Grant Thornton

July 8, 2009

Mr. Russell G. Golden
Technical Director
Financial Accounting Standards Board
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Via Email to director@fasb.org

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File reference: proposed FSP FAS 157-g

Dear Mr. Golden:

Grant Thornton LLP appreciates the opportunity to comment on proposed FASB Staff Position (FSP) FAS 157-g, "Estimating the Fair Value of Investments in Investment Companies That Have Calculated Net Asset Value per Share in Accordance with the AICPA Audit and Accounting Guide, *Investment Companies*."

We support the Board's effort to provide a practical expedient for estimating the fair value of investments in investment companies that have calculated net asset value (NAV) per share in accordance with the AICPA Audit and Accounting Guide, *Investment Companies*.

We believe the Board should consider eliminating or clarifying the introductory phrase "In circumstances in which net asset value per share of an investment company is not determinative of fair value…" in paragraph 15 of the proposed FSP. This language may indicate to users that a separate determination of whether NAV is determinative of fair value is necessary, which we do not believe is consistent with the Board's intent in this proposed FSP. An evaluation of whether NAV is determinative of fair value seems inconsistent with the Board's view, expressed in paragraph 9 of the proposed FSP, that NAV is the most relevant estimate of fair value available for investments within the scope of the proposed FSP that would not require undue cost and effort in evaluating specific features of the investments and any principal-to-principal or brokered transactions of the investments.

We also believe that the Board should consider whether implementation difficulties may arise when an investment's NAV is available for some, but not all, of an entity's measurement dates. For example, an entity with a March 31 year-end may be able to obtain NAV per share from the investee as of December 31, but may be unable to obtain that information as of March 31. We believe that the Board should consider the implications of entities estimating fair value at measurement dates that are different from the date for which NAV per share was available from the investee and, if necessary, provide guidance in this area as part of the final FSP.

Finally, it is our view that the disclosures in paragraph 16 of the proposed FSP should be aggregated for investments that are (a) currently redeemable, (b) redeemable investments that are currently not redeemable due to circumstances such as a lockup or imposition of a gate and (c) all other investments. We believe that such information would be valuable to financial statement users in evaluating the relevance of unadjusted NAV per share of investments within the scope of this proposed FSP.

The appendix to this letter provides our responses to each of the questions on which the Board requested comments in the Notice for Recipients.

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We would be pleased to discuss our comments with you. If you have any questions, please contact Mark K. Scoles, Partner, Accounting Principles Consulting Group, at 312.602.8780 or Mark.Scoles@gt.com.

Sincerely,

/s/ Grant Thornton LLP

Appendix

Responses to questions in the Notice for Recipients

Question 1

This proposed FSP would apply to an investment in an entity that meets the definition of an investment company in the investment companies Guide for which its net asset value per share (or its equivalent, for example, partners' capital per share for an investment in a partnership) has been calculated in accordance with that Guide. However, this proposed FSP would not apply if the fair value of the investment is readily determinable as defined in paragraph 3 of FASB Statement No. 115, Accounting for Certain Investments in Debt and Equity Securities (with one exception described in paragraph 13 of this proposed FSP). Do you believe there are other investments that should be within the scope of this proposed FSP? If so, what principle should be used to determine which investments are within the scope of the proposed FSP? Do you agree that the Board should not permit the application of the proposed FSP to investments in entities that have readily determinable fair values as defined in paragraph 3 of Statement 115? Are there other investments that the Board should exclude from the scope of this proposed FSP?

We are not aware of other investments that should be within the scope of this proposed FSP. We agree that the Board should not permit the application of the proposed FSP to investments in entities that have readily determinable fair values as defined in paragraph 3 of FASB Statement 115, *Accounting for Certain Investments in Debt and Equity Securities*. We are also unaware of other investments we believe the Board should exclude from the scope of this proposed FSP.

Question 2

Are there circumstances in which an investment might initially have a readily determinable fair value and in a subsequent period not have a readily determinable fair value (and thus arguably become eligible for the practical expedient)? If so, please describe those circumstances. In those circumstances, should the investment be eligible for the practical expedient even though the investor may not be able to transact with the investee (fund) at net asset value per share?

We are not aware of any circumstances in practice where an investment might have a readily determinable fair value in one period and might not have a readily determinable fair value in a subsequent period. Under such circumstances, however, it is our view that an investment should be eligible for the practical expedient in the period in which it falls within the scope of the proposed FSP.

Question 3

The Board also considered alternative approaches to the scope of this proposed FSP. One approach would have indicated that a condition to using the practical expedient is that the primary means to enter and exit the investment is transactions (for example, redemptions or distributions) between the investor and the investee (that is, the fund) at net asset value per share. Another approach would have indicated that a condition to using the practical expedient is that the principal or most advantageous market for the investment is transactions (for example, redemptions or distributions) between the investor and the fund at net asset value per share. Do you believe the Board should pursue one of the alternative approaches instead of the approach taken in this proposed FSP? If so, why?

We believe that the approach taken in relation to the scope of the proposed FSP is appropriate. We do not believe that the Board should pursue one of the alternative approaches mentioned above.

Question 4

The Board recognizes that permitting rather than requiring the application of this proposed FSP for entities within its scope potentially reduces comparability. The Board decided to permit rather than require that reporting entities apply this proposed FSP to investments within its scope, in part, to avoid potential conflicts with the "good faith" requirements of the Investment Company Act of 1940 and Accounting Series Releases No. 113, *Statement Regarding "Restricted Securities,"* and No. 118, *Accounting for Investment Securities by Registered Investment Companies*. Do you agree with the Board's decision to permit rather than require the application of this proposed FSP? Are there any other unintended consequences of requiring the application of this proposed FSP to investments within its scope?

We agree with the Board's decision to permit, rather than require, the application of the proposed FSP. It is our view that the principles outlined in FASB Accounting Standards Codification™ 820, *Fair Value Measurements and Disclosures*, are sufficient, in conjunction with the guidance in this proposed FSP, to promote appropriate measurement in accordance with US GAAP.

Question 5

Are the disclosure requirements of this proposed FSP operational? Should the Board require all of the disclosure by major category (or should it permit some of them on a more aggregated basis)? If the final FSP is effective upon issuance (for example, assume issuance is July 31, 2009), can the disclosures be provided for prior periods for

which financial statements have not been issued? Are there other disclosures that the Board should consider requiring?

We believe that the disclosure requirements are operational, and that the Board should require all of the disclosures by major category. However, it is our view that the disclosures should be aggregated for investments that are (a) currently redeemable, (b) redeemable investments that are currently not redeemable due to circumstances such as a lockup or imposition of a gate and (c) all other investments. We believe that the disclosures can be provided for prior periods for which financial statements have not been issued.