GUIDE TO BUILDING AN

Investment Policy Statement

The Jane & John Doe Family

Date Prepared: August 28, 2025

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I Statement of Purpose

This Investment Policy Statement (IPS) is created to provide a systematic framework for managing the investment assets of the Jane & John Doe Family ("the Client"). Its primary purpose is to establish a clear, long-term investment strategy and to act as a guide for making disciplined financial decisions.

> ! **Key Purpose**
>
> This document is designed to prevent emotional, reactive decisions during periods of market volatility, ensuring that the investment process remains consistent and aligned with the Client's most important financial goals.

II Investment Philosophy & Objectives

Philosophy

We believe that successful investing is a continuous, goal-focused process, not a form of entertainment. Our strategy is built on discipline, diversification, and a long-term perspective. We will not attempt to "time the market" or react to short-term news headlines. Our goal is to own a globally diversified portfolio of high-quality assets and allow compound growth to work over time.

Objectives

- **Primary Objective:** To achieve long-term capital growth sufficient to fund a comfortable retirement, projected to begin around age 65.
- **Secondary Objective:** To fund the future college education expenses for our two children.

III Risk Tolerance

The Client has a **Moderate Growth** risk tolerance. This means the Client is willing to accept short-to-medium-term fluctuations in portfolio value in exchange for the potential for higher long-term returns.

> ✓ **Understanding Market Volatility**
>
> The Client understands that there will be periods of negative returns and is prepared to remain invested according to this policy to achieve their long-term objectives.

IV Asset Allocation Strategy

To align with the Moderate Growth risk profile, the portfolio will adhere to the following strategic asset allocation targets. This mix is designed to provide global diversification and balance risk with potential returns.

Strategic Asset Allocation

Total Equities (Stocks) **70%**

- U.S. Large-Cap Stocks: 35%
- U.S. Small/Mid-Cap Stocks: 15%
- International Developed Stocks: 15%
- Emerging Market Stocks: 5%

Total Fixed Income (Bonds) **30%**

- U.S. Investment Grade Bonds: 25%
- International Bonds: 5%

V Monitoring and Rebalancing

The "Circuit Breaker"

This is our commitment to disciplined, unemotional portfolio management.

- **Review Schedule:** The portfolio will be reviewed on a quarterly basis to monitor its alignment with the target allocation.
- **Rebalancing Rule:** If any single asset class listed above deviates from its target weight by more than 5% (e.g., if U.S. Large-Cap Stocks grow to 40% of the portfolio), we will rebalance the portfolio back to its original targets.
- **Annual Rebalance:** Regardless of market movement, the portfolio will be rebalanced back to its target allocations at least once per calendar year.

> **Systematic Approach**
>
> This rule-based approach ensures we systematically sell high and buy low, preventing us from succumbing to the herding instinct or loss aversion.

VI IPS Review

This Investment Policy Statement will be reviewed annually, or whenever the Client experiences a significant life event to ensure it remains aligned with their financial situation and goals.

Triggering Events for Review

- Change in employment status
- Receipt of inheritance
- Approaching retirement
- Significant change in family circumstances
- Major shifts in financial goals or risk tolerance

Acknowledged and Agreed To:

Jane Doe	John Doe
Date	Date