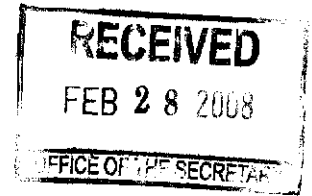


February 26, 2008



Nancy M. Morris
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

**Re: File No. S7-28-07
Release Nos. 33-8861; IC-28064
Enhanced Disclosure and New Prospectus Delivery Options for
Registered Open-End Management Investment Companies**

Dear Ms. Morris:

Citigroup Global Markets Inc. ("CGMI")¹ appreciates the opportunity to comment on the enhanced disclosure proposals and proposed amendments to Form N-1A (the "Proposals") that will provide for summary prospectuses for open-end investment-management companies ("mutual funds" or "funds"). The Proposals serve the critical purpose of providing investors with meaningful but concise disclosure in an understandable format. As a general matter, we strongly support the Proposals.

We believe that the Securities & Exchange Commission (the "Commission") and its staff has taken a well-reasoned and effective approach in crafting the Proposals to address a complicated challenge that has confronted the industry for many years. Simply put, the Proposals will result in more readily understandable disclosure documents that investors are far more likely to read, comprehend and utilize. In that regard, we would emphasize the following points:

Volume of Printed Material. CGMI is responsible for the delivery of fund prospectuses to clients from virtually every major mutual-fund company. These responsibilities include delivery of prospectuses with trade confirmations and certain presale written materials and proposals, as well as arranging for the annual delivery of

¹ Citigroup Global Markets Inc. is dually registered with the Securities and Exchange Commission as a broker-dealer and investment advisor. Citigroup Investment Advisory Services Inc., a subsidiary of Citigroup Inc., acts as investment adviser to the Consulting Group Capital Markets Funds ("CGCM Funds"). CGMI also maintains agreements with over one hundred third-party mutual fund firms. Smith Barney is a division of CGMI. Smith Barney offers its clients a full range of investment products including equities, bonds, mutual funds, insurance and annuities.

prospectuses to all client holders of mutual funds. In a typical year, our clients receive hundreds of millions of prospectus pages.

The volume of prospectus materials delivered to clients is especially burdensome with respect to our popular CGMI asset-allocation advisory programs. In these programs, multiple mutual funds are often recommended to clients, resulting in the delivery of multiple prospectuses. It is not unusual for an investor in these programs to receive ten to twenty prospectuses annually.

Not surprisingly, CGMI regularly receives client complaints due to this information overload. Besides being costly, our experience has shown that delivery of this large volume of written material simply overwhelms our clients. The summary prospectuses will provide investors with what they are looking for: meaningful but concise disclosure of a fund's objectives, strategies and associated risks. Such prospectuses will also provide investors with a format that will allow them to easily compare the various fund offerings they are considering. And, because of the short length of these documents, investors will be more likely to read them.

Moreover, the layered approach to disclosure that is set forth in the Proposals will allow those investors who wish to get more detailed information to do so easily. Clear direction as to how to access the full prospectus online or to get a hard copy of a full prospectus is an important component of the Proposals. If properly implemented, we believe that the Proposals will allow every investor to easily gain access to the level of disclosure that is most appropriate to his or her particular circumstances.

Complexity of Disclosure. As noted in the Proposals, prospectuses are typically written in investment or legal jargon that is not user friendly and is difficult for the average investor to fully comprehend. Our experience supports the findings of Professor Lutz and others cited in the Proposals, and we urge the Commission to continue to advocate that prospectuses and other investor communications be written in plain English.

Electronic Delivery. We urge that the final Rule clarify that it is permissible to deliver the summary prospectus to investors electronically under existing Commission guidance.² Investors who have already elected to receive disclosure documents electronically³ have become accustomed to the paperless environment. While we are quite certain that such investors will welcome the concise format of the summary prospectus, they will expect to receive it electronically, just as they currently receive the full prospectus electronically.

Liability Issues. We believe that the Commission is well aware that previous attempts at voluntary disclosure simplification were not generally adopted by the industry because of concerns over issuer liability. We feel that the Proposals address this issue by explicitly noting that the summary prospectus will satisfy the prospectus delivery requirements of Section 5 (b) of the Securities Act of 1933 and corresponding

² Release No. 33-7856; 34-4728; IC-24426; File No. S7-11-00 (April 25, 2000) and Release No. 33-7233; 34-36345; IC-21399; File No. S7-31-95 (October 6, 1995)

³ Either by e-mail or access to a hyper-link

requirements of the Investment Company Act of 1940. Additionally, the ability to incorporate the full prospectus and the statement of additional information into the summary by reference is an important element in this regard. We are pleased that the Commission has recognized this critical issue and we urge that the adopting release contain clear language as to the legal effect that the delivery of the summary prospectus will have.

Multiple Fund Prospectuses. As noted in the Proposals, many fund sponsors use a single prospectus to provide disclosure as to more than one fund or series of funds. In most cases, such funds or series are marketed separately and are contained in the same prospectus primarily for ease of administration and cost efficiency. In such cases, we believe that the Proposals' requirement that each such fund publish a separate summary prospectus is appropriate.

However, there are certain special situations in which greater flexibility in this regard would serve investors more effectively. As a subsequent phase of the Proposals, we would be interested in exploring possible alternative solutions for these special situations. For example, CGMI sponsors the CGCM Funds as part of an asset-allocation strategy. The eleven CGCM Funds are not marketed to investors individually, but as a whole. They represent the universe within which an investor's recommended allocation strategy is to be executed and, of course, those allocations are likely to change over time. This "holistic" approach is not well served by breaking out the CGCM Funds' prospectus into eleven different summaries. We believe that it would be possible to create a summary prospectus that would address this issue and describe the asset allocation approach for all eleven CGCM Funds in one brief document. It may be somewhat longer than a single fund summary, but we believe that a clear and meaningful summary of the CGCM Funds could be accomplished in a succinct format.

We would note, however, that these are indeed special situations relating to a small percentage of the mutual funds that are in existence. We would not want to see the main thrust of the proposals delayed or diluted in order to address such issues.

Other Registered Investment Products. Other situations that might be addressed would be the establishment of summary prospectus documents for vehicles such as Unit Investment Trusts and Variable Annuity sub-accounts that are registered under the 1940 Act, but are not open-end management investment companies.

Conclusion

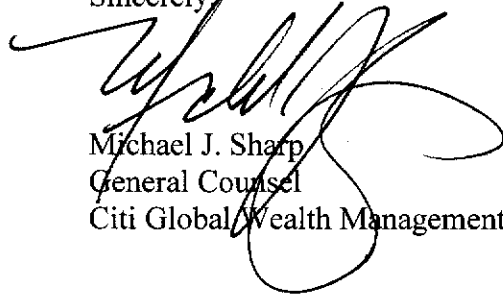
We strongly agree with the approach to simplified disclosure that the Commission has adopted with the Proposals. For the reasons described above, we believe that the Proposals will be of great benefit to the investing public. The Proposals should also result in significant cost reductions for fund sponsors and distributors for items such as the cost of printing and mailing prospectuses. Because such costs are ultimately borne by shareholders, these significant savings will also be beneficial to investors.

We would be very interested in anything that we can do to assist the Commission and its staff in terms of implementing the Proposals. CGMI's experience in terms of mutual fund prospectus delivery is vast. As noted above, we have arrangements with

most major mutual fund companies. We also work extensively with other firms that provide prospectus delivery services, such as technology firms that assist in the preparation of prospectuses in electronic formats. We would very much like to be included in any industry groups that may be convened with respect to the implementation of the Proposals. We believe that our experience would be helpful in this regard.

Please contact me if you need any additional information.

Sincerely

A handwritten signature in black ink, appearing to read "Michael J. Sharp", written over the typed name and title.

Michael J. Sharp
General Counsel
Citi Global Wealth Management