1025-300

LETTER OF COMMENT NO. 226

ADAMS STREET
PARTNERS

May 31, 2006

WILLIAM J. HUPP
PARTNER - CFO

312.553.7877
Fax 312.553.7891
whupp@adamsstreetpartners.com

Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856

Reference Number: 1025-300
Proposed Statement of Financial Accounting Standards on Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans—an amendment of FASB Statements No. 87, 88, 106, and 132(R) dated March 31, 2006

Dear Sir/Madam:

Adams Street Partners appreciates the opportunity to provide our view on the proposed change to the measurement-date provision in the Proposed Statement of Financial Accounting Standards on Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans—an amendment of FASB Statements No. 87, 88, 106, and 132(R) dated March 31, 2006.

Adams Street Partners is a registered investment advisor, providing investment advisory services to clients who wish to pool their investment assets with those of other investors and invest in private equity and venture capital funds. Our funds are often referred to as fund-of-funds. Our clients are primarily institutional investors, often pension plans. Our interest in this issue derives from a practical appreciation of the impact that this will have on our clients and their ability to provide timely financial information to their plan sponsors.

We concur with the comments in the Illinois CPA Society's comment letter of May 11, 2006 in regard to practical measurement-date issues with the proposed statement. Private equity and venture capital funds at best have their valuations and financial statements issued within 45 to 60 days of year-end. Plans and fund-of-funds then need an additional 30 to 60 days to produce valuations and financial statements. Since there is no reliable method to project valuations forward to the measurement-date prior to the completion of these valuation processes, private equity and venture capital funds represent a good example, as per issue 4 of the Illinois CPA Society's letter, of assets which should be permitted to be individually valued at a date other than the measurement date in the same way that subsidiaries with year ends different from the parent company can be consolidated without adjustment.

We believe these practical problems suggest, along with the accelerated SEC reporting deadlines, that the proposed changes to the measurement-date provision may contain the hidden cost of precluding or deterring pension plans from investing in an asset class that can help provide investment returns which benefit employees of corporate pension plans. We encourage the Board to seek input from pension plans to help understand this potential cost.

In addition, since in most cases the asset value information used in determining the current value of plan assets would be no more than 3 months older than a calendar year-end measurement-date, we encourage the Board to attempt to quantify the potential costs of the change in measurement-date provision against the improved accuracy of using a year-end measurement date.

Adams Street Partners appreciates the opportunity to comment on this issue. If I can offer any further clarification as to the impact we see on pension plan investing in venture capital and private equity please feel free to call me at 312-553-7877.

Very truly yours,

William J. Hupp
Treasurer and Chief Financial Officer