

Michael Beck and Jason Pearl's response to GIPS Executive Committee's (EC) invitation to comment on proposed GIPS 2010 Exposure Draft:

For the Standard deviation issue (#4 in the changes), I do not feel this should be a required item to disclose. The risk measures will be different for each type of investment product and should be left up to the portfolio manager or firm to disclose the appropriate measures. Standard deviation alone does not show an adequate picture of the risk associate with the investment strategy. Standard deviation assumes that the risk of the product is normally distributed, with equal risk on the downside and upside. However, there are many investment strategies that do not have a 'normal' distribution, which will cause an issue with the standard deviation measure.

The risk disclosure items should be left to the discretion of the portfolio manager and this looks to be addressed in item #5. I feel that the three year standard deviation should be a recommended item for a risk measure and not a required item due to the limitations of the standard deviation calculation.

Let us know if you have any questions. Thanks!

Mike Beck and Jason Pearl

Jason Pearl, CIPM | Performance Measurement | **Glenmede**

1650 Market Street, Suite 1200 | Philadelphia, PA 19103

(T) 215-419-6934 | (F) 267-675-5290

www.glenmede.com | jason.pearl@glenmede.com

Michael F. Beck, CFP® | Performance Measurement | **Glenmede**

1650 Market Street, Suite 1200 | Philadelphia, PA 19103

(T) 215-419-6174 | (F) 267-675-5290

www.glenmede.com | Michael.Beckl@glenmede.com