

**MEMO# 34740**

December 29, 2022

# ICI Updates White Paper: Navigating Intermediary Relationships

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TO: ICI Members  
Investment Company Directors  
Bank, Trust and Retirement Advisory Committee  
Broker/Dealer Advisory Committee  
Operations Committee  
Transfer Agent Advisory Committee  
SUBJECTS: Distribution  
Intermediary Oversight  
Operations  
Recordkeeping  
Settlement  
Transfer Agency RE: ICI Updates White Paper: Navigating Intermediary Relationships

ICI is pleased to announce an update to its [Navigating Intermediary Relationships](#) white paper, presented in conjunction with the Independent Directors Council (IDC). The paper's purpose is to describe the participation of and effect by intermediaries on mutual fund distribution.

Originally published in 2009, the paper carries forward many of those same themes. However, a combination of market-, regulatory-, and technology-driven changes within and around the mutual funds industry have introduced important updates, including how intermediaries offer mutual fund shares and are compensated for services provided to fund shareholders. These changes, in turn, have affected how fund management oversees intermediary activities related to the fund shareholders that intermediaries support.

Key updates to the paper include a deeper exploration of omnibus recordkeeping, which has emerged as the predominant method for intermediaries to offer mutual fund shares to investors. The paper also highlights how regulatory change is leading many intermediaries to evaluate the business models used to advise and service fund shareholders, and how funds are carrying out their required oversight of intermediary activities—regardless of business model. Finally, the paper expands upon the important role that technology is playing in the ongoing support of fund shareholders - from streamlining back-office operations to the delivery of investment advice.

The paper includes a series of appendices that focus on aspects of the intermediary relationship to funds and fund shareholders and may be accessed by clicking the paper's title above or found in the "ICI White Papers" section of the ICI website ([ici.org/publications](http://ici.org/publications)) and the "IDC White Papers" section of the IDC website ([idc.org/publications](http://idc.org/publications)).

It is our hope that members and directors will find the paper and its appendices helpful to understand the many complexities of funds' long-standing, but ever-evolving, interactions with intermediaries to facilitate distribution of mutual fund shares.

Please contact the undersigned at [jeff.naylor@ici.org](mailto:jeff.naylor@ici.org) or (202) 326-5844 with any questions.

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