

The NED

Independent intelligence on fund director issues

Issue 32 • April 2014

Director remuneration: a new model is emerging

The NED has completed the most extensive survey of non-executive fund director remuneration yet done across the international fund industry. The results show that there are large differences in pay rates by domicile and by fund category. Results also indicate that differences will likely grow in the future. It is possible that a new model of director remuneration will emerge in the coming years in some, if not all, domiciles - especially those most affected by Europe's AIFM Directive.

The NED would like to thank the 73 non-executive directors that responded to its survey. They are directors of funds in the following jurisdictions: BVI, Bermuda, Cayman, Curacao, Guernsey, Ireland, Isle of Man, Jersey, Luxembourg and Malta. The overwhelming majority are resident in the domicile where they act as directors but there were also a small number included in the sample that were resident in Denmark, Italy, Switzerland and the UK.

Additionally, The NED spoke to 18 alternative managers and 5 fund of fund managers on related non-executive remuneration matters. All these fund of fund managers have AUMs well in excess of \$1 billion whereas the managers ranged from the larger to the smaller in the business. [Continued on page 9 >>](#)

SEC launches unit for private funds

The SEC has said that it is launching a unit dedicated to examining practices of hedge funds and private equity partnerships in the US. It is believed that this new unit will focus, in particular, on how private equity and hedge fund partnerships value their assets, disclose their fees and communicate with their investors. In the absence of any entity such as a board to represent investor interests the SEC is believed to have become increasingly conscious of its duty to help here.

The SEC had already added to the team that examines alternative fund valuations recently. In particular it has added more dedicated specialists in derivatives, an area where it was considered to be weak. The SEC has said that one of its priorities is to ensure that funds with complex and illiquid investments are properly examined. [Continued on page 14 >>](#)

Contents

Director remuneration: a new model is emerging	1
SEC launches unit for private funds	1
Letters to the Editor	2
News	3
The NED launches a Director Intelligence Service for managers	3
Tremont lawsuit dismissed	3
Research on AIFMD's impact on governance	3
Survey reveals concerns with AIFMD reporting	4
News from the Domiciles	5
Fund governance report series	16
<i>The sixth report in this series focusses on IMS</i>	
What difference will AIFMD make to board risk supervision?	19
<i>Not much, at least yet</i>	
The NED Directory	21
<i>Information on how to join the database</i>	

Companies and Associations mentioned in this issue:

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