



August 28, 2020

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

Re: Comment in Opposition to Proposed Rule Change on Form 13F Reporting Threshold for Institutional Investment Managers, Release No. 34-89290; File No. S7-08-20

Dear Ms. Countryman,

On July 10, the Securities and Exchange Commission ("SEC") proposed the first significant changes to its Form 13F institutional shareholder disclosure rules in nearly five decades. We urge the SEC to reconsider implementing this proposed rule change and instead require more frequent disclosures and lowering the threshold for reporting to \$25 million in assets under management.

As a publicly traded company, we rely on 13F filings to aid in our shareholder engagement efforts – as it is the only accurate source of institutional holdings available. We believe that the proposed amendments would reduce transparency around holdings and significantly undermine our investor engagement efforts.

The SEC proposal will reduce transparency by raising the \$100 million assets under management threshold to \$3.5 billion. The potential impact to market transparency and the investor relations function cannot be understated:

- The data submitted within 13F filings represents the only accurate source of institutional investor holdings available to public companies. Without this data, public companies would face a significant loss in market transparency into their holders.
- Approximately 90% or 4,500 of the current estimated 5,000 13F filers would no longer be required to disclose holdings on Form 13F, leaving only 500 of the largest fund managers to provide this important information to the market, severely limiting transparency and creating a disadvantage to the largest holders.
- The reduction in the number of filers will likely have a disproportionate impact on smaller public companies as lower float and trading liquidity of small caps makes them less attractive to larger institutional managers.
- A reduction in an issuer's knowledge regarding the shareholder base will make allocating management time and scarce investor relations resources more difficult.
- Lack of transparency regarding public companies' shareholder bases will make proxy issues more difficult to address and place companies at a disadvantage when it comes to shareholder activism.

The impact of this proposed change seems incongruent with the SEC's mission to "protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation." We also fail to see how eliminating 90% of the public disclosure of holding by institutions furthers the SEC's vision to "promote capital markets that inspire public confidence and provide a diverse array of financial opportunities to retail and institutional investors, entrepreneurs, public companies, and other market participants."¹ The significant decrease in oversight and disclosure of the proposed rule change seems antithetical to the mission of the SEC in that less information and transparency damages public confidence in the markets.

We urge the Commission to withdraw this proposed rule change and instead implement reforms designed to increase market transparency, such as those detailed in rulemaking petitions submitted by the National Investor Relations Institute (NIRI), the NYSE Group, the Society for Corporate Governance, and Nasdaq.² The need for effective shareholder engagement is clearer than ever, and this proposal would be a tremendous misstep at a time when shareholders are increasingly calling for greater transparency and governance..

Sincerely,



Samuel D. Bush
Chief Financial Officer

¹ SEC's FY2018-22 Strategic Plan available here: https://www.sec.gov/files/SEC_Strategic_Plan_FY18-FY22_FINAL_0.pdf

² See NYSE Group, NIRI, and Society for Corporate Governance, Request for Rulemaking Concerning Amendment of Beneficial Ownership Reporting Rules Under Section 13(f) of the Securities Exchange Act of 1934 in Order to Shorten the Reporting Deadline under Paragraph (a)(1) of Rule 13f-1, Petition No. 4-659, February 4, 2013, available at: <https://www.sec.gov/rules/petitions/2013/petn4-659.pdf>; NYSE Group and NIRI, Petition for Rulemaking Pursuant to Sections 10 and 13(f) of the Securities Exchange Act of 1934, Petition No. 4-689, October 7, 2015, available at: <https://www.sec.gov/rules/petitions/2015/petn4-689.pdf>; and Nasdaq, Petition for Rulemaking to Require Disclosure of Short Positions in Parity with Required Disclosure of Long Positions, Petition No. 4-691, December 7, 2015, available at <https://www.sec.gov/rules/petitions/2015/petn4-691.pdf>.