

July 28, 2004

CFA Institute  
Professional Standards & Advocacy Department  
GOLD GIPS Standards  
P.O. Box 3668  
Charlottesville, VA 22903

Dear Committee Members,

I am writing to urge the CFA Institute to eliminate the composite carve-out changes set to go into effect on January 1, 2010 as part of the GOLD GIPS Standards.

Since 1992, our firm has successfully used carve-outs in single-asset class composites. These asset classes are managed separately and we have easily allocated a proportional amount of cash to each carve-out on a monthly basis. Our carve-out composites are a fair and accurate representation of our investment management style and have enabled us to compete for equity and fixed income mandated business.

Eliminating this opportunity, or significantly raising the costs of seizing this opportunity, will have potentially devastating results to our firm and many other small to mid size investment management companies in the United States.

We urge CFA to clarify the allocation of cash in composites containing carve-outs as a preferable alternative to eliminating the use of carve-outs altogether.

Sincerely,

Steven J. Holwerda  
COO  
Ferguson Wellman Capital Management, Inc.