Minutes of the GIPS Executive Committee
Open Conference Call

Date: Wednesday 11 February 2015
Location: Conference Call
Time: 8:00 to 8:30 a.m. US ET

Members Present:
Trevor Persaud – EC Chair and At-Large Member
Jonathan Boersma, CFA – GIPS Executive Director
Ann Putallaz, CIPM – Americas Region
Martin Schliemann – At-Large Member
Dimitri Senik, CFA – EMEA Region
Mohammad Shoaib, CFA – At-Large Member
Karyn Vincent, CFA, CIPM – GIPS Technical Committee Chair

Members Absent:
Carl Bacon, CIPM – At-Large Member
Andrew Bragg – Asia Pacific Region

Observers:
Irina Almeida, CIPM – Portugal
Ashraf Bava, CFA – Pakistan
Vincent Byrne – United States
Doug Charton – United States
Alison Davis-Rodriguez – United States
Garvin Deokiesingh, CFA – Canada
Aric Dodge – United States
Diana Douglas – United States
Ambika D’Souza, CIPM – United States
Thomas Egger – Switzerland
Isaac Ewanisoh – United States
Nikolaus Fisher-Wasels, CFA – Switzerland
Paul Glenn – United States
Justin Guthrie, CFA – United States
Maureen Hawker, CIPM – Canada
Laurie Hayek – United States
Jane Henning – United States
Chris Hutchison – United States
Laura Jirele-Borleske, CFA, CIPM – United States
Todd Johnson – United States
Amy Jones, CIPM – United States

Staff Present:
Anju Grover, CIPM – GIPS Analyst
Annie Lo, CFA, CIPM – Director, Global Investment Performance Standards
Ken Robinson, CFA, CIPM – Director, Global Investment Performance Standards
Robin Willis – GIPS Program Coordinator
Trudy Via – Administrative Assistant
Action Items

• The Verification Subcommittee will be requested to address how a firm being verified for the first time should complete the GIPS Compliance Form and recommend a solution.

Decision Points

• The GIPS Executive Committee members approved the Proposed Firm Notification Q&A to be included in the GIPS Q&A Database. (7 votes)

Mr. Persaud provided a welcome to the first GIPS Executive Committee conference call of 2015. This open call will be followed by a closed Executive Committee session.

Mr. Persaud announced that the GIPS Executive Committee Open Conference Call is being recorded and an audio recording and the approved GIPS Executive Committee Open Minutes from this call will be posted on the GIPS Standards website for public record.

1. GIPS Technical Committee Update

Ms. Vincent provided an update on the GIPS Technical Committee Projects.

   Review Existing Q&As
   All the existing Q&As (approximately 500 Q&As) have been updated and are available on the GIPS Standards website in the GIPS Q&A Database. CFA Institute staff members are currently finalizing the details by citing the original source of the Q&A and the date it was added to the GIPS guidance.

   Risk Working Group
   Guidance is being developed to address risk and applying risk-related provisions in the GIPS standards.

   Pooled Funds Working Group
   Guidance is being developed on applying the GIPS standards to retail products and pooled funds.

   Interpretations Subcommittee
   The Interpretations Subcommittee is reviewing and updating the following two existing Guidance Statements: Performance Record Portability and Supplemental Information.

   Overlay Working Group
   New guidance is being drafted on applying the GIPS standards to Overlay Strategies.

   Verification Subcommittee
   The Verification Subcommittee is reviewing the Guidance Statement on Verifier Independence. This is the last Guidance Statement to be reviewed as a result of the 2010 update of the GIPS standards. There was nothing in the Guidance Statement on Verifier Independence that changed as a direct result of the 2010 update, but the Subcommittee is taking a fresh look at the concept of verifier independence.

The Verification Subcommittee is considering whether additional guidance is needed related to the new Firm Notification Requirement. Two issues being discussed are:

• what is the verifier’s responsibility related to testing that the firm has completed the Firm Notification; and

• whether firms need to update their firm verification status if there is a change after they have completed the Firm Notification.

Investment Manager Subcommittee
The Investment Manager Subcommittee is considering whether new guidance is needed for interpreting Benchmark-related provisions in the GIPS standards.
USIPC
Over the past year, the United States Investment Performance Committee (USIPC) has worked to develop a comprehensive Disclosure Guide Matrix which is a consolidation of all the requirements for disclosure that exist in the GIPS standards. The Matrix includes not only the required disclosures in the provisions of the GIPS standards, but also any required disclosures in Guidance Statements, Q&As, or interpretations of the GIPS standards. The USIPC completed their work on the Disclosure Guide Matrix and the CFA Institute staff is performing a final review of the document. It is anticipated that the Disclosure Guide Matrix will be posted for the public in the near future.

Asset Owner Subcommittee
The Asset Owner Subcommittee is creating additional Q&As for assets owners to assist them in the implementation of the Guidance Statement for Asset Owners that was issued last year.

GIPS Technical Committee
It was reported that the GIPS Technical Committee is scheduled to meet in-person next month in Frankfurt, Germany to discuss the various projects listed above.

It was mentioned that the GIPS Technical Committee Update Report was posted as part of the GIPS Executive Committee Open Conference Call materials for the public.

2. GIPS Executive Director Update

GIPS Strategic Plan
Mr. Boersma explained that changes to the GIPS Governance Structure and separation of responsibilities of the GIPS Executive Committee, has resulted in two new GIPS Strategic Plans being drafted. The technical work from the prior GIPS Strategic Plan is now allocated to the GIPS Technical Committee to prioritize and develop their Committee’s strategic plan.

The GIPS Executive Committee will be responsible for raising awareness and influencing regulators, firm adoption, and demand of asset owners, to support the industry. The revised Strategic Plan is structured around the mission statement and two main pillars: outreach and oversight. The key elements include:

- having more firms claim compliance;
- getting asset owners to demand compliance;
- gaining regulator support of the GIPS standards;
- adding Country Sponsors in different countries;
- increasing engagement with GIPS Country Sponsors;
- responding to industry inquiries;
- supporting the GIPS Country Sponsors;
- supporting the GIPS committees; and
- supporting the industry in developing guidance.

Both the GIPS Executive Committee and Technical Committee Strategic Plans will be available soon.

Firm Notification Requirement
Mr. Boersma announced that communications are being distributed to the industry that the GIPS Compliance Form is now online for firms to complete. An announcement of the GIPS Compliance Form’s release was sent out through the GIPS Standards Newsletter, through twitter, and various other communication channels.

Mr. Boersma mentioned that CFA Institute will be reaching out to verifiers to ask them to notify their clients that the GIPS Compliance Form is now accessible online. The deadline for firms to submit their GIPS Compliance Form to CFA Institute is 30 June 2015. He stated that a full data set for analysis on how many firms claim compliance with the GIPS standards will be available in July 2015.
Mr. Boersma stated that the GIPS Executive Committee approved the Firm Notification Requirement in September 2014 and it has been suggested that it would be helpful for this requirement to officially be placed in guidance until the GIPS standards provisions are revised in the future. It was proposed to include the following question and answer in the GIPS Q&A Database that is posted on the GIPS Standards website. When the next version of the GIPS standards is updated, the requirement that firms notify CFA Institute of their claim of compliance will be included as a numbered provision. Until that time, it is important that this requirement be documented as a GIPS standards requirement.

Proposed Firm Notification Question & Answer
Q: Are GIPS-compliant firms required to notify CFA Institute of their claim of compliance?
A: Yes. Effective 1 January 2015, FIRMS are REQUIRED to notify CFA Institute of their claim of compliance with the GIPS standards by submitting the GIPS Compliance Form which is available on the GIPS standards website. The notification MUST be submitted annually by 30 June with information as of the prior year end 31 December.

The GIPS Executive Committee members approved the Proposed Firm Notification Question & Answer be included in the GIPS Q&A Database. (7 votes)

It was mentioned that firms are asked to complete the GIPS Compliance Form on their verification status during the past 24 months. There was a question about how a firm being verified for the first time should complete the GIPS Compliance Form. It was decided to request the Verification Subcommittee to address how a firm being verified for the first time should complete the GIPS Compliance Form and recommend a solution. It is anticipated that in the future, firms will be able to update information on the GIPS Compliance Form such as their verification status.

GIPS Logo for Firms
Mr. Boersma reported that the GIPS logo has been revised into a new GIPS wordmark. The new GIPS wordmark has been distributed to all firms currently registered to use the GIPS logo. He explained that firms are required to sign a licensing agreement with CFA Institute if they would like to use the GIPS wordmark on a compliant presentation.

Mr. Boersma explained that the new GIPS wordmark is slowly being included on all GIPS materials. Recently a new cover for the GIPS standards was printed, but the content of the Standards was not revised. Several other resource materials on the GIPS Standards website have been revised to incorporate the new GIPS wordmark.

He further explained that the difference between a logo and wordmark is that a wordmark is using stylized words to represent the brand as opposed to a picture or icon representing the brand.

Observer Questions
Doug Charton, United States – Mr. Charton requested an update on the Pooled Fund guidance.

Ms. Putallaz responded that with the change in GIPS Governance Structure, the Pooled Fund Working Group (PFWG) has been reconstituted with the active members remaining and some additional members added for geographic diversification. The Working Group recently met and the members discussed about six or seven key concepts that will guide the drafting of a Guidance Statement or Advertising Guidelines on Pooled Funds depending upon what is decided to be the end deliverable for this project. The PFWG anticipates presenting an update on the PFWG's input on these key concepts to the GIPS Technical Committee at their in-person meeting next month. She mentioned that the PFWG has a strong goal to finish the Pooled Fund Project this year.

Meeting adjourned at 8:30 a.m.