Purpose of this Guidance Note is:

- To ensure IFSA members are following the global standard for the presentation of historical investment manager performance through adoption of the Global Investment Performance Standards (GIPS®).
1. TITLE
1.1 This Guidance Note may be cited as IFSA Guidance Note No. 1.00 ‘Global Investment Performance Standards (GIPS®)’.

2. GUIDANCE NOTE AND COMMENTARY
2.1 The Guidelines set out in this Guidance Note are shown in bold print. Commentary is shown in normal print immediately after the guideline to which it relates, as an aid to interpretation of the guidelines.

3. DATE OF ISSUE
3.1 Originally issued on 1 July 2002 (previously known as ‘Australian Investment Performance Standards’) and updated February 2007. AIPS were originally introduced as the Australian Investment Performance Measurement and Presentation Standards (AIPMPS) on 1 January 1998. In July 1999, the name changed from AIPMPS to AIPS when IFSA adopted AIPS as Guidance Note No.1. In July 2002, the AIPS were revised as the Australian Investment Performance Standards, the Australian Version of GIPS and have been updated February 2007.

4. EFFECTIVE DATE
4.1 IFSA has adopted the Global Investment Performance Standards (GIPS) as Guidance Note No.1, effective from 1 July 2007.

5. APPLICATION
5.1 The GIPS form Attachment A of this Guidance Note.
5.2 Compliance with GIPS® includes compliance with all GIPS updates, corrections, interpretations, clarifications and guidance statements as issued from time to time by the GIPS Executive Committee (formerly the Investment Performance Council).
5.3 Where there is a conflict between the requirements of this Guidance Note, applicable legislation, and the Constitution of a Scheme, the requirements of this Guidance Note should, having regard to the purpose of the Guidance Note, be modified appropriately so that, as far as is practicable, the Operator complies with the requirements of this Guidance Note.
5.4 Where existing laws or regulations already impose performance presentation standards, firms are strongly encouraged to comply with the GIPS standards in addition to those local requirements. When complying with the GIPS standards and local law or regulation, firms should disclose any local laws and regulations that conflict with the GIPS standards.
6. STATEMENT OF PURPOSE
6.1 The purpose of this Guidance Note is to ensure IFSA members are following the global standard for the presentation of historical investment manager performance through adoption of the GIPS.

7. APPLICATION OF MATERIALITY
7.1 Failure to adopt or implement this Guidance Note is material if such failure has the potential to adversely affect the confidence of investors, prospective investors, Scheme Operators, Responsible Entities, Superannuation Trustees and other interested parties involved in the investment and financial services industry.

8. COMMENTARY
8.1 The GIPS are a set of ethical principles that establish a standardised, industry-wide approach to how investment firms should calculate and report their investment results to prospective clients in a way that ensures fair representation and full disclosure.

8.2 A global investment performance standard leads to readily accepted presentations of investment performance that:

- present performance results that are readily comparable among investment management firms without regard to geographical location; and
- facilitate a dialogue between investment managers and their prospective clients about the critical issues of how the investment management firm achieved performance results and determines future investment strategies.

8.3 The GIPS replace the former Australian Investment Performance Standards, the Australian Version of the GIPS (which were effective from 1 July 2002).

8.4 In 2002, the AIPS were endorsed by the Investment Performance Council (IPC) as a Country Version of GIPS. However, in 2005, the IPC mandated the convergence of all Country Versions of GIPS into a Global Standard as of 2006.

As such, as of January 2006, firms complying with AIPS have been required to, in effect, comply with GIPS due to the requirement that the Australian Country Versions of GIPS comply with all interpretations, clarifications, guidance statements and GIPS provisions (which represent the core of AIPS) as issued by the GIPS Executive Committee (formerly IPC) from time to time.

8.5 An electronic version of the GIPS as well as any GIPS updates, corrections, interpretations, clarifications, guidance statements and questions and answers can be found at: http://www.cfainstitute.org/centre/ips/gips/index.html.

8.5 For further background information on the development of Performance Standards in Australia, please refer the IFSA P Group website which can be accessed via the IFSA website: http://www.ifsa.com.au.