

Email: [REDACTED]  
Date 21 October 2019  
Via email [chairmanoffice@sec.gov](mailto:chairmanoffice@sec.gov)



The Honorable Jay Clayton  
Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549

Dear Mr. Chairman,

**Re: File No. 4-725 Proxy Advisor Regulation**

Legal & General Investment Management (LGIM) is one of the largest international investors globally with over £1 trillion of assets under management (as at 31 December 2018). We manage assets for a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors. As a significant investor, there is a responsibility to ensure that global markets operate efficiently and uphold the highest level of corporate governance and sustainability standards to protect the integrity of the market over the long term.

In this light, LGIM is writing to express strong support for the views contained in the letter of October 15, 2019 from the Council of Institutional Investors and a coalition of institutional investors (Coalition). We very much share the Coalition's concerns about potential actions by the Securities and Exchange Commission (Commission or SEC) to propose rule amendments to address proxy advisors' reliance on the proxy solicitation exemptions in Rule 14a-2(b), which is listed in the current Commission Regulatory Flex Agenda ("Proxy Advisor Rulemaking").

More specifically, we are concerned that the Proxy Advisor Rulemaking will contemplate a requirement that proxy advisors share advance copies of their recommendations with issuers. Proxy advisors are agents of and contracted by institutional investors, such as LGIM, not of issuers. We do not believe a mandatory process for prior review by issuers of the work product of their agents, the proxy advisors, would be desirable or helpful to the proxy voting process. It is important to remind the SEC that it is the institutional investor that has the fiduciary duty to asset owners and therefore takes the final decision on how to vote. Institutional investors have developed detailed custom voting policies and proxy advisors provide valuable independent research that feeds into how a final decision is made.

In our view, any Commission regulation intruding on the independence of proxy advisors and their agency relationship to institutional investors would be a wrenching change in the Commission's regulatory policy, without any foundation in the SEC's historic role of investor protection, and would severely jeopardize the interests of investors, individual and institutional, in a fair and fully-functioning proxy voting system.

Thank you for considering our views and should you wish to discuss this letter further then please do not hesitate to contact me at [REDACTED] or [REDACTED].

Yours sincerely,



**Sacha Sadan**

Director of Corporate Governance  
LGIM

CC: The Honorable Robert J. Jackson, Jr., Commissioner  
The Honorable Allison Herren Lee, Commissioner  
The Honorable Hester M. Peirce, Commissioner  
The Honorable Elad L. Roisman, Commissioner  
Dalia Osman Blass, Director, Division of Investment Management  
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