

Dear Sir / Madam

Fee Schedule

There seems to be a lot of concern and uncertainty over this GIPS requirement.

Note that every fee negotiation is client specific and takes into account a number of factors including client specific needs, and different fee structures (including performance based fee structures). Thus within each composite it is possible to have a range of fee levels and fee structures. Fees can also change over time. How does one include all this information in a standard composite presentation?

Does simply showing the highest fee for the composite deal with the requirement?

The clause 'appropriate to the particular prospective client' in the glossary definition implies a different schedule for each prospective client.

Trade Date Accounting

The definition of Trade Date is unclear, particularly in its application to back-dated transactions and error corrections. For example, a trade that is done after hours (day one) because the market is still open, but there are no data captureurs available to load the trade on the system; as a result the trade is backdated the following morning (day two) and recorded as the previous day (day one). Is 'trade date' the 'date entered' (day two) or the actual 'deal date' (day one). If we use 'deal date' how does one recreate history?

Does 'trade date accounting' refer only to securities i.e. a distinction is being made between trade date and settlement date? Or does trade date also refer to client initiated, external cash flows?

Assume that a client invests cash into a portfolio (day one) and due to a communication delay, the cash flow is only picked up in a bank reconciliation a few days later (day three). Noting that day three is the first day that the portfolio manager becomes aware of the cash and consequently acts on the information. Is 'trade date' the 'date entered' (day three) or the actual effective date or 'deal date' (day one). If we use 'deal date' how does one recreate history?

Regards

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