

January 6, 2015

Ms. Susan M. Cospers  
Technical Director  
Financial Accounting Standards Board  
401 Merritt 7  
PO Box 5116  
Norwalk, CT 06856-5116

**File Reference No. EITF-14B**

Dear Ms. Cospers:

McGladrey LLP is pleased to comment on the Proposed Accounting Standards Update, *Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)*, a consensus of the FASB Emerging Issues Task Force (the "proposed ASU"). We are generally supportive of the decisions reached by the Task Force, as elaborated on in our responses to the specific questions raised in the proposed ASU that follow.

**Question 1:** *Should investments for which fair values are measured at net asset value (or its equivalent) using the practical expedient be excluded from categorization within the fair value hierarchy? If not, why not and how should those investments be categorized?*

We agree that investments which are measured using the practical expedient should be excluded from categorization within the fair value hierarchy. Consistent with the views expressed in the basis for conclusions section of the proposed ASU, we believe categorization based on redemption restrictions is confusing to the users of financial statements as it departs from the overarching principle of categorization based on the observability of inputs. We also agree that it would be difficult in many cases for an entity to categorize investments which are measured using the practical expedient within the fair value hierarchy in a manner that is consistent with the overarching principle.

**Question 2:** *Should the scope of the disclosures required in paragraph 820-10-50-6A be limited to only investments measured at net asset value (or its equivalent) using the practical expedient rather than all investments that are eligible to be measured at net asset value (or its equivalent) using the practical expedient? If not, why not?*

We believe the disclosures pertaining to redemption restrictions and unfunded commitments may provide decision useful information regardless of whether the investments are measured using the practical expedient. As such, if sufficient feedback is not obtained from the users of financial statements through the comment letter process, it may be prudent to perform additional outreach before deciding to limit the scope to only those investments measured using the practical expedient.

**Question 3:** *Should any other disclosures be required for investments for which fair values are measured at net asset value (or its equivalent) using the practical expedient?*

We are not aware of any other disclosures that should be required for investments that are measured using the practical expedient.

**Question 4:** *Should the proposed amendments be applied retrospectively? If not, why not?*

We are in agreement with retrospective application for consistency purposes and given the ease with which retrospective application can occur.

Susan M. Cospers  
Financial Accounting Standards Board  
January 6, 2015  
Page 2

**Question 5:** *How much time would be needed to implement the proposed amendments? Should early adoption be permitted?*

If the ASU is finalized as proposed (without any new disclosure requirements), we believe an implementation period of several months to a year would be sufficient. While we would anticipate the actual time and effort needed to implement the proposed amendments would be minimal, an implementation period of this length would allow for awareness and understanding of the amendments. We are in agreement with permitting early adoption.

**Question 6:** *Do entities other than public business entities (that is, private companies and not-for-profit entities) need additional time to apply the proposed amendments? Why or why not?*

If the ASU is finalized as proposed, we would anticipate that an implementation period of several months to a year would also be sufficient for entities that are not public business entities given that the proposed changes would reduce the burden to such entities by eliminating the need to assess the level in the fair value hierarchy and given that no new disclosures would be required.

We appreciate this opportunity to provide feedback on the proposed guidance. We would be pleased to respond to any questions the Board or its staff may have concerning our comments. Please direct any questions to Rick Day at 563.888.4017 or Faye Miller at 410.246.9194.

Sincerely,

A handwritten signature in cursive script that reads "McGladrey LLP".

McGladrey LLP