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Investment Policy Statement (IPS) Worksheet

An investment policy statement is a useful tool when working with a financial advisor. It outlines the rules you want to follow when managing your portfolio. If you are a DIY investor, an investment policy statement can also help you clarify the types of investing decisions that would be the right fit for you.

This worksheet will help you build your investment policy statement.
There might be more information to add, but this will get you started.

IPS Worksheet

What am I investing for?

How much do I need?

How many years
away is this goal?

Saving for a home

Saving for retirement

Other:

Other:

You might have more than one goal you're investing for at a time. Try to prioritize them based on what's most important.

My experience

I've been saving for _____ years

I've been investing for _____ years

I like to check in on my investments:

Weekly Monthly Quarterly Annually

I know where to check my account statements:

Yes No

I understand what disclosure documents are
and where to find them:

Yes No

Risk profile

A **risk profile** is made up of two considerations:

Risk tolerance – How much risk you are willing to accept emotionally.

Risk capacity – How much potential loss you are able to endure financially.

Your overall risk profile should reflect the lower of your risk tolerance and risk capacity.

Risk capacity

How much do you plan to rely on your investments to cover day-to-day expenses?

Not at all, I have separate accounts to manage day-to-day expenses.

Some specific expenses need to be covered by investment income.

All of my expenses need to be covered by investment income.

Risk tolerance

How would your closest friends or family describe your attitude to financial risk?

Extremely cautious Very risk seeking

How comfortable are you with potential fluctuations in the value of your investment portfolio?

Very uncomfortable Very comfortable

Would a significant loss to the value of your investment portfolio reduce your standard of living?*

Very low

Very high

**A higher score for this question would imply a lower risk tolerance.*

If you are unsure about your risk tolerance, read more to find out your personal **risk tolerance**.

IPS Worksheet (continued)

My investing strategy

Types of investments fall within a few main asset classes, each of which tend to be associated with different types of risk.

When selecting your investment breakdown and specific assets to invest in, you should consider your risk profile. Generally, the higher the potential return an investment offers, the higher the risk.

Asset classes

Cash and cash equivalents – Money market funds, guaranteed investment certificates (GICs), and treasury bills. They are low-risk and therefore offer low-rate interest.

Fixed income – Bonds maturing in more than one year, preferred stock, and certificates of deposit. They pay a fixed interest and, in some cases, may go up or down in price.

Equities – Stock in an individual company or shares in a mutual fund or exchange-traded fund (ETF) that owns stock in a number of companies.

Alternative – Crypto assets, real estate, and exempt securities.

For more on asset classes and types of investments, visit [GetSmarterAboutMoney.ca](https://www.getsmarteraboutmoney.ca)

Goal: **Saving for a home** Time:

The main purpose of this goal is to:

Income Income & growth Growth

Asset allocation (Must add up to 100%)

Cash and cash equivalents Equities
Fixed income Alternative

Goal: Time:

The main purpose of this goal is to:

Income Income & growth Growth

Asset allocation (Must add up to 100%)

Cash and cash equivalents Equities
Fixed income Alternative

Goal: **Saving for retirement** Time:

The main purpose of this goal is to:

Income Income & growth Growth

Asset allocation (Must add up to 100%)

Cash and cash equivalents Equities
Fixed income Alternative

Goal: Time:

The main purpose of this goal is to:

Income Income & growth Growth

Asset allocation (Must add up to 100%)

Cash and cash equivalents Equities
Fixed income Alternative

IPS Worksheet (continued)

My financial picture right now

Annual salary	Investment accounts
Short-term savings balance	RRSP
Emergency fund balance	TFSA
Debt owing	FHSA
Credit card	RESP
Line of credit	Other
Mortgage	Other
Other	Other
Other	Other
Other	

Money available to save/invest

Amount I can save each month
Amount I can invest each month

If you haven't made a monthly budget to track expenses, try our [monthly budget worksheet](#).

Ontario Securities Commission

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Saving tips

Tip #1

Pay yourself first. Set up automatic savings deposits on the same day as your paycheck — that way your savings is taken care of.

Tip #2

Make time to review your bills each month. Knowing where your money is going can help you find where to cut back.

Tip #3

Make the most of five Friday months. Two months in the year will have one more payday than the rest. Make a plan for how to save some of this money.