

July 25, 2018

Ms. Nicole Puccio
Branch Chief
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-2521

Re: Draft 2018–2022 Strategic Plan for Securities and Exchange Commission

Dear Ms. Puccio:

The Independent Directors Council¹ appreciates the opportunity to comment on the Securities and Exchange Commission’s draft Strategic Plan for Fiscal Years 2018-2022.² IDC commends the SEC for developing strategic goals and outcomes that are focused on protecting investors, including fund shareholders. There are two initiatives outlined in the Draft Plan in which we are particularly interested.

The initiative to “identify, and take steps to address, existing SEC rules and approaches that are outdated”³ is one that IDC strongly supports. As part of this plan, we are aware that SEC staff has begun work on a Board Outreach Initiative, pursuant to which it is reviewing fund directors’ responsibilities to consider whether it can make regulatory changes that would improve the ability of registered investment company boards to serve shareholders.⁴ These matters are of significant interest

¹ The [Independent Directors Council](#) serves the US-registered fund independent director community by advancing the education, communication, and policy positions of fund independent directors, and promoting public understanding of their role. IDC’s activities are led by a Governing Council of independent directors of Investment Company Institute member funds. ICI is the leading association representing regulated funds globally, including mutual funds, exchange-traded funds, closed-end funds, and unit investment trusts in the United States, and similar funds offered to investors in jurisdictions worldwide. ICI’s members manage total assets of US\$22.0 trillion in the United States, serving more than 100 million US shareholders, and US\$7.6 trillion in assets in other jurisdictions. There are approximately 1,800 independent directors of ICI-member funds. The views expressed by IDC in this letter do not purport to reflect the views of all fund independent directors.

² [Draft 2010-2015 Strategic Plan for Securities and Exchange Commission](#), US Securities and Exchange Commission Rel. No. 34-83463 (June 19, 2018) (“Draft Plan”).

³ *Id.*, at 8.

⁴ See Dalia Blass, Director, US Securities and Exchange Commission Division of Investment Management, [Keynote Address at the Investment Company Institute 2018 Mutual Funds and Investment Management Conference](#) (March 19, 2018).

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and importance to the independent director community. In a letter to Dalia Blass, we provided our preliminary recommendations regarding ways that the current regulatory regime governing the role and responsibilities of independent directors could be modernized and improved to better allow directors to dedicate their time and attention to the matters most important to shareholders' interests.⁵ We urge the Commission to take appropriate steps to support this initiative.

The second initiative of interest to IDC is the SEC's plan to "modernize design, delivery, and content of disclosure so investors, including in particular retail investors, can access readable, useful, and timely information to make informed investment decisions."⁶ From the perspective of promoting the best interests of shareholders, fund directors are keenly interested in the disclosures made to potential and existing investors. Accordingly, IDC has long supported efforts by the Commission to improve the content, format, and delivery mechanism of information given to investors.⁷ We are heartened by the Commission's efforts to seek insight from a wide range of investors about how they consume information in the current environment and how fund disclosure could be improved.⁸ We commend the Commission for taking a thoughtful approach to the issue and prioritizing the effort.

⁵ See Letter from Amy B.R. Lancellotta, Managing Director, IDC, to Dalia Blass, Director, Division of Investment Management, US Securities and Exchange Commission, re [Modernizing Fund Directors' Responsibilities](#) (Oct. 16, 2017).

⁶ Draft Plan, *supra* note 2, at 6.

⁷ See e.g., Letter from Robert Uek, IDC Governing Council Chair, to Nancy M. Morris, Secretary, US Securities and Exchange Commission, re [Enhanced Disclosure and New Prospectus Delivery Option for Registered Open-End Management Investment Companies](#); File No. S7-28-07 (February 15, 2008); Letter from Amy B.R. Lancellotta, IDC Managing Director, to Elizabeth M. Murphy, Secretary, US Securities and Exchange Commission, re [Proxy Disclosure and Solicitation Enhancements](#); File No. S7-13-09 (September 15, 2009); Letter from Dorothy A. Berry, IDC Governing Council Chair, to Elizabeth M. Murphy, Secretary, US Securities and Exchange Commission, re [Comment Request for Study Regarding Financial Literacy Among Investors](#); File No. 4-645 (March 23, 2012).

⁸ See e.g., US Securities and Exchange Commission, [Fund Disclosure Feedback Flier](#); File No. S7-12-18 (interactive form asking retail investors questions about whether the information they get from mutual funds or other funds really work for them); US Securities and Exchange Commission Press Release, [SEC Chairman Clayton Invites Main Street Investors to 'Tell Us' About Their Investor Experience](#) (June 29, 2018) (announcing roundtables to be held across the country to hear from investors); [Request for Comment on Fund Retail Investor Experience and Disclosure](#), SEC Rel. No. 33-10503; 34-83376; IC-33113; File No. S7-12-18 (June 5, 2018).

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If we may be of further assistance, or if you have any questions about our comments, please contact me at (202) 326-5824.

Sincerely,

A handwritten signature in cursive script that reads "Amy B.R. Lancellotta".

Amy B.R. Lancellotta
Managing Director

cc: The Honorable Jay Clayton
The Honorable Kara M. Stein
The Honorable Robert J. Jackson Jr.
The Honorable Hester M. Peirce

Dalia Blass, Director
Division of Investment Management