



June 27, 2025

***Re: File SR-ChoeBZX-2025-072***

*Notice of Filing of a Proposed Rule Change to Exempt Closed-End Management Investment Companies Registered Under the Investment Company Act of 1940 that are Listed as of or after May 20, 2025 from the Annual Meeting of Shareholders Requirement Set Forth in Exchange Rule 14.10(f)*

Dear Commission,

I write to express my strong opposition to the proposed rule change by the exchange, which would exempt closed-end management investment companies registered under the Investment Company Act of 1940 from the annual shareholder meeting requirement set forth in Exchange Rule 14.10(f).

This proposed exemption is a regressive step that would weaken shareholder rights, erode corporate governance standards, and further entrench underperforming management teams at the expense of investor accountability. Eliminating the requirement for an annual meeting removes one of the few meaningful opportunities that shareholders have to evaluate and influence the performance of a closed-end fund's board.

**1. Annual Meetings Are Essential to Shareholder Democracy**

Annual meetings serve as a fundamental mechanism for investor voice, engagement, and oversight. Closed-end funds already present structural governance challenges, including: Externally managed structures, which can give rise to conflicts of interest; insulated boards, often dominated by long-tenured directors or fund sponsor affiliates; and persistent NAV discounts, with limited responsiveness to shareholder concerns. Exempting these funds from annual meetings exacerbates all of these issues by eliminating even the possibility of timely board refreshment or input on strategy.

**2. The Proposed Rule Change Disincentivizes Accountability and Transparency**

In recent years, investor frustration with closed-end fund governance has been driven by management teams and boards refusing to engage constructively with shareholders or take action to close persistent discounts. Rather than addressing these concerns through stronger governance practices, this proposal would reward opacity and discourage responsiveness.

**3. The Proposal Is Inconsistent with the SEC's Mandate and Market Integrity**

Granting a broad exemption for an entire class of issuers undermines the integrity of public capital markets. The SEC has long emphasized the importance of robust corporate governance and investor protections as pillars of market confidence. This rule, if adopted, sends the opposite message: that efficiency for issuers outweighs accountability to investors. Furthermore, the proposed rule undercuts the very purpose of Exchange Rule 14.10(f), which is to ensure that all shareholders — including those in closed-end funds — have a baseline right to participate in the governance of the entities they own.



#### **4. There Is No Demonstrated Need for This Change**

Proponents of the exemption have not adequately demonstrated a market failure or structural hardship that would justify eliminating the shareholder meeting requirement. On the contrary, many of the closed-end funds most resistant to annual meetings are the very ones whose governance merits closer scrutiny.

#### **Conclusion**

For the reasons outlined above, I urge the Commission to reject this proposed rule change. Shareholders in closed-end funds — like shareholders in all public companies — deserve basic rights of participation and accountability. Annual meetings are not a procedural burden; they are a cornerstone of investor protection.

Thank you for considering this comment.

Sincerely,  
Gabi Gliksberg