



Required GIPS® Report Disclosures for Firms

GIPS® compliant firms are required to include the following disclosures in their GIPS Reports. Typically, the disclosures are presented on a single page for each composite following the table of required statistics for that composite (in cases where it can fit to one page); however, the GIPS standards do not require any specific format to be used:

Required for ALL GIPS Reports

- ☐ Claim of Compliance: The disclosure must be stated word-for-word as written below using the version appropriate for your firm. The only differences in the applicable claim of compliance from firm to firm is the firm name, composite/pooled fund names, and date range (if applicable). Please select the appropriate version below based on whether your firm is verified and the composite/pooled fund is performance examined:

For firms that are verified:

"[Insert name of FIRM] claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. [Insert name of FIRM] has been independently verified for the periods [Insert dates]. The verification report(s) is/are available upon request."

"A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report."

For composites/pooled funds of a verified firm that have also had a performance examination:

"[Insert name of FIRM] claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. [Insert name of FIRM] has been independently verified for the periods [Insert dates]."

"A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The [insert name of COMPOSITE/POOLED FUND] has had a performance examination for the periods [insert dates]. The verification and performance examination reports are available upon request."

For firms that have not been verified:

"[Insert name of FIRM] claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. [Insert name of Firm] has not been independently verified."

- ☐ Must disclose the following: "GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein."
 - REMINDER: This disclosure must be written verbatim with the quoted language.
- ☐ Definition of the "firm" used to determine total firm assets and firm-wide GIPS compliance.
- ☐ Composite/pooled fund description.
- ☐ Benchmark description. If the benchmark is considered widely recognized (e.g., S&P 500), stating the name without a more detailed description is sufficient. Even if widely recognized, it is still recommended to disclose the benchmark description, but not required. If benchmark returns are calculated less frequently than monthly, the periodicity of the benchmark must be disclosed. If the benchmark is materially different from the strategy, this should also be disclosed.
- ☐ If gross-of-fees returns are reduced by any fees in addition to transaction costs, the other fees must be disclosed.
- ☐ Whether net-of-fee returns are calculated based on actual or model management fees. If model fees are used and gross-of-fee returns are not presented, then the model fee used must be presented.
 - EXAMPLE with Actual Fees: "Net-of-fee returns have been reduced by the actual investment management fees charged."

- EXAMPLE with Model Fees: *"Net-of-fee returns have been calculated by reducing the monthly returns by 1/12 of X%. These monthly returns are geometrically linked to calculate the annual net-of-fee return. The model fee of X% is appropriate for this strategy based on the fees currently offered to prospective clients and the fees charged historically. The model fee results in a more conservative net-of-fee return than would be achieved if calculated using actual fees."*
- REMINDER: If model fees are used for strategies that pay performance-based fees, make sure the actual or model fees account for fluctuations in fees paid by those portfolios. Also, net-of-fee returns in GIPS Pooled Fund Reports must be net of the total pooled fund fee. When determining the model fee for pooled funds it must include all fees and expenses, not only investment management fees. Model fees for GIPS Composite Reports generally will only be for investment management fees.
- ☐ Whether gross-of-fee or net-of-fee returns are used to calculate presented risk measures.
 - EXAMPLE: *"Internal Dispersion and 3-Year Ex-Post Standard Deviation were calculated using gross-of-fee returns."*
- ☐ Currency used to express performance.
 - EXAMPLE: *"The U.S. Dollar is the currency used to express performance."*
 - REMINDER: The same currency needs to be used for all statistics presented in the same GIPS Report.
- ☐ Measure of internal dispersion presented.
 - EXAMPLE: *"The annual composite dispersion presented is an equal-weighted/asset-weighted standard deviation calculated based on the annual gross returns of portfolios included in the composite for the full year."*
 - REMINDER: This is required for GIPS Composite Reports only as dispersion is not applicable for GIPS Pooled Fund Reports.
- ☐ If the firm chooses not to present the internal dispersion of individual portfolio returns because there are five or fewer portfolios in the composite for the full year, the firm must disclose that the internal dispersion is not applicable due to this fact, or use similar language.
- ☐ Fee schedule appropriate to the GIPS Report. The fee schedule must be appropriate for current prospects and may be different than fees charged historically.
 - REMINDER: The fee schedule should represent investment management fees only when presenting to prospective separate account clients, but must include the total fund expense ratio when presenting to prospective fund investors.
- ☐ Composite creation date.
 - EXAMPLE: *"This composite was created in MONTH YEAR."*
 - REMINDER: This is different than inception date. The creation date is when the firm first groups one or more portfolios to create a composite. Also, this is required for GIPS Composite Reports only as creation date is not applicable for GIPS Pooled Fund Reports.
- ☐ Inception date.
 - EXAMPLE: *"The performance record for this composite/pooled fund incepted on MONTH DAY, YEAR"*
 - REMINDER: The inception date can be different than the creation date as it is the start of the track record rather than when the decision was made to form the composite. The inception date should be the same as the creation date or older.
- ☐ Lists of pooled fund and composite descriptions available upon request, if applicable.
 - EXAMPLE: *"The firm's full list of composite descriptions, limited distribution pooled fund descriptions, and broad distribution pooled funds are available upon request."*
 - REMINDER: Disclosure only needs to include what is relevant for the firm, so, for example, if the firm does not have any pooled funds, it only needs to disclose the availability of the list of composite descriptions.
- ☐ Disclosure of policies available upon request, which must be stated word-for-word as follows: "Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request."
- ☐ If the firm chooses to not present the number of portfolios in the composite because there are five or fewer portfolios in the composite, the firm must disclose that the composite contains five or fewer portfolios or use similar language.

Required for GIPS Reports with Special Situations

GIPS compliant firms are required to include the following disclosures in their GIPS Reports if these special situations apply:

Minimum Asset Level Policy

- ☐ Minimum asset level applied to the composite if the firm has a policy to exclude portfolios from the composite that have a market value below this level. Any changes to the minimum asset level must also be disclosed. This can be set up on a composite by composite basis and does not have to be the same threshold/policy for all composites.
 - EXAMPLE: *"The minimum asset level required for inclusion in this composite is \$X. Prior to DATE the minimum asset level was \$Y."*
 - REMINDER: This is for GIPS Composite Reports only as minimum asset levels not applicable for GIPS Pooled Fund Reports.

Significant Cash Flow Policy

- ☐ How the firm defines a significant cash flow for that composite and for which periods it applies if the firm has a policy to temporarily remove portfolios from the composite due to significant cash flows. This can be set up on a composite by composite basis and does not have to be the same threshold/policy for all composites.
 - EXAMPLE: *"Beginning DATE, composite policy requires the temporary removal of any portfolio incurring an aggregation of client-initiated significant cash inflow or outflow of at least X% of portfolio assets. Additional Information regarding the treatment of significant cash flows is available upon request."*
 - REMINDER: This is for GIPS Composite Reports only as significant cash flow policies are not applicable for GIPS Pooled Fund Reports.

Non-Fee-Paying Portfolios Included in Composite

- ☐ The percentage of the composite assets represented by non-fee-paying portfolios must be disclosed as of each year-end.
 - REMINDER: This is only required for composites presenting net-of-fee returns using actual investment management fees. Composites calculating net-of-fee returns using model investment management fees are not required to include this disclosure. Additionally, this disclosure is only applicable for GIPS Composite Reports as it will not be applicable for GIPS Pooled Fund Reports.

Presentation of Advisory-Only Assets or Uncalled Committed Capital

- ☐ No actual disclosure is required other than clearly labelling what the assets represent.
 - REMINDER: These assets cannot be included in composite assets, fund assets or total firm assets; however, they can be presented separately. When presenting separately, firms have the option to present these assets on their own (i.e., just the advisory-only or uncalled committed capital) or combined with the assets of the firm or composite/fund (e.g., a combined figure that includes both total composite assets and the advisory-only assets following the strategy). Either way, the firm must make it clear what this additional figure represents.

Fees & Expenses

- ☐ The use of estimated transaction costs and how they were determined.
 - EXAMPLE: *"Estimated transaction costs were used to reduce the gross-of-fee returns of our wrap portfolios since actual transaction costs are unavailable. The estimated transaction cost is equal to X basis points per month and are determined based on the average transaction costs charged to the non-wrap portfolios managed by the firm in the same or similar strategies."*
- ☐ Describe the fee structures of the performance-based fees or carried interest.
 - EXAMPLE: *"The investment management fee schedule for the strategy is X% of assets annually plus Y% of net profits above the portfolio's high-water mark after applying the asset-based management fee."*
- ☐ Disclose which fees and expenses other than investment management fees (e.g., research costs) are separately charged by the firm to clients, if material.
- ☐ If any other fees are deducted in addition to the trading expenses and/or investment management fees.
 - EXAMPLE: *"In addition to trading expenses and management fees, net-of-fee returns for this strategy have been reduced by custody fees and other miscellaneous administrative expenses."*
- ☐ If net-of-fee returns are presented for a fund that has a partnership structure, the assets used to calculate the net-of-fee returns must be disclosed.

- EXAMPLE: *"Pooled Fund returns are net of actual fund fees and expenses based on the assets held by the limited partners of the fund."*
- ☐ If net-of-fee returns are presented for a fund that has multiple share classes, the share class used to calculate the net-of-fee returns must be disclosed.
 - EXAMPLE: *"Pooled Fund returns are net of actual fund fees and expenses based on XYZ share class of the fund."*
 - REMINDER: If using one share class as a proxy for the fund, the share class with the highest fee is generally used. Like with model fees, it is not appropriate to use a share class that results in better returns than the prospective investor may have received if invested in the fund for the period presented.

Error Correction

- ☐ Changes to a GIPS Report made because of a material error, as defined in the firm's error correction policy.
 - EXAMPLE: *"Returns have been updated from a prior version of the presentation due to a material error that resulted in an overstatement of returns."*
 - REMINDER: This disclosure must be included for a minimum of one year from the date it is added to the GIPS Report and for as long as it is relevant to interpreting the track record. Also, this disclosure does not need to be included when provided to new prospects that never received the version containing the error.

Overlay

- ☐ The methodology used to calculate overlay exposure and whether collateral and collateral income are reflected in the returns.
 - EXAMPLE: *"Overlay exposure is determined based on the value of the underlying portfolios being overlaid. Returns are inclusive of returns earned on collateral and collateral income."*

Prior Firm Performance Presented

- ☐ If the performance from a past firm or affiliation is linked to the performance of the firm (Portability).
 - EXAMPLE: *"Performance presented prior to DATE was achieved by the same portfolio manager while affiliated with a prior firm. The performance from the prior firm has been linked to the current performance in accordance with the portability requirements of the GIPS standards."*

Benchmark Situations

- ☐ If the firm determines that there is no appropriate benchmark for the strategy, why no benchmark is presented.
 - EXAMPLE: *"This composite/pooled fund has a dynamic global macro strategy that is constantly evolving, therefore, there is no benchmark that would provide a meaningful comparison to the composite/pooled fund's performance."*
- ☐ If the benchmark changes, the date and description of the change must be described.
 - EXAMPLE: *"As of DATE the benchmark was retroactively changed for all presented periods from the Russell 1000 to the Russell 1000 Growth. Due to the growth focus of this strategy, it was determined that the Russell 1000 Growth is a more meaningful benchmark."*
 - REMINDER: Disclosures describing retroactive changes to the full history of the benchmark must be included for a minimum of one year from the date it is added to the GIPS Report and for as long as it is relevant to interpreting the track record.
 - REMINDER: Disclosures describing prospective changes to the benchmark must remain in the GIPS Report for as long as the prior benchmark statistics remain in the performance table.
- ☐ If a custom benchmark or combination of multiple benchmarks is used, the benchmark must be clearly labelled as a "custom benchmark" and the benchmark components, weights, rebalancing process, and calculation methodology must be disclosed.
 - EXAMPLE: *"To match the target weights of this strategy, the custom benchmark used is comprised of 60% S&P 500 and 40% Bloomberg Barclays Aggregate Bond Index which is rebalanced monthly by weighting each component's monthly returns by their weights and summing the results."*
- ☐ If a portfolio-weighted custom benchmark is used, the benchmark must be clearly labelled as a "custom benchmark" and the firm must disclose that the benchmark is rebalanced using the weighted average returns of the benchmarks of all the portfolios included in the composite, as well as the rebalancing frequency. The components and their weights as of the most recent annual period and the availability of this information for prior periods must also be disclosed.

- EXAMPLE: *“The custom benchmark is a weighted average of all benchmarks assigned to portfolios in the composite, rebalanced monthly. The components of the custom benchmark as of the most recent annual period are X% S&P 500 and Y% Russell 1000. Components and weights for all prior periods are available upon request.”*
- ☐ For Public Market Equivalent Benchmarks: The firm must disclose the calculation methodology used for the benchmark (if custom). If the firm presents the public market equivalent of the strategy as a benchmark, the firm must also disclose the index used to calculate the public market equivalent.

Money-Weighted Returns (MWRs)

- ☐ If the firm is presenting a money-weighted return, the firm must disclose the frequency of external cash flows used in the money-weighted return calculation if daily was not used.
- ☐ If a subscription line of credit is used, and the firm is required to present returns both with and without the subscription line of credit, the firm must disclose the purposes for using the subscription line of credit, the size of the subscription line of credit as of the most recent annual period end, and the subscription line of credit amount outstanding as of the most recent annual period end.
 - EXAMPLE: *“This strategy uses a subscription line of credit. The primary use of the subscription line is for liquidity purposes for timing of investment purchases. As of DATE the size of the line of credit was \$X million dollars, \$Y million of which, was outstanding.”*
 - REMINDER: Firms are not required to present MWRs when the subscription line has principal that was repaid within 120 days using committed capital draw down through a capital call, and no principal was used to fund distributions.

Return Type Change

- ☐ Changes in return type for a composite/pooled fund, such as a change from time-weighted to money-weighted returns.
 - EXAMPLE: *“Prior to DATE this composite/pooled fund was presented using time-weighted returns.”*
 - REMINDER: This disclosure must be included for a minimum of one year from the date the disclosure is added to the GIPS Report and for as long as it is relevant to interpreting the track record.

Three-Year Ex Post Standard Deviation Not Presented

- ☐ The three-year annualized ex post standard deviation of the strategy and/or benchmark is not presented because 36 monthly returns are not available.
 - EXAMPLE: *“The three-year annualized standard deviation is not presented for years X and Y due to less than 36 months of composite/pooled fund and benchmark data being available.”*
 - REMINDER: This is only a required disclosure for year-end 2011 and later and for reports presenting at least three annual periods of performance.

Redefinitions

Firm

- ☐ If the firm is redefined, the date and description of the redefinition must be described.
 - EXAMPLE: *“As of DATE the firm definition was expanded to include X. Prior to this date the firm was more narrowly defined as Y.”*

Composite

- ☐ If a composite is redefined, the date and description of the redefinition must be described.
 - EXAMPLE: *“As of DATE this composite’s definition was expanded to reflect X change in the strategy. Prior to this date the composite did not include portfolios with Y.”*
 - REMINDER: This is for GIPS Composite Reports only as pooled funds cannot be “redefined.”

Composite/Pooled Fund Name Change

- ☐ Changes to the name of a composite/pooled fund must be disclosed.
 - EXAMPLE: *“Prior to DATE this composite/pooled fund was known as XYZ.”*
 - REMINDER: This disclosure must be included for a minimum of one year from the date of the name change and for as long as it is relevant to interpreting the track record.

Leverage or Derivatives Utilized

- ☐ How leverage, derivatives and short positions have been used historically, if material.
 - EXAMPLE: *"This strategy utilizes derivatives to hedge currency exposure from foreign investments."*
 - EXAMPLE: *"This strategy may utilize, and historically has utilized, leverage up to 200X."*

Significant Events

- ☐ All significant events that would help a prospective client interpret the GIPS Report. It is up to the firm to determine what is "significant," but typical examples include material changes in ownership, decision-makers, etc.
 - REMINDER: This disclosure must be included for a minimum of one year after the event date, and for as long as it is relevant to interpreting the track record. The date of such an event must be included in the disclosure.

Additional Risk Measures

- ☐ If additional risk measures beyond what is required are presented, they must be described and the name of the risk-free rate must also be included if used to calculate the measure.
 - EXAMPLE: *"The Treynor ratio is presented, which measures the excess strategy Gross/Net return per unit of systematic risk. To calculate the Treynor ratio, the BIL ETF was used as the risk-free rate."*

Foreign Withholdings Tax

- ☐ Relevant details of the treatment of withholding taxes on dividends, interest income, and capital gains, if material. Also, if benchmark returns are net of withholding taxes if this information is available.
 - EXAMPLE: *"Composite/pooled fund and benchmark returns are presented Gross/Net of foreign withholding taxes."*

Linked Non-Compliant Performance from Prior to Minimum Effective Compliance date

- ☐ Periods of non-compliance for any performance presented for periods prior to January 1, 2000 (January 1, 2006 for Real estate, private equity, and wrap composites) that does not comply with the GIPS standards.
 - EXAMPLE: *"Performance presented prior to January 1, 2000 is from before our firm adopted the GIPS standards and may not comply with all of the GIPS requirements."*

Use of a Sub-Advisor

- ☐ For periods beginning on or after January 1, 2006, the use of a sub-advisor and the periods a sub-advisor was used.
 - EXAMPLE: *"For all periods presented, a sub-advisor has been used to manage the fixed income component of the strategy."*

Non-Standard Valuation Dates Prior to January 1, 2010

- ☐ For periods prior to January 1, 2010, if any portfolios were not valued at calendar month end, or on the last business day of the month.
 - EXAMPLE: *"Prior to January 1, 2010 the portfolios in this composite were valued as of the last Friday of the month instead of the last business day of the month. From the start of 2010 to present all portfolios have been valued as of the last business day of the month."*

Valuation-related Disclosures

- ☐ For periods beginning on or after January 1, 2011, the use of subjective unobservable inputs for valuing investments (as described in the GIPS Valuation Principles) if the investments valued using subjective unobservable inputs are material.
 - EXAMPLE: *"Since this strategy includes investments in rare pieces of fine art, market-based inputs were unavailable to fair value the portfolio and subjective, unobservable inputs were used to determine the fair value."*
- ☐ For periods beginning on or after January 1, 2011, if the valuation hierarchy materially differs from the recommended hierarchy in the GIPS Valuation Principles.
 - EXAMPLE: *"When fair valuing investments our firm utilizes market-based inputs other than quoted prices even when quoted prices are available. This materially deviates from the recommended hierarchy in the GIPS Valuation Principles."*
- ☐ The use of preliminary, estimated values when determining fair value.
 - EXAMPLE: *"Preliminary values are used to determine the fair value of illiquid investments in this strategy."*

Real Estate

- ☐ For real estate investments that are not in a real estate open-end fund, firms must disclose external valuations and the frequency in which they are obtained or the use of external audits.
 - EXAMPLE: *"All real estate investments are externally valued at least annually."*

Carve-outs

- ☐ When reporting performance for composites that include carve-outs with allocated cash, the firm must:
 - Disclose "Carve-Out" in the composite name.
 - Disclose that the composite includes carve-outs with allocated cash.
 - Disclose the policy used to allocate cash.
 - Disclose that the GIPS Report for the composite with standalone portfolios is available upon request, if a composite of standalone portfolios exists for the same strategy.
 - REMINDER: When presenting a carve-out composite and a standalone composite also exists, the firm must include the composite returns and assets for the standalone composite for each annual period the standalone composite exists.
 - REMINDER: When presenting performance of a composite that includes carve outs to a prospective client for a multi-asset strategy portfolio, the fee schedule must reflect the fee schedule for a multi-asset strategy portfolio managed according to that strategy.

Theoretical Performance

- ☐ If theoretical performance is included as supplemental information, the following must be included:
 - Specifically disclose that results are theoretical and are not based on the performance of actual assets under management and if the theoretical performance was derived from retroactive (back-testing) or prospective application of a model.
 - Description of the methodology used to calculate the theoretical performance including if it is based on a model, back-tested, or other hypothetical returns.
 - Whether returns have been reduced by actual or estimated investment management fees, transaction costs, and/or other fees.
 - Clearly label the theoretical performance as "supplemental information."

Local Regulations/Laws Conflict with GIPS

- ☐ If the GIPS Report conforms with laws and/or regulations that conflict with the requirements of the GIPS standards and the manner in which the laws and/or regulations conflict with the GIPS standards.
 - EXAMPLE: *"Local regulations require the use of settlement date accounting instead of trade date accounting, which differs from the requirements of the GIPS standards. To comply with local regulations our performance is calculated based on settlement date accounting for all transactions."*

Wrap/SMA Portfolios Included in Composite

- ☐ In presentations that include periods prior to the inclusion of actual wrap fee/SMA portfolios in the composite, disclose for each year presented that the composite does not contain actual wrap fee/SMA portfolios.
 - EXAMPLE: *"All periods presented prior to DATE do not include wrap fee portfolios."*
 - REMINDER: This is for GIPS Composite Reports only as wrap portfolios are not presented in GIPS Pooled Fund Reports.
- ☐ The percentage of composite assets that is wrap fee portfolios at year end for each annual period shown.
 - EXAMPLE: *"This composite is comprised of 100% wrap fee portfolios for all periods."*
 - REMINDER: This is for GIPS Composite Reports only as wrap portfolios are not presented in GIPS Pooled Fund Reports.
- ☐ If presenting pure gross returns (returns that have not been reduced by transaction expenses), they must be labeled as supplemental information.
 - EXAMPLE: *"Pure gross-of-fees returns do not reflect the deduction of any expenses, including trading costs, and are presented as supplemental information to the GIPS Report."*
 - REMINDER: This is for GIPS Composite Reports only as wrap portfolios are not presented in GIPS Pooled Fund Reports.

*Please refer to the GIPS standards to confirm if any additional disclosures may be applicable for your firm.