

# Corrections to GIPS Standards 2005

Last updated 31 October 2006

Provision	Original	Correction
II. Provisions of the Global Investment Performance Standards (page 6)	2. Calculation Methodology: Achieving comparability among firms' performance presentations REQUIRES...	2. Calculation Methodology: Achieving comparability among firms' performance presentations <b>requires...</b>
2.A.1	TOTAL RETURN, including realized and unrealized gains and losses plus income, MUST be used.	<b>Total return</b> , including realized and unrealized gains and losses plus income, MUST be used.
5.A.1.c	. . .If the COMPOSITE contains less than 5 PORTFOLIOS, the number of PORTFOLIOS is not REQUIRED.	. . .If the COMPOSITE contains <b>5 PORTFOLIOS or less</b> , the number of PORTFOLIOS is not REQUIRED.
5.A.1.d	. . .If the COMPOSITE contains less than 5 PORTFOLIOS for the full year, a measure of DISPERSION is not REQUIRED.	. . .If the COMPOSITE contains <b>5 PORTFOLIOS or less</b> for the full year, a measure of DISPERSION is not REQUIRED.
5.A.6	The TOTAL RETURN for the BENCHMARK (or BENCHMARKS) that reflects...	The <b>total return</b> for the BENCHMARK (or BENCHMARKS) that reflects...
5.B.2	. . . over time of the COMPOSITE and BENCHMARK returns.	. . . over time of the COMPOSITE and BENCHMARK <b>returns</b> .
6. Real Estate	...all the required and recommended elements of the GIPS standards (outline in Section II.1 through Section II.5.), ...	...all the required and recommended elements of the GIPS standards (outline in Section II. <b>0</b> through Section II.5.), ...
6.A.3.a	. . .(1) calculated separately using chain-linked TIME-WEIGHTED RATE OF RETURN, (2) adjusted such that the sum of THE INCOME RETURN and the CAPITAL RETURN is	. . .(1) calculated separately using chain-linked TIME-WEIGHTED RATE OF RETURN, <b>or</b> (2) adjusted such that the sum of THE INCOME RETURN and the CAPITAL RETURN is

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	equal to the TOTAL RETURN, or (3) income cash recognition mode,	equal to the TOTAL RETURN, <b>or (3) income cash recognition mode,</b>
6.A.3.f	The percent of total MARKET VALUE of COMPOSITE assets (asset weighted not equally weighted) total REAL ESTATE assets valued by an EXTERNAL VALUATION for each period, and	The percent of total MARKET VALUE of COMPOSITE assets (asset weighted not equally weighted) <b>to</b> total REAL ESTATE assets valued by an EXTERNAL VALUATION for each period, and
7. Private Equity	...all the required and recommended elements of the GIPS standards (outline in Section II.1 through Section II.5.), ...	...all the required and recommended elements of the GIPS standards (outline in Section II. <b>0</b> through Section II.5.), ...
Appendix A Example 4: Private Equity Partners Disclosures	The required fee schedule disclosure is inadvertently omitted	Include sample disclosure text: <b>The standard fee schedule currently in effect is as follows: 1.00% of assets under management. In addition, there is a 20% incentive fee for all assets. The incentive fee is applied to the value added in excess of fees, expenses, and the return of the GP-BO Index.</b>
Glossary, definition of DISTINCT BUSINESS ENTITY	A unit, division, department, or office that is organizationally and functionally segregated from other units, divisions, departments, or office and retains discretion over the assets it manages and autonomy over the	A unit, division, department, or office that is organizationally and functionally segregated from other units, divisions, departments, or office and retains discretion over the assets it manages and <b>should have</b> autonomy over

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	investment decision-making process.	the investment decision-making process.
Glossary, definition of FEE SCHEDULE	. . . This schedule is typically listed by asset level ranges and <del>SHOULD</del> be appropriate to the particular prospective client.	. . . This schedule is typically listed by asset level ranges and <del>MUST</del> <b>should</b> be appropriate to the particular prospective client.
Glossary, definition of MARKET VALUE	The current listed price at which investors buy or sell securities at a given time.	The current <b>listed</b> price at which investors buy or sell securities at a given time.
Glossary, definition of OPEN MARKET VALUE (PRIVATE EQUITY)	Open Market Value ( <del>PRIVATE EQUITY</del> )	Open Market Value ( <b>REAL ESTATE</b> )