

PERFORMANCE PERSPECTIVES

with David Spaulding



VOLUME 3 – ISSUE 3

NOVEMBER 2005

Since 1990, The Spaulding Group has had an increasing presence in the money management industry. Unlike most consulting firms that support a variety of industries, we focus on the money management industry.

Our involvement with the industry isn't limited to consulting. We're actively involved as members of the CFA Institute (formerly AIMR), the New York Society of Security Analysts (NYSSA), and other industry groups. Our president and founder regularly speaks at and/or chairs industry conferences and is a frequent author and source of information to various industry publications.

Our clients appreciate our industry focus. We understand their business, their needs, and the opportunities to make them more efficient and competitive.

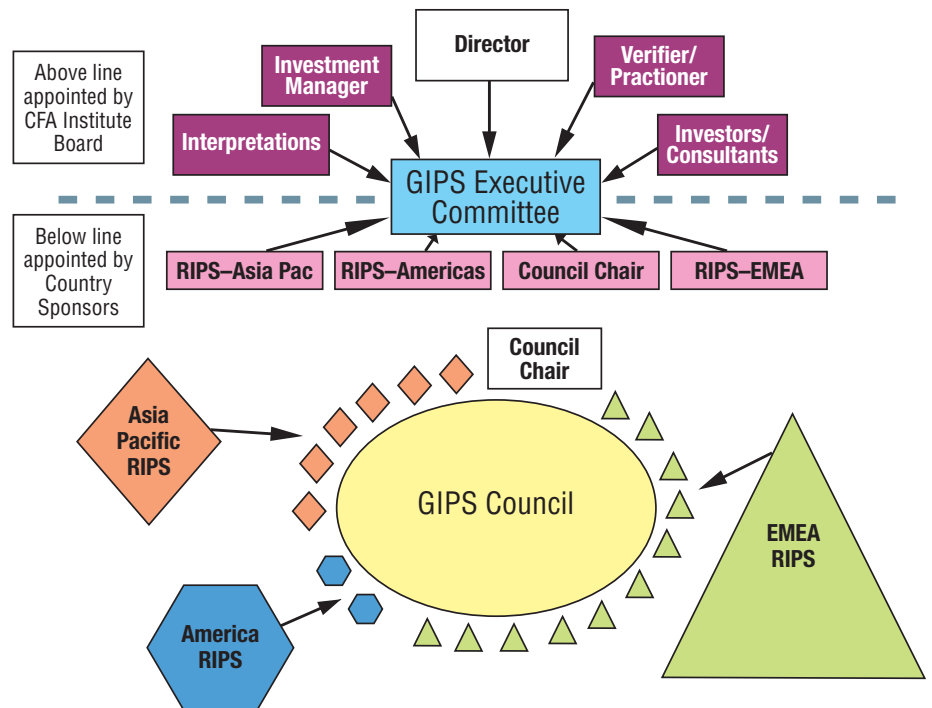
For additional information about The Spaulding Group and our services, please visit our web site or contact Chris Spaulding at CSpaulding@SpauldingGrp.com

<http://www.SpauldingGrp.com>

CHANGES, CHANGES, CHANGES

Recall that "change" is one of our "C words",¹ and we'd like to report that it's alive and doing quite well. Take for instance the recent changes in the world of GIPS®. You're no doubt aware that effective January 1, 2006, GIPS becomes the standard for the future, as the various country versions will be phased out. A new group is being created to oversee these standards and the old group (the Investment Performance Council, of which I've been a member for the past few years) is being eliminated.

At a recent meeting of the European Investment Performance Committee (EIPC) in Brussels, Alecia Licata (of the CFA Institute) offered the following graphic to describe what the new group looks like.



Please note that there is actually more than one group depicted by this graphic:

- The GIPS Council – this group is made up of representatives from all the countries that have endorsed the GIPS standards; each country is entitled to a seat on the council. This group also votes for the chair who will represent them on the GIPS Executive Committee.
- The three Regional Investment Performance Subcommittees (RIPS) – each country that endorses the standards is a member of one of these groups, based on their region (Americas; Europe, Middle East, Africa; Asia Pacific). And each of these groups names a representative to sit on the Executive Committee.

¹ Please see our September 2004 issue (Volume 2, Issue 1) for further discussion.

The Journal of Performance Measurement®:

UPCOMING ARTICLES

**A Wake-Up Call for
Private Equity on GIPS**
by Carol Kennedy

**Achieving and Maintaining
AIMR-PPS® (GIPS®)
Compliance** by Ann Putallaz

The CGIPS Program by
Philip Lawton

**Vendor roundtable Interview:
Wilshire Associates, First Rate
Investment Systems, StatPro,
CAPS, Mellon Analytical
Solutions, Microgen, SS&C,
and Eagle Investment
Systems**

KEEP THOSE CARDS & LETTERS COMING

We appreciate the occasional e-mail we get regarding our newsletter. Occasionally, we hear positive feedback while at other times, we hear opposition to what we suggest. That's fine. We can take it. And more important, we encourage the dialogue. We see this newsletter as one way to communicate ideas and want to hear your thoughts.

- the GIPS Executive Committee – is actually the group that will be responsible for the standards going forward. As you can see, it has nine seats. In addition to the Chair and RIPS representatives referenced above, there are four industry representatives (interpretations, investment management, verifier/practitioner, and investors/consultants). Chairing the group is the director who comes from the CFA Institute (this will be Alecia Licata).

Not all of the members have been identified, as of yet. I am on the Nominations Committee and we will recommend the industry representatives to the CFA Institute Board who has the ultimate responsibility to appoint them.

Although some RIPS representatives have already been selected, the full list will be officially announced by The CFA Institute some time in January.

The first meeting of the Executive Committee will most likely occur in the first quarter of 2006.

Given that we're moving to this RIPS structure, the EIPC and the AIMR-PPS Implementation Committee will be going away, to be replaced by their respective regional groups.

If you can keep up with all of these changes, please let me know, because I'm still confused.

OUR LATEST SURVEY

We recently published our sixth survey on the Performance Presentation Standards. The timing is quite good, given the upcoming shift away from the local standards to GIPS. The results² quite impressively acknowledge the growing awareness and shift towards GIPS.

The full report is available for \$US 395. If you'd like a copy of the results, contact us at 732-873-5700 or info@SpauldingGrp.com and we'll give you a 20% discount because you're a loyal reader!

We want to again thank our cosponsors:

- Advent Software
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- StatPro
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2 We referenced some of these in our September issue.

THE SPAULDING GROUP'S 2005-2006 INVESTMENT PERFORMANCE MEASUREMENT CALENDAR OF EVENTS

DATE	EVENT	LOCATION	DEADLINE
December 1-2	Performance Measurement Forum	Orlando, FL (USA)	November 25, 2005
December 6-7	Introduction to Performance Measurement Training	Washington, DC (USA)	December 2, 2005
December 8-9	Performance Measurement Attribution Training	Washington, DC (USA)	December 2, 2005
January 10-11	Introduction to Performance Measurement Training	Chicago, IL (USA)	January 2, 2006
January 12-13	Performance Measurement Attribution Training	Chicago, IL (USA)	January 2, 2006
January 23-24	CGIPS Preparatory Training	New York, NY (USA)	January 16, 2006
January 23-24	CGIPS Preparatory Training	Los Angeles, CA (USA)	January 16, 2006
January 26-27	CGIPS Preparatory Training	Boston, MA (USA)	January 19, 2006
January 26-27	CGIPS Preparatory Training	Chicago, IL (USA)	January 19, 2006
January 30-31	CGIPS Preparatory Training	London, England	January 23, 2006
February 14-15	Introduction to Performance Measurement Training	New York, NY (USA)	February 7, 2006
February 16-17	Performance Measurement Attribution Training	New York, NY (USA)	February 7, 2006
March 14-15	Introduction to Performance Measurement Training	Boston, MA (USA)	March 7, 2006
March 16-17	Performance Measurement Attribution Training	Boston, MA (USA)	March 7, 2006
March 21-22	Introduction to Performance Measurement Training	San Francisco, CA (USA)	March 19, 2006
March 23-24	Performance Measurement Attribution Training	San Francisco, CA (USA)	March 19, 2006
April 4-5	Introduction to Performance Measurement Training	Somerset, NJ (USA)	March 31, 2006
April 6-7	Performance Measurement Attribution Training	Somerset, NJ (USA)	March 31, 2006
April 27-28	Performance Measurement Forum	Los Angeles, CA (USA)	April 24, 2006
May 9-10	Introduction to Performance Measurement Training	London, England	May 2, 2006
May 11-12	Performance Measurement Attribution Training	London, England	May 2, 2006
May 22-23	Performance Measurement, Attribution, & Risk Conference	New York, NY (USA)	May 19, 2006
June 20-21	Introduction to Performance Measurement Training	Vancouver, Canada	June 13, 2006
June 22-23	Performance Measurement Attribution Training	Vancouver, Canada	June 13, 2006
June 27-28	Introduction to Performance Measurement Training	Paris, France	June 20, 2006
June 29-30	Performance Measurement Attribution Training	Paris, France	June 20, 2006
July 11-12	Introduction to Performance Measurement Training	Chicago, IL (USA)	July 5, 2006
July 13-14	Performance Measurement Attribution Training	Chicago, IL (USA)	July 5, 2006

For Additional information on any of our 2005-2006 events, please contact Christopher Spaulding at 732-873-5700

TRAINING...

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E-mail: info@SpauldingGrp.com

Customized In-House Training is also available. Please call or email for additional details.

INTRODUCTION TO PERFORMANCE MEASUREMENT

A unique introduction to Performance Measurement specially designed for those individuals who require a solid grounding in all aspects of performance measurement. The Spaulding Group, Inc. invites you to attend Introduction to Performance Measurement on these dates:

December 6-7, 2005 – Washington, DC
 January 10-11, 2006 – Chicago, IL
 February 14-15, 2006 – New York, NY
 March 14-15, 2006 – Boston, MA
 March 21-22, 2006 – San Francisco, CA
 April 4-5, 2006 – Somerset, NJ
 May 9-10, 2006 – London, England
 June 20-21, 2006 – Vancouver, Canada
 June 27-28, 2006 – Paris, France
 July 11-12, 2006 – Chicago, IL

15 CPE Credits upon course completion

PERFORMANCE MEASUREMENT ATTRIBUTION

A day and a half devoted to this increasingly important topic. The Spaulding Group, Inc. invites you to attend Performance Measurement Attribution on these dates:

December 8-9, 2005 – Washington, DC
 January 12-13, 2006 – Chicago, IL
 February 16-17, 2006 – New York, NY
 March 16-17, 2006 – Boston, MA
 March 23-24, 2006 – San Francisco, CA
 April 6-7, 2006 – Somerset, NJ
 May 11-12, 2006 – London, England
 June 22-23, 2006 – Vancouver, Canada
 June 29-30, 2006 – Paris, France
 July 13-14, 2006 – Chicago, IL

11 CPE Credits upon course completion

These programs may qualify for the CFA Institute's Professional Development Credit. If you are a member of the CFA Institute, please refer to their website to determine whether this program meets the criteria for CFA Institute PDP credit, to calculate credit hours, and to verify documentation requirements. www.cfainstitute.org/pdprogram

CGIPS PRINCIPLES EXAM PREPARATION

The two-day CGIPS Principles Exam Preparation class will provide you with a solid foundation for your formal study of the CGIPS Principles Exam. It will also help you identify any areas in your performance background that might need reinforcement. The earlier you commit yourself, the greater the probability of success.

January 23-24, 2006 – New York, NY
 January 23-24, 2006 – Los Angeles, CA
 January 26-27, 2006 – Boston, MA
 January 26-27, 2006 – Chicago, IL
 January 30-31, 2006 – London, England