



December 13, 2021

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

***Re: Enhanced Reporting of Proxy votes by Registered Management Investment Companies;  
Reporting of Executive Compensation Votes by Institutional Investment Managers (File No.  
S7-11-21)***

I write on behalf of AllianceBernstein (“AB” or “we”) to provide our viewpoints on the proposed rule by the Securities and Exchange Commission (“SEC”) regarding “Enhanced Reporting of Proxy Votes by Registered Management Investment Companies Reporting of Executive Compensation Votes by Institutional Investment Managers” (“Proposed Rule”). These comments are based on our experience as a provider of investment research, diversified investment management and related services to a broad range of institutional, retail and individual clients globally. As of October 31, 2021, our firm manages \$765B in assets for institutional, retail and private wealth management clients. Our high-quality, in-depth research is the foundation of our business. We believe that our global team of research professionals, whose disciplines include economic, fundamental equity, fixed income and quantitative research, gives us a competitive advantage in achieving investment success for our clients.

As an investment adviser, we are shareholder advocates and have a fiduciary duty to make investment decisions that are in our clients’ best interests by maximizing the value of their shares. We strive to provide disclosures that help our clients assess how AB acts as a responsible steward of clients’ investments including proxy voting, which is an integral part of this process, through which we support strong corporate governance structures, shareholder rights, and transparency. We also believe that AB has an important role to play in engaging with regulators on ESG issues and we view opportunities to comment on emerging regulations as critical in our stewardship activities as asset manager for our clients. Form N-PX has been a specific channel through which we share vote records for mutual funds and we appreciate the SEC’s efforts to make this information more comprehensible and accessible and for the opportunity to comment on the Proposed Rule.

With these considerations and interests in mind, we respectfully propose that the Commission consider the following comments with respect to the Proposed Rule.

1. **Identification of Proxy Voting Matters and Categories:** We agree that the standardization of languages used to describe proxy proposals will assist in consistency of reporting on statistics by topical categories. However, it should be noted that many of the small and large funds and managers (“reporting persons”) use proxy services for their N-PX filings and the proposals are categorized by the logic defined by such service providers. As such, the categorization of proposals could be controlled much more effectively if done by the

proxy service providers rather than having to rely on issuers who may classify the same proposal topic differently based on their subjective interpretation. Another important point to consider is the dynamic nature of shareholder proposal topics. Commissioner Roisman's comments<sup>1</sup> capture potential issues that can stem from "freezing in place categories that reflect issues [of shareholders' concern from the past past year] risk relegating future shareholders' interests to an 'Other' category", which will prevent investors from understanding proxy voting landscape for a given year.

2. Quantitative Disclosure and Securities Lending: While AB supports the rationale behind the SEC's proposal to report on the number of shares voted or instructed to be cast, reporting the number of shares loaned but not recalled promotes an unverified assumption that recalling securities on loan by default is a better stewardship of investments under management, when the cost of recalling shares does not always outweigh the benefits. Further, as the SEC's proposed Exchange Act Rule 10c-1<sup>2</sup> presents in requiring the disclosure of material terms of securities lending transactions, transparency and efficiency in the securities lending market is not at the desired level. This poses a significant operational challenge for the reporting persons to recall shares ahead of the record date. It is also notable that proxy statements are generally not available until after the record date, which makes it infeasible for the reporting persons to assess whether the benefits of recalling shares will outweigh the cost. Varying market mechanics across the globe is another context to consider in terms of operational hurdles for global institutional managers.

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AB appreciates the opportunity to provide our views on the regulation of enhanced reporting of proxy votes by registered management investment companies and appreciates your consideration of these suggestions.

Sincerely,



Michelle Dunstan  
SVP, Chief Responsibility Officer



Diana Lee  
Director of Corporate Governance

1. <https://www.sec.gov/news/public-statement/roisman-open-meeting-2021-09-29> ("Roisman Statement").
2. <https://www.sec.gov/news/press-release/2021-239>