Investment Policy Statement

TheFinSense · 5-Element IPS Framework · thefinsense.io

ONE PAGE. 45 MINUTES.

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NAME: ____________ DATE: ____________ BROKERAGE: ____________ PORTFOLIO VALUE: $ ______

1 TARGET ASSET ALLOCATION — 5 min

Equity (stocks/stock ETFs):	________ %	Target: _____ %
Fixed Income (bonds/bond ETFs):	________ %	Target: _____ %
Cash / Money Market:	________ %	Target: _____ %
Other (REITs, alternatives):	________ %	Target: _____ %

Total must equal 100%. Record CURRENT allocation next to TARGET.

2 REBALANCING TRIGGER BANDS — 10 min

Drift threshold:	________ % (recommended: 5%)
Rebalance deadline:	within ________ business days of trigger
Method:	■ Sell high / buy low ■ New contributions only

Rule: If any asset class drifts more than [threshold] from target → rebalance.

3 DRAWDOWN RESPONSE PROTOCOL — 10 min

At 10% drop from peak:	Action: ______________________________
At 15% drop from peak:	Action: ______________________________
At 20% drop from peak:	Action: ______________________________
At 30% drop from peak:	Action: ______________________________

Write the action BEFORE the drop happens. No exceptions during execution.

4 REVIEW CADENCE + EMOTIONAL OVERRIDE — 20 min

Annual review date:	Every ____________ (month/day)
Event trigger:	Review after: ■ Job change ■ Marriage ■ ±$20K income ■ ________
48-HOUR RULE:	NO portfolio trades within 48 hours of a market headline.

The 48-hour rule is the single most effective line in this document.

5 BENCHMARK + SIGN — < 1 min

Performance benchmark:	■ Total US Market (VTI) ■ S&P 500 ■ 60/40 blend ■ ________
Review frequency:	■ Annually ■ Semi-annually

Signature ______________________ Date ______________________

WITHOUT THIS DOCUMENT: 1.50% annual behavioral drag × 30 years = **$394,246 gap**

Source: Vanguard Advisor's Alpha, Kinniry et al. (2022). $150,000 portfolio, 7.00% gross return.