

GIPS® STANDARDS NEWSLETTER

July 2023 Edition

Have You Registered for the 27th Annual GIPS® Standards Conference?

Join us 17-18 October in Chicago to reconnect with colleagues as industry and regulatory experts discuss the latest trends and challenges in investment performance.

[Register](#) by 31 July to secure early registration pricing. Must-attend sessions include:

SEC Marketing Rule – Lessons Learned

Firms have been implementing the SEC Marketing Rule for almost one year. The session will address lessons learned this past year, including:

- How to define “performance” that must be net of fees
- When to use model fees versus actual fees to calculate net returns
- What qualifies as hypothetical performance
- How to meet the requirement to substantiate information in advertisements
- Insights based on recent SEC exam activity

Applying the GIPS Standards to OCIOs

The growth in demand for OCIO services and increased competition have sharpened the focus on investment performance, including how firms providing OCIO services can comply with the GIPS standards. In this session you will learn about challenging issues for OCIOs that are addressed in the proposed Guidance Statement for OCIO Strategies, including:

- Composite creation for highly customized portfolios
- Composite standardization
- Benchmark selection
- Fee transparency and comparability

Developing a Database Strategy

Database reporting by investment managers is an important process as institutional

investors and their consultants use this information to identify potential managers for a given strategy. In this session you will learn:

- The latest trends in institutional databases
- Best practices for efficiently and effectively providing data in today's environment
- The most common data screens
- Why you may be failing screens
- What happens when all applicable data fields are not completed
- How a firm's GIPS compliance status is captured in databases

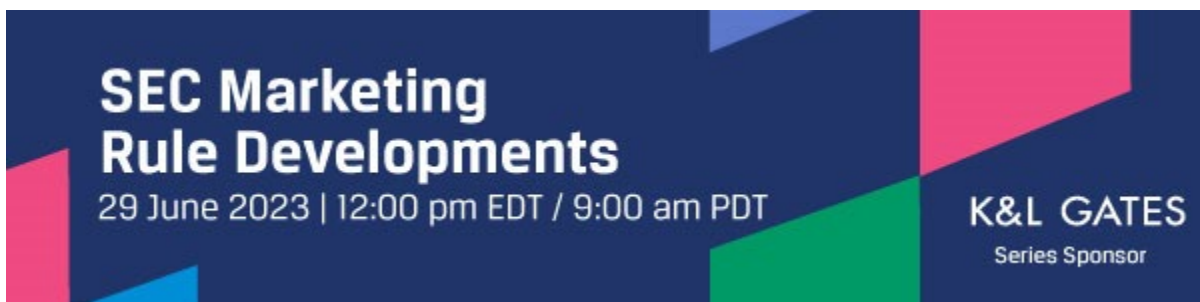


K&L Gates Webinar Recording

On 29 June 2023, we discussed SEC Marketing Rule developments with attorneys from K&L Gates. We reviewed recent SEC exam areas of focus and provided practical tips for addressing these areas of regulatory focus. We also discussed the current state for how firms are dealing with the requirement to calculate investment-level net performance and the calculation tools developed by CFA Institute staff.

We will continue our SEC Marketing Rule webinar series on 13 September 2023 at 12 p.m. ET – save the date!

Click [here](#) to access the recording. You can find all of our SEC Marketing Rule resources on the [US SEC Marketing Rule webpage](#).



Exposure Draft of the Guidance Statement on Composites for Fiduciary Management Providers to UK Pension Schemes

The GIPS Standards for Fiduciary Management Providers Technical Committee has

released the [Exposure Draft of the Guidance Statement on Composites for Fiduciary Management Providers to UK Pension Schemes](#) for public comment. The exposure draft is available for public comment for 60 days.

This Guidance Statement applies only to those Fiduciary Managers (FMs) managing UK Pension Schemes that claim compliance with the Global Investment Performance Standards (GIPS®) for Fiduciary Management Providers to UK Pension Schemes (GIPS Standards for FMPs). FMs must include pension schemes in composites following a required composite structure. There may be times when it is unclear whether a pension scheme should be classified as unconstrained or constrained. The Guidance Statement seeks to provide clarity on how pension schemes should be classified when there are hedge ranges and targets that may or may not align with those recommended by the FM.

Comments may be submitted by email to standards@cfainstitute.org and must be received by 22 September 2023. Unless otherwise requested by the submitter, all comments will be made public on the GIPS standards website.

Exposure Draft of the Guidance Statement on Firms Managing Only Broad Distribution Pooled Funds

The GIPS Standards Technical Committee has released the [Exposure Draft of the Guidance Statement on Firms Managing Only Broad Distribution Pooled Funds \(BDPFs\)](#) for public comment. The exposure draft is available for public comment for 60 days.

A firm that manages and markets only BDPFs is not required to provide a GIPS Report to BDPF prospective investors, and it is also not required to create a GIPS Advertisement. A claim of compliance with the GIPS standards, therefore, might not appear in any of the firm's marketing materials. This Guidance Statement addresses how such a firm can claim compliance with the GIPS standards in consultant databases or when responding to Requests for Proposal.

Comments may be submitted by email to standards@cfainstitute.org and must be received by 22 August 2023. Unless otherwise requested by the submitter, all comments will be made public on the GIPS standards website.

We Need Your Help – Trade Error Best Practices

To date, there has been limited regulatory guidance for how firms should handle trade errors and calculate reimbursements. The United States Investment Performance Committee (USIPC) would like to help investment advisers by issuing a whitepaper that provides best practices a firm should consider when developing trade error policies, including how trade errors and any reimbursements are reflected in performance. The USIPC is also considering creating sample reimbursement calculations in Excel.

The USIPC needs your help. We are looking for volunteers to provide:

- Sample trade error policies
- Any questions/topics that you would like to see addressed in the whitepaper

If you are interested in talking with us, please e-mail standards@cfainstitute.org and include “Trade Error” in the subject line. All responses will remain confidential, and any information would only be considered when drafting the whitepaper. Thank you for your support.

Looking to Enhance Your Expertise in Performance Measurement?

Consider our short, online courses designed for experienced investment professionals. Choose from the following courses:

- Investment Manager Selection – Learn about the important elements of the manager selection process and a framework that you can use in developing your own approach.
- Performance Attribution – Understand the tools and techniques of return attribution on both equity and fixed-income portfolios.
- Performance Evaluation: Return Measurement and Data Integrity – Learn techniques to assess investment results, determine sources of returns, and evaluate investment managers.
- Risk Measurement, Risk Attribution, and Performance Appraisal – Measure and attribute risk and analyze portfolio characteristics to monitor investment mandate implementation as well as various performance appraisal measures.

Elevate your skills today! [Start learning now.](#)

© 2023 CFA Institute. All rights reserved.

915 East High Street, Charlottesville, VA 22902

[Contact Us](#) | [Manage Account](#) | [Unsubscribe](#)