

PROVISIONS OF THE GLOBAL INVESTMENT PERFORMANCE STANDARDS

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0. FUNDAMENTALS OF COMPLIANCE

A. Requirements

B. Recommendations

0.A.1 FIRMS MUST comply with all the REQUIREMENTS of the GIPS standards, including any updates, Guidance Statements, interpretations, Questions & Answers (Q&As), and clarifications published by CFA Institute and the GIPS Executive Committee.

0.A.2 FIRMS MUST comply with all applicable laws and regulations regarding the calculation and presentation of performance.

0.A.3 FIRMS MUST NOT present performance or performance-related information that is false or misleading.

0.A.4 The GIPS standards MUST be applied on a FIRM-wide basis.

0.A.5 FIRMS MUST document their policies and procedures used in establishing and maintaining compliance with the GIPS standards, including ensuring the existence and ownership of client assets, and MUST apply them consistently.

0.A.6 If the FIRM does not meet all the REQUIREMENTS of the GIPS standards, the FIRM MUST NOT represent or state that it is "in compliance with the Global Investment Performance Standards except for..." or make any other statements that may indicate partial compliance with the GIPS standards.

0.A.7 Statements referring to the calculation methodology as being "in accordance," "in compliance," or "consistent" with the Global Investment Performance Standards, or similar statements, are prohibited.

0.A.8 Statements referring to the performance of a single, existing client PORTFOLIO as being "calculated in accordance with the Global Investment Performance Standards" are prohibited, except when a GIPS-compliant FIRM reports the performance of an individual client's PORTFOLIO to that client.

0.A.9 FIRMS MUST make every reasonable effort to provide a COMPLIANT PRESENTATION to all PROSPECTIVE CLIENTS. FIRMS MUST NOT choose to whom they present a COMPLIANT PRESENTATION. As long as a PROSPECTIVE CLIENT has received a COMPLIANT PRESENTATION within the previous 12 months, the FIRM has met this REQUIREMENT.

0.A.10 FIRMS MUST provide a complete list of COMPOSITE DESCRIPTIONS to any PROSPECTIVE CLIENT that makes such a request. FIRMS MUST include terminated COMPOSITES on the FIRM'S list of COMPOSITE DESCRIPTIONS for at least five years after the COMPOSITE TERMINATION DATE.

0.A.11 FIRMS MUST provide a COMPLIANT PRESENTATION for any COMPOSITE listed on the FIRM'S list of COMPOSITE DESCRIPTIONS to any PROSPECTIVE CLIENT that makes such a request.

0.A.12 FIRMS MUST be defined as an investment firm, subsidiary, or division held out to clients or PROSPECTIVE CLIENTS as a DISTINCT BUSINESS ENTITY.

0.A.13 For periods beginning on or after 1 January 2011, TOTAL FIRM ASSETS MUST be the aggregate FAIR VALUE of all discretionary and non-discretionary assets managed by the FIRM. This includes both fee-paying and non-fee-paying PORTFOLIOS.

0.A.14 TOTAL FIRM ASSETS MUST include assets assigned to a SUB-ADVISOR provided the FIRM has discretion over the selection of the SUB-ADVISOR.

0.A.15 Changes in a FIRM'S organization MUST NOT lead to alteration of historical COMPOSITE performance.

0.A.16 When the FIRM jointly markets with other firms, the FIRM claiming compliance with the GIPS standards MUST be sure that it is clearly defined and separate relative to other firms being marketed, and that it is clear which FIRM is claiming compliance.

B. Recommendations

0.B.1 FIRMS SHOULD comply with the RECOMMENDATIONS of the GIPS standards, including RECOMMENDATIONS in any updates, Guidance Statements, interpretations, Questions & Answers (Q&As), and clarifications published by CFA Institute and the GIPS Executive Committee.

0.B.2 FIRMS SHOULD be verified.

0.B.3 FIRMS SHOULD adopt the broadest, most meaningful definition of the FIRM. The scope of this definition SHOULD include all geographical (country, regional, etc.) offices operating under the same brand name regardless of the actual name of the individual investment management company.

0.B.4 FIRMS SHOULD provide to each existing client, on an annual basis, a COMPLIANT PRESENTATION of the COMPOSITE in which the client's PORTFOLIO is included.

1. INPUT DATA

A. Requirements

1.A.1 All data and information necessary to support all items included in a COMPLIANT PRESENTATION MUST be captured and maintained.

1.A.2 For periods beginning on or after 1 January 2011, PORTFOLIOS MUST be valued in accordance with the definition of FAIR VALUE and the GIPS Valuation Principles in Chapter II.

1.A.3 FIRMS MUST value PORTFOLIOS in accordance with the COMPOSITE-specific valuation policy. PORTFOLIOS MUST be valued:

a. For periods beginning on or after 1 January 2001, at least monthly.

b. For periods beginning on or after 1 January 2010, on the date of all LARGE CASH FLOWS. FIRMS MUST define LARGE CASH FLOW for each COMPOSITE to determine when PORTFOLIOS in that COMPOSITE MUST be valued.

c. No more frequently than required by the valuation policy.

1.A.4 For periods beginning on or after 1 January 2010, FIRMS MUST value PORTFOLIOS as of the calendar month end or the last business day of the month.

1.A.5 For periods beginning on or after 1 January 2005, FIRMS MUST use TRADE DATE ACCOUNTING.

1.A.6 ACCRUAL ACCOUNTING MUST be used for fixed-income securities and all other investments that earn interest income. The value of fixed-income securities MUST include accrued income.

1.A.7 For periods beginning on or after 1 January 2006, COMPOSITES MUST have consistent beginning and ending annual valuation dates. Unless the COMPOSITE is reported on a non-calendar fiscal year, the beginning and ending valuation dates MUST be at calendar year end or on the last business day of the year.

B. Recommendations

1.B.1 FIRMS SHOULD value PORTFOLIOS on the date of all EXTERNAL CASH FLOWS.

1.B.2 Valuations SHOULD be obtained from a qualified independent third party.

1.B.3 ACCRUAL ACCOUNTING SHOULD be used for dividends (as of the ex-dividend date).

1.B.4 FIRMS SHOULD accrue INVESTMENT MANAGEMENT FEES.

2. CALCULATION METHODOLOGY

A. Requirements

2.A.1 TOTAL RETURNS MUST be used.

2.A.2 FIRMS MUST calculate TIME-WEIGHTED RATES OF RETURN that adjust for EXTERNAL CASH FLOWS. Both periodic and sub-period returns MUST be geometrically LINKED. EXTERNAL CASH FLOWS MUST be treated according to the FIRM'S COMPOSITE-specific policy. At a minimum:

a. For periods beginning on or after 1 January 2001, FIRMS MUST calculate PORTFOLIO returns at least monthly.

b. For periods beginning on or after 1 January 2005, FIRMS MUST calculate PORTFOLIO returns that adjust for daily-weighted EXTERNAL CASH FLOWS.

2.A.3 Returns from cash and cash equivalents held in PORTFOLIOS MUST be included in all return calculations.

2.A.4 All returns MUST be calculated after the deduction of the actual TRADING EXPENSES incurred during the period. FIRMS MUST NOT use estimated TRADING EXPENSES.

2.A.5 If the actual TRADING EXPENSES cannot be identified and segregated from a BUNDLED FEE:

a. When calculating GROSS-OF-FEES returns, returns MUST be reduced by the entire BUNDLED FEE or the portion of the BUNDLED FEE that includes the TRADING EXPENSES. FIRMS MUST NOT use estimated TRADING EXPENSES.

b. When calculating NET-OF-FEES returns, returns MUST be reduced by the entire BUNDLED FEE or the portion of the BUNDLED FEE that includes the TRADING EXPENSES and the INVESTMENT MANAGEMENT FEE. FIRMS MUST NOT use estimated TRADING EXPENSES.

2.A.6 COMPOSITE returns MUST be calculated by asset-weighting the individual PORTFOLIO returns using beginning-of-period values or a method that reflects both beginning-of-period values and EXTERNAL CASH FLOWS.

2.A.7 COMPOSITE returns MUST be calculated:

a. For periods beginning on or after 1 January 2006, by asset-weighting the individual PORTFOLIO returns at least quarterly.

b. For periods beginning on or after 1 January 2010, by asset-weighting the individual PORTFOLIO returns at least monthly.

B. Recommendations

2.B.1 Returns SHOULD be calculated net of non-reclaimable withholding taxes on dividends, interest, and capital gains. Reclaimable withholding taxes SHOULD be accrued.

2.B.2 For periods prior to 1 January 2010, FIRMS SHOULD calculate COMPOSITE returns by asset-weighting the individual PORTFOLIO returns at least monthly.

3. COMPOSITE CONSTRUCTION

A. Requirements

3.A.1 All actual, fee-paying, discretionary PORTFOLIOS MUST be included in at least one COMPOSITE. Although non-fee-paying discretionary PORTFOLIOS may be included in a COMPOSITE (with appropriate disclosure), non-discretionary PORTFOLIOS MUST NOT be included in a FIRM'S COMPOSITES.

3.A.2 COMPOSITES MUST include only actual assets managed by the FIRM.

3.A.3 FIRMS MUST NOT LINK performance of simulated or model PORTFOLIOS with actual performance.

3.A.4 COMPOSITES MUST be defined according to investment mandate, objective, or strategy. COMPOSITES MUST include all PORTFOLIOS that meet the COMPOSITE DEFINITION. Any change to a COMPOSITE DEFINITION MUST NOT be applied retroactively. The COMPOSITE DEFINITION MUST be made available upon request.

3.A.5 COMPOSITES MUST include new PORTFOLIOS on a timely and consistent basis after each PORTFOLIO comes under management.

3.A.6 Terminated PORTFOLIOS MUST be included in the historical performance of the COMPOSITE up to the last full measurement period that each PORTFOLIO was under management.

3.A.7 PORTFOLIOS MUST NOT be switched from one COMPOSITE to another unless documented changes to a PORTFOLIO'S investment mandate, objective, or strategy or the redefinition of the COMPOSITE makes it appropriate. The historical performance of the PORTFOLIO MUST remain with the original COMPOSITE..

3.A.8 For periods beginning on or after 1 January 2010, a CARVE-OUT MUST NOT be included in a COMPOSITE unless the CARVE-OUT is managed separately with its own cash balance.

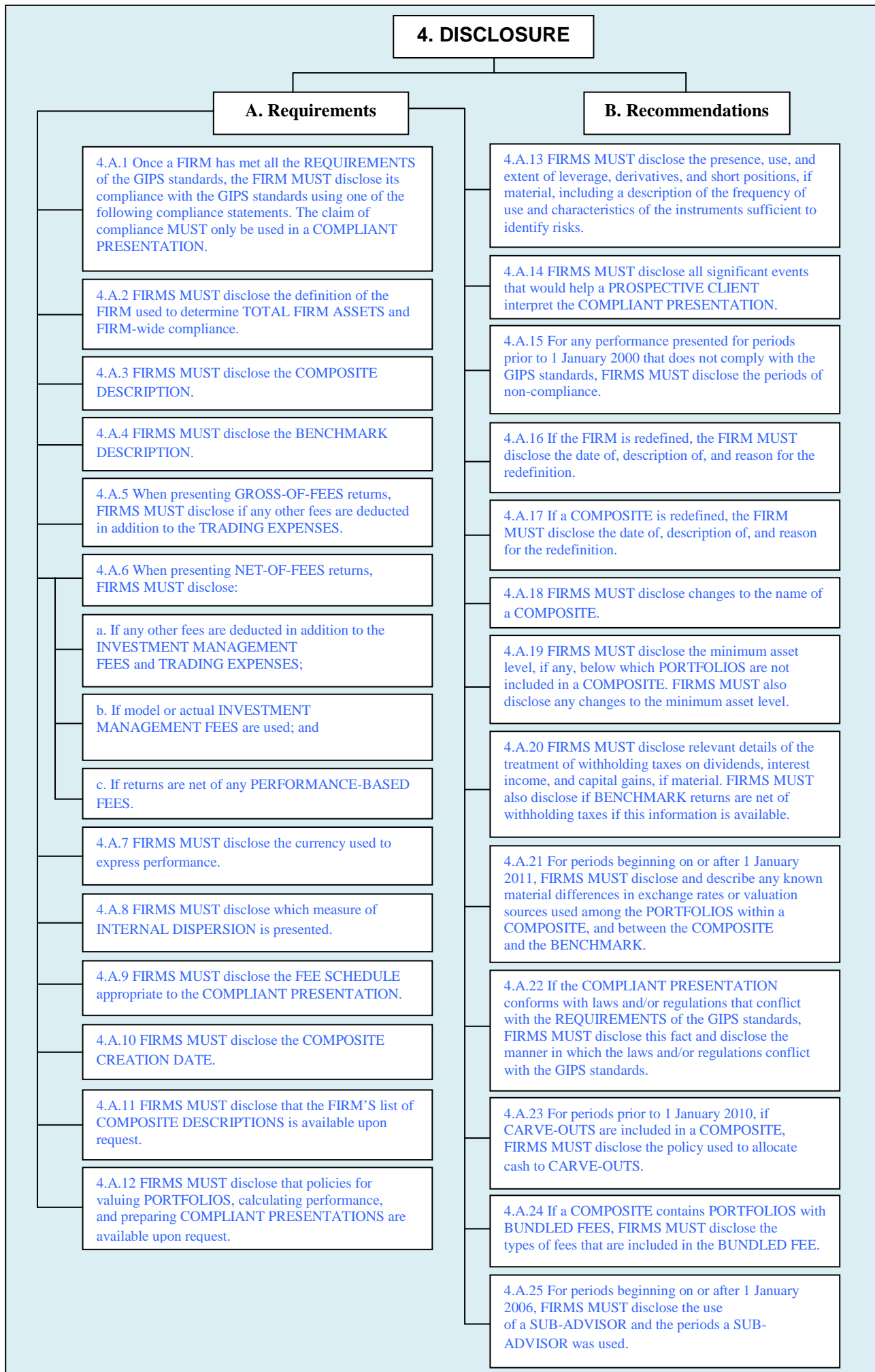
3.A.9 If the FIRM sets a minimum asset level for PORTFOLIOS to be included in a COMPOSITE, the FIRM MUST NOT include PORTFOLIOS below the minimum asset level in that COMPOSITE. Any changes to a COMPOSITE-specific minimum asset level MUST NOT be applied retroactively.

3.A.10 FIRMS that wish to remove PORTFOLIOS from COMPOSITES in cases of SIGNIFICANT CASH FLOWS MUST define "significant" on an EX-ANTE, COMPOSITE-specific basis and MUST consistently follow the COMPOSITE-specific policy.

B. Recommendations

3.B.1 If the FIRM sets a minimum asset level for PORTFOLIOS to be included in a COMPOSITE, the FIRM SHOULD NOT present a COMPLIANT PRESENTATION of the COMPOSITE to a PROSPECTIVE CLIENT known not to meet the COMPOSITE'S minimum asset level.

3.B.2 To remove the effect of a SIGNIFICANT CASH FLOW, the FIRM SHOULD use a TEMPORARY NEW ACCOUNT.



4.A.26 For periods prior to 1 January 2010, FIRMS MUST disclose if any PORTFOLIOS were not valued at calendar month end or on the last business day of the month.

4.A.28 For periods beginning on or after 1 January 2011, FIRMS MUST disclose if the COMPOSITE'S valuation hierarchy materially differs from the RECOMMENDED hierarchy in the GIPS Valuation Principles in Chapter II.

4.A.30 If the FIRM changes the BENCHMARK, the FIRM MUST disclose the date of, description of, and reason for the change.

4.A.32 If the FIRM has adopted a SIGNIFICANT CASH FLOW policy for a specific COMPOSITE, the FIRM MUST disclose how the FIRM defines a SIGNIFICANT CASH FLOW for that COMPOSITE and for which periods.

4.A.34 If the FIRM determines that the three-year annualized EX-POST STANDARD DEVIATION is not relevant or appropriate, the FIRM MUST:

a. Describe why EX-POST STANDARD DEVIATION is not relevant or appropriate; and

b. Describe the additional risk measure presented and why it was selected.

4.A.27 For periods beginning on or after 1 January 2011, FIRMS MUST disclose the use of subjective unobservable inputs for valuing PORTFOLIO investments (as described in the GIPS Valuation Principles in Chapter II) if the PORTFOLIO investments valued using subjective unobservable inputs are material to the COMPOSITE.

4.A.29 If the FIRM determines no appropriate BENCHMARK for the COMPOSITE exists, the FIRM MUST disclose why no BENCHMARK is presented.

4.A.31 If a custom BENCHMARK or combination of multiple BENCHMARKS is used, the FIRM MUST disclose the BENCHMARK components, weights, and rebalancing process.

4.A.33 FIRMS MUST disclose if the three-year annualized EX-POST STANDARD DEVIATION of the COMPOSITE and/or BENCHMARK is not presented because 36 monthly returns are not available.

4.A.35 FIRMS MUST disclose if the performance from a past firm or affiliation is LINKED to the performance of the FIRM.

B. Recommendations

4.B.1 FIRMS SHOULD disclose material changes to valuation policies and/or methodologies.

4.B.2 FIRMS SHOULD disclose material changes to calculation policies and/or methodologies.

4.B.3 FIRMS SHOULD disclose material differences between the BENCHMARK and the COMPOSITE'S investment mandate, objective, or strategy.

4.B.4 FIRMS SHOULD disclose the key assumptions used to value PORTFOLIO investments.

4.B.5 If a parent company contains multiple firms, each FIRM within the parent company SHOULD disclose a list of the other firms contained within the parent company.

4.B.6 For periods prior to 1 January 2011, FIRMS SHOULD disclose the use of subjective unobservable inputs for valuing PORTFOLIO investments (as described in the GIPS Valuation Principles in Chapter II) if the PORTFOLIO investments valued using subjective unobservable inputs are material to the COMPOSITE.

4.B.7 For periods prior to 1 January 2006, FIRMS SHOULD disclose the use of a SUBADVISOR and the periods a SUB-ADVISOR was used.

4.B.8 FIRMS SHOULD disclose if a COMPOSITE contains PROPRIETARY ASSETS.

5. PRESENTATION AND REPORTING

A. Requirements

5.A.1 a At least five years of performance (or for the period since the FIRM'S inception or the COMPOSITE INCEPTION DATE if the FIRM or the COMPOSITE has been in existence less than five years) that meets the REQUIREMENTS of the GIPS standards. After a FIRM presents a minimum of five years of GIPS compliant performance (or for the period since the FIRM'S inception or the COMPOSITE INCEPTION DATE if the FIRM or the COMPOSITE has been in existence less than five years), the FIRM MUST present an additional year of performance each year, building up to a minimum of 10 years of GIPS compliant performance.

b. COMPOSITE returns for each annual period. COMPOSITE returns MUST be clearly identified as GROSS-OF-FEES or NET-OF-FEES.

c. For COMPOSITES with a COMPOSITE INCEPTION DATE of 1 January 2011 or later, when the initial period is less than a full year, returns from the COMPOSITE INCEPTION DATE through the initial annual period end.

d. For COMPOSITES with a COMPOSITE TERMINATION DATE of 1 January 2011 or later, returns from the last annual period end through the COMPOSITE TERMINATION DATE.

e. The TOTAL RETURN for the BENCHMARK for each annual period. The BENCHMARK MUST reflect the investment mandate, objective, or strategy of the COMPOSITE.

f. The number of PORTFOLIOS in the COMPOSITE as of each annual period end. If the COMPOSITE contains five or fewer PORTFOLIOS at period end, the number of PORTFOLIOS is not REQUIRED.

g. COMPOSITE assets as of each annual period end.

h. Either TOTAL FIRM ASSETS or COMPOSITE assets as a percentage of TOTAL FIRM ASSETS, as of each annual period end.

i. A measure of INTERNAL DISPERSION of individual PORTFOLIO returns for each annual period. If the COMPOSITE contains five or fewer PORTFOLIOS for the full year, a measure of INTERNAL DISPERSION is not REQUIRED.

5.A.2 For periods ending on or after 1 January 2011, FIRMS MUST present, as of each annual period end:

a. The three-year annualized EX-POST STANDARD DEVIATION (using monthly returns) of both the COMPOSITE and the BENCHMARK; and

b. An additional three-year EX-POST risk measure for the BENCHMARK (if available and appropriate) and the COMPOSITE, if the FIRM determines that the three-year annualized EX-POST STANDARD DEVIATION is not relevant or appropriate. The PERIODICITY of the COMPOSITE and the BENCHMARK MUST be identical when calculating the EX-POST risk measure.

B. Recommendations

5.A.3 FIRMS MUST NOT LINK non-GIPS-compliant performance for periods beginning on or after 1 January 2000 to their GIPS-compliant performance. FIRMS may LINK non-GIPS-compliant performance to GIPS-compliant performance provided that only GIPS-compliant performance is presented for periods beginning on or after 1 January 2000..

5.A.4 Returns for periods of less than one year MUST NOT be annualized.

5.A.5 For periods beginning on or after 1 January 2006 and ending prior to 1 January 2011, if a COMPOSITE includes CARVE-OUTS, the FIRM MUST present the percentage of COMPOSITE assets represented by CARVE-OUTS as of each annual period end.

5.A.6 If a COMPOSITE includes non-fee-paying PORTFOLIOS, the FIRM MUST present the percentage of COMPOSITE assets represented by non-fee-paying PORTFOLIOS as of each annual period end.

5.A.7 If a COMPOSITE includes PORTFOLIOS with BUNDLED FEES, the FIRM MUST present the percentage of COMPOSITE assets represented by PORTFOLIOS with BUNDLED FEES as of each annual period end.

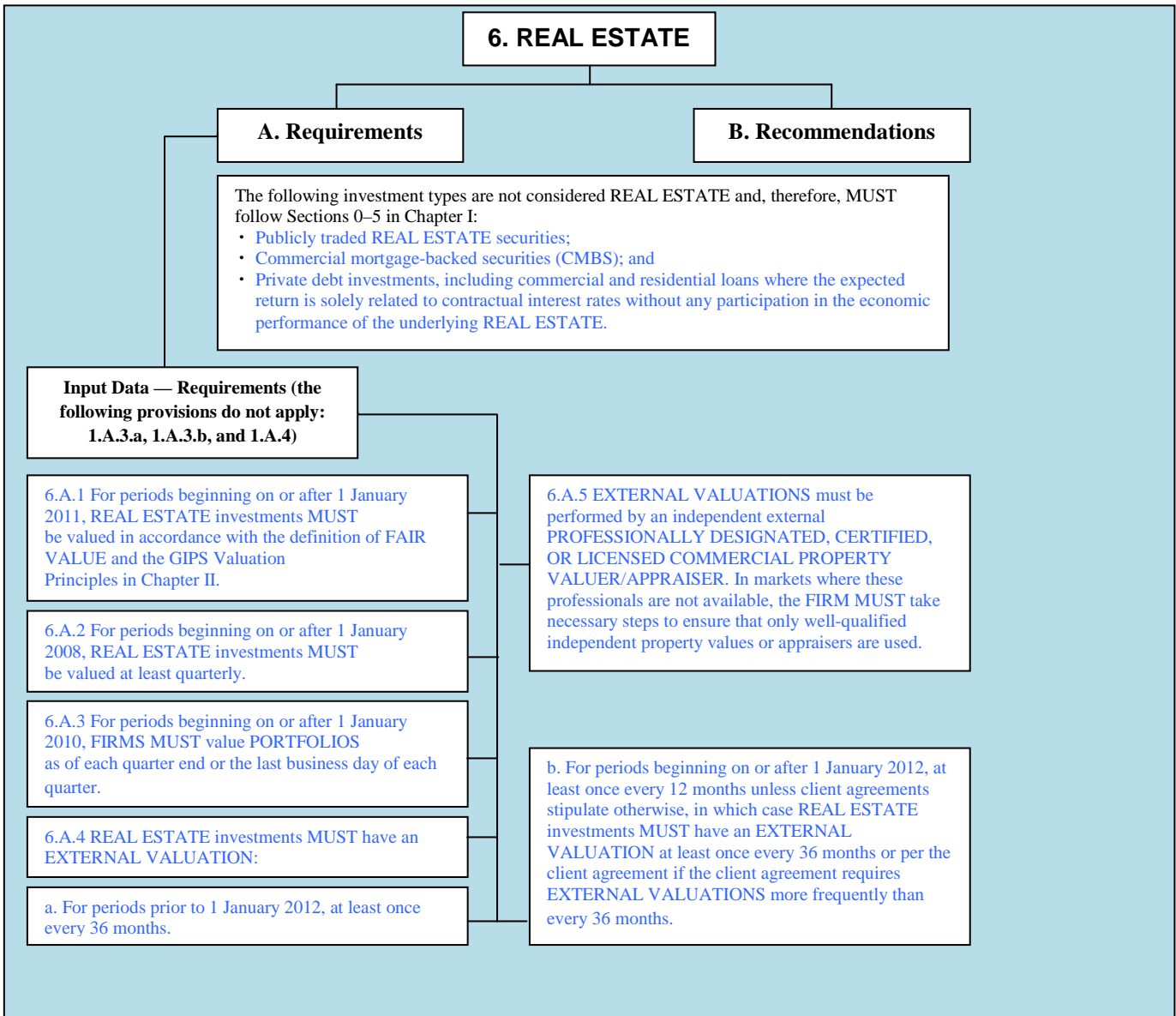
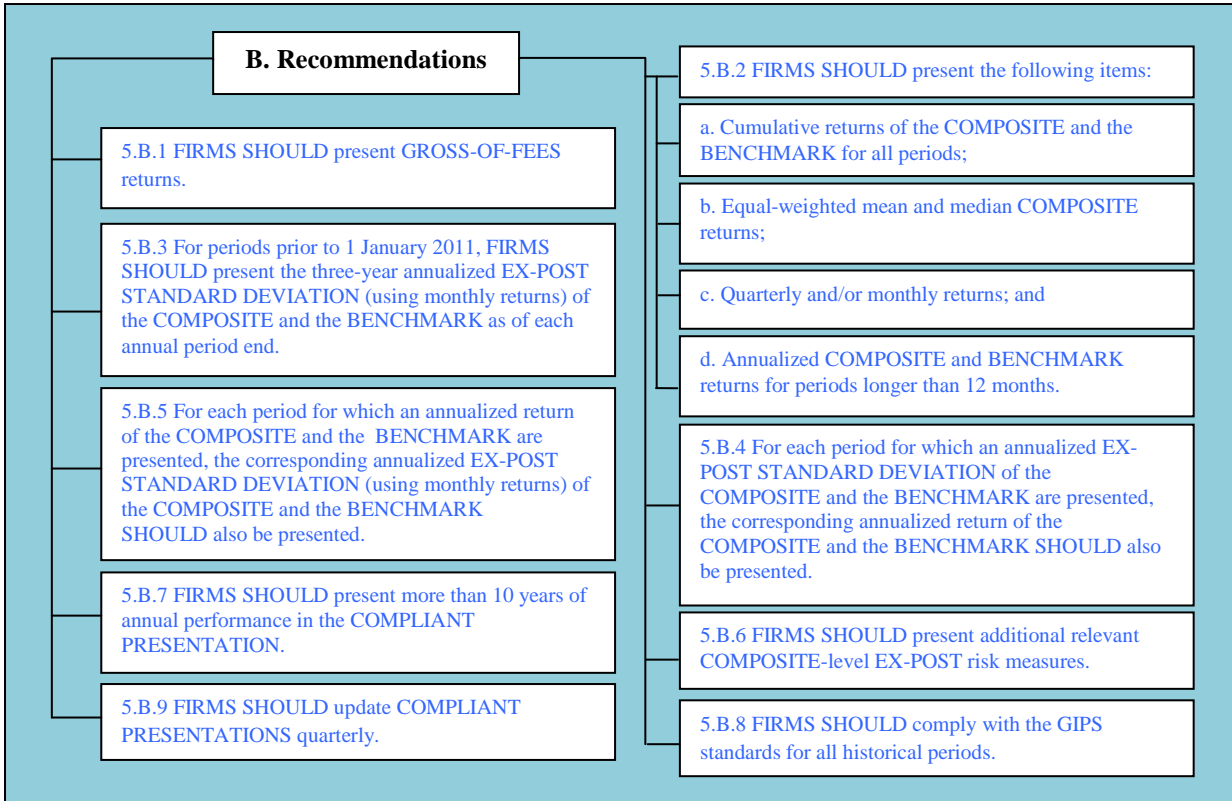
5.A.8 a. Performance of a past firm or affiliation MUST be LINKED to or used to represent the historical performance of a new or acquiring FIRM if, on a COMPOSITE-specific basis:

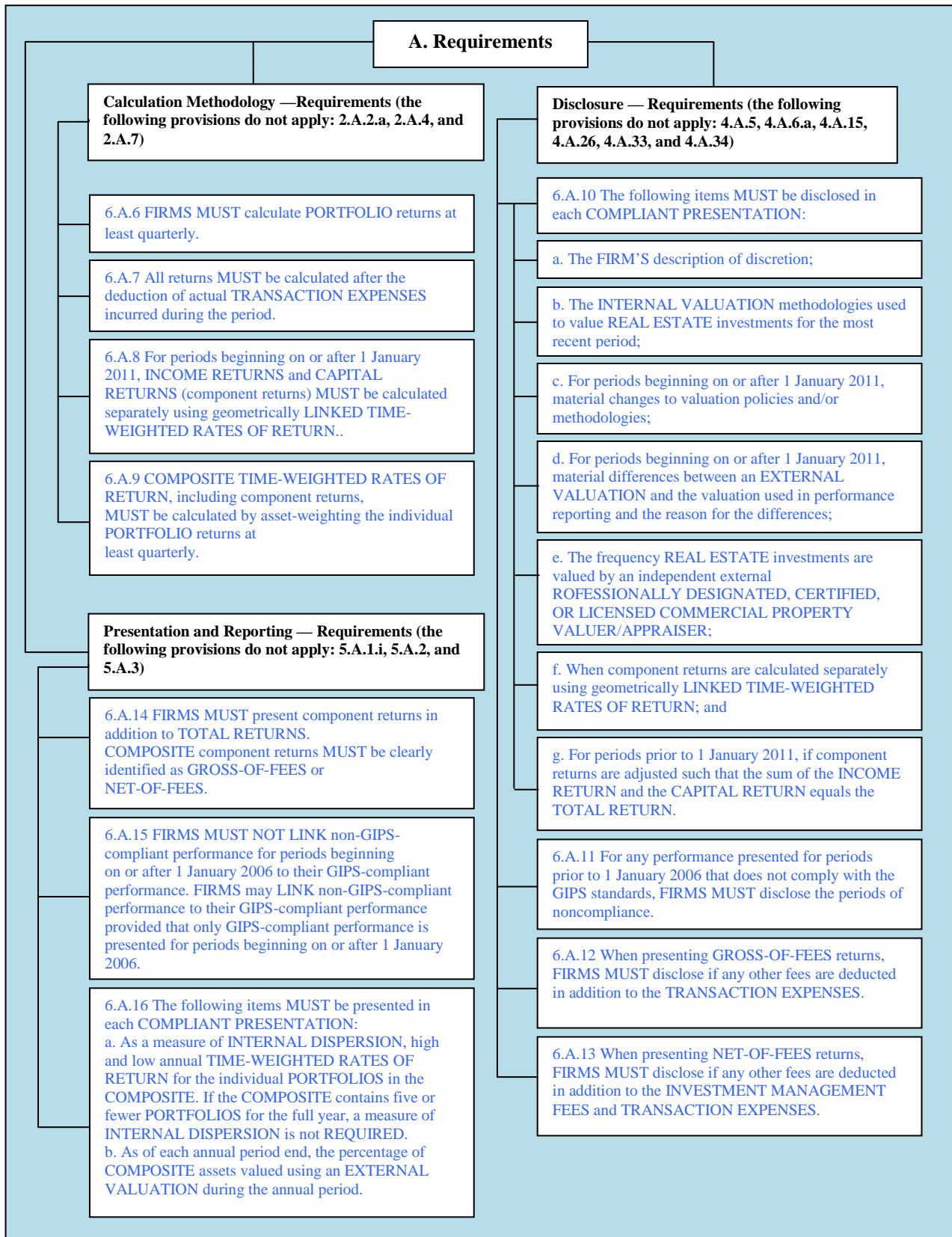
i. Substantially all of the investment decision makers are employed by the new or acquiring FIRM (e.g., research department staff, portfolio managers, and other relevant staff);

ii. The decision-making process remains substantially intact and independent within the new or acquiring FIRM; and

iii. The new or acquiring FIRM has records that document and support the performance.

b. If a FIRM acquires another firm or affiliation, the FIRM has one year to bring any non-compliant assets into compliance.





A. Requirements

The following provisions are additional REQUIREMENTS for REAL ESTATE CLOSED-END FUND COMPOSITES:

Calculation Methodology -Requirements

6.A.17 FIRMS MUST calculate annualized SINCE INCEPTION INTERNAL RATES OF RETURN (SI-IRR).

6.A.18 The SI-IRR MUST be calculated using quarterly cash flows at a minimum.

Composite Construction - Requirements

6.A.19 COMPOSITES MUST be defined by VINTAGE YEAR and investment mandate, objective, or strategy. The COMPOSITE DEFINITION MUST remain consistent throughout the life of the COMPOSITE.

Disclosure - Requirements

6.A.20 FIRMS MUST disclose the FINAL LIQUIDATION DATE for liquidated COMPOSITES.

6.A.21 FIRMS MUST disclose the frequency of cash flows used in the SI-IRR calculation.

6.A.22 FIRMS MUST disclose the VINTAGE YEAR of the COMPOSITE and how the VINTAGE YEAR is defined.

Presentation and Reporting - Requirements

6.A.23 The following items MUST be presented in each COMPLIANT PRESENTATION:

a. FIRMS MUST present the NET-OF-FEES SI-IRR of the COMPOSITE through each annual period end. FIRMS MUST initially present at least five years of performance (or for the period since the FIRM'S inception or the COMPOSITE INCEPTION DATE if the FIRM or the COMPOSITE has been in existence less than five years) that meets the REQUIREMENTS of the GIPS standards. Each subsequent year, FIRMS MUST present an additional year of performance.

b. For periods beginning on or after 1 January 2011, when the initial period is less than a full year, FIRMS MUST present the non-annualized NET-OF-FEES SI-IRR through the initial annual period end.

c. For periods ending on or after 1 January 2011, FIRMS MUST present the NETOF- FEES SI-IRR through the COMPOSITE FINAL LIQUIDATION DATE.

6.A.24 If the GROSS-OF-FEES SI-IRR of the COMPOSITE is presented in the COMPLIANT PRESENTATION, FIRMS MUST present the GROSS-OF-FEES SI-IRR of the COMPOSITE for the same periods as the NET-OF-FEES SI-IRR is presented.

Presentation and Reporting - Requirements

6.A.25 FIRMS MUST present, as of each annual period end:

a. COMPOSITE SINCE INCEPTION PAID-IN CAPITAL;

b. COMPOSITE SINCE INCEPTION DISTRIBUTIONS;

c. COMPOSITE cumulative COMMITTED CAPITAL;

d. TOTAL VALUE to SINCE INCEPTION PAID-IN CAPITAL (INVESTMENT MULTIPLE or TVPI);

e. SINCE INCEPTION DISTRIBUTIONS to SINCE INCEPTION PAID-IN CAPITAL (REALIZATION MULTIPLE or DPI);

f. SINCE INCEPTION PAID-IN CAPITAL to cumulative COMMITTED CAPITAL (PIC MULTIPLE); and

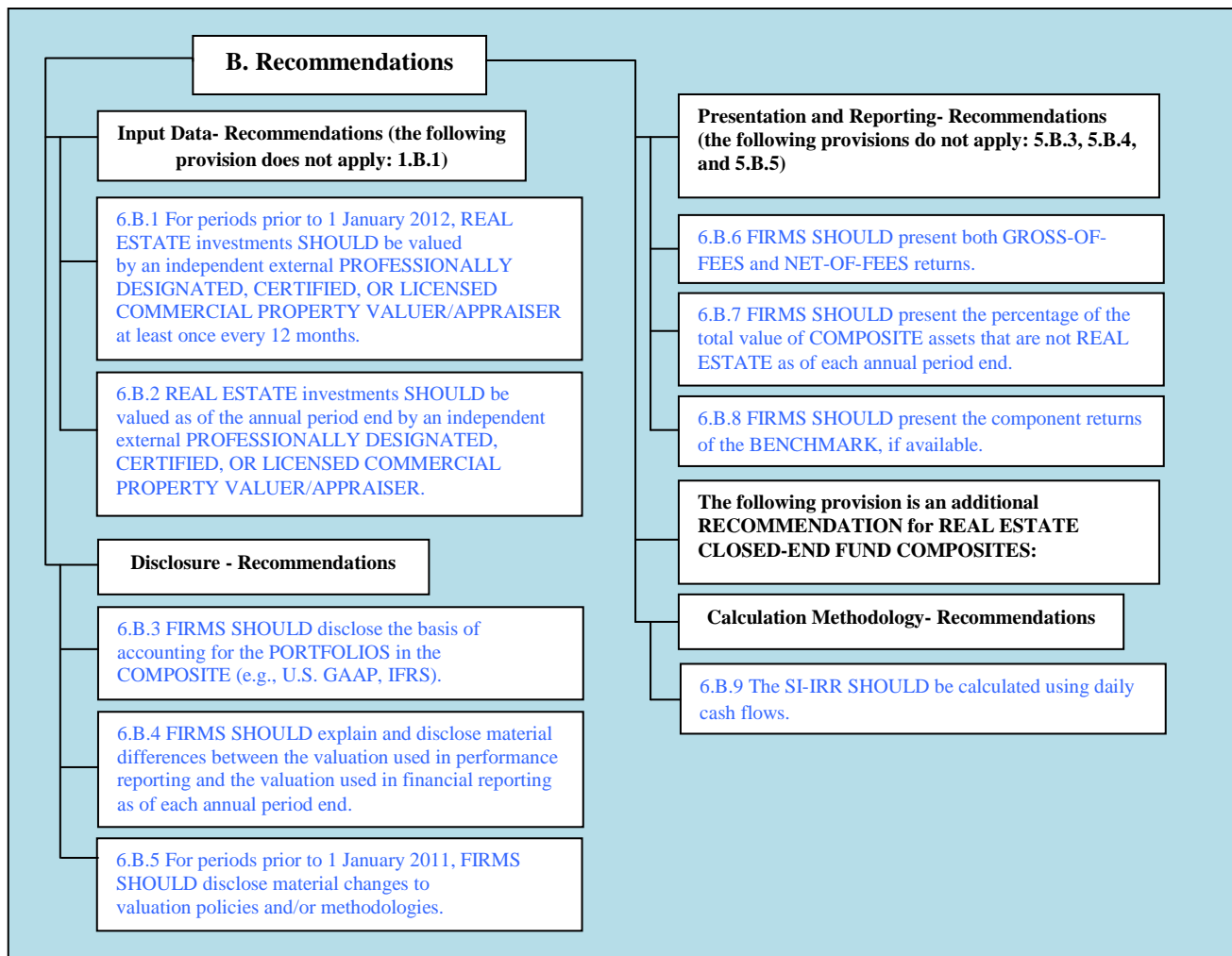
g. RESIDUAL VALUE to SINCE INCEPTION PAID-IN CAPITAL (UNREALIZED MULTIPLE or RVPI).

6.A.26 FIRMS MUST present the SI-IRR of the BENCHMARK through each annual period end. The BENCHMARK MUST:

a. Reflect the investment mandate, objective, or strategy of the COMPOSITE;

b. Be presented for the same time period as presented for the COMPOSITE; and

c. Be the same VINTAGE YEAR as the COMPOSITE.



7. PRIVATE EQUITY

A. Requirements

Input Data — Requirements (the following provisions do not apply: 1.A.3.a, 1.A.3.b, and 1.A.4)

7. A.1 For periods ending on or after 1 January 2011, PRIVATE EQUITY investments MUST be valued in accordance with the definition of FAIR VALUE and the GIPS Valuation Principles in Chapter II.

7. A.2 PRIVATE EQUITY investments MUST be valued at least annually.

Calculation Methodology — Requirements (the following provisions do not apply: 2.A.2, 2.A.4, 2.A.6, and 2.A.7)

7. A.3 FIRMS MUST calculate annualized SINCE INCEPTION INTERNAL RATES OF RETURN (SI-IRR).

7. A.4 For periods ending on or after 1 January 2011, the SI-IRR MUST be calculated using daily cash flows. Stock DISTRIBUTIONS MUST be included as cash flows and MUST be valued at the time of DISTRIBUTION.

7. A.5 All returns MUST be calculated after the deduction of actual TRANSACTION EXPENSES incurred during the period.

7. A.6 NET-OF-FEES returns MUST be net of actual INVESTMENT MANAGEMENT FEES (including CARRIED INTEREST).

7. A.7 For FUNDS OF FUNDS, all returns MUST be net of all underlying partnership and/or fund fees and expenses, including CARRIED INTEREST.

Composite Construction — Requirements (the following provision does not apply: 3.A.10)

7. A.8 COMPOSITE DEFINITIONS MUST remain consistent throughout the life of the COMPOSITE.

7. A.9 PRIMARY FUNDS MUST be included in at least one COMPOSITE defined by VINTAGE YEAR and investment mandate, objective, or strategy.

7. A.10 FUNDS OF FUNDS MUST be included in at least one COMPOSITE defined by VINTAGE YEAR of the FUND OF FUNDS and/or investment mandate, objective, or strategy.

B. Recommendations

Disclosure — Requirements (the following provisions do not apply: 4.A.5, 4.A.6.a, 4.A.6.b, 4.A.8, 4.A.15, 4.A.26, 4.A.32, 4.A.33, and 4.A.34)

7. A.11 FIRMS MUST disclose the VINTAGE YEAR of the COMPOSITE and how the VINTAGE YEAR is defined.

7. A.12 FIRMS MUST disclose the FINAL LIQUIDATION DATE for liquidated COMPOSITES.

7. A.13 FIRMS MUST disclose the valuation methodologies used to value PRIVATE EQUITY Investments for the most recent period.

7. A.14 For periods ending on or after 1 January 2011, FIRMS MUST disclose material changes to valuation policies and/or methodologies.

7. A.15 If the FIRM adheres to any industry valuation guidelines in addition to the GIPS Valuation Principles, the FIRM MUST disclose which guidelines have been applied.

7. A.16 FIRMS MUST disclose the calculation methodology used for the BENCHMARK. If FIRMS present the PUBLIC MARKET EQUIVALENT of a COMPOSITE as a BENCHMARK, FIRMS MUST disclose the index used to calculate the PUBLIC MARKET EQUIVALENT.

7. A.17 FIRMS MUST disclose the frequency of cash flows used in the SI-IRR calculation if daily cash flows are not used for periods prior to 1 January 2011.

7. A.18 For GROSS-OF-FEES returns, FIRMS MUST disclose if any other fees are deducted in addition to the TRANSACTION EXPENSES.

7. A.19 For NET-OF-FEES returns, FIRMS MUST disclose if any other fees are deducted in addition to the INVESTMENT MANAGEMENT FEES and TRANSACTION EXPENSES.

7. A.20 For any performance presented for periods ending prior to 1 January 2006 that does not comply with the GIPS standards, FIRMS MUST disclose the periods of non-compliance.

Presentation and Reporting - Requirements (the following provisions do not apply: 5.A.1.a, 5. A.1.b, 5.A.1.c, 5.A.1.d, 5.A.1.e, 5.A.1.i, 5.A.2, and 5.A.3)

7.A.21 The following items **MUST** be presented in each **COMPLIANT PRESENTATION**:

a. **FIRMS MUST** present both the **NET-OF-FEES** and **GROSS-OF-FEES SI-IRR** of the **COMPOSITE** through each annual period end. **FIRMS MUST** initially present at least five years of performance (or for the period since the **FIRM'S** inception or the **COMPOSITE INCEPTION DATE** if the **FIRM** or the **COMPOSITE** has been in existence less than five years) that meets the **REQUIREMENTS** of the **GIPS** standards. Each subsequent year, **FIRMS MUST** present an additional year of performance. **COMPOSITE** returns **MUST** be clearly identified as **GROSS-OF-FEES** or **NET-OF-FEES**.

b. For periods beginning on or after 1 January 2011, when the initial period is less than a full year, **FIRMS MUST** present the non-annualized **NET-OF-FEES** and **GROSS-OF-FEES SI-IRR** through the initial annual period end.

c. For periods ending on or after 1 January 2011, **FIRMS MUST** present the **NET-OF-FEES** and **GROSS-OF-FEES SI-IRR** through the **COMPOSITE FINAL LIQUIDATION DATE**.

7. A.22 For periods ending on or after 1 January 2011, for **FUND OF FUNDS COMPOSITES**, if the **COMPOSITE** is defined only by investment mandate, objective, or strategy, **FIRMS MUST** also present the **SI-IRR** of the underlying investments aggregated by **VINTAGE YEAR** as well as other measures as **REQUIRED** in 7.A.23. These measures **MUST** be presented gross of the **FUND OF FUNDS INVESTMENT MANAGEMENT FEES** and **MUST** be presented as of the most recent annual period end.

7. A.23 **FIRMS MUST** present as of each annual period end:

a. **COMPOSITE SINCE INCEPTION PAID-IN CAPITAL**;

b. **COMPOSITE SINCE INCEPTION DISTRIBUTIONS**;

c. **COMPOSITE cumulative COMMITTED CAPITAL**;

d. **TOTAL VALUE to SINCE INCEPTION PAID-IN CAPITAL (INVESTMENT MULTIPLE or TVPI)**;

e. **SINCE INCEPTION DISTRIBUTIONS to SINCE INCEPTION PAID-IN CAPITAL (REALIZATION MULTIPLE or DPI)**;

f. **SINCE INCEPTION PAID-IN CAPITAL to cumulative COMMITTED CAPITAL (PIC MULTIPLE)**; and

g. **RESIDUAL VALUE to SINCE INCEPTION PAID-IN CAPITAL (UNREALIZED CAPITAL or RVPI)**.

7. A.24 **FIRMS MUST** present the **SI-IRR** for the **BENCHMARK** through each annual period end. The **BENCHMARK MUST**:

a. Reflect the investment mandate, objective, or strategy of the **COMPOSITE**;

b. Be presented for the same time periods as presented for the **COMPOSITE**; and

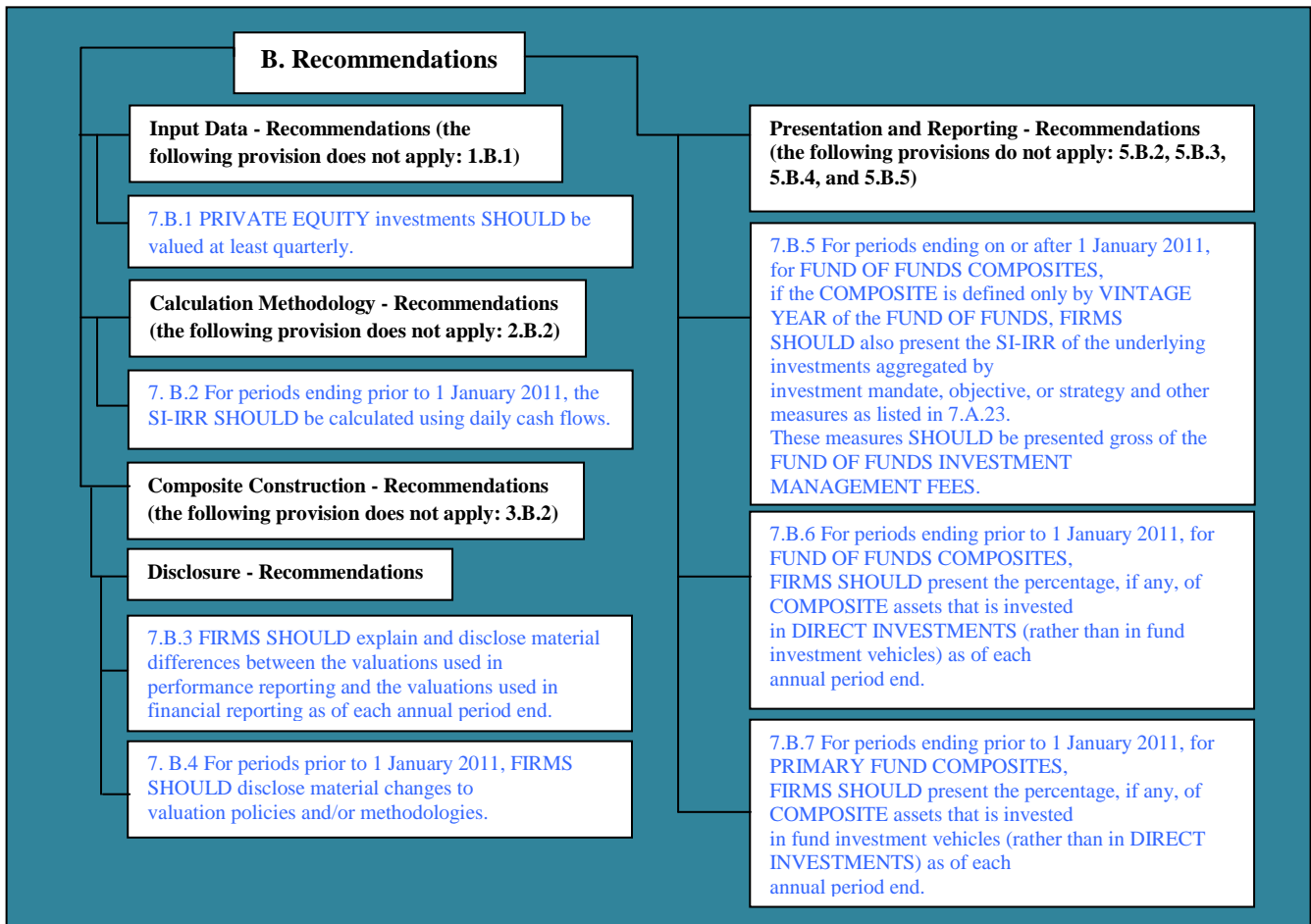
c. Be the same **VINTAGE YEAR** as the **COMPOSITE**.

7.A.25 For **FUND OF FUNDS COMPOSITES**, if the **COMPOSITE** is defined only by investment mandate, objective, or strategy and a **BENCHMARK** is presented for the underlying investments, the **BENCHMARK MUST** be the same **VINTAGE YEAR** and investment mandate, objective, or strategy as the underlying investments.

7.A.26 For periods ending on or after 1 January 2011, for **FUND OF FUNDS COMPOSITES**, **FIRMS MUST** present the percentage, if any, of **COMPOSITE** assets that is invested in **DIRECT INVESTMENTS** (rather than in fund investment vehicles) as of each annual period end.

7.A.27 For periods ending on or after 1 January 2011, for **PRIMARY FUND COMPOSITES**, **FIRMS MUST** present the percentage, if any, of **COMPOSITE** assets that is invested in fund investment vehicles (rather than in **DIRECT INVESTMENTS**) as of each annual period end.

7.A.28 **FIRMS MUST NOT** present non-GIPS-compliant performance for periods ending on or after 1 January 2006. For periods ending prior to 1 January 2006, **FIRMS** may present non-GIPS-compliant performance.



8. WRAP FEE/SEPARATELY MANAGED ACCOUNT (SMA) PORTFOLIOS

A. Requirements

Composite Construction

8.A.1 FIRMS MUST include the performance record of actual WRAP FEE/SMA PORTFOLIOS in appropriate COMPOSITES in accordance with the FIRM'S established PORTFOLIO inclusion policies. Once established, these COMPOSITES (containing actual WRAP FEE/SMA PORTFOLIOS) MUST be used in the FIRM'S COMPLIANT PRESENTATIONS presented to WRAP FEE/SMA PROSPECTIVE CLIENTS.

Presentation and Reporting

8.A.5 When FIRMS present performance to a WRAP FEE/SMA PROSPECTIVE CLIENT, the COMPOSITE presented MUST include the performance of all actual WRAP FEE/SMA PORTFOLIOS, if any, managed according to the COMPOSITE investment mandate, objective, or strategy, regardless of the WRAP FEE/SMA sponsor (resulting in a "style-defined COMPOSITE").

8.A.6 When FIRMS present performance to a WRAP FEE/SMA PROSPECTIVE CLIENT, performance MUST be presented net of the entire WRAP FEE.

8.A.7 FIRMS MUST NOT LINK non-GIPS-compliant performance for periods beginning on or after 1 January 2006 to their GIPS-compliant performance. FIRMS may LINK non-GIPS-compliant performance to their GIPS-compliant performance provided that only GIPS-compliant performance is presented for periods beginning on or after 1 January 2006.

Disclosure

8.A.2 For all WRAP FEE/SMA COMPLIANT PRESENTATIONS that include periods prior to the inclusion of an actual WRAP FEE/SMA PORTFOLIO in the COMPOSITE, the FIRM MUST disclose, for each period presented, that the COMPOSITE does not contain actual WRAP FEE/SMA PORTFOLIOS.

8.A.3 For any performance presented for periods prior to 1 January 2006 that does not comply with the GIPS standards, FIRMS MUST disclose the periods of non-compliance.

8.A.4 When FIRMS present COMPOSITE performance to an existing WRAP FEE/SMA sponsor that includes only that sponsor's WRAP FEE/SMA PORTFOLIOS (resulting in a "sponsor-specific COMPOSITE"):

8. A.4.a. FIRMS MUST disclose the name of the WRAP FEE/SMA sponsor represented by the sponsor-specific COMPOSITE

b. If the sponsor-specific COMPOSITE COMPLIANT PRESENTATION is intended for the purpose of generating WRAP FEE/SMA business and does not include performance net of the entire WRAP FEE, the COMPLIANT PRESENTATION MUST disclose that the named sponsor-specific COMPLIANT PRESENTATION is only for the use of the named WRAP FEE/SMA sponsor.

II. GLOBAL INVESTMENT PERFORMANCE STANDARDS VALUATION PRINCIPLES

A. FAIR VALUE DEFINITION

FAIR VALUE is defined as the amount at which an investment could be exchanged in a current arm's length transaction between willing parties in which the parties each act knowledgeably and prudently. The valuation MUST be determined using the objective, observable, unadjusted quoted market price for an identical investment in an active market on the measurement date, if available. In the absence of an objective, observable, unadjusted quoted market price for an identical investment in an active market on the measurement date, the valuation MUST represent the FIRM'S best estimate of the MARKET VALUE. FAIR VALUE MUST include accrued income.

ADDITIONAL PRIVATE EQUITY VALUATION REQUIREMENTS:

17. The valuation methodology selected MUST be the most appropriate for a particular investment based on the nature, facts, and circumstances of the investment.

18. FIRMS MUST disclose the valuation methodologies used to value PRIVATE EQUITY investments for the most recent period (Provision 7.A.13).

19. For periods ending on or after 1 January 2011, FIRMS MUST disclose material changes to valuation policies and/or methodologies (Provision 7.A.14).

20. If the FIRM adheres to any industry valuation guidelines in addition to the GIPS Valuation Principles, the FIRM MUST disclose which guidelines have been applied (Provision 7.A.15).

B. VALUATION REQUIREMENTS

1. For periods beginning on or after 1 January 2011, PORTFOLIOS MUST be valued in accordance with the definition of FAIR VALUE and the GIPS Valuation Principles in Chapter II (Provision 1.A.2).

2. FIRMS MUST value investments using objective, observable, unadjusted quoted market prices for identical investments in active markets on the measurement date, if available.

3. FIRMS MUST comply with all applicable laws and regulations regarding the calculation and presentation of performance (Provision 0.A.2). Accordingly, FIRMS MUST comply with applicable laws and regulations relating to valuation.

4. If the COMPLIANT PRESENTATION conforms with laws and/or regulations that conflict with the REQUIREMENTS of the GIPS standards, FIRMS MUST disclose this fact and disclose the manner in which the laws and/or regulations conflict with the GIPS standards (Provision 4.A.22). This includes any conflicts between laws and/or regulations and the GIPS Valuation Principles.

5. FIRMS MUST document their policies and procedures used in establishing and maintaining compliance with the GIPS standards, including ensuring the existence and ownership of client assets, and MUST apply them consistently (Provision 0.A.5). Accordingly, FIRMS MUST document their valuation policies, procedures, methodologies, and hierarchy, including any changes, and MUST apply them consistently.

6. FIRMS MUST disclose that policies for valuing PORTFOLIOS, calculating performance, and preparing COMPLIANT PRESENTATIONS are available upon request (Provision 4.A.12).

7. For periods beginning on or after 1 January 2011, FIRMS MUST disclose the use of subjective unobservable inputs for valuing PORTFOLIO investments (as described in the GIPS Valuation Principles in Chapter II) if the PORTFOLIO investments valued using subjective unobservable inputs are material to the COMPOSITE (Provision 4.A.27).

8. For periods beginning on or after 1 January 2011, FIRMS MUST disclose if the COMPOSITE'S valuation hierarchy materially differs from the RECOMMENDED hierarchy in the GIPS Valuation Principles in Chapter II (Provision 4.A.28).

ADDITIONAL REAL ESTATE VALUATION REQUIREMENTS:

9. REAL ESTATE investments MUST have an EXTERNAL VALUATION (Provision 6.A.4).

11. The FIRM MUST NOT use EXTERNAL VALUATIONS where the valuer's or appraiser's fee is contingent upon the investment's appraised value.

13. FIRMS MUST disclose the INTERNAL VALUATION methodologies used to value REAL ESTATE investments for the most recent period (Provision 6.A.10.b).

15. For periods beginning on or after 1 January 2011, FIRMS MUST disclose material differences between an EXTERNAL VALUATION and the valuation used in performance reporting and the reason for the differences (Provision 6.A.10.d).

10. The EXTERNAL VALUATION process MUST adhere to practices of the relevant valuation governing and standard setting body.

12. EXTERNAL VALUATIONS must be performed by an independent external PROFESSIONALLY DESIGNATED, CERTIFIED, OR LICENSED COMMERCIAL PROPERTY VALUER/APPRaiser. In markets where these professionals are not available, the FIRM MUST take necessary steps to ensure that only well-qualified independent property valuers or appraisers are used (Provision 6 A 5)

14. For periods beginning on or after 1 January 2011, FIRMS MUST disclose material changes to valuation policies and/or methodologies (Provision 6.A.10.c).

16. FIRMS MUST present, as of each annual period end, the percentage of COMPOSITE assets valued using an EXTERNAL VALUATION during the annual period (Provision 6.A.16.b).

C. VALUATION RECOMMENDATIONS

1. Valuation Hierarchy: FIRMS SHOULD incorporate the following hierarchy into the policies and procedures for determining FAIR VALUE for PORTFOLIO investments on a COMPOSITE specific basis.

a. Investments MUST be valued using objective, observable, unadjusted quoted market prices for identical investments in active markets on the measurement date, if available. If not available, then investments SHOULD be valued using

b. Objective, observable quoted market prices for similar investments in active markets. If not available or appropriate, then investments SHOULD be valued using

c. Quoted prices for identical or similar investments in markets that are not active (markets in which there are few transactions for the investment, the prices are not current, or price quotations vary

d. Market-based inputs, other than quoted prices, that are observable for the investment. If not available or appropriate, then investments SHOULD be valued based on

e. Subjective unobservable inputs for the investment where markets are not active at the measurement date. Unobservable inputs SHOULD only be used to measure FAIR VALUE to the extent that observable inputs and prices are not available or appropriate. Unobservable inputs reflect the FIRM'S own assumptions about the assumptions that market participants would use in pricing the investment and SHOULD be developed based on the best information available under the circumstances.

ADDITIONAL REAL ESTATE VALUATION RECOMMENDATIONS:

6. Although appraisal standards may allow for a range of estimated values, it is RECOMMENDED that a single value be obtained from external valuers or appraisers because only one value is used in performance reporting.

7. It is RECOMMENDED that the external appraisal firm be rotated every three to five years.

8. FIRMS SHOULD explain and disclose material differences between the valuation used in performance reporting and the valuation used in financial reporting as of each annual period end (Provision 6.B.4).

9. For periods prior to 1 January 2011, FIRMS SHOULD disclose material changes to valuation policies and/or methodologies (Provision 6.B.5).

2. FIRMS SHOULD disclose material changes to valuation policies and/or methodologies (Provision 4.B.1).

3. FIRMS SHOULD disclose the key assumptions used to value PORTFOLIO investments (Provision 4.B.4).

4. For periods prior to 1 January 2011, FIRMS SHOULD disclose the use of subjective unobservable inputs for valuing PORTFOLIO investments (as described in the GIPS Valuation Principles in Chapter II) if the PORTFOLIO investments valued using subjective unobservable inputs are material to the COMPOSITE (Provision 4.B.6).

5. Valuations SHOULD be obtained from a qualified independent third party (Provision 1.B.2).

ADDITIONAL PRIVATE EQUITY VALUATION RECOMMENDATIONS:

10. FIRMS SHOULD explain and disclose material differences between the valuations used in performance reporting and the valuations used in financial reporting as of each annual period end (Provision 7.B.3).

11. For periods prior to 1 January 2011, FIRMS SHOULD disclose material changes to valuation policies and/or methodologies (Provision 7.B.4).

12. The following considerations SHOULD be incorporated into the valuation process:

a. The quality and reliability of the data used in each methodology;

b. The comparability of enterprise or transaction data;

c. The stage of development of the enterprise; and

d. Any additional considerations unique to the enterprise.

III. GLOBAL INVESTMENT PERFORMANCE STANDARDS ADVERTISING GUIDELINES

A. PURPOSE OF THE GIPS ADVERTISING GUIDELINES

The GIPS Advertising Guidelines provide FIRMS with options for advertising performance when mentioning the FIRM'S claim of compliance. The GIPS Advertising Guidelines do not replace the GIPS standards, nor do they absolve FIRMS from presenting a COMPLIANT PRESENTATION as REQUIRED by the GIPS standards. These guidelines only apply to FIRMS that already satisfy all the REQUIREMENTS of the GIPS standards on a FIRM-wide basis and claim compliance with the GIPS standards in an advertisement. FIRMS that choose to claim compliance in an advertisement MUST follow the GIPS Advertising Guidelines or include a COMPLIANT PRESENTATION in the advertisement.

Definition of Advertisement

For the purposes of these guidelines, an advertisement includes any materials that are distributed to or designed for use in newspapers, magazines, FIRM brochures, letters, media, websites, or any other written or electronic material addressed to more than one PROSPECTIVE CLIENT. Any written material, other than one-on-one presentations and individual client reporting, distributed to maintain existing clients or solicit new clients for a FIRM is considered an advertisement.

Relationship of GIPS Advertising Guidelines to Regulatory Requirements

FIRMS advertising performance MUST adhere to all applicable laws and regulations governing advertisements. FIRMS are encouraged to seek legal or regulatory counsel because additional disclosures may be REQUIRED. In cases where applicable laws and/or regulations conflict with the REQUIREMENTS of the GIPS standards and/or the GIPS Advertising Guidelines, FIRMS are REQUIRED to comply with the law or regulation.

The calculation and advertisement of pooled unitized investment vehicles, such as mutual funds and open-ended investment companies, are regulated in most markets. The GIPS Advertising Guidelines are not intended to replace applicable laws and/or regulations when a FIRM is advertising performance solely for a pooled unitized investment vehicle.

Other Information

The advertisement may include other information beyond what is REQUIRED under the GIPS Advertising Guidelines provided the information is shown with equal or lesser prominence relative to the information REQUIRED by the GIPS Advertising Guidelines and the information does not conflict with the REQUIREMENTS of the GIPS standards and/or the GIPS Advertising Guidelines. FIRMS MUST adhere to the principles of fair representation and full disclosure when advertising and MUST NOT present performance or performance-related information that is false or misleading.

B. REQUIREMENTS OF THE GIPS ADVERTISING GUIDELINES

1. The definition of the FIRM.

3. The GIPS compliance statement for advertisements:
 “[Insert name of FIRM] claims compliance with the Global Investment Performance Standards (GIPS®).”

5. COMPOSITE TOTAL RETURNS according to one of the following:

a. One-, three-, and five-year annualized COMPOSITE returns through the most recent period with the period-end date clearly identified. If the COMPOSITE has been in existence for less than five years, FIRMS MUST also present the annualized returns since the COMPOSITE INCEPTION DATE. (For example, if a COMPOSITE has been in existence for four years, FIRMS MUST present one-, three-, and four-year annualized returns through the most recent period.) Returns for periods of less than one year MUST NOT be annualized.

b. Period-to-date COMPOSITE returns in addition to one-, three-, and five-year annualized COMPOSITE returns through the same period of time as presented in the corresponding COMPLIANT PRESENTATION with the period end date clearly identified. If the COMPOSITE has been in existence for less than five years, FIRMS MUST also present the annualized returns since the COMPOSITE INCEPTION DATE (For example, if a COMPOSITE has been in existence for four years, FIRMS MUST present one-, three-, and four-year annualized returns in addition to the period-to-date COMPOSITE return.) Returns for periods of less than one year MUST NOT be annualized.

c. Period-to-date COMPOSITE returns in addition to five years of annual COMPOSITE returns (or for each annual period since the COMPOSITE INCEPTION DATE if the COMPOSITE has been in existence for less than five years) with the period end date clearly identified. The annual returns MUST be calculated through the same period of time as presented in the corresponding COMPLIANT PRESENTATION.

2. How a PROSPECTIVE CLIENT can obtain a COMPLIANT PRESENTATION and/or the FIRM'S list of COMPOSITE DESCRIPTIONS.

4. The COMPOSITE DESCRIPTION.

6. Whether returns are presented GROSS-OF-FEES and/or NET-OF-FEES.

7. The TOTAL RETURN for the BENCHMARK for the same periods for which the COMPOSITE return is presented. FIRMS MUST present TOTAL RETURNS for the same BENCHMARK as presented in the corresponding COMPLIANT PRESENTATION.

8. The BENCHMARK DESCRIPTION.

9. If the FIRM determines no appropriate BENCHMARK for the COMPOSITE exists, the FIRM MUST disclose why no BENCHMARK is presented.

10. The currency used to express performance.

11. The presence, use, and extent of leverage, derivatives, and short positions, if material, including a description of the frequency of use and characteristics of the instruments sufficient to identify risks.

12. For any performance presented in an advertisement for periods prior to 1 January 2000 that does not comply with the GIPS standards, FIRMS MUST disclose the periods of noncompliance.

13. If the advertisement conforms with laws and/or regulations that conflict with the REQUIREMENTS of the GIPS standards and/or the GIPS Advertising Guidelines, FIRMS MUST disclose this fact and disclose the manner in which the laws and/or regulations conflict with the GIPS standards and/or the GIPS Advertising Guidelines.

A. SCOPE AND PURPOSE OF VERIFICATION

1. VERIFICATION MUST be performed by a qualified independent third party.

4. The initial minimum period for which VERIFICATION can be performed is one year (or from FIRM inception date through period end if less than one year) of a FIRM'S presented performance. The RECOMMENDED period over which VERIFICATION is performed is that part of the FIRM'S performance for which compliance with the GIPS standards is claimed.

5. A VERIFICATION REPORT MUST opine that:

a. The FIRM has complied with all the COMPOSITE construction REQUIREMENTS of the GIPS standards on a FIRM-wide basis

b. The FIRM'S policies and procedures are designed to calculate and present performance in compliance with the GIPS standards.

8. After performing the VERIFICATION, the verifier may conclude that the FIRM is not in compliance with the GIPS standards or that the records of the FIRM cannot support a VERIFICATION. In such situations, the verifier MUST issue a statement to the FIRM clarifying why a VERIFICATION REPORT could not be issued. A VERIFICATION REPORT MUST NOT be issued when the verifier knows that the FIRM is not in compliance with the GIPS standards or the records of the FIRM cannot support a VERIFICATION.

2. VERIFICATION assesses whether:

a. The FIRM has complied with all the COMPOSITE construction REQUIREMENTS of the GIPS standards on a FIRM-wide basis

b. The FIRM'S policies and procedures are designed to calculate and present performance in compliance with the GIPS standards.

6. A principal verifier may accept the work of another verifier as part of the basis for the principal verifier's opinion. A principal verifier may also choose to rely on the audit and/ or internal control work of a qualified and reputable independent third party. In addition, a principal verifier may choose to rely on the other audit and/or internal control work performed by the VERIFICATION firm. If reliance on another party's work is planned, the scope of work, including time period covered, results of procedures performed, qualifications, competency, objectivity, and reputation of the other party, MUST be assessed by the principal verifier when making the determination as to whether to place any reliance on such work. Reliance considerations and conclusions MUST be documented by the principal verifier. The principal verifier MUST use professional skepticism when deciding whether to place reliance on work performed by another independent third party.

9. The minimum VERIFICATION procedures are described below in Section B. The VERIFICATION REPORT MUST state that the VERIFICATION has been conducted in accordance with these VERIFICATION procedures.

3. A single VERIFICATION REPORT is issued with respect to the whole FIRM. VERIFICATION cannot be carried out on a COMPOSITE and, accordingly, does not provide assurance about the performance of any specific COMPOSITE. FIRMS MUST NOT state that a particular COMPOSITE has been "verified" or make any claim to that effect.

7. Sample PORTFOLIO Selection: Verifiers MUST subject the entire FIRM to testing when performing VERIFICATION procedures unless reliance is placed on work performed by a qualified and reputable independent third party or appropriate alternative control procedures have been performed by the verifier. Verifiers may use a sampling methodology when performing such procedures. Verifiers MUST consider the following criteria when selecting samples:

a. Number of COMPOSITES at the FIRM;

b. Number of PORTFOLIOS in each COMPOSITE;

c. Type of COMPOSITE;

d. TOTAL FIRM ASSETS;

e. Internal control structure at the FIRM (system of checks and balances in place);

f. Number of years being verified

g. Computer applications, software used in the construction and maintenance of COMPOSITES, the use of external performance measurers, and the method of calculating performance.

B. REQUIRED VERIFICATION PROCEDURES

1. Pre-VERIFICATION Procedures:

a. Knowledge of the GIPS Standards: Verifiers MUST understand all the REQUIREMENTS and RECOMMENDATIONS of the GIPS standards, including any updates, Guidance Statements, interpretations, Questions & Answers (Q&As), and clarifications published by CFA Institute and the GIPS Executive Committee, which are available on the GIPS standards website (www.gipsstandards.org) as well as in the GIPS Handbook.

c. Knowledge of the FIRM: Verifiers MUST gain an understanding of the FIRM, including the corporate structure of the FIRM and how it operates.

e. Knowledge of Valuation Basis and Performance Calculations: Verifiers MUST understand the policies, procedures, and methodologies used to value PORTFOLIOS and compute investment performance.

c. Allocation of PORTFOLIOS to COMPOSITES: Verifiers MUST obtain lists of all open (both new and existing) and closed PORTFOLIOS for all COMPOSITES for the periods being verified. Verifiers MUST select PORTFOLIOS from these lists and perform sufficient procedures to determine that:

i. The timing of inclusion in the COMPOSITE is in accordance with policies and procedures of the FIRM

ii. The timing of exclusion from the COMPOSITE is in accordance with policies and procedures of the FIRM.

iii. The PORTFOLIO'S investment mandate, objective, or strategy, as indicated by the PORTFOLIO'S investment management agreement, investment guidelines, PORTFOLIO summary, and/or other appropriate documentation, is consistent with the COMPOSITE DEFINITION

iv. PORTFOLIOS are completely and accurately included in COMPOSITES by tracing selected PORTFOLIOS from:

a. The PORTFOLIO'S investment management agreement and/or investment management guidelines to the COMPOSITE(S)

b. The COMPOSITE(S) to the PORTFOLIO'S investment management agreement and/or investment guidelines.

v. PORTFOLIOS sharing the same investment mandate, objective, or strategy are included in the same COMPOSITE.

vi. Movements from one COMPOSITE to another are appropriate and consistent with documented changes to a PORTFOLIO'S investment mandate, objective, or strategy or the redefinition of the COMPOSITE.

b. Knowledge of Regulations: Verifiers MUST be knowledgeable of applicable laws and regulations regarding the calculation and presentation of performance and MUST consider any differences between these laws and regulations and the GIPS standards.

d. Knowledge of the FIRM'S Policies and Procedures: Verifiers MUST understand the FIRM'S policies and procedures for establishing and maintaining compliance with all the applicable REQUIREMENTS and adopted RECOMMENDATIONS of the GIPS standards. The verifier MUST obtain a copy of the FIRM'S policies and procedures used in establishing and maintaining compliance with the GIPS standards and ensure that all applicable policies and procedures are properly included and adequately documented.

2. VERIFICATION Procedures:

a. Fundamentals of Compliance: Verifiers MUST perform sufficient procedures to determine that:

i. The FIRM is, and has been, appropriately defined;

ii. The FIRM has defined and maintained COMPOSITES in compliance with the GIPS standards

iii. All the FIRM'S actual, fee-paying, discretionary PORTFOLIOS are included in at least one COMPOSITE

iv. The FIRM'S definition of discretion has been consistently applied over time

v. At all times, all PORTFOLIOS are included in their respective COMPOSITES and no PORTFOLIOS that belong in a particular COMPOSITE have been excluded

vi. The FIRM'S policies and procedures for ensuring the existence and ownership of client assets are appropriate and have been consistently applied

vii. The COMPOSITE BENCHMARK reflects the investment mandate, objective, or strategy of the COMPOSITE;

viii. The FIRM'S policies and procedures for creating and maintaining COMPOSITES have been consistently applied

ix. The FIRM'S list of COMPOSITE DESCRIPTIONS is complete

x. TOTAL FIRM ASSETS are appropriately calculated and disclosed.

b. Determination of Discretionary Status of PORTFOLIOS: Verifiers MUST obtain a list of all PORTFOLIOS. Verifiers MUST select PORTFOLIOS from this list and perform sufficient procedures to determine that the FIRM'S classification of the PORTFOLIOS as discretionary or non-discretionary is appropriate by referring to the PORTFOLIO'S investment management agreement and/or investment guidelines and the FIRM'S policies and procedures for determining investment discretion.

d. Data Review: For selected PORTFOLIOS, verifiers MUST perform sufficient procedures to determine that the treatment of the following items is consistent with the FIRM'S policy

i. Classification of PORTFOLIO flows (e.g., receipts, disbursements, dividends, interest, fees, and taxes);

ii. Accounting treatment of income, interest, and dividend accruals and receipts

iii. Accounting treatment of taxes, tax reclaims, and tax accruals;

iv. Accounting treatment of purchases, sales, and the opening and closing of other positions

v. Accounting treatment and valuation methodologies for investments, including derivatives.

B. REQUIRED VERIFICATION PROCEDURES

2. VERIFICATION Procedures:

e. Performance Measurement Calculation: Recognizing that VERIFICATION does not provide assurance that specific COMPOSITE returns are correctly calculated and presented, verifiers MUST determine that the FIRM has calculated and presented performance in accordance with the FIRM'S policies and procedures. Verifiers MUST perform the following procedures:

f. COMPLIANT PRESENTATIONS: Verifiers MUST perform sufficient procedures on a sample of COMPLIANT PRESENTATIONS to determine that the presentations include all the information and disclosures REQUIRED by the GIPS standards. The information and disclosures MUST be consistent with the FIRM'S records, the FIRM'S documented policies and procedures, and the results of the verifier's procedures.

g. Maintenance of Records: The verifier MUST maintain sufficient documentation to support all procedures performed supporting the issuance of the VERIFICATION REPORT, including all significant judgments and conclusions made by the verifier.

h. Representation Letter: The verifier MUST obtain a representation letter from the FIRM confirming that policies and procedures used in establishing and maintaining compliance with the GIPS standards are as described in the FIRM'S policies and procedures documents and have been consistently applied throughout the periods being verified. The representation letter MUST confirm that the FIRM complies with the GIPS standards for the period being verified. The representation letter MUST also contain any other specific representations made to the verifier during the VERIFICATION.

i. Recalculate rates of return for a sample of PORTFOLIOS, determine that an acceptable return formula as REQUIRED by the GIPS standards is used, and determine that the FIRM'S calculations are in accordance with the FIRM'S policies and procedures. The verifier MUST also determine that any fees and expenses are treated in accordance with the GIPS standards and the FIRM'S policies and procedures.

ii. Take a sample of COMPOSITE and BENCHMARK calculations to determine the accuracy of all required numerical data (e.g., risk measures, INTERNAL DISPERSION).

iii. If a custom BENCHMARK or combination of multiple BENCHMARKS is used, take a sample of the BENCHMARK data used by the FIRM to determine that the calculation methodology has been correctly applied and the data used are consistent with the BENCHMARK disclosure in the COMPLIANT PRESENTATION.

C. PERFORMANCE EXAMINATIONS

In addition to a VERIFICATION, a FIRM may choose to have a specifically focused PERFORMANCE EXAMINATION of a particular COMPOSITE COMPLIANT PRESENTATION. However, a PERFORMANCE EXAMINATION REPORT MUST NOT be issued unless a VERIFICATION REPORT has also been issued. The PERFORMANCE EXAMINATION may be performed concurrently with the VERIFICATION. A PERFORMANCE EXAMINATION is not REQUIRED for a FIRM to be verified. The FIRM MUST NOT state that a COMPOSITE has been examined unless the PERFORMANCE EXAMINATION REPORT has been issued for the specific COMPOSITE. Please see the Guidance Statement on PERFORMANCE EXAMINATIONS for additional guidance.