Investment Policy Statement Template

Trustee 101 — Lesson 7: Investments and When to Delegate

Purpose

Use this Investment Policy Statement template to document how the trustee thinks about investment decisions. It is evidence of process — not a guarantee of performance.

Trust name	____
Prepared by	____
Date adopted	____________________ Review cadence: ____________________
Primary objective	Preserve purchasing power / Produce income / Growth / Other: ____________
Beneficiary needs	Current income needs, age/time horizon, special needs, expected distributions.
Risk tolerance	Low / Moderate / Growth-oriented — explain why this fits the trust terms and beneficiary needs.
Liquidity needs	Cash reserve target: ______ months of expected distributions and expenses.
Target allocation	Cash ____% Bonds ____% Equities ____% Alternatives ____% Other ____%
Diversification rule	No single security above ____% unless specifically approved and documented.
Prohibited assets	Speculative single stocks, margin, crypto, private placements, or other: ______________
Advisor authority	Advisor may recommend / trade with approval / discretionary authority under written agreement.
Benchmark	Portfolio benchmark(s): ____
Review triggers	Quarterly review, allocation drift > ____%, beneficiary change, market shock, advisor underperformance.
Documentation	Keep statements, review notes, fee comparisons, advisor reports, and trustee approval records.

Trustee certification

I reviewed the trust terms, beneficiary needs, risk tolerance, diversification duties, and advisor selection criteria before adopting this investment policy.

Trustee signature: ____________________________________ Date: _______________

Advisor acknowledgment, if applicable: ________________________________