Decoding the 13F Proposal



NIRI Virtual Chapter Professional Development Series

Wednesday, September 9, 2020
Noon – 1pm EST

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- For CPE Credit, you must answer all three (3) of the polling questions AND you must complete the program survey that is provided at the end of this presentation.

Q&A

- If you are participating via the live webinar, you can type your question in the “chat box” at the bottom of your computer screen

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- Holders of the NIRI IRC® credential can earn 1 professional development unit (PDU) per meeting/webinar. IRC-credentialed speakers may also earn PDUs. More information is available at www.niri.org/certification.

Agenda

Learning Objectives

- Increase their familiarity with the 13F proposal and how it came to be
- Understand how their visibility into their shareholder base will be impacted
- Gain insight into unintended consequences including activism, targeting, and allocation of management time
- Learn about opportunities to get involved and make a difference

Today's Speakers

Moderator



Matt Tractenberg, IRC
IR Partner @ Q4
Matttr@Q4inc.com

Guest Speakers



Ted Allen
Vice President,
Communications and
Member Engagement
TAllen@NIRI.org



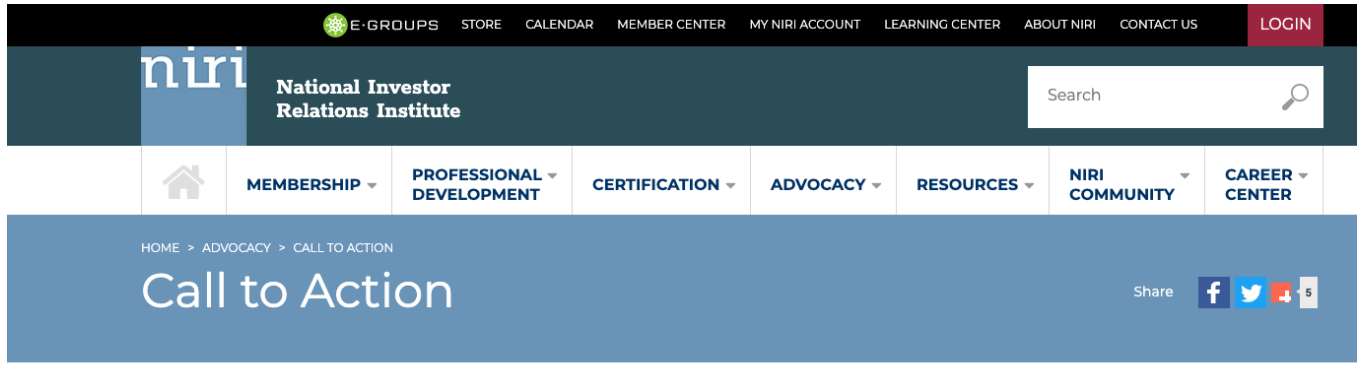
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Background and Useful Links

- Call to Action
- The SEC's proposal
- NIRI's joint Comment Letter
- FAQ provided by NIRI
- A template you can use to write your own letter



Advocacy Action Items

Join NIRI's Fight for Market Transparency

On July 10, the U.S. Securities and Exchange Commission voted to propose amendments to its Form 13F disclosure rules, which would dramatically reduce the number of hedge funds and investment managers that have to report their holdings after each quarter. Under the proposal, the minimum threshold for 13F disclosure would increase by **35 times** from $100 million in U.S. equities under management to $3.5 billion. As a result, 4,500 fund managers overseeing $2.3 trillion in assets (or 89 percent of current filers) would no longer have to provide disclosure. (For more on this proposal, please review these FAQs).

According to an IHS Markit analysis of the potential impact on the Russell 3000, an average company would lose visibility into 55 percent of its current 13F filers and 69 percent of the hedge funds on its 13F list. Small and mid-cap issuers, which typically have a larger percentage of active managers owning their stock, would be more severely impacted by this rule change.

This SEC's proposal would also expose more U.S. public companies to hedge fund activism, which is expected to surge after the pandemic subsides in 2021 or 2022. According to IHS Market, 86 percent of activist investors would no longer have to make 13F filings.

Polling Question #1



How familiar are you with the proposal we're discussing today?

A) I've heard of it but know nothing of the details

B) I understand the basic details

C) I have a working understanding of it and the likely impact on my IR program

D) My employer has signed the NIRI letter or submitted our own letter and I'm very familiar with it.

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Polling Question #2



Do you believe your ability, or your client ability, to do your job effectively will be materially impacted?

A) No, it will have little impact on me or my client

B) Yes, It will have a moderate impact

C) Yes, It will have a material impact on my ability to execute

D) I will be unable to do my job as defined by my employer

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Polling Question #3



If the proposal passes as it currently stands, I am most concerned about…

A) Activism

B) Proxy voting

C) Inability to identify buyers & sellers

D) Allocating time for calls & meetings

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Virtual Chapter Program Calendar

Date	Program
October 14, 2020	Understanding and Managing Your ESG Performance
November 11, 2020	Award Winning Investor Relations
December 9, 2020	Topic to be announced
January 13, 2021	Transitioning from Investor Relations to CFO
February 10, 2021	Crisis Communications
March 10, 2021	Career Development: New to Investor Relations
April 14, 2021	Topic to be announced
May 12, 2021	Topic to be announced

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