

October 23, 2017

Honorable Jay Clayton
Chairman
U.S. Securities and Exchange Commission
110 F Street, NE
Washington, D.C. 20549

Re: Human Capital Management Disclosures Rulemaking Petition (File 4-711)

Dear Chairman Clayton,

We write in support of the rulemaking petition on Human Capital Management (“HCM”) as an opportunity for the SEC to open a consultation regarding disclosure on this topic. PCA believes the capital markets today face inefficiencies due to a lack of standards to guide companies in disclosing material HCM information in a format that is decision-useful to investors. In our opinion, guidance by the SEC for improved disclosure on HCM can enhance institutional investors’ ability to gain a clear understanding of the long-term business prospects of companies.

Founded in 1988, PCA is an independent investment consulting firm that provides non-discretionary investment advisory services to institutional investors. PCA’s advisory services span all asset classes. PCA serves a mix of clients that include large U.S. public plan sponsors, endowments, Taft-Hartley funds and 529 college savings plans. Presently, PCA has 34 clients representing over \$1 trillion in plan sponsor investment assets. Our clients range in size from the largest U.S. public defined benefit pension fund, at \$341 billion in Assets under Management (“AUM”), to a foundation with \$130 million in AUM.

This letter expresses PCA’s opinions, not necessarily those of its clients. From PCA’s perspective, HCM risks have become a growing concern, as a key component of larger Environmental, Social and Governance (“ESG”) risks. PCA advisory services that can be impacted by HCM issues include: investment beliefs and investment policy development, manager selection and monitoring, education and analysis on macro and micro issues, and proxy voting and engagement.

We strongly believe that standardized, material, and decision-useful HCM information could help investment advisors such as PCA provide more useful and effective investment consulting services. **Industry research indicates that much of the basic data identified in the petition is already gathered by many corporations, although it is not being publicly disclosed.** We believe that the sooner the SEC standardizes the disclosure of HCM information, the sooner the capital markets will become more efficient in identifying and pricing these risks. Thank you for considering our comments.

Sincerely yours,



Allan Emkin
Founder and Managing Director
Pension Consulting Alliance, LLC