

Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)

Question Text	Response	Status
* Please select the type of entity or individual responding to this feedback form.	Preparer	
Other, please specify (Specified)		
* Please provide contact information for any follow-up questions.	(Filled in as Follows:)	
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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?	I would agree with your recommendation, and the example illustrating how one could still reconcile the hierarchy table to total investments on the face of the statements looks practical. This will bring greater consistency to classifications within the hierarchy table. We can finally go back to using one criterion for classifying items within the hierarchy, i.e., the degree of observable inputs or their lack. The second criteria regarding nearness of redemption date in respect to the measurement date (a liquidity measure) no longer need be a factor. We don't lose important information since many of us clarify what the NAV practical expedient means as it relates to fair value. For example we would say fair value of our investments applying the NAV practical expedient are based on the reported values from investment fund managers, adjusted for cash flows through June 30, or something similar.	
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	I would limit the scope to only those investments where the practical expedient has been chosen. We initially wanted the NAV practical expedient because the volume of our alternative investments made it too costly to attempt to analyze all the factors impacting a potential buyer's view of the fund manager's reported NAV. However, if this is not a burden then it seems best to use a fair value valuation method, i.e., income approach, appraisal techniques, or similar assessments. Factors for not using the expedient could be timelessness of receiving fund manager information, improved accuracy, available cash flow data, etc. In this	

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<p>than all investments that are eligible to be measured at net asset value (or its equivalent) using the practical expedient? If not, why not?</p>	<p>case I'd want them to continue using their valuation methodology and not the practical expedient. However, I'd want to see that investment classified within the hierarchy. Again, it should be based on a single criterion: observable inputs or their lack, and with no regard to nearness of redemption to measurement date.</p>	
<p>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?</p>	<p>No other disclosures seem necessary.</p>	
<p>Should the proposed amendments be applied retrospectively? If not, why not?</p>	<p>This seems like the best approach.</p>	
<p>How much time would be needed to implement the proposed amendments? Should early adoption be permitted?</p>	<p>One year would be more than sufficient to implement. It might even be shorter. I think it should be permissible to allow early adoption.</p>	
<p>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?</p>	<p>I wouldn't think additional time would be necessary.</p>	
<p>Please provide any additional comments on the proposed Update:</p>		
<p>Please provide any comments on the electronic feedback process:</p>		

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<p>Below is a printable summary of your responses to the questions in this feedback form.</p> <p>You can revise your responses by clicking the "Back" button.</p> <p>All comments received constitute part of the FASB's public file. The FASB will make all comments publicly available by posting them to the Online Comment Letters portion of its website.</p> <p>If you are finished providing comments, click the 'Submit' button at the bottom of this page.</p>	<p>Not Answered</p>	<p>Not Answered</p>
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