

Northern Trust

Best Real Estate Fund Administrator Europe

Northern Trust's real estate fund administration capabilities form an integral part of its global alternatives asset servicing solutions practice. This supports more than USD1 trillion in alternative assets on behalf of asset managers and asset owners.*

As the global surge in real estate investing continues to build, Northern Trust is busy driving new products and capabilities to support a diverse mix of real estate asset manager clients.

"We view ourselves as a strategic operations partner to our clients; providing the operational expertise and infrastructure to enable our clients to focus their time and resources on their strategy and investors," says Michele Foley, Head of Alternative Investment Services (Ireland), Northern Trust.

The continued global focus on alternative asset investment has propelled inflows from both existing and new clients, helping Northern Trust achieve a 50 per cent increase in global real estate assets under administration over the past 12 months.

Its European centres of excellence in real estate servicing are based in Ireland, Luxembourg, Guernsey and the United Kingdom, all of which are supported by Northern Trust's global network of offices, providing its clients with the flexibility to grow and evolve their strategies.

Institutional investors are increasingly seeing the benefits of alternative assets as a way of achieving portfolio diversification outside of the current fluctuating global investment markets. Real estate funds in particular, offer a degree of inflation protection and the potential to achieve growth, which is non-correlated to market performance.

Foley explains that Northern Trust has been supporting RE fund launches from managers across the globe, seeking a European hub for their European real estate structures.

"Ireland has been a particular focus for real estate launches from both new



Michele Foley, Head of Alternative Investment Services (Ireland) at Northern Trust

and existing clients. We have noted a recent increase in the use of Real Estate Investment Trusts (REITs) with some funds re-designating their status to this tax-efficient vehicle. REIT structures offer investors a gross dividend (without deduction of tax) so long as the fund continues to comply with certain conditions.

"Structures aside, there is also a general trend to invest in strategies with an environmental and/or a social governance theme, such as alternative energy developments like wind farms or solar energy. This may be held as a direct investment, or in the case of solar energy, held as part of a physical building as an alternative investment stream," says Foley.

Northern Trust is an active participant in the alternatives industry, contributing to and keeping pace with thought leadership through sponsorship of client forums and participation in leading industry conferences providing thoughtful collaboration, insights and technology development.

Specifically, Northern Trust's service and product development is focused on helping clients address an increasing array of industry challenges around rising complexity, regulatory pressure and enhanced transparency requirements, especially on data and risk governance.

Northern Trust's implementation of a pan-European depositary service following the introduction of the Alternative Investment Fund Managers Directive for all alternative asset classes, including real estate, is a good example of this in practice.

"In response to increasing regulatory change we have a dedicated team within our product business whose sole purpose is to support clients with regulatory change – whether this is delivered through new products created to support upcoming requirements or briefings through events, meetings, newsletters and supplementary materials," confirms Foley. ■

**Source: Northern Trust as at 31 December 2017.*