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April 7

Valuation Disconnects: Is the Market Inefficient, or am I Missing Something?



May 24

Boxes Here, Boxes There, Boxes Everywhere! FedEx O'Hare Facility Tour



Save the Date

September 23, 2016
2016 IR Workshop
Metropolitan Club

Photo of the Month



Karen and Tim Quast with Michael Ferreter

From the President



I hope many of you were able to get away for spring break before the ramp-up of the Q1 earnings season. While four little ones at home precluded me from taking a vacation that required air travel, my family and I were able to escape to Northern Michigan for Easter to catch one last snowstorm and help with maple syrup. Although I had some time to get away, I've been closely watching the developing 2016 proxy season, as well as the continued market volatility.

Despite some recent setbacks for shareholder activists in recent days -- think Bill Ackman and Valeant -- recent commentary at the 28th Tulane Corporate Law Institute maintains that activism is here to stay, and in fact, may accelerate in 2016. Supporting this view are the 507 activist campaigns to intervene in companies' operations in 2015 -- a 74% increase from the previous year, according to Reuters. That said, while activism continues to rise, Washington does seem inclined to force more transparency. A new bill sponsored by two Senate Democrats criticizes the growing trend for prioritizing short-term gains for shareholders over other stakeholders, like employees and communities, and is aimed at tightening disclosure rules for activists. Currently, shareholders are given a window of 10 days to disclose when their stake in a company reaches 5%. The bill would reduce that window to two days.

How an activist approaches a company varies greatly -- whether exploiting a corporate governance vulnerability or targeting board-level change. That said, the goal is the same -- improve performance and ultimately, valuation. In my view, the best defense against potential activists starts long before they buy the stock. It starts with a best-practice investor relations and financial communications program that focuses on providing a clear, concise message to the right shareholders at the right point in your company's life cycle. So, while activism is here to stay, there are things you should be asking yourself. Do you know your company's exploitable vulnerabilities -- financial, operational or strategic? Are you communicating to the right investor set? Are you telling a story they're receptive to?

Our **April 7** program will focus on one of an activist's key screens -- valuation. **Valuation Disconnects: Is the Market Inefficient, or am I Missing Something?** will bring together seasoned experts to share best practices and insights on IR

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strategies that can influence your stock price. They'll discuss their real-world experiences with complex and diverse issues that can affect valuation, such as corporate transactions, commodity meltdowns and emerging markets crises. [Register](#).

Next month, we have a really great opportunity to see the inner workings of FedEx, courtesy of the company and our chapter's very own Elizabeth Allen. We hope you'll be able to join us at 5 p.m. on **Tuesday, May 24** for [Boxes Here, Boxes There, Boxes Everywhere! FedEx O'Hare Facility Tour](#). During the three-hour event, you'll see first-hand the cutting-edge technology and logistics that the company employs to exceed customer expectations and drive shareholder value. [Register](#).

I hope to see you one or both of these programs! Until then, wishing you a wonderful earnings season.

Regards,

Victoria Sivrais
NIRI-Chicago President

In Memoriam



March 25 marked the end of an era with the death of Lou Thompson Jr. Lou was the authoritative voice of NIRI as its president and CEO from 1982 until his retirement in 2006. NIRI's tremendous growth during his 24-year tenure was due in large part to Lou's proactive approach, from helping us understand the new Reg FD in 2000 to making each annual conference bigger, better and more action-packed than the one before. Lou also was a huge supporter of NIRI-Chicago, hopping on a plane to participate in chapter events anytime we asked -- generally, at least once a year. We remember Lou with gratitude for helping to make NIRI the outstanding professional development and networking resource it is today.

In the News

- The [benefits](#) of reading letters to shareholders, plus one investor's [favorites](#).
- More on the "evils" of [pro forma](#) reporting ... including the implications of a [widening gap](#) from GAAP.
- Are you always meeting the same buy-siders? Maybe so, if they're on Wall Street's "[secret preferred client list](#)."
- Just like the pre-financial crisis days -- [fewer sell](#) recommendations.
- [Do the math](#): Yahoo could have matched its buyback returns 2008-2014 by investing that money in operations at a minimum 3.2% return.
- Does someone on eBay believe in "[hedge fund groupies](#)?"



NIRI-Chicago Member News

Welcome to NIRI-Chicago's newest members: Sherrie'e Bakshi, project manager, American Technology Services; **Jessica Callahan**, manager, investor relations, General Growth Properties; **Robert Cherry**, vice president, investor relations, Regal Beloit Corporation; and **Christian Helmetag**, VP, corporate controller, Calamos Asset Management.



[Share](#) your news (job changes, awards, interesting articles) -- and thanks for reading the MEMBER CONNECTION.

*Maryellen Thielen
Vice President, Communications
NIRI-Chicago*