

Performance Reporting: What are my options?

	Compilation	Agreed Upon Procedures (AUP)	Review	Examination	GIPS Examination
What is involved?	The IM determines the performance statistics to be calculated by the IP.	The IM performs the calculations and determines procedures to be performed by the IP.	The IM performs the calculations. The IP determines the limited procedures to perform.	The IP determines procedures used to assess whether the investment performance schedule materially represents the investment returns of the entity.	The IP performs an examination against a global investment reporting standard.
What does the IM receive?	The IP issues a report stating he/she compiled the information.	The IP issues a report presenting: <ul style="list-style-type: none"> • procedures performed and • any findings. 	The IP issues a report providing <i>limited assurance</i> ** about the presentation of the performance statistics.	The IP issues a report providing <i>reasonable assurance</i> *** about the presentation of the performance statistics.	The IP issues a report providing <i>reasonable assurance</i> *** whether a firm ("verification") and, if desired, a composite ("performance examination") are in compliance.
Advantages	<p>Effort/Complexity: IP performs calculations; less work for IM</p> <p>Marketability: reports can be distributed for general use in marketing materials</p>	<p>Effort/Complexity: extent of information provided by IM and procedures performed by IP are flexible/customizable</p>	<p>Effort/Complexity: IP's procedures are limited in scope</p> <p>Assurance: a level of assurance is provided, unlike a compilation or AUP</p> <p>Marketability: reports can be distributed for general use in marketing materials</p>	<p>Assurance: higher level of assurance than a review; similar to an audit</p> <p>Marketability: reports can be distributed for general use in marketing materials</p>	<p>Assurance: provides examination level of assurance, based on an industry standard framework</p> <p>Marketability: reports can be distributed for general use in marketing materials</p> <p>Standardization: strict adherence to framework is required</p>
Disadvantages	<p>Assurance: provides no level of assurance; may be unsatisfactory to some users</p> <p>Standardization: performance statistics may be calculated using various methodologies; no standard framework</p>	<p>Assurance: provides no level of assurance; may be unsatisfactory to some users</p> <p>Marketability: reports are restricted to users who agree to the sufficiency of the procedures</p> <p>Standardization: performance statistics may be calculated using various methodologies; no standard framework</p>	<p>Standardization: calculation methodologies may be more limited than with a compilation or AUP</p>	<p>Effort/Complexity: procedures are usually more complex than AUP or review</p> <p>Standardization: calculation methodologies may be more limited than with a compilation or AUP</p>	<p>Effort/Complexity: involves more complex and extensive procedures by the IP than other types of engagements; additional work for IM</p>

IP - "Independent Practitioner"
IM - "Investment Manager"

***Limited Assurance Opinion* - IP determines limited procedures to identify whether anything comes to his/her attention indicating the performance statistics are materially misstated

****Reasonable Assurance Opinion* - IP determines procedures to assess whether the performance schedule presents, in all material respects, the investment returns of the entity

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