

GIPS Annual Conference and Workshops

The [GIPS Standards Annual Conference](#) is scheduled for Thursday and Friday, 18-19 September 2014 in Boston. The GIPS Standards Annual Conference is the only conference of its kind focused on the implementation and application of the GIPS standards. Subject matter experts share best practices and speak to the key issues and major developments in performance measurement, making this conference essential for any performance or compliance professional. Gain a general understanding of investment performance standards and measurement techniques, learn about recent and/or proposed changes to the GIPS standards, understand how to ensure that your firm maintains compliance, and meet other performance specialists from around the world.

Register early! Save US\$200 by registering for the GIPS Standards Annual Conference by Wednesday, 20 August 2014.

A [GIPS Standards Interactive Workshop](#) is scheduled for Wednesday, 17 September 2014 in Boston. The workshop will help participants master the requirements of the GIPS standards, including composite construction, performance calculation, and the creation of a compliant presentation.

The [Fundamentals of Performance Measurement and Attribution Workshop](#) is also scheduled for Wednesday, 17 September 2014 and will provide skills immediately useful in your work and offers a thorough understanding of the fundamentals of performance measurement with practical lessons for beginners and experienced analysts alike. Following a highly interactive small-group format, participants will be guided through a wide range of frequently used attribution, risk, and benchmark-analysis methods and reinforce them with live calculation exercises.

Exposure Draft for Firm Notification Requirement Released for Public Comment

The GIPS Executive Committee seeks comment on the [proposed new requirement](#) for firms to notify CFA Institute that they claim compliance with the GIPS standards. The purpose of this new requirement is to address the expressed requests of various stakeholders across the globe for more information related to compliance with the GIPS standards. The information gathered will also help stakeholders of the GIPS standards understand trends that indicate where growth in the adoption of the GIPS standards is taking place, which markets need more resources, where more promotional efforts should be focused, etc.

Please also check out Jonathan Boersma's [blog](#) which clarifies the purpose and intent of this new requirement as well as how this information will be used.

Comments will be accepted through an online form. **Please submit your feedback no later than Monday, 7 July 2014.**

GIPS Standards Volunteer Opportunities

CFA Institute is seeking volunteers to serve on the following oversight committees that promote ethics and integrity and instill trust through the use of the GIPS standards:

- GIPS Executive Committee (3 at-large positions)
- GIPS Technical Committee (1 at-large position)
- GIPS Verification Subcommittee Chair position

The GIPS Executive Committee serves as the governing body of the GIPS standards, and is responsible for the strategic development, promotion, and implementation of the GIPS standards,

while the GIPS Technical Committee is responsible for the technical oversight of the GIPS standards. The Verification Subcommittee develops content specific to verifiers and to act as a forum of professionals for discussing issues pertinent to verification.

Nominees must have significant knowledge of investment performance and the GIPS standards and be able to assist in ensuring the integrity, consistency, and applicability of the GIPS standards. Volunteers are needed to represent a broad spectrum of geographical areas (countries and regions), as well as key industry and investor groups (plan sponsors, consultants, investment managers, regulators, individual investors, verifiers, performance measurers, etc.).

If you are interested in applying for any of the oversight committees listed above, please send a request to the standards@cfainstitute.org and indicate which committee's nomination application you would like to receive. **The nominations period for these positions is open until Friday, 20 June 2014 at 17:00 ET.** The GIPS Nominations Committee will review and analyze all completed nomination applications and submit recommendations for the five open positions to the CFA Institute Board of Governors for their review and approval.

CFA Institute is also looking for volunteers to serve as members on the Investment Manager Subcommittee, Asset Owner Subcommittee, Verification Subcommittee and the Interpretations Subcommittee for the 2014-2015 term (which begins Monday, 1 September 2014). Please send your resume to standards@cfainstitute.org and indicate which subcommittee(s) and/or working group(s) you are interested in.

SEC Enforcement Case Update

In our May 2013 edition of the GIPS Newsletter, we shared the U.S. Securities and Exchange Commission (SEC) case against ZPR Investment Management Inc. after investigations by the SEC's Division of Enforcement alleged that ZPR Investment Management Inc. falsely claimed compliance with the GIPS standards. It was alleged that many of their advertisements mentioned the firm's claim of compliance but did not include all information required by the GIPS Advertising Guidelines. In one of the examples provided, it was stated that the composite's period to-date performance returns were omitted as the composite had underperformed its benchmark during that time frame. The firm was also accused of making false statements related to verification and falsely reporting to Morningstar that it was not under a "pending SEC investigation" during that time.

An initial ruling was made by a SEC administrative law judge which may be the first formal SEC sanction based primarily on misrepresentation of compliance with the GIPS standards. In addition to barring Max Zavanelli from any association with any investment adviser, broker, dealer, municipal securities dealer, municipal advisor, transfer agent, and nationally recognized statistical rating organization, Mr. Zavanelli was ordered to pay \$660,000 in civil penalties — the maximum first-tier fine for each of 11 misrepresentations in SmartMoney and Barron's advertisements, ZPR newsletters, and Morningstar reports. ZPR Investment Management Inc. was also fined \$250,000, finding that its failings included not telling Morningstar the SEC was investigating its disclosures, and ordered ZPR to cease and desist from violating Sections 206(1), (2) and (4) of the Investment Advisers Act of 1940 and Rule 206(4)-1(a)(5). The ruling can be appealed. The preliminary ruling may be viewed [here](#).

Staying Current

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