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June 29, 2009

CFA Institute  
560 Ray C. Hunt Drive  
Charlottesville, Virginia 22903

RE: Global Investment Performance Standards, 2010 Exposure Draft

To the GIPS Executive Committee:

Galliard Capital Management focuses exclusively on providing fixed income and stable value management services to institutional investors. Galliard has maintained compliance with the GIPS standards, and its predecessor AIMR-PPS, since the firm's inception in 1995. We would like to take this opportunity to comment on the proposed revision contained within the Exposure Draft of the 2010 Global Investment Performance Standards requiring that firms value all portfolios at fair value.

We understand that there has been a movement toward fair value by FASB and IASB; however, we feel that the inclusion of Appendix D – GIPS Valuation Principles at this time is not necessary and is outside the scope of the Standards. We feel it would be sufficient for the Standards to require that firms comply with local accounting standards, regulations, and best practices surrounding asset valuation.

Additionally, we would recommend that stable value assets remain exempt from this provision as book value, not market value or fair value, is the appropriate measure for these assets. FASB Staff Position AAG-INV-1 and SOP 94-4-1 affirmed that contract (book) value is the relevant measure for stable value investment contracts.

We appreciate your consideration of the above recommendations.

Sincerely,

A handwritten signature in cursive script that reads "Andrea L. Johnson".

Andrea L. Johnson, CFA, CIPM  
Associate Director  
Galliard Capital Management