Topic	GIPS 2010	Exposure Draft Proposal 2020	Final GIPS 2020
	*Composite Composition		
Composites	• All actual, fee-paying, discretionary portfolios must be included in at least one composite (3.A.1)	• All actual, fee-paying, discretionary segregated accounts must be included in at least one composite. Non-discretionary portfolios must not be included in a firm's composites (3.A.2) • All actual, fee-paying, discretionary pooled funds must be included in at least one composite if they meet a composite definition. Firms are not required to create a composite that only includes one or more pooled funds unless the firm offers the strategy as a segregated account. firms may terminate any composite created solely to include one or more pooled funds if the composite is not representative of the firm's strategy offered as a segregated account (3.A.3) • Firms are not obligated to create a composite for a pooled fund that meets no composite description. Instead, firms may present a GIPS Pooled Fund Report for the pooled fund (3.A.3)	• All actual, fee-paying, discretionary segregated accounts must be included in at least one composite. Non-discretionary portfolios must not be included in a firm's composites (3.A.2) • All actual, fee-paying, discretionary pooled funds must be included in at least one composite if they meet a composite definition. Firms are not required to create a composite that only includes one or more pooled funds unless the firm offers the strategy as a segregated account. firms may terminate any composite created solely to include one or more pooled funds if the composite is not representative of the firm's strategy offered as a segregated account (3.A.3) • Firms are not obligated to create a composite for a pooled fund that meets no composite description. Instead, firms may present a GIPS Pooled Fund Report for the pooled fund (3.A.3)

* Denotes material changes.

<table>
<tr><th><u>Topic</u></th><th><u>GIPS 2010</u></th><th><u>Exposure Draft Proposal 2020</u></th><th><u>Final GIPS 2020</u></th></tr>
<tr><td rowspan="4">Composites</td><td colspan="3">Creation Date</td></tr>
<tr><td>• Disclosure of composite creation date required (4.A.10)</td><td>• Disclosure of composite creation date recommended (4.D.11); disclosure of composite inception date required (4.C.11)</td><td>• Disclosure of composite creation date AND inception date required (4.C.13 & 4.C.14)</td></tr>
<tr><td colspan="3">Valuation</td></tr>
<tr><td>• Firms must disclose the use of subjective, unobservable inputs for valuing portfolio investments if such portfolio investments are material to the composite (4.A.27)</td><td>• Firms must present the percentage of the total fair value of composite assets valued using subjective, unobservable inputs as of the most recent annual period end, if such investments represent a material amount of composite assets (4.A.2)</td><td>• Firms must present the percentage of the total fair value of composite assets valued using subjective, unobservable inputs as of the most recent annual period end, if such investments represent a material amount of composite assets (4.A.2)</td></tr>
<tr><td rowspan="4">*Pooled Funds</td><td colspan="3">Composite as a Requirement</td></tr>
<tr><td>• All discretionary, fee-paying portfolios (including separate accounts and pooled funds) managed according to the same investment strategy must be included in a composite (3.A.1)

• If a pooled fund doesn't meet the definition of an existing composite, then firms must create a single-fund composite for the pooled fund (3.A.1)</td><td>• Only pooled funds that meet the definition of an existing composite must be included in a composite and presented within GIPS Composite Report → No longer required to create single-fund composites (3.A.3)</td><td>• Only pooled funds that meet the definition of an existing composite must be included in a composite and presented within GIPS Composite Report → No longer required to create single-fund composites (3.A.3)</td></tr>
<tr><td colspan="3">Broad Distribution Pooled Funds</td></tr>
<tr><td>• N/A</td><td>• A Broad Distribution Pooled Fund (BDPF) is a pooled fund that is publicly available to multiple investors, for which the typical marketing practice involves no or minimal personal contact between the firm managing the pooled fund and the pooled fund prospective investor. These funds are typically sold to the general public and are highly regulated (Glossary)</td><td>• A BDPF is a pooled fund that is regulated under a framework that would permit the general public to purchase or hold the pooled fund's shares and is not exclusively offered in one-on-one presentations (Glossary)</td></tr>
</table>

Topic	GIPS 2010	Exposure Draft Proposal 2020	Final GIPS 2020
*Pooled Funds	**Limited Distribution Pooled Funds**		
	• N/A	• A Limited Distribution Pooled Fund (LDPF) is a pooled fund that is not publicly available to multiple investors and for which the typical marketing practice involves contact between the firm managing the pooled fund and the pooled fund prospective investor. LDPFs are often referred to as "private funds." These funds are typically sold in one-on-one presentations and may not be highly regulated (Glossary)	• An LDPF is any pooled fund that is not a BDPF (Glossary)
	Provision of GIPS Pooled Fund Reports		
	• N/A	• Firms may, but are not required to, provide a GIPS Pooled Fund Report to BDPF prospective investors (1.A.11) • Firms must make every reasonable effort to provide a GIPS Pooled Fund Report to all prospective investors for that LDPF when they initially become prospective investors (1.A.10.b) • Recommended presenting the pooled fund expense ratio applicable to prospective investors (6.B.7 & 7.B.3)	• Firms may, but are not required to, provide a GIPS Pooled Fund Report or a GIPS Composite Report, if applicable, to BDPF prospective investors (1.A.15) • Firms must make every reasonable effort to provide either a GIPS Pooled Fund Report or a GIPS Composite Report, if applicable, to LDPF prospective investors when they initially become prospective investors (1.A.13) • Firms must present the pooled fund expense ratio appropriate to prospective investors (6.A.5 & 7.A.7)
	Information Included in the GIPS Pooled Fund Report		
	• N/A	• Required to present pooled fund net returns (6.A.1.b)	• Firms should present both gross and net returns, but are not required to present one or the other (6.B.1)

Topic	GIPS 2010	Exposure Draft Proposal 2020	Final GIPS 2020
*Pooled Funds		• If a new LDPF does not have a track record, firms MUST present the most appropriate track record for the new LDPF, if available (1.A.14) • Firms should disclose material differences between the benchmark and the pooled fund's investment mandate, objective, or strategy (6.D.3)	• If a new LDPF does not have a track record, firms SHOULD present the most appropriate track record for the new LDPF, if available (1.B.7) • Firms should disclose material differences between the benchmark and the pooled fund's investment mandate, objective, or strategy (6.D.3)
GIPS Reports	**Provision of GIPS Reports**		
	• Required presentation of composite performance at the strategy level (3.A.1)	• Firms must make every reasonable effort to provide a GIPS Composite Report to all prospective clients when they initially become a prospective client (1.A.10.a) • Firms must make every reasonable effort to provide a GIPS Pooled Fund Report to all LDPF prospective investors (1.A.10.b) • Firms may provide a GIPS Pooled Fund Report to BDPF prospective investors (1.A.11)	• Firms must make every reasonable effort to provide a GIPS Composite Report to all prospective clients when they initially become prospective clients (1.A.11) • Firms must make every reasonable effort to provide either a GIPS Composite Report or a GIPS Pooled Fund Report to LDPF prospective investors (1.A.13) • Firms may provide either a GIPS Composite Report or a GIPS Pooled Fund Report to BDPF prospective investors (1.A.15)
	Maintenance of GIPS Reports		
	• Firms must provide a complete list of all composite descriptions to any prospective client that asks. Terminated composites must be included for 5 years following termination (0.A.10)	• Firms must maintain (1.A.19.a-c): o Complete list of composite descriptions, including terminated composites for 5 years following termination o Complete list of pooled fund descriptions for LDPFs, including terminated LDPFs for at least 5 years following termination	• Firms must maintain(1.A.22.a-c): o Complete list of composite descriptions, including terminated composites for 5 years following termination o Complete list of pooled fund descriptions for LDPFs. Terminated LDPFs may be removed

Topic	GIPS 2010	Exposure Draft Proposal 2020	Final GIPS 2020
GIPS Reports		o Complete list of BDPFs, including terminated BDPFs for at least 5 years following termination	o Complete list of BDPFs. Terminated BDPFs may be removed
	Provision of Composite and Pooled Fund Lists		
	• Firms must provide a complete list of all composite descriptions to any prospective client that asks (0.A.10)	• Firms must provide (1.A.20.a-d): o Complete list of composite descriptions to any prospective client that asks o Complete list of pooled fund descriptions for LDPFs appropriate to any LDPF prospective investor that asks o Complete list of BDPFs appropriate to any BDPF prospective investor that asks o The pooled fund description for any BDPF to any BDPF prospective investor that asks	• Firms must provide (1.A.23.a-d): o Complete list of composite descriptions to any prospective client that asks o Complete list of pooled fund descriptions for LDPFs to any LDPF prospective investor that asks. This list may include only the LDPFs for which the prospective investor is eligible o Complete list of BDPFs to any BDPF prospective investor that asks. This list may include only the BDPFs for which the prospective investor is eligible. Firms that maintain a complete list of BDPFs on their website may instead direct the prospective investor to their website o The pooled fund description for any BDPF to any BDPF prospective investor that asks
	Updating GIPS Reports		
	N/A	• Required to update GIPS Reports to include information through the most recent annual period end within 6 months of that annual period end (1.A.12)	• Required to update GIPS Reports to include information through most recent annual period end within 12 months of that annual period end (1.A.16)
*Portability	**Linking**		
	• Performance from a past firm or affiliation must be linked to or used to represent the historical performance of a	• Linking the performance of a prior investment team or an acquired firm to the performance at the new firm is now *optional* (1.A.29)	• Linking the performance of a prior investment team or an acquired firm to the performance at the new firm is now *optional* (1.A.32)

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*Portability	new or acquiring firm if, on a composite-specific basis, three specific criteria are met (5.A.8.a.i-iii): o substantially all of the investment decision makers are employed by the new or acquiring firm; o the decision-making process remains substantially intact and independent within the new or acquiring firm; and o the new or acquiring firm has records that document and support the performance	• If firms do elect to link prior firm performance, the three criteria must be met on a composite-specific or pooled fund-specific basis (1.A.29.a-c)	• If firms do elect to link prior firm performance, the three original criteria, plus a new fourth criteria (below), must be met (1.A.32.a-d) • Fourth Portability Test: There must be no break in the track record between the past firm and the new firm (1.A.32.d) • If there is a break in the track record, the past firm's performance may still be used to represent the new firm's historical performance if all below criteria are met (1.A.33.a-e): o substantially all of the investment decision makers must be employed by the new firm; o the decision-making process must remain substantially intact and independent within the new firm; o the new firm must have records to support the performance; o the new firm must separately present the performance before and after the break; and o the new firm must not link the performance prior to the break in the track record to the performance after the break in the track record

Topic	GIPS 2010	Exposure Draft Proposal 2020	Final GIPS 2020
	Grace Period		
***Portability**	• Firms have one-year to bring any non-compliant assets into compliance (5.A.8.b)	• Now applies on a prospective basis only → firms are no longer required to ensure that pre-acquisition performance is compliant within one year of acquisition (1.A.30)	• Now applies on a prospective basis only → firms are no longer required to ensure that pre-acquisition performance is compliant within one year of acquisition (1.A.34)
	Simulated or Theoretical Performance		
Linking Theoretical or Non-GIPS-Compliant Performance	• Firms must not link simulated or model portfolio performance with actual performance (3.A.3)	• Firms must not link actual performance with historical, theoretical performance (1.A.24)	• Firms must not link actual performance with historical, theoretical performance (1.A.27)
	Non-GIPS-Compliant Performance		
	• Restricts linking non-GIPS-compliant performance to GIPS-compliant performance to certain time periods (*e.g.*, only non-GIPS-compliant performance for periods beginning on or after January 1, 2000 may be linked with GIPS-compliant performance) (5.A.3, 6.A.15 (real estate), 8.A.7 (wrap fee/SMA))	• For time-weighted returns (TWR), firms must not link non-GIPS-compliant performance for periods beginning on or after the applicable minimum effective compliance date to GIPS-compliant performance (1.A.26) • For money-weighted returns (MWR), firms must not present non-GIPS-compliant performance for periods ending on or after the minimum effective compliance date (1.A.27)	• For TWR presented in GIPS Reports, firms must not link non-GIPS-compliant performance for periods beginning on or after the applicable minimum effective compliance date to GIPS-compliant performance (1.A.29) • When TWR are presented in a GIPS Advertisement, the firm must not link non-GIPS-compliant performance for periods beginning on or after the minimum effective compliance date to GIPS-compliant performance (8.A.5) • For MWR presented in GIPS Reports, firms must not present non-GIPS-compliant performance for periods ending on or after the minimum effective compliance date (1.A.30) • When MWR are presented in a GIPS Advertisement, the firm must not link non-GIPS-compliant performance for periods ending on or after the

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Linking Theoretical or Non-GIPS-Compliant Performance		• The "Minimum Effective Compliance Date" is the date after a firm may present only GIPS-compliant performance (Jan. 1, 2006 for real estate, private equity and wrap fee composites, Jan. 1, 2000 for all other composites and pooled funds) (Glossary)	Minimum Effective Compliance Date to GIPS-compliant performance (8.A.6) • The "Minimum Effective Compliance Date" is the date after which a firm may present only GIPS-compliant performance (Jan. 1, 2006 for real estate/private equity pooled funds and wrap fee composites, Jan. 1, 2000 for all other composites and pooled funds) (Glossary)
***Carve-Outs With Allocated Cash**	**Requirements for Allocated Cash**		
	• Carve-outs may only be included in a composite if the carve-out is managed with its own dedicated cash balance (3.A.8)	• Carve-outs with allocated cash may be included in composites (3.A.15) • If carve-out of a strategy with allocated cash is included in a composite, carve-outs from all portfolios and portfolio segments managed to that strategy must be created, allocated cash, and included in the composite (3.A.17) • If the composite includes carve-outs with allocated cash, firms must present the percentage of composite assets represented by carve-outs with allocated cash as of each annual period end (4.A.6) • No specifically required method for allocating cash to carve-outs	• Carve-outs with allocated cash may be included in composites (3.A.15) • If carve-out of a strategy with allocated cash is included in a composite, carve-outs from all portfolios and portfolio segments managed to that strategy must be created, allocated cash, and included in the composite (3.A.17) • If the composite includes carve-outs with allocated cash, firms must present the percentage of composite assets represented by carve-outs with allocated cash as of each annual period end (4.A.6) • No specifically required method for allocating cash to carve-outs, but the CFA Institute intends to include additional guidance in the updated Handbook (Adopting Release)
	Standalone Portfolios		
		• Any carve-out must be representative of a standalone portfolio managed or intended to be managed in the same strategy (3.A.16)	• Any carve-out must be representative of a standalone portfolio managed or intended to be managed in the same strategy (3.A.16)

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*Carve-Outs With Allocated Cash	• No requirements with respect to standalone portfolio composites	• Must create and maintain separate composites for any standalone portfolios managed in the same strategy as a carve-out with allocated cash (3.A.18) • Returns and composite assets from the standalone portfolio composite must be included in the GIPS Composite Report for the allocated cash carve-outs managed in the same strategy (4.A.10)	• Must create and maintain separate composites for any standalone portfolios managed in the same strategy as a carve-out with allocated cash (3.A.18) • Returns and composite assets of each annual period for standalone portfolios must be included in the GIPS Composite Report for the allocated cash carve-outs managed in the same strategy (4.A.13.a&b)
*Types of Returns	**Time-Weighted Returns**		
	• Must present TWRs (6.A.16)	• Firms are required to present TWRs unless certain criteria are met (1.A.31)	• Firms are required to present TWRs unless certain criteria are met (1.A.35)
	Money-Weighted Returns		
	• Only addressed MWR in the context of private equity (7.A.3) or real estate closed-end fund composites (6.A.17) • Only addressed cash flow frequency in the context of private equity (7.A.4) or real estate closed-end fund composites (6.A.18)	• Permits Firms to present SI-IRR, now called "Money-Weighted Returns" (MWRs), only if firms have control over external cash flows into the portfolios in the composite or into the pooled fund and the composite's portfolios or the pooled fund have at least one of the following characteristics: (a) closed-end; (b) fixed life; (c) fixed commitment; or (d) illiquid investments are a significant part of the investment strategy (1.A.31.a-d) • Requires presentation of a single MWR (annualized since-inception MWR through the most recent annual period end) (2.A.31.a) • Must use daily cash flows to calculate MWRs (2.A.31.b)	• Permits Firms to present MWRs only if firms have control over external cash flows into the portfolios in the composite or into the pooled fund and the composite's portfolios or the pooled fund have at least one of the following characteristics: (a) closed-end; (b) fixed life; (c) fixed commitment; or (d) illiquid investments are a significant part of the investment strategy (1.A.35.a-d) • Requires presentation of a single MWR (annualized since-inception MWR through the most recent annual period end) (2.A.29.a) • Must use daily external cash flows to calculate MWRs beginning Jan. 1, 2020 (2.A.29.b)

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Estimated Transaction Costs	• All returns must be calculated after deduction of actual trading expenses incurred during the period (2.A.4) • Use of estimated trading expenses not allowed (2.A.4)	• All returns must be calculated after the deduction of transaction costs incurred during the period. Estimated transaction costs may be used if the estimated transaction costs are equal to or greater than actual transaction costs (2.A.15) • If using estimated transaction costs, certain disclosures are required (4.C.15)	• All returns must be calculated after the deduction of transaction costs incurred during the period. Estimated transaction costs can only be used for portfolios where actual transaction costs are unknown (2.A.13) • If using estimated transaction costs, certain disclosures are required (4.C.18)
***Investment Management Fees and the Calculation of Net Returns**	**How to Calculate**		
	• N/A; however, a Q&A clarified it must be the highest investment management fee appropriate to prospective clients (1.B.4, HB Q&A)	• Net returns must be calculated using either the actual investment management fees or the highest investment management fee appropriate to prospective clients (2.A.32)	• Net returns must be calculated using either the actual investment management fees or a model investment management fee appropriate to prospective clients (2.A.30)
	Net-of-Fees Requirements		
	• Alternative Investments Guidance Statement (Effective Date 1.1.2011) requires net-of-fees returns calculated using model fees must be equal to or lower than those that would have been calculated had actual fees been used	• Net-of-fees returns calculated using model fees must be equal to or lower than those that would have been calculated had actual fees been used (2.A.33) • When calculating net-of-fees returns of composites containing carve-outs, the investment management fees for the carve-outs must be representative of the investment management fees charged or that would be charged to the prospective client: o When presenting performance to a prospective client for a standalone portfolio, the investment management fee must be representative of the investment management fees for a standalone portfolio managed according to that strategy	• Net-of-fees returns calculated using model fees must be equal to or lower than those that would have been calculated had actual fees been used (2.A.31) • When calculating net-of-fees returns of composites containing carve-outs, the investment management fees for the carve-outs must be representative of the investment management fees charged or that would be charged to the prospective client: o When presenting performance to a prospective client for a standalone portfolio, the investment management fee must be representative of the investment management fees for a standalone portfolio managed according to that strategy

Topic	GIPS 2010	Exposure Draft Proposal 2020	Final GIPS 2020
***Investment Management Fees and the Calculation of Net Returns**		o When presenting performance to a prospective client for a multi-asset strategy portfolio, the investment management fee must be representative of the investment management fees for a multi-asset strategy portfolio managed according to that strategy (2.A.48)	o When presenting performance to a prospective client for a multi-asset strategy portfolio, the investment management fee must be representative of the investment management fees for a multi-asset strategy portfolio managed according to that strategy (2.A.47)
Net-of-Fees Requirements	• Alternative Investments Guidance Statement (Effective Date 1.1.2011) requires net-of-fees returns calculated using model fees must be equal to or lower than those that would have been calculated had actual fees been used	• Net-of-fees returns calculated using model fees must be equal to or lower than those that would have been calculated had actual fees been used (2.A.33) • When calculating net-of-fees returns of composites containing carve-outs, the investment management fees for the carve-outs must be representative of the investment management fees charged or that would be charged to the prospective client: o When presenting performance to a prospective client for a standalone portfolio, the investment management fee must be representative of the investment management fees for a standalone portfolio managed according to that strategy o When presenting performance to a prospective client for a multi-asset strategy portfolio, the investment management fee must be representative of the investment management fees for a multi-asset strategy portfolio managed according to that strategy (2.A.48)	• Net-of-fees returns calculated using model fees must be equal to or lower than those that would have been calculated had actual fees been used (2.A.31) • When calculating net-of-fees returns of composites containing carve-outs, the investment management fees for the carve-outs must be representative of the investment management fees charged or that would be charged to the prospective client: o When presenting performance to a prospective client for a standalone portfolio, the investment management fee must be representative of the investment management fees for a standalone portfolio managed according to that strategy o When presenting performance to a prospective client for a multi-asset strategy portfolio, the investment management fee must be representative of the investment management fees for a multi-asset strategy portfolio managed according to that strategy (2.A.47)

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Total Firm Assets - Treatment of Advisory-Only Assets and Uncalled Committed Capital	**Presentation of Total Firm Assets**		
	• Total firm assets include both discretionary and non-discretionary assets managed by the firm (0.A.13)	• Total firm assets include both discretionary and non-discretionary assets managed by the firm and must exclude advisory-only assets and uncalled committed capital (2.A.1)	• Total firm assets include both discretionary and non-discretionary assets managed by the firm, including assets assigned to a sub-advisor provided the firm has discretion over sub-advisor selection, and must exclude advisory-only assets and uncalled committed capital (2.A.1)
	Advisory Assets & Uncalled Committed Capital		
	• Does not distinguish advisory-only assets or uncalled committed capital	• Firms must exclude uncalled committed capital and advisory only assets from the total firm assets calculation (2.A.1) • If advisory-only assets and/or uncalled capital commitments figures are presented, must be presented separately from composite or total firm assets figures (5.A.11; 4.A.8)	• May present advisory-only assets and uncalled committed capital as a standalone figure or in combination with composite or total firm assets figures. If presented in combination, must clearly label the advisory-only assets and/ or the uncalled committed capital, and must clearly label the combination (4.A.8 - 4.A.11)
Subscription Lines of Credit	**Money-Weighted Returns**		
	• N/A	• If a subscription line of credit is used, firms must show since-inception MWR with and without the subscription line of credit activity (7.A.2)	• If subscription lines of credit used, firms must present since-inception MWR both with and without subscription line of credit activity (5.A.2) • Firms may exclude returns without subscription line of credit if the subscription line of credit has a principal repaid within 120 days using committed capital drawn down through capital call and no principal funded distributions (7.A.2)

Topic	GIPS 2010	Exposure Draft Proposal 2020	Final GIPS 2020
	Disclosure Requirements		
Subscription Lines of Credit	• N/A	• If a subscription line of credit is used, firms must disclose the purpose 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 (5.C.33)	• If a subscription line of credit is used, firms must disclose the purpose 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 (5.C.36)
Side Pockets	• N/A	• Composite and pooled fund returns must include the impact of any side pockets (2.A.50)	• Composite and pooled fund returns must include the impact of any *discretionary* side pockets (2.A.49)
Error Correction	**Existing Investors & Clients**		
	• Material errors must be corrected and disclosed in a GIPS-compliant presentation, and a corrected GIPS-compliant presentation must be given to existing clients that received the erroneous presentation (Error Correction Guidance Statement)	• Material errors in GIPS Reports must be corrected, and a corrected GIPS Report must be provided to existing clients that received the erroneous report (1.A.17.a)	• Material errors in GIPS Reports must be corrected, and a corrected GIPS Report must be provided to current verifiers, current clients or investors, and former verifiers that received the report that had the material error (1.A.20.a&b, 1.A.21.a&b)
	Prospective Investors & Prospective Clients		
	• Firms must make every reasonable effort to provide the corrected GIPS-compliant presentation to all prospective clients and other parties that received the erroneous compliant presentation (Error Correction Guidance Statement)	• Firms must make every reasonable effort to provide the corrected GIPS Report to all prospective clients and other parties that received the erroneous report (1.a.17.b)	• Firms must make every reasonable effort to provide the corrected report to current prospective clients or prospective investors that received the erroneous GIPS Report (1.A.20.c, 1.A.21.c) • Firms are not required to provide a corrected GIPS Report to former clients, former investors, former prospective clients or former prospective investors (1.A.20.c, 1.A.21.c)

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	Disclosure		
	• Must disclose the change correcting a material error in the corrected GIPS-compliance presentation for a minimum of 12 months (Error Correction Guidance Statement)	• Must disclose the change correcting a material error in the corrected GIPS Report and must keep the disclosure until no longer relevant to interpreting the track record (minimum of one year) (4.C.35)	• Must disclose the change correcting a material error in the corrected GIPS Report and must keep the disclosure until no longer relevant to interpreting the track record (minimum of one year). This disclosure is not required in GIPS Reports provided to prospects who did not receive the GIPS Report containing the material error (4.C.38)
***Overlay Exposure**	***Overlay Exposure**		
	• N/A	• For overlay strategy composites, firms must present total firm overlay exposure as of each annual period end. If total firm overlay exposure is presented, firms are not required to present total firm assets unless they are meaningful (4.A.12) • Total firm overlay exposure must include all discretionary and non-discretionary overlay strategy portfolios for which a firm has investment management responsibility (2.A.6)	• Firms must present composite overlay exposure as of each annual period end, and if presented, presentation of composite assets is not required (4.A.14) • Firms may choose to present either total firm overlay exposure or total firm assets as of each annual period end (4.A.15) • Total firm overlay exposure must include all discretionary and non-discretionary overlay strategy portfolios for which a firm has investment management responsibility (2.A.5)
	How to Calculate		
	• N/A	• When calculating overlay exposure, firms must: o Use the notional exposure of the overlay strategy portfolios, the value of the underlying portfolios being overlaid, or a specified target exposure	• When calculating overlay exposure, firms must: o Use the notional exposure of the overlay strategy portfolios, the value of the underlying portfolios being overlaid, or a specified target exposure

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*Overlay Exposure		o Use the same method for all portfolios within a composite (2.A.7) • When calculating overlay strategy portfolio returns, firms must: o Use as the denominator the notional exposure of the overlay strategy portfolios, the value of the underlying portfolio being overlaid, or a specified target exposure o Use the same method for all portfolios within a composite (2.A.8) • For all portfolios within a composite, the same method must be used to determine the denominator used in the overlay strategy portfolio return calculation and to calculate overlay exposure (2.A.9)	o Use the same method for all portfolios within a composite (2.A.6) • When calculating overlay strategy portfolio returns, firms must: o Use as the denominator the notional exposure of the overlay strategy portfolio, the value of the underlying portfolio being overlaid, or a specified target exposure o Use the same method for all portfolios within a composite (2.A.7)
Risk Measures	• If three year ex-post standard deviation is not available/appropriate, firms must present an additional three-year ex post risk measure for the composite and benchmark (5.A.2)	• For composites or pooled funds presenting TWR that do not have monthly returns, firms must present either an appropriate ex post risk measure for the composite or pooled fund and benchmark as of each annual period end or a qualitative narrative describing the composite or pooled fund strategy's key risks (4.A.1.k, 6.A.1.i) • For composites or pooled funds presenting MWR, first must present either an appropriate ex post risk measure for the composite or pooled fund and benchmark as of each annual period end or a qualitative narrative describing the composite or pooled fund strategy's key risks (5.A.5, 7.A.5)	• For GIPS Reports presenting TWR, it is recommended that firms present relevant ex post additional risk measures for composites (4.B.5) or pooled funds (6.B.5) • For GIPS Reports presenting MWR, it is recommended but not required that firms provide an appropriate ex post risk measure for the composite (5.B.5) or pooled fund and benchmark (7.B.4)

Topic	GIPS 2010	Exposure Draft Proposal 2020	Final GIPS 2020
*Private Market Investments/Real Estate	**Structure of the Standards**		
	• Includes provisions specific to real estate (6) and private equity (7)	• Removed the private equity and real estate-specific provisions and set forth provisions that applied to *all* private market investments	• Maintains real estate-specific independent valuation requirements and limits the independent annual valuation requirement to real estate (2.A.43-44)
	External Valuation		
	• **Real estate investments** are required to receive annual external valuations o For periods prior to January 1, 2012→ once every 36 months o For periods beginning on or after January 1, 2016 → every 12 months unless client agreement stipulates otherwise (6.A.4)	• Required all private market investments have an external valuation, a valuation review, or be subject to a financial statement audit at least once every 12 months (2.A.44)	• Recommends non-real estate private market investments receive an annual independent valuation (2.B.8) • <u>Real Estate Open-End Funds</u>: An external valuation at least once every 12 months is required (2.A.43) • <u>Real Estate Investments other than Open-End Funds</u>: Either an external valuation at least once every 12 months unless client agreements stipulate otherwise (but must be conducted at least every 36 months) OR must be subject to a financial statement audit performed by an independent public accounting firm (2.A.44)
	Type of Returns		
	• Real estate closed-end fund composites must present both TWR (6.A.8) and SI-IRR (6.A.17) • Real estate closed-end fund composites must at a minimum use quarterly cash flows (6.A.18), but use of daily cash flow is recommended (6.B.9) • Private equity must use daily cash flows (7.A.4)	• Private market investments may present either TWR or MWR (1.A.31.a-d) • Must use daily cash flows to calculate MWRs (2.A.31.b)	• Private market investments and real estate investments may present either TWR or MWR (1.A.35.a-d) • Must use daily external cash flows to calculate MWRs beginning Jan. 1, 2020 (2.A.29.b)

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Real Estate Component Returns	**Presenting Returns**		
	• Firms are required to present income returns and capital returns (component returns) (6.A.14)	• Component returns should be presented for **all** composites (4.B.9) and pooled funds (6.B.10) • Recommended presenting component returns for pooled fund benchmarks (6.B.10)	• For real estate composites and pooled funds, firms should present composite and benchmark component returns (4.B.9)
	How to Calculate		
	• Component returns must be calculated separately (6.A.8)	• Component returns do not have to be calculated separately (4.B.9, 6.B.10)	• Component returns do not have to be calculated separately (4.B.9, 6.B.9)
Wrap Fee Composites	**Sponsor-specific Composites**		
	• Firms may create wrap fee sponsor-specific composites when presenting performance to the sponsor (8.A.4)	• Removed the concept of a sponsor-specific wrap fee composite	• Removed the concept of a sponsor-specific wrap fee composite (Adopting Release)
	Pure Gross-of-Fee Returns		
	• Pure gross-off-fees performance may only be used as supplemental information to a compliant presentation (Guidance Statement on Wrap Fee/Separately Managed Account (SMA) Portfolios)	• If firms present pure gross-of-fees returns, such returns must be clearly labeled and identified as supplemental (4.A.14)	• If firms present pure gross-of-fees returns, such returns must be clearly labeled and identified as supplemental (4.A.17)
GIPS Trademark	• Firms claiming GIPS compliance must disclose the following: "…the Global Investment Performance Standards (GIPS®)…" (4.A.1)	• Firms claiming GIPS compliance must disclose the following: "…the Global Investment Performance Standards (GIPS®)…" (4.C.1)	• Firms claiming GIPS compliance must disclose the following: "…the Global Investment Performance Standards (GIPS®)…" (4.C.1) • Firms claiming GIPS compliance 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." (4.C.2)

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GIPS Advertising	**Record Requirement**		
	• N/A	• Firms must maintain all data and information necessary to support all items included in a GIPS Advertisement (13.A.3)	• Firms must maintain all data and information necessary to support all items included in a GIPS Advertisement (8.A.3)
	Addition of LDPF- and BDPF-Specific Requirements		
	• N/A	• Clarification that pooled fund fact sheets and offering documents addressed to more than one prospective investor of a pooled fund may constitute GIPS Advertisements (Glossary) • Updated to include requirements specific to firms presenting GIPS Advertisement with respect to composites (13.C-D), LDPFs (13.E-F), and BDPFs (13.G-H)	• Clarification that pooled fund fact sheets and offering documents addressed to more than one prospective investor of a pooled fund may constitute GIPS Advertisements (Glossary) • Updated to include requirements specific to firms presenting GIPS Advertisement with respect to composites (8.C-D), LDPFs (8.E-F), and BDPFs (8.G-H)
	Type of Returns		
	• Composite total returns must be presented according to one of the following: o One-, three-, and five-year annualized composite returns through the most recent period with the period-end date clearly identified (firms must present one, three-, and four-year annual returns for composites in existence for less than five years); o Period-to-date composite returns in addition to the above through the	• If TWR are presented in the corresponding GIPS Report, firms must present composite total returns or LDPF net returns according to one of the existing options, plus one new option: o The annualized composite or LDPF return for the total period that includes all periods presented in the corresponding GIPS Report, through either (i) the most recent period end, or (ii) the most recent annual period end (13.C.1.d) • If MWR are presented in the corresponding GIPS Report, firms must present the annualized (periods over one-year) or non-annualized (periods under one-year) composite or LDPF since-inception MWR	• If TWR are presented in the corresponding GIPS Report, firms must present composite total returns or LDPF TWR according to one of the existing options, plus one new option: o The annualized composite or LDPF return for the total period that includes all periods presented in the corresponding GIPS Report, through either (i) the most recent period end, or (ii) the most recent annual period end (8.C.1.d) • If MWR are presented in the corresponding GIPS Report, firms must present the annualized (periods over one-year) or non-annualized (periods under one-year) composite or LDPF since-inception MWR

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GIPS Advertising	same period of time as presented in the corresponding compliant presentation (firms must present annualized returns since composite inception for composites in existence for less than five years); o Period-to-date composite returns in addition to five years of annual composite returns (or for each annual period since the composite inception date if composite has been in existence for less than five years) with the period end date clearly identified. Annual returns must be calculated through the same period of time as presented in the corresponding compliant presentation (Advertising Guideline 5.a) • Must disclose whether returns are presented gross or net (Advertising Guideline 6)	through either (i) the most recent period end, or (ii) the most recent annual period end (13.C.2) • If specific periods are not mandated by local laws or regulations, BDPF returns required by local law or BDPF net returns must be presented consistent with the following options: o One-, three-, and five-year annualized returns through the most recent period (for BDPFs in existence less than five years, firms must present annualized return since BDPF inception); o The period-to-date return in addition to the above through the most recent period (for BDPFs in existence less than five years, firms must present annualized return since BDPF inception); o The period-to-date return in addition to five years of annual returns (or for each annual period since BDPF inception if BDPF has been in existence for less than five years); o The annualized BDPF return since BDPF inception through the most recent period (13.G.3) • Firms must clearly label composite or pooled fund returns as gross or net (13.C.3)	through either (i) the most recent period end, or (ii) the most recent annual period end (8.C.2) • If specific periods are not mandated by local laws or regulations, BDPF returns must be presented consistent with the following options: o One-, three-, and five-year annualized returns through the most recent period (for BDPFs in existence less than five years, firms must present annualized return since BDPF inception); o The period-to-date return in addition to the above through the most recent period (for BDPFs in existence less than five years, firms must present annualized return since BDPF inception); o The period-to-date return in addition to five years of annual returns (or for each annual period since BDPF inception if BDPF has been in existence for less than five years); o The annualized BDPF return since BDPF inception through the most recent period (8.G.2) • Firms must clearly label composite or pooled fund returns as gross or net (13.C.3)

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GIPS Advertising		• If local laws or regulations mandate specific BDPF returns, the firm must present BDPF returns in accordance with those requirements (13.G.1) • If local laws or regulations don't mandate specific BDPF returns, firms must present BDPF net returns (13.G.2)	• If local laws or regulations mandate specific BDPF returns, the firm must present BDPF returns in accordance with those requirements (8.G.1)
	GIPS Trademark		
	• Firms claiming GIPS compliance must disclose the following: "…the Global Investment Performance Standards (GIPS®)…" (3)	• Firms claiming GIPS compliance must disclose the following: "…the Global Investment Performance Standards (GIPS®)…" (13.B.1)	• Firms claiming GIPS compliance 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." (8.B.2)