



April 21, 2025

GIPS Standards Technical Committee
CFA Institute
915 East High Street, Ste. 100
Charlottesville, VA 22902
standards@cfainstitute.org

Re: Exposure Draft GIPS Standards for Verifiers When Verifying Asset Owners

Members of the GIPS Standards Technical Committee:

Thank you for the opportunity to comment on this draft guidance statement. By way of background, The Spaulding Group (TSG) has provided Global Investment Performance Standards (GIPS®) verifications to asset owners since before the release of the GIPS standards for Asset Owners. TSG currently works with asset owners throughout the world, including public pension funds, sovereign wealth funds, and NGOs and others, representing organizations with assets ranging from less than \$20 billion to more than \$1.5 trillion USD. TSG has unique exposure to the challenges, opinions, and goals of a wide variety of asset owners through our Asset Owner Roundtable and Performance Measurement Forum. The feedback provided below is based on the deep and broad experience of TSG staff, including personal opinions, and the opinions of its clients.

1. Do you agree with the testing procedures? If not, please tell us which testing procedures you disagree with as well as the testing procedures you would recommend. Also, are there other areas of testing that should be added?

TSG Staff agree with the testing procedures. Some staff members believe additional guidance could be included with respect to testing net performance.

2. Should we require verifiers to be knowledgeable about the laws and regulations surrounding asset owners? We do not have a similar requirement for verifiers that are verifying firms. We do require that verifiers must be knowledgeable about the applicable laws and regulations regarding the calculation and presentation of performance.

TSG Staff agree verifiers must be knowledgeable about applicable laws and regulations regarding the calculation and presentation of performance. We disagree with expanding this and believe this requirement should align with that of the GIPS Standards for Verifiers. We believe the requirement as it's currently written is ambiguous, and requires a knowledge of regulations beyond what is necessary to conduct GIPS verifications.

3. In the GIPS Standards for Asset Owners, we have defined terms for Composite and

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Total Fund.

Composite is defined as an aggregation of one or more portfolios or total funds that are managed according to a similar investment mandate, objective, or strategy.

Total Fund is defined as a pool of assets managed by an asset owner according to a specific investment mandate, which is typically composed of multiple asset classes. The total fund usually consists of underlying portfolios, each representing one of the strategies used to achieve the asset owner's investment mandate.

Based on these definitions, an asset owner could have a composite that includes several total funds. In the GIPS Standards Handbook, we use the term "total fund composite" to describe such a composite. We received feedback that this term was confusing, and we should instead use the term "composite of total funds." This is the term we used within this exposure draft. Do you agree that the term composite of total funds is better than total fund composite?

We prefer the revised term, "composite of total funds."

Thank you again for the opportunity to comment on this guidance.

Sincerely,

The Spaulding Group, Inc.

The Spaulding Group