

## Overview

In 2020 and 2021 a company issued a vote to its shareholders to sell shares at or below the current market price, not to exceed 25% of its outstanding common stock on any day. Heading into the 2021 vote, the company saw the need to increase the efficiency of its campaign.

They saw the year-over-year ownership changes as a possible challenge. In 2021, a voting restricted investor had significantly increased their stake, and the number of individual investors via discount brokers has also risen considerably. The idea was that conducting a proxy vote with so many more “fast money” or retail shareholders compared to long-term shareholders would reduce the efficiency of their campaign. For example, retail traders from discount brokers tend to be short-term shareholders that are more concerned with making money off price movements than the fundamentals of companies. As a result, retail traders don’t often respond to proxy vote campaigns. Additionally, voting shareholders that are uninterested in fundamentals can skew results out of favor for the company.

The company sought out AST’s assistance for its increased ability to target interested shareholders by assessing previous shareholder voting habits. AST first evaluated the extent of the ownership changes, then employed their proxy voting platform (ProxyIQ).

## Strategies and Goals

After identifying the company's ownership structure, AST planned to use its ProxyIQ technology to pinpoint shareholders that had actively participated in shareholder proxy voting in the past. Shareholders with a history of voting are more likely to understand a company's fundamentals and respond to company campaigns than those without a voting history.

The overall goals for AST were to reduce the number of calls placed to shareholders, increase the number of shareholders involved in the vote, and reduce the time to achieve satisfactory tele-proxy voting numbers.

## Results

AST was successful in achieving all three goals for the company. For the 2021 vote, AST increased its number of captured tele-proxy votes from 15% to 42% of outstanding shares. There was a 2% increase in overall votes for the year, and the average number of calls placed to voters was reduced by two-thirds.

By targeting shareholders with a history of voting, AST was able to procure votes after an average of four calls. This method greatly reduced the cost of the campaign and the amount of time it took to be completed. Analysis of the 2021 tele-proxy campaign shows that the amount of time to yield significant results was cut in half to one week from the previous year.

AST’s method also resulted in 5% more “for” votes and decreased the number for “against” votes by 14% from the previous year.

## Last Thoughts

Overall, AST’s ProxyIQ helped the company identify potential concerned and knowledgeable voters, reduce the number of calls to shareholders, reduce the amount of time for results, garner more votes y-o-y, and streamline the campaign.

AST offers a range of financial services to publicly listed companies. AST can help identify voter populations and ownership structure, reduce campaign inefficiencies, assist with share offerings, IPOs, and more. Visit [ASTFinancial.com](http://ASTFinancial.com) for more information.