

Association for Investment  
Management and Research  
Professional Standards and  
Advocacy Department  
PO Box 3668  
Charlottesville  
Virginia, 22903, USA

19 December, 2002  
Your ref:  
Our ref: Advertising Guidelines Response

Dear Sir,

### **The Addition of Advertising Guidelines to the GIPS Standards**

I am pleased to inform you that UBS Global Asset Management, including GAM, fully supports AIMR's effort to develop Advertising Guidelines to be added to the GIPS standards.

The suggested effective date of 1<sup>st</sup> May 2003 is well timed and appropriate.

I have the following comments regarding the proposal:

- 1) The information required for an advertisement containing performance information is simply too extensive. Adverts such as a billboard posters or radio commercials are not mediums suited to the level of information that you require.
- 2) The guidance note also seems to be aimed directly at the institutional market and appears to take little account of retail investors, the majority of whom would be confused by the terminology used and the level of data included. It is retail investors who do not have the benefit of professional advisers who need the protection most. Ideally, at a maximum, I would recommend requiring annualised composite returns over 1, 3 and 5 years (since inception) with returns shown against benchmark. This is in line with current UK FSA guidelines.
- 3) In order to provide the necessary assurance and protection for this condensed form I would suggest this be only available to verified firms. I would also strongly recommend the introduction of a registered "kitemark" or symbol containing the GIPS plus the verified firm's logo. This would be investor friendly and would provide valuable market recognition for the standards.

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- 4) I believe that this guidance note in its current form would be counter-productive as it would encourage many firms who are working towards GIPS compliance to specifically define their firm to exclude their retail operations. This would be to the detriment of all concerned.
- 5) I welcome the voluntary element for compliant firms, however, I feel this is contra to my understanding of how regulators would view firms who hold themselves out as compliant yet release adverts to the market with no reference to the code. I would strongly suggest that firms who are using supplementary data must disclose the non-compliance and offer to provide a list of composites and compliant data upon request.

The above concludes my comments on your proposals on behalf of UBS Global Asset Management.

Yours faithfully,

Paul Weller, FSI  
Executive director