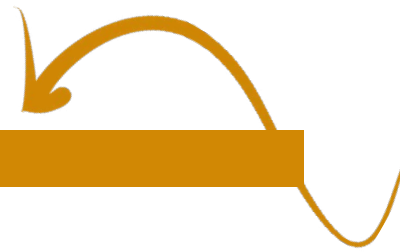


# Investment Philosophy Worksheet

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## GOAL:

### Core Tenets

### Cash Management

### Investment Asset Classes

1

2

3

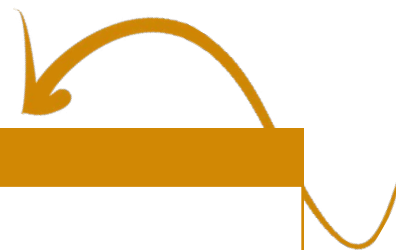
4

5

### Target State

By the end of [ ], I/we aspire to:

### Bonus Considerations



## GOAL:

Maintain and fortify a financial position that sustains permanent financial abundance with diversified income streams across multiple asset classes.

### Core Tenets

1. Never Spend the Principle.
2. Reinvest most of the returns.
3. To invest, one must have capital.
4. Investment returns do not correlate with effort.
5. Investment returns are impacted by knowledge.
6. Do not confuse volatility with risk; maintain long-term focus.
7. The best investments are specific to the investor's personal situation.

### Cash Management

Maintain a six-month reserve of [\$XXX].

### Investment Asset Classes

**#1: Index Funds:** Invest all additional proceeds not allocated for real estate or consumption into index funds via a monthly bank account sweep. 80 percent of portfolio is after tax, 20 percent is split 50/50 between pre-tax and post-tax retirement accounts. We will never sell the index funds over the course of our lifetimes.

### Target State

By the end of [five years], I/we aspire to:

- Maintain six-month cash reserve.
- \$XXX in cash flowing real estate.
- \$XXX in stock portfolio, after tax.
- \$XXX in retirement accounts.
- \$XXX in private investments.
- Side hustle or business interest of \_\_\_\_\_.
- \$XXX in passive annual income.
- Lifestyle costs less than \$XXX/month.
- Home/living situation of \_\_\_\_\_.

**#2: Real Estate:** We buy local real estate assets. We buy consistently (every year) but not aggressively, in great locations that are likely to appreciate considerably but also generate at least some present-day cash flow. We plan to hold each property for decades, exchanging them only when the depreciation benefits have nearly fully run their course.

**#3: Private Business:** My career and full-time business efforts have the potential to generate scalable wealth for me in the form of commissions or increased value of my ownership interest, or they are working toward the creation of a lasting asset that can be counted in my financial net worth.

### Bonus Considerations

- Great returns come from concentration, not diversification.
- We invest for after-tax liquidity and lifestyle flexibility, not the largest possible tax-advantaged net worth.
- The goal is to comfortably fund any desired lifestyle—the portfolio must generate consistent, spendable (and therefore taxable) income.
- Once the portfolio generates satisfactory income (2X a conservative estimate of annual lifestyle expenses), all additional proceeds can go towards the best long-term investments available.

**#4: Side Hustles:** I have at least one income-producing side hustle that I enjoy and that produces a high hourly wage, which can be an insurance policy for me when/if I decide to retire early.

**#5: Misc. Private Investments:** From time to time, we expect to invest in private investment opportunities, such as syndications, private companies, or angel investments. We are willing to leverage our stock and real estate portfolios to access liquidity to opportunistically take advantage of such situations should they arise, and we have high conviction in these one-off opportunities.

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