May 2, 2019

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

Re: Comments to Proposed Rule 12d1-4, File Number 57-27-18

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.” 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.

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 taking advantage of the existing regulatory framework by targeting a closed-end fund with the goal of a quick return without regard for the interests of its long term investors.

Activist managers typically accomplish this goal by submitting proposals to the closed-end fund to liquidate, open-end or execute a tender offer. All of these outcomes are detrimental to the Main Street investors who typically own closed-end funds for long term exposure to specific investment strategies, scale and a steady distribution stream. Unlike activist managers, Main Street investors don’t often have the knowledge and resources to take advantage of corporate events like tender offers. After the activist managers tender their shares in the offering, the Main Street investors who didn’t tender are left with a fund whose scale is substantially diminished and higher expense ratios.

I join with other parties in urging the Commission to revise the proposal to implement protections against this activist investor activity. Not taking action to mitigate these abuses would be a missed opportunity jeopardizing the closed-end fund industry, many of its investors, and the securities markets as a whole.

Sincerely,

Peter Baldino,