

## **Investment managers seize the initiative and launch 'Fair Value Pricing' working group with Investit Intelligence**

**London, 15 January 2008** - Fair Value Pricing is high on the fund management agenda as an increase in market volatility and a reduction in liquidity have combined to make accurate pricing of portfolios more than usually difficult.

Investit have been tasked by the membership of Investit Intelligence, made up of 22 investment managers and Third Party Administrators, to investigate sound practices in pricing securities, property, OTC derivatives contracts and whole portfolios. The Investit team will consult depositaries, trustees, data providers and regulators as well as the Intelligence membership with the aim of developing a set of sound practices.

Accurate pricing is vital to understanding the value and performance of portfolios. Fair Value Pricing is both the aim of the normal approach to valuation and the formal name given to the special procedures invoked to cope with 'hard to value' items or whole portfolios in times of market stress.

The Investit Fair Value Pricing paper will define the priority issues, describe current approaches and set out practical sound practices that the Intelligence membership support. The member-panel representatives come from:

- Aviva Investors
- AXA Investment Managers
- Baillie Gifford & Co
- Gartmore Investment Management
- Henderson Global Investors
- Hermes Fund Managers
- HSBC Global Asset Management
- JP Morgan Investor Services
- Northern Trust Company
- Northern Trust Global Investments
- Old Mutual Asset Managers
- State Street

Fund managers are required to provide a fair valuation of their clients' assets, whether in segregated accounts or any of the wide range of pooled vehicles, from unit trusts to hedge funds. Fair Value Pricing is particularly important for pooled funds as the interests of existing clients must be reconciled with those buying or selling units.

The full results of the research will be published in an Intelligence paper in February 2009. Early findings will be presented at the next Investit Intelligence Winter Conference on Thursday 29 January in London.

**Richard Phillipson, Principal and Investment Practice Head at Investit said** – "Fund managers and Third Party Administrators feel a need to investigate policy and implementation for Fair Value Pricing. Recent market events have caused this issue to rise to the top of the agenda and this initiative, driven by the investment community, clearly demonstrates a determination to treat clients fairly."

**- Ends -**



## Notes to the Editor

### The members of Investit Intelligence include:

Aviva Investors	HSBC Global Asset Management
AXA Investment Managers	Insight Investment
Baillie Gifford & Co.	JP Morgan Investor Services
Baring Asset Management	Morgan Stanley Investment Management
BNP Paribas Securities Services	Northern Trust Company
BNY Mellon Asset Servicing	Northern Trust Global Investments
Gartmore Investment Management	Old Mutual Asset Managers
Henderson Global Investors	RBC Dexia Investor Services
Hermes Fund Managers	State Street

### About Investit

Investit was founded in 1998 to provide advice and research services to the investment management industry. Investit offers a unique range of services, from front to back office, and draws from five specialist consultancy practices: Investment, Client Management, Performance & Risk, Operations and Systems. Investit People supports consultancy with specialist recruitment services. Investit Intelligence completes the offering with a range of market-leading benchmarking surveys and detailed research services, allowing investment managers to improve their knowledge of the market and respond positively and profitably to change. For more information, go to [www.investit.com](http://www.investit.com).

### About Investit Intelligence

Intelligence is the leading forum for the investment management community where the key topics driving our market are researched and debated. It is an invaluable network and enables our members to stay ahead of the game on investment intelligence and market trends. Investit Intelligence is an ideal tool for all people concerned with turning high-level business plans into reality.

With 22 members, Intelligence is a subscription based research service exclusively for the investment management industry, focused towards COOs, CTOs, business planners and programme sponsors. Members benefit from a wide range of reports and surveys, and submit and vote on new discussion and research ideas – Intelligence research topics are driven by, and answer the needs of, the membership.

### For further information

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