Breckinridge
CAPITAL ADVISORS

July 20, 2016

Brent J. Fields
Secretary
United States Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: Release No. 33-10064, Concept Release on Business and Financial Disclosure Required by Regulation S-K

Dear Mr. Fields:

We write to comment on the SEC Regulation S-K Concept Release dated April 22, 2016. Breckinridge Capital Advisors is a Boston-based investment advisor specializing in the management of high-grade fixed income portfolios for institutions and private clients. Working through a network of investment consultants and advisors, Breckinridge manages over $25 billion in municipal, corporate and government bond strategies in customized separate accounts.

At Breckinridge we firmly believe it is our responsibility to consider material risk factors that may have a potentially significant impact on a company's credit quality. We also strive to look beyond the short-term horizon of today's financial markets in order to examine longer-term risks and opportunities that may not be reflected in a company's financial statements. As a result, Breckinridge has fully integrated the analysis of environmental, social and governance (ESG) factors into our research process. We make this added effort because we recognize that companies with more- sustainable business practices will ultimately prove to be safer, more-reliable borrowers – and thus, will make better fixed income investments.

In this letter, we discuss the reasons for integrating environmental, social and governance (ESG) issues into credit research; the importance of standardized reporting in evaluating sustainability; and our recommendations for meaningful disclosure requirements. We speak from the perspective of a fixed income manager serving both institutional and retail clients.

1) We integrate ESG factors because ESG analysis makes us better investors.

At Breckinridge, we integrate ESG factors into our investment process because we believe that ESG analysis deepens our investment insights and aligns well with our long-term perspective.

As fixed income investors, our primary investment mandate is to preserve capital and to build sustainable income while seeking opportunities to increase total return. For corporate bonds, risk management is paramount because the risks to capital preservation are asymmetrical: upside opportunities are limited if the company's credit profile remains strong or improves, but downside risks are large if the credit weakens. As such, ESG integration helps us identify

Breckinridge Capital Advisors
125 High Street, Oliver Street Tower, 4th Floor
Boston, Massachusetts 02110
Tel 617-443-0779 Fax 617-443-0778
www.breckinridge.com

"blind spot" risks in the market: those risks that are often hidden and underpriced, and not discernable from firms' financial statements. At the same time, we believe that ESG integration helps us identify areas of opportunity from issuers that are creating value through their strategic focus on ESG and their effective management of material ESG factors.

In addition, we think that ESG factors often attest to the underlying value and risk profile of each investment opportunity over the long term. Through the ESG lens, we are able to take into account a broad range of issues that can have long-term implications for the issuer's risk/return profile, such as, among others, a company's environmental footprint, supply chain management, employee diversity, business ethics, level of transparency and board composition. These items reflect the management team's priorities, strategic vision and risk approach; the company's values; and other considerations for long-term investment.

In short, we believe that the integration of ESG factors makes us better investors, as it is a crucial bulwark against credit risks and a major tool for us to accomplish our mandate of capital preservation.

2) Standardization will help investors to better evaluate corporate ESG efforts.

In our view, standardization of ESG reporting will encourage company transparency of material ESG factors and facilitate comparisons of ESG performance. This focus on transparency and comparability is critical for investors who evaluate companies through rigorous quantitative and qualitative frameworks.

The Sustainability Accounting Standards Board (SASB) has thrust the materiality of ESG from an investor perspective into the forefront. By identifying and systematizing material ESG factors across key industries and sectors, SASB aims to establish greater alignment between companies and investors. This, in turn, ensures a higher quality of ESG reporting, with an emphasis on quality versus quantity of ESG information and metrics.

We believe that market participants need ESG metrics that meet the highest accounting standards. Traditional accounting falls short in reporting extra-financial risks that may affect a company's reputation with its customers or the communities in which it operates. ESG integration plays an important role in the analysis of such non-financial risks and opportunities. A company with limited understanding or oversight of its ESG risks is vulnerable to situations that could tarnish its brand and competitive position. Ultimately, and in some cases immediately, this may lead to a loss in its equity market valuation or a downturn in the performance of its debt securities.

In recent years, companies have increased their focus and discipline with respect to reporting on a wide range of sustainability efforts. In particular, companies typically publish detailed sustainability reports alongside their SEC filings. This uptick in sustainability reporting is largely driven by requests for greater transparency from various stakeholders. However, leading Fortune 500 companies are also starting to provide sustainability reports in order to reflect their management's belief in the strategic value of sustainability.

Many market observers argue that the proliferation of sustainability reports has primarily benefited the accounting and consulting firms that are retained to prepare them, while the value of this information to the investor community has remained in question. Standard metrics, incorporated into financial statements, could address this issue. This would help facilitate the research process for investors integrating ESG factors into their analysis.

At Breckinridge, we espouse bottom-up, in-depth fixed income research informed by ESG. Consolidated and integrated ESG reporting is especially valuable to investors like Breckinridge who perform fundamental ESG research and analysis internally, rather than relying on outside research firms. As such, we are eager to support efforts toward greater integration of ESG metrics into traditional SEC filings.

3) We recommend that the SEC consider the SASB and Integrated Reporting frameworks.

In our view, the SEC should consider the SASB and Integrated Reporting frameworks for identifying, quantifying and reporting ESG risks and opportunities. SASB has maintained ongoing communication with the investor community as it has developed its sustainability reporting standards. SASB's process is quantitative and methodological, which helps create transparency.

The Integrated Reporting (IR) framework encourages public and private organizations to report on the full range of factors affecting value creation in a comprehensive fashion. The SASB and IR frameworks have detailed processes for determining materiality and are both applicable in the U.S. market.

Conclusion:

Investment analysts are looking for high-quality information about company sustainability and are incorporating this information into their investment research more than ever. In addition, investment managers are seeing rising demand from their clients to integrate ESG analysis into investment decisions.

Companies from a broad range of sectors are already starting to integrate ESG factors into their regulatory filings, to a varying degree. We are encouraged by this recent transition toward integrated reporting, as it offers insight into how companies are linking material ESG factors and business priorities. We believe that integrated reports will help investors collect information more quickly, and this will free up more time for the analytical work that drives intelligent investing.

Breckinridge Capital Advisors
125 High Street, Oliver Street Tower, 4th Floor
Boston, Massachusetts 02110
Tel 617-443-0779 Fax 617-443-0778
www.breckinridge.com

Breckinridge
CAPITAL ADVISORS

Existing SEC filings and sustainability reports lack consistent reporting and disclosure. This creates a pain point for analysts seeking to evaluate company progress in adapting to considerations such as climate change, or executing other critical sustainability initiatives. Organizations such as SASB have been born out of this issue, as have more comprehensive company reporting efforts.

However, ESG disclosure is still evolving and investor interest in ESG is on the rise. We are pleased that the SEC is recognizing the importance of required, standardized ESG disclosures within traditional SEC filings because we believe this integrated approach would benefit companies as well as investors.

Thank you for the invitation to comment on the new disclosure requirements. We welcome the opportunity to participate in this important effort.

Sincerely,

Peter B. Coffin

Peter Coffin
President
Breckinridge Capital Advisors

Breckinridge Capital Advisors
125 High Street, Oliver Street Tower, 4th Floor
Boston, Massachusetts 02110
Tel 617-443-0779 Fax 617-443-0778
www.breckinridge.com