

# almitas capital

February 3, 2017

Brent J. Fields Secretary  
Securities & Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

File No. S7-24-16 Universal Proxy

Dear Mr. Fields:

I support the Commission's proposal to require the use of universal proxies for all contested elections of directors, i.e., proxies that include the names of all nominees. However, it is important to include publicly traded 1940 Act Funds, specifically Closed End Funds (CEFs) and Business Development Companies (BDCs) as part of this proposal. As a long time investor in CEFs and BDCs as well as a past issuer and investment manager of CEFs, I understand the importance of providing all investors with equal rights.

Unlike most US equities which are primarily owned by institutions, the investor base of CEFs and BDCs is predominantly individual (retail). While in most cases, the boards and investment managers of CEFs and BDCs are good fiduciaries, acting in the best interest of shareholders, there have been many instances where fund boards and their external managers do not act in their shareholder's best interest. In situations where fund expenses are high and historical investment performance is poor, CEFs and BDCs often trade to a significant discount to Net Asset Value (NAV). Unless the boards take proactive steps to address the discount, shareholders are harmed not only by the decline in NAV but also the further decline in share price relative to NAV. Given the high costs of a proxy contest, especially in relation to individual shareholder resources, it is difficult for retail shareholders to effect change when change is necessary. Including CEFs and BDCs as part of the Universal Proxy Proposal would put individual investors on the same playing field as institutional investors.

Respectfully,

Ron Mass  
Managing Principal