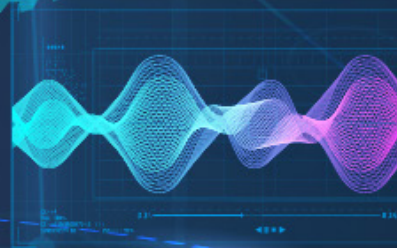


ManCo Pulse

Insights at the heart of Europe's
asset management engine

Q1 2026



■ ■ ■
The better the question. The better the answer.
The better the world works.



Shape the future
with confidence

ManCo Snapshots

31 December 2025

Versus 31 December 2024

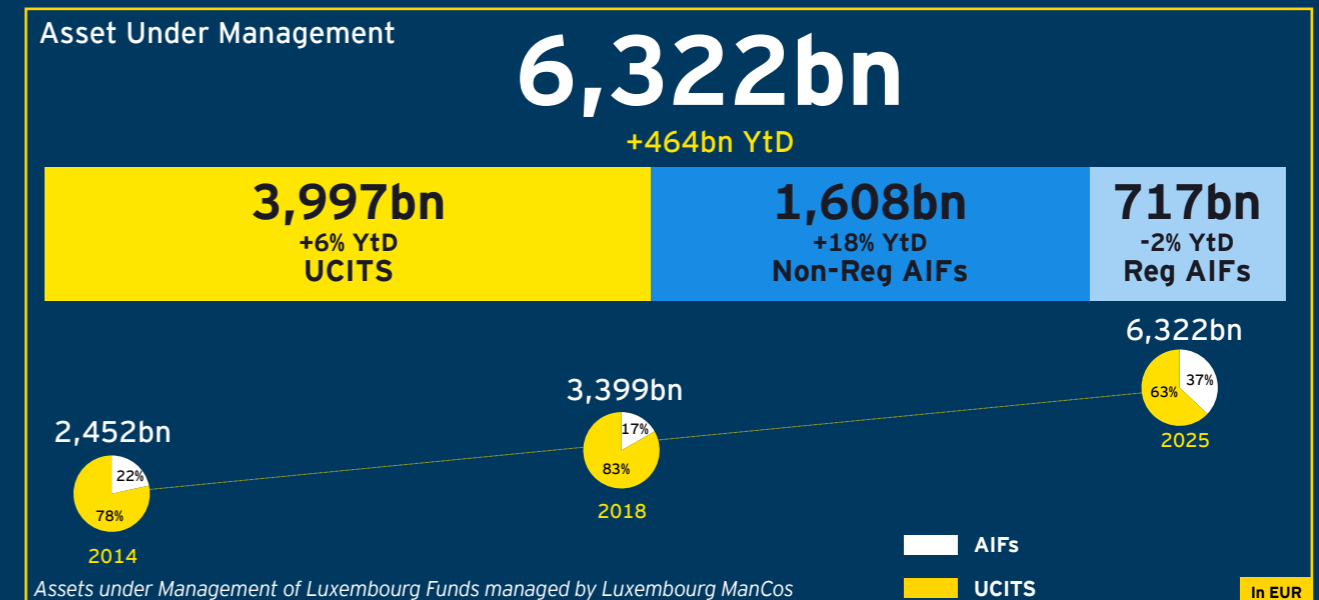
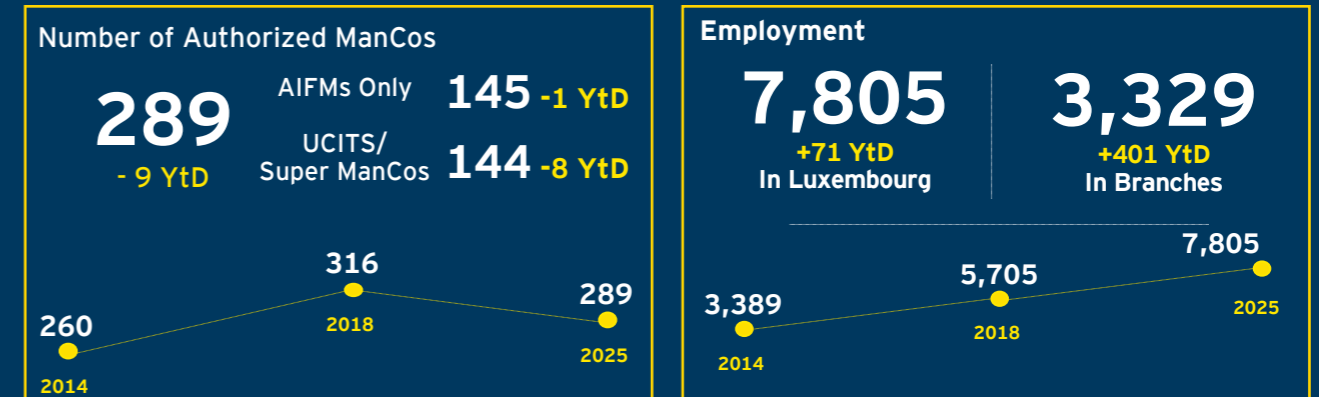
If we take 2018 as our starting point, Luxembourg's ManCos have come down from 316 to 289 in early 2026. This reflects various trends in the sector, from regulatory-driven consolidation to an increased emphasis on achieving scale, but especially the rise of larger, multi-product third-party ManCos that can absorb increasing regulatory requirements more efficiently and operate at scale.

These dynamics are amplified by persistent cost and margin pressures further intensified by the rise of ETFs and other low fee investment products. Together, they reinforce the need for economies of scale, mutualization of functions, and better integration across governance, distribution, and operational platforms.

Despite this consolidation trend, ManCos continued to grow, for instance in employment capacity, employing 7,805 people in 2025 (a growth of 37% compared to 2018 when this industry was employing 5,705); and in number of branches (branches of Luxembourg ManCos rose to 296 at the end of 2025 showing that the sector is casting a wide net in Europe). What is more impressive is that assets under management have almost doubled in the same period, hitting EUR 6.3 trillion managed by Luxembourg ManCos with around EUR 370 billion managed on a discretionary basis.

A closer look at the ManCo numbers shows that 145 operate as managers of alternative investment funds; 144 are dedicated UCITS or Super ManCos. This breakdown highlights how market dynamism continues to shape the ManCo ecosystem, driven especially by the entry of new specialized AIFMs and ongoing consolidation among more established firms.

Furthermore, when we look at the recent merger & acquisition activity, we see that it is mostly driven by scale ambitions, private-equity investments, and the expansion of one-stop-shop service models. As M&A activity centralizes operations within fewer but more capable entities, these ManCos host more funds and strategies under a single license and structure that can sustain larger AuMs at better cost metrics. See also Mergers & Acquisition section.

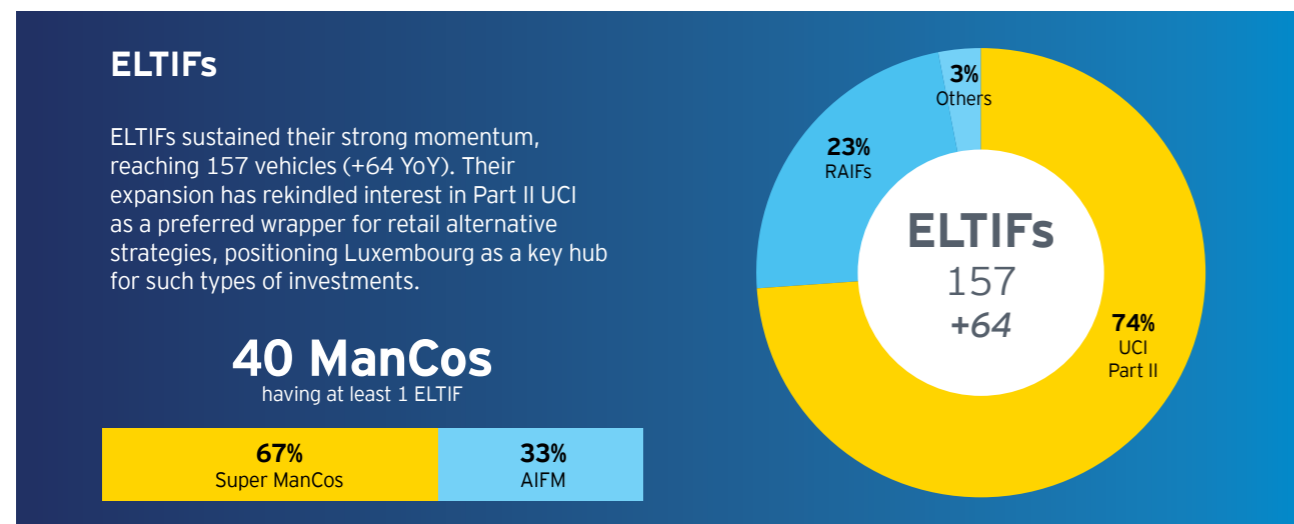
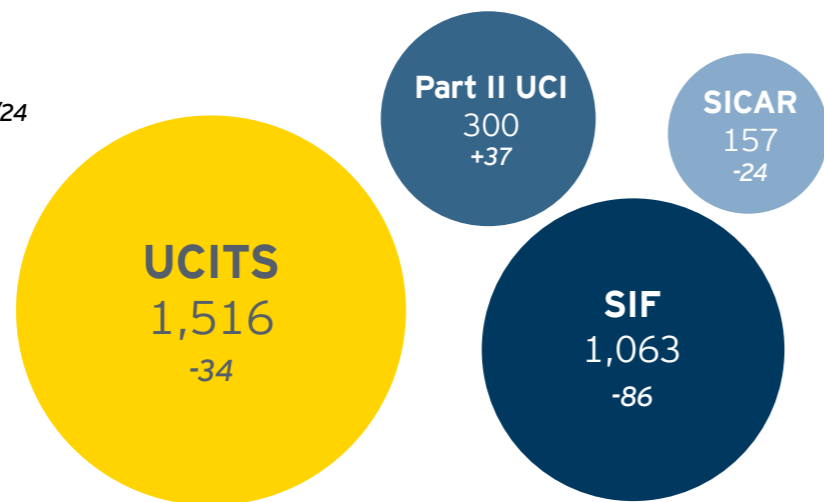


Products Snapshot

In the 2025 Luxembourg fund landscape, UCITS remained the industry's structural anchor. AuM continued to grow, +6% for UCITS AuM managed by Luxembourg ManCos, even if the total number of UCITS funds declined, a clear sign of ongoing consolidation and rationalization of fund ranges across the market.

Regulated Funds

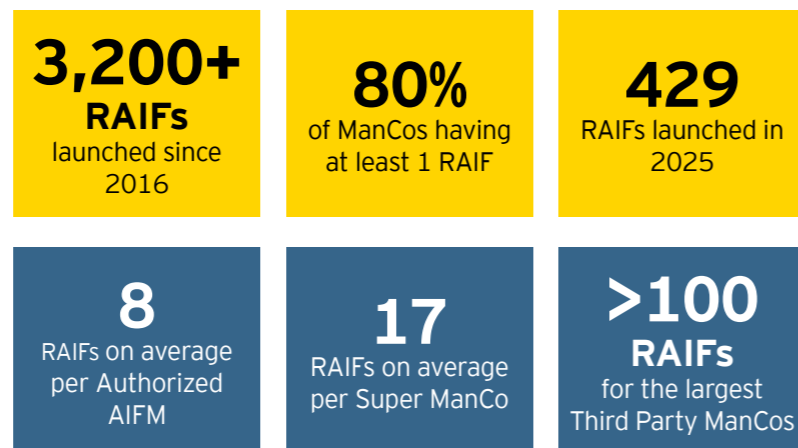
Number of funds
Date: 31/12/25
+/- difference with 31/12/24



RAIFs

At the same time, RAIFs continued to dominate the alternative space, surpassing 3,200 launches since inception. With 429 new structures in 2025, the second-best year after the 2022 peak, RAIFs are now used by 80% of ManCos having an AIFM license. Their rise has directly accelerated the structural decline of SIFs and SICARs, as ManCos increasingly favor RAIFs for their speed-to-market and regulatory efficiency.

Overall, non-regulated AIFs (including RAIFs) managed by Luxembourg ManCos increased by 19% in terms of AuM in 2025, while regulated AIFs (Part II UCIs, SIFs, SICARs) decreased by 3%.



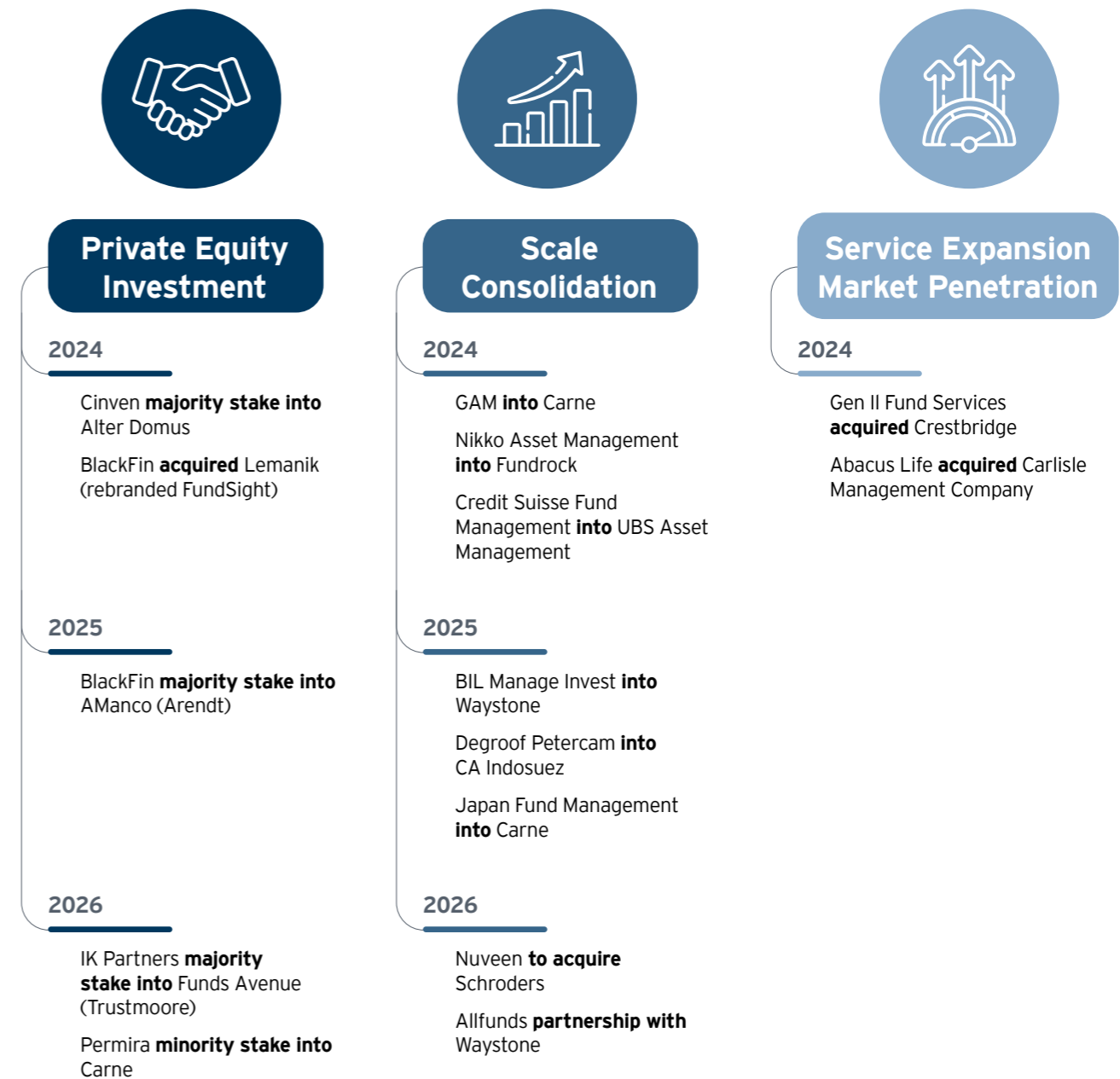
Sources: CSSF, EY Research

Mergers & Acquisitions

The ManCo landscape is reshaped by strong market dynamism, marked by the arrival of new specialized AIFMs and ongoing consolidation among established players. Mergers & Acquisitions activity has accelerated in recent years, driven by scale ambitions, private-equity backing, and the rise of fully integrated one-stop-shop operating models. Transactions involving groups such as Apex, Waystone or Carne illustrate how strategic acquisitions are redefining

service capabilities, expanding geographic footprints, and intensifying competition. Together, these trends reinforce Luxembourg's role as a leading European hub for ManCo platforms, where innovation, scale and operational excellence are becoming decisive differentiators.

Overview of M&A¹



Sources: CSSF, EY Research

1. The information presented is not intended to be exhaustive. It is based on publicly available sources and is provided for illustrative purposes only, highlighting recent trends and strategic activity within the ManCo ecosystem.

New Players

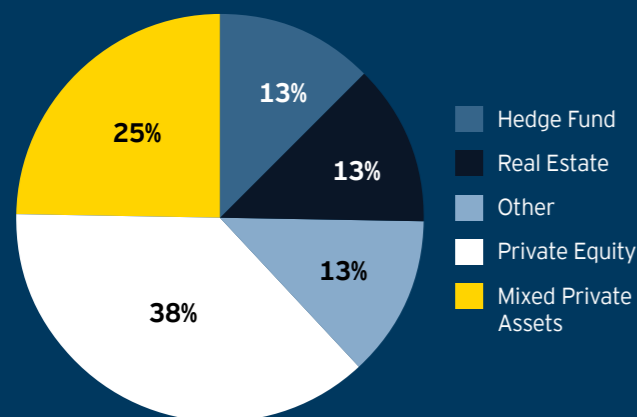
Despite ongoing consolidation across the ManCo landscape, and decisions by several Asset Managers to close their captive ManCos in Luxembourg due to profitability pressures and growing regulatory complexity, often shifting toward Third party ManCos, the jurisdiction continues to attract the establishment of new ManCos. This momentum underscores Luxembourg's enduring appeal, resilience, and ability to adapt to evolving market dynamics. Over recent months, a steady flow of newly authorized ManCos has entered the market, mainly focusing on alternative strategies. Their emergence highlights how Luxembourg remains a fertile ground for innovation, enabling managers to launch targeted platforms that respond to evolving investor demand, regulatory expectations and operating-model efficiency.

Newly established ManCos and the core strategies that underpin their market positioning²

New Players

HEROICS CAPITAL	AIFM
U FUND SERVICES	AIFM
TRISTAN CAPITAL MANAGEMENT COMPANY	AIFM
GREEN ARROW CAPITAL AIFM	AIFM
HARRISON STREET SERVICES	AIFM
TRILL IMPACT LUXEMBOURG	AIFM
GENERALI FUND SOLUTIONS	SUPERMANCO
HEADLINE MANAGEMENT LUX	AIFM

Core Strategies of the New Players



2. Authorized since 1 January 2025.



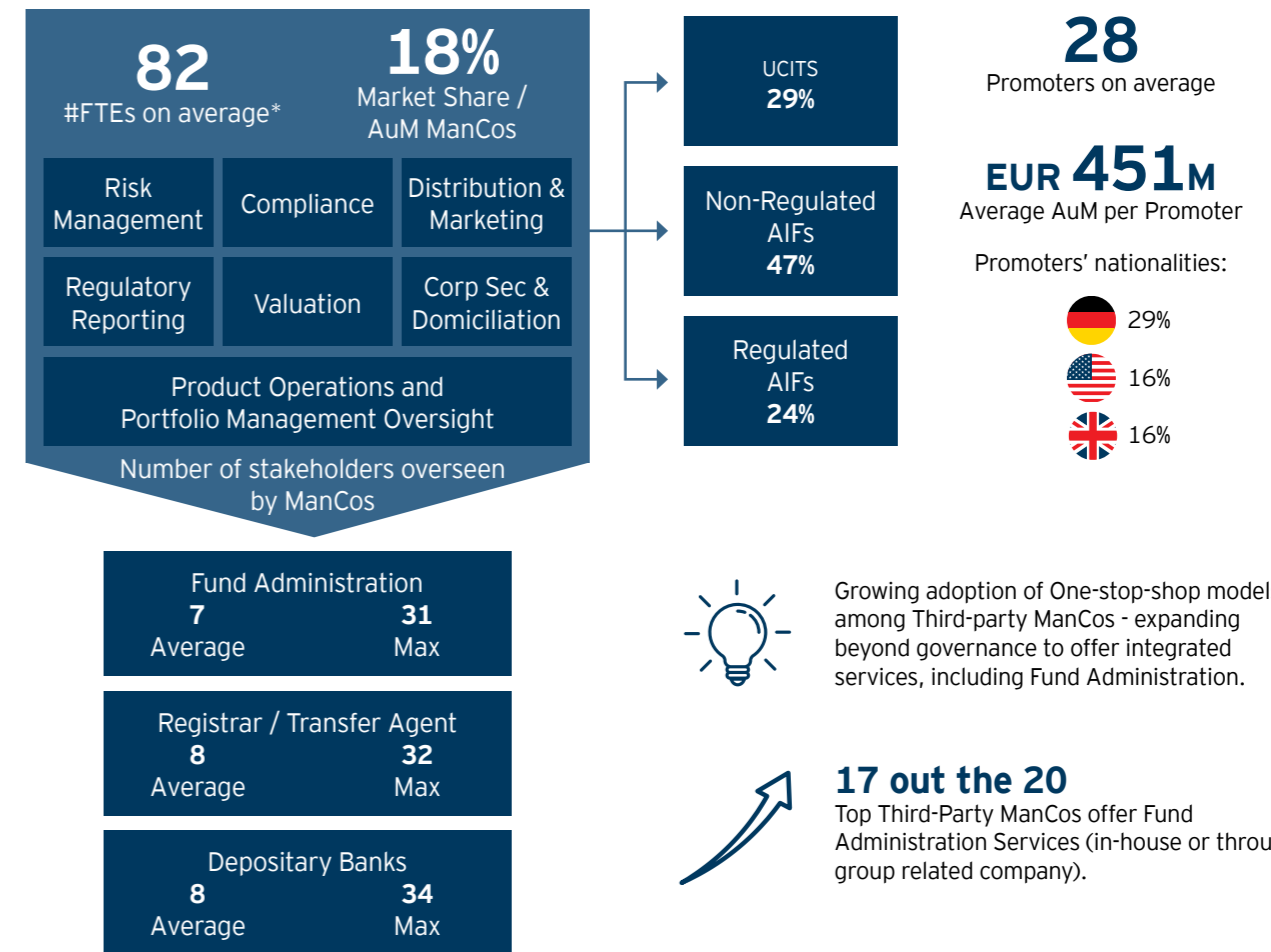
Inside the operating model: a deep dive into the third-party model

Third-party ManCos today collectively command around 18% of the AuM market share in Luxembourg, a proportion that has been steadily rising over the last decade. This growing concentration underlines the continued institutionalization of the sector, as investors and Asset Managers increasingly turn to outsourced governance and risk-management models operated by well-capitalized, multi-jurisdictional platforms. As cost pressure intensifies and regulatory expectations continue to rise, Third-party ManCos are becoming pivotal players in attracting and retaining AuM in Luxembourg, offering scalable operating models, robust infrastructures, and access to specialized expertise that captive structures often struggle to maintain. Among the top 20 third-party ManCos, firms employ on average 82 FTEs and have built strong internal capabilities across core governance and oversight functions, including risk management, compliance, valuation, internal controls and investment oversight.

The growing adoption of a one-stop-shop model further reinforces the integrated operating approach of leading third-party ManCos, pushing them beyond traditional governance roles to deliver end-to-end solutions from fund structuring to ongoing portfolio oversight and all the services in-between. Notably, 17 out of the top 20 Third-party ManCos now offer fund administration services either directly in-house or through a group-related company.

Larger scale also comes with sophistication. Today, leading Third-party ManCos oversee a wide ecosystem of stakeholders: on average, 7 fund administrators, 8 registrar/transfer agents and 8 depositary banks. These numbers can go as high as 30 in certain cases. Those capable of mastering this complexity through sustained investment in talent and digital transformation are best positioned to emerge as one of the premium investment houses with the potential to dominate the European Single Market in the next decade.

Third-Party ManCo



Lightbulb icon: Growing adoption of One-stop-shop models among Third-party ManCos - expanding beyond governance to offer integrated services, including Fund Administration.

Arrow icon: **17 out of the 20** Top Third-Party ManCos offer Fund Administration Services (in-house or through group related company).

*Sample: Top 20 Third-Party Management Companies

Sources: Monterey Insight, EY Research

Emerging strategies and structural trends

Alongside changes in operating models, Luxembourg's asset management ecosystem is being reshaped by the rise of new strategies and structural trends that are redefining how capital is raised, managed and distributed.

Retailization

The progressive retailization of private markets, driven by regulatory evolution, product innovation and investor appetite for diversification, is opening new avenues for asset managers to access a broader investor base through regulated, scalable fund structures.

74% of Luxembourg ELTIFs are set up as Part II UCIs and target retail investors³

Tokenization

Innovation is also accelerating through the tokenization of fund units and the broader application of distributed ledger technology. Luxembourg has positioned itself at the forefront of this transformation by enabling the digital issuance, administration and transfer of fund interests within a robust regulatory perimeter.

61% of firms are exploring tokenization of alternatives⁴

Artificial intelligence

The use of artificial intelligence and advanced data analytics across the asset management value chain has been growing. From portfolio construction and risk management to compliance monitoring, reporting and client servicing, AI-driven tools are increasingly being deployed to enhance decision-making, operational efficiency and scalability. Technological advancements are reshaping the landscape, with cloud technology enabling greater scalability, agility and security.

+80% Financial services firms are investing heavily in AI training (88% report moderate to extensive investment), model testing and auditing (84%), and data access control (83%)⁵

ETFs

The continued expansion of ETFs, driven by investor demand for transparency, liquidity and cost efficiency, is reinforcing their role as a core building block of modern portfolio construction. Luxembourg's well-established regulatory framework and cross-border distribution capabilities are enabling asset managers to launch and scale both active and passive ETF strategies efficiently, while using the ETF wrapper to reach a broad institutional and retail investor base across Europe.

USD 4.5 TRILLION EY research predicts that European ETFs will reach USD 4.5 trillion by 2030⁶

Crypto assets

The gradual institutionalization of crypto assets, supported by clearer regulation, maturing market infrastructure and growing investor acceptance, is creating new opportunities for asset managers to engage with digital assets within a regulated fund environment. Through compliant fund structures and evolving custody and valuation solutions, Luxembourg is providing a credible platform for managers seeking to offer crypto-related strategies while balancing innovation with robust investor protection and governance standards.

53% of Luxembourg respondents currently utilize digital assets, with an additional 32% expressing interest in adopting them in the future⁷

Sustainable investing

The growth of sustainable finance continues to be a defining trend in Luxembourg's fund industry, driven by regulatory initiatives, investor demand and the integration of ESG considerations into investment strategies. Luxembourg's early adoption of sustainable finance frameworks and its strong expertise in ESG fund structuring have enabled asset managers to develop and distribute a wide range of sustainable and impact-focused products. As the EU progresses towards SFDR 2.0, with a revamped product categorization system, Luxembourg managers are increasingly focused on ensuring continued alignment with evolving classification and reporting requirements.

54% of Article 9 funds net assets belong to Luxembourg funds⁸

Tax innovation

Tax innovation continues to underpin Luxembourg's attractiveness as a fund domicile, combining stability with targeted reforms that support competitiveness and market development. Recent initiatives such as the reform of the carried interest regime, the removal of subscription tax for ETFs and ELTIFs, and reduced subscription tax rates for sustainable finance products illustrate Luxembourg's ability to adapt its tax framework in line with industry needs. These measures, alongside a predictable tax environment and extensive treaty network, reinforce Luxembourg's position as a jurisdiction that balances compliance, innovation and long-term attractiveness for fund sponsors and investors alike.

0% tax in certain cases of participation-linked carried interest¹⁰

Cross-border distribution

Cross-border fund distribution remains a core strength of the Luxembourg ecosystem. Supported by the EU passporting regime and a highly developed service infrastructure, Luxembourg-domiciled funds are distributed efficiently across multiple European markets and beyond. The forthcoming EU Market Integration Package, aimed at further harmonizing rules and reducing remaining barriers to cross-border activity, is expected to accelerate this trend. Luxembourg is particularly well positioned to benefit from it, as its service providers have long operated in a multi-jurisdictional environment and are accustomed to managing the regulatory, operational and investor-specific complexities inherent in cross-border fund distribution.

52.3% of the funds distributed on a cross-border basis are domiciled in Luxembourg⁹

AML Compliance

AML supervision in Luxembourg is expected to become more stringent as a result of the establishment of the Anti-Money Laundering Authority (AMLA) and the convergence of European and local supervisory bodies such as the CSSF and the AED. AMLA will introduce a more centralized and risk-based supervisory approach, raising expectations around governance, controls and enforcement consistency across the EU. For market participants, this translates into heightened scrutiny, potentially tougher sanctions and closer coordination between authorities, reinforcing the need for robust, well-documented AML frameworks.

90% Nearly 90% of the AML/CFT questionnaires were rejected by AED¹¹

80% According to EY AMLA Study, 80% of participants believe that penalties will be increased following the establishment of AMLA¹²

Taken together, these developments illustrate a profound transformation of the asset management landscape, where innovation, regulation and investor expectations are increasingly interconnected. Luxembourg's ability to accommodate new strategies (from retail access to private assets and digital innovation to sustainable and cross-border solutions) within a stable and predictable framework underscores the resilience and adaptability of its ecosystem. As asset managers navigate this evolving environment, Luxembourg continues to provide a platform where experimentation and scale can coexist with robust governance, positioning the jurisdiction at the forefront of the next phase of European asset management.

3. [List of fund units subject to Regulation 2015/760 on European Long-Term Investment Funds \(ELTIFs\) as amended by Regulation 2023/606 - CSSF](#)

4. [Fund tokenization: it's time to unlock new opportunities for investors and fund managers | EY Luxembourg](#)

5. [Is it possible for wealth managers to embrace AI while managing the risks? | EY Luxembourg](#)

6. [2025 ETF Trends: Shaping market growth and innovation | EY Luxembourg](#)

7. [Fund tokenization: it's time to unlock new opportunities for investors and fund managers | EY Luxembourg](#)

8. [Luxembourg holds over half of EU's article 9 fund assets | Paperjam English News](#)

9. [Global Fund Distribution Poster | ALFI](#)

10. [Luxembourg carried interest proposal would make significant changes | EY Luxembourg](#)

11. [Nouveauté: Newsletter à l'attention des FIA et FIAR - Actualités - Portail de la fiscalité indirecte - Luxembourg](#)

12. [AMLA: Transforming EU anti-money laundering efforts | EY - Global](#)

Essential Thought Leadership

In an environment defined by rapid regulatory, technological and market evolution, timely insight is critical. This section brings together a selection of essential thought leadership publications that explore key developments shaping the asset management industry.



Investment Funds in Luxembourg 2025 Edition

Investment Funds in Luxembourg is the definitive technical guide providing an introduction to Luxembourg as a center for investment funds, the types of fund vehicles available and a summary of the regulations applicable to the setting-up and operation of Luxembourg investment funds.



Download Brochure

EY Luxembourg Market Pulse

Pulse Regulatory publications cover a broad range of topics to enrich your understanding of investment funds in Luxembourg, containing our latest market commentaries.



Download Brochure

EY Luxembourg Regulatory Outlook Poster

EY Luxembourg Regulatory Outlook Poster provides an overview about the regulatory developments which are expected to happen between 2025 and 2030.



Download Brochure

How EY can help

Operating in an environment of continuously evolving regulation, increasing operational complexity and accelerating technological change places growing pressure on asset managers. Keeping pace with new requirements while simultaneously innovating and scaling can strain internal resources and risk diverting focus away from core investment activities. Partnering with an experienced external provider allows firms to access specialized expertise, scalable infrastructure and advanced technology, enabling them to respond effectively to regulatory change without compromising strategic priorities.

EY delivers integrated support across every stage of the fund life cycle, from structuring, authorization and launch to distribution, daily operations and eventual wind-down or exit. Whether supporting the launch of a new vehicle or the expansion of an established platform, EY combines deep regulatory insight, operational capabilities and local market knowledge to help asset managers navigate complexity, drive innovation and achieve sustainable growth.



Beyond fund-specific services, EY offers a broad range of complementary capabilities spanning assurance, consulting, tax, managed services, and strategy and transactions. This integrated approach enables asset managers to address regulatory, operational, financial and strategic challenges holistically, drawing on multidisciplinary teams with deep sector expertise. By combining technical knowledge with strategic insight, EY supports clients not only in meeting today's requirements, but also in shaping resilient, future-ready operating models aligned with their long-term growth ambitions.



Assurance Services

Our Assurance services deliver independent, objective insights to build trust in financial reporting and operations. Aside from traditional assurance services, this includes specialist support, such as climate change and sustainability services (CCaSS), financial accounting advisory services (FAAS), and financial crime and forensics services to uphold integrity, help combat financial crime and manage various risks.



Consulting Services

EY Luxembourg offers targeted consulting for asset managers, focusing on regulatory compliance, managed regulatory reporting services, retail AIF products, and digitalization including AI-powered workflow solutions. We also provide end-to-end business transformation (including target operating model, smartshoring and IT transformation), CFO advisory services to optimize value and margins, and extensive support related to cyber and digital risks.



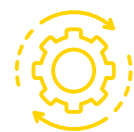
Tax Services

EY Luxembourg's Tax Services team delivers comprehensive support for asset managers and related stakeholders, covering compliance, tax structuring, advisory, reporting and dispute resolution. Key offerings include corporate and VAT tax returns, international tax advisory, transfer pricing, and specialized reporting for FATCA/CRS, MDR, withholding tax reclaim, capital gain tax determination and investor needs, ensuring regulatory compliance across jurisdictions.



Strategy & Transactions Services

EY-Parthenon Strategy and Transactions offers buyer and seller financial due diligence, M&A services with a track record of successful transactions in the asset management sector, and valuation services for alternative assets such as private equity, debt and real estate. Additionally, the team provides model reviews in line with the latest CSSF circulars and delivers liquidation services for both single entities and multi-location groups.



Managed Services

Our fund managed services offer a scalable, cost-efficient solution for handling the operational complexities of investment vehicles. From middle- and back-office support to regulatory reporting, fund accounting, investor servicing and tax, we act as an extension of your team. We deliver these services through a dedicated, secure technology platform that provides real-time access, automation and transparency, ensuring control stays with you while we manage the complexity.



EY Law

EY Law Luxembourg advises sponsors and fund managers throughout the entire fund lifecycle beginning with the structuring and establishment process, helping identify the optimal structure tailored to specific investor needs and strategic objectives. EY Law Luxembourg's expertise covers both regulated (UCITS, Part II UCIs, SIFs, SICARs) and unregulated (RAIFs/AIFs) vehicles, master-feeder structures, parallel fund structures and incentivization/carry vehicles, across all asset classes (PE/VC/RE/debt/infrastructure) and investment strategies (liquid/illiquid). Together, EY Regulatory Compliance Manager (RCM), EY's regulatory specialists and EY Law Luxembourg empower you to stay ahead of regulatory changes, reduce compliance risk, and make informed decisions with confidence.

EY Luxembourg



Madjid Boukhelifa
EY Luxembourg Partner, Wealth & Asset Management Sector Leader
+352 42 124 8153
madjid.boukhelifa@lu.ey.com



Jens Schmidt
EY Luxembourg Partner, Wealth & Asset Management Consulting Leader
+352 42 124 8231
jens.schmidt@lu.ey.com



Pierre-Marie Bochereau
EY Luxembourg Assurance Partner
Wealth & Asset Management
+352 621 838 313
pierre-marie.bochereau@lu.ey.com



José Longrée
EY Luxembourg Partner, Europe West
Wealth & Asset Management Managed
Services Leader
+352 42 124 7892
jose.longree@lu.ey.com



Patrice Fritsch
EY Luxembourg Tax Partner
+352 42 124 8950
patrice.fritsch@lu.ey.com



Grégoire d'Avout
EY-Parthenon Luxembourg, Strategy
and Transactions Partner
+352 42 124 7578
gregoiredavout@parthenon.ey.com

EY Law



Benoît Rose
EY Law Partner, *Avocat à la Cour*
(Liste I)
+352421247297
benoit.rose@lu.eylaw.com

EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multi-disciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

© 2026 Ernst & Young S.A.
All Rights Reserved.

ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

ey.com/en_lu

