

## NEWS RELEASE

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# ICI Issues Statement on SEC Proxy Vote Disclosure Rule, January 2003

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Washington, DC, January 23, 2003 - The following is a statement from Investment Company Institute President Matthew P. Fink regarding the Securities and Exchange Commission's [proxy voting rules](#), which were approved earlier today by the Commission.

"The Investment Company Institute supports many of the [proxy voting proposals](#) that the SEC adopted today, which will help funds continue to serve their 95 million shareholders. But a critical part of the rule overreaches, and is more likely to harm than help fund shareholders. It will produce no additional benefits while encouraging the politicization of mutual fund portfolio management.

"The mutual fund industry supports the SEC's rules requiring funds to: adopt proxy voting policies; adopt procedures that guide their voting in potential conflict situations; disclose their policies and procedures to the SEC and fund shareholders; and retain proxy voting records for SEC examiners. These new rules allow mutual fund shareholders to benefit from the highest, most rigorous proxy voting standards in the country, and should raise the bar for all other public and private institutional investors who are not subject to this regulation but who vote millions of proxies on behalf of individuals.

"We are disappointed with the Commission's vote with respect to requiring funds to report hundreds of thousands, and perhaps millions, of individual proxy votes. Making mutual funds the only investment entities required to report all of their individual proxy votes will undoubtedly embolden outside special interests. This will not serve the interests of mutual fund shareholders—to whom the industry owes its sole allegiance. This part of the rule also denies mutual funds the right to confidential voting that until today was seen as essential to independent voting, and which will continue to be enjoyed by all other institutional investors. Industry members will, of course, comply fully with all of the new regulations. We urge the SEC at a later date to revisit the effectiveness of disclosing actual proxy votes."