Link to this doc: [mr.rip/ips-2022]
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Mr. RIP Investor Policy Statement

Definitions

- SR = Saving Rate = savings/income (including profits from investments)
- Active SR = savings/income (excluding profits from investments, including rental properties)
- Working SR = savings/income (only active work income - what about royalties/old affiliations)
- FU = Fuck You Money = amount of money that defines me 100% financially Independent (how to define FI? Should I use a Fixed Dollar spending Rule? No! In case I decide to use one, should I use 3%? 4%? No. 2%? Nononono)
- SWR = Safe Withdrawal Rate (4%? ERN? Ben?)
- Annual Spending Target? Should I set it or just accept our current spending regime? Should I resist/fight or accept “spending growth”? Is it just hedonistic adaptation or there’s some value in it?

Objectives

- Fight Inflation (Saving Plus)
- FIRE (It’s a Spectrum)
    - More To That: Money is the Megaphone of Identity
- Investing or Seven Generations

Accumulation Strategy

- Work only on activities that I tolerate while NW > 50% FU
- Work only on activities that I really Enjoy while NW > 100% FU
- Try to keep SR >= 0 ideally “forever”, realistically until NW > 125% FU
- Extract a sustainable percentage each year if needed when NW > 125% FU

Investment Philosophy

- I will handle my investments myself
    - No: active investing, no financial advisor (unless it’s just a one-off strategy vetting), no roboadvisor (unless fees would go below 0.25% and full transparency and predictability over the strategy and the assets used)
- Follow Vanguard Principles
- Buy & Hold
- Minimal market timing, no trading (ever), no value investing (in the short/mid term)
- Low cost ETFs
- Diversification
    - Prefer global (ACWI) funds per asset class
    - Avoid all in one ETFs (like Vanguard Lifestrategy)
- Strategy review every 2 years
- Factor Investing
    - Overexposure to Value Factor
    - Slight exposure to small cap stocks
- No sector/themes (wait a minute)

- Minimize “bets” / fun money / fan money
    - In investing fasting isn’t easier than dieting. There’s no NNN in Investing.
    - Individual stocks / exotic asset classes / sector/themes
- Use Tax Advantage accounts whenever possible (and while it’s financially efficient)
    - While in CH: maximize Pillar 3a, eventually think about buy-ins in a Pillar 2a. Invest them according to my overall strategy, preferring using TDA to hold stocks

Investing Details

- Define which asset classes to invest
    - Stocks (ETF): good
    - Bonds (ETF): probably good
    - Bonds (individual): maybe
    - Derivatives: no speculation, just hedging
    - Crypto: come on
    - Real Estate: not in the short/mid term
    - Private Equity: part of fun money unless we’re talking about my companies
    - Angel Investing: kind of private equity, but with an active role (a là Tim Ferriss)... maybe but not in the short term.
    - Commodities and Precious metals: not a huge fan, no plan to hold them in the short/mid term.
    - Art Pieces: LOL
    - Collectibles: Not as investments.

Asset Allocation

Security Selection

Drawdown Strategy