

REAL ESTATE FUND SERVICES

Fund Administration for Real Estate Managers

REIT Compliance Testing and Reporting

Alter Domus' REIT services assist managers on a quarterly and annual basis with identifying, analyzing, summarizing, and documenting any issues that jeopardize REIT qualification status for any investment vehicle and its related investors.

REIT COMPLIANCE TESTING AND REPORTING

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| <ul style="list-style-type: none"> • Review the organizational requirements to be classified as a REIT, and adhere to regulations to retain and maintain entities' REIT status (IRC 856) <ul style="list-style-type: none"> - Verify that the REIT is managed by one of more trustees or directors - Verify the beneficial ownership of which is evidenced by transferable shares or by transferable certificates of beneficial Interest - Verify that the REIT has established a minimum of 100 shareholders • Prepare consolidated financial statements for the REIT entity based on the underlying assets owned by the REIT <ul style="list-style-type: none"> - Liaise as necessary with the REIT tax preparers regarding financial statement adjustments required for REIT testing - Produce REIT adjusted Balance Sheet, Income Statement, and Trial Balance | <ul style="list-style-type: none"> • Perform REIT Asset Testing <ul style="list-style-type: none"> - Verify that 75% of the assets are secured by real estate assets, cash and cash items, receivables, and government securities - Verify that not more than 25% of the value of the assets can be represented by non-government securities that are not otherwise treated as real estate assets (including securities of TRS) - Verify that the REIT does not have more than 10% of the voting power or have a value of 10% or more of the total value of the outstanding securities of any one issuer - Verify that the REIT does not have more than 5% of the value of the assets represented by securities of a single issuer | <ul style="list-style-type: none"> • Perform REIT Income Testing <ul style="list-style-type: none"> - Verify that at least 75% of the income is derived from real estate sources - Verify that at least 95% of the income is derived from passive investments (rents, dividends, interest, capital gains) and not active investments (business activities unrelated to real property) • Verification of Annual Distribution Requirements <ul style="list-style-type: none"> - Dividends must be paid to REIT shareholders annually equaling the following: <ul style="list-style-type: none"> - 90% of REIT taxable income - 90% of REIT net income, if any, from foreclosure property |
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The parties that acknowledge and agree that the information provided by Alter Domus per the aforementioned testing is for estimation use only. Do not rely solely on this information for tax preparation purposes. Alter Domus does not provide an official opinion on REIT qualifications, nor is Alter Domus providing an opinion on or ensuring that the REIT or fund is in compliance with applicable laws and regulations, including those promulgated by the Securities and Exchange Commission.



- OFFICES
- DESKS

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- Cayman Islands
- USA:
 - Chicago (IL)
 - New York (NY)
 - Darien (CT)
 - Austin (TX)
 - Indianapolis (IN)
 - Los Angeles (CA)
- Canada
- Latin America

EUROPE

- Belgium
- Cyprus
- France
- Germany
- Guernsey
- Ireland:
 - Dublin & Cork
- Jersey
- Luxembourg
- Malta
- Spain:
 - Barcelona & Madrid
- The Netherlands
- United Kingdom
- Italy
- Nordic
- Poland
- Portugal
- Russia & CIS
- Switzerland

MIDDLE EAST & AFRICA

- Mauritius
- Israel
- Middle East

ASIA-PACIFIC

- Australia
- China:
 - Beijing, Nanjing & Shanghai
- Hong Kong
- Singapore
- India

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Many leading international asset managers, lenders and asset owners choose Alter Domus as their partner for growth. Whether a stand-alone fund with limited investments, or a large multi-billion-dollar fund with complex investment streams across multiple jurisdictions, we understand your world.

Vertical integration allows us to build dedicated teams to provide support and bespoke solutions across your entire value chain. By tapping into a talent pool of some 2,500 employees across more than 40 offices and desks, our expertise and cutting-edge technology combine to put you ahead of the game.

With an established professional focus on the private equity, infrastructure, real estate, and debt and capital markets sectors, we offer fund administration, corporate services, depository services, transfer pricing, domiciliation and management company services. Our specific experience in the debt and capital markets sector allows us to provide specialist solutions such as loan administration, agency services, trade settlement and CLO manager services.

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