

CFA LEVEL 3

STUDY SESSION 18

GIPS

The creation and evolution of the GIPS Standards

a. Discuss

- Reasons for the creation of GIPS Standards
- Standards' evolution
- Benefits to prospective clients and investment managers

b. Discuss

- Objectives
- Key characteristics
- Scope

c. Explain GIPS compliance

d. Explain inputs data

- Requirements
- Recommendations

e. Return calculation methodology

- Requirements
- Recommendations

Composite

- f. Composite returns and asset-weighted returns
- g. Discretionary portfolios
- Constructing composites
 - h. Mandates, objectives or strategies
 - i. Adding portfolios and terminating portfolios

48. GIPS

j. Asset class segments carved out of multi-class portfolios

k. Disclosure requirements and recommendations

l,m,n. GIPS presentation and reporting requirements

o. GIPS for

- p. Real estate
 - Requirements
 - Recommendations
- q. Private equity
 - Requirements
 - Recommendations
- r. PE valuation

s. Identify errors & omissions

t. Explain the provisions

u. GIPS valuation principles

- Policies
- Procedures

v. GIPS advertising guidelines

w. GIPS verification

x. Challenges of calculation of after tax returns