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2020 vs. 2010: Summary of Key Differences

	Fundamentals	Input Data & Calculations	Composite Construction	Presentations
NEW	• Classification of pooled funds is key: Broad Distribution Pooled Fund (BDPF) vs. Limited Distribution Fund (LDPF) • Terminology: prospective client (composites) vs. prospective investor (pooled funds)	• Expanded use of money-weighted returns (if certain criteria met) • Allowed to estimate transaction costs when actual transaction costs not known (e.g., wrap fee composites) • Returns must be presented with and without lines of credit (private investments) in some situations	• Flexibility moving accounts to/from composite (e.g., for private wealth) • Carve-outs with allocated cash are back: allowed to synthetically allocate cash. Firm must create composites of standalone portfolios, when they exist, in parallel with composites utilizing carve-outs.	• "Compliant Presentation" now called "GIPS Report." Different GIPS reports for composites versus pooled funds (when pooled fund doesn't reside in a composite), and for TWR versus MWR • Must disclose inception date • Required to update GIPS Reports for marketed composites within 12 months • Allowed to report combined "firm and advisory assets" • Must disclose if use estimated transaction costs and methodology used
CHANGED	• Portability: Firm now has a choice whether to port • Policies and procedures need to be updated for 2020. Important changes include requirement to provide GIPS Reports to all prospects when they initially become prospects.	• Returns without side pockets no longer required (hedge funds) • Must present composite overlay exposure • Valuation and return calculation frequency more considerate of firm profile	• Pooled funds do not need to be in a composite, if the strategy is not offered as a segregated account. • If a pooled fund is managed differently from segregated accounts, it may be excluded from the composite.	• Revised compliance statement and new trademark language • Must show firm and composite assets • Updates to various required disclosures including standard deviation, fee schedules, sunset provisions • Required to only present SI-MWR for most recent period end (private investments)
CLARIFIED	• Firm must be able to demonstrate how it made every reasonable effort to provide a GIPS Report to a prospect • Firm is not required to provide a GIPS report to a BDPF prospect • Records must be available within a reasonable time frame.	• A firm can use model investment management fees, only if such returns would be equal to or lower than those using actual investment management fees	• Non-marketed strategies of discretionary accounts must have a composite and should have a composite report	• When presenting more than one benchmark, must include all required information (e.g., 36-month standard deviation).

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