



The Greenbrier Companies

One Centerpointe Drive, Suite 200
Lake Oswego, Oregon 97035

☎ 503.684.7000

☎ 503.684.7553

www.gbrx.com

September 28, 2020

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

RE: File No. S7-08-20: Reporting Threshold for Institutional Investment Managers

Dear Ms. Countryman:

The Greenbrier Companies, Inc. is a leading international supplier of equipment and services to the freight rail transportation markets. Founded in 1981 and publicly traded since 1994, we employ 11,000 people worldwide. Greenbrier builds nearly 40% of all freight railcars in North America. In addition, we own a railcar lease fleet of over 8,800 railcars and provide asset management services for more than 410,000 railcars. We appreciate the opportunity to comment on File No. S7-08-20, Reporting Threshold for Institutional Investment Managers.

As a small cap company, the information available to us on Form 13F is vitally important to run our business operations and communications with our shareholders. By drastically reducing the number of institutional investment managers required to disclose their holdings on Form 13F, the SEC's proposed rule would limit our visibility into our shareholder base and undercut our ability to conduct vital shareholder outreach.

We estimate that we would lose visibility into 37% of the current 13F filers that hold shares of Greenbrier stock. Additionally, we would lose visibility into ~25% of our Top 20 shareholders. The aggregate share ownership of the 13F filers who would be exempted from filing under the proposed rule amounts to 12% of the outstanding shares of Greenbrier. Notably, 48% of outstanding shares are held by non-active managers – with over 35% concentrated within four firms. Non-active managers include index-based funds and quantitative investors that own shares of Greenbrier stock simply because Greenbrier matches one or more predefined investment criteria. Greenbrier depends on a productive dialogue with active asset managers in order to understand their investment goals, time horizons and key concerns. Due to the consistent growth in passive investing over the last decade (and the related decline of active investing), fewer assets are actively managed than in the past, particularly when compared to when the current rule was implemented. Identification of those assets managers who have acquired shares of Greenbrier stock through an active investment process is therefore critical. Furthermore, small cap companies like Greenbrier lack the resources to hire expensive stock surveillance firms to make up for the loss of 13F data, so if the proposed rule were to be finalized we would be forced to operate with significantly limited information about our shareholder base.

We respectfully encourage the SEC to withdraw its proposal to exempt most asset managers from the 13F filing requirement given the vital uses to which companies like Greenbrier put 13F data, including:

- **Shareholder Communication.** Without access to a comprehensive list of our shareholders, it would become impossible to effectively communicate with our shareholder base. Shareholder outreach and education are vital to our success as a business, and we depend on 13F to enable a productive dialogue with shareholders throughout the year. As a highly cyclical manufacturing company, it is vital to be able to engage and educate investors about management's strategy to navigate our business cycles. Greenbrier's investor relations department reviews 13F filings quarterly to understand who holds our stock and to better understand our investors' goals and needs. Knowing *who* holds Greenbrier stock allows us to conduct shareholder outreach, respond effectively to meeting requests, and prioritize management time; knowing *how* investors hold Greenbrier stock lets us demonstrate the value we bring to their portfolio based on industry focus, investment style, time horizon, and other important metrics. We also use 13F data to communicate with *potential* investors, who we can identify by benchmarking ourselves against other stocks they hold.
- **Proxy Solicitation.** Our year-round shareholder communication efforts extend to proxy season—when timely, efficient outreach to investors demands a heightened effort. 13F filings allow us to share management's views on key Environmental, Social and Governance (ESG) topics such as diversity and inclusion, executive compensation and board composition as well as offer insights on shareholder proposals included on our proxy ballot. The ability to communicate with shareholders during proxy season is key to helping our wide range of investors understand the policies under consideration on the proxy ballot and ensures we meet quorum and other vote thresholds required by our bylaws. Additionally, the ability to reach all of our shareholders (rather than just the largest) lets us respond effectively if we are targeted by an activist proposal or receive an adverse recommendation from a proxy advisory firm. An example of the latter occurred in December 2019 when we received an adverse recommendation from a proxy advisory firm. Having visibility into our shareholder base allowed a comprehensive response during the compressed calendar year-end time period.
- **Activist Defense.** As a small cap company, we are vulnerable to activist investors—including groups of so-called “wolf pack” investors. Form 13F filings enable us to see who is building a position in our stock, allowing us to prepare, respond, reach out, or otherwise react to the appearance of an activist on our shareholder list. Limiting the 13F disclosure requirement to only the largest institutions would cloak the activities of activists and undercut our ability to know about and react to activist investors or groups. It would also limit our ability to reach out to the rest of our shareholder base in the event of an activist event—even if we know who the activist is, it does little good if we are unable to reach out to our other shareholders to offer education and management perspectives. Greenbrier has been a takeover target periodically in the last decade. We have successfully survived the various attempts – largely due to the ability to engage the

majority of our shareholder base. We are among a small number of independent, publicly traded businesses still headquartered in Oregon and would like to remain so.

Form 13F is a vital tool that enables robust and comprehensive shareholder engagement—which we view as critical to our success as a public company. Indeed, for most small cap companies Form 13F is the only way we know who holds our stock. The proposed rule would dramatically undercut the effectiveness of Form 13F, decreasing market transparency and limiting important issuer-investor communication at a time when shareholder engagement is more important than ever. In fact, we would encourage the SEC to consider decreasing the filing deadline from 45 days to 30 days to allow greater transparency.

We respectfully encourage the SEC to reconsider the proposed rule and instead to take steps to enhance transparency and bolster engagement between companies and our investors.

Sincerely,

A handwritten signature in blue ink, appearing to read "Justin M. Roberts", with a long horizontal flourish extending to the right.

Justin M. Roberts
Vice President, Treasurer and Head of Investor Relations