



Bundesverband Investment
und Asset Management e.V.

Via e-mail: standardsetting@aimr.org

Association for Investment Management
and Research
Professional Standards &
Advocacy Department
Reference: "Gold" GIPS Standards
P.O. Box 3668
Charlottesville, Virginia 22903

13. August 2004

Comments on GOLD GIPS Standards

Dear Ladies,
Dear Sirs,

BVI the German Association of Investment and Asset Management, which represents about 1 trillion Euro of assets under management, appreciates having the chance to comment on the GOLD GIPS. In the past BVI has followed and supported the development of GIPS by actively taking part in the German discussion. We are of the opinion that the GOLD GIPS are an important milestone on the road to a single global Standard accepted worldwide.

As we have done in the past we support the CFA Institute's and the IPC's effort to revise and expand the GIPS standards. We also agree with the evolution process for the GIPS standards, but we are of the opinion that the CFA Institute has to be more serious about the fulfilment of the time schedule and about deadline postponement. This in the interest of all the companies who are and plan to be compliant with GIPS.

We would like to answer in the affirmative that the language of the Standards is generally straightforward and comprehensible. In some passages, however, we would welcome the avoidance of unclear expressions as e.g. "should do".

Regarding the methods for meeting the objectives of evolving the GIPS standards it will be helpful if you inform at least these institutions and companies who have given comments to the GIPS Standards directly for example by Email about plans for changes so that they can comment and discuss the topics within each community without any delay.

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In general the concept is good and should be widely accepted by the industry, however we would like to draw your attention to the following sections of the proposed GIPS:

FC.A.3

A presentation to its full extent would be an inadequate requirement. A presentation of the results limited to the composites as stipulated by the prospective client is probably more reasonable.

There should also be a clarification of the term "prospective client": Does, for example, a request received by internet lead to the requirement to deliver the complete presentation?

1.A.4

At present "Trade date accounting" in a very strict sense is not prevalent in Germany across the entire asset management industry. We would therefore prefer a more liberal definition such as "all trades must be booked within 3 working days after trading" ("t+3").

2.B.3

We propose a detailed explanation of the expression "Temporary New Account".

4.A.10

The requirement "composites managed against a benchmark...." needs further clarification. Moreover we believe that a full documentation of assets not included in the benchmark would be very onerous. The form of documentation of the deviation must be specified.

Real Estate

We understand that this chapter contains only direct real estate investments and does not include open- and closed-end funds. Otherwise the requirements for valuation in 6.A.1 and 6.A.2 do not reflect the legal and market conventions for open-end real estate mutual funds in Germany.

6.A.2

We would like you to clarify the sentence "External Valuations must be completed pursuant to the valuation standards of the local governing appraisal body". A clarification could be that if there are legal requirements



for annual or at least three yearly external valuations by the country, in which the real estate asset (fund) is issued, these requirements regarding the external valuer are accepted.

Furthermore the results based on the IRR for open-end funds would not be meaningful, as the cashflows can not be directly be influenced by the asset manager.

We hope that our comments are helpful for the development of GIPS and especially GOLD GIPS and we are eager to get information about the ongoing process.

Best regards

BVI Bundesverband Investment und Asset Management e.V.

gez. Rüdiger H. Päsler

gez. Dr. Carsten Lüders