

GIPS® Standards for Asset Owners – Errata November 2020

The following items reflect corrections to the 2020 edition of the GIPS Standards for Asset Owners.

1. Provision 22.B.9

22.B.9 Operating cash accounts that are not ~~fully~~ available for investment SHOULD NOT be included in TOTAL ASSET OWNER ASSETS, TOTAL FUND assets, or COMPOSITE assets.

2. Provision 22.B.10

22.B.10 Operating cash accounts that are not ~~fully~~ available for investment SHOULD NOT be included in TOTAL FUND returns or COMPOSITE returns.

3. Footnote to Provision 24.A.1.d

²⁵ REQUIRED for COMPOSITES with a COMPOSITE INCEPTION DATE **and TOTAL FUNDS with a TOTAL FUND INCEPTION DATE** of 1 January 2011 or later.

4. Footnote to Provision 24.A.1.e

²⁶ REQUIRED for COMPOSITES with a COMPOSITE TERMINATION DATE **and TOTAL FUNDS with a TOTAL FUND TERMINATION DATE** of 1 January 2011 or later.

5. Provision 24.A.1.j

24.A.1.j The ASSET OWNER MUST present in each GIPS ASSET OWNER REPORT:

j. For TOTAL FUNDS or COMPOSITES for which monthly ~~TOTAL FUND~~ or COMPOSITE returns are available, the three-year annualized EX POST STANDARD DEVIATION (using monthly returns) of the TOTAL FUND or COMPOSITE and the BENCHMARK as of each annual period end.²⁹

6. Provision 24.C.8

24.C.8 When presenting ~~COMPOSITE~~ NET-OF-FEES returns, the ASSET OWNER MUST disclose if any other fees are deducted in addition to the TRANSACTION COSTS, fees and expenses for externally managed POOLED FUNDS, INVESTMENT MANAGEMENT FEES for externally managed SEGREGATED ACCOUNTS, and INVESTMENT MANAGEMENT COSTS.

7. Provision 24.C.30

24.C.30 For ~~TOTAL FUNDS~~ and COMPOSITES with at least three annual periods of performance, the ASSET OWNER MUST disclose if the three-year annualized EX POST STANDARD DEVIATION of the ~~TOTAL FUND~~ or COMPOSITE and/or BENCHMARK is not presented because 36 monthly returns are not available.

8. Glossary definition for INVESTMENT MANAGEMENT COSTS

INVESTMENT MANAGEMENT COSTS – All **internal** costs for both internally and externally managed assets. In addition to costs for PORTFOLIO management, they may also involve overhead and other related costs and fees, including data valuation fees, investment research services, CUSTODY FEES, pro rata share of overhead (such as building and utilities), allocation of non-investment-department expenses (such as human resources,

communications, and technology), and performance measurement and compliance services.

9. Glossary definition for NET-OF-EXTERNAL-COSTS-ONLY

NET-OF-EXTERNAL-COSTS-ONLY - The GROSS-OF-FEES return reduced by ~~all costs~~ INVESTMENT MANAGEMENT FEES for externally managed SEGREGATED ACCOUNTS.

10. Add the following definitions to the Glossary

CLOSED-END - A POOLED FUND that is not open for subscriptions and/or redemptions.

STANDARD DEVIATION - A measure of the variability of returns. As a measure of INTERNAL DISPERSION, STANDARD DEVIATION quantifies the distribution of the individual PORTFOLIOS' returns within the COMPOSITE. As a measure of historical risk, STANDARD DEVIATION quantifies the variability of the TOTAL FUND, COMPOSITE, or BENCHMARK returns over time. Also referred to as "external STANDARD DEVIATION."

WRAP FEE - A type of BUNDLED FEE specific to a particular investment product. The WRAP FEE is charged by a WRAP FEE sponsor for investment management services and typically includes associated TRANSACTION COSTS that cannot be separately identified. WRAP FEES can be all-inclusive, asset-based fees and may include a combination of INVESTMENT MANAGEMENT FEES, TRANSACTION COSTS, CUSTODY FEES, and/or ADMINISTRATIVE FEES. A WRAP FEE PORTFOLIO is sometimes referred to as a "separately managed account" (SMA) or "managed account."