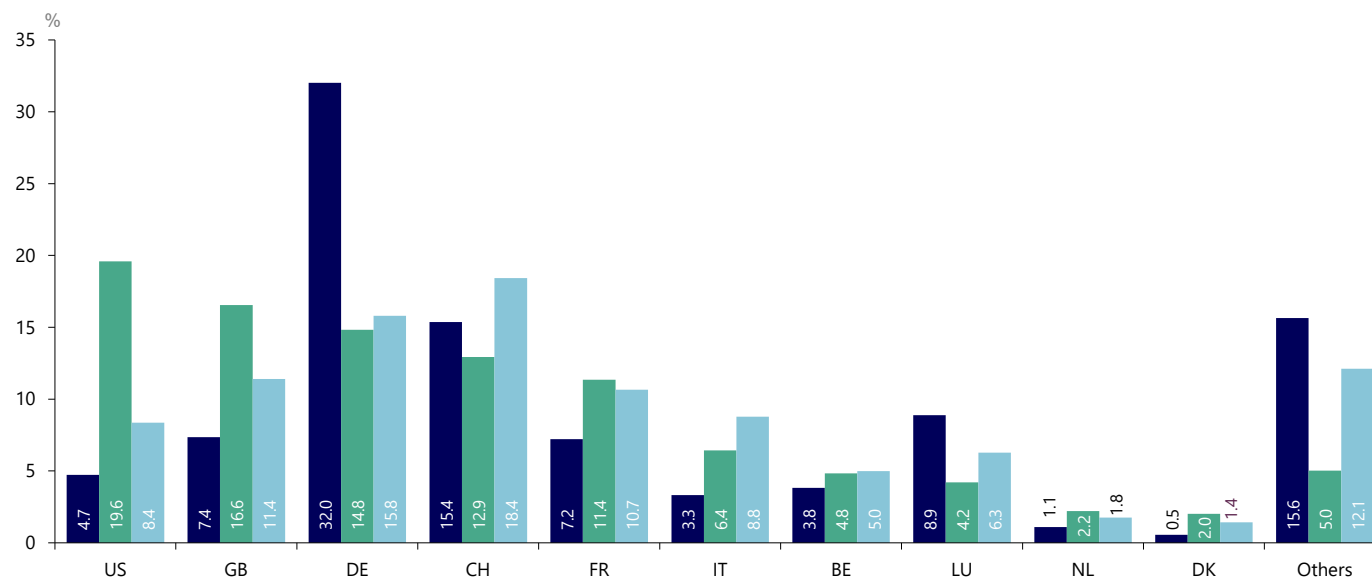
- Part I (law of 1988)
- Part I (2002 and 2010 laws)
- Part II (2002 & 2010 laws)
- SIF (2007 law)
- Institutional UCI (pre-SIF/before Feb 2007)
- SICAR

SOURCE — CSSF AND ALFI

STATE OF THE INDUSTRY

LUXEMBOURG STATISTICS

9 MARKET SHARE OF INITIATORS BY ORIGIN



As at Dec 2014, data includes SICARs

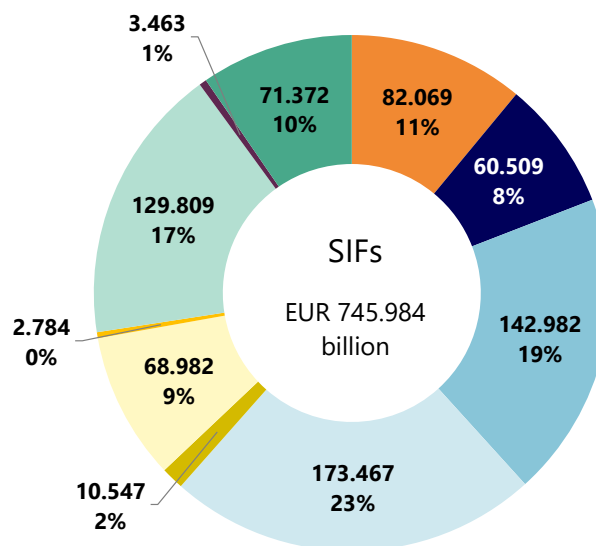
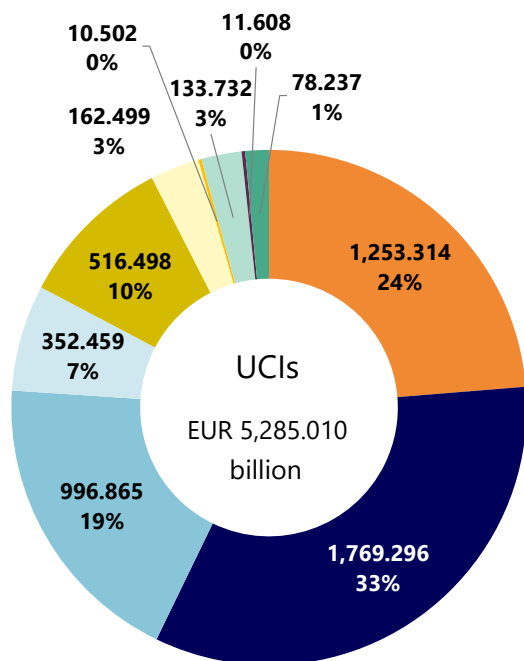
■ Funds ■ Net assets ■ Fund units

SOURCE — CSSF AND ALFI

STATE OF THE INDUSTRY

LUXEMBOURG STATISTICS

10 INVESTMENT POLICY OF LUXEMBOURG FUNDS (NET ASSETS)



SOURCE — CSSF AND ALFI

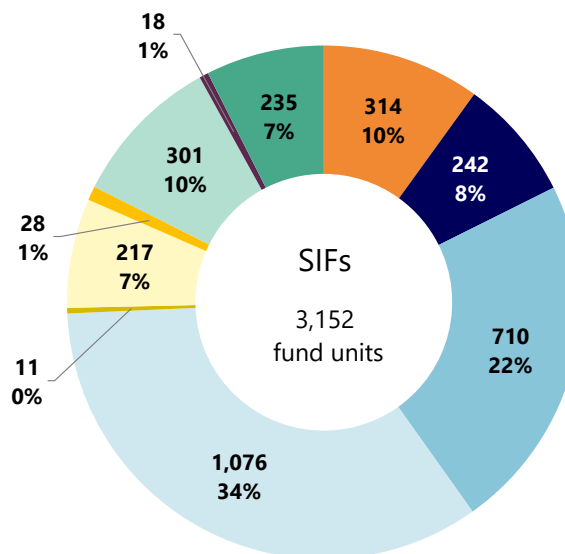
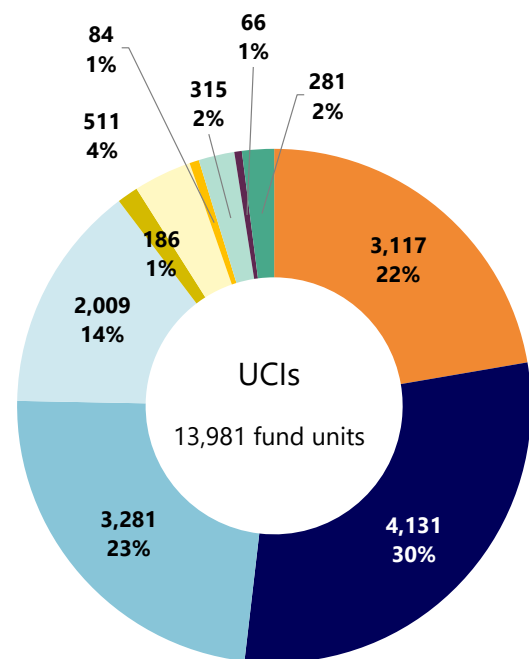
as at 31 December 2023

- Bonds
- Equities
- Balanced
- Fund of funds
- Money Market Instruments and Other Short-Term Securities
- Private Equity
- Venture capital
- Real estate
- Futures and/or Options
- Other assets

STATE OF THE INDUSTRY

LUXEMBOURG STATISTICS

10 INVESTMENT POLICY OF LUXEMBOURG FUNDS (FUND UNITS)



SOURCE — CSSF AND ALFI

as at 31 December 2023

- Bonds
- Equities
- Balanced
- Fund of funds
- Money Market Instruments and Other Short-Term Securities
- Private Equity
- Venture capital
- Real estate
- Futures and/or Options
- Other assets

STATE OF THE INDUSTRY

LUXEMBOURG STATISTICS

11 ▢ UMBRELLA FUNDS AND SINGLE FUND STRUCTURES

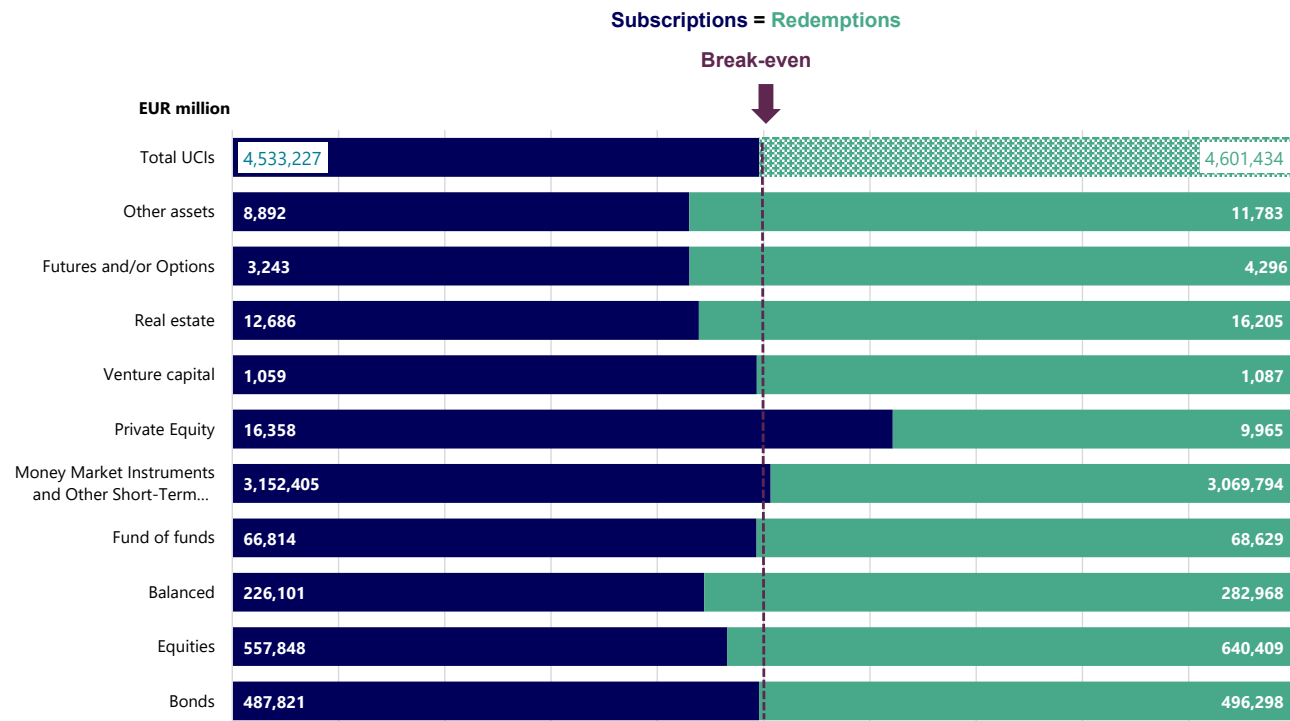


SOURCE — CSSF AND ALFI

STATE OF THE INDUSTRY

LUXEMBOURG STATISTICS

12 ▢ FUND FLOWS PER ASSET CLASS IN 2023



SOURCE — CSSF AND ALFI

as at 31 December 2023

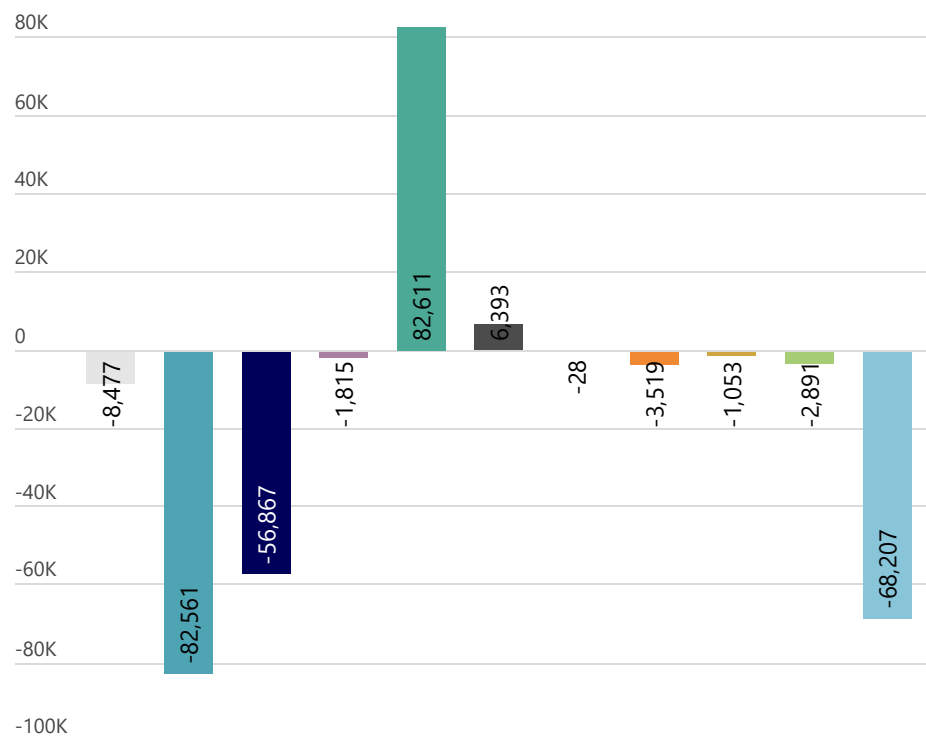
■ Subscriptions

■ Redemptions

STATE OF THE INDUSTRY

LUXEMBOURG STATISTICS

13 ▢ TOTAL NET SALES PER ASSET CLASS IN 2023



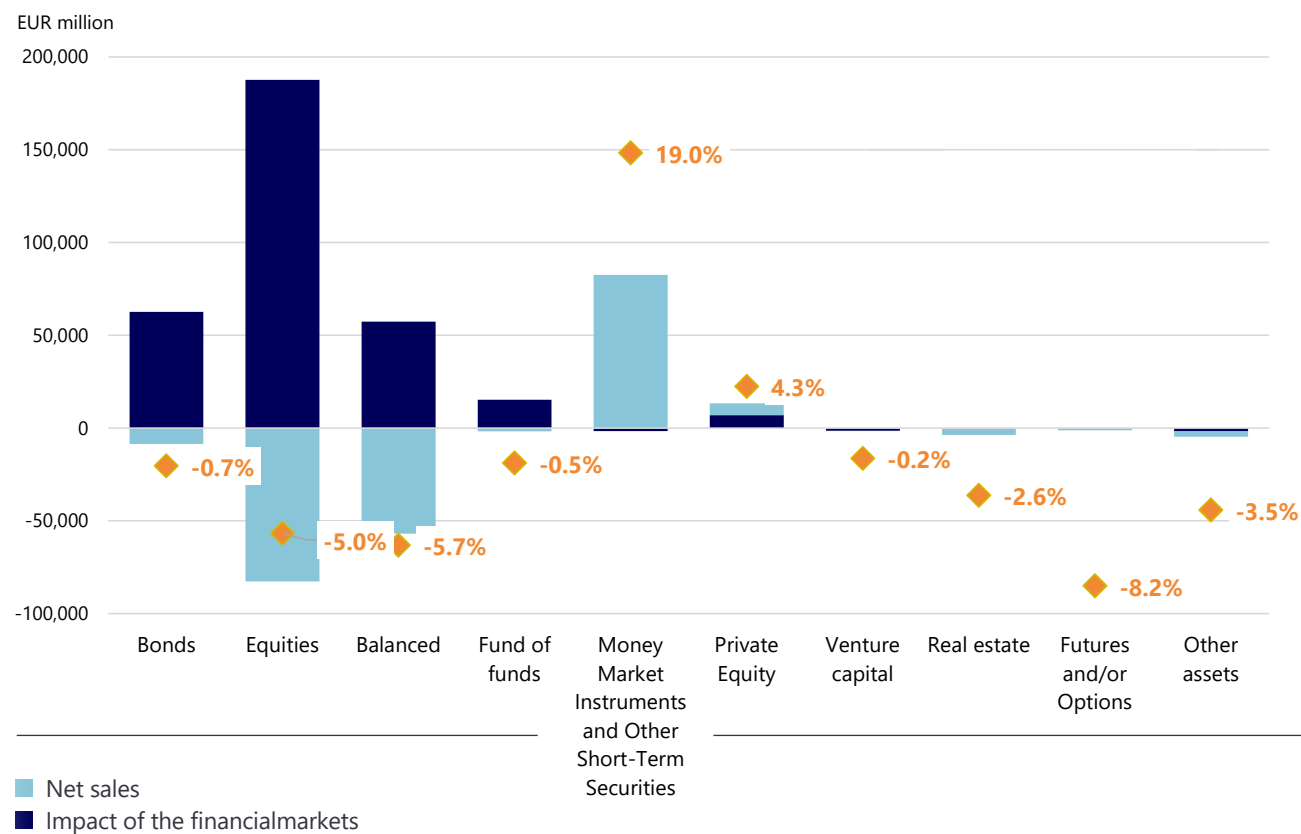
- Bonds
- Equities
- Venture capital
- Real estate
- Balanced
- Fund of funds
- Futures and/or Options
- Other assets
- Money Market Instruments and Other Short-Term Securities
- Private Equity
- Total UCIs

SOURCE — CSSF AND ALFI

STATE OF THE INDUSTRY

LUXEMBOURG STATISTICS

14 ▢ GROWTH COMPONENTS IN ASSET CLASSES IN 2023

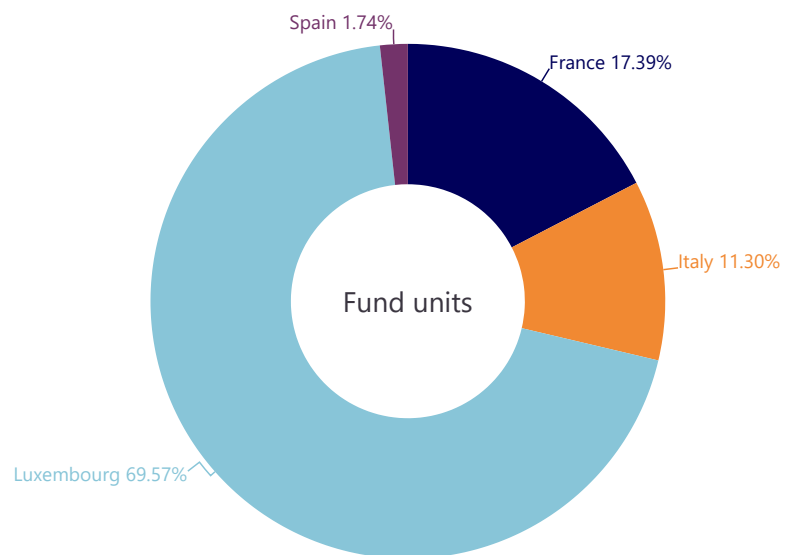


SOURCE — CSSF/ALFI

STATE OF THE INDUSTRY

LUXEMBOURG STATISTICS

15 ▽ ELTIFS DOMICILED IN EUROPE



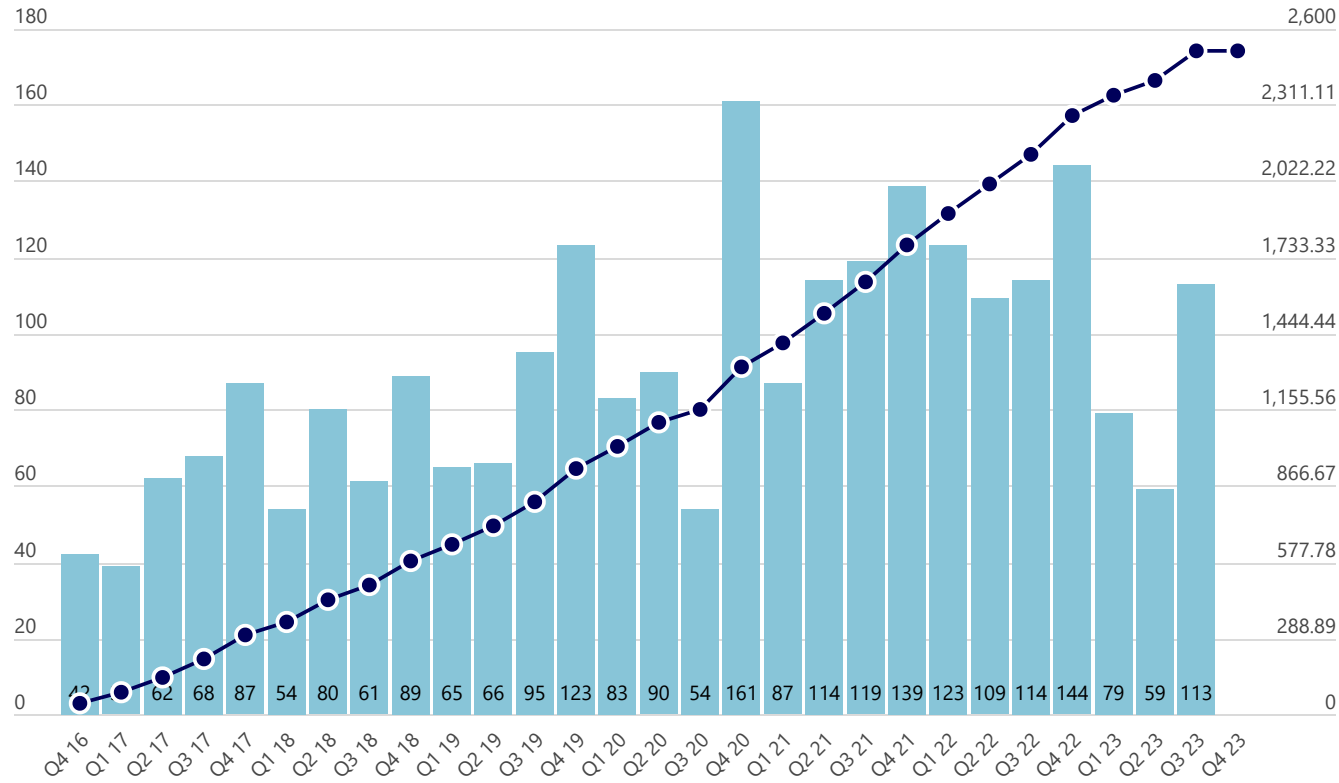
as at March 2024

SOURCE — ESMA

STATE OF THE INDUSTRY

LUXEMBOURG STATISTICS

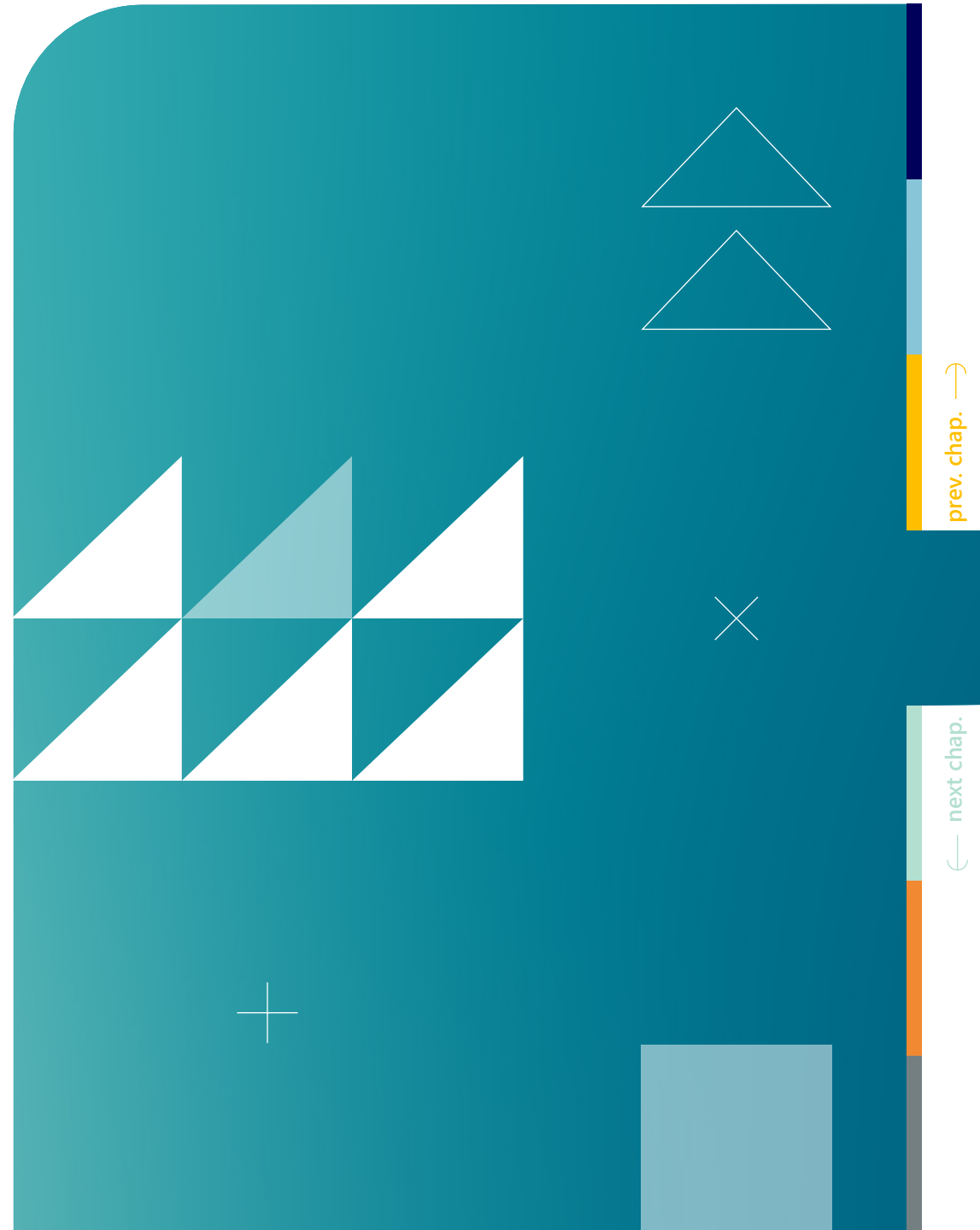
16 ▢ RAIFS EVOLUTION SINCE 2016 (NUMBER OF LEGAL ENTITIES)



■ Registrations — Cumulative

SOURCE — LUXEMBOURG BUSINESS REGISTERS AND PWC ANALYSIS

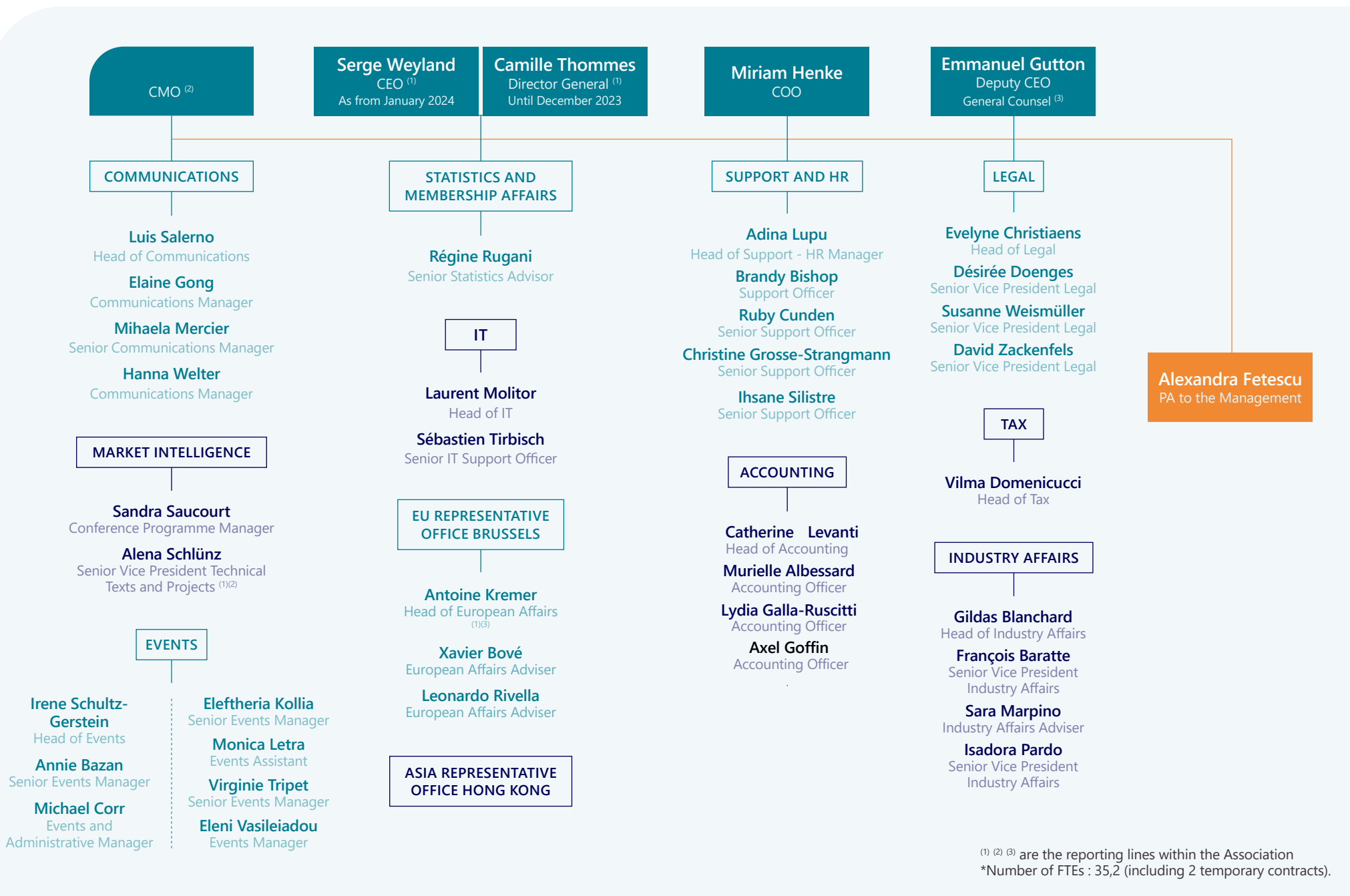
ALFI ORGANISATION



ALFI ORGANISATION

— TEAM

ALFI HEAD OFFICE – INTERNAL ORGANISATION CHART – MAY 2024



prev. chap. →

← next chap.

ALFI ORGANISATION — TEAM



Adina Lupu



Alena Schluenz



Alexandra Fetescu



Anaxalami Cunden



Annie Bazan



Antoine Kremer



Axel Goffin



Brandy Bishop



Britta Borneff



Cathy Levanti



Christine
Grosse-Strangmann



David Zackenfels



Desiree Doenges



Elaine Gong



Eleftheria-Kollia



Eleni Vasileiadou



Emmanuel Gutton



Evelyne Christiaens



Francois Baratte



Gildas Blanchard



Hanna Welter



Ihsane Silistre



Irene Schultz



Isadora Pardo



Jean-Marc Goy



Laurent Molitor



Leonardo Rivella



Luis Salerno

ALFI ORGANISATION — TEAM



Lydia Galla



Michael Corr



Mihaela Mercier



Miriam Henke



Monica Letra



Murielle Albessard



Paolo Barone



Reginie Rugani



Sandra Saucourt



Sara Marpino



Sebastien Tirbisch



Serge Weyland



Susanne Weismüller



Vilma Domenicucci



Virginie Tripet



Xavier Bové

ALFI ORGANISATION

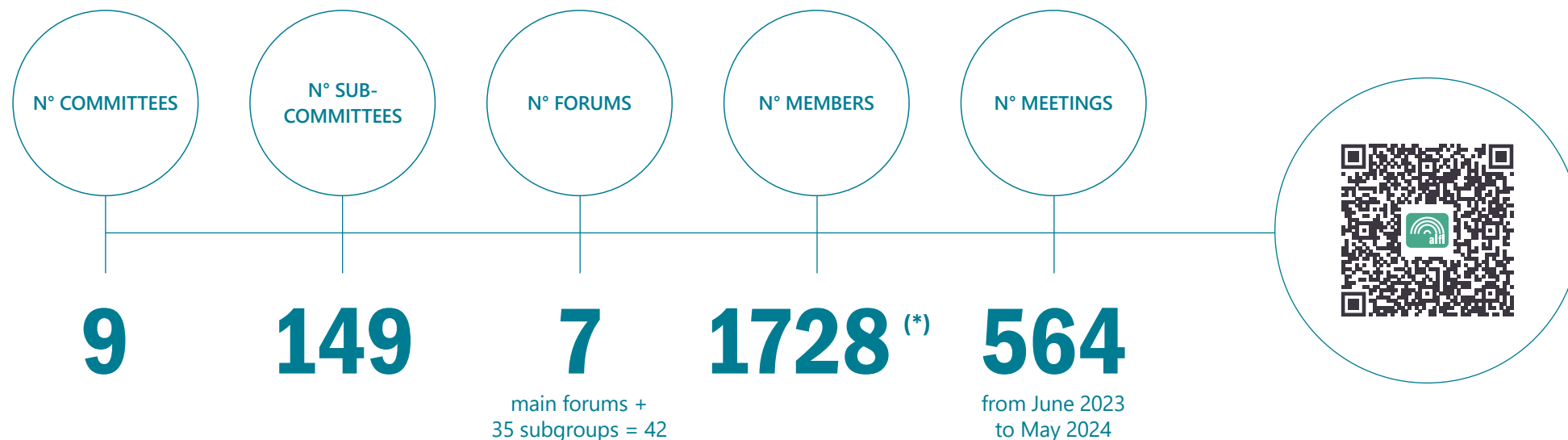
GOVERNING BODIES AND MEMBERS

ALFI today represents over 1,400 Luxembourg domiciled investment funds, asset management companies and a wide range of companies covering the entire sector's value chain.

Our members are investment funds, management companies, asset managers, alternative investment fund managers (AIFMs), depository banks, legal and consultancy firms, tax advisory firms, auditors and accountants, specialised IT and communication companies and individual members.

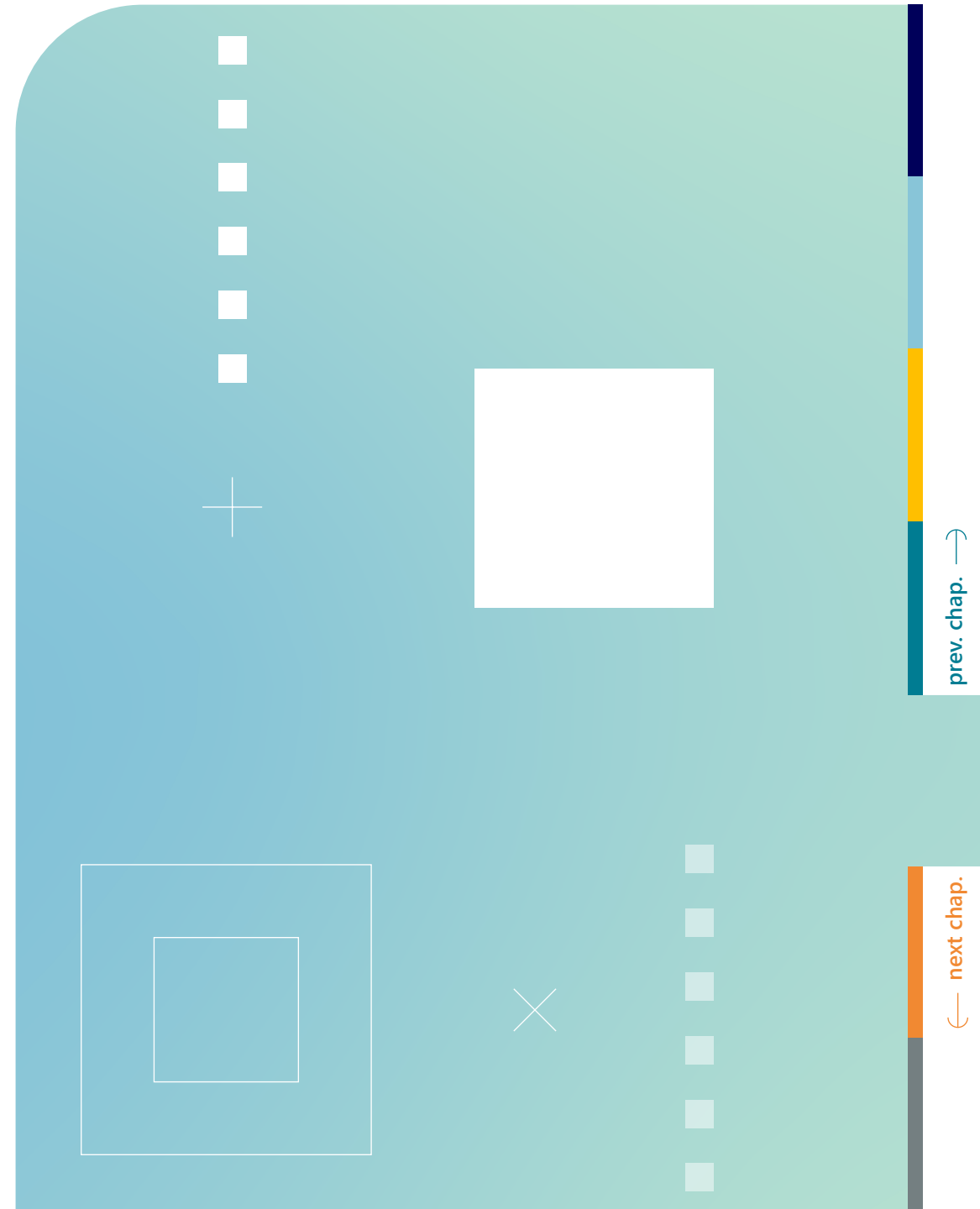
TECHNICAL COMMITTEES AND FORA

728 members are involved in 158 working groups. Working groups held 564 meetings from June 2023 to May 2024.



(*) including the 23 ALFI coordinators.

CORPORATE RESPONSIBILITY AND CITIZENSHIP



CORPORATE RESPONSIBILITY AND CITIZENSHIP

Over the past year, we have made significant steps in our commitment to corporate social responsibility (CSR). The implementation of a new CSR strategy and the renewal of our CSR label by the Institut National du Développement Durable (INDR) underscore our dedication to sustainability and social impact.

The keystone of our progress lies in the development and execution of a comprehensive CSR strategy. Together with our stakeholders, we have identified key areas where our association can make meaningful contributions to the fund Industry and to the society at large, while aligning with our core values.

This strategy not only serves as a roadmap for our CSR initiatives but also embodies our commitment to responsible business practices.

Furthermore, the acknowledgment and validation of our efforts by the Institut National du Développement Durable (INDR) for the fourth consecutive time since 2014, highlights the benefits of our CSR endeavours. Beyond the label, our initiatives have positively impacted both our organisation and the fund community we serve. From shaping regulations and frameworks that guide businesses and organisations towards responsible and sustainable practices to supporting

education, training, diversity, and human rights, we have made meaningful contributions to society while fostering long-term value for our members and our stakeholders.

As we reflect on our achievements, we are thrilled to continue our journey toward corporate social responsibility. Our commitment extends to exploring new paths, such as measuring our environmental footprint and supporting education through initiatives such as sponsoring a new Master's program in Private Equity in collaboration with the University of Luxembourg.

With enthusiasm and dedication, we look forward to fostering our impact in the years ahead.

CORPORATE RESPONSIBILITY AND CITIZENSHIP

— RESPONSIBLE PRACTICES

EDUCATION AND SUPPORT OF NEW GENERATIONS

In March 2024, ALFI participated in two programmes organised by Jonk Entrepreneuren (JEL):

- the Job Shadow Day which allows students over 16 years old to “shadow” a business leader over the course of their working day, offering a valuable hands-on experience of the business world.
- the Fit for Life educational programme for students aged 14 to 16. The aim of the programme is to provide secondary school students with practical information on basic economics (e.g. personal finance, budget, salaries, etc) and to make them understand the importance of setting educational as well as career goals based on their skills, values and interests.

In April 2024, ALFI participated at the YEP Schoulfoire event organised by the Ministry of National Education over four days with the aim of helping the younger generation to effectively

prepare for their professional career. ALFI collaborated with a group of young professionals, members of our Association, who hosted the booth once a day throughout the four days.

At this occasion, we shared our professional backgrounds and answered questions about the fund industry and its role in the Luxembourg economy.

HUMAN RIGHTS

In September 2023, ALFI signed the pacte national “Entreprises et droits de l’homme”. The document is an instrument of voluntary self-regulation in the context of respecting human rights. By signing it, ALFI declares its determination to implement the UN Guiding Principles in its organisation and value chain.

CHARITY SUPPORT

Conscious of the relevance of the third sector as active actors of the society and promoters of societal and environmental change, and being a non-for-profit organisation in itself, ALFI supports various philanthropic activities with local NGOs. Over the past year, we

donated a total amount of 8,000 euros to the following associations in the context of the organisation of our events.

- **SEPTEMBER 2023** - Chaîne de l’espoir
- **NOVEMBER 2023** - Schrett-fir-Schrett
- **NOVEMBER 2023** - Work and youth
- **DECEMBER 2023** - we joined forces with IMS and Spënchen for a clothing collection and our staff donated clothes for those in need.
- **MARCH 2024** - For the seventh consecutive year, we took part in the “Relais pour la vie” event organised by Fondation Cancer as official sponsors. We contributed 25,000 euros and, with the help of our members, fielded two teams in the 24-hour relay to show our ongoing support for cancer patients.

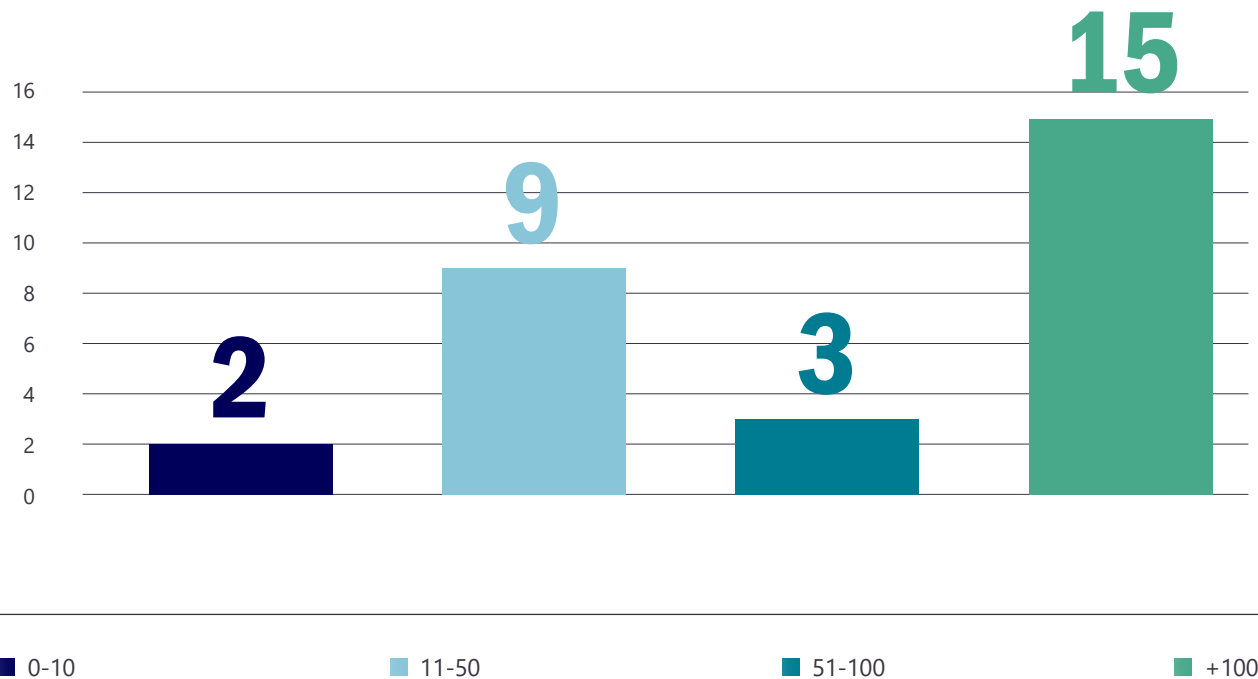
CORPORATE RESPONSIBILITY AND CITIZENSHIP

— ENVIRONMENTAL ACTIONS

CSR SURVEY

In March 2024, we conducted our first CSR survey among the sponsors and exhibitors of our **ALFI Global Asset Management Conference** (GlobAM24). The purpose of the survey was to assess the environmental impact of our event. This initiative reflects our commitment to adopting a more sustainable approach and raising awareness about such actions.

□ PARTICIPATING ORGANISATIONS PER EMPLOYEE COUNT



SOURCE — ALFI

CORPORATE RESPONSIBILITY AND CITIZENSHIP

— ENVIRONMENTAL ACTIONS

SURVEY RESULTS

Results are encouraging. They demonstrate that sustainability issues are integral to the participating organisations. These are some highlights :

77 %

of all participating organisations report that they have either reduced their paper usage or transitioned to increasingly using recycled paper. Equally, 83% of them have reduced the packaging material or are using recycled packaging material.

41 %

of all participating organisations monitor the CSR involvement of their providers while 8% stated that they do not conduct such checks.

56 %

of all participating organisations prefer local/ bio/fair trade seasonal products when running operations, and local providers are part of the business value chain when possible.

7 %

of respondents have never implemented energy-efficiency measures while a significant majority of them, 53%, consistently implement such measures.

70 %

of respondents say that they engage in educating their employees on eco-responsibility.

57 %

of respondents advocate for the use of public transportation or car sharing, while approximately 6% of them never engage in such practices.

CORPORATE RESPONSIBILITY AND CITIZENSHIP

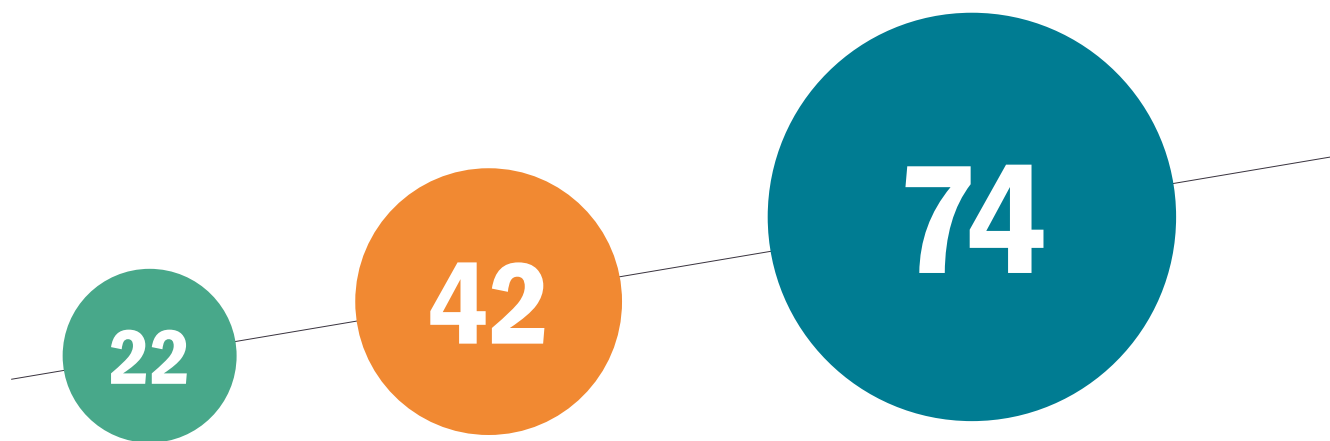
SUPPORTING THE YOUNG GENERATION

THE NEXTGEN OF FINANCE



One of the goals of the **ALFI NextGen initiative** is to get young professionals (or “the nextgeners”) closer to and more involved in the investment fund community.

Since September 2023, an increasing number of nextgeners have been benefiting from one of the concrete actions of the initiative: increasing their participation in ALFI working groups, conferences and other events. The chart below shows the evolutions of their involvement in our events:



SOURCE — ALFI

■ Global Distribution Conference 2023

■ Private Assets Conference 2023

■ Global Asset Conference Management 2024

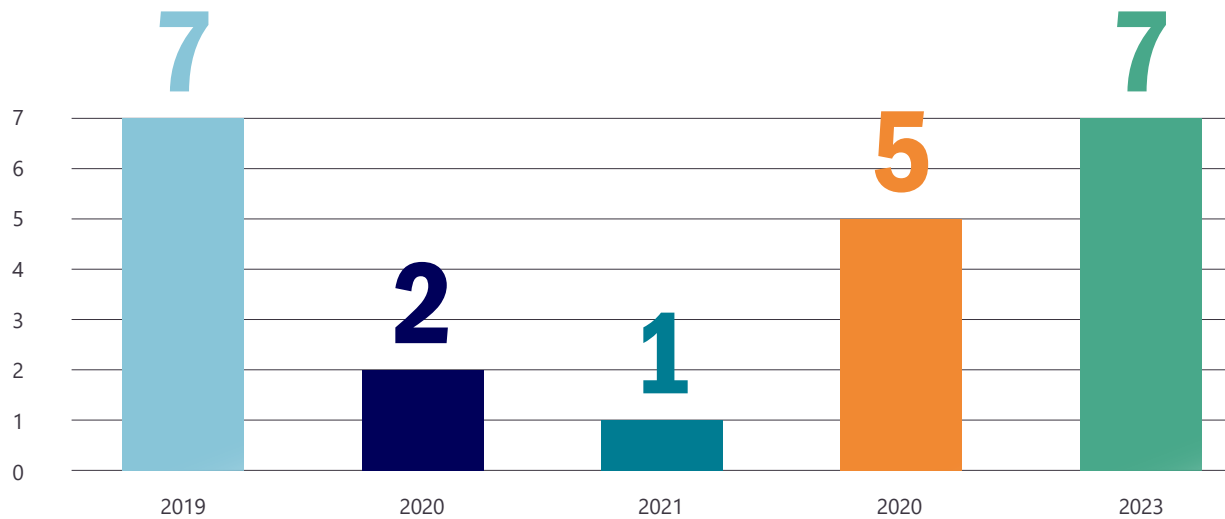
CORPORATE RESPONSIBILITY AND CITIZENSHIP

SUPPORTING THE YOUNG GENERATION

SUMMER STUDENTS

We take students on board over the summer period to offer them valuable hands-on experience in the business world.

The chart below shows that we have recovered the participation levels of 2019, before the covid-19 pandemic crisis.



SOURCE — ALFI

GOVERNANCE BEST PRACTICES



Adina Lupu
Head of support | HR manager

Listen to
Adina Lupu

AN UPDATE ON INVESTOR EDUCATION



Listen to Mihaela Mercier, ALFI Investor Forum Coordinator, addressing the importance of improving financial literacy to enhance retail investors' access to investment products, and encourage retirement savings. Activating long-term capital pools is essential for financing innovation, supporting economic growth, and ensuring the resilience of European capital markets.



Mihaela Mercier
Senior Communications
Manager

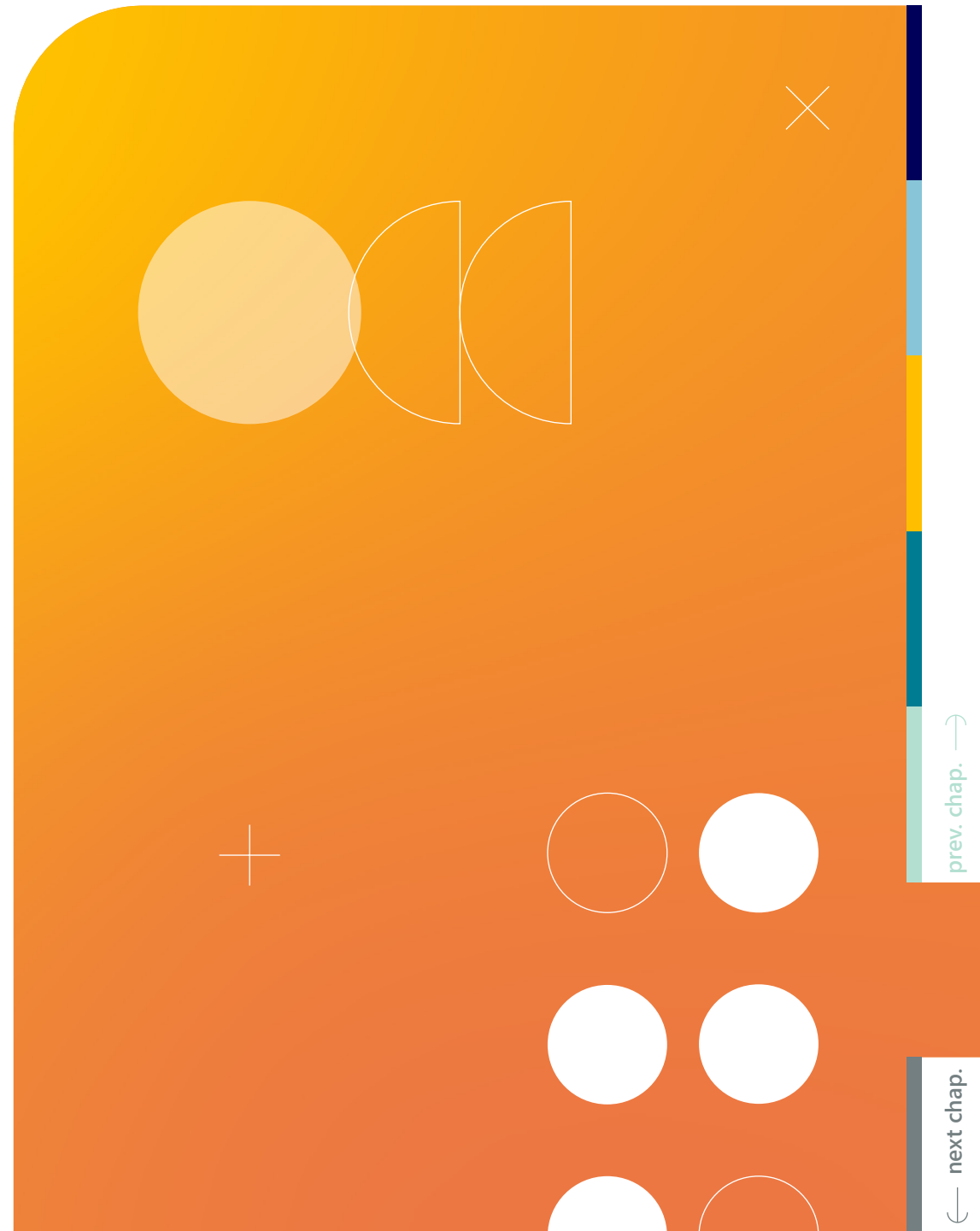
Listen to
Mihaela Mercier

HIGHLIGHTS OF OUR WORK

Within this section of the annual report, our focus lies on the organisational objectives that have experienced notable advancements over the past year. By highlighting these key areas of progress, we aim to underscore our commitment to doing great work and always getting better. We continue playing an active role in promoting the Luxembourg investment fund industry, its products, and services.

On the one hand, we represent the sector and economic missions globally and actively participate in meetings of the global fund industry. Additionally, ALFI is an engaged member of key associations, including the European Fund and Asset Management Association, the European Federation for Retirement, and the International Investment Funds Association.

Alternatively, ALFI events serve as crucial platforms for the investment fund industry to communicate its narrative to top-tier policymakers, regulators, business executives, and investors, while also facilitating discussions on the latest trends and advancements. Over the period from June 2023 to April 2024, we organised 48 events both domestically and internationally, drawing expert audiences from around the world.



HIGHLIGHTS OF OUR WORK

— CONTRIBUTING WITH OUR LEGAL AND REGULATORY EXPERTISE

INTRODUCTION

During the last 12 months we have been engaged in various key regulatory areas, ensuring that our industry's compliance and advocacy efforts align with evolving regulatory frameworks.

First, on **AIFMD**, our association has been actively engaged in its review (AIFMD II) from the beginning, emphasising a targeted review without unnecessary changes and advocating for maintaining it as a manager directive.

Moving to **AML**, negotiations at the EU level have been intense. We analysed provisional texts and conveyed crucial messages. Locally, we aimed to provide clearer guidance on due diligence, particularly on the asset side, and organised events to address bank account opening challenges for investment funds.

In the field of **Depositaries**, our focus has been on ESG-related investments and advocating for quantitative investment restrictions. We emphasised integrating ESG monitoring into due diligence and maintained stringent eligibility thresholds for national derogations.

Regarding **DORA**, our efforts included responding to consultations and advocating for Luxembourg's fund industry. Key impacts for IFMs include enhanced ICT governance and establishing independent

control functions for ICT risk management. Our joint conference with ABBL and other partners highlighted these impacts.

For **MiCA**, we advocated for regulatory flexibility to accommodate crypto-assets and distributed ledger technology, preferring a principle-based approach and consistent interpretation across Europe.

In **Liquidity Management**, we are aligning with the latest regulatory developments from IOSCO and FSB. Our responses emphasised robust liquidity management in open-ended funds.

On **Market Infrastructures**, we provided feedback on derivatives clearing and settlement discipline, advocating for transparency and better understanding of transactions. We also addressed challenges related to the T+1 settlement cycle.

Our **MiFID** focus has been on the European Commission's Retail Investment Strategy, advocating for a holistic Value for Money concept that includes qualitative aspects and investor preferences.

For **NAV Calculation**, the new CSSF circular aims to protect investors in case of NAV errors and non-compliance, providing clearer guidance on correction procedures and financial impact determination.

In **Risk Management**, we organized sessions to address members' needs and launched a series of regulatory updates. Our collaboration with ALRiM

in the Risk Talks series provided platforms for practical discussions on sustainability risks and model validation.

For **PRIIPS**, we reviewed proposals, advocated for a level playing field, welcomed the deletion of the comprehension alert, and integrated sustainability information into existing sections.

In **Sustainable Finance**, we highlighted the need for clarity in disclosures, aligning with CSRD requirements, and proposed a voluntary categorization regime to enhance retail investor understanding.

On **Taxation**, among others, we addressed the impact of the EU directive on minimum taxation for large groups, monitored the new EU system on withholding taxes, and provided guidance on data protection in the context of CRS.

Lastly, for **VAT**, we issued practical considerations on the VAT exemption for fund management services, focusing on tax and regulatory reporting services.

HIGHLIGHTS OF OUR WORK

— OVERSEEING EUROPEAN MATTERS BY ANTOINE KREMER

In advocacy terms, the period 2023/2024 marked the final stretch of a legislative marathon. As the European Parliament's term is coming to an end, there was increased pressure to close all kinds of legislative proposals.



Our top five engagements with European legislators this year were:

- The Alternative Investment Fund Manager Directive (AIFMD)
- The European Long-Term Investment Fund Regulation (ELTIF)
- The Retail Investment Strategy (RIS)
- The Anti-Money Laundering Package
- The Corporate Sustainability Due Diligence Directive (CSDDD)

On the AIFMD, our advocacy, among others, resulted in a win-win outcome regarding delegation: it remains a workable business model while also providing oversight for National Competent Authorities (NCAs). Regarding depositary arrangements, our advocacy efforts achieved a balanced solution. Ad hoc access to depositaries in other Member States can be granted under very specific conditions in countries with a small asset management industry.

With regard to the ELTIF, the regulation has been improved to provide better conditions for a more significant take-off, with a greater potential to help finance the European economy and diversify the portfolios of institutional investors. More importantly, it also enables some retail investors to save for the long term. However, important technical details still need to be finalized, which could determine the ultimate success of the ELTIF.

The discussion surrounding the Retail Investment Strategy is ongoing, with DDDD providing its perspective to legislators and other stakeholders. Topics such as inducements and value-for-money benchmarks have become highly politicised, and improvements on the original proposal appear to be moving toward a compromise.

The AML package encompasses, among other measures, the establishment of an AML Authority with direct supervisory powers. Criteria for determining which entities are to be directly supervised have been enhanced. Additionally, in the AML Regulation, the highly politicised threshold of 25% for identifying beneficial owners has been retained despite pressure from some legislators. This ensures that European financial institutions operate on a level playing field with their third-country competitors.

Finally, regarding the CSDDD, ALFI has successfully explained and clarified that investments cannot be equated with contractual relations within the value

chain. The unique nature of financial institutions has been acknowledged. As a result, financial institutions are currently exempted from the value chain look-through for due diligence purposes, pending a review and an in-depth analysis of the role financial institutions could potentially play.



ALFI takes pride in maintaining an open and honest dialogue with European legislators, including Members of the European Parliament, representatives from Member States at the Council, and staff of the European Commission. Leveraging our in-house expertise and the invaluable experience of our members, we strive to enrich discussions on legislative proposals, making them not only workable for the Luxembourg fund industry but also conducive to achieving its societal objectives.

Antoine Kremer
Head of European Affairs

HIGHLIGHTS OF OUR WORK

— AIFMD REVIEW BY SUSANNE WEISMÜLLER

The Official Journal of the EU published the final version of Directive (EU) 2024/927 of the European Parliament and of the Council on 26 April 2024. This directive, adopted on 13 March 2023, amends Directives 2011/61/EU and 2009/65/EC concerning delegation arrangements, liquidity risk management, supervisory reporting, the provision of depositary and custody services, and loan origination by alternative investment funds. Commonly referred to as AIFMD II, this directive also introduces numerous changes to the UCITS Directive.

As further detailed in **last year's annual report**, the fund industry will need to particularly consider new rules concerning delegation, liquidity management tools, loan-originating alternative investment funds (AIFs), and depositaries.

Member States will have two years, until 16 April 2026, to implement these new provisions into national law.

During this period, ALFI will identify any open questions in the relevant committees and discuss them with the responsible bodies. Additionally, there will be an opportunity to provide comments on the Luxembourg draft law as part of the legislative process. In parallel, the European Securities and Markets Authority (ESMA) and the Commission are expected to launch draft level 2 and 3 rules after the 2024 summer break.



ALFI work

ALFI responded to the Commission consultation that was mainly conducted in 2020. The association reviewed in detail and commented on all texts proposed by the EU institutions from 2021 until the end of trilogue negotiations in November 2023.

Two aspects were key for ALFI from the beginning: "Don't fix what isn't broken", which called for a targeted review, and "Keep the AIFMD a manager directive", which criticised proposals to introduce any product rules.



Although certain new rules result in restrictions that were not considered necessary from an industry perspective, we hope that AIFMD II will further contribute to the robustness of the brand and framework that proved to be resilient in past times of crisis. As the UCITS Directive has also been amended in certain respects, we have reached the next level of European fund legislation.

Susanne Weismüller
Senior Vice President Legal -
ALFI In-house Legal Counsel

HIGHLIGHTS OF OUR WORK

— ANTI-MONEY LAUNDERING (AML) BY SARA MARPINO AND EVELYNE CHRISTIAENS

In 2023, the ALFI AML Working Group closely monitored EU and national regulatory developments, collaborated with the competent authorities and informed members of the latest evolutions.

At international level, in September 2023, the FATF published its mutual evaluation report on Luxembourg, concluding in an overall good result for the country.



ALFI work

At the EU level, negotiations on the text of the AML Package continued throughout the year. The ALFI AML working group was involved in the analysis of the provisional texts to identify elements impacting the financial sector in Luxembourg and conveyed important messages in its advocacy efforts.

At Luxembourg level, aiming to provide clearer guidance to the industry regarding due diligence on the asset side, the AML working group continued its efforts to further develop guidelines in this field. Specialised sub-groups were organised in order to cover specific sub-sectors.

During the year, ALFI participated in the organisation of several events, including a session, together with other leading associations, on the increasing difficulties that investment funds face when opening bank accounts. The session, dedicated to bankers and their compliance officers, focused particularly on fund and securitisation structures.



“It has been an important year of ongoing evolution for AML. With ALFI, we kept monitoring and analysing the development of the EU AML Package, making the voice of the Luxembourg fund industry heard and ensuring that its interests and opinions on the new legal framework were always considered. It has been a year filled with satisfaction also at international level, with the good result obtained by Luxembourg in the FATF report, demonstrating once again that ALFI’s efforts are yielding positive outcomes”

Evelyne Christiaens
Head of Legal

HIGHLIGHTS OF OUR WORK

— DEPOSITARY DUTIES BY FRANÇOIS BARATTE

In the field of depositary duties and ESG-related investments, the Depositary Bank Forum has recently finalised a position paper, outlining key principles such as prioritising quantitative investment restrictions and integrating ESG monitoring into due diligence on investment fund managers (IFMs). Moreover, ALFI's active engagement in advocating for stringent eligibility thresholds in national derogations highlights their commitment to maintaining regulatory integrity, while their leadership role in the European Trustee and Depositary Forum underscores Luxembourg's proactive stance in shaping depositary standards at the European level.



ALFI work

Monitoring of ESG-related investments

The Depositary Bank Forum finalised a position paper regarding the calibration of depositary duties concerning the monitoring of ESG-related investments. Several key principles have been developed. For example, the focus of depositaries should solely be on quantitative investment restrictions. Additionally, depositaries should incorporate ESG investment restriction monitoring into their due diligence on investment fund managers (IFMs).

AIFMD

Concerning the national derogation permitting the appointment of a depositary in a different member state than the AIF, ALFI advocated for stringent eligibility thresholds to prevent the derogative regime from resembling an actual passport. Furthermore, clarifications were reiterated regarding the types of CSDs considered as delegates of the depositary.

ETDF

ALFI continues to be the voice of Luxembourg at the European Trustee and Depositary Forum (ETDF). Our team has regular interactions with the other national associations involved in the depositary field. ALFI will chair the ETDF for the second half of 2024.



The innovative concept of simple/complex investment limits is of great help across the EU asset management industry to determine the roles in the performance of ESG controls.

François Baratte
Senior Vice President
Industry Affairs

HIGHLIGHTS OF OUR WORK

— DIGITAL OPERATIONAL RESILIENCE (DORA) BY ISADORA PARDO

This past year has seen the Digital Operational Resilience Act coming into force, while technical standards and guidelines have been proposed and published.

ALFI work

Leveraging the extensive industry representation within the ALFI Digital Forum, ALFI responded to various consultations throughout the year and led advocacy efforts for the Luxembourg fund industry at both local and European levels.

The main impacts of DORA for IFMs include:

- Increased involvement of the management bodies in ICT governance
- Enhanced governance of operational relationships between asset managers and the ICT service providers, throughout the value chain, and
- The organisational impact of establishing an independent control function for ICT risk management.

In terms of knowledge sharing, ALFI – ABBL – CSSF organised the joint Conference: **“DORA getting real”** On 5 February 2024. It followed the publication by the ESAs of the first set of rules under DORA for ICT and third-party risk management, including incident classification, on 17 January 2024.

The conference centred on the primary impacts affecting investment fund managers and stakeholders within the fund industry



Regulatory developments

ALFI responded to the following consultations:

23 JUNE 2023 - ESA consultation on DORA criteria for critical ICT third-party service providers and oversight fees

8 SEPTEMBER 2023 - ESA consultation on DORA draft RTS* specifying the criteria for the classification of ICT related incidents

8 SEPTEMBER 2023 - ESA consultation paper on draft RTS to specify the policy on ICT third-party service providers

8 SEPTEMBER 2023 - ESA consultation paper on draft RTS to establish the templates for the register of information

8 SEPTEMBER 2023 - ESA consultation paper on DORA draft RTS to further harmonise ICT risk management

1 MARCH 2024 - ESA consultation on the proposed RTS on threat-led

HIGHLIGHTS OF OUR WORK

DIGITAL OPERATIONAL RESILIENCE (DORA) BY ISADORA PARDO



penetration testing (TLPT), under DORA

1 MARCH 2024 - ESA consultation on the proposed guidelines on costs and losses caused by major ICT-related incidents under DORA

1 MARCH 2024 - ESA consultation on the proposed RTS and ITS* on major incidents reporting under DORA

1 MARCH 2024 - ESA's consultation on the proposed RTS on subcontracting ICT services supporting critical and important functions, under DORA

Mapping, gap analysis, risk assessment and change management accelerated within the Luxembourg Fund Industry with the ALFI Digital Forum actively supporting members in their journey to strengthen digital operational resilience.

Implementing all operational changes to meet the 1 January 2025 deadline is an intense exercise. These changes include increased management involvement in ICT governance, enhanced governance of operational relationships between asset managers and their ICT service providers throughout the value chain, and establishing an independent and efficient control function for ICT risk management.



The industry's ongoing involvement in the ALFI Digital Forum's work on DORA highlights the significant impact of digital operational resilience implementation on investment fund managers. Mapping, gap analysis, risk assessment, and change management have accelerated within the Luxembourg fund industry, affecting the entire investment fund management value chain and enhancing the Board's and management's role in digital operational aspects.

Isadora Pardo
Senior Vice President
Industry Affairs

HIGHLIGHTS OF OUR WORK

— CRYPTO AND DIGITAL ASSET MARKETS BY ISADORA PARDO

Over the past year, the ESMA has issued several consultations regarding the Level 2 regulatory policy elements under the Markets in Crypto-Assets (MiCA) framework.

ALFI work

Relying on the extensive industry representation within the ALFI Digital Forum, ALFI selectively responded to various consultations issued throughout the year, after assessing the applicability of the proposed regulatory elements for the Luxembourg fund industry.



In the consultation responses, ALFI advocated for:

- Flexibility to consider the specificities of crypto assets and trading via distributed ledger technology in regulatory policy.
- Favouring a principle-based approach rather than a rule-based approach, while ensuring consistency with other regulations (e.g., MiFID II).
- Encouraging a common, streamlined interpretation of the guidelines across Europe, in the best interest of cross-border transactions and distribution within the Union.

Regulatory developments

ALFI responded to the following consultations:

21 JULY 2023 - International Organization of Securities Commissions (IOSCO) consultation report on policy recommendations for crypto and digital asset markets

12 DECEMBER 2023 - second ESMA consultation on proposed RTS/ITS** on the Markets in Crypto-Assets Regulation (MiCA)

- Sustainability indicators for distributed ledgers;
- Disclosures of inside information;
- Technical requirements for white papers;
- Business continuity requirements for crypto-asset service providers

27 APRIL 2024 - third ESMA Consultation on draft guidelines under MiCA

- Criteria for classification of crypto-assets as financial instruments for MiCA implementation
- Reverse solicitation under MiCA

(**) RTS: Implementing technical standards.

HIGHLIGHTS OF OUR WORK

CRYPTO AND DIGITAL ASSET MARKETS BY ISADORA PARDO

As the fund industry's interest in crypto-assets, tokenised fund shares and tokenised assets is gradually picking up pace, ALFI is accompanying their asset managers members and all actors of the Luxembourg funds ecosystem in the digital journey around MiCA. The Forum considers the large diversity and heterogeneity of DLT technical solutions and protocols, while highlighting the central role of the CASP.

The ALFI Digital Forum advocates for consistency, transparency, and investor protection. It aims to integrate the specifics of trading through DLT while promoting clear and comprehensive definitions and a unified interpretation of regulatory guidelines across the Union. This facilitates cross-border transactions.



The industry's growing involvement in the ALFI Digital Forum work on MiCA shows the raising interest of the Luxembourg fund industry in crypto-assets and tokenisation. While the large diversity and heterogeneity of DLT technical solutions remains a challenge, the industry is gradually stepping in this new form of distribution and trading, building on the past decades of experience in managing traditional assets.

ALFI highly appreciates the dedication of the Digital Forum members in paving the way for a consistent regulation around crypto-assets, in the best interest of the investors.

Isadora Pardo
Senior Vice President
Industry Affairs

HIGHLIGHTS OF OUR WORK

— LIQUIDITY MANAGEMENT BY DAVID ZACKENFELS

On Wednesday 20 December 2023, the Financial Stability Board (FSB) and IOSCO simultaneously* published their **Revised Policy Recommendations to Address Structural Vulnerabilities from Liquidity Mismatch in Open Ended Funds** (Revised FSB Recommendations) and **Guidance on the Implementation of the Recommendations for Liquidity Risk Management for Collective Investment Schemes** (Final IOSCO Guidance). These publications follow the corresponding consultations that ALFI responded to earlier, over the summer.

The Revised FSB Recommendations are addressed to financial regulatory and supervisory authorities. They outline the key objectives for an effective regulatory and supervisory framework to address vulnerabilities arising from liquidity mismatch in open-ended funds (OEFs). Together with the Final IOSCO Guidance, these recommendations aim to significantly strengthen the liquidity management practices of OEF managers compared to current standards.

Looking ahead, IOSCO is currently considering how to further operationalise the Revised FSB Recommendations through amendments to the 2018 IOSCO Recommendations and by developing supporting good practices.

FSB and IOSCO will review how member jurisdictions are progressing in implementing their respective revised recommendations and final guidance. The process will start with a stocktake of the measures

and practices adopted and planned by FSB member jurisdictions, to be completed by the end of 2026. IOSCO aims to coordinate its stocktake of recommendations and guidance with the FSB's stocktake to provide a comprehensive overview.

By 2028, the FSB and IOSCO will assess whether the implemented reforms have sufficiently addressed financial stability risks. This assessment will include evaluating the need to refine existing tools or develop additional tools for use by fund managers or authorities, if appropriate ALFI will be considering the Final IOSCO Guidance and the Revised FSB Recommendations in its respective working groups.



As a reminder on 4 September 2023, **ALFI responded to the consultation report of the IOSCO aimed at outlining guidance for the use of anti-dilution liquidity management tools.**

On 4 September 2023, **ALFI also responded to the FSB consultation addressing Structural Vulnerabilities from Liquidity Mismatch in OEFs.**

^(*) The Joint FSB and IOSCO press release can be found [here](#).

HIGHLIGHTS OF OUR WORK

— ELTIFs BY DAVID ZACKENFELS

Tune in for a conversation on the future of ELTIFs and their role in the investment landscape. With Luxembourg now hosting 80 ELTIFs out of a total of 116 across Europe, this episode dives into the key regulatory changes of ELTIF 2.0. We discuss with David Zackenfels, Senior Vice President Legal at ALFI, the strategies Luxembourg employs to manage liquidity and mitigate systemic risks, and how ELTIF 2.0 caters to retail investors looking to access private markets. Our expert also sheds light on why Luxembourg is a premier hub for ELTIFs and the global ambitions for these funds.

^(*) In April 2024. In March 2024, the number was 115 as shown in the Chart 15 of the section "State of the industry".



ELTIF

Listen to David Zackenfels

David Zackenfels
Senior Vice President Legal



ELTIF 2.0 has brought more flexibility in eligible investment assets, clear definitions for real assets, the possibility of ELTIF fund-of-funds, and master-feeder structures. The trajectory for ELTIFs is promising, with expected growth to €30 billion in the next few years and potentially €50 billion by 2028-2030, depending on the finalisation of level two rules by the European Commission.

HIGHLIGHTS OF OUR WORK

— MARKET INFRASTRUCTURES BY FRANÇOIS BARATTE

Derivatives Clearing

ALFI is of the view that the proposed active account scheme does not align with the objectives of the EMIR 3.0 clearing package. It does not ultimately make EU clearing more attractive, and may ultimately not benefit investors.

Settlement Discipline

ALFI actively engaged in ESMA workshops to provide feedback on the application of the CSDR cash penalties regime, and recommended ESMA to share the summary of the data received through penalties reporting with the industry. This measure is intended to foster a better understanding of the transactions at issue. ALFI also advocated for the exemption of primary market transactions from CSDR Cash Penalties and Buy-in requirements.

T+1 Settlement Cycle

ALFI has published a best-practice document suggesting principle-based solutions for addressing challenges related to transitioning to the US T+1 settlement cycle. These challenges include funding in foreign exchange (FX) and bridging the funding gap resulting from the T+3 fund settlement date. Additionally, ALFI has requested forbearance regarding the potential breach of UCITS Directive limits concerning cash holdings and borrowing.

Transfer agents

The ALFI Transfer Agency and Distribution Operation (TADO) forum, finalised a first edition of a Q&A in relation to four areas: regulation, technology, investor experience and cost reduction.



ALFI remains steadfast in its commitment to enhancing market efficiency and protecting investor interests. Our active involvement in advocating for sensible carve-outs, and proposing principle-based solutions reflects our dedication to fostering pragmatic and well-calibrated regulation.

François Baratte
Senior Vice President
Industry Affairs

HIGHLIGHTS OF OUR WORK

— MIFID BY DÉSIRÉE DOENGES

How to enable retail investors to participate more in capital markets

The priority focus for the ALFI MiFID working groups in 2023-2024 has been, undoubtedly, the European Commission proposal on the Retail Investment Strategy (RIS). Notable among its provisions are the proposed partial ban on inducements in execution-only contexts devoid of advice and the introduction of the Value for Money (VfM) concept. These measures aim to empower investors by ensuring that they receive tangible value for their investments.

ALFI advocated for a holistic view of the VfM concept which should consider not only quantitative, but also qualitative aspects as well as investor preferences. ALFI does not view benchmarking of products as conducive to fostering VfM, as it could lead to a simplification that favors passive products and does not capture the diverse range of options available in the market. Access to a broad choice of products is key to enhance retail investor participation.



ALFI work

Instead of a partial ban on inducements, ALFI underlined its long-standing view that more transparency regarding inducements-related aspects would empower retail investors to better understand these concepts and their implications in terms of existing or potential services to their advantage.

Based on the feedback from the working groups, actively engaged with stakeholders from the European Parliament and Council on an ad-hoc basis to ensure the voice of its members was heard during the trilogue preparations.

ALFI will persist in its advocacy efforts and vigilant monitoring of developments in the ongoing and future work of the co-legislators, especially the trilogue discussions, which are expected to start following the inauguration of the new European Parliament.

Facilitating the exchange between product manufacturer and distributor

In Q1 2024, FinDatEx ALFI working group shared members' feedback on the European MiFID template (EMT) V4.2 which includes UK-related cost aspects. The EMT aims to facilitate data exchange between product manufacturers and distributors to meet target market requirements under MiFID II. It can be used on a voluntary basis, free of charge and copyright for the benefit of the industry.



Only a holistic approach can ensure that value is in place based on the investment objectives and preferences of clients and can ensure that a variety of investment products is offered.

Désirée Doenges
Senior Vice President Legal

HIGHLIGHTS OF OUR WORK

— NAV CALCULATION ERRORS AND NON-COMPLIANCE WITH INVESTMENT RULES (CSSF CIRCULAR 24/856) BY EVELYNE CHRISTIAENS

Throughout 2023, the Commission de Surveillance du Secteur Financier (CSSF) undertook efforts to revamp CSSF Circular 02/77, which has now been replaced by CSSF Circular 24/856 of 29 March 2024 on investor protection in the event of NAV calculation errors, non-compliance with placement rules and other errors at UCI level. The new circular will be applicable as from 1 January 2025.

Due to the evolution of market practices observed over the past years, the original text required updating. The scope of the circular encompasses UCITS, Part II Funds, SIFs and SICARs. Therefore, the rules will apply to UCITS, Part II Funds and SIFs that qualify as MMFs, as well as to Part II funds, SIFs and SICARs that qualify as ELTIFs, EuVECA, or EuSEF. The Circular also applies to unregulated alternative investment funds (including RAIFs) when they qualify as MMF, ELTIF, EuVECA, or EuSEF where the CSSF is the competent authority in accordance with the applicable regulations.

In addition to clarifying the scope of application and the roles and responsibilities of various stakeholders, the circular provides further details on the concept of significant NAV calculation error, the new tolerance thresholds applicable for the different types of UCIs, as well as the applicable correction procedures and potential derogations.

Regarding placement rules, the circular distinguishes between active and passive breaches and outlines

the respective correction procedures. It also discusses various methods for determining the financial impact of non-compliance with these rules, noting that an adaptation of the regime for non-UCITS investing in less liquid assets may be allowed in the interest of investor protection.

Additionally, the circular addresses other errors, including those associated with the payment of costs/fees at the UCI level or the incorrect application of swing pricing.

Moreover, the text of the new circular includes specific sections dedicated to compliance with placement rules between two NAVs (Intra-day breaches), the specificities of compensating investors in case of presence of financial intermediaries, and the intervention of the réviseur d'entreprises agréé.



Following the circular, ALFI expects a FAQs document to be developed, aiming to provide clarification on its application concerning specific subjects such as ESG.



In recent years, numerous developments in market practices have led to a revamp of the CSSF circular 02/77 governing NAV calculation errors and investment breaches. The new Circular 24/856 provides useful guidelines for professionals with a view to maintaining the highest standards of investor protection.

Evelyne Christiaen
Head of Legal

HIGHLIGHTS OF OUR WORK

— RISK MANAGEMENT BY GILDAS BLANCHARD

In 2023, despite signs of improvement in market valuations and key risk indicators, the risk management community took a proactive stance rather than becoming complacent. Uncertainty, whether geopolitical or economic, continues to persist at elevated levels.

This paradoxical situation has prompted initiatives from several supranational entities and increased scrutiny on specific risk factors or asset classes, including model risk management, liquidity, valuation, and sustainability risk.

In this peculiar context, ALFI supported the risk management community with both their regulatory and business challenges, adjusting its communication format to the objectives at hand.

Main regulatory developments

- On 23 MAY 2023, ESMA published its report on the common supervisory action on valuation carried out in 2022.
- On 13 JUNE 2023, the CSSF published the results of its thematic review on validation of Value-at-Risk models used by UCITS for global exposure calculation.
- On 3 AUGUST 2023, the CSSF published the results of its thematic review on the implementation of sustainability-related provisions in the investment fund industry.

This report notably encompasses the integration of sustainability risks by investment fund managers.

- On 29 AUGUST 2023, ESMA common supervisory action on the integration of sustainability risks and disclosures was launched in Luxembourg via the CSSF.
- On 20 DECEMBER 2023, the FSB published its revised policy recommendations to address structural vulnerabilities from liquidity mismatch in open-ended funds.
- On 20 DECEMBER 2023, IOSCO published its report on anti-dilution liquidity management tools – guidance for effective implementation of the recommendations for liquidity risk management for collective investment schemes.



ALFI work

As mentioned in the section focused on liquidity management, ALFI responded to the FSB consultation regarding structural vulnerabilities arising from liquidity mismatch in open-ended funds, conveying the technical review conducted by the technical committees. This response was accompanied by another submission to IOSCO, which focused on anti-dilution measures.

ALFI organised two dedicated sessions called “Risk Carte Blanche”, to respond to ad-hoc members’ needs.

- The first session adopted a Quick read format, focusing on the ESMA valuation CSA report. It provided members with an analytical summary of the ESMA findings and offered an opportunity to cross-check observations and practices with peers.
- The second session took the form of a Forum of Exchange on the CSA sustainability risk. This provided members and concerned fund managers with an opportunity to ensure a common understanding and interpretation of the questions asked.

ALFI launched the “Brief risk regulatory update series”. These quarterly virtual events aim to share and collect the latest market intelligence on international, European, and domestic regulatory and market developments relevant to risk managers. The questions addressed during the brief risk regulatory update series are selected based on recurring and commonly represented inquiries within the risk membership.

HIGHLIGHTS OF OUR WORK

RISK MANAGEMENT BY GILDAS BLANCHARD



In 2023, topics covered included sustainability stress-testing, the interaction between liquidity and valuation risk, and leverage calculation for real asset strategies, among others.

In collaboration with ALRiM, the Luxembourg Association for Risk Management, for a second year, ALFI introduced the Risk Talks series to members. This initiative brings together risk managers in an informal setting, organised in small groups, to collaborate, exchange insights, and discuss selected hot risk topics from a practical and applied perspective.

Two Risk Talks took place in 2023:

- Sustainability risk: evidence-based roundtable mixing survey, concrete evidence sharing and roundtable on 10 July 2023; and
- Value-at-Risk model validation: activities included interviews with model validators, a review of survey results, and a roundtable discussion focused on the best recommendations in response to

the self-assessment requested by the CSSF Thematic Review on 1 December 2023.

Leveraging on the day-to-day activities and initiatives of the technical risk committees and ALFI risk management community, the 17th edition of the annual ALFI European Risk Management Conference took place on 14 June 2023 at LuxExpo The Box. It was organised in association with ALRiM.

With over 300 risk management professionals in attendance, the conference offered valuable insights and updates on various topical risk matters. These included sustainability risk, risk profiling, technological advancements, liquidity, real asset semi-open funds, human resources, portfolio management oversight, and regulatory developments. Notably, the 2023 conference featured a keynote speech from Professor Ludovic Phalippou from Oxford University.



Through proactive engagement with regulatory bodies such as FSB and IOSCO, and initiatives such as Risk Carte Blanche and Risk Talks, ALFI aims at strengthening risk management practices. Our „Brief Risk Regulatory Update series and the annual ALFI European Risk Management Conference further foster knowledge exchange among risk management professionals, empowering them to navigate evolving challenges and opportunities in today's dynamic landscape.

Gildas Blanchard
Head of Industry Affairs

HIGHLIGHTS OF OUR WORK

— PRIIPS BY SUSANNE WEISMÜLLER

New format and disclosures for Key Information Documents

On 24 May 2023, the European Commission introduced a proposal for a regulation amending the PRIIPs Regulation (Regulation (EU) No 1286/2014 as regards the modernisation of the key information document). This publication was part of a package concerning retail investments, which also contained proposed changes to the Markets in Financial Instruments Directive (MiFID), the Insurance Distribution Directive (IDD) and the Solvency II Directive.

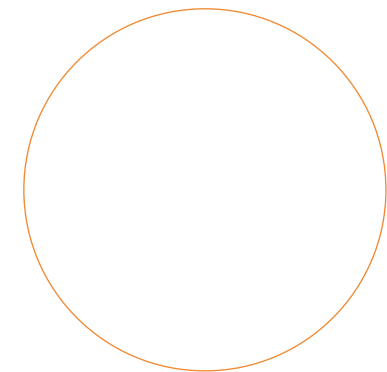
Subsequently, the European Parliament and the Council of the EU deliberated on their respective views regarding the proposed text, incorporating new elements in some cases. Trilogue negotiations are on the horizon, although potential delays could occur due to the forthcoming EU elections.

Future Key Information Documents (KIDs) may have to consider the following aspects, depending on the agreements reached by EU institutions in the upcoming months:

- Extension of the length of the KID to 4 DIN-A4 pages
- A dashboard to summarise and highlight certain information at the beginning of the document
- New rules for presenting costs, risks and

performance of Multi-Option Products (MOPs) to facilitate the choice between different investment options

- A link to an independent online comparison tool, offering information on performance, risk level, recommended holding period, and the costs and fees associated with a PRIIP. Additionally, the tool should highlight the product's qualitative features.
- A new section on sustainability, which includes e.g. information on the minimum portion of the investment that is associated with environmentally sustainable activities
- Revised wording concerning performance, allowing to include information on past performance directly within the Key Information Document (KID), rather than solely through a link to a separate document
- The clarification that the obligation to review and revise the KID will no longer be applicable if the PRIIP is no longer available for new subscriptions and cannot be purchased on a secondary market
- KID should preferably be provided in electronic format, and the latter should include the option to provide the KID in a layered format or by means of an interactive tool that enables the retail investor to generate personalised key information.



HIGHLIGHTS OF OUR WORK

— PRIIPS BY SUSANNE WEISMÜLLER



ALFI work

ALFI has reviewed the proposals from all stakeholders and provided comments on behalf of the Luxembourg fund industry, as discussed in relevant committees.

- Concerning the scope of the PRIIPs Regulation, ALFI called for a level playing field, while acknowledging the need for tailored approaches for different product types, as proposed by the Parliament
- ALFI welcomed the proposed deletion of the comprehension alert, which can have a deterrent effect on investors.
- Instead of introducing a new section on sustainability, ALFI was of the view of integrating it into the "What is this product?" section.
- ALFI criticised the initial focus of the proposed interactive comparison tool for MOPs and the KID on cost disclosures. This would neglect other features that are key for investors.



ALFI generally welcomed the targeted nature of the changes proposed by the European Commission, as the industry had just spent a lot of time and money adapting its systems to the revised PRIIPs RTS. A detailed review could take place in a few years with the aim of having only one disclosure document for investors (not a PRIIPs KID on the one hand, and a separate SFDR annex to the prospectus on the other hand).

Susanne Weismüller
Senior Vice President Legal -
ALFI In-house Legal Counsel

HIGHLIGHTS OF OUR WORK

— SUSTAINABLE FINANCE BY DÉSIRÉE DOENGES

Navigating the Dynamic Landscape of Sustainable Finance Regulation

Last year marked an important milestone in the review of the sustainable finance regulatory framework. Not only was the review of the SFDR RTS (level 2) initiated, but the foundational requirements under the SFDR (level 1) also underwent comprehensive scrutiny.

National reviews of the existing framework implementation were conducted by the CSSF as part of the ESMA CSA on sustainability risks and disclosures in the investment fund sector, as well as the CSSF's Thematic Review on the implementation of sustainability-related provisions in the investment fund industry.



ALFI work

During the **SFDR RTS level 2 consultation**

ALFI highlighted concerns about the clarity and readability of disclosures, particularly regarding retail investors' understanding.

Furthermore, ALFI emphasised that no review should be performed detached from considering the still existing data challenge, and stressed the importance of aligning requirements with entities' disclosure agendas under the CSRD. Another important aspect is the reverse timing of the level 2 and level 1 review, which should be coordinated to prevent misalignments and ensure consistency in interpreting the SFDR.

Regarding the SFDR Level 1 review, ALFI proposes, in particular, implementing a voluntary categorisation regime alongside the SFDR. This regime aims to prevent the use of Articles 8 and 9 as de facto labels and enhance comprehension, particularly among retail investors, regarding a fund's investment focus.



HIGHLIGHTS OF OUR WORK

SUSTAINABLE FINANCE BY DÉSIRÉE DOENGES



Joint meetings of the ALFI Responsible Investing and Risk Committees served as a platform for members to discuss the CSA.

ALFI, in collaboration with LPEA, hosted a webinar on 19 July 2023, during which the CSSF presented the outcome of the Thematic Review.

ALFI exchanged with the CSSF to address challenges and practical questions encountered by members regarding the CSSF's data collection exercises on SFDR pre-contractual and periodic disclosures.

Apart from the SFDR, ALFI's Responsible Investing working groups kept busy discussing and commenting on other pieces of regulation, in particular

- the Corporate Sustainability Due Diligence Directive (CSDDD) and
- the ESG Ratings Regulation.

ALFI remains committed to supporting FinDatEx's efforts on the European ESG Template, which aims at facilitating communication between financial product manufacturers and distributors. This template covers legal requirements under MiFID II and IDD as well as the relevant requirements under SFDR levels 1 and 2, and Taxonomy Regulation. Through ALFI's EET working group provides input for EET updates on a regular basis.

As per the commitment in the Ambition Plan 2025, ALFI supports education in sustainable finance and related initiatives, e.g. by the University of Luxembourg, on an ongoing basis.



"In view of the timing for the level 1 and level 2 review, it is of utmost importance to avoid misalignments and further challenges to the interpretation of SFDR, which may lead to legal uncertainty and thereby greenwashing or green hashing risks, as well as to hinder investors' understanding of disclosures."

Désirée Doenges
Senior Vice President Legal

HIGHLIGHTS OF OUR WORK

— TAX BY VILMA DOMENICUCCI

Through its working groups, ALFI is actively involved in a number of tax files and initiatives and provides its views in the best interest of the industry. The main ones over the reported period include:

- The implementation of the OECD GloBE rules under Pillar 2 and the related EU Directive on minimum taxation of multinational groups for investment funds.
- The EU FASTER initiative for a new EU system on withholding taxes, taken in application of action point 10 of the Capital Markets Union initiative.
- Monitoring the new provisions on subscription tax introduced in July 2023, particularly the new exemptions from subscription tax for European Long-Term Investment Funds (ELTIFs) and Pan-European Pension Products (PEPPs) in the form of investment funds.
- The potential introduction of a new subscription tax regime for active Exchange Traded Funds (ETFs).
- The transposition of DAC 7 on Automatic Exchange of Information reported by Platform Operators, which has amended the Luxembourg law on the Common Reporting Standard to introduce stricter obligations for reporting financial institutions in accordance with the (EU) 2016/679 General Data Protection Regulation (GDPR).
- The analysis of the potential impacts of the proposed DAC 8 on exchange of information on crypto assets and crypto currencies.

ALFI work

- **EU Directive on minimum level of taxation for large multinational groups – Impact on investment funds**

Council Directive (EU) 2022/2523 of 15 December 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union that stems from the OECD Pillar Two Model Rules published on 20 December 2021, was transposed by Member States by 31 December 2023 and is applicable in Luxembourg in respect of the fiscal years beginning from 31 December 2023.

In that context, although investment funds would be generally considered as “excluded entities” under the Directive, it is important to clarify how these rules would apply to them.



The dedicated ALFI Digital Taxation Working Group is currently working on the practical implementation of these rules for Luxembourg investment fund structures, with a particular focus on the alternative investment fund sector. This work is also based on the OECD commentaries and guidelines released in 2023 and 2024.

FASTER - A new EU system on withholding taxes

In 2023 and 2024, ALFI has been actively monitoring the European Commission's initiative to introduce a new EU system aimed at avoiding double taxation and preventing tax abuse in the field of withholding taxes, including through its involvement with EFAMA.

This initiative stems from Action 10 of the Capital Markets Union 2020 action plan and acknowledges that certain features of national withholding tax regimes pose administrative barriers to cross-border investment.

It aims to introduce an EU digital tax residence certificate, standardised reporting obligations to national tax authorities by certified financial intermediaries, and harmonised tax relief systems across the EU. Following the agreement reached at the Council level on the text of the EU Directive, ALFI will continue to closely monitor its implementation by the European Commission and Member States.

ALFI data protection considerations in the context of Common Reporting Standard (CRS)

The law of 16 May 2023 on the automatic and mandatory exchange of information reported by

HIGHLIGHTS OF OUR WORK

TAX BY VILMA DOMENICUCCI

Platform Operators (the DAC 7 Law) transposing the EU Directive 2021/514 of 22 March 2021 (DAC 7) amended the Luxembourg Law on CRS in order to ensure compliance with the right to protection of personal data according to the General Data Protection Regulation EU 2016/679 (GDPR) in the context of CRS. The DAC 7 Law entered into force on 1 June 2023.



ALFI published practical considerations on the implementation of data protection by Luxembourg Reporting Financial Institutions in the context of CRS. According to the CRS Law, Reporting Financial Institutions are required to inform individuals, at least on a yearly basis, through a notification sent at least one month before the CRS reporting is performed to the Luxembourg tax authorities. This ensures that Reporting Financial Institutions can properly handle requests received from individual investors regarding their rights under the GDPR, particularly their right of access and their right to rectification.

VAT exemption of management services - DBKAG and K cases

The Court of Justice of the European Union (CJEU) judgement in cases "K" and "DBKAG", C-58 and 59/20 interpreting the fund management exemption provided by article 44,1., d) of the Luxembourg VAT law (Article 135.1. g of the EU VAT Directive) was rendered on 17 June 2021.

This judgement and the related decisions of the Austrian Court after the referral to the CJEU mainly focus on tax reporting services investment funds need to fulfil their tax obligations and those of their investors. These services may benefit from a VAT exemption provided they fulfil specific and essential functions for the management of investment funds.

ALFI issued a document providing considerations on the practical application of these judgement and decisions. Beyond tax reporting services, this document examines whether some reporting services provided for regulatory purposes could also be seen as exclusive and essential to investment funds and thus eligible for the VAT exemption.



ALFI covers a wide range of tax issues that have an impact on investment funds and the fund industry as a whole, and ensures that they are properly brought to the attention of the authorities at both EU and national level. To achieve this, ALFI relies on the tax experts and practitioners in the various fields who are active in its tax working groups. They form a multidisciplinary community committed to raising the profile of Luxembourg investment funds in an environment where tax issues often play a critical role.

Vilma Domenicucci
Head of Tax

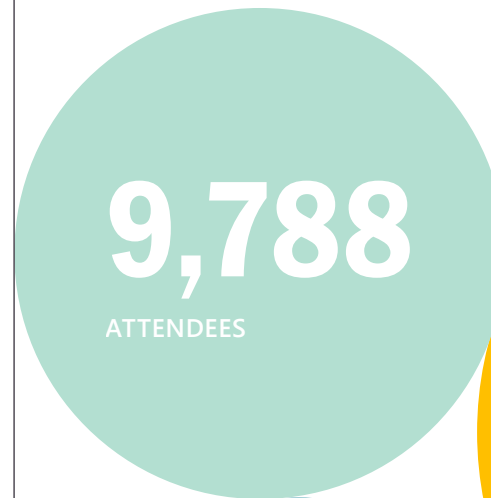
HIGHLIGHTS OF OUR WORK

— PROMOTING THE LUXEMBOURG FUND INDUSTRY

We continue to play an active role in promoting the Luxembourg investment fund industry, its products, and services.

On the one hand, we represent the sector in financial and economic missions organised by the Luxembourg government globally and actively participate in meetings of the global fund industry. Additionally, ALFI is an engaged member of key associations, including the European Fund and Asset Management Association, the European Federation for Retirement, and the International Investment Funds Association.

On the other hand, ALFI events serve as crucial platforms for the investment fund industry to communicate its narrative to top-tier policymakers, regulators, business executives, and influential figures, while also facilitating discussions on the latest trends and advancements. Over the period from May 2023 to April 2024, we organised 48 events both domestically and internationally, drawing expert audiences from around the world.

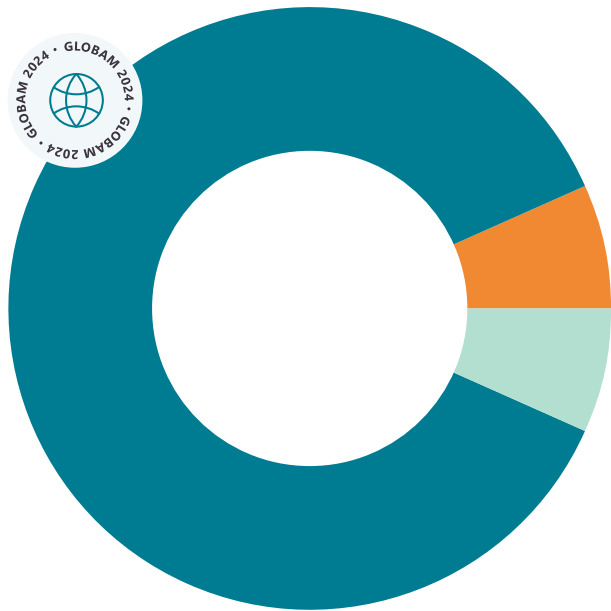


We organised 48 events totalling 15.464 registrants and 9.788 attendees.

HIGHLIGHTS OF OUR WORK

— KEY STATISTICS OF OUR FLAGSHIP EVENTS

GLOBAM 2024 - 19 AND 20 MARCH 2024



791

REGISTRANTS

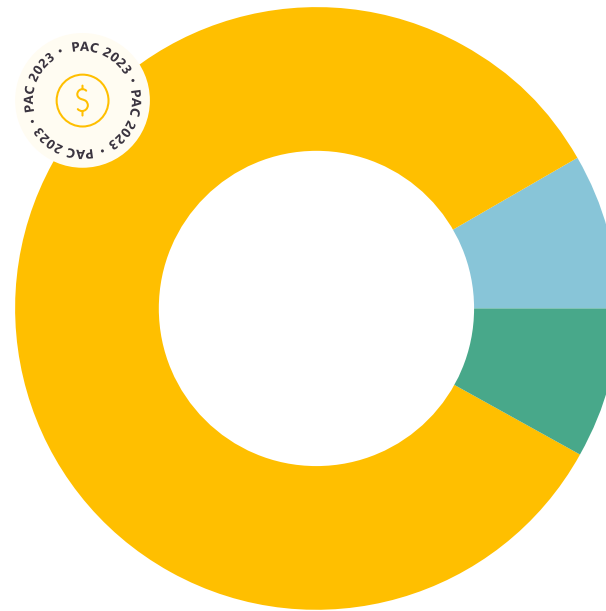
63

SPEAKERS

61

PARTNERS

PAC 2023 - 28 AND 29 NOVEMBER 2023



601

REGISTRANTS

60

SPEAKERS

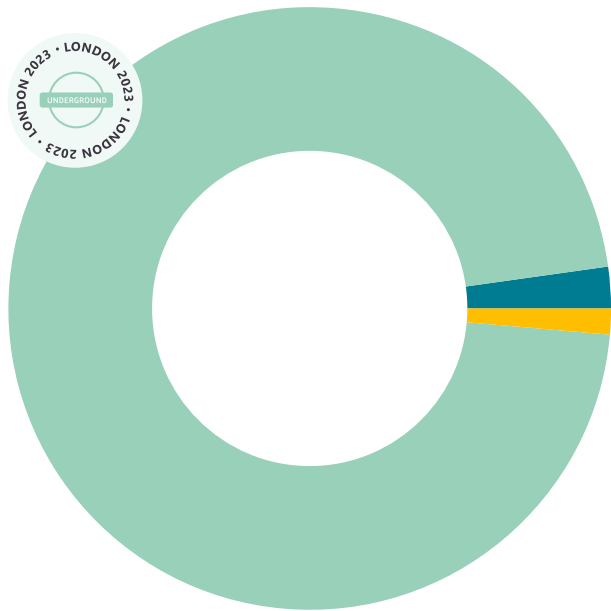
59

PARTNERS

HIGHLIGHTS OF OUR WORK

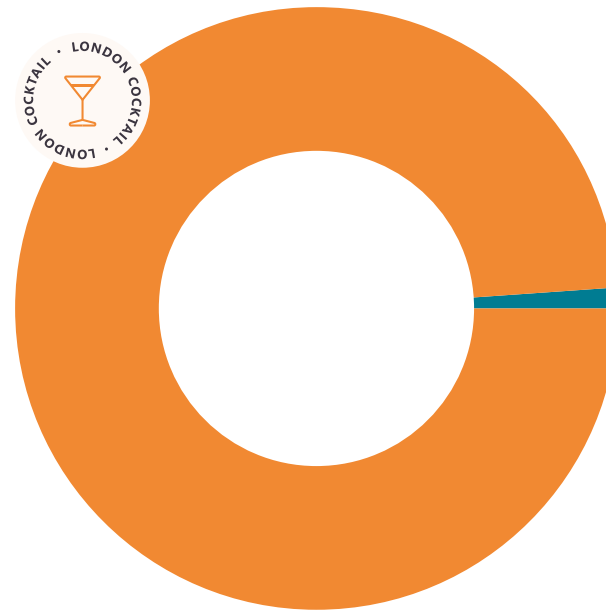
— KEY STATISTICS OF OUR FLAGSHIP EVENTS

LONDON 2023 - 19 OCTOBER 2023



1,677 REGISTRANTS
26 SPEAKERS
36 PARTNERS

LONDON COCKTAIL - 18 OCTOBER 2023

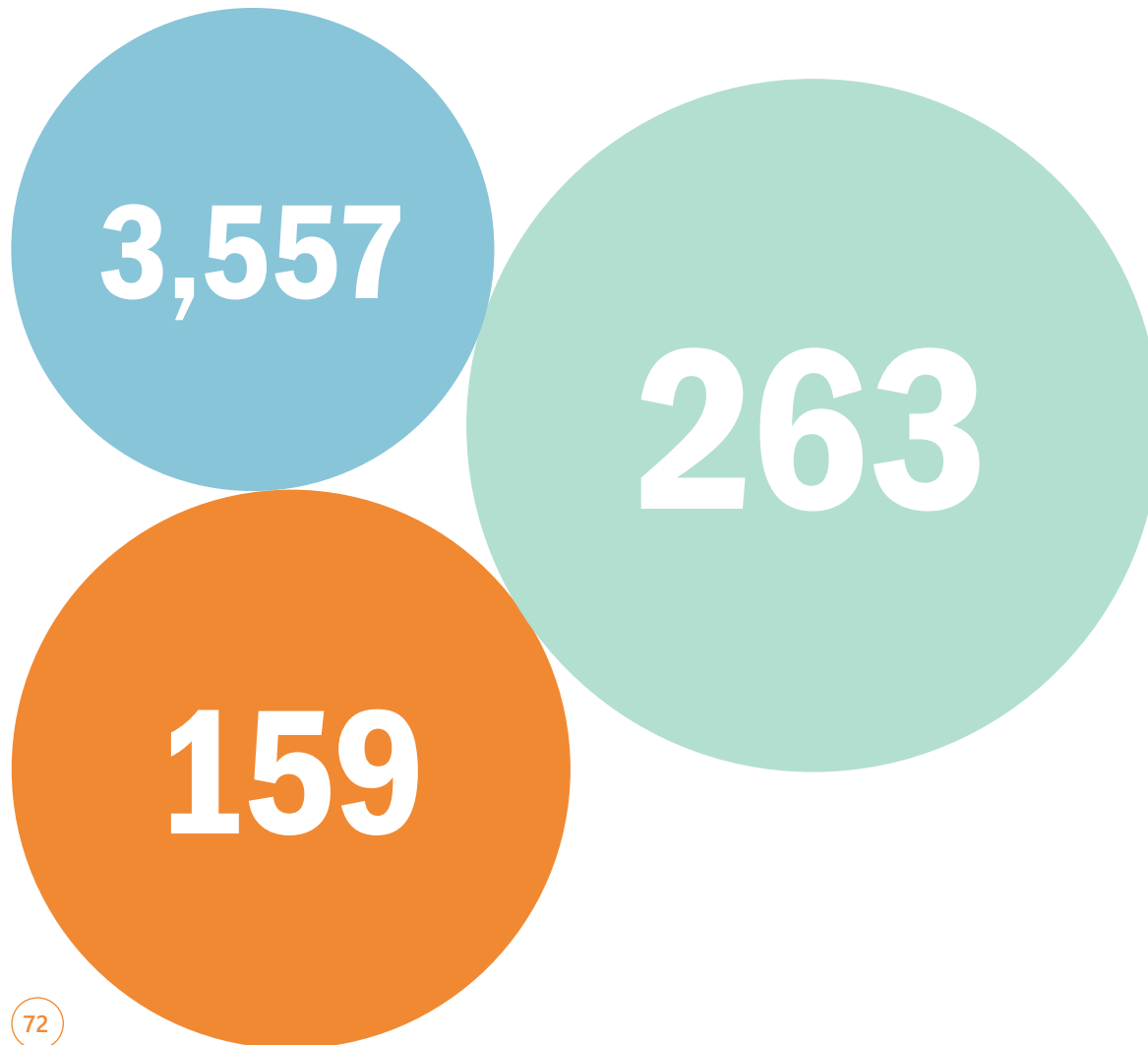


1,167 REGISTRANTS
10 PARTNERS

^(*) 1167 people registered for the ALFI London Cocktail, which took place the evening before the conference. 10 sponsors partnered with us.

HIGHLIGHTS OF OUR WORK

— KEY STATISTICS OF OUR ROADSHOWS



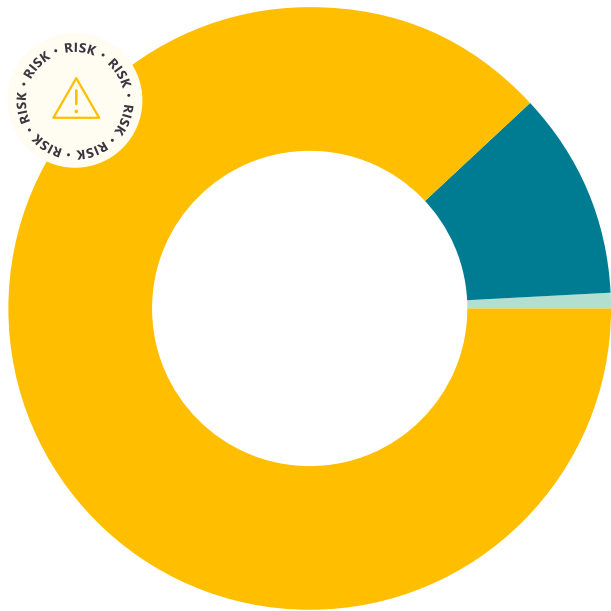
-  **SPEAKERS**
-  **REGISTRANTS**
-  **PARTNERS**

Locations : Milan, Madrid, NY, Boston, Frankfurt, Copenhagen, Stockholm, Oslo, London, Zurich, Geneva, HK, Singapore, Tokyo, Amsterdam, Santiago and Sao Paulo

HIGHLIGHTS OF OUR WORK

— KEY STATISTICS OF OUR SPECIALISED EVENTS

RISK - 14 JUNE 2023



322

REGISTRANTS

40

SPEAKERS

3

PARTNERS

TAX - 24 OCTOBER 2023



213

REGISTRANTS

16

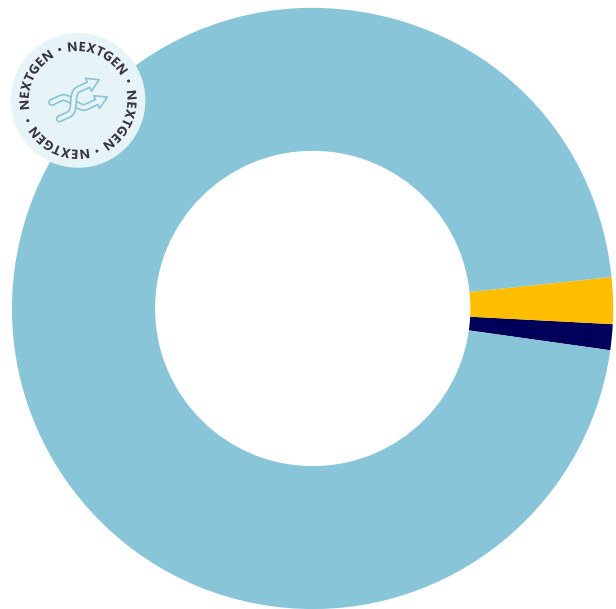
SPEAKERS

8

PARTNERS

HIGHLIGHTS OF OUR WORK

NEXTGEN - 5 JULY 2024



232

REGISTRANTS

6

SPEAKERS

3

PARTNERS

HIGHLIGHTS OF OUR WORK

EVENTS TIMELINE MAY 2023 TO APRIL 2024



HIGHLIGHTS OF OUR WORK

EVENTS TIMELINE MAY 2023 TO APRIL 2024



HIGHLIGHTS OF OUR WORK

EVENTS TIMELINE MAY 2023 TO APRIL 2024



HIGHLIGHTS OF OUR WORK

EVENTS ALBUMS

ROADSHOW TO MILAN



30 PICTURES

flickr

Roadshow to Milan, April 2024

GLOBAL ASSET MANAGEMENT CONFERENCE



220 PICTURES

flickr

Global Asset Management Conference, March 2024

HIGHLIGHTS OF OUR WORK

EVENTS ALBUMS

DORA GETTING REAL



71 PICTURES

flickr

DORA Getting real: first batch of recommendations, February 2023

PRIVATE ASSETS CONFERENCE



202 PICTURES

flickr

Private Assets Conference, November 2023

HIGHLIGHTS OF OUR WORK

EVENTS ALBUMS

LONDON CONFERENCE

166 PICTURES



LONDON COCKTAIL

106 PICTURES



flickr

London Conference, October 2023

flickr

London Cocktail, October 2023

HIGHLIGHTS OF OUR WORK

EVENTS ALBUMS

SEMINAR ON TAXES



49 PICTURES

flickr

Seminar on Taxes, October 2023

GOLF CHARITY TOURNAMENT



148 PICTURES

flickr

Golf Charity Tournament, September 2023

HIGHLIGHTS OF OUR WORK

EVENTS ALBUMS



 Global Distribution Conference, September 2023



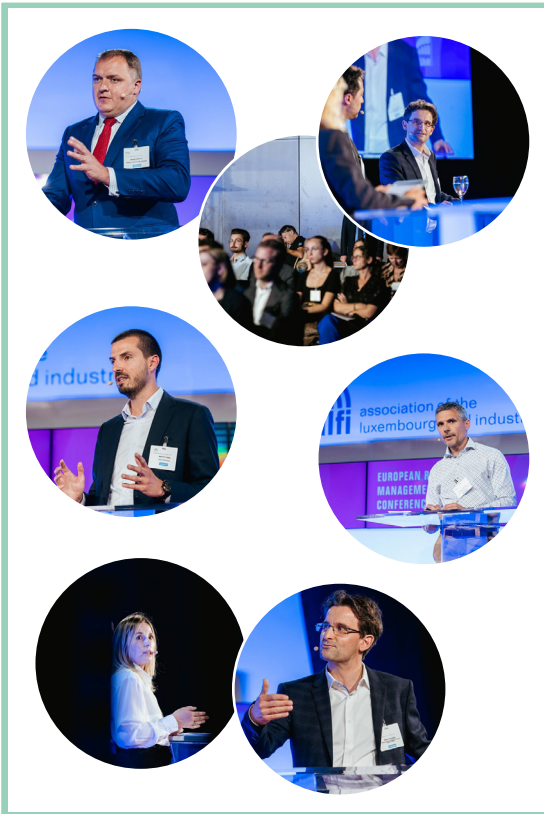
 NextGen Event, July 2023

HIGHLIGHTS OF OUR WORK

EVENTS ALBUMS

RISK MANAGEMENT CONFERENCE

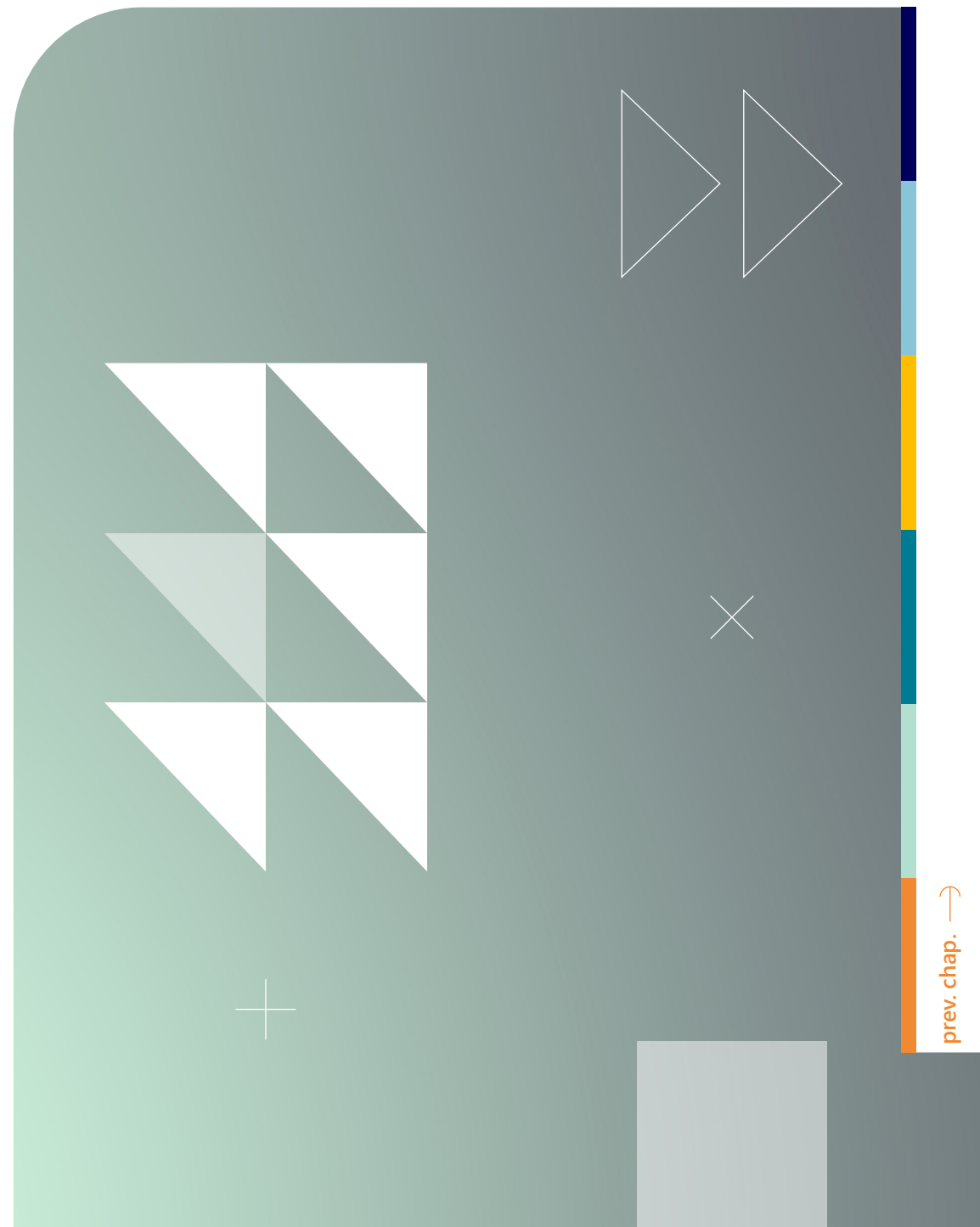
102 PICTURES



flickr

Risk Management Conference, June 2023

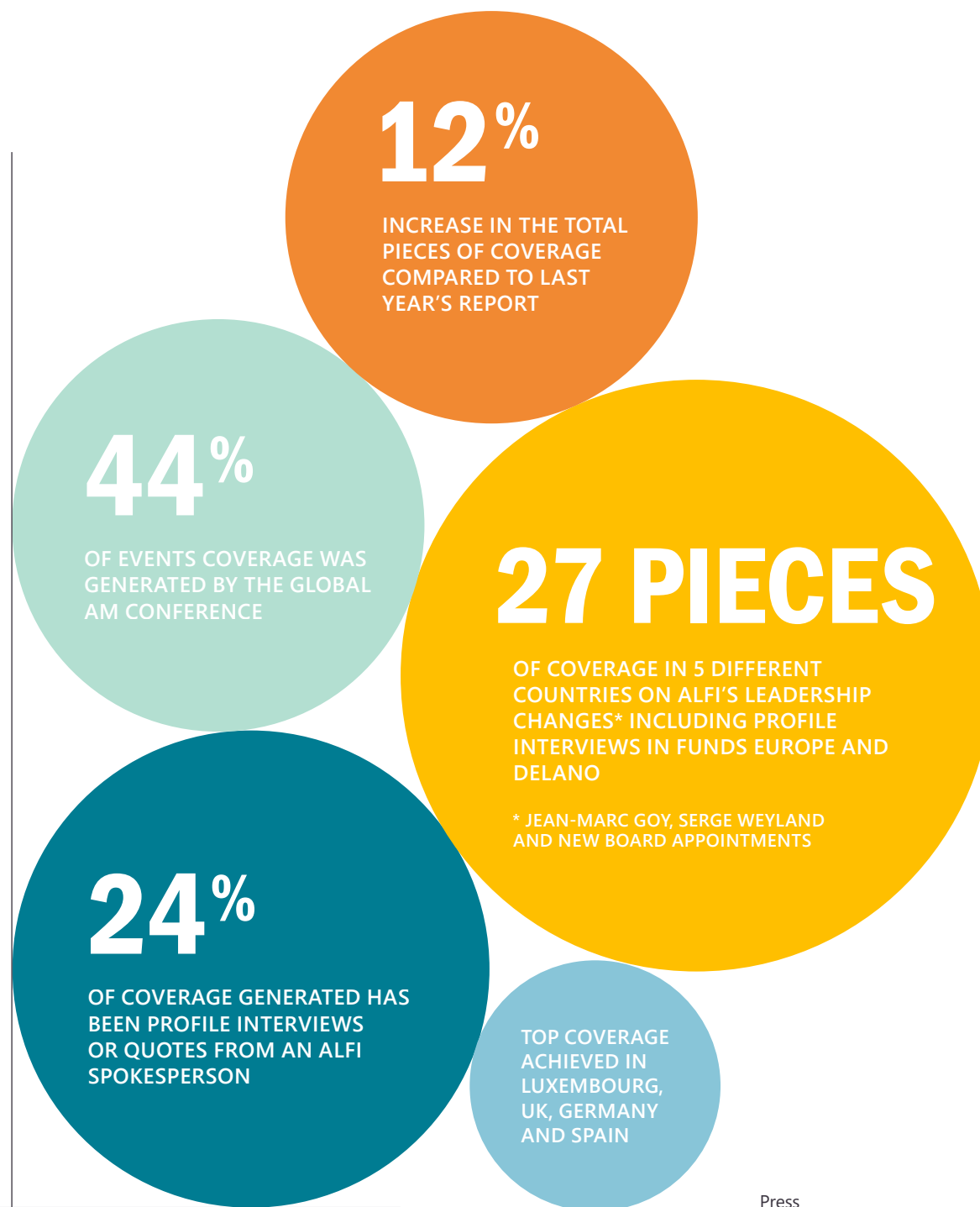
COMMUNICATION



COMMUNICATION

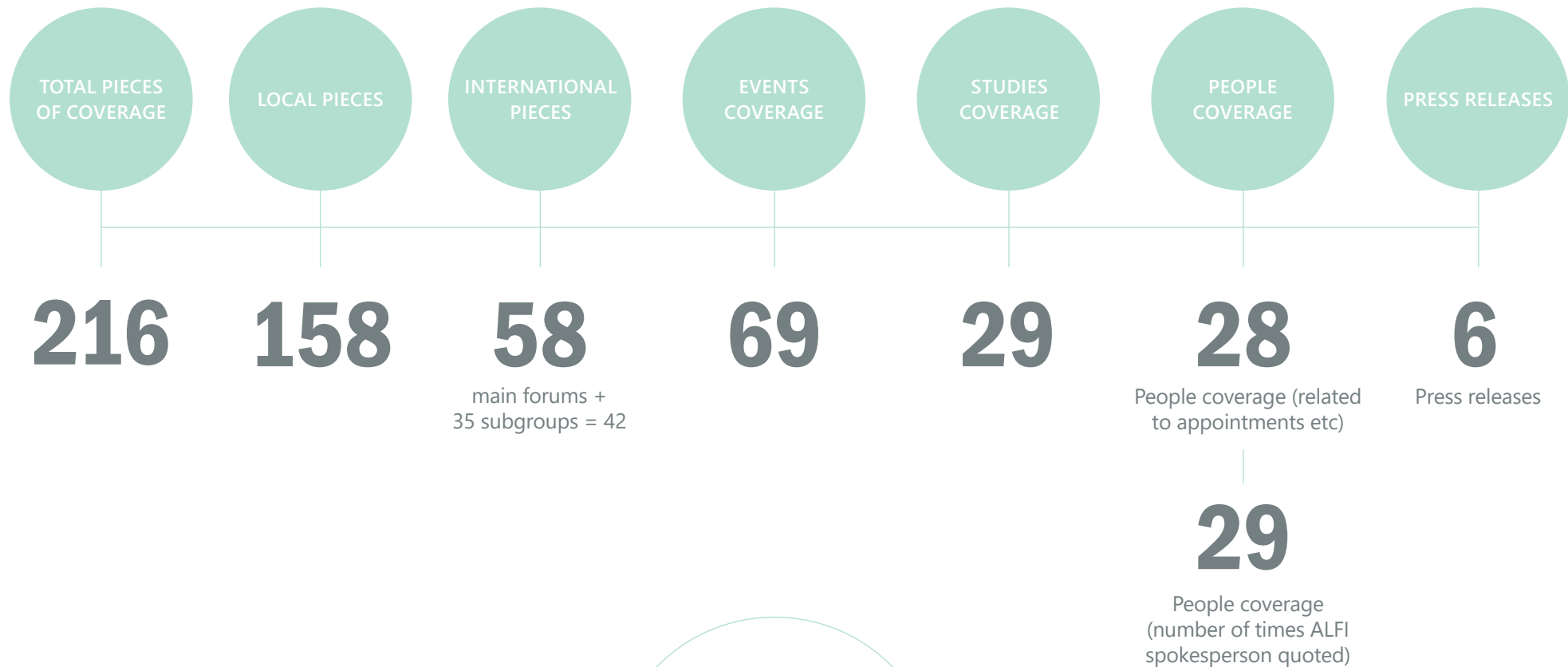
ALFI makes use of a broad range of channels to communicate with its members and inform industry experts and the broad public about the latest developments in the Luxembourg fund sector.

The typology of the content is diverse, ranging from publications to posters and videos, always keeping in mind its mission to lead industry efforts to make Luxembourg the most attractive international investment fund centre.



COMMUNICATION

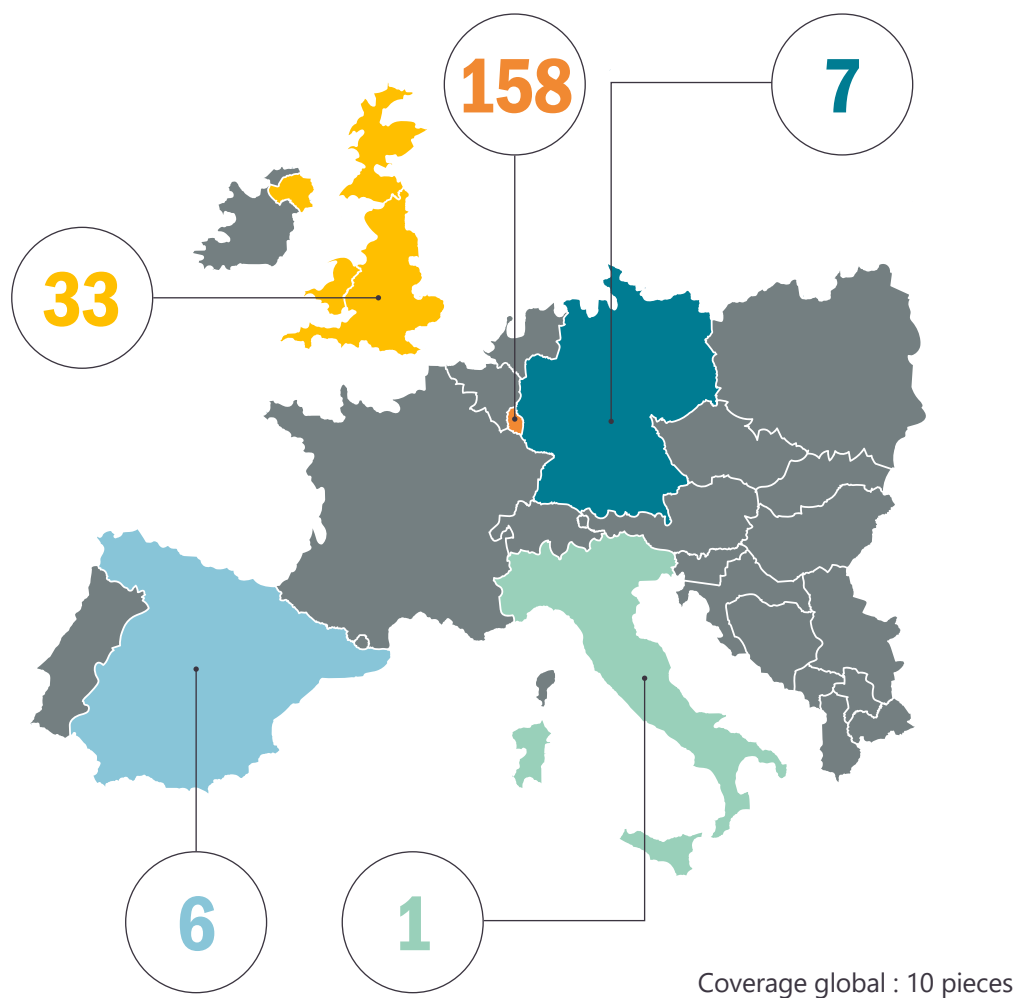
— GENERAL STATS



COMMUNICATION

— COVERAGE BY COUNTRY AND LIST OF MOST PROMINENT MEDIA

COVERAGE BY COUNTRY



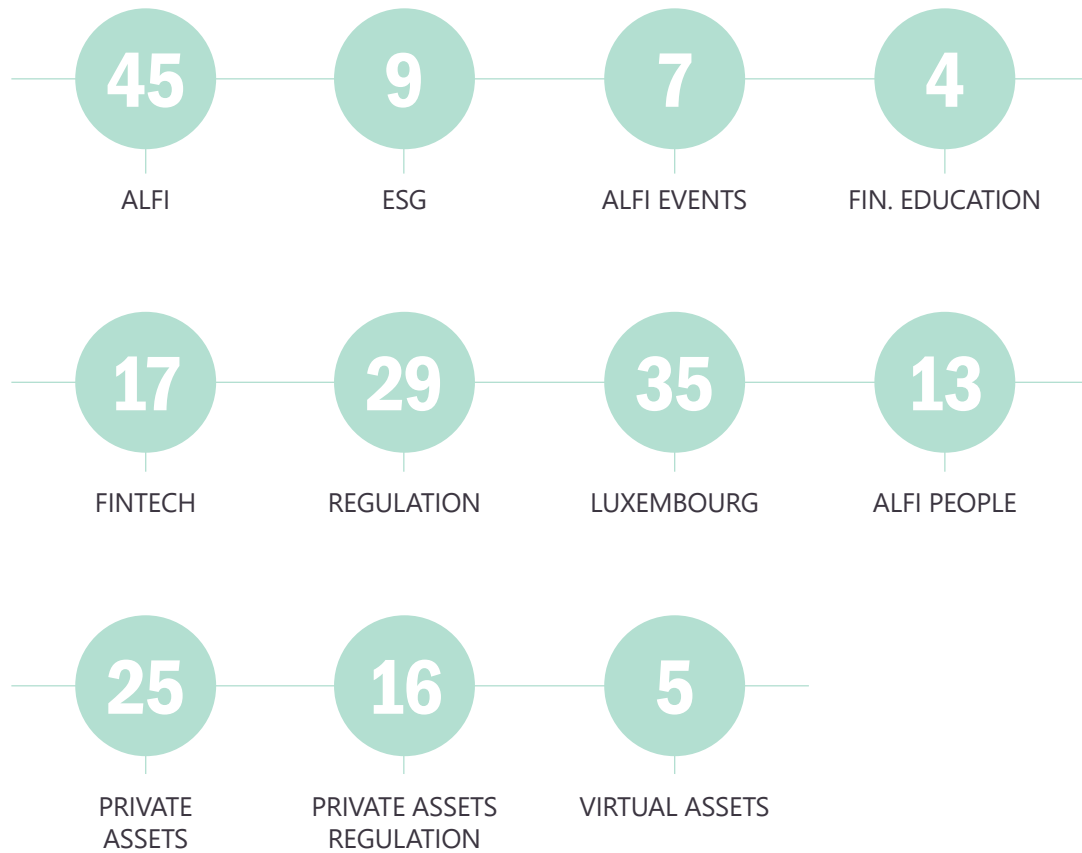
LIST OF MOST PROMINENT MEDIA - TOP 10 ONLY

- 1 DELANO/PAPERJAM
- 2 INVESTMENT OFFICER
- 3 LUXEMBOURG TIMES
- 4 FUNDS EUROPE
- 5 CHRONICLE.LU
- 6 ETF STREAM
- 7 FUNDS PEOPLE
- 8 IGNITES EUROPE
- 9 LUXEMBOURG WORT
- 10 L'AGEFI LUXEMBOURG

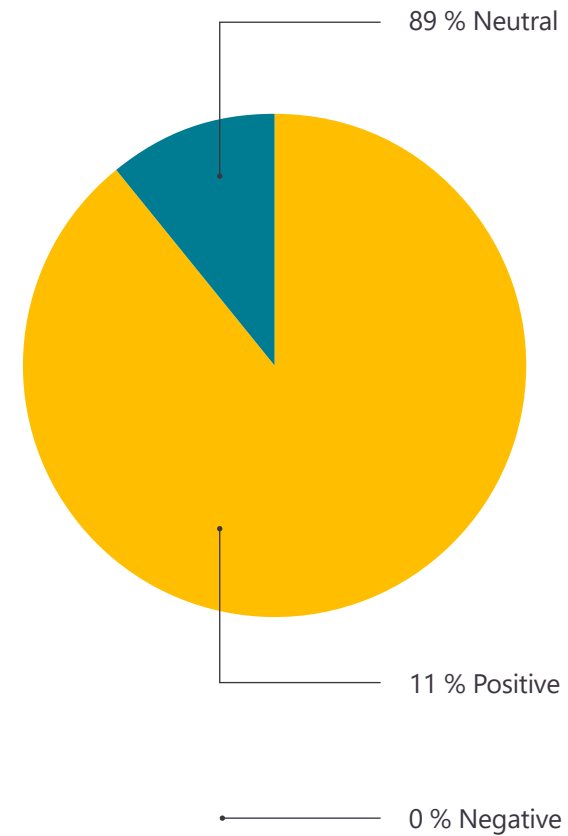
COMMUNICATION

— COVERAGE BY THEME AND SENTIMENT ANALYSIS

COVERAGE BY THEME



SENTIMENT ANALYSIS







COMMUNICATION

— SELECTION OF ARTICLES COVERING ALFI: SPOKESPEOPLE, STUDIES AND EVENTS

| COVERAGE SUBJECT (PEOPLE/STUDY/EVENT) | MEDIA | LINK (IF EXISTING) |
|--|------------------------------------|---|
| Retain competitiveness | DELANO | <u>FINANCIAL CENTRE - Retain competitiveness</u> |
| (Profile interview) Jean-Marc Goy's invitation from Luxembourg | funds europe | <u>Jean-Marc Goy's invitation from Luxembourg</u> |
| 2023, another year of spectacular growth in private debt funds in Luxembourg | FUND&PEOPLE LEARNING | <u>2023, otro año más de crecimiento espectacular en los fondos de private debt en luxemburgo</u> |
| Luxembourg's private debt industry expands | -THE- DRAWDOWN | <u>Luxembourg's private debt industry expands</u> |
| Fund managers urge European regulators to mirror US move to T+1 | FINANCIAL TIMES | <u>Fund managers urge European regulators to mirror US move to T+1</u> |
| Jean-Marc Goy appointed new ALFI chair | LUXEMBOURG TIMES | <u>Jean-Marc Goy appointed new ALFI chair</u> |

COMMUNICATION

— SELECTION OF ARTICLES COVERING ALFI: SPOKESPEOPLE, STUDIES AND EVENTS

| COVERAGE SUBJECT (PEOPLE/STUDY/EVENT) | MEDIA | LINK (IF EXISTING) |
|--|--|---|
| With an expected increase of US\$ 21 trillion by 2026, European green investment targets Brazil, experts say |  | <u>Com alta esperada de US\$ 21 tri até 2026, investimento verde europeu mira Brasil, dizem especialistas</u> |
| Hong Kong's fund industry on road to recovery as financial watchdog looks to raise global appeal of city's markets |  | <u>Hong Kong's fund industry on road to recovery chdog looks to raise global appeal of city's markets</u> |
| Serge Weyland to succeed Camille Thommes as Alfi DG |  | <u>Serge Weyland to succeed</u> |
| (Serge profile interview) 'We have to take bold steps' |  | <u>We have to take bold steps'</u> |

COMMUNICATION

PUBLICATIONS AND DIGITAL CONTENT

Over the last year, ALFI has run several campaigns on social media to enhance awareness on the following topics: event sponsorship, Catapult FUNDTECH 360 program, ALFI Nextgen Finance podcast and ALFI publications.

Our [LinkedIn](#) account has grown in size, relevance and engagement. By the end of May 2024, we had 27,300 followers, a 18.7% increase over the last 12 months. Since 18 March 2024 we stopped animating our X page (former Twitter) because growth had stagnated for a while ago and engagement was low.

The ALFI LinkedIn Group brings together 15,370 professionals interested in the Luxembourg fund industry, a 6.3% increase compared to last year's annual report.

The [ALFI YouTube channel](#) has about 2,112 subscribers and +141.7K views over the reported period. On [Flickr](#), [our library](#) contains more than 10 700 items documenting ALFI events. The most viewed videos were those of the annual report series: ALFI working groups on stage.

ALFI currently runs two podcast series, The NextGen Finance Podcast (6 episodes published during the period reported) and the Money Talks Podcast (5 episodes published during the period reported).

Regarding written content, we released 12 newsflashes (for members-only); 12 news digests (for non-members); 3 studies and 27 responses to consultations.

COMMUNICATION

— PUBLICATIONS AND DIGITAL CONTENT





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2024
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association of the
luxembourg fund industry



ANNUAL REPORT 2023-2024

**GROWING THE FUND INDUSTRY BY EMBRACING CHANGE
AND COLLABORATION**



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2024
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