

March 21, 2023

**VIA ELECTRONIC SUBMISSION**

Vanessa Countryman  
Secretary  
U.S. Securities and Exchange  
Commission 100 F Street, N.E.  
Washington, D.C. 20549-1090

Re: Investment Company Act Release No. 34746 (File No. S7-26-22); Open-End Fund  
Liquidity Risk Management Programs and Swing Pricing; Form N-PORT Reporting

Dear Ms. Countryman:

This letter responds to the request by the U.S. Securities and Exchange Commission (“SEC”) for comments on the proposed rulemaking relating to swing pricing and liquidity risk management for registered open-end funds (“Proposed Rulemaking”). We are the independent trustees of Litman Gregory Funds Trust: iMGP Funds, which currently offer 7 open-end mutual funds and 3 exchange traded funds with \$2.5+ billion in total assets under management as of January 31, 2023. We have reviewed and fully support the positions discussed in the comment letter submitted by the Independent Directors Council (“IDC”), especially as they relate to the cost burdens the Proposed Rulemaking will impose on smaller fund groups.

As independent trustees of the iMGP Funds, we believe the broad new requirements of the Proposed Rulemaking are unnecessary and not supported by adequate cost/benefit analysis. The Proposed Rulemaking does not put forward convincing evidence that the additional regulatory scheme will produce the desired results or lead to a materially fairer allocation of transaction costs. In addition, the Proposed Rulemaking may discriminate against ordinary retail investors by severely restricting same day pricing and preventing transparency into the current value of investments for transaction and non-transacting purposes. The likelihood of unintended negative consequences is significant. In contrast, we have high confidence in independent director oversight supported by current SEC rules and industry practices.

We also question the value of the proposed liquidity amendments. Removing the “less liquid investment” category would effectively preclude most retail investors from accessing useful investment products in a well-understood regulated format like mutual funds. Mutual funds, under current regulation and independent director oversight, have successfully demonstrated an ability to safely offer a broad range of investment options in pace with broadening investment markets to the benefit of investors and retirement/savings plans. In times of severe market stress, mutual funds, even those investing in less liquid securities, have repeatedly demonstrated an ability to honor redemption requests and mitigate transaction costs to all shareholders.

We are especially concerned about the impact of the Proposed Rulemaking on smaller funds groups, such as the iMGP Funds, and their shareholders. The iMGP Funds allow important diversification in investor portfolios, offering distinctive investment options advised by skilled advisers to serve a variety of long-term investment and retirement needs. The vast majority of our shareholders, like the overwhelming majority of ordinary retail investors, invest through traditional investment channels like broker, bank and advisor platforms and through retirement/saving plans. The proposed anti-dilution rules create investor limitations and add costs and complication without adding any provable investor benefits. The proposed liquidity re-classification will limit the options available to our shareholders in the well-tested mutual fund format.

By making mutual fund products more expensive to offer, more limited in the types of securities they may hold, and more difficult to access and to integrate into shareholder investment programs, the Proposed Rulemaking does a disservice to transacting and non-transacting investors alike. We urge the SEC to reconsider this Proposed Rulemaking, taking into consideration the comments made by the Independent Directors Council and other independent directors.

Respectfully,

/s/ Julie Allecta

Julie Allecta, Chair, Litman Gregory Funds Trust – iMGP Funds

On behalf of: Thomas W. Bird, Independent Trustee

Jennifer M. Borggaard, Independent Trustee

Robert Jonathan W. DePriest, Independent Trustee

Frederick A. Eigenbrod, Jr., Independent Trustee

Harold M. Shefrin, Independent Trustee

cc: The Honorable Gary Gensler, Chair, SEC

The Honorable Caroline A. Crenshaw, Commissioner, SEC

The Honorable Jaime Lizárraga, Commissioner, SEC

The Honorable Hester M. Peirce, Commissioner, SEC

The Honorable Mark T. Uyeda, Commissioner, SEC

William A. Birdthistle, Director, Division of Investment Management, SEC