

Inviting Proposed Methods to Support Shareholder Voting by Owners of Capital

Two observations have become clear in the widely reported projects of several major fund managers to allow their investors – the ultimate owners of the capital – to determine proxy voting choices for their corporate stock holdings:¹

1. The interests and efforts of these fund managers have encouraged the development of both effective technologies and sources of required advisory services that can now reliably support the engagement of a fund’s individual investors in voting decisions.
2. Very few of the investors in these funds care enough about how their stock holdings are voted to bother providing their instructions.

Forum participants interested in addressing the apparently unanticipated but not entirely surprising challenge of engaging individual investors in decisions about the use of their capital are encouraged to offer their views and any practical suggestions. Although there are no plans to establish a formal Shareholder Forum program to address this specific element of our long and continuing attentions to “retail” engagement,² I will report views either with or without identified attribution according to participant direction, following Forum privacy policies.

GL – October 7, 2024

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¹ For observations, including links referencing past reports, see [September 17, 2024, Reuters: "Vanguard bullish on proxy votes for the masses"](#) and [September 24, 2024, Matt Levine commentary in Bloomberg: "Voting"](#).

² For past attention of Forum participants to the engagement of ultimate owners in the use of their capital, prior to the recent development of interest in “pass-through” voting, see

- [November 28, 2007, U.S. Securities and Exchange Commission, press release: “SEC Adopts Proxy Rule Amendments Encouraging Electronic Shareholder Forums”](#)
- [July 16, 2010, E-Meetings Review, Focus Report: “Testing the Communication Tools”](#) (a publication of the Forum's [2010 "E-Meetings" program](#), later summarized in [September 30, 2010, Forum Report: Standards for Fair Conduct of Shareholder Meetings Using Electronic Communications](#))
- [July 11, 2012, Reuters: "Shareholder website closing, cites complex voting rules."](#)
- [December 20, 2012, Forum Report: Adapting to a Consolidation of Communication Services](#)
- [June 12, 2018, Lucian Bebchuk, Alma Cohen, and Scott Hirst of Harvard Law School posting in The Harvard Law School Forum on Corporate Governance and Financial Regulation: "Index Fund Stewardship"](#)
- [November 29, 2018, John C. Bogle, published in The Wall Street Journal: "Bogle Sounds a Warning on Index Funds"](#)
- [December 26, 2018, John C. Wilcox of Morris Sodali: Comment letter to the U.S. Securities and Exchange Commission relating to its Roundtable on the Proxy Process](#)
- [January 31, 2019, CorpGov.net: "Internet Will Drive Public Opinion and Proxy Voting to Reflect American Values"](#)