

What You Need To Know – On Board Reporting

September 11, 2019



Every mutual fund, whether it is a proprietary Registered Investment Company (“RIC”) or part of a Series Trust product with multiple advisors, will have a Board of Directors or Trustees (“Board”) that represents and protects the interests of the shareholders of the mutual fund. On an ongoing basis, the Board receives reporting on the activities related to the operations of the mutual funds. Those that need to provide reports would include:

- The Advisor of the fund, as they place security trades that constitute the holdings of the mutual fund;
- The Chief Compliance Officer;
- The Chief Financial Officer; and
- The Distributor, also known as the Underwriter of the funds.

Reporting is broken down into routine quarterly reports and annual reports. The quarterly reports provide a brief overview of the previous quarter’s

business of the fund. The type of reports that fall into this category would be:

QUARTERLY BOARD REPORTING	
Investment Advisor	Performance Report and Sales Reporting
Portfolio Manager	Report encompasses the performance of each portfolio; includes holdings and sector breakdowns
Chief Compliance Officer	Review of quarterly matters and any violations of the 38a-1 compliance program (reports provided on a fixed schedule)
Treasurer	Reporting on: Securities Valuation, any Fair Value occurrences, statement of operations, expense ratios and change in net assets, and review of distributions
Distributor	Includes 12b-1 payments if applicable, advertising review, and new intermediary selling agreements

Annual reports, as they might suggest, provide a comprehensive look at the operation of the mutual fund for the past year. This annual meeting provides a forum in which the Advisor and all service providers are re-hired by the Board to continue to provide services to the mutual fund. The annual reporting period for the Advisor to the funds is commonly referred to as 15-c reporting and goes into great detail regarding how the Advisor runs their business and their profitability as it relates to the mutual fund. The types of reports that fall into this category include the ones listed above, and:

ANNUAL BOARD REPORTING (15-C)	
Investment Advisor	Comprehensive reporting, response to the 15-c questionnaire, financial and profitability review
Renewal of contracts and the hiring of providers	Investment Adviser, Sub-Adviser if applicable, CCO, Treasurer, Distributor, Transfer Agent, Fund Accounting Agent, and Custody

From time to time the Board may request individual reporting on an as-needed basis. Foreside provides CCO, Treasurer and Distributor reports for clients that retain us for those services.

Board reporting is an essential part of helping the Trustees protect the interest of the shareholders and ensure service provider accountability for the operation of the mutual fund.

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