December 14, 2011

Public Company Accounting Oversight Board
Attention: Office of the Secretary
1666 K Street, N.W.
Washington, D.C. 20006-2803
via e-mail: comments@pcaobus.org

Re: PCAOB Rulemaking Docket Matter No. 37

Dear Board Members:

I am writing on behalf of the Audit Committee of Thornburg Investment Trust, a registered investment company organized in 1987 and currently consisting of 16 separate fund series (the “Trust”). We submit this letter to you in response to the Public Company Accounting Oversight Board’s request for public comment on its concept release, Auditor Independence and Auditor Firm Rotation (PCAOB Release No. 2011-06, August 16, 2011) (the “Concept Release”), and with the full concurrence of the other Trustees of the Trust.

As an audit committee, one of our principal activities each year is to oversee the annual independent audit of the Trust’s financial statements. We are guided in that task by applicable law, including relevant provisions of the Sarbanes-Oxley Act of 2002 (“SOX”) and regulations promulgated by the Securities and Exchange Commission. In particular, Section 301 of SOX states that audit committees are “directly responsible for the appointment, compensation, and oversight of the work of any registered public accounting firm employed by [the] issuer ... for the purpose of preparing or issuing an audit report or related work, and each such registered public accounting firm shall report directly to the audit committee.” Factors that audit committees consider each year in determining whether to approve the independent auditor for the audit of an issuer’s financial statements typically include: the auditor’s knowledge and experience respecting the issuer and its industry; the qualifications, knowledge and experience of the lead audit partner and other members of the auditor’s engagement team; the auditor’s responsiveness to requests and ability to meet deadlines; the auditor’s objectivity in its relationship with members of the issuer’s management; the auditor’s independence; and the auditor’s quality control procedures. The assessment of each of these factors is based principally on an audit committee’s interactions with the auditor’s engagement team throughout the year and, in the case where the same auditor has provided audit services to the issuer across multiple years, the committee’s’ interactions with the auditor in each of those periods. Audit committees to registered investment companies may also consider perceptions of the auditor developed by members of the investment company’s investment advisor and outside legal counsel.

Based on the consideration of these factors, we believe that audit committees are well positioned each year to assess the quality of the auditor’s services and the degree of its independence, objectivity and professional skepticism, and to determine whether the engagement
of that same auditor for the next year’s audit would be in the best interests of the issuer’s shareholders. We are concerned that any mandatory audit firm rotation requirement would impede the ability of our committee and other audit committees to make this judgment. Specifically we are concerned that circumstances could arise in which we have determined that the interests of the Trust’s shareholders are best served by retaining the current audit firm, but we are nonetheless required to appoint a different firm as a result of a mandatory rotation requirement.

We also share many of the concerns expressed by others who have submitted comments on the Concept Release. For example, we share others’ concern that a mandatory rotation requirement will increase audit costs, which costs are ultimately borne by the issuer’s shareholders. Increased costs may occur in the early years of a new audit firm’s rotation because the new firm may have to invest significant time to become familiar with the personnel, processes and risks associated with the audit client’s business. Like others, we are also concerned that the resources which an issuer’s management may need to expend to educate a new auditor about the issuer’s business may create a distraction which increases the risk that management will fail to promptly identify matters which may negatively affect the quality of the issuer’s financial statements.

We recognize that any new rule represents a balance of risks and rewards, and support those proposals which will demonstrably improve the quality of audited financial information. However, having reviewed the Concept Release and considered our experience as an audit committee, we question whether mandatory audit firm rotation will offer any measurable benefit to shareholders which is not already achieved by existing regulatory requirements, such as the requirement that an auditor’s lead audit engagement partner and concuring partners rotate off of public company audits every five years. In our work for the Trust we have not observed a negative correlation between the length of an auditor’s tenure and audit quality, nor are we aware of other audit committees having noted such a correlation. Furthermore, we note that there are just a handful of audit firms with the resources necessary to audit an investment company’s financial statements. If we were required to rotate the Trust’s auditor at some prescribed interval, we would be selecting from among that handful of auditors, each of which would presumably be subject to the same potential pressures on independence and objectivity.

We thank the PCAOB for the opportunity to comment on the Concept Release and appreciate its consideration of our letter.

Respectfully submitted,

David D. Chase, Chairman of the Audit Committee of Thornburg Investment Trust