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Update on the GIPS® standards in the Asia Pacific Region and the rest of the world

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Presentation in Manila at APAFS 7th Annual Investment Conference

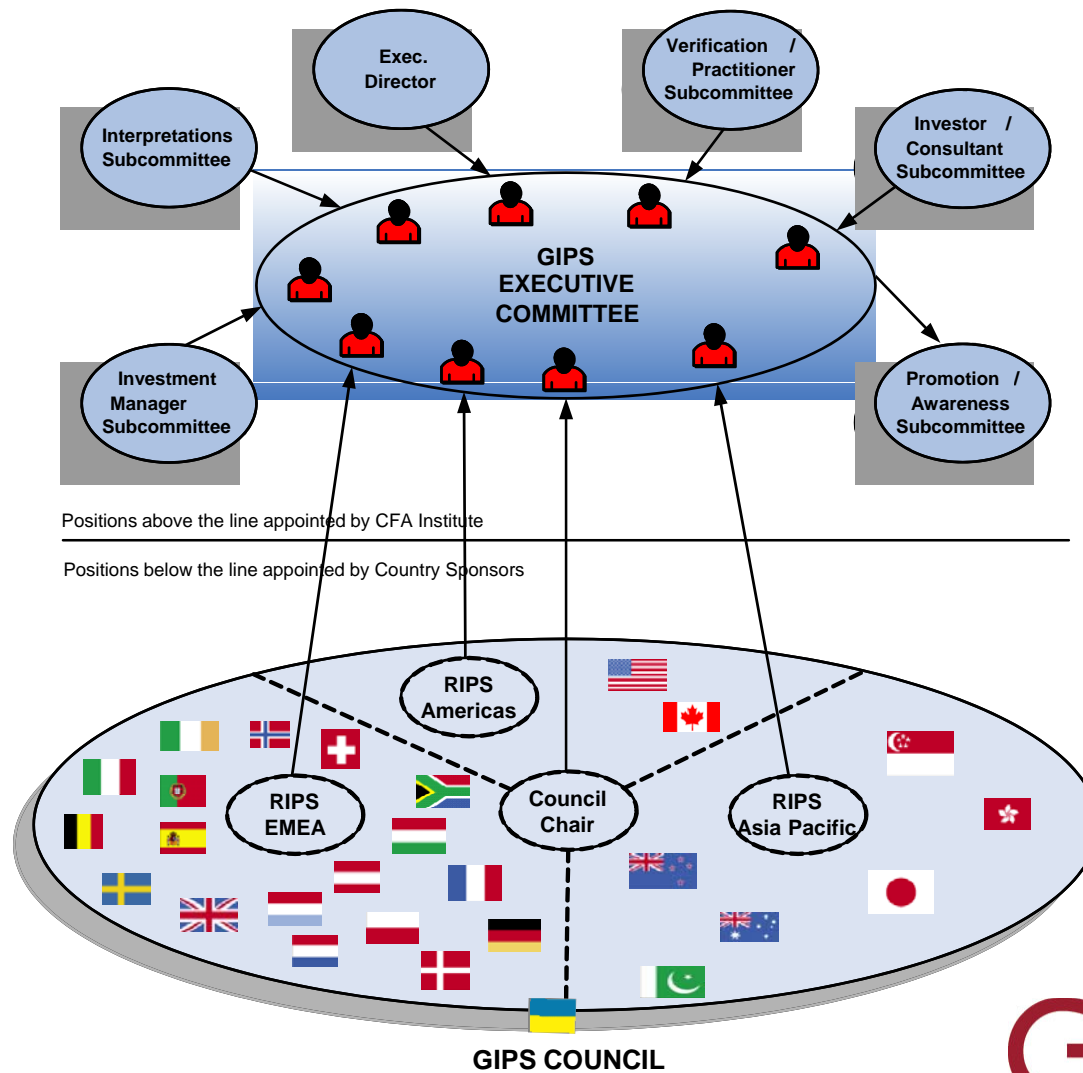


Agenda

- Role of 'Country' Sponsors
- Example of a GIPS Country Sponsor
- What APAFS can and should consider doing
- Update on GIPS activities in the Region
- Role of CFA Institute
- Resources
- Q&A

The role of GIPS 'Country' Sponsors

Governance



GIPS sponsors are expected to:

- Promote and support fair "right of access" competition for all asset managers
- Promote GIPS standards locally and maintain their integrity
- Provide local/regional support for the GIPS standards
- Serve as important link between GIPS Executive Committee and local/regional markets' interests as standards are developed
- Provide relevant responses to requests for public comment
- Nominate a representative to serve on the Regional Investment Performance Subcommittee (RIPS) and the GIPS Council
- Nominate EC candidates and technical subcommittee members

Switzerland as an example

Swiss Banking Association

- First endorsed the Swiss Performance Presentation Standards (SPPS) in its first version back in 1996
- Endorsed the second version of the SPPS in 2000, which was then approved as a Country Version of GIPS (CVG) by the Investment Performance Committee (IPC)
- Swiss Banking Association (SBA) has been a GIPS Country Sponsor (CS) since the beginning of CS concept in 2001
- In 2006 SBA abolished the former SPPS and endorsed the Gold GIPS as the only performance standard in Switzerland
- Strong commitment of SBA towards best practice and ethical principles within local asset management industry

Swiss Banking Association

- Regular meetings of the GIPS Swiss Group of Experts - around 15 members from Swiss asset management companies, financial analysts organizations and verifiers
- Every year one or two GIPS seminars organized by SBA
- Feedback on GIPS initiatives during public comment periods
- Good representation within the GIPS organization
- Strong relationship with the CFA Institute as the administrating body of the GIPS standards
- Internet page on GIPS => www.gipsstandards.ch

Some ideas for APAFS and members
to consider...

Promotion of GIPS

- Create a regional Group of Experts as the SBA did, BUT:
 - Don't need 15 members; 3 or 5 is good enough for a start
 - Quarterly meetings – could be by conference call
 - Maintain regular contact with 'GIPS Organization' (CFA Institute)
- Create a local/regional internet page on the GIPS standards using the following format: www.gipsstandards.countrycode
- Annual GIPS Seminars (in addition to PRIC Conference)
 - How to come into compliance with GIPS (target: fund managers)
 - What are the GIPS standards (target: institutional funds)
 - What is a GIPS verification (target: verifiers & fund managers)
 - Investment performance Measurement Update (target: consultants)

Client reporting

- GIPS has so far been mainly intended for how investment firms should present their past performance when competing among each other for prospective clients
- GIPS Executive Committee is well aware that there is a desire within the industry for GIPS to also be of value to existing clients
- The EC's Investor/Consultant and Promotion/Awareness Subcommittees are currently considering how this could be done
- How GIPS compliant investment firms report their performance to existing clients *may one day become* a feature of the Standards
- If this is an area of interest to APAFS, should participate on the I/C and/or P/A Subcommittees

Other ideas

- Requests For Proposals (RFP)
 - Require GIPS compliance questions as recommended by CFA Centre in conjunction with GIPS Investor/Consultant Subcommittee
- Develop user-friendly material about GIPS compliance
 - Firms wanting to come into compliance
 - Funds wanting to better understand benefits of compliance
- Work closely with Philippines and/or Singapore
 - Develop a reliable regional base for specialist expertise and skills
 - GIPS compliance consulting
 - GIPS verification services
 - Leverage off each other to increase GIPS awareness in your area
- Participate actively (volunteers, volunteers...)

Asia Pacific RIPS

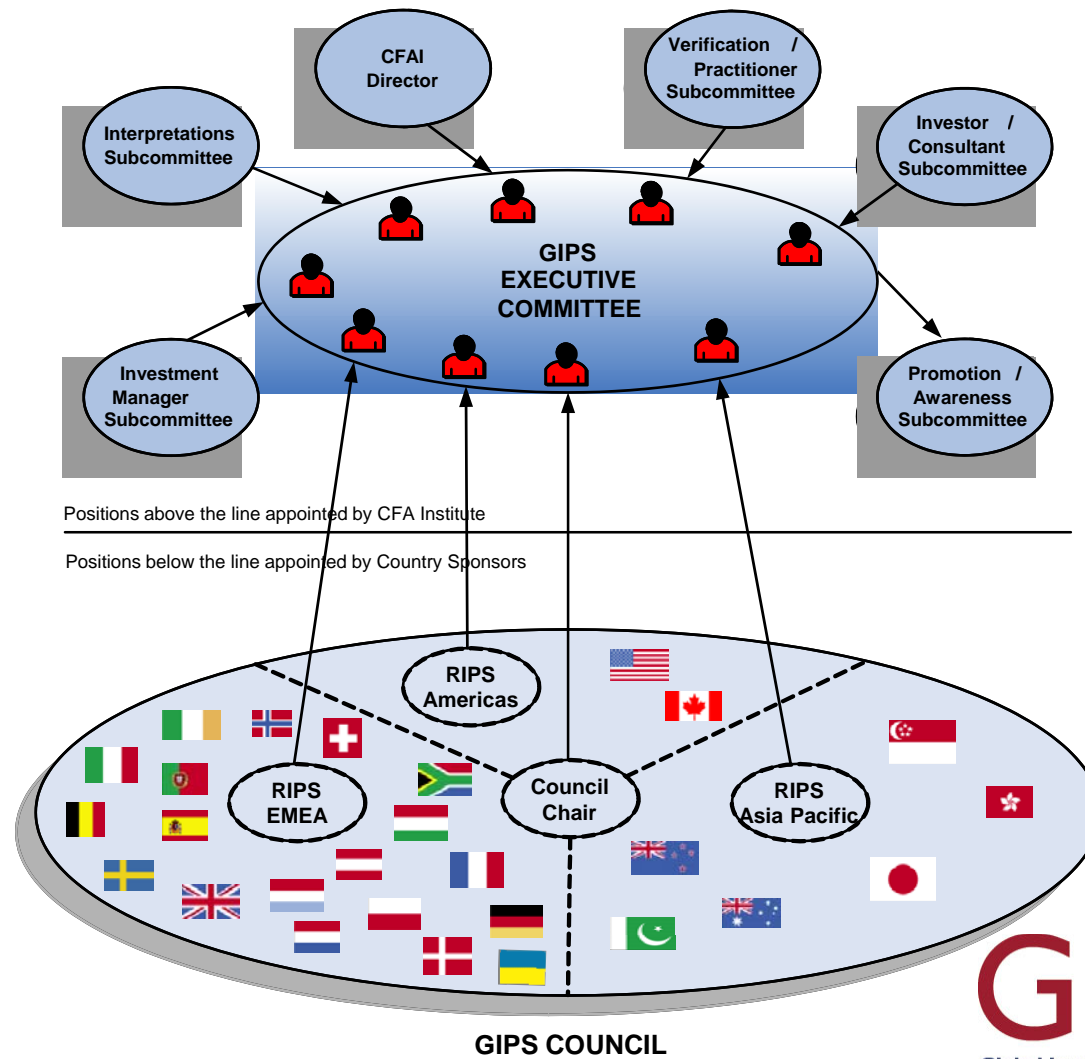
- It's your opportunity to influence the future of GIPS
- Participate actively as a voting member of the Asia Pacific RIPS and of the GIPS Council
- Participate in the various Subcommittees of the GIPS Executive Committee by nominating suitable experts as volunteers
- Participate by engaging with both EC and members during the public comment periods for new guidance statements or standards
- Main contact is the chairman of the Asia Pacific RIPS but also the chairman of the EC and the Executive Director of GIPS

Update on GIPS activities in the Region

Asia Pacific

- Hong Kong
 - EC & AP RIPS met in Hong Kong last month
 - Translated GIPS in Simplified Chinese (official TG)
- Singapore
 - A conference is planned for February 2008
- Pakistan
 - Approved as 7th Country Sponsor in AP Region
- Korea
 - Applications for sponsorship received and being considered
- China
 - EC Chair and Executive Director already met interested parties
- Other
 - Thailand, Philippines and Kazakhstan all interested

GIPS is a global cooperative initiative



The role of CFA Institute

The role of CFA Institute

- Owns & protects Brand
- Oversees the GIPS organization
- CFA Centre for Financial Market Integrity
- Supports the GIPS initiative and its promotion around the globe
- Provides administrative and financial support to EC, Country Sponsors and Subcommittees (Executive Director & Secretariat)
- Main driver for the future developments of the GIPS standards
- Certificate in Investment Performance Measurement (CIPM)

CFA Centre's webpage on GIPS

The screenshot shows a web browser window displaying the CFA Centre's webpage on GIPS. The browser's address bar shows the URL: <http://www.cfainstitute.org/centre/gips/index.html>. The webpage features a navigation menu with links to HOME, ABOUT US, CFA PROGRAM, CONFERENCES, PUBLICATIONS, CFA CENTRE (highlighted), CIPM PROGRAM, SOCIETIES, and MEMBER RESOURCES. The CFA Institute logo is visible in the top left corner. The main content area is titled "CFA CENTRE" and includes a search bar with a "GO" button. The page content is organized into several sections:

- Home:** CFA Centre Main : Investment Performance Standards
- Investment Performance Standards**
 - AIMR-PPS Standards and the North American Investment Performance Committee
 - Visit the newly developed website dedicated to the Global Investment Performance Standards.
 - History of the Global Investment Performance Standards®**

This website is primarily dedicated to providing the investment industry with an archive of information regarding historical compliance with the AIMR-PPS standards as well as information regarding upcoming GIPS conferences and workshops in North America.

The Global Investment Performance Standards (GIPS) are a set of ethical principles used by investment management firms in order to establish a globally standardized, industry-wide approach to creating performance presentations that communicate investment results to prospective clients. The GIPS standards were based on and preceded in North America by AIMR Performance Presentation Standards.
 - North American Investment Performance Committee**

Along with the introduction of a single, global standard, the GIPS standards, a new decision-making body, the Executive Committee (EC), replaced the former Investment Performance Council (IPC) as the effective authority on the Standards. One of the principle objectives of the EC is for all countries to adopt the GIPS standards as the common method globally for calculating and presenting investment performance. The presence of a local sponsoring organization within each country is essential for the effective implementation and on-going operation of GIPS. CFA Institute, through its North American Investment Performance Committee, is the country sponsor of the GIPS standards for the U.S. and Canada.
 - AIMR-PPS® Convergence to the GIPS Standards**

Since the AIMR-PPS standards were introduced in 1993, both investment management firms and investors have expanded their investing opportunities to reflect the increasingly global financial industry. After making several revisions to keep pace with globalization, including the introduction of the GIPS standards in 1999, CFA Institute has taken the final step to harmonize the AIMR-PPS and GIPS standards and announces the dissolution of the AIMR-PPS brand. The AIMR-PPS standards converged with the GIPS standards on 1 January 2006.
- Resources**
 - Historical Interpretations and Archival Documents**
 - AIMR-PPS standards, the U.S. and Canadian Version of GIPS
 - Details on the convergence from the AIMR-PPS standards to the GIPS standards
 - Modifications to the AIMR-PPS After-Tax Provisions Approved (PDF)
 - AIMR-PPS standards (1999 version)
 - Get answers to your questions with the AIMR-PPS database

On the right side of the page, there are additional sections:

- LOOKING FOR GIPS?**

You can find:

 - The latest version of the GIPS Standards
 - Guidance statements and interpretations
 - Proposals open for comment
 - The GIPS Helpdesk

and more at the new [GIPS Standards website](#)
- EDUCATION**

Get certified in GIPS and more: Learn about the [Certificate in Investment Performance Measurement \(CIPM\)](#)
- WORKSHOPS AND CONFERENCES**

Master the GIPS standards in a classroom-type setting. Learn about upcoming GIPS Standards Conferences and Workshops

G · I · P · S
Global Investment Performance Standards

GIPS resources

Main contacts

- **Chairman of the RIPS Asia Pacific**
 - Louis Boulanger, CFA: louis@lknow.co.nz
- **Chairman of the GIPS Council**
 - Hans-Jörg von Euw: hansjoerg.voneuw@swisscanto.ch
- **Chairman of the GIPS Executive Committee**
 - Dr. Stefan Illmer: stefan.illmer@credit-suisse.com
- **Executive Director of GIPS, CFA Institute Centre for FMI**
 - Jonathan Boersma, CFA: jonathan.boersma@cfainstitute.org

GIPS web page: www.gipsstandards.org



Important documents

- GIPS Standards
- GIPS Guidance Statements
- GIPS EC Constitution
- GIPS Operation Policies and Procedures
- GIPS Adoption Guidelines and Process (GIPS EC approved March 2007)
- GIPS Country Sponsor Agreement (GIPS EC approved March 2007)

=> all available on www.gipsstandards.org

Thank You.
Any Questions?