

A SELF-MANAGED INVESTMENT SYSTEM

Table of Contents

INTRODUCTION.....	1
PART I THE PORTFOLIO.....	2
INSIDIOUS COSTS.....	2
FIXED INCOME PORTION.....	4
THE BALANCED ETF PORTFOLIO.....	4
Diversification.....	4
Management Expense Ratios.....	5
Optimizing.....	5
Rebalancing.....	6
Performance.....	7
INVESTOR AND PORTFOLIO PROFILE.....	8
Historic Returns.....	8
Historic Drawdown.....	10
PART II THE STRATEGY.....	13
Emergency Fund.....	13
Account Location.....	13
Real Return Bonds & TFSA.....	14
Bond Substitutes.....	15
Risk Control.....	16
Foreign Exchange Exposure.....	17
Saving on Foreign Exchange Costs.....	18
Living Powers of Appointment.....	19
PART III THE IMPLEMENTATION.....	20
Selecting a Discount Brokerage.....	20
Using the Microsoft Excel Portfolio Set-Up and Rebalancing Worksheet.....	21
PART IV THE OBJECTIVE.....	33
Retirement Planning.....	33
Using the Microsoft Excel Size of Retirement Portfolio Upon Retirement Worksheet.....	36
CONCLUSION.....	37
APPENDIX A: BALANCED ETF PORTFOLIO ASSET ALLOCATION.....	39
APPENDIX B: BALANCED ETF PORTFOLIO PERFORMANCE.....	40

APPENDIX C: BALANCED ETF PORTFOLIO SET-UP & REBALANCING
MICROSOFT EXCEL WORKSHEET.....(Separately Attached)

APPENDIX D: RETIREMENT PLANNING SIZE OF RETIREMENT PORTFOLIO
MICROSOFT EXCEL WORKSHEET..... 43