



ABC Investment Policy Structure

A. Investment Objectives

- Return
- Time horizon
- Taxation status
- Performance hurdles
- Performance objectives

B. Strategic Asset Allocation

- Determine the asset classes in which to invest
- Asset class modelling which takes into account the objectives
- Assess the extent to which the asset allocation is expected to satisfy the investment objective(s)
- Identification of the risk budget

C. Investment Manager Configuration

- Active and/or passive management
- Specialist portfolios
- Balanced portfolios
- Individual mandates
- Pooled vehicles

D. Asset Allocation Management

- Active or passive management
- Asset allocation ranges
- Market timing discretion of specialist managers
- Rebalancing policy

E. Management of Asset Classes

- Optimal number of investment managers
- Investable sub-asset classes
- Currency management
- Benchmarks and objectives
- Ethical principles

F. Investment Manager Selection & Appointment

- Selection of investment managers able to meet the criteria set, including ethical principles
- Compatibility between investment managers
- Benchmarks and objectives
- Investment manager fees
- Use of derivatives & risk management statements
- Investment manager mandates, including ethical principles
- Safe keeping of assets and custodial services

G. Ongoing Maintenance

- Investment reporting
- Assess the extent to which the investment objectives are being achieved
- Compare the performance of investments against benchmarks and objectives
- Ascertain the existence of any particular weakness in the investment manager(s)
- Assess the ability of the investment manager(s) to successfully meet the objectives
- Compliance with principles and mandate