

GIPS® STANDARDS NEWSLETTER



November 2021 Edition

Answering Your Questions from the 25th Annual Global Investment Performance Standards (GIPS®) Virtual Conference

The 25th Annual GIPS® Virtual Conference was held on 26—27 October 2021, with more than 600 attendees from 40 countries. We hope that everyone enjoyed the conference as much as we did. As a reminder, you can log in to the [Virtual Attendee Hub](#) using your registered event email address to access all of the on-demand recordings. Content is available for viewing until 26 January 2022.

We greatly appreciate all of you who submitted questions during the conference. We received more questions than we could answer, and some of you may have left disappointed. Don't despair! We are going to answer all of the unanswered questions. We are preparing videos that we will post in the on-demand section of the conference site in mid-December. Following are the two additional videos to watch for:

- Answering Your Questions from the three GIPS standards technical sessions:
 - Recently Updated GIPS Standards Technical Guidance
 - Complying with the Pooled Fund Requirements of the GIPS Standards
 - Implementation Challenges for 2020
- Answering Your Questions from the session SEC Marketing Rule: What GIPS-Compliant Firms Need to Know

Only conference attendees will have access to these videos. You will receive an email when the videos are ready. Videos will be available until 26 January 2022.

It's Not Too Late to Participate in the 25th Annual GIPS® Standards Virtual Conference

If you missed the 25th Annual GIPS® Standards Virtual Conference, you can register now to gain access to select sessions featuring expert speakers. Your registration fee of USD199 will include on-demand recordings until 26 January 2022.

You'll gain access to the following sessions:

- Recently Updated GIPS Standards Technical Guidance
- Complying with the Pooled Fund Requirements of the GIPS Standards
- Due Diligence Questionnaires
- SEC Marketing Rule: What GIPS-Compliant Firms Need to Know
- Trends in Investor Demand for GIPS Compliance (Sponsored Session: ACA Group)

Register Now

CFA Institute Issues the Global ESG Disclosure Standards for Investment Products

On 1 November 2021, CFA Institute released the first edition of the Global ESG Disclosure Standards for Investment Products. These are the first voluntary global standards for disclosing how an investment product considers environmental, social, and governance (ESG) issues in its objectives, investment process, and stewardship activities. These Standards address the confusion and misperceptions that have come to surround ESG investment by fostering transparency and comparability of investment products with ESG approaches.

Margaret Franklin, CFA, president and CEO, CFA Institute, explains, *“We’re proud to release the first edition of the Global ESG Disclosure Standards for Investment Products after a multi-stage development process to ensure the result is additive, has impact, and is meaningful to the industry. The complexities of the ESG investing landscape remain vast. We must identify ways to mitigate greenwashing and preserve the integrity of the information being shared about ESG investment products to make them more understandable and comparable to the end investor.”*

These Standards were developed in collaboration with the CFA Institute ESG Technical Committee and reflect input received during two public comment periods. The Standards, FAQ, and Adopting Release can be found on the CFA Institute [Global ESG Disclosure Standards for Investment Products webpage](#). You can also find a replay of the webinar *Introducing the Global ESG Disclosure Standards for Investment Products* on the same webpage.

Dear GIPS Standards Help Desk

Prior to 1 January 2020, firms were allowed to differentiate between segregated accounts and pooled funds when defining composites. As of 1 January 2020, firms may no longer take this approach. This month’s Help Desk question asks about this effective date.

Question: We used to exclude pooled funds from our composites, even though we manage them the same as our separate accounts. With the 2020 changes, we know we

have to include these funds in composites. I was told that because the GIPS Standards Handbook didn't come out until mid-2020 that we don't have to make this change until 1 January 2021. Is this correct, or do we have to make this change back to 1 January 2020?

Answer: Unless otherwise stated, all new requirements are effective 1 January 2020, because that is the effective date of the 2020 edition of the GIPS standards. The GIPS Standards Handbook provided clarification on the requirements, but it did not change the effective dates. There has been some confusion due to the fact that GIPS Reports did not need to be updated to meet the new requirements until they included performance information for periods ending on or after 31 December 2020. However, all of the composite construction and calculation requirements need to be applied from 1 January 2020 forward. If a firm needs to make changes to composites to meet the new requirements, those changes need to be applied retroactively to 1 January 2020.

Thank You

The Global Industry Standards team at CFA Institute would like to thank all of our subscribers for another great year. We greatly appreciate your support of the GIPS standards. We will not be issuing a December edition of the GIPS Standards Newsletter. Happy holidays and best wishes for the new year.



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