

**THE STORY OF A PUERTO RICAN MUNICIPAL BOND MUTUAL FUND**

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**ABSTRACT**

This paper evaluates one fund which specializes in bonds issued by US Protectorates, the largest of which is Puerto Rico. Therefore this fund invests mainly in bond issued by the Puerto Rican government. Although this fund does not show evidence of risk adjusted outperformance relative to other municipal bond funds in the industry, neither does it underperform the industry. Given the tax benefits this fund has for investors in many states and Puerto Rico being at par with the rest of the municipal bond fund market makes should make this fund attractive to investors.

Keywords: *Puerto Rico, Municipal Bonds, Mutual Funds, Tax Exemptions*