



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

Date: Wednesday 9 December 2009

Location: Conference Call

Time: 9:00 a.m. to 11:00 a.m.

Members Present: Jonathan Boersma, CFA – GIPS Executive Director
Todd Juillerat, CFA – Americas RIPS Chair
Colin Morrison – Investor/Consultant Chair
Sunette Mulder – Investment Manager Chair
Trevor Persaud – Asia Pacific RIPS Chair
Neil E. Riddles, CFA, CIPM – GIPS Council Chair
Karyn Vincent, CFA, CIPM – Interpretations Chair

Members Absent: Carl R. Bacon, CIPM – EC Chair Elect and Verification/Practitioner Chair
Stefan Illmer – EC Chair and EMEA RIPS Chair

Presenter: Scott Brown, Chair – Real Estate Working Group *

CFA Institute Staff Present: Fannie Fang, CFA, CIPM – Director, Global Investment Performance Standards
Beth Kaiser, CFA, CIPM – Director, Global Investment Performance Standards
Polly Johnson – Administrative Assistant
Ken Robinson, CFA, CIPM, Director, Global Investment Performance Standards
Robin Willis – Administrative Assistant

*PARTIAL ATTENDANCE

Action Items

- Real Estate Working Group will be requested to consider if requiring IRR instead of TWR for closed-end funds is a significant change, which will necessitate a public comment period and report back to the GIPS EC.
- Real Estate Working Group will review the proposed language in 6.A.8.c.iii regarding External Valuations to include any differences in valuations not used in annual period end calculations.
- CFA Institute staff will review the language generally used in a Performance Examination Report as per the Performance Examination Guidance Statement for the definition in the Glossary.

Decision Points

- Minutes of the EC closed session on 18 November 2009 were approved as presented. (7 Votes)
 - Minutes of the EC closed session on 2 December 2009 were approved as presented. (6 Votes, 1 Abstention)
 - EC members decided to only require IRR for closed-end Real Estate funds. (7 Votes)
 - EC members decided to basically keep the language as currently presented in Real Estate provision 6.A.15 to read something similar to:
 - “6.A.15 FIRMS MUST present component returns in addition to TOTAL RETURNS and clearly label whether they are presented net-of-fees or gross-of-fees.”(7 Votes)
 - EC members agreed to remove Real Estate provision 6.A.19.c. which stated:
 - “6.A.19.c. Total COMPOSITE since inception INVESTED CAPITAL”
 - EC members agreed to change 6.A.20 to be as consistent as possible with the language in 5.A.6 to replace the word “Definition” to “Strategy or Mandate”.
 - EC members agreed that the compliant presentation examples would be reviewed on a future call.
 - EC members voted in favor of the Real Estate Section 6 draft as presented with quarterly cash flows for the IRR calculation for the closed-end Real Estate Funds, for all periods including prospectively. (7 Votes)
 - EC members agreed that an effective date is not necessary for Verification Section III B.2.b.v. and guidance as it will become effective as of 1 January 2011 and as it cannot be retroactively applied.
 - EC members decided against adding the word “more” to the definition of Performance Examination in the Glossary.
 - EC members discussed and agreed to change wording in the Glossary on Performance Examination Report from,
 - “...composite presentation has been constructed, calculated...” to
 - “...compliant presentation has been prepared...”
 - Subject to further review, if needed, based on the current language in the Performance Examination Guidance statement.
 - EC members agreed to change make the following change to B.2.f.ii of the Verification Section III proposal:
 - “B.2.f.ii. Take a sample of COMPOSITE and BENCHMARK calculations to determine the accuracy of all required numerical data.”
 - EC members agreed to keep B.2.f.iii as presented in the Verification Section III proposal.
 - EC members agreed to change Verification Section III provision A.7.iv to read:
 - “A.7.iv. Total FIRM ASSETS;”
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