

# *The Passive Club*

## *Investment Strategy & Organizing Principles*

### 1. Asset Classes and Allocations

<u>Class</u>	<u>Allocation</u>	<u>ETF</u>
Large Blend – Dividend	10%	VIG
Large Blend	10%	VTI
Mid Cap Growth	20%	VOT
Mid Cap Value	8.5%	VOE
Small Cap Growth	17%	VBK
Small Cap Value	8.5%	VBR
International	12%	VEU
Emerging Markets	<u>14%</u>	VWO
Total	100%	

### 2. Allocation Adjustments

- a. Annual review of portfolio asset allocation occurs at the October meeting. This review includes investment asset classes and asset percent allocations. Changes can be made or allocations can stay as is for another year.
- b. Review of portfolio at monthly meeting (via portfolio worksheet).
  - Use portfolio worksheet to determine asset class(es) to purchase and dollar amount of each asset: [TPC Portfolio Worksheet](#). Purchases are made in order from most underweight to least underweight.
  - Any withdrawals are first paid from monthly investments. If this is insufficient to meet the withdrawal need additional funds are withdrawn from most overweight to least overweight with no asset dropping below its target allocation.

### 3. Investment Logistics

- a. Accounting System: Bivio (\$179 per year)
- b. Checking Account: dfcu Financial (free business checking)
- c. Brokerage: Vanguard (commission free Vanguard ETFs)

### 4. Club Officers

Officers are changed after every July meeting. There are no elections. Partners assume office in the order they join the club. Partners progress from general partner to Secretary to Treasurer to Vice President to President then back to general partner.