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Minimum Asset Level

I agree that if a portfolio falls below a defined minimum level due to client withdrawal then the portfolio must be removed from the composite.

However it is unrealistic to require asset managers to receive documentation from clients to justify removal of a portfolio should it fall below a minimum level because of market movements. The policy should be applied consistently, but I think asset managers should have the option to exclude accounts that fall below the minimum level due to market movements.

It is far easier for asset managers to check and implement if they do not have to also investigate the reason why the account fell below the minimum - it is simply not the case that only under performing funds lose value - equally outperforming funds may fall below the minimum threshold.

Although still allowable it is difficult to defend the situation for when a new portfolio below the minimum threshold is excluded although a portfolio already in the composite is smaller! At least making the removal of accounts due to market movements acceptable would potentially remove this anomaly.

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