

Global Investment Performance Standards

GIPS Update

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The Spaulding Group Webcast

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CFA Institute



Firm Notification Requirement

- New annual requirement
- Approved by GIPS Executive Committee September 2014
- Effective 1 January 2015
- Notification by 30 June of each year
- Proposed requirement was modified based on public feedback
- Only required to provide firm name, contact information, and verification status
- Other optional information including firm type, assets under management, asset classes managed, and investment vehicles offered

Firm Notification Requirement

- Firms can opt out of listing their name on the GIPS standards website
- [Firm Notification FAQs](#) and the [GIPS Compliance Form](#) are now available online!
- Possible verification related Q&As
- For additional information, please contact gipscompliance@cfainstitute.org

GIPS Executive Committee Open Conference Call

- [Wednesday 11 February 8:00-8:30 AM US ET](#)
- USA: 210-795-1098 or 866-803-2143
Passcode: GIPS Global
- Agenda:
 1. GIPS Technical Committee Update
 2. GIPS Executive Director Update
 3. Firm Notification Requirement
 4. GIPS Logo for Firms
 5. GIPS Strategic Plan

Applying the GIPS Standards to Asset Owners

- New Guidance Statement effective 1 January 2015
- Retroactive application not required
- Asset owners include public and private pension funds, endowments, foundations, family offices, insurers, sovereign wealth funds, etc.
- Manage assets directly or can hire and fire external investment managers
- Asset owner is responsible for ensuring data received from various external sources is accurate

Applying the GIPS Standards to Asset Owners (Continued)

- Usually no prospective clients
- Total fund must be in a composite
- Must include all assets managed by asset owner in a composite, even if non-fee-paying
- Provide compliant presentations to those who have direct oversight responsibility such as a board of trustees
- Must also be provided to the beneficiaries or regulators upon request (if applicable)
- Additional on-line resources now available
- [Free GIPS Live Webinar - 25 February 2015](#)

Error Correction Survey

In July 2014, CFA Institute conducted a short survey regarding GIPS compliant firms' error correction policies and procedures to inform the investment management industry as to how firms develop and administer their GIPS standards compliance programs with respect to such policies and procedures.

The results of the survey were first unveiled at the 2014 GIPS Annual Conference in Boston. [A detailed report](#) of the survey results is now available on the GIPS website.

Error Correction Survey (Continued)

- Approximately 300 respondents
- 74% claim compliance ...67% from US
- Wide AUM range ...most manage Equity & Fixed Income
- 72% had one firm-wide policy
- Only 28% differentiate by recent and historical time periods
- Only 34% differentiate between over & under statements
- 59% assess materiality both in absolute & relative terms
- Fairly wide range of materiality thresholds
- 54% involve an oversight committee

Other Priorities

- Implementation of GIPS standards governance restructure
- Q&A database review
- Assistance paper for firms coming into compliance
- Benchmark paper
- Comprehensive disclosure matrix
- Updated portability guidance
- Applying the GIPS standards to pooled vehicles
- Risk guidance
- Applying the GIPS standards to overlay assets
- Updated verifier independence guidance
- Updated supplemental information guidance

Additional Recent Releases

- [GIPS Model RFP Template](#)
- [Suggested Questions to Ask Prospective Verification Firms](#)
- [The GIPS Standards and the Benefits of Verification](#)
- [Understanding GIPS - A Guide for Plan Sponsors and Investment Consultants](#)
- [Performance Advertising – Reconciling the GIPS Standards with the Investment Advisers Act of 1940](#)
- [Best Practices for Creating and Maintaining Policies and Procedures for Complying with the GIPS standards](#)
- [Webcasts](#)

Resources

- The gipsstandards.org website:
 - Complete list of Guidance Statements
gipsstandards.org/standards/guidance/Pages/CurrentGuidance.aspx
 - New Q&A Database
gipsstandards.org/standards/faqs/Pages/index.aspx
 - Brochures & Webcasts
gipsstandards.org/compliance/Pages/articles.aspx
 - Newsletter
gipsstandards.org/news/Pages/newsletter.aspx
- The GIPS Handbook: cfapubs.org/doi/pdf/10.2469/ccb.v2012.n4.full
- Helpdesk: gips@cfainstitute.org
- Twitter: [@gips](https://twitter.com/gips), twitter.com/gips
- Certificate in Investment Performance Measurement (CIPM):
cfainstitute.org/cipm
- Future of Finance: cfainstitute.org/futureoffinance



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