April 30, 2019

By Electronic Submission

rule-comments@sec.gov
Brent J. Fields, Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

RE: File No. S7-27-18 – Comment on Proposed Rule Related to Fund of Funds Arrangements

Dear Mr. Fields:

Invesco Ltd. ("Invesco")[1] is pleased to have the opportunity to comment on the Securities and Exchange Commission's (the "Commission") proposed rule regarding the regulation of "fund of funds arrangements" published in the Federal Register on February 1, 2019 (the "Proposed Rule").[2] Invesco is a leading independent global investment manager with approximately $955 billion in assets under management as of March 31, 2019. Invesco is a global company focused on investment management, and our services are provided through a wide range of strategies and vehicles, including traditional open-end mutual funds, closed-end funds ("CEFs"), exchange-traded funds ("ETFs"), collective trust funds, separately managed accounts, real estate investment trusts, unit investment trusts ("UITs"), and other pooled vehicles. Our indirect wholly-owned U.S. registered investment adviser and broker-dealer subsidiaries, including Invesco Advisers, Inc., Invesco Capital Management LLC, Invesco Senior Secured Management, Inc., Invesco Capital Markets, Inc. and Invesco Private Capital, Inc., advise or sponsor mutual funds, ETFs, CEFs, private funds, unregistered investment companies and UITs for a broad client base.

Invesco continually seeks new opportunities to enhance client experience. With client outcomes being the primary driver of service offerings, Invesco has a long history of utilizing fund of funds strategies (including those that employ a combination of registered, private and unregistered funds) where we have believed it is necessary and appropriate to deliver the best results. Further, with an extensive client base, covering both institutional and retail investors, Invesco funds are regularly sought as an investment choice for other investment companies. As a result of this business model, Invesco product teams, portfolio managers, and legal and compliance professionals have a deep appreciation for nuances associated with complying with Section 12(d)(1) ("Section 12(d)(1)") of the Investment Company Act of 1940, as amended (the "1940

[1] As used herein, "Invesco" may refer to Invesco Ltd. or one of its affiliates.
[2] Release Nos. 33-10590; IC-33329; File No. S7-27-18. Available on the Federal Register at 84 FR 1286 (the "Proposal Release").

Act"), and the principles underlying the rules, no-action letters, and exemptive relief issued by the Commission thereunder.

As enumerated by the Commission in the Proposal Release, Section 12(d)(1) primarily seeks to curtail certain abusive practices and adverse effects of fund of funds arrangements. Specifically, the concerns that Section 12(d)(1) are intended to address can be summarized as: (i) undue control (direct), where an acquiring fund could control the assets of the acquired fund and use those assets to enrich itself at the expense of the acquired fund shareholders; (ii) undue influence (indirect), where (similar to undue control) an acquiring fund could influence an acquired fund for its own benefit and the detriment of the acquired fund's shareholders; (iii) excessive or layered fees, due to each fund within a fund of funds arrangement charging a management fee or asset-based distribution or service fees that may not be readily apparent to the acquiring fund's investors; and (iv) overly complex structures that could be confusing to investors (such concerns being collectively referred herein as the "12(d)(1) Concerns").[3] As the Commission has recognized,[4] and Invesco has observed in practice, the combination of statutory exemptions, Commission rules, and exemptive orders related to Section 12(d)(1) has created a regulatory regime where substantially similar fund of funds arrangements are subject to different conditions. This is true even within the same fund complex, making continued monitoring and compliance with the applicable conditions (depending on the Section 12(d)(1) exception relied upon) administratively difficult.[5] Further, particularly with respect to exemptive relief from Section 12(d)(1), variance among orders granted to different investment managers at different times can potentially create an uneven playing field and, perhaps more importantly, investor confusion when considering investment options.

In light of the above, Invesco commends the Commission for proposing rulemaking with the intent to "create a more consistent and efficient regulatory framework for fund of funds arrangements."[6] However, as fully discussed throughout this comment letter (this "Comment Letter"), Invesco believes certain aspects of the Proposed Rule should be modified to best maintain the fund of funds marketplace as it currently exists while also addressing the 12(d)(1) Concerns.

I. Executive Summary and Guiding Principles

As a general matter, Invesco believes that despite the negative aspects associated with the current regulatory complexity surrounding fund of funds arrangements (and mostly addressed by the Proposed Rule), fund of funds arrangements have flourished within the current framework, which maintains a significant amount of protection against the risks implicated by the 12(d)(1) Concerns. Given the generally positive state of Section 12(d)(1) regulation, particularly with respect to investor outcomes and protections, Invesco believes ideal rule making would seek to accomplish the goals of simplifying compliance and increasing flexibility

[3] Proposal Release at pg. 9.
[4] Proposal Release at pg. 12.
[5] As discussed in the Proposal Release (*see* pg. 87), the Commission is proposing to address regulatory complexity concerns by extending its standardization efforts to cover certain structures that rely on Section 12(d)(1)(G) and Rule 12d1-2 (collectively), by rescinding Rule 12d1-2. Although Invesco generally supports the Commission's efforts to codify the exemptive orders and no-action letters related to Section 12(d)(1), we believe the rescission of Rule 12d1-2 is unnecessary to meaningfully reduce regulatory complexity and could potentially have a disruptive effect on existing funds and portfolio management strategies. Accordingly, Invesco has suggested that the Commission focus its efforts on codifying and standardizing exemptive orders and no-action relief, while leaving Rule 12d1-2 intact. *See* Section VI of this Comment Letter.
[6] Proposal Release at pg. 13.

and standardization across funds without impacting current investor options or experiences.[7] Based on such principles, Invesco's views and suggestions are summarized below:

- ***Scope of the Proposed Rule.*** The Commission should consider including private funds and unregistered funds within the scope of the Proposed Rule. With minor additional conditions that are tailored to such private funds and unregistered funds, the Proposed Rule would further the Commission's objectives of leveling the playing field by not basing the permissibility of fund of funds arrangements on the type of funds within the arrangement.[8] Further, the suggested conditions would address the points raised by the Commission in excluding such funds, while also providing sufficient protections with respect to the 12(d)(1) Concerns.

- ***Conditions of the Proposed Rule.***
    - *Control.* Invesco generally supports the requirement that funds owning more than 3% of the shares outstanding of an acquired fund must "mirror vote" or "pass-through vote" where the acquired fund holding voting securities.[9] Further, Invesco concurs with the Commission's position that such control condition should not apply to (i) an acquiring fund that is within the same group of investment companies as an acquired fund; or (ii) the acquiring fund's investment sub-adviser or any person controlling, controlled by, or under common control with such investment sub-adviser that acts as the acquired funds' investment adviser or depositor.[10]
    - *Redemptions.* Like many in the investment management industry, Invesco has concerns with the redemption limitation contained in the Proposed Rule. Such condition could: (i) have significant impacts on portfolio management and asset allocation; (ii) create competitive disadvantages for smaller funds and funds not traded on the secondary market; (iii) create unnecessary difficulties in operating liquidity risk management programs ("LRMPs"); and (iv) limit the ability of liquidating funds to wind up operations in an orderly and timely fashion. Accordingly, Invesco suggests that an alternative approach where such redemption limitation is permissive on the part of the acquired fund would provide adequate protections from undue influence without implicating the negative outcomes described above. Further, should the Proposed Rule maintain the redemption limitation, Invesco believes there should be an exception in the case of an acquired fund that is part of the same group of investment companies as the acquiring fund.

- ***Duplicative and Excessive Fees.*** Invesco generally agrees with the approach taken by the Proposed Rule with respect to duplicative and excessive fee concerns.[11] However, in response to the Proposal Release's discussion of acquired fund fees and expenses ("AFFE") disclosure,[12] Invesco suggests that AFFE disclosures may be more appropriately placed as risk factors or narrative descriptions, rather than included in a fund's fee table.

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[7] This view would be different if, for example, the Commission has observed that the current Section 12(d)(1) regulatory regime has not been sufficiently addressing the 12(d)(1) Concerns for fund of funds arrangements. However, as the Proposal Release makes no such finding (an observation that Invesco echoes), Invesco believes that circumstances do not necessitate a more restrictive regulatory approach to fund of funds arrangements at this time.
[8] Proposal Release at pg. 17.
[9] Proposed Rule, Section (b)(1).
[10] Proposal Release at pg. 38.
[11] Proposal Release at pgs. 59-71
[12] Proposal Release at pg. 74

- ***Complex Structures.*** Invesco generally supports the prohibition against triple tiering in the Proposed Rule[13] but believes that the Commission should consider comprehensive exceptions for securities lending and cash sweep arrangements amongst affiliates.
- ***Rescission of Rule 12d1-2.*** Invesco respectfully requests that the Commission reconsider its proposal[14] to rescind Rule 12d1-2 under the 1940 Act ("Rule 12d1-2"), as it is unnecessary to address the Section 12(d)(1) Concerns and could potentially have a disruptive effect on current fund of funds arrangements.

The remainder of this Comment Letter addresses specific issues raised in the Proposal Release.

II. Scope of Proposed Rule 12d1-4

A. Private Funds

The Proposed Rule specifically excludes private funds from its scope, despite the fact that, from the perspective of the 12(d)(1) Concerns, private funds do not operate materially differently from registered funds. While Invesco agrees that the 12(d)(1) Concerns are present when a private fund is an acquiring fund, we disagree that such concerns are any more pronounced or less addressed by the conditions contained in the Proposed Rule designed to address such 12(d)(1) Concerns.

In the Proposal Release, the Commission stated that private funds are not included in the Proposed Rule because "private funds are not registered with the Commission and would not be subject to the reporting requirements that we propose below on Form N-CEN regarding reliance on the [Proposed Rule]."[15] Further, the Commission noted that private funds are not subject to recordkeeping requirements under the 1940 Act, and stated that "[e]ven if an acquired fund kept records relating to this arrangement, that alone may not provide an adequate basis for monitoring compliance with the [Proposed Rule's] conditions."[16] Invesco suggests that rather than excluding such funds from the Proposed Rule all together, the following solutions should be considered:

1. The Commission could require private funds relying on the Proposed Rule to comply with a tailored subset of the recordkeeping requirements under the 1940 Act. Additionally, if the Proposed Rule's scope was limited to private funds advised by a registered investment adviser, such private funds would further need to comply with the recordkeeping requirements under the Advisers Act, ensuring that the Commission has examination and enforcement authority.
2. The Commission could adopt a short-form reporting requirement for any private fund choosing to rely on the Proposed Rule. This could be accomplished through the promulgation of a new form or amendments to Form PF, with content generally following the applicable fund of funds reporting that is contemplated by Form N-CEN and Form N-PORT. In keeping with the operating nature of private funds, and to encourage wide adoption of the Proposed Rule, such reporting could be on a confidential basis.

Such approach to private funds would have multiple benefits, including: (i) providing operational flexibility to private funds to utilize fund of funds arrangements in accordance with the Proposed Rule, ultimately benefitting its shareholders and the shareholders of any acquired fund; (ii) decreasing the Commission's

[13] Proposal Release at pgs. 77-83
[14] Proposal Release at pg. 87.
[15] Proposal Release at pg. 19.
[16] Proposal Release at pg. 20.

burden related to considering and (where granted) monitoring Section 12(d)(1) exemptive orders for private funds;[17] and (iii) providing the Commission with visibility into the operations of private funds choosing to rely on the Proposed Rule. Therefore, Invesco believes such conditions would satisfy the 12(d)(1) Concerns for private funds while promoting the public policy underlying the Proposed Rule generally.

B. Unregistered Investment Companies

Like private funds, unregistered investment companies (such as foreign funds) also are excluded from the scope of the Proposed Rule.[18] In the Proposal Release, the Commission noted that unregistered investment companies pose the same 12(d)(1) Concerns that are present with private funds, specifically that they are not subject to the reporting and recordkeeping requirements with which registered investment companies must comply.[19] Accordingly, Invesco similarly suggests that the Commission might consider expanding the scope of the Proposed Rule to include unregistered investment companies for the policy reasons described in Section II.A. of this Comment Letter. However, recognizing that foreign funds may exacerbate the reporting and recordkeeping concerns in certain regards, Invesco advocates that the Commission consider including additional conditions for foreign funds. Specifically, due to issues around the extraterritorial reach of the Commission, Invesco would propose that reliance on the Proposed Rule by foreign funds would be subject to the conditions that: (i) the foreign fund be advised, sponsored or otherwise managed by an entity registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"); (ii) the foreign fund must submit to service of process in the U.S. by having a registered office in the U.S. for such purpose; and (iii) the foreign fund or its adviser must maintain an appropriate subset of information required to be reported on Form N-CEN as part of its books and records. Invesco believes such approach to unregistered investment companies in the context of Section 12(d)(1) would have the benefits enumerated for private funds above (operational flexibility/shareholder benefit, decreased Commission burden, and fund visibility), while furthering the policy considerations underlying the Proposed Rule.

III. Conditions of the Proposed Rule

A. Control

Invesco believes that the Commission struck the right balance with respect to the control provision of the Proposed Rule[20] for the reasons summarized below:

1. The control provision sufficiently protects acquired funds from the control elements of the 12(d)(1) Concerns without disrupting current investment product offerings or strategies, or creating new or difficult compliance requirements. Within the current Section 12(d)(1) regulatory regime, as well as for other compliance purposes, Invesco believes many advisers already have systems in place to monitor holdings at the "advisory group level" and mirror vote securities (typically preferable to pass-through voting) when appropriate or required.

[17] In the Proposal Release, the Commission notes that given the policy considerations that support private funds having the ability to utilize fund of funds structures (a view Invesco shares), it is appropriate for private funds to request Section 12(d)(1) exemptive relief. *See* Proposal Release at pg. 20.
[18] Proposal Release at pg. 20.
[19] Proposal Release at pgs. 20-21.
[20] Proposed Rule, Section (b)(1).

2. Invesco strongly supports the Proposed Rule's exception from the control and voting conditions in instances where: (i) an acquiring fund is within the same group of investment companies as an acquired fund; or (ii) the acquiring fund's investment sub-adviser or any person controlling, controlled by, or under common control with such investment sub-adviser acts as the acquired funds' investment adviser or depositor.[21] Invesco concurs with the Commission's assertion that such fund of funds arrangements "do not raise the concerns of undue influence that underlie Section 12(d)(1)."[22]

B. Redemptions

Like many of our peers, we have significant concerns with the condition of the Proposed Rule (the "Redemption Condition"), pursuant to which an acquiring fund that acquires more than 3% of an acquired fund's outstanding shares would be prohibited from redeeming or submitting for redemption, or tendering for repurchase, more than 3% of an acquired fund's total outstanding shares in any 30-day period.[23] Those concerns are set forth in detail below.

(i) Portfolio Management and Asset Allocation

Under the current fund of funds framework, the flexibility provided allows acquiring funds can to be managed in the best interest of shareholders without regard to redemption concerns. As such, funds of funds that allocate assets due to perceived market triggers can be managed to respond to such triggers quickly in order to position the portfolio in the in the most prudent way suggested by the market events. The Proposed Rule, if adopted, would greatly limit this practice, requiring an acquired fund position to be exited over time, driving up transaction costs, decreasing investment opportunity, and potentially creating harm to shareholders. In light of these risks, the Redemption Condition act as a deterrent in managing a fund, even if the likelihood of the Redemption Condition being triggered was low.[24]

Additionally, circumstances can arise where market sentiment toward an acquired fund may turn negative, driving general outflows of the fund for a sustained period. The Proposed Rule places an unfair restriction on an acquiring fund holding such fund's shares, because unlike a large institutional investor or other type of investor not within the scope of the Proposed Rule[25] (including a private fund that may be relying on exemptive relief), the acquiring fund would need to slowly exit its position and maintain exposure to the negative outcomes associated with investment in the acquired fund that drove investor sentiment against it in the first place. Such circumstance could also have an exacerbating effect, because as other investors redeem (while the acquiring fund essentially "sits on the sidelines"), the proportionate size of the acquiring fund's holding will continue to increase, potentially lengthening the amount of time required to fully liquidate the position.

Further, by incentivizing acquiring funds toward investment in larger funds or funds that trade on the secondary market, an acquiring fund relying on the Proposed Rule could potentially miss out on quality investment options for its shareholders. In particular, novel and emerging fund

[21] Proposal Release at pg. 38.
[22] Proposal Release at pg. 38.
[23] Proposal Release at pg. 47.
[24] As a practical matter, many funds of funds faced with the potential for such negative outcomes would instead avoid the Redemption Condition all together by modifying the fund of funds strategy to rely on a different available exception or by capping holdings in acquired funds.
[25] *See* discussion in Section I of this Comment Letter.

strategies, which would likely exist primarily in smaller funds, would not be as attractive to an acquiring fund as they otherwise would be because of liquidity concerns accompanying the Redemption Condition.

(ii) Competitive Disadvantages for Smaller Funds and Funds Not Traded on the Secondary Market

Due to the investment management limitations and liquidity risks that would arise from the Redemption Condition, it is likely that the Proposed Rule would have the practical effect of driving acquiring funds toward larger funds and funds whose shares are traded on the secondary market (such as ETFs or CEFs). This would create a significant competitive disadvantage for other funds (smaller funds and those whose shares are not traded on a secondary market) that may currently enjoy the benefits of significant acquiring fund investment. As such, Invesco believes that the Redemption Condition would have a detrimental impact on the competitive landscape for funds and would be an unintended consequence of the Proposed Rule.

(iii) Liquidity Risk Management Programs

The Redemption Condition implicates the redeemable nature of a fund's securities generally. As such, it would also call into question classifying fund shares as "highly liquid" for purposes of a LRMP. In addition to the compliance burdens that would be associated with monitoring and reclassifying fund shares in an LRMP, since registered open-end funds cannot invest more than 15% of net assets in illiquid securities, the Redemption Condition may preclude many fund of funds strategies. In addition, if an acquiring fund were to inadvertently find itself in breach of the 15% limit (for example due to a decrease in the size of the acquired fund), the program administrator may not be able to devise a viable plan to bring the acquiring fund's illiquid assets below 15%.

Further, as discussed above, given that a period of broad redemption in an acquired fund could significantly exacerbate the difficulty of liquidation (due to such mass redemptions continuing to lower the shares outstanding while the acquiring fund waits for the next opportunity to redeem additional shares), an accurate categorization of open-end fund shares for LRMP purposes could be exceptionally difficult.

(iv) Orderly Wind-Up of Liquidating Funds

The Redemption Condition could have a significant impact on an acquiring fund's ability to liquidate in an orderly fashion. In instances when a fund liquidates, being able to exit all portfolio positions in an efficient manner is critical to the orderly wind-up of the fund's activities and timely distribution of proceeds to the remaining shareholders. The Redemption Condition could potentially prolong this activity, particularly in the case of UITs (contemplated as within the scope of the Proposed Rule), due to their structure and explicit liquidation dates.

Although Invesco believes that such negative ramifications of the Redemption Condition furthers its argument that the Redemption Condition should be reconsidered, Invesco suggests that, at a minimum, any Redemption Condition included in the final rule should contain an exception for fund liquidations. Invesco's view is that fund liquidations, like secondary market sales that are not included in the Redemption Condition, simply do not give rise to the 12(d)(1) Concern that the Redemption Condition is meant to address. To the extent that the Redemption Condition is intended to combat an instance where threat of large-scale redemption could unduly influence an

acquired fund, it is unlikely that such concerns are also present in the case of a threat of fund liquidation (and associated large-scale redemption).

Invesco believes that the 12(d)(1) Concern the Commission seeks to address with the Redemption Condition could be better addressed through an alternative approach, such as making the Redemption Condition permissive, in a manner consistent with Section 12(d)(1)(F) of the 1940 Act ("Section 12(d)(1)(F)"). Invesco believes that the (permissive) Section 12(d)(1)(F) redemption limit would not give rise to the circumstances the Commission described where an acquiring fund could influence an acquired fund to eliminate (or never establish) a limit on redemptions.[26] With the Proposed Rule's required mirror or pass-through voting, along with a permissive redemption condition, an acquiring fund would not have the means to influence an acquired fund to eliminate its limit on redemptions. As Invesco believes that Section 12(d)(1)(F) has been sufficiently effective and, absent industry data of instances where undue influence has occurred within fund of funds arrangements that were structured to rely on Section 12(d)(1)(F), Invesco believes that the permissive approach taken by Congress when adopting Section 12(d)(1)(F) should be utilized for the Proposed Rule as well.

Even if the Commission determines to keep the Redemption Condition in the Proposed Rule without modification, Invesco believes an exception is appropriate in the case of an acquiring fund that is part of the same group of investment companies as the acquired fund. As noted by the Commission, Congress directly contemplated the 12(d)(1) Concerns when it enacted Section 12(d)(1).[27] As such, the fact that an exception from Sections 12(d)(1)(A) and 12(d)(1)(B) of the 1940 Act applies for the same group of investment companies scenarios were adopted with the passage of Section 12(d)(1)(G) of the 1940 Act ("Section 12(d)(1)(G)") demonstrates that Congress did not believe concerns of undue influence were present when the two funds are part of the same group of investment companies. Additionally, Invesco believes that an exception from the Redemption Condition is consistent with the approach that the Proposed Rule takes with respect to the control condition discussed in Section III.A. of this Comment Letter (mandated mirror/pass-through voting). As such, Invesco believes that any Redemption Condition, or similar condition, included in the final rule should carve out fund of funds arrangements where the acquiring fund and acquired fund are part of the same group of investment companies.

IV. Duplicative and Excessive Fees

In general, Invesco believes that the approach to the duplicative and excessive fees 12(d)(1) Concern that is contained in the Proposed Rule is appropriate and would be effective. Invesco applauds the Commission for opting for a governance structure that places the obligation for the determination of appropriateness on the adviser. Such regime will lower administrative burden, and appropriately shift the decision-making to the party (the adviser) in the best position to make the assessment.

As part of the discussion of duplicative and excessive fees included in the Proposal Release, the Commission sought comment on the current disclosure requirements relating to AFFE.[28] After implementing and observing the impact of AFFE disclosure for nearly twelve years, Invesco believes that AFFE disclosures may be more effective for investors if included in risk factors or narrative descriptions, rather than included in the fund's fee table. In most instances (*e.g.,* portfolio turnover and brokerage commissions), the potential of a fund to incur operational or trading costs is disclosed through narrative discussion and/or risk disclosure. Adding an AFFE line item to the fee table gives undue prominence to

[26] Proposal Release at pg. 52.
[27] Proposal Release at pg. 9.
[28] Proposal Release at pg. 74.

the monetary impact of such investment strategy and is inconsistent with the other expense line items included in the table. In fact, to describe AFFE as an "expense" of the fund is not entirely accurate, as the management fee charged to the acquired fund by its investment adviser ultimately impacts the performance of such investment, instead of operating as an expense of the acquiring fund. For this reason, the current Form N-1A treatment of AFFE is different from how AFFE is reflected in the financial highlights of a fund, where AFFE is not deemed a fund expense. Currently required AFFE disclosure therefore creates an inconsistency between prospectus disclosure and the financial statements of the fund, which can lead to investor confusion.

V. Complex Structures

Invesco generally supports the prohibition against triple tiering in the Proposed Rule,[29] but believes that the Commission should consider exceptions for securities lending programs and cash sweep arrangements. Such arrangements are low-risk, cash management activity for residual cash and collateral, do not to involve unnecessarily complex structures or, like other exceptions from the triple tier prohibition contained in the Proposed Rule, implicate the 12(d)(1) Concerns.

VI. Rescission of Rule 12d1-2

Invesco respectfully requests that the Commission reconsider its proposal to rescind Rule 12d1-2.[30] Invesco believes that the enactment of Section 12(d)(1)(G) supports the premise that Congress does not believe that the 12(d)(1) Concerns are applicable in cases where the acquiring fund and acquired fund are part of the same group of investment companies. Since Rule 12d1-2 merely provides greater flexibility to invest in other securities besides the funds in the same group of investment companies, but does not provide an exception from 12(d)(1)(A) for any such investments that are in other funds, Invesco does not see the need or benefit of subjecting such funds to the conditions contained in the Proposed Rule. If enacted in its current form, the Proposed Rule would create a circumstance where a fund investing all of its assets in funds in the same group of investment companies, as well as money market funds, could continue to rely on Section 12(d)(1)(G) (*i.e.,* avoid the conditions contained in the Proposed Rule), but if that same fund were to also invest in a single stock or bond, it would need to "convert" to relying on the Proposed Rule. Given that, in the example provided, the Commission is comfortable with fund of funds arrangements covered by Section 12(d)(1)(G), it seems reasonable that investment in a single stock or bond should not suddenly change the analysis of the fund of funds character.

Further, the rescission of Rule 12d1-2 would create an additional compliance burden that outweighs the benefits of standardization of fund of funds under the Proposed Rule. As Invesco believes that Section 12(d)(1)(G) and Rule 12d1-2, operating in concert, do not create a particularly complex regulatory regime, do not increase the risks associated with the 12(d)(1) Concerns, and would be complementary with other provisions of the Proposed Rule, we advocate that the Commission leave Rule 12d1-2 intact.

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[29] Proposal Release at pg. 77.
[30] Proposal Release at pg. 87.

Conclusion

Thank you for the opportunity to submit this Comment Letter and for your consideration of our analysis. Questions regarding this Comment Letter may be directed to the undersigned.

Sincerely,

Invesco Ltd.

By: Jeff Kupor

Head of Legal, Americas

CC: The Honorable Jay Clayton

The Honorable Kara M. Stein

The Honorable Robert J. Jackson Jr.

The Honorable Hester M. Peirce

The Honorable Elad L. Roisman

Ms. Dalia Blass, Director, Division of Investment Management