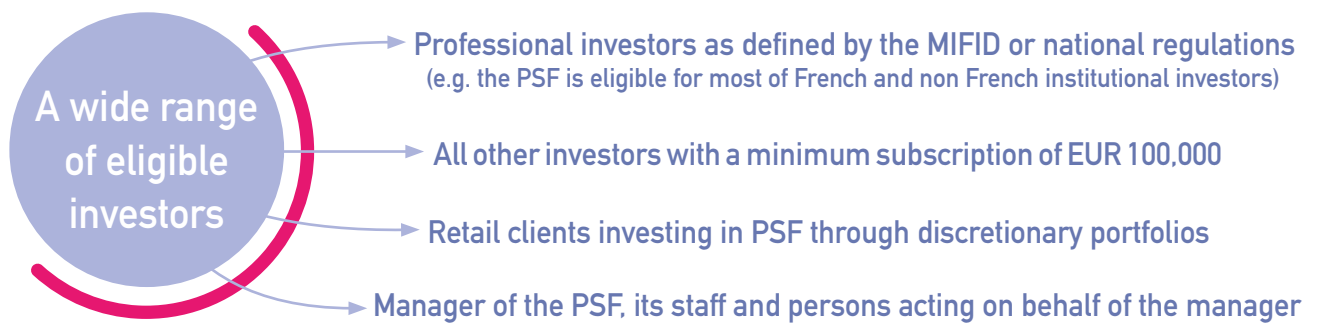


Professional Specialised Fund (PSF): a tailor-made AIF for professional investors

The range of Alternative Investment Funds (AIFs) in France has been significantly simplified since the implementation of the AIFMD. In particular, the Professional Specialized Fund (PSF) has been designed to answer the specific needs of international investors. The PSF benefits from a regulated framework which strikes the right balance between financial innovation and investor protection.



Innovative investment solution allowing all strategies and assets

- ➔ *Full freedom to determine the eligible assets:* financial instruments, real estate, commodities, tangible assets, debt, etc.
- ➔ *Full freedom to determine the investment strategy:* investment rules, diversification of assets, level of leverage, investment styles...
- ➔ *Full freedom to determine the fund organization:* subscription terms, redemption and sales conditions

A flexible product

- ➔ Contractual form (FCP – Fonds Commun de Placement) or corporate form (SICAV – investment company with variable capital)
- ➔ Open-ended or close-ended
- ➔ Different classes of units may be issued by a single PSF, including carried interest units
- ➔ Each class of units may have its own features and confer various types of rights to its respective unitholders
- ➔ Possibility to create an umbrella structure
- ➔ All legal, marketing and investor documentation of the PSF – as well as the instruments of incorporation or rules of the PSF – may be drafted in foreign languages: English, German, etc.

A fast time-to-market

- No prior approval from the regulator (the AMF)
- A mere process of notification to the AMF within the month of the date of creation of the PSF¹

Flexible manager requirements

- AIFMs may manage a PSF with no additional requirements to the AIFM Directive
- As opposed to obligations existing in other jurisdictions, the management of a PSF does not require any material structure or physical presence in France

A tax efficient regime

The PSF – irrespective of where its investors are resident – is tax neutral:

- Contractual form: tax transparent
- Corporate form: tax exempt
- No tax duty on subscriptions or redemptions

An attractive alternative to Luxembourg SIF and Irish QIF

The PSF can be easily passported throughout the European Union:

	French PSF	Luxembourg SIF	Irish QIF
Prior regulatory approval	No	Yes	Yes
Eligible assets	No restrictions on financial instruments and tangible assets	Limited to financial instruments	
Risk spreading	Contractually agreed	Yes (target investment may not exceed 30% of net assets) No risk spreading when investing into fund(s) subject to risk spreading similar to SIFs	No, unless under the corporate form where there is a statutory requirement to spread investment risk
Minimum subscription	No minimum for professional investors EUR 100,000 for retail investors	No minimum for professional investors EUR 125,000 for retail investors	EUR 100,000 for professional and other investors
Tax	Contractual / Partnership form: tax transparent Corporate form: tax exempt		
Documentation in English	Yes ²	Yes	Yes

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- 1) The AMF provides a standard form which may be used for this notification; see AMF Instruction n°2012-06 available on the AMF website : www.amf-france.org
- 2) And potentially available in any language



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Paris Fund Industry spans the entire value chain for the investment fund and asset management industry based in France. AFG, the French asset management association, is a founding member of Paris Fund Industry.