

Summary Agenda for 2023

Fund Boards Council (FBC) is a professional members organisation dedicated to supporting the governance work of fund boards in the UK and internationally. As the only organisation in the UK exclusively dedicated to fund governance, FBC's work with boards and the executive teams that support them is focussed in two main areas: **Fund Board Governance** and **Fund Board Effectiveness**. This summary note sets out the major initiatives FBC will be undertaking in 2023.

For FBC's corporate members, the bulk of these products and services are included as part of the annual membership.

FUND BOARD GOVERNANCE

The governance challenges facing fund board directors – both executive and independent – are many, varied and growing in complexity. This is reflected in a range of services FBC has developed for its corporate members in 2023 to support them in key aspects of Fund Board Governance, including:

Product
Governance

Distribution
Governance

ESG/Responsible
Investing

Operations
Governance

FUND BOARD EFFECTIVENESS

FBC's Fund Board Effectiveness programme recognises the specific dynamics of fund board governance and the unique role of the fund board within their firm's overall governance structure. Our work aims to support the whole board in delivering the highest possible standards of fund governance on behalf of their investors and is focused on four main areas:

Board Culture
and Purpose

Board
Process

Board Structure
and Composition

Board
Independence

PRODUCT GOVERNANCE

FBC's product governance work already includes a strong track record of supporting members in their Assessment of Value (AoV) efforts. In 2023, FBC will also expand our product governance coverage to include the Value for Money discussion in crossborder markets, and importantly help corporate members navigate the product governance considerations emerging from the FCA's Consumer Duty requirements.

FBC Product Governance Services in 2023

FBC Report

Three years on from the publication of the first Assessment of Value (AoV) reports, in 2023 FBC will be conducting a research study looking at asset management firms' experiences of the AoV process, the challenges and opportunities it has presented and how that has influenced their wider approach to product governance.

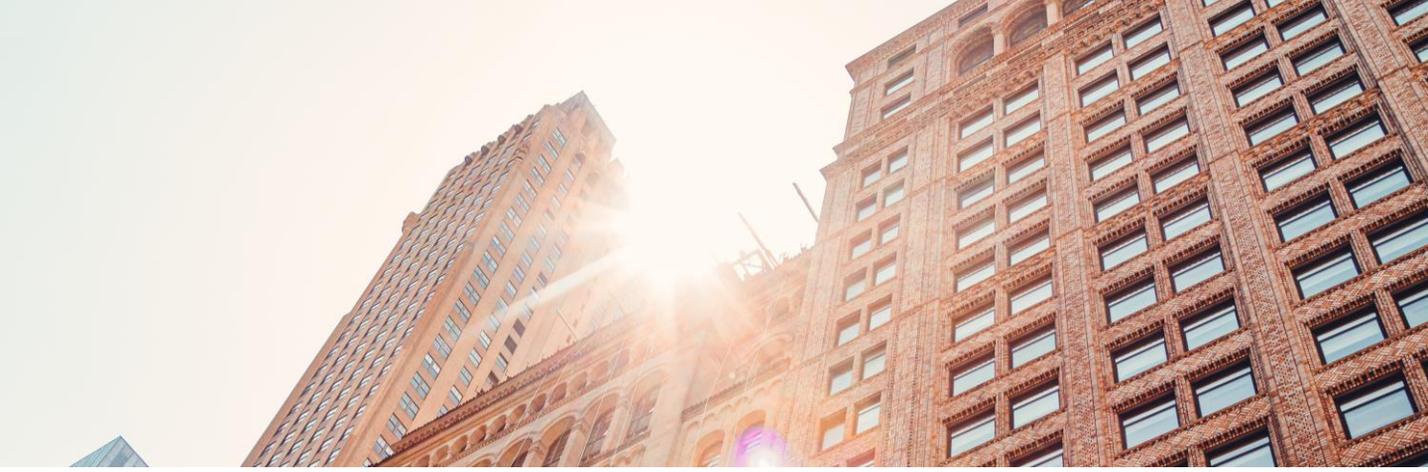
Independent AoV Assessments

FBC continues to offer a tiered range of AoV assessments including the AoV Review (available to and complimentary for FBC Corporate Members only), AoV Desktop Review (AoVDR) and the AoV Assurance Review (AoVAR). In addition, in 2023, FBC expects to engage more broadly with what fund board directors, and their executive colleagues, can expect from European regulators' growing focus on value for money.

Consumer Duty Engagement and Workshops

This important regulatory initiative will be a key feature of FBC's product and distribution governance work in 2023. As members approach key deadlines for compliance, FBC will be hosting member meetings for fund boards looking at topics such as how firms are thinking about good customer outcomes and the questions fund boards should be asking, accessing meaningful data and how boards are bringing insights from their AoV work to bear on Consumer Duty discussions.





DISTRIBUTION GOVERNANCE

In 2023, FBC will build on its existing proprietary research into key distribution oversight challenges for fund boards with a programme of activities to help fund boards address regulatory developments such as Consumer Duty.

FBC Distribution Governance Services in 2023

Proprietary Research

The research will examine how fund boards engage with their firm's distribution professionals, looking at challenges around data provision to the board and oversight of areas such as distributor due diligence and client liquidity. This research will be available exclusively to FBC corporate members, along with key considerations framework they can take away and consider with their own boards, and invitations to dedicated members' meetings on this topic.

Engagement

FBC's member meetings in 2023 will also explore topics such as:

1. Governance Effectiveness across the Fund Distribution Value Chain
Bringing together fund managers, platforms and wealth managers to discuss key distribution governance topics
2. Cross-border Distribution Oversight Practice
Interrogating FBC's own research, we will bring together corporate members to explore how firms are embedding good distribution governance and oversight practices across multiple jurisdictions.

Distribution Governance Effectiveness Workshops

Based on the insights from FBC's proprietary distribution governance research, we will run a series of workshops for distribution professionals to support them in their engagement with the fund board.

The workshops will be available for individual member firms and provide a confidential forum to get an independent, expert view on their approach to board discussions, the effectiveness of data and materials presented to board directors and how to make best use of distribution discussions in board meetings.

ESG & RESPONSIBLE INVESTING

In 2022, the MUFG Sustainable Investment Institute released a landmark multi-jurisdictional study covering Europe and Asia, underpinned by FBC's proprietary research and confidential interviews with fund board directors in six mutual fund markets. The report explores fund governance challenges due to the rapidly evolution of sustainable investing.

In 2023, FBC is developing a series of initiatives and events to support boards as they navigate this important topic and prepare for key regulatory developments such as the Sustainability Disclosure Requirements.

FBC ESG & Responsible Investing Services in 2023

Sustainable Investment Fund Oversight Review

2023 sees the launch of FBC's new consulting service for fund boards wanting to evaluate the way in which they oversee funds with ESG, responsible investment (RI) or sustainability objectives.

Based on FBC's in-depth research and our extensive regulatory engagement in this area, we will be offering firms a detailed, bespoke review of their current ESG oversight process and procedures to help identify areas of strength and opportunities to enhance their ESG/RI governance.

Sustainability Disclosure Requirements (SDR) – Research and Engagement

As firms prepare for the publication of the FCA's SDR rules in 2023, FBC will be on hand to support fund board directors and their executive colleagues with a series of discussion events and insights building on our own research and engagement outlining what fund boards need to know and the actions they should consider taking.





OPERATIONS GOVERNANCE

A new area of focus in 2023, FBC is developing a series of initiatives on the governance of fund operations. Over the course of the year, members will have access to a series of research studies, workshops and events designed to support fund boards as they think through challenges relating to overseeing service providers and risk management.

FBC Operations Governance Services in 2023

Service Provider Oversight Research, Workshops and Benchmarking

In 2023, FBC will be conducting a study exploring the fund board's role in service provider oversight, the challenges they face and how boards can leverage their service providers to provide additional insights and data to support effective decision-making.

Research findings will be shared with FBC members and will form the basis for a series of dedicated, bespoke workshop sessions and benchmarking we are creating to help fund board directors consider how effectively they are discharging their service provider oversight responsibilities, the questions they should be asking of their providers and what more value fund boards might be getting from them.

Risk Management Oversight Research and Engagement

In 2023, FBC will be conducting research into key aspects of how fund boards are approaching risk management oversight including areas such as operational resilience and liquidity risk. FBC Corporate Members will receive the full report and a framework of key questions/considerations to take back to their own board.

Risk management oversight will be a theme running through a number of our corporate member events in 2023, including dedicated workshop style sessions giving directors and risk management professionals a chance to examine a 'risk management' scenario in real-time with peers and experts from the industry.

FUND BOARD EFFECTIVENESS

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FBC Fund Board Effectiveness Services in 2023

Fund Board Composition Database

New for 2023, FBC has developed a comprehensive database setting out the director composition of fund boards in the UK. The FBC Fund Board Composition Database (FBC Database) leverages data from over 80 fund boards, nearly 500 directors and around 200 iNEDs to help inform funds boards' decision-making across a number of board governance areas, including: the transition from executive to independent chair, board diversity and functional representation gap analysis and skills audit.

FBC member firms have access to a summary report from the database and can contact the FBC team to discuss how this proprietary database can help them with their own board composition decisions.

FBC iNED Remuneration Study

In early 2023, FBC's will undertake a detailed iNED Remuneration Study which examines in detail the remuneration arrangements for iNEDs currently sitting on ACD boards in the UK. This ground-breaking research will provide remuneration insights that take into consideration key factors such as fund sizes and AUM and the full range of work that iNEDs conduct with the firm, including additional board and committee roles. The data is anonymous and aggregated and will be used to inform FBC's work with members looking to recruit iNEDs or review their existing compensation arrangements.

Board Assessment Reviews

As an organisation wholly dedicated to supporting investment/fund boards in the UK and Europe, FBC has established a track-record of working with its corporate members and other clients to help them assess the effectiveness of their investment/fund boards.

FBC Board Assessment Reviews are entirely bespoke and tailored to the needs and priorities of individual firms and their fund boards.

The most comprehensive approach includes a full analysis of the firm's governance mapping, fund board structure and composition, skills, culture and dynamics, financial reporting, internal controls and risk management, delegation and monitoring and process effectiveness.

FUND BOARD EFFECTIVENESS

Fund Board Effectiveness Barometer

FBC's proprietary research into fund board effectiveness explores key aspects of how fund boards are performing. Following on from the inaugural report in 2022 into how the role of the fund board is evolving, in 2023, FBC's second Barometer study will work closely with company secretaries and senior governance professionals to explore key challenges related to board agenda setting, effective board meetings and minutes as well as engagement with other entities in the governance structure.

iNED Recruitment and Compensation Consultancy

The FBC Database gives us the ability to provide our member firms and clients with an unrivalled placement service of both incumbent and aspirant fund board directors. FBC's iNED Recruitment provides firms with a robust, independent process which starts with a detailed understanding of your requirements and the current make-up of your board via FBC's proprietary tools such as the iNED Profiler and Skills Audit and, through a detailed candidate profiling process, provides a slate of high-calibre candidates for iNED roles.

Find out more

You will find more details on all of the Fund Board Governance and Fund Board Effectiveness programmes at **fundboards.org**

To discuss your Corporate Membership, consultancy or training needs get in touch at contact@fundboards.org