

MEMO# 31475

November 12, 2018

IDC Letter on Board Role in Proxy Voting, Ahead of SEC's Proxy Process Roundtable

[31475]

November 12, 2018 TO: Investment Company Directors SUBJECTS: Fund Governance
Investment Advisers
Portfolio Oversight RE: IDC Letter on Board Role in Proxy Voting, Ahead of SEC's Proxy
Process Roundtable

In anticipation of a November 15 SEC roundtable on the proxy process,^[1] IDC submitted the attached letter to provide background on the role of fund boards. The letter explains that a fund's board, acting on behalf of the fund, is responsible for the voting of proxies for portfolio securities, but typically delegates this responsibility to the fund's adviser—in recognition that proxy voting is part of the investment management process. The board maintains ongoing oversight of this function as part of its fiduciary duties to the fund.

IDC stated further that boards play an important role in the voting of proxies of their funds' portfolio securities, and, thus, IDC will monitor any regulatory developments in this area and engage where appropriate.

Annette Capretta
Deputy Managing Director

[Attachment](#)

endnotes

^[1] SEC Press Release, *Staff to Host Nov. 15 Roundtable on the Proxy Process* (September 21, 2018), available at <https://www.sec.gov/news/press-release/2018-206>; see also SEC Press Release, *SEC Announces Agenda, Panelists for Staff Roundtable on the Proxy Process* (November 8, 2018), available at <https://www.sec.gov/news/press-release/2018-260>.

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