

I am writing to share my concern regarding the proposed AIMR-PPS Guidance Statement and specifically, the proposed performance reporting requirements as they relate to wrap fee (managed) accounts. I recognize and support AIMR's objective - to ensure the fair and accurate reporting of performance data for managed accounts. However, the Guidance Statement does not adequately reflect the nature of wrap fee accounts and therefore its proposed 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. Moreover, 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 in no case does the manager use performance in any context besides the promotion of itself 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.

I believe AIMR should allow managers to present relevant performance for managed account program sponsors, given appropriate disclosures. In addition, I believe that July 1, 2003 is an unrealistic effective date for changes in performance reporting. A more equitable date would be no sooner than 18 months after their adoption by AIMR.

Regards,

Monica Baier, CFA
Brandes Investment Partners LLC