



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

Date: Thursday 17 September 2009

Location: In-Person Meeting - Singapore

Time: 8:00 a.m. – 5:00 p.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
Sunette Mulder – Investment Manager Chair
Neil E. Riddles, CFA, CIPM – GIPS Council Chair
Trevor Persaud – Asia Pacific RIPS Chair
Karyn Vincent, CFA, CIPM – Interpretations Chair

CFA Institute Staff: Fannie Fang, CFA, CIPM – Director, Global Investment Performance Standards
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

Action Items

- A discussion item will be added to the EC Agenda on developing a process for Q&A approval.
- The Verification/Practitioner Subcommittee was requested to draft a Guidance Statement on the Verification definition disclosure.
- The Interpretations Subcommittee was requested to draft a Q&A regarding 1.A.3 dealing with the required valuation “on the date of all large cash flow” to provide additional guidance to firms.
- Mr. Riddles, Mr. Juillerat, and Mr. Bacon were requested to draft a proposal for the EC to review on whether disclosures may be allowed to be removed after a certain time period.
- CFA Institute staff was requested to review the Recordkeeping Guidance Statement and prepare a proposed draft for the EC to review in the near future.
- The Interpretations Subcommittee was requested to create Q&As on using multiple benchmarks.
- CFA Institute staff will circulate a revised draft Country Sponsor Notification of Violation and Resolution to Country Sponsors for their feedback in preparation for the EC to vote on the final draft at the March 2010 meeting.

Decision Points

- EC members agreed to have a disclosure specifying what Verification is and what Verification is not in the Compliant Presentation. (7 Votes For, 2 Votes Against)
- EC members decided to allow alternative language when a specific composite has had a performance exam, to allow a Firm to delete the sentence that says, “Verification does not ensure the accuracy of any specific COMPOSITE PRESENTATION. The VERIFICATION REPORT is/or available upon request” and instead allow Firms to make reference to the fact that the composite has been examined for specific periods. (7 Votes For, 1 Vote Against, 1 Abstention)
- EC members decided to require firms to either combine the Verification statement disclosure as one paragraph at the end in the Compliance Statement/Verification Status in a Compliant Presentation or include it as a separate paragraph immediately following the Compliance Statement/Verification Status. (7 Votes For, 2 Votes Against)
- EC members decided to keep 0.A.3 with the language “assets under management” rather than changing it to “PORTFOLIO” as was proposed in the Exposure Draft. (8 Votes For, 1 Abstention)
- EC members decided to create a Q&A on 0.A.8 and approved the revisions proposed in the Exposure Draft and remove the word “applicable”. (9 Votes)
- EC members approved the revision to the Exposure Draft for 0.A.9 and remove the words “used in a performance presentation”. (9 Votes)
- EC members approved the following revisions to the Exposure Draft for 0.A.12 to:
 - Delete the last sentence. (9 Votes)
 - To reinstate the word “existing”. (9 Votes)
 - Change the words “closed” to “terminated” and combine “list and description of composites” to “list of composite descriptions”. (9 Votes)
- EC members decided to reinstate the word “existing” in 0.A.13 in the Exposure Draft. (9 Votes)
- EC members decided to change 0.A.13 to be consistent with 0.A.12 to reference “list of composite descriptions”. (9 Votes)
- EC members approved the revisions to the Exposure Draft for 0.A.15 to remove the word “applicable” and change the word “which” to “these”. (9 Votes)
- EC members decided to retain the current language in 0.A.16 as proposed in the Exposure Draft of the GIPS standards. (9 Votes)
- EC members decided to retain the current language in 0.A.17 as proposed in the Exposure Draft of the GIPS standards. (9 Votes)
- EC members decided to create a Q&A to provide additional guidance on 0.A.17 explaining “unintentional” or “not knowing” as it relates to the Error Correction Guidance Statement. (9 Votes)
- EC members decided to retain the current language in 1.A.1 as stated in the 2005 version of the GIPS standards. (9 Votes)
- EC members decided to leave the language from the GIPS 2010 Exposure Draft for 1.A.3 and 2.A.2. (9 Votes)
- EC members decided to leave the language “on the date” and delete the language “at the time” in 1.A.3 and 2.A.2. (7 Votes For, 1 Vote Against, 1 Abstention)
- EC members decided to leave the word “EXTERNAL” in 2.A.2 and throughout the GIPS 2010 Exposure Draft. (9 Votes)
- EC members decided to leave the language from the GIPS 2010 Exposure Draft for 2.A.7. (9 Votes)

- EC members decided to reinsert “fee-paying” in 3.A.1. (9 Votes)
- EC members decided to change the word “PORTFOLIOS” to “performance” in 3.A.7.a. (9 Votes)
- EC members decided to leave 3.A.7.a. where it is placed in the revised Exposure Draft under Composite Construction. (7 Votes For, 1 Vote Against, 1 Abstention)
- EC members decided to change the requirement 3.A.9 back to a recommendation 3.B.2. (7 Votes For, 2 Against)
- EC members decided to remove the word “or” in 4.A.5. (9 Votes)
- EC members decided to add the words “if this information is available” to 4.A.7. (9 Votes)
- EC members decided to keep 4.A.8 as a requirement as written in the GIPS 2010 Exposure Draft. (7 Votes, 1 Vote Against, 1 Abstention)
- EC members agreed to 4.A.16 as written in the revised Exposure Draft. (9 Votes)
- EC members decided to disclose whether model or actual INVESTMENT MANAGER FEES are used including PERFORMANCE-BASED FEES, without the description of how they are calculated in 4.A.16.a. of the GIPS 2010 Exposure Draft. (7 Votes For, 1 Vote Against, 1 Abstention)
- EC members decided to leave 4.A.17 as written in the GIPS 2010 Exposure Draft. (8 Votes For, 1 Abstention)
- EC members decided to change 4.A.21 to delete the word “nature” and change the words to “disclose the date of, description of, and reason for the redefinition”. (9 Votes)
- EC members decided to change 4.A.22 to delete the word “nature” and change the words to “disclose the date of, description of, and reason for the change”. (9 Votes)
- EC members agreed to 4.A.25 as written in the revised Exposure Draft. (9 Votes)
- EC members decided to delete 4.A.28 as proposed in the revised Exposure Draft. (7 Votes For, 2 Votes Against)
- EC members agreed to 4.A.30 as written in the revised Exposure Draft. (9 Votes)
- EC members agreed to 4.A.31 as written in the revised Exposure Draft. (9 Votes)
- EC members decided to move recommendation 4.B.3 to become requirement 4.A.31 requiring the description of a benchmark. (7 Votes For, 1 Vote Against, 1 Abstention)
- EC members decided to change 4.A.32 in the revised Exposure Draft to include the words “of” after words date and description. (9 Votes)
- EC members agreed to move 5.A.6.c. to become requirement 4.A.33 and change the word “weighting” to “weights”. (9 Votes)
- EC members decided to leave recommendation 4.B.3 as written in the revised Exposure Draft. (9 Votes)
- EC members decided to leave 4.B.4 as written in the revised Exposure Draft. (8 Votes For, 1 Abstention)
- EC members decided to leave 4.B.5 as written in the revised Exposure Draft. (7 Votes For, 1 Vote Against, 1 Abstention)
- EC members decided to leave 4.B.6 as written in the revised Exposure Draft. (8 Votes For, 1 Abstention)
- EC members approved the revisions in 5.A.1 as written in the revised Exposure Draft. (9 Votes)
- EC members approved the revisions in 5.A.2 in the revised Exposure Draft to remove the language “the FIRMS meet the disclosure REQUIREMENTS for non-compliant performance and”. (8 Votes For, 1 Abstention)

- EC members approved the revisions in 5.A.4 as written in the revised Exposure Draft. (9 Votes)
 - EC members approved the revisions in 5.A.5 in the revised Exposure Draft to change the error “2011” to “2010”. (8 Votes For, 1 Abstention)
 - EC members decided to remove the word “annual” as well as sections a, b, and c in 5.A.6 in the revised Exposure Draft. (8 Votes For, 1 Abstention)
 - EC members decided to change 5.B.4 to state: “FIRMS SHOULD bring the entire historical track record into compliance with the GIPS standards.” (8 Votes For, 1 Abstention)
 - EC members approved the revisions in 5.B.7 as written in the revised Exposure Draft. (9 Votes)
 - EC members approved the revisions in 5.B.8 as written in the revised Exposure Draft. (9 Votes)
 - EC members decided to delete recommendation 5.B.9. as it is related to a deleted requirement in 5.A.2. (9 Votes)
 - EC members approved the revisions in 5.B.10 as written in the revised Exposure Draft, and to change “MUST” to “SHOULD” and delete “the percentage of the COMPOSITE”. (9 Votes)
 - EC members decided to edit Appendix E, definition of Prospective Client by deleting the example “(e.g., has assets above the COMPOSITE minimum asset level)” and to include the word “COMPOSITE” between the words “FIRM’S” and “strategy” in the revised Exposure Draft. (8 Votes For, 1 Abstention)
 - EC members decided to revise the draft Country Sponsor Notification of Violation and Resolution document. (9 Votes)
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