

Purpose of EC Subcommittees and Working Groups

Background

The EC has the ability to create subcommittees to represent endorsed Country Sponsors and key industry groups in the development of the GIPS standards and to develop the Standards on specific technical issues. These subcommittees are formed to represent specific stakeholders (investors/consultants, investment managers, and practitioners). Additionally, Subcommittees may develop and address specific aspects of investment performance (i.e. Promotion and Awareness). Subcommittees may also be required to examine specific performance measurement issues associated with alternative asset categories or investment techniques.

Action Requested

The following are descriptions of each of the newly created EC Subcommittees and Working Groups that have been drafted for EC review and approval. EC members will be asked to vote on these at the upcoming 20 September conference call.

Most of these groups will commence their initial conference calls shortly, where they will be asked to more fully develop the group's objectives, identify priorities and more clearly define their purpose. The proposed descriptions below are intended to provide direction. Each group will be responsible to draft their Terms of Reference (TOR) and will ultimately submit those to the EC for final review and approval.

EC Subcommittees:

- The **Investor/Consultant Subcommittee** will be composed of investors (and those representing investors), regulators and consultants from the investment industry, including: clients, plan sponsors, retail investors, and others to provide a forum for the end user of investment performance information. It will be responsible for assisting in the development and direction of the GIPS standards. The Chairman will be nominated by the EC and appointed by the CFA Institute Board as detailed in the nominations process.
- The **Investment Manager Subcommittee** will consist of a consultative group of representatives from investment management firms that face the challenges to abide by the GIPS standards in order to claim compliance, including: representatives from investment firms, hedge funds, fund managers, and advisors to provide a forum related to the application, implementation, and impact of the

- Standards. The Chairman will be nominated by the EC and appointed by the CFA Institute Board as detailed in the nominations process.
- The **Verification/Practitioner Subcommittee** will be composed of third-party service providers that assist investment management firms in the implementation and application of the Standards, including: verifiers, software developers, and custodians to provide a forum related to the application, implementation, and impact of the Standards. The Chairman will be nominated by the EC and appointed by the CFA Institute Board as detailed in the nominations process.
 - The **Interpretations Subcommittee** will have the responsibility to interpret the GIPS standards through interpretations that effectively respond to existing and new issues presented by the global investment industry. The Chairman will be nominated by the EC and appointed by the CFA Institute Board as detailed in the nominations process.
 - The **Promotion and Awareness Subcommittee** (formerly the Stakeholder Education Working Group) will act as a forum to generate ideas on the promotion of the GIPS Standards and to provide education on the benefits. The subcommittee will engage in developing clear, consistent messages that enable Country Sponsors, in partnership with the GIPS Secretariat at CFA Institute, to target and deliver marketing materials that best promote GIPS standards to key stakeholders in their own local markets and globally.
 - The **Nominations Committee** will develop objective and fair processes for the nomination and selection of members that possess the key criteria as set out in the EC Constitution for the non-Country Sponsor seats of the EC. The Nominations Committee for the non-Country Sponsor EC seats shall consist of Country Sponsors, non-Country Sponsors and other independent individuals: the current EC Director; appointed representative of CFA Centre; the Chairman of the GIPS Council; and GIPS Council representative that is not a current member of the EC, elected by the GIPS Council.