

July 6, 2026

Via Electronic Mail: rule-comments@sec.gov

Vanessa A. Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: Semiannual Reporting, File No. S7-2026-15

Dear Secretary Countryman:

MFA¹ writes in response to the Securities and Exchange Commission's ("**Commission**" or "**SEC**") proposal to permit reporting companies currently required to file quarterly reports on Form 10-Q to elect instead to file semiannual reports on new Form 10-S (the "**Proposed Amendment**").² We submit this separate letter with the attached report by Ron Alquist and Craig Lewis, *Economic Analysis of the SEC's Proposed Rule on Semiannual Reporting* (the "**Report**").³

MFA supports the Administration's efforts, including at the SEC, to improve public equity markets and make going and staying public more attractive. MFA supports improvements to public company disclosures, with targeted reforms that focus disclosure on preserving material information, eliminating duplicative requirements, and reducing unnecessary costs -- all while preserving the material information investors need.

¹ Managed Funds Association ("**MFA**"), based in Washington, D.C., New York City, Brussels, and London, represents the global alternative asset management industry. MFA's mission is to advance the ability of alternative asset managers to raise capital, invest it, and generate returns for their beneficiaries. MFA advocates on behalf of its membership and convenes stakeholders to address global regulatory, operational, and business issues. MFA has more than 180 fund manager members, including traditional hedge funds, private credit funds, and hybrid funds, that employ a diverse set of investment strategies. Member firms help pension plans, university endowments, charitable foundations, and other institutional investors diversify their investments, manage risk, and generate attractive returns throughout the economic cycle.

² *Semiannual Reporting*, 91 Fed. Reg. 24,968, 24,968 (May 7, 2026), avail. at <https://www.federalregister.gov/documents/2026/05/07/2026-09095/semiannual-reporting>.

³ Ron Alquist & Craig Lewis, *Economic Analysis of the SEC's Proposed Rule on Semiannual Reporting* (July 6, 2026) (accompanying) (analyzing the Commission's economic analysis of the Proposed Amendment and concluding that the proposal's quantified compliance-cost benefits do not account for potentially significant capital-market costs associated with reduced transparency).

The Report supplements the separate comment letter that MFA is filing today on the Proposed Amendment (the “**MFA Comment Letter**”).⁴ For the reasons set out in the MFA Comment Letter, MFA urges the Commission to withdraw the Proposed Amendment. The Report also demonstrates that the Proposed Amendment fails to provide an economic analysis justifying a fundamental reduction in the frequency of mandatory public financial reporting.

The Report offers a thorough economic assessment of the Commission’s analysis and concludes that the proposal’s quantified benefits substantially understate its costs. Specifically, the Report finds that:

- The Proposed Amendment monetizes paperwork and compliance-cost savings while leaving significant capital-market costs largely unquantified.
- The Proposed Amendment’s estimated net benefits depend heavily on a single, assumed 20% adoption rate that receives limited support in the Proposed Amendment and is materially higher than available real-world evidence.
- The Commission acknowledges but does not quantify several important cost channels that may arise from reduced reporting frequency, including increased information asymmetry, reduced liquidity, higher costs of capital, reduced price informativeness, diminished comparability, weaker investor monitoring, and switching-related costs.
- Even modest increases in issuers’ cost of equity could generate shareholder losses that dwarf the Commission’s estimated compliance cost savings.
- The Proposed Amendment creates a recurring reporting-cadence election that may allow issuers to act on private information, raising agency-cost and adverse-selection concerns.
- Reasonable alternatives could preserve issuer flexibility while reducing transparency-related costs and opportunistic switching incentives.

Before adopting any final rule, the Commission should quantify reasonably estimable capital-market costs, present sensitivity analysis around issuer adoption, analyze the option value created by annual reporting-frequency elections, and compare the Proposed Amendment against alternatives that better align issuer flexibility with investor and market protections. Absent that additional work, the Commission’s estimated net benefits do not provide a sound basis for changing the reporting framework that has anchored U.S. public company disclosure for more than a half-century.

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⁴ MFA, Comment Letter to the Securities and Exchange Commission re: Semiannual Reporting, File No. S7-2026-15 (July 6, 2026), submitted contemporaneously and available at www.mfaalts.org (urging the Commission to withdraw the Proposed Amendment or, at minimum, defer action until the Commission has fully evaluated the proposal’s costs and benefits in light of other pending public company disclosure reforms).

MFA appreciates the Commission's consideration of the attached Report and MFA's recommendations, and we would welcome the opportunity to discuss these issues in greater detail. Please do not hesitate to contact Jeff Himstreet (jhimstreet@mfaalts.org), or the undersigned (jhan@mfaalts.org) with any questions.

Respectfully submitted,

/s/ Jennifer W. Han

Jennifer W. Han
Executive Vice President
Chief Legal Officer & Head of Global Regulatory Affairs
MFA

cc:

The Hon. Paul S. Atkins, Chairman, SEC
The Hon. Hester M. Peirce, Commissioner, SEC
The Hon. Mark T. Uyeda, Commissioner, SEC
James Moloney, Director, Division of Corporation Finance, SEC