



## NORTHERN TRUST

Solutions for the Alternative  
Investment Fund Managers Directive



Northern Trust

## YOUR AIFMD ASSET SERVICING PARTNER

In July 2013, the Alternative Investment Fund Managers Directive (AIFMD) took effect across European Union (EU) and European Economic Area (EEA) member states, transforming the alternative investment manager space. Through Northern Trust's active industry leadership and global network of experts, we are ideally placed to help you understand AIFMD and assess its implications for your business.

Take advantage of our comprehensive range of solutions to position your fund ranges for your investors, facilitate compliance with the Directive and secure a distribution advantage through timely adoption of the new pan-European marketing passport.

### FOR MORE INFORMATION

To learn more, please contact your Northern Trust relationship manager or:

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# Navigating the Alternative Investment Fund Managers Directive

In establishing a regulated framework for non-UCITS funds managed in, domiciled in or marketed in the EU, AIFMD introduces a pan-European marketing passport for alternative investment fund managers. Compliance with the new regulatory requirements is necessary in order to secure the passport.

Already one of the world's leading providers of asset and fund administration and fiduciary services, Northern Trust has expanded its range of services to help you meet your obligations and capitalise on the distribution opportunities offered by the pan-European marketing regime.

With relationships spanning all major domiciles and jurisdictions, Northern Trust has serviced alternative asset classes for decades, giving you the confidence of unparalleled expertise.

Working in close partnership with you, our dedicated cross-disciplinary team of AIFMD experts can offer support and customised solutions designed to help you comply and take full advantage of the new regulatory landscape.

## AIFMD-Ready Depository Services

As a provider of depository services since 1998 in Ireland and since 2005 in Luxembourg, Northern Trust is extending our AIFMD-compliant services to additional locations across Europe. Our pan-European service model includes:

- **Depository operations:** A new depository operating model – functioning across multiple asset classes, investment strategies, custody arrangements and fund domiciles – includes daily procedures, reconciliations, oversight, asset supervision, cash monitoring, NAV reporting and investor flow supervision
- **Asset safekeeping:** Custody provision, supervision of assets 'in custody' and of 'other assets' including: review, oversight and due diligence of sub-custody networks, prime brokers and their networks, fund of hedge fund structures, real estate and private equity vehicles
- **Cash monitoring:** New daily cash monitoring, cash oversight and a reconciliation process compliant with requirements
- **Investment compliance:** Monitoring of investment compliance with stated investment objectives
- **Supervision of NAV:** Monitoring of NAV process compliance

## AIFMD Sample Implementation Timeframe

Timeframe	EU managed EU fund e.g. London manager of Irish fund	EU managed non-EU fund e.g. London manager of Cayman fund	Non-EU managed EU fund e.g. Swiss manager of Luxembourg fund	Non-EU managed non-EU fund e.g. US manager of Cayman fund
22 July 2013	Official adoption of AIFMD in member states			
22 July 2013	New managers seeking authorisation, must comply in full			
21 July 2014	Deadline for managers operating pre July 2013, seeking authorisation under AIFMD			
July 2013 – July 2014	Full compliance with operational, transparency and governance provisions			Compliance with Articles 22 – 24 (annual report, investor disclosure and regulatory reporting)
July 2013 – July 2014	Full Depositary and Passport required	Offshore Depositary and Private Placement required	Authorisation from member state of reference, full depositary and passport required	Requires cooperation agreement with home state of AIFM
July 2015		Passport available, requiring cooperation agreement and full compliance		Passport available, requiring cooperation agreement and full compliance
July 2018		Winding up of Private Placement		Winding up of Private Placement

- **“Depositary Lite”:** Non-EU funds can continue to private place to EU investors by appointing an entity to carry out depositary functions, but without the new liability provisions. The function contains all of the operational functions and services outlined above and is available to non-EU domiciled (e.g. Cayman, Guernsey, British Virgin Isles) funds wishing to private place to EU investors. From 2015, those non-EU funds are permitted to apply for the marketing passport, upon which Depositary Lite would be replaced by the full depositary regime

### AIFMD-Ready Reporting Solutions

Regulatory compliance across multiple domiciles with detailed quarterly, bi-annual or annual reporting available covering investment strategy, risk, liquidity and leverage profiles:

- **Data service:** An extract from Northern Trust’s systems delivered to you for completion prior to your submission to the regulator
- **Full reporting service:** Full submission of an electronic report on your behalf to the regulator



#### RECOGNISED INDUSTRY LEADERSHIP

- **Best European Hedge Fund Administrator**  
*Hedgeweek Global Awards 2014*
- **Best European ETF Administrator (2013)**  
*ETF Express Global Awards*
- **Hedge Fund Administrator of the Year (2013)**  
*Custody Risk Magazine, Americas Awards*

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