

Hot Topic Summary Report

Investor Feedback on Internal Corporate Access Teams

IHS Markit asked select buy-side analysts and portfolio managers “*Has your firm set up its own internal corporate access team? If yes, how is it structured and what is the best way to proactively engage that team to set up meetings with analysts and PMs? If no, are you considering that function for the future, or is any of your corporate access function centralized in any way?*”

- According to our research, 21% of investors have an active corporate access team while the other 79% of investors do not have their own internal corporate access team. Contrarily, out of the investors that do not have a functioning corporate access team, 58% of those investors mentioned that they do not plan on setting one up internally in the near future.
- Of the hedge funds and investment manager-mutual funds that were surveyed, only 17% of the hedge funds and 22% of the investment manager-mutual funds have an internal corporate access team.
- An analyst at a \$514.0B value-based investment manager-mutual fund stated, “*We are building up the effort on the front of corporate access, and we hope to proactively meet with companies on our own instead of solely relying on the sell-side. We recently completed a pharma tour in August, in which we traveled around the U.S. and met with healthcare companies at their headquarters. Visiting the companies have been very helpful for our research and we got a lot of information that we wouldn’t have received by just attending sell-side conferences.*”

Sector Coverage: Consumer Services

Portfolio Manager at a \$3.6B (EAUM) Value-based Investment Manager-Mutual Fund

“We don’t have someone who manages our corporate meetings. We usually do that on the analyst and PM level.”

Analyst at a \$33.0B (EAUM) Value-based Investment Manager-Mutual Fund

“We do not have an internal corporate access team, but it is certainly something that is talked about frequently. I think that our firm is too small to build out our own team and we don’t pay the sell-side enough to obtain access for it to make sense, unlike the large institutions. Right now, we do like to organize ad hoc visits, but I don’t think we plan to build our own team out specifically for corporate access. I heard at a conference that the larger institutions were considering mini-conferences on the side to get issuers to come meet with them without having to go through the sell-siders. My understanding is that in the end, the larger institutions still sent representatives to the sell-side conferences.”

Analyst at a \$160.0B (EAUM) GARP-based Investment Manager-Mutual Fund

“I’m not generally privy to that type of thing, but my understanding is no - we have not built out a team. There does not seem to be anything in the works to build one out either.”

Sector Coverage: Financials

Analyst at a \$539.0M (EAUM) Hedge Fund

“An internal corporate access team is not something we have considered setting up. We generally go directly to the companies or sometimes to the sell side.”

Analyst at a \$556.0M (EAUM) Hedge Fund

“We have two strategic investors who compose about half of our capital and one of those investors has an internal group that we are fortunate enough to leverage.”

Sector Coverage: Healthcare

Analyst at a <\$100.0M (EAUM) Hedge Fund

“We do some stuff internally and some stuff externally. When I say internally – it’s just by the team, but we don’t have a specific IR person on our team.”

Portfolio Manager at a <\$100.0M (EAUM) Hedge Fund

“From a corporate standpoint, we like to be the ones to reach out as opposed to being on the receiving end. Typically, it’s done through the sell side, but that doesn’t mean we are receptive to it.”

Research Associate at a \$1.3B (EAUM) Hedge Fund

“The way my company is structured, we have our own internal access team. If we have corporates who are attending an NDR or want to schedule a meeting, they should reach out to the covering analyst in the space within the business because it’s going to be more efficient that way. The communication should always come to the analyst. With that being said, the corporate relations team likes to be informed about it so that they can track these interactions and help coordinate to the extent that in the future, there may be more than one, for example, an internal corporate access team for our healthcare team.”

Analyst at a \$8.2B (EAUM) Value-based Investment Manager-Mutual Fund

“No, we do not have an internal corporate access team and I don’t believe we are putting one together.”

Portfolio Manager at a \$9.0B (EAUM) Growth-based Investment Manager-Mutual Fund

“No, I don’t think we have an internal corporate team and I don’t believe we are currently working to put one in place.”

Analyst at a \$19.9B (EAUM) Growth-based Investment Manager-Mutual Fund

“No, we go visit companies privately all the time and we don’t use a third party.”

Analyst at a \$26.3B (EAUM) Aggressive Growth-based Investment Manager-Mutual Fund

“In general, the answer to that we do not have an internal corporate access team. However, the part that is centralized is that we do track our meetings. I don’t know who exactly looks at it and what they do with it, but for corporate access meetings, that is tracked internally.”

Portfolio Manager at a \$33.7B (EAUM) GARP-based Investment Manager-Mutual Fund

“No, we have not set up our own internal corporate access team and we are not considering that function for the future.”

Portfolio Manager at a \$34.2B (EAUM) Growth-based Investment Manager-Mutual Fund

“We have a lot of corporate access. It is not a separate entity, but it is certainly up for consideration, if warranted.”

Portfolio Manager at a \$43.9B (EAUM) Growth-based Investment Manager-Mutual Fund

“No, we do not have our own corporate access team and we aren’t working to set one up internally. We depend on our broker relationships for that type of function.”

Portfolio Manager at a \$116.0B (EAUM) Growth-based Investment Manager-Mutual Fund

“Yes, we just started our own internal corporate access team and it is currently still in the testing phase. In general, we like to reach out to companies we have a high level of interest in to see if we can set up a meeting with management. Right now, it is a coordinated effort across the firm.”

Portfolio Manager at a \$208.1B (EAUM) Value-based Investment Manager-Mutual Fund

“We have central research analysts and those analysts are just now starting to do their own separate meetings that are proprietary outside of the sell-side. The best way to engage them would be to simply have the IR teams shoot the central research analyst that covers them an email or phone call and from there, they shouldn’t have a problem getting an audience for a meeting with PMs or analysts.”

Analyst at a \$514.0B (EAUM) Value-based Investment Manager-Mutual Fund

“My firm actually started our own internal corporate access group in the last year. It’s structured as a team - there is one person who is the lead of our US corporate access. The company can always reach out by contacting me because I’m the coverage analyst from a research standpoint. Then, I just loop in the corporate access team to help from there. We don’t want it to be any more complicated than that for them [issuers].”

Analyst at a \$514.0B (EAUM) Value-based Investment Manager-Mutual Fund

“We are building up the effort on the front of corporate access, and we hope to proactively meet with companies on our own instead of solely relying on the sell-side. We recently completed a pharma tour in August, in which we traveled around the U.S. and met with healthcare companies at their headquarters. Visiting the companies has been very helpful for our research and we got a lot of information that we wouldn’t have received by just attending sell-side conferences.”

Analyst at a \$777.0B (EAUM) Growth-based Investment Manager-Mutual Fund

“Yes, we have our own internal corporate access team. Each analyst in the corporate access team has a particular sector(s) that they cover. Typically, meeting requests have more so been initiated by me or the company’s IR team has reached out to me and that’s when our corporate access team gets looped in.”

Sector Coverage: Technology

Analyst at a \$55.5B (EAUM) Aggressive Growth-based Investment Manager-Mutual Fund

“I don’t think having our own internal corporate access team is on the table for the near future.”

Analyst at a \$58.0B (EAUM) GARP-based Investment Manager-Mutual Fund

“We have a few different fund managers under it, so my guess is that they are currently focused on acquiring companies instead of developing a corporate access team. With that said, it is probably something we would be interested in having at some point.”

Portfolio Manager at a \$67.0B (EAUM) Growth-based Investment Manager-Mutual Fund

“We do not have a centralized corporate access function, but maybe further down the road as MiFid II evolves, we’ll evolve our process.”

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