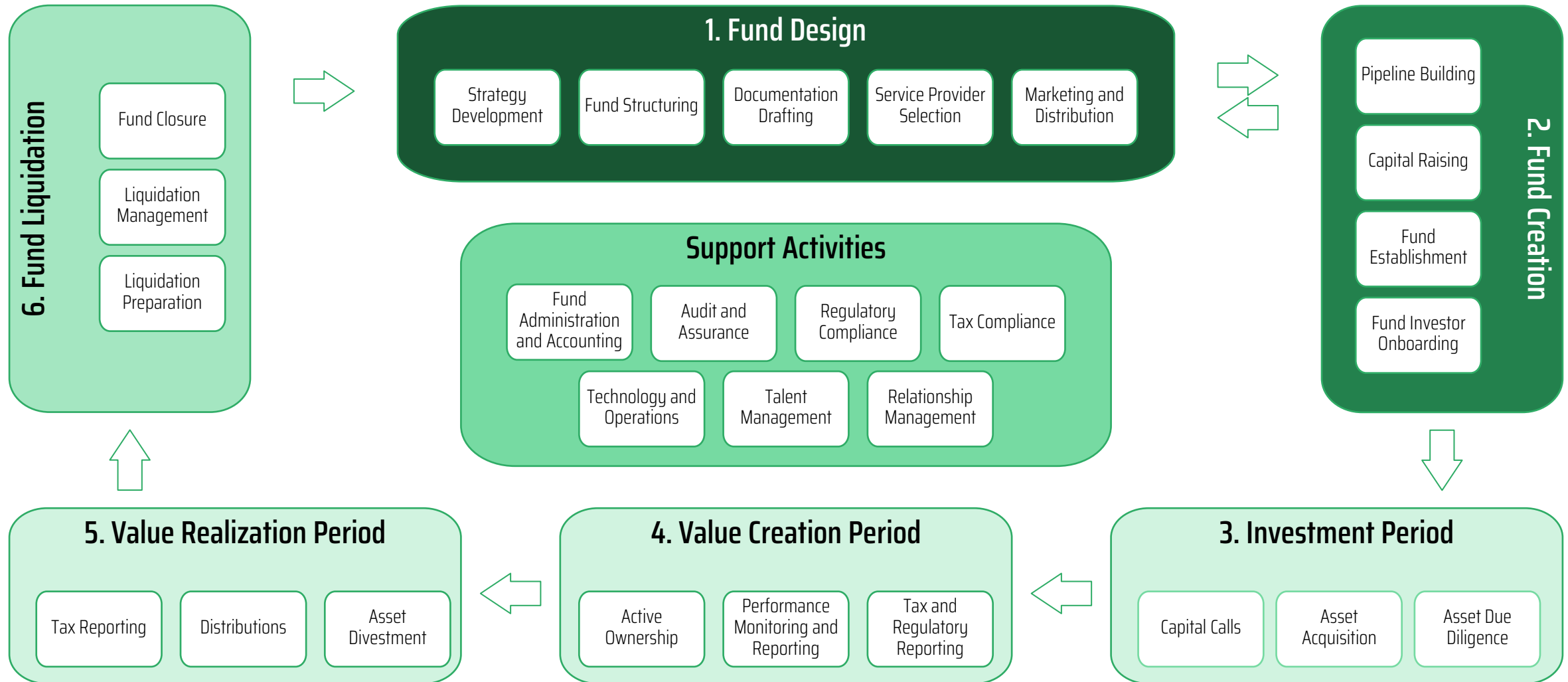


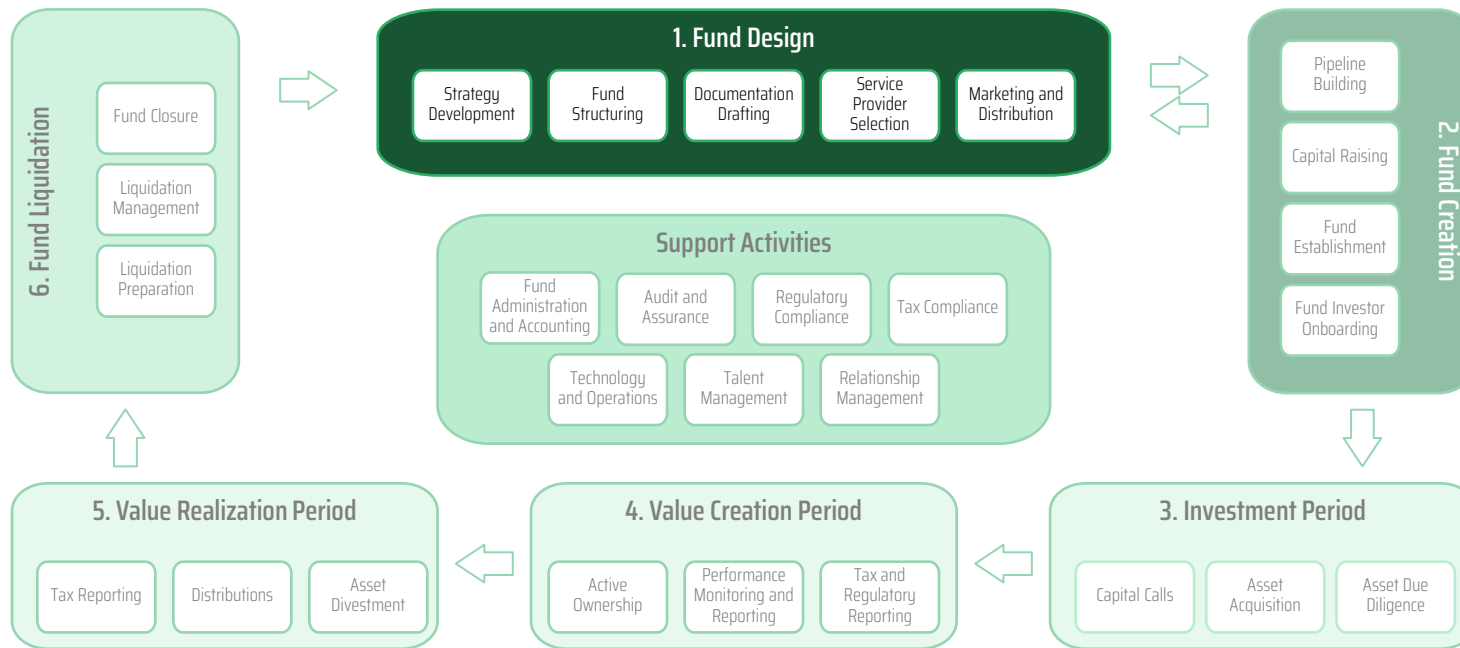
Alternative Investment Fund Life Cycle

Alternative Investment Fund Life Cycle



Source: KPMG ("Navigating through challenges across the Alternative Investment Fund Life Cycle"), Strategy Tools ("Fund Journey Map"), ICFA

Fund Design



Strategy Development

- Have you defined your investment universe and identified potential investment targets?
- Have you conducted a historical return analysis?
- Have you defined your investment strategy and established your risk management internal controls processes?
- Are your risk management controls and procedures up to date?
- How competitive is your fee structure compared to other investment managers?

Fund Structuring

- How does your fund fit into your operational model?
- How do you ensure an efficient corporate secretarial process?
- What is the best tax structure to be used?
- How do you ensure that you are compliant with all relevant regulations?

Documentation Drafting

- Have you planned when to kick off the offering / placement documentation?
- Have you started drafting the internal procedures?

Service Provider Selection

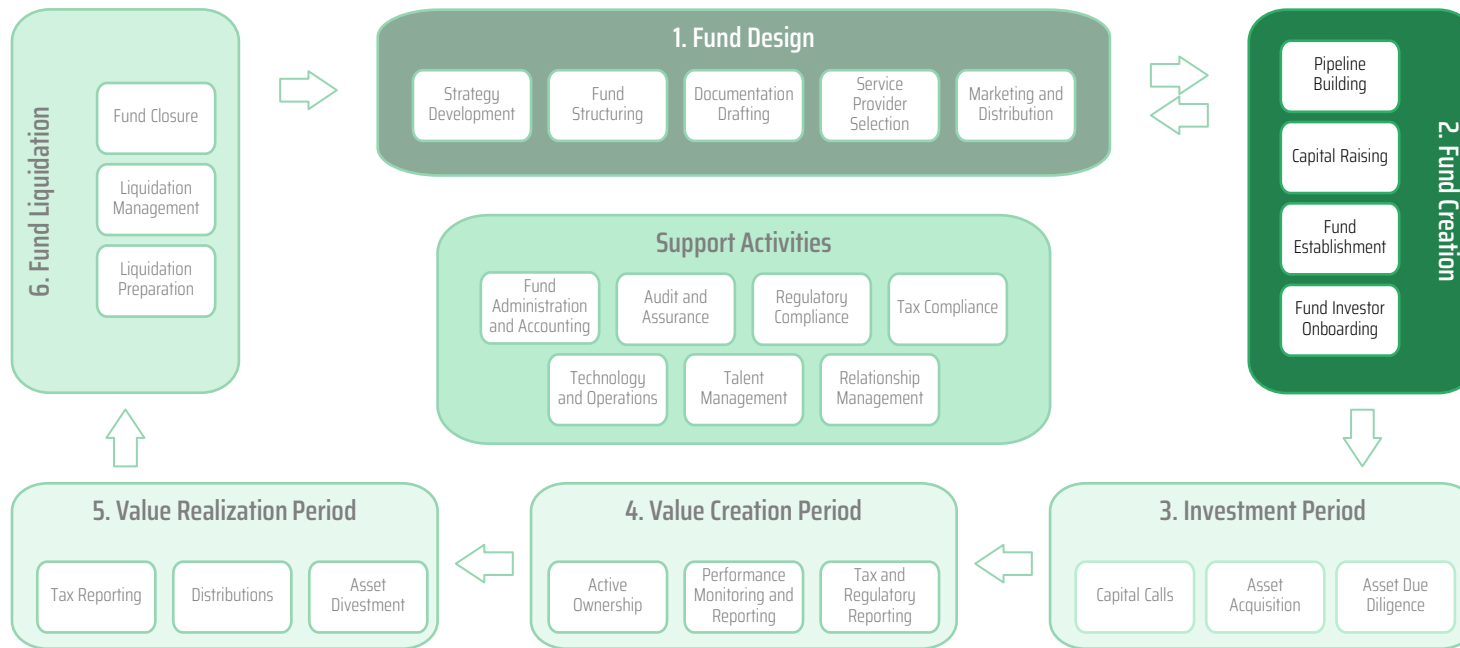
- What functions could and should you outsource?
- Are your third-party fees in line with market practice?
- How do you choose the most appropriate service providers for your needs?
- Have you defined how you will liaise with relevant legal authorities and service providers?

Marketing and Distribution

- How can you effectively distribute your fund?
- How can you ensure compliance with marketing?
- Have you considered all tax, regulatory and legal aspects for cross border distribution?

Source: KPMG ("Navigating through challenges across the Alternative Investment Fund Life Cycle"), Strategy Tools ("Fund Journey Map"), ICFA

Fund Creation



Pipeline Building

- Have you started building your pipeline?
- Do you have a model portfolio of deals to showcase to potential investors?

Capital Raising

- Do you have an effective overview of your track record on deals and funds?
- How do you ensure that you maximize the attractiveness of your investment product to reach investment targets and prepare for fund raising?

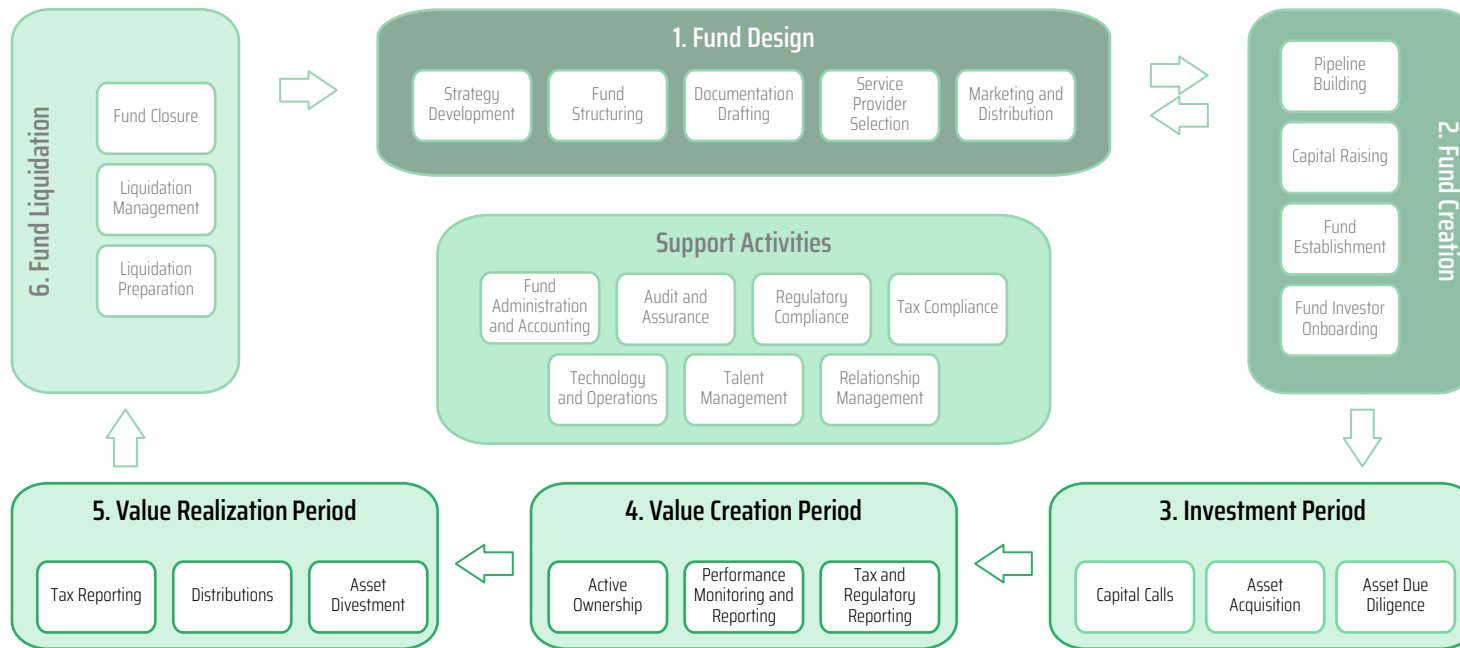
Fund Establishment

- Have you researched and prepare the steps to incorporate and domicile a fund vehicle?

Fund Investor Onboarding

- What level of due diligence should you apply for new investors?
- How can you ensure that your investor onboarding process is compliant with AML/KYC guidelines and provides a best-in-class experience?
- Have you prepared your investor reporting structure?
- How will you coordinate with other service providers, e.g., fund administrators, auditors, (depository) banks, notaries, etc.

Portfolio Management



Investment Period

- How do you ensure you select and invest in a target successfully?
- How to structure the acquisition of a new target?
- How do you ensure an effective and efficient financial, commercial, tax, and technical due diligence?
- Are there VAT implications linked to purchasing an asset? Which VAT registration regime fits best based on your economic activity?
- How can you determine the fair value of the assets?
- How do you ensure AML/KYC compliance and tax implications when calling capital from your investors?

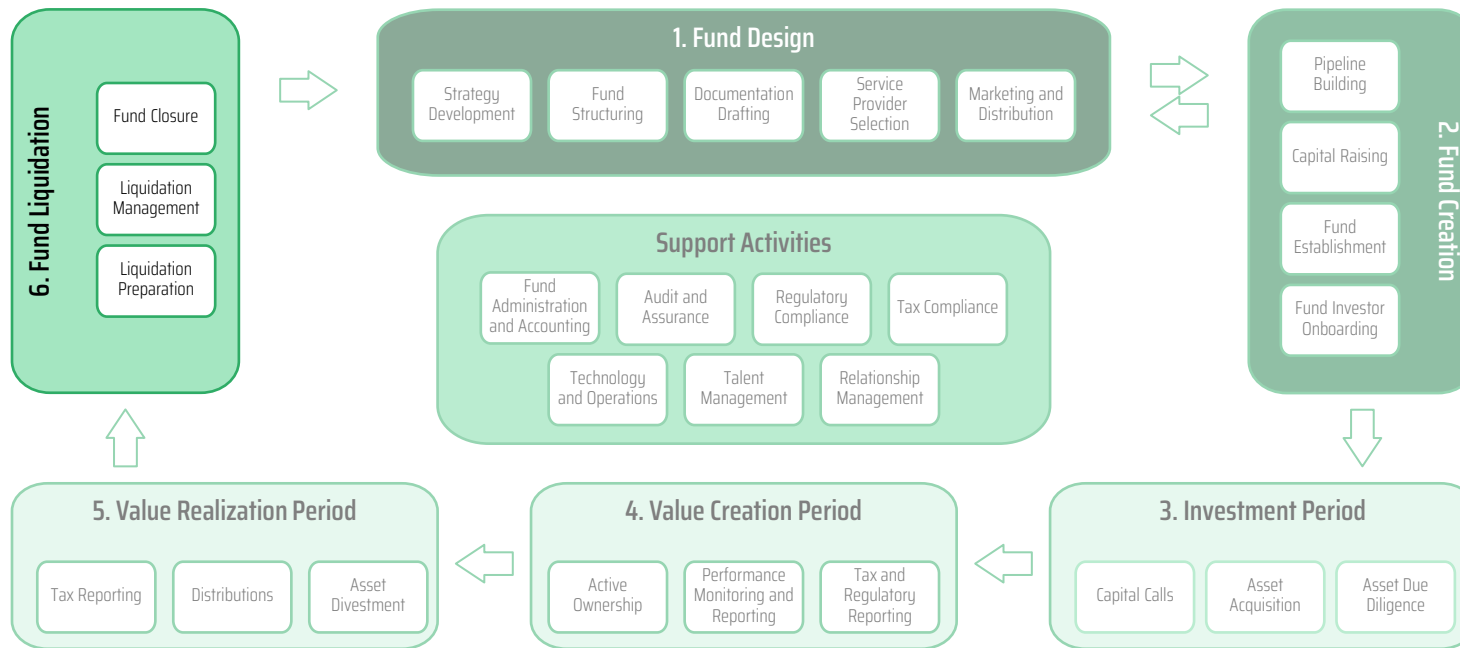
Value Creation Period

- How do you comply with tax and reporting regulation?
- How do you have an effective oversight on your assets?
- How can you effectively collect, organize and visualize your fund's key performance indicators?
- How can you turn portfolio data into actionable insights?
- How do you manage ESG reporting?
- How do you maximize the value of your portfolio?

Realization Period

- How to structure the divestment of an existing asset?
- How do you guarantee the buyer an effective and efficient due diligence?
- How do you make sure to execute the sale of assets on the best possible terms?
- How do you anticipate the tax consequences upon liquidation of any SPVs and cash repatriation up the chain?
- How can you ensure that your performance is accurately distributed?
- How do you ensure accurate and timely financial statements and tax reports?

Fund Liquidation



Liquidation Preparation

- How can you exit the market and/or dissolve your structure?
- How will you review the NAV and assess value of assets in the liquidation context?
- Do you have an assessment of the liquidation costs and ensure proper recording in NAV?
- Have you analysed transactions close to liquidation date, related party transactions, and significant redemptions?

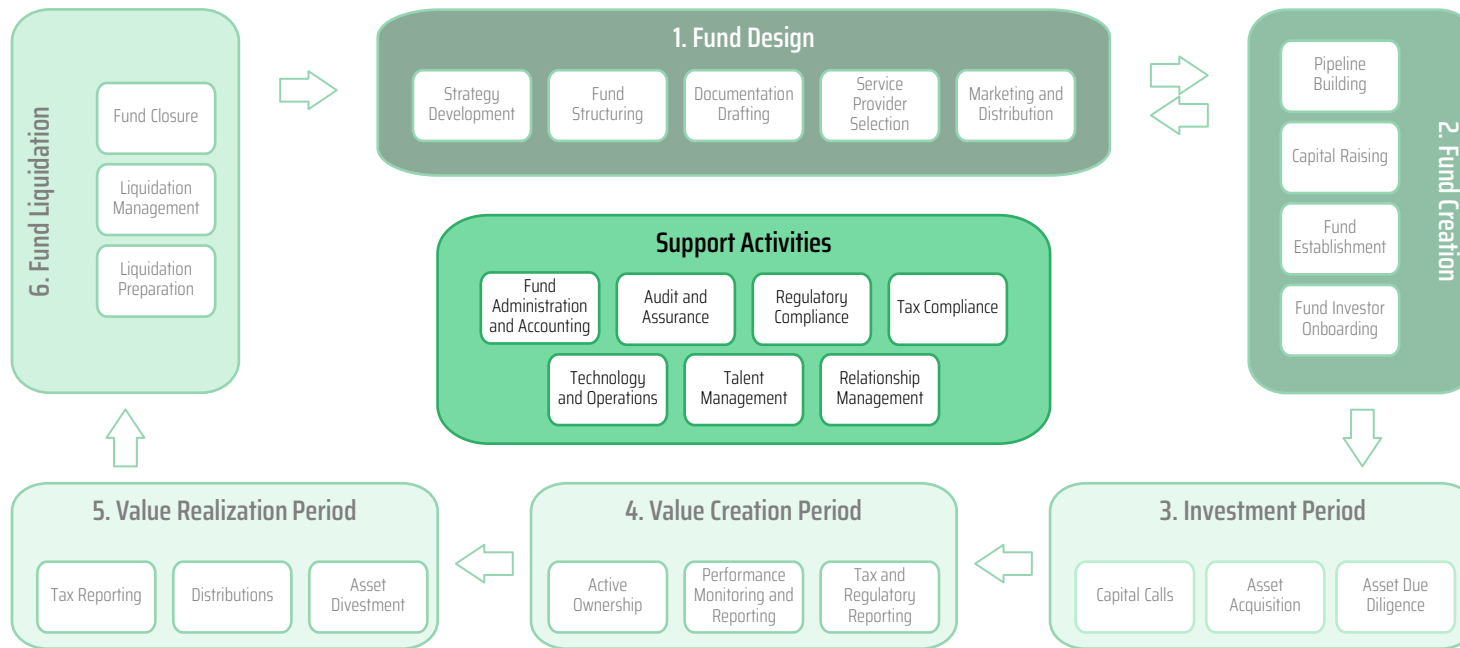
Liquidation Management

- Have you prepared the sale of semi-liquid assets on secondary market?
- How will you manage the assets in a prudent and efficient manner to generate revenue over the liquidation period?
- How will you dispose of illiquid assets, by using distributions in kind or write-offs?
- Have you planned the distribution of surplus assets to stakeholders as quickly as possible?

Fund Closure

- Have you ensured accuracy of NAV statements prepared by fund administrations used for the liquidation reporting?
- Have you negotiated / terminated all contracts between the fund and third parties (i.e. custodian, transfer agent, etc.)
- Have you prepared all relevant shareholder information and planned the liquidation EGMs?
- Have you prepared the liquidation reporting for your investors?

Support Activities



Fund Administration and Accounting

- How can you effectively archive documents?
- Have you recorded and monitored your investment activities?
- How to ensure timely & accurate financial reporting?
- How will you maintain your registers and documents?
- How will you distribute investor statements?
- Have you planned period NAV calculation and reporting?

Audit, Assurance, Regulatory and Tax Compliance

- How do you efficiently annually review your accounts?
- How can you navigate regulations and ensure compliance?
- How do you comply with tax reporting requirements?
- How can you ensure the structure is tax compliant, including different jurisdictions and at investor level?
- How can you ensure compliance with FATCA and CRS when acquiring assets?

Technology and Operations

- How can you have a holistic view of your current operating model?
- How can you seamlessly implement IT systems within your existing operating model? What IT system best fits your needs?
- Is your data architecture and data governance strong enough to deal with new requirements and increasingly demanding reporting?

Talent Management

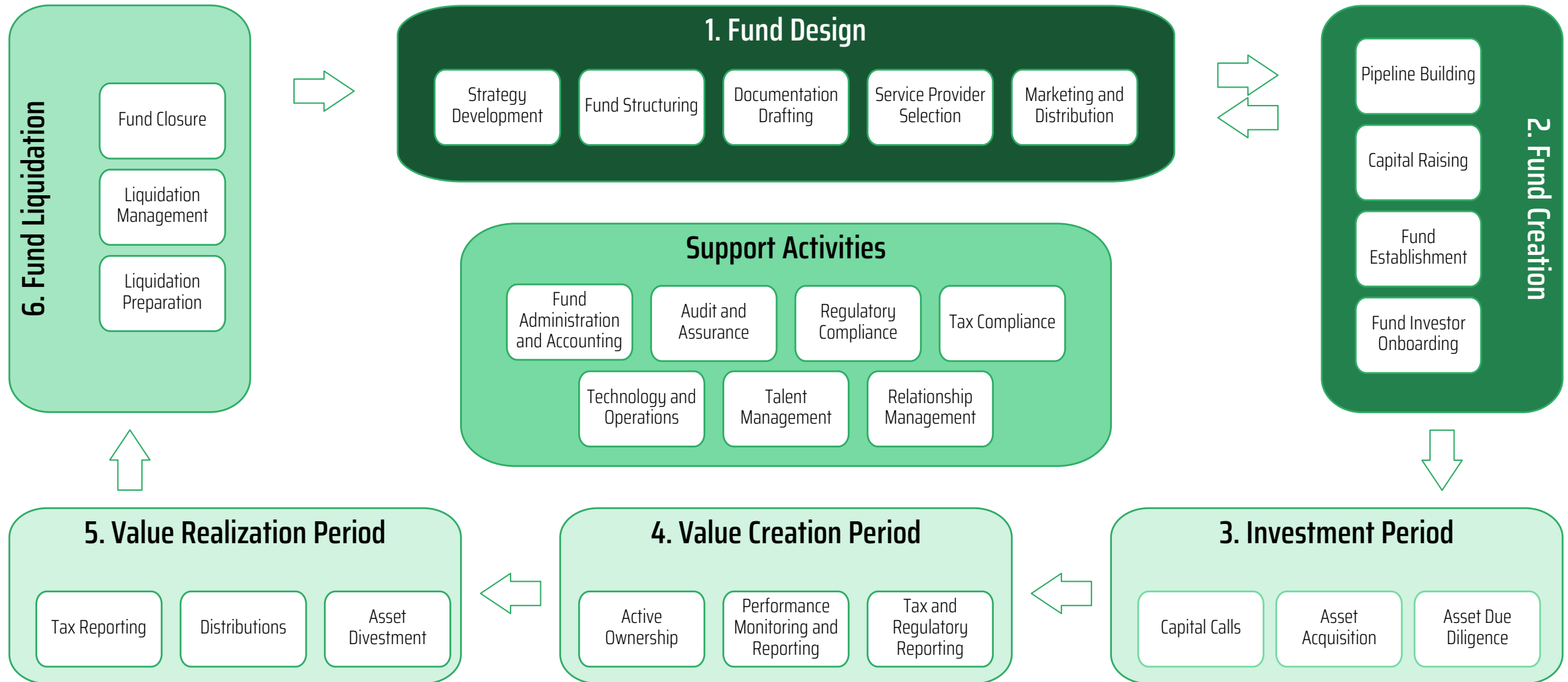
- How do you ensure that management and the team is properly incentivized?
- Have you examined tax considerations, administrative obligations, and employee rights?

Relationship Management

- How do you ensure timely and clear investor relations?
- How can you best produce frequent, detailed, and transparent reports for your investors?

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Thank you!

Read more: www.icfa.lu

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