



GIPS Standards Conference Livestream Recordings

If you weren't able to join us in Scottsdale, Arizona US at the 23rd GIPS® Standards Annual Conference, be sure to check out the [archived Livestreams](#) of the following sessions:

2020 GIPS Standards Update

Ann F. Putallaz, CIPM
Karyn D. Vincent, CFA, CIPM

Risk-Adjusted Performance Measurement

Carl R. Bacon, CIPM
Bruce J. Feibel, CFA

2020 Topics for High-Net-Worth Firms

Amy Jones, CIPM
James O'Leary
Jed Schneider, CIPM

Alternative Investments Panel

Anne P. Anquillare, CFA
Sally Ann Flood
Sarah Grist, CFA, CIPM

Upcoming Events

If you are interested in learning about the changes that are contained in the 2020 edition of the GIPS standards, then you will want to attend an event near you.

2020 GIPS Standards Update

26 September 2019

Philadelphia, PA US

Listen to panelists Tom Peters, CIPM, Kenneth P. Robinson, CFA, CIPM, and David Spaulding, Ph.D., CIPM, for a lively discussion about the 2020 GIPS standards and their impact on the investment industry.

Highlights of the 2020 GIPS Standards

29 October 2019

Boston, MA US

Please join Daryl Bradford and Ken Robinson, CFA, CIPM to learn more about how the 2020 GIPS standards have been updated to enhance their application to all asset classes, to better address pooled funds, and to consolidate guidance issued since the

2010 edition of the GIPS standards was released.

[2020 GIPS Standards: How to Adapt and Adopt the New Standards](#)

31 October 2019

Quebec City, Quebec Canada

Listen to industry experts discuss the 2020 edition of the GIPS standards and how to adapt to and adopt this latest edition of the GIPS standards.

[4th Annual Performance and Risk Forum](#)

18 November 2019

New York, NY US

This conference provides a forum to discuss the most recent developments in the 2020 GIPS standards. Hear from industry experts about current risk topics and how they implement the GIPS standards at their respective firms.

Get Your Hard Copies of the 2020 Edition of the GIPS Standards

Hard copies of the 2020 edition of the GIPS standards are now available for purchase at the following links:

[2020 GIPS Standards for Firms](#)

[2020 GIPS Standards for Asset Owners](#)

[2020 GIPS Standards for Verifiers](#)

GIPS Standards Service Provider List

CFA Institute often receives questions via the GIPS Standards Help Desk email asking for the names of local GIPS standards verifiers, software providers, and others. We believe that providing such a list would be helpful. We are in the process of creating a centralized list that will be maintained on the website. As a first step, we would like to identify any GIPS standards service providers that would like to be included on this list. To receive future communications about this, please send us an email at standards@cfainstitute.org.

Dear GIPS Standards Helpdesk

The 2020 edition of the Global Investment Performance Standards (GIPS®) was issued on 30 June 2019. We held [webinars introducing the 2020 GIPS Standards for Firms](#) and received questions from participants. The Help Desk has also been busy responding to questions about the 2020 edition. Here we highlight recent questions:

Question: Provision 3.A.1 in the 2020 edition of the GIPS standards says we must create composites for the firm's strategies that are managed for or offered as a segregated account. If we are not marketing a specific strategy but we manage client accounts in that strategy, are we required to create a composite for that strategy?

Answer: The GIPS standards do not differentiate between "marketed" and "non-marketed" composites. The requirement to create composites applies to all strategies

that are offered as a segregated account, or managed for a segregated account, whether or not the strategy is marketed by the firm.

Question: Provision 1.A.16 requires us to update GIPS Reports to include information through the most recent annual period end within 12 months of that annual period end. Are we required to update all GIPS Reports each year?

Answer: Firms must make every reasonable effort to provide a GIPS Report to all prospective clients and prospective investors when they initially become prospective clients and prospective investors. Firms are not required to update GIPS Reports for composites or pooled funds when these GIPS Reports are not required to be provided to any prospects because there are no prospects for the respective composite or pooled fund. However, firms must be able to provide a GIPS Report for any composite included on the list of composite descriptions, and any pooled fund included on the list of limited distribution pooled fund descriptions. Therefore, while a firm is not required to annually update a GIPS Report that is not required to be provided to prospective clients or prospective investors, the firm must be able to provide an updated GIPS Report, within a reasonable period of time, to a prospective client or prospective investor who requests the GIPS Report.

Question: We have a composite that includes both segregated accounts and pooled funds. Currently we have one presentation for the strategy, and this is used with any segregated or pooled fund prospect for that strategy. Do we now have to keep two separate versions of the report with differentiated fee schedules based on vehicle or can we display all possible vehicle fees in a single report?

Answer: The firm is not required to create two separate versions of the GIPS Report. The firm may create a GIPS Composite Report that is used for both prospective segregated account clients and prospective pooled fund investors. If this is the case, the GIPS Composite Report must include fee information for all prospects. First, it must include the appropriate fee schedule for segregated accounts. Also, it must include the current fee schedule and expense ratio for any pooled fund included in the composite for which the firm provides the GIPS Composite Report instead of the respective fund's GIPS Pooled Fund Report.

Question: If a firm has a carve-out with its own dedicated cash, can it still be included in a composite under 2020? Would it be required to follow the carve-out rules and disclosures?

Answer: A carve-out with its own dedicated cash can still be included in a composite. The new provisions that allow carve-outs with allocated cash have no impact on these carve-outs with dedicated cash. Also, the new requirements about standalone composites below do not apply to carve-outs with dedicated cash. These apply only when carve-outs have allocated cash.

4.A.13 When the firm presents the performance of a composite that includes carve-outs with allocated cash and also has a composite of standalone portfolios managed according to the same strategy, the firm must present for the composite of standalone portfolios:

- a. The composite returns for each annual period for which the composite of standalone portfolios exists, and
- b. The composite assets as of each annual period end for which the composite of standalone portfolios exists.

This information must be included in the GIPS Composite Report of the composite that includes carve-outs with allocated cash.

4.C.28 If carve-outs with allocated cash are included in the composite, the firm must:

- a. Indicate carve-out in the composite name.
- b. Disclose that the composite includes carve-outs with allocated cash.
- c. Disclose the policy used to allocate cash to carve-outs.
Disclose that the GIPS Composite Report for the composite of standalone
- d. portfolios is available upon request, if the composite of standalone portfolios exists. indicate "carve-out" in the composite name.

Question: I understand Assets Under Advisement will be able to be included in a GIPS compliant report in a separate column. Will that go into effect in 2020?

Answer: Once a firm claims compliance with the 2020 edition of the GIPS standards, it may include advisory-only assets in GIPS Reports. Please note that a firm may include these assets in compliant presentations now, but would need to identify it as supplemental information.

Question: Are we required to create an overlay composite if we manage the underlying assets in addition to the overlay strategy? Does it matter whether the overlay strategy is managed separately from the underlying portfolio?

Answer: The firm is required to create an overlay composite for an overlay strategy when the overlay strategy is managed separately from the underlying portfolio, and the overlay strategy is managed for or is offered as a segregated account. Firms are not required to create an overlay strategy composite when the overlay strategy is implemented as part of a broader strategy and the overlay strategy is not managed for or offered as a segregated account.

Question: In the 2010 edition of the GIPS standards, Provision 5.A.1.h allowed firms to present either total firm assets or composite assets as a percentage of total firm assets, as of each annual period. In 2020, we no longer see the option to present composite assets as a percentage of total firm assets, and we also see that firms must present total firm assets. Can we continue to present composite assets as a percentage of total firm assets in 2020?

Answer: Firms are required to present total firm assets as of each annual period end for periods ending on or after 31 December 2020. After this date, firms may continue to present composite assets as a percentage of total firm assets, but this must be presented in addition to total firm assets.

Question: Our firm currently includes uncalled committed capital in total firm assets. We see that in the 2020 edition of the GIPS standards Provision 2.A.1.d states that total firm assets must not include uncalled committed capital. Do we have to restate previously reported total firm assets?

Answer: For periods ending on or after 31 December 2020, total firm assets must not include uncalled committed capital. If a firm previously included uncalled committed capital in total firm assets, it is not required to restate previously reported total firm assets. Firms should consider whether they should disclose that total firm assets for prior years included uncalled committed capital, especially if total firm assets change significantly when these assets are no longer included in future periods.

Question: Provision 0.A.5 of the 2010 edition says that firms must document their policies and procedures used in establishing and maintaining compliance with the GIPS standards, including ensuring the existence and ownership of client assets, and must apply them consistently. We noted that the 2020 provisions do not include a requirement for the firm's policies to include ensuring the existence and ownership of client assets. Will compliant firms no longer be obligated to have a policy for ensuring the existence and ownership of client assets?

Answer: Yes, that is correct. The 2020 edition instead includes Provision 2.A.2.a, which states that "Total firm assets, composite assets, and pooled fund assets must include only actual assets managed by the firm." Firms must have a policy for ensuring that only actual assets are included in total firm assets, composite assets, and pooled fund assets. Assets represented by simulated, back-tested, or model performance must not be included in total firm assets, composite assets, or pooled fund assets because such assets do not represent actual assets managed by the firm.

Question: We understand that some disclosures can be removed from GIPS Reports after a period of time. Is there a list of these disclosures?

Answer: The following disclosures must be included for a minimum of one year but may subsequently be removed if the firm determines the disclosure is no longer relevant to interpreting the track record. Using the provisions from Section 4 as examples, these disclosures are:

- The firm must disclose all significant events that would help a prospective client interpret the GIPS Composite Report (4.C.19)
- The firm must disclose changes to the name of the composite (4.C.23)

- If the firm changes the benchmark, the firm must disclose: For a retroactive benchmark change, the date and description of the change (4.C.32.b)
- The firm must disclose any change to the GIPS Composite Report resulting from the correction of a material error (4.C.38)
- If the firm changes the type of return(s) presented for the composite (e.g., changes from money-weighted returns to time-weighted returns), the firm must disclose the change and the date of the change (4.C.42)

Sections 5—7 include similar provisions.

All other required disclosures must be included for as long as they are applicable to the periods presented in the GIPS Report. Firms may delete any disclosure if it is no longer applicable to the periods presented in the GIPS Report. For example, assume a firm is preparing a GIPS Report for a composite that includes performance for the periods from 2011 through 2020. Assume also that the composite was redefined in 2010 to exclude carve-outs for subsequent periods and that the firm disclosed the composite redefinition as required. Because the composite redefinition happened in 2010, which is prior to the periods presented in the GIPS Report, the firm may delete this disclosure because it is no longer pertinent to the performance periods included in the GIPS Report.

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