

What this form is for

This Investment Policy Statement (IPS) is a useful shared reference point for investment managers, financial planners, lawyers, tax advisers and accountants involved in advising Trustees. In particular, it is a statutory requirement in England, Wales and Northern Ireland where investments are delegated to be managed on a discretionary basis, and good practice in all other situations. There is no fixed format for an IPS, and what follows is only one potential approach.

IHT18 1023

Date Completed

(DD/MM/YYYY)

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Part A: Trust details

A1	Name of Trust	<input type="text"/>
A2	Date of Trust (DD/MM/YYYY)	<input type="text"/>
A3	Trust Registration Number	<input type="text"/>
A4	Name(s) of Trustee(s)	<input type="text"/> <input type="text"/> <input type="text"/>
A5	Correspondence address of Trustee(s)	<input type="text"/> <input type="text"/> <input type="text"/>
A6	Type of Trust	Interest in Possession Trust <input type="checkbox"/> Discretionary Trust <input type="checkbox"/> Bare Trust <input type="checkbox"/> Other <input type="checkbox"/> If other, please specify <input type="text"/>
A7	Law governing the Trust	<input type="text"/>
A8	Name of beneficiary	<input type="text"/> <input type="text"/>
	Type of beneficiary (as designated in the Trust)	<input type="text"/> <input type="text"/>
A9	The trust contains/does not contain a power to pay capital outright to name the class/ name specific beneficiaries	<input type="text"/> <input type="text"/> <input type="text"/>

Part B: Investment information	
B1	Name(s) of investment manager(s)/ Financial Adviser ("the Managers")
B2	The Trustees have agreed to delegate to the Managers the investment of funds ("the Investment Funds") held upon the terms of the Trust.
B3	<p>Insert reference to number(s) of clause(s) giving investment powers</p> <p>The Trustees have the power(s) of investment conferred upon them by clause(s)</p> <p>of the Trust deed. The Trustees also have the general power of investment to invest trust assets as if they were absolutely entitled to them, conferred upon them by the Trustee Act 2000/Trustee Act (Northern Ireland) 2001/Charities and Trustees Investment (Scotland) Act 2005</p>
B4	<p>Insert details of other types of assets which are outside the terms of this IPS</p> <p>The assets held upon the terms of the Trust comprise the Investment Funds and secondly</p>

Part C: Investment objectives	
C1	<p>In managing the Investment Funds and making or varying the investments, the Managers must have regard to the following criteria:</p> <ul style="list-style-type: none"> • suitability to the Trust of this type of investment • suitability to the Trust of these particular investments • the need for diversification of the investments of the Trust in the particular circumstances.
C2	<p>There are no factors which limit the need for diversification of the Investment Funds or make it inappropriate.</p> <p>The Trustees would, therefore, not wish any one investment to represent more than <input type="text"/> <input type="text"/> <input type="text"/> %</p> <p>of the overall value of the Investment Funds, although it is appreciated that this may not be practical if an investment increases (or has already increased) in value substantially and the capital gains tax liability on disposal would be outside the limits imposed in Part E.</p>

Making investment decisions requires appropriate expertise. If you do not have such expertise, please seek advice from a suitably qualified professional.

Adjust this section to reflect the Trustees' approach to diversification, and the terms of the trust deed.

Part D: Investment philosophy and risk profile

D1 Option 1

A balanced approach between income and capital growth should be adopted. The Trustees wish to maintain the capital value of the Investment Funds at least in line with inflation. The Managers will endeavour to meet this objective.

Option 2

The Trustees wish emphasis to be placed on producing income for the income beneficiary, even if this is to the detriment of capital growth.

The Trustees wish the Investment Funds to produce a gross annual income yield of not less than %

The Managers will endeavour to meet this objective.

Option 3

The Trustees wish emphasis to be placed on capital growth, but require a gross annual income yield of not less than %

The Managers will endeavour to meet this objective.

D2 Option 4

Insert details of any other investment strategy

Name benchmark if appropriate

The Trustees accordingly request the Managers to adopt the

as a model for the approach outlined above and to inform the Trustees should the

Name benchmark

cease in their view to be an appropriate model.

D3 The risk investment strategy which the Trustees wish to adopt is:

D4 The appropriate investment policy for the Trust is: Long term Medium term Short term

This should accurately record the reasons for the long, medium or short term approach taken to investment policy. An appropriate reason might be the time span of the trust (eg. the perpetuity period, or length of time before critical beneficiary birthdays).

The reason for this policy is

D5 The performance of the Investment Funds will be looked at on a long term medium term short term

basis. However, regard will also be given to the performance year by year, quarterly or half yearly.

The Trustees must be satisfied that the strategy they select is appropriate to the type of trust and the needs of the beneficiaries, particularly where a balanced approach to income and capital growth is not taken.

Part D: Investment philosophy and risk profile (Continued)

D6 The base currency of the Trust is eg, Sterling

D7 The trustees are resident in the and all the beneficiaries are, at present, also

 resident.

D8 The Managers are not to commit the Trustees to any obligations which could result in any personal liability for the Trustees or their successors in title.

D9 The investments should be marketable and the Trustees would not, unless specific authorisation is given, wish to acquire investments in markets where marketability is limited.

D10 The following investment restrictions are contained in the trust document

1.
2.
3.
4.

D11 The following geographical, theme or sector allocation preferences have been discussed and agreed with the Trustees

1.
2.
3.
4.

D12 The Trustees wish that the following ethical investment constraints are borne in mind in relation to the Trust

1.
2.
3.
4.

D13 The following tax and legal constraints affect the countries or jurisdictions in which the Trust may hold investments

1.
2.
3.
4.

Part E: Tax, income/capital requirements and liquidity

E1 Name(s) of Trustees' tax adviser(s):

E2 The Trustees do not contemplate any extraordinary taxation or other liabilities in the immediate future, although a tax charge may arise in the following circumstances:

The death of the income beneficiary The ten year anniversaries of the creation of the Trust When assets are transferred out of the Trust

Name of beneficiary	1.	Age
	2.	Age
	3.	Age
	4.	Age

Other

If other, please specify

i The options set out in this section are not exhaustive and are examples only of the circumstances which might arise. Additional circumstances (if any) should be described in the box marked "Other".

E3 The Trustees require sufficient liquidity to pay capital gains tax on 31 January of each year. In addition, the Trustees will require liquidity to cover the potential additional liabilities identified in section E2 above.

Name	Frequency*
	Frequency*
	Frequency*
	Frequency*

* All income from the Trust is to be sent on.

E4 All income from the Trust is to be sent on a monthly quarterly annual basis to

Insert details

E5 Insert details

All uninvested capital cash will be held by

Part E: Tax, income/capital requirements and liquidity (Continued)

E6 Option 1

The Managers are requested not to make capital gains in each tax year of assessment in excess of the Trust's annual capital gains tax exemption currently **£**

The Managers will endeavour to comply with this request.

Option 2

2A

The Managers are to have regard to the capital gains tax implications of making investment changes. While the Trustees wish to avoid incurring a liability to capital gains tax so far as possible they recognise that, in view of the size of the Investment Funds, capital gains in excess of the allowance may need to be incurred. The Managers are accordingly authorised to make chargeable capital gains in each year of assessment of up to % of the value of the Investment Funds (valued as at the date the gains are made).

OR

2B

The Managers may make such gains without prior reference to the Trustees or their Tax Adviser.

OR

2C

The Managers may make such gains only after prior reference to the Trustees' Tax Adviser if that is reasonably practical (unless the Managers are of the view that an urgent decision needs to be taken to protect the value of the investments to be disposed of). For the purposes of this clause, "reasonably practical" means that the Managers are able to contact the Trustees' Tax Adviser within hours of the decision to dispose of the investment(s) giving rise to the capital gains tax liability and obtain advice about the capital gains tax implications, and the Tax Adviser is within the same period able to take instructions from the Trustees or any of them.



The Capital Gains Tax exemption of the Trust should be carefully checked, as it is shared among all Trusts created by the same client, although it can never be less than 20% of the normal trust exemption.

Part F: Management information									
F1	A valuation is to be provided to the Trustees every year <input type="checkbox"/> quarter <input type="checkbox"/> six months <input type="checkbox"/> and a written review and report is to be provided to the Trustees when appropriate. The valuations and reports are to be sent to the correspondence address.								
F2	An annual "tax pack" is also to be provided at the end of each tax year to the correspondence address. <input type="checkbox"/>								
F3	Contract notes for each investment change are to be sent as soon as possible after each investment change is made to the correspondence address. <input type="checkbox"/>								
F4	In addition to the above, details of all corporate transactions affecting investments within the Investment Funds are to be sent as soon as possible after each such transaction to the correspondence address. <input type="checkbox"/>								
F5	<table border="0" style="width: 100%;"> <tr> <td style="width: 20%;">Option 1</td> <td style="width: 80%;"><input type="checkbox"/></td> </tr> <tr> <td> Insert details e.g. the Trustees/nominee <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;"> All Investment Funds will continue to be registered in the name of </div> </td> <td></td> </tr> <tr> <td>Option 2</td> <td><input type="checkbox"/></td> </tr> <tr> <td> Insert details, e.g. new investment manager/nominee <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;"> The registration of the Investment Funds is to be transferred shortly after completion of this policy statement </div> </td> <td></td> </tr> </table>	Option 1	<input type="checkbox"/>	Insert details e.g. the Trustees/nominee <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;"> All Investment Funds will continue to be registered in the name of </div>		Option 2	<input type="checkbox"/>	Insert details, e.g. new investment manager/nominee <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;"> The registration of the Investment Funds is to be transferred shortly after completion of this policy statement </div>	
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F6	This policy statement will be reviewed in approximately 3 months <input type="checkbox"/> 6 months <input type="checkbox"/> 1 year <input type="checkbox"/> 2 years <input type="checkbox"/> time and if necessary will be amended following that review.								

Signatures	
Trustee 1	
Name	<input type="text"/>
Signature ▶	<input type="text"/>
Date (DD/MM/YYYY)	<input type="text"/>
Trustee 2	
Name	<input type="text"/>
Signature ▶	<input type="text"/>
Date (DD/MM/YYYY)	<input type="text"/>
Trustee 3	
Name	<input type="text"/>
Signature ▶	<input type="text"/>
Date (DD/MM/YYYY)	<input type="text"/>
Trustee 4	
Name	<input type="text"/>
Signature ▶	<input type="text"/>
Date (DD/MM/YYYY)	<input type="text"/>

 **Signature(s) required.**

The Investment Policy Statement and the instructions given in it are accepted by us. We confirm we will secure compliance with the above and any revised or replacement Investment Policy Statement.	
Signed on behalf Of [Name of Investment Manager]	<input type="text"/>
Signature ▶	<input type="text"/>
Date (DD/MM/YYYY)	<input type="text"/>

 **Signature required.**

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