

MEMO# 11810

April 13, 2000

DRAFT PAPER ON ACCOUNTING AND REPORTING FOR FUND-OF-FUNDS

[11810] April 13, 2000 TO: ACCOUNTING/TREASURERS COMMITTEE No. 15-00 TAX COMMITTEE No. 17-00 RE: DRAFT PAPER ON ACCOUNTING AND REPORTING FOR FUND-OF-FUNDS

Enclosed is a draft copy of a paper addressing accounting and reporting issues for fund-of-funds prepared by the Institute's Accounting Policy Subcommittee. The draft paper, in question and answer form, addresses: financial statement presentation, disclosures regarding investments in underlying funds, portfolio turnover rates, expense ratios, NAV calculation, tax and dividend considerations, and other issues. If you have any comments on the draft paper, please forward them to the undersigned (fax: 202/326-8314, e-mail: smith@ici.org) by May 26. The Accounting Policy Subcommittee will address comments received on the draft paper. Absent substantive comments or concerns, the paper will be issued in final form to the industry in June. Gregory M. Smith Director - Operations/ Compliance & Fund Accounting Enclosure

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