

February 29, 2016

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

Via email: [director@fasb.org](mailto:director@fasb.org)  
File Reference No. 2015-350

**Re: Proposed ASU, *Fair Value Measurement – (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement***

Dear Technical Director:

This letter represents the comments of certain members (see list on page 3) of the Asset Management Industry Accounting Policy Group (“AMIAPG”), comprising a forum of companies primarily engaged in the asset management business. The companies represented by this particular letter include publicly traded asset managers who collectively manage more than 5,200 investment funds, both domestically and internationally, including registered investment companies, hedge funds, private equity funds, exchange-traded funds and collective investment trusts (collectively, “funds”), in addition to separate accounts and other sponsored investment products. The companies represented by this letter collectively have subsidiaries registered as investment advisors, broker/dealers, trust banks and insurance companies, and oversee approximately \$5.6 trillion of assets under management.

We appreciate the opportunity to provide comments to the Financial Accounting Standards Board (the “FASB” or the “Board”) on the Proposed Accounting Standards Update (“Proposed ASU”), *Fair Value Measurement – (Topic 820): Disclosure Framework – changes to the Disclosure Requirements for Fair Value Measurement* (“the Proposal” or the “Proposed ASU”).

We strongly support the Board’s project on the disclosure framework and its intention to improve the effectiveness of fair value disclosures in the notes to the financial statements. AMIAPG believes the proposed deletion of certain disclosures achieves the Board’s stated goal and eliminates information that is not decision-useful from the required disclosures.

We offer the following comments to clarify and enhance certain aspects of the Proposed ASU:

- I. Clarification of measurement uncertainty disclosure
- II. Disclosure of redemption periods for investments measured using net asset value as a practical expedient
- III. Time period used to develop significant unobservable inputs

### **I. Clarification of measurement uncertainty disclosure**

We request that the Board clarify the disclosure requirements related to the uncertainty of fair value measurements. The Proposed ASU requires the reporting entity to provide a narrative description of the uncertainty of the fair value measurement that would result from the use of significant unobservable inputs at the reporting date and a description of any interrelationships between those unobservable inputs. However, the expected depth and breadth of this revised narrative description is unclear as compared to the currently required disclosures on the sensitivity of the unobservable inputs used in the fair value measurement. While we agree that it is appropriate to include the description of interrelationships between significant unobservable inputs used in Level 3 measurements, we request that the Board further define uncertainty and clarify the related disclosure requirement within the Proposed ASU.

### **II. Disclosure of redemption periods for investments measured using net asset value as a practical expedient**

We request that the Board clarify what circumstances would constitute a “public communication of lapse of redemption restriction” for purposes of disclosure under ASC 820-10-50-6A (b) and (e). For certain funds, restrictions on redemption (e.g., lockup or gate) may be disclosed in fund governing documents which may or may not be disseminated publicly. It is unclear if the proposed disclosure is only required when timing of redemption is different than originally disclosed in the fund governing documents.

### **III. Time period used to develop significant unobservable inputs**

We request that the Board reconsider the requirement to disclose the time period used to develop significant unobservable inputs in paragraph 820-10-50-2(bbb) as such disclosure does not provide meaningful decision-useful information and may result in disclosure overload. Certain unobservable inputs may not have been derived from a finite set of historical data, but rather are based on a judgmental assessment of the facts and circumstances of the individual financial instrument and therefore have no associated time period. Further, a range of time periods used for a given class of asset or liability can extend over a significantly wide range due to a high level of aggregation included in the disclosure. Unlike the requirement to disclose the range and weighted average of significant unobservable inputs, the disclosure of time period does not take into account the materiality of the associated financial instrument which may skew the information provided to users. Additionally, information used to develop unobservable inputs, including the associated time period, may include information that could potentially be considered material non-public information, is contractually restricted from disclosure or the investee company did not intend to be publicly disclosed.

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We appreciate the opportunity to provide comments on the Proposed ASU. Should you have any questions, please feel free to contact any of the representatives below.

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/s/ Ann D. Frechette, Managing Director – US Retail Financial Reporting and Accounting Policy	BlackRock, Inc.	(302) 797-6810
/s/ Elaine Sabatino, Vice President, Accounting and Financial Reporting	Franklin Templeton Investments	(650) 312-3239