Global Investment Performance Standards

Global Investment Performance Standards (GIPS®)
Technical Committee Strategic Plan - FY2018 - DRAFT

Background
The mission of the GIPS Executive Committee (EC) 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, adoption by asset managers, and support from regulators for the ultimate benefit of the global investment community.

The GIPS Technical Committee (TC) is responsible for the technical oversight of the GIPS standards. The purpose of the Technical Committee (TC) is to review and issue Questions and Answers (Q&As), guidance, and interpretations of the GIPS standards that do not contain new requirements. The GIPS TC reports to the GIPS Executive Committee and oversees all the GIPS technical subcommittees and working groups.

I. Projects in Process

<table>
<thead>
<tr>
<th>Strategic Priorities</th>
<th>Assigned to</th>
<th>Status</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Develop Guidance on Performance Fees</td>
<td>Interpretations Subcommittee</td>
<td>In process</td>
<td>To be presented to the TC in Q4 2017</td>
</tr>
<tr>
<td>2 Review and update the Guidance Statement on Verifier Independence.</td>
<td>Verification Subcommittee</td>
<td>In process</td>
<td>Issued for public comment in Q3 2017</td>
</tr>
<tr>
<td>3 Develop Guidance on Overlay Strategies.</td>
<td>Overlay Strategies Working Group</td>
<td>In process</td>
<td>Issued for public comment in Q3 2017</td>
</tr>
<tr>
<td>4 Review and update Guidance Statement on Supplemental Information.</td>
<td>Interpretations Subcommittee</td>
<td>In process</td>
<td>The Subcommittee has updated the Guidance Statement based on public comment letters and has reviewed drafts with the TC. A final draft will be discussed with the TC at the September 2017 in-person meeting. The goal is to complete the Guidance Statement in 2017.</td>
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<tr>
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<tr>
<td>5 Develop guidance addressing risk and applying the risk-related provisions</td>
<td>Risk Working Group</td>
<td>In process</td>
<td>Issued for public comment in Q2 2017.</td>
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<td>(excluding real estate, private equity, and other alternatives).</td>
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<tr>
<td>6 Review and Update Guidance Statement on Portability.</td>
<td>Verification Subcommittee</td>
<td>In process</td>
<td>Revised draft principles were discussed at the TC in-person meeting in Sep 2016. Portability Special Working Group will take the TC’s feedback and will continue working on the revised Guidance Statement. At the April 2017 in-person meeting the Verification Subcommittee agreed to take on this project and complete it.</td>
</tr>
<tr>
<td>7 Develop/update guidance on Benchmarks.</td>
<td>Benchmark Working Group</td>
<td>In process</td>
<td>The final draft to be presented to the TC and EC at the September 2017 in-person meeting.</td>
</tr>
<tr>
<td>8 Determine if the existing Real Estate guidance as it applies to opportunistic</td>
<td>Real Estate Working Group</td>
<td>In process</td>
<td>The Real Estate Working Group conducted a closed-end opportunistic fund survey to ascertain if changes need to be made to the closed-end fund real estate provisions within the GIPS standards. They will present the findings to the TC in September 2017.</td>
</tr>
<tr>
<td>closed-end funds needs to be modified.</td>
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<tr>
<td>9 Develop guidance for calculating performance for multi-asset class portfolios,</td>
<td>Interpretations Subcommittee</td>
<td>In process</td>
<td>Interpretations has begun brainstorming on this topic and began work drafting principles at the in-person Interpretations meeting in Sep 2016. Progress on this project will be reported to the TC at the September 2017 in-person meeting.</td>
</tr>
<tr>
<td>including how to calculate returns for a portfolio that contains different asset</td>
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<td>classes with different required valuation frequencies.</td>
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<tr>
<td>10 Create the GIPS 2020 Exposure Draft.</td>
<td>Technical Committee</td>
<td>In process</td>
<td>A consultation paper for the 2020 edition of the GIPS standards was issued, and over 60 comment letters were received. Using the responses from the consultation paper, an Exposure Draft will be created. A first draft/key concepts will be discussed with the TC and EC at the September 2017 in-person meeting.</td>
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### Strategic Priorities

<table>
<thead>
<tr>
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</tr>
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<tbody>
<tr>
<td>11 Review and update the Guidance Statement on Fees. Propose provisions for the GIPS 2020 Exposure Draft where appropriate.</td>
<td>Interpretations Subcommittee</td>
<td>In process</td>
<td>This project will initially be discussed at the September 2017 in-person Interpretations Subcommittee Meeting.</td>
</tr>
<tr>
<td>12 Create guidance either in the form of a Guidance Statement or Q&amp;As on Private Wealth. Propose provisions for the GIPS 2020 Exposure Draft where appropriate.</td>
<td>Interpretations Subcommittee</td>
<td>In process</td>
<td>This project will initially be discussed at the September 2017 in-person Interpretations Subcommittee Meeting.</td>
</tr>
<tr>
<td>13 Create guidance either in the form of a Guidance Statement or Q&amp;As on Fiduciary Management/Outsourced Chief Investment Office (“OCIO”). Propose provisions for the GIPS 2020 Exposure Draft where appropriate.</td>
<td>CFA Staff/IC Select Committee</td>
<td>In process</td>
<td>CFA Staff is working with the IC Select Committee to convert the fiduciary management standards they have created (the IC Select Standards) into GIPS guidance and/or provisions.</td>
</tr>
<tr>
<td>14 Analyze the legal research done related to the Safe Harbor provision from the Broadly Distributed Pooled Funds Guidance Statement.</td>
<td>CFA Staff</td>
<td>In process</td>
<td>Preliminary legal research has been completed. The Pooled Funds Working Group will begin this project at the September 2017 conference call.</td>
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### Projects in Queue

<table>
<thead>
<tr>
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<th>Priority</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Review and update Guidance Statement on Significant Cash Flows.</td>
<td>TBD</td>
<td>In queue</td>
<td>Low</td>
<td>TC to determine if additional guidance is needed for the use of temporary accounts.</td>
</tr>
<tr>
<td>#</td>
<td>Strategic Priorities</td>
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<td>Status</td>
<td>Priority</td>
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<tr>
<td>2</td>
<td>Update all GIPS Authoritative Guidance to support the GIPS 2020 edition such as the Handbook, guidance statements, and Q&amp;As</td>
<td>TBD</td>
<td>In queue</td>
<td>High</td>
</tr>
<tr>
<td>3</td>
<td>Examine the feasibility of developing a global framework for calculating and presenting after-tax performance.</td>
<td>TBD</td>
<td>In queue</td>
<td>Low</td>
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</tbody>
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### III. Projects Completed Since September 2015

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>1</td>
<td>Develop guidance on expanding the use of internal rate of return (IRR) versus time weighted returns (TWR)</td>
<td>USIPC – Part 1 - Research Draft</td>
<td>Completed</td>
<td>USIPC has completed and submitted its Research Summary to the TC in July 2015. The TC reviewed and discussed the Summary at the TC In-person meeting in Sep 2015. Two Q&amp;As were submitted at the end of last year and a Helpdesk question pertaining to the Guidance’s effective date and historical performance records was reviewed by the TC at their Sep 2015 meeting. CFA Institute staff will use the feedback from the TC to respond to the person who had asked the Helpdesk question accordingly. Subcommittee will continue to review issues to provide more clarity on the Guidance Statement, but no additional Q&amp;As have been identified at this time.</td>
</tr>
<tr>
<td>2</td>
<td>Create Q&amp;As for Asset Owners to assist with the implementation of the Asset Owner Guidance Statement, including the required period of compliance.</td>
<td>Asset Owner Subcommittee</td>
<td>Completed</td>
<td>Verification Subcommittee submitted a draft with 7 questions to the TC for review in Mar 2015. Four of the Q&amp;As were assigned by the TC to the Interpretations Subcommittee for additional input and Interpretations Committee suggested splitting one of the questions into 2 questions. During their Jul 2015 call, the TC approved 6 of the 8 submitted Q&amp;As, deleted one of them. The remaining Q&amp;A was discussed at the Sep 2015 in-person meeting and it was determined to delete this question and to address</td>
</tr>
<tr>
<td>3</td>
<td>Create Q&amp;As that address verification issues related to the firm notification requirement.</td>
<td>Verification Subcommittee (3 questions)</td>
<td>Completed</td>
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<p>| Interperections Subcommittee (4 questions) | Completed | |</p>
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<tbody>
<tr>
<td>4. Develop guidance on implementing the GIPS standards for firms in developing</td>
<td>Investment Manager Sub committee</td>
<td>Completed</td>
<td>A webinar introducing this document by CFA Institute staff took place on 27 May 2015. Final version was released to the public in May 2016.</td>
</tr>
<tr>
<td>5. Develop guidance on applying the GIPS standards to retail products (e.g.,</td>
<td>Pooled Fund Working Group (PFWG)</td>
<td>Completed</td>
<td>The final guidance statement was completed and issued to the public on 31 Mar 2017. There were 2 webinars to introduce the Guidance Statement on 4 April 2017.</td>
</tr>
<tr>
<td>6. Research the feasibility of restructuring the GIPS standards to base them on</td>
<td>CFA staff</td>
<td>Completed</td>
<td>The concept has been reflected in the GIPS 2020 consultation paper.</td>
</tr>
<tr>
<td>8. Develop a short Guidance Statement on the topic of Internal Rate of Return</td>
<td>Interpretations Subcommittee</td>
<td>Project Terminated</td>
<td>Due to the GIPS 2020 creation process this project was terminated. The key concepts were raised in the GIPS 2020 Consultation Paper, and the expanded use of IRR will be incorporated in the GIPS 2020 Exposure Draft/</td>
</tr>
<tr>
<td>9. Determine if a new Alternative Investments Subcommittee should be created to</td>
<td>TC</td>
<td>Completed</td>
<td>A new Alternative Investments Working Group was created and the Terms of Reference were approved by the TC in August 2017. A new Pooled Funds Working Group was also created and the Terms of Reference were approved by the TC in July 2017.</td>
</tr>
<tr>
<td>focus primarily on real estate, private equity, and hedge funds, with the flexibility</td>
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Executive Committee and Technical Committee Update Report
San Diego In-Person Meetings
11-12 September 2017

**Subcommittee or Working Group Name:** GIPS Americas Regional Technical Subcommittee

**Members’ Names:**
Garvin Deokiesingh, CFA – *Chair*
- Canada: Canadian Investment Performance Council (CIPC)
- Mexico: CFA Society Mexico
- Peru: Procapitales
- United States: United States Investment Performance Committee (USIPC)

Meetings held every two months with members, since October 2016, with most recent in June 2017.

**Current Projects:**

**Canada**
- Comment Letter for the Supplemental Information Guidance Statement Exposure Draft provided.
- Comment Letter for the GIPS 2020 Consultation Paper provided.
- Outreach: Strategy for using LinkedIn to recruit and educate continues to evolve. The CIPC is setting modest goals to increase content and membership during 2017.
- For CIPC, reviewing information relating to CRM II and National Instrument (NI 81-101/102) to find points of common ground with the GIPS standards. CRM II focus has been on end client reporting while the GIPS standards is generally addressing prospective clients.
- Consultant Survey Project: Team and bi-weekly meetings established. Consolidation of survey questions and prototype of survey created. Review of target consultants in process. Desired outcomes of survey includes: i) insight to consultants use of the GIPS standards, ii) benefits of the GIPS standards in manager search process to consultants, iii) need for additional education, and iv) feedback for GIPS 2020 project.

**Mexico**
- Formalized a local GIPS Committee composed of: Towers Watson, Deloitte, KPMG
- Group met and agreed on a joint position that was presented on GIPS 20/20 Consultation
- Attempted to organize an event with KPMG, but little traction at the time

**Peru**
- Annual Conference held May 24 and 25 in Peru
- Evelyn Ramos (USIPC) participated in conference and held meetings with key local executives and industry leaders, including:
  1. Meeting with Industry Asset Owners – Mapfre Peru
  2. Managers – Integra
  3. Mutual Fund Association
- Get local volunteers to continue the dialogue with interested parties.
United States Investment Performance Committee (USIPC)

- Net of Fees Project – No Action Letter: working with Canadian Investment Performance Council (“CIPC”), the purpose of this letter is to request relief from U.S. Securities and Exchange Commission (“SEC.”) regarding the model vs. actual net-of-fee returns. Comments provided by SEC. Draft letter to be reviewed by Technical Committee.
- UMA Project: The USIPC has finalised a white paper explaining how we have seen firms apply the GIPS® standards to Unified Managed Accounts (“UMA”) type vehicles. The paper is published and available on GIPS website.
- GIPS 2020 Consultation Paper: provided to CFA Institute.
- Industry Survey 2016: The USIPC conducted a survey at the GIPS conference last year to obtain feedback on any improvements or changes to the standards. Responses provided to CFA Institute.
- GIPS 2020 Interviews: The USIPC conducted a mini-research effort for GIPS 2020 to gather feedback from asset owners, alternatives and private wealth managers.
- Due Diligence Paper: The USIPC has finalised a white paper targeted to Due Diligence analysts, explaining the benefits of GIPS compliance and what it means in terms of controls, accounting practices, performance presentations, technology, and verification. Paper is published and available on GIPS website.
- Outreach: Very busy work and has set up events, including panel discussions and webinars across the US. In addition, there has been increase collaboration among the USIPC with the CIPC, Mexico and Peru. We are specifically working with the CIPC on the GIPS 20:20 project and have gathered feedback from them for the net of fees project.

Future Projects:

- Build on initial conversation with Chile on establishing country sponsor
- Continue to work with Peru to support initiatives already commenced.
- On-going recruitment of volunteers for CIPC, coordinated with large societies throughout Canada
- Plan performance event in Mexico with Deloitte by Q4
Executive Committee and Technical Committee Update Report
San Diego In-Person Meetings
11-12 September 2017

Subcommittee or Working Group Name: GIPS Asia Pacific Regional Technical Subcommittee

Members’ Names:
Wee Tian Sing, CFA - Chair
- Australia
  Financial Services Council
- China
  CFA Society Beijing
- India
  Indian Association of Investment Professionals
- Indonesia
  CFA Society Indian and Indonesia Association of Fund Managers
- Japan
  The Security Analysts Association of Japan
- Korea
  Korea Investment Performance Committee
- Micronesia
  Asia Pacific Association for Fiduciary Studies
- New Zealand
  CFA Society New Zealand
- Pakistan
  CFA Society Pakistan
- Philippines
  CFA Society Philippines, Trust Officers Association of the Philippines, and Fund Managers Association of the Philippines
- Singapore
  Investment Management Association of Singapore
- Sri Lanka
  CFA Society Sri Lanka
- Thailand
  The Association of Provident Fund

Current Projects:
Asset Owners in APAC Claiming Compliance with GIPS Standards
- Members are looking at the Asset Owners brochure (Understanding the GIPS standards: A Guide for Asset Owners) posted on the GIPS website and circulate it to local asset owners.
- Japan member keeps the communication with Government Pension Investment Fund (GPIF) regarding to the development of GIPS® standards via email. It will help the communication between GPIF & CalPERS regarding GIPS compliance. Member said local GIPS committee is planning to hold a GIPS seminar in Tokyo in 2017 or 2018 for participants from asset managers & asset owners.
- Korea member will compare the current performance reporting format required by National Pension Fund (NPS) with the GIPS annual disclosure presentation. If the difference between two reporting formats is not much, the member will find the opportunity to check with NPS to see if they can embrace the GIPS standards by claiming GIPS compliance or requesting asset management firms to claim compliance with the standards.

GIPS 20/20 Consultation Paper being circulated to local markets in APAC
- Members are circulating the consultation paper on GIPS 20/20 to local market participants (asset managers, asset owners, mutual fund companies, etc.).
- Australia member said that FSC will continue to develop the feedback on GIPS 20/20 consultation paper.
- India member said that they focus on gathering comments from local industry participants, country sponsor’s committee members, and volunteer group on the GIPS 20/20 consultation paper.
- Japan member has distributed the information about the GIPS 20/20 consultation paper to its 600 individual and corporate members. SAAJ has been submitting the comments for every exposure draft of the guidance statements. After the guidance statements being published, SAAJ will translate the guidance statements into Japanese, which is very crucial for GIPS promotion in the local market.
- Sri Lanka member have shared the GIPS 20/20 consultation paper to their members for comments.
Future Projects:

- Members were asked to encourage the market participants of respective markets to submit comments, questions and suggestions on the GIPS 20/20 Consultation Paper.
- Members were asked to share with the AP RTS and staff liaison their success stories of working with asset owners or asset managers to claim GIPS compliance via SharePoint or email.
- Members were encouraged to post any local GIPS-related events & initiatives in their countries onto the event calendar on GIPS AP RTS SharePoint site for potential collaborations & supports provided.
- Members shared their experience of promoting the GIPS standards in their local markets, discuss challenges and opportunities they faced during their outreach, and strategize their action plans for the next 12 months.
- Jonathan, Irene and Stephen visited CIC and SSF for the promotion and awareness of GIPS on both asset owners and asset managers, also discussed with CFA Society Beijing and AMAC for their driving efforts on GIPS compliance in the asset management industry of China, will follow up with them for further progress.
- Singapore member is planning for a visit to Monetary Authority of Singapore (MAS) in Sep – Oct 2017 to re-engage MAS in various topics including GIPS. Member hoped that MAS will put out some regulations that are in line with the GIPS standards and/or at least be aware of the key updates/changes on the development of the GIPS standards.
- Micronesia member said the next step for them is to have asset owners demand their asset managers claim compliance with the GIPS standards. There were questions from the asset owners on how they can verify whether the asset managers who claim GIPS compliance are in compliance. The asset owners are encouraged to request asset managers for the verification report check the GIPS website for the firms claiming GIPS compliance.
- Indonesia member said they have been putting efforts in increasing the awareness of GIPS in the local market. Indonesia Association of Investment Managers (AMII) has adopted the Asset Manager Code since June this year. Member hopes that the members of the Association will claim GIPS compliance as the next step.
- CFA Society Taiwan has also expressed interest in becoming the GIPS Country Sponsor sometime in 2018. CFA Institute Staff Liaison will work closely with Taiwan to support their initiative.
- India member said they are planning for an education session on GIPS for the industry practitioners in the second half of 2017.
Executive Committee and Technical Committee Update Report
San Diego In-Person Meetings
11-12 September 2017

Subcommittee or Working Group Name: GIPS EMEA Regional Technical Subcommittee

Members’ Names:
Country and Country Sponsor(s), affiliation and date application endorsed during the year 2016/17

Hans Pieper -Chair
• Cyprus CFA Society Cyprus
• Czech Republic CFA Society Czech Republic / AKAT, Association of Asset Management Companies.
• Denmark Finansforeningen - CFA Society Denmark
• France CFA Society France / AFG, French Asset Management Assn (EFAMA) (9/16)
• Germany CFA Society Germany / BVI German Investment Funds Association (EFAMA) / DVFA Society of Investment Professionals (EFFAS)
• Ghana Securities Industry Association
• Greece CFA Society Greece
• Ireland iaim, Irish Association of Investment Managers
• Italy CFA Society, Italian Bankers Assoc, EFAMA, EFFAS, EFRP, Auditors Assoc.
• Kazakhstan Association of Financial and Investment Analysts (AFIA) (EFFAS) (6/17)
• Liechtenstein Liechtenstein Bankers Association
• The Netherlands VBA (EFFAS)
• Nigeria CFA Society Nigeria, Pension Operators Association, Fund Managers Assocn.
• Norway Norwegian Society of Financial Analysts (NFF), (EFFAS)
• Poland CFA Society Poland
• Portugal Portuguese Financial Analysts Association (APAF), (EFFAS)
• Russia National League of Management Companies (NLMC)
• Saudi Arabia CFA Society Saudi Arabia (01/17)
• South Africa Association for Savings Investment, South Africa (ASISA)
• Spain CFA Society Spain: Asociacion Espanola de Presentacion de Resultados de Gestion
• Sweden: CFA Society Sweden / Swedish Society of Financial Analysts (EFFAS)
• Switzerland Swiss Funds and Asset Management Association (SFAMA) (EFAMA & International Investment Funds Assoc IIFA) (11/16)
• Ukraine The Ukraine Association of Investment Business (UAIB)
• UK UKIPC comprising IA, ABI, PLSA (formerly NAPF), ACA, SPC, IPF, ALMA, WMA

Staff support: Iain McAra, Eve Lacomblez

Typically, monthly calls occur between Chair and CFA Institute Staff to review progress of action items, with three (3) calls and one (1) in-person meeting through the year.

Prior / Current Projects:
• In-person meeting 31 May 2017, held in CFA Institute London office with ten (10) countries present and two (2) dialing in.

Each sponsor provided an overview of activities undertaken / planned. Casper Lotgerink presented on ESG investment and performance measurement.
Proposed timetable for the release of documents for public comment was shared and representatives asked to share it with their local Investment Performance Committee (“IPC”) and alert them to the fact that public comment is being sought on the subjects, and encourage all IPC members to provide and solicit feedback themselves when requested.

Roles and responsibilities, as per Country Sponsor Application were discussed.


**Future Projects:**

- Germany and The Netherlands to investigate setting up a working group to review Pension Assets.
- EMEA RTS to form an ESG working group.
- EMEA RTS staff are collating Country Sponsor information in an Excel spreadsheet which will be distributed regularly. It includes web addresses, the GIPS standards related country sponsor activities and is shared across all Country Sponsors to maximize impact of outreach efforts, share knowledge of topics and speakers. It is important and key for better engagement to improve flow of information between the GIPS standards and Country Sponsors and between sponsors with regular updates.
- Set a policy in consultation with the GIPS Executive Committee for including journalists and regulators as observers or engage more actively. Determine role of observer in calls and in-person meetings.
- Determine an approach to engage with Asset Owners operating across multiple countries and resources that can be used (e.g., CalPERS presentation).
- Promotion of the GIPS standards: Country Sponsors with experience of promoting the GIPS standards will produce a document that will provide suggestions to those countries where engagement with and knowledge of the GIPS standards is low to help develop and increase effectiveness of outreach and engagement of all stakeholders.
- Establish working groups for public comment for Verifier Independence and Overlay Strategies.
- Planning of 2018 in-person meeting and identification of venue (London and Germany have already been offered) has started.
Executive Committee and Technical Committee Update Report
San Diego In-Person Meetings
11-12 September 2017

Subcommittee or Working Group Name: GIPS Asset Owner Subcommittee

Members’ Names:
• Wylie Tollette, CFA, Chief Investment Officer, CalPERS, USA - Chair
• John Meier, CFA, Managing Director, Strategic Investment Solutions, USA
• Abdulrahman Aldeheem, CIPM, Investment Analyst, Saudi Arabian Monetary Authority, Saudi Arabia
• Kathryn Misic, CFA, Head – Alternative Investments, Telstra Super PTY, Ltd., Australia
• Lynn Hoover, Controller, STRS Ohio, USA
• Imrith Ramtohul, CFA, Aon Hewitt Ltd., Mauritius
• Yue Li, CIPM, Investment Performance Evaluation Specialist, China Investment Corporation, China
• Stephan Skaanes, CFA, Partner, PPCmetrics AG, Switzerland
• Michael Steen, CIPM, Senior Financial Consultant, Lonmodtagernes Dyrtidsforond Pensions, Denmark
• William North Welsh, CIPM, Area Assistant Vice President, Institutional Investment & Fiduciary Services, Arthur J. Gallagher & Co., USA

Current Projects:
The Asset Owner Subcommittee has made much progress on their ongoing work. The following tasks have been completed:

• The Revised Guidance Statement on the Application of the GIPS® Standards to Asset Owners was released for a 90-day public comment period on 1 August 2016. Comments were received by 29 October 2016.
• Submitted the final guidance statement to the GIPS Technical Committee (“TC”) and the GIPS Executive Committee (“EC”) for review and approval at the in-person meetings in London April 24 – 27, 2017.
• The Guidance Statement was reviewed by CFA Institute Editing and released to the public on 17 August 2017. The effective date is 1 January 2018.
• Wylie Tollette, CFA; Chair and Beth Kaiser, CFA, CIPM; CFA Institute Executive Staff Liaison, performed a webinar to explain the changes between the 2015 edition and this 2018 edition of the Guidance Statements.
• A Q&A related to how insurance companies should apply the Guidance Statement was approved by the TC in July 2017.

Future Projects:
The Subcommittee primary focus for the next several months will be providing input into the GIPS 2020 process and the Asset Owner pillar.

The Subcommittee stands ready to offer additional help to asset owners claiming GIPS-compliance and/or demanding it from the asset owners they employ.

We are working on the best ways to promote the work we are doing and these concepts to asset owners. There is ongoing work on outreach efforts to other asset owners, using our Subcommittee members as the networking agents and in conjunction with the EC.
Subcommittee or Working Group Name: GIPS Interpretations Subcommittee

Members’ Names:
- Dimitri Senik, CFA - Chair
- Steven Furst, CFA, CIPM
- Madhu Gayer, CIPM
- Zhang Jian, CFA, CIPM (as of Sept 17)
- Herbert Jobelius
- Ashley Reeves, CIPM
- Corné Reniers
- Tom Stapleton, CFA
- Michael Stevens, CIPM (as of Sept 17)
- Daisuke Uemura, CFA

Jerome Chung, Steve Chittenden, CFA, Cinda Whitten, CFA rolled off Aug 2017

CFA Institute Staff Support: Iain McAra, Trudy Via

Current Projects:
- Guidance Statement on Portfolios with Manager-Controlled Cash Flows that provides a comprehensive guidance on portfolios where investment manager controls external cash flows has been drafted and discussed at the GIPS Technical Committee (“TC”) meetings in April 2017. This guidance statement has been put on hold for the moment and the work on it will resume as a part of the GIPS 20/20 project in early 2018.
- Guidance Statement on Treatment of Performance Fees that deals with treatment of portfolios with performance-based fees in terms of the GIPS® standards is being finalised and is expected to be presented to the TC in Q4 2017.
- The revised Guidance Statement on the Use of Supplemental Information has been revised on the basis of the results of the completed public comment period and submitted to the TC.

Future Projects:
- Work on the new Guidance Statement for Multi-Asset Class Portfolios that will deal with treatment of multi-asset class portfolios in terms of the GIPS standards will start in Q4 2017
- The Interpretations Subcommittee will be involved in the GIPS 20/20 project and will work on the areas assigned by the TC.
- A number of further Q&As on various topics are in the pipeline and will be developed in accordance with the priority planning
- One further member to be appointed to committee (Americas region).
Executive Committee and Technical Committee Update Report
San Diego In-Person Meetings
11-12 September 2017

Subcommittee or Working Group Name:  GIPS Investment Manager Subcommittee

Members’ Names:
- Joseph Kavanagh, CFA - Chair
- Muhammad Ali Bhabha, CFA
- Ambika D'Souza, CIPM
- Anne Harrison
- Sean Juru, CFA, CIPM
- Neil Mackay
- Miriam Munari
- Sanjay Parikh, CFA
- Narongrit Suptippayarattena. CFA, CIPM

Anne Harrison rotated off the Subcommittee at the start of the month and as of September 1st we are working on new membership.

Current Projects:
Since the last in-person GIPS Technical Committee (“TC”) meeting in April, the Investment Manager Subcommittee have submitted comprehensive public comment submissions relating to the following documents:

1. The Supplemental Information Guidance Statement
2. The GIPS 2020 Consultation Paper

The Subcommittee has devoted two 1½ hour calls in July and August to consider the Risk Guidance Statement. A draft comment has been prepared and we expect to submit the comment shortly after the GIPS annual conference.

The Subcommittee provided some feedback to the United States Investment Performance Committee (USIPC) in the drafting of a white paper with the title of ‘For the Due Diligence Analyst: What GIPS Compliance Means’. This paper was published in April of this year.

The Subcommittee provided some assistance to the help desk on a Q&A related to value-date accounting.

Future Projects:
The Subcommittee are due to review the proposed Guidance Statements on Verifier Independence and Overlay Strategies. We expect to submit a comment on the Guidance Statement on Verifier Independence but we have yet to assess whether there is sufficient expertise on the Subcommittee to comment on the Guidance Statement on Overlay Strategies.

We made contact with eVestment and ACA (London office) to gauge what interest there might be in conducting a survey of GIPS compliance across the eVestment database of investment management firms. ACA were amenable to the prospect of a survey but eVestment were less enthused. Once the direction of GIPS 2020 is clearer we intend to make further representations to eVestment on this.
The Subcommittee have offered to provide support and assistance to the Verification Subcommittee when they turn their attention to drafting a revision to the Portability Guidance Statement.

Ambika D’Souza has volunteered for the proposed OCIO working group for GIPS 2020.
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Subcommittee or Working Group Name: GIPS Verification Subcommittee (‘‘VS’’)

Members’ Names:
- Damian Regan, ASIP - Chair
- Paul Blandford
- Cecilia Cheung
- Nicholas Dekker, CIPM (effective 9/1/17)
- Alicia A. Hyde, CIPM
- Susanne Klemm
- Karim Manaa
- Mayumi Takahashi
- Wesley Western (effective 9/1/17)

Current Projects:
The Verifier Independence Guidance Statement Exposure Draft was approved by the GIPS Executive Committee in April 2017 and released for public comment on July 28, 2017. A webcast was conducted on July 31, 2017 to discuss the proposed guidance. An accompanying blog on verifier independence was prepared by Ken Robinson, CFA, CIPM, and released on the CFA Institute website on July 31, 2017.

The VS looks forward to reviewing the comments received on the exposure draft and updating the document for final release during 2018.

We welcomed two additional members to the VS effective September 1, 2017.

Future Projects:
- We will complete a review of any existing Q&A relevant to Verifications and prepare for public comment on the Revised Guidance Statement on Verifier Independence.

- We plan on updating the verification guidance included in the GIPS standards as part of the GIPS 2020 project and look forward to discussing the scope of this work at the September in-person Technical Committee meeting.

- Given the increased activity in fund manager mergers and rationalizations, we plan on updating the existing portability Guidance Statement to respond to technical questions that have arisen.

- We understand some Sovereign Wealth funds are currently undergoing verification and we are keen to understand what practical problems are arising from verification and the use of the Guidance Statement on the Application of the GIPS Standards to Asset Owners.
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Subcommittee or Working Group Name: GIPS Benchmark Working Group

Members’ Names:
- Anthony Howland - Chair
- C. Mitchell Conover, PhD, CFA, CIPM
- Joe Kavanagh, CFA
- Darren Crowley
- Karen C. Lee, CIPM
- Stephen C. Gaudette, CFA
- Michaela Krahwinkel
- James Neill
- Jason Samansky, CFA
- Aye M. Soe, CFA
- Petya Stoycheva, CFA

Observer
- Gabriele Montalbetti, CFA, CIPM

Current Projects:
The GIPS Technical Committee (“TC”) created this working group to create new guidance addressing benchmark-related issues not already considered in the GIPS® standards in addition to highlighting the already existing interpretations on benchmarks. The Benchmark Working Group has created the Guidance Statement on Benchmarks Exposure Draft. We submitted the first draft of the proposed guidance to the TC in February to get feedback on the overall direction and content. The guidance was submitted to the TC in both July and August to address comments from members.

We have since incorporated the comments in the next draft and the Guidance Statement is being submitted to the TC and the GIPS Executive Committee (“EC”) at the in-person meetings in September 2017 for final approval. Anthony Howland, Chair, is presenting at the GIPS Annual Conference on the topic as well.

Future Projects:
Once the Guidance Statement is approved by the TC and EC, it will go through the CFA Institute editing process. It will then be released in conjunction with a webinar designed to inform and answer questions. After the Guidance Statement is out for public comment for 90 days, the comments will be compiled and evaluated. A final version of the Guidance Statement and, where necessary, related Q&As will be created.

The Working Group stands ready to work on any benchmark-related provisions where expertise is needed for the 2020 edition of the GIPS Standards.
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Subcommittee or Working Group Name: GIPS Overlay Working Group

Members’ Names:
- Hans G. Pieper - Chair
- Guy Holappa
- Jane Henning
- Joel Sleigh
- Marcella Belsan
- Rick Dolson
- Yves Rasolofo

Current Project:
On April 24, 2017, the GIPS Technical Committee approved the Guidance Statement on Overlay Strategies Exposure Draft. On June 13, 2017, the GIPS Executive Committee approved release of the document. The approved document is scheduled to be released along with an accompanying webinar on August 29th. The Overlay Working group has also been working on updating an existing overlay Q&A.

The Overlay Working Group will review the comments received on the proposed Guidance Statement during 2018.
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Subcommittee or Working Group Name: Pooled Funds Working Group (“PFWG”)

Members’ Names:
- Ann Putallaz, CIPM, Ph.D. - AFP Consulting LLC - Chair
- Christopher Auden - UBS AG
- Michaela Krahwinkel - Union Investment, Union Service-Gesellschaft mbH
- Todd Johnson - Ernst & Young, LLP
- Michael McGrath, CFA - K&L Gates
- Muhammad Shoaib, CFA - Al Meezan Investment Management Limited
- Daniel Strasshofer - KPMG, LLP
- Andrea Ulrich - T. Rowe Price

Current Projects:
The GIPS Technical Committee (“TC”) created the Pooled Funds Working Group to:
1) assist CFA Institute staff in developing the GIPS standards (GIPS®) provisions and guidance that apply to pooled investment vehicles (“pooled funds”) as part of the GIPS 2020 project;
2) to recommend ways in which the CFA Institute can build greater recognition for the GIPS standards within the pooled fund market; and
3) as time allows, to discuss and address current pooled fund investment performance issues raised in the market place.

The Terms of Reference for the PFWG were created and approved by the TC in July 2017. Members were selected in July-August 2017. The first PFWG’s call is scheduled to take place on 20 September 2017.

Future Projects:
The Working Group stands ready to review any pooled-fund related provision where pooled-fund expertise is needed for the 2020 edition of the GIPS standards.
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**Subcommittee or Working Group Name:** Risk Working Group

**Members’ Names:**
Colin Morrison - *Chair*
Iain McAra – *CFA Institute Support Staff*

**Current Status:**
The Risk webinar and the release of the exposure draft for public comment occurred on 28 June 2017.

Closing date for receipt of comments is 26 September 2017

Carl Bacon has graciously agreed to assume the role of chair of the Risk Working Group.

An initial communication to the existing members of the working group in early July produced a firm commitment from two of the seven members that they could continue as members of the working group. At that time a chair for the working group had not been identified. A further communication to indicate Mr. Bacon’s agreement to be the chair will be sent and the continuing members finalized who will then review the public comments and produce the final Guidance Statement.