

GIPS® STANDARDS NEWSLETTER



November 2022 Edition

Thanks to Everyone Who Made the 26th Annual Global Investment Performance Standards (GIPS®) Standards Conference a Huge Success

Thanks to everyone who attended the 26th Annual GIPS® Standards Conference! We hope you enjoyed the conference as much as we did. With more than 325 in-person attendees, the GIPS Standards Conference continues to be the industry's leading event for performance and compliance professionals. We hope you gained actionable insight, identified practical solutions, and connected with industry peers.

If you didn't make it to Boston, you're still in luck! You have until 25 November to purchase the [Digital Content Package](#) for US\$449 to watch all of the presentations. On-demand viewing is available until 2 December.





Interested in the SEC Marketing Rule Sessions Recording Only?

For those of you who are specifically interested in the SEC Marketing Rule, you may purchase [a recording of the two sessions](#) devoted to this topic for US\$129. Hear about the latest thinking on challenging performance topics from Christine Schleppegrell, Acting Branch Chief, Private Funds Branch, Securities and Exchange Commission, and Michael McGrath, Partner, K&L Gates.

SEC Marketing Rule and Consultant Databases

The November 4th deadline has come and gone, and the SEC Marketing Rule is now in effect. One of the burning questions for many investment advisers is how to deal with consultant databases, including whether to consider a third-party database to be an indirect advertisement. Some databases are not making it easy for investment advisers who wish to provide net returns or other required information required by the Marketing Rule.

The US Investment Performance Committee (USIPC) would like to help investment advisers by:

- Providing the industry with a pulse on what other investment advisers are doing, and
- Conducting outreach with the databases to present the case for why they should assist advisers with meeting their obligations under the Marketing Rule.

The USIPC needs your help to do this. If you would like to provide feedback on what approach your firm has decided to take when dealing with databases or would like to share your experience interacting with databases, please email us at standards@cfainstitute.org. All responses will remain confidential, and any information will be released only in aggregate form.

USIPC Error Correction Survey – Last Chance to Participate

The USIPC and CFA Institute are conducting a survey to update the results of the widely referenced 2014 error correction survey. We are hoping for additional participants and have extended the survey deadline to 30 November 2022. All firms that comply with the GIPS standards 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.

[Take Survey](#)



Dear GIPS Standards Help Desk

This month's Help Desk question asks if a firm may provide the GIPS Composite Report when the fully executed investment management agreement is provided to the client.

Question: We are a GIPS-compliant, SEC-registered investment adviser, and we understand that Provision 1.A.11 in the GIPS standards requires us to make every reasonable effort to provide a GIPS Composite Report to all prospective clients when they initially become prospective clients. We generally provide the GIPS Composite Report at the time we send our client their fully executed investment management agreement with our firm. Would this practice fulfill the obligation of providing the GIPS Composite Report to all prospective clients when they initially become prospective clients?

Answer: The firm must provide the GIPS Composite Report to prospective clients when they initially become a prospective client. A party that is interested in a composite becomes a prospective client when they have shown interest in the strategy and the firm has determined that the interested party qualifies to invest in the respective composite strategy. At this point, the firm must make every reasonable effort to provide the appropriate GIPS Composite Report to the prospective client. Waiting to provide the GIPS Composite Report to the prospective client when they fully execute their investment management agreement would not suffice. Prospective clients should receive the GIPS Composite Report before investing, not after they have decided to hire the firm.

Research and Policy Corner

We would like to highlight a recently published research paper by CFA Institute. The report, [Integrating Natural Capital and Biodiversity in the Investment Process](#), reviews economic, investor, and societal implications of natural capital issues. Through four case studies on diverse natural capital issues, the report illustrates some of the wide-ranging facets that investors need to understand to properly integrate an understanding of natural capital issues in their decision making.



Thank You for a Great Year

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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