



AGENDA
EMEA Regional Investment Performance Subcommittee (RIPS)

Date: Friday 18 November 2011

Location: Oslo, Norway

Time: 9:00 - 15:00

- | | | | |
|----|--|------------------------------------|---------------|
| 1. | Welcome / Opening Remarks | Dimitri Senik | 9:00 – 9:05 |
| 2. | Presentation on Norway Financial Market | Ministry of Finance Representative | 9:05 – 9:25 |
| 3. | Approve minutes of last EMEA RIPS meetings of: <ul style="list-style-type: none">• 24 March 2012 Review Action Items of last EMEA RIPS meeting | Dimitri Senik | 9:25 – 9:35 |
| 4. | Review and Approve European Federation for Retirement Provision (EFRP) EMEA RIPS Associate Member Agreement | Dimitri Senik | 9:35 – 9:45 |
| 5. | Update on EC activities since 24 March 2011
Recap results from the EC in-person meeting, conference calls and action items | Dimitri Senik | 9:45 – 9:55 |
| 6. | GIPS Strategic Plan 2015 <ul style="list-style-type: none">• Feedback from EMEA RIPS Members | Dimitri Senik
Jonathan Boersma | 9:55 – 10:30 |
| | Break | | 10:30 – 10:45 |

7.	Update from Interpretations Subcommittee	Stefan Illmer	10:45 – 10:55
8.	Update from Risk Working Group	Colin Morrison	10:55 – 11:05
9.	Update from Promotion & Awareness Subcommittee	Jonathan Boersma	11:05 – 11:15
10.	Update on Alternative Investments Strategies and Structures	Dimitri Senik	11:15-11:35
11.	Regulator Relationship working group: <ul style="list-style-type: none"> • Terms of Reference • Update on regulatory initiatives • Discussion and feedback of RIPS EMEA members 	Colin Morrison	11:35 - 12:00
	Lunch		Noon to 12:45
12.	New Analytical Techniques and Developments (discussion on performance fee industry paper)	Colin Morrison	12:45 – 13:15
13.	Country Sponsor Activity Updates	All	13:15 – 14:30
14.	Other Business <ul style="list-style-type: none"> • 2012 GIPS in-person March meetings in Brussels • 2012 EMEA RIPS in-person November meeting in London • 2013 EMEA RIPS meetings • GIPS Council Chair Election • Questions & Answers from Observers 	Dimitri Senik	14:30 – 15:00
	Adjourn		15:00



MINUTES
EMEA RIPS
Thursday 24 March 2011
Zurich, Switzerland

DATE: Thursday 24 March 2011

TIME: 1:00 p.m. – 5:00 p.m.

CHAIR: Dimitri Senik, CFA*

COUNTRY SPONSOR

ATTENDEES:

Dimitrij Alexandrov – Russia**	Miquel Mora, CIPM – Spain
Jonas Arsjo – Sweden	Sunette Mulder – South Africa
Adrian Doswald – Liechtenstein	Joe O'Donnell – Ireland
Alain Ernewein – France***	Eric Pagniez – France***
João Cantiga Esteves – Portugal	Yiannis Ritsios, CFA – Greece
Miklos Farkas – Hungary	Alessandro Rota – Italy
Lars Bjerre Hansen – Denmark	Dias Sarsenov - Kazakhstan
Christophe Javaux – Belgium	Martin Schliemann – Germany
Jørn Gunnar Kleven – Norway	Mark van Eijk – The Netherlands
Colin Morrison – United Kingdom	Liudmyla Zhurakhovska – Ukraine

COUNTRY SPONSOR

ATTENDEES ABSENT: Austria

ASSOCIATE MEMBER

ATTENDEE: Joachim Hein – EFAMA

ASSOCIATE MEMBER

ATTENDEE ABSENT: EFFAS

OBSERVERS:

Carl Bacon, CIPM – EC Chair Elect and Verification/Practitioner Chair
Corinne Bär – Switzerland
Louis Boulanger, CFA – GIPS Council Chair
Jonathan Boersma, CFA – GIPS Executive Director
Martina Britt – Switzerland
Andrea Brüllmann – Liechtenstein
Christian Caperos – Switzerland
Brian Chapman – United Kingdom
Gabor Fujer – Switzerland
Oliver Haechler – Switzerland
Peter Hirt – Switzerland
Herbert Jobelius – Germany
Susanne Klemm – Switzerland
Nikos Konstantakis, CFA, CIPM – Greece

OBSERVERS:
(Continued)

Yoh Kuwabara – Japan
Julian Le Fanu – United Kingdom
Emilio Maffi – Italy
Samuel Muerner – Switzerland
Miriam Munari – Switzerland
Chris Muyldermans – Belgium
Timo Noethiger – Switzerland
Savas Oyun – Switzerland
Hans Pieper – Germany
Mireille Petitjean, CFA – Switzerland
Didier Reymond – Switzerland
Mattias Scherrer – Switzerland
Karl-Heinz Seger – Liechtenstein
Julia Constanze Vollert – Switzerland
Han-Jörg von Euw – Switzerland
Daniel Weber, CFA – Switzerland
Christoph Weder – Liechtenstein

CFA INSTITUTE:

Polly Johnson – Administrative Assistant
Beth Kaiser, CFA, CIPM – Director, Global Investment Performance Standards
John Rogers, CFA - President and Chief Executive Officer

*PROXY VOTE FOR SWITZERLAND COUNTRY SPONSOR

**PARTIAL ATTENDANCE

***PARTIAL ATTENDANCE – CHANGED REPRESENTATIVES FOR FRANCE COUNTRY SPONSOR

Action Items:

- Mr. van Eijk will contact CFA Institute staff to schedule a conference call with INREV (Investors in Non-listed Real Estate Vehicles) in the near future and provide a status update regarding INREV becoming associate members at the next EMEA RIPS meeting.
- Mr. Morrison will provide a status update regarding ERFP (European Federation for Retirement Provision) becoming associate members at the next EMEA RIPS meeting.
- Mr. Esteves will provide a status update on working with the European regulator ESMA (European Securities and Market Authority) at the next EMEA RIPS meeting.
- CFA Institute staff will provide an update on the revision of the Terms of Reference document regarding Associate Members at the next EMEA RIPS meeting.
- EMEA RIPS Country Sponsors were requested to send any issues or concerns in relation to regulations and the GIPS standards they would like to raise with a regulator to Mr. Senik or to Mr. Boersma.
- Mr. Senik and Mr. Schliemann agreed work together to prepare a first draft document on clarifying the term “assets under management”, to circulate it to EMEA RIPS Country Sponsors for their feedback prior to forwarding the document to the Interpretations Subcommittee’s review.
- EMEA RIPS Country Sponsors were encouraged to provide input on the calculation on the total assets of the firm to Mr. Senik and Mr. Schliemann and also to contact Mr. Senik and Mr. Schliemann if they would like to assist with clarification of “assets under management”.
- EMEA RIPS Country Sponsors were encouraged to provide their feedback on the Guidance Statement on Alternatives Investment Strategies and Structures and to circulate it to their local firms for comments prior to the deadline of 15 June 2011.
- EMEA RIPS Country Sponsors were requested to let CFA Institute staff know if they have expertise in the technical area of a working group so that they can be included in discussions where appropriate.
- EMEA RIPS Country Sponsors were requested to be prepared to conduct a survey on the compliance rate in their country.

- EMEA RIPS Country Sponsors were asked to provide comments to CFA Institute staff on the GIPS Strategic Plan as it is still being revised.
- EMEA RIPS Country Sponsors were requested to provide additional comments at the GIPS Council meeting on 25 March 2011 on the GIPS Strategic Plan.
- EMEA RIPS Country Sponsors were requested to provide feedback on what the Guidance Statement on Risk:
 - should look like;
 - should contain;
 - positions should be; and
 - who should it be positioned for.
- EMEA RIPS Country Sponsors were encouraged to:
 - provide GIPS articles to be linked in the GIPS standards email newsletter;
 - review the revised Regulator Introduction Letter template and provide input to Ms. Mulder;
 - submit volunteers to serve on the Promotion & Awareness Subcommittee next year to refresh the Subcommittee membership; and
 - make use of the Promotion & Awareness Subcommittee by contacting the Subcommittee to assist with the development of ideas to promote the GIPS standards in their country.
- EMEA RIPS Country Sponsors decided to focus the immediate efforts of the EMEA RIPS Regulator Relations Working Group on evaluating the possibility of providing consolidated comments on the EU PRIPs (Packaged Retail Investment Products) guidance. The following EMEA RIPS members agreed to participate in this working group: Germany, Portugal, Spain, UK, EFAMA and potentially The Netherlands. In this respect, Mr. Morrison and Mr. Hein agreed to draft a mission statement to outline specific goals for a Regulator Relations Working Group of the EMEA RIPS to address supranational regulator proposals and the immediate next steps with regard to providing comments to the PRIPs guidance and to distribute it to the EMEA RIPS Country Sponsors to review.
- EMEA RIPS Country Sponsors were requested to consider the appropriate way to cooperate with ESMA, whether there is interest in providing consolidated comments on the PRIPs guidance, and whether there other ideas on how to provide this input to influence legislation.
- EMEA RIPS Country Sponsors were requested to consider hosting the March 2012 in-person GIPS meetings and those Country Sponsor who are prepared to host those meetings should contact Mr. Senik or CFA Institute staff.

Decision Items:

1. The EMEA RIPS Minutes of 18 March 2010 in Lisbon were approved as amended.
2. The EMEA RIPS Minutes of 28 October 2010 by conference call were approved as amended.
3. EMEA RIPS Country Sponsors decided to propose to the EC that all working group agendas should be posted on the GIPS standards website to keep Country Sponsors informed.

1. Welcome / Introductions / Opening Remarks

Mr. Senik welcomed all attending EMEA RIPS Country Sponsors, EMEA RIPS Associate Members, and Observers. He expressed his thanks to the Swiss Country Sponsor for willingness to host the GIPS in-person meetings in Zurich over the next few days.

Mr. Senik announced that he has been authorized to vote on behalf of the Switzerland Country Sponsor as their representative was unable to attend the EMEA RIPS meeting today.

- Approve minutes of EMEA RIPS in-person meeting on 18 March 2010

The EMEA RIPS Minutes of 18 March 2010 in Lisbon were approved as amended. (21 Votes)

The EMEA RIPS Minutes of 18 March 2010 were amended as follows:

- by correcting the acronyms in the second paragraph on page 6 from “USIPC” and “KID” to “UCITS” (Undertakings for Collective Investment in Transferable Securities) and “KIID” (Key Investor Information Document); and
- by correcting the acronyms in the sixth paragraph on page 6 from “UCTIS,” “KID” to “UCITS,” “KIID”.

- Approve minutes of EMEA RIPS conference call on 28 October 2010

The EMEA RIPS Minutes of 28 October 2010 conference call were approved as amended. (21 Votes)

The EMEA RIPS Minutes of 28 October 2010 were amended as follows:

- add the action item “EMEA RIPS Country Sponsors were requested to send any issues or concerns in relation to regulations and the GIPS standards they would like to raise with a regulator to Mr. Senik or to Mr. Boersma.” from the 18 March 2010 EMEA RIPS Minutes;
- revise the wording Regulator Relations Working Group to be similar to the wording in the EMEA RIPS Update Report; and
- remove the asterisk (i.e., *) beside Mr. Hansen’s name that denoted partial attendance of the conference call.

- Review action items of last EMEA RIPS conference call 28 October 2010

The action items from the 28 October EMEA RIPS conference call were reviewed and the following action items were updated and/or identified as still open:

- Mr. van Eijk reported that he met with INREV (Investors in Non-listed Real Estate Vehicles) representatives last week and provided them with a copy of the Associate Membership Agreement that had been provided by CFA Institute staff. INREV has recently changed executive board members and are discussing whether they can actively participate with initiatives of the GIPS standards while they are following different best practices. He stated that one of the issues is the real estate provision of the GIPS standards that require an external evaluation every 36 months. This is in conflict with their best practices requirement for an external evaluation every 12 months. The Netherlands Country Sponsor will work with INREV to review the differences between the GIPS standards and INREV’s best practices to attempt to resolve the issues. Mr. van Eijk will contact CFA Institute staff to schedule a conference call with INREV in the near future and provide a status update regarding INREV becoming associate members at the next EMEA RIPS meeting.
- Mr. Morrison reported that there has been a conference call between ERFP (European Federation for Retirement Provision), the UKIPC, and CFA Institute regarding the ERFP’s potential interest in applying to be an EMEA RIPS Associate Member. He explained that the UKPIC and CFA Institute are working to educate new ERFP representatives about the GIPS standards. Mr. Morrison believes they will apply to be Associate Members in the future. He will provide a status update regarding ERFP becoming associate members at the next EMEA RIPS meeting.
- Mr. Esteves reported that the experts group within the Portugal Country Sponsor has been in regular contact with the chairman of the Portuguese SEC in discussing several ways of approaching ESMA (European Securities and Market Authority), formerly known as CESR (Committee of European Securities Regulators). At this time there has been no forward movement but it is anticipated that the chair of the Portuguese SEC (who is now the vice president at the European level) will eventually provide guidance on approaching and working with ESMA. Mr. Esteves will provide a status update on working with the European regulator ESMA at the next EMEA RIPS meeting.
- It was reported that CFA Institute staff will revise the appropriate governance document to provide a more formal process of regarding organizations that will be invited to become Associate Members of RIPS. CFA Institute staff will provide an update on the revision of the document at the next EMEA RIPS meeting.

- It was reported that Ms. Ene from the EVCA (European Venture Capital Association) provided a copy of the EVCA Private Equity Fund Risk Measurement Guidelines document. This risk exposure draft for private equity is attached to the EMEA RIPS Minutes of 28 October 2010 and it was noted that the public comment deadline is 29 April 2011. It was mentioned that the Risk Working Group will review the EVCA exposure draft to determine whether it can be incorporated into the Risk Guidance Statement that is being developed.

Mr. Schliemann requested an update regarding the clarification of the term “assets under management” which was forwarded to the Interpretations Subcommittee to address. Mr. Senik reported that the Executive Committee has reviewed potential new Q&As from the Interpretations Subcommittee. One of the potential Q&As was about the calculation of total assets under management in regard to the issue of double counting assets.

It was suggested that members of EMEA RIPS could form a working group to draft a paper on clarifying the term of “assets under management” to assist the Interpretations Subcommittee in clarifying this term. It was stated that the Germany Country Sponsor has worked on this issue and will be happy to provide input on clarifying the term “assets under management”.

Mr. Senik and Mr. Schliemann agreed to work together to prepare a first draft on clarifying the term “assets under management” for the Interpretations Subcommittee’s review. EMEA RIPS Country Sponsors were encouraged to provide input on the calculation of total assets of the firm to Mr. Senik and Mr. Schliemann. Mr. Senik and Mr. Schliemann will circulate a copy of the first draft to EMEA RIPS Country Sponsors for their feedback prior to forwarding it to the Interpretations Subcommittee. It was stated that for this project an official working group will not be formed, but rather as a spontaneous cooperation in developing a first draft paper.

It was reported that another issue that was discussed by the Executive Committee today was the derivatives based strategies and the whole issue of overlay portfolios and how to calculate assets for overlay strategies which is not appropriately addressed in the GIPS standards currently. Mr. Senik stated that he has agreed to create a first draft on the treatment of overlay strategies for the GIPS standards. He stated that this is an urgent matter as there are already some Q&As in the framework that are not appropriately addressing this issue and it needs to be corrected as soon as possible.

2. Update on EC activities since 28 October 2010

- Recap results from EC conference calls and EC Action Items

Mr. Senik reported the GIPS Executive Committee (EC) approved the Korean translation of the 2010 edition of the GIPS standards which was provided by the Korean Country Sponsor. He mentioned that from reviewing the Country Sponsor Update Reports there are a number of EMEA RIPS Country Sponsors that are planning to translate the 2010 edition of the GIPS standards into their country’s language.

Mr. Schliemann reported that the Germany Country Sponsor has completed a translation of the 2010 edition of the GIPS standards into German and anticipates that it will be submitted in the near future for review and approval. It was stated that the Germany Country Sponsor and the Austria Country Sponsor did not collaborate on this German translation.

The EC approved three Guidance Statements on: Private Equity, Real Estate, and Verification at their open conference call on 29 December 2010, that had previously been released for public comment. It was stated that the three Guidance Statements became effective as of 1 January 2011.

It was reported that the Verification/Practitioner Subcommittee submitted their final revision of the Guidance Statement on Performance Examinations to the EC and it was approved at their closed meeting on 23 March 2011 to be released for a 90-day public comment period.

It was mentioned that the Verification/Practitioner Subcommittee is currently revising the Guidance Statement on Verifier Independence and the EC will determine, after review, whether the Guidance Statement will need to be released for public comment or simply approved.

EMEA RIPS Country Sponsors were reminded that the Guidance Statement on Alternatives Investment Strategies and Structures has been released for public comment and were encouraged to provide their feedback and circulate it to their local committees and the industry for comments prior to the deadline of 15 June 2011.

It was reported that the EC reviewed the revised final draft of a Working Group Terms of Reference document to formalize the assigned task(s) of a working group. The EC approved the final draft of the Working Group Terms of Reference at their meeting on 23 March 2011. It was mentioned that the Mr. Boersma, the GIPS Executive Director, along with the GIPS Council Chair provide approval of Working Group members.

It was requested that the agendas of the various Working Groups be circulated to keep the Country Sponsors up-to-date on the activities of the Working Groups. It was suggested that Working Group agendas be posted on the GIPS standards website and post working papers, if appropriate, to seek input. EMEA RIPS Country Sponsors decided to propose to the EC that all Working Group agendas should be posted on the GIPS standards website to keep Country Sponsors informed. This proposal will be made to the EC at their open meeting on 25 March 2011.

One Country Sponsor representative mentioned the perception that the nomination process for Working Groups members cannot be influenced by Country Sponsors. It was explained that in forming working groups, some volunteers are selected for their industry expertise but other working groups are formed by requesting volunteers via the GIPS standards email newsletter, on the GIPS standards website, and through e-mail communication to the Country Sponsor contacts. Country Sponsors were requested to let CFA Institute staff know if they have expertise in the technical area of a working group so that they can be included in discussions where appropriate.

The EC has been working to review all existing Questions and Answers (“Q&As”) to update the *GIPS Standards Handbook* which is planned to be released at the end of 2011.

Mr. Senik reported that Mr. Boersma recently met with the International Accounting Standards Board (IASB) and the International Valuation Standards Council (IVSC) in London, England to exchange opinions and compare how the organizations’ governance functions.

An inquiry was made on whether the market research data listed in the GIPS Strategic Plan will be done on a nationalized or centralized level and how will the Country Sponsors be given access to this market data.

It was reported that the EC discussed various ways and methods to collect data on the adoption of the GIPS standards around the world and compliance rates. There were two approaches discussed:

- 1) for CFA Institute to conduct a survey worldwide to attempt to obtain the information but this has the risk of low response rates because we cannot get all firms to participate; or
- 2) ask Country Sponsors to conduct surveys in their own country through a survey or any other means.

The survey would mainly be developed to gather data in a country about:

- the percentage of firms that claim compliance;
- the percentage of assets under management of firms that claim compliance; and
- the client segment (i.e., private, institutional, alternative, private equity, real estate, etc.).

It was mentioned that the Germany Country Sponsor has conducted three such surveys but they are only surveying their own association and this does not provide industry-wide information. It was reported that the Germany Country Sponsor has 20 general questions in their survey and only about five questions that are

specific to Germany and they would be willing to share their general questions for the survey being developed.

EMEA RIPS Country Sponsors were asked if they believed it is feasible to do a survey of this kind in their local jurisdictions and whether their GIPS committees have the resources and access to compile this information. One response was that small Country Sponsors are well aware of which companies are compliant. It was suggested getting verifiers involved as they know their clients and it may be a quicker way to get the data.

It was explained that the reason for doing a compliance rate survey is to find out how far the GIPS standards and verification have been adopted around the world in the various local markets. It also brings out which areas need to be targeted for further promotion of the GIPS standards. It was also noted that this information will be very useful for Country Sponsors as well in building a relationship with their local regulators, if they do not have the local compliance rates already. There will be a further discussion about the survey tomorrow at the GIPS Council meeting.

3. GIPS Strategic Plan 2015

One Country Sponsor representative noted that there is agreement with the goal in the GIPS Strategic Plan 5.2 to increase the number of Country Sponsors but wants to make sure that any new Country Sponsors will be active and bring in additional input to the committees.

It was mentioned that there are organizations around the world that have expressed a strong interest in becoming a Country Sponsor but there is an assessment process before a specific organization is approved as a Country Sponsor. It was reported that at the periodic review of Country Sponsors, those found to be inactive or not contributing will be contacted to discuss on how the EC can help them to become more active. The EC has identified a number of strategic regions where there is a need to improve promotion of the GIPS standards and luckily there are organizations in those regions that are very enthusiastic about becoming Country Sponsors.

Mr. Senik presented a brief overview of the GIPS Strategic Plan and mentioned that the EC held an extensive debate over the Plan. He stated that the GIPS Strategic Plan is still being revised and the prioritization of the various items is under review. (*Copy of the GIPS Strategic Plan presented at the EMEA RIPS meetings is attached to these Minutes.*)

EMEA RIPS Country Sponsors were informed to provide comments to CFA Institute staff on the GIPS Strategic Plan as it is still being revised.

The Russian Country Sponsor representative mentioned that the GIPS Strategic Plan, item 1.12 regarding developing guidance on pension fund is very important due to the financial crisis and that non-government pension funds are a large portion of their market and the priority #5 should be changed to a priority #2. Additionally, item 1.10 regarding guidance on benchmarks with a priority #3 should be changed to a priority #1 or #2. Because if we want to understand how firms manage assets, it is important to implement and use appropriate benchmarks.

It was explained that the pension plan guidance will be delegated to the USIPC and the Investor/Consultant Subcommittee and it will have a high priority.

It was announced that the Russian Country Sponsor has submitted a Russian translation of the 2010 edition of the GIPS standards and it is currently under review.

It was pointed out that it would be very useful to have the revised *GIPS Standards Handbook* available as quickly as possible as there is a lot of demand for it in the industry. It was mentioned that the Ukraine Country

Sponsor translated the 2005 edition of the *GIPS Standards Handbook* into Russian and that the revised 2010 edition of the *GIPS Standards Handbook* is needed as soon as possible and it would also be helpful to have a table that compares the differences between the two versions.

It was reported that the *GIPS Standards Handbook* has the highest priority and the Interpretations Subcommittee and other Subcommittees are working on the *Handbook*, but the revision efforts are very time intensive and patience is needed to complete this project, and a reasonable target is to complete the revision by end of the year.

One Country Sponsor representative asked where the GIPS Strategic Plan ties to the RIPS Subcommittees. It was suggested that some of the projects on the GIPS Strategic Plan could be assigned to the RIPS to contribute and assist in the development of projects as the EC, subcommittees, and working groups are so overloaded.

It was stated that the GIPS Strategic Plan ties to the RIPS Subcommittees with the assignment of the Regulator Relation Working Group. The technical tasks are not necessarily regional matters but EMEA RIPS Country Sponsors can nominate representatives to working groups.

The Spain Country Sponsor representative stated that they are interested on expanding the GIPS standards in the Latin America market. However, it is also important to make progress with the initiatives regarding pension funds and mutual funds applicability to the GIPS standards.

It was announced that expanding the GIPS standards in Latin America is a task of the Americas RIPS and some specific countries that have been identified are Mexico and Chile where there are established contacts for the possibility of working with these two countries in becoming GIPS Country Sponsors.

A Country Sponsor representative mentioned item 4.2 on the GIPS Strategic Plan to explore the feasibility of verifier oversight and registration. It was pointed out that a few years ago consideration was given to oversight of asset management firms and asked whether there is any plan to review GIPS reports and to check if they are compliant or not? It was reported that part of the Promotion & Awareness Subcommittee's project with the Compliance Education Working Group will be to develop a process of how to deal with false claims of compliance.

EMEA RIPS Country Sponsors were recommended to provide additional comments at the GIPS Council meeting on 25 March 2011 on the GIPS Strategic Plan.

4. Update from Interpretations Subcommittee

It was reported that the Interpretations Subcommittee is currently working to revise the *GIPS Standards Handbook* and updating the existing Q&As to reflect the 2010 edition of the GIPS standards. As reported earlier, it is anticipated the *GIPS Standards Handbook* will be released by the end of the year 2011. The Interpretations Subcommittee is also considering the comprehensive review of existing Guidance Statements and areas that additional guidance may be needed.

5. Update from Risk Working Group

A brief overview presentation "Risk Guidance Update" was provided by Mr. Morrison. He reported that Country Sponsors did not respond to a request to provide feedback to the Working Group on what the guidance on risk should look like, what it should consist of, and how it should be framed.

Mr. Morrison mentioned that the Working Group first reviewed an existing risk guidance paper prepared by the Buy Side Risk Managers Forum and Capital Market Risk Advisors, Inc. titled, *Risk Principles for Asset Managers* http://www.cmra.com/docs/Risk_Principles_for_Asset_Managers.pdf which differentiates between the quantitative and qualitative risk. If private equity or real estate is within the scope for the risk guidance has yet to be determined.

It was stated that any mention of statistical significance has been purged from the draft guidance statement on risk. It was explained that a critical component of the Guidance Statement on Risk is that it must be consistent with the CFA Program and the CIPM Program both in its methodology and in its notation.

The Risk Guidance presentation highlights covered:

- Scope Guidance;
 - Quantitative Risk Measures;
 - Risk Adjusted Return Measures;
 - Qualitative Descriptions of Risk;
 - Interpretations of 2010 Risk Provisions;
 - Determination of Appropriateness;
 - Comparing and Contrasting Ex-ante versus Ex-post;
 - Calculation Concepts and Basics;
 - Relationship to Existing Guidance and Provisions;
 - Relationship to Risk Regulation; and
 - Recognized Methodologies & Worked Examples
- (See Risk Guidance Update presentation attached to these minutes.)*

EMEA RIPS Country Sponsors were requested to provide feedback on what the Guidance Statement on Risk:

- should look like;
- should contain;
- positions should be; and
- who should it be positioned for.

It was suggested developing a “GIPS in Practice” presentation aimed at the asset owner by taking a typical compliant presentation, including a lot of supplementary information and then critically providing the interpretation. This presentation would offer guidance and educate the recipient on: the things to look for, questions to ask, how to interpret a compliant presentation.

It is anticipated that a draft of the Guidance Statement on Risk will be submitted to the Interpretations Subcommittee and the EC by the end of the second quarter of 2011.

It was announced that Mr. Ernewein will be representing the France Country Sponsor for the remainder of the meeting as Mr. Pagniez was called away.

6. Update from Promotion & Awareness Subcommittee

Ms. Mulder provided highlights from the Promotion & Awareness Update report that:

- the *GIPS Today* presentation has been updated to include the Guidance Statements that were approved at the end of the year (i.e., Private Equity, Real Estate, and Verification);
- links to GIPS articles have been included in the e-mail internet communication (i.e., GIPS standards Newsletter) that goes out to over 9,000 subscribers to reach a wider audience;
- the Regulator Introduction Letter template has been revised for Country Sponsors to review and provide input;
- the Promotion & Awareness Subcommittee has been involved in past GIPS surveys and will collaborate with CFA Institute staff in developing a survey regarding GIPS compliance and verification rates globally; and
- the topic “enforcement” has been on agendas for a long time and the Promotion & Awareness Subcommittee has taken on the task and renamed it the “Compliance Education Project”. The

Compliance Education Project will develop a process for Country Sponsor to use to educate firms who may or may not have a made a false claimed compliance with the GIPS standards.

EMEA RIPS Country Sponsors were encouraged to:

- send in GIPS articles to be linked in the GIPS standards email newsletter;
- review the revised Regulator Introduction Letter template and provide input to Ms. Mulder;
- submit volunteers to serve on the Promotion & Awareness Subcommittee next year to refresh the Subcommittee membership; and
- make use of the Promotion & Awareness Subcommittee by contacting the Subcommittee to assist with the development of ideas to promote the GIPS standards in their country.

It was noted that only articles in English can be linked, distributed, or posted in the GIPS standards Newsletter or on the GIPS standards website. However, articles in other languages can be provided to the relevant Country Sponsor that may be able to use those articles to promote the GIPS standards locally.

It was mentioned that the Promotion & Awareness Subcommittee is comprised of Country Sponsors representatives from emerging and developed markets and the Subcommittee welcomes input from all Country Sponsors on promotional ideas.

7. Regulator Relations Working Group

EMEA RIPS – EFAMA Consultations

It was reported that there have been discussions by the Executive Committee regarding the level of governance appropriate for the Regulator Relations Working Group. It was decided to assign the Regulator Relations Working Group to each of the three RIPS Subcommittees to be most effective at the regional level. It was announced that the EMEA RIPS Regulator Relations Working Group will work with the pan European regulators and not with individual Country Sponsor local regulators.

Mr. Senik provided a presentation on the meeting with between himself as the EMEA RIPS representative, EFAMA (European Fund and Asset Management Association) representatives, and CFA Institute staff held in January 2011. The three organizations discussed how to proceed in establishing a direct relationship with the pan-European regulator (ESMA - European Securities and Market Authority - f/k/a CESR) and how EMEA RIPS can provide comments on upcoming legislation in the European Union during the consultation and hearing processes.

Two major differences were highlighted between the regulations on presentation of investment performance and the GIPS standards which are composite presentation versus single-fund presentation and gross-of-fee performance versus net-of-fee performance. It was explained that the GIPS standards and regulations are becoming more and more divergent and it is important to bring about some harmonization to make the GIPS standards more acceptable to regulators. It was stated that in the end it is more about having a self-regulation standard that both addresses investor needs and also anticipates regulations so that regulators will utilize the GIPS standards instead of creating new regulations.

It was mentioned that considerable work has already been done by the Regulator Relations Working Group by Mr. Schliemann and Mr. Hein in an analysis of the different regulations and the GIPS standards.

It was reported that EFAMA does not believe that EMEA RIPS needs a direct relationship with pan-European regulators but has offered to provide updates on proposed regulations and to be the conduit for EMEA RIPS feedback during the consultation process.

CFA Institute was also proactive and helpful by agreeing to provide support to the EMEA RIPS by offering to utilize their relationship channels with the pan-European regulators.

Update on regulatory initiatives

Mr. Hein presented a summary of regulations that are being developed and consultation timeline in Europe. He also provided the EFAMA and the EMEA RIPS perspectives on how to proceed in response to the proposed regulations. He explained that since the financial crisis there has been an overwhelming reaction from regulators to revise and/or create new regulations.

Mr. Hein gave an overview on the present regulation initiatives on:

- AIFMD (Alternative Investment Fund Manager Directives)
- UCITS V (Undertakings for Collective Investment in Transferable Securities – Phase V)
- MiFID (Markets in Financial Instruments Directive)
- PRIPS (Packaged Retail Investment Products)
- KIID (Key Investor Information Document)

Mr. Hein stated that now is the time for the EMEA RIPS Country Sponsors to take the opportunity to engage and provide their comments to regulators, in particular on the PRIPS guidance currently being under public comment, especially with respect to cost, performance, and risk. When EMEA RIPS Country Sponsors want their voices to be heard they should use their expertise to provide comments to influence legislation during the consultation phase. He cautioned that it takes time and effort to influence legislation and the comment timeline is tough.

He reported that EFAMA is pleased to discuss opinions, bring their expertise and direct relationship with the regulators, and comment on the issues. Mr. Hein said that EFAMA is interested in drawing on the expertise of the EMEA RIPS Country Sponsors, in the areas where they have knowledge, and encourage EMEA RIPS Country Sponsors to actively participate in the development of a consolidated comment document.

EFAMA strongly believes that the PRIPS (Packaged Retail Investment Products) initiative is an area where the EMEA RIPS Country Sponsors can influence the legislative process. The deadline to comment on PRIPS is before summer. He suggested that a working group should start very soon to follow the consultation process this year by reading the PRIPS paper, meet with EFAMA to find high-level principles to discuss, provide opinions, and later develop a detailed, consolidated comment document.

EMEA RIPS Country Sponsors were requested to consider the appropriate way to cooperate with ESMA, whether there is interest in providing consolidated comments on the PRIPS guidance, or are there other ideas on how to provide this input to influence the legislation.

Mr. Boersma stated that he appreciated the presentation given by Mr. Hein and EFAMA's offer to help by providing resources to prepare consolidated comments. He pointed out that EFAMA is a fund manager's association and that there are more broad organizations represented as Country Sponsors as a part of the EMEA RIPS membership and of the whole GIPS standards initiative. Mr. Boersma said that CFA Institute also has very good relationships with various regulators and regulatory bodies (i.e., ESMA, European Commission, etc.) and would draw upon the expertise of the EMEA RIPS Country Sponsors as they develop comments on the various regulatory proposals. CFA Institute may not comment on every proposal but for the most part would prepare comprehensive responses on the major proposals. However, he stated that it is beneficial for the EMEA RIPS Country Sponsors to provide their expertise and opinions to EFAMA on regulator issues.

One of the Country Sponsor representatives expressed doubt on whether the time, effort, and resources would be well spent providing comments to ESMA as previous input on the KIID appeared to have been disregarded.

It was suggested that the EMEA RIPS Country Sponsors, CFA Institute, and EFAMA should consider this an opportunity to work together and form a stronger voice and representation to the regulator. It was stated that it

is important to respond to the regulators on the proposals, as silence is considered acceptance and it is worthwhile to provide input. It was also mentioned that it is important to consider establishing relationships with regulators in emerging countries so that the GIPS standards are well-known, recognized, and could possibly be adopted by the regulator in an emerging country.

The Germany Country Sponsor shared their position that EMEA RIPS Country Sponsors should concentrate on providing comments to supranational regulators in the areas of performance measurement, risk measurement presentation where they are strong and have expertise and not to make generalized comments on the regulator proposals.

EMEA RIPS Country Sponsors discussed and decided forming a Regulator Relations Working Group, to work together with EFAMA and CFA Institute, with the immediate task of developing feedback on PRIPs specifically about costs, performance, and risk. It was stated that a clear charter of specific goals for the Working Group needs to be developed and circulated first before forming the group.

EMEA RIPS Country Sponsors that expressed an interest in working on a Regulator Relations Working Group were: Germany, Portugal, United Kingdom, and Spain. The Netherlands Country Sponsor representative mentioned that there may be interest in participating on this group but will need to consult with their local committee first. It was suggested that Mr. Morrison, from the United Kingdom, should be the chair of the Working Group. The Germany Country Sponsor representative requested an agenda and an outline of the purpose and vision for the Working Group to use in soliciting a volunteer for the group.

It was stated that an ultimate outcome would be to form a working group to solicit and receive feedback from each of the EMEA RIPS Country Sponsors, and actually be part of the decision-making body within the regulatory apparatus to then put forward that view.

Mr. Morrison and Mr. Hein agreed to draft a mission statement to outline specific goals for a Regulator Relations Working Group of the EMEA RIPS to address supranational regulator proposals and the immediate next steps with respect to providing comments to the PRIPs guidance and to distribute it to the EMEA RIPS Country Sponsors for review.

8. Country Sponsor Activity Update

Mr. Senik thanked the EMEA RIPS Country Sponsors for providing their update reports on their activities. The following update reports were provided at the meeting.

Kazakhstan:

- It was reported that last April the Kazakhstan Country Sponsor held their third GIPS conference. This year's conference was on Risk Management and the Practical Applications of the GIPS standards. There is interest in the GIPS standards by Kazakhstan managers but there has been no development in adopting them with the current stock market issues. Two articles have been published in two newspapers and in one magazine about the GIPS standards. It was stated that the adoption of the GIPS standards in Kazakhstan depends upon the development of the stock exchange and the entire investment industry. There are two investment funds that intend to introduce the GIPS standards to their customers. Adoption of the GIPS standards in Kazakhstan is slow, but it is developing. Asset managers are requesting Mr. Bacon's books to assist them in learning more about the GIPS standards.

Sweden:

- It was reported that the Sweden Country Sponsor has been active in participating at the in-person meetings; provided comments on the various guidance statements; and voted on issues put forward to Country Sponsors. The Sweden Country Sponsor organization recently changed leadership and reviewed its overall purpose. Time and effort was spent securing the mandate of the organization to continue to be GIPS Country Sponsor in Sweden. The new SFF (Swedish Society of Financial Analysts) leadership confirmed

commitment to be the GIPS Country Sponsor. The SFF website has been revised and currently Sweden does not have a GIPS website but has plans to create a GIPS page on the SFF website. A bi-annual handbook published by the Sweden Country Sponsor has a section about the GIPS standards and the 2011 edition will include updates on the 2010 edition of the GIPS standards and a marketing piece entitled, “What’s in GIPS for you?” It was reported that they have two new members to their GIPS committee which now has representatives from: leading institutional investors (state and private pension funds), local asset managers, investment consultants, and verifiers. In 2011 the Sweden Country Sponsors plan to host two seminars in April 2011 and arrange two independent training sessions on performance measurement and performance attribution along with the seminars. One seminar will be focused on asset owners and the second seminar will be focused on asset managers.

Italy

- It was reported that there has been a lack of interest during the past two years regarding the GIPS standards by the Italy Country Sponsor. The last activity was in 2008 when the Italy Country Sponsor submitted an Italian translation of the 2005 edition of the GIPS standards. Due to the common use of the English language in the financial community the Italy Country Sponsors does not believe there is a need to translate the 2010 edition of the GIPS standards into Italian. Because the institutional market in Italy is not doing well, as is the situation in other countries, there is little demand from clients requesting the GIPS standards. The Italy Country Sponsor is planning to become active again as a GIPS Country Sponsor and promote the GIPS standards to the financial community. In the third quarter of this year, Italy has a financial reform taking place that will remove the taxation issue on investment funds which has made complying with the GIPS standards very difficult. Due to mergers and acquisitions of asset management firms in Italy this is a good time to reintroduce the GIPS standards to the industry.

9. Other Business

- 2011 RIPS EMEA in-person meeting in November

Mr. Senik announced that the Norway Country Sponsors has agreed to host the November 2011 EMEA RIPS. The date of the meeting is to be determined.

- 2012 RIPS EMEA in-person meeting in November

Mr. Senik announced that the United Kingdom Country Sponsors has agreed to host the November 2012 EMEA RIPS. The date of the meeting is to be determined.

- 2012 GIPS in-person meetings in March

Mr. Senik requested EMEA RIPS Country Sponsors to consider hosting the March 2012 in-person GIPS meetings. The Greece Country Sponsor agreed to discuss with his committee members whether they might be able to hold the March 2012 GIPS in-person meetings.

Mr. Boersma mentioned that CFA Institute would be willing to discuss resources and expectations with Country Sponsors that are considering hosting the GIPS in-person meetings. It is recognized that these are difficult economic times and consideration should be given to lowering the expectations on the Thursday evening dinner that is hosted by the Country Sponsor.

Questions and Answers from Observers

Ms. Muyldermans, Belgium, remarked on the regulatory reforms, what is needed in the market, and consistency between standards and regulations. Implementing the planned regulatory initiatives is becoming an operational and organizational risk. She stated that it appears that in going into so much detail that the perspective is being lost on what is the benefit and the real interests of the investor in the end.

Mr. Schliemann stated that while it is a valid comment he disagrees. In the last years there have been very tight, consistent regulations in Europe but there have been a lot of shortcomings in the industry, notwithstanding outright

fraud. He believes the industry should take more care of the protecting investors and consistency may not be enough. Mr. Schliemann stressed that industry experts have not been regarded and politicians do not take the advice of industry experts and that is why there have been these shortcomings in the last few years.

Ms. Muyldermans responded that regulators should penalize problem managers and bundle all their efforts together to better serve the interests of investors.

Mr. von Euw, Switzerland, encouraged the EMEA RIPS Country Sponsor representatives to speak out at the GIPS Council meeting tomorrow. He inquired about the status of the client reporting paper composed by the EIPC.

Ms. Kaiser reported that the client reporting project came out of the EMEA RIPS as an initiative and recently was approved as a new project by CFA Institute with Dr. Illmer as the chair. The Investment Reporting Working Group has held five conference calls to date. A governance structure has been created for the Working Group and it has started the ground work of defining investment reporting, the objectives, the audience, and the guiding principles. She reported that there are five representatives from Europe as members of the Working Group.

Mr. Boersma mentioned that client reporting was a sensitive topic for several individuals. He announced that the work being done to develop best practices for investment reporting is independent of the GIPS initiatives. Mr. Boersma pointed out that there is a recommendation in the 2010 edition of the GIPS standards to provide a compliant presentation (the GIPS report) to existing clients.

Mr. O'Donnell, Ireland, asked what the final intended outcome is to be for the investment reporting project; is it a set of standards, a best practices paper, etc.?

Mr. Boersma explained that at this point in time the experts on the Working Group have not yet determined what the final outcome of the project. He anticipates that it may be a set of best practices. This project is focused on the asset manager, but also the investor as the recipient of the report. If the investment reporting project does become a set of standards it will be separate, and firms can adopt it or not with independent of their claim of compliance with the GIPS standards.

Mr. Senik stressed that the investment reporting initiative is not going to become a part of the GIPS standards, but will remain a separate framework and not associated with the GIPS standards.

Mr. Senik thanked the EMEA RIPS Country Sponsors for their active participation and the observers for attending the EMEA RIPS meeting.

Adjourned at 5:10 p.m.



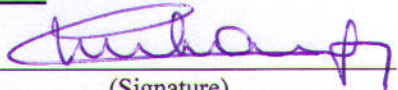
RIPS Associate Member Agreement

The EMEA Regional Investment Performance Subcommittee, a subcommittee of the GIPS Council (“EMEA RIPS”), CFA Institute, and the European Federation for Retirement Provision (“EFRP”) have come together with the common goal of advancing the Global Investment Performance Standards (“GIPS”) and promoting their use for the ultimate benefit of investors. In this spirit, the EMEA RIPS approved extending Associate Member status to the European Federation for Retirement Provision. The EMEA RIPS may vote to remove Associate Member status.

As an Associate Member, the European Federation for Retirement Provision agrees to abide by the Regional Investment Performance Subcommittee Operating Policies and Procedures and to appoint a RIPS representative which it may change at any time. RIPS Associate Members will be responsible for their own travel and other expenses to attend RIPS meetings.

The following parties agree to the terms and conditions provided for in this Agreement:

European Federation for Retirement Provision

By: 
(Signature)
Name: Chris VERHAEGEN
(Print or type) (Ms.)
Secretary General
(Office or title)
20 October 2011
(Date)

CFA INSTITUTE

By: _____
(Signature)
Name: _____
(Print or type)

(Office or title)

(Date)

The European Federation for Retirement Provision (EFRP)

The European Federation for Retirement Provision (EFRP) exists to promote the development of occupational pensions. It represents national pension fund associations. Its twenty-eight member associations are from sixteen EU member states and five other European countries, covering the occupational pension plans of some 75 million EU citizens. Through its member associations, the EFRP represents pension schemes and similar institutions for workplace pension provision with €3,500 billion in assets.

A Central and Eastern European Countries Forum (CEEC Forum) has been established within the EFRP to discuss issues common to pension systems in that region. The CEEC Forum brings together nine CEE countries.

Established in 1981, the EFRP has developed from an informal circle of pension fund managers into a fully professional organization and it is consulted by the European institutions on initiatives in the field of supplementary pension provision. The EFRP is recognised today as the leading voice on workplace pensions in Brussels.

EFRP Members

Austria

Fachverband der Pensionskassen
www.pensionskassen.at

Belgium

Belgische Vereniging van Pensioeninstellingen – BVPI / Association Belge des Institutions de Pension – ABIP
www.pensionfunds.be

Finland

Association of Pension Foundations
www.elakesaatioyhdistys.fi

France

Centre Technique des Institutions de Prévoyance – CTIP
www.ctip.asso.fr

Association Française de la gestion financière – AFG
www.afg.asso.fr

Germany

Arbeitsgemeinschaft für betriebliche Altersversorgung – aba
www.aba-online.de

Hungary

Hungarian Association of Pension Funds – STABILITAS
www.stabilitas.hu

Ireland

Irish Association of Pension Funds – IAPF
www.iapf.ie

Italy

Società per lo sviluppo del mercato dei Fondi Pensione – MEFOP
www.mefop.it

Assofondipensione
www.assofondipensione.it

Assogestioni
www.assogestioni.it

Luxembourg

Association of the Luxembourg Fund Industry
www.alfi.lu

Netherlands

Stichting voor Ondernemingspensioenfondsen – OPF
www.pensioenfederatie.nl

Vereniging van Bedrijfstakpensioenfondsen – VB
www.pensioenfederatie.nl

Unie van Beroepspensioenfondsen – UvB
www.pensioenfederatie.nl

Portugal

Associação Portuguesa de Fundos de Investimento, Pensões et Patrimónios – APFIPP
www.apfipp.pt

Romania

Romanian Pension Funds' Association – APAPR
www.apapr.ro

Spain

Asociación de Instituciones de Inversión Colectiva y Fondos de Pensiones – INVERCO
www.inverco.es

Confederación Española de Mutualidades – CNEPS
www.cneps.es

Sweden

Swedish Pension Funds Association

United Kingdom

National Association of Pension Funds – NAPF
www.napf.co.uk

Croatia

Association of Croatian Pension Funds Management Companies and Pension Insurance Companies

Guernsey

Guernsey Association of Pension Funds

Iceland

Landssamtök Lífeyrissjóða

Norway

Pensjonskasseforeningen

www.pensjonskasser.no

Switzerland

Association Suisse des Institutions de Prévoyance – ASIP / Schweizerischer Pensionskassenverband

www.asip.ch



Global Investment Performance Standards (GIPS®)
Executive Committee Strategic Plan
October 2011



Background

The mission of the GIPS Executive Committee is to ensure that the GIPS standards are the premier performance standard globally and continue to represent best practice for the calculation and presentation of investment performance information. The GIPS Executive Committee developed this strategic plan to specify the activities and initiatives to be undertaken in order to achieve its mission. The strategic plan was developed through input from various stakeholders and insights from industry leaders. The plan is intended to be dynamic and reflective of the needs of the industry as they change over time. CFA Institute and the GIPS Executive Committee welcome ongoing input and feedback regarding the needs of the industry and the prioritization of the various initiatives.

The strategic plan is structured around six “E’s”: Evolve, Expand, Engage, Evaluate, Extend, and Educate. Each “E” is supported by numerous strategic priority milestones, which are categorized as either “In progress”, “Priority 1”, “Priority 2”, or “Priority 3”. These relative levels of priority are based on stakeholder input, needs assessment/perceived demand, and judgment by the Executive Committee.

Key Strategic Priorities

The Executive Committee identified the five topics below as the highest priorities as current projects are completed and resources are made available.

1. **Pooled Funds and Retail Products**
The GIPS standards lack clear guidance regarding the treatment of pooled funds and retail products. In general, firms want to include assets from these products in total firm assets, yet few provide compliant presentations to prospective pooled fund investors. At the same time, presenting composite performance that includes multiple portfolios may not be appropriate to present to a prospective pooled fund investor. Firms are unclear about their responsibilities, which has led to inconsistent treatment. Certain markets are dominated by retail pooled funds and in order to reach these markets, it is critical that clear guidance be developed.
2. **Risk Guidance**
The 2010 edition of the GIPS standards make a clear statement that performance encompasses both risk and return. The 2010 edition of the GIPS standards introduced a few provisions related to risk, whereas prior editions had been very limited in addressing risk. It is essential to develop guidance on risk and applying the risk-related provisions. The guidance will explain the provisions, provide examples, and offer direction to firms.
3. **Update Supplemental Information Guidance Statement**
The use of supplemental information continues to be an area of confusion. Clarity is needed regarding what is supplemental information, what must be labeled, and where it can appear. In addition, when a firm introduces a new product and presents model, hypothetical, or back-tested performance, guidance is needed regarding how this information can be used.
4. **Guidance on Overlay Assets**
The GIPS standards currently offer little guidance regarding the treatment of overlay strategies. Overlay strategies present a number of challenges including calculation of firm assets, composite construction, and return calculation. The growth of overlay strategies underscores the need for guidance in this area.
5. **Update/Expand Performance Record Portability Guidance Statement**



Global Investment Performance Standards

Strategic Plan

1 October 2011

Mission: To ensure that the GIPS standards are the premier performance standard globally and continue to represent best practice for the calculation and presentation of investment performance information.

The ongoing consolidation and merger and acquisition activities in the industry highlight the need for clear guidance related to the treatment of the performance records of the firms. In many instances it is the performance record that is being acquired and clear guidance in this area is a necessity. Merged composites and determination of a surviving track record are specific areas that require clarification. In addition, guidance is needed regarding the period of time between acquisition and full integration into the merged or acquired firm.

1 October 2011

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1.0 EVOLVE - develop interpretations and guidance on the application of the GIPS standards.

	Strategic Priorities	Projected Timeline	Status	Remarks
1.1	Revise the various Guidance Statements for all the changes and additions to the 2010 edition of the GIPS standards.	2011	In progress	Priority 1 Only Guidance Statement on Performance Examinations remains.
1.2	Review existing Q&As in database and revise or retire as necessary.	2011	In progress	Priority 1 Estimated to be released by December 2011.
1.3	Revise the GIPS Standards Handbook to address changes and additions to the 2010 edition of the GIPS standards.	2011	In progress	Priority 1 Estimated to be released in first quarter of 2012.
1.4	Develop guidance on alternative investment strategies and structures.	2011	In progress	Priority 1 Comment period completed, comments being evaluated. Final guidance to be issued by year end.
1.5	Develop guidance addressing risk and applying the risk-related provisions (including real estate, private equity, and other alternatives).	2012	In progress	Priority 1 Guidance in development, public comment planned for first quarter of 2012.

Status Scale ■ = On Target ■ = Behind Schedule ■ = On Hold ■ = Complete

1 October 2011

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1.6	Develop guidance on applying the GIPS standards to retail products (e.g., pooled vehicles).	2012	In progress	Priority 1 Separate working group to be established. Provide guidance on firms' responsibilities related to providing compliant presentations to prospective clients, composite vs. fund performance, gross/net returns, treatment of fees and expenses.
1.7	Review and update Guidance Statement on Portability.	2012	In progress	Priority 1 Further guidance for mergers and acquisitions, determining surviving composites. Exposure draft expected to be published in 2012. U.S. Investment Performance Committee drafting working paper for consideration.
1.8	Review and update Guidance Statement on Supplemental Information	2012	In progress	Priority 1 Consideration for how supplemental information must be treated, labeled, where/when it can be shown, and what can be shown outside of a compliant presentation.
1.9	Develop Guidance on Overlay Strategies.		In queue	Priority 1 Determine how returns should be calculated and how overlay assets should be treated with regard to total firm assets.
1.10	Review and update Guidance Statement on Fees.		In queue	Priority 1 Guidance on reflecting performance based fees, netting of expenses, bundled fees, and calculating net returns.
1.11	Review and Update Advertising Guidelines.		In queue	Priority 1 Determine if revisions are necessary to provide firms with additional options and make the guidelines more conducive for marketing.
1.12	Develop guidance on applying the GIPS standards when a firm first		In queue	Priority 1 How should firms treat topics where there was no guidance historically?

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	comes into compliance.			What provisions should be followed when applying the GIPS standards historically?
1.13	Develop guidance on applying the GIPS standards to pension plans and other institutions.	2012	In progress	Priority 2 Q&A issued, U.S. Investment Performance Committee and Canadian Investment Performance Committee developing paper for consideration.
1.14	Develop guidance on implementing the GIPS standards for firms in developing markets.	2012	In progress	Priority 2 Firms in developing markets face unique challenges when first coming into compliance. This guidance will offer suggestions and solutions for some of these challenges. Paper in development by the Investment Manager Subcommittee.
1.14	Develop guidance on internal rate of return (IRR) specifically addressing: <ul style="list-style-type: none"> • Calculation of IRR; and • Use of IRR. 		In queue	Priority 2 Examine application of IRR to strategies/structures outside of private equity and closed-end real estate funds. Provide guidance on calculation of IRR, dealing with multiple roots, IRR vs. XIRR.
1.15	Review and update Guidance Statement on Composite Definition.		In queue	Priority 2 Specific focus on consistency and comparability of composite definitions, benchmark appropriateness (update benchmark and attribution paper).
1.16	Develop guidance on defining materiality.		In queue	Priority 3 Develop criteria to assist firms in determining materiality and establishing policies
1.17	Review and update Guidance Statement on Significant Cash Flows.		In queue	Priority 3 Expand guidance on the use of temporary accounts.

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1.18	Develop Guidance on the Treatment of Multiple Asset Portfolios.		In queue	Priority 2 Determine how to treat portfolios with multiple asset classes (e.g., equity, fixed, real estate, private equity), address which provisions apply, how to treat timber, private debt, and currency.
1.19	Review and update Guidance Statement on Wrap/SMA Portfolios.		In queue	Priority 3 Re-evaluate framework/allowances for wrap/SMA portfolios, records requirements.
1.20	Develop guidance on verification techniques.		In queue	Priority 3 Issue guidance on criteria that verifiers should use when determining depth and breadth of samples, etc.

1 October 2011

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2.0 EXPAND – add new content to the GIPS standards as needed.				
	Strategic Priorities	Projected Timeline	Status	Remarks
2.1	Examine the feasibility of developing provisions or guidance related to transition management.		In queue	Priority 3 Determine applicability of the GIPS standards to transition management and if/how transition management should be treated.
2.2	Examine the feasibility of developing requirements related to attribution.		In queue	Priority 3 Determine if principles for the presentation and input selection should be added to the GIPS standards.
2.3	Examine the feasibility of developing a global framework for calculating and presenting after-tax performance.		In queue	Priority 3 Determine if global principles can be identified for calculating after-tax returns.
2.4	Examine the need/feasibility of developing provisions or guidance related to infrastructure strategies, commodities, and/or new strategies.		In queue	Priority 3
			In queue	

1 October 2011





Mission: To ensure that the GIPS standards are the premier performance standard globally and continue to represent best practice for the calculation and presentation of investment performance information.

3.0 ENGAGE – increase the involvement of investors, regulators, and country sponsors.				
	Strategic Priorities	Projected Timeline	Status	Remarks
3.1	Design and implement a plan to engage investors (including sovereign wealth funds) and investment consultants.	2011	In progress	Priority 1 Develop stronger ties with asset owners and consultants to ensure their needs are met and demand for compliance remains strong.
3.2	Design and implement a plan for reaching out to regulators.	2011	In progress	Priority 1 Goal to work toward harmonization and reducing conflict between regulations and the GIPS standards.
3.3	Evaluate participation of the existing Country Sponsors and develop plan for improving participation.	2011	In progress	Priority 1 Provide mentoring, guidance, and resources for improving Country Sponsor performance and effectiveness.

1 October 2011

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4.0 EVALUATE - review governance structure to ensure smooth administration and oversight of the GIPS standards.				
	Strategic Priorities	Projected Timeline	Status	Remarks
4.1	On-going review and evaluation of governance structure.	On-going	In progress	Priority 1 Continual evaluation of operational effectiveness and efficiency.
4.2	Examine options for tracking compliance rates.	2012	In progress	Priority 1 Develop plan for gathering market data and conducting market research; proposal in development with market research department.
4.3	Refine process for the creation and approval of guidance, Q&As, etc., including vetting process for country sponsor-developed papers.		In queue	Priority 2 Formalize and publish process for greater transparency.
4.4	Explore the feasibility of verifier oversight and registration.		In queue	Priority 2 Determine if/how verifiers should be overseen in order to provide some level of quality control.

Status Scale  = On Target  = Behind Schedule  = On Hold  = Complete

1 October 2011



Mission: To ensure that the GIPS standards are the premier performance standard globally and continue to represent best practice for the calculation and presentation of investment performance information.

5.0 EXTEND – increase the depth and breadth of the reach of the GIPS standards, both geographically and by asset class/investment type.				
	Strategic Priorities	Projected Timeline	Status	Remarks
5.1	Focus outreach efforts on firms, industry groups, consultants, and asset owners.	2011	In progress	Priority 1
5.2	Increase the number of Country Sponsors, specifically focusing on the Middle East, Latin America, China, and India.	On-going	In progress	Priority 1 Identify key organizations and people to meet with to promote the GIPS standards.
5.3	Work towards achieving higher rates of compliance in the private equity, real estate, hedge fund, and retail industries.		In queue	Priority 2 Identify key industry organizations and people to meet with to identify hurdles to compliance and promote the use and adoption of the GIPS standards.

1 October 2011

Mission: To ensure that the GIPS standards are the premier performance standard globally and continue to represent best practice for the calculation and presentation of investment performance information.

6.0 EDUCATE – provide on-going educational materials and training				
	Strategic Priorities	Projected Timeline	Status	Remarks
6.1	Develop focused educational materials for marketing and sales professionals, and RFP teams.	2012	In progress	Priority 2 Internal education paper developed by USIPC
6.2	Maintain and develop the GIPS standards website as an educational resource.	Ongoing	In progress	Priority 2 Reorganization and enhancements in process.
6.3	Develop plan for providing education and resources for Country Sponsors and asset owners.	2012	In progress	Priority 2
6.4	Develop plan and educational resources to address perceived violations of the GIPS standards.		In queue	Priority 3
6.5	Develop webcasts to provide educational opportunities to the industry. Topics include: -Becoming Compliant; -Real Estate; -Private Equity;		In queue	Priority 3 Including translations/subtitles.

Status Scale  = On Target  = Behind Schedule  = On Hold  = Complete

1 October 2011

Mission: To ensure that the GIPS standards are the premier performance standard globally and continue to represent best practice for the calculation and presentation of investment performance information.

	-Wrap fee/SMA; and -Verification.			
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GIPS EXECUTIVE COMMITTEE

TERMS OF REFERENCE FOR REGULATOR RELATIONS WORKING GROUP of EMEA RIPS

Approved by the GIPS Executive Committee (EC) On **[Insert Date]**

1. Purpose

The Regulator Relations Working Group of EMEA RIPS is a working group formed to develop and maintain relationships with pan-European regulators on matters relating to investment performance and risk measurement presentation, legislation, regulation and practises, in respect to the GIPS standards. The Working Group may also work to develop or present proposals to harmonise the GIPS standards and pan-European regulation, from within the working group and through solicitation of and feedback from EMEA RIPS Country Sponsors and Associate Members.

Where the Regulator Relations Working Group of EMEA RIPS develops or formulates proposals, the final draft document or proposal will be submitted to the EMEA RIPS and the Executive Committee (EC) for approval.

2. Composition of the Working Group

The following Regulator Relations Working Group of EMEA RIPS members have been appointed by the GIPS Executive Director and GIPS Council Chair.

- Germany Country Sponsor
- Portugal Country Sponsor
- United Kingdom Country Sponsor
- Spain Country Sponsor
- EFAMA as the associate members of EMEA RIPS
- Colin Morrison, Chair

[Above list is proposed, not yet appointed by GIPS Executive Director and GIPS Council Chair]

3. Considerations

- The Working Group remit will be confined to regulatory relationships at a pan-European (EU) level; relationships with national regulators will be the responsibility of the respective EMEA RIPS Country Sponsor.

- Through close working relationships with the regulator the Working Group will seek to assist in the evolution and development of legislation, regulation and the GIPS Standards to ensure consistency and appropriateness throughout, removing the potential for conflicting or contradictory requirements and practices.
- Provide opinion, advice and direction to the EMEA RIPS such that the body is able to provide informed comment with respect to industry consultation requests.
- Establish a direct relationship with the pan-European regulator ESMA (European Securities and Markets Authority, or any successor or equivalent body) and any relevant working group with respect to performance and risk.
- Inform, collaborate and co-operate with pan-European regulators such that the GIPS standards are fully and equally considered when new performance or risk measurement regulation is proposed.
- Where relevant or requested, provide opinion or feedback to local county sponsors with respect to proposed pan-European performance and risk regulation.

4. Confidentiality

Members must keep all matters of the Working Group confidential, including projects undertaken and positions under consideration until the information is made public or otherwise released by the Executive Director. This includes refraining from communicating to any external party any non-public information, including working papers or any other documents of the Working Group that may be obtained by serving as a member of the Working Group without the permission of the Executive Director.

5. Governance

In addition to these Terms of Reference the Regulator Relations Working Group of EMEA RIPS, although not a Standing Subcommittee of the EC, must also abide by the *Operating Policies and Procedures of GIPS EC Standing Subcommittees*.

6. Process and Timetable

Matters likely to be reviewed and endorsed by the EC should be discussed by the Working Group to give members the opportunity to discuss and, if necessary vote to ensure that members' views and interests will be reflected in their report that will be discussed at the EC meeting.

- Working groups will conduct business by conference call.
- The Chairs of the Working Groups will provide their Working Group Update Reports to be included with the EMEA RIPS Update Reports that are presented as materials for GIPS Executive Committee Open Meetings.
- The Chair may call for a vote of its members (via conference call and/or via unanimous consent email). At each meeting, the Chair shall certify a quorum is present in order to conduct business. Fifty-one percent (51%) of the members must be present in person or by video or audio conference to constitute a quorum. Members are not allowed to vote by proxy.
- Each working group member is entitled to one vote. Approval of any measure requires the affirmative vote of sixty-six percent (66%) of those constituting a quorum.

- Preparation of the Minutes of the Working Group meetings will be the responsibility of CFA Institute staff and will be reviewed and approved by the Working Group at the next succeeding meeting or by email vote.
- Once the assigned task is accomplished and the Working Group has addressed the issues for which it was initially convened, as determined by the Subcommittee to which it reports, the Working Group will disband.

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