

**Invitation to Comment Questions**

<b>Q1</b>	<b>Fair Value Disclosures</b> - How many funds do you expect to have significant numbers of instruments that are valued using unobservable inputs? <b>Estimate less than 1%</b>
<b>2</b>	Do you have systems or processes in place to support the IFRS Reporting Levels? <b>Yes, existing systems and processes are in place in the UK for Insurance funds and Investment Trust funds reporting under IFRS and Local Authority Pension funds. IFRS reporting levels and similar FAS 157/US GAAP reporting are also supported in a number of other jurisdictions. The process is highly automated.</b>
<b>3</b>	Do you agree that the SORP's emphasis justifies the additional disclosure category for unobservable inputs? If not, please explain why? <b>We agree with the proposed approach in SORP of focusing on disclosures in respect of instruments where significant judgement has been exercised in quantifying inputs to valuation techniques. Specific definition of the term 'recent transaction' would also be useful.</b> <b>However we are not at all clear on why disclosure requirements coming though on FRS 102 should differ from IFRS? As administrators, we currently support IFRS Reporting Levels for a wide spectrum of funds both in the UK and globally. We have serious concerns that reporting under FRS 102 classifications will require additional changes to reports, processes and asset data classification infrastructure, and ongoing maintenance of dual sets of classifications, will be a significant and seemingly unnecessary overhead for both managers and administrators. We would welcome any efforts to bring FRS 102 classifications into line.</b>
<b>4</b>	<b>Risk Disclosures</b> - Do you agree with the generic approach for all authorised funds or should it be more focussed on UCITS with non UCITS funds being dealt with by exception in appendix III? <b>Generic approach will encourage consistency of presentation and enable standardisation of processes as far as possible. A template or further guidance covering risk disclosure requirements would also be beneficial in this respect. Many FoF we administer are non UCITS so volumes of non UCITS funds are significant.</b>
<b>5</b>	Do you agree with the integrated approach of using a single set of disclosures to satisfy the regulatory and accounting requirements? <b>Yes</b>
<b>6</b>	<b>AIFMD</b> -Do you think the SORP should define realised and unrealised gains/losses for non UCITS funds? <b>Ideally yes as this would provide clarity for the industry.</b>

<b>7</b>	If so, should it use definition A, B or something else? <b>A</b>
<b>8</b>	<b>Performance &amp; Charges</b> - Do you think the proposals will help investors better understand the performance and costs? <b>Yes</b> If not, please suggest how it might be improved? <b>Further guidance/definitions required on what should be included in each section to ensure consistency. Sufficient implementation lead time also required to allow for sizeable initial set up overhead.</b>
<b>9</b>	Are there any aspects of the proposals you think it will be particularly troublesome to produce? <b>Significant overhead on pulling together initial comparatives.</b>
<b>10</b>	<b>Other Matters</b> - Do you agree with the simplification of the principles for recognising revenue from debt securities? <b>We have concerns on how any transitions should be handled ex. Full EIR to straight line method. More guidance what would be required re start values etc would be useful.</b>
<b>11</b>	Do you agree with the removal of the aggregation? <b>Yes</b>
<b>12</b>	What do you think would be the earliest effective date? <b>30<sup>th</sup> June 2014</b>
<b>13</b>	Which requirements need an earlier effective date? <b>None in our view.</b>
<b>14</b>	Which requirements should be deferred? <b>Possibly new FV disclosures, because of lead time required for development of new reports and processes for both managers and administrators.</b>
<b>15</b>	Do you think the proposed SORP satisfies the requirements of FRS 102? <b>Yes</b>
<b>16</b>	Do you have any other comments on the proposed SORP? <b>We think approach taken on the redraft will in general result in a practical and workable SORP.</b>