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February 3, 2020

Via: rule-comments@sec.gov

Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

RE: SEC File No. S7-22-19 Amendments to Exemptions from the Proxy Rules for Proxy Voting Advice; SEC File No. S7-23-19 Procedural Requirements and Resubmission Thresholds under Exchange Act Rule 14a-8

Ms. Countryman,

This letter is being submitted to provide feedback regarding the SEC's proposed amendments to exemptions from the proxy rules for proxy voting advice, as well as regarding the proposed amendments to the shareholder-proposal process.¹ We welcome the opportunity to share our perspectives on these matters.

Ivy Investment Management Company is an investment manager responsible for approximately \$70 billion assets under management in client funds. Since 1937, our organization has served millions of "Main Street" retail investors.² As a fundamental active manager and long-term investor on behalf of clients, we believe that acting as an engaged, knowledgeable steward is an integral component of our value-add to our clients.

As such, we support the Commission's stated objectives of "improving the proxy process and the ability of shareholders to exercise their voting rights."³ However, we are concerned that the proposed amendments could have unintended negative consequences, undermining those very objectives.

We believe that prevailing corporate governance practices in the United States have contributed meaningfully to shareholder accountability which in turn has benefitted shareholders. We further believe that a cost/benefit framework in assessing the role of regulation relative to market mechanisms is vital.

¹ Amendments to Exemptions From the Proxy Rules for Proxy Voting Advice, SEC Release No. 34-87457: <https://www.federalregister.gov/documents/2019/12/04/2019-24475/amendments-to-exemptions-from-the-proxy-rules-for-proxy-voting-advice>; Procedural Requirements and Resubmission Thresholds Under Exchange Act Rule 14a-8, SEC Release No. 34-87458: <https://www.federalregister.gov/documents/2019/12/04/2019-24476/procedural-requirements-and-resubmission-thresholds-under-exchange-act-rule-14a-8>

² 2.8 million mutual fund accounts as of Jan. 31, 2020

³ SEC Proposes Rule Amendments to Improve Accuracy and Transparency of Proxy Voting Advice, November 5, 2019: <https://www.sec.gov/news/press-release/2019-231>



We agree with Commissioner Roisman’s statement that, “[a]llowing longstanding debates to persist becomes polarizing... generalizations and portraying things in a binary manner are great for movies, but hardly ever reflect reality or serious thinking.”⁴ And so we applaud and support the Commission’s leadership in addressing proxy and shareholder matters. We find great value in seriously considering the specific and detailed feedback that has been afforded by the 60-day Comment period.

We believe that the Commission’s comment mechanism has to date generated a wealth of insight on the matters at hand⁵, ranging from the theoretical and principled (see Corporate Governance Scholars against the SEC Proxy Advisory Reform⁶) to the practical and pointed (see Recommendation of the SEC Investor Advisory Committee (IAC)⁷), which collectively raise myriad concerns regarding potential unintended detrimental consequences of the proposed amendments.

We are concerned that unintended consequences of the proposed amendments could include increasing costs with regard to proxy voting advice, which may be ultimately borne by Main Street investors, reduced independence of that advice, and reduced and less effectual shareholder engagement with managements.

For these reasons we respectfully ask the SEC to reconsider the proposed amendments. We would welcome the opportunity to share our views and contribute to a continuing dialogue on these matters.

Sincerely,

A handwritten signature in blue ink that reads "Daniel P. Hanson".

Daniel P. Hanson
Chief Investment Officer
Ivy Investment Management Company

⁴ Statement of Commissioner Elad Roisman on Modernizing SEC Rules Governing Proxy Voting Advice, Procedural Requirements, and Resubmission Thresholds under Exchange Act Rule 14a-8, November 5, 2019: <https://corpgov.law.harvard.edu/2019/11/05/statement-of-commissioner-elad-roisman-on-modernizing-sec-rules-governing-proxy-voting-advice-procedural-requirements-and-resubmission-thresholds-under-exchange-act-rule-14a-8/>

⁵ Comments on Proposed Rule: Amendments to Exemptions from the Proxy Rules for Proxy Voting Advice: <https://www.sec.gov/comments/s7-22-19/s72219.htm>

⁶ Corporate Governance Scholars against the SEC Proxy Advisory Reform, January 15, 2020: <https://www.sec.gov/comments/s7-22-19/s72219-6668185-203962.pdf>

⁷ Recommendation of the SEC Investor Advisory Committee (IAC) Relating to SEC Guidance and Rule Proposals on Proxy Advisors and Shareholder Proposals, January 24, 2020: <https://www.sec.gov/comments/s7-22-19/s72219-6698769-206000.pdf>