New Q&As Posted on the GIPS Website
Since the beginning of the fourth quarter of 2007, more than 20 new Q&As have been approved by the Interpretations Subcommittee and posted to the GIPS website under the categories of Advertising, Benchmarks, Carve-Outs, Client Reporting, Composite Construction, Composite Changes, Correction to the 2006 GIPS standards, Disclosures, Fees, General/Miscellaneous, Leverage and Derivatives, Performance History/Track Record, Private Equity, Real Estate, and Wrap Fee Portfolios. Firms are reminded that compliance with the GIPS standards also includes adherence to all Q&As and other guidance.

In particular, we would like to highlight the following Q&A on real estate valuation; beginning 1 January 2008, firms are required to value real estate assets quarterly.

Q: We manage real estate investments. We have established procedures to value all investments annually, and this process is quite extensive. Beginning 1 January 2008, the GIPS standards require us to value such investments on a quarterly basis. For those quarters where we do not obtain an external valuation and we perform an internal valuation, must we replicate the current annual procedures on a quarterly basis, or can we establish quarterly procedures that are different?

A: An internal valuation should consider professional industry approaches to estimating value (e.g., discounted cash flow valuation model, capitalized income approach, sales comparison approach, cost approach), and a professional review and assessment of the known economic, market, financial variables, and factors that can cause material changes in the value of real estate investments. Any assumptions utilized must be fair and unbiased. The internal valuation process must be applied consistently from period to period, except where a process change would result in a more accurate estimate of market value. A firm may replicate its current annual procedures on a quarterly basis, or the firm could establish different quarterly valuation procedures. Each firm must decide for itself what steps are necessary to determine that real estate investments are properly valued on a quarterly basis. As required by GIPS Provision 0.A.6, a firm must document, in writing, policies and procedures used in establishing and maintaining compliance with all the applicable requirements of the GIPS standards. Therefore, the firm must also document its real estate internal valuation policies and procedures.

Please visit our website to see the GIPS Q&A database.
**GIPS® Standards Workshop**

There is still space available at the upcoming GIPS standards interactive workshop on 21 February 2008 in Stamford, CT. The workshop will help participants master the requirements of the GIPS standards, including composite construction, performance calculation, and creating a compliant presentation. For complete details, please visit our [website](#).

**Governance**

We are pleased to announce that the next in-person meetings of the GIPS Executive Committee, Regional Investment Performance Subcommittees (RIPS), and GIPS Council will be held on 13 and 14 March 2008 at the Amsterdam Marriott Hotel in Amsterdam, the Netherlands. We encourage you to keep up to date on the latest topics and developments with the GIPS standards by reviewing the materials provided in advance of those meetings. Visit the GIPS website in late February to view the meeting materials. These meetings are open to the public and if you are interested in attending, please contact standards@cfainstitute.org by 15 February 2008.

**Current Volunteer Openings**

The Global Investment Performance Standards (GIPS®) Nominations Committee is seeking volunteers to serve on the GIPS Executive Committee (EC). The GIPS EC is a 9 member committee that serves as the decision-making authority to develop, interpret, and promote the GIPS standards. Currently, the GIPS EC is seeking nominees to serve as Chair of the Verification/Practitioner Subcommittee and to represent that constituency within the GIPS EC. Volunteers must have investment performance measurement and/or evaluation experience, knowledge of the GIPS standards, and be able to represent the verification/practitioner sector of the investment industry. The purpose of the Verification/Practitioner Subcommittee is to represent GIPS standards service providers in the development of the GIPS standards, and to serve as a forum in which professionals may discuss various issues pertinent to verification.

Additionally, the Investor/Consultant Subcommittee seeks candidates to fill a vacancy. The ideal candidate will have expertise in investment performance and be able to represent issues specific to investors (e.g., pension plans and other institutional investors) and investment consultants. The Standards were created to benefit investors and it is important that these stakeholders continue to have a strong voice in the development of the Standards.

E-mail standards@cfainstitute.org to volunteer for any of these important roles or to obtain more information. The application deadline is 1 April 2008.

**Your Feedback Welcome**
We provide this occasional update to share news and information about the GIPS standards with country sponsors, volunteers, and subscribers. If you prefer not to receive future newsletters from us, or if you have comments or suggestions regarding the Standards, please write to standards@cfainstitute.org.