

GIPS® STANDARDS NEWSLETTER



September 2022 Edition

Don't Miss Out on Reduced Rates for the Upcoming 26th Annual Global Investment Performance Standards (GIPS®) Conference!

Register today to get the best rates for the upcoming 26th Annual GIPS® Standards Conference, 25–26 October in Boston. This is your chance to reconnect in person with the performance community and gain insight into best practices for investment performance reporting. [View the full agenda and register by 23 September to save.](#)

REMINDER: The group hotel rate at the Boston Park Plaza will expire on Friday, 30 September 2022. If you have not already done so, please make your reservation via this [link](#) in order to take advantage of the reduced rate (USD 279, plus tax).

Can't attend in-person? You can purchase the Digital Content Package to watch sessions at your convenience.

26th ANNUAL GIPS® STANDARDS CONFERENCE

25-26 October 2022 @ Boston, MA



Bridging the Gap: GIPS Standards and Financial Industry Regulatory Authority's (FINRA's) Regulatory Notice 20-21

In July 2020, FINRA issued [Regulatory Notice 20-21](#), which, among other things, allows retail communications concerning private placement offerings to include internal rates of returns (IRR) for funds that are ongoing (i.e., have not fully liquidated) under certain conditions. When including IRRs within retail communications, the IRR must be calculated in a manner consistent with the GIPS standards and the communication must include additional metrics required under the GIPS standards.

Although firms are not required to comply with the GIPS standards in order to comply with FINRA's Regulatory Notice 20-21, CFA Institute has received inquiries about what steps a firm would need to take to comply with the GIPS standards once it is calculating IRRs in accordance with the calculation requirements of the GIPS standards. These firms may have already completed a significant amount of the effort necessary to achieve compliance with the GIPS standards.

The US Investment Performance Committee (USIPC) created a document, [available here](#), that provides guidance on the additional steps a firm would need to take to achieve firm-wide compliance with the GIPS standards. This document is intended for firms that manage only limited distribution pooled funds, are complying with FINRA's IRR requirements, and do not currently claim compliance with the GIPS standards.

Whitepaper: Reconciling the GIPS Standards and the SEC Marketing Rule

The 4 November compliance date of the SEC Marketing Rule is fast approaching. The USIPC, along with CFA Institute staff, has written a [whitepaper](#) that highlights how the Marketing Rule will affect GIPS-compliant firms. The whitepaper focuses on the differences between the Marketing Rule and the GIPS standards and includes the following:

- an overview of the performance requirements of the Marketing Rule;
- opinions about how to interpret some of the challenging performance-related topics; and
- a list of disclosures required by the Marketing Rule that firms may need to include in GIPS Reports that are being treated as standalone advertisements for purposes of the Marketing Rule.

This whitepaper reflects the views of the USIPC and CFA Institute staff as of September 2022. We will update this whitepaper if any new guidance is issued or provided by the SEC.

USIPC Error Correction Survey

In 2014, the USIPC conducted a widely-referenced error correction survey. The USIPC has updated these survey questions to reflect changes in the 2020 GIPS standards and to obtain insight about error correction policies covering all information in GIPS Reports.

All firms are invited to participate in this [error correction survey](#), which should take no more than 10 minutes to complete. Please note that the information submitted through this survey will be kept confidential and data will be used for statistical purposes only. We greatly appreciate your participation.

Tools and Resources for Asset Owners

We continue to add tools and resources to assist asset owners with implementation of

the GIPS standards. You can find these on the [Tools webpage](#) under the Resources tab. We created two tools:

- A list of [requirements that are outside the provisions](#). This list also identifies requirements that affect information included within GIPS Asset Owner Reports.
- A disclosure checklist that Asset Owners can use to ensure that GIPS Asset Owner Reports include all the information required by the GIPS standards. We also included recommended items. The requirements and recommendations can be found in the provisions for sections 24 and 25 of the GIPS standards for Asset Owners and the GIPS Standards Handbook for Asset Owners. The disclosure checklist can be found on the GIPS standards website under Resources, Tools for Asset Owners.

Dear GIPS Standards Help Desk

This month's Help Desk question asks if firms must present more than 10 years of annual returns when presenting since-inception annualized returns that cover a period greater than 10 years in a GIPS Report.

Question: For a composite with a 15-year track record, we report the rolling 10 years of annual returns in the GIPS Report. We plan to add the since-inception annualized return for the composite and benchmark. When showing the 15 year since-inception return, must the GIPS Report show returns for each of the 15 individual annual periods or can it show returns for only the 10 annual periods?

Answer: The firm may include in a GIPS Report information beyond what is required or recommended, such as annualized returns for periods greater than 10 years. Firms, however, are not required to present annual returns for more than 10 years in a GIPS Report.

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