

>>>FAIRVIEW FLASH REPORT <<<  
Exposure Draft of the Guidance Statement on  
Broadly Distributed Pooled Funds

<b>WHAT HAPPENED?</b>	The GIPS Technical Committee recently released for public comment a new Guidance Statement to address situations in which an investment adviser markets a Broadly Distributed Pooled Fund to more than one investor. The term “Broadly Distributed Pooled Funds” includes “pooled unitized investment vehicles with broad distribution”, typically with minimal contact between the adviser managing the pooled fund and the prospective pooled fund investors. Broadly Distributed Pooled Funds includes mutual funds and open-ended investment companies, among others. However, the guidance specifically states that it does not apply to “certain types of pooled funds, such as hedge funds, real estate funds, and private equity funds.”
<b>WHAT ARE THE REQUIREMENTS?</b>	Our initial assessment of the proposal leads us to believe that changes would be minimal for mutual funds, who must comply with FINRA and / or SEC requirements related to marketing materials and offering documents or prospectuses.
<b>TAKEAWAY</b>	Advisers that fall under the purview of the guidance statement are encouraged to review the proposal and submit comments by April 29, 2016. If the guidance statement is adopted, Fairview will be available to assist clients in revising marketing materials as needed.