Minutes of the GIPS Executive Committee
Open Conference Call

Date: Wednesday 26 August 2015
Location: Conference Call
Time: 8:00 to 8:30 a.m. US ET

Members Present:
- Trevor Persaud – EC Chair and At-Large Member
- Carl Bacon, CIPM – At-Large Member
- Jonathan Boersma, CFA – GIPS Executive Director
- Andrew Bragg – Asia Pacific Region
- Ann Putallaz, CIPM – Americas Region
- Dimitri Senik, CFA – EMEA Region
- Karyn Vincent, CFA, CIPM – GIPS Technical Committee Chair

Members Absent:
- Martin Schliemann – At-Large Member
- Mohammad Shoab, CFA – At-Large Member

Observers:
- Gabriele Montalbetti, CFA, CIPM
- Arin Stancil, CFA, CIPM

Staff Present:
- Anju Grover, CIPM – GIPS Analyst
- Polly Johnson – GIPS Project Coordinator
- Cindy Kent – Director, Global Investment Performance Standards
- Annie Lo, CFA, CIPM – Director, Global Investment Performance Standards
- Iain McAra – Director, Global Investment Performance Standards
- Ken Robinson, CFA, CIPM – Director, Global Investment Performance Standards
- Robin Willis – GIPS Program Coordinator

Action Items
- CFA Institute staff will post on the GIPS standards website a copy of the GIPS Executive Committee and GIPS Technical Committee Strategic Plans when the documents have been finalized.
- CFA Institute’s IT staff to improve the GIPS Compliance Form interface to provide a receipt or confirmation of the information firms submit.

Mr. Persaud welcomed everyone to the GIPS Executive Committee open conference call. He announced that the call is being recorded and will be posted on the GIPS standards website as an audio recording, and the Minutes will be posted for public record.

Mr. Persaud welcomed the two incoming GIPS Executive Committee members who are attending today’s call as observers and provided a brief introduction of:
- Gabriele Montalbetti, CFA, CIPM; and
- Arin Stancil, CFA, CIPM.
1. **GIPS Technical Committee Update**

Ms. Vincent provided a brief report on the projects of the various subcommittee and working groups.

**Interpretations Subcommittee**
A review and redraft of the Guidance Statement on Portability was completed by the Interpretations Subcommittee. A preliminary draft Portability Guidance Statement was presented to the GIPS Technical Committee (TC) who provided feedback at their last conference call. The chair of the Interpretations Subcommittee and CFA Institute staff are finalizing the Exposure Draft of the Guidance Statement on Portability for the GIPS TC to review and approve prior to releasing for a public comment period later this year.

Once the Interpretations Subcommittee concludes their work on the Portability Guidance Statement Exposure Draft, they will focus on the Guidance Statement on the Use of Supplemental Information. The review of the Supplemental Information Guidance Statement will be a longer term project.

**Investment Manager Subcommittee**
The Investment Manager Subcommittee is working on the scope of a project to address all topics relating to benchmarks that exist in the GIPS standards to provide additional clarification.

**Verification Subcommittee**
The Verification Subcommittee is currently reviewing the Guidance Statement on Verifier Independence with feedback from the GIPS TC.

**USIPC**
The United State Investment Performance Committee (USIPC) completed their research and presented an Executive Summary to the GIPS TC on expanding the use of IRR (Internal Rate of Return) throughout the GIPS standards and not limiting it to Private Equity and, in specific cases, Real Estate composites. The GIPS TC will discuss this USIPC IRR Project at their in-person meeting in San Diego and determine the next steps for this project.

The comprehensive Disclosure Guide Matrix, created by the USIPC, was approved by the GIPS TC. The Disclosure Guide Matrix provides a checklist that contains all disclosures in the GIPS standards in one resource document. This useful resource was posted on the GIPS standards website for the public on 27 July 2015 at


**Risk Working Group**
The long standing work on the Risk Guidance Statement is currently being edited by the chair of the Risk Working Group and CFA Institute staff to prepare an Exposure Draft. This Exposure Draft will then be presented to the GIPS TC to approve for public comment. A Risk white paper is also being created. It is anticipated that the two Risk documents will be completed in the next few quarters.

**Overlay Working Group**
The Overlay Working Group is creating a draft to address a number of topics on applying the GIPS standards to overlay strategies. The Working Group presented a rough draft of an Overlay Strategies Guidance Statement to the GIPS TC at their in-person meeting in March 2015. The challenging topic of overlay strategies will continue to be discussed by the GIPS TC during their September 2015 meeting in San Diego.
Pooled Fund Working Group
It was reported that the Pooled Fund Working Group plans to submit an Exposure Draft on the Pooled Funds Guidance Statement to the GIPS TC in September 2015 at their in-person meeting to be reviewed and approved for release for a public comment period.

2. GIPS Executive Director Update
Mr. Boersma reported that the GIPS Standards Annual Conference being held in San Diego, California, U.S.A. n 17 and 18 September 2015 is almost sold out.

GIPS Executive Committee Strategic Plan
A draft of the GIPS Executive Committee (EC) Strategic Plan is currently being prepared. It was noted that the Mission of the GIPS Standards is:

“To promote ethics and integrity and instill trust through the use of the Global Investment Performance Standards by achieving universal demand for compliance by asset owners, universal adoption by asset managers, and universal support from regulators for ultimate benefit of global investment community.”

The focus of the revised GIPS Executive Committee Strategic Plan is in three main areas:
- demand by asset owners;
- adoption by asset managers; and
- support from regulators.

The new Asset Owners Guidance Statement provides information to asset owners on how they can claim compliance with the GIPS standards as well as their asset investment management firm. The GIPS EC will continue to reach out and educate asset owners, asset managers, and regulators on the benefits of GIPS compliance.

It was explained that support from regulators of the GIPS standards can take many forms such as:
- endorsement of the GIPS standards;
- encouragement to participants in a particular market to adopt the GIPS standards; or
- developing regulations that do not conflict with the GIPS standards.

Mr. Boersma reported that training on the GIPS standards has been provided to regulators and examiners in the U.S.A. and Canada this past year. He mentioned that the GIPS training is available to any regulator that is interested.

The GIPS Technical Committee (TC) drafted their own strategic plan and incorporated the technical items from the previous GIPS EC Strategic Plan.

CFA Institute staff will post on the GIPS standards website a copy of the GIPS Executive Committee and GIPS Technical Committee Strategic Plans when the documents have been finalized.

Firm Notification Requirement
Mr. Boersma reported that 1,572 firms notified CFA Institute of their claim of GIPS compliance by the deadline of 30 June 2015. He explained that this is the first time firms have been required to register their claim of compliance with the GIPS standards so there is no prior data to compare to the number of firms that submitted the GIPS Compliance Form. Mr. Boersma stated that he is working with CFA Institute’s marketing intelligence staff regarding the statistics from this initial Firm Notification submission to create meaningful data. He clarified that there are multiple GIPS defined firms that separately claim GIPS compliance.
From the initial Firm Notification data, Mr. Boersma shared the following statistical information of the firms that claim GIPS compliance:

- 87% of the firms are verified;
- 82% of the firms agreed to be listed on the GIPS standards website;
- 78% of the firms are located in the U.S.A. (Note: many may also do business and have offices in other countries); and
- 83% of the firms provided Assets Under Management (AUM) range information.

From the 83% of the firms that provided their range of AUM, by using the mid-point of the low ranges and the low-point of the high ranges, to be conservative, it is approximated that $27 trillion AUM that are covered by GIPS compliant firms.

Mr. Boersma pointed out that from the initial Firm Registration, we now have points of contacts for the firms that claim GIPS compliance in order to communicate directly with them regarding updates and changes to the GIPS standards. It is anticipated that having this direct communication line with firms claiming GIPS compliance will increase the number of firms providing input during public comment periods on proposed changes to the GIPS standards and Guidance Statements.

Future enhancements are planned by CFA Institute’s technology group to improve the GIPS Compliance Form interface to provide a receipt or confirmation of the information that firms submit and to make the process easier.

Mr. Boersma mentioned that CFA Institute has been notified that there are firms that failed to submit the GIPS Compliance Form by the deadline. So it is important to get the word to all the firms that want to claim GIPS compliance of this Firm Notification requirement and encourage them to register. There are discussions with the GIPS TC on the mechanics of how to handle the firms that missed the deadline to register their GIPS compliance. Mr. Boersma stated that technically firms that have not submitted the GIPS Compliance Form are not in compliance. Verifiers have an important role to play in notifying their clients claiming GIPS compliance that they must submit the GIPS Compliance Form if they have not submitted their form.

Other Business
Assistance to Firms Considering Compliance
Mr. McAra reported that the final draft of the Assistance to Firms Considering Compliance paper is being reviewed by interested members of the GIPS Executive Committee and CFA Institute staff. Mr. McAra will combine their comments to produce the final document.

Mr. Persaud announced that a GIPS Executive Committee will meet in-person on Monday 14 September 2015 in San Diego, California, U.S.A.

Mr. Boersma mentioned that there are still a couple of seats available for the GIPS Standards Annual Conference in San Diego. He explained that the conference hotel is sold out but there is availability in other local hotels.

Mr. Boersma announced that this is the last EC call before the annual volunteer member rotation begins on 1 September, and the last with Trevor Persaud serving as the EC chair. However, Mr. Persaud will remain as an EC member. He thanked Mr. Persaud, on behalf of CFA Institute, for his time, many contributions, and leadership.

Mr. Boersma explained that due to the member rotation schedule, the call today is also the last GIPS EC meeting for committee members Martin Schliemann and Dimitri Senik, CFA.
Mr. Boersma thanked Mr. Senik, on behalf of everyone, for his numerous contributions to the GIPS standards. He mentioned that Mr. Senik began his service on the GIPS Executive Committee several years ago as the chair of the EMEA Regional Investment Performance Subcommittee. Mr. Boersma mentioned that Mr. Senik’s contributions, particularly in the technical area, have been outstanding.

Mr. Boersma also thanked Mr. Schliemann for his service as the chair of the GIPS Council and then as a member-at-large of the restructured GIPS Executive Committee. He mentioned that Mr. Schliemann has done a wonderful job and a pleasure to work with. Mr. Boersma recognized Mr. Schliemann and his many contributions to the GIPS standards.

Mr. Boersma announced that Ann Putallaz, Ph.D., CIPM, has been elected to serve as the new EC chair beginning on 1 September 2015. He noted that for those who know Dr. Putallaz or have seen her speak you know the enthusiasm and energy she brings to the GIPS Executive Committee. Mr. Boersma congratulated Dr. Putallaz on her election and mentioned that he is excited to work with her in her new role this coming year.

Observer Questions
There were no questions from Observers attending the open GIPS Executive Committee conference call.

Meeting adjourned at 8:37 a.m.