UPDATE REPORT ON
Interpretations Subcommittee
as of March 2007

Objective

(From draft TOR; subject to change)

The purpose of the Interpretations Subcommittee is to clarify the Global Investment Performance Standards (GIPS\textsuperscript{®}) through interpretations that effectively respond to new issues presented by the global investment industry. It is responsible to ensure the integrity, consistency and applicability of the GIPS standards.

Membership

Karyn D. Vincent, CFA, Chair
Hiroshi Fujibayashi
Lesley A. Harvey
Kwok Ming (Tony) Leung, CFA
Peter Lynn, CFA

Colin Morrison
Diane Robertson
Kenneth P. Robinson, CFA
Dimitri Senik, CFA
Timothy M. Simons, CFA

Review of Status

1. We have substantially completed our review of the Guidance Statement on Recordkeeping and the Adopting Release. The process for finalizing these documents will be discussed at the Cape Town meeting.
2. We completed our review of the eight formulas included in Exhibit A in the draft Leverage and Derivatives Guidance Statement. They have been posted to the GIPS Q&A database and are now available to the GIPS Help Desk as they receive many questions on these formulas.
3. We have begun discussions on the public comments received on the Error Correction Guidance Statement.
4. We have begun discussing how the existing GIPS standards can/should be applied to hedge funds.

Next Steps

1. Determine how to proceed with the Leverage and Derivatives Guidance Statement. We are currently soliciting feedback.
2. Create a series of Q&As with respect to applying the Recordkeeping Guidance Statement to wrap fee/SMA accounts.