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Leading Investor Group Responds to President's Tweet on Quarterly Financial Reporting

Washington, D.C., Aug. 17, 2018—In a [tweet](#) this morning, President Trump said he had asked the Securities and Exchange Commission (SEC) to study changing required financial reporting for public companies from a quarterly system to reporting every six months.

The Council of Institutional Investors (CII) believes that public companies should continue to report quarterly on their financial performance. "Investors and other stakeholders benefit when regulations ensure that important information is promptly and transparently provided to the marketplace," said Amy Borrus, CII's deputy director. "Investors need timely, accurate financial information to make informed investment decisions."

CII shares the [view](#) of the SEC's Investor Advisory Committee that "the current degree, quality and frequency of disclosure for U.S. issuers overall is appropriate and a source of strength for the U.S. capital markets." CII also generally supports the SEC's outstanding proposal to delete redundant or overlapping disclosure requirements.

However, CII believes public companies should have flexibility on whether and how often to issue earnings *guidance*. CII supported a June 7 initiative by the Business Roundtable (BRT) to encourage companies to focus more on long-term performance by moving away from providing quarterly earnings per share *guidance* and potentially dropping such guidance in the future.

At that time, CII Executive Director Ken Bertsch expressed support for the BRT initiative in a *Wall Street Journal* op-ed by Jamie Dimon, chair and CEO of JPMorgan Chase and Business Roundtable chair, and Warren Buffett, chair of Berkshire Hathaway. "When companies are managed for the long term, it creates value for shareholders with long investment horizons," Bertsch said. "Practices that encourage long-term thinking and investment create value for millions of Americans without sacrificing the transparency and accountability that investors deserve," he said.

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The Council of Institutional Investors (CII) is a nonprofit, nonpartisan association of pension funds, other employee benefit funds, endowments and foundations, with combined assets that exceed \$3.5 trillion. CII's non-voting members include asset management firms with more than \$25 trillion under management. CII is a leading voice for effective corporate governance, strong shareowner rights and vibrant, transparent and fair capital markets. CII promotes policies that enhance long-term value for U.S. institutional asset owners and their beneficiaries.