

The NED

Risk and Governance

Independent intelligence on fund governance issues

Issue 101 • January 2020

A revolution ahead?

By coincidence the start of this new decade is also the beginning of what we hope will be the NED's second centenary of issues. Considerable change is expected to occur, by almost everyone, in fund governance over the coming years. By 2030 fund governance may look very different from today or the decades before.

ESG is going to play a big part in both the governance practices of asset managers as well as in their board composition and that of their funds. We also would also expect that there will be much greater levels of transparency in governance practices, including at private funds that are domiciled in offshore jurisdictions. With improvements in transparency we are also likely to see more professional standards, especially in the selection of fund directors.

Changes in fund governance practices arising from both ESG and transparency look to be pretty much certain to occur. On top of these there is quite a long list of items that might or might not happen too. For this 101th issue of the NED we review the changes we will expect to see over the coming years.

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Director ratings & due diligence



The NED is looking to launch a director ratings and due diligence service this spring. Prior to doing so it is inviting subscribers to provide their feedback on what is planned.

The due diligence service could include the following information on prospective independent directors: company ownership, regulatory

sanctions, feedback from ex colleagues or other directors and court filings. In order to do this The NED may be teaming up with a firm that has done this kind of investigative work in other parts of the financial industry.

The NED is also looking to start a rating system for directors, which it would launch alongside its due diligence service. It very likely to use a traffic light system for these ratings based on the following criteria:

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IFI Global Research

The Briefing Report

ESG's impact on the fund industry

The NED

Alternative Fund Governance:
The View of Investors (US & Europe)

The Tracker

The impact of Brexit on EU jurisdictions

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

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- Receipt of NED research. The NED has developed a proprietary databank of information on investor and manager views on board composition, practise and preferred director qualifications.
- The NED Directory. Subscribers are welcome to be included in the NED Directory of fund directors on nedglobal.com.

This form can be completed and saved in Acrobat Reader and then emailed to [Tamara Sims](#)

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