

GIPS Annual Conference Highlights

We're excited to share with you some of the highlights from the GIPS Annual Conference that was held in Boston, MA on 19-20 September 2013.

SEC Update

Andrew Bowden, director of the SEC Office of Compliance Inspections and Examinations, discussed recent developments at the SEC, including enforcement, examinations around technology-related controls, and the migration from the broker-dealer to investment advisory model. Check out the [webcast](#) to see the entire session.

Are You Really In Compliance?

Karyn Vincent, CFA, CIPM, owner of Vincent Performance Services LLC, Chair of the GIPS Verification Subcommittee and Member of the GIPS Executive Committee, discussed the requirements firms must follow in order to be compliant with the GIPS standards. These requirements can be located in several places (i.e. Guidance Statements, Q&As, etc.) and not just in the provisions themselves. There is a [webcast](#) for this session.

Other Ways to Improve Transparency and Integrity

During our session, Transparency and Fairness: Principles for Investment Reporting, speaker Dr. Stefan Illmer mentioned that clear, trustworthy investment reporting continues to be the most valuable tool for communicating investment information. Whether you use this information as an investor or as a financial professional, it is what you don't know that can be the most damaging. In today's complex investment marketplace, there is a need for a tool set of guidelines to advance the next stage of evolution for investment reporting. CFA Institute's [Future of Finance](#) initiative, the [Principles for Investment Reporting](#), serve to facilitate a dialogue between report preparers and users. As trust is rebuilt through clear and transparent reporting, it will also encourage investors to refocus on securing their financial future in partnership with investment professionals.

It is also worth noting, that in the wake of high-profile investment scandals, providing skeptical investors with confidence in your firm's commitment to high standards of ethical and professional conduct is paramount. One way asset management firms can do this is through voluntary compliance with an objective standard developed by a globally respected leader in the investment profession. The [Asset Manager Code of Professional Conduct](#) provides a robust framework for affirming investor interests.

Upcoming Guidance Statements

Below is a list of the Guidance Statements that are being drafted or revised:

- The public comment period for the Guidance Statement on the Application of the GIPS Standards to Pension Funds, Endowments, Foundations and Other Similar Entities has ended and now we have a team of staff and volunteers reviewing all the comments we received.

- The Guidance Statement on Performance Record Portability is a revised version of the existing Guidance Statement which will help to clarify and elaborate more on the issues related to portability.
- The Guidance Statement on the Application of the GIPS Standards to Pooled Funds is a new Guidance Statement that helps firms that manage pooled funds to become compliant with the GIPS standards. Also, please check out our blog titled, [Coming Soon: GIPS standards Guidance Statement for Pooled Fund Managers](#) by Annie Lo, CFA, CIPM.
- The Guidance Statement on Risk is a new Guidance Statement that will guide firms on how to provide the investor with relevant, consistent and useful quantitative and qualitative measures and descriptions of risk that, together with the compliant presentation, will help the investor in making a fully informed investment decision.
- Please see below for details on the Guidance Statement on Overlay Strategies.

New Releases

The following new documents have just been released on the [GIPS website](#).

The United States Investment Performance Committee (USIPC) developed a white paper titled [Best Practices for Creating and Maintaining Policies and Procedures for Complying with the GIPS standards](#) (PDF) that is intended to assist firms with establishing and maintaining policies and procedures for claiming compliance with the GIPS standards.

The USIPC also created a white paper titled [Performance Advertising — Reconciling the GIPS Standards with the Investment Advisers Act of 1940](#) (PDF). This paper addresses key differences between the GIPS standards and the requirements that the investment advisers registered with the U.S. Securities and Exchange Commission (SEC) pursuant to the Investment Advisers Act of 1940 are expected to follow.

Article in CFA Magazine

Check out this [article](#) in the September/October edition of CFA Magazine titled, "Toward Wider Acceptance of the GIPS Standards" by Annie Lo, CFA, CIPM, CAIA and Trevor Persaud. As the asset management industry reels from the effects of increased regulations, it is heartening to see industry groups still championing self-regulation, best practice, and ethics in performance reporting. This is good news for the GIPS standards and for the professionals who adopt the Standards as the benchmark for presenting and calculating investment performance.

GIPS Executive Committee Open Meeting

The GIPS Executive Committee will be having an Open-Meeting in Washington D.C. on November 7, 2013 from 1:00 pm – 3:00 pm (ET).

Overlay Strategies Working Group

We are looking for volunteers for our newly formed Overlay Strategies Working Group. The Overlay Strategies Working Group will be developing a Guidance Statement on Overlay Strategies that will provide guidance on how to apply the GIPS standards to overlay investment strategies and portfolios. The exposure draft for public comment is expected in 2014. For more information or to apply for the Overlay Strategies Working

Group, please send us an [e-mail](#) no later than **Friday, 1 November 2013** and **include your resume.**

Staying Current

Stay up to date by following us on [Twitter](#). Please visit the [GIPS website](#) for additional information and resources, including podcasts from the past GIPS standards conferences. Curious to know what is being said about the GIPS standards? Check out the GIPS standards' website for the [GIPS in the News](#) section which features related news articles.

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