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Director of Research and Technical Activities
Financial Accounting Standards Board, File Reference 154-D
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

**Re: Proposed Statement of Financial Accounting Standards, "Consolidated Financial Statements:
Policy and Procedures"**

Dear Director,

Our firm provides accounting, audit and tax services to approximately one hundred clients which are commodity pools and investment limited partnerships ("Funds"). As explained below, depending upon how the proposed standard is interpreted and applied, the result may preclude the financial reporting currently used by Funds. This financial reporting method used by Funds has been developed within the context of generally accepted accounting principles to address some unique aspects of managed funds. We refer to this accounting method as the "Proportional Fair Value" method or "PFV" method of accounting.

Under the PFV method, each line item of the Fund's statement of income (loss) will be the aggregate of the Fund's pro-rata share of each line item of the income statements of its investee Funds. The fair value of the Fund's interest in each investee Fund will be shown in the Fund's statement of financial condition as a single amount. The Commodity Futures Trading Commission ("CFTC") requires the notes to the financial statements to contain disclosure of the income recognized by the Fund from its investment in each material investee Fund, which is generally defined as 10% of the net asset value of the investor Fund, and summary income statement information required under regulation 4.22(e), which includes fees paid by the investee Fund to the investee Fund's commodity pool operator and commodity trading advisor ("CTA").

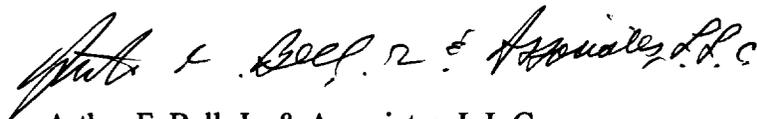
The traditional fair value method has been modified to arrive at the PFV method, solely with respect to the income statement. There has been no change to the statement of financial condition. The method was developed, because certain investors, as well as the CFTC, have always placed a great emphasis upon disclosure of the costs of operating commodity pools, with the greatest interest being in fee and

commission structures, ratios and amounts. Moreover, these parties have indicated that they believe that showing only a single line item attributable to investee Fund investment activities in a Fund's income statement, reduces the amount of useful information available from the income statement.

The PFV method also resolves problems of arbitrary inconsistencies in financial statements accounting for Fund participation in different CTA trading programs. Some CTAs manage customer money only if the customers' monies are deposited in a pool organized by the CTA, whereas most CTAs have customers' place their funds in separate trading accounts at a futures commission merchant. If the PFV method is not available as a generally accepted accounting method, the commodities trading activities could appear to be different in financial statements of Funds, depending upon the investment venue utilized by the Fund's CTAs.

We hope the foregoing discussion will be useful to the Board. If the Board would like more information regarding the PFV method, we would be most interested. We are also interested in the Board's continuing project on unconsolidated entities which we expect to more fully embrace the circumstances of our clients.

Very truly yours,



Arthur F. Bell, Jr. & Associates, L.L.C.

cc: Paul H. Bjarnason, Jr.
Deputy Director and Chief Accountant,
Commodity Futures Trading Commission