

INREV REPORTING

Benefit from our unique and extensive expertise in dealing with INREV guidelines for reporting to investors

Real estate asset managers are facing significant **challenges around investor reporting**. This is largely due to an increase in the volume and detail of information requests from investors facing ever increasing regulation, the difficulty of extracting and collating data from multiple sources, and the fact that fund managers are required to submit side reports to individual investors using investors' and/or their consultants' own reporting templates. This is compounded by the increasing needs of investors and their analysts to see high levels of granularity and quantitative detail in the information provided by asset managers.

At the same time, investors receive **multiple reporting formats** from asset managers with varying levels of disclosure, different definitions and inconsistent presentation. There is a clear appetite from investors for more detailed and consistent data on the performance of their real estate investments.

As a result, there is an on-going drive in the real estate industry to **standardise reporting and performance measurement**, and in the wake of this, INREV guidelines have become the most recognised and widely spread best practice in the industry across Europe.

On a wider scale, a collaborative project which started in 2015 between INREV, PREA, NCREIF and ANREV ⁽¹⁾ will bring convergence in reporting standards globally.

Alter Domus is actively participating in this initiative as a member of the **Global Standards Steering Committee** which oversees this.

⁽¹⁾ INREV - European Association for Investors in Non- Listed Real Estate Vehicles
ANREV - Asian Association for Investors in Non- Listed Real Estate Vehicles
NCREIF - National Council of Real Estate Investment Fiduciaries (US)
PREA - Pension Real Estate Association

HOW CAN ALTER DOMUS ASSIST ?

Assistance with annual and interim reporting to investors

CONTEXT

Managers report interim and annual data to investors. INREV guidelines focus on the content of investor reports without prescribing the organisation and format of such reports. The Standard Data Delivery Sheet (SDDS) provides investors with the main financial management information they require and is an integral part of investor reporting under INREV guidelines.

OUR SOLUTIONS

- Coordination and delivery of the INREV SDDS, automatic generation of the report with links to the financial statements to minimise the risk of errors
- Gap analysis and set-up in collaboration with management of reporting guidelines (including definition of KPIs, content, frequency, timing of delivery, etc.)
- Preparation of annual and interim financial reports under relevant GAAP (including balance-sheet, income statement, statement of cash flows, etc.)
- Calculation and reconciliation of accounting NAV vs trading NAV vs INREV NAV as applicable

Calculation and monitoring of performance measurement

CONTEXT

Investors are increasingly calling for better and more consistent performance measurement and communication. The INREV guidelines provide support when computing and reporting historic performance measures. These guidelines also aim to increase consistency in the reporting of performance, and respond to an increased demand for standardisation.

OUR SOLUTIONS

- Provide support to management in computing performance measurement
- Calculation of selected fee and expense metrics including the Total Expense Ratio (TER) and the Real Estate Expense Ratio (REER) in accordance with INREV guidelines
- Reconciliation of fee and expense amounts to the financial statements

Calculation of INREV NAV

CONTEXT

The NAV calculated under IFRS or other accounting standards does not always give an accurate economic view of the performance of a real estate vehicle. INREV provides guidelines to calculate a more meaningful adjusted NAV, as well as increasing the transparency and comparability of performance between different funds/vehicles.

OUR SOLUTIONS

- Based on the NAV derived from GAAP (including IFRS), calculation and documentation of the INREV NAV adjustments
- Reconciliation between GAAP NAV and INREV NAV
- Assistance in disclosing calculation details on the INREV NAV adjustments allowing investors to understand positions taken

WHY CHOOSE ALTER DOMUS FOR YOUR INREV REPORTING ?

OUR EXPERTISE

Alter Domus has a **leadership position in the administration of real estate structures** (AIFs, SPVs and property companies).

We serve regulated as well as non-regulated real estate vehicles, which represents at group level:

- Over **220 real estate clients** including 15 of the 20 largest real estate fund managers in the world
- Over **2,300 SPVs** being part of real estate structures (holding and financing vehicles)
- Over **500** property companies
- Over **60 real estate funds** (closed-ended and open-ended funds)
- Production of consolidated NAV for more than 130 real estate structures under IFRS and Lux-GAAP (both with INREV NAV adjustments when required) out of a total of 200 produced annually

OUR DEDICATED TEAM

- We have set-up a **dedicated team of experts** to assist our real estate clients in the preparation of investor financial reports in accordance with INREV guidelines. Our leadership position allows the team to acquire unique expertise in the market and to stay at the forefront of industry developments
- Our real estate practice comprises more than **250 professionals led by 35 directors and senior managers** specialised in the real estate industry.

YOUR INREV REPORTING TEAM



MAIN CONTACT

ANITA LYSE
Head of Real Estate
+352 48 18 28 3948
Anita.Lyse@alterDomus.com



STÉPHANE CAMPORI
Director, Real Estate
+352 48 18 28 3578
Stephane.Campori@alterDomus.com



ANDREW MUSCAT
Deputy Country Executive Malta
+352 22 05 1043
Andrew.Muscat@alterDomus.com

Alter Domus is a fully integrated Fund and Corporate services provider, dedicated to international private equity & infrastructure houses, real estate firms, private debt managers, multinationals, capital markets issuers and private clients. Our vertically integrated approach offers tailor-made administration solutions across the entire value chain of investment structures, from fund level down to local Special Purpose Vehicles.

Founded in Luxembourg in 2003, Alter Domus has continually expanded its global service offer and today counts 40 offices and desks across five continents. This international network enables clients to benefit globally from the expertise of more than 2,000 experienced professionals active in fund administration, corporate secretarial, accounting, consolidation, tax and legal compliance, depositary services and debt administration services.

We are proud to serve 17 of the 20 largest private equity houses, 15 of the 20 largest real estate firms and 17 of the 20 largest private debt managers in the world.

www.alterDomus.com

YOU GROW, WE SUPPORT.

alterDomus*