

REIS COUNCIL PROSPECTUS

As approved by the REIS Board on August 3, 2010

Project Name: REIS Handbook: Re-write of REIS Standards Document

1. Description and Purpose of the Project

The task force is assembled to create the REIS Handbook. The project is not intended to create new standards but rather re-write the REIS Standards document in order to accomplish the following objectives:

- Provide clear understanding of REIS standards and the REIS organization
- Facilitate compliance with and verification of the REIS Standards

The objectives will be satisfied by:

- Defining REIS applicability
- Refining the hierarchy
- Addressing compliance and verification on a fund by fund (i.e., investment vehicle) basis
- Editing the document.

2. Background

The REIS Standards were substantially re-written in 2003. Subsequently, changes made to the standards included the addition of a new chapter for Fund Reporting Standards, conforming changes resulting from changes made within the Foundational Standards¹ to which REIS conforms and clarifications and interpretations of Foundational Standards documents to provide specificity for our industry. New documentation was added to REIS using different writing styles and it has become apparent that substantial editing to yield a document written in one voice was necessary.

In addition, with the development of Fund Reporting Standards, it became readily apparent that the standards document taken as a whole is difficult to comply with. The existing chapters address different levels of information: valuation-property level; accounting – property, investment and fund level; reporting- fund level; and performance- firm level. The REIS Council has determined that compliance with the REIS standards is a critical component of any standard setting initiative. In order to measure compliance on fund by fund basis all standards must at least address fund level information.

3. Proposed composition of the task force

The Handbook project will involve the active participation of all members of the Council. In addition, the joint Board/Council task forces will be asked for feedback on specific sections of the document. The project leaders are Neal Armstrong, Director of Fund Finance, RREEF, Maritza Matlosz, Vice President, Performance Analytics, Blackrock and Marybeth Kronenwetter, REIS Administrator.

¹ Foundational Standards include: USPAP, GIPS and U.S GAAP

4. Costs

The project does not include any costs for a professional writer and/or editor. Any such costs would require specific approval by the REIS Board.

Projected Timetable for Completion

- *July 1 – August 13*
 - All Council members review
 - Joint Board/Council task forces opine on relevant sections
 - Industry Awareness- Introduction and Fund reporting standards
 - Accounting and Valuation- Accounting and Valuation discipline standards; compliance and verification
 - GIPS and Global – Performance Measurement
 - Draft prospectus (due July 23); negative assurance by Council
- *August 3*
 - Prospectus approved by Board
- *August 18*
 - Council meeting; in depth discussion
- *September 15 or November 3 (TBD)*
 - Council review of exposure draft
- *September 22*
 - Board update
- *October (12 –est. TBD) or November 10 (TBD)*
 - Board approval of exposure draft
- *October 15 or November 15*
 - Exposure draft public comment period commences