

**UPDATE REPORT ON
EMEA RIPS
as of 1st November 2006**

by Stefan Illmer, Chairman of the EMEA RIPS

1. EMEA RIPS Objectives

The objectives of each Regional Investment Performance Subcommittee (RIPS) are:

- a) to represent the interests of regional Country Sponsors in the GIPS standards at the GIPS Council
- b) to provide a conduit of information between the local Country Sponsor and the GIPS Council
- c) to promote the implementation of the GIPS standards within the region – preferably by Country Sponsors adopting the GIPS standards (In English), or an EC-endorsed Translation of the GIPS standards (TG);
- d) to stimulate interest and support for the GIPS standards by communicating the benefits of the GIPS standards and encouraging investment management firms to comply;
- e) to support the GIPS Council and EC in the further development of GIPS standards by providing meaningful input and seeking suitable nominees to participate in the work of the EC and its subcommittees;
- f) to promote the establishment of an effective and consistent verification service throughout the region; and
- g) to communicate the benefits of the GIPS standards and cooperate with regulators to broaden GIPS standards compliance to cover all aspects of the investment management industry in the region.

2. Membership

The following organizations are the current country sponsors of the EMEA RIPS:

	<u>Country</u>	<u>Members</u>	<u>TG</u> <u>(tbc)</u>	<u>Status of</u> <u>Endorsement</u>
1	Austria	(1) Österreichischen Vereinigung für Finanzanalyse und Asset Management (ÖVFA) and (2) der Vereinigung österreichischer Investmentgesellschaften (VÖIG)	yes	Not yet
2	Belgium	Association Belge des Fonds de Pension (Belgian Association for Pension Institutions (BAPI))	no	Not yet
3	Denmark	CFA Society of Denmark	no	Not yet
4	France	"French Experts Group sponsored by (1) Société Française des Analystes Financiers (SFAF) and (2) Association Française de la Gestion Financière (AFG)"	no	Not yet
5	Germany	German Asset Management Standards Committee: (1) BVI Bundesverband Investment und Asset Management e.V. (2) DVFA Deutsche Vereinigung für Finanzanalyse und Asset Management, and (3) CFA Germany	yes	Not yet
6	Hungary	CFA Society of Hungary	yes	Endorsed by GIPS EC
7	Ireland	Irish Association of Investment Managers (IAIM)	no	Not yet
8	Italy	Italian Investment Performance Committee (IIPC) sponsored by: (1) ABI, (2) (L'Associazione Italiana degli Analisti Finanziari) AIAF, (3) Assogestioni, (4) MEFOP, (5) Assirevi, (6) Italian Society of Investment Professionals (ISIP)	no	Not yet
9	Liechtenstein	Lichtenstein Bankers Association	no	Endorsed by GIPS EC
10	Luxembourg	(1) Association Luxembourgeoise des Fonds d'Investissement (ALFI), and (2) Association Luxembourgeoise des gestionnaires de portefeuilles et analystes financiers (ALGAFI)	no	Not yet

Global Investment
Performance Standards (GIPS®)

11	Netherlands	Vereniging van Beleggings Analisten (VBA)	yes	Not yet
12	Norway	The Norwegian Society of Financial Analysts (NFF)	no	Endorsed by GIPS EC
13	Poland	Polski Komitet Wyników Inwestycyjnych	no	Not yet
14	Portugal	Associação Portuguesa de Analista Financeiros (APAF)	no	Endorsed by GIPS EC
15	South Africa	Investment Management Association of South Africa (IMASA)	no	Endorsed by GIPS EC
16	Spain	CFA Society of Spain	yes	Under review by GIPS EC
17	Sweden	Swedish Society of Financial Analysts (SFF)	no	Not yet
18	Switzerland	Swiss Bankers Association (SBA)	no	Endorsed by GIPS EC
19	United Kingdom	UK Investment Performance Committee (UKIPC) sponsored by: (1) Investment Management Association (IMA), (2) Association of British Insurers, and (3) The National Association of Pension Funds	no	Endorsed by GIPS EC

The following industry organizations will provide observers to the EMEA RIPS and will be recommended to become authorized observers with a voting right on the EMEA RIPS level. This recommendation was discussed at the Rome meetings and will be further discussed at this EC meeting in Charlottesville (30/11/2006 and 01/12/2006).

		<u>Organization</u>	<u>Representing</u>
1	EFAMA	European Fund and Asset Management Association	Mutual fund and asset management organizations
2	EFFAS	European Federation of Financial Analysts Societies	EFFAS members
3	EVCA	European Private Equity and Venture capital Association	Private Equity and Venture capital organizations
4	NAPF	National Association of Pension Funds	Pension funds
5	EFRP	European Federation for Retirement Provision (EFRP)	Pension funds

Global Investment
Performance Standards (GIPS®)

The following are the current observers to the EMEA RIPS (to be approved):

	<u>Observer</u>	<u>Representing / Role / Interest</u>
	None yet	

At the moment there are no observers to the EMEA RIPS until the EMEA RIPS decide on how and which observers should be invited. The first observers are expected to be invited to the next in-person meeting.

3. Interested countries or countries on the spot

	<u>Country</u>	<u>Interested organization</u>	<u>Status of contact</u>
1	Cyprus	CFA Society of Cyprus	Established
2	Czech Republic	---	First contact
3	Dubai	---	Not yet
4	Finland	---	First contact
5	Greece	CFA Society of Greece	Established
6	Kuwait	---	Not yet
7	Pakistan	Pakistan CFA Society	First contact
8	Poland	---	Not yet
9	Russia	CFA Society of Russia	Established
10	Slovakia	Slovak Association of Investment Firms	Established
11	Turkey	---	First contact
12	UAE	Emirates Financial Services	Established
13	Ukraine	Ukrainian Society of Financial Analysts (IPSC USFA)	Re-established

4. Status of EMEA RIPS initiatives

	<u>Initiative</u>	<u>Status of EMEA RIPS initiative</u>
1	Working group on performance attribution	Working group closed: a) Questionnaire on performance attribution and b) EIPC Guidance on Performance Attribution Presentation
2	Working group on investors	Working group closed: a) Questionnaire for investors

	questionnaire	
3	Working group on client reporting	Working group closed: a) EMEA RIPS Guidance for Recipients of Investment Reporting
4	Working group on risk measures	Working group running: a) Initial ideas and principles set up b) New chairman to restart working group
5	Working group on balanced accounts	Working group running: a) Initial ideas and principles set up b) Chairman to restart working group
6	EIPC / EFAMA working group	Working group running: a) Initial ideas and principles set up b) Final set up issues to be resolved

5. Status of action items of the last EMEA RIPS meeting (in-person in Rome June 2006 and conference call on the 12th October 2006)

- Dimitri Senik and Catherine Jasserand will provide their comments on the draft Operating Policies and Procedures documents to Stefan Illmer as soon as possible so they can be incorporated in the next revised draft to be distributed to Country Sponsors. => **closed**
- Stefan Illmer to prepare a document similar to the GIPS Country Sponsor Agreement to address and provide a process for authorized Observers to participate within the RIPS structure. The idea is that organizations wishing to serve as Observers must execute a document stating their intentions. This document (RIPS Authorized Observer Agreement) and proposal will be submitted to the GIPS Council and EC for their review and approval prior to moving forward. => **open (will be discussed at the EC meeting in Charlottesville (30/11/2006 and 01/12/2006))**
- Stefan Illmer will prepare draft disclaimer language that will be included on all former EIPC and future EMEA RIPS Working Papers posted to the GIPS website. => **open => will be done by the GIPS Secretariat (see EC meeting minutes)**
- Dimitri Senik to prepare the final version of the “Guidance for Recipients of Investment Reporting” and distribute it to the EMEA RIPS and GIPS Secretariat. => **closed**
- Stefan Illmer requested John Barrass to provide regional support to EMEA RIPS. => **open**
- The Regulator Relations Working Group will provide an update on their activities at next EMEA RIPS meeting. => **open**
- GIPS Secretariat to post meeting materials and presentations from 22 June EMEA RIPS meeting on GIPS website and send an email to EMEA RIPS members with the web link. => **closed**

- Martin Schliemann and Stefan Illmer to prepare a response to EFAMA and acknowledge their TOR document. => **closed**
- A copy of the EFAMA TOR will be made available to all EMEA RIPS members and comments are to be submitted to Martin Schliemann. => **closed**
- Updates from the Risk Measures and Balanced Accounts Working Groups were deferred to the next EMEA RIPS meeting. => **open**
- GIPS Secretariat will send out a letter requesting EMEA RIPS Country Sponsors to select a single point of contact for future GIPS communications. => **closed**
- GIPS Secretariat will send Country Sponsor Updates to all EMEA RIPS Country Sponsors that were received for this conference call. => **closed**
- EMEA RIPS Country Sponsors are asked to review the Executive Committee Agenda and meeting materials for the EC's December meeting and send any comments to Stefan Illmer prior to the meeting. => **open**
- Dimitri Senik and Colin Morrison agreed to develop some brief terms of reference on Performance Fees for discussion at the next EMEA RIPS meeting (also to be sent to Sunette Mulder for the Investment Manager Subcommittee). => **open**
- Austria and Luxembourg expressed their readiness to sign the Country Sponsor Agreement once the document has been finalized. => **open**

6. Next EMEA RIPS meeting

- In-Person Meeting, 22nd March 2007, Cape Town (tbc).
- In-Person Meeting, 20th September 2007, in Asia (tbc).

End of EMEA RIPS Update Report.