

This document was presented during the 2010 NCREIF Winter Conference.

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REIS Council Members

REIS Council Chair

Kenny Smith

Principal Deloitte Consulting LLP

Council Members

Neal Armstrong

Director, Portfolio Accounting, RREEF

John Baczewski

Principal, Real Estate Fiduciary Services

Bruce Frank

Partner, Ernst and Young.

Ken Greguski

Director, Global Head of Performance and Client Reporting, RREEF

Ellie Kerr

*Director of Valuations, J.P. Morgan Investment Management
– Real Estate*

Jeff Kiley

Partner, PricewaterhouseCoopers

Maritza Matlosz

Vice President, Real Estate Risk Analytics, BlackRock

Barbara McDowell

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Tim Schlitzer

Senior Investment Officer, MassPRIM

Candice Todd

Executive Director, Morgan Stanley Real Estate

REIS Administrator

Marybeth Kronenwetter

Real Estate Investment Advisors, Inc

Terms expiring in 2010 are in bold



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Joint Board and Council Task Forces

To keep abreast of global industry initiatives, provide timely response to and forge alliances with other standard setting bodies and to ensure increased industry awareness with REIS, four permanent task forces consisting of at least one Board and two Council members were established at the beginning of 2010.

Committee	Board Member(s)	Council Member(s)	Other Members
Industry Communication & Awareness Task Force	Blake Eagle Michael Giliberto Susan Hudson-Wilson	John Baczewski Tim Schlitzer Kenny Smith	N/A
Accounting & Valuation Task Force (FASB, AICPA, IFRS, Appraisal Institute)	Rick Carlson	Jeff Kiley Bruce Frank Neal Armstrong Ellie Kerr	Sally Ann Flood (NCREIF Accounting Committee Co-Chair) Dell Kendall (Valuation Committee Chair)
Global, Real Estate Specific "Sister Organization" Task Force: INREV	Lynn Thurber	Ken Greguski Candice Todd	Jim Strezewski (NCREIF Accounting Committee Vice-Chair)
GIPS Task Force	Chuck Tschampion	Maritza Matlosz Barbara McDowell	Ken Robinson (CFA Institute)

Committee Chair is in bold




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End-to-end process of how an initiative gets adopted

Steps	Key Parties				Comments
	REIS Board	REIS Council	Project Task Force	NCREIF, PREA, Others	
(1) Formulate REIS Initiatives	✓	✓		✓	REIS Board, REIS Council and NCREIF Committees have the ability to formulate initiatives. The final approval is the REIS Board.
(2) Draft Project Prospectus	✓	✓			The REIS Council drafts the project prospectus with final approval made by the REIS Board.
(3) Form a Project Task Force		✓			Task Force Members are indentified based on their expertise needed to complete project .
(4) Complete Research & Analysis			✓		The Project Task Force completes its research and analysis based on the project prospectus.
(5) Prepare Exposure Draft			✓		Project Task Force prepares exposure draft for review. The Council reviews and Board approves before public comment.
(6) Conduct Public Comment Process		✓			The Council provides an opportunity for the public to review /comment on the exposure drafted by the Task Force.
(7) Prepare Adopting Release	✓	✓			The Council prepares a draft of the release which is reviewed and approved by the Board.

 Final Approval



2009/2010 Accomplishments

Respond to and provide guidance to established standard setting bodies on their initiatives

Developed and submitted detailed responses to:

- GIPS 2010
- FASB Statements of Position (FSP157-c, f and g) relating to Fair Value Measurements (FAS 157, currently FASB Topic 820)
- Proposed ASU: *Improving Disclosures about Fair Value Measurements*
- INREV Guidelines Whitepaper

Develop and refine real estate specific standards and guidance

- FAS 157 (FASB Topic 820) Implementation Guidance for Real Estate with emphasis on debt valuation
- Revised and updated Fair Value Accounting Chapter and related Policy Manual
- Issued guidance on Determining Discretion for Real Estate

Increase industry awareness of, and compliance with, REIS

- Conducted Debt Valuation webinar (FASB Topic 820)
- Surveyed Plan Sponsors to validate REIS initiative
- Met with PREA Plan Sponsor Council to increase knowledge of REIS and research areas of desired focus
- Responded to investor requests for:
 - REIS Checklist (summary of required and recommended practices within REIS)
 - Debt Valuation Survey: Should REIS require debt valuation?
 - Significant scope: 32 management firms (18 of top 20) and 24 plan sponsors (\$1.8 trillion under management)
 - Guidance requested
 - Developed new web site (www.reisus.org)



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The Board and Council thanks.....

Lindsey Adams, *San Francisco Employees Retirement System*; Maria Almounir, *Prudential*; Mike Astarita, *JP Morgan*; Peter Bloomfield, *KPMG*; David Blum, *Urdang*; Stephanie Brower, *Russell Investments*; Brant Brown, *Invesco*; Scott Brown, *CB Richard Ellis*; Deb Chambliss, *PNC Bank*; Larry Christensen, *Heitman*; Chris Clayton, *UBS Realty*; Michelle Clements, *RREEF*; Diedra Crampton, *Invesco*; Peter Crosson, *Alaska Electrical Pension Fund*; Joe D'Alessandro, *Real Estate Insights*; Paul D'Elisa, *Sentinel*; Stan Dennis, *Cushman and Wakefield*; Alyce DeJong, *Prudential*; Gavin Duckworth, *Chatham Financial*; Dan Enright, *CalPERS*; Sally Ann Flood, *Deloitte*; David Friedman, *Wrightwood Capital*; Sara Geiger, *State Board Administration of Florida*; Dave Gillan, *NYSTRS*; John Griffith, *Hancock Timber Resource Group*; Denisa Hall, *Prudential*; Kathleen Hands, *Grosvenor*; Steve Holland, *Campbell Group*; Jane Hufnagel, *CB Richard Ellis*; Laura Huntington, *IPC*; Georgii Ivanov, *TIAA-CREF*; Sandy Jacolow, *Calvis, Inc.*; Sandy Jackson, *KPMG*; Barry Johnson, *Morgan Stanley*; Del Kendall, *RERC*; Jamie Kingsley, *Hawkeye Partners*; Carol Kuta, *UBS*; Eunjoo Lee, *Hawkeye Partners*; Ingrid Lindblade, *Heitman*; John Lundsten, *Whitestar*; Dave MacDonald, *State Street*; Jeff Maguire, *UBS*; Simon Mallinson, *Invesco*; Rob Mangrelli, *Chatham Financial*; Jon Martin, *AEW*; Asieh Mansour, *DB/RREEF*; Ralph Marra, *Sentinel*; Chris Meyer, *Centre Street Enterprises*; Mike Morrell, *NYSTRS*; Tom Mulvin, *Virginia Retirement System*; Jeannie Murphy, *Stockbridge*; Neil Myer, *Townsend Group*; Monica Parikh, *Self-employed*; Tony Pierson, *Cornerstone*; Alice Pineiro, *Self-employed*; Cate Polleys, *Enis Knupp*; Steve Repertinger, *McMorgan*; Owen Robbins, *Benchmark Strategic Services*; Laurie Romanak, *CB Richard Ellis*; Brian Ruben, *Deloitte*; Kevin Scherer, *Blackrock*; Rui Shi, *L&B Realty*; Claire Snedeker, *Snedeker Consulting*; Denise Stake, *Cornerstone*; Ashley Strange, *Texas Teachers*; Bill Swiderski, *LaSalle Investment Management*; Connie Tirondola, *Blackrock*; Tom Trinter, *Chatham Financial*; Pat Tully, *ING Clarion*; Jeff Walker, *U.S. Realty Consultants*; Stanton West, *STRS Ohio*; Rick Wincott, *PricewaterhouseCoopers*; Serena Wolfe, *E&Y*; Constance Wressell, *ORG Portfolio Management*; Laura Yeh, *Metzler, NA*.

We need **YOUR** help to continue our success.....



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2010 Key Goals and Project Initiatives

Goal	Initiative	Primary Responsibility
<p>Increase industry awareness of, and compliance with, REIS</p> <p>Top 2010 Priority</p>	<p>Develop and implement industry outreach program to all participants including: investors, advisors, consultants, accounting firms and verifiers in order to foster compliance</p> <ol style="list-style-type: none"> 1. Communication 2. Education <p>Define REIS hierarchy and re-write REIS with emphasis on investor reporting and facilitating compliance</p> <p>Define what compliance with REIS means</p> <p>Provide Updates to Sponsors</p>	<p>REIS Board and REIS Council</p> <p>REIS Council and Task Force Professional Writer/Editor</p> <p>REIS Board</p> <p>REIS Board</p>
<p>Respond to and provide guidance to established standard setting bodies on their initiatives</p>	<p>Monitor foundational standards activities and respond as needed</p> <p>Establish direct communication with standards setters to ensure REIS is at the table</p> <p>Monitor and assess global initiatives (INREV, IFRS, IVSC)</p>	<p>REIS Council</p> <p>REIS Board</p> <p>REIS Board</p>
<p>Develop and refine industry specific standards and guidance</p>	<p>Enhance Fund Reporting Standards (quarter 4)</p> <p>Develop refinements to FAS 157 (FASB Topic 820) disclosures relating to debt valuation</p> <p>Issue Performance Measurement Manual (quarter 2)</p> <p>Update Accounting Policy Manual (quarter 4)</p> <p>Assess what's "Waiting in the Wings"</p>	<p>REIS Council and Task Force</p> <p>REIS Council</p> <p>REIS Council and NCREIF Performance Measurement Committee</p> <p>REIS Council and NCREIF Accounting Committee</p> <p>REIS Board</p>



What's "Waiting in the Wings?"

Respond to and provide guidance to established standard setting bodies on their initiatives

- Expanded global initiatives: INREV possible preliminary outreach in
- Move towards 1 accounting model?

Develop and refine real estate specific standards and guidance

- Expanded performance measurement
 - Risk Analysis?
 - Expanded IRR analysis?
- Expanded valuation information beyond property and debt(filling the holes)
 - Business valuations?

Increase industry awareness of, and compliance with, REIS:

- Compliance and Verification
- Education – “REIS 101” and beyond
- Bridging divergent treatments in accounting
 - Meeting of minds with “Big 4”?
 - Direct FASB interaction?

How do I get involved?

- *REIS web site:* www.reisus.org
- *Open Council Meetings:* monthly
- *REIS News:* monthly publication
- *Sponsor web sites:* www.ncreif.org; www.prea.org
- *Contacts:*
 - Any REIS Council member
 - *REIS Administrator:* Marybeth Kronenwetter
(marybeth@reisus.org)



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Questions

