



Investment Policy Statement

For the family of SAMPLE client

The purpose of the Investment Policy Statement (IPS) is to establish guidelines for the assets that comprise your investment portfolio managed by Kala Capital Partners using CKW Financial Group LLC (Model Provider).

Overview: The “Global Balanced Portfolio” is designed to take a balanced approach to investing using global investments. Believing that asset allocation is the largest driver of relative return, the portfolio is invested in active and passive investment vehicles providing a scalable solution for an investor looking for a diversified portfolio seeking net of fee returns equal to or greater than the benchmark on a risk adjusted basis over a market cycle.

Risk Tolerance: 6 out of 10

Time Horizon: Designed for investors with a 5+ year time horizon. Often financial advisors become fixated on the time horizon of a client’s goals. We believe that although a time horizon is important, a client could decide to change their mind on funding options when their goal date arises. Thus, the makeup of the portfolio is to provide the client with options to fund their goals and the ability to retain their investments should they decide to do so.

Asset Allocation: Investments are aligned to reflect the long-term objective of protecting against permanent loss of capital during volatile markets. Tactical reallocation decisions take advantage of opportunities in the market.

Portfolio Breakdown: The overall strategic target is 65% equities and 35% fixed income with the potential to deviate 15% on either side. The cash portion of the portfolio will vary depending on macroeconomic factors or client specific needs. Security selection to create the portfolio may include exchange traded funds (ETFs) and mutual funds.

Portfolio Tax Strategies: ETFs provide a tax efficient way to capturing returns. When applicable, tax loss harvesting is used to help enhance the after tax return the investor receives.

Additional Details

Performance Expectations: Greater than or equal to the Benchmark on a risk adjusted basis over a market cycle.

Benchmark Monitoring: The benchmark is 65% MSCI World and 35% Barclay’s Intermediate Government Credit.

Evaluation: The IPS will be evaluated on a regular basis (annually) or when there is a major change to the client’s life situation.

Costs: The portfolio is intended to provide a low-cost way to investing on the global scale. Brokerage commissions and trading costs associated with the portfolio are taken on by the firm. Clients only pay the AUM fee.