

January 11, 2021

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

Re: Notice of Filing of Proposed Rule Change Amending Its Rules Establishing Maximum Fee Rates To Be Charged By Member Organizations for Forwarding Proxy and Other Materials to Beneficial Owners (File No. SR-NYSE-2020-96)

Dear Ms. Countryman:

Dimensional Fund Advisors LP (“Dimensional”)¹ appreciates the opportunity to comment on the proposed rule change filed with the Securities and Exchange Commission (the “Commission”) by the New York Stock Exchange LLC (“NYSE”) regarding proposed changes to the NYSE rule establishing maximum fee rates for forwarding proxy and other materials to beneficial owners (the “NYSE Proposal”).²

We support the Commission’s approval of the NYSE Proposal and urge the Commission to affirmatively state in any approval order that a fee schedule listing what constitutes “reasonable” delivery expenses represents *maximum* rates and does not obligate funds to pay the exact fees set forth in such fee schedule. Furthermore, we ask the Commission to consider reforming the framework regulating fees that intermediaries charge funds for distributing fund materials to investors.

As the Investment Company Institute (the “ICI”) stated in a 2018 comment letter³ and reiterated in its letter to the Commission on the NYSE Proposal,⁴ we believe that there are longstanding issues with the current framework regulating fees that intermediaries charge funds for distributing fund disclosure materials to investors. The existing framework has resulted in non-negotiable, non-market-based pricing that has been left in place for years at a time, causing, in our view, unnecessarily high costs for fund shareholders. These high fees, at times, impact the decisions made by a fund as to when and whether certain fund matters should be put to a shareholder vote. We believe that this is an undesirable, unintended consequence of the current fee framework, and we ask the Commission to rectify this.

¹ Dimensional Fund Advisors LP is an investment adviser registered with the Securities and Exchange Commission.

² Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change Amending Its Rules Establishing Maximum Fee Rates To Be Charged By Member Organizations for Forwarding Proxy and Other Materials to Beneficial Owners, Release No. 34-90677; File No. SR-NYSE-2020-96 (December 15, 2020).

³ Comment Letter of the Investment Company Institute (October 31, 2018) responding to the Commission’s Request for Comments on the Processing Fees Charged by Intermediaries for Distributing Materials Other Than Proxy Materials to Fund Investors, File No. S7-13-18 (June 5, 2018).

⁴ Comment Letter of the Investment Company Institute (January 8, 2021).



To that end, we strongly agree with the ICI's recommendation that the Commission facilitate greater competition by permitting funds (rather than intermediaries) to select who will deliver fund materials on their behalf. This would allow funds to negotiate prices directly with vendors. We also support the ICI's alternative recommendation that the Commission create a fee schedule tailored to fund disclosure delivery obligations, replace the existing layered fees with simple flat fees that reflect actual, market-driven costs, create a robust regulatory oversight framework, and mandate regular independent review of fee rates and vendor billing practices.

Please do not hesitate to contact us if we could be of further assistance. We would welcome the opportunity to present an expanded discussion of our thoughts on these issues.

Sincerely,

A handwritten signature in black ink, appearing to read 'Catherine L. Newell', written in a cursive style.

Catherine L. Newell
General Counsel and Executive Vice President