

Northern Trust

Best European ETF Fund Administrator

Whilst its clients continued to record strong inflows and expand their product range in 2014, of particular note was the work that Northern Trust undertook to assist mutual fund houses in their bid to venture into the European ETF space.

“One of these was an exchange traded share class of a mutual fund in Europe, which was the first of its kind. This was exciting for us to be involved in, as well as for the European ETF market in general. We also worked with a mutual fund client to launch a more regular, stand-alone ETF platform,” explains Fiona Moore, Northern Trust’s Head of ETF Fund Administration, Europe.

These launches helped Northern Trust to garner interest from other global mutual fund houses who are interested in using the exchange traded share class format to structure their own products and marks a potentially significant stage in the evolution of Europe’s marketplace. As such, working with these institutions represents an important strategic initiative for Northern Trust in 2015.

Research and education are an integral part of Northern Trust’s offering, sharing its ETF knowledge from both a product perspective and operating model perspective says Moore. “We work closely with industry bodies and participate in industry groups with respect to regulatory changes, disseminating to our clients what the impact



Fiona Moore, Northern Trust's Head of ETF Fund Administration, Europe

of changing regulation might have on their products in particular and also on the broader industry. We are also very focused on providing thought leadership and sharing the latest developments and trends from the market with our clients.”

Northern Trust works closely with clients to design the optimal operating model for their ETF products. It has been working with ETFs in Europe since their infancy in 2000 and as Moore notes, “with that depth of experience we’re in a good position to advise and guide our clients on setting up, launching and running a successful ETF platform”.

“We have created a specialist ETF platform that provides a fully automated end-to-end solution. It ties together our core processing systems while enabling the monitoring of the entire ETF lifecycle. That infrastructure, combined with the experience of our personnel, ensures that our clients have a service provider that understands and can support their evolving requirements and the development of new ETF products,” explains Moore.

As ETF promoters increasingly look to develop more niche-type products – look at how quickly the smart beta concept is growing – the fact that Northern Trust has created a robust operating infrastructure enables it to evolve and tweak the platform in line with this growing level of ETF product sophistication.

“You have to be seen not only to keep pace but stay one step ahead of product evolution. This is especially true of Europe where its ETF industry continues to mature,” stresses Moore, who identifies three key trends for 2015: “Smart beta products and more niche players are likely to continue to grow in Europe. Developments in the US recently in relation to non-transparent actively-managed ETFs have been interesting so this may also present growth opportunities in Europe as this area evolves. And as referred to earlier, mutual funds establishing exchange traded share classes has the potential to be another growth area.” ■

Fiona Moore collects the award from GFM's Beverly Chandler

