

# Investment Policy Statement

## Investment Goals

1. Retire early at age 50
2. Annual retirement income of \$60,000
3. Pay off our house before retirement
4. Leave significant inheritance for our children

## Investment Philosophy

We are optimistic about the future innovation of mankind. We will invest in global market-cap weighted index funds to obtain the market return. Our ability to earn income is the most valuable asset we have. We will invest in ourselves to increase our own value and to provide a larger income stream for investing.

## Risk Tolerance

We can achieve our investment goals with a moderate risk portfolio, and want to mitigate some downside risk in our portfolio to help us feel comfortable and stay the course. We will target an initial 80% stock 20% bond portfolio, and gradually reduce risk as we approach retirement to 60% stock 40% bond portfolio.

## Asset Allocation

50% US Stocks, 30% International Stocks, 20% Bonds

## Investment Accounts

- His 401k @ Vanguard: Contribute \$1,000 per month (\$2,500 match)
- Her 401k @ Fidelity: Contribute \$1,000 per month (\$2,000 match)
- His Roth IRA @ Vanguard: Contribute \$500 per month
- Her Roth IRA @ Vanguard: Contribute \$500 per month
- Joint Taxable @ Vanguard: Contribute \$500 per month

To keep things simple, we will use the target-date index funds. The 2040 target-date fund matches our desired retirement date and is close enough to our desired asset allocation.

## Maintenance

- Automate contributions where possible (dollar-cost-average)
- Any changes to our strategy will be deliberated for 6 months, then executed slowly over 3 months.
- No market-timing! No chasing fads! Refer to philosophy and stay the course!