To: GIPS Executive Committee

Thank you for the opportunity to comment on the Exposure Draft of the 2010 GIPS. Thank you also for your commitment to these standards; the time and resources dedicated to this endeavor is greatly appreciated. Please note these are my personal comments.

0.A.7	Agree with including disclosure for verification and find this to be an acceptable compromise vs mandatory verification.
0.A.10	Seems inconsistent with 0.A.8 with the statement "… prohibited except when…" This seems to touch on client reporting and may possibly open the door to additional client reporting standards. Disagree with adding client reporting standards.
0.B.2	Although only a recommendation, I do not agree that firms should provide compliant composite presentations to clients on an annual basis. If a client makes such a request, the manager should provide this information, but this should not be part of the standards. This also leads to the possibility of client reporting standards. Client reporting should remain between the manager and the client.
1.A.2	Agree in theory with fair value; however, there are a number of outstanding issues to consider and applying the GIPS Valuation Principles may conflict with evolving IASB & FASB definitions and guidance. It appears the intent is to follow these guidelines and therefore it may be prudent to refer to them rather than re-write them in the GIPS standards.
3.A.1	If portfolios are similarly managed, the fee status should not be a factor for excluding a portfolio and they should be included in the appropriate composite; however, since the standards had previously stated "..all actual, fee-paying, discretionary portfolios must be included…" – what about those compliant firms that have a number of these portfolios that are not currently in a composite, are they now required to include them? and if so, as of 1/1/2011 or retroactively?
3.A.9	Agree in theory that when presenting a composite to prospective clients they should have investable assets that are above the minimum asset level, but this may not be known and the client may be promising future contributions to get to that minimum level. What happens when a client is not in the composite that was originally marketed to them, due to other issues? There may be circumstances that arise, after additional meetings with the client and after assessing special requirements from the client, that result in the creation of a new composite and so the original composite presented may not necessarily be the one that they end up in anyway.
4.A.5	Do NOT agree with disclosing short positions.
4.A.16	1.B.3 recommends firms accrue investment management fees when presenting net-of-fee returns, should this also be disclosed per 4.A.16, as to whether management fees have been accrued or not? And whether those accruals are estimates, or adjusted to actual?
4.A.19	Disclosing "all significant events" is wide open to interpretation.
4.A.20	Risk measures are important, but to introduce here as ".., including risks" is also wide open to interpretation. There are a number of various risk factors that a

	prospective client may need to consider, this may be challenging to include in the composite description . Is a simple disclaimer of "All investing contains an element of risk and your investment may experience a loss in all of your investment." – would this suffice?
4.A.29	***Strongly disagree.*** This requirement may give the impression that the 3yr annualized standard deviation (based on monthly data) is endorsed by the GIPS EC as the most appropriate risk measure available. This is not the case across all investment vehicles and may not be the most appropriate risk measure for all prospective clients. Consideration should be given as to the best approach to help a prospective client determine how the manager's style/asset class/strategy, as represented in the composite, can contribute to their overall risk management. This figure does not necessarily help with this assessment and may even lead to relying solely on this figure when comparing various managers. The more I think about this one, the more I do not want to see this as a requirement.
5.A.5	Agree that it is appropriate to discontinue this disclosure after 1 Jan 2011.
5.A.8	***Strongly disagree***. If proprietary assets are managed the same as the other assets in the accounts within the composite, what difference does it make where the money came from? The definition of proprietary assets includes assets owned by firm, *the firm's management* or the firm's parent company. Are firms expected to track management's investments in the various mutual funds of their firm? This is not practical, the resources and cost to track the investments of management in a firm's various funds would not provide any significant or meaningful benefit. I can understand an interest in amount of "seed money" to start a strategy, but this goes beyond that and should not be included.
5.B	Many of the recommendations listed seem to be data that a prospective client may ask on follow-up and should certainly be prepared and presented when requested. My concern is making any of these items a requirement in future releases.
6.A.2	Based on the real estate market over the last couple years, I can certainly understand this requirement for independent external appraisal every 12 months; however, will that add value to a prospective client without undue burden to the manager? As a recommendation this is fine, but do not agree with this as a requirement.
6.B.1	Is this the same as 6.A.2 but as a recommendation?
8.A.6	If a request is made to provide a 'sponsor-specific composite' there should be no restrictions to this.
A.1	It might be helpful to provide a definition for "qualified."
B.1.d	Including "..and recommendations.." to this provision may be interpreted that unless all requirements AND *recommendations* are followed a firm can not be verified. That may not be the intent, but may be viewed that way.
	Standard Deviation is defined in the glossary as "a statistical measure of how widely the actual returns were dispersed from the average return." What about the definition of annualized standard deviation as a risk measure of variability that has been introduced in 4.A.29? There is a difference between the standard deviation of account returns within a composite for a given time period and the standard deviation of composite monthly returns. It would be helpful if the definition in the glossary addressed these two common uses for the term standard

	deviation.

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