



Minutes of the GIPS EXECUTIVE COMMITTEE
Closed Session

Date: Wednesday 2 December 2009

Location: Conference Call

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

Members Present: Carl R. Bacon, CIPM – EC Chair Elect and Verification/Practitioner Chair
Jonathan Boersma, CFA – GIPS Executive Director
Stefan Illmer – EC Chair and EMEA RIPS Chair *
Todd Juillerat, CFA – Americas RIPS Chair
Colin Morrison – Investor/Consultant Chair
Trevor Persaud – Asia Pacific RIPS Chair *
Neil E. Riddles, CFA, CIPM – GIPS Council Chair
Karyn Vincent, CFA, CIPM – Interpretations Chair

Members Absent: Sunette Mulder – Investment Manager Chair

Presenter: Jesse Reyes, Chair – Private Equity Working Group *

CFA Institute Staff Present: Fannie Fang, CFA, CIPM – Director, Global Investment Performance Standards
Anju Grover – GIPS Analyst
Polly Johnson – Administrative Assistant
Beth Kaiser, CFA, CIPM – Director, Global Investment Performance Standards
Cindy Kent – Director, Global Investment Performance Standards
Ken Robinson, CFA, CIPM, Director, Global Investment Performance Standards
Trudy Via – Administrative Assistant

*PARTIAL ATTENDANCE

Action Items

- Ms. Fang will arrange a conference call between Mr. Reyes, Ms. Vincent, and any other interested GIPS EC members to further discussed the proposed changes to the Private Equity Section 7 of the GIPS 2010 Exposure Draft.
- Ms. Vincent was requested to provide an update on the Private Equity discussion to the EC at their next closed conference call.
- CFA Institute staff will circulate the final draft of the Private Equity Section 7 for review by the EC members as soon as possible.
- EC members were requested to consider whether TWR calculations should also be required to be presented for closed-end real estate funds in the Real Estate Section 6.

- CFA Institute staff will draft a new provision to be considered for the GIPS standards regarding provision B.2.b.v. in Verification Section III for the EC members to review at the next GIPS EC closed conference call on 9 December 2009.
- EC members were encouraged to send in any additional comments they may have for Verification Section III prior to the next scheduled EC call on 9 December.

Decision Points

- The EC decided to leave the reference to Secondary Fund Vehicles in the introduction of Private Equity Section 7 but to remove it from the provisions.
 - The EC decided to remove provision 7.A.9 from Private Equity Section 7 to be dealt with through guidance and Q&As.
~~7.A.9. Co investment and side by side investments MUST be included in the same COMPOSITES.~~
 - The EC decided to add language similar to the following, “Investments must be valued in accordance with the definition of Fair Value in Appendix D.” in the Private Equity Section 7 provisions 7.A.1 and 7.B.1.
 - The EC members agreed to leave the reference to the term Fair Value in the Private Equity Section 7 provisions as long as the reference is congruent with the other GIPS standards sections.
 - The EC members agreed that the Private Equity and Real Estate sections do not have to be congruent in the GIPS standards 2010 version but that steps should be taken in the future to continually harmonize the two sections.
 - The EC members decided to require closed-end real estate funds to present an IRR calculation as included in the Real Estate Section 6 of the GIPS 2010 Exposure Draft.
(7 Votes)
 - The EC members agreed to the proposed change to the first sentence of the second paragraph in both the Claim of Compliance Statement for Firms that are claiming they are currently verified and for Firms claiming that a specific composite has been examined to read,
“Verification assesses whether ...”
 - The EC members decided to keep Performance Examination Statement as it is currently presented.
(5 Votes For, 1 Vote Against)
 - The EC members decided that a Q&A will be developed to address which Claim of Compliance Statement a Firm should use when their verification was performed over 24 months ago.
 - The EC members decided to provide guidance on the issue of claiming verification in a consultant’s database in the Q&A as well.
 - The EC members approved the Compliance Statements as currently presented with the exception of changing the language from, “Verification ~~is intended to determine~~ whether...” to
“Verification assesses whether...” to both the Verified Statement and Performance Examination Statement.
(6 Votes)
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