

# Investment Policy Statement (IPS) for Charities

- ⊗ An IPS is a high-level Investment Planning document that sets out the Asset Allocation Strategy & Investment Guidelines for a Charity.
- ⊗ It is completed and agreed to by all Charity Stakeholders (Trustees, Board Members, Bursar etc.) and it is best practice to review every 12 months
- ⊗ The Sections of the IPS may include:
  - Any Restricted Investments or types of investments e.g. Ethical Restrictions, very important for Charities
  - % Asset Allocation Targets & Boundaries e.g. range for a particular asset class between 15% - 30%
  - Level of Diversification in terms of Fund Manager e.g. no more than 20% with any one Manager
  - Preference on Fees & Charges e.g. upper cap on total charges within a managed Portfolio
  - Preferences on Investment types i.e. individual shares v collective funds v direct property
  - Taxation Guidelines
  - Governance of Portfolio i.e. who within the Charity are the decision makers
  - Frequency of Valuations / Reports
  - ...and lots more

*Compass Charities will work with Charity Clients in writing an Investment Policy Statement and monitoring the Investment Portfolio in the context of the IPS every year*