



CFA Institute
Global Investment Performance Standards
Re: Guidance Statement on the Use of Supplemental Information
Email: standards@cfainstitute.org

Oslo, 28th February 2017

INVITATION TO COMMENT:
Exposure Draft of the Revised Guidance Statement on the Use of Supplemental Information

Dear Sir or Madam,

The Norwegian Society of Financial Analysts is the country sponsor for GIPS in Norway.

We support the establishment of a Guidance Statement on the use of supplemental information.

These are our answers to your questions:

- 1) Should theoretical performance not based on assets managed by the firm and not related to the respective composite be allowed to be labeled as supplemental information and included in a composite presentation?

Yes, but only if it is based on a similar strategy as the relevant composite.

- 2) Do the preceding four items accurately reflect misleading information? Should other examples of misleading information be included?

Yes, we agree that the four items reflect possible misleading information. We suggest that considerations regarding risk measures as supplemental information should also be included.

In general we recommend that what is defined as Not supplemental information and Misleading information are separated in the discussion of how to implement the new guidance statement.

- 3) Do you agree that firms should not label information as supplemental information if it is presented outside of a compliant presentation?

No, we find it very difficult to "regulate" what can be labeled as supplemental. Supplemental is a commonly used word and we do not see that we can prevent the term from being used on non-GIPS-compliant information.

I.e. if a firm attaches the official financial report, the word "supplemental information" might be in that report. As it follows from our answer to other questions, we recommend that the issue of what is not allowed to give as supplementary information is separated from the issue of what is not supplementary information. Further, regulating information that is outside GIPS-presentations is practically challenging.

- 4) If information that would be supplemental information if it were in a compliant presentation is presented outside of a compliant presentation, should firms be required to disclose how to obtain a compliant presentation?

No. We believe it is very difficult to comply with such a requirement, and also very difficult to verify by the verifier.

- 5) Do you agree that firms should be required to direct the reader to the compliant presentation if the compliant presentation is included within a marketing document (e.g., pitch book)?

No. We believe it is very difficult to comply with such a requirement, and also very difficult to verify by the verifier.

- 6) Do you believe that the prohibition against presenting any false or misleading performance-related information is strong enough to deter firms from doing so, or should this prohibition be explained more?

We refer to our answer to question 2. It is important to distinguish between not Supplemental information and Misleading information in the discussion in the exposure draft. We believe most asset managers try to comply with the general objective of the GIPS Standards to present "true and fair" information.

- 7) Do you agree with the proposed treatment of theoretical performance within supplemental information? Why or why not?

Yes, but we believe it will be difficult to prove and verify that the client has requested to receive performance numbers based on theoretical performance by the asset manager.

- 8) Do you agree with the proposed disclosures of theoretical performance? Do you believe any disclosures should be added or removed?

In general, we agree. We believe the same numbers, including risk-measures, should be presented when theoretical performance is presented as required for actual performance based on actual portfolios.

Yours sincerely,
The Norwegian Society of Financial Analysts (NFF)



Guri Angell-Hansen
Managing Director

All enquiries or comments related to GIPS should be sent to the Chairman of the "NFF committee on Performance Measurements", Mr. Jørn Gunnar Kleven AFA / CEFA jorn.gunnar.kleven@eidsivaenergi.no