



September 28, 2020

Phillip A. Reinsch
President and Chief Executive Officer

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

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

Dear Ms. Countryman:

On behalf of Capstead Mortgage Corporation (NYSE: CMO), a mortgage REIT headquartered in Dallas, TX, I am writing to respectfully express our opposition to the Commission's proposed amendments to the Form 13F reporting rules for institutional investment managers. Capstead is small to mid-cap firm with a common equity market cap of less than \$600 million and a preferred market cap of approximately \$250 million. As such we have less resources to deploy in our investor outreach efforts compared to larger market cap firms.

While we understand the 13F reporting process may require modernization, we believe the proposal amendments would result in a significant loss of market transparency to smaller market cap companies such as Capstead, hindering our ability to interact with our stockholder base and attract new actively-managed investors to our name.

As an NYSE-listed public company for over 35 years, we rely on 13F data to provide detailed information about our current investors and aid in our stockholder engagement. If the proposed rule is enacted, we would lose access to approximately 11% of our shares outstanding, 14% of our shares held by institutional holders and 26% of our institutional holders based on June 30, 2020 13f filings. This information cannot be fully replaced by hiring stock surveillance firms, which would not only be cost prohibitive for us, and would result in limited useful data as they use 13F information as a starting point for their research efforts.

Given our investor base, we would still receive 13F data from most of our top 10 stockholders. However, many of those investments are passive in nature, being either indexed or ETF positions. These investors do not typically engage with management. It is widely known that the

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number of actively-managed portfolios is steadily decreasing. For our company and many others, 13F data from active investment managers is incredibly valuable. Beyond our current investors, we are concerned with how the reduction of 13F transparency would impair our ability to engage with prospective stockholders. Our targeting efforts would become extremely difficult as we would not be able to see new active investors that have taken positions in industry peers but not in our name.

Based on the drawbacks listed above, we request that the Commission withdraw its proposed 13F amendments. More so, we agree with many other public companies and urge the Commission to review the 45-day reporting period currently required of 13F filers. A reduction in the number of days for complete holding disclosure to be released would be a positive change in creating further transparency in the markets.

Sincerely,



Phillip A. Reinsch

President and Chief Executive Officer