

GIPS® STANDARDS NEWSLETTER

September 2023 Edition

Don't Miss the Industry's Leading Event for Performance and Compliance Professionals!

[Register now](#) for the 27th Annual GIPS® Standards Conference:

- Hear from subject matter experts about key issues with the GIPS standards and other investment performance topics.
- Stay updated on recent SEC Marketing Rule developments.
- Learn about the performance reporting requirements within the recently issued SEC Private Fund Advisers rules.
- Earn Continuing Professional Education (CPE) and Professional Learning (PL) credit hours.
- Develop new relationships and strengthen existing connections with peers across the industry.

In-person registration includes your live event pass, networking with industry peers, and access to on-demand content. Can't join us in Chicago? Please consider the [Digital Content Package](#) to enjoy sessions at your own convenience.



**27th ANNUAL
GIPS® STANDARDS
CONFERENCE**

**17-18 October 2023
Chicago, IL**

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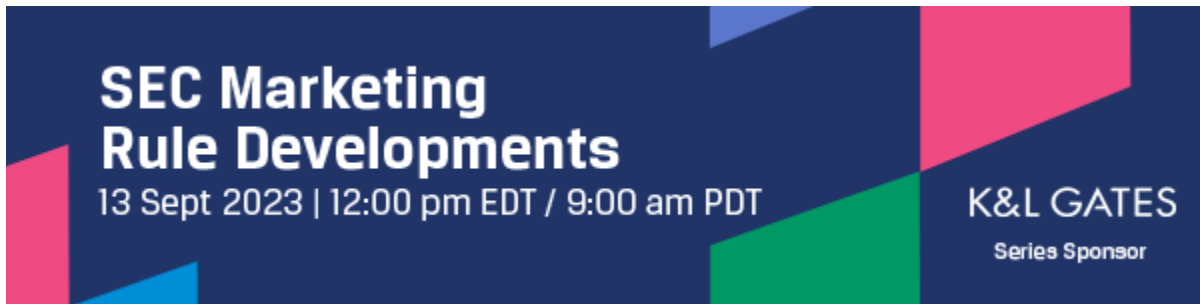
The banner features a dark blue background with a grid pattern. On the right side, there is a colorful illustration of a city skyline with various buildings in shades of green, purple, and blue. A prominent red building is visible on the right.

SEC Marketing Rule Developments with K&L Gates Webinar Recording

On 13 September 2023, we discussed SEC Marketing Rule developments with attorneys from K&L Gates. We reviewed recent SEC exam areas of focus and an enforcement action. We addressed continuing challenges for complying with the Marketing Rule, including:

- Applying the “fair and balanced” general prohibition
- Dealing with performance materials on websites
- Identifying what is considered hypothetical performance
- Establishing procedures for using hypothetical performance

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



Request for Public Comment and Webinar – Exposure Draft of the Guidance Statement for OCIO Strategies

The GIPS Standards Technical Committee has issued the [Exposure Draft of the Guidance Statement for OCIO Strategies](#) for public comment. This proposed Guidance Statement addresses how to apply the GIPS standards to Outsourced Chief Investment Officer (OCIO) portfolios, including the use of a required OCIO composite structure, treatment of legacy assets, and fee transparency. Comments may be submitted by email to standards@cfainstitute.org and must be received by 20 November 2023.

CFA Institute will be hosting a webinar on 28 September to discuss the exposure draft. In this webinar, we will explain what an OCIO strategy is, why this guidance was needed, and the key decisions made by the OCIO Working Group. [Sign up for the webinar](#) to hear from and ask questions of two OCIO Working Group members and CFA Institute staff.



Tools and Resources

We continue to add tools and resources to assist with implementation of the GIPS standards. To assist firms, we added two new documents.

- GIPS® Standards for Marketing Teams: Firms can use this PowerPoint presentation when educating their marketing teams about the GIPS

standards. Firms may tailor the presentation to meet their particular needs. For example, the presentation includes slides for firms that are subject to FINRA and US SEC regulations. A firm that is not subject to FINRA or US SEC regulation may delete these slides. You can find this presentation on the [Tools webpage](#) under the Resources tab, under Firms.

- Updated White Paper — “Reconciling the GIPS Standards and the Marketing Rule”: In September 2022, the USIPC, along with CFA Institute staff, issued a white paper that reconciles the requirements of the SEC Marketing Rule with the requirements of the GIPS standards. We updated the section of the white paper on Carve-Outs and Extracted Performance in response to the SEC’s January 2023 FAQ on net extracted performance. You can find this document on the [US SEC Marketing Rule webpage](#) under the Resources tab.

Changes to the CFA Institute Code of Ethics and Standards of Professional Conduct

At its May meeting, the CFA Institute Board of Governors approved the recommendations of the Standards of Practice Council to revise the CFA Institute Code of Ethics and Standards of Professional Conduct. The [revised Code and Standards](#) are now available on the [CFA Institute website](#) and will be effective 1 January 2024. The three changes to the Code and Standards are:

- Revising the current conflict of interest standard to add language that requires members and candidates to either avoid conflicts of interest or disclose those conflicts. Currently there is no mention of avoiding conflicts of interest in the standard.
- Adding a new standard requiring members to achieve and maintain competence. This standard reinforces the principle on competence set forth in the Code of Ethics.
- Adding a new standard requiring disclosures to clients relating to the nature of the services provided by members and candidates and the costs to the client of those services.

On 24 October, CFA Institute is hosting a webinar that will provide an overview of the changes that apply for all charterholders, CFA Institute members, and candidates in the CFA Program. [Register for this webinar](#).

CFA Institute Launches New Research and Policy Center

On 6 September, CFA Institute announced the launch of its new Research and Policy Center, whose purpose is to engage and convene thought leaders, policymakers, decision-makers, and a community of subject matter experts on the most impactful themes facing the investment industry. It brings together CFA Institute expertise along with diverse, cross-disciplinary professionals working collaboratively to address complex problems. It is informed by the perspective of practitioners and the convening power, impartiality, and credibility of CFA Institute, whose mission is to lead the investment profession globally.

The Research and Policy Center is designed to enhance CFA Institute engagement with audiences including investment practitioners, policymakers, industry executives and researchers, by bringing together all CFA Institute research, policy, advocacy, and codes and standards content under one unified digital experience. Available content includes policy positions, practitioner tools, and industry-leading research, [codes and standards](#). A range of content formats is available, including new short-form In Practice papers accompanying in-depth research; new and enhanced newsletters to deliver personalized content directly to users; and videos, podcasts, and webinars. The Research and Policy Center also offers searchable access to the archives and current editions of the CFA Institute Financial Analysts Journal, Research Foundation publications, and Enterprise Investor blog.

[Visit the Research and Policy Center.](#)

Research & Policy Corner

A newly issued paper, [An Exploration of Greenwashing Risks in Investment Fund Disclosures: An Investor Perspective](#), analyzes investment funds' disclosures related to environmental, social, and governance (ESG) information through the lens of investors to understand the nature of disclosure issues that could give rise to a perception of greenwashing.

Greenwashing can damage trust and confidence in the investment industry, leading to ESG fund outflows and undermining investment firms' broader sustainability credentials and objectives. It can also result in investors misallocating assets to products or strategies that do not align with their investment goals.

Greenwashing continues to be a concern for both supporters and detractors of sustainable investing, but efforts to address these concerns are hampered by the fact that greenwashing is a complex, multi-faceted, and nebulous issue. This paper offers an analysis of the extent and nature of the problem in a specific area—fund communications—as well as insights into where future efforts to combat greenwashing should be directed.

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