2025

IDC Annual Review

Amplifying the Impact of Fund Directors

IDC

The Year in Review: IDC by the Numbers

1,577

Independent Directors*

11,601

Registered Funds*

$43.2T

in AUM**

125M

Shareholders**

* Data as of December 2025.
** Data as of October 2025.

IDC ANNUAL REVIEW 2025

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A LETTER FROM THE IDC Governing Council Chair and the IDC Managing Director

2025 marked an inflection point for the fund industry. Product innovation, transformative technologies, and a significant change in the regulatory environment—all are shaping the asset management industry in profound ways.

These dramatic shifts are creating opportunities—and a necessity—for IDC to help independent trustees stay ahead of the curve. As part of our education mission pillar, we launched programs on board oversight of alternative assets, hosted a roundtable on distributed ledger technology, and prepared papers for independent directors on ETFs and the new ETF share class structure, among other things. If the past year is a bellwether, the role of AI, tokenization, private assets, and ETFs will remain top of mind for fund boards for years to come.

As the leading organization representing fund independent directors, IDC engaged regularly with the SEC to discuss key policy and regulatory issues. Whether commenting on ETF share class exemptive relief, discussing the SEC's capital formation agenda, or advocating for greater support for small fund complexes, we actively engaged with SEC Commissioners and senior-level staff on policy matters impacting fund governance.

This past year, IDC also elevated connections with and among fund independent directors. We are making IDC and our resources more accessible and strengthening the peer network that is the director community. In addition to a successful flagship conference in a new location last October, we launched a revamped website, offering an intuitive design, easier navigation, and stronger customization capabilities; a biweekly Calendar and IDC Quarterly Update, geared toward informing the entire board ecosystem; and a new LinkedIn presence, for the director community to access the latest independent director news and resources.

Through all of our activities, our focus remains on the vital role of fund directors in serving shareholder interests. As the industry and markets continue to experience transformation, IDC is meeting our director members where they are and preparing them for what's to come.

Bill Ebsworth, CFA
Chair, Governing Council
Independent Directors Council

Thomas Kim
Managing Director
Independent Directors Council

Amplifying the Voice of Independent Directors

Advocating for Sound Public Policy in Support of Fund Shareholders

On behalf of independent directors, IDC has continued to engage closely with policymakers, regulators, and other key stakeholders on matters that impact fund boards and the interests of shareholders.

IDC's Policy Roundtable, now in its third year, included a discussion with SEC Commissioner Hester Peirce and Division of Investment Management senior staff on a wide range of topics. During the roundtable, independent directors had the opportunity to share their perspectives on the regulatory landscape, provide support and feedback regarding ETF share class relief, and discuss director oversight of ETFs broadly.

In a directors-only breakfast fireside chat at ICI's Investment Management Conference, SEC Commissioner Caroline Crenshaw shared her thoughts on the role of directors and topics of interest, including small funds, innovations in the marketplace, closed-end funds, and more. In addition, IDC Managing Director Tom Kim moderated a panel that addressed the opportunities and challenges for directors amid an environment of policy changes, product innovation, and complexity in oversight responsibilities.

Then SEC Commissioner Caroline Crenshaw in conversation with IDC Managing Director Tom Kim at ICI's Investment Management Conference.

Engaging with the Fund Governance Ecosystem on ETF Developments

The possibility of ETF share class relief gained significant momentum in 2025. A key component of ICI's recommendations to modernize the Investment Company Act of 1940, IDC supported this recommendation as an innovative way to expand investor choice.

As board approval and oversight are crucial to the effective implementation of the ETF share class framework, IDC advocated on behalf of fund boards to help ensure that the relief appropriately distinguished between the role of the fund board and the management company.

To educate fund directors on this issue, IDC released an ETF Primer for Funds Directors in anticipation of the SEC's action on ETF share class exemptive relief. IDC also published the guide, ETF Share Class Relief: An Overview for Independent Directors. These papers help independent directors understand the ETF landscape and the fund board's role regarding the ETF share class structure.

In 2025, IDC Associate Managing Director Lisa Chaikin Hamman participated in a series of podcasts and ETF BILD Project webinars to discuss board oversight of ETFs, the future of ETF investments, and how new SEC leadership would impact ICI and IDC members' regulatory reform priorities, including ETF share classes.

In September, independent directors joined more than 700 other industry professionals at ICI's inaugural ETF Conference in Nashville. IDC staff took an active role in conference planning and programming, hosting a "Meet and Greet" and presenting our ETF Primer during a conference panel on board oversight of ETFs, moderated by IDC Managing Director Tom Kim.

IDC Managing Director Tom Kim moderates a panel discussion on ETF governance with Independent Directors Bob Chersi (Thrivent Funds) and Jill Iacono Mavro (BNY ETFs), as well as Joseph Mannon (Shareholder at Vedder Price), at ICI's ETF Conference.

Supporting Independent Directors at Small Fund Complexes

IDC worked with directors at small fund complexes and members of the ICI Small Funds Committee to create dedicated advocacy and communications resources designed to help independent directors at small fund complexes prepare for engagement with policymakers.

IDC and ICI also met with SEC staff and independent director representatives of IDC's small funds segment group to enable directors at small fund complexes to share their perspectives on the unique challenges facing smaller funds in the industry.

Educating and Engaging with the Independent Director Community

Tracking the Evolution of Fund Governance

IDC released the results of the annual Directors Practices Study to participating fund complexes in August. The study provides data on independent director compensation and fund governance practices.

This year's study incorporated responses from 188 fund complexes holding approximately 97 percent of the industry's total net assets.

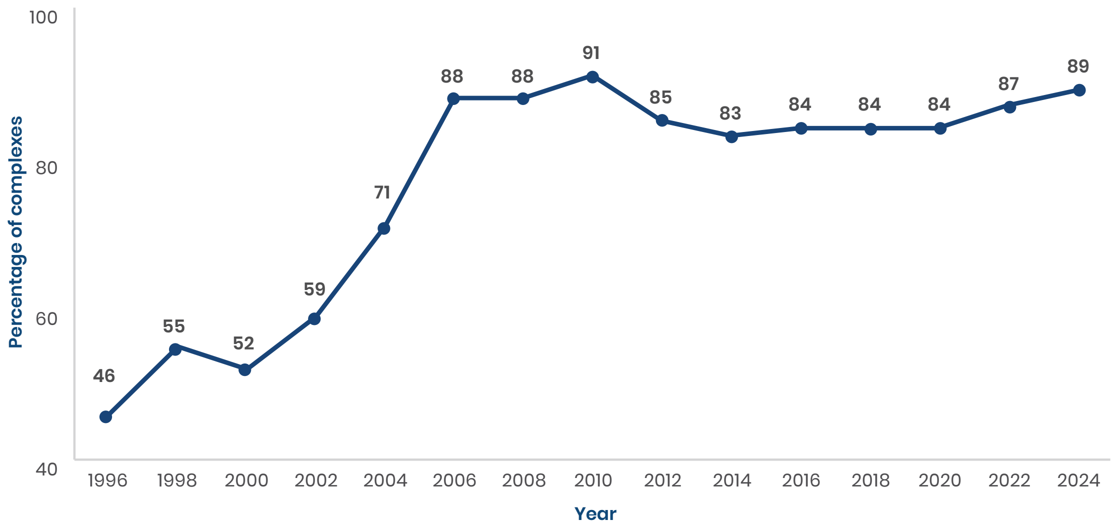
In October 2025, IDC showcased its biannual public-facing Overview of Fund Governance Practices report, which offers a comprehensive overview of how fund boards and governance practices have evolved over time. According to the report's findings:

- Fund boards are overwhelmingly independent, with 94% of boards reporting having either an independent board chair or a lead independent director.
- Fund directors are committed to continuing education. At year-end 2024, 78% of participating complexes reported either encouraging or requiring independent director participation in continuing education.
- The average number of independent directors at a fund complex has remained relatively stable at seven independent directors per complex.

These findings demonstrate that fund governance practices continue to evolve in advance, or in the absence of, explicit regulatory requirements.

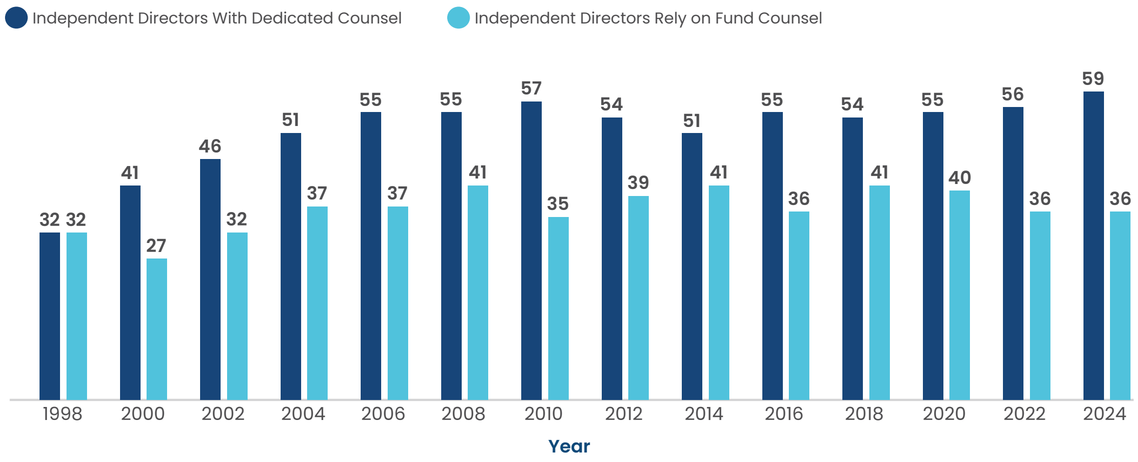
The trends and data reported in this study offer unparalleled insight into the value and strengths independent directors bring to the boardroom in their oversight roles as they look out for the best interests of funds and their shareholders. The data also provides exceptionally strong support for IDC's advocacy on behalf of independent directors and fund shareholders.

Complexes Where 75% or More of Board Seats Are Held by Independent Directors



Independent directors act as crucial watchdogs, overseeing the fund's operations in the interests of long-term shareholders. At year-end 2024, 89% of complexes participating in the IDC Directors Practices Study reported that independent directors hold 75% or more of the board seats.

Independent Directors with Dedicated Counsel and Independent Directors Rely on Fund Counsel



At year-end 2024, 95% of fund boards participating in the IDC Directors Practices Study retained either independent counsel or leveraged the fund counsel, separate from the adviser. Separate counsel can help guide the board with respect to regulatory requirements, risk management, and the board's fiduciary duty, thereby strengthening fund governance.

Hosting Timely and Thought-Provoking Webinars

In 2025, IDC produced a number of webinars on current events and trends in the fund industry, all available on our website for IDC members. These include:

- SEC Enforcement Trends – What Fund Directors Should Know
- Board Oversight of Alternative Investments
- BDC Briefing Series:
  - Introduction to BDCs
  - Structure, Valuation, and Co-Investment
- Fund Distribution Series:
  - Distribution Fundamentals for Fund Boards
  - Distribution for Fund Directors: Evolution and Trends

Other popular webinars addressed topics such as the implementation of the Names Rule Amendments, as well as digital assets, tokenization, and distributed ledger technology. These offerings reflect IDC's commitment to keeping directors informed on the latest regulatory and technological developments.

Convening the Fund Industry

IDC's flagship event, the Fund Directors Conference, moved to a new location this year, Scottsdale, Arizona, drawing more than 370 attendees.

> The 2026 Fund Directors Conference will take place in Scottsdale, Arizona, October 26–28. Registration for the conference will open in summer 2026.

In a popular conference session, SEC Commissioner Hester Peirce provided insights into SEC policy priorities and offered her perspective amidst the government shutdown. Other conference highlights included a pre-conference discussion on cybersecurity and fund board oversight, as well as panels on ETF share class relief, and the state of digital assets and tokenization. The Fund Family Feud, a fun game show featuring a cast of independent directors, added a light-hearted element on the last day of the conference.

Panelists at the Fund Directors Conference in Scottsdale.

Additional 2025 programming included the Fund Directors Workshop, held in conjunction with ICI's Leadership Summit in Washington, DC. Workshop attendees heard from expert speakers on topics such as ETF share class governance considerations, as well as insurance considerations for fund boards. Directors also enjoyed an opportunity to learn from each other during engaging peer-to-peer roundtable discussions on governance practices.

In July, IDC held another successful Independent Counsel Roundtable, with more than 40 of the top board counsel in the country, to discuss key issues facing fund boards, including the litigation and regulatory environment. Later in the year, IDC hosted its third annual gathering for Rising Partners—law firm partners identified as rising leaders in the 1940 Act bar. Attendees considered topics such as board oversight of product development, technological innovation, and evolving governance practices.

Attendees at IDC's Digital Assets and Distributed Ledger Technology Roundtable.

Facilitating Peer-to-Peer Exchange Among Independent Directors: Regional Roundtables and Segment Meetings

In addition to hosting multiple fund board meetings at the IDC office this year, IDC held 14 regional roundtables and 24 director segment meetings throughout the year.

The regional roundtables offer fund directors a chance to engage in peer-to-peer discussions to share ideas and practices and learn from one another.

Director segment meetings, typically held three times a year, give fund directors the opportunity to discuss relevant trends and challenges in their respective areas. These director-led discussion forums are tailored to fund directors' specific interests and focus on the unique issues they face. New this year, IDC launched segment meetings for independent directors overseeing alternative investment products, given the extensive policy and industry interest in private asset classes.

IDC held its Digital Assets and Distributed Ledger Technology Roundtable in Boston in September. The roundtable brought together nearly 40 independent directors with industry experts to discuss the potential efficiencies to be gained through distributed ledger technology and tokenization.

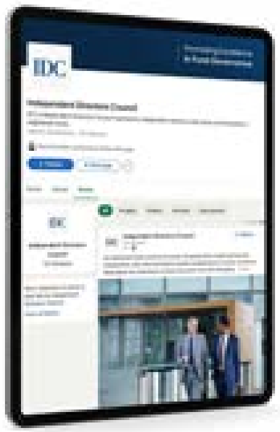
Communicating with Independent Directors and Stakeholders

Enhancing the IDC Website and Debuting a LinkedIn Page

In October, IDC unveiled a redesigned website with a modern brand identity. The site features advanced search capabilities and streamlined navigation, along with an improved user experience that works seamlessly across desktop and mobile devices.

The updated website also provides enhanced security and innovative features, such as a personalized hub for members. The website will continue to evolve as we roll out new features to improve the independent director experience.

That same month, IDC launched a IDC LinkedIn page to deliver education and programming, foster community and engagement, and advocate for public policies on behalf of independent directors. Within two months, the page garnered nearly 500 followers.



Follow IDC on LinkedIn to engage with IDC, learn about the latest IDC educational resources, and be in the know about IDC events and conferences.

Developing Thought Leadership

During the year, IDC continued to demonstrate thought leadership for the independent director community. In a post on ICI's Viewpoints blog, Board Education as a Strategic Imperative, IDC Managing Director Tom Kim touted the importance of continuing education for independent directors as the fund industry rapidly evolves. In a later blog post, Peer Insights, Stronger Oversight: IDC's Fund Directors Conference, he previewed the Fund Directors Conference, examining its broad themes, and highlighting the value of peer-to-peer exchanges.

Mr. Kim also participated in an Educational Alpha podcast, speaking on the vital role of independent directors. He shared his perspective on the importance of board oversight and how independent directors can prepare for the challenges of tomorrow.

Helping Fund Directors Stay Current and Informed

IDC also launched two new communications to promote further engagement with the fund director community this year:

- **IDC Calendar:** The biweekly digital publication is designed to keep fund directors in the loop on IDC's upcoming events and programs. This brief communication—focused on upcoming events—supplements *IDC Update*, which directors have long received every other week to inform them about the latest developments impacting fund governance.
- **Quarterly Industry Update:** This quarterly newsletter provides an in-depth dive into IDC's advocacy efforts from the independent director perspective, offering a snapshot in time on policy issues. This newsletter is intended for the broader IDC community, including legal counsel and others adjacent to the independent director ecosystem.

Cultivating Relationships with New and Aspiring Directors

IDC continued its programming to help incoming directors become acclimated to their new roles by holding two sessions of the signature orientation program *Foundations for Fund Directors®*.

IDC also transformed its Core Responsibilities for Fund Directors webinar to on-demand video modules, to make the program more accessible and convenient for participants. These hour-long recordings help newer fund directors understand their key duties and responsibilities and get up to speed on practices for fulfilling them.

Also this year, IDC renewed its focus on strengthening the pipeline of future fund directors. As part of the Fund Directors Conference, we offered an aspiring directors' breakfast during which potential board candidates had the opportunity to network with experienced directors.

IDC in the Media

Fund Board Views (October 13, 2025)

Independent Directors Council has elected William Ebsworth to a second one-year term as chair of its Governing Council and added Karla Rabusch as vice chair. Ebsworth is an independent director on the Allspring Funds board, and Rabusch is an independent director for Lord Abbett Funds.

Board IQ (January 21, 2025)

On average, boards with mandatory retirement ages require members to step aside after their 76th birthday, according to the Independent Directors Council. Just over a third of outgoing directors were of that age or older, the filings show.

Educational Alpha podcast (March 26, 2025)

IDC Managing Director Thomas Kim was featured on the Educational Alpha podcast to discuss the evolving role of independent fund directors in today's financial landscape:

> “Perhaps our primary mission pillar is education. We want to make sure that independent directors who serve on fund boards overseeing the interests of fund shareholders are equipped as best as possible to fulfill their fiduciary responsibilities.”

Fund Directions (September 26, 2025)

On the SEC's Regulatory Agenda and Small Funds

> “IDC has and continues to emphasize the value of small funds and small fund complexes as an important area of innovation; this will help enhance competition in the market,” said Thomas Kim, IDC managing director.

Fund Directions (October 7, 2025)

On ETF Share Classes

> “Expanding a mutual fund's offerings to include ETF share classes can provide tremendous new opportunities for both fund investors and fund complexes, but would also require significant changes in fund operations and the specific role of the board in ensuring the best interests of both from the resulting fund structure,” IDC managing director Thomas Kim told Fund Directions.

> “It is very important that the board not be placed in a position where it has to act or get involved in the day-to-day management decisions that are the responsibility of the management company,” Kim said.

> “The role of the board is very much that of oversight of the funds in the interests of shareholders.”

Fund Directions (October 3, 2025)

On the SEC's Guidelines for Board Oversight

> "The SEC is mindful of the appropriate role of the board, and we hope that the exemptive relief that may be granted in the near term incorporates the appropriate oversight role for the board," Thomas Kim, managing director of the Independent Directors Council (IDC) said.

Fund Directions (September 19, 2025)

On Rule 17a-7 and Cross-Trading

> "That really reduced the type of asset classes and types of transactions that would be eligible for cross-trades," according to Thomas Kim, managing director of the Independent Directors Council (IDC).
>
> "Before the SEC 2020 rule, cross trades were permitted for a broader set of asset classes, and boards had been overseeing cross-trades among different funds effectively, which saved costs for shareholders," Kim said.

Building Momentum for the Future

Throughout 2025, IDC amplified the voice of independent directors through advocacy, enhanced our director education programs and engagement opportunities, and strengthened communications with the director community and stakeholders.

We continued to foster a vibrant, engaged community of independent directors. With a focus on the core responsibilities of independent directors, while looking ahead to industry, policy, and technology-driven changes, IDC will continue to represent and strengthen the work of fund independent directors on behalf of funds and their shareholders.

Attendees mingling at the Fund Directors Conference in Scottsdale, AZ.

IDC Governing Council Members

Chair

William R. Ebsworth*
Independent Director, Allspring Funds

Vice Chair

Karla Rabusch*
Independent Director, Lord Abbett Funds

Governing Council

Kathleen T. Barr*
Independent Director, William Blair Funds and Professionally Managed Portfolios

John E. Baumgardner, Jr.
Independent Director, Pioneer Funds

John V. Boyer
Independent Director, Voya Funds

Pamela G. Carlton
Independent Director, Columbia Funds

Robert Chersi
Independent Director, Thrivent Funds

Michael G. Clark
Independent Director, Cohen & Steers Funds

Jonathan W. DePriest
Independent Director, iMGP Funds

Coleen Downs Dinneen
Independent Director, Artisan Partners Funds

Michael A. Forrester
Independent Director, Nuveen Funds

Cynthia Hostetler*
Independent Director, Invesco Funds

Hugh T. Hurley
Independent Director, HSBC Funds and Oakmark Funds

Andrew J. Iseman
Independent Director, Pacific Select Fund and Tortoise Capital Series Trust

Peter D. Jones
Independent Director, MFS Funds

Joseph F. Keenan
Independent Director, ALPS ETF Series Trust and Wisdom Tree Digital Trust

Patricia Louie
Independent Director, Oakmark Funds

Mary E. Martinez
Independent Director, J.P. Morgan Funds & ETFs

Joan Y. McCabe
Independent Director, Carlyle Tactical Private Credit Fund and Carlyle Credit Income Fund

Eric T. McKissack
Independent Director, FlexShares Trust and Morgan Stanley Pathway Funds

Margaret (“Peg”) McLaughlin
Independent Director, State Street Investment Management Funds

Thomas Melendez
Independent Director, SEI Funds

Nancy M. Morris
Independent Director, Diamond Hill Funds

Cynthia R. Plouché*
Independent Director, MassMutual Funds and Northern Trust Funds/Northern Trust Institutional Funds

Kathryn L. Quirk
Independent Director, Harbor Funds and Harbor ETF Trust

Marcus L. Smith
Independent Director, Eaton Vance Funds

Grace Torres
Independent Director, PGIM Funds

Ronald E. Toupin, Jr.*
Independent Director, Guggenheim Funds

Dawn M. Vroegop*
Independent Director, Brighthouse Funds

Gregory G. Weaver
Independent Director, Goldman Sachs Trust

Paul S. Williams
Independent Director, American Funds

*Also on the ICI Board of Governors as of December 2025.

Thomas T. Kim

Managing Director

Tom Kim is Managing Director of the Independent Directors Council. In leading IDC, Tom advances the governance, education, communications, and public policy priorities of independent directors on the boards of regulated investment companies, including mutual funds, exchange-traded funds, closed-end funds, and business development companies.

Before joining IDC, he served as senior vice president at the Mortgage Bankers Association, where he led strategy, public policy, governance, and member engagement across the organization's commercial real estate finance membership. Previously, he managed regulatory and policy matters affecting capital markets and mortgage investments as associate general counsel at Freddie Mac.

Earlier in his career, Tom worked as an attorney at the Investment Company Institute. He received his BA, summa cum laude, from the University of California, Irvine; JD from the UCLA School of Law, where he served as a law review editor; and LLM, with distinction, from Georgetown Law School.

Lisa C. Hamman

Associate Managing Director

Before joining IDC in 2004, Lisa Hamman worked at Morgan, Lewis & Bockius LLP, counseling investment advisers and investment companies, and their boards of directors or trustees, on federal regulatory matters. Lisa began her fund industry career in the legal department at Fidelity Investments. She is a graduate of the University of Michigan and Suffolk University Law School.

Nicole A. Baker

Senior Director

Nicole A. Baker is Senior Director of the Independent Directors Council. Before joining IDC in 2021, she was counsel to the Certified Financial Planner Board of Standards (CFP Board), where she worked with industry participants to develop guidance and educational resources for certified financial planners and conducted related compliance reviews. Before joining CFP Board, Nicole was a partner in the securities compliance, enforcement, and litigation group at K&L Gates LLP. She is a graduate of the University of Pennsylvania and the George Washington University Law School.

Scott Wilson

Director, Programs and Engagement

Scott E. Wilson joined IDC as Director of Programming and Engagement in 2022. Before joining IDC, he was the Director of Strategic Initiatives for the Global Payroll Management Institute and the American Payroll Association. Scott has two decades of experience working with nonprofits to increase engagement, program impact and growth, and community reach. He received his bachelor's degrees from SUNY Brockport in International Business and Spanish, and a master's degree in International Commerce and Policy from George Mason University.

Paul Mussoni

IDC Associate

Paul Mussoni joined IDC in 2018 after providing support to various ICI departments, including law and operations. Paul attended the University of Delaware, where he received a bachelor's degree in political science, and American University, where he received a master's degree in international affairs.

2025 Select Activities

Conferences

- Fund Directors Workshop, April 30–May 2
- Fund Directors Conference, October 26–28
- *Foundations for Fund Directors®*
  June 11–12
  December 3–4 (Virtual)

Regional Roundtables (Chapter Meetings)

- Southern California, February 6
- Naples, Florida, February 18
- Palm Beach Gardens, Florida, February 27
- Ohio, March 11
- North Carolina, April 8
- New York, April 9
- Boston, April 22
- Washington, DC, April 30
- Chicago, May 14
- Denver, May 15
- Philadelphia, September 17
- Boston, September 18
- New York, November 12
- Northern California, December 10

Director Segment Meetings

- Audit Committee Chairs (February, June, October)
- Board Leaders (February, May, October)
- Compliance Oversight (March, June, October)
- Directors of Alternative Investment Products (March, June, November)
- Directors of ETFs (March, May, September)
- Directors at Small Fund Complexes (February, June, November)
- Governance Committee Chairs (March, June, October)
- New Director Engagement (February, July, October)

Webinars

- SEC Enforcement Trends: What Fund Directors Should Know, January 23
- Implementing the Names Rule Amendments: Practical Implications for Board Oversight, March 26
- Board Oversight of Alternative Investments, April 1
- BDC Briefing for Fund Directors: Introduction to BDCs, May 30
- BDC Briefing for Fund Directors: Structure, Valuation, and Co-Investment, June 3
- Distribution Fundamentals for Fund Directors, June 9
- A Primer on Digital Assets, Tokenization, and Distributed Ledger Technology, September 3
- Distribution for Fund Directors: Evolution and Trends, September 15

White Papers

- ETF Primer for Fund Directors
- Overview of Fund Governance Practices 1994-2024
- ETF Share Class Relief: An Overview for Independent Directors

Other Programs

- Core Responsibilities of Fund Directors, February 27
- IDC Policy Roundtable, April 29
- Independent Counsel Roundtable, July 29
- Rising Partners Event, November 5
- Diligent Director Network
- IDC Connections

About ICI

The Investment Company Institute (ICI) is the leading association representing the global asset management industry in service of individual investors. ICI members are located in North America, Europe, and Asia and manage fund assets of US$50 trillion, including mutual funds, exchange-traded funds (ETFs), UCITS, closed-end funds, unit investment trusts (UITs), and similar funds in these different jurisdictions. ICI has offices in Washington DC, Brussels, and London.

IDC is part of ICI, and leverages the research, advocacy, operational, and other resources of ICI to amplify IDC's effectiveness in its mission to serve independent directors. IDC's activities are overseen by a Governing Council of independent directors of ICI member funds and are supported by dedicated IDC staff.

About IDC

The Independent Directors Council (IDC) serves the US-registered fund independent director community. Through its mission focused on education, engagement, advocacy, and public understanding, IDC promotes excellence in fund governance for the benefit of funds and their shareholders.

Nothing contained in this report is intended to serve as legal advice. Each investment company board should seek the advice of counsel for issues relating to its individual circumstances.

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