

### **GIPS Executive Committee Open In-Person Meeting**

The GIPS Executive Committee met in Washington DC on Thursday, 7 November 2013 for their Open In-Person Meeting. [Listen](#) to the meeting and get updates on several projects and initiatives we are working on.

### **Looking for Volunteers**

We are currently looking for volunteers for the Interpretations Subcommittee, particularly volunteers from the EMEA region. In order to have a global perspective we try to engage volunteers representing all regions on our subcommittees. The purpose of the Interpretations Subcommittee is to clarify the Global Investment Performance Standards (GIPS®) through interpretations that effectively respond to new issues presented by the global investment industry. It is also responsible for ensuring the integrity, consistency and applicability of the GIPS standards. Therefore, strong technical knowledge about the GIPS standards is required. Anyone interest in volunteering for the Interpretations Subcommittee should send their resume to [standards@cfainstitute.org](mailto:standards@cfainstitute.org) **no later than Tuesday, 31 December 2013.**

### **Why Investment Performance Matters**

To find evidence of the growing acceptance of the [Global Investment Performance Standards \(GIPS\)](#) by the international investment community, you need look no farther than the more than 300 investment professionals representing a large global cross section who gathered recently in Boston for the [2013 GIPS Standards Annual Conference](#).

The GIPS standards serve as the guidelines that investment managers should follow when reporting performance to prospective clients, making it possible for investment managers around the world to “transport” their historical investment returns to other countries without having to restate these figures using different calculation and presentation rules. So it should come as no surprise that the GIPS standards are being used by more and more investment firms and money managers around the world and are widely accepted on a global basis.

Check out this [blog](#) by Cheryl Evans to read more about why investment performance matters to the industry and to you.

### **Principles for Investment Reporting**

While NOT part of the GIPS standards, this [Future of Finance](#) initiative may well be relevant to many of the people who are responsible for the production of the data that is used in support of the GIPS claim of compliance and so we are including some information about it in the newsletter.

[Principles for Investment Reporting \(PIR\)](#) is being produced as two editions. The first edition, which has been published, addresses why such principles are

needed, the background to the work, who the stakeholders are, the objectives of PIR and finally the five principles for investment reporting. The second edition will take the first edition almost verbatim and add recommendations for report and data types.

The purpose of PIR is not to restrict or define what elements should be in a report but to lay out those attributes that a report should possess if it is to convey effectively the information that the recipient needs to receive with context and transparency.

A key principle is that a communication must occur between the preparer and the user. This communication allows the recipient to educate the provider as to what it is they wish to see and allows the provider to describe what they are able to supply. Any terms, methodology etc. that are not clear can be clarified and a format for the report agreed upon. This agreement should be reviewed periodically so that changes in the recipient's needs and the provider's abilities can be reflected in the agreement.

The report provider can choose the client base for which they will offer reporting that follows PIR but they must provide that reporting to all clients within that client base. PIR will be written so that recipients of reports can become familiar with PIR with little more than a small commitment of their time and therefore, will be able to confidently ask their report provider to adopt PIR or understand why their provider is unable to follow PIR when producing reports.

We anticipate the second edition being available during the first half of 2014 and in the meantime welcome any feedback from you concerning the first edition.

## **Staying Current**

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