

## — Appendix C —

### Extracted LDA Topics

This appendix presents 24 topics extracted from the risk factor disclosures, along with the 20 most heavily weighted words in each topic. The LDA was calibrated on 25 topics, but I omit the ‘preamble’ topic, which consists of general legal language pertaining to the PSLRA safe harbor disclaimer. Topics are presented in order of their weight in the corpus of risk factor disclosures.

Topic Name	Top Weighted Words
Health/Pension	healthcare, care, insurance, medicare, health, federal, pension, reimbursement, services, agreement, its, certain, medicaid, government, programs, state, act, claims, legislation, tenants
Energy	gas, oil, natural, energy, drilling, production, properties, fuel, exploration, costs, weather, prices, construction, coal, reserves, mining, transportation, facilities, aircraft, equipment
Drugs (Production)	fda, products, product, clinical, drug, approval, regulatory, candidates, patients, trials, medical, drugs, reimbursement, approvals, manufacturing, approved, pharmaceutical, marketing, physicians, market
Personnel	personnel, key, retain, employees, attract, management, qualified, executive, growth, ability, senior, success, chief, officer, manage, team, skilled, officers, services, loss
Retail	products, stores, distributors, merchandise, retail, brand, restaurants, customers, brands, retailers, store, consumer, new, distribution, restaurant, food, product, channel, apparel, automotive

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Topic Name	Top Weighted Words
Information Technology	internet, services, content, gaming, advertising, software, wireless, products, online, mobile, digital, customers, network, fcc, television, solutions, media, video, satellite, users
Claims/Security	systems, liability, insurance, security, claims, product, products, data, customers, coverage, reputation, computer, damage, defects, software, errors, result, failures, technology, breaches
Environmental/Regulation	regulations, laws, environmental, subject, hazardous, federal, state, comply, compliance, government, costs, regulatory, regulation, materials, safety, substances, penalties, emissions, fines, local
International Investment	foreign, international, china, countries, political, prc, united, export, labor, states, economic, currency, products, chinese, instability, outside, laws, terrorist, including, import
Accounting	goodwill, impairment, losses, assets, million, intangible, net, value, estimates, assumptions, fair, history, profitability, accounting, lived, charges, carrying, profitable, significant, continue
Debt	debt, indebtedness, capital, credit, financing, covenants, cash, facility, notes, ability, terms, funds, raise, obligations, interest, subsidiaries, default, revolving, senior, available
Customers	customers, economic, products, conditions, quarter, spending, revenue, demand, revenues, clients, contracts, global, markets, consumer, customer, services, result, credit, orders, timing
Financing	loans, loan, estate, real, mortgage, interest, portfolio, investments, credit, deposits, investment, rates, market, bank, institutions, value, losses, borrowers, banks, conditions

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Topic Name	Top Weighted Words
Hedging	tax, currency, foreign, currencies, dollar, rates, reinsurance, exchange, rate, hedging, ratings, income, taxes, fluctuations, rating, hedge, dollars, denominated, jurisdictions, counterparties
Intellectual Property (IP)	intellectual, patent, patents, rights, property, proprietary, litigation, claims, products, protect, technology, infringement, license, third, parties, secrets, licenses, against, proceedings, trade
Internal Control	internal, reporting, controls, accounting, sarbanes, oxley, over, control, act, public, weaknesses, disclosure, rules, governance, section, standards, effective, management, procedures, required
Stock Market	stock, price, common, market, trading, analysts, fluctuations, volatile, volatility, announcements, volume, shares, companies, has, performance, class, unrelated, litigation, fluctuate, competitors
Strategic Alliance	acquisitions, acquired, acquisition, businesses, merger, integration, integrate, joint, benefits, strategic, integrating, realize, venture, technologies, successfully, acquire, management, anticipated, ventures, strategy
Competition	products, new, competitors, competitive, market, product, technologies, services, compete, competition, technological, develop, customers, development, industry, technology, resources, markets, greater, companies
Equity/Dividends	stock, common, shares, dividends, price, warrants, preferred, convertible, stockholders, market, series, conversion, notes, options, dividend, foreseeable, outstanding, pay, cash, holders
Governance	directors, stockholders, stock, board, provisions, stockholder, shares, common, control, voting, delaware, shareholders, incorporation, takeover, preferred, bylaws, certificate, approval, rights, interests

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Topic Name	Top Weighted Words
Equity Listing	reit, tax, unitholders, income, partnership, units, taxable, partner, distributions, stock, common, penny, nasdaq, irs, carryforwards, broker, qualify, listing, code, ownership
Drugs (Clinical)	clinical, candidates, trials, product, development, commercialization, drug, products, research, commercialize, trial, collaboration, collaborators, pharmaceutical, marketing, collaborative, collaborations, preclinical, candidate, regulatory
Supplier	products, manufacturing, customers, suppliers, components, materials, raw, supply, inventory, customer, manufacturers, production, product, manufacture, orders, supplier, capacity, third, demand, significant