

**Philip Shea's response to GIPS Executive Committee's (EC) invitation to comment on proposed GIPS 2010 Exposure Draft:**

3.A.9 – FIRMS MUST NOT present a COMPOSITE to a PROSPECTIVE CLIENT known to have a PORTFOLIO with assets less than the COMPOSITES'S minimum asset level.

COMMENT: We oppose the change and prefer the prior language of "should not market" since there are many reasons to present a composite to a prospective client even where the prospective client cannot meet the minimum investment amount for that composite. The proposed language change also makes no allowance for presentation of composite information to a prospective client in response to a specific request by the prospective client.

4.A.21 – If a FIRM is redefined, the FIRM MUST disclose the date, nature, and reason for the redefinition.

COMMENT: We feel that the word "nature" is not clear, adds no value, and should be removed.

4.A.22 – If a FIRM has redefined a COMPOSITE, the FIRM MUST disclose the date, and nature, and reason for ~~of~~ the change. Changes to COMPOSITE DEFINITIONS ~~are not permitted to~~ MUST NOT be applied retroactively.

COMMENT: We feel that the word "nature" is not clear, adds no value, and should be removed.

4.A.23 – FIRMS MUST disclose any changes to the name of a COMPOSITE.

COMMENT: We recommend that a length of time regarding this disclosure element be specified within the proposed requirement, perhaps two years.

5.A.6. b) – If the FIRM changes the BENCHMARK ~~that is used for a given COMPOSITE in the performance presentation~~, the FIRM MUST disclose ~~both~~ the date, nature, and ~~the~~ reason(s) for the change.

COMMENT: We feel that the word "nature" is not clear, adds no value, and should be removed.

6.A.2. REAL ESTATE investments MUST be valued by an independent external PROFESSIONALLY DESIGNATED, CERTIFIED, OR LICENSED COMMERCIAL PROPERTY VALUER/APPRaiser at least every 36 months. For periods beginning on or after 1 January 2012, REAL ESTATE investments MUST be valued by an independent external PROFESSIONALLY DESIGNATED, CERTIFIED, OR LICENSED COMMERCIAL PROPERTY VALUER/APPRaiser at least once every 12 months.

COMMENT: We oppose the GIPS 2010 revision requiring real estate investments to be valued by an independent external valuer / appraiser at least every 12 months. We believe the current provision requiring real estate investments to be valued at least quarterly in accordance with

GIPS Valuation principles and at least every 3 years by an independent external valuer / appraiser provides sufficiently reliable valuations without imposing an undue burden on the investment manager.

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