

Federated Investors, Inc.
Federated Investors Tower
1001 Liberty Avenue
Pittsburgh, PA 15222-3779
412-288-1900 Phone
FederatedInvestors.com



April 30, 2019

VIA E-MAIL TO RULE-COMMENTS@SEC.GOV

Ms. Vanessa Countryman
Acting Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Solicitations of Interest Prior to a Registered Public Offering (File No. S7-01-19)

Dear Ms. Countryman:

Federated Investors, Inc. and its subsidiaries ("**Federated**") commends the Securities and Exchange Commission (the "**Commission**" or the "**SEC**") for proposing a new rule under the Securities Act of 1933 (the "**Securities Act**") that would permit issuers, including registered investment companies, to assess investor interest in a contemplated registered securities offering by providing "test-the-waters" communications to certain sophisticated investors.¹ Federated also appreciates the opportunity to provide comments on this proposed rule.

Federated supports many of the comments and positions of the Investment Company Institute ("**ICI**") as set forth in its letter dated April 29, 2019 (the "**ICI Letter**"). Specifically, Federated agrees with the following points raised in the ICI Letter:

- The Commission should consider expanding the scope of the rule to permit funds, including, mutual funds and ETFs, to rely on the rule prior to registering under either the Investment Company Act of 1940 (the "**Investment Company Act**") or the Securities Act as the rule as currently proposed is not advantageous to most mutual funds as they are still required to register under the Investment Company Act prior to using test-the-waters communications;
- In addition to qualified institutional buyers, as defined in Rule 144A under the Securities Act, and institutional accredited investors, as defined in Rule 501 of Regulation D under the Securities Act, funds should also be permitted to use test-the-water communications with SEC-registered investment advisers ("**RIAs**") and broker-dealers as RIAs and broker-dealers should also be considered sophisticated enough to receive and evaluate test-the-water communications; and
- Legending and filing of the test-the-water communications are not necessary based upon the sophisticated class of investors to whom the communications would be directed.

¹ SEC, Release No. 33-10607, Solicitations of Interest Prior to a Registered Offering (Feb. 19, 2019)
<https://www.sec.gov/rules/proposed/2019/33-10607.pdf>

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Federated hopes that the Commission finds these comments helpful and constructive and is happy to provide additional information relating to our comments or discuss any questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter J. Germain".

Peter J. Germain
Chief Legal Officer

cc: The Honorable Jay Clayton
The Honorable Robert J. Jackson Jr.
The Honorable Hester M. Peirce
The Honorable Elad L. Roisman
Ms. Dalia Blass, Director of the Division of Investment Management