Ethical and Professional Standards:

THE GIPS STANDARDS

describe the key features of the GIPS standards and the fundamentals of compliance;

describe the scope of the GIPS standards with respect to an investment firm's definition and historical performance record;

explain how the GIPS standards are implemented in countries with existing standards for performance reporting and describe the appropriate response when the GIPS standards and local regulations conflict;

describe the nine major sections of the GIPS standards

describe the key features of the GIPS standards and the fundamentals of compliance;

GIPS OBJECTIVES

1. To obtain worldwide acceptance of a standard that rules the way to calculate and present performance results standards in a fair way and with comparable format and full disclosure.

2. To establish best practices that assure the use of consistent and accurate data regarding investment performance in areas such as reporting, records, marketing, and presentations.

3. To encourage global fair competition between companies (investment management firms).

4. To foster global industry “self-regulation.”

GIPS KEY FEATURES

1. In order to be able to claim compliance to GIPS the Company (only Investment Management Firms) must define its "firm". The mentioned definition should reflect the "distinct business entity" that is presented to clients and prospects as the investment firm.

2. GIPS are ethical standards that ensure fair representation of results and full disclosure regarding performance presentation.

3. Firms must include all actual fee-paying, discretionary portfolios in at least one composite. The performance showed must include at least five years or since inception if less. After presenting five years of compliant data, the firm must add annual performance each year going forward up to a minimum of 10 years.

4. Adherence to several calculation methodologies and specific disclosure standards is mandatory.

5. Input Data must be accurate

6. GIPS include both required and recommended procedures.

GIPS KEY FEATURES (cont.)

7. There is no such a thing as a GIPS partial claim.

8. In case of conflict between local laws and GIPS, the firm must follow the local law and disclose the conflict.

9. Firms that claim compliance with GIPS must keep updated of changes specially regarding the fact that certain recommendations are likely to become mandatory in the future.

10. Firms are encouraged to present all pertinent additional and supplemental information.

DEFINITION OF THE FIRM (requirements)

1. GIPS must be applied firm-wide basis. (No partial claim)

2. Firm must be defined as a distinct business unit.

3. Total firm assets include total market value of discretionary and nondiscretionary assets, including fee-paying and non-fee-paying accounts.

4. The performance of sub-advisors must be included if the firm has discretion over sub-advisor selection.

5. If there is a change in the organization of the firm changes its organization, historical composite results cannot be changed. (ie M&A).

DEFINITION OF THE FIRM (recommendations)

Include the broadest definition of the firm, including all geographical offices marketed under the same brand name.

DOCUMENT POLICIES AND PROCEDURES (requirements)

Policies and procedures used to comply with GIPS must be documented in writing.

CLAIM OF COMPLIANCE (requirements)

1. After meeting all the GIPS requirements, a firm can use this claim:

"[Insert name of firm] has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®)."

2. No option for any Partial Claim.

3. Statements used in composite performance presentation such "in accordance with GIPS" or similar are forbidden.

4. On top of that, it is not allowed to refer to the performance of an individual, existing client as being "calculated in accordance with GIPS" (unless a compliant firm is reporting results directly to the client).

FIRM RESPONSIBILITIES AND REQUIREMENTS

1. All prospects must be provided with a compliant presentation (received within the previous 12 months).

2. All prospects that request it must receive a list of the composites and a description of all composites.. Discontinued composites must be maintained for at least five years.

3. Provide, to clients requesting it, a compliant presentation and a composite description for any composite included on the firm's list.

4. If a firm that claims GIPS compliance is marketing alongside other firms, make sure it is clearly defined as separate from noncompliant firms.

5. Firms must comply with all requirements, and are encouraged to comply with the. In order to do so, they must be aware of updates and guidance statements.

describe the scope of the GIPS standards with respect to an investment firm's definition and historical performance record;

1. Only Investment Firms, subsidiaries or divisions, presented to clients and/or prospects as a distinct business unit.

2. Minimum of 5 years of GIPS-compliant investment performance.

3. If the firm is less than 5 years old, since inception.

4. After having claimed compliance, the firm must add the performance of each subsequent year up until 10 years of compliant performance.

Firms may present periods of noncompliant performance immediately prior to the compliant performance history as long as no noncompliant performance is presented for any periods after January 1, 2000. Firms must specify which performance results are noncompliant and the ways in which such (noncompliant) performance does not comply with GIPS.

explain how the GIPS standards are implemented in countries with existing standards for performance reporting and describe the appropriate response when the GIPS standards and local regulations conflict;

1. Firms that had in the past presented performance in compliance with a particular Country Version of GIPS (CVG) can claim GIPS compliance for any CVG-compliant results prior to January 1, 2006.

    - Firms that report such CVG-compliant performance data must continue to include that performance data in subsequent GIPS-compliant presentations until a minimum of 10 years of compliant performance is presented.

2. When there is a conflict between local law or regulation and GIPS, comply with local and disclose the conflict.

describe the nine major sections of the GIPS standards

1. Fundamentals of Compliance.
   - Firm definition, documentation policies , claim of compliance, updates and verification
2. Input Data
   - Consistence in its use for the correct calculation of performance.
3. Calculation Methodology
4. Composite Construction.
5. Disclosures
6. Presentation and Reporting.
7. Real Estate
8. Private Equity
9. Wrap Fee & Separately Managed Accounts: Include the performance of all accounts in composites