

**BARRETT ASSOCIATES, INC.**

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June 25, 2009

**CFA Institute  
Centre for Financial Market Integrity  
Reference: Global Investment Performance Standards  
PO Box 3668  
Charlottesville, Virginia 22903**

**Dear Mr. Jonathan Boersma:**

Thank you for the opportunity to respond to the GIPS 2010 Exposure Draft.

Barrett Associates, Inc. ("Barrett"), is an investment adviser headquartered in New York, New York. Barrett is owned by Legg Mason Investment Counsel & Trust Company, N.A., a wholly owned, independently operated subsidiary of Legg Mason, Inc.

Barrett, a registered investment adviser under the Investment Advisers Act of 1940, as amended, ("Advisers Act") provides investment management primarily through individually managed accounts, commingled accounts, and advises and sub-advises affiliated mutual funds.

Our comments to the GIPS 2010 GIPS Exposure Draft are as follows:

**Requirement 1.A.2: Fair Valuation**

We do not support a requirement for FAIR VALUATION, as we see this change in the GIPS to be premature. While accounting standards throughout the world are moving toward fair valuation, there are many firms that are not subject to either SEC or IFRS requirements. While we agree with the general idea of using fair value, we think it may be premature to require all firms throughout the world to use fair value.

**Requirement 5.A.2: Supplemental Information**

For new firms coming into compliance with the standards with a 5-year track record, we request that these firms be allowed to show non-compliant returns past the five years as supplemental data – as they build toward the 10 year track record. This would afford new firms coming into compliance the same leeway that was afforded new firms coming into compliance in 2000.

**Definition of Prospective Client**

We do not support this definition as written, as we believe it is much too broad. We see this definition issue as a very serious issue, as it is at the core of GIPS Provision 0.A.11 – which

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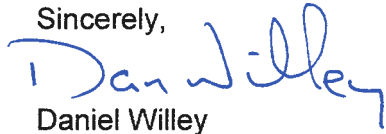
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requires a firm to make every reasonable effort to provide a compliant presentation to all prospective clients.

We are concerned that as written, investors in mutual funds and other pooled unitized products can trigger this requirement. This is a significant issue that must be avoided and clarified.

Thank you for the opportunity to comment.

Sincerely,



Daniel Willey  
Chief Compliance Officer  
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