



GLOBAL INVESTMENT PERFORMANCE STANDARDS (GIPS®)

GIPS COUNTRY SPONSOR COMMUNIQUE

MESSAGE FROM CARL BACON, CIPM GIPS EXECUTIVE COMMITTEE CHAIR

It was wonderful to greet many of you in Boston at the Annual GIPS Standards Conference last month. It has been an exciting first month in my role as chair of the GIPS Executive Committee, and I was so pleased that 24 Country Sponsors were able to participate in the GIPS workshops and annual conference. We hope you enjoyed the educational sessions and networking with your fellow industry leaders and country sponsors. Before the GIPS Volunteer Dinner many of you gathered for the picture below. The complete list of Country Sponsors representatives attending is included on the last page of this Communique.



Rather than provide a written update of recent activities, I made a video that provides an overview of the GIPS Executive Committee meeting held in Boston just prior to the annual conference and a summary of the highlights of the conference. I hope you find it informative and insightful.



The year ahead promises to be active with the release of four additional GIPS Guidance Statements and important progress on the GIPS 20:20 evolution.

I look forward to working with each of you. Please let me know whenever you have any feedback, comments, or if I can be of assistance in your important work as a GIPS Country Sponsor.

Sincerely,

Carl Bacon, CIPM

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NEWS

- **France GIPS Country Sponsor Endorsed**

The GIPS Executive Committee has announced its review and approval of CFA Society France and the Association Française de la Gestion financière (AFG) as the endorsed GIPS Country Sponsor of France. Currently, 38 countries have officially adopted the GIPS standards.

COUNTRY SPONSOR FEATURE:

Naoko Mori - Japan Country Sponsor representative

Naoko Mori, CMA, is Senior Vice President of the Securities Analysts Association of Japan and has for a longtime been involved in promotion and education of the GIPS standards in Japan.

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

Bacon: How long has Japan been a GIPS Country Sponsor?

Mori: The Securities Analysts Association of Japan (SAAJ) has been a GIPS Country Sponsor since the GIPS standards were created - more than 15 years. Even before that SAAJ had already established an investment performance standards committee in 1995 and commenced drafting its standards as there was an increasing need for a common set of performance presentation standards in the Japan investment industry. In 1999 SAAJ introduced its standards, which, while reflecting the industry structure and practices specific to Japan, incorporated all the same elements as the GIPS standards. In the spirit of partnership and a global passport for one global investment performance standard, SAAJ committed to convergence of various country standards. In 2005, the SAAJ Investment Performance Standards fully converged to the Global Investment Performance Standards (GIPS®).

Bacon: What is the structure of the Japan GIPS Country Sponsor — how is it formed?

Mori: The SAAJ's investment performance standards committee consists of 25 members from various sectors of the Japan investment industry, including: investment managers, consultants, verifiers, and asset owners. Some of them have participated in the GIPS committees. Yoh Kuwabara, a longtime volunteer with the GIPS standards, serves as Chair of the SAAJ's committee.

Bacon: What are the key issues in the Japan market regarding the GIPS standards?

Mori: Major firms already comply with the GIPS standards in Japan as SAAJ has strongly promoted adoption of the Standards for many years. The major part of corporate pension assets is under management by investment firms that comply with the GIPS standards, and most are verified. Large public pension funds, such as the Government Pension Investment Fund (GPIF), request investment firms to provide GIPS compliant composites in their manager selection. However, sometimes clients do not continue to request GIPS compliant composites after hire of managers and thus a cost benefit to maintain compliance is an issue.

Asset owner education is underway. Other than major plans, there is not much asset owner interest. The SAAJ needs to consider promoting the GIPS standards more effectively and broadly to asset owners.

Regarding compliance of alternative asset managers, there is no pickup in this sector — and no interest among hedge funds or private equity managers.

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

Mori: From the very beginning, since 1995, SAAJ has committed to promotion and education of investment performance standards and the GIPS standards. We have sponsored seminars and conferences on a regular basis for local stakeholders. The SAAJ has conducted meetings and communications with various industry associations and large pension plans many times. All these promotional efforts have led to an increasing understanding amongst all stakeholders of the meaning and benefit of the GIPS standards, and also high GIPS compliance rates in Japan.

Bacon: Please provide your thoughts on the next evolution stage of the GIPS standards.

Mori: There is a good movement to further improve and enhance the asset management industry in Japan along with the recent initiatives of the Financial Services Agency (FSA) promoting fiduciary duty, the highest practice for clients first. As such we expect that the importance and benefit of the GIPS standards is reaffirmed toward a new phase of GIPS 2020.

HOW CAN I LEARN MORE ABOUT GIPS STANDARDS?

- GIPS website: www.gipsstandards.org
- GIPS Standards Handbook, Third Edition: www.cfapubs.org/toc/ccb/2012/2012/4
- Current Guidance Statements: www.gipsstandards.org/standards/guidance/Pages/CurrentGuidance.aspx
- GIPS standards: 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
- GIPS Standards Fact Sheet (PDF): www.gipsstandards.org/about/Documents/factsheet.pdf
- GIPS Standards Q&A Database: www.gipsstandards.org/standards/faqs/Pages/index.aspx
- GIPS Standards News: www.gipsstandards.org/news/Pages/index.aspx
- GIPS Executive Committee: 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

COUNTRY SPONSOR REPRESENTATIVES ATTENDING THE 20TH ANNUAL GIPS STANDARDS CONFERENCE

Karim Manaa
Alexis Yiannas, CFA
Lubomir "Lubor" Vystavel, CFA
Martin Schliemann
Daniel Tetteh
Kyriakos Tsakirides, CFA
Mohan Kumar Krishna Prabhu, CFA
Denny Thaher
Joe K. O'Donnell
Gabrielle Montalbetti, CFA, CIPM
Naoko Mori
Woongjin Lim
Sebastian Miralles, CFA
Casper Lotgerink
Emenike Davies "Dave" Uduanu
Muhammad Ali Bhabha, CFA, FRM
Gerardo Gonzales
Dmitry Alexandrov
Sunette Mulder
Dinesh Warusavitharana, CFA
Stefan Illmer, Ph.D.
Neil Mackay
Krista Harvey, CFA, CIPM

Canada
Cyprus
Czech Republic
Germany
Ghana
Greece
India
Indonesia
Ireland
Italy
Japan
Korea
Mexico
The Netherlands
Nigeria
Pakistan
Peru
Russia
South Africa
Sri Lanka
Switzerland
United Kingdom
United States