



A TRULY GLOBAL MILESTONE

The Revised GIPS Standards

**All country-versions of GIPS
— including AIMR-PPS —
convert to GIPS standards
beginning 1 January 2006.**



Since their introduction in 1999, the Global Investment Performance Standards (GIPS®) have gathered momentum with investment management firms in more than 25 countries adopting these voluntary, ethical standards for calculating and presenting historical investment performance. Today, the GIPS standards are seeing their first major revision, which facilitates the move to one truly global Standard. All of the former country versions of GIPS standards (CVGs) are in the process of transitioning so that by the time firms calculate 2006 performance figures, they will claim compliance *only* with the GIPS standards.

Background: In the past, the investment community had great difficulty obtaining meaningful comparisons of accurate investment performance data. Making an apples-to-apples comparison of investment performance was problematic and the existence of country-specific guidelines for performance presentation further complicated matters. The need for a practitioner-driven set of ethical principles that establish a standardized, industry-wide approach for investment firms to calculate and report their investment results to prospective clients led to the creation of the GIPS standards.

Who Benefits: Having one global standard for performance measurement and evaluation benefits two major groups:

INVESTMENT MANAGEMENT FIRMS:

- **Global Passport**
25+ major financial markets participate. Compliance enables a firm to fairly compete against other firms throughout the world.
- **Self Regulation**
The Standards are voluntary and promote the notion of self-regulation, which leads to more effective, professional, and efficient markets.
- **Internal Controls**
The Standards provide a realistic, standardized framework and outline internal controls that are necessary to ensure performance figures are directly comparable.

INVESTORS:

- **Transparency**
Compliance provides a greater level of confidence in the integrity of performance presentations and the general practices of a compliant firm.
- **Ethics**
Claiming compliance with GIPS standards demonstrates a firm-wide commitment to ethical best practices and that the firm employs strong internal control processes.
- **Best Practices**
Compliance should be viewed as the norm. If a firm does not comply with the GIPS standards, investors should explore why the firm has chosen not to comply.

Resources: For more information, visit the GIPS website at <http://www.cfainstitute.org/cfacentre/ips/>

Not involved with investment performance? Please route to appropriate party in your firm.

**Not involved
with investment
performance?
Please route
to appropriate party
in your firm.**

Although the CFA Centre for Financial Market Integrity funds and administers the activities of the GIPS standards, their success is the result of an alliance among experts from a variety of fields within the global investment industry. The following key industry groups have been involved in and contributed significantly to promoting and developing the GIPS standards:

AUSTRALIA	Performance Analyst Group of Australia
AUSTRIA	Österreichischen Vereinigung für Finanzanalyse und Asset Management und der Vereinigung Österreichischer Investmentgesellschaften
BELGIUM	Belgian Association for Pension Institutions
DENMARK	The Danish Society of Investment Professionals, The Danish Society of Financial Analysts
FRANCE	Société Française des Analystes Financiers and Association Française de la Gestion Financière
GERMANY	Bundesverband Investment und Asset Management e.V., Deutsche Vereinigung für Finanzanalyse und Asset Management, and German CFA Society
HONG KONG	The Hong Kong Society of Financial Analysts
HUNGARY	Hungarian Society of Investment Professionals
IRELAND	Irish Association of Investment Managers
ITALY	Italian Investment Performance Committee
JAPAN	The Security Analysts Association of Japan
LUXEMBOURG	Association Luxembourgeoise des Fonds d'Investissement and Association Luxembourgeoise des gestionnaires de portefeuilles et analystes financiers
NETHERLANDS	Beroepsvereniging van Beleggingsdeskundigen
NEW ZEALAND	CFA Society of New Zealand
NORWAY	The Norwegian Society of Financial Analysts
POLAND	Polski Komitet Wyników Inwestycyjnych
PORTUGAL	Associação Portuguesa de Analista Financeiros
SINGAPORE	Investment Management Association of Singapore
SPAIN	CFA Spain
SOUTH AFRICA	Investment Management Association of South Africa
SWEDEN	Swedish Society of Financial Analysts
SWITZERLAND	Swiss Bankers Association
UNITED KINGDOM	National Association of Pension Funds Ltd
UNITED STATES AND CANADA	CFA Institute