May 2, 2019

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

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

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." I believe the proposal makes a critical omission by not addressing the closed-end fund industry and, in particular, circumvention of the current rules by activist managers as they target closed-end funds for personal short term gain.

As a closed-end fund shareholder, I have witnessed this activity firsthand and the detrimental effects it has on a closed-end fund and its shareholders. Activist managers have increasingly been exploiting the existing regulatory framework by targeting a closed-end fund with the goal of a short term return without regard for the interests of its long term investors.

Section 12(d)(1) of the Investment Company Act of 1940, as amended (1940 Act) was designed to protect closed-end funds from investment company investors that could detrimentally impact the funds' management or operations. Section 48(a) of the 1940 Act prohibits a person from doing indirectly any activity that could not be done directly. I believe the proposed rule disadvantages closed-end funds by failing to impose limitations on ownership by private investment companies, hedge funds, and their affiliated entities.

The 3% aggregate ownership limit of Section 12(d)(1) should be made applicable to all funds and accounts managed by an investment adviser / group / manager or its affiliate(s). Activist managers are currently circumventing these limits by using multiple vehicles and separate accounts to exceed the 3% aggregate ownership limit. The activist manager then often seeks a self-serving liquidity event such as a tender offer, liquidation, or conversion to an open-end fund in an attempt to realize net asset value and a short term profit at the expense of long term shareholders.

I urge the Commission to implement protections against this activist manager activity and to ensure that closed-end funds remain a vital part of the capital markets system and continue to provide a permanent, stable pool of capital.

Sincerely,

Carter Austin