

March 12, 2012

Ronald W. Smith  
Corporate Secretary  
Municipal Securities Rulemaking Board  
1900 Duke Street  
Suite 600  
Alexandria, VA 22314

**Re: Public comment on Rule G-11, Retail order periods**


Mr. Smith:


Thornburg Investment Management is an advisor to a series of stock and bond mutual funds, and is also a separate account manager. We manage six tax-exempt bond funds and we participate daily in the primary and secondary municipal bond market. We understand the MSRB has requested comments regarding amendments to MSRB rules regarding retail order periods (ROPs).

Under current rules, bond mutual funds are prohibited from placing orders for bonds during ROPs. Since many new deals are fully sold during the ROP, this rule effectively shuts mutual funds out of many deals. This is counter to the purpose of the ROP, since our mutual funds represent true retail investors. For retail investors, mutual funds are the lowest cost method of participation in the municipal bond market. There are tens or hundreds of thousands of investors who own shares in Thornburg bond funds, as is typical for mutual funds. Bond funds represent a significant portion of retail demand for bonds, but are not allowed to purchase bonds during the ROP. If ROP are going to exist at all, then mutual funds should be allowed to place orders during the ROP. Otherwise, it would be best if underwriters were to cease entirely from the practice of running a ROP.

Sincerely,

  
Josh Gonze

  
Chris Ryor

  
Chris Ihlefeld

Co-portfolio managers

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