

# Investment Policy Statement

Report prepared for Albert CLIENT and Louise CLIENT

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## INTRODUCTION AND PURPOSE

This Investment Policy Statement, or IPS, is meant to be your roadmap to the attainment of your long-term financial objectives. It documents your specific financial goals and needs, and matches them to your preferences, constraints and requirements, resulting in a portfolio allocation that is appropriate to your individual circumstances.

Note: An IPS is only one component of an overall comprehensive financial plan.

## CLIENT INFORMATION SUMMARY

	Client	Spouse/Partner
Name	Albert CLIENT	Louise CLIENT
Age	47	45
Address		
City		
Province		
Country	Canada	
Email		

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## INVESTMENT OBJECTIVE

This section documents your investment objective and current investable assets assigned to this objective.

**Investment Objective** | Retirement

## CURRENT INVESTMENT PORTFOLIO

Total wealth is always taken into account when developing a suitable investment strategy, however, as your investment account representative, I will focus only on investments that I am licensed to advise you on.

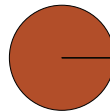
**Total Investment** | \$100,000.00

**Nb Account(s) Assigned** | 1

Account	Owner	Type	Investment	Registered (tax deferred)	Non-Registered (taxable)
Account #1	Investor	RRSP/RRIF	\$100,000.00	X	

## INVESTABLE ASSETS

Your investable assets (with this firm) are composed of \$0.00 in taxable assets, and \$100,000.00 in tax-deferred assets.



■ (100.0%) Registered (tax deferred)  
■ (0.0%) Non-Registered (taxable)

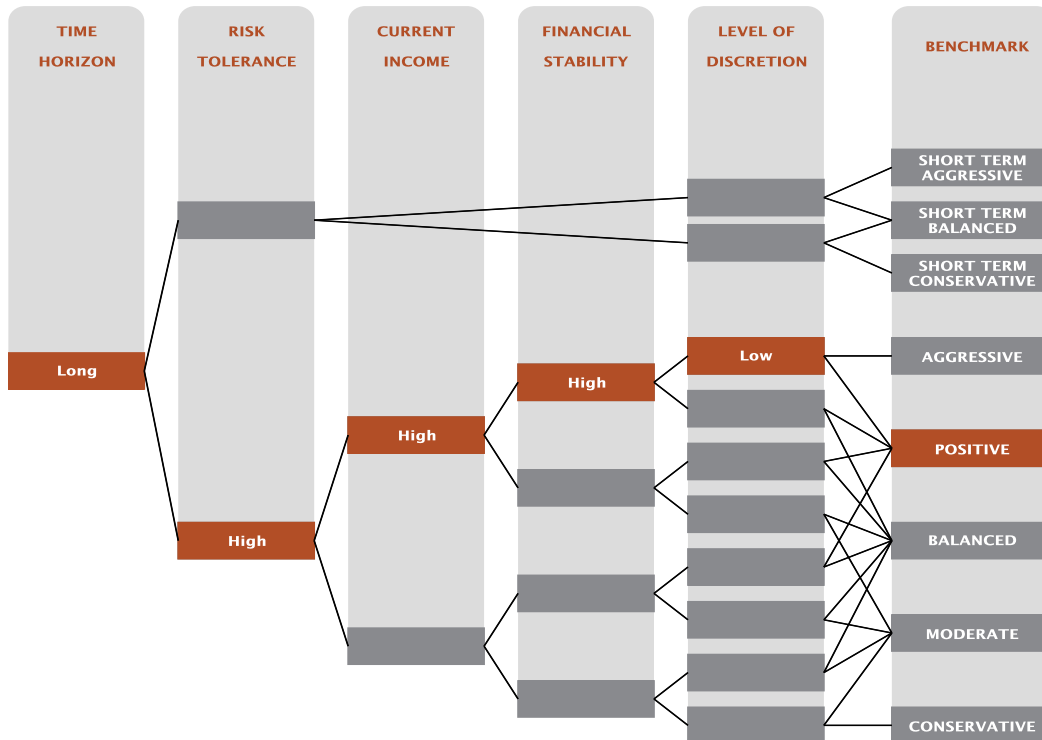
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## INVESTOR PROFILE

This figure displays your investor profile in graphic format.



## Positive

You are an investor that is willing to overweight stocks for the potential of higher returns, and your investment time horizon is long. Nonetheless you are not willing to endure as much emotional stress as would a typical aggressive investor. You include bonds, which provide stability and moderate levels of income.

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Here is each element of your profile explained in greater detail.

## TIME HORIZON

**I may need the total amount invested and the investment revenue from this account within the next five years.**

YOU ANSWERED NO

Your time horizon is long: Your financial needs call for higher portfolio volatility as well as a higher level of long-term average returns. You have the ability to withstand relatively long periods of negative returns, as these may be more than compensated by periods of positive returns. Your financial goal is to maximize the long-term dollar value of your account, given the other elements of your financial profile.

## RISK TOLERANCE

**If the return from this account was negative over a year, thus generating paper financial losses in the short run, I would continue to uphold my initial investment strategy.**

YOU ANSWERED YES

Your downside risk tolerance level is high: You are likely to adequately withstand the emotional strain that may result from negative returns. Your understanding of investing includes the idea that higher returns are generated only by accepting to bear more volatility.

## CURRENT INCOME

**I will cover my current expenses without using this account.**

YOU ANSWERED YES

Your ability to forgo current income is high: The investments under consideration here are meant to produce capital gains and/or other forms of returns which are not, or will not be, part of the requirements to maintain your lifestyle. They are not meant to produce returns for a goal such as retirement or a specific purchase. They are meant to supplement sources of income such as your salary, working income, or other regular source of income.

## FINANCIAL STABILITY

**My personal and financial situation allows me to incur the risk of short-term losses without compromising my financial stability.**

YOU ANSWERED YES

Your financial stability level is high. Your net worth is significant in relation to your financial lifecycle. As well, you may have achieved significant stability in your career, family life, and general lifestyle. This means that you have reached a level at which, all things equal, you can tolerate a higher level of volatility in your investments in order to generate higher returns. Moreover, you may be relatively close to retirement, but you will still have to generate sufficient returns for your retirement period, which may last as long as 30 or 35 years (according to actuarial tables).

## LEVEL OF DISCRETION

**In relative terms, the value of this account represents less than 25% of my net assets.**

YOU ANSWERED NO

The discretionary level of this account is low: As this account represents more than 25% of your net worth, it represents a comparatively larger portion of your net assets. Given this, all things equal, you may want to assume a greater degree of caution in the management of this account. Hence, you may want to select a lower level of volatility, which may result in attaining a lower average return level. This stance assumes that you consider this account as an important determinant of one or several of your major investment goals, such as the quality of your retirement or the level of financial security built into your account. Moreover, you may be likely to consider this account as a source of emergency funds or as a source of income in the near future.

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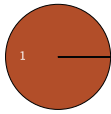
## INVESTMENT STRATEGY

Given the information you have provided, your personal investment strategy is designed to take into account your objectives, requirements and restrictions.

The suggested benchmark portfolio\* represents your strategic asset allocation template constructed to fulfil your risk-return objectives over the long-term. To complement this asset allocation, minimum and maximum values for each of the asset classes are displayed next to the benchmark values. Applying tactical asset allocation within these suggested ranges, should we deem it necessary, will allow us to take advantage of short-term opportunities in a particular asset class or security (by increasing the allocation in an asset class, thus overweighting this asset class), or to protect the portfolio from short-term downdrafts (by decreasing the allocation in an asset class, thus underweighting this asset class). To address your specific situation, I have fine-tuned the asset allocation of the Suggested benchmark, resulting in the Custom Asset mix, seen in the far right column.

Here is a comparison of the asset allocation in your Current portfolio and the Suggested and Custom portfolios:

Asset class **	Current Asset Mix	Suggested Benchmark Positive			Custom Asset mix	
		Min.	Target	Max.	Deviation	
<b>Equities</b>	100.0%		65.0%		65.0%	
1 Canada	100.0%	10.0%	25.0%	40.0%	25.0%	-75.0%
2 USA	0.0%	5.0%	15.0%	30.0%	15.0%	+15.0%
3 International	0.0%	10.0%	25.0%	40.0%	25.0%	+25.0%
<b>Bonds</b>	0.0%		35.0%		35.0%	
4 International	0.0%	0.0%	10.0%	30.0%	10.0%	+10.0%
5 Canada	0.0%	10.0%	25.0%	40.0%	25.0%	+25.0%
6 Cash	0.0%	0.0%	0.0%	30.0%	0.0%	



\* A suggested benchmark portfolio is a model portfolio against which the risk and returns of the actual portfolio are measured. It is constructed by assuming fixed proportions are invested in the major asset classes, with the investment performance of each asset class taken from an appropriate index. The benchmark portfolios vary depending on the risk profile and investment objectives.

\*\* It should be understood that we are not advising investment in the pure asset class vehicles themselves, but rather in securities such as Mutual Funds, GIC's and annuities, which are composed of these elements in various combinations. These securities will then be balanced to match your optimal asset class content recommendation.

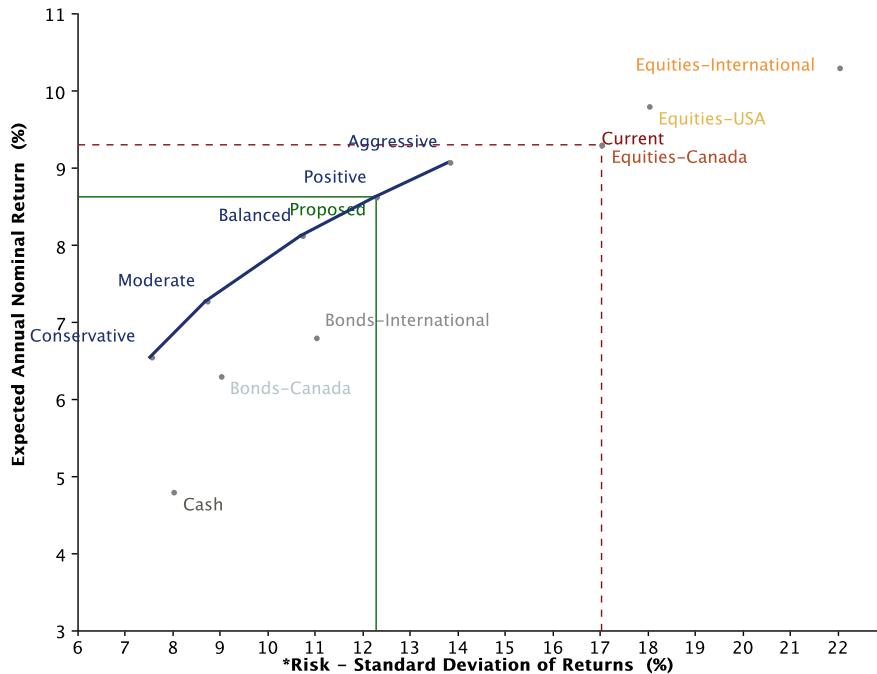
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## EFFICIENT FRONTIER

The Efficient Frontier is a visual tool used to show the results of portfolio optimization. The Efficient Frontier graph is comprised of a series of portfolios that are efficient - or optimal - in terms of risk and return. A portfolio on the southwest part of the frontier would be suitable for an investor who wants to protect capital, while one on the northeast would meet the needs of an aggressive investor looking for capital growth.



## REBALANCING

A portfolio's investments do not evolve at the same pace. Equities may outpace bonds, while at other times the reverse may be true. International equities may surpass foreign bonds, and so on. This means that in time, a portfolio's initial asset allocation will become skewed towards the asset classes that have progressed more than others. Portfolio rebalancing (bringing back the asset allocation to its benchmark, or customized benchmark, composition) is important, and should be discussed periodically, as the benchmark reflects the investor's return and risk needs.

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## ROLES AND RESPONSIBILITIES

### ROLE AND RESPONSIBILITIES OF THE INVESTOR

As the investor, I will:

- Agree to the investment strategy specified in writing herein.
- Will inform my account representative of any material changes in my financial, professional, health or other situation that may impinge on the present and future characteristics of the portfolio.
- Agree to meet with my account representative on matters directly pertaining to the portfolio.
- Respond to my account representative's requests for information
- Periodically meet with my account representative to discuss rebalancing of the portfolio.

### ROLE AND RESPONSIBILITIES OF THE ACCOUNT REPRESENTATIVE

As your account representative, I will:

- Respond to your requests for information.
- Accept investment decisions made by you, the investor, after account representative-investor discussion of the matter.
- To the best of my knowledge and experience, uphold the investment strategy specified herein.
- Regularly report to you on the value of the securities we have transacted for our account.
- Meet with you periodically to review your asset mix and assess the need for rebalancing your portfolio.

## DISCLAIMER

- 1) Any reference in this Statement to "Equities" is typically a reference to the asset class of "Equities" and any reference to "Bonds" is typically a reference to the asset class of "Bonds".
- 2) In case of any conflict between the content of this Statement and the content of your Account Opening Form signed with your Dealer, including without limiting the generality of the foregoing, information regarding your investment objectives and risk tolerance, the content of your Account Opening Form shall be determinative.
- 3) Past performance is not indicative of future performance. The value of investments will fluctuate and is not guaranteed. Always read the Simplified Prospectus before investing.

### To be signed by the client(s)

I, Albert CLIENT, have read and understand the information presented above. I agree to the portfolio strategy described herein and agree to the statements contained herein and to any actions consequential to them.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Albert CLIENT

I, Louise CLIENT, have read and understand the information presented above. I agree to the portfolio strategy described herein and agree to the statements contained herein and to any actions consequential to them.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Louise CLIENT

### To be signed by the advisor

I, John Smith, have read and understand the information presented above. I agree to the portfolio strategy described herein and agree to the statements contained herein and to any actions consequential to them.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
John Smith