

# L-QIF – Limited Qualified Investor Fund

## An innovative framework meeting the requirements of Swiss qualified investors

Harness the strengths of L-QIFs by leveraging on Pictet's specialised services and benefit from a balanced solution that combines flexibility with essential regulatory safeguards.

### CONTEXT

The introduction of Swiss Limited Qualified Investor Funds (L-QIFs) is an innovative fund framework in the Swiss fund market, effectively bringing improvements mainly in the fund initiation and lifecycle management areas. L-QIFs are specifically designed to offer a streamlined, flexible and cost-efficient investment vehicle tailored to the needs of qualified investors. While they are exempt from approval by the Swiss Financial Market Supervisory Authority (FINMA), L-QIFs are still subject to certain compliance requirements that have been adapted to align with the increasing sophistication and expertise of certain investment professionals. The L-QIF framework requires both the fund management company and investment manager to be authorised by FINMA (or equivalent foreign supervision body). Such unique features make L-QIFs a strategic response to the evolving needs of qualified investors which typically include institutional investors and high net worth individuals.



### SIMILARITIES WITH OTHER FOREIGN STRUCTURES

Swiss L-QIFs share similarities with Luxembourg Reserved Alternative Investment Funds (RAIFs). Both are designed for qualified investors and are not subject to direct regulatory approval from their respective financial supervisory authorities. L-QIFs are created to enhance Switzerland's competitiveness in the global financial markets and tailored to the needs of Swiss qualified investors.

### BENEFITS OF L-QIF STRUCTURES

**Faster time to market** – As the FINMA is not involved in the fund launch or approval, L-QIFs allow asset managers to swiftly introduce investment products that were previously missing from their product shelf, thereby accelerating their market entry. The L-QIF solution can be particularly beneficial for funds with a focus on “alternative” strategies that would otherwise require a longer FINMA approval process.

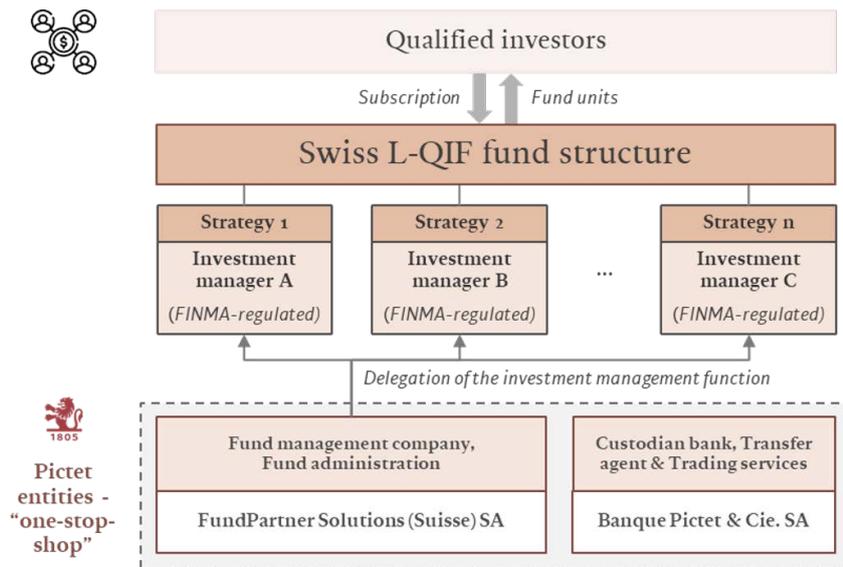
**Opportunity to exercise greater flexibility** – L-QIFs provide enhanced flexibility at two distinct levels:

1. At asset type and strategy level, they allow a tailored investment approach and an even wider range of investment options (such as alternative strategies). Unlike other Swiss fund structures, this flexibility is achieved without the need for extensive FINMA administrative procedures.
2. In terms of fund lifecycle management, L-QIFs provide increased flexibility in implementing and managing the fund events. For instance, introducing a new asset class, adjusting investment limits or changing asset exposure will not require FINMA's prior approval within the L-QIF framework.

**Cost efficient** – L-QIFs can offer a cost-efficient launch option, without the expenses associated with FINMA approval and subsequent amendments.

**Fund taxation** – Despite being a new type of fund, L-QIFs still fall under the applicable tax regime for funds approved by FINMA.

## PICTET'S SPECIALISED SERVICES FOR L-QIFS



### Envisioned setups:

Various configurations are available, wherein the fund sponsor selects the investment manager(s) (multi-manager setup) or acts as the manager themselves.

### Possible legal forms:

Swiss Contractual Fund, SICAV or Swiss LP

### Investment manager:

Only managers of collective assets or duly regulated and supervised foreign fund managers can be appointed to make investment decisions in an L-QIF.

### Fund management company:

As L-QIFs are not directly supervised by FINMA, "indirect" supervision is performed by the fund management company and is one of the key requirements for managing L-QIFs.

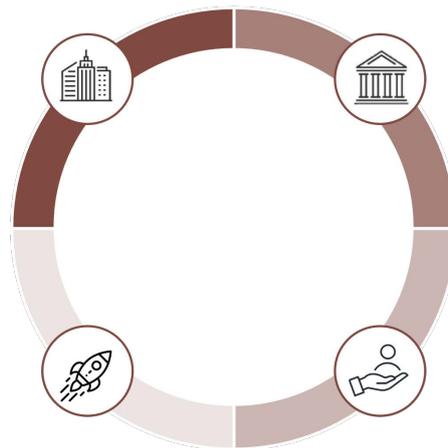
## PICTET'S VALUE PROPOSITION FOR L-QIFS

### ONE-STOP SHOP

We want to allow you to focus on your core activities while we take care of custody, central administration, fund management company and trading services.

### PROACTIVE IN L-QIF DEVELOPMENTS

Benefit from the expertise of Pictet, an actor that has been actively participating in improving the attractiveness of Swiss funds.



### PICTET FORTRESS

Minimise your risks by relying on one of the highest rated financial groups in the world. Complementary to our financial strength, our clients' interests are protected by the most secure cyber-risk management measures.

### SERVICES TAILORED FOR INSTITUTIONALS AND PROFESSIONAL CLIENTS

We offer a comprehensive range of services specifically designed to meet your unique needs and requirements.

## CONTACTS

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