PARTNERS CAPITAL

How to Write an Investment Policy Statement

7th June 2022

What is an Investment Policy Statement (“IPS”)

- The IPS lays out the investment goals of a portfolio and the strategy to achieve those goals. Think of it as “the rules to invest by.”
- Its intended audience includes both the implementers (investment committee and investment team) and the overseers (asset owner, foundation trustees, et al.).
- It typically covers areas including target returns, asset allocation, risk tolerance, liquidity requirements, performance measurement and governance (decision making process).
- The IPS also establishes accountability for the various internal and external professionals who work on behalf of an investor.
- Perhaps most importantly, the IPS serves as a policy guide that can offer an objective course of action to be followed during periods of market disruption when emotional or instinctive responses might otherwise motivate less prudent actions.
- The IPS is a highly customized document that is uniquely tailored to the preferences, attitudes, and situation of each investor.
- The content of the IPS is reviewed annually by the Investment Committee.

Who does what with the IPS?

Who writes the Investment Policy Statement?	The Investment Committee, with input from the investment manager / advisor.
Who approves and issues the Investment Policy Statement?	The Governing Body, acting on the advice of the Investment Committee.
Who authorises investment fund redemptions / subscriptions?	The Investment Manager (e.g., Partners Capital) if operating under a discretionary management agreement; the Executive Officer(s) / Signatories if operating under an advisory agreement.
Who executes investment fund redemptions / subscriptions?	The Investment Manager (e.g., Partners Capital) if operating under a discretionary management agreement; the Executive Officer(s) / Signatories if operating under an advisory agreement.
Who executes private market fund commitments?	The Executive Officer(s) / Signatories, regardless of whether the relationship is governed by an advisory or discretionary agreement. This is done to ensure clients are fully aware of the long-term nature of such commitments.
Who authorises cash withdrawals?	The Executive Officer(s) / Signatories.
Who reviews, hires or fires internal Investment Executive Officers	Usually the Governing Body (but may by the CEO of the asset owning organisation)
Who reviews, hires or fires external investment advisor?	The Governing Body, acting on the advice of the Investment Committee.
Who executes a Discretionary Management Agreement?	The Executive Officer(s) / Signatories.

Typical IPS Table of Contents

No two IPS' are the same, but they generally cover the following 14 areas with different decisions and guidelines tailored to the investor.

1. Preface
2. Spending
3. Required Return
4. Risk
5. Strategic Asset Allocation
6. Asset Class Restrictions
7. Currency
8. Borrowing
9. Liquidity
10. Concentration
11. Taxation
12. Environmental, Social & Governance
13. Performance Measurement
14. Roles and Responsibilities

IPS Content Illustration – 2 page format (page 1 of 2)

1. Preface	• States the IPS's authority, scope, intended length of service and the frequency with which it will be reviewed.
2. Purpose	• States in simple terms the purpose of the Portfolio. • For example, for charitable institutions, the Endowment's purpose will involve fully or partially funding the Institution's operating and capital costs and / or charitable giving.
3. Spending	• States the spending rule, its scope and the frequency with which it will be reviewed. • States how debt will be taken into account when computing spending amounts.
4. Required Return	• States the minimum return required to ensure the Portfolio fulfils its purpose. • Ideally it will be expressed in real rather than nominal terms. • Avoid mention of the Portfolio's expected return – this is a governance document and sets out requirements; it is for the Investment Committee and / or Investment Manager to construct a portfolio which is expected to deliver performance in excess of the required return.
5. Risk	• States the risk which can be incurred in the broadest of terms. • In most instances, the Required Return will significantly exceed the Risk Free Rate, so significant investment risk must be accepted to achieve it. • Avoid mention of specific risk metrics such as expected standard deviation or ENEB – such metrics are tools / methodologies used by the Investment Manager and have no place in a governance document.
6. Strategic Asset Allocation	• Refers the reader to a Strategic Asset Allocation framework, which provides minimum, target and maximum allocations for each asset class.
7. Asset Class Restrictions	• Sets out any restrictions. • These are usually put in place because exposure to a particular asset class is obtained elsewhere. • For example, private equity might be excluded for clients who are private equity professionals.
8. Currency	• States the Portfolio's home currency and reporting currency. • States the approach to currency exposure, usually by specifying a minimum (and sometimes maximum) allocation to the home currency. • Describes the approach to foreign currency exposure, including whether any hedging instruments can be used.

IPS Content Illustration – 2 page format (page 2 of 2)

8. Borrowing and / or Leverage	• States the limits on borrowing and/or leverage. • Discriminates between borrowing that is used for bridging and borrowing that gives rise to leverage. • Defines how leverage is measured and provides an example. • Describes what will happen if there is an inadvertent breach of the limit.
9. Liquidity	• Provides limits on the maximum amount which can be held in illiquid assets. • Can also provide limits on the minimum amount to be held in liquid assets (e.g., daily-traded or quarterly-traded assets). • Clearly defines what is meant by "illiquid assets" or "liquid assets". • Describes what will happen if there is an inadvertent breach of the limit.
10.Concentration	• Provides sensible limits on the maximum (or minimum) holding sizes.
11.Taxation	• States the Portfolio's position with respect to tax (e.g., tax-exempt investor). • States what efforts will be made to maximise tax efficiency (if any).
12.Environmental, Social & Governance	• This summarises the client's separate Sustainable Investment Policy which is usually a separate document. • Client or investment advisor will engage at least annually with core asset managers to assess the degree of ESG integration. • Describes the investment allocation to managers pursing ESG and impact strategies (not ESG integration) which are clearly defined.
13.Performance Measurement	• States the benchmarks against which the Portfolio's performance will be evaluated and the minimum time frame over which this evaluation will occur. • Ideally, the Portfolio's performance would be compared relative to the Required Return and a Strategic Asset Allocation Composite Benchmark over periods of not less than three years (five years is better).
14.Roles and Responsibilities	• Outlines the roles and responsibilities of the key decision makers, usually the Governing Body / Trustees / Company Directors, Investment Committee, Executive Officer (s) / Signatory(ies) and Investment Manager(s).

Investment Policy Statement – short or long form?

- We recommend both a 1-2 page version for inclusion in each quarterly performance review report package and a long form which provides the explanation for each element of the IPS. The long form can be between 6 and 20 pages.
- Separate documents are generally drafted around the specific duties and responsibilities of the investment committee chairman, subcommittees and the individual investment committee members.
- See our separate 3 page template Word document for the Investment Committee Charter, which we recommend each investment committee member sign before joining.
- See our separate whitepaper on Investment Committee Best Practices for more advice on how best to use the IPS in the ongoing process of managing an institutional investment portfolio.

1. Preface
Example

States the IPS's authority, scope, intended length of service and the frequency with which it will be reviewed.

- This Investment Policy Statement ("IPS") is issued by the Governing Body acting on the advice of the Investment Committee.
- It governs the management of the Institution's Endowment and the two sub-portfolios of which the Endowment is comprised, namely:
  - The Portfolio– a portfolio of financial assets
  - The Property Portfolio – a portfolio of UK properties
- It is intended to serve for at least a five-year period, but will be reviewed annually by the Investment Committee to ensure it remains fit for purpose.

2. Spending
Example

States the spending rule, its scope and the frequency with which it will be reviewed. States how debt will be taken into account when computing spending amounts.

- The spending amount in any fiscal year is to be limited to a maximum of 3.5% of the average value of the Endowment minus the value of any outstanding debt as of the end of the current fiscal year and four preceding ones.
- This rule may be overridden in exceptional circumstances subject to the consent of the Governing Body.
- It will be reviewed annually by the Investment Committee to ensure it remains sustainable.

3. Required Return
Example

States the minimum return required to ensure the Portfolio fulfils its purpose. Ideally it will be expressed in real rather than nominal terms. Avoid mentioning the Portfolio's expected return – this is a governance document which sets out requirements, not expectations.

If the Endowment is to fulfil its purpose, its purchasing power must be preserved, which means its annual rate of return must exceed the educational price annual inflation rate plus the 3.5% annual spending rate.

The required return is therefore specified as the return on the UK Consumer Price Index plus 4.5%, where the 4.5% comprises a 1% contribution for educational price inflation and the 3.5% spending rate.

This required return is to be achieved after the payment of all costs of managing the Endowment, inclusive of the costs of outstanding debt, but before any donations, which are to be used to enlarge the Endowment.

- There is presently no professionally compiled index which can be used as a measure of UK educational price inflation; however the Higher Education Price Index (HEPI), a measure of the inflation rate applicable to US higher education, has typically risen at a rate that is 1% p.a. faster than the US Consumer Price Index; therefore, within the required return, UK educational p inflation is approximated as consumer price inflation + 1% p.a.

4. Risk
Example

This is one of the most important components of the IPS. In most instances, the Required Return will significantly exceed the Risk Free Rate, so significant investment risk must be accepted in pursuit of this goal. Investment risk has a vast array of definitions and metrics. We recommend avoiding volatility measures in favour of maximum drawdown, a financial markets beta measure. Our preferred beta-based risk metric is what we refer to as "equivalent net equity beta" or ENEB which is defined on the next page. The IPS should specify both the target ENEB and ENEB range within which the portfolio should be rebalanced. The range is usually +/- 2%.

- As the required return substantially exceeds the prevailing risk-free rate (the risk-free rate is measured by the yield on a 10-year US Treasuries of 1.5% at the time of writing), significant investment risk must be taken in pursuit of the return targets. Risk will be mitigated through diversification across asset classes and underlying instruments, as well as through the imposition of various constraints on the portfolio, as specified below. Despite these mitigating factors, the possibility exists for a significant reduction in the portfolio's value.

- The primary metric that Partners Capital use to measure portfolio risk level is Equivalent Net Equity Beta ("ENEB"). We convert the exposure of the portfolio to core market risks (e.g. equity, credit, government bonds, property) into one single "equity equivalent" portfolio risk metric using risk conversion factors based on observed market sensitivity to changes in equity prices. For this portfolio, we would target a portfolio ENEB of 60% which we believe to be a risk level for the portfolio which is equivalent to holding 60% in equities and 40% in cash.

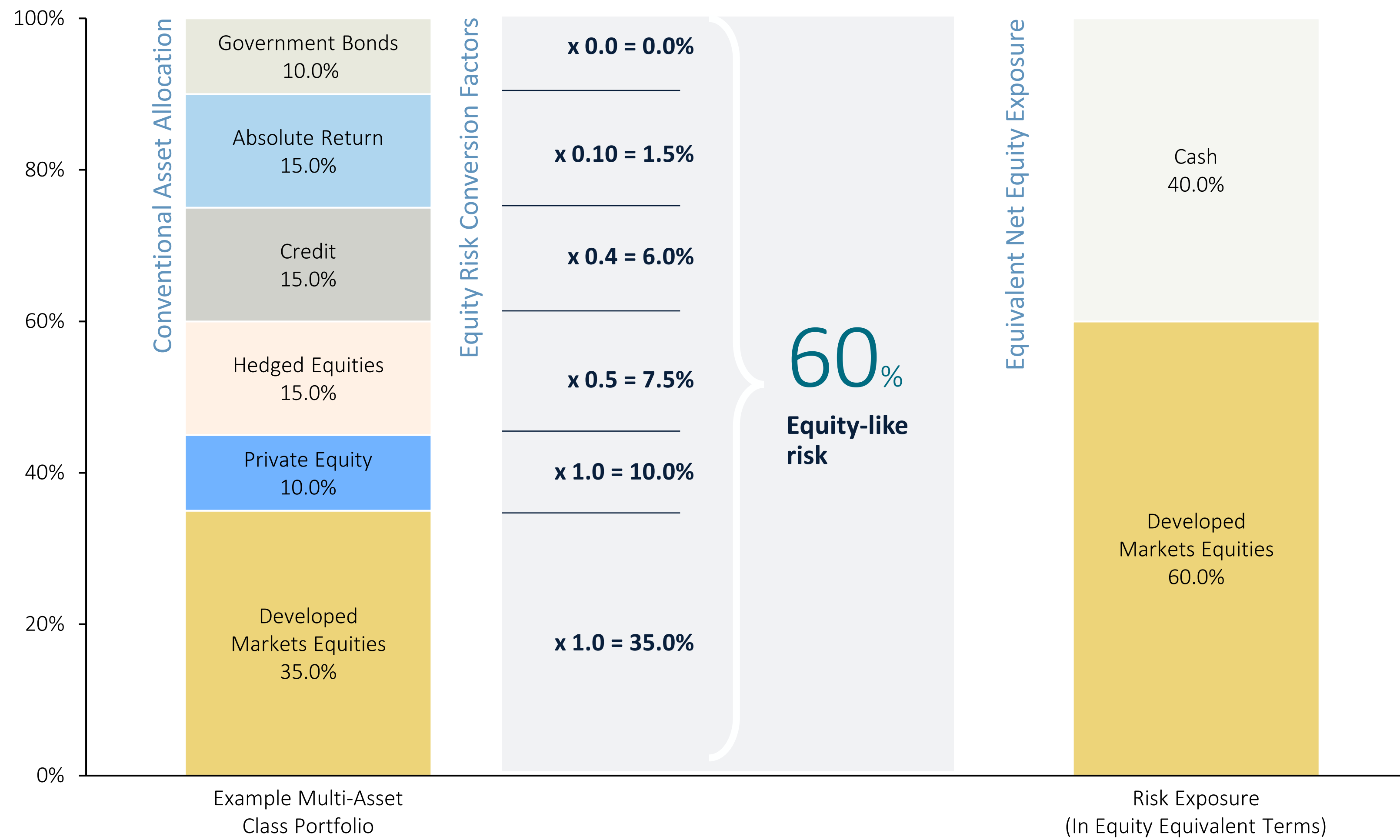
- In the face of market and liquidity actions which move the portfolio's ENEB, we will rebalance the portfolio within 30 days of any deviations greater than 2% from the target ENEB.

Portfolio Risk Level Measurement: We manage portfolios to an agreed "equity-like" risk level

Illustrative Example

We convert exposure to core market risks (e.g., Equity, Credit, Interest Rates) into one single equity-equivalent portfolio risk metric, using risk conversion factors based on observed market sensitivity to changes in equity prices. In the example below, a multi-asset class portfolio has risk equivalent to holding 60% in equities and 40% in cash.

Our typical client has an ENEB target between 60% and 75%.



Notes:
1. The Equity Risk Conversion Factors are calculated by Partners Capital based on historical correlation with global equity market indices. Forecasted performance assumptions are not indicative of future returns.

Proposed Equity-Like Risk
Risk budget stress tested against drawdown tolerance

The risk budget is determined by the portfolio's long term target return subject to tolerance for short term mark-to-market drawdowns. Tolerance is, in part, a function of investor time horizon.

Illustrative Portfolio Returns across differing Portfolio Risk Levels and Equity Market Performance

Equity-Like Risk Budget

Return of Developed Market Equities in peak to trough drawdown

	20%	30%	40%	50%	60%	70%	75%	80%	90%
-5%	-1.0%	-1.5%	-2.0%	-2.5%	-3.0%	-3.5%	-3.8%	-4.0%	-4.5%
-10%	-2.0%	-3.0%	-4.0%	-5.0%	-6.0%	-7.0%	-7.5%	-8.0%	-9.0%
-15%	-3.0%	-4.5%	-6.0%	-7.5%	-9.0%	-10.5%	-11.3%	-12.0%	-13.5%
-20%	-4.0%	-6.0%	-8.0%	-10.0%	-12.0%	-14.0%	-15.0%	-16.0%	-18.0%
-25%	-5.0%	-7.5%	-10.0%	-12.5%	-15.0%	-17.5%	-18.8%	-20.0%	-22.5%
-30%	-6.0%	-9.0%	-12.0%	-15.0%	-18.0%	-21.0%	-22.5%	-24.0%	-27.0%
-35%	-7.0%	-10.5%	-14.0%	-17.5%	-21.0%	-24.5%	-26.3%	-28.0%	-31.5%
-40%	-8.0%	-12.0%	-16.0%	-20.0%	-24.0%	-28.0%	-30.0%	-32.0%	-36.0%

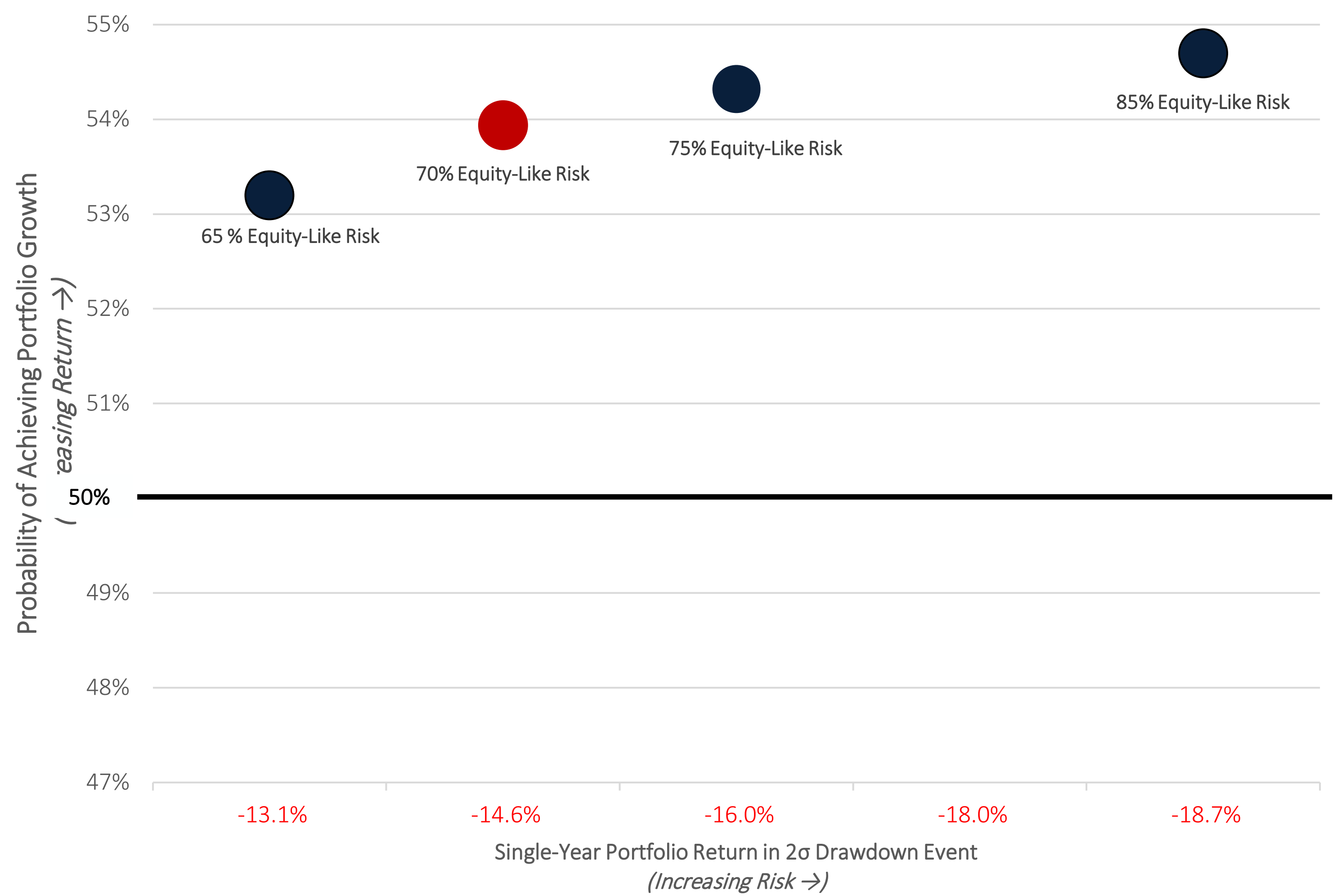
Recommended Portfolio Risk-Level

Current Portfolio Risk Level

Notes
1. Portfolio returns are illustrative.

Proposed Equity-Like Risk
Real growth potential illustration

- Increasing the target risk level increases the likelihood of generating real asset growth (i.e., adjusted for inflation) in the long term. However, an increased risk level also increases the magnitude of a portfolio drawdown.
- Past a certain point, there are diminishing returns to increased risk, i.e., there is a very small increase in the probability of achieving asset growth by taking on more risk.
- In order to increase the likelihood of achieving real portfolio growth, the remaining levers to pull are an increase in illiquidity or a marginal reduction in spending.

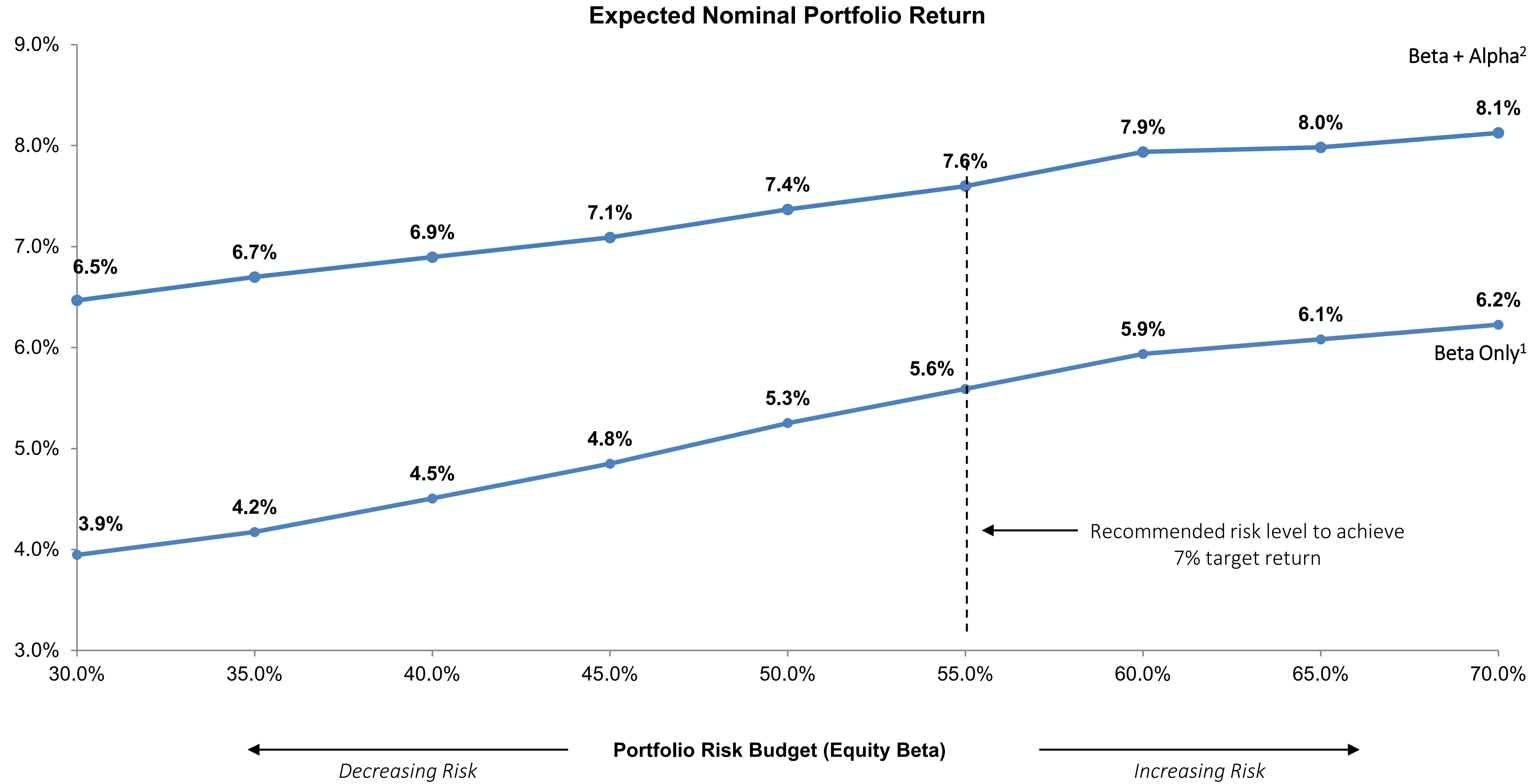


Notes

1. Scenario analysis based upon the results of a Monte Carlo simulation. Underlying assumptions based on hypothetical projected 10-year risk-return forecasts for each asset class. The portfolio returns assume an allocation to private markets and 5% annual spending.
2. 10-year expected returns are annualized and projected based on Partners Capital's forecasted annualized returns by asset class. These returns included assumptions for manager alpha and are net of our proposed advisory fees. Actual returns and volatility may differ materially. There is no guarantee that the hypothetical return and volatility assumptions presented will be realized.

Determine Overall Risk Budget

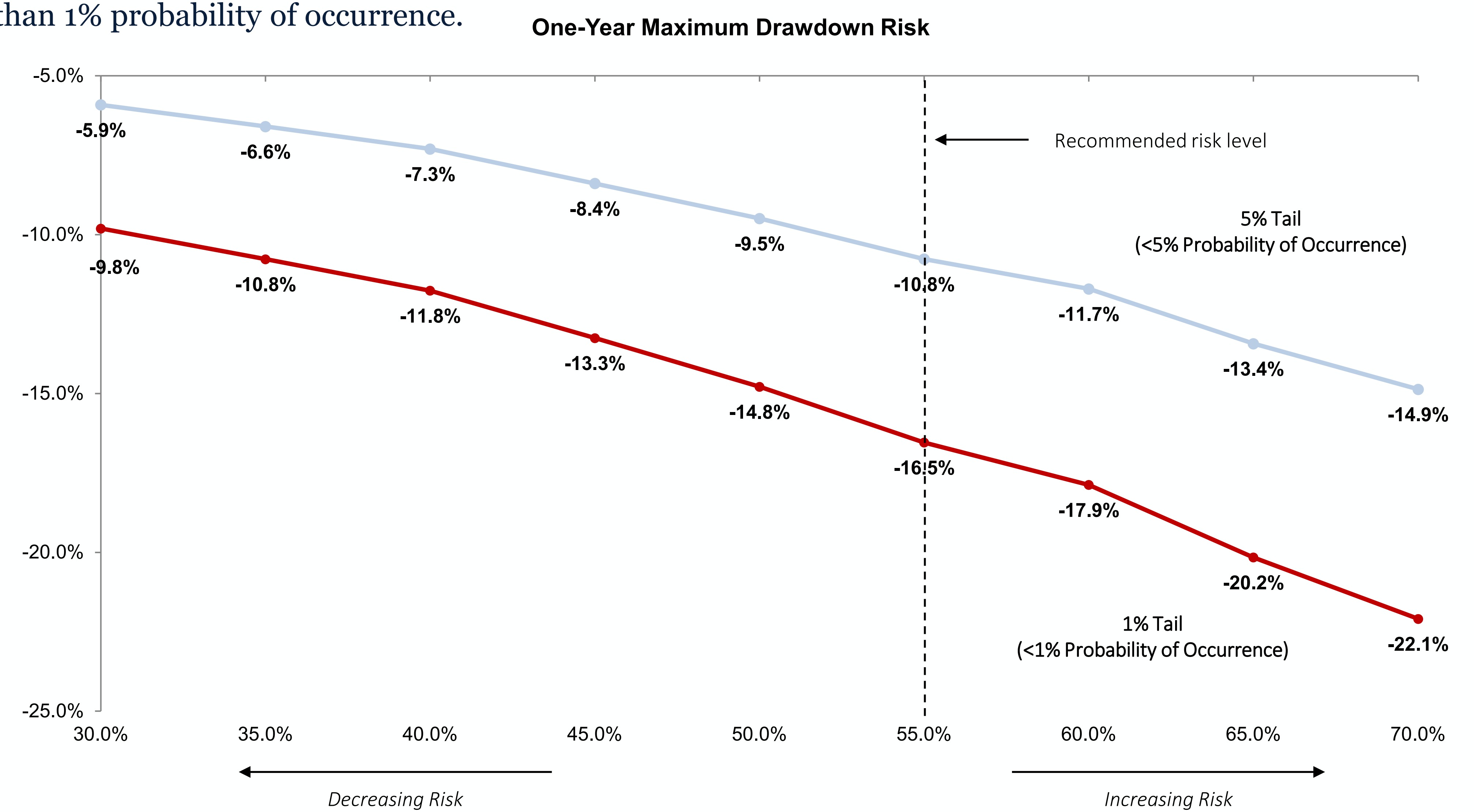
We recommend an overall risk budget of 55% equivalent net equity risk.



Notes
1. Expected annual returns are based on Partners Capital mean variance optimization analysis built on forward-looking asset class return, volatility and correlation assumptions. Asset class returns based on Partners Capital 10-year return forecast. Portfolio returns include Partners Capital estimate of alpha available in each asset class in excess of asset class expected returns.
2. “Beta + Alpha” line is based on forward-looking asset class return assumptions plus Partners Capital estimate of alpha available in each asset class over expected asset class returns.

One-Year Drawdown Risk for Range of Portfolio Risk Levels

At a 55% risk budget, the maximum one-year drawdown would be -10.8% with less than 5% probability of occurrence, or -16.5% with less than 1% probability of occurrence.

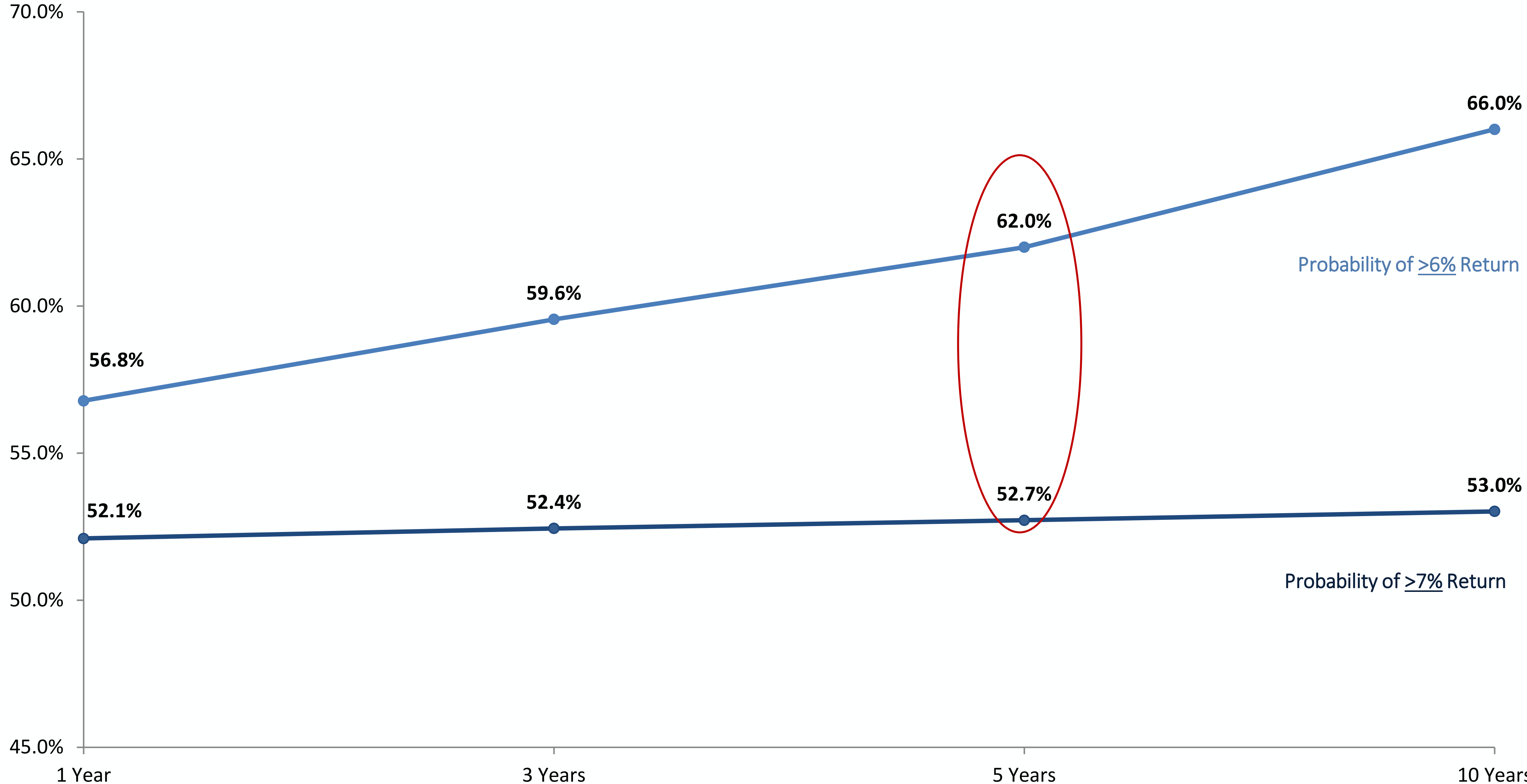


Notes

1. One-year maximum drawdown risk is the expected maximum annual drawdown over a one-year period. The “5% Tail” is the maximum drawdown with less than 5% probability of occurrence. The “1% Tail” is the maximum drawdown with less than 1% probability of occurrence. Assumes normal distribution of returns. Asset class returns based on Partners Capital 10-year forecast.

Probability of Achieving Annual Return Target: 55% Risk Budget Portfolio

Over a five year period, the recommended portfolio would have a 53% probability of achieving an 7% annual nominal return and a 62% probability of achieving a 6% annual nominal return.



Notes

1. Expected annual returns are based on Partners Capital mean variance optimization analysis built on forward-looking asset class return, volatility and correlation assumptions. Asset class returns based on Partners Capital 10-year return forecast. Portfolio returns include Partners Capital estimate of alpha available in each asset class in excess of asset class expected returns.
2. Probability of achieving annual nominal return target based on Monte Carlo simulation with 100,000 observations. Assumes normal distribution of returns.

5. Strategic Asset Allocation
Example

Refers the reader to a Strategic Asset Allocation framework, which provides minimum, target and maximum allocations for each asset class.

	Overall Endowment Portfolio			
Asset Class	Min	Target	Max	Benchmark
Cash	0.0%	0.0%	5.0%	LIBOR GBP 3-Month
Fixed Income	0.0%	4.0%	14.0%	FTSE A British Govt All Stocks Index
Credit	0.0%	5.0%	20.0%	Barclays Global BBB Index GBP Hedged
Absolute Return	7.0%	15.0%	17.0%	3-month GBP LIBOR + 300 bps
Global Equities	40.0%	49.0%	56.0%	MSCI All Country World Index GBP Unhedged
Private Equity	8.0%	14.0%	22.0%	State Street Private Equity
Inflation Linked Bonds	0.0%	8.0%	10.0%	FTSE A (Index Linked) British Govt All Stocks
Commodities	0.0%	0.0%	5.0%	Dow Jones UBS Commodity Index
Core Property	0.0%	0.0%	5.0%	IPD UK All Property Monthly Index
Private Equity Real Estate	0.0%	5.0%	8.0%	Preqin Real Estate Opportunistic Index
Total		100.0%		

Notes:
1. Total Return variants of indices are used in all instances; in the case of MSCI indices, the Net Return variant is used, which assumes that dividends are reinvested net of the maximum amount of withholding taxation.

6. Asset Class Restrictions
Example

Sets out any restrictions. These are usually put in place because exposure to a particular asset class is obtained elsewhere. For example, private equity might be excluded for clients who are private equity professionals. Additionally, the investment decision makers or asset owners may have predispositions not to invest in certain asset classes such as hedge funds, gold, commodities, etc.

- As the investor has significant exposure to private equity and real estate, the portfolio is precluded from investing in these asset classes.

7. Currency
Example

States the Portfolio's home currency and reporting currency. States the approach to currency exposure, usually by specifying a minimum (and sometimes maximum) allocation to the home currency. Describes the approach to foreign currency exposure, including whether any hedging instruments can be used.

- The Portfolio's home currency and reporting currency is Sterling.
- The Portfolio will be partially protected from foreign exchange rate fluctuations through the deployment of hedging instruments, typically forward contracts.
- The target allocation to Sterling will be 60% of the Portfolio's value. The composition of the 40% allocation to foreign currencies will be at the discretion of the Investment Manager, but is expected is expected to comprise mainly US Dollars and emerging market currencies.
- To account for fluctuations in asset prices, the actual allocation to Sterling, as estimated by the Investment Manager, is permitted to range between 55% and 65%.
- Where there is a trade-off between liquidity and maintaining the currency hedges, then considerations of liquidity will take precedence.

8. Borrowing and/or Leverage
Example

States the limits on borrowing and/or leverage. Defines how leverage is measured. Describes what will happen if there is an inadvertent breach of the limit. Discriminates between borrowing that is used for bridging and borrowing that gives rise to leverage.

- Subject to the consent of the Governing Body, monies may be borrowed to leverage the Endowment provided the loan-to-value ratio does not exceed 20%, where the loan-to-value ratio is computed as the current face value of the outstanding debt divided by the Endowment's value.
- If the ratio exceeds 20%, no further monies may be borrowed, though there need not be an immediate repayment of existing borrowings to bring the ratio below a level of 20%.
- Both the Securities and Property Portfolio Managers may borrow monies to bridge settlement periods associated with transactions subject to a three-month maximum term. Such borrowings do not generate leverage and are therefore excluded from the aforementioned Endowment-level computation of leverage.
- Managers of funds in which the Portfolio is invested may make use of borrowing to leverage their portfolios where it is integral to the pursuit of their investment strategy and provided it has no recourse to the Endowment.

9. Liquidity
Example

Provides limits on the maximum amount which can be held in illiquid assets. Can also provide limits on the minimum amount to be held in liquid assets (e.g., daily-traded or quarterly-traded assets). Clearly defines what is meant by "illiquid assets" or "liquid assets". Describes what will happen if there is an inadvertent breach of a limit.

To ensure the Portfolio remains sufficiently liquid to meet its liabilities, the following constraints are imposed on the Securities Portfolio:

- No more than 40% of the Portfolio's value gross of leverage can reside in Illiquid Investments.
- No more than 50% of the Portfolio's value gross of leverage can be represented by a combination of Illiquid Investments plus commitments to invest in Illiquid Investments.
- Illiquid investments are defined as those which have a drawdown structure wherein a commitment to invest is made and monies to fund the investment are drawn down over time and redemptions cannot necessarily be effected at the investor's election but will occur as and when investments are realised, and/or it will take longer than 5 years for the investment to be substantially liquidated from the date of the original investment.
- At least 22% of the Portfolio's value gross of long-term leverage will reside in daily- or weekly-traded investments.
- At least 40% of the Portfolio's value gross of long-term leverage will reside in investments which can be liquidated quarterly or more frequently.

10. Concentration
Example

Provides sensible limits on the maximum (or minimum) holding sizes.

- No more than 5% of the Endowment's value gross of leverage may reside in any one financial asset within the Securities Portfolio or property within the Property Portfolio.
- No more than 10% of the Endowment's value gross of leverage may reside in any one third party investment fund.

11. Taxation
Example

States the Portfolio's position with respect to tax (e.g., tax-exempt investor, US taxpayer, UK taxpayer). States what efforts will be made to maximise tax efficiency (if any) and clearly stating that tax advice will come from qualified specialist tax advisors (not their Investment Manager). States what tax reporting will be provided (if any).

- The investor is a UK tax payer. Reasonable efforts will be made to ensure the portfolio is invested tax efficiently, with a preference for the generation of capital gains rather than income.
- Tax advice will be provided by specialist tax advisors (can name the advisor if expected to be the long term source of advice).
- Tax reporting will be provided annually.

Tax treatment will depend on the individual circumstances of each client and is subject to change. Clients should consult their own tax advisors to understand the tax treatment of a product or investment.

12. Environmental, Social and Governance Investing

Example

We recommend that the full Sustainable Investing Policy (SI Policy, ESG Policy, Responsible Investing Policy) be documented separately from the IPS, but that clear reference to the SI Policy is explained here in the IPS. Generally, this will cover two separate aspects of the SI Policy – one being the third party asset managers' integration of ESG factors into their businesses and investment "lens", and the specific ambitions for allocating investment capital to energy transition, DEI, health and other high social and environmental impact investments.

The Endowment Investment Committee has drafted and approved a separate Sustainable Investment Policy which provides more detail on the two key elements of that policy summarised below.

The investment advisor (Outsourced CIO) will engage at least annually with each core asset manager to assess the degree to which the manager integrates ESG factors (especially, energy transition, DE&I, health, specific exclusions (e.g., tobacco, child labour violations, etc) and corporate governance into their investment process.

The Endowment seeks to allocate to specific investments with asset managers whose investment strategies are focussed on outperforming on the basis of deep expertise in and around certain ESG factors associated with the assets owned (e.g., focused on the energy transition) and/or allocate to managers investing in high impact sectors including the energy transition, healthcare and education. There are not specific target or minimum allocations to such ESG or Impact strategies.

13. Performance Measurement
Example

This section states the benchmarks against which the Portfolio's performance will be evaluated and the minimum time frame over which this evaluation will occur. Ideally, the Portfolio's performance would be compared relative to the Required Return and a Strategic Asset Allocation Composite Benchmark over periods of not less than three years (five years is better). In some cases, the IPS will include not just the overall portfolio benchmark, but also will describe a peer level benchmark (such as the NACUBO school endowment peer group) and will also define how each individual asset manager's performance will be evaluated (e.g., annual and 5 year reviews vs its appropriate beta-adjusted benchmark).

- The performance of the Portfolio will be reviewed quarterly and evaluated over rolling three-year and five-year periods relative to the Portfolio SAA Benchmark and the Required Return of the return on the Consumer Price Index plus 3% per annum.
- The Portfolio SAA Benchmark will be computed monthly as the summed product of the performance of the asset class indices and target allocations specified in the Strategic Asset Allocation

14. Roles and Responsibilities
Example

Outlines the roles and responsibilities of the key decision makers, usually the Governing Body / Trustees / Company Directors, Investment Committee, Executive Officer (s) / Signatory(ies) and Investment Manager(s). As a tool to be used outside of the IPS, we recommend the investment committee Chair and the investment advisor utilise the RAID decision-making tool illustrated on the next page.

Investment Committee Responsibilities

Specific responsibilities of the Investment Committee, which may be performed with the assistance of professional advisers, include:

- Developing a sound and consistent Investment Policy for the overall Endowment Portfolio
- Selecting a qualified investment manager or adviser for the Portfolio and taking action, under appropriate circumstances, to discharge said investment manager or adviser for failing to perform in terms of stated expectations
- Monitoring and evaluating the Endowment's performance and composition to ensure that investment policies are adhered to and investment objectives met

Investment Manager Responsibilities

- The Investment Manager (Advisor, OCIO) will respect the guidelines and constraints set forth in this Statement of Investment Principles in the pursuit of its discretionary management responsibilities.

14. RAID Analysis of Investment Policy and Strategy Decisions

The involvement of each participant in any given decision is defined by the following four possible roles (colour-coded to decipher the table below it):

R = Recommend. This person recommends a decision to the decision-taker

A = Approve. This person has a power of veto the decision

I = Input. This person provides input and context to the decision

D = Decide. This person takes the decision, subject to input, recommendations and veto

Investment Strategy Decision	Board	Investment Committee	Head of Investment Office	External Investment Adviser
1. Membership of the Investment Committee / Sub Committee	D	I	R	-
2. Overall investment strategy and overarching investment philosophy	A	D	R	I
3. Selection of appropriate risk: return objectives for the portfolio	A	D	R	I
4. Determination of annual distributable amount (spending level)	D	R	I	-
5. Liquidity constraints for the investment portfolio (as per the IPS)	A	D	R	I
6. Foreign currency exposure targets	A	D	R	I
7. Use of leverage and derivatives at portfolio level to manage risks	A	D	R	I
8. Overall asset allocation	A	D	R	I
9. Conflict of Interest Policy	A	D	R	I

Notes:
- The External Investment Advisor formally “Recommends” on many matters to the Head of the Investment Office, although it is reflected here as just “Input” to the overall decision.
- The Board Chairman or other selected Director could be substituted for the Board in providing Approval (veto) over some of these decisions, where it may be impractical to reach the board in time for decisions, or where the Chairman is better suited to assess such decisions.

14. Optional IPS / Mandate Content

- **History of IPS / Mandate changes:** list the dates on which revisions to the IPS / Mandate have been made.

- **Fees and expenses:** state whether there are any limits on the Portfolio's fees and expenses burden.

- **Conflicts of Interest:** state how conflicts of interest will be dealt with (e.g., any investments in funds run by members of the Investment Committee must be pre-approved by the governing body and recorded in the "Conflicts of Interest Register".

Disclaimer

This material has been issued by Partners Capital LLP, which is authorised and regulated by the Financial Conduct Authority of the United Kingdom (the "FCA"), and constitutes a financial promotion for the purposes of the rules of the Financial Conduct Authority. This material is being provided to clients of Partners Capital on the condition that it will not form a basis for any investment decision by or on behalf of clients and that Partners Capital LLP shall not be a fiduciary or adviser with respect to recipients on the basis of this material alone. The risk warnings contained in this material should be read in conjunction with the risk warnings contained in Document E in Partners Capital's client account opening documentation and with the specific risk warnings listed in the offering memorandum or other relevant documentation relating to any investments referred to herein. If you have not received the aforementioned documents, these additional risk warnings can be provided on request.

This material is for your private information, and we are not soliciting any action based upon it. This report is not an offer to sell or the solicitation of an offer to buy any investment. The material is based upon information that we believe to be reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. Opinions expressed are our current opinions as of the date appearing on this material only. We do not undertake to update the information discussed in this material. We and our affiliates, officers, directors, managing directors, and employees, including persons involved in the preparation or issuance of this material may, from time to time, have long or short positions in, and buy and sell, the securities, or derivatives thereof, of any companies mentioned herein. Whilst every effort is made to ensure that the information provided to clients is accurate and up to date, some of the information may be rendered inaccurate by changes in applicable laws and regulations. For example, the levels and bases of taxation may change.

Partners Capital Investment Group, LLP is not a tax adviser and clients should seek independent professional advice on all tax matters. The content herein is for informational purposes only, including any content related to the tax implications or outcomes of any investment program, and is provided with the understanding that Partners Capital is not offering or rendering tax or other professional advice. Accordingly, in no event will Partners Capital be liable for any loss or damage including, without limitation, indirect or consequential loss or damage, or any loss or damage whatsoever arising from adverse or unintended tax consequences. Any reference to taxation relies upon information and regulations currently in force. The tax treatment of investment actions depends upon the individual circumstances of each client and the content herein may not take into account those circumstances in their entirety.

Where this material refers to or describes a Non-Mainstream Pooled Investment ("NMPI") the communication of this material is made only to and/or is directed only at persons who are of a kind to whom an NMPI may lawfully be promoted by a person authorised by the FCA, which includes, but is not limited to, (i) professional investors and (ii) high net worth and sophisticated retail investors, (where the investor would meet the criteria enabling them to hold a current certificate evidencing such high net worth or sophisticated status). This material is not addressed or disseminated in such a way that it is likely to be received by a retail client and if you think you have received this material in error you should notify us immediately.

This material may contain hypothetical or simulated performance results. If it does, such results which have certain inherent limitations. Unlike an actual performance record, simulated results do not represent actual trading. Also, since the trades have not actually been executed, the results may have under- or over-compensated for the impact, if any, of certain market factors, such as lack of liquidity. Simulated trading programs in general are also subject to the fact that they are designed with the benefit of hindsight. No representation is being made that any client will or is likely to achieve profits or losses similar to those shown.

This material may also contain actual past performance results. Past performance is not a reliable indicator of future performance. This material may also contain forecasts. Forecasts are not a reliable indicator of future performance.

All securities investments risk the loss of some or all of your capital and certain investments, including those involving futures, options, forwards and high yield securities, give rise to substantial risk and are not suitable for all investors.