

Constitution For Family Wealth

Your Personal Policy Statement for Wealth Governance

Created by SafeSimpleSound Financial Planning

Your S3 Risk Constitution

What You'll Discover:

- **Safe:** A permanent document to anchor your family during turbulent times.
 - **Simple:** Clear "If/Then" rules that remove emotion from decision-making.
 - **Sound:** Integration of all S3 risk principles into a single governance framework.
 - **Constitutional Advantage:** Moving from "reacting to markets" to "governing your wealth."
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Article I: Definition of Safety

"We acknowledge that true safety is not the absence of volatility, but the preservation of purchasing power."

My Policy:

- I accept that Volatility is the fee I pay for growth.
- I reject Permanent Loss caused by speculation or panic selling.
- I define "Risk" as the failure to meet my long-term goals, not the daily movement of prices.

Article II: Storm Preparedness (Systematic Risk)

"We acknowledge that market storms are inevitable, like seasons of the year."

My Policy:

- When the market drops 20% (Systematic Risk), I will NOT sell Tier 3 assets.
- I will combat Inflation (Purchasing Power Risk) by maintaining at least ___% of my portfolio in growth assets.
- I will review my bond duration annually to manage Interest Rate Risk.

Article III: The Diversification Mandate (Unsystematic Risk)

"We refuse to gamble our family's future on the fortune of a single company."

My Policy:

- No single stock shall exceed 5% of our total portfolio.
- If a position grows beyond this limit, we will implement a systematic sell-down plan.
- We will hold assets that are non-correlated (Global diversification) to smooth out the ride.

Article IV: Liquidity & Access

"We will maintain access to our wealth to prevent forced errors."

My Policy:

- We will maintain ___ Months of expenses in High-Liquidity assets (Tier 1).
 - We will not count Real Estate equity as "Emergency Reserves."
 - We will match our asset selection to our time horizon (Liability-Driven Investing).
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Signature & Ratification

This document serves as the Constitution for the _____ Family Wealth.

Signed: _____ Date: _____

Insights Summary

Key S3 Differentiator: Most advisors sell products. We help you ratify a Constitution. Products change; Principles endure.

Stakeholder Synthesis: This document serves your future self, protecting you from the emotions of your present self.

Your Next Steps

Immediate Action: Print this, fill in the blanks, and sign it. Put it in your desk drawer. Read it when the news is scary.

Professional Support: Want a partner to help you uphold your Constitution? That is the primary role of the S3 Advisor.

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