



Kimball[®] Electronics

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VIA ELECTRONIC MAIL TO: rule-comments@sec.gov

Vanessa A. Countryman
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Re: Petition for Rulemaking – 13(f) Modernization (File No. 4-825)

Dear Ms. Countryman:

Kimball Electronics, Inc. (“Kimball”) appreciates the opportunity to comment on, and express our unequivocal support for, the Petition for Rulemaking filed by the Society for Corporate Governance, the National Investor Relations Institute, and the New York Stock Exchange on April 19, 2024. This Petition requests that the Securities and Exchange Commission (SEC) initiate a rulemaking to modernize Section 13(f) of the Securities Exchange Act of 1934.

Currently, the SEC requires Form 13F filings on a quarterly basis by investment managers with at least \$100 million in assets under management. These filings disclose their equity ownership positions, but the current rules allow investment managers to submit them to the SEC as long as 45 calendar days after the end of each quarter. U.S. companies do not have access to a share registry that lists their investors. For this reason, U.S.-listed companies like Kimball rely on the data contained in these 13F filings to learn which investment managers are beneficial owners of their shares and the size of their positions. At Kimball, we routinely monitor 13F filings and maintain a list of our key registered and beneficial Share Owners. As a publicly traded company, we use this information in connection with investor outreach and planning in connection with our annual proxy filing and annual meeting of Share Owners, but also to keep our Board of Directors and management apprised of developments in our base of Share Owners. Our Board and management team engage on a year-round basis with a range of stakeholders, including our Share Owners.

We seek and encourage feedback from Share Owners about our governance practices, executive compensation programs, strategy and business performance, and sustainability, among other topics. Current and up to date information about our ownership base plays a critical role in our engagement efforts and helps facilitate meaningful, efficient and timely dialogue with all of our Share Owners, whether large or small. An understanding of the issues important to our Share Owners, including the institutional investors who file Form 13F, helps us build the enduring value we deliver to our broad base of stakeholders, including our customers and end users; our people

and their families; our communities; and our Share Owners. We also use the information in 13F filings to help monitor for potential activism.

The current 45-day disclosure window after the end of each calendar quarter greatly limits the usefulness of 13F filings (and 13G filings, which have the same deadline, even after the Commission's recent rulemaking). The information contained in 13F filings is often no longer current by the time the form is filed, or is not disclosed in time to be actionable by the listed company or the market. For example, an investor that purchased shares of Kimball Electronics common stock on July 1 (the first day of our fiscal year) would not have to disclose that purchase in an SEC filing until November 14, on or even *after* the date of our annual meeting each year. As a result, we often find it difficult to rely on the information included in 13F filings and, from time to time, we have also paid for position reports from The Depository Trust and Clearing Corporation (DTCC) to supplement the information included in 13F filings to gain a better understanding of who our base of Share Owners is and how their holdings evolve. Reports from DTCC, while helpful as a supplement, do not replace the information contained in 13F filings. Form 13F is even more useful to retail investors who, unlike listed companies and institutional investors, do not have access to multiple sell-side analyst reports or other resources when deciding which companies to invest in.

The SEC has not modernized the rules governing 13F filings since it developed the rules in the 1970s. In that time, the SEC has modernized and updated filing deadlines for many other disclosure requirements. In 2009, the Commission adopted proxy disclosure enhancements that directed public companies to disclose preliminary vote results from their annual meetings in Item 5.07 of Form 8-K within four business days instead of waiting until their next quarterly filing. In discussing this change, the SEC emphasized how more timely disclosure would benefit investors and that technological advances had made it easier for companies to comply. As the final rulemaking release explained:

Under our prior disclosure requirements, it could be a few months before voting results are disclosed in a Form 10-Q or 10-K. Often, matters submitted for a shareholder vote at an annual or special meeting involve issues that directly impact shareholder interests, such as the election of directors, changes in shareholder rights, investments or divestments, and capital changes. The delay between the end of an annual or special meeting of shareholders and when the voting results of the meeting are disclosed in a Form 10-Q or 10-K can make the information less useful to investors and the markets. We also understand that technological advances in shareholder communications and the growing use of third-party proxy services have increased the ability of companies to tabulate vote results and disseminate this information on a more expedited basis.

In these prior rulemakings, the SEC opted to accelerate deadlines to improve the timeliness of disclosure for the benefit of investors; the Commission also cited increased efficiency and the importance of enhancing investor confidence in the financial markets. As the SEC observed with Item 5.07, delay in disclosure can make information less useful to investors.



While these accelerated disclosure rules for issuers were updated more than a decade ago, the same underlying rationale – the need to provide more timely information to foster greater confidence in the market – applies equally to Form 13F filings. We urge the SEC to initiate a rulemaking to modernize its 13(f) rules and adopt a similar cadence to Form 8-K (4 business days) or initial Schedule 13D filings (5 business days). At the very least, the SEC should accelerate the timetable for quarterly disclosures from 45 calendar days to 5 business days as the Society-NIRI-NYSE Petition for Rulemaking advocates.

Best regards,

Douglas A. Hass
Chief Legal & Compliance Officer, Secretary
Kimball Electronics, Inc.