

Why AI Won't Replace Storytelling in Performance Measurement

By Patrick W. Fowler

As I sat at my daughter's graduation from Rutgers University this past week, I found myself thinking about something many parents are quietly wrestling with right now. What kind of world are these graduates walking into?

At the same time, my son is just beginning his journey at Rutgers. One chapter closing. Another just starting. And somewhere in between sits the reality facing an entire generation entering a workforce being reshaped by artificial intelligence. It is hard not to feel both pride and concern at the same time. Everywhere you turn, there are headlines asking whether AI will replace analysts, writers, programmers, accountants, marketers, and countless other professions. Young graduates are hearing that entire career paths may look dramatically different by the time they fully enter the workforce. For parents, educators, and employers alike, it raises questions about stability, opportunity, and what skills will still matter five or ten years from now.

For investment performance professionals, the question feels particularly relevant. That is, will artificial intelligence eventually replace us and the stories we tell through the numbers we calculate, interpret, and present?

Much of what we do revolves around calculations, methodology, precision, and data interpretation. AI already has the ability to summarize reports, generate commentary, write code, automate workflows, and analyze enormous amounts of information faster than any individual professional ever could. So naturally, we wonder: What happens to the human element?

In many ways, this conversation mirrors the rise of the calculator decades ago. When calculators first became widely available, many feared they would weaken mathematical ability and eliminate the need for true analytical thinking. Some educators worried students would stop understanding the "why" behind the numbers. And to some extent, that concern was justified. The mechanics of manual calculation became less important over time. But calculators did not replace mathematics. They elevated it.

Professionals stopped spending hours on repetitive arithmetic and instead focused on higher-order analysis, modeling, interpretation, and problem solving. The value shifted from simply producing numbers to understanding what the numbers meant. AI is likely to have a similar impact on our profession. Performance measurement has never been solely about calculations. The industry already automated much of the heavy arithmetic years ago. Most professionals are no longer hand-linking returns on paper or manually calculating standard deviation with a calculator at their desk.

Yet despite increasingly complex systems, the profession has only become more nuanced. Why? Because methodology, judgement, and interpretation matters.

Two firms can calculate performance differently. Two analysts can look at the same attribution report and arrive at very different conclusions. Two different verifiers can interpret regulations differently.

Issue Contents:

The Voice

Industry Dates and Conferences

Attn: TSG Verification Clients

Quote of the Month

GIPS® Tips

The Journal of Performance Measurement®

What a Word

That's a Good Question

Puzzle Time

Compliance Corner

TSG Milestones

Potpourri

Book Review

GIPS 2030

Article Submissions

Institute / Training

The Voice

Why did the TSG verifier bring a map to its client's GPS (GIPS® Planning Session)?

Because one of the most important objectives of the session is helping clients understand the direction they need to take to achieve GIPS® compliance. TSG offers our verification clients our proprietary and unique one-day session that covers a great deal, including a review of the Standards and the development of a roadmap.

For many firms, the journey toward compliance can initially feel complex and uncertain. There are questions about policies and procedures, return calculations, composite construction, benchmark selection, disclosures, verification requirements, governance responsibilities, and ongoing maintenance obligations. Firms and institutions often know compliance is important, but they may not fully understand what the process involves, how long it may take, or where the most significant challenges are likely to arise.

That is exactly why a structured planning session matters.

That is where the craftsmanship of the profession still lives.

The same applies to writing, reporting and communicating that information. AI can produce commentary in seconds. It can summarize market events, draft reports, and imitate professional language reasonably well. But anyone who has spent enough time reading AI-generated content quickly notices the difference between technically correct writing and meaningful writing. One informs, the other paints a picture.

As the sculptor Eric Gill wrote, "The artist is not a different kind of person, but every person is a different kind of artist."

That idea applies directly to investment performance professionals. The craft is not simply in producing calculations or reports. It is in knowing which methodology is appropriate, understanding the limitations of the data, recognizing when something does not look right, asking better questions, and communicating insights in a way clients and stakeholders understand and appreciate. AI may become one of the most powerful tools the world has ever seen. It will almost certainly improve efficiency, reduce repetitive work, and allow professionals to spend more time on higher-value analysis. But tools do not replace craftsmanship. The calculator did not eliminate the need for mathematicians. It simply changed what society valued most from them.


AI will likely do the same for performance professionals.

The future may belong less to those who can simply produce calculations and more to those who can apply judgment, communicate clearly, think critically, and understand the broader story behind the numbers.

Because in the end, our industry has never been just about generating answers.

It has always been about understanding what those answers truly mean and crafting a story.

GIPS® Tips



May: Treatment of Significant Cash Flows

If your firm uses this optional composite policy, review the firm's significant external cash flows policies and procedures to make sure they are relevant, accurate, and consistently applied. Ensure significant external cash flows thresholds are clearly defined, consistently applied, and appropriately disclosed as required.

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.

WHY DID THE TSG VERIFIER — bring a map — TO ITS CLIENT'S GIPS (GIPS® PLANNING SESSION)?

BECAUSE ONE OF THE SESSION'S OBJECTIVES IS TO POINT THE CLIENT IN THE RIGHT DIRECTION TO ACHIEVE COMPLIANCE!



KEY TASKS TO ACHIEVE GIPS® COMPLIANCE

- 1 ASSESS & PLAN**
Understand requirements and define your roadmap.
- 2 DEVELOP POLICIES & PROCEDURES**
Document compliant policies and procedures.
- 3 IMPLEMENT**
Train your team and integrate into daily processes.
- 4 VERIFY**
Conduct a verification review to validate compliance.
- 5 MAINTAIN & IMPROVE**
Monitor, update, and continuously improve your compliance.



To learn more about how we can help you achieve compliance, contact **Chris Spaulding** at CSpaulding@TSGperformance.com

- PROTECT REPUTATION**
Build and maintain investor trust.
- DRIVE VALUE**
Strengthen processes and reduce risk.
- SUPPORT GROWTH**
Win more opportunities with confidence.
- ACHIEVE EXCELLENCE**
Demonstrate your commitment to industry best practices.

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At TSG, we approach the process like a roadmap. Before any meaningful progress can occur, it is important to understand where the organization stands today, what resources are available, what gaps exist, and what path will best position the firm for long-term success. Every organization is different, and the roadmap must reflect the realities of the client's operations, structure, reporting environment, and strategic goals.

The journey often begins with assessment and planning. During this stage, firms evaluate their current practices against the GIPS® Standards and identify areas that require improvement or clarification. From there, the focus shifts toward developing and documenting compliant policies and procedures. These foundational elements create the framework that supports consistency, transparency, and accountability across the organization.

Implementation is where planning becomes operational. Teams are trained, processes are refined, reporting structures are established, and compliance practices become embedded into day-to-day activities. Verification then provides an independent review designed to validate that the firm has established policies and procedures intended to comply with the Standards and has implemented them on a firm-wide basis.

However, achieving compliance is not the finish line. Maintaining compliance requires continuous oversight, periodic updates, ongoing monitoring, and a commitment to improvement as business activities evolve over time.

Beyond the technical requirements, many firms discover that the benefits of compliance extend far beyond performance reporting alone. A strong compliance framework can enhance organizational credibility, strengthen governance, build board and investor confidence, improve transparency, and demonstrate a serious commitment to industry best practices.

At TSG, our role is not simply to point out requirements — it is to help clients navigate the journey with clarity and confidence. We work collaboratively with organizations to simplify complexity, identify practical solutions, anticipate potential obstacles, and create a realistic roadmap toward successful compliance.

Like any successful journey, achieving GIPS compliance becomes much more manageable when you have the right guide, the right plan, and a clear understanding of the road ahead. And, we will continue to be that guide throughout your journey and afterwards, as well. We see this as a partnership, where we very much want you to succeed.

Page 2

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.

Hassle-Free Experience: At TSG, we guarantee your satisfaction and we do not lock our clients into long-term contracts.

Ready to Experience the TSG Difference?

Take the first step toward a better GIPS standards verification. Schedule a call or request a no-obligation proposal today at GIPSStandardsVerifications.com.



TSG Milestones

Riyadh Development Company (ARDCO) has achieved compliance with the Global Investment Performance Standards (GIPS®) for the first time, marking a significant milestone in the firm's commitment to transparency, consistency, and global best practices in investment performance reporting. The verification was completed by TSG, a global leader in investment performance measurement and GIPS verification services.

The announcement highlights ARDCO's focus on strengthening investor confidence and aligning its reporting practices with internationally recognized standards. TSG noted that achieving GIPS compliance demonstrates a firm's dedication to accurate and ethical performance reporting, particularly as institutional investors increasingly expect adherence to global standards.

Full Press Release here: <https://tsgperformance.com/press-release-riyadh-development-company-ardco-achieves-its-first-gips/>



If your organization would like to learn more about how TSG can help support your path toward GIPS compliance, we would welcome the opportunity to connect. Just reach out to Chris Spaulding (CSpaulding@TSGperformance.com) to learn more.

Quote of the Month

“Service to others is the rent you pay for your room here on earth.”

— Muhammad Ali

That's a Good Question

“The SEC Marketing Rule requires us to have policies and procedures in place to ensure we only provide hypothetical performance to individuals who are qualified to receive it; that they will understand what it is and have the resources to interpret it. Any suggestions?”

Response from David Spaulding, DPS, CIPM

Yes. I suggested this to a client who was facing the same situation: “Where our marketing materials include hypothetical performance, we ensure that recipients are qualified to read it. We market to institutions and high net worth individuals. But we don't assume that the recipients will necessarily be able to grasp what the hypothetical information represents, so we will spend time with each, going over the material, explain our assumptions, and asking if they have questions, before actually giving them the materials.”

Please note that your CCO (Chief Compliance Officer) and/or outside counsel should “sign off” on whatever language you incorporate. If you'd like to share what you have, please do so. One thing we know: the SEC is quite sensitive about advisors who provide hypothetical performance to individuals who lack the knowledge and resources to properly / fully understand what is being shown.

Compliance Corner

GIPS® Verification and the SEC Marketing Rule

As firms continue navigating the SEC Marketing Rule, many are asking an important question: does GIPS verification help support compliance efforts?

In this month's featured SEC Blog post, TSG explores how GIPS verification can strengthen a firm's credibility, governance, and controls around investment performance reporting. While GIPS verification does not guarantee compliance with the SEC Marketing Rule, it can provide firms with a strong operational framework and added confidence around policies, procedures, and performance presentation practices.

The article also highlights how regulators, prospects, and clients increasingly expect transparency, consistency, and documented oversight in performance advertising and reporting.

For firms managing the growing complexity of marketing compliance, verification can play an important role in reducing risk while reinforcing trust in reported results.

Read the full blog post here: <https://tsgperformance.com/gips-verification-sec-marketing-rule/>

The Journal of Performance Measurement®

This month's article brief spotlights "From Pilots to Platforms: Agentic AI is Enterprise-Ready in Investment Marketing, Research, and Client Communications" by Vu Nguyen, CIPM; Bruno De Melo, FRM; Ross Turner, Ph.D.; Manuel Tereso, CPA, CIPM, CFA; Laura Reinholz; and Mark Goodey, Dip Iod. It was published in the Winter 2025/2026 issue of *The Journal of Performance Measurement*.

This article highlights how professionals in performance measurement and middle-office functions can become influential advocates for AI with colleagues in Investment Marketing, Research, and Client Communications by integrating agents as trusted, colleague-like partners within their workflows. Rather than focusing on calculating investment performance, attribution, or ex-post risk—areas best served by established vendors or targeted generative AI solutions—the piece emphasizes selecting the right tools for the right tasks, using lighter models for simple processes, and reserving deep-reasoning systems for complex challenges to avoid unnecessary cost and resource consumption. It provides foundational principles and protocols for effective ideation and implementation, arguing that firms adopting open-minded, innovative approaches are already seeing the benefits, and that broader adoption will improve the collective likelihood of successful AI integration across the industry.

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THE JOURNAL OF PERFORMANCE MEASUREMENT

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PUZZLE TIME

Using exactly four 9s and any math operations, make **100**.

Example format: $9 \div 9 \div 9 \div 9 = 100$

April's Puzzle: The Two Investments Puzzle

Maya invests **\$6,000** total in two accounts.

One account earns **5% simple interest** per year.

The other earns **7% simple interest** per year.

After **3 years**, she has earned **\$1,080** in total interest.

How much did Maya invest in each account?

Solution:

3 years interest of \$1,080 means \$360 per year which is 6% of the invested amount so must have been half at 5% and half at 7% so **\$3000 in each**.

Congratulations to Anthony Howland and Steve Campisi for getting it correct.

May Webinar

[The SEC Marketing Rule in Practice](#)

The SEC Marketing Rule continues to create real challenges for firms trying to compliance with practical application.

On May 19 we brought together a group of experts for a candid discussion on things stand today.

The SEC Marketing Rule in Practice: Real-World Challenges, Risks, and D

Moderated by Lance Dial, with insights from David Spaulding, DPS, CIPM, Grossetti, and Thoreau Bartmann.

They dug into:

- Extracted performance and sleeves
- Hypothetical performance and controls
- Predecessor performance
- Fees and model fees
- Acquisitions and endorsements

If you're responsible for performance, compliance, or reporting, this is worth you

[Listen here.](#)

Potpourri



**Did You Know?
AI Edition**

- There's an AI That Can "Smell": Researchers have developed an AI that can predict the molecular structure of a compound and describe its smell. This "digital nose" has applications in creating new perfumes and flavors and even detecting diseases through chemical signatures.
- The Feminine Voice: More Than Just a Preference. Have you ever wondered why virtual assistants like Siri, Alexa, and Google Assistant often default to a female voice? It's not a random choice. Studies have shown that people often find female voices clearer and possessing a higher pitch, which enhances comprehension for a broad audience.
- Will AI create or destroy jobs? The evidence suggests it will do both, but with a net positive effect. **AI is projected to create 97 million new jobs** while eliminating 85 million.

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

Upcoming Webinars / Surveys



Benoît Murphy, CFA, FRM, Quantisys, Inc.

TSG Performance | TSG Time with Pat & Doug, Episode 40

In Episode 40 of TSG Time, Pat and Doug sit down with Benoît Murphy, President of Quantisys Inc. and a finance professional specializing in investment analytics, quantitative finance, and risk management. Benoît explores his journey from economist and lecturer to Manager – Investment Strategy for a large Canadian pension fund and entrepreneur, sharing the experiences that prepared him to start his own firm. He explains how his interdisciplinary background in economics, investment strategy, risk management, and technology shapes his approach to portfolio analytics, and reflects on the industry changes he's witnessed over the past 25 years. Benoît also offers advice for staying relevant in an increasingly data- and technology-driven investment world. In the lightning round, he shares travel tips for Milan and Lake Como, and recounts a meaningful act of kindness.

To hear the full conversation, listen to Episode 40 of *TSG Time* wherever you get your podcasts or visit tsgperformance.com/podcast.



If you weren't able to join us live on Performance Measurement Professionals' Day, I'd encourage you to take a little time to watch the recording.

To mark 20 years of the CIPM designation, we brought together a group of industry experts, including **Alex Shafran, CIPM**; **Kenrick Ohid, CIPM**; **John D. Simpson, CIPM**; **David Spaulding, DPS, CIPM**, and from the CFA Institute, **Rob Langrick, CFA, CIPM**, for a straightforward conversation about what the designation means in practice. This was an honest discussion about how CIPM has influenced careers, how firms are thinking about it in hiring and development, and how the role of the performance professional continues to evolve.

Douglas Spaulding did a great job moderating, with opening remarks from Rob Langrick, and the panel delivered exactly what we hoped for, practical perspective from people doing the work every day.

If you're involved in performance, risk, or reporting, there's a lot here that will resonate. [Take a listen here.](#)

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

Summer Issue: May 29th, 2026

Fall Issue: October 16th, 2026

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

Industry Dates and Conferences

What to Expect From TSG in 2026

As we head into 2026, TSG is expanding its platform of events, research, and industry resources designed to support performance, attribution, risk, and [GIPS® professionals across the globe](#). The newly released [2026 Partnership Opportunities](#) outline a robust lineup of conferences, forums, research initiatives, and media channels that continue to connect practitioners, asset owners, consultants, and technology providers in meaningful ways.

TSG 2026 Events Calendar

Date	Event	Location
May 20	Data Analytics & Performance Measurement Networking Event	Boston, MA, USA
June 10–11	PMAR North America	New Brunswick, NJ, USA
June 18–19	EMEA Performance Measurement Forum	Milan, Italy
June 23	Data Analytics & Performance Measurement Event	Amsterdam, Netherlands
September 16	PMAR Europe	London, England
October 22–23	EMEA Performance Measurement Forum	Prague, Czech Republic
November 18	Asset Owner Roundtable (AORT)	San Diego, CA, USA
November 19	North American Performance Measurement Forum	San Diego, CA, USA

Mark Your Calendars! Let's make 2026 a year to remember.

For information on the 2026 events and [partnership opportunities](#), please contact [Patrick Fowler](#) at [732-873-5700](tel:732-873-5700).

Inside the Institute: A Fresh Perspective

[Institute.TSGperformance.com](https://www.institute.TSGperformance.com)

Investment performance professionals face rising demands: more data, more scrutiny, and a need to explain outcomes clearly to stakeholders. Whether you're responsible for performance reporting, risk oversight, attribution analysis, or standards compliance, the Institute of Performance Measurement gives you tools you can use on Monday morning.

Choose from foundational courses that build your core skill set, specialized training in attribution and fixed income analysis, or hands-on Python programming built for real-world performance tasks. You'll learn from experts with decades of experience, work through practical examples, and gain confidence in areas where precision matters most.

And with on-demand access, you learn at your own pace, on your own schedule. If your goal is to master performance measurement fundamentals, advance your career, or elevate your team's capabilities, these courses are designed for you.

Overview of Courses at the Institute of Performance Measurement

The Institute offers a range of on-demand, practical training programs geared to investment performance professionals. Students can learn at their own pace, deepen technical skills, and gain real-world tools for calculating, explaining, and improving performance.

Core Offerings:

Free Course

- **Masterclass on the GIPS® Standards for Asset Owners** – A single-lesson introduction to applying the Global Investment Performance Standards from the asset owner's perspective.

Foundational and Specialty Courses

- **Fundamentals of Performance Measurement (5-module bundle)** – A comprehensive program covering rates of return, benchmarks, performance attribution, risk concepts, and GIPS standards. Ideal for newcomers or as a refresher.
- **Performance Measurement Attribution (4-module bundle)** – A focused deep dive into attribution analysis, including equity, fixed income, multi-level, and multi-period attribution techniques.
- **Python for Performance Measurement (32 lessons)** – Practical Python training tailored to performance professionals, including data manipulation, visualization, and coding exercises relevant to returns, risk, and GIPS calculations.
- **Fixed Income Attribution (3 lessons)** – Concentrated training on fixed income attribution methods, bond valuation, yield curve analysis, and several established attribution models.
- **Conference Recordings (PMAR North America & PMAR Web)** – Collections of sessions and insights from past PMAR events, bridging performance measurement with broader industry trends.

Modular Add-Ons

- Smaller, focused modules on individual topics from the fundamentals curriculum such as risk measurement, GIPS concepts, rates of return, and performance attribution fundamentals.

Nash Falls and *Hope Rises*, by David Baldacci

Review by David Spaulding, DPS, CIPM



This month, we have two books to review. Both by David Baldacci. They're a two-part series, beginning with *Nash Falls* and ending with *Hope Rises*.

I've been enjoying Baldacci's books for quite some time. While fiction is a small percentage of the books I read, I do enjoy those he writes. He is described as a "thriller and suspense writer," a genre I enjoy.

And while I have literally read several of his books, I also enjoy listening to them on Audible; and that is what I did with these two books. The first takes almost 13 hours to complete, while the second 12 ½ hours.

These books are action-filled, with many *twists-and-turns*. I didn't realize there would be a sequel to the first, until I was just an hour or so near the end, and figured there was no way for it to end with so little time left, and I was right.

Nash Falls was released 11/11/2025, and I began listening almost immediately. I pre-ordered the second, *Hope Rises*, which was released just two weeks ago (4/14/2026). I usually listen only while driving or exercising, but made an exception, as I was so enthralled with what was occurring, I didn't want it to take weeks to complete.

The narration was quite good, though if you prefer to actually read it, I'm sure you'll find it immensely enjoyable.

Walter Nash works for a large company, a company that he didn't know was involved in the drug trade. He is an outstanding executive, well respected by the firm's founder, but not so much by the founder's son, who is often compared to Nash.

The books are filled with intrigue, lots of action and excitement, and a lot of surprises. I recommend them.

What a Word

Augur

In this section, we will introduce a word we think is a bit unusual or interesting. We hope you enjoy it. And please feel free to send us your suggestions.

Augur

- (AW-gur)
- To augur is to show or suggest, especially from omens, that something might happen in the future. Used most often in formal speech or writing, *augur* is often followed by an adverb, such as *well*.

[intransitive verb](#)

: to predict the future especially from omens

In ancient Rome, [augurs](#) were official [diviners](#) whose function it was to divine whether the gods approved of a proposed undertaking, such as a military move.

They did so by various means, among them observing the behavior of birds and examining the entrails of sacrificed animals.

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