



**Minutes of the GIPS EXECUTIVE COMMITTEE
Open Session**

Date: Wednesday, 18 June 2008
Location: Conference Call
Time: 8:00 – 8:30 a.m. (Eastern Daylight Time)

Members Present: Jonathan Boersma, CFA – GIPS Executive Director
Stefan Illmer – EC Chair and EMEA RIPS Chair
Todd Juillerat, CFA – Americas RIPS Chair
Carol Kennedy – Investor/Consultant Chair
Yoh Kuwabara – Verification/Practitioner Chair
Sunette Mulder – EC Chair Elect and Investment Manager Chair
Karyn Vincent, CFA, CIPM – Interpretations Chair
Hans-Jörg von Euw – GIPS Council Chair

Members Absent: Louis Boulanger, CFA – Asia-Pacific RIPS Chair

Observers: Ivana Bertuzzelli, Intech
Jeff Buttonow, CIPM, DDJ Capital Management
Brian Chapman, KPMG
Chelsea Cooper, CIPM, Intech
Alison Davis, W.H. Reaves
Nicole Eccleston, Prudential Financial
Ruth Evans-Faultz, OFI Institutional
Steve Flammey, Redwood Investments
Rocco Gibaldi, Elite Technology Consulting
Jim Glover, CFA, OFI Institutional
Jane Hugnagel, CB Richard Ellis
Stein Hugus, Zevenbergen Capital
Laura Jirele-Borleske, Barrow Hanley
Therese Johnson, Principal Financial Group
Kazumichi Karita, SAAJ
Jennifer Kim, Capital Guardian
Valerie Lamanna, Goldman Sachs
Ann Levy, KPMG
Michael Lim, Singapore IMAS
Nicole Logan, Premier Asset Management
Becky Main, American Century Investments
Peter McCaffrey, New Zealand CFA Society

Coley McKinstry, Beacon Verification Services
Naoko Mori, SAAJ
Jay Nelson, Keiter Stephens
Steve Puglisi, Conning Asset Management
Ann Puttlaz, CIPM, Munder Capital Management
Mary Qu, CIPM, Alliance Bernstein
Neil Riddles, CFA, CIPM, USIPC
Jason Root, CIPM, Epoch Investment Partners
Sheryl Rothman, Navigare Partners
Andreas Sauer, German Asset Management Committee
Martin Schliemann, Ernst & Young
Craig Siemes, European Investors
Arin Stancil, CFA, CIPM, Ashland Partners
Della Stewart, CIPM, Brandes Investment Partners
Jane Tang, Deloitte
Jeff Tarumianz, CFA, CIPM, Beacon Verification Services
Teresa Taylor, FTAM
Lisa Wagemann, Navigare Partners
Wesley Western, Absolute Performance Verification
Stephanie White, GAM
Angela Williams, Bering Asset Management
Steven Wood, CFA, TD Asset Management
Pam Ziemann, Clifton Group

CFA Institute: Fannie Fang, CFA, CIPM – Investment Performance Specialist, CFA
Institute Centre for Financial Market Integrity
Anju Grover – GIPS Analyst, CFA Institute Centre for Financial
Market Integrity
Polly Johnson – Administrative Assistant, CFA Institute Centre for Financial
Market Integrity
Beth Kaiser, CFA – Investment Performance Specialist, CFA Institute Centre for
Financial Market Integrity
Cindy Kent – GIPS Development Specialist, CFA Institute Centre
for Financial Market Integrity
Ken Robinson, CFA – Investment Performance Specialist, CFA Institute Centre
for Financial Market Integrity
Trudy Via – Administrative Assistant, CFA Institute Centre for
Financial Market Integrity

Action Items

- Country Sponsors are encouraged to send in their comments on the GIPS 2010 Key Issues to the GIPS Helpdesk at gipshelpdesk@cfainstitute.org or the Standards mailbox at standards@cfainstitute.org.
- CFA Institute staff will send an e-mail to Country Sponsors and post on the GIPS website an updated list of the ongoing GIPS 2010 key issues.

- Country Sponsors are encouraged to send in their comments on the Country Sponsor Performance Evaluation documents to the GIPS Helpdesk at gipshelpdesk@cfainstitute.org or the Standards mailbox at standards@cfainstitute.org by Friday 11 July 2008. The EC will vote on these documents at the EC meetings in Boston in September.

Decision Points

The EC approved the Error Correction Guidance Statement and amended the effective date to 1 January 2010. (7 Votes)

1. Approve Error Correction Guidance Statement

The EC members reviewed and discussed the proposed Guidance Statement on Error Correction and suggested an effective date change. Ms. Vincent reported that the content of this document is not materially different from the public comment document, although it has been re-formatted and clarified. She mentioned that this guidance statement addresses only material errors that occur in compliant presentations or a specific composite but does not address advertising.

The EC approved the Error Correction Guidance Statement and amended the effective date to 1 January 2010. (7 Votes)

2. Country Sponsor Feedback on GIPS 2010 Review Key Issues

Country Sponsors were requested to provide their feedback on the GIPS 2010 Key Issues document.

Japan – Mr. Karita reported that prior to this EC Open Meeting SAAJ, the Country Sponsor of Japan, submitted their comments based on the feedback from the local committee members. Carve-outs and external cash flow are the most important issues to the Japan market and they request that additional/new guidance on treatment of carve-outs be provided as soon as possible. Regarding valuation on the day of large cash flows, he explained there may be a problem regarding the definition of large-external-cash flows may be interpreted the same as making a valuation every day in the Japanese market so a better definition/guidance is needed.

Mr. Kuwabara reported several firms contacted him regarding carve-out cash allocation not being allowed on and after 1 January 2010. They are eager to continue to present carve-out returns in composites and think that now is the time to determine system specifications incorporating the new requirements, but they cannot write any specs until 1 January 2010 when GIPS 2010 gets finalized. So, there will not be able to present carve-out return in any way during the year 2010. The issue of this open window needs to be discussed and addressed.

Country Sponsors were encouraged to send in their comments on the GIPS 2010 Key Issues to the GIPS Helpdesk at gipshelpdesk@cfainstitute.org or the Standards mailbox at standards@cfainstitute.org.

It was mentioned that discussions on the GIPS 2010 review are ongoing and when the revised list of key issues is available it will be e-mailed to Country Sponsors and posted on the GIPS website.

3. Country Sponsors Feedback on Country Sponsor Performance Evaluation

Country Sponsors were requested to comment on the draft Country Sponsor Performance Process documents. These documents will be used as the basis to evaluate Country Sponsors on an ongoing basis and for the Country Sponsors to provide a self-evaluation.

Germany – Mr. Sauer suggested that the tone and the wording of the Country Sponsor Performance Process should be changed to more of an overview and not a formal evaluation.

Japan – Mr. Karita requested that the title of the document should have the word “Evaluation” or “Review” inserted after the word “Performance”. He suggested that under the paragraph “Next Steps” CFA Institute should not be one of the evaluators in the process since they are also a Country Sponsor for U.S. and Canada as he views this as a conflict of interest. Also under the paragraph “Next Steps” Mr. Karita suggested that it should be stated that the EC will vote on any decisions to terminate a Country Sponsor.

It was mentioned that the title of the document would be reviewed by the EC and that language to clearly state that the EC will vote on any decisions to terminate a Country Sponsor would be included. It was stated that all Country Sponsor Agreements are signed by three parties, the GIPS Executive Committee, CFA Institute, and the specific Country Sponsor which is why CFA Institute is included as one of the evaluators.

It was mentioned that the primary goal of the EC is to encourage and motivate each Country Sponsor to be successful.

Country Sponsors were encouraged to send in their comments on the Country Sponsor Performance Evaluation documents to the GIPS Helpdesk at gipshelpdesk@cfainstitute.org or the Standards mailbox at standards@cfainstitute.org before 11 July to allow time for the documents to be finalized and presented to the EC at the September 2008 meeting.

4. Organizational Items

It was reported that the next open GIPS EC in-person meeting is scheduled to be held in Boston on Wednesday, 24 September 2008. Additional information will be provided on the GIPS website in the near future.

Observer Comments:

Mr. Tarumianz requested clarification regarding carve-out cash allocations being permitted after 1 January 2010. It was confirmed that carve-out cash allocations will no longer be permitted after 1 January 2010.

Adjourn – 8:40 a.m.