S&P Global Market Intelligence
55 Water Street
New York, NY 10041

Martina Cheung
President

September 28, 2020

Submitted Electronically

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

Re: Reporting Threshold for Institutional Investment Managers
Release No. 34-89290; File Number S7-08-20

Dear Ms. Countryman,

I write to address the Securities and Exchange Commission's (the "Commission's") proposed rule to update the 13F reporting requirements for institutional investment managers ("investment managers") set forth in the above-referenced release (the "Proposed Amendment").

As a provider of data, tools and insights that help decision makers navigate the global markets, S&P Global Market Intelligence ("Market Intelligence") appreciates the opportunity to comment on the Proposed Amendment issued by the Commission on July 10, 2020 and understands the Commission's desire to streamline and update polices that have been in place for 45 years. We do, however, have some concerns and would respectfully request the Commission consider the impact of the Proposed Amendment on market transparency, shareholder engagement, and the quality of the data financial markets use every day to make informed decisions. Below, Market Intelligence has identified several issues we would ask you to consider. We agree the Commission should update polices when appropriate in a thoughtful and comprehensive manner, but we are concerned the Proposed Amendment could have unintended consequences for all market participants.

IMPACT ON FINANCIAL MARKETS

Market Intelligence strives to provide the highest quality data to financial markets for all sectors and participants to use and consider. We believe this transparency is a key element of the world's most robust and successful credit markets.

As currently laid out, the Proposed Amendment would raise the 13F reporting threshold from $100 million to $3.5 billion, a 35-times proposed increase in the threshold which would result in substantiality less transparency from 90% of current filers. Without an alternative source of data from nearly 90% of investment managers regarding the identities of shareholders of public companies, the ability to provide timely and relevant data to both shareholders and companies will result in less engagement from both sides. From a market transparency angle, raising the 13F threshold could adversely impact both smaller asset managers and retail investors alike.

In addition, the Proposed Amendment estimates raising the threshold to $3.5 billion would effectively eliminate data from more than 4,500 investment managers representing approximately $2.3 trillion. Market Intelligence regularly interacts with all sectors of the financial markets. We've seen many of these managers, whose reporting requirements would be eliminated under the Proposed Amendment, become more active in engaging with issuers on matters relating to long-term strategy, capital, and other important business decisions. Feedback from our clients also indicates that lack of data from these smaller managers and their ownership levels would impede this process. Investment managers also use 13F data from other peer managers to frequently benchmark themselves as part of the capital raising process. The lack of relevant benchmark data for smaller managers would make it more difficult for these managers to raise capital and would unfairly disadvantage them vs larger managers for whom relevant peer benchmarking data would be easily accessible.

Based on our interactions with market participants, we expect shareholders, policymakers, and companies to be more engaged with each other more than ever before. Making transparent who owns public company shares only furthers that conversation. Without a mechanism to identify shareholders, meaningful engagement between both parties is likely to diminish and, in some cases, reduces a firm's capability to access capital markets in a cost effective manner. Market Intelligence urges the Commission to fully consider the potential impacts of these consequences on investor relations as well.

While the Proposed Amendment acknowledges the $3.5 billion threshold would retain disclosure of more than 90% of the value of holdings that are currently reported, we've interacted and seen many market participants engage with one another who would not fit in this definition, therefore eliminating transparency to important parts of our financial markets.

ITEMS TO CONSIDER

Based on the above-mentioned concerns about transparency and market engagement, Market Intelligence also suggests the Commission look at a more modest change to the 13F threshold based on the Consumer Price Index. This approach would be consistent with other adjustments government agencies have made, including the Commission's accelerated filer status or the inflation-based increase for emerging growth companies. We believe a more incremental change would allow market participants to better assess the impact of less transparency.

As mentioned above, the Commission acknowledges that a wide variety of individuals use 13F data, including data providers. We respectfully request that the Commission not only consider the impact on small asset managers but expand the impact analysis to accurately measure the loss of this data on other market participants. As a data provider, we are aware of different types of usage for 13F filings from various market participants that rely on our service to provide them with the best in class information to take decisions with conviction. We recommend looking at the following who are also users of this data and consider the impact on them as well:

- the general public, whom 13F data helps create an environment of confidence in the markets;
- for investors and fund managers to be able to compare their monthly reports with the 13F data;

- for investors and fund managers to better evaluate their existing advisory relationship and/or identify other investment advisers that are more suited to their investment strategies or needs;
- for the sell-side to evaluate buy side targets;
- to identify all owners of a given company and seek investors engagements;
- to evaluate potential investor activism;
- to evaluate who to partner with to start a campaign;
- to identify opportunities for individual investors; and
- to help legal departments to expedite their claims for affected parties.

The effects of the proposal on smaller companies should also be considered. Increasing the threshold would have a larger impact on small and mid-cap public companies as they typically have a larger portion of shareholders that fall below the $3.5 billion threshold in assets under management. Small-cap firms would lose transparency on 15% of their shareholders while mid-cap firms would lose transparency on 10%. As data providers and analysts, Market Intelligence has often seen smaller investment managers play an active role with long term strategy and business operations. In some cases, this relationship can have significant effects on the management of smaller companies.

CONCLUSION

At Market Intelligence, our analysis and information help market participants create successful shareholder engagement programs, but to do so, companies need to be able to identify their shareholders. With few sources of information that currently exist on this subject, 13F data is a vital source of information that helps provide transparency to global markets, particularly for small and medium firms.

Market Intelligence appreciates the opportunity to share our views on the Proposed Amendment. We believe regulatory reform efforts around reporting of public company shareholders are of critical importance, and we look forward to sharing our views with the Commission as you move forward on these initiatives in the future.

Market Intelligence welcomes the opportunity to continue to be part of the ongoing dialogue on this important issue. Thank you for considering our comments and for your work on this important topic.

Sincerely,

Martina

Martina Cheung
President