



## GLOBAL INVESTMENT PERFORMANCE STANDARDS (GIPS®)

### GIPS COUNTRY SPONSOR COMMUNIQUE

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#### MESSAGE FROM CARL BACON, CIPM GIPS EXECUTIVE COMMITTEE CHAIR

I am very pleased to provide an update on the many projects currently underway throughout the GIPS organization. The GIPS Technical and Executive Committees met in London the last week of April to review and approve the various guidance documents underway. The following are highlights from these meetings:

- The GIPS Executive Committee approved release of a [consultation paper](#) to solicit your feedback on the preliminary thinking on the key areas that the next edition of the GIPS standards should address. Your input on the ideas outlined in this consultation paper are valued and will help shape the GIPS 20/20 Exposure Draft which we expect to publish in early 2018 for a 90-day comment period. Please review this important consultation paper and provide your feedback to [standards@cfainstitute.org](mailto:standards@cfainstitute.org). Please plan to participate in the [webinar](#) to review this consultation paper that will be conducted on 31 May.
- The Guidance Statement on the Application of the GIPS Standards to Asset Owners was approved, with an effective date of 1/1/2018. An important change is to allow asset owners to initially comply with the GIPS standards by presenting a 1-year track record building to 10 years, rather than the traditional 5-years building to 10. The rationale for this decision is that an asset owner does not compete for business and is effectively reporting performance to an oversight board. Attached is a brochure that has been specifically designed to highlight this new guidance for the industry. We are happy to mail you copies of this brochure for you to distribute locally and to use at your educational/training events. Please contact [polly.johnson@cfainstitute.org](mailto:polly.johnson@cfainstitute.org) and let her know how many copies you would like mailed to you.
- The Risk Guidance Statement, Verifier Independence Guidance Statement, Overlay Strategies Guidance Statement, and Benchmark Guidance Statement are being finalized as Exposure Drafts for public comment. We are very mindful that this is a significant amount of guidance. We will keep Country Sponsors informed regarding these release schedules so that Country Sponsors will know the timelines to allow plenty of time to meet with your committees to discuss these guidance documents. We are dependent on your feedback for these important areas of the GIPS standards and will communicate with you each step throughout this timely development phase.

There is much excitement and work being done to promote, develop, and position the GIPS standards for the evolving industry and emerging markets. Your contributions and partnership are valued. We are looking to you to share in the vision of the GIPS standards and actively participate by providing your feedback on the Exposure Drafts in the coming months. As always, please send me any comments/suggestions and let me know if I can be of assistance in your work as GIPS Country Sponsor.

Sincerely,  
Carl Bacon, CIPM  
[Carl.bacon@statpro.com](mailto:Carl.bacon@statpro.com)

## NEWS...LATEST UPDATES

- The GIPS Executive Committee officially endorsed CFA Society Beijing as the China GIPS Country Sponsor, bringing the total number of endorsed GIPS Country Sponsors to 40.
  - GIPS Annual Conference is scheduled to be in San Diego, California, USA on 14-15 September 2017. We will provide more details regarding Country Sponsor participation as soon as possible.
  - GIPS volunteers are currently being recruited for positions on the Asset Owner, Interpretations, Investment Manager, and Verification Subcommittees until 25 July 2017. To apply, please visit: <https://www.gipsstandards.org/about/Pages/volunteer.aspx>
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## COUNTRY SPONSOR FEATURE:

### **Sunette Mulder – South Africa Country Sponsor representative and GIPS Technical Committee Member**

Sunette is chair of the GIPS Standing Committee of ASISA (Association for Savings & Investment SA), which is the South Africa Country Sponsor, serves as South Africa country sponsor representative on the EMEA Technical Committee, and is a current member of the GIPS Technical Committee. She is former chair of the GIPS Executive Committee (2008-2009), GIPS Investment Manager, and former chair of the GIPS Promotion and Awareness Subcommittee, and former co-chair of the GIPS Risk Working Group.

Sunette is senior policy advisor at ASISA, deputy chair of the CRISA committee that launched a Code for Responsible Investing by Institutional Investors in South Africa, and serves on the FTSE/JSE Advisory Committee.

### **Interview by Carl Bacon, CIPM – Chair of the GIPS Executive Committee**

**Bacon:** How long has South Africa been a GIPS Country Sponsor?

**Mulder:** South Africa has a long history of involvement with investment performance going back to the early 2000s. Many Country Sponsors will remember Leslie Harvey and Carl de Wet and their early contributions on behalf of South Africa in developing the GIPS standards. The Investment Management Association of South Africa (IMASA) was one of the first officially endorsed GIPS Country Sponsors in 2006. IMASA sponsored and held the first GIPS Executive Committee meeting in Cape Town in March 2007. With the amalgamation of industry associations in 2008, the newly formed Association for Savings and Investments in South Africa (ASISA) took over the role of GIPS South Africa Country Sponsor.

**Bacon:** What is the structure of the South Africa GIPS Country Sponsor? How is it formed?

**Mulder:** ASISA serves as the official Country Sponsor. The ASISA Board has created various broad committees to deal with specific areas of the industry. For example, one that deals with all things related to investments is the Investments Board Committee. Under that structure a standing committee dedicated to the GIPS standards has been created. The GIPS Standing Committee is open to ASISA members and also to key industry stakeholders (e.g. verifiers, consultants). I have served as chair of the South Africa GIPS Committee since 2005.

**Bacon:** What are the key issues in the South Africa market regarding the GIPS standards?

**Mulder:** South Africa is a mature financial market and ranked 11th highest in terms of Financial Market Development according to the Global Competitiveness Report. We are also a mature, developed GIPS market. There is a long history of adherence to the GIPS standards and this can lead to a resistance to change.

Our biggest issue is asset owners and their service providers – for example, asset consultants that are not asking the correct questions on RFPs and not placing a bigger emphasis on GIPS compliance.

Regarding GIPS adoption, approximately 80% of South Africa assets are covered by GIPS compliance. Many smaller, up and coming firms are not yet GIPS compliant, but most indicate an aspirational goal to be GIPS compliant in the future.

**Bacon:** Looking over past history, what is the most important or exciting contribution of the South Africa GIPS Country Sponsor?

**Mulder:** I believe the most important contribution is that the GIPS South Africa Country Sponsor has been the only voice to promote the GIPS standards on the continent until the past year with the recent endorsement of Ghana and Nigeria. South Africa has driven GIPS promotion and adoption to neighboring markets. And even though many countries in Africa do not have endorsed GIPS Country Sponsors, there are many South African firms that are adopting and complying with the GIPS standards. For example, firms operating in Namibia are complying with the GIPS standards. ASISA strives to assist and help other countries as they develop their financial markets and point to the GIPS standards as the global investment performance standards to establish ethics and integrity in the local markets and instill trust among investors.

I recently spoke at the Ghana Securities Event, along with regulators and Minister of Finance, on the GIPS standards – which is just an example of how the Standards are being widely and broadly promoted in Africa.

We have long been a huge proponent of establishing standards for investment performance and originally had a Country Version of GIPS, and verification was mandatory in our version. The lessons learned within South Africa during the process of conversion from the many Country Versions of GIPS in 2005 assisted the debate in the 2010 version of the GIPS standards regarding mandatory verification.

**Bacon:** You have a long-standing involvement with the GIPS South Africa Country Sponsor. What has meant the most to you and what are you most proud of?

**Mulder:** From a Country Sponsor perspective, I am most proud of the wide-spread GIPS adoption and our long history and well-established record as one of the first emerging markets that adopted the GIPS standards.

Personally, my experience with the GIPS standards has included exposure to industry leaders around the world and allowed me to serve in a position that influences the development and direction of the GIPS standards. My long-time service and involvement with the GIPS standards has been extremely rewarding.

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## HOW CAN I LEARN MORE ABOUT THE GIPS STANDARDS?

- Visit the GIPS website - [www.gipsstandards.org](http://www.gipsstandards.org)
- GIPS Standards Handbook, Third Edition - [www.cfapubs.org/toc/ccb/2012/2012/4](http://www.cfapubs.org/toc/ccb/2012/2012/4)
- Current guidance statements - [www.gipsstandards.org/standards/guidance/Pages/CurrentGuidance.aspx](http://www.gipsstandards.org/standards/guidance/Pages/CurrentGuidance.aspx)
- Review the GIPS standards - [www.cfapubs.org/doi/pdf/10.2469/ccb.v2010.n5.1](http://www.cfapubs.org/doi/pdf/10.2469/ccb.v2010.n5.1)
- GIPS Standards Mission and Vision: A Road Map (PDF) - [www.gipsstandards.org/resources/Documents/gips\\_mission\\_vision\\_road\\_map.pdf](http://www.gipsstandards.org/resources/Documents/gips_mission_vision_road_map.pdf)
- GIPS Standards Fact Sheet (PDF) - [www.gipsstandards.org/about/Documents/factsheet.pdf](http://www.gipsstandards.org/about/Documents/factsheet.pdf)
- GIPS Standards Q&A Database - [www.gipsstandards.org/standards/faqs/Pages/index.aspx](http://www.gipsstandards.org/standards/faqs/Pages/index.aspx)
- GIPS Standards News - [www.gipsstandards.org/news/Pages/index.aspx](http://www.gipsstandards.org/news/Pages/index.aspx)
- GIPS Executive Committee - [www.cfainstitute.org/about/governance/committees/Pages/gips\\_executive\\_committee.aspx](http://www.cfainstitute.org/about/governance/committees/Pages/gips_executive_committee.aspx)
- Purchase a hard copy of the Global Investment Performance Standards (GIPS Standards) Handbook - [www.efastcom.com/CFABookstore/control/productdetails?item\\_id=125301](http://www.efastcom.com/CFABookstore/control/productdetails?item_id=125301)

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