

Perspectives on GIPS Compliance *

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PRICEWATERHOUSECOOPERS 

Agenda

Benefits of GIPS Compliance

How to become GIPS compliant?

Verification

Software Infrastructure



Benefits of GIPS Compliance



Embracing the Standards

- Recognised by investment management firms, investors and consultants as providing increased comfort on the calculation and presentation of investment performance results
- Applicable to traditional asset management, hedge funds, private equity and real estate firms
- The growing number of countries adopting GIPS means investors are better able to compare GIPS compliant firms globally

Compliance with the GIPS Standards

- Compliance with the Standards brings two main advantages to the firm:
 - Marketing
 - Internal Controls

Issues and Experiences



Fundamentals of compliance

- A challenging but rewarding experience
- Key requirements to consider when claiming compliance
- Must be viewed as a firm-wide project, not just the performance team's
- Achieving compliance and maintaining compliance

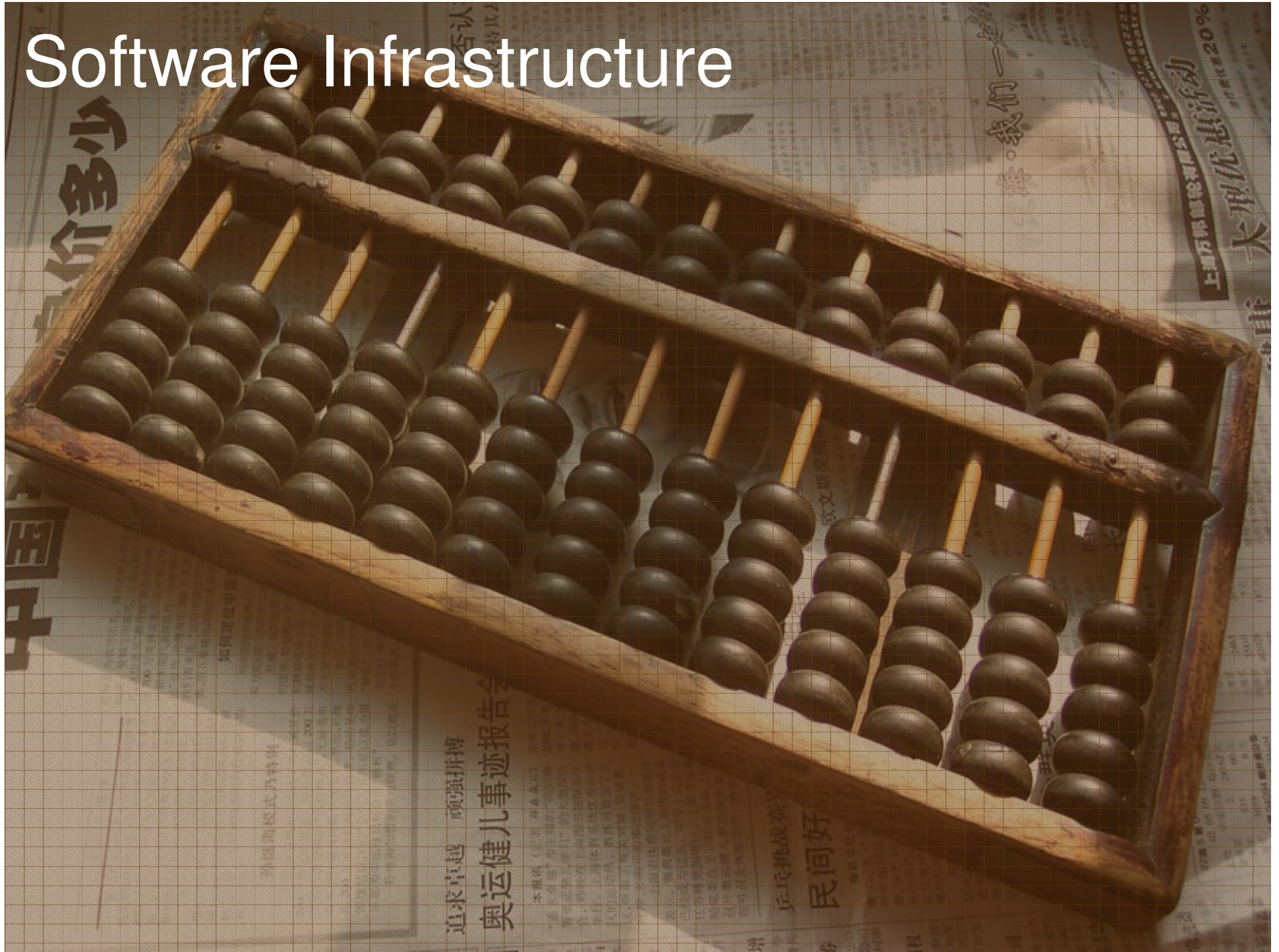
Verification



Components of Verification

- Independent verification by a third party from 2010 is a recommendation only, however it is strongly encouraged
- Requirement of independent verification is expected to become mandatory at a future date
- Independent third party “verifier”
- Usually on an annual basis
- Firm and/or specific composite presentation verified

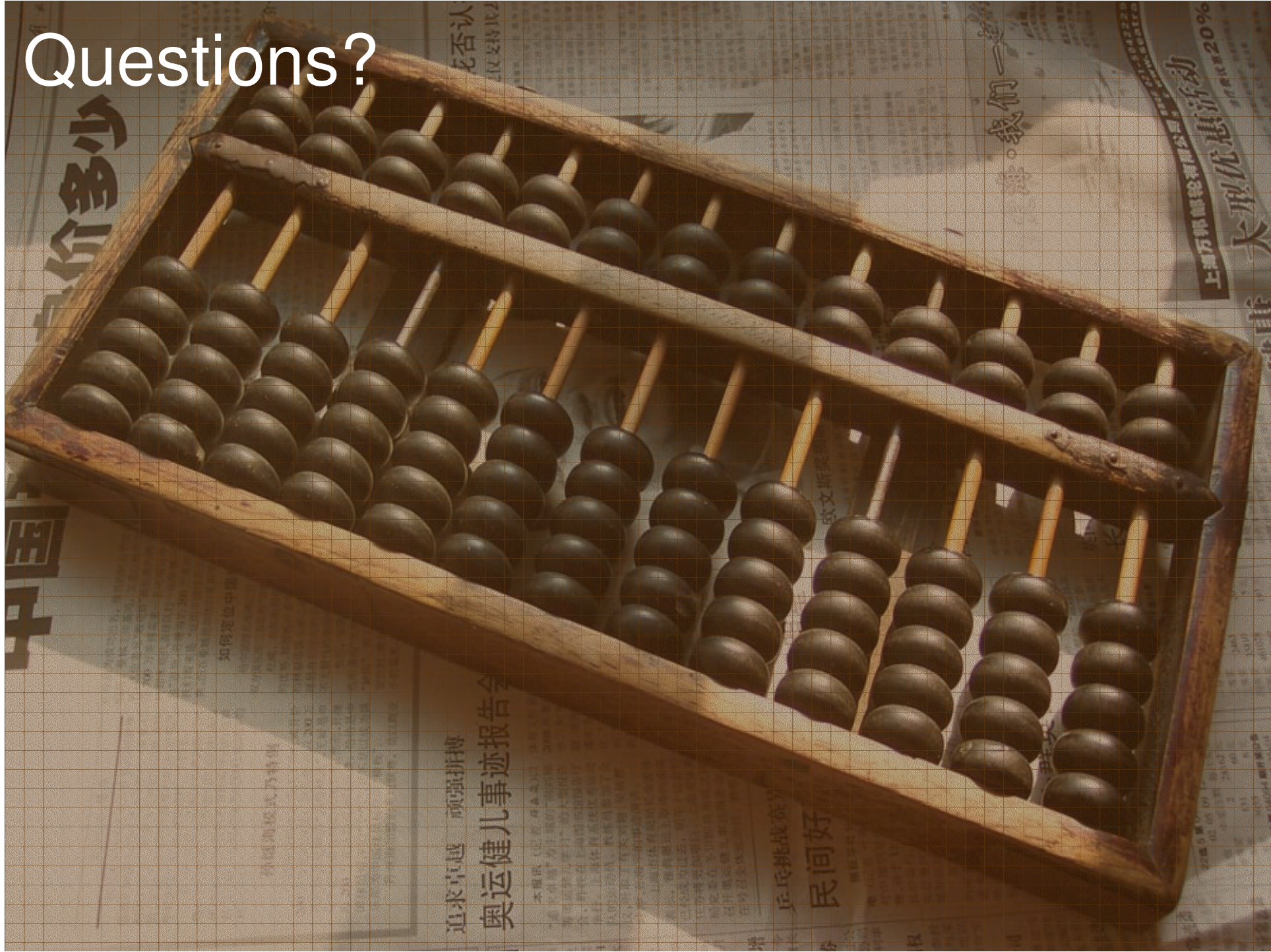
Software Infrastructure



System Requirements

- Spreadsheets
- Off the shelf performance systems
- In house developments

Questions?



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