

## GIPS® Report Do's and Don'ts

### DO

### DON'T

<p><b>DO</b> provide a GIPS Report to all prospective clients and investors prior to or along with any other performance related information.</p> <ul style="list-style-type: none"> <li>• <b>Add desktop procedures to effectively support this policy?</b></li> </ul>	<p><b>DON'T</b> include inappropriate claims of GIPS verification/compliance.</p> <ul style="list-style-type: none"> <li>• <b>Add as a compliance annual training point for your marketing team?</b></li> </ul>
<p><b>DO</b> consider Consultant databases/RFPs as a prospective client and provide GIPS Reports.</p>	<p><b>DON'T</b> reference <i>performance</i> as GIPS compliant; the claim of compliance applies to the <i>firm</i>.</p>
<p><b>DO</b> confirm all required disclosures are included in GIPS Reports.</p>	<p><b>DON'T</b> use the term <i>audited performance</i> when referring to a firm-wide verification.</p>
<p><b>DO</b> update the “verification through” date on the firm’s GIPS Reports and policy &amp; procedure document after each verification opinion is issued.</p>	<p><b>DON'T</b> present partial period performance for new/closed composites without also disclosing the period it represents.</p>
<p><b>DO</b> disclose all material events/changes to the firm and composites.</p> <ul style="list-style-type: none"> <li>• <b>Consider/discuss with PMs any disclosure that might need to be added due to significant events?</b></li> </ul>	<p><b>DON'T</b> link performance periods that have a gap between them.</p> <ul style="list-style-type: none"> <li>• <b>Are visual separations of different periods effective/not misleading?</b></li> </ul>
<p><b>DO</b> link performance from a prior firm if it meets <u>ALL</u> portability requirements.</p>	<p><b>DON'T</b> link performance from a prior firm unless it meets <u>ALL</u> portability requirements.</p>
<p><b>DO</b> clearly label model/representative account data as “supplemental” in a GIPS Report.</p>	<p><b>DON'T</b> link non-compliant, representative account, or hypothetical to compliant composite or fund performance in a GIPS Report or databases.</p>
<p><b>DO</b> disclose the most appropriate fee schedule for prospective clients and investors.</p> <ul style="list-style-type: none"> <li>• <b>Include expense ratios for prospective investors?</b></li> <li>• <b>Agree to ADV to capture any updates?</b></li> </ul>	<p><b>DON'T</b> use <i>model</i> fees that could result in composite net performance that is better than <i>actual</i> net of fee performance.</p> <ul style="list-style-type: none"> <li>• <b>Is an annual review happening of model fees vs actual fees?</b></li> </ul>
<p><b>DO</b> apply a consistent policy for the inclusion/exclusion of new/closed accounts in firm and composite year-end assets.</p> <ul style="list-style-type: none"> <li>• <b>Do GIPS firm AUM and ADV AUM reconcile?</b></li> </ul>	<p><b>DON'T</b> change the benchmark presented without including required disclosures.</p> <ul style="list-style-type: none"> <li>• <b>Including secondary benchmarks</b></li> </ul>
<p><b>DO</b> keep a record of prospective clients who have received GIPS Reports, to:</p> <ul style="list-style-type: none"> <li>• <b>Confirm provision at least annually, and</b></li> <li>• <b>Appropriately limit redistribution in the event of a material error.</b></li> </ul>	<p><b>DON'T</b> disregard local laws or regulations; they must be followed in addition to the GIPS standards requirements.</p> <ul style="list-style-type: none"> <li>• <b>Follow whatever is stricter, local laws and regulations or the GIPS standards requirements.</b></li> </ul>
<p><b>DO</b> determine if the Limited Distribution Pooled Funds should be presented in a Composite Report or a Pooled Fund Report.</p>	<p><b>DON'T</b> wait to make the decision on LDPFs until it is too late. There is a grace period before firms will have to include them on the list of closed composite descriptions.</p>