

European Transfer Agent of the Year IFDS/State Street



Tom Bruno, managing director, Luxembourg, IFDS

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Fund managers are becoming increasingly aware that a good transfer agent can help enhance their brand and maintain strong relationships with their customers. Transfer agents are at the front line, handling fund managers' key client relationships and, as such, this back-office function is being more highly valued. This has led a number of groups to review their transfer agency provision and consolidate it with one provider.

IFDS/State Street has been a significant beneficiary of this trend in 2011. For example, a major international asset manager outsourced all of its European and Asian distribution support transfer agency functions – including its Ireland, Luxembourg and UK fund ranges – from in-house provision to the group; F&C Asset Management shifted its offshore Luxembourg/Ireland and closed-end UK business; and Threadneedle moved its transfer agency functions for its Luxembourg and UK fund ranges to IFDS/State Street.

As fund managers expand their distribution around the world, they want a provider that can support them across multiple business areas and locations. Over the 12 months to August, the group saw growth in both the retail and institutional transfer agency segments, with 149 new organisations converting – an increase of 15.5%. Assets under administration grew 8.2% over the period. The group is the only transfer agent covering both retail and institutional clients in all of the core European markets.

IFDS/State Street improved its support for organisations distributing Ucits funds into the Asian markets. It also put significant investment into the automation of fund-of-fund order routing and settlement. This was particularly important for the group's growing client base in Italy. It also added the Italian Banca Corrispondente business to its European multi-product offering and distribution.

Elsewhere, the group also improved its range of services for large institutions, combining trading and servicing with integrated reporting via its web portal. It was also Europe's first transfer agent to support offshore T+0 money market funds on the National Securities Clearing Corporation platform. IFDS is also the first organisation to implement straight-through processing net settlement via Calastone.

During the year, IFDS/State Street adapted its fee rebate engine to function at a consolidated asset level, and different fee calculation methodologies are now available for individual European markets. Clients can now manage fee rebates at a fund domicile level or consolidate assets across multiple domiciles.

Germany is still the group's largest market, but it has seen significant growth in the Swiss and Luxembourg markets. It was IFDS/State Street's ability to continue to generate growth in difficult markets that particularly impressed the judges.