WHAT’S RELEVANT?

A Quarterly Update of AST’s Executive Advisory Council
Shareholder Education:
Navigating the Evolving Securities Environment

The realm of securities transactions and management continues to increase in complexity due to technological advances and regulatory changes. Shareholders and issuers both play important roles in ownership, but their responsibilities differ. Many shareholders do not know their rights and responsibilities, or what it means to be a shareholder.

Guided by the Executive Advisory Council (EAC) of industry experts, AST sponsors a comprehensive industry study which has the overarching goal of providing an independent look at the current and future needs of issuers and shareholders, and to identify ways to best address those needs. Using insights gathered from the recent study, the EAC identified a need for increased shareholder education across the industry. This coupled with constant changes in regulation and technology, led to the launch of the EAC Shareholder Education Initiative.

About the EAC
At AST, we strive to propel our industry forward. In 2011, we responded to the demand for a neutral group that could exchange and discuss industry-wide challenges and ideas by spearheading the effort to form the Executive Advisory Council (EAC). Comprised of executives from leading organizations in North America, the EAC works to further our industry.

The EAC meets on a regular basis to provide a forum for leadership and constructive feedback, to share best practices and insights on industry trends, to address issues and concerns that various stakeholders may have, and to shape the future of the industry. The EAC launched an in-depth Industry Study of leading issuer executives across North America. The study is intended to provide meaningful insights into what investors and corporations need across the broad spectrum of issuer and shareholder services. While the EAC is sponsored by AST, it works independently for the benefit of the industry as a unified whole.

Ensuring that the shareholders we serve have the right information is of paramount importance to us. The EAC formed a working group to lead a shareholder education mission to develop content and media such as whitepapers, publications, webinars and information guides designed to provide valuable insight. Distributing information via various channels allows issuers and transfer agents to educate shareholders on important and relevant topics that help increase their knowledge as investors.

Shareholders should be aware of the importance of logging into their account annually, the importance of cashing their dividend checks regardless of the amount, keeping their address current, maintaining proof of ownership via certificate or statement in a safe place, and monitoring any corporate action such as a merger or acquisition. These are just a few of the key informational and transactional items relevant to shareholders.
Focused on empowering shareholders, employee plan participants and investors through education.

“As a member of the EAC Education Committee, we are digging into shareholders’ needs, topics and channels of communications. Our goal is to establish materials that will serve shareholders and improve functioning for individuals and the industry as a whole.”

– Dru Cessac, EAC Member and Relationship Manager at Keane Unclaimed Property

Shareholder Education Team
The EAC Shareholder Education working group has created various resources to improve the communication channel with shareholders. The team is currently developing a shareholder guide titled What’s Relevant: What Shareholders Need to Know that will include a comprehensive view of what it means to be a shareholder. The guide provides basic information on common terms, responsibilities and requirements, while detailing how shareholders can transact, inquire and manage their accounts. From who to contact to get a medallion guarantee, to how to reclaim unclaimed property from the states, the guide will serve as a resource that educates all types of shareholders – the novice to experienced.

Once complete, the guide will be available to shareholders online and allow them anytime access to information. With direct links to FAQs, forms, glossary of terms and industry sites, the guide will provide a consolidated view to important resources for ease of use and an enhanced shareholder experience.

Corporate Issuer Technology Study
AST designed a technology study to capture corporate issuer thoughts on technologies that improve shareholder and issuer experiences, addressing areas such as data analytics and security, as well as to provide a platform to discuss ideas on current trends in technological innovation. The study showed that companies want to increase the capabilities offered through technological applications to better service shareholders. One specific priority was the need for shareholders to be able to manage their accounts independently.

The study served as an important resource as the Shareholder Education Committee used the information to outline immediate initiatives and launch the development of the shareholder guide. Some consistent feedback received included the need for the interface to be easy to navigate, and information should be clear and succinct. Issuers want to avoid shareholders being frustrated by the need to search for information or contact a live representative to make a transaction.

“With industry thought leaders and experts from many different areas, the EAC adds fresh perspectives and new ideas for the industry to use. Plus, the materials the EAC develop will help my shareholders and others, which is a huge service to the industry.”

— Jennifer Evans, EAC Member and formerly Investor Relations at TSYS
Examining shareholder interactions and programs to implement best practices for the ideal shareholder experience.

In a recent study, it was found that the term “escheatment” had low levels of awareness and understanding, even among highly educated shareholders. Common financial terminology held limited interest and understanding as well. However, corporations and service providers often believe their terminology is known to everyone. The reality is shareholders may only use these terms at various points in their financial history. To remedy this lack of understanding, communications should be clear and provide a high-level view on how a shareholder can manage their account and perform transactions.

By providing additional educational tools, shareholders are able to educate themselves without feeling intimidated and gain a better understanding of their responsibilities. This helps to create a positive experience for shareholders and increases the quality of service.

“AST’s mission to provide issuers and their shareholders with quality service is exhibited through our sponsorship of the EAC and the related studies. It is an ideal way to tap into a wealth of knowledge and obtain a better understanding of how to best serve their current and future needs.”

– Robert M. Carney Sr., President, Issuer & Investor Services

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For more information, please visit the Executive Advisory Council webpage at www.astfinancial.com. If you have questions or comments, email EAC@astfinancial.com.

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