



*Investment Management Office*

September 28, 2020

Ms. Vanessa Countryman  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549-1090

Re: Reporting Threshold for Institutional Investment Managers (File No. S7-08-20)

Dear Ms. Countryman:

I am writing today, on behalf of The Administrators of the Tulane Educational Fund, to express **our strong opposition** to File Number S7-08-20, which suggests substantially raising the assets under management (AUM) threshold for 13F filing.

The Administrators of the Tulane Educational Fund manages and oversees Tulane University's \$1.5 billion endowment. The Endowment seeks to provide a perpetual revenue source that helps meet the growing financial needs of its students, faculty, and broader Tulane community. Like most endowments, foundations, and pensions, we invest largely by allocating our capital to investment managers. We take our fiduciary duties seriously, and ensure that these managers are responsible guardians of our capital. While best practices have been established, investment managers have substantial flexibility over how and what they choose to report to us on their actual portfolio holdings.

We have found 13F filings to be one of the most valuable tools to promote transparency and manager accountability. The holding-level detail provided by these filings helps us answer critical questions, a small sample of which I've provided below:

- Are there any mismatches between a fund's stated strategy and the types of investments in their portfolio? If we have a healthcare manager who is suddenly purchasing tech stocks, for example, this can lead to an important line of questioning.
- Are we comfortable with the level of concentration we note amongst the top holdings?
- Are we comfortable with the liquidity of the underlying holdings relative to the fund's asset base or liquidity terms?
- What purchase and sale decisions does a manager make over time and why (relative to the selective information we might receive in a quarterly letter)?
- How does a manager's portfolio shift as his or her AUM grows or shrinks—what are the changes, for example, in the underlying market cap of positions?
- In what sectors has a manager made or lost money over the long-term, and how might this compare to what the manager tells us he/she does well?

We recognize that the SEC has the challenging job of serving as a watchdog across all investment managers. We also understand that the large number of smaller investment managers further complicates the SEC's mission of serving as an industry watchdog. On the other hand, endowments, foundations, and family offices often seek out small and medium sized managers (below \$3.5bn in AUM) in whom to invest because we believe these managers can take advantage of inefficiencies in the market that larger funds cannot access at scale. Allowing us, as institutional investors, all the tools we need to keep a close watch on these smaller managers greatly enhances the transparency and safety of the system as a whole.

We speak with our managers regularly, and even those firms with small teams and limited assets have managed very successfully to comply with this SEC requirement as part of their regular-way business. Investment managers already have the information in the 13F at their fingertips and not once in my 15 years as an allocator have I heard a manager complain that the 13F requirement created undue burden or expense. We pay these managers healthy management fees to do just that, and typically the partnerships and funds managed by smaller investment firms pay the costs associated with regulatory filings, not the managers themselves. As an institutional investor who pays these costs regularly, we welcome the burden of these costs in exchange for the transparency this filing provides us.

The adoption of File Number S7-08-20 will severely reduce transparency for endowments, foundations, family offices and pension funds. This reduction in transparency not only threatens the safety of the financial system but also places innumerable educational institutions, non-profits, private investors and retirees at an informational disadvantage to investment managers. We kindly request that the SEC reconsider raising the threshold for the 13F filing.

Thank you for your time and consideration.

With Greatest Respect,

Julia G. Mord  
Interim Deputy Chief Investment Officer  
The Administrators of the Tulane Educational Fund