

5.4 Reflection

*This paragraph provides a reflection on my thesis research by reflecting on the **graduation process, the scientific and societal relevance, the methods used** and a short reflection on the **graduation process** with the help of my mentors from the TU Delft, Hans de Jonge and Aart Hordijk and Lisette van Doorn as mentor from my graduation company MPC Capital.*

Graduation process

P2 - June 2014

Writing the theoretical framework was not so easy. My knowledge of the real estate fund industry was not very extensive and far-reaching, so I had to conduct an extensive literature review. Another pitfall was the early stage of the AIFMD process. Not much literature is written and especially not much scientific literature. Also the legal jargon was an extra difficulty in reading the available literature.

While writing the theoretical framework, many interfaces were revealed. Most of them were interesting and relevant to study and to describe in the framework. This resulted in a comprehensive literature study and theoretical framework.

P4 - December 2014

Looking back at this period of research, I believe the process of performing a research by myself has taught me a lot. I have spoken with 8 professional, institutional investors whereby very interesting discussions took place. Also the contact with the 4 fund managers and the willingness to share data (although most information is non-public) taught me a lot. By speaking with these parties, I gathered lots of insights and it gave me a sense of the reality of the real estate fund industry, which I am very interested in. But I also encountered some difficulties last months.

Efficiency of impact → impact

While setting up the survey documents for the cost impact, it soon became clear it should be very difficult to determine 'the most efficient way' to implement AIFMD for each fund manager. Two out of four managers were still processing the implementation and the differences between the organisations are too big to be able to compare them. So, I decided to focus on general conclusions about the impact AIFMD causes for real estate fund managers.

Focus slightly moved

During the empirical research, I observed that the cost impact for the institutional fund managers and investors that participated is not so significant. More impact and effects are expected for the private real estate sector. Therefore, in the end of the research I decided to do an extra interview with a smaller fund manager, managing funds where private investors in participate. This interview gave me useful insights and confirmation about statements and general conclusions I had drawn already.

Fund manager quits

In a very late stage of the empirical research, one fund manager decided not to participate and pulled back. For me this was surprising, since the reasons are (in my eyes) not that reasonable. This fund manager is still processing the implementation and is not prepared to give insights in the business before obtaining the license.

Sensitive information

Working with these parties made it difficult and time-consuming for me to gather the desired information. The data about the costs as well as the interview transcripts contain sensitive data. I have to be very careful with this data. I even had to sign contracts that ensured the organisation I do not publish the received data.

P5 - January 2015

During the P4 presentation some comments were given. In the last month of my graduation process I focused on the missing links, sharpened the discussion part, more explained the data processing of the interviews and optimized the text.

My personal conclusion is that I'm satisfied with my delivered graduation thesis. I believe my graduation process genuinely made me ready to fully pursue my professional career.

Reflection on the methods

Case studies

- *Cost impact surveys*

It turned out that the gathered data on the direct-cost impact is difficult to compare. The three fund managers have different revenue models, different AuMs and there is a difference in starting point (conversion of Wft. or complete license application). So, the costs do give me insight in the costs the fund managers make and enable me to draw general conclusions about the impact. However, the ambition to say something useful about the efficiency or make a decent comparison turned out to be difficult.

- *Interviews with 8 investors*

I experienced the interviews as professional, fair, relevant and useful. The interviewees were not cautious in their answers (knowing that the data never will be linked to persons). The outcomes of the interviews are of great value and enabled me to give appropriate, grounded answers on the (sub-) research questions.

Scientific & societal relevance

Actors in the real estate fund value chain were, and some still are, struggling with the implementation and the effects of AIFMD. Some studies before the implementation made estimations about the cost impact for fund managers and for investors (INREV and BNY Mellon for example). It is of societal and scientific relevance that the actual cost impact, incurred by AIFMD costs, is revealed. It is also relevant to give insights on the allocation of these costs, since this proved to be a point of discussion. The consequences of the cost impact for smaller fund managers and private investors are of huge societal relevance, since this relates to the social tasks in the real estate sector (sustainability, rezoning, innovation).

An insight in the transparency benefits of AIFMD is of scientific and societal relevance. Transparency in the market is socially desired, so the expected transparency benefits may be of great value for the society. AIFMD pretends to bring more transparency in the markets, so a research that provides insight in the real expected transparency benefits by professionals, adds value to the science.

Put shortly, there is a lack of knowledge on the impact and effects of AIFMD mainly due to the early stage of the implementation. This objective research provides an insight on the impact for fund managers and a view on the effects of the regulation on the real estate investment market with the expected transparency benefits. This seems to be a great addition to the science and of societal relevance.

Graduation with help of mentors & MPC Capital

I am happy I've made the decision to stay by MPC Capital during my graduation process. It has contributed to my personal understanding, and thus benefited the quality of this research. It also was time-consuming, because I had to do a lot of work that not related to my research.

Lisette van Doorn was of great value during the entire graduation process. The personal guidance and feedback provided useful insights, and in-depth knowledge for this thesis research. Lisette has an extensive professional network and introduced me by the four fund managers.

Every meeting, Hans de Jonge reminded me to keep 'the helicopter view' and let me think in the bigger picture. He steered me to think about the system as a whole; the effects of this directive for the market and not only for fund managers and investors. This resulted in a comprehensive discussion paragraph, of which I'm very satisfied.

Especially in the beginning, Aart Hordijk helped me to understand the context and beginning of AIFMD. He gave me access to (email-) discussions between the European Property Foundation (EPF) and European Securities and Markets Authority (ESMA). His valuation-specialism also helped me in the focus on transparency of valuations and the transparency of the real estate (investment) market