

July 21, 2020

Ms. Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE Washington, DC 20549-7010

Re: Release No. IC-33845; File No. S7-07-20; Good Faith Determinations of Fair Value

Dear Ms. Countryman:

Refinitiv welcomes the opportunity to submit comments on the Securities and Exchange Commission's ("SEC" or "Commission") proposed Rule 2a-5 (the "Proposed Rule") on Fair Value Determination that addresses valuation practices and the role of the board of directors of a registered investment company, or a business development company ("Investment Advisor or Advisor").

Refinitiv is one of the world's largest providers of financial markets data and infrastructure, serving over 40,000 institutions in over 190 countries. Refinitiv Evaluated Pricing Service has professionals and support staff globally responsible for the evaluation of global fixed income and derivative securities. Our goal is to produce a fair market value where market participants would transact given normal trading conditions. Our key clients include some of the largest asset management firms, global banking institutions and fund administrators.

We appreciate the importance of the Proposed Rule in developing a modern approach to the determination of fair value under the Investment Company Act of 1940 which identified pricing services as a key element in the determination of fair value. We recognize the important role pricing services play in the valuation of securities held by investment firms and their ability to impact net asset values of funds.

In reference to the section of the rule on pricing services, specifically questions 10 and 11, we are in agreement that financial institutions should oversee the pricing services responsible for valuing their holdings. Certain institutions with established operational risk programs currently oversee and monitor vendors including hosting due diligence meetings, questionnaires and maintaining vendor scorecards. As part of their annual due diligence, Investment Advisors review the adequacy of pricing services and the expected service level which factors into their selection process. Unless a pricing service becomes a valuation risk to the Advisors' ability to determine fair value, more frequent review of the selection will be burdensome to both the Advisor and the pricing service without the added benefit. Investment Advisors should also consider any service provider that plays a direct part in the analysis and valuation of securities. Such vendors include providers of security master data, corporate actions, cash flow modeling and/or analytics.

The Proposed Rule should better define pricing services to ensure there are no misinterpretations of who qualifies as one. Evaluating securities includes a high level of rigor and expertise that requires deep data sets and analytics, expert judgement, and the right infrastructure in order to ensure demands from the industry are met.

Pricing services are highly dependent on data and analytics to calibrate models, determine fair value and back-test their pricing against market observations. The key data set includes but is not limited to trade observations as reported on FINRA's TRACE and MSRB, and broker dealer quotes aggregated from the dealer community. Such information is particularly useful in selecting the appropriate methodologies and in identifying market trends. Although TRACE and MSRB have provided transparency in the U.S Treasury, Corporate, Asset-Backed Securities and Municipal Bond markets, other securitized products have lagged behind, particularly in Non-Agency RMBS, CMBS, CLO and Syndicated Bank Loans. With the recent market volatility, aggregating data points and back-test evaluations for asset classes where observable transactions were non-existent became challenging. In light of these circumstances, we respectfully ask the SEC to leverage its relationship with FINRA and consider expanding the reporting of transactions for asset classes beyond the existing ones. The reporting of transactions for additional asset classes will greatly assist the pricing services with the transparency required to improve evaluation in less liquid asset

classes. Such trade data can ideally be disseminated to the pricing services by the Fund Administrators on an anonymous basis.

The pricing services provide an invaluable service of valuing securities on a large scale with the goal of ensuring that fair value is defensible. Refinitiv Evaluated Pricing Service works closely with its clients to provide the transparency needed to defend its levels. Although this is an integral part of our service, we believe that the ultimate defense of fair value should reside at the Advisor. Irrespective of the operational risk program the pricing service has in place, this should not be at the expense of the controls that should reside at the Investment Advisor. We respectfully ask that the proposed rule clarifies this point to ensure that the Board of Directors are fully aware that defensible fair value should remain their priority, ensuring robust internal controls to manage valuation risk.

In conclusion, Investment Advisors should oversee the pricing services and consider other vendors that supply information directly impacting fair value. Transparency and observable transactions are key components of a robust evaluation process and having access to such data will improve the recalibration of models and back-testing for particular asset classes. In light of the importance that pricing services play, the primary goal in determining fair value should ultimately remain at the Advisor as they have a fiduciary duty to their investors to ensure that assets and funds are valued in accordance with fair value.

Refinitiv appreciates the opportunity to comment on the Commission's Proposed Rule. We would be pleased to provide any further information or respond to any questions that the Commission or the staff may have.

Sincerely,

/s/ Joseph Hayek

Joseph Hayek
Compliance and Controls Officer
Refinitiv Evaluated Pricing Service

cc: The Honorable Jay Clayton
The Honorable Hester M. Peirce
The Honorable Elad L. Roisman
The Honorable Allison Herren Lee
Dalia Blass, Director, Division of Investment Management