



May 22, 2020

Via Electronic Submission: rule-comments@sec.gov

Ms. Vanessa Countryman, Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

Re: Amendments to Exemptions from the Proxy Rules for Proxy Voting Advice; File Number S7-22-19

Dear Ms. Countryman:

Managed Funds Association¹ (“MFA”) and the Alternative Investment Management Association² (“AIMA”) (collectively, the “Associations”) appreciate the opportunity to provide additional comments to the Securities and Exchange Commission in response to the Amendments to Exemptions from the Proxy Rules for Proxy Voting Advice (the “Proposals”)³ following our previous comments.⁴ We support the

¹ The Managed Funds Association (MFA) represents the global alternative investment industry and its investors by advocating for sound industry practices and public policies that foster efficient, transparent, and fair capital markets. MFA, based in Washington, DC, is an advocacy, education, and communications organization established to enable hedge fund and managed futures firms in the alternative investment industry to participate in public policy discourse, share best practices and learn from peers, and communicate the industry’s contributions to the global economy. MFA members help pension plans, university endowments, charitable organizations, qualified individuals and other institutional investors to diversify their investments, manage risk, and generate attractive returns over time. MFA has cultivated a global membership and actively engages with regulators and policy makers in Asia, Europe, North and South America, and many other regions where MFA members are market participants.

² The Alternative Investment Management Association is the global representative of the alternative investment industry, with around 2,000 corporate members in over 60 countries. AIMA’s fund manager members collectively manage more than \$2 trillion in hedge fund and private credit assets. AIMA draws upon the expertise and diversity of its membership to provide leadership in industry initiatives such as advocacy, policy and regulatory engagement, educational programs and sound practice guides. AIMA works to raise media and public awareness of the value of the industry. AIMA set up the Alternative Credit Council (“ACC”) to help firms focused in the private credit and direct lending space. The ACC currently represents over 170 members that manage \$400 billion of private credit assets globally. AIMA is committed to developing skills and education standards and is a co-founder of the Chartered Alternative Investment Analyst designation (“CAIA”), the first and only specialized educational standard for alternative investment specialists. AIMA is governed by its Council (Board of Directors).

³ SEC Release No. 34-87457 (Nov. 5, 2019), 84 F.R. 66518 (Dec. 4, 2019) (the “Release”).

⁴ Letter from Mark D. Epley, Executive Vice President and Managing Director, General Counsel, MFA, and Jiří Król, Deputy CEO, Global Head of Government Affairs, AIMA, to Vanessa Countryman, Secretary, SEC (Feb. 3, 2020), available at: <https://www.managedfunds.org/wp-content/uploads/2020/04/MFA-AIMA-Letter-on-SEC-Proposal-on-Proxy-Voting-Advice.pdf>.

SEC's efforts to examine the role of proxy advisory firms and consider ways to ensure that investors receive proxy voting advice that is based on accurate and complete information.

We have noted recent statements that the Commission may consider as part of a final rulemaking alternative approaches that would differ from aspects of the proposed rule, including the prior review period of proxy voting advice by companies.⁵ While we do not know the details of the alternatives under consideration, we are writing to encourage the SEC to consider whether it would be useful for it to seek additional feedback, which could potentially benefit both the SEC and market participants.

As we understand, an alternative under consideration is a contemporaneous review period of proxy voting advice by companies, where a proxy advisory firm would provide its recommendations to a company at the same time it distributes them to its clients. The company would be able to respond to the voting advice in a prescribed time period, and the response would be provided to clients of the proxy advisory firm. While this approach may be an improvement over the rule as proposed as it could lower the risk of delays and increased costs for clients, further details could help firms better understand how it could impact their receipt of proxy voting advice.

In addition, there has been discussion of a speed bump, that is, a period during which a proxy advisory firm would need to disable any automatic submission features for clients. The concept of a speed bump could be further explained for firms to better understand how it would operate, including the duration of the speed bump, who would be affected, and how its timing would fit in the broader timeline of the proxy voting process including how a speed bump would operate in connection with a contemporaneous review period by companies.

We appreciate the SEC's thoughtful approach to proxy voting issues, and if you have any questions about these comments, or if we can provide further information, please do not hesitate to contact Matthew Newell (mnewell@managedfunds.org) at MFA or Suzan Rose (srose@aima.org) at AIMA.

Respectfully submitted,

/s/ Mark D. Epley

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/s/ Jiří Król

Jiří Król
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Global Head of Government Affairs
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⁵ Commissioner Elad L. Roisman, Speech at the Council of Institutional Investors' Conference (Mar. 10, 2020).