

# PERFORMANCE PERSPECTIVES

with David Spaulding



VOLUME 3 – ISSUE 1

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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](mailto:CSpaulding@SpauldingGrp.com)

## 100 DAYS AND COUNTING

Last week, I was working on our upcoming class on the GIPS® Standards for the CFA Institute (October 25, 2005 in Philadelphia, PA) and happened to notice that it was 100 days until the end of the year, meaning 100 days until the end of the AIMR-PPS®.

Our recently completed (and soon to be published) survey on the presentation standards had some very revealing information. John Simpson was responsible for reviewing the results and preparing our comment piece. The significant jump in support for the GIPS, relative to the AIMR-PPS standards was obvious (*see Table 1*)

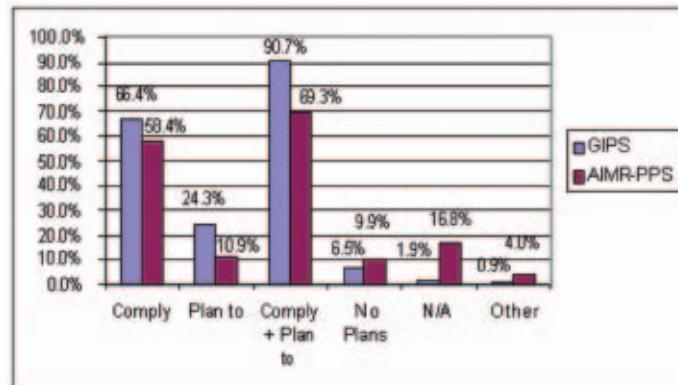


Table 1

And while we've seen an increase in firms being verified (*see Table 2*), we saw a decrease in the support for mandatory verification (*see Table 3*). If you've read our prior issues, you would probably know that I would be lying if I didn't admit that increasing opposition to mandatory verification is good news to me. The industry works quite well on its own in getting firms to get verified – we don't need mandatory verification.

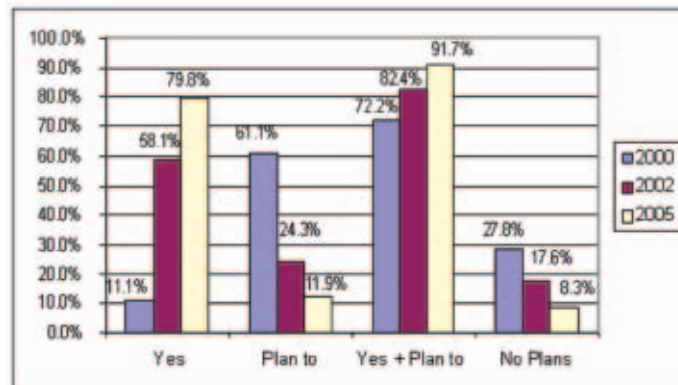


Table 2

# The Journal of Performance Measurement®:

## UPCOMING ARTICLES

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**Thinking Through Fixed  
Income Attribution –  
Reflections from a Group  
of French Practitioners**

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**Performance Compliance  
Challenges for Portfolio  
Managers**

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**Interview – Alecia Licata,  
CFA Institute**

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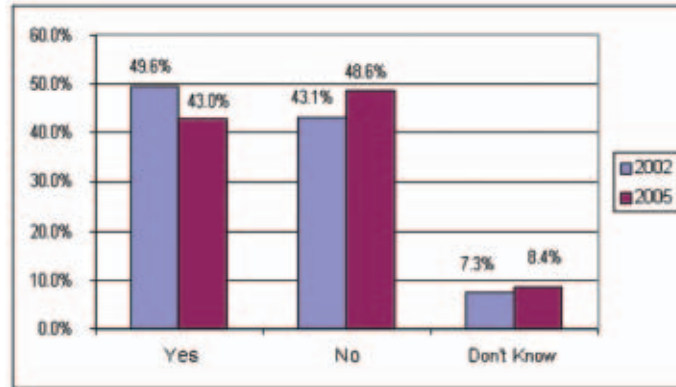
**Performance Attribution and  
the Accuracy of Detecting  
Timing and Selection Skills.**

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**Concentrating Performance  
Attribution Information**

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**An OAS Framework for  
Portfolio Attribution Analysis**



**Table 3**

We will comment further on the survey results in our upcoming supplement to *The Journal of Performance Measurement®*, so I won't say any more about it at this time, other than to thank Patrick Fowler for organizing the survey, Jaime Puerschner for compiling the results, and John Simpson for compiling the summary information, as well as the materials for our three luncheons. I should also thank our cosponsors for their support:

- Advent Software
- CAPS, Incorporated
- Eagle Investment Systems
- First Rate Investment Systems
- Informa Investment Solutions
- Kreischer Miller
- Performa
- SS&C Technologies
- StatPro
- Wilshire Analytics

## VENDOR UPHEAVAL

You may have heard about some of the shakeups which are taking place in the software market. For example, IDS (Integrated Decision Systems) has been bought by CheckFree (who previously bought Security APL); SS&C Technologies bought FMC (Financial Models) and has, itself, been recently purchased; and SunGard has recently been acquired by a consortium of firms. One might be tempted to read more into this than they should.

Those of us who have been involved in the industry for a while are aware of many such acquisitions. This is a growth market, and that should encourage such activities. What will happen to the system that just got bought is obviously of concern to any of the vendor's clients. And until the acquirer publicly announces their intentions, we're only left with speculation.



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What often happens when these events occur is firms start to look about to see what else is available (we know, because we often get called in to assist with searches).

Some vendors buy a company primarily for the customers, with the intent of replacing the acquired system with their own, while other vendors see something in the system they just bought and want to continue with it. Again, we can speculate but until there's an announcement, that's pretty much all we have available.

### CGIPS PREPARATION CLASSES

Some folks have asked me "why aren't you involved with the CGIPS examination development, after all, you came up with the idea?" The answer is quite simple: if we were, we would be prohibited from offering any training or support materials; this was a requirement that the CFA Institute laid out for anyone working on the program. And since our post-exam development was predictable, it just didn't make sense.

So, we are developing a two-day prep class which will review what the exam will cover. You will soon receive formal information about our upcoming "prep" classes for the CGIPS exam, which is planned for mid-2006. Our first two-day classes are scheduled for January in New York, Chicago, Boston, Los Angeles, and London. Other dates and locations will be added.

### YEAR 3!

This issue marks the start of our third year of this newsletter. We are very pleased with the response we've received.

### 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.*

## TRAINING...

### *Gain the Critical Knowledge Needed for Performance Measurement and Performance Attribution*

#### TO REGISTER:

**Phone: 1-732-873-5700**

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#### 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:

October 4-5, 2005 Toronto, Canada

November 7-8, 2005 Boston, MA

November 7-8, 2005 Los Angeles, CA

December 6-7, 2005 Washington, DC

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:

October 6-7, 2005 Toronto, Canada

November 9-10, 2005 Boston, MA

November 9-10, 2005 Los Angeles, CA

December 8-9, 2005 Washington, DC

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](http://www.cfainstitute.org/pdprogram)

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

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

DATE	EVENT	LOCATION	DEADLINE
October 4-5	Introduction to Performance Measurement Training	Toronto, Canada	September 30, 2005
October 6-7	Performance Measurement Attribution Training	Toronto, Canada	September 30, 2005
November 2	Fixed Income Attribution (FIA™) Symposium	New York, NY (USA)	November 1, 2005
November 7-8	Introduction to Performance Measurement Training	Boston, MA (USA)	November 4, 2005
November 7-8	Introduction to Performance Measurement Training	Los Angeles, CA (USA)	November 4, 2005
November 9-10	Performance Measurement Attribution Training	Boston, MA (USA)	November 4, 2005
November 9-10	Performance Measurement Attribution Training	Los Angeles, CA (USA)	November 4, 2005
November 15-16	Performance Measurement Forum	Brussels, Belgium	November 11, 2005
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

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