

**UPDATE REPORT ON
AMERICAS RIPS**
as of August 2006

Submitted by L.Todd Juillerat, CFA
Chairman, Americas RIPS

Committee Objectives

The objectives of each Regional Investment Performance Subcommittee 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 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.

Membership

The initial and currently sole organization as a member of the Americas RIPS and an approved country sponsor:

Country Sponsor: United States and Canada
Organization: North America Investment Performance Committee (NAIPC),
sponsored by CFA Institute

Review of Status: June - August 2006

Highlights of activity and status relating to or in support of GIPS, subsequent to the last report submitted (June 2006), are listed below.

- Country Sponsor Agreement: Although the document has not been signed, this act should not be considered at issue, given the EC vote (23 June 2006) to accept the current Provisions, Guidance Statements and Interpretations of the 2005 GIPS standards, and corresponding agreement not to reopen any approved Guidance Statement or Provision for review until the planned 2010 review officially commences.
- Evaluate and promote the prospect of having Canada serve as its own country sponsor: RIPS chairman had additional dialogue with Canadian contacts to describe benefits and to gauge interest.
- Advocacy efforts outside US and Canada: RIPS chairman, in collaboration with GIPS Secretariat and CFA Institute's Member and Society Relations Group, continued modest research efforts during the past two months. Considering various constraints, it was determined that extensive "road shows" to generate interest could not be adequately prepared and executed during 2006 as had been previously hoped.
- Training and Education: Development of agenda and procurement of speakers for GIPS Standards Annual Conference (to take place in Toronto during September) was completed.
- Activity by CFA Institute (as country sponsor) and NAIPC chairman Neil Riddles regarding NAIPC membership rotation.

Next Steps

The items listed below have the highest priority over the next 6-12 months.

- Evaluate and pursue the prospect of Canada serving as its own country sponsor:
 - Further work through CFA local societies to obtain names of interested performance experts.
 - Further research and identification of potential key contacts through channels outside of CFA Institute.
 - The GIPS Standards Annual Conference, to take place in Toronto during September, will provide a very good opportunity to continue these efforts. Specific reference to this initiative will be made during a presentation given by the RIPS chairman.

- Advocacy efforts outside US and Canada:
 - This will initially take on a training and educational approach, with the intent of educating investment professionals within these markets/countries about GIPS and the benefits of their adoption.
 - Targeted countries will include, but clearly not be limited to, Brazil, Cayman Islands, Chile and Mexico.
 - Contemplation of visits to interested groups in 2007 to initiate in-person contact, as a follow-up to planned telephone and written communication.
 - RIPS Chairman to deliver presentation during general session and regional breakout sessions of upcoming CFA Institute Society Leadership Conference (15 September). Audience will include leaders from CFA Institute's 134 local societies in 55 countries/territories. The intent is to provide an update on GIPS and recruit interest from countries that currently do not have a GIPS sponsor (regardless of whether they are from Americas, EMEA, or AsiaPac Region).

- Training and Education
 - Comparison matrix for private equity remains in development.
 - The Annual GIPS Conference will take place in Toronto during 27-28 September 2006. A workshop will take place the day prior.

- Significant Cash Flows: Finalize work on a Q&A document to clarify guidance in place for historic periods of time under AIMR-PPS.

- Complete membership rotation work and establish new NAIPC members.