



Performance Perspectives

Insights from the performance experts

Volume 21 • Issue 6 • June 2025

A Conversation Worth Revisiting: John Stannard’s Foundational Piece on Performance Measurement

A summary by Patrick W. Fowler

When *The Journal of Performance Measurement*® debuted in 1996, it opened with an article by John Stannard, “[Measuring Investment Returns of Portfolios Containing Futures and Options](#),” one that continues to resonate so strongly that it’s become the most requested article *the Journal* has ever published. That alone says a lot. It means Stannard struck a chord, prompting professionals to rethink how they approach the craft of performance measurement.

Let’s walk through what makes this article so enduring.

The Landscape in 1996: A Profession Looking for Structure

At the time, performance measurement was still finding its footing as a formal discipline. People recognized its importance, but standards were unclear, technologies were still developing, and the field was wrestling with how to bridge theory and practice.

Stannard doesn’t get bogged down in technicalities. He starts a thoughtful conversation, not by laying down rules, but by asking questions that get at the heart of what performance measurement should accomplish. He makes the case that it’s not just about math. It’s about interpretation, intent, and communication.

Performance Is Not a Number. It’s a Story.

Early in the article, Stannard makes a critical point. Performance measurement is not about the number. It’s about what that number means. Too often, we treat a return figure like it’s gospel, when it needs context to be meaningful.

Was the return relative to a benchmark? Was it risk-adjusted? Was the time-period appropriate? Was the data accurate? And most importantly, does the recipient of that information understand what it really means?

This isn’t just about calculating returns. It’s about making them useful. Performance data should inform decisions, not just fill up a report.

The Role of the Analyst: Interpreter, Not Just Calculator

Stannard redefines the analyst’s role. Instead of being someone who works quietly behind the scenes with spreadsheets, the analyst should be a translator. They take technical information and make it relevant and understandable to others including clients, managers, auditors, and regulators.

That idea has aged well. In a world filled with dashboards and automated reporting, it’s the interpretation that still matters most. Being technically correct isn’t enough. Analysts need to communicate clearly and add context.

The Pitfalls of Misused Tools

Stannard spends some time warning against overreliance on tools. Calculators, models, and software don’t replace understanding. They help, but only when used appropriately.

For instance, the debate between time-weighted and money-weighted returns still comes up today. Stannard doesn’t take a hard stance but urges readers to choose based on the purpose. Are you evaluating a manager’s decisions?

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The Voice

Words Matter

Written by: David D. Spaulding, DPS, CIPM

You probably knew that, right? But, sometimes, we need to be reminded. Well, at least I do.

I’m reading Oscar Wilde’s *The Picture of Dorian Gray* [which I’m enjoying quite a bit].

There’s a point early on when Dorian objects to being called a “silly boy” by Lord Henry Wotton.

Later, we read about the word *doctrinaire*, which is a “word full of terror to the British mind.”

In case this word is unfamiliar to you, Webster’s defines it as “stubbornly or excessively devoted to a doctrine or theory without regard to practical considerations.”

Time-weighted returns might be more suitable. Concerned with actual investor experience? Then internal rate of return (IRR) might be the right choice.

It's a simple but powerful reminder. The best tools still require good judgment.

Attribution Analysis: Useful but Easily Abused

Stannard devotes a section to attribution. He acknowledges its value; breaking down returns to see what drove performance can be incredibly helpful. But it can also create a false sense of precision.

Attribution models depend on how you group sectors, how you define asset classes, and how you treat cash flows. Those decisions shape the results. If a user isn't aware of the underlying assumptions, they might misunderstand or misuse the analysis.

His point is clear. Attribution can add clarity or confusion depending on how it's applied.

Ethics and Transparency: A Quiet but Powerful Undercurrent

One of the more subtle themes in the article is professional responsibility. Stannard doesn't preach, but he clearly believes that performance professionals have a duty to be transparent.

They handle data that influences decisions. That power should be exercised with care. Assumptions should be disclosed. Methods should be explained. Results should be presented in a way that promotes understanding, not confusion.

Today, in a more regulated and litigious environment, these ideas are more relevant than ever.

Standards vs. Flexibility

Stannard also touches on the growing push for performance standards, like the AIMR-PPS® (now GIPS®). He supports the idea of common guidelines, but cautions against rigid thinking.

Standards should promote consistency, not stifle judgment. Not every client, manager, or portfolio is the same. There needs to be room for discretion.

That tension still exists today. Most professionals value the structure GIPS provides, but many also want room to adapt based on client needs or unique situations. Stannard's message is to be thoughtful, not dogmatic.

The Importance of Language

As Dave Spaulding discusses in "The Voice" this month, language matters. Stannard spends a few paragraphs highlighting how terms like "alpha," "outperformance," and "risk-adjusted return" sound precise, but are often misused or misunderstood.

Jargon can alienate people. It can also create the illusion of certainty where none exists. As performance professionals, we need to choose words carefully and always strive for clarity.

Measurement ≠ Evaluation

One of the most important distinctions in the article is this: measurement and evaluation are not the same.

Just because a manager underperforms a benchmark doesn't mean they failed. And just because a manager beats a benchmark doesn't mean they succeeded. Measurement provides data. Evaluation uses that data to make a judgment, but it must be done with a broader understanding of context, strategy, constraints, and client goals.

This idea is still not as widely appreciated as it should be, as I discussed in my article on Stewardship with Stephen Campisi in 2011*. Stannard nailed it in 1996.

Around 15 years ago, I used the word in a cautionary way to those who were crafting the 2010 version of the Standards. I was simply urging that they avoid adding something that might come with a great burden to those who comply. There had been talk of mandating the distribution of GIPS reports annually to a firm's clients. Fortunately, that was not made a requirement, but did make it in as a recommendation. To mandate it would likely have caused an excessive amount of work and cost for many firms. I recall when a speaker at the annual GIPS® conference stated that compliant firms must provide GIPS reports to all mutual fund prospects. This idea seemed rather silly to me, but was met with great concern by some of the attendees, who knew this would end up costing their firms a great deal of money to implement. Fortunately, the speaker was incorrect.

My use of *doctrinaire* was not well received by at least one individual. Despite my apology, I was never forgiven. Maybe a gentler word would have been better; or perhaps to say nothing, which I confess can be a challenge for me.

For some time I have valued the use of the right word. The late William F. Buckley, Jr., whose vocabulary was well known to be immense, was sometimes criticized for using obscure words in his writings. He insisted that he always strived for just the right word. And, at times, this resulted in a word that many, if not most, of his readers were unfamiliar with. One thing those readers were familiar with was a dictionary, which is something I frequently turn to when I uncover an unfamiliar word; and, sometimes, even with a familiar word, as I often end up learning that I may have misused or misunderstood the word's precise meaning.

You are, no doubt, familiar with the saying "the pen is mightier than the sword." Perhaps you, like I, don't recall who it's attributed to. The first person to use this saying was apparently Edward Bulwer-Lytton in 1839. I'm sure one thing we can agree upon is that what we write or say can have a massive affect.

Often, perhaps too often, I will say or write something that is offensive, though that wasn't my intent.

When I was boy of 14, I learned that I should "Think twice, and speak once." This saying is apparently not attributed to anyone in particular. It's apparently a common piece of advice that reflects the importance of considering your words before speaking (or, for that matter, writing). It's similar to the saying "Think twice, cut once," which suggests careful consideration before taking action. Napoleon apparently said we should "think twice before you speak, because your words and influence will plant the seed of either success or failure in the mind of another."

I often try to reflect upon what I am about to say, especially if I sense that what I do say may not work as intended. Writing requires the same thoughtfulness.

Quote of the Month

"In general, 'the market' is smarter than the smartest of its individual participants."

Robert L. Bartley
Former editor of the *Wall Street Journal*

Industry Dates and Conferences

Celebrating 35 Years of Excellence: What to Expect from TSG in 2025

As [TSG](#) marks its 35th anniversary, we're thrilled to announce a dynamic lineup of events, learning opportunities, and networking activities designed to elevate your performance measurement expertise and strengthen our vibrant community. Here's what's in store for the year ahead:

June: EMEA Forum in Belfast

- [June 19th-20th: Performance Measurement Forum \(EMEA\)](#) – Belfast, Northern Ireland – Convene with global leaders for dynamic discussions.

A Human Element: Humility and Curiosity

Perhaps the most enduring part of Stannard's message is his tone. He never claims to have all the answers. Instead, he urges curiosity, openness, and reflection.

Even the best data and models can lead us astray if we forget that every calculation involves assumptions. We need to remain humble, constantly test our thinking, and stay open to feedback.

Why This Article Endures

This article continues to be the most requested piece in *The Journal of Performance Measurement* because it focuses on principles, not just practices. It doesn't tell readers what to think, it asks them to think.

The industry has changed. We have better tools, tighter regulations, and more advanced analytics. But the core questions Stannard raised remain just as relevant:

- What should performance measurement accomplish?
- Are we communicating clearly?
- Are we choosing tools thoughtfully?
- Are we presenting results with integrity?
- Are we using numbers to help people make better decisions?

The article still speaks to analysts, consultants, asset managers, and data teams because it doesn't reduce performance to a number. It elevates it to a discipline grounded in communication, transparency, and judgment.

Final Thoughts

John Stannard's article set a tone that the profession has tried to live up to ever since. It reminds us that performance measurement is not just about precision, it's about relevance.

If you work in this field, it's worth reading and re-reading this piece. Not to memorize a method, but to internalize a mindset.

The tools will change. The data will grow. The reporting will evolve. But the principles that Stannard laid out in this short but powerful piece will always matter.

And that's why it's still the most requested article of all time.

*"[Getting to the Heart of Investing, Financial Stewardship that Meets Client Objectives](#)" Volume 15, No 2., *The Journal of Performance Measurement*

Compliance Corner

Webinar replay: SEC Marketing Rule FAQs with Lance Dial, Partner, K&L Gates and David Spaulding, DPS, CIPM, TSG

Listen as Lance and Dave dive into issues that have challenged advisors since the rule went into effect. They focus on the SEC's recently published guidance, addressing:

1. **Extracted Performance**
2. **What Constitutes Performance** (including risk, yield, contribution, and attribution)
3. **Methodology for Calculating Gross and Net Returns**

They walk through each area and unpack the implications for your firm while sharing practical insights to help you align your performance reporting with regulatory expectations. [Click Here to Access the Recording.](#)

Explore performance and risk topics, implementation strategies, and innovative solutions tailored to the European market.

July: Toronto Networking Event

- [July 22nd: Performance Measurement Networking in Toronto, Canada](#) – Partnering with Rimes Technologies and First Rate, this event provides a space to connect and share insights.

Stay tuned for additional details on this interactive gathering in one of Canada's key financial hubs.

September: PMAR Europe in London and Fundamentals of Performance Measurement in Toronto

- [September 17th: PMAR Europe](#) – London's premier event for innovation and networking.
- [September 24-25, 2025: Fundamentals of Performance Measurement](#) – Toronto, ON, Canada

This is the European counterpart to our North American event, focusing on cutting-edge topics and innovations.

October: Performance Training in San Francisco

Develop key skills with our in-depth, in-person training programs:

- [October 7th-8th: Fundamentals of Performance Measurement Training](#) – Ideal for newcomers or those seeking a refresher.
- [October 8th-9th: Performance Measurement Attribution Training](#) – Dive deep into attribution methodologies to enhance your expertise.

November: Fall EMEA Forum in Copenhagen

- **November 6th-7th: Performance Measurement Forum (EMEA)** – Copenhagen, Denmark – Expand your perspective with insights from global leaders at our fall meeting in Denmark.

December: Year-End Wrap-Up in Louisville

Conclude 2025 with these essential events:

- **December 3rd: Fall Asset Owner Roundtable (AORT)** – Louisville, KY – Advanced discussions to round out the year.
- **December 4th-5th: Fall North American Forum** – Louisville, KY – Close the year with innovation and collaboration.

Celebrating 35 Years of Excellence

- We take immense pride in our legacy of success, innovation, and leadership. As we look ahead, [TSG](#) remains committed to advancing the field of investment performance measurement and empowering professionals worldwide.

Mark Your Calendars! Let's make 2025 a year to remember.

For information on the 2025 events and membership opportunities, please contact [Patrick Fowler](#) at [732-873-5700](tel:732-873-5700).

The Journal of Performance Measurement®

This month's article brief spotlights "Real Estate Attribution Model" by Sylvain Desrosiers, CFA, CIPM of CDPQ, which was published in the Spring 2025 issue of *The Journal of Performance Measurement*. You can access this article by subscribing ([for free](#)) to *The Journal* ([link here](#)).

The real estate industry has faced significant challenges in recent years, driven by factors such as the pandemic, digitalization, and economic shifts. These changes have impacted asset performance, valuation processes, and investment strategies. This article proposes an attribution framework to dissect the performance drivers of a diversified private assets portfolio, considering elements like leverage, currency exposure, and fees. By isolating market conditions, property-specific attributes, and financial strategies, the framework aims to provide a comprehensive understanding of what drives returns and where potential risks lie. The use of private benchmarks tailored to the strategy's characteristics enhances the analysis, despite challenges related to data availability and valuation cycles. Ultimately, this approach enables more informed decision-making and better alignment with investment objectives in a complex real estate market environment.

To confirm your email address, click the graphic below. If you're a subscriber but haven't received a link to the current issue, please reach out to Doug Spaulding at DougSpaulding@TSGperformance.com.

GIPS® Tips



GIPS® TIPS

Conduct a Marketing Materials Review

Review your firm's marketing materials, including the website, to ensure that any claims of GIPS compliance meet either the full GIPS standards or the GIPS Advertising Guidelines and include all required data and disclosures. This would also be a good time to review for any regulatory requirements and ensure all of these are being met.

Experience "White Glove" GIPS Standards Verification With TSG

Are you tired of being treated like just another number by your GIPS verifier? At TSG, we prioritize your satisfaction and success above all else.

Partnering with us means gaining access to a team of seasoned GIPS specialists dedicated to delivering unparalleled service and exceptional value. Whether you're seeking a new verifier, preparing for your initial verification, or just starting to explore GIPS compliance, TSG is the best choice.

Why Choose TSG?

Unmatched Expertise: Our experienced team brings unmatched proficiency in the GIPS standards, ensuring thorough and efficient (not "never-ending") verifications.

Institute / Training

Inside the Institute: A Fresh Perspective

This summer, we're turning the spotlight on intern Jesse Teller, a Finance major from Ursinus College, as he dives into the [Institute.TSGperformance.com](#) one module at a time. Each month, Jesse will share his thoughts on what he's learning, from performance measurement basics to advanced attribution, offering a candid take from the eyes of a future industry pro. Whether you're new to the field or looking to revisit the fundamentals, Jesse's insights might just inspire your own review.


Module 1: Rates of Return Part 1

By Jesse Teller

Module 1 was critical in developing my understanding of performance measurement. I found that some of the concepts I learned throughout this module were similar to what I have covered in school, but more fine-tuned to fit this specific application. Starting with the beginning portion of the module, I found that learning how investment performance measurement has changed over the last 60 years was very helpful in creating a more thorough and conceptual understanding of how returns are measured. This format, which began in the 1960s with Peter Dietz and the BAI, presented the information chronologically, allowing more complicated formulas and concepts to be easier to understand. For example, learning the IRR formula first, despite its flaws, made conceptually understanding the Dietz Mid-point Method easier, and similarly, when progressing to the Generalized Modified Dietz and Exact methods.

Along with this, I noticed that learning about the flaws of each method also facilitated a more thorough understanding as a listener. From my own learning experience, many classes and lectures in college lose focus on a conceptual understanding and rather lay learning out in a more repeatable step-by-step format. Along with the format, I also found many of the visuals helpful, especially in instances that included a larger formula or table. Overall, this first module built upon many foundational skills that I have had experience with and provided me a much more thorough understanding of performance measurement and specifically measuring investment portfolio returns. I found that after watching the module, taking notes, and working through the exercises, I now have a fairly strong understanding of the financial concepts behind measuring investment returns, and look forward to having a similar experience throughout the following modules.

Potpourri



DID YOU KNOW?

- Calculus is the study of change: It provides a framework for modeling systems where things change and predicting their behavior.
- It has two main branches: Differential calculus deals with instantaneous rates of change (derivatives), while integral calculus deals with accumulation and areas (integrals).

Personalized Support: We understand that the journey toward GIPS compliance is complex. That's why we offer ongoing support and guidance as needed, as well as access to a suite of exclusive proprietary tools, designed to make compliance and verification as easy as possible for you and your firm.

Actionable Insights: When you choose TSG, you will work with ONLY highly experienced senior-level GIPS and performance specialists. Their expertise translates into actionable advice, helping you navigate the complexities of the Standards in the most ideal way for your firm.

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PERFORMANCE
MEASUREMENT**

- Click Here -

Upcoming Webinars / Surveys

In Case You Missed It...

Webinar Replay: [Should Your Firm Pursue GIPS® Compliance and Verification?](#)

Webinar Replay: [Recently Published SEC Marketing Rule FAQ](#)

ATTN: TSG Verification Clients

As a reminder, all TSG verification clients receive full, unlimited access to our Insiders.TSGperformance.com site filled with tools, templates, checklists, and educational materials designed to make compliance and verification as easy as possible for you and your firm.

Contact CSpaulding@TSGperformance.com if you have any questions or are having trouble accessing the site.

TSG Milestones

TSG is proud to
announce that its client,
**Miller Investment
Management**
has successfully
completed its **15TH**
GIPS® Standards'
Verification



TRIVIA TIME

Try questions from Harvard’s introductory calculus course, adapted to be multiple choice.

1 OF 3

Marta is watching a bacteria sample exponentially decrease in size. At 3:00 p.m., there are 2,000 micrograms of bacteria, and the sample is decreasing in size at a rate of 500 micrograms/hour. How large is the sample of bacteria when the sample is decreasing at a rate of 100 micrograms/hour?

- 1. 400
- 2. 600
- 3. 1,200

2 OF 3

A two-part question: An epidemic is spreading through an island, and the number of cases is growing exponentially. At the start of the epidemic there were 10 cases and the total number of cases triples every 14 days. What is the percent increase in the total number of cases between days 5 and 19?

- 1. 100%
- 2. 200%
- 3. 300%

3 OF 3

What is the daily percent increase in the total number of cases?

- 1. 108%
- 2. 79%
- 3. 8%

Please answer all questions to receive a score. Submit your responses to PFowler@TSGPerformance.com



In The News



PMAR Europe Conference Agenda

8:00 AM – 8:45 AM

Registration & Continental Breakfast
Vendor showcase, and networking opportunities.

8:45 AM – 9:00 AM

Welcome Address
[David Spaulding](#), DPS, CIPM, TSG
Overview of the conference themes and goals.

9:00 AM – 10:00 AM

Performance Analytics Technology and AI in 2025
Panel discussion featuring experts on leveraging AI and advanced technologies in performance measurement.
Moderator: Chris Spaulding, TSG
Panelists: Ian Thompson, Ph.D., BNY; Alex Serman, First Rate

10:00 AM – 10:45 AM

2024 Dietz Award Winning Article

10:45 AM – 11:15 AM

Morning Break
Networking with coffee and refreshments.

11:15 AM – 12:00 PM

Risk Modeling
Speaker: Dan diBartolomeo, Northfield
Advances in risk modeling techniques and their implications.

12:00 PM – 1:00 PM

Networking Lunch
Enjoy a buffet lunch and connect with fellow professionals.

1:00 PM – 1:45 PM

Data Management in Performance Measurement
Moderator: Patrick W. Fowler, TSG
Panelists: Steve O'Brien, Rimes; Louise Head, Federated Investors
Key techniques for sourcing, cleaning, and managing data for performance analysis.

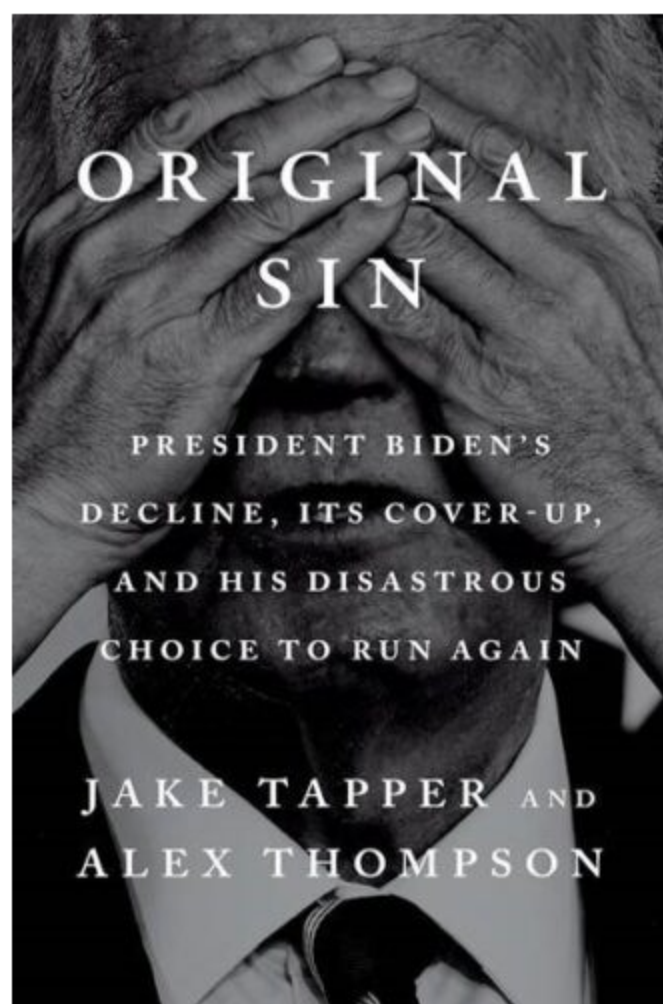
1:45 PM – 2:30 PM

Performance Measurement for Private Markets
Speaker: Karina Tanny, CFA, State Street

Book Review

Original Sin, by Jake Tapper and Alex Thompson

Review by David D. Spaulding, DPS, CIPM



As I was reading this recently released book, I frequently found myself thinking “wow!”

It is evident that the authors were personally and professionally affected by what they saw and learned through their numerous interviews and research.

It ends with a summarization which captures much of the book’s theme and revelations:

“ ‘If you’re elected, you would be the oldest person ever,’ [co-author] Jake [Trapper] told Biden in September 2020. ‘The American people have been lied to before by presidents about the president’s health – FDR, JFK, Ronald Reagan. We don’t know, still, what happened with Donald Trump and his visit to Walter Reed last year. Will you pledge that, if you’re elected, you will be transparent about your health –’

“ ‘Yes,’ Biden said.

“ ‘— all facets of your health, with urgency, so that we know –’

“ ‘Yes, when it occurs, when anything occurs. And anything can happen. Anything can happen...I have become a great respecter of fate, a great respecter of fate. I have seen too much of it in my family related to accidents alone. And so I guarantee you, I guarantee you, I will be totally transparent in terms of my health and all aspects of my health.

“He was not.”

While I have generally avoided reviewing books with any political aspect to them, I felt this was a reasonable exception. Whether you voted for Trump or Biden, in 2020 or 2024, or like many, a third-party candidate, I’m confident you will find this book revealing and perhaps shocking. The authors referenced three former presidents who had health issues [FDR, JFK, Reagan], but could have also mentioned Woodrow Wilson and maybe others. Both authors work for CNN; if they had been with Fox, perhaps we might draw different conclusions. To say these authors were objective in their reporting is reasonable, I believe. I found the book quite well written and difficult to put down.

Insights into performance measurement of private markets and the use of derivatives.

2:30 PM – 3:00 PM

Afternoon Break

Light snacks and beverages available.

3:00 PM – 3:45 PM

Practical Application of Long/Short Portfolio Calculations

Speaker: John D. Simpson, CIPM, TSG

In-depth techniques for calculating performance measurement on long/short portfolios.

3:45 PM – 4:30 PM

Surprises in Performance Measurement

David D. Spaulding, DPS, CIPM, TSG

4:30 PM – 5:00 PM

Interactive Session: Performance Trivia

Engage in a fun and educational quiz testing performance measurement knowledge.

5:00 PM – 6:00 PM

Closing Reception

Drinks, hors d’oeuvres, and networking opportunities to conclude the event.

Article Submissions

***The Journal of Performance Measurement*[®] Is Currently Accepting Article Submissions**

The Journal of Performance Measurement is currently accepting article submissions on topics including performance measurement, risk, ESG, AI, and attribution. We are particularly interested in articles that cover practical performance issues and solutions that performance professionals face every day. All articles are subject to a double-blind review process before being approved for publication. White papers will also be considered. For more information and to receive our manuscript guidelines, please contact Douglas Spaulding at DougSpaulding@TSGperformance.com.

Submission deadlines

Spring Issue: May 14, 2025

Summer Issue: July 14, 2025

For any questions, please reach out to Doug Spaulding at DougSpaulding@TSGperformance.com.

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