

CtW Investment Group

September 12, 2014

Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Reporting of Proxy Votes (File No. S7-30-10)

Dear Ms. Murphy,

On behalf of the CtW Investment Group I write to express our support of Rule 14Ad-1 under the Exchange Act, which requires institutional investment managers to annually report their voting record to the Commission on Form N-PX, as well as our support of the recommendations of the Investor Advisory Committee (IAC) regarding the need for cost effective retrieval of information by investors, adopted July 25, 2013. We find the voting records disclosed on Form N-PX to be extremely valuable to investors. In order for this information to be useful, however, revisions must be made to the disclosure requirements so that the reported data is standardized in a machine readable format and consequently easy to retrieve and analyze. We therefore, agree with the IAC's recommendations that the SEC revise the Form NP-X to provide for the tagging of data, making the information machine readable.

The CtW Investment Group works with union-sponsored pension funds to enhance long-term shareholder value through active ownership. These funds have \$250 billion in assets under management. Mutual funds often work as service providers for these funds. Therefore, mutual fund voting disclosure is of critical importance to us, because it allows us to monitor a fund's corporate governance engagement which we believe has a dramatic impact on shareholder value.

In the present state of N-PX reporting, searching for and evaluating a fund family's proxy voting record is a complicated and labor intensive process. In fact, it is so challenging that it is doubtful that the disclosure, in its current form, is even useful to the average fund participant. The challenge begins in trying to find the relevant voting data among the often numerous N-PX forms submitted by each fund family. The second hurdle stems from the fact that the forms are not standardized, making it challenging to prepare the data for analysis. Lastly, once the data is collected, interpretation is often difficult because N-PX forms lack the ownership data necessary to evaluate split votes within a single fund family.

Finding the Relevant Data

Compiling all of a fund family's proxy voting data for a particular meeting is not an easy task. Fund families usually spread the voting data across many forms. In addition, the voting data is organized by the individual fund, not by the meeting where the vote was held. While occasionally an N-PX form will only contain the voting record of a single fund, it is more common to have several different funds grouped together on a single form. Because the groups of reporting funds are often large and each individual fund votes at numerous companies, NP-X forms can be very lengthy. It is most common for the name of the fund to be listed as a sub-heading with the vote results for each meeting listed below. So, even when using the find feature to quickly find a particular meeting, the user still has to scroll up

through many pages to find out which fund the data belongs to. Furthermore, because so many funds are reporting in a single form, this process often has to be repeated several times in each form.

It is also difficult to confirm whether or not the forms reviewed include all of the company's funds which voted on a particular proposal. Searching by the fund family's name does not always pull up all of its funds. Some of a fund family's voting data may even be in another family's N-PX form, if some individual funds have a co-advisory or sub-advisory relationship.

Finding the disclosure of how a particular fund within a fund family voted is also difficult. The way that the individual funds are grouped into the various N-PX forms is not uniform and is often tricky to figure out. Sometimes there is a clue in the individual fund's name which will have some connection to the name of the group of funds reported in a particular N-PX form making it easier, but often the user must painstakingly go through each form one-by-one to find a specific fund.

A requirement that fund families report on a single N-PX form how each of its funds voted at one particular meeting would make this process significantly easier.

Analyzing the Data

Once found, new challenges arise because the disclosed information is not being reported in a uniform, machine readable manner. First, it takes a significant amount of time for a user to enter the data into a program for analysis, because one cannot simply download the information in a format readable by Excel. Second, there is some variation in layout- sometimes, even within a single form. While most are fairly easy to read, the variation further lengthens the time it takes to collect the data for analysis.

Perhaps the biggest issue with the current disclosure requirements is that N-PX files do not provide information about the size of ownership for each individual fund. Often there is a split within a fund family over a particular vote. In this case, one cannot simply tally the votes of individual funds to determine how the fund family voted overall because the ownership levels of the different funds often vary significantly. Ownership information is essential for proper interpretation of the vote.

Conclusion

Although the proxy voting information disclosed on Form N-PX is very valuable, changes must be made to how it is reported in order for it to be useful. First, the data would be easier to retrieve if it were organized by meeting rather than fund groups or individual funds. Second and most importantly, we agree with the IAC that the data needs to be disclosed in a machine readable, standardized format. We therefore urge you to follow its recommendations by requiring issuers to tag the information filed and by giving priority to the revision of Form N-PX. Finally, ownership information must be included with the vote disclosure to facilitate meaningful interpretation of the voting records.

Sincerely,



Dieter Waizenegger
Executive Director, CtW Investment Group