

432 Leonard St.
Park Ridge, IL 60068
October 30, 2002

Association for Investment Management and Research
Reference: AIMR-PPS Standards – Wrap Fees
P.O. Box 3668
Charlottesville, VA 22903

Re: AIMR Proposed Guidance Statement on Wrap Fee Performance

Ladies and Gentlemen:

I have along with other members of my firm responded formally to specific objections to the Association for Investment Management and Research's ("AIMR") proposed Guidance Statement on Wrap Fee Performance (the "Guidance Statement"). As a CFA and a member of AIMR, I feel that I should additionally express my private conviction that the standards as they stand are seriously flawed. The standards as drafted reflect a lack of understanding of the SMA or Wrap industry, and the respective roles of investment manager and wrap sponsors in that industry. Further they impose undue, unreasonable, and redundant surveillance and record keeping requirements on managers. Lastly the standards offer no provision to "grandfather" existing industry reporting practices, effectively changing the rules retroactively.

If AIMR is to maintain its role as the leader in the industry, we must promote standards which are ethical, fair, and reflective of the nature of the industry. To accomplish these objectives the standards committee needs to include participants with practical experience in the SMA or Wrap industry, from both the sponsors and investment managers. As much as industry members may wish to comply with AIMR standards, the standards as drafted may make compliance impossible.

I sincerely hope that AIMR will consider the objections voiced by the various members, broaden the committee's representation, and redraft the wrap reporting standards.

Sincerely,

Stephen J. Wlodarski, CFA