

NIRI 2022 ANNUAL  
CONFERENCE 16

DEALING WITH STOCK  
VOLATILITY 28

ENGAGING RETAIL  
SHAREHOLDERS 32

EDUCATING  
FUTURE IROS 38

# IR UPDATE

THE VOICE OF THE INVESTOR RELATIONS PROFESSION  
SPRING 2022

## Retail Investors: Reshaping Investor Relations



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INVESTOR RELATIONS



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*IR Update* welcomes letters to the

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## About NIRI

Founded in 1969, NIRI: The Association for Investor Relations, ([www.niri.org](http://www.niri.org)) is the professional association of corporate officers and investor relations consultants responsible for communication among corporate management, shareholders, securities analysts, and other financial community constituents. NIRI is the largest professional investor relations association in the world, with more than 2,800 members representing more than 1,350 publicly held companies with more than \$7 trillion in stock market capitalization. NIRI is dedicated to advancing the practice of investor relations and the professional competency and stature of its members.

## About IR Update

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## 16 ANNUAL CONFERENCE

### The Rendezvous

A record number of education sessions await at the world's preeminent investor relations conference June 5-7, 2022, in Boston, Massachusetts as NIRI transitions back to an in-person event.

**BY AL RICKARD, CAE**

## 22 CAPITAL MARKETS

### Retail Investors — Reshaping Investor Relations

The rise of retail investors has added a new dimension to investor relations. A review of this phenomenon during the recent NIRI "Big I" Forum shed light on the issue.

**BY ALEXANDRA WALSH**

## 28 INTERNAL COMMUNICATION

### Dealing With Stock Volatility

When stock prices gyrate unexpectedly, management teams want immediate answers. Learn how some IROs handle these situations.

**BY EVAN PONDEL**

## 32 INVESTOR PERCEPTIONS

### The Challenge of Engaging Retail Shareholders

A convergence of changes such as shareholder demographic shifts, new rules, new business practices, and more are reshaping investor relations challenges. A panel at the NIRI "Big I" Forum examined the changes.

**BY GINA VEAZEY**

## 38 PROFESSIONAL DEVELOPMENT

### Educating Future IROs: What Can We Do to Help?

While some investor relations courses exist in U.S. universities, the profession still has tremendous room for growth in the education arena. Investor relations professionals can help.

**BY ALEXANDER V. LASKIN, PH.D.**

## 42 COMMUNICATIONS

### The Opportunity in Crisis Communications

When done right, crisis communications can shore up relationships among key stakeholders.

**BY NICOLE NOUTSIOS**

## DEPARTMENTS

### 2 AT THE BELL

Wearing All the Hats

**BY VICTORIA SIVRAIS**

### 4 NIRI NOW

- NIRI Announces 2022 Class of Fellows
- NIRI Honors 2022 Rising Leaders Under 40
- NIRI Announces New IR Update Editorial Advisory Committee
- NIRI Launches Products and Services Marketplace
- NIRI Designates Rivel as an Approved PDU Provider
- NIRI Remembers Laura Paugh
- On the Move

### 10 SENIOR ROUNDTABLE PROFILES

Julie Dewey, IRC and Pat Davidson

### 14 SPOTLIGHT ON ADVOCACY

A Flurry of Rulemakings from the SEC

**BY NIELS HOLCH**

## Wearing All the Hats



**Victoria Sivrais**

NIRI Chair  
Founding Partner  
Clermont Partners, LLC

It wasn't long ago when the role of the investor relations officer was just that—managing relations with investors.

The last several years, however, have materially changed the expectations for the job. Now, you not only need intimate knowledge of business operations, financials, and the investors in your stock; you also must be an expert in multi-stakeholder communications, market dynamics, day-to-day stock volatility, broader strategy, ESG practices and questionnaires, and, most recently, climate risk and data security.

I find myself thinking, “How should we be preparing given our broader mandates and the need to be all things to all stakeholders?” Here are some ideas:

**Breakdown of silos.** Today, we are no longer talking to just investors. A holistic approach to investor relations is table stakes. This means taking a deep dive into your current and potential shareholder base as well as your other important stakeholder groups to fully understand sentiment. Quelling concerns around near-term macro volatility will be just as important as sharing your next-gen growth strategy when it comes to enhancing your investor narrative.

**The thematic investor.** Thematic investors are not new to the scene, but they are testing new strategies. Now is a great time to get in front of investors with a longer-term mindset and a knack for identifying the macro themes that will be most important over the next several years.

**ESG hot spots.** A quick preview of proxy season engagement by the largest institutions points to climate risk, diversity, and human capital management as the top three ESG-related investor concerns. Being well-versed in these areas can help us prepare for upcoming conversations. In particular, the SEC's climate risk rules are significant, and corporate policy can't be turned on a dime, just as climate-related risk reporting cannot be mastered overnight. You should start now to understand what the rules require in terms of both managing and pricing climate risk. A climate risk assessment can be an invaluable first step in evaluating how climate risks and opportunities may affect current and future financial positions.

**The role of AI in earnings analysis.** As artificial intelligence (AI) continues to grow, it's worth gaining a better understanding of how investors are using AI in earnings analysis. While many believe it is futile to guess what the algorithms are “thinking,” AI can and is being used by investors for sentiment analysis. The technology can help detect what company leaders are saying about issues such as significant stock price shifts or ownership trends is actually what they believe. The takeaway? Investor communications that are not authentic will be picked up by your investors, their technology, or both.

Stakeholder sentiment matters now more than ever. While the practice of IR has never been more demanding, it's also never been more exciting. Listening to your stakeholders—all of them—and aligning your priorities with their key concerns can help you master your expanded role and ensure you are telling the right narrative to the right stakeholder at the right time. [IR](https://niri.org/irupdate)



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## NIRI Names 2022 Class of Fellows

**N**IRI has announced its 2022 class of nine NIRI Fellows. NIRI is proud to recognize these nine new Fellows and highlight their ongoing service to the IR community,” said NIRI Interim President & CEO Matthew Brusch, CAE. “Special thanks go to the 2022 Fellows Selection Committee for identifying these worthy recipients.”

The NIRI Fellows Program recognizes distinguished NIRI members who epitomize the leadership, integrity, involvement, IR knowledge and contributions of professionals engaged in, advancing, or supporting the investor relations profession. NIRI Fellows are called to continued service as leaders, mentors, content distributors and ambassadors of NIRI and investor relations.

NIRI will honor the 2022 Class of Fellows during the NIRI 2022 Annual Conference, June 5-7, 2022, in Boston, Massachusetts.

Members of the NIRI Fellows Selection Committee included:

- Ruth Venning, IRC - Horizon Therapeutics (Chair)
- Shep Dunlap - Mondeléz International
- Gary LaBranche, FASAE, CAE - NIRI
- John Moten, IRC - Aventiv Technologies
- Katie Royce, CFA - Cognizant Technology Solutions
- Victoria Sivrás - Clermont Partners
- Deb Wasser, IRC - Etsy, Inc.

More information about the NIRI Fellows Program can be found at [www.niri.org/fellows](http://www.niri.org/fellows). [IR](#)



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**3 Patrick Davidson**, SVP, Investor Relations, Oshkosh Corporation

**4 Jennifer Driscoll**, IRC, VP, Investor Relations, ExxonMobil

**5 Neal Goldner**, VP, Investor Relations, Marriott Vacations Worldwide

**6 Jason Landkamer**, Senior Director, Investor Relations, Fluor Corporation

**7 Melissa Plaisance**, Senior Vice President – Investor Relations, Treasury & Risk Management, Albertsons Companies

**8 Timothy Quast**, President, ModernIR

**9 Jeffrey Smith**, CFA, IRC, Director, Investor Relations, FedEx Corporation

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# NIRI Honors 2022 Rising Leaders Under 40

**N**IRI: The Association for Investor Relations is proud to encourage and recognize the most talented young individuals in the investor relations community – the NIRI Rising Leaders Under 40 Program (formerly the 40 Under 40 Program).

The Rising Leaders Under 40 Program recognizes young professionals who have made notable contributions to their companies, their NIRI chapters, and the overall IR profession. The 2022 honorees include:

- Jessica Aldridge, *Director of Investor Relations, NextEra Energy, Inc.*
- Jamie Arestia, IRC, *VP of Investor Relations, Varonis Systems Inc.*
- Evan Barbosa, *Vice President, Investor Relations, Upwork*
- Tori Bertschy, *Investor Relations, Block Inc.*
- Christine Besselman, *Manager & Project Lead, Advisory Group, Corbin Advisors*
- Sneha Cherukat, *Manager, Research Center of Excellence and Insights Group, Corbin Advisors*
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- Madison West, *Vice President, ESG, Maximus*



## NIRI Announces New IR Update Editorial Advisory Committee

**N**IRI has announced members of the 2022 NIRI *IR Update* Editorial Advisory Committee. The purpose of the committee is to help make NIRI's flagship and award-winning publication, *IR Update* magazine, a compelling and relevant member benefit. Members of the committee are listed at the top of the left column on this page. [IR](#)



## NIRI Launches Products and Services Marketplace

**NIRI has launched the Products and Services Marketplace for the benefit of the investor relations profession.**

**T**he Marketplace is a free service with information about industry partners and consultants who can provide insights, data, resources, and special product and service offers.

Designed with the input of the NIRI Service Provider Council, the Marketplace makes it easy for IR professionals to locate products and professional services geared to the investor relations profession. With 24/7 access, visitors to the Marketplace can search by keyword, product category, and location.

The marketplace includes 15 categories of expertise and service:

- **Artificial Intelligence:** Sentiment Analysis, Machine Learning, Natural Language Processing, Research/Search
- **Capital Markets Intelligence:** Trading Analytics, Market Structure, Situational Analytics, Event-Driven Analytics
- **Creative Services:** Annual Report/Investor Presentations, Branding, Design, Advisory
- **Digital:** IR Website Development/Hosting, Webcasts, Conference Call Services, Social Media, Hotline, Virtual Meetings/Events
- **Environmental, Social, Governance (ESG):** Advisory, Data, Repository, Reporting
- **Exchange and Listing Services:** IPO and Depositary Receipt Strategic Services, Exchange Listing Considerations
- **Investor Intelligence:** Institutional Equity/Debt Surveillance/Identification/Targeting, M&A and Situational Analytics, Retail Messaging & Targeting

- **Investment Banking:** Research, Corporate Access, Roadshow Management, Shareholder Activism
- **Investor Relations Advisory:** Consulting, Outsourcing, Shareholder Activism, Benchmarking, Investor Days
- **IR Workflow Solution(s):** Database, CRM, Roadshow Management, Market Data Terminal, Investor Meeting Origination & planning, Virtual Meetings
- **Law Firm:** Regulatory Disclosure, SEC Filings, Compliance, Shareholder Activism, IPO Readiness
- **Perception Studies:** Sentiment, Strategy, Messaging
- **Proxy Services:** Solicitation, Advisory, Transfer Agent, Investor Communication, Shareholder Activism
- **Public Relations:** Crisis Communication, Shareholder Activism, Messaging, Monitoring
- **Wire Distribution:** Press Release, News, Regulatory Compliance, Social Media

The Marketplace is a user-friendly service designed to bring suppliers and end-users together. Available whenever you need it, the Marketplace makes it easy to locate products and professional services geared to the investor relations profession.

Visit the Marketplace today at [www.niri.org/resources/products-and-services-marketplace](http://www.niri.org/resources/products-and-services-marketplace). More companies are being added every day to make it a comprehensive resource of suppliers. [IR](#)





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## NIRI Designates Rivel as an Approved Professional Development Unit Provider

**N**IRI and Rivel announced a new collaboration agreement that will bring the programming and education initiatives of both organizations closer together. NIRI has designated Rivel as an Approved Professional Development Unit (PDU) Provider.

Through this program, NIRI Investor Relations Charter (IRC)<sup>®</sup> holders are now able to earn PDUs at Rivel's educational events, including forums, seminars, and webinars. PDUs are sought by IRC holders for certification renewal purposes.

The purpose of the Approved PDU Provider Program is to help IRC holders maintain their certification and give entities that offer education, training and/or other IR-related knowledge programming the opportunity to be recognized to award PDUs for certification renewal purposes.

This collaboration promotes the continued competence of IRC holders by making it easier for them access educational resources, promotes awareness of the IR profession, and improves the standard of IR excellence.

"We are pleased to recognize Rivel, Inc. as an Approved PDU Provider for the IRC," says Matthew D. Brusch, CAE, NIRI Interim President and CEO. "We believe IRC holders will benefit from their IR-focused educational programs."

Brian Rivel, Chairman and CEO of Rivel adds, "We are delighted that NIRI has recognized Rivel as an Approved Professional Development Unit (PDU) Provider. As the investor relations profession has evolved and become ever more challenging over the years, Rivel has also grown and evolved, not only delivering advice and guidance through perception studies, but also providing in-depth insights into emerging investor issues and evolving IR best practices, including ESG education. As a PDU provider, we look forward to bringing timely insights and additional educational opportunities to the IR community." [IR](#)

### IN MEMORIAM

## NIRI Remembers Laura Paugh



**N**IRI was deeply saddened by the untimely passing of Laura Paugh, a NIRI member since 1993 and the former Senior Vice President, Investor Relations at Marriott International, Inc. She retired in 2020 after 40 years with the company.

Paugh was an officer in the NIRI Capital Area Chapter and a longtime NIRI Senior Roundtable member. She also served on the NIRI Annual Conference Committee and participated in the NIRI Strategic Organization Review Summit in 2011. She spoke at many NIRI national and NIRI Capital Area Chapter events.

Her family asked that, in lieu of flowers, donations be made in Laura's memory to Dana-Farber Cancer Institute, Brigham and Women's Hospital, and/or the INOVA Health Foundation – three non-profit organizations that were particularly meaningful to Laura. [IR](#)

### ON THE MOVE



**Matthew Tractenberg, IRC,** joined Wallbox as Vice President of Investor Relations. He previously served as Senior Vice President

of IR at Q4. Prior to that, Tractenberg worked for Q4 as an IR partner. He has also held senior IR roles at WestRock Company, Belden and Cisco Systems. He has also spent eight years as Treasurer and Board Member at the Industry Initiative for Science and Math Education.



**Lisa A. Kampf** joined Super Group Limited as Vice President, Investor Relations. She was previously Managing

Director, Investor Relations at Ambac Financial Group. Her experience also includes building and leading the in-house investor relations departments for MF Global, Fitch Ratings, and Instinet. Earlier in her career she held accounting and finance positions at Goldman Sachs, Morgan Stanley, and Ernst & Young. Kampf serves on the Steering Committee for the NIRI Senior Roundtable. She is also a member of an advisory panel involved with evolving U.S. equity market structure.

**Ashish Kohli, CFA,** was appointed Vice President of Investor Relations at General Motors. He joins the company from Chipotle Mexican Grill, Inc., where he was Global Head of Investor Relations. Kohli has also served as Vice President of IR at Walgreens Boots Alliance, Director of IR at Walgreens, and Vice President of Corporate Strategy at Vermillion. He has also held equity analyst roles on the buy side and sell side. [IR](#)



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## Julie Dewey, IRC, and Pat Davidson Speak About Value of Senior Roundtable

**T**he NIRI Senior Roundtable (SRT) was formed nearly 30 years ago to address the needs and interest of the senior-level members in NIRI. While constantly evolving over many years, the SRT still maintains an informal, small group atmosphere of leading IR professionals who have been in the profession for 10 years or more.

While the profession has evolved, the number of senior professionals has grown as well. We hope that those of you with 10 years of experience in the IR profession as an IRO and/or IR counselor, visit [www.niri.org/srt](http://www.niri.org/srt) to learn more about the benefits and application process to join SRT.

To provide more insight into SRT, IR Update interviewed two Senior Roundtable members to learn more about the value they derive from participation and some of their professional experiences.



### **Julie Dewey, IRC**

**Chief Corporate Communications and Investor Relations Officer, Nevro Corporation**

**Years in Investor Relations: 17**

**Joined NIRI: 1999**

**Joined Senior Roundtable: 2010**

#### **Why did you join Senior Roundtable and what have you found most valuable?**

I joined Senior Roundtable for the networking opportunities with seasoned IR professionals. The most valuable part of being a member is the annual Senior Roundtable meeting, especially the session speakers and the time I get to spend with IR colleagues who I haven't seen in a while.

#### **What is the toughest IR challenge you faced in your career?**

The toughest IR challenge was working through a particularly difficult product liability legal setback that caused the company's stock price to drop dramatically. The ability to provide the proper context for investors regarding the issue proved to be a delicate dance between being transparent and open without compromising our legal strategy and position. It was not an easy thing to do, but working through it with my colleagues reminded me of how important it is for IR to be an active voice at the table in constructing the appropriate response. It's also helpful to remember that this too shall pass.



### If you could have had another career than IR, what would it have been?

I probably would have been a lawyer. I deferred law school for a year after graduating from college. In the interim, I ended up getting a job in medical device sales, loved it, and never ended up going to law school. I do like that IR provides an opportunity to work closely with the legal team.

### Is there anyone who had a major influence on your career? Why?

My grandfather had a major influence on my career. He grew up in the depression era, and with only a high school education and a couple of years of college, advanced from being a junior office clerk (back in the day his actual title was “office boy”) to the chief financial officer of a successful plastics company. He also was the first banker I worked with – he financed my first car! The best advice he gave me was, “If it’s worth doing, it’s worth doing right.” I’ve never forgotten that advice, which has served me well throughout my career.

### What is the best/worst thing to happen in your IR career?

The best thing to happen in my IR career was working at two turnaround companies. There is something really energizing and gratifying about being in the trenches with your teammates to fix what’s broken and building something of value that ends up being successfully acquired.

### Where did you go to college and what did you study?

I graduated from the University of Southern California with a BS degree in business administration. Instead of a typical business major like accounting or finance, I chose the Entrepreneur Program, which required me to prepare a business plan to start and successfully run my own business. It provided a thorough grounding in how all the functions of a business work together, making decisions under uncertainty and the importance of a “can do” attitude. I also earned my MBA at Pepperdine University several years later.

### How did you get into investor relations?

I like to say that I went into IR kicking and screaming! What I mean by that is that prior to my career in IR, I was vice president of marketing at a fast-growing medical device company. Everything was humming along. Then one day the CEO walked into my office and asked me to take on investor relations. Since I had no idea what IR was, I thought I was being “banished” to

"The best thing to happen in my IR career was working at two turnaround companies. There is something really energizing and gratifying about being in the trenches with your teammates to fix what’s broken and building something of value that ends up being successfully acquired."

some career wasteland. That was almost 20 years ago, and little did I know at the time that it would turn out to be one of the best things that could have happened to me. It taught me an important lesson – always be open to new opportunities, even if the timing isn’t exactly right.

### What advice would you give a person starting out in IR?

The advice I would give is to always remember that your credibility is the “currency” that you trade in every day. So always be vigilant about building and protecting it—consistently do what you say you will do. As one of my college professors put it best, “Credibility is like virginity: You only lose it once.”

### When the final chapter is written about your life, what is the most memorable thing you’ve done which you would like to have remembered?

I’d like to be remembered for having lived each day as if it was my last, as someone who gave more than I took, who tried to do the right thing in both ordinary and difficult situations, and who made my loved ones proud to call me their mom, their wife, their friend, or their colleague.



## Pat Davidson

**Senior Vice President, Investor Relations,  
Oshkosh Corporation**

**Years in Investor Relations: 22**

**Joined NIRI: 1999**

**Joined Senior Roundtable: 2013**

### **Why did you join Senior Roundtable and what have you found most valuable?**

I joined to learn more about IR-related issues and discuss current and future trends with experienced peers. I was looking for greater expertise and exposure to more complex IR issues. I know that each time I participate in an SRT meeting, I will be able to participate in thoughtful discussions on advanced IR topics.

### **What is the toughest IR challenge you faced in your career?**

We had an activist investor who fought with our company for

two years. He challenged us for board seats in the first year and made an offer to buy our company in the second year. There was tremendous pressure on our company as we pulled a team together with our banker, proxy advisor, outside counsel and IR communications firm. We spent many days on the road speaking with shareholders, but it paid off as we won both challenges before he eventually sold down and exited his 10% position of Oshkosh shares.

### **Is there anyone who had a major influence on your career? Why?**

I've had a great mix of both family and work influences on my journey. On the personal side, my very supportive wife has been my primary source of encouragement, but I would also point to my grandma (who was a very strong-willed female before that was more common) and my dad (always very positive and optimistic regarding hard work) as big impacts on my development. I have worked for some strong CFOs and CEOs who showed me the benefits of being both thorough and hard-working in document reviews and strategy assessments. I would also count some strong IROs like Nancy Humphries at BellSouth and Mark Aaron at Tiffany as positive influences early in my IR career.

### **What is something surprising about yourself that no one knows?**

In true IR form, I'm pretty transparent so there are really no deep dark secrets, but I am a big fan of music and still enjoy seeing live music when I can, I'm a big fan of alternative rock. Additionally, I will try to see a hockey game or perhaps a baseball game if we have some time and there is a pro team in the town we are visiting.

### **What is the funniest thing that happened to you as an IRO?**

People still occasionally confuse my company, Oshkosh Corporation, with the children's clothing brand Oshkosh B'Gosh. It's proven to be a good icebreaker when speaking with broader groups and allowed me to poke fun at those who make the mistake.

### **What is the best/worst thing to happen in your IR career?**

Besides an earnings miss (which none of us like), I would call out something that has stayed with me from early in my tenure at Oshkosh. We were announcing a large transformational

acquisition and had done an embargoed story with The Wall Street Journal (WSJ) that we were very excited with as it was good publicity. The night before the announcement, there was a leak announced by the Financial Times on the acquisition. Obviously, we didn't leak it as it did not help our cause. The WSJ was angry about being "scooped," but we spoke with them late on a Sunday night and managed to keep our "section B page 1 below the fold" position with the editor.

#### **Where did you go to college and what did you study?**

I graduated from the University of Wisconsin-Madison with a BS in chemical engineering. I worked in semiconductors for a few years and went back full-time to graduate school at Kellogg School of Management at Northwestern University for my MBA with concentrations in operations and finance.

#### **How did you get into investor relations?**

I had good experience (operations, marketing, purchasing, strategy) at my company, Harley-Davidson, and moved into the IR role as a rotation with plans to take a different position after two or three years. We were dealing with some challenges as our shareholder base was evolving and our growth trajectory was changing. Our CFO asked me to stay for a couple extra years and it has grown into my career.

#### **What advice would you give a person starting out in IR?**

Be curious and take the time to get to know your company and the people in your company. That is where your success will come from. You need to know your company better than anybody else does and that will help you be a valuable resource to the buy-side and sell side. To know your company well, you need to develop good relationships and trust with your fellow team members.

#### **When the final chapter is written about your life, what is the most memorable thing you've done which you would like to have remembered?**

Wow, this is a heavy one! Besides, family and friends of course...I've worked hard to develop good relationships throughout my life and I've been called a "force multiplier" by some of my coworkers. I'm a very curious person and I think that has served me well on my journey. And the journey is the reward for me. I don't want it to end anytime soon so I will keep asking questions and taking on new challenges. I will continue to be a leader and team player that helps my coworkers be more effective, engaged, and impactful. [IR](#)

"Be curious and take the time to get to know your company and the people in your company. That is where your success will come from. You need to know your company better than anybody else does and that will help you be a valuable resource to the buy-side and sell side."

## A Flurry of Rulemakings from the SEC

BY NIELS HOLCH

Over the past five months, Securities and Exchange Commission (SEC) Chair Gary Gensler has been very active in proposing new regulatory rules that will, if adopted as written, make significant changes to the corporate disclosure regime and to the U.S. proxy system.

Since December 2021, NIRI has been reviewing and responding to these rulemakings, some of which the issuer community and NIRI oppose, and a few that have garnered corporate support. Here is a quick rundown on the major proposals:

### Proposed Rule: Proxy Advisory Firms

In November 2021 the SEC issued a proposal to rollback a portion of the final rule it released in 2020 to regulate proxy advisory firms. This new SEC proposed rule would eliminate the requirement that proxy advisors make their written reports available to every public company that is the subject of their advice at or before a shareholder meeting.

NIRI submitted a [comment letter](#) on December 27, 2021 expressing disappointment that this final rule was being re-opened after a very thorough, decades-long examination of the issues involving proxy advisory firms. NIRI also argued that the draft review process for company reports that it has recommended is very similar to the review and comment process used for many years by Institutional Shareholder Services (ISS) in the United States. And it is a review process ISS still uses in other markets to ensure accuracy of these reports.

### Proposed Transfer of Proxy Fee Oversight Authority

In December 2020 the New York Stock Exchange (NYSE) proposed to the SEC that it permit the NYSE to transfer its authority over proxy fees to the Financial Industry Regulatory Authority (FINRA). Since 1937, the NYSE has been the primary regulator of the proxy fees that public companies pay to brokers and their agents for proxy

distribution and communications services for company shares held in “street name.”

The SEC is reconsidering this transfer proposal after rejecting it in August 2021. In response, NIRI and the Society for Corporate Governance submitted a [comment letter](#) on February 3, 2022 urging the SEC to reform the process by which proxy fees are established and billed to issuers.

### Proposed Rule: Pay Versus Performance

In January 2022 the SEC reopened consideration of a 2015 proposed rule to standardize how companies disclose the connection between executive compensation and financial performance. This rule proposal was mandated by the Dodd-Frank Act, but never was finalized.

On March 4, 2022 NIRI submitted a [comment letter](#) on this rule proposal. NIRI expressed concern that the SEC’s proposed rule is too prescriptive, given the wide variety of performance metrics that U.S. public companies use to determine executive compensation.

### Proposed Rule: Security-Based Swaps

The SEC has proposed that any investor (or group of investors) with a securities-based swap position over a certain threshold should be required to publicly disclose meaningful information about that swap position. This proposed disclosure regime would include prompt, next-day disclosure of cash-settled equity swaps of a certain size. These derivative products have been used by hedge funds and other activists for many years to hide their ownership over large blocks of public company shares.

NIRI submitted a [comment letter](#) on March 23, 2022 expressing support for more transparency of large, concentrated security-based swaps, including the cash-settled equity swaps mentioned above.

### Proposed Rule: Share Repurchase Disclosures

The SEC has proposed additional disclosure requirements involving



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share buybacks by an issuer. This rule proposal would include a requirement that companies disclose each repurchase transaction the day after such transaction is executed.

NIRI worked with several other associations to develop a [joint comment letter](#) that presented, in general terms, the views of the issuer community on this proposal. It is the view of these associations that the SEC has relied on misconceptions about the value to shareholders of buybacks, and the proposed rule contains prescriptive requirements that will fundamentally alter compliance obligations for issuers and significantly increase costs.

### **Proposed Rule: 10b5-1 Trading Plans**

The SEC has proposed amending Rule 10b5-1 to impose new conditions and additional disclosure requirements for 10b5-1 trading plans.

NIRI joined other associations and submitted a [joint comment letter](#) on this rulemaking. This joint letter advocated for a shorter “cooling off” period to begin trading after a 10b5-1 plan is adopted and urged the SEC to consider the interrelated nature of this rulemaking with its Share Repurchase proposal, discussed above, before it issues any final rule.

### **Proposed Rule: 13D Modernization**

The SEC has proposed a rule to modernize the disclosure regime for 13(d) filings required when an investor accumulates 5% of an issuer’s shares outstanding. This proposal would shorten the time required to file from 10 days to 5 business days. It would also include in the 5% calculation any holdings of derivative products—such as cash-settled equity swaps—where the derivative instrument is being held with the purpose or effect of changing or influencing control of the issuer.

For more than a decade, NIRI has advocated for shorter 13(d) reporting deadlines and for addressing the use of swap and other derivative products to hide beneficial ownership. On April 15, 2022 NIRI submitted a [comment letter](#) in strong support of this proposal by the SEC to modernize its Section 13 beneficial ownership rules.

### **Proposed Rule: Share Sale Position Disclosure**

In late February 2022 the SEC released a rule proposal to provide greater transparency of short sale positions. This proposal was mandated by Section 929X of the Dodd-Frank Act.

The SEC’s proposal would require monthly reporting by investment managers of large short sale positions that meet certain thresholds. These filings would be kept confidential by the SEC. The SEC would then—on a monthly basis—publish aggregated short position information regarding each issuer.

The last several months have been a whirlwind of regulatory activity, although none of these proposed rules have been finalized yet by the SEC.

On April 28, 2022 NIRI submitted its [comment letter](#) to the SEC. NIRI expressed disappointment that short sale position information would not be made available for each investment manager holding a large short position. While aggregated information on a monthly basis improves market transparency, NIRI members have long sought monthly reporting and disclosure by each investment manager holding a large position. As an alternative to the SEC’s proposal, NIRI has recommended to the SEC that manager-level information be made available to each issuer on a confidential basis once certain thresholds have been reached.

### **Proposed Rule: Climate Change Disclosures**

On March 21, 2022 the SEC released a rule proposal to mandate certain climate-related disclosures by public companies. This rule proposal would require companies to disclose significant information about their internal processes to evaluate and address climate change risks, impacts, and opportunities. The proposed rule would also require the disclosure of certain greenhouse gas (GHG) emissions by each public company, regardless of materiality.

NIRI submitted a [comment letter](#) in June 2021 in response to a general request for information by the SEC on climate change disclosures. As this column was going to press, NIRI was developing its comment letter on the SEC’s March 2022 proposal.

### **Conclusion**

The last several months have been a whirlwind of regulatory activity, although none of these proposed rules have been finalized yet by the SEC. You can obtain more information about these proposals at the NIRI Annual Conference and on the NIRI website at [www.niri.org](http://www.niri.org). Please also feel free to email me with comments, questions, and feedback about NIRI advocacy efforts in Washington, DC. [IR](#)

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**Niels Holch** is Vice President, Public Policy and Advocacy at NIRI; [nholch@niri.org](mailto:nholch@niri.org).

NIRI ANNUAL CONFERENCE

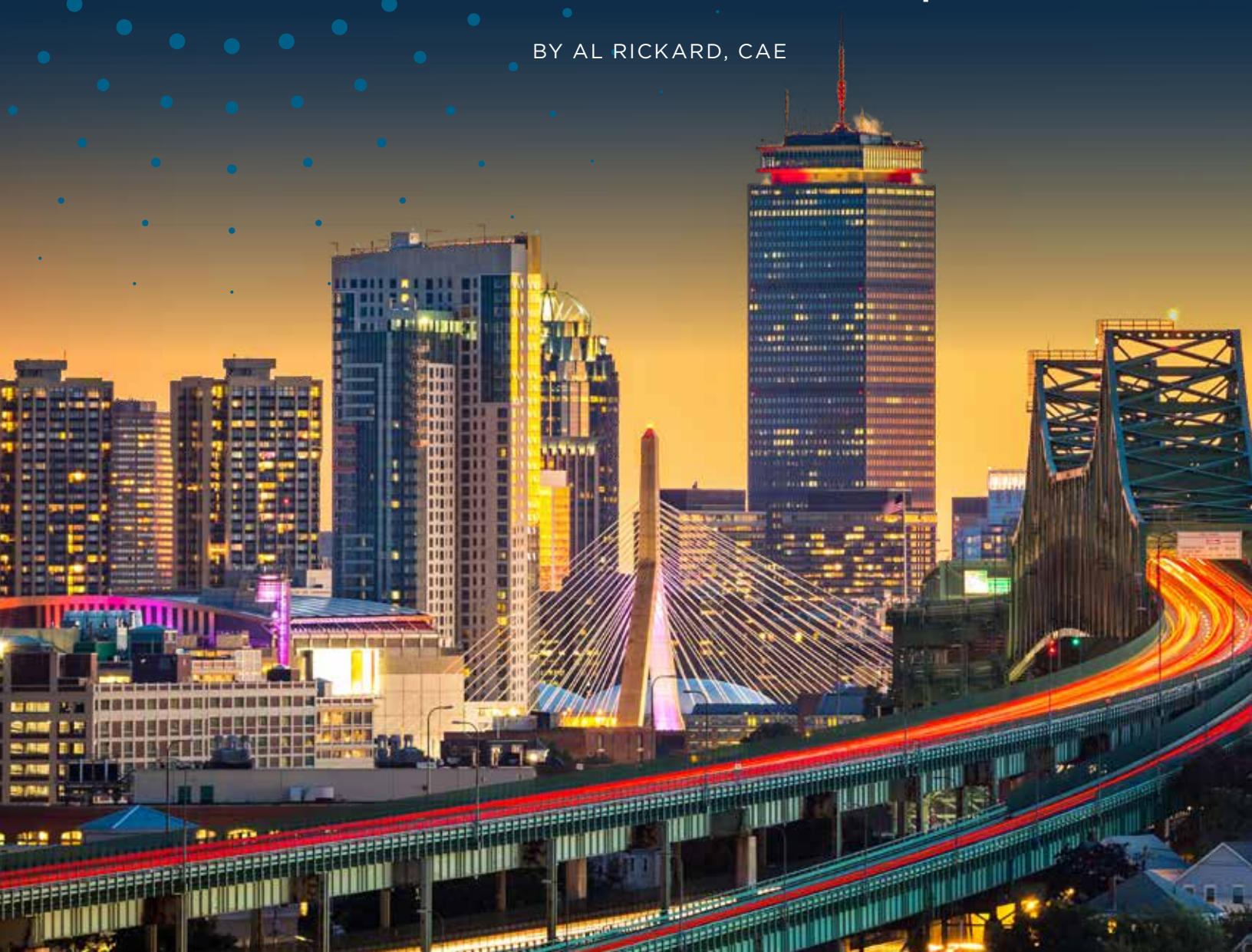
# the rendezvous

**NIRI2022**

ANNUAL CONFERENCE • BOSTON • JUNE 5-7, 2022

A record number of education sessions await at the world's preeminent investor relations conference June 5-7, 2022, in Boston, Massachusetts as NIRI transitions back to an in-person event.

BY AL RICKARD, CAE





**T**he Merriam-Webster dictionary defines “rendezvous” as “a place appointed for assembling or meeting.”

For more than two years, this essential act of simply meeting in person was denied due to the pandemic.

But positive change has arrived. NIRI is delighted to invite IR professionals from across the globe to the NIRI 2022 Annual Conference, June 5-7, 2022, at the brand-new Omni Boston Hotel at the Seaport in Boston, Massachusetts.

What an amazing meeting it will be.

The world’s premier professional development and networking event for the IR community is back, featuring a record number of learning opportunities, including more than 50 general session presentations, thought leader sessions, breakout sessions, workshops, and express talks. This wide range of education will cover virtually every IR-related topic and is only available in person—there is no virtual component to this conference.

Everyone from experienced IR practitioners to early-career IR professionals will find strong value in the conference offerings. It is the must-attend IR event.

Much has changed since the last in-person NIRI Annual Conference in 2019, and this year’s conference content will speak to the new reality of conducting investor relations, offering new strategies to match the evolving marketplace.

In response to attendee feedback from earlier years, this year’s conference features an updated timeline—all programming and events run from Sunday afternoon, June 5 to Tuesday evening, June 7, allowing attendees to enjoy the full conference and depart on Wednesday, June 8, or stay on at the Omni and meet with investors in Boston.

## Platinum, Gold, Silver and Bronze Sponsors

NIRI thanks the many sponsors of the NIRI 2022 Annual Conference for their support including exhibiting in the IR Services Showcase and their thought leadership through the Express Talks and other sessions.

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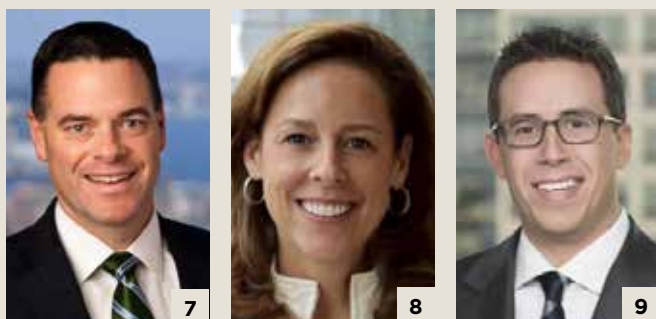
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# Framing the New Reality

**As always, the lead presenters at the conference General Sessions will tackle the big-picture strategic issues and frame discussions for the entire event.**

The General Sessions include these presentations:

## **Picking Your Battles: Leading Through Historic Societal Changes**

– a discussion of societal issues with recommendations based on examples of companies and individuals successfully leading in this complex and rapidly evolving global environment. Speakers:

- 1** Jeffrey A. Sonnenfeld, PhD, Senior Associate Dean for Leadership Studies & Lester Crown Professor in the Practice of Management, Yale School of Management
- 2** Jeffrey M. Solomon, Chair and Chief Executive Officer, Cowen, Inc.
- 3** Helena Foulkes, former CEO, Hudson's Bay Company; Board Director at Skillsoft

**Shining an Even Brighter Light on ESG** – understanding the significance of ESG, including the SEC's recent ESG disclosure rule proposal, from a buy-side perspective. Speakers:

- 4** Ronald O'Hanley, Chairman and Chief Executive Officer, State Street
- 5** Sarah Keohane Williamson, Chief Executive Officer, FCLTGlobal

**Speak Frankly: The Buy-side View of IR and More** – a panel of portfolio managers offer perspectives on how the practice of IR has evolved in recent years, what has gone well, and where improvement is needed. Speakers:

- 6** Katherine Collins, Head of Sustainable Investing, Putnam Investments
- 7** William Page, Senior Portfolio Manager, Essex Investment Management
- 8** Mary Pryshlak, Head of Investment Research, Wellington Management Company
- 9** Matt Simon, Head of Ashler Capital, Citadel
- 10** Ruth Venning, IRC, Executive Director, Investor Relations & ESG, Horizon Therapeutics (moderator)





The Tuesday afternoon General Session caps off the conference programming with a lively and inspiring presentation by Dave McGillivray, race director of the Boston Marathon.

**What's Next in Washington** - a high-level discussion of key regulatory developments and NIRI's related advocacy efforts. Speakers:

- 11** Niels Holch, Vice President, Public Policy and Advocacy, NIRI
- 12** Victoria Sivrais, NIRI Board Chair

**Think Tank on Corporate Purpose** - an update from members of NIRI's Think Tank on Corporate Purpose about the group's recent study of the evolution of corporate purpose, including specific recommendations for IR professionals. Speakers:

- 13** Daryl Brewster, CEO, Chief Executives for Corporate Purpose (CECP)
- 14** Deborah Pawlowski, IRC, Chairman, Kei Advisors LLC
- 15** Matthew Bruschi, CAE, Interim President and CEO, NIRI

"IROs, their companies and the larger Wall Street community are all operating in a new environment that requires innovative thinking and approaches, which we applied to this year's Annual Conference as well," says NIRI 2022 Annual Conference Committee Chair Moriah Shilton, Senior Vice President, Financial Profiles, Inc. "It is not a static environment either, with the pace of change increasing exponentially. Our lineup of industry experts will also speak to this challenge."

NIRI 2022 Annual Conference Committee Vice Chair Hala Elsherbini, Senior Managing Director, Three Part Advisors, notes, "External forces such as rapidly shifting shareholder priorities and behavior plus an unprecedented scope of new rulemaking emanating from the Securities and Exchange Commission make it even more important to attend this conference. Multiple speakers will address these and other critical issues."

## The Return of Networking

The power of being together, connecting face-to-face and eye-to-eye, is what builds and reinforces professional relationships and offers valuable informal learning.

The NIRI 2022 Annual Conference will deliver many opportunities to connect with these events:

- NIRI Leadership Celebration Dinner (invitation only) on Saturday
- Honors Reception (invitation only) on Sunday
- Opening Reception in the IR Services Showcase on Sunday
- Networking Reception in the IR Services Showcase on Monday
- Boston-Themed Closing Reception with live music on Tuesday
- Senior Roundtable Lunch on Monday and Networking Breakfast on Tuesday
- Developing Leaders Roundtable Networking Breakfast on Tuesday
- 21 Hours of IR Services Showcase time, including breakfast and lunch on Monday and Tuesday
- Industry Breakout Discussions on issues specific to each industry or sector (exclusive to IR practitioners) on Monday afternoon
- Career Development Hub & IRC Lounge in the IR Services Showcase

"I can't begin to tell you how much networking and informal encounters at NIRI conferences have benefited me over the years and kept me current on the latest challenges facing the IR community," adds NIRI 2022 Annual Conference Committee Vice Chair Darrell Heaps, Founder and CEO, Q4 Inc. "I know that the dozens of industry partners exhibiting in the IR Services Showcase are ready and willing to help IR professionals succeed as they explore new opportunities for growth."

## A Diverse Array of Education

NIRI expanded its range of education offerings to include multiple core education sessions, workshops, thought leader sessions, and express talks.

Core education sessions will be offered in five rounds of concurrent education sessions that align with the 10 domains of the IR Competency Framework. Sessions include:

# NIRI 2022 Annual Conference Committee

NIRI thanks the members of the NIRI 2022 Annual Conference Committee for their ongoing efforts in developing the conference program.



## CHAIR

**Moriah Shilton,**  
Senior Vice President,  
Financial Profiles, Inc.



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**Sneha Madhavaram,** Investor Relations Consultant, Clermont Partners

**Michael Rosen,** Global Sustainable Finance, Goldman Sachs

**Hannah Seelye,** IR Analyst, Dynatrace

**Andrew B. Siegel,** Partner, Joele Frank

**Patrick Tracey,** Past President – NIRI New York Chapter

**Aaron Uhde, IRC,** COO, Asbury Investor Relations

**Jean Wood,** Former VP IR, Macerich, recently retired

**Dawn Wotapka,** SVP, Hill & Knowlton

**Rachael Zahn,** VP, Marketing & Partnerships, Investis Digital

- With the IR Landscape Rapidly Evolving, How Do We Stay Ahead to Elevate IR?
- Effective Strategy Development – Meeting Your IR Goals
- How Do You Measure IR Success?
- Earnings Call, What Earnings Call? Evolving Earnings Communications
- Developing the Right Messaging When Growth and Profitability are Not Linear
- Targeting: Giving Time to All the Right People
- NextGen Communications Technology: Latest/Greatest Advancements
- Importance of IR Following the De-SPAC Process
- Getting Familiar with ESG Frameworks
- How to Become the Central Point of Intelligence for Senior Leadership
- Mastering Stakeholder Communications: Lessons from the Front Line
- Board Accountability and Risk Management – How IR Can Help the Board Identify and Avoid Risk
- Curious Who's Really Trading Your Stock? Let's Talk Surveillance Trends
- Retail Investors: Current Trends and Outreach
- Ethics in the Investor Pitch
- The Mystery Behind Quiet Periods
- Shareholder Activism Update (From the Activist's Perspective)
- The 2022 Proxy Season "Post-Game Show"
- An IRO's Guide to ESG in 2025

New this year, a three-part workshop series on communications is included in conference registration. Workshops include:

- Part 1 - Executing Best-in-Class Communications: Writing for IR
- Part 2 - Executing Best-in-Class Communications: Writing for Speaking and Events
- Part 3 - Executing Best-in-Class Communications: Public Speaking Strategies

Thought Leader sessions will explore cutting edge IR trends, practical tips, and best practices from NIRI Conference Platinum Sponsors on Tuesday afternoon. Sessions include:

- ESG Roadmap for IROs: A Comprehensive Guide for all Levels of IR (Sponsored by IHS Markit, now

part of S&P Global)

- Shake Hands with the Sell-Side: How to Create and Optimize Analyst Relationships (Sponsored by Irwin)
- The Future of Behavioral Analytics and the Next Generation of Targeting (Sponsored by Q4)
- Rivel's 50-Minute IR Workout Session with the Buy-Side (Sponsored by Rivel)

Express Talks are short sessions offered by NIRI Conference Gold and Silver Sponsors where they will provide thought leadership and expertise in a variety of areas. Gold Sponsors will lead the following sessions on Sunday afternoon:

- Game the Algorithm: How to Leverage AI to Craft Effective External Comms (Sponsored by AlphaSense)
- Phew! The CSR Report is Published....Now What?! (Sponsored by Corbin Advisors)
- 22 Tips for IR Events: The Best of Investor Days, Earnings & Road Shows (Sponsored by Investis Digital)
- Securing New Capital in an Uncertain Economy (Sponsored by Nasdaq)
- IR Resilience Framework: Actionable Insights to Drive Sustainability (Sponsored by S&P Global)
- How to Improve Stakeholder Engagement With Your IR Website (Sponsored by Notified)
- Carbonomics - How Companies Measure, Manage, and Report their GHG Approach (Sponsored by NYSE)

Silver Sponsors will offer the following sessions on Monday and Tuesday in the IR Services Showcase:

- Inconsistencies in IR communications on ESG (Sponsored by Sentio)
- On-site and Hybrid Investor Day Services (Sponsored by Chorus Call/InComm)
- Key Findings from the Latest Industry Research from IR Magazine (Sponsored by IR Magazine)
- Why Access to Real-Time Analyst Model Revisions Matters (Sponsored by Visible Alpha)
- Aligning ESG Targets with Compensation Metrics: Easier Said Than Done (Sponsored by Computershare)
- Using Shareholder Data for Investor Targeting (Sponsored by FactSet)
- Promoting Good Governance for Board Reelection and Long-Term Stability (Sponsored by Broadridge)
- How to Best Enable Q&A for Remote Participants? Here are 5 Options (Sponsored by Open Exchange)
- What IROs Think about the State of ESG Collaboration & Reporting (Sponsored by DFIN)

- The ESG Bond Market – Path to a Sustainable Future? (Sponsored by MSCI)
- Inspiring Fundamental Research (Sponsored by Quartr)

Conference attendees can earn up to 10 professional development units (PDUs) for full conference attendance, covering all required IR competencies needed to maintain the Investor Relations Charter (IRC)<sup>®</sup> credential.

## IR Services Showcase Highlights

The IR Services Showcase, featuring dozens of exhibits from NIRI 2022 Annual Conference Sponsors, is always the center of attention and a forum for networking throughout the conference. It is the one-stop destination to find the right products and service providers to maximize the effectiveness of IR professionals and ensure they have the right tools for success.

Many new companies are part of the IR Services Showcase this year, and NIRI has enhanced this area with several new features.

In addition to hosting most of the Express Talks to be held throughout the conference, the IR Services Showcase now features the Career Development Hub & IRC Lounge, which is a unique opportunity for IR professionals of all career levels to interact with IR experts. This dedicated space is designed to encourage and facilitate networking and reflection around various career trajectories and alternative pathways to professional success. The Hub will feature short talks and informal workshops to provide additional career development opportunities outside of the traditional session spaces.

The popular Headshot Lounge will also return to the IR Services Showcase, offering all conference attendees an opportunity to have a complimentary professional headshot taken.

## Register Today – Hotel Deadline is May 11

The NIRI 2022 Annual Conference is located at the new Omni Boston Hotel at the Seaport in the center of the bustling Seaport District, steps away from downtown Boston and Boston Harbor and less than three miles from Boston's Logan Airport. There are plenty of amenities at the hotel, including seven distinct dining experiences, a scenic rooftop pool and chic Breve Spa.

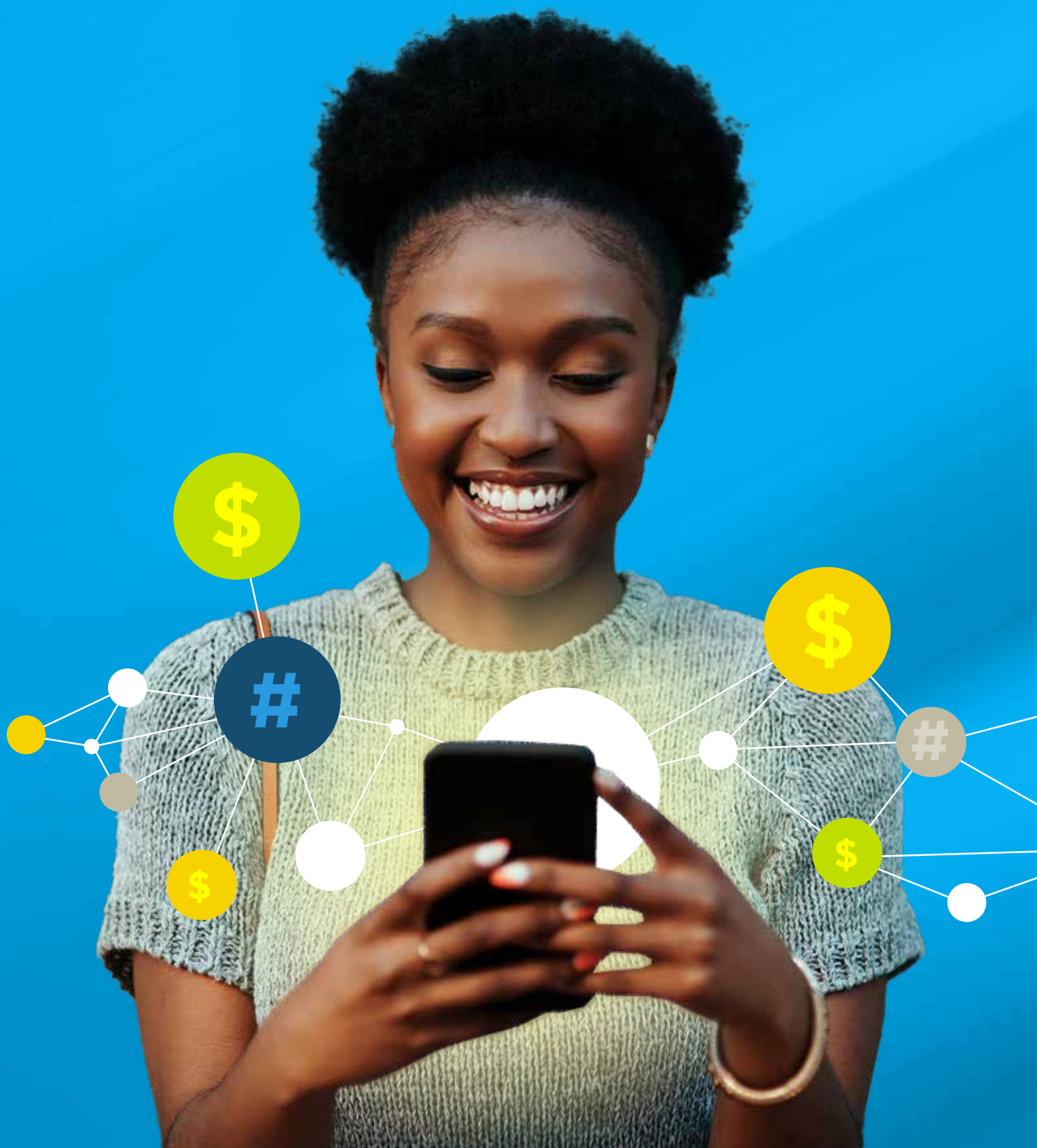
Attendees are encouraged to register immediately and book their hotel rooms before the discounted NIRI room block expires on May 11 – after that date, rooms may only be available at a higher price or may be unavailable.

Register at [www.niri.org/conference](http://www.niri.org/conference). 

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**AI Rickard, CAE**, is NIRI Director of Communication and Editor-in-Chief of *IR Update*; email [arickard@niri.org](mailto:arickard@niri.org).

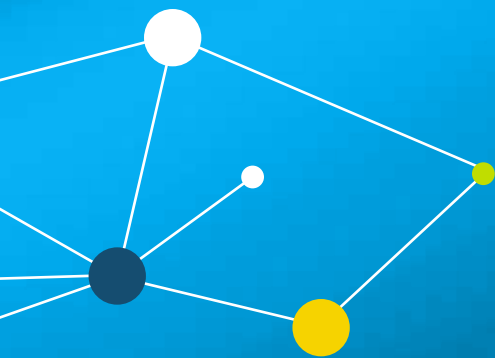






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# Retail Investors: Reshaping Investor Relations



**The rise of retail investors has added a new dimension to investor relations. A review of this phenomenon during the recent NIRI “Big I” Forum shed light on the issue.**

BY ALEXANDRA WALSH

**R**etail shareholders are not about Generation Z and Millennial day traders that got caught up in the meme stocks; this is much bigger than that,” says Dan Aldridge, Managing Partner with Asbury Investor Relations. “It’s really anybody who manages under \$100 million and doesn’t have to go through all of the requirements to register with the SEC and all the other regulatory burdens. If you have your own portfolio, and you manage it actively at all, you’re a retail shareholder.”

This description of today’s retail investor was offered by Aldridge on a panel discussion on the current state of retail investing moderated by Remy Bernarda, IRC, a NIRI Fellow and Partner with IR Advisory Solutions, at the NIRI Investor & Issuer Invitational Forum (The “Big I”) in April 2022.

Paul Conn, President, Global Capital Markets for Computershare and Agnies Watson, Co-founder and President of Stockperks, also joined the discussion.

### Who Are Retail Shareholders?

“It really all began to change in fall 2019, when we saw the ‘race to zero’ by the online brokerages; the cost of a trade went from \$15 or more down to zero, and volumes went up exponentially,” Aldridge suggests. “Then you fast forward to the pandemic, when more than 80 million people get stimulus checks – 30 million of whom probably didn’t need one – and that all happened before the meme stock phenomenon.”

Aldridge says today retail shareholders represent over \$20 trillion in individually managed accounts across the globe, making up 30% of the market on a daily basis. He adds that approximately 90% of new retail investors trade less than three times per month.

Two thirds of new retail investors are under 45, most frequently invest in individual stocks, and the vast majority of these investors get their information from social media.

Aldridge notes this is not a transient trend, and the trade volume of retail shareholders has continued to go up across all market caps.

“When you look at the big names and consumer brands, such as Coke or Home Depot, they all have double-digit retail shareholder penetration within their stock,” Aldridge says. “In 2021, the meme stock

phenomenon showed the power was there to bring a lot of people into the market, but that really focused on consumer names and the small-cap space. Since then, it has widened into the majority of the stocks, even if it’s only less than 1%.”

“We are at the very beginning of the largest wealth transfer in history, and the majority of that money – \$78 trillion projected generational wealth – will transfer from Baby Boomers to Millennial and Generation Z investors, and it’s going to be in the form of portfolios,” Aldridge explains. “They are not going to invest the same way that their parents did. We’re not arguing that 100% of this money is going to change, but even if a small fraction does, it’s material.”

Aldridge says the way he thinks about retail investors today is exactly how people thought about ESG three or four years ago.

### The Pros and Cons of Engagement

Bernarda acknowledges retail investors are an important part of the base, but it is a harder part of an investor base to manage as an IRO.

“Retail investors are loyal; they often vote with management, they’re personally invested, and care a lot since it is their own money,” Bernarda says. “But they are a lot of work and require a lot more hand-holding.”

Watson says we should not be afraid of retail investors. We should not treat them as millions of individuals but instead consider them the equivalent of one large institutional shareholder.

“If I’m a company and my retail ownership is between 5% and 15%, I shouldn’t disregard them, the same way I would not disregard an institution that held 5% to 15%. If it was an institution holding a position that large, I would be engaging with them all the time,” Watson explains. “So, let’s look at them as a whole rather than individually.”

Watson notes that retail investors get their information from a wide range of sources not just from the company itself.

“They don’t go often to the company website and they usually don’t spend too much time looking at press releases or SEC filings. They listen to their friends, Instagram and Twitter,” Watson says. “I think companies should start partnering with

marketing departments and reaching out to where retail investors are and not be afraid to get out there and tell their story.

“They’re here, they tend to stay, and they are growing. And we should start embracing them, engaging with them and understanding who they are, and actually start communicating directly with them.”

### Engaging Platform

Conn believes the tools of communication are changing the way in which we can communicate with both registered shareholders and beneficial shareholders who hold broadly through banks and brokers. “I think it’s a mindset issue for an IRO and a marketing group,” he notes.

“As the trends we’re seeing now in retail investing become more pronounced, communication is going to take place on a much broader and thematic scale,” Conn says. “I think the lessons we need to learn are to how to integrate the investor relations story with a marketing story, and how to engage large numbers.”

Conn believes the story cannot be told one-on-one but must be done thematically, through FAQs, where the investors are.

“Ultimately, it depends on whether you need the retail investors, or whether they want you, and that may dictate whether and how you’re communicating with them,” Conn says. “I think they’re the secret weapon, and you’ve got to be prepared to put the effort in to engage them properly.”

Conn says knowing your shareholders is the key to reaching them.

“You’ve got regulated and non-regulated communications and in telling the company’s story, you need to work out how to do it through both, particularly when it gets around to the proxy,” Conn explains. “I think the annual meeting is the most underutilized marketing tool – it’s treated purely as a regulatory obligation, but all the opportunities are there.”

Conn believes social media and video create an opportunity to get very simple messages across to a very wide range of retail investors very cost effectively.

“YouTube has been around for nearly a couple decades but it’s only now just touching our lives in a professional sense,” Conn concedes. “Younger people have grown up with it, learn on YouTube every day

“Don’t let the CEO speak like they would to an institution because retail investors are a different breed and you talk to them in their language.”

- Agnies Watson, Co-founder and President, Stockperks

and want to be communicated with that way – it’s their educational platform.”

Watson suggests getting the CEO to do a three-minute YouTube video to explain why the company is a good investment.

“Don’t let the CEO speak like they would to an institution because retail investors are a different breed and you talk to them in their language,” Watson advises. “Communicate, why you’re a fantastic investment, what you do, who your competitors are, how you’re growing, where you plan on going and do that regularly. Retail investors invest in people, they don’t just invest in the company, and they want to know who the CEO and management are.”

Watson believes when you get in front of retail investors and start building engagement and relationship and they like the story you’re telling and are excited by it, they want to invest in you. “Then they become your investment ambassadors, they become better consumers of your products, and are more passionate about your company, which gets people talking more about you,” he says.

Conn says whether you do it yourself, use an advisor or service provider, IROs should know what is discussed in the universe of Seeking Alpha, StockTwits, Twitter and Reddit, as that is retail investment market intelligence.

“It’s a different way of assimilating information, but it’s all out there, and you just need someone to help you bring it all together, sort through that intelligence and look for the trends,” Conn notes. “Once you see the trends, then your challenge is how to communicate with that group of people. And in our view, you can do that thematically.”

### Where to Begin

Aldridge points out it is not necessary to use half the IR budget for retail investor outreach – you can begin with baby steps.

“Start on social media basics, Twitter or Instagram, and create a separate, new handle just for investors, and begin with pre-vetted messages,” Aldridge suggests. “During the earnings process, we’ll pull out three or four quotes from the CEO on guidance or something else important, and as soon as it’s uttered, it goes live on social. And since it is already public, there’s no need to worry about compliance.”

Aldridge says that will start to create audience but warns consistency in social media is important.

When deciding how a company should begin using social media to reach retail investors, Conn says go to where the conversation is taking place. He warns that will not always be on Instagram or Facebook and might be on forums like StockTwits and Seeking Alpha. And Twitter is definitely a place where retail investors are congregating.

Conn says the first step in outreach to retail investors is overcoming the fear to do it, and the first time is always the scariest. “Once you start doing it, you realize it’s just another group of people interested in your stock,” he adds.

“Ultimately, you have to get the cadence and listen to what’s being said, and then push some of your content out. You’ll be amazed how people respond and then you can respond back to them,” Conn explains. “It doesn’t have to be an hour-by-hour conversation, but it can be quarter-by-quarter or even month-by-month depending on how much you want to engage.”

### Virtual vs. In-Person Conferences

When determining whether virtual or in-person conferences are a better fit for retail shareholders, Aldridge says it is about diversity.

“There might be a big umbrella representing retail shareholders, but they get their information from different places and they don’t all get it from social,” Aldridge points out. “There’s a subsection of retail shareholders that are high net worth individuals and retirees, and to get in front of them, ‘The Money Show’ might be something to consider.”

Aldridge says the biggest issue with choosing the right tools to reach retail investors is efficiencies and economies of scale. “You’ve got to have hundreds of shareholders on the retail side when you’re talking. If you’re only talking to one or two retail shareholders, it’s not really worth your time.”

Watson agrees and points out IROs cannot email every single individual investor anymore. She says, “You’ve got to think of them as a group and attack them as a whole.”

With regard to whether conferences are suitable for retail investors, Watson says you need to know what it is that you want to get out of the conference. “Who do you want to be talking to? If it’s the new generation of investors, go after them and make sure your messaging matches that audience,” she says.

Conn believes in-person conferences clearly have a role to play depending on who you are, who you are trying to engage with, and whether enough people show up. “I think it’s hard, however, to measure the return on investment of an in-person IR conference. Do you look at how many attendees bought the stock?” asks Conn. “But with some of the virtual platforms online now, the metrics that you can get can justify the investment of time because you can reach so many more people.”

Conn believes investor relations is in a transition period where one group cannot be ignored, and messaging has to be consistent and balanced for different investor groups and brought to where they are.

“I think the critical part here is let’s get management to understand retail investors want to hear from them and want to understand their story and then try to find the best medium to get it out there,” says Watson.



## Dedicated IR Channel

Aldridge says the IR department should have its own social channel and IR messages should not be integrated into the company's main channels.

"If you're targeting a certain group of shareholders such as retail, you need to have a cohesive, sustainable message that isn't burdened with other information coming from multiple stakeholder groups at your company," says Aldridge. "Work with marketing and HR to ensure messaging is clear, but it needs to be something that's dedicated to the audience."

Watson believes IR should have a separate handle from corporate for social media, but that IR should definitely work with the rest of the company to help get the messaging out.

Conn says whether IR has a separate channel is not as important as whether it is integrated to be on brand and consistent and aligned with all corporate messaging.

## Influencers

In the spirit of marrying traditional IR outreach with new communication channels, Watson suggests social media influencers could be used to augment the company's voice to retail investors.

"Just like you hold buy-side days, influencers could hear directly from senior management," Watson says. "Visit the office or the factory or the floor, and then go out and amplify your company's voice to whoever follows them. And of course, the social media culture is about having your message out there and amplified and this is having people or potential investors actually hear the message and the story from the company directly, just magnified by other influences."

"Finding an influencer is no different than court- ing any kind of strategic partner or advisor – you do your homework," points out Aldridge. "You're not going to suddenly work with them just because they have 300,000 followers."

Aldridge says a slow roll is needed with social influencers.

"You have initial private conversations, vet them, and then figure it out," Aldridge recommends. "And if something does happen and they go rogue, there's no difference than if you with dealing with a very short

"There comes a point where you have to make a call as to whether you care about what other people are saying about your company."

- Paul Conn, President,  
Global Capital Markets, Computershare

seller saying things about your company. You're going to own your message and come in and counteract it. You manage your story."

Conn points out influencers are engaging with retail investors anyway, regardless of whether the company is engaging with them. "There comes a point where you have to make a call as to whether you care about what other people are saying about your company. And at some point, you decide, you'd rather them have the correct message than an incorrect message," Conn says.

"When we ask how important these retail investors are and whether they are part of our long-term journey, if I'm a retail brand it's likely they're very important because we want them to be brand ambassadors, we want them to buy product and buy our stock," Conn acknowledges. "But also, these investors choose you, so you can't close your eyes to this particular phenomenon." [IR](#)

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# DEALING WITH STOCK VOLATILITY





# VOLATILITY

## When stock prices gyrate unexpectedly, management teams want immediate answers. Learn how some IROs handle these situations.

BY EVAN PONDEL

**T**he email arrived in my inbox at 10 a.m. ET accompanied by a red exclamation point in the subject line. It read: “What the [expletive] is going on with my stock price!”

Shares of the company were trading down 10 percent with no SEC filings or news headlines in sight. The company’s short position had increased steadily for months and financial results were less than stellar several weeks prior. And yet, there was still no obvious reason for the plummeting stock price that day.

Stock price fluctuations happen, especially when the capital markets experience volatility. This year has been no exception. The war in Ukraine, the Fed’s shift in monetary policy, and rising oil prices have all contributed to market uncertainty. The challenge is that investor relations professionals are on the frontlines when it comes to management teams seeking information about the gyrations in a company’s stock price.

Some IROs look to stock surveillance platforms for answers. Others make a round of calls to sell-side analysts, trading desks and stock exchanges. Regardless of the tactic, understanding why stocks rise and fall in a volatile environment and explaining



those reasons to key stakeholders requires a mosaic approach.

Catherine Buan, an investor relations executive with more than two decades of experience, has managed through several cycles of economic uncertainty in her career. Among her go-to tactics: Build a 12-quarter financial model to understand where investor expectations are likely to trend based on the current publicly available information. This enables you to manage expectations based on the investors' perspective.

"Today's stock price is not about yesterday's financial results," said Buan, who heads investor relations for software-as-a-service company Asana. "It's based on the expectations for future earnings growth discounted back to today. So you have to think about what assumptions investors are building into their models going forward."

Absolute numbers at any given point in time are a baseline for setting future expectations for external stakeholders. Investors care about the growth rate trend or secondary metrics trended that are leading indicators for future performance.

Financial guideposts are often what investors and management teams can lean on through periods of economic instability. It can help to mitigate a knee-jerk reaction to how something hurts a company's bottom line the very moment it happens.

"I'm watching the weather report just like you," Buan said. "And what I'm trying to do is move the narrative to a longer-term story. Long term stakeholders want to know what the steady state business will look like after shorter term variables have mitigated."

To do that, IR teams should consider outlining a company's three-to-five-year business plan, its path to profitability, and what they think might be a sustainable longer term growth rate.

At the same time, economic turbulence often requires management teams to take a hard look at things they can or cannot control. The manufacturing sector continues to suffer the consequences of supply-chain issues, forcing some companies to rethink their strategy to alleviate bottlenecks.

"Companies aren't just communicating, 'oh, well, we had a pandemic issue,'" said Amy Feng, Managing Director with strategic communications firm Joele

**"QUANTITATIVE FUNDS, ETFs AND OTHER ALTERNATIVE INVESTMENTS ARE ALSO MAKING IT MORE DIFFICULT TO UNDERSTAND STOCK PRICE FLUCTUATIONS AMID MARKET UNCERTAINTY, AND CONSISTENT DIALOGUE BETWEEN INVESTORS AND COMPANIES IS IMPERATIVE"**

- Paul Mastrodicasa, Managing Director of Institutional Equity Trading, RBC Capital Markets.

Frank. "Management teams are taking control of their messaging and telling the Street what they're doing about the problem."

Setting expectations through direct and transparent communication about the effects of a particular problem instills trust among investor constituents.

But Feng said it's not only investors who are worried about how management teams and boards of directors are reacting to volatility. Social activism is gaining traction among employees and customers who are holding companies accountable for their environmental, social and governance (ESG) policies.

The war in Ukraine has prompted more than 750 companies to announce publicly they are voluntarily

curtailing operations in Russia to some degree beyond the bare minimum required by international sanctions, according to research conducted by Professor Jeffrey Sonnenfeld at the Yale Chief Executive Leadership Institute. The institute said its list has already garnered extensive interest for its role in helping catalyze the mass corporate exodus from Russia.

But periods of volatility mean different things to different companies and there isn't a one-size-fits-all approach from an IR perspective.

"Every crisis has its own recipe," Jamie Heard, Manager of Capital Markets at Tourmaline Oil Corp., said during NIRI's recent webinar on dealing with market uncertainty and volatility.

There are so many company-specific dynamics at play when addressing volatility in the marketplace, especially when beta is hitting a sector. A stock may move up one day and down the next, but significant swings in volume "indicate a changing of the guard ... and understanding why it is taking place is important," Heard said.

That also means literally picking up the phone and calling brokers to see if they can provide any color on why a stock is moving. Liquidity is another murky area that IR should be ready to talk about in times of volatility. It's not always clear where and how cash is being held.

Quantitative funds, ETFs and other alternative investments are also making it more difficult to understand stock price fluctuations amid market uncertainty, and consistent dialogue between investors and companies is imperative, according to Paul Mastrodicasa, Managing Director of Institutional Equity Trading at RBC Capital Markets.

During the NIRI webinar, Mastrodicasa said real-time feedback, timely conference calls, and targeted marketing trips help strengthen relationships between management teams and the Street.

Communicating fundamental changes in a business is critical when a long-term thesis goes to a short-term thesis, although IR teams should be quick to inform investors if negative sentiment toward a sector doesn't necessarily apply to a company that occupies the same sector.

"It's making sure the investor base has the full picture, making sure you're proactive in delivering

that information, and having an answer for some of the thematic trends that can help reposition your company to indicate that perhaps you're not quite as impacted as the market is factoring," Derek Spronck, a Senior Associate Portfolio Manager with BCI, said during the NIRI webinar.

Spronck recommends providing annual guidance that includes a range for revenues, profit margins, free cash flow and capital expenditures. Communicating color on levers management can pull to provide flexibility, particularly during periods of instability, is also key.

As volatility persists and becomes more of a way of life, a greater number of investors are incorporating volatility into their investment theses. CBOE Global Markets Inc. gauges market sentiment with its Volatility Index (VIX), which represents expectations for the relative strength of near-term price changes of the S&P 500 index (SPX). In 2020, the VIX saw one of its biggest spikes since the aughts.

Buan said the biggest difference between managing expectations in today's market is that many companies have fundamentals backing up their investment story. "It's not just vision supporting these stocks. The year 2000 was way scarier," she said.

Management teams are still feeling a lot of pressure to perform in a volatile environment, while also supporting newer initiatives, such as ESG. To help management understand movement in Tourmaline's shares, Heard sends out a summary email every morning on what capital markets professionals say about the company and its peers.

Cash flow per share is another important metric that says a lot about why a stock may be valued a certain way. If a company is going through a period when forces are acting against its ability to increase cash flow, it's important to identify these factors and socialize them.

"Then people understand why the stock trades the way it does and that you're not in isolation. It's probably happening to many of your peers," Heard said. [IR](#)

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# THE CHALLENGE OF ENGAGING **RETAIL** **SHAREHOLDERS**





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## A convergence of changes such as shareholder demographic shifts, new rules, new business practices, and more are reshaping investor relations challenges. A panel at the NIRI “Big I” Forum examined the changes.

BY GINA VEAZEY

**R**etail investors own an estimated one in three shares outstanding today, yet they vote proxies on fewer than one-third of those shares. The gap is wide enough to pose serious problems for issuers, especially since many brokers have stopped the practice of casting discretionary votes.

Meanwhile, more young people intent on driving environmental, social and governance (ESG) and diversity equity and inclusion (DEI) issues have become shareholders. Their votes may hold more power than they realize, opening the door to an expanded role for investor relations.

Other changes such as a new universal proxy ballot rule may level the playing field for activist investors, represent a significant modification to proxy fights, and highlight the importance of engaging with retail investors.

These and other changes were the topic of a panel discussion as part of the recent NIRI Investor & Issuer Invitational Forum (The “Big I”) in April 2022, moderated by Liz Zale, Managing Director, Sard Verbinen & Co.

Panelists included Tom Ball, Senior Vice President, Proxy Solicitation/M&A, Alliance Advisors and Sherry Moreland, President and Chief Operating Officer, Mediant.

Together, the changes discussed in the session add up to a more important role for retail investors and an evolving environment for the investor relations profession.

### The Apathetic Shareholder

“Generally speaking, retail shareholders increasingly feel that their vote doesn’t matter,” Ball offered. “If I ask any of my relatives or friends if they vote their proxies, almost to the person, they say ‘my vote doesn’t matter,’ or ‘I don’t have time to read all that stuff,’ or ‘I’ll get to it later.’”

“Retail shareholders don’t realize that, in many cases, they can actually make a difference. They just think their vote doesn’t matter. I also think that notice and access has had an impact on voting — a negative impact. People don’t understand when they get the notice and access form how they’re supposed to vote. Some think it’s actually a proxy card, but it doesn’t work that way.”

Adding that notice and access is more than 10 years old, Moreland voiced her agreement with Ball’s theory about the role of that practice in driving the decline in retail shareholders voting their shares. “It’s because suddenly people were getting something they weren’t familiar with. And, let’s face it, the way the notices are designed and mailed, there’s nothing compelling about the envelope to cause you to open it. It probably goes right in the trash can.”

Moreland indicated that she shared Ball’s assessment of retail shareholders. “I hear over and over again, ‘Oh, I don’t understand the material, I don’t really think my vote is important.’ And yet, we’re sort of in an era where things are changing, and their votes might become more important.”

## From Attaining Quorum to Predicting Support

Issuers are not only concerned about the decline in retail shareholders voting their shares. Recent changes in broker community voting practices have made it more challenging to attain a quorum and more complex to predict the outcome of votes for certain proposals.

Discretionary voting, or the broker's ability to vote unvoted shares, for example, once gave issuers the assurance not only of a quorum but also that their agenda would be likely to pass, Moreland explained.

A rule revision reined in this practice several years ago by limiting brokers' discretionary votes to "routine" proposals, such as the election of auditors. The effect, said Moreland, was to assure issuers "they would at least attain quorum, they would get a management vote in favor and they could go on with their meeting."

Today, many brokers have stopped the practice of discretionary voting altogether due to fiduciary concerns, making it harder for issuers to reach quorum and driving up the importance of retail votes. When TD Ameritrade and Schwab stopped the practice of discretionary voting, Ball said "for some companies, that meant automatically a 10% to 15% decline in the discretionary vote that they got on auditors. Some of our clients were finding it difficult just to achieve quorum due to the loss of discretionary voting."

"We're entering an era where those retail votes are going to become more important — or could — for some issuers," Moreland added.

"More importantly, companies that have something on the agenda which is non-discretionary and that requires perhaps a majority of the outstanding votes, such as a charter amendment, those companies are really struggling to get to a majority of the outstanding shares in favor of a proposal because of the loss of discretionary voting," observed Ball.

Most recently, a practice by some brokers known as proportional voting has further eroded the block of discretionary votes that management could once rely upon. Proportional voting is a discretionary vote on unvoted shares that is matched proportionately to the votes that are returned to the broker.

Incidentally, when retail shareholders do vote, Ball said their support for management has declined in re-

cent years. In the past, he said it would have been safe to project their support for the company to be at 90% or above, but today he says a safer estimate is in the 70% range. Unsurprisingly, a low stock price can drive retail shareholders to vote in greater numbers and can influence them to vote against management proposals, he says.

"The impact of losing all discretionary voting from some brokers and proportional voting from other brokers has made it difficult to get the vote when you have a tough proposal that requires a majority of the outstanding shares," said Ball. "I think the lesson here is you need to know your shareholder profile, which brokers use discretionary voting, which ones don't use discretionary voting, who uses proportional voting and analyze the potential impact of those losses on the outcome of that proposal."

## More Shareholders, Not More Shares

Non-traditional pathways to stock ownership have dramatically increased the number of retail shareholders in recent years but have not increased the number of shares outstanding in equal measure. These include meme stocks and free stocks.

Meme stocks are stocks that have gained a cult-like following on social media. Online forum users typically buy and then promote the stock, driving up its price. In the case of GameStop Corp., widely considered the first meme stock, the effect was to produce a short squeeze that left several hedge funds with sizeable losses.

Free stocks typically arise from promotional offers, such as through the online brokerage Robinhood. It has attracted more than 13 million users by allowing those who open an account to receive one share of free stock. The platform allows users to trade stocks, ETFs, options contracts, and cryptocurrency for free. Users can also earn free stock by referring friends.

Another example of free stock comes from a current promotion by Charles Schwab. New customers who fund a Schwab Starter Kit brokerage account with at least \$50 get \$101 in "Stock Slices," or fractional shares, from the top five stocks in the S&P 500 — Amazon, Microsoft, Tesla, Alphabet, and Apple.

In some cases, like for free stocks or in the case of fractional stock ownership, issuers see a large increase in the number of shareholders and a smaller increase

**“I think it’s probably a pretty exciting time to be in the investor relations field,” said Moreland, “because suddenly, I think they’re front and center of some pretty important decisions to be made about communicating, given the shift [to retail investors].”**

**- SHERRY MORELAND, PRESIDENT  
AND CHIEF OPERATING OFFICER, MEDIANT**

in the number of shares outstanding. “The impact for the company is, in some cases, a large increase in the broker bills — how much you’re paying for the mailing of proxy materials for distribution but don’t often see a big increase in voting as a result,” explained Ball. “We had one situation last year where broker bills went from somewhere in the range of \$10,000 to close to \$900,000, because of all of the fractional shares that were issued.”

Issuers will see some financial relief this year, Moreland reported. A new Securities and Exchange Commission (SEC) rule prohibits brokers from charging for distributions on gifted shares when it is the only position in the account. She pointed out that it is still too soon to know the impact of trading behaviors in 2021, some of which were thought to be related to stimulus checks.

“This is going to be a year of learning, and we’re not going to have all of the answers until we get past

this year,” Moreland said. “What was the impact of invoices, not charging for gifted shares? I think that there’s no doubt issuers are going to get relief from that. But then are these investors staying in those programs where they got a free share? Or did they just turn around and sell it? Or does it sit dormant?”

“It’s not one-size-fits-all. Very few issuers have just one demographic holding their stock. You have to understand what the demographic is, and you’ve got to find ways to meet that demographic wherever they are,” said Moreland. “We’ve been emailing proxies for a long time, and we didn’t necessarily see an uptick in participation. Now you have a group of investors that don’t read email. So how are you reaching those investors? Now it’s not only do you not have a one-size-fits-all IR program, you don’t have a one-size-fits-all program for reaching your investors.”

All this adds up to a more diversified role and greater complexity for investor relations professionals. **A Path to More, Better Communication**

Many newcomers to retail investing skew to younger demographics. Robinhood’s users, for example, have an average age of 31. New retail investors, specifically millennials, have been effective in prioritizing ESG and DEI issues, and, in many cases, they invest with those issues in mind, said Ball. These investors pay attention to what’s on the agenda, and they are comfortable engaging with apps on their phones that allow them to vote in a particular way.

“I think it’s probably a pretty exciting time to be in the investor relations field,” said Moreland, “because suddenly, I think they’re front and center of some pretty important decisions to be made about communicating, given the shift [to retail investors]. Not so long ago, we considered investor relations as being responsible for maintaining relationships with institutions. Today, there’s this shift with new retail investors that want to be more involved, they want more information, and they’re all over the place.”

Moreover, these retail investors can heavily influence the corporate agenda, reminds Ball. “You’re not looking to get a majority outstanding in these cases; you’re looking to get a certain percentage, which puts it on the agenda for the next year. A couple of percentage points can make a difference. So, if you’ve got a large retail component and they’re interested



in voting on issues, it does move the needle.”

On the other hand, the moderator, Zale, added that the company is often in opposition to many of these proposals — and often for valid reasons. “Trying to be extremely thoughtful in how you communicate that there isn’t a need for this proposal, because we’re doing XYZ already, which maybe wasn’t fully understood, particularly by retail investors who aren’t engaged as much or as deeply or as regularly with the company. There’s an ongoing path to more and better communication. How can we make sure that relevant information is actually getting to those shareholders?”

Moreland agreed that the answer lies in stating your case. “I think there’s this belief that all [retail shareholders] will vote a certain way or they all will jump on the activist bandwagon. But I don’t think that’s true. I think this comes down to being transparent, but you’ve got to find the avenues to state your case,” said Moreland.

As an example, she noted that issuers are required to put proxy material online and recommended that they should also think about using that site to host their messaging. “We’ve had CEOs do videos talking about specific proposals. It’s really just a matter of putting information out there in a way that’s digestible, that’s very transparent. And you can make your case,” said Moreland.

## **Evolving Communications**

Beyond transparency, investor communications continue to evolve visually to make it easier for all stakeholders to find the information they’re most interested in.

Even proxies, Zale commented, have evolved from being the driest, most legalese documents to “much more visual documents that highlight the most relevant information for retail shareholders, for all shareholders, and especially for the governance analysts,” she said.

“Companies sort of struggle with that mantle of these are legal documents, and there are lots of requirements that they have to fulfill,” said Zale, “but how can we create that broader approach to communication that’s really speaking to people in the way that they can more readily access information that’s most useful and compelling to them?”

“Ease of use is really important,” added Ball. “I

**“This layer of retail shareholders is really taking a more active, visible role in social and all the ways that creates potential for engagement, misunderstanding, opportunity, and education.”**

**- LIZ ZALE, MANAGING DIRECTOR,  
SARD VERBINNEN & CO.**

talk to people on stewardship teams, and they have to go through thousands of proxy statements each year. They really like it when it’s easy for them to find what they’re looking for.”

Regulators are also taking up the charge to improve proxy ballots.

## **Leveling the Playing Field for Proxy Battles**

A new SEC rule, which applies to ballots in proxy fights, is intended to give voters the same options whether they choose to attend the meeting or vote by proxy. Ball explained that if you attend the meeting, you’re handed a ballot that has both slates on the ballot, and you can pick and choose who you want to vote for. Universal proxy rules, bring that experience to the proxy beginning Sept. 1. The universal proxy card will mirror a ballot, presenting both management’s slate and the dissident’s slate on the card. Voters can pick

and choose candidates from each slate.

“That’s really important in proxy fights where maybe you want one or two dissidents on the board, but you don’t want the whole slate. Right now, you have to pick the management or dissident slate. You can’t mix and match unless you go to the meeting, which most people don’t do,” explained Ball. “The universal proxy is in place to level the playing field and give you as a shareholder the choice to vote for who you want on either slate.”

With two times the number of candidates on a ballot, there is concern that voters will be confused. For those voting electronically, those platforms have the capability to limit the number of candidates a voter chooses, but for those voting by paper, it would be easy to vote for too many or too few candidates.

“People find proxies confusing to start with, and now you’re presenting them with two slates and you can’t pick more than the number of directors up for election,” said Ball. “The important thing is going to be clear disclosure on the proxy card.”

Even given the risk of confusion, Moreland commented that “it’s definitely a step in the right direction.”

Whether it is a proxy fight or something more mundane, many factors affect a shareholder’s decision to exercise their right to vote, including misinformation.

### Misinformation Rules of Engagement

In today’s era of social media, panelists were uniformly concerned about the proliferation of misinformation, particularly when it might affect a shareholder’s likelihood to exercise their right to vote. Their opinions differed wildly, however, on when investor relations teams should intercede.

“We can tell that there are investors who are very comfortable getting information from chat groups and from social media, and they somewhat respond to that, or they trust that. But if you follow some of these chat rooms, you find out that there is misinformation,” observed Moreland.

She recalled an online event last year in which the participants were supportive of the company, but “for some reason, they believed that if you did not vote your proxy, it was a vote for management. There’s no doubt that what this company was trying to do, there was huge support for, but there were no votes


out there.” Moreland said this shows how important it is to have a Learning Center and to push education out to shareholders, to have a strategy around the best ways to educate.

Ball said his firm monitors chat rooms for some clients, particularly in the run-up to a controversial vote. Although he said, “you have to pick your battles,” he also indicated that his firm will “go in and respond to comments or get the company to respond to specific comments and take action. We’ve seen people who are leading the chats, change their mind and come back and say, ‘Oh, no, no, no, here’s how it works. Here’s what you need to do.’”

Zale summed up her position succinctly: “When it’s specific to a vote, there’s a clear action, there’s a clear misunderstanding. That’s a path that you probably want to and need to take to clarify for investors.”

There are still more questions than answers about new retail investors. Are they in the market to stay? Will they harness their potential to drive corporate agendas? However, as Moreland and Zale observed, it is certain that the investor relations world is evolving.

“It’s an interesting and challenging time to be here — and certainly for investor relations professionals. When we work on proxies, we’re very accustomed to working with the corporate secretary, or the counsel for the company,” Moreland observed. “In the past, I would say investor relations was a consultant [commenting on] the document hosting site. What we’re seeing now is, our profession is at the table looking at the decisions being made about the annual meeting and proxy event.”

Zale agreed, adding, “This layer of retail shareholders is really taking a more active, visible role in social and all the ways that creates potential for engagement, misunderstanding, opportunity, and education. It does speak to how there’s a growing awareness and understanding that this is something investor relations needs to be strategically thinking about. What kind of investment-focused resources can really help you learn and use this to your advantage in meeting the goals of your role?” 

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# Educating Future IROs: What Can We Do to Help?





**While some investor relations courses exist in U.S. universities, the profession still has tremendous room for growth in the education arena. Investor relations professionals can help.**

BY ALEXANDER V. LASKIN, PH.D.

**I**nvestor relations may not be one of those occupations that kids dream about since early childhood. In fact, it is not even a profession that prospective students usually look for when applying for colleges.

I argue that many students starting college have no idea that the profession of investor relations even exists. Instead, it is common for IROs to come into investor relations from other specialties. I, for example, like many IROs started as a financial analyst; others may come from journalism, marketing, public relations, or law.

This imposes an obligation on the IR profession and professionals to popularize and promote investor relations as an occupation and to attract talented students to consider investor relations as their future job.



## University Courses in IR

But even if a prospective student learns about and decides to major in investor relations, they won't be able to. There are no investor relations majors available at U.S. universities. Even at the graduate level, two Master's programs in investor relations – at The University of San Francisco and at Fordham University – closed during the past few years.

However, this does not mean that U.S. colleges and universities are ignoring the profession of investor relations. While students cannot major in investor relations, they can take an investor relations class that complements whatever major they are enrolled in.

IR Update ran an article in Summer 2019 about IR courses appearing at universities. The growth in the number of new courses in IR has progressed even more since 2019 at both the undergraduate and graduate levels.

While Fordham does not offer a Master's degree in investor relations any more, the university offers an investor relations course that students in such programs as finance, real estate development, or communication and media management can take.

Similarly, New York University offers an investor relations course as part of its Master of Science in Public Relations and Corporate Communication, and Northwestern University has an investor relations course as part of its Integrated Marketing Communications Master's program. Ross School of Business at the University of Michigan offers Financial Communication and Investor Relations course for Master's level students.

It is still less common, however, to find an investor relations course at the undergraduate level, although even this is starting to change. Newhouse School of Public Communications at Syracuse University launched not one but two undergraduate level courses on investor relations: Introduction to Financial and Investor Communication and Writing for Financial Communications and Investor Relations. These two courses serve as a cornerstone of the undergraduate emphasis in financial and investor communications that also requires students to double major or minor in both communication and finance, participate in a Financial Communication Benchmark Trip to New York City, and complete an IR-related internship.

Another example is Boston University, which also offers an undergraduate course in investor relations. The course description promises to show students the “challenges of marketing a company to the financial community” and teaches about the history of the profession, tools of the trade, and main techniques of the IR profession.

Johns Hopkins University offers Information and Investing class where students focus their attention on how investors are influenced by various information sources, such as news reports, industry reports, governments statistics, and proprietary indicators, and how this effects their investments decision-making.

## Share Your Knowledge

Overall there is still much room to grow for investor relations education at the graduate and undergraduate levels. But what can we in the investor relations community do to improve the quality and quantity of the investor relations education at colleges and universities across the United States?

One thing IROs can do is offer to teach an IR course at your local university or your alma mater. Many universities may want to offer an investor relations course but have no one who could develop or teach the class.

You can offer your expertise as an adjunct professor and help students learn about investor relations. When I taught at the University of Florida, I proposed to develop and teach an IR course and it was gladly accepted. Now as a professor at Quinnipiac University, I developed and regularly teach investor relations courses for our Bachelor's and Master's students.

But you do not have to be a full-time professor to do that. At Quinnipiac University, over the years, we had professionals from agencies, corporations, non-profits, and government teach a variety of classes. Students always enjoy learning from somebody who is an active professional and has firsthand up-to-date experience in the industry.

Yes, for working professionals it is a big commitment, but schools usually support their teaching professionals and typically schedule them for a night class once per week (usually from 6 to 9 pm) or even asynchronously online.

If committing to teach a class for the whole se-

mester seems like a daunting task, consider guest speaking in an existing class. We all can find an hour to speak to students in person or on Zoom. Even if the university you graduated from or live near does not have a dedicated investor relations class, they may welcome your expertise for a class that touches on investor relations among other topics. Business schools commonly have courses on investments or corporate governance – having an experienced IRO stop by for an hour would provide an invaluable perspective to students in such a class.

For example, Columbia University offers a class in Corporate Governance and Investor Stewardship. An important part of the class focuses on shareholder activism—many of us in investor relations can share a thing or two about this topic.

Public relations and strategic communication programs commonly run a class focused on corporate communications—investor relations is an important component of such courses that you could help students understand.

The University of North Carolina at Chapel Hill teaches a course on business reporting for its journalism and communication students. Having an IRO drop in to discuss how they work with business media may be eye-opening for these future journalists.

Even engineering programs tend to have classes on entrepreneurship and attracting venture financing, and IROs with start-up experience would be very valuable guest speakers for such a class. For example, Massachusetts Institute of Technology has a course, “Money for Startups,” that focuses on “the investment process and its related jargon.”

Another venue for promoting investor relations education is partnering with universities offering existing investor relations or related courses. For example, last semester I taught a course on research and analytics at Quinnipiac University, and the course partnered with Corbin Advisors to do some data gathering and analysis.

The benefit for students is priceless – they get to learn how the industry actually operates, while the industry professionals get some free labor from students. In the past, my investor relations classes partnered with IR agencies and corporations to produce an annual report using existing 10K forms,

“Another venue for promoting investor relations education is partnering with universities offering existing investor relations or related courses.”

develop a retail shareholder outreach program, or propose a CSR/sustainability communication plan.

I am scheduled to teach an investor relations class again in Spring 2023—so, let’s partner together on the project that you never have time or resources for. Other professors teaching IR related courses would also love to work together with a client on the topic current for the industry.

Another popular venue of introducing students to new professions is an internship program. It is, however, quite rare to find an internship in investor relations. Consider offering a summer investor relations internship at your corporation and agency, and you may help create excellent investor relations professionals of the future. You may end up hiring them after graduation.

Of course, there are many other ways for industry and academia to work together—scholarships for students, fellowships for professors, endowed chairs, and even named programs—it is not important how exactly to start, it is just important to start. [IR](#)

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# The Opportunity in Crisis Communications

BY NICOLE  
NOUTSIOS

For more than two years, communications professionals have navigated a dynamic environment filled with unprecedented challenges, with circumstances changing one day to the next.

We all hoped that this year was going to usher in a sense of normalcy. Instead, Russia's invasion of Ukraine has dramatically affected the global economy and unleashed an excruciating humanitarian crisis.

As any communications professional will tell you, every day presents a balancing act. Business leaders need to convey stability but also consider every word for tact and sensitivity, and communications professionals need to be nimble, resourceful, calm, and empathetic – part ninja and part therapist. All while knowing that one poorly chosen word can result in a punishing backlash.

It helps to step back and embrace President John F. Kennedy's suggestion that inherent in every crisis is the opportunity to show that your company's executives know the importance of conveying credibility and

empathy to investors, sell-side analysts, employees, customers, and the media. When done right, crisis communications can shore up relationships among key stakeholders.

Every crisis and company are different, and there's no standard crisis playbook that applies across the board. However, there are several communication principles and tactics to consider when dealing with a crisis of any sort:

**1. Address multiple audiences in your communications.** Remember that the messages you send will be heard by a variety of stakeholders, including those on Wall Street, journalists, employees, customers, and partners. For example, employees are engaged in IR communication, so you need to address their concerns, even if in some cases you are primarily addressing investors. Highlighting your company's culture and the health and well-being of employees can go a long way in demonstrating empathy and support.

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**2. Step up and move forward.** Martin Luther King Jr. once said, “The ultimate measure of a man is not where he stands in the moments of comfort, but where he stands at times of challenge and controversy.” When your executive team is visible and accessible during challenging times, management underscores the resiliency of the company. This is more than a soft skill: it lends credibility and shows that management is open to taking on hard questions, even if they may not be capable of fully answering them at the moment. Also, avoid last-minute cancellations of investor meetings or conferences – doing so can be interpreted as evasive and as an indicator of instability.

“When written in Chinese, the word ‘crisis’ is composed of two characters. One represents danger and the other represents opportunity.”  
— John F. Kennedy

**3. Clearly delineate the short- and long-term growth drivers of the business.** If your company is impacted by a crisis, be transparent about the short-term challenges the company faces, from financial to operational. However, take the opportunity to reiterate long-term growth drivers and emphasize that the fundamentals and the value proposition remain intact. For example, it can be helpful to highlight messaging and proof points on the company’s growth opportunities, competitive differentiation, track record of execution, and leadership in the market.

**4. Be proactive and as specific as you can.** With every problem the company faces, offer a solution or action plan that shares how to address or fix an issue. That way you clearly demonstrate that you have the executive leadership and expertise in place to manage the problem. For example, citing specific examples of how to plan to solve an issue in an earnings call will lend additional credibility to management.

**5. Avoid reading the crystal ball.** When situations are dynamic, predicting the future doesn’t do anyone any good. Get comfortable with admitting that the company doesn’t have all the answers, but also be confident in expressing what management does know. Clearly differentiate what is known and what is unknown, and keep in mind that there are situations in which the company will need to withdraw or amend guidance to Wall Street.

**6. Actively monitor your peer group and others in the broader sector.** Keep a close eye on how other leaders in the industry are framing their messaging and use this information as context if it seems relevant. If competitors are impacted differently in a similar situation, be prepared to explain why. For example, many companies have used the term “industry-wide supply chain shortages” in the past two years, creating a shared vocabulary that everyone understands.

**7. Be authentic and show empathy.** Good crisis communications demands showing just a little bit of personal vulnerability at times. While communicating clearly and truthfully is paramount, there are plenty of ways to balance conveying business-critical information by expressing humility and compassion. After all, many crisis situations – illness, death, terrorism, humanitarian disasters – have a personal impact on communications professionals and business leaders as well as the public’s morale. It’s not just what is said, but how and when you say it; be mindful of tone by showing sensitivity and know that it is okay to show vulnerability.

While crisis situations are never enjoyable, they do offer an opportunity to demonstrate leadership and empathy, both of which have the power to deepen relationships with key audiences. Sticking to the facts, being transparent and truthful, and expressing compassion can build credibility and bolster your company’s reputation in the investment community. [IR](#)

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