

NCREIF Fall Conference 2009
GIPS® - 2010

Lindsey Adams, SFERS

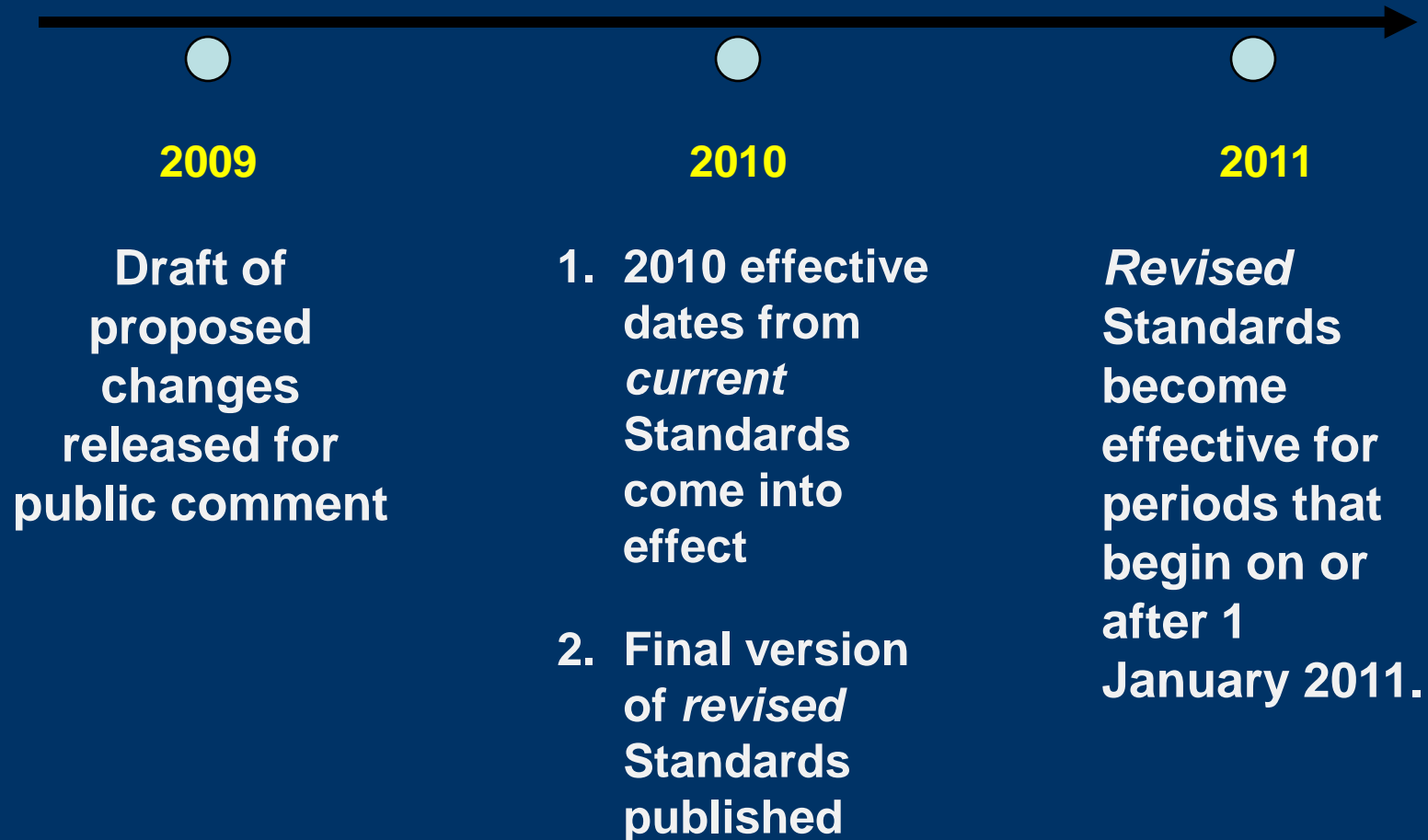
Maritza Matlosz, BlackRock

Tim Peterson, Ashland Partners

Ken Robinson, CFA Institute

Moderator: Mark Roberts, Invesco

GIPS Timeline



Authoritative Guidance

- Changes in the GIPS standards will lead to changes in Guidance Statements and Q&As
- Expect to see updated documents throughout 2010
- Website: www.gipsstandards.org
- Helpdesk: gips@cfainstitute.org
- Sign up for the newsletter: standards@cfainstitute.org
- GIPS RSS Feed:
feeds.gipsstandards.org/gips.rss

Verifier Perspective

- Hot Topics:
 - Post-Madoff-custody of assets
 - Should you be verified?
 - Verifier independence
 - Other

GIPS 2010: Fair Value

- The concept of fair value, versus market value, proposed to be incorporated into the Standards
- Proposed Valuation Principles Hierarchy

Real Estate Proposed Changes

- Currently, real estate investments must be valued externally at least once every 36 months
- Proposed: As of 1 January 2012 real estate investments must be externally valued at least once every 12 months
- Frequency too restrictive?
- Should exceptions be allowed?

Real Estate Proposed Changes

- Proposed: Closed-end real estate funds would be required to present an annualized, net-of-fees, since-inception internal rate of return for each year end
 - In addition to the “regular” time weighted component returns
 - Composites defined by investment strategy and vintage year
 - Additional required disclosures consistent with PE provisions

Real Estate Proposed Changes

- Composite construction requirements for closed-end RE funds too restrictive?
- Should monthly or quarterly cash flows for SI-IRR for periods beginning on or after 1 January 2011 be allowed?

Real Estate Proposed Changes

- Proposed: Maintain requirement to calculate income and capital returns
 - Requirement needed?
 - For net performance?
 - Consistency and comparability?
- Would no longer be able to 'plug' such that the sum of the components is equal to the total return (allowed only for periods beginning prior to 1 January 2011).