

NEWSLETTER

Global Investment Performance Standards

July 2024 Edition

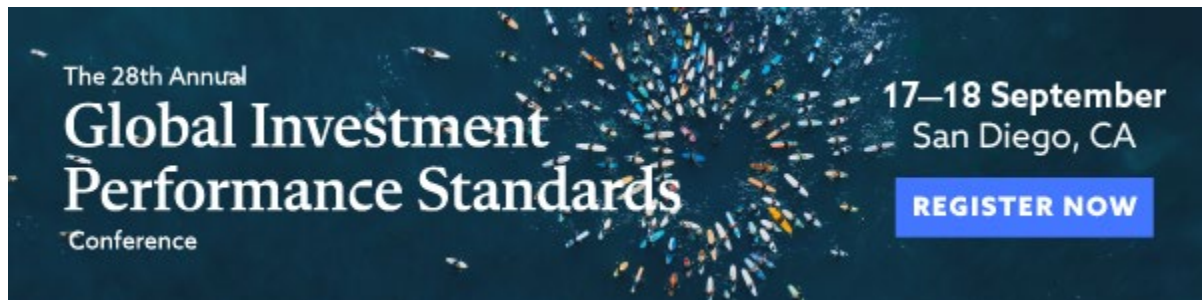
Have You Registered for the [28th Annual GIPS® Standards Conference](#)?

Join us 17–18 September in San Diego to reconnect with colleagues as industry and regulatory experts discuss the latest trends and challenges in investment performance.

Register by 31 July to secure early registration pricing. Must-attend sessions include:

- Performance for Private Funds
- Use of AI in Investing and Performance
- SEC Marketing Rule
- GIPS Standards Help Desk

[Register Today](#)



Calling All Asset Owners

In 2020, the United States Investment Performance Committee (USIPC) conducted a survey of pension funds, endowments, and foundations (together, asset owners) in the United States to determine their familiarity with the GIPS standards; if they claim compliance, or plan to claim compliance, with the GIPS standards; and if they require, or inquire about, GIPS compliance when selecting external managers.

CFA Institute has created a [follow-up survey](#) of asset owners to understand the trends in the information learned four years ago, expand the reach from the United States to global, and learn more about additional performance-related topics, including the types of returns and benchmarks used.

We welcome participation from all asset owners, whether they do or do not claim compliance with the GIPS standards. This survey is anonymous, and any data released will be in aggregate form. Entity-specific information will never be released to any party outside of CFA Institute. The survey should take no more than 15 minutes to complete and is open through 16 August 2024. We greatly appreciate your participation, which will assist us in providing valuable information to the asset owner community. [Take our brief asset owner survey.](#)

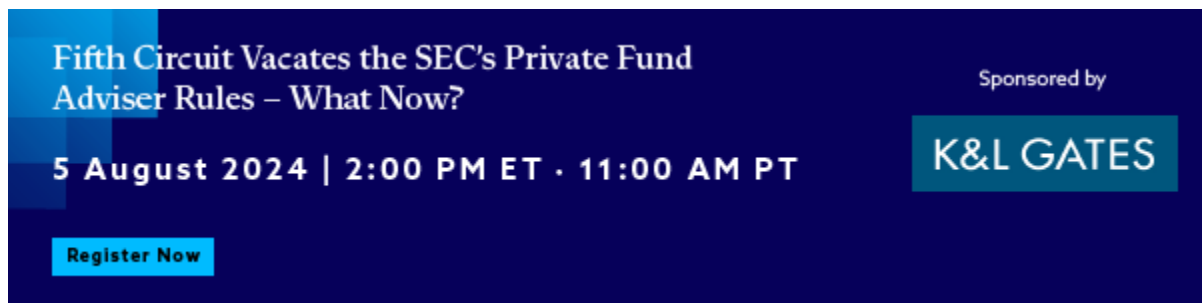
Fifth Circuit Vacates the SEC's Private Fund Adviser Rules—What Now?

Wondering how the Fifth Circuit's decision to vacate the SEC's Private Fund Adviser Rules will impact your firm? Join CFA Institute and esteemed attorneys from K&L Gates as they discuss the practical implications of this ruling and explore how recent Supreme Court decisions may influence SEC rulemaking and enforcement.

When: August 5th, 2024

Time: 2:00 PM ET

[Register For the Webinar Now!](#)



Fifth Circuit Vacates the SEC's Private Fund Adviser Rules – What Now?

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K&L GATES

5 August 2024 | 2:00 PM ET · 11:00 AM PT

[Register Now](#)



Join CFA Institute's Global Industry Standards Team

We have a great opportunity for someone to join the Global Industry Standards Team at CFA Institute. Do you have a passion for writing rules? Do you love to debate the benefits of the Oxford comma? If so, we have a job for you!

The Director, Global Industry Standards, is accountable for directing and supporting the development and maintenance of CFA Institute industry codes and standards globally. The position develops relationships with industry representatives—including asset owners, asset managers, regulators, consultants, industry associations, employers, CFA societies, and volunteers—and works with those representatives to create industry standards to increase transparency, consistency, quality, and cost-effectiveness for participants in the investment industry. The Director of Global Industry Standards also serves as a representative of CFA Institute at industry events, conducts outreach and education activities, and is a thought leader to advancing CFA Institute ethics, standards, policies, and positions.

The position may be based in one of CFA Institute's office locations (Charlottesville, VA; New York City; Washington, DC) or remotely in the United States and is eligible for hybrid or remote work. The position will report to the Senior Head, Global Industry Standards and Professional Standards.

[Apply online through the CFA Institute website.](#)

New GIPS Standards Q&A on Portfolio-Weighted Custom Benchmarks

A portfolio-weighted custom benchmark is a benchmark that is created using the benchmarks of the individual portfolios in the composite. When a portfolio-weighted custom benchmark is used, Provision 4.C.34 requires a firm to disclose:

- That the benchmark is rebalanced using the weighted average returns of the benchmarks of all of the portfolios included in the composite.
- The frequency of the rebalancing.
- The components that constitute the portfolio-weighted custom benchmark, including the weights that each component represents, as of the most recent annual period end.
- That the components that constitute the portfolio-weighted custom benchmark, including the weights that each component represents, are available for prior periods upon request.

Concerns have been raised about the length of the disclosure required when many underlying benchmarks are included in a portfolio-weighted custom benchmark. In the [Guidance Statement on Benchmarks for Firms](#), effective 1 April 2021, we addressed this concern and provided some relief by not requiring a firm to disclose smaller benchmark components. Subsequently, however, the GIPS Standards Technical Committee has determined that this relief does not go far enough because the disclosure for the components of a portfolio-weighted custom benchmark can still be very long, which diminishes the value of the disclosure for the prospective client. The Technical Committee determined that for purposes of meeting the requirement to disclose the components that constitute the portfolio-weighted custom benchmark, the firm may determine how best to disclose the benchmark components given the respective composite strategy. Components could be defined as:

1. The individual benchmarks within the portfolio-weighted custom benchmark;
2. The regions or asset classes of the individual benchmarks within the portfolio-weighted custom benchmark; or
3. Criteria important to the management of portfolios in the composite, such as duration groupings for liability-driven investment (LDI) composites, within the portfolio-weighted custom benchmark.

This [new Q&A](#) can be found under the Benchmarks category for Firms, and it includes several sample disclosures.

Tools and Resources

We continue to add tools and resources to assist with implementation of the GIPS standards. We added a [Guide for Creating a GIPS Standards Policies and Procedures Manual for Firms Managing Only Broad Distribution Pooled Funds \(BDPFs\)](#). Firms that manage only BDPFs and choose to claim compliance with the GIPS standards are required to document their policies and procedures used in establishing and maintaining compliance with the GIPS standards. This guide is not authoritative guidance and is simply a starting point to help firms think about what should be included in a policies and procedures manual. You can find this guide on the [Tools webpage](#) under the Resources tab for firms.

Elevate Your Career with CFA Institute's New Private Equity Certificate

Advance your career in private equity with our new, self-paced, intermediate-level Private Equity Certificate. Built on the globally recognized CFA Program content, this certificate equips you with essential skills for analyzing investments, financial modeling, assessing deals, and leveraging value-creation strategies. The program includes five comprehensive courses and a final assessment. Additionally, the certificate offers participants the opportunity to interact directly with a financial modeling trainer in an open forum.

[Explore the Private Equity Certificate.](#)

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