



ADDING VALUES TO STRONG PERFORMANCE.

February 2, 2020

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

Re: S7-22-19 Amendments to Exemptions from the Proxy Rules for Proxy Voting Advice

Dear Secretary Countryman:

On behalf of Friends Fiduciary Corporation, I am writing to comment on the “Amendments to Exemptions from the Proxy Rules for Proxy Voting Advice,” File Number S7-22-19.

Friends Fiduciary Corporation is a non-profit investment firm representing over 400 Quaker religious communities, schools, and organizations across the country. We were founded in 1898 and have over \$500 million in assets under management. We seek to reflect the Quaker values of simplicity, peace, integrity, and community in our investments by screening the companies that we hold for their environmental, social, and governance performance, by engaging the companies we hold via dialogues and shareholder resolutions, and by voting our proxies.

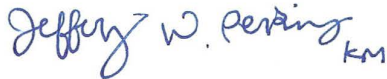
We are deeply troubled by any undue interference with our client/service relationships. We use a proxy advisory service to vote in line with our custom policy. Our votes often vary quite significantly from their standard recommendations; our staff and the Investment Committee of our board formulate, review, and approve our voting policy. For example, we vote no on approximately 45% of management say on pay proposals while ISS typically recommends against approximately 14%.¹ There are also several areas where, as a policy, we have asked the service to refer the vote to us for the final decision.

From our perspective, accusations that institutional investors are too reliant on the advice of proxy advisors are unfounded. We hire the service to do the analysis on our behalf because it gives us access to their expertise and economies of scale; it is cheaper, more effective, and more convenient than hiring an employee in-house, of particular importance to us a small non-profit organization that invests on behalf of other non-profits. If issuers are allowed to lobby for changes, we fear the independent analysis we pay for would be compromised.

¹ <https://www.mercer.us/our-thinking/career/will-say-on-pay-support-continue-to-weaken-in-2019.html>

We affirm the importance of transparency and disclosure of conflicts of interest, but see the proposed ability of issuers to preview reports and challenge the results as a wildly inappropriate incursion into the independence of our client/service relationship, needlessly inserting pro-company bias and making it harder for us to ensure we are receiving impartial advice.

Sincerely,

Handwritten signature of Jeffrey W. Perkins in blue ink, with the initials 'KM' written below the name.

Jeffery W. Perkins
Executive Director