



June 28, 2019

General Comment & Inquiries File
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Re: SEC Roundtable on the Proxy Process (File No. 4-725)

To Whom It May Concern,

As a follow on to the Investment Company Institute’s comment letter dated June 11, 2019 on the fund proxy system, I would like to support its message and recommendations.

My company creates and manages various fund products using our proprietary investment strategies. One of those products is a variable annuity sub-account that is available to investors through four major insurance companies. It is registered as a '40 Act Fund.

The bottom line is this: Because of current proxy rules, regulations, and associated archaic procedures, we have concerns that we may not be able to make certain changes to our fund that would be beneficial to shareholders. Why? Because we cannot afford the proxy process. We cannot seriously consider a proxy knowing that the expense will be \$150,000 or more, and then knowing we are dependent on a shareholder vote—which may fail, for lack of shareholder participation.

Additionally, we may not be able to make changes in management or ownership structure, or make changes to certain of our investment policies, and in our case may not even be able to make certain combined actions that would lower our expense ratio.

There are 8,021 mutual funds according to Morningstar, Inc. About one third of these funds (2,655) have less than \$100 million in assets. Our fund has approximately \$60 million. Funds like these simply do not have the size to pay for extremely expensive proxy campaigns. For one proposal that we recently considered, we estimated that a proxy would cost up to approximately \$100 per shareholder. Needless to say, we have not pursued it.

It is my hope that if you adopt the ICI’s recommendations, we and other small fund sponsors may be positioned to pursue changes that we believe would benefit our shareholders.

I would be happy to discuss these matters further with SEC staff. Please feel free to reach out to me at [REDACTED].

Thank you,

Andy Martin, President
7Twelve Advisors, LLC

7Twelve Advisors, LLC. 3100 West End Ave Suite 930 | 615 341 0712

