

IDC UPDATE

June 29, 2023

IDC Update: June 22, 2023

Registration Open for IDC Webinar on New and Proposed SEC Fund Disclosure Requirements: What Boards Need to Know

As the Securities Exchange Commission (SEC) continues its rulemaking activity at a record pace, join IDC on **Wednesday, July 12** at 12:00 p.m. (ET) for an overview of final and proposed rules implicating fund disclosure requirements. Coleen Downs Dinneen (Independent Director, Artisan Funds) will moderate an informative discussion with David Bartels (Partner, Dechert), and Erica Evans (Assistant General Counsel, ICI). The panelists will review final SEC rules on tailored shareholder reports and proxy voting disclosure, as well as the SEC's rule proposals on the Names Rule and ESG disclosure requirements, among others. Directors will receive practical guidance to assist them in their oversight role. Please register [HERE](#).

Register Now for IDC Industry Segment Calls

IDC will host its next **New Directors Engagement Call** on **Tuesday, June 27**. This call will be facilitated by Karla Rabusch, Independent Director of Lord Abbett Funds. You can register [HERE](#). In addition, IDC will host its next call for Directors of ETFs on **Wednesday, July 12** at 2:00 p.m. (ET). This call will be facilitated by Independent Director Tom Lemke and will include a discussion with Ropes & Gray Partner Brian McCabe about ETF share classes. You can register [HERE](#).

These calls feature an informal and interactive discussion among participants. Please submit any questions or topics of concern when you register. These calls are open only to directors of ICI member funds and are closed to regulators and the media.

Register Today: IDC Chapter Meeting in Washington, DC

IDC's next Washington, DC Chapter Meeting will take place on **Monday, June 26** at IDC's office. The meeting will feature a discussion led by John Emling, ICI Chief Government Affairs Officer. The meeting will also include an informal discussion for participants on topics of current interest in the boardroom. IDC Chapter Meetings are open to independent and interested directors of ICI member funds. Please register [HERE](#).

SEC Releases Spring 2023 Regulatory Agenda

The SEC recently released its [Spring 2023 Unified Agenda of Regulatory and Deregulatory Actions](#). The agenda includes regulatory actions that the SEC expects to take between now and April 2024. ICI's memorandum summarizing the SEC's rulemaking agenda may be accessed [here](#) (login required).

Rule proposals from the SEC's Division of Investment Management (Division) that are

expected by October 2023 include a proposal related to investment adviser conflicts in the use of predictive data analytics, artificial intelligence, machine learning, and similar technologies. Final rules from the Division that are expected by October 2023 include reforms related to open-end fund liquidity risk management and swing pricing, amendments to the investment company “Names Rule,” disclosure requirements for investment companies and investment advisers relating to cyber security risks, reforms related to the regulation of money market funds, and disclosure requirements for investment companies and investment advisers related to environmental, social, and governance (ESG) factors.

Rule proposals from the Division that are expected by April 2024 include a proposal relating to registered investment companies' fees and fee disclosure requirements. Notably, the timing of the fee disclosure proposal has been delayed from October 2023. Final rules from the Division that are expected by April 2024 include rules related to the oversight of third-party service providers.

ICI Research Shows that Shareholder Activism Increasingly Threatens Closed-End Funds and Their Investors

[ICI research](#) on the 2022 closed-end fund (CEF) market shows that, compared with the prior four-year period, the number of beneficial ownership and contested proxy solicitation filings indicating shareholder activism increased from 2018 to 2022, although there are fewer exchange-listed CEFs. Further, 95 percent of these filings were concentrated among just five activist shareholders. That figure compares with 53 percent for the top five activist shareholders from 1998 to 2002. ICI data also show that roughly four out of five CEFs traded at a discount at the end of 2022, with bond and equity CEF discounts averaging 5.0 percent and 5.7 percent, respectively, during the year. [According to ICI](#), those discounts widened in the latter months of 2022, making CEFs more susceptible to attacks by activist shareholders that may harm the interests of long-term shareholders.

Mark Your Calendar for Upcoming Events

All times are shown in eastern time (ET), unless otherwise noted.

Conference

- Fund Directors Conference, October 11–13 (Chicago)

Webinar

- [New and Proposed SEC Fund Disclosure Requirements: What Boards Need to Know, July 12, 12:00 p.m.](#)

Industry Segment Calls

- [New Directors Engagement Call, June 27, 2:00 p.m.](#)
- [Directors of ETFs, July 12, 2:00 p.m.](#)

Chapter Meetings

- [Washington, DC, June 26, 10:00 a.m.](#)

A list of IDC events can be found on IDC's website. Please contact [Paul Mussoni](#) for additional information.

In Case You Missed Recent IDC Webinars or IDC Update Editions

Be sure to check out our recent webinars available on-demand.

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