SAMPLE DOCUMENT

This Investment Policy Statement Is a Marketing Example

This document was prepared for a **fictitious client** to illustrate the type of analysis, recommendations, and deliverables included in a Foxholm Financial engagement. It is provided solely to give prospective clients a clear picture of our service offerings.

- The client names, account balances, holdings, and all other data in this report are entirely fabricated.
- **Nothing in this document constitutes investment advice**, a recommendation to buy or sell any security, or an offer of advisory services.
- Past performance figures, risk assessments, and projections shown are illustrative only and do not represent actual results or a promise of future performance.
- Do not rely on any information in this document for personal financial decisions.

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Registered Investment Adviser, State of Georgia

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Investment Policy Statement | Patricia Ann Fakehurst | Savannah, GA | Age 64 | September 1, 2026

PRIMARY OBJECTIVES

Reduce the Equity Overweight Before Retirement

Retire the Cost of the Current Holdings

Unwind the Single Stock Without a Tax Spike

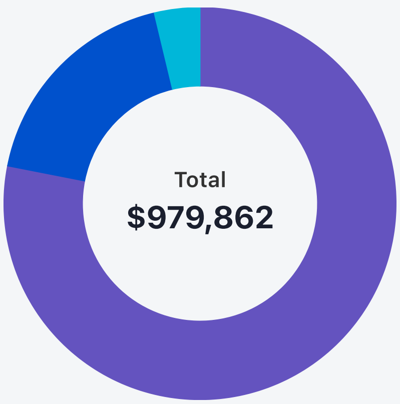
UPCOMING MILESTONES

2029 Retirement

2032 Social Security at 70

2030 to 2035 Concentrated Stock Exit

NET ASSETS

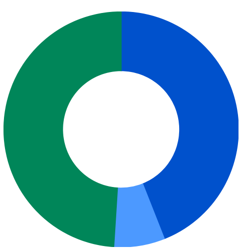


Retirement	$765,124
Brokerage	$178,000
Cash Reserves	$36,738

PORTFOLIO SNAPSHOT

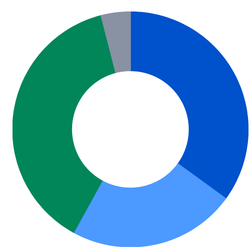
Current Allocation	77% Equity / 23% Bonds
Suggested Allocation	60% Equity / 40% Bonds
Current Avg Expense	0.58%
Current Annual Fee Drag	$5,491
Total Annual Contributions	$4,778

SUGGESTED 2026 INVESTMENT FUND ALLOCATIONS



Retirement Accounts
- US Stocks 44%
- Intl Stocks 7%
- Bonds 49%

Brokerage Accounts
- Intl Stocks 100%



All Accounts
- US Stocks 35%
- Intl Stocks 23%
- Bonds 38%
- Cash 4%

STRATEGY OVERVIEW

Total assets are $979,862. Of that, $943,124 is invested across a rollover individual retirement account, a school system 403(b), and a taxable brokerage account holding one stock, and $36,738 sits in bank deposits.

Every invested position is expensive, concentrated, or both. The weighted average expense ratio is 0.58% of invested assets, which costs $5,491 a year. The same exposure through index funds costs about $303.

> Equity is 77.4% of invested assets against a 60% target, and 18.9% of invested assets sits in a single stock. Retirement is three years away, so the equity overweight and the concentration are the two issues that matter most.

Executive Summary

This Investment Policy Statement documents the investment objectives, risk tolerance, constraints, and implementation strategy for the portfolio. This statement is the governing framework for every investment decision and should be reviewed annually, or sooner if circumstances change materially.

Important: Your Responsibilities

Foxholm Financial is an advice-only fiduciary. We provide recommendations and guidance, but **you are responsible for executing all transactions yourself.** That arrangement means you will log into your accounts and place the buy and sell orders described in this document.

If you have questions about how to execute any action, review the step-by-step guides at foxholm.com/implement (see Related Guides appendix for links), or contact us before proceeding.

Metric	Value	Reference
Total Household Investment Assets	$979,862	Account Summary
Overall Target Allocation	60% Equity / 40% Bonds	Target Asset Allocation
Risk Tolerance	Moderate	Risk Tolerance Assessment
Current Annual Fund Fees	$5,491	Allocation Changes
⚠ 2026 Priority Action	Reallocate high-fee holdings, reducing annual fees to $338 and saving $5,165 a year	Allocation Changes

Table of Contents

PART I: THE EVERGREEN INVESTMENT POLICY

Section 1: Investor Profile, Objectives & Constraints

Personal Information

Name	Patricia Ann Fakehurst
Age	64
Birth Date	March 21, 1962
Marital Status	Widowed
Occupation	School Administrator
Stated Risk Level	Moderate
State of Residence	GA

Time Horizons

Milestone	Date	Years	Notes
Retirement	2029	3	Separation from the school system at 67, when the Teachers Retirement System of Georgia annuity and the survivor Social Security benefit both begin.
Social Security at 70	2032	6	The survivor benefit is replaced by her own retirement benefit of $53,719, which is the larger of the two.
Concentrated Stock Exit	2030 to 2035	4	Six annual tranches of roughly $29,667, each realizing about $13,667 of long-term gain.
Required Minimum Distributions	2037	11	Age 75 under current law. The traditional balance is the only account subject to them.

Primary Objectives

Reduce the Equity Overweight Before Retirement	Equity is 77.4% of invested assets against a 60% target, and the gap sits entirely in the retirement accounts where it can be corrected without tax. Three years from retirement, a portfolio that is seventeen points heavier in equity than intended is the single largest uncompensated risk in the plan. Correcting it costs nothing.
Retire the Cost of the Current Holdings	Six of the seven invested positions carry expense ratios between 0.57% and 1.15%. The 403(b) sub-accounts are the worst, because an index fund inside an annuity wrapper costs 1.15% for an exposure that costs 0.03% outside it. Moving to index funds saves about $5,188 a year, which compounds against a plan that runs to age 100.
Unwind the Single Stock Without a Tax Spike	One stock is 18.9% of invested assets and the entire taxable account. Selling it in a single year would add $82,000 to income and lift Medicare premiums two years later. Six annual tranches keep each year inside a single premium tier.

Return Expectations

The plan's safe rate for retirement assets. This is the rate that sets the spending target, not a forecast of market returns.

RETIREMENT ACCOUNT RETURN ASSUMPTION

6.5% nominal

REGULAR ASSET RETURN ASSUMPTION

5% nominal

INFLATION ASSUMPTION

2.5%

2026 Contribution Plan

403(B)

$4,778

Payroll deferral continues until retirement in 2029. If the plan menu has no total market index fund, use the lowest cost domestic equity option available.

TOTAL ANNUAL CONTRIBUTIONS

$4,778

Combined retirement and education contributions

Section 2: Risk Tolerance Assessment

Based on the household financial situation, time horizon, and stated preferences, the appropriate investment stance is **Moderate**.

Stated Risk Level	Moderate (beta 0.70 to 0.90, typically 55 to 70% equity)
Ideal Risk Level	Moderate
Preferred Recovery Period	3-4 years
Volatility Tolerance	Moderate

Why the Moderate Stance is Appropriate

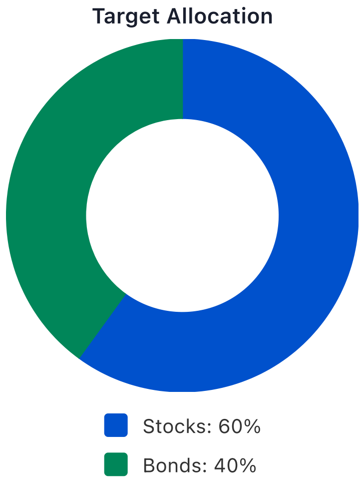
Why the Moderate Stance is Appropriate

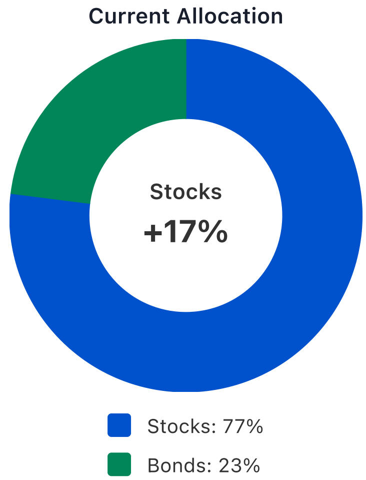
- A 60/40 target matches the allocation the projection models and matches the household's position three years from retirement. The Teachers Retirement System annuity and Social Security together cover most fixed costs, which is what allows a 60% equity weight to remain appropriate rather than requiring a more defensive stance.
- Equity is held 60% domestic and 40% international, which sits inside the 35% to 45% range the 2026 Annual Portfolio Strategy Report sets for international equity. The international side is 78% developed markets and 22% emerging, matching the report's 75% to 80% developed guidance.
- International equity is placed in the taxable brokerage account rather than the individual retirement account, because the foreign tax credit is only claimable on taxable holdings. Bonds are placed in the individual retirement account, where their interest is sheltered rather than taxed annually.

Section 3: Target Asset Allocation

Stocks vs Bonds Allocation Assessment

Target allocation based on your stated risk level (Moderate), age (64), investment objectives, and time horizon.





The current allocation is 77% stocks, 23% bonds. Based on a total return objective with a long-term time horizon and moderate risk profile, the recommended target allocation is 60/40 (equity/bonds). The current allocation is 17 percentage points more aggressive than the target (77% stocks vs. 60% target). Rebalancing to the target will bring the portfolio in line with the moderate risk profile.

Considerations

Portfolio Construction

Equity is held 60% domestic and 40% international. The domestic side is a single total market fund. The international side is split 78% developed and 22% emerging, which matches the 2026 Annual Portfolio Strategy Report. Developed international sits in the taxable brokerage account so the foreign tax credit can be claimed, and emerging markets and all fixed income sit in the individual retirement account where their less favorable tax treatment is sheltered.

Bond Ladder

The $375,802 fixed income allocation is held in a single core bond fund as an interim position. A defined maturity ladder is the intended structure and is documented separately in the accompanying bond ladder analysis, which sets the rung schedule against the years the plan actually needs cash. The interim holding is appropriate until that schedule is agreed, and nothing about the transition changes the 60/40 target.

General

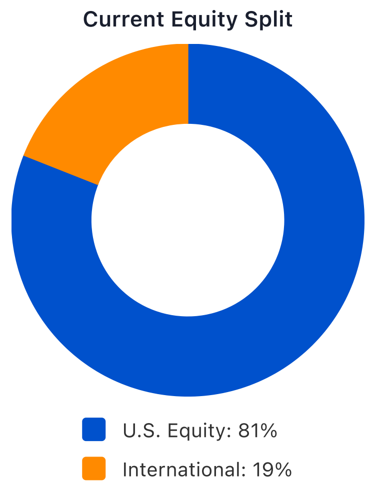
The single stock is 18.9% of invested assets. Nothing about the company is the concern. A position of this size in any one security means household outcomes depend on a decision no one in the household controls, and the expected return for carrying that risk is zero.

The reserve of $28,000 is roughly twelve months of fixed costs and is not part of the invested portfolio. It is deliberately excluded from the allocation targets and should not be rebalanced into equity.

See Rebalancing Guide on our website for details.

US vs International Allocation Assessment

Splitting equity between U.S. and international markets reduces how much of the portfolio depends on any single country. The recommended split below follows your stated direction and the objectives in Section 2, and this section sets out how that split gets built.



International holdings carry 19% of equity today against a recommended 40%. The reallocation raises international exposure toward that level while consolidating overlapping funds into a smaller set of holdings that reach the same markets at lower cost.

PART II: PORTFOLIO TRANSITION & ACTION PLAN

Section 4: Current Account Summary & Assessment

Portfolio Composition by Account

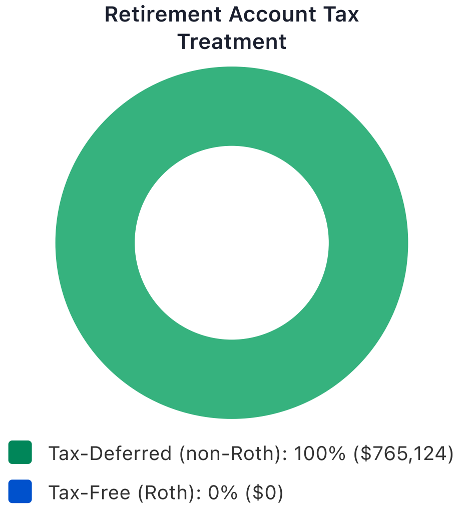
Account	Custodian	Balance	Weight	Focus	Account Type
Rollover IRA	Edward Jones	$637,044	65%	Four Class A share funds rolled from a prior employer plan	Tax-Deferred
Brokerage Account (AT&T Stock)	Fidelity	$178,000	18%	Single stock inherited in 2018, held since	Taxable
403(b)	Corebridge Financial	$128,080	13%	School system annuity contract, two sub-accounts	Tax-Deferred
HYSA	Ally Bank	$28,000	3%	Emergency reserve, twelve months of fixed costs	Taxable
Bank Checking and Savings	Truist	$8,738	1%	Direct deposit and household cash	Taxable
Total		**$979,862**	**100%**		

Includes $214,738 in Regular Assets and $765,124 in Retirement Accounts. Excludes real estate equity and future pension/Social Security values.

Retirement Account Summary

Total Retirement Assets	$765,124
Tax-Deferred Balance (non-Roth)	$765,124
Tax-Free Balance (Roth)	$0

Retirement accounts are split between tax-deferred (Traditional IRA, 401(k), SEP-IRA) where contributions were pre-tax and withdrawals are taxed as ordinary income, and tax-free (Roth IRA, Roth 401(k)) where qualified withdrawals are tax-free. The balance between these account types affects tax flexibility in retirement.



RMD Timeline

Required Minimum Distributions begin at age 73 (for those born 1951-1959) or age 75 (for those born 1960 or later). You have tax-deferred accounts that will be subject to RMDs.

Pre-RMD Strategy

The years before RMDs begin present an opportunity to manage tax-deferred account balances through strategic Roth conversions or withdrawals while in lower tax brackets.

Section 5: Recommended Asset Allocation Changes

Proposed Portfolio Composition by Account

Account	Custodian	Proposed Balance	Weight	Focus	Account Type	
Rollover IRA	Edward Jones	$765,124	78%	Four Class A share funds rolled from a prior employer plan	Tax-Deferred	
Brokerage Account (AT&T Stock)	Fidelity	$178,000	18%	Single stock inherited in 2018, held since	Taxable	
HYSA	Ally Bank	$28,000	3%	Emergency reserve, twelve months of fixed costs	Taxable	
Bank Checking and Savings	Truist	$8,738	1%	Direct deposit and household cash	Taxable	

Planned Reallocation: Current → Proposed

The following tables outline the planned portfolio changes.

~~403(b)~~

Sell	Ticker	Amount	% of Acct	Expense	Annual Fees	Notes
Corebridge Fixed Interest Option		$48,080	38%	1%	$481	Surrender the contract and roll the proceeds directly to the rollover individual retirement account. Confirm the surrender period has expired before submitting.
VALIC Company I Stock Index Fund		$80,000	62%	1.15%	$920	Rolled with the rest of the contract. An S&P 500 index return is available at 0.03% once the wrapper is gone.
Total Sells		**$128,080**			**$1,401**	

Amount columns reflect current market value at report generation. Percentage of account is the proper measure when placing sell orders.

Current Annual Fees	Proposed Annual Fees	Account Fee Savings
$1,401/yr	**$0/yr**	**$1,401/yr**

Reallocation Note: A direct rollover to the individual retirement account, so no tax is due. She is past 59 and a half, so the in-service rollover is available now rather than at separation. Confirm with the plan administrator that the contract carries no remaining surrender charge, and request the transfer as a trustee-to-trustee movement so no withholding applies.

Rollover IRA

Sell	Ticker	Amount	% of Acct	Expense	Annual Fees	Notes
American Funds The Growth Fund of America Class A	AGTHX	$215,000	34%	0.61%	$1,312	Active large-cap growth at twenty times the cost of the index equivalent.
American Funds American Balanced Fund Class A	ABALX	$185,000	29%	0.57%	$1,054	A fixed 65/35 blend inside one fund. Splitting the two asset classes allows each to be placed where it is taxed best.
American Funds EuroPacific Growth Fund Class A	AEPGX	$137,044	22%	0.82%	$1,124	The most expensive holding by dollar cost. International exposure moves to the taxable account for the foreign tax credit.
American Funds The Bond Fund of America Class A	ABNDX	$100,000	16%	0.6%	$600	Core bonds at 0.60%, where the fee comes directly out of a low expected return.
Total Sells		**$637,044**			**$4,090**	

Amount columns reflect current market value at report generation. Percentage of account is the proper measure when placing sell orders.

Buy	Ticker	Amount	% of Proceeds	Expense	Annual Fees	Notes	Prospectus
Vanguard Total Stock Market ETF	VTI	$339,525	44%	0.03%	$102	The domestic equity core, covering the entire US market in one holding.	Prospectus
Vanguard FTSE Emerging Markets ETF	VWO	$49,797	7%	0.08%	$40	Emerging markets at 22% of the international sleeve. Held here rather than in the taxable account because emerging markets distribute less foreign tax credit per dollar than developed markets.	Prospectus
iShares Core U.S. Aggregate Bond ETF	AGG	$375,802	49%	0.03%	$113	The entire fixed income allocation, sheltered from annual taxation. This position is the interim holding until the defined maturity ladder is built.	Prospectus
Total Buys		**$765,124**			**$254**		

Percentage of proceeds is the most accurate measure when placing buy orders. Invest proceeds proportionally rather than targeting exact dollar amounts.

Current Annual Fees	Proposed Annual Fees	Account Fee Savings
$4,090/yr	**$254/yr**	**$3,835/yr**

Reallocation Note: No tax on any step. Every sale and purchase happens inside the individual retirement account. The 403(b) rollover lands here first, which is why the buy amounts exceed the current account balance.

Brokerage Account (AT&T Stock)

Sell	Ticker	Amount	% of Acct	Expense	Annual Fees	Notes
AT&T Inc.	T	$178,000	100%	0%	$0	Sold in six annual tranches of roughly $29,667 from 2030 through 2035 rather than in one year. Cost basis is $96,000, so the position carries $82,000 of long-term gain.
Total Sells		**$178,000**			**$0**	

Amount columns reflect current market value at report generation. Percentage of account is the proper measure when placing sell orders.

Buy	Ticker	Amount	% of Proceeds	Expense	Annual Fees	Notes	Prospectus
SPDR Portfolio Developed World ex-US ETF	SPDW	$178,000	100%	0.04%	$71	Developed international equity, bought as each tranche settles. Held in the taxable account so the foreign tax credit can be claimed.	Prospectus
Total Buys		**$178,000**			**$71**		

Percentage of proceeds is the most accurate measure when placing buy orders. Invest proceeds proportionally rather than targeting exact dollar amounts.

Current Annual Fees	Proposed Annual Fees
$0/yr	**$71/yr**

Reallocation Note: Each tranche realizes about $13,667 of long-term capital gain, taxed at 15% federally. Georgia's retirement income exclusion is likely to shelter the state portion once she is past 65, which is why the sale is scheduled after retirement rather than before it. Spreading the sale over six years keeps the sale itself from pushing any year into a higher Medicare premium tier. Selling the position in a single year would instead add $82,000 to income and raise premiums two years later.

Weighted Average Expense

Current Portfolio Weighted Avg Expense	0.58%
After Proposed Changes	0.03%
Estimated Annual Savings	**$5,165/year**

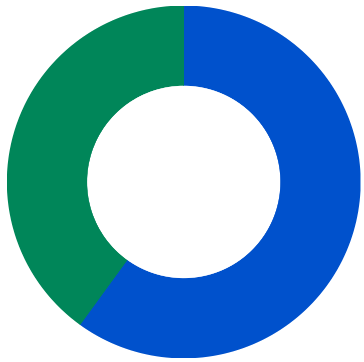
Implementation Timeline

Date	Action	Details
2026 Q4	Roll the 403(b) and rebuild the individual retirement account	• Confirm the Corebridge contract carries no remaining surrender charge • Request a direct trustee-to-trustee rollover of the full $128,080 to the rollover individual retirement account • Sell all four Class A funds in the individual retirement account, about $637,044, with no tax consequence • Buy VTI, VWO, and AGG to the target weights once the rollover settles
2027 Q1	Reset the payroll deferral	• Redirect the $4,778 annual 403(b) deferral to the lowest cost domestic equity and core bond options in the plan menu • If the menu offers nothing under 0.50%, contribute only to the extent of any employer match and direct the rest to the individual retirement account
2029	Review the allocation at retirement	• Confirm the 60/40 target still fits once the Teachers Retirement System annuity and the survivor Social Security benefit are both in payment • Roll any remaining 403(b) balance to the individual retirement account at separation
2030 to 2035	Unwind the concentrated stock	• Sell roughly $29,667 of AT&T each year, realizing about $13,667 of long-term gain • Buy SPDW with the proceeds as each tranche settles • Check adjusted gross income against the Medicare premium thresholds before the final trade of each year • Revisit the schedule each year rather than setting it once, since the thresholds move with inflation

Section 6: Savings & Contribution Planning

The following outlines the recommended contribution targets. Contributions should be directed to the funds listed below in the specified percentages to maintain target allocation.

Contribution Overview



Contribution Order

When allocating new savings, prioritize contributions in the following order to maximize tax efficiency:

Priority	Account Type	Rationale
1	**401(k) / 403(b)**	Contribute at least enough to capture the full employer contribution, which is money added to your balance that you would otherwise forgo. Pre-tax contributions also reduce current-year taxable income. At age 64, catch-up contributions are available, bringing the maximum employee deferral to $32,500/year ($24,500 base + $8,000 catch-up).

Retirement Contributions

403(b), $4,778/year

Fund	Ticker	% of Contribution	Notes
Vanguard Total Stock Market ETF	VTI	60%	Payroll deferral continues until retirement in 2029. If the plan menu has no total market index fund, use the lowest cost domestic equity option available.
iShares Core U.S. Aggregate Bond ETF	AGG	40%	Matches the 60/40 target so contributions do not drift the allocation between rebalances.

Contribution limits are based on 2026 IRS limits and may change. Verify current limits at IRS.gov before contributing.

Appendix A: Current Holdings Detail

The following tables detail the current investment holdings across all accounts. Each holding includes its current allocation, 12-month return, and expense ratio. Flagged holdings are scheduled for reallocation.

Regular Assets Holdings

Taxable accounts with no contribution limits or withdrawal restrictions. Investment gains are taxed annually, but these accounts offer flexibility for spending needs at any age.

Brokerage Account (AT&T Stock) ($178,000)

Unrealized capital gain: $82,000

Single stock inherited in 2018, held since. Tax treatment: Taxable.

Holding	Ticker	Allocation	Value	12-Mo Return	Expense
AT&T Inc. ⚠	T	100%	$178,000	-	0.00%

⚠ *Flagged holdings scheduled for reallocation, see Allocation Changes.*

HYSA ($28,000)

Emergency reserve, twelve months of fixed costs. Tax treatment: Taxable.

Bank Checking and Savings ($8,738)

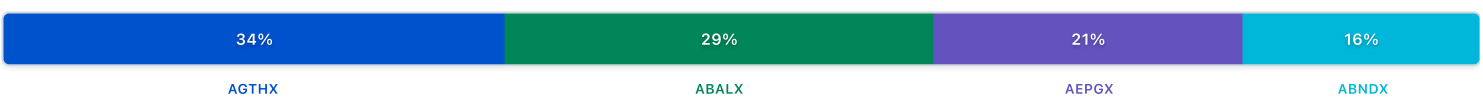
Direct deposit and household cash. Tax treatment: Taxable.

Retirement Assets Holdings

Tax-advantaged accounts designed for retirement savings. Contributions may be tax-deductible (Traditional) or grow tax-free (Roth), with specific rules governing withdrawals and required minimum distributions.

Rollover IRA ($637,044)

Tax-Deferred.



Holding	Ticker	Allocation	Value	12-Mo Return	Expense
American Funds The Growth Fund of America Class A ⚠	AGTHX	34%	$215,000	-	0.61%
American Funds American Balanced Fund Class A ⚠	ABALX	29%	$185,000	-	0.57%
American Funds EuroPacific Growth Fund Class A ⚠	AEPGX	21%	$137,044	-	0.82%
American Funds The Bond Fund of America Class A ⚠	ABNDX	16%	$100,000	-	0.60%

⚠ *Flagged holdings scheduled for reallocation, see Allocation Changes.*

403(b) ($128,080)

Tax-Deferred.

Holding	Ticker	Allocation	Value	12-Mo Return	Expense
VALIC Company I Stock Index Fund ⚠		62%	$80,000	-	1.15%
Corebridge Fixed Interest Option ⚠		38%	$48,080	-	1.00%

⚠ Flagged holdings scheduled for reallocation, see Allocation Changes.

Portfolio Summary

Total investable financial assets managed under this Investment Policy Statement. Excludes real estate, vehicles, personal property, and non-liquid assets such as pensions and Social Security.

Account	Value	Weight	12-Mo Return	Avg Expense
Rollover IRA	$637,044	65%	-	0.64%
403(b)	$128,080	13%	-	1.09%
Brokerage Account (AT&T Stock)	$178,000	18%	-	0.00%
HYSA	$28,000	3%	-	-
Bank Checking and Savings	$8,738	0.89%	-	-
Total Household Assets	**$979,862**	**100%**		

Appendix B: Related Guides

The following Foxholm Financial guides provide additional detail on topics covered in this Investment Policy Statement.

Topic	Guide
Implementation	Investment Policy Statement Guide
	Advice-Only Advisor Guide
	Executing Stock Trades
Tax-Advantaged Accounts	403(b) and Annuity Contracts Inside Retirement Plans
Investment Strategies	Low-Cost Core ETFs
Tax Planning	IRMAA and the Medicare Premium Thresholds
Georgia Planning	Georgia Bond Strategy
Retirement Planning	Retirement Withdrawal Strategy
Social Security	Social Security Claiming

For the complete library of guides, visit foxholm.com.

Appendix C: References

Primary sources for the tax rates, contribution limits, and benefit figures cited in this statement. Fund pages are linked from the tickers in the reallocation tables and are not repeated here.

Source	Address
Internal Revenue Service, retirement plan contribution limits	https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-topics-401k-and-profit-sharing-plan-contribution-limits
Internal Revenue Service, IRA contribution limits	https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-topics-ira-contribution-limits
Internal Revenue Service, health savings account limits	https://www.irs.gov/publications/p969
Georgia Department of Revenue, income tax rates and updates	https://dor.georgia.gov/taxes/important-tax-updates
Social Security Administration, benefit estimates	https://www.ssa.gov/myaccount/
Medicare, premiums and income-related adjustment amounts	https://www.medicare.gov/basics/costs/medicare-costs
US Department of the Treasury, daily par yield curve rates	https://home.treasury.gov/resource-center/data-chart-center/interest-rates/TextView?type=daily_treasury_yield_curve
Municipal Securities Rulemaking Board, EMMA disclosure and trade data	https://emma.msrb.org/

Disclaimer

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Past performance is not indicative of future results. All investments involve risk, including possible loss of principal. The projections and estimates in this document are based on current information and assumptions that may change.

For questions about this IPS, contact us at contact@foxholm.com or visit foxholm.com.

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