



Required Disclosures for GIPS® Compliant Advertisements

When advertising to attract investors to become prospective clients, GIPS compliant firms have 3 options:

- 1) Don't mention GIPS
- 2) Mention GIPS and include a GIPS compliant presentation that includes all required GIPS disclosures.
- 3) Mention GIPS and follow the more abbreviated disclosure requirements of the GIPS Advertising Guidelines

When selecting option 3, firms are required to include the following disclosures and statistics in their presentations:

Advertisements without Performance:

- The definition of the firm.
- How a prospective client can obtain a compliant presentation and/or the firm's list of composite descriptions.
 - *EXAMPLE: "To receive a GIPS compliance presentation and/or our firm's list of composite descriptions please email your request to info@xyz.com."*
- The GIPS compliance statement for advertisements: "[Insert name of Firm] claims compliance with the Global Investment Performance Standards (GIPS®)."

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- The composite description.
- Composite total returns according to one of the following two options:
 1. 1-, 3-, and 5- year annualized composite returns through the most recent period with the period end date clearly identified (and since inception if the composite has been in existence for less than five years); or
 2. Period-to-date composite returns in addition to either:
 - a) 1-, 3-, and 5- year annualized composite returns with the period end date clearly identified (and since inception if the composite has been in existence for less than five years); or
 - b) 5 years of annual composite returns with the end-of-period date clearly identified (or since composite inception if less than 5 years).
- Whether returns are presented gross and/or net of fees.
- Benchmark total returns for the same periods for which the composite return is presented.
- The benchmark description. If the benchmark is considered widely recognized (e.g., S&P 500), stating the name without a more detailed description is sufficient.
- If the firm determines no appropriate benchmark for the composite, why no benchmark is presented.
 - *EXAMPLE: "This composite has a dynamic global macro strategy that is constantly evolving, therefore, there is no benchmark that would provide a meaningful comparison to the composite's performance."*
- Currency used to express performance.
 - *EXAMPLE: "The U.S. Dollar is the currency used to express performance."*
- Presence, use, and extent of leverage, derivatives, and short positions, if material, including a description of the frequency of use and characteristics of the instruments sufficient to identify risks.
 - *EXAMPLE: "This composite utilizes derivatives to hedge currency exposure from foreign investments. The composite has a 30% target allocation to foreign investments that will be made in local currency."*
- Periods of non-compliance for any performance presented for periods prior to January 1, 2000 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."*
- If the compliant presentation 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 data accounting instead of trade date accounting, which differs from the GIPS requirements. To comply with local regulations our performance is calculated based on settlement date accounting for all trades."*