

To: Association for Investment Management and Research

In my view the performance reporting requirements for managed accounts, proposed in the AIMR-PPS Guidance Statement, do not adequately reflect the nature of wrap fee accounts. As such, I believe the Guidance Statement requirements are not appropriate for adoption. Based on my understanding, managed account managers (such as my firm) don't have access to client data - and may even be restricted from it by managed account program sponsors. In fact, managers have little or no input in the design, creation, marketing or sale of wrap programs. The sponsors of the wrap programs carry out these functions and managers use performance only in promotion to the sponsor. As a result, it seems of little value to require managers to keep onerous "shadow" records for performance it never uses with respect to accounts over which it has little control with respect to many key features.

My suggestion is that AIMR permit managers to present sponsor-specific performance for managed account program sponsors (with appropriate disclosure) and that the effective date for reporting requirements be changed to no sooner than 18 months following their adoption by AIMR. The proposed July 1, 2003 date currently suggested would be virtually impossible to meet.

Sincerely

Barry Gillman, CFA