

The NED

Risk and Governance

Independent intelligence on fund governance issues

Issue 109 • September 2020

Director categorisation & ratings

Following an extensive consultation over the summer, The NED has finalised its plans for fund director categorisation and independent director ratings.

We would like to thank all those who contributed their views to the consultation that has been undertaken over the last couple of months. We were pleasantly surprised by the interest we had from subscribers, and others, to this initiative. Our decision to proceed with this project was in large part taken as a result of the positive reaction we had to it from the market.

In particular, we are especially grateful that a number of investors gave up their time to provide us with their views. In some cases, this led to some thought-provoking discussions about the purpose of fund governance. As is often said, but needs repeating, the best way to improve fund governance standards is to have interest in it from investors.

There was one area where we had some negative feedback to what we had originally proposed back in July: capacity. It remains as contentious a subject as ever. We had a lot of conversations and e-mail exchanges with subscribers in Cayman on this matter over last couple of months. But it wasn't just Cayman. Some of our Irish subscribers also had strong views on how to measure capacity. And what we have gone with is based on the CBI's guidance. [Continued on page 8 >>](#)

Time to promote independent directors

The NED launches its Selection Intelligence Service

This probably should have been done a long time long ago. But better late than never. It is time to promote the cause of experienced and capable independent fund directors. Whilst they are of considerable benefit to boards and to investors there hasn't been any overt promotion of their cause up until now.

As The NED covered in some detail in its in July issue (see the 'Man vs Machine' cover story) the cause of genuine independent directors has been threatened by some recent market developments. What might be called the 'machine' model of fund governance has some superficial attractions, as we covered in July. At a time when many will be looking to make savings it certainly will have its fans. [Continued on page 7 >>](#)

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The Briefing Report

ESG's impact on the fund industry

The NED

Alternative Fund Governance:
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The Tracker

The impact of Brexit on EU jurisdictions

For more information, please e-mail [Tamara Sims](#)

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