

Investment Adviser Marketing Rule Solution

The amended rule 206(4)-1 under the Advisers Act (the “Marketing Rule”) updates the half century-old investment adviser advertising regulatory framework. While the rule paves the way for modern advertising channels, such as social media, advisers and their compliance officers are facing the challenge of novel compliance requirements, including performance presentations in advertisements.

The Marketing Rule’s performance requirements are deceptively simple—a handful of substantive paragraphs and eight related defined terms: extracted, gross, hypothetical, net, predecessor, related, portfolio, and related portfolio. Despite the apparent simplicity, the Marketing Rule requires consistently implemented policies regarding different types of performance calculations and presentations.

THE CHALLENGE

- Calculating and presenting gross and net performance in a compliant fashion
- Managing composite or “related portfolio” performance
- Deriving and reporting extracted performance and attribution
- Meeting books and record-keeping requirements

THE SOLUTION

Power your rule-compliant performance workflow and calculations with a SaaS-deployed solution that is fully integrated with FactSet’s Portfolio Analysis tool alongside embedded market content. Perform official and ad-hoc performance and attribution analysis on your multi-asset class portfolios. Outsource all or parts of your data management to ensure secure, accurate, consistent overnight processing of your firm’s data.

- Calculate net performance, including extracted performance, in attribution reports leveraging multiple fee and cost methodologies
- Apply FactSet’s GIPS® composite management aligned to the Marketing Rule “related portfolio” and “related performance” concepts
- Store, validate, and lock performance and attribution results with Portfolio Vault to create a true analytics book of record

Utilizing the data in your current analytics workflow eliminates duplicate processes and consolidates an end-to-end Marketing Rule compliant solution into a single platform.

THE REGULATION

In-scope firms:

All SEC registered investment advisers

Published in Federal Register:

March 5, 2021

Effective date: May 4, 2021

Compliance date: November 4, 2022

REGULATORY SERVICES

Activating a compliance strategy is difficult. We’re here to help with the flexible, consultative approach you’ve come to expect from FactSet. Talk to our regulatory specialists about your challenges, and we’ll help you determine the most effective solution—without disrupting your investment process. We bring together industry expertise, reliably connected data, portfolio analytics, client reporting, and strategic partnerships to help you address multiple regulations and standards, including: 22e-4, 18f-4, N-PORT, ’40 Act, MiFID II, Solvency II, and more.

Contact Us:

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