

CFA Centre for Financial Market Integrity

INVESTMENT PERFORMANCE COUNCIL CONSTITUTION

The Investment Performance Council (“IPC”) is a standing committee of the CFA Centre for Financial Market Integrity (“CFA Centre”). The IPC’s activities will be monitored by the CFA Centre’s Executive Director, subject to the oversight function currently recognized by the CFA Institute Board of Governors.

Purpose

The purpose of the IPC is to promote the adoption and implementation of a single investment performance presentation standard throughout the world as the common method for calculating and presenting investment performance.

Objectives

1. To achieve this purpose, the IPC will, among other things:
 - Develop, promulgate, interpret, and maintain the integrity of the Global Investment Performance Standards (GIPS[®])
 - i. develop new performance standards as needed by the industry,
 - ii. implement new procedures and controls to ensure that GIPS are consistently applied, interpreted, and expanded with broad public comment;
 - Determine whether standards adopted by local or regional regulators or professional groups are consistent with the GIPS standards;
 - Work with national and regional standard setters to adopt GIPS and, where relevant, accelerate convergence between national standards and GIPS;
 - Be the leading, global organization for investment performance issues; and
 - Operate as the investment industry’s “think tank” for performance measurement and presentation.

Membership

2. The IPC will consist of up to fifteen (15) member “seats” of CFA Institute members and non-members, as recommended by the Nominations Committee to the CFA Institute Board (or such committee as designated by the Board) for confirmation. IPC members will be appointed to one (1) year terms, renewable annually at the discretion of the Chair for a maximum of four (4) consecutive years. Terms of office begin on October 1st of each year.
3. The Chair of the IPC shall be recommended by the Nominations Committee to the CFA Institute Board (or such committee as designated by the Board) for confirmation. The Chair will serve a term of one (1) year, renewable annually for up to three (3) years, provided that no individual shall serve as a Chair for more than three (3) consecutive terms except to the extent that his or her successor has not been selected or qualified.
4. Candidates for membership on the IPC will be sought via a broad solicitation of CFA Institute members and Member Societies, as well as non-members.
5. Members are appointed as individuals, not as representatives of their employers or other constituent groups. Members are expected to contribute to the debate and decision-making of the IPC so as to advance the cause of improving financial market integrity.
6. Active and consistent participation by members in the work of the IPC is critical to the development of sound, considered, and representative positions. Representation to each seat may be filled by a delegation of up to three members. One member of the delegation is expected to participate in meetings, both in-person and telephone conference calls, and other committee activities on a regular basis. If two (2) meetings are missed during any fiscal year, the Chair may in his/her discretion, ask members of the delegation to resign from the IPC and solicit nominees for replacement. Members of the delegation may not send substitutes in their place.
7. Members are expected to keep confidential the workings of the IPC, including projects undertaken and positions under consideration until the information is made public or otherwise released by CFA Centre management or professional staff. This includes refraining from communicating to any external party any non-public information, including working papers of the IPC, that may be obtained by serving as a member of the IPC or subcommittee without the written permission of CFA Centre management.

Conflicts of Interest

8. Members of the IPC and its Subcommittees are permitted to make their membership on the Council known to external parties. However, members are not permitted to use their relationship with the IPC, the CFA Centre, CFA Institute or the Global Investment Performance Standards to actively promote their own business interests, those of their employer, or a third party.

Meetings

9. The IPC will hold at least one in-person meeting each year, with additional conference calls as needed.

10. Meetings generally will be open to the public, except to the extent that a closed session is deemed necessary by the Chair.
11. At any meeting of the members, a majority (51%) of all member seats must be present in person or by video or audio conference to constitute a quorum. Members are not allowed to vote by proxy.
12. Each IPC seat will receive one vote. Each delegation will be responsible for determining how the delegation will vote (e.g., two-thirds majority).
13. The CFA Centre will reimburse the IPC delegate representing the primary seat for reasonable, documented airfare and other travel expenses, hotel accommodations, and meals and such other expenses incurred in connection with attending any such meetings, in accordance with CFA Institute travel and reimbursement policies.

Subcommittees – Standing and Technical

14. Three standing Subcommittees of the IPC will be Country Standards, Interpretations and Verification.
 - a. The Country Standards Subcommittee will oversee on behalf of the IPC the implementation of the GIPS standards at the country level and the evolution of the GIPS standards into a “gold standard”.
 - b. The Interpretations Subcommittee will have the responsibility to address questions regarding the application of the GIPS standards.
 - c. The Verification Subcommittee will include representatives from GIPS verifiers and the use of verification services, and will be a forum for promoting consistency and understanding of GIPS verification.
15. The IPC will create one or more additional technical Subcommittees to develop standards on specific topics and shall determine the Subcommittee chairs, members and terms of members. When possible, a member of the IPC with sufficient expertise and interest will serve as the Chair of each Subcommittee. The Subcommittee Chair, CFA Centre staff, and Chair of the IPC will choose membership on the Subcommittee from nominations of individuals, IPC members and interested, qualified volunteers.
16. All Standing and Technical Subcommittees must abide by the *Constitution and Operation of IPC Standing and Technical Subcommittees* as well as the appropriate Subcommittee Terms of Reference, in addition to this Constitution.
17. Standing and Technical Subcommittees will conduct business by conference call and hold in-person meetings only when necessary.
18. All recommendations made by Standing and Technical Subcommittees shall be subject to review by the IPC and all actions taken shall be subject to approval by the IPC.

Subcommittees – Regional

19. Additionally, the IPC will create one or more Regional Investment Performance Committees (RIPC) to encourage national and regional support for the IPC in the development, promulgation and maintenance of the GIPS standards.
20. All Regional Subcommittees must abide by the *Constitution and Operation of IPC Regional Subcommittees* as well as the appropriate Subcommittee Terms of Reference, in addition to this Constitution.
21. All recommendations made by Regional Subcommittees shall be subject to review by the IPC and all actions taken shall be subject to approval by the IPC.

Meetings with Regulators and Standard-Setters

22. IPC members with relevant experience may be asked to meet with, and testify before, regulatory authorities to present IPC and CFA Centre views, or be asked to act as educational resources for these authorities. IPC members are expected to participate in these meetings, when possible, particularly when the member has relevant experience.
23. Participation in meetings with regulatory authorities as a representative of the IPC, the CFA Centre, or CFA Institute must be approved and coordinated by CFA Centre professional staff.

Acting as a Representative

24. IPC members may also be asked to participate in or make presentations at non-CFA Institute conferences and seminars to present the views and positions of the IPC, the CFA Centre or CFA Institute. Participation as a “representative of” the CFA Centre or CFA Institute, rather than as a private person, must be approved and coordinated by CFA Centre professional staff to ensure that the individual has the requisite knowledge and understanding of the relevant IPC, CFA Centre or CFA Institute positions in order to present those views and positions effectively and appropriately.

Accountability

25. The IPC is responsible ultimately to the CFA Institute Board to represent the views of investment professionals in a way that is consistent with the CFA Institute *Code of Ethics* and *Standards of Professional Conduct* and other applicable CFA Institute positions, standards, and practices. The IPC is expected to take into account previous positions on a particular issue and understand and be able to defend deviations from those positions.
26. The IPC will submit a written report on its activities to the CFA Institute Board of Governors at least once each fiscal year, including any correlated public awareness activities.