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|  | **Section in investment policy statement** | **Questions to prompt discussion** | **Content to cover in investment policy statement** |
| 1 | **Opening section** | Taking stock of what the charity is here to do, what’s our strategy and what’s going on which might affect the charity and our beneficiaries? | Background on the charity, its purposes, current strategic objectives, external environment and context, and how the investments fit into these. |
| 2 | **Contact information** | Are the charity trustees going to sign a letter of authority/board minute naming key persons for liaison with external parties? | Charity name, key contact and registration information for the charity. |
| 3 | **Value and other assets** | How much are we investing? What other assets do we have and how do the investments fit into that bigger picture? | The value of the charity’s investments, or the amount to be invested. Also mention the other assets owned by the charity, to set the context for how the investments fit into these. |
| 4 | **Goals and objectives** | What financial return do we need from our investments, to support our charitable activities? | Specify any target for investment income and/or target for [capital growth](#Nine). |
| 5 | **Time horizon** | Looking ahead, what is the charity’s outlook, in terms of how long it anticipates money being invested? | Some charities may have a plan to spend their money in a set number of years. Others may anticipate having money invested in perpetuity.  There may be short, medium and long term elements here. |
| 6 | **Risk appetite** | What impact will inflation have on our assets and future spending power? Are we comfortable with the ups and downs of the stock market, if we already have a [financial buffer](#Nine) in place? | Set out the charity’s capacity for loss and whether it can withstand the fluctuations of the stock market. Refer to the charity’s [reserves policy](https://www.oscr.org.uk/guidance-and-forms/charity-reserves-factsheet) and how this interacts with the charity’s risk appetite for its investments. |
| 7 | **Ethical criteria and alignment** | Are any sectors or organisations in conflict with our charity’s purposes or activities, which means we should exclude them? From a reputation perspective, what would our donors and beneficiaries expect (or not expect) of us? Is positive screening relevant for us? | List any sectors or organisations for exclusion, in view of a conflict with the charity’s purposes or operations, or due to significant concerns about reputational risk. Positive or negative screening criteria can be listed here. |
| 8 | **ESG factors and active stewardship** | What value and weight do we want our investment manager to place on ESG factors and their role in the investment process?  What value and weight do we place on active stewardship, for our investment manager? Is it important to us that our investment manager meets companies to influence for better outcomes? | State any position on ESG factors.  State any position on active stewardship, engagement and visibility on voting |
| 9 | **Restrictions** | Are any other restrictions relevant for our policy? For example, are certain asset classes to be excluded, or types of investment product excluded? | List any restrictions to be placed on the investment strategy. |
| 10 | **Performance assessment** | How are we going to judge whether or not our investments are performing well for us? Is there a benchmark that is relevant for us? | State how the charity will assess financial and non-financial returns, including any use of [benchmarks](#Nine) or other measures. |
| 11 | **Access** | How quickly does the charity need to be able to access cash, if it is making a withdrawal? Would you face any difficulties if some of your investments were locked away for a longer period, or you had to pay a penalty for early access? | Set out your access requirements. This is sometimes called ‘[liquidity](#Nine)’.  Many investments can’t be accessed on the same day, and it might take several days for them to be sold to make cash available. |
| 12 | **Currency** | Are all of our operations UK-based? Do we operate overseas? | Set out any foreign currency requirements. This is particularly relevant for charities with overseas operations. |
| 13 | **Reporting requirements** | What kind of channels of communication do we want with our investment manager/other adviser (if you have one)? How often do we want to meet them/receive reports? How will we have visibility over the value of our various assets and how this changes over time? | Set out how often you want to receive reports with valuations and commentary. Set out any online access requirements. State how frequently any key committee/board meetings take place where you expect your investment manager/other adviser to attend. If you have a building, state any policy relating to valuations or updates on the building’s condition. If you have cash, mention how often you receive statements and how these are accessed. |
| 14 | **Review process** | What is our process for updating and keeping the investment policy statement under review? | Set out how your investment policy statement will be kept under review, to ensure it continues to reflect the purposes, strategy and objectives of the charity, which may evolve over time. Mention if there a Finance or Investment Committee which more regularly considers the investment policy statement, and how often is it seen, discussed and approved by all charity trustees. |
| 15 | **Sign-off** |  | A note of the date when the investment policy statement was approved by the charity trustees plus dates of any reviews and amendments. |