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July 30, 2024

Vanessa A. Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549–1090

Via Email

Re: Notice of Filing of Proposed Rule Change to Amend Section 302.00 of the NYSE Listed Company Manual to Exempt Closed-End Funds from the Requirement to Hold Annual Shareholder Meeting, Release No. 34-100460; File No. SR-NYSE-2024-35

Dear Ms. Countryman:

Teachers Insurance and Annuity Association of America ("TIAA"), along with its wholly-owned asset management affiliate Nuveen, LLC ("Nuveen"), is pleased to submit this comment to the U.S. Securities and Exchange Commission (the "SEC" or "Commission") expressing our strong support for the New York Stock Exchange's ("NYSE") proposed amendments to Section 302.00 of the NYSE Listed Company Manual (the "Manual") that would exempt closed-end funds ("CEFs") listed on the NYSE from the requirement to hold a shareholder meeting every year (the "Proposal").[1] For more than 80 years, CEFs have helped American investors, many of whom are retired or saving for retirement, reach their long-term financial goals by offering steady, diversified streams of income. TIAA is the leading provider of retirement services to participants in the academic, research, medical, and cultural fields, and Nuveen is a leading sponsor of CEFs in the United States. Given our organization's experience, we are deeply committed to ensuring that CEFs can protect themselves and the many retirees who invest in them from attacks by activist investors looking to enrich themselves. We echo the arguments made in the comment letter submitted to the Commission by the Investment Company Institute (the "ICI") regarding the current requirement that CEFs hold annual shareholder meetings – namely, that

[1] *Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change Amending Section 302.00 of the NYSE Listed Company Manual to Exempt Closed-End Funds Registered Under the Investment Company Act of 1940 from the Requirement to Hold Annual Shareholder Meetings*, 89 Fed. Reg. 56447 (July 9, 2024), *available at*: https://www.govinfo.gov/content/pkg/FR-2024-07-09/pdf/2024-15037.pdf.

the requirement is not necessary or helpful given the statutory protections the Investment Company Act of 1940 (the "40 Act") already provides, is unnecessarily burdensome and costly for CEF investors, and, most concerning of all, is ripe for misuse in ways that directly undermine the safeguards the 40 Act seeks to establish for CEF investors. What's more, the fact that the Manual does not require any other listed investment company registered under the 40 Act other than business development companies ("BDC's") (*e.g.,* mutual funds, exchange-traded funds, money market funds, etc.) to hold an annual shareholder meeting makes this requirement for CEFs even more inappropriate and baseless. For these reasons, we strongly urge the SEC to approve the NYSE's proposed amendments.

As ICI notes in its comment letter, the annual shareholder requirement for CEFs is a remnant of obsolete listing standards that date back to a time before the 40 Act when investment companies were incorrectly seen as equivalent to operating companies. In passing the 40 Act, Congress explicitly chose not to impose a blanket annual shareholder meeting requirement on registered funds; instead, the 40 Act enumerates those specific circumstances that require a fund to hold a meeting to give shareholders the opportunity to vote. As noted in the ICI's letter, the 40 Act also provides a myriad of other protections for fund shareholders. Since then, those states where the vast majority of CEFs are organized (*i.e.*, Delaware, Maryland, Massachusetts) have eliminated any annual shareholder meeting requirement for CEFs. There is currently no requirement under federal or state law that CEFs hold annual shareholder meetings. The fact that such a requirement still exists for CEFs under NYSE's Manual – and not for any other type of listed registered investment company other than BDCs –is a pure accident of history that costs CEF investors millions of dollars in unnecessary expenses, according to ICI's research. There is no question in our view that the SEC should approve the NYSE's proposal to eliminate this outdated, unnecessary, and expensive requirement.

While there are many justifications for removing the annual shareholder meeting requirement for listed CEFs from NYSE's Manual, we believe the most compelling one is that doing so would help CEFs better defend themselves against hostile takeover attempts waged by activist investors seeking to make an easy return to the detriment of long-term investors. Because CEF annual shareholder meetings are usually sparsely attended, a hostile activist investor with a minority stake in a CEF can wield outsize influence, potentially forcing the fund to liquidate or replace its adviser with one that will seek to further the activist's goals for the sake of a quick profit. These hostile takeover campaigns have become increasingly common in recent years; as a result, the number of CEFs has dwindled over time, with no new listed CEFs launching in 2023. If it continues, this trend will limit the ability of retirees and other long-term investors to invest in funds that offer them access to a wide array of investment products and a reliable stream of income over time.

By approving the NYSE's proposal, the SEC can remove an important mechanism that hostile activists use to exert their will over CEFs for their own financial gain, depriving long-term retail investors of the many benefits CEFs can offer. As such, we strongly recommend that the Commission approve the Proposal. We appreciate the opportunity to offer our perspective on this important matter, and we welcome further engagement on any aspect of this letter.

Sincerely,

John M. McCann

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