



Wednesday, September 23, 2020

Office of Regulations and Interpretations
Employee Benefits Security Administration
Room N-5655 U.S. Department of Labor
200 Constitution Avenue NW
Washington, DC 20210

Attention: Proxy Voting and Shareholder Rights NPRM (RIN 1210-AB91)

Dear Director Canary:

On behalf of RBC Global Asset Management (RBC GAM), thank you for the opportunity to submit comments on the notice of proposed rulemaking entitled “Fiduciary Duties Regarding Proxy Voting and Shareholder Rights” (the Proposal).

RBC GAM is the asset management division of the Royal Bank of Canada and is a provider of global investment management services and solutions to investors through separate accounts, pooled funds, mutual funds, exchange traded funds and specialty investment strategies. The RBC GAM group of companies manage approximately USD \$371 billion in assets worldwide (as at June 30, 2020).

As an asset manager, we have an obligation to act in the best interests of our clients. This obligation includes exercising the voting rights attached to securities held by the portfolios we manage. Voting responsibly is a key part of our investment process as it provides an important way for us to convey our views to boards and management of our investee companies.

We commend the intended goal of the Proposal to reduce reliance by plan fiduciaries on one-size-fits-all approaches to proxy voting matters, such as uncritically following management’s or proxy advisory firms’ recommendations. However, we believe that the Proposal, and in particular, the prohibition on voting proxies unless the fiduciary determines that the matter being voted upon will have an economic impact on the plan, will result in limiting fiduciaries’ ability to freely and openly express their views on important corporate governance matters. In our view, proxy voting serves as an important method for shareholders to communicate their views and send signals on material issues to the board and management. By exercising our proxy votes thoughtfully, our goal is to reduce risk and enhance corporate governance practices, which we believe will result in enhanced long-term performance. We believe that thoughtful proxy voting is an important component of fulfilling our fiduciary duty. It is difficult to assess at the outset the full potential economic impact of a ballot item. If a proposal is on the ballot, it is important that all shareholders vote to convey their view to the board and management.

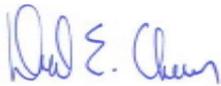
In addition, we are concerned that the Proposal does not properly recognize the long-term performance and economic impact of environmental, social, and governance (ESG) related proposals. In our view, there has been a shift over the last several decades from a capital intensive economy to one where intangible assets, including brand, reputation and intellectual property, may have a significant impact on the long-term success of a company. There is a growing body of evidence that companies that manage

their ESG risks well have better financial results over the long run. Hence, it is important for investors to vote on ESG proposals and convey their views to the boards and management of investee companies. The ability to vote at the annual general meeting leads to meaningful opportunities for engagement between investors and companies on material ESG issues.

As a result of the concerns described above, we believe the Proposal will adversely impact ERISA plans. We believe that the long-term value of our investments is protected and enhanced through active stewardship, including the exercise of proxy voting rights and engagement with boards and management. The benefits of acting as an engaged and responsible owner extend to our clients and unitholders.

Our fiduciary duty to act in the best interests of our clients is paramount. As active investors, active stewardship is an effective way to understand how a company is addressing risks and opportunities, and convey our own views, with the goal of enhancing long-term performance. We respectfully request that you allow the existing guidance to remain in effect and not move forward with a final rule.

Sincerely,



Daniel E. Chornous, CFA
Chief Investment Officer
RBC Global Asset Management Inc.