

# Comments on the GIPS 2010 Proposals

June 2009

[1]. Do you agree with including disclosure of the firm's verification status in the claim of compliance?  
**Yes.**

[2]. Do you agree with the classification of a current verification being within the last 24 months?  
**We partly agree with this, however, the current verification should be within the last 12 months instead of 24.**

[3]. Do you agree with the change from market value to fair value?  
**The market value of the assets is more comparable with market indices and peer groups. Where Market Value is available it should be used for the assets of the portfolio otherwise a fair value policy should be deployed by the firm for the more illiquid assets.**

[4]. Do you agree with requiring the inclusion of non-fee paying discretionary portfolios in composites?  
**Yes.**

[5]. Do you agree with changing 3.A.9 from a recommendation to a requirement?  
**No. This should be defined by the investment strategy of the portfolios within the composite and NOT the minimum asset level.**

[6]. Should firms be allowed to remove certain disclosures after a defined period of time? If so, which disclosures would be eligible for removal and after what period of time?  
**Yes we agree that disclosures should be reviewed and removed appropriately after a certain period of time, usually after 5 years.**

[7]. Do you agree with the inclusion of short positions in provision 4.A.5?  
**Yes.**

[8]. Do you agree with requiring the disclosure of key characteristics and risks in the composite description?  
**We agree, however, the understanding of risk is highly subjective.**

[9]. Do you agree with the inclusion of a standard deviation disclosure?  
**We agree in principle. We are not sure whether the 3-year annualised SD will add value to assess the composite's risk. We believe that it would be more appropriate to use standard deviation in conjunction with a number of risk-adjusted return measures.**

[10]. Is it appropriate to discontinue disclosure 5.A.5 for periods after 1 January 2011?  
**No comment.**

[11]. Do you agree with the requirement to present the percentage of the composite assets composed of proprietary assets?  
**No. This will add no benefit to GIPS standards. Proprietary assets are the same as any other asset in the composite.**

[12]. Do you agree that real estate investments must be valued by an independent external appraiser every 12 months beginning 1 January 2012?  
**No comment.**

[13]. Do you agree with the additional requirements and recommendations for closed-end real estate funds as defined?

**No comment.**

[14]. Do you agree that component returns must be disclosed, and that the method described in provision 6.A.9.b will no longer be acceptable for periods beginning after 1 January 2011?

**No comment.**

[15]. Is it appropriate and/or necessary to include provision 8.A.6, which addresses presenting performance to existing clients, in the GIPS standards? Should firms be allowed to present a 'sponsor-specific composite' as opposed to a 'style-specific composite'?

**No comment.**

[16]. Should specific verification procedures be included for GIPS provisions 0.A.16 and 0.A.17?

**No. This shouldn't be part of the verification process. It will lead to unnecessary increase in costs, complexity and delays.**

[17]. Do you agree with the requirements and recommendations in the GIPS Valuation Principles below?

**Please see comments on point 3 above.**

[18]. Do you agree with the definition of prospective client? If not, how should it be defined?

**Yes.**

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