

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.

It appears performance reporting requirements for traditional institutional accounts (where managers have full access to client data) are being extended to managed accounts. Record keeping and marketing practices of managed account programs are different from traditional institutional accounts. As I understand it, my firm, like many other wrap managers, does not have access to the underlying client data and in some cases is contractually barred from this access by the 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 suggest that AIMR permit managers to present sponsor-specific performance for managed account program sponsors (subject to appropriate disclosure) and that the effective date for reporting requirements be changed to no sooner than 18 months following their adoption by AIMR - rather than the July 1, 2003 date currently proposed.

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