T. Rowe Price®
INVEST WITH CONFIDENCE

Filed electronically via email (rule-comments@sec.gov)

August 16, 2022

Ms. Vanessa A. Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Re: Investment Company Names (File No. S7-16-22)

Dear Ms. Countryman:

T. Rowe Price[1] appreciates the opportunity to provide our views on the SEC's proposal to amend Rule 35d-1 ("**Names Rule**") under the Investment Company Act of 1940 ("**1940 Act**") and certain related forms.[2]

T. Rowe Price Associates, Inc. is a sponsor and investment adviser to over 200 proprietary mutual funds and exchange-traded funds ("**T. Rowe Price Funds**"), which represented approximately $657 billion of T. Rowe Price Group, Inc.'s assets under management as of June 30, 2022. T. Rowe Price also serves as an investment subadviser to other unaffiliated investment companies. Although we employ a variety of investment styles and strategies, T. Rowe Price is well known for its fundamental research capabilities and active management, meaning that most of our funds' portfolios are constructed by investment professionals who focus on detailed industry and company analysis, while taking into account a wide variety of factors, such as earnings growth, valuation, and underlying company fundamentals, in an effort to select the best opportunities for their particular portfolio. As a result, we are well suited to provide feedback on the challenges created by the Proposal, in particular the expansion to include the terms "growth" and "value" under the Names Rule. We are concerned about potential dampening effects on active management and strongly encourage the SEC to reconsider certain components of the Proposal.

T. Rowe Price is a member of the Investment Company Institute and SIFMA's Asset Management Group. Each of those organizations submitted a comment letter on the Proposal that we broadly support. However, we would like to emphasize certain aspects of the Proposal that we believe could benefit from clarification or revision, highlight aspects of the current Names Rule that continue to work well and should not change, and offer our unique perspective on certain aspects of the Proposal.

The following summarizes our primary comments on the Proposal:

- The scope of the Names Rule should not be expanded to require an 80% investment policy for investment strategies, terms suggesting a focus on investment or issuers with particular characteristics, and other highly subjective terms, such as growth and value, that are not easily quantifiable.

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[1] T. Rowe Price Associates, Inc. and its affiliates ("**T. Rowe Price**") serve as investment advisers to numerous individuals, institutions and pooled investment vehicles around the world, with approximately $1.31 trillion in total assets under management as of June 30, 2022.

[2] *See* Investment Company Names, Release Nos. 33-11067, 34-94981, and IC-34593 (May 25, 2022); 87 Fed. Reg. 13846 (March 10, 2022), available at https://www.sec.gov/rules/proposed/2022/ic-34593.pdf (the "**Proposal**")

T. Rowe Price Associates, Inc.
www.troweprice.com
T 410-345-2000
T 800-638-7890
100 East Pratt Street
Baltimore, MD 21202-1009
P.O. Box 89000
Baltimore, MD 21289-0316

- The Names Rule should retain the "under normal circumstances" standard for 80% investment policies and greater flexibility to depart from such policies.
- The SEC should take a more flexible approach with respect to the treatment and valuation of derivatives for purposes of the Names Rule to avoid distortions arising from derivatives not used to gain investment exposure.
- The SEC should reconsider the Form N-PORT and recordkeeping requirements.

Names Rule Should Not Extend the 80% Test to Subjective Terms

The Proposal would expand the scope of the Names Rule to apply to any fund name with terms suggesting that the fund focuses on investments that have, or whose issuers have, "particular characteristics." Further, the SEC indicates in the Proposal that even where a fund's name could be construed as referring to an investment strategy, it nevertheless can also connote an investment focus, and that this connotation is likely to be materially deceptive and misleading unless supported by an 80% investment policy. This expansion would include fund names with terms such as "growth, "value," "income," and ESG-related terms. Similar to the current Names Rule, a fund with one of these terms in its name would be required to adopt a policy to invest at least 80% of its net assets in accordance with the term.

We strongly oppose this proposed expansion, which we believe would result in a more complex, subjective version of the Names Rule that does little to help investors. The overarching goal of Section 35(d) and the Names Rule is to prevent the use of materially deceptive or misleading fund names. While we can appreciate that there may be confusion among investors as to ESG-related terms, we are not aware of investor confusion arising from terms like growth, value, and income, or that fund names with these terms have been found to be materially deceptive or misleading, and so we do not believe that the proposed expansion of the Names Rule to include these terms would provide any meaningful benefit. As we discuss below, however, we see significant downsides to the Proposal, as the expansion of the Names Rule to terms like growth and value would introduce significant compliance and operational challenges, interpretive issues, and could be disruptive to the investment process by unnecessarily restricting a portfolio manager's flexibility to manage portfolios in the best interests of funds and their shareholders.

The 80% investment policy requirement under the Names Rule has proven to be effective for terms with objectively measurable investment attributes such as stock, bond, or a focus on a geographic area. The ability to objectively quantify these terms in the context of an 80% investment policy has fostered a well-established framework that aligns fund names with investors' expectations and allows for clear investment compliance monitoring solutions. However, the inclusion of terms like growth and value that are inherently subjective would lead to confusing and inconsistent applications of the 80% investment policy requirement across the fund industry, raise considerable interpretive issues for the SEC and funds' advisers, and increase funds' compliance risk.

For example, it is widely accepted and easily quantified that a Stock Fund would invest 80% in stocks, a Bond Fund would invest 80% in bonds, or a Europe Fund would invest 80% in European issuers. Both fund advisers and data providers have developed relatively uniform protocols for monitoring such policies that we believe are consistent with the expectations of the SEC and fund shareholders. On the other hand, a Growth Fund's strategy could be implemented in a variety of ways, including using an adviser's proprietary analysis or relying on a growth index. A portfolio manager of one growth-oriented fund could have different views and employ different criteria for selecting growth stocks than another growth fund portfolio manager and there is no consensus among data providers as to what constitutes a particular growth or value stock or a growth or value strategy. As a result, there

is far too much variation and subjectivity in the ways these investment strategies are implemented to justify expanding the reach of the 80% investment policy requirement.

These highly subjective terms and their impact on portfolio construction are best described to investors through a fund's strategy and risk disclosure in its prospectus, as opposed to requiring the adoption of a policy to invest at least 80% of a fund's assets in holdings that meet certain criteria that are not necessarily quantifiable. The T. Rowe Price Funds that employ growth or value strategies generally rely on T. Rowe Price's proprietary analysis to identify and select appropriate securities. However, each portfolio manager may have different views on which attributes and fundamentals should be evaluated or weighed more heavily.

This is illustrated by the principal strategies set forth in the T. Rowe Price Mid-Cap Growth Fund prospectus:

> As "growth" investors, the fund's manager believes that when a company's earnings grow faster than both inflation and the overall economy, the market will eventually reward it with a higher stock price. In selecting investments, we generally favor companies with one or more of the following:
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> - proven products or services;
> - a record of above-average earnings growth;
> - demonstrated potential to sustain earnings growth;
> - connection to an industry experiencing increasing demand;
> - or stock prices that appear to undervalue their growth prospects.

This is also illustrated by the principal strategies set forth in the T. Rowe Price Value Fund prospectus:

> In taking a value approach to investment selection, the adviser seeks to identify companies that appear to be undervalued by various measures, and may be temporarily out of favor, but have good prospects for capital appreciation. In selecting investments, the adviser generally looks for one or more of the following:
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> - low price/earnings, price/book value, price/sales, or price/cash flow ratios relative to the broader equity market, a company's peers, or a company's own historical norm;
> - low stock price relative to a company's underlying asset values;
> - companies that may benefit from restructuring activity;
> - and/or a sound balance sheet and other positive financial characteristics.

We believe these disclosures provide a reasonable investor with adequate information regarding how the funds are managed and allows them to make an informed investment decision. In crafting prospectus disclosures for the T. Rowe Price Funds, we do not merely employ these same disclosures for all of the growth-oriented and value-oriented T. Rowe Price Funds. Recognizing that each portfolio manager has their own unique set of qualitative and quantitative criteria that they evaluate when selecting investments, we work closely with relevant investment personnel to seek to appropriately tailor the prospectus disclosure and other investor materials to capture the essence of that particular strategy.

Just as different growth and value portfolio managers can rely on varying company attributes, there are no precise definitions or standardized criteria used by data and index providers to classify a stock as either growth or value. We believe that the leading data providers can differ substantially in how they characterize such securities. Data providers can overweight or underweight a wide array of factors, or not even consider certain factors, such as book-to-price ratios, earnings-to-price ratios, sales-to-price ratios, earnings-to-price ratios, sales-to-price ratios, historical earnings per share, historical sales per share, etc. These differences in factor application and timing can lead to discrepancies across data providers and result in a particular stock transitioning back and forth from one

category to another or being simultaneously classified as both growth and value in the marketplace, which underscores the inherently subjective nature of classifying such securities.[3] Stated differently, we believe that the Proposal could have the opposite effect of suggesting a level of precision with regard to identifying growth or value stocks that in practice does not exist.

This is incredibly important because the practical effect of the Proposal would be that any fund with growth or value in its name would need to tag every stock in its portfolio as qualifying as growth or value for recordkeeping and investment compliance monitoring purposes, which would lead to significant operational issues and compliance system updates. Generally, to promote consistency and avoid any conflicts of interest, a particular security is set up in our systems with the same attributes that are then applied to compliance monitoring and other systems in the same manner for all funds and client accounts that hold that security. We strive to build scalable, automated compliance monitoring, which involves relying on reference data and feeds into our systems for certain attributes from third party data providers whenever practical in monitoring 1940 Act restrictions. This works well to objectively identify a security as a stock or bond, assign a particular country to an issuer, or classify a stock by market capitalization (e.g., small-cap or mid-cap).[4] Currently, we do not believe that reference data from these vendors is readily available to feed into our compliance systems for growth and value and, if it becomes available, these data providers will likely use different definitions and criteria than other data providers and fund advisers. This will lead to confusion and unnecessary complexity, as well as inconsistent applications of the 80% investment policy requirement across growth and value funds. Further, it may result in diverting time and attention of investment personnel away from managing funds to instead justifying and documenting fund holdings' growth or value classifications.[5]

Substantial compliance system updates would be necessary to enable us to test and monitor growth, value, and other subjective "particular characteristics" if they become subject to an 80% investment policy under the Names Rule. Although we could potentially develop monitoring of these terms based on a particular portfolio manager's investment philosophy, this does not lend itself to automated compliance monitoring. The Proposal would upend well-established portfolio compliance models that rely on classifying individual securities to particular rules or guidelines. These rules are most effective when capturing objective security attributes (e.g., capitalization size, country of domicile, etc.) and when in place, are well-suited to protect investor interests by identifying exceptions in and across accounts with similar strategies and guidelines. As described above, because the Proposal seeks to classify securities on subjective attributes that can vary from fund to fund, the benefit from a standardized approach is lost. As a result, manual processes would need to be built to tag each investment on a tailored fund-by-fund basis and feed it into the compliance system to ensure the 80% compliance test is being met. Such processes would introduce significant costs, some or all of which may be borne by shareholders, and operational risk to the investment process. As an asset manager sponsoring over 200 investment companies, a significant number of which would be subject to the proposed amendments to the Names Rule, in many cases a number of

[3] For example, as of March 31, 2022, more than half of the constituents of the Russell 1000 Growth Index were also included in the Russell 1000 Value Index.

[4] Even with market capitalizations, certain data providers have different classifications assigned to issuers, but these do not vary to the same extent as the classifications for value and growth. The current Names Rule allows funds to use any reasonable definition of small-, mid-, or large-cap and explain the definition in their prospectuses. This has worked well because, despite some discrepancies among data providers, the classification relies on objective criteria.

[5] These problems could be exacerbated in situations where T. Rowe Price serves as investment subadviser for a portion of another unaffiliated fund's portfolio and another subadviser could reach a different conclusion on the same investment due to different definitions, criteria, and/or data.

characteristics would have to be analyzed and coded for the same security as it could potentially be held in a range of funds with different names and investment strategies.[6]

Even beyond these practical difficulties, we are deeply concerned that the subjective nature of these types of assessments could ultimately affect portfolio management by forcing the untimely sale of holdings despite an appropriate evaluation of the security by a portfolio manager. For example, consider a scenario where a number of rapidly growing companies miss earnings during a widespread market correction. Many of these stocks may temporarily lose their classification as growth stocks and be dropped from growth indexes, even where a portfolio manager might reasonably still have conviction in the companies' underlying fundamentals and believe that the stocks remain suitable investments for the fund's overall strategy. Forced selling and buying to gain or regain compliance with an 80% investment policy could be detrimental to funds and their shareholders, potentially resulting in adverse tax consequences, additional transaction costs, and impacts to diversification or other 1940 Act tests. And we do not believe that, in every case, the recalibration of the portfolio would be necessary to render the fund's name not misleading. Portfolio managers use their skill and ability to make well-informed qualitative and quantitative judgments about how to pursue the fund's investment strategy, consistent with their fiduciary duties. The SEC should not try to replace that judgment with a rigid mathematical test based on shifting subjective classifications.

All of this could lead to new funds using more generic names and current funds shifting to less descriptive names to avoid interpretive ambiguity and unnecessary compliance challenges, none of which would benefit investors. When the Names Rule was adopted, the SEC recognized that "an investment company's name, like any other single piece of information about an investment, cannot tell the whole story about the investment company."[7] While the SEC has rightly encouraged investors to look beyond a fund's name, the broader use of more generic fund names will ultimately convey less initial information about a fund and make distinguishing between certain funds more challenging. We do not believe that the absence of an 80% investment policy vis-à-vis growth or value in any way diminishes investors' ability to access appropriate information. A reasonable investor would expect a growth fund to overall perform like a growth fund and the portfolio manager to seek stocks with growth characteristics but would not necessarily expect that the fund must invest a certain amount of its assets in stocks that must be validated every day as meeting arbitrary "growth" characteristics. Now more than ever and much more so than when the Names Rule was adopted, investors have access to many sources and a wide variety of information to evaluate funds (e.g., robust fund and third-party websites, Morningstar fact sheets, etc.) that help them to make decisions when choosing among the many growth and value funds in the marketplace.

Beyond growth, value, income, and the other examples provided in the Proposal, we are very concerned with the expansion of the Names Rule to also include any terms suggesting a focus on investments or issuers with particular characteristics. For many of the same reasons that growth and value are not properly addressed through the formulation of an 80% investment policy, this expansion would foster even further ambiguity, subjectivity, and interpretive questions. The Proposal helpfully provides examples of certain terms that would not be subject to the amended Names Rule. Importantly, the Proposal states:

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[6] Companies like Federal Express and UPS, for example, would be large-cap companies in the transportation sector that, given the package delivery business, could be considered an e-commerce play. Other factors particular to each company might suggest that one or both could be considered a growth or value investment.

[7] *See* Section I of Investment Company Names, SEC Release No. IC-24828 (Jan. 17, 2001), available at https://www.sec.gov/rules/final/ic-24828.htm

> "[T]here would continue to be fund names that would not require the fund to adopt an 80% investment policy because the names would not connote an investment focus under the proposal. For example, these would include names that reference characteristics of a fund's portfolio as a whole, or that reference elements of an investment thesis without specificity as to the particular characteristics of the component portfolio investments. We do not believe that such names suggest that the fund focuses its investments in any of the ways covered under the proposed expanded scope, though such names would continue to be subject to section 35(d)'s prohibition on materially misleading or deceptive names, and funds with these names would continue to be subject to the anti-fraud provisions of the federal securities laws regarding disclosures to investors. These names would include, for instance, names that suggest characteristics of the fund's overall portfolio...."[8]

We strongly believe that funds that employ a growth or value bias in their stock selection are exactly that – characteristics of a fund's portfolio as a whole – and thus should fall squarely within these types of strategies that are specifically excluded in the Proposal. Income is a good example of how the determination can differ based on the context in a fund's name. The term income may refer to a security type such as a fixed income instrument or an income-producing instrument. However, it may also describe an overall outcome or strategy that does not lend itself to an 80% investment policy. For example, the T. Rowe Price Equity Income Fund includes two terms that would be subject to the amended Names Rule. It would be difficult for that fund to comply with the Names Rule if it were forced to adopt an 80% investment policy with respect to "equity" and a separate 80% investment policy with respect to "income."

For similar reasons, we believe that bond funds with terms suggesting a particular weighted average maturity should continue to disclose an appropriate maturity range applicable to the fund's overall portfolio but should not require an 80% investment policy with respect to such investments. We feel that the current framework, whereby the SEC has required funds to maintain an appropriate dollar-weighted average maturity measured at the portfolio level, continues to work well and comports with investor expectations. We have no evidence that the absence of a policy requiring a fund to invest at least 80% of its assets in securities with particular maturities has misled investors.

The Proposal indicates that funds with "global" in their name will become subject to the Names Rule. While it makes sense that funds may use any reasonable definition of global as long as such policy is not misleading, we do not see any practical way that an 80% investment policy could be adopted for a global fund. Global funds generally represent the broadest investment opportunity set and are designed to invest in a mix of U.S. and non-U.S. issuers. Through the registration statement review process, several T. Rowe Price Funds with "global" in their name have been required by SEC staff to adopt a policy to normally invest at least 40% of assets outside the U.S. and to invest at least 30% of assets outside the U.S. if foreign market conditions are deemed unfavorable. While we welcome the flexibility to develop alternate policies that would align with investor expectations of a global fund, we do not see any reasonable way to develop an 80% investment policy in this context that would be useful to an investor.

Maintain Current Temporary Departure Standard

We encourage the SEC to maintain the current Names Rule approach to temporary departures from an 80% investment policy. The proposed amendments would still permit a fund to deviate from its 80% investment policy but only in certain enumerated circumstances and would require a fund to return to compliance within 30 days with limited exceptions. We encourage the SEC to maintain the ability of funds to invest in accordance with an 80% investment policy "under normal circumstances" and to monitor such compliance "at the time of investment." The

[8] Proposal at 24.

current approach has generally provided sufficient flexibility for portfolio managers and is consistent with how most other 1940 Act restrictions are monitored.

Funds and their advisers have a duty to act in the best interests of fund shareholders. Requiring a fund to limit non-compliance with an 80% investment policy to no more than 30 days under nearly all circumstances essentially imposes a continuous compliance monitoring requirement that, as discussed above, could be disruptive to portfolio management and detrimental to shareholders. We believe that the reasonable expectations of shareholders, particularly during troubled market conditions, would likely support a longer departure from a fund's 80% investment policy when a return to compliance might result in losses and other negative consequences for a fund. A continuous testing regime and 30-day limit could limit a portfolio manager from being able to optimally manage the fund's portfolio or appropriately protect the fund's shareholders from losses. A fund could be forced to sell securities at undesirable prices or at inopportune times to avoid exceeding 30 days of non-compliance, which could generate unwanted capital gains, increase transaction costs, and other unintended adverse consequences.

This could arise in various situations, including a change in a stock's growth or value classification, or an increase in market capitalization where the portfolio manager appropriately wishes to continue to hold that investment. In these cases, we imagine that shareholders would want portfolio managers to implement their investment program without disruption and as they deem appropriate in an effort to maximize returns. It could also arise in the case of significant market corrections or dislocations. While deviations would still be permitted in response to market fluctuations or to take a position in cash or cash equivalents to avoid losses in response to adverse market, economic, political or other conditions, a fund would nevertheless be required to return to compliance as soon as reasonably practicable and in any case within 30 days. Because such conditions could continue beyond that timeframe, we imagine that shareholders would prefer funds have the flexibility to return to compliance in a deliberate manner that best protects shareholders' interests.

Derivatives Considerations

We encourage the SEC to modify the Proposal so that the use of notional values when measuring compliance with an 80% investment policy required by the Names Rule is limited to a subset of derivatives. We also believe it is essential that any changes to the Names Rule clarify that funds continue to have the option to (as opposed to being required to) include derivatives in the numerator.

The following sets out the mechanics of our recommended approach.

- Derivatives Component of the **Numerator**: *To the extent a fund elects to include derivatives, the absolute notional value should be included in the numerator for derivatives that provide long and/or short exposures consistent with the fund's name.*
- Derivatives Component of the **Denominator**: *(a) For derivatives a fund elects to include in the numerator, notional values should be used; and (b) for the fund's other derivative positions, the notional or market value of the derivative should be used depending on the nature of the particular derivative.*[9]

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[9] For example, if a European Stock Fund hypothetically had a long position in Nikkei stock futures, the futures contract should be included in the denominator using its notional amount. In contrast, if a U.S. Large-Cap Stock Fund hypothetically was permitted to invest a portion of its assets in stocks of companies domiciled outside the U.S. and held a related currency derivative for hedging purposes, the denominator should include the currency derivative's market value. We would welcome

- Other items to note regarding the calculation*: Unlike the Proposal, the denominator would not be reduced for cash and cash equivalents; and derivative positions that directly offset each other would be netted (regardless of whether the same counterparty is used).*

Below, we explain the rationale for our recommendations and some of their key benefits.

We encourage the SEC to incorporate our recommended changes to the calculation of the 80% threshold due to the potential for significant negative impacts resulting from the proposed inclusion of notional values of all of the fund's derivatives in the denominator. Thus, even a fund that is not seeking to use any of its derivatives to satisfy an 80% investment policy under the Names Rule would have an inflated denominator that could unjustly cause it to either breach its 80% investment policy and/or negatively influence portfolio management decisions by creating incentives to invest in lower conviction issuers to fill the 80% basket, but which may not be as attractive from an investment or risk profile perspective.[10] As a result, the proposed valuation treatment of derivatives in the denominator would lead to undesirable public policy outcomes by harming a fund's ability to execute its desired investment strategy and would likely lead some funds to consider changing to a more generic name where derivatives can be utilized with fewer constraints. We believe our recommended approach is less likely to produce distorted results because certain derivatives would be included in the denominator based on their market value.

Our recommended changes to the treatment of derivatives under the Names Rule would also generate several benefits. First, it is aligned with one of the SEC's key objectives, increasing consistency and comparability across funds, because it would require notional values to be used for a subset of derivatives. In addition, there would be consistency because derivatives that are included in the numerator would be valued the same way in the denominator (i.e., based on notional amounts in both cases). Also, because we recommend that a fund should have the option as to whether to include derivatives in the numerator, derivatives could be excluded from the 80% basket (i.e., the numerator) in cases where the fund's adviser determines their inclusion using notional amounts would distort the test results.

Our approach also would avoid the complexities of the SEC's proposed exclusion of cash and cash equivalents from the denominator. The SEC's primary rationale for the proposed cash and cash equivalents adjustment appears to be to address concerns that otherwise the denominator may be inflated and make it artificially more difficult for funds to satisfy the Names Rule.[11] The SEC's proposed adjustment for cash and cash equivalents is expected to be operationally complex and burdensome, but more importantly the rationale behind the requirement to make these adjustments does not resonate with us conceptually. For example, the proposed adjustments are unable to account for the fact that funds take varying positions on how much cash and other reserves they hold based on a range of factors, such as net cash flows, shareholder concentration and the ability to meet redemptions, and the fund's overall investment strategy and need to post collateral. Given that our recommended calculation takes a more calibrated approach by only using notional values for a subset of a fund's derivatives, we believe

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the opportunity to further discuss with the SEC staff our thoughts on factors to guide whether notional or market value is appropriate for a particular derivative described in item (b) of the denominator.

[10] For example, a fund subject to the Names Rule may invest in certain currency or interest rate derivatives that are not appropriate for inclusion in the numerator based on the particular fund's name and having to include them in the denominator using notional values (which could be significant) may distort and artificially inflate the denominator. In fact, the Proposal specifically notes that these types of derivatives can have very large notional amounts (see page 55 of the Proposal).

[11] *See* pages 53 and 54 of the Proposal.

there is less risk of a significantly inflated denominator and we do not believe it is necessary to require an adjustment for cash and cash equivalents.[12]

Our recommended approach also addresses concerns with the SEC's proposal to limit the netting to situations involving the same counterparty. We believe that the proposed requirement to have the same counterparty in order for offsetting derivatives positions to be netted and considered closed-out for purposes of the Names Rule is unnecessarily restrictive. The Names Rule should be directed to more basic investor protections and general concepts of investment exposure, whereas counterparty risk is a more technical consideration and is already covered under new Rule 18f-4 governing funds' derivatives practices and the Rule's expectations regarding counterparty risk management apply whether the fund is subject to the full application of the Rule 18f-4 or just its requirements for "limited derivatives users."

Proposed N-PORT and Recordkeeping Requirements

Under the Proposal, funds would be subject to new Form N-PORT requirements, including reporting whether an individual portfolio investment is included in a fund's 80% basket, the total value of a fund's 80% basket (as a percentage of the fund's total assets), and the number of days during the reporting period that the fund was not in compliance with its 80% investment policy. The Proposal would also require funds to maintain written records relating to: which portfolio investments are included in a fund's 80% basket and the basis for including each investment in the basket; the value of a fund's 80% basket as a percentage of the fund's assets; the dates of any deviations from a fund's 80% investment policy together with documented reasons for such deviations; and any notices sent to shareholders under the Names Rule.

These new reporting and recordkeeping requirements would be burdensome to implement and lead to significant costs, some or all of which may ultimately be borne by shareholders, in order to perform daily testing and validation and then map that information to Form N-PORT. These challenges would become even more onerous for funds using derivatives that provide investment exposure relating to a term in the fund's name and for terms without any objectively measurable investment attributes, such as growth or value, that may become subject to an 80% investment policy.

We believe the SEC has dramatically underestimated the costs of operationalizing these requirements and overestimated the potential benefits that it could provide to shareholders, particularly given that Form N-PORT is not a tool that investors typically use to compare funds and make their investment decision.

[12] Nonetheless, if the SEC feels strongly about the merits of such an adjustment, we believe it should be optional as opposed to mandated.

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We thank the SEC for its consideration of our perspective. Please do not hesitate to contact us if we can be of further assistance.

Sincerely,

/S/

Brian R. Poole
Managing Legal Counsel

/S/

Bob Grohowski
Head of Legislative & Regulatory Affairs