

Professional Standards and Advocacy
Association for Investment Management and Research
P.O Box 3668
Charlottesville, Virginia 22903
Re: GIPS Guidance Statement
Fax: 804-951-5320
E-mail: standardsetting@aimr.org

Oslo, 2002.10.09

**INVITATION TO COMMENT:
Global Investment Performance Standards (GIPS®) Guidance Statement on the
Use of Supplemental Information**

Dear Sir or Madame,

We would like to thank you for the opportunity to make comments on the Guidance Statement on the Use of Supplemental Information. The Norwegian Society of Financial Analysts (Norske Finansanalytikeres Forening, hereafter-named NFF), is the sponsor for GIPS® in Norway. Norsk GIPS as a Translation of GIPS® was endorsed by IPC at the September meeting 2001.

Our comments to IPC are as follows:

- **IPC: Do you agree with the principles established in the Guidance Statement?**

NFF:

- Yes, we do in general. However, we feel that supplemental information is not only relevant in connection with a compliant composite presentation, although this will mostly be the case, but also in relation to a compliant firm presentation. Therefore, in the Guiding Principles section, where it is referred to a (compliant) composite presentation, we propose that this is changed to “composite or firm presentation”.

IPC: Do you agree with the definition of supplemental Information?

NFF:

- Yes, we do.

- **IPC: Do you agree with the examples of Supplemental Information provided?**

NFF:

- Yes, we do, as long as allowed supplemental information is not limited to the examples in the Guidance Statement.
- The previous launched Guidance Statement on Performance Record Portability describes some examples of supplemental information that is not covered in the proposed Guidance Statement on Supplemental Information:

“When a manager or a group of managers joins a new firm, the manager can link his past performance with the ongoing results of the new firm only if:

- Substantially all the investment decision makers come over to the new firm (i.e. research department, portfolio managers, and other relevant staff),
- The staff and decision-making process remain intact and independent within the new firm,
- The new firm discloses the availability of the performance records from the new manager's old firm and provides the performance records when requested, and
- The new firm has documents supporting the reported performance.

Most cases of managers changing firms will not meet all of the above requirements, in which case the past performance record of the manager cannot be linked to the performance record of the firm. The past performance record of the manager however can be presented **as supplemental information** when relevant.”

- **IPC: Should Supplemental Information be excluded from GIPS verification? If not, how should Supplemental Information be verified?**

NFF:

- Supplemental Information should be excluded from GIPS verification.

Supplemental Information should be clearly labelled and identified as supplemental information in a particular compliant composite or firm presentation, as proposed in this Guidance Statement.

A disclaimer in the presentation should disclose that the verifier is not involved in any review of the supplemental information.

We believe most verification firms should and will include such a reservation in their verification document also.

- **IPC: Do you agree with the proposed Effective Date? If not, when should the guidance become effective?**

NFF:

- Yes, we agree with the effective date 1 April 2003.

We thank you for giving us the opportunity to comment on the proposed Guidance Statement to GIPS and we hope that our comments will be taken into consideration.

Best regards,
The Norwegian Society of Financial Analysts (NFF)

Gunnar Winther
Secretary General