



May 2, 2019

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

Re: Comments on Proposed Rule 12d1-4, File Number S7-27-18

Dear Secretary Fields:

Thank you for the opportunity to comment on the above-referenced proposed rule to streamline and enhance the regulatory framework related to funds that invest in other funds or “fund of funds.” Although comprehensive in many respects, the proposal makes a critical omission by not addressing the closed-end fund industry and, in particular, abuse of the current rules by activist managers as they target closed-end funds.

As an attorney, CFA, closed-end fund board member and shareholder, I have witnessed activist abuse and its detrimental effect on closed-end funds and their shareholders. Activist managers have increasingly taken advantage of the existing regulatory framework. They target a closed-end fund with the goal of a quick return, irrespective of the interests of the fund’s long-term investors.

I join with other parties in urging the Commission to revise the proposal to implement protections against this activist investor activity. Most importantly, the Proposed Rule should be updated to ensure that an acquiring fund and its affiliate group are limited to an aggregate ownership of 3 percent. The aggregate ownership rules should include all accounts managed by an investment adviser or its affiliate for the purpose of ownership limitations.

Activism, for short term results at closed-end funds, is detrimental to the fund’s long-term investors and small shareholders. I urge the Commission to act to end the existing abuses. I appreciate this opportunity to comment on the Proposed Rule.

Very truly yours,

Kinchen C. Bizzell