

**Bulldog Investors, LLC. 250 Pehle Bulldog Investors, LLC, 250 Pehle Avenue, Suite 708
Saddle Brook, NJ 07663 //201-556-0092**

May 6, 2019

Ms. Vanessa A. Countryman
Acting Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Fund of Funds Arrangements (File No. S7-27-18)

Dear Secretary Cunningham:

A number of commenters who receive compensation directly or indirectly from closed-end funds have requested that the Commission adopt measures to protect the directors and managers of closed-end funds from activist investors. For example, in a letter dated May 2, 2019, Jeffrey Priest, the President, Chief Executive Officer, and a director of General American Securities Company, bemoaned what he claims is the harm caused by activist investors to stockholders of closed-end funds. We believe the true motive of these commenters is to protect their own economic interests by limiting the ability of activist investors to acquire shares of closed-end funds, thus making proxy contests cost ineffective. Unsurprisingly, Mr. Priest failed to note that he received more than \$2 million in 2018 for managing that fund's rather plain vanilla portfolio and that its shares trade at a wide discount from their net asset value.

Importantly, there is no basis for the Commission to consider the sort of protectionist measures these commenters advocate, i.e., there is nothing in the text or legislative history of the Investment Company Act of 1940 (the Act) that supports their negative view of investor activism. In particular, there is no evidence that Congress intended §12(d) of the Act to have an anti-takeover effect or to limit the ability of shareholders to bring about policy changes like open-ending or liquidating closed-end funds that trade at persistently wide discounts. Rather, §12(d) was a legislative response to conflicts of interest and self-dealing by insiders of investment companies.

We note that, unlike stockholders of an open-end fund, stockholders of a closed-end fund lack the ability to redeem their shares. Consequently, there is virtually no way for stockholders of a closed-end fund to hold its managers or directors accountable for poor performance, excessive advisory fees or the failure to address a persistently wide discount other than the threat of a proxy contest. Nevertheless, this is not the place to debate the merits of investor activism. Nor should the Commission be sidetracked into taking sides on this issue. Rather, the Commission should focus exclusively on whether

the final rule will increase the likelihood of the abuses that gave rise to the adoption of the Act's restrictions on investment companies investing in other investment companies, namely conflicts of interest and overreaching by insiders.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Phillip Goldstein", with a stylized flourish at the end.

Phillip Goldstein
Managing Member