

Carolyn S. Barber's response to GIPS Executive Committee's (EC) invitation to comment on proposed GIPS 2010 Exposure Draft:

"The new requirement to include all discretionary non-fee-paying portfolios in at least one composite would be burdensome for a firm like ours. Most of our clients are high net worth individuals. As a courtesy to our clients, we often manage small accounts for their minor children or other family members and do not charge a fee. Including all of these portfolios in our composites, and then having to calculate the percentage of each composite represented by such portfolios for the disclosures would be time consuming, without adding any useful information for a prospective client. That is why we have always excluded all non-fee-paying portfolios from our composites."

I understand the issue of cherry picking. Perhaps the new rule could be modified as follows: If ANY discretionary non-fee-paying accounts are included, then ALL discretionary non-fee-paying account MUST be included.



Carolyn S. Barber, CFA, CIPM, Principal

CLIFFORD SWAN INVESTMENT COUNSEL

200 S. Los Robles Ave, Ste 320 • Pasadena, CA 91101