BONDVIEW

1188 Willis Ave, Suite 703 Albertson, NY 11507 , PH 866 261 9533

May 17, 2018

VIA E-MAIL RULE-COMMENTS@SEC.GOV

Mr. Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE Washington, DC 20549-1090

Re: Investment Company Liquidity Disclosure (File No. S7-04-18).

Dear Mr. Fields:

Bondview appreciates this opportunity to comment on the proposed rules on Investment Company Liquidity Disclosure. We have submitted public comments on the 2016 Liquidity Risk Management proposals and previously have been invited to brief former SEC Commissioner Elisse Walter and her staff about the municipal bond industry[1].

Bondview is a leading independent advocate for municipal bond fund investors and financial advisors. We have a history of contributing to improved transparency by providing pricing, research and other data on municipal bonds and funds. Bondview has also developed a liquidity assessment solution for the municipal bond fund market called LiquidityRisk. It is intended that this solution will be extended to other fixed income asset classes in due course.

---

[1] Report on the Municipal Securities Market, U.S. Securities and Exchange Commission July 31, 2012. On 7/13/2011 Robert Kane, CEO of Bondview invited to brief SEC Commissioner Elisse B. Walter; Lesli Sheppard and Cyndi Rodriguez from the Office of Commissioner; Dave Sanchez, Mary Simpkins, John McWilliams, and Alicia Goldin from the Division of Trading and Markets; Will Hines from the Division of Corporation Finance; Stanislava Nikolova and Amy Edwards from the Division of Risk, Strategy and Financial Innovation; Jenifer Minke-Girard and Lisa Tapley from the Office ofthe Chief Accountant; Suzy McGovern and Mshyka Davis-Smith from the Office of Compliance, Inspections and Examinations; and Mark Zehner from the Division of Enforcement to discuss issues related to the municipal securities market, including the mission and capabilities of Bondview.

BONDVIEW

1188 Willis Ave, Suite 703 Albertson, NY 11507 , PH 866 261 9533

We are not providing feedback on whether the SEC's proposal is suitable from a regulatory perspective. Instead we are contributing to the informed debate by sharing our marketplace experiences below:

Our comments cover two topics:

1) Improving the level of disclosure details of liquidity assessments to investors and their financial advisors.

2) We agree that funds should be allowed to classify a bond position across different liquidity buckets.

1. Liquidity Disclosures

We agree that mutual funds should disclose information about the operation and effectiveness of their liquidity risk management program in their annual reports to shareholders. Bondview applauds the SEC's desire to ensure that information disclosed to investors is both useful and understandable. However, we believe that this disclosure should be a meaningful, and ideally empirical, disclosure rather than only a summary statement of compliance.

Having a quantitative measure of liquidity for a fund would allow investors and their financial advisors to identify changes in a fund's liquidity. This in turn might cause investors to reconsider if their investment objectives are continuing to be met.

We believe that publishing quantitative measures of fund liquidity will be very useful to investors and may improve transparency. A sizeable industry currently exists in mutual fund analysis and ratings. Fund liquidity could fit neatly into this process and enhance the transparency this analysis provides to investors.

Regarding the Commission's proposal to completely rescind the requirement to publicly disclose aggregate liquidity assessments in Form N-PORT, we believe that a structured and quantitative analysis of fund liquidity is an important piece of information to fund investors and should be made public, if not quarterly in line with N-PORT reporting, then at least annually (perhaps as part of the annual report).

BONDVIEW

1188 Willis Ave. Suite 703 Albertson, NY 11507 , PH 866 261 9533

2) Funds should be allowed to classify their positions across several different liquidity buckets.

We agree that funds should routinely be allowed to classify their positions across several different liquidity buckets. For example, on most days in the municipal bond marketplace, the market has the capacity to buy some, but not all of the bonds offered for sale. While some portion of a bond position in a fund may be deemed highly liquid and therefore sold within 2-3 days, the remaining amount could take longer to sell. In our research we have found that with the exception of high-quality-bonds that are very widely held in funds, most bond positions in a fund are unlikely to be 100% in any one bucket. Accordingly liquidity assessment scores will likely span multiple liquidity buckets.

In closing, we appreciate the opportunity to comment and are available to meet and discuss these comments with the Commission and its staff, or answer any questions, at your convenience.

Yours Very Truly,

Robert Kane
CEO
Bondview