February 14, 2012

Technical Director
File Reference No. 2011-200
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Via email to director@fasb.org

Re: Proposed Accounting Standards Update
Financial Services – Investment Companies (Topic 946)

Yale University appreciates the opportunity to comment on the above-referenced proposed Accounting Standards Update. Yale’s $19 billion Endowment invests in over 700 Investment Companies or Investment Property Entities. In order to effectively manage the University’s exposure to legal and tax liabilities, as well as to facilitate certain financing strategies, some of these investment entities are structured as separate holding companies or single member limited liability companies.

We note with pleasure that the FASB acknowledges the logic and rationale of such structures and rightfully proposes an exception to certain of the scope criteria for Investment Property Entities in cases where the parent entity is required under U.S. GAAP to account for its investments at fair value (e.g. pension funds or not-for profit entities). We believe that a similar scope exception should be included in the proposal for Investment Companies.

Specifically, we believe that entities should qualify for Investment Company accounting if they meet all of the listed criteria except for the Pooling of Funds and Unit Ownership criteria if the parent entity is required under U.S. GAAP to account for its investments at fair value. Such an amendment to the proposal will promote consistent accounting treatment across different classes of investment assets without compromising the FASB’s objective to provide greater clarity.

Sincerely,

Shauna King
Vice President for Finance and Business Operations