

# Investment policy worksheet

BlackRock®

Name

Date

## Account(s) included

Example: joint brokerage, John's 401(k), Mary's IRA, Luke's 529

An investment policy statement (IPS) can help you and your financial professional align on your investment approach. Make sure your IPS clearly articulates your goals, constraints, asset allocation and plan for monitoring.

## Investment goals and objectives

Articulate your goals, the return needed to achieve them, your risk appetite (how much risk you are comfortable taking) and risk capacity (how much loss you can tolerate without jeopardizing your goals). Use our **Your wealth. Your goals.** worksheet to help you define your goals.

### Summary of goals

Examples:

- Long term: Maximize savings for retirement and protect wealth for future generations.
- Short term: Plan to retire in five years and start withdrawing income.

### Return objective

Example: An annual, inflation-adjusted return of 6% is required to sustain lifestyle through retirement.

### Risk objectives (define in your own words)

Use our **Risk drives portfolio return** one-pager to better understand the relationship between risk and return.

Examples:

- Risk appetite: Would prefer not to lose more than 15% in any given year.
- Risk tolerance: Have savings accounts to withdraw income from if needed, so can tolerate short-term risk.

# Constraints

Define any considerations that your financial professional should be aware of for your investments.

## Time horizon

Example: Invested for long-term capital appreciation (20+ years), but will soon require income in retirement.

## Liquidity

Example: Maintain at least 10 years of retirement income in liquid assets.

## Tax, legal and regulatory

Example: Split time between Florida and New York but uses Florida as permanent residence for tax purposes.

## Additional notes

Example: Large holdings of company stock are subject to vesting schedule.

# Investments

Articulate the appropriate asset allocation relative to your goals and risk appetite, as well as any limitations that you want to impose on the investment universe.

## Strategic asset allocation

Examples:

- Moderate portfolio
- 40% U.S. stocks, 10% non-U.S. stocks, 35% bonds, 10% alternatives, 5% cash

## Investment vehicles (check all that apply)

- |  |  |  |
|--|--|--|
| <input type="checkbox"/> Individual stocks | <input type="checkbox"/> Closed-end funds                  | <input type="checkbox"/> Other (explain) |
| <input type="checkbox"/> Individual bonds  | <input type="checkbox"/> Managed accounts                  |  |
| <input type="checkbox"/> Mutual funds      | <input type="checkbox"/> Funds of funds                    |  |
| <input type="checkbox"/> ETFs              | <input type="checkbox"/> Limited partnerships (e.g., MLPs) |  |

## Limitations and restrictions

Examples:

- Maximum fee for any ETF or mutual fund investment is 1.1%.
- Invest no more than 10% of portfolio in small cap stocks.
- Invest at least 30% of portfolio in sustainable investments.

## Additional notes

# Portfolio review

Specify the benchmark against which your investments will be measured, a rebalancing strategy to maintain the strategic asset allocation and a cadence of reviews with your financial professional.

## Benchmark

Example: 40% S&P 500 Index, 20% ACWI ex-U.S. Index, 40% Bloomberg Barclays U.S. Aggregate Bond Index

## Rebalancing frequency

Monthly

Quarterly

Semi-annually

Annually

Risk or exposure based (if checked, provide %)

Other (explain)

## Portfolio review frequency

Monthly

Quarterly

Semi-annually

Annually

Other (explain)

## Additional communications requested

Examples:

- Provide monthly statement of portfolio performance vs. benchmark.
- Send quarterly fact sheets and commentaries for largest fund holdings.
- Notify if U.S. stocks fall more than 10% in a month.

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Lit No. IPS-WS-0323R 216641T-0321

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