



## Investment Policy Statement — Robert Marchetti

This Investment Policy Statement (IPS) was produced by the Apex CFA Skill for Robert Marchetti following the anticipated sale of Marchetti Precision Components Inc. (Q4 2027, estimated net proceeds \$7,933,000 under full LCGE scenario). **This IPS requires review and sign-off by a CIRO-registered Portfolio Manager or Investment Advisor before delivery. It does not constitute specific security advice.**

### Client Profile

Field	Detail
Client name	Robert Marchetti
Age / province	64 / Ontario
Source of wealth	Business sale proceeds — Marchetti Precision Components Inc.
Investable assets	\$7,933,000 (net after-tax, Scenario C full LCGE)
Other assets	RRSP \$620,000 · Spousal RRSP \$280,000 · TFSA \$95,000 · Linda TFSA \$95,000
Total investable	\$9,023,000 (combined)
Other income	CPP \$19,028/yr (deferred to 70) · OAS \$11,712/yr (deferred to 70)
Dependants	Linda Marchetti (spouse, age 61) — financially dependent
Investment horizon	Long-term: 26+ years (to age 90)
Tax status	Ontario resident · high marginal rate · large non-registered portfolio
Sector avoidance	Automotive sector excluded (legacy concentration from business career)

### Return Objective

Annual income needed: \$180,000. Investable assets at inception: \$9,023,000. Required portfolio return: \$180,000 / \$9,023,000 = **2.0% nominal**. Inflation adjustment at 2.5%: **required real return = 4.5%**. CPP/OAS at age 70 will contribute \$30,740/year, reducing the portfolio required contribution to \$149,260/year after age 70, implying a real return of **3.0–3.5%** in later years. The portfolio is sized to meet income needs to age 90 under the **Balanced allocation** (target real return 3.5–5.0%) without material capital depletion.

### Risk Tolerance Assessment

Dimension	Assessment	Rating
Ability to bear risk	Large portfolio relative to income needs. Other income (CPP/OAS) covers \$30,740/yr by age 70. Long investment horizon (26 years)	HIGH
Willingness to bear risk	First time managing a significant liquid portfolio after 40 years of business ownership. No prior experience with public market volatility.	MODERATE
Assessment	Mismatch between ability (HIGH) and willingness (MODERATE). Per CFA Institute Standards, the more conservative willingness governs	BALANCED (willingness governs)

### Strategic Asset Allocation — Balanced Portfolio

Asset Class	Target Allocation	Policy Range	Benchmark	Account Location



Canadian fixed income	20%	15–30%	FTSE Canada Universe Bond Index	RRSP / RRIF
Global fixed income (hedged)	15%	10–20%	Bloomberg Global Agg (CAD hedged)	RRSP / RRIF
Canadian equities	20%	15–25%	S&P/TSX Composite TR	Non-registered
Global equities	30%	25–35%	MSCI World TR (CAD)	TFSA
Real assets / alternatives	15%	10–20%	Custom blended (REITs + infrastructure)	Non-registered
Cash / short-term	0%	0–5%	CDOR / HISA	Non-registered (emergency reserve)
TOTAL	100%			

Account Structure Optimisation — \$9,023,000 Total

Account	Balance	Assets to Hold	Rationale
TFSA (Robert)	\$95,000	Global equities (highest return assets)	tax-free growth and withdrawals. No OAS impact. Contribute \$7,000/year going forward
TFSA (Linda)	\$95,000	Global equities	Same as above — Linda's TFSA managed as part of household portfolio.
RRSP (Robert)	\$620,000	Canadian and global fixed income	Defer highest-taxed income category. Systematic melt-down pre-age 72. Convert to TFSA
Spousal RRSP (Linda)	\$280,000	Canadian fixed income	Withdraw at Linda's marginal rate (lower than Robert). Eligible pension income — per
Non-registered	\$7,933,000	Canadian equities, real assets, alternatives	Proactive savings bias and diversification. ETFs over interest. ETFs over mutual funds (low

Lump-Sum Deployment Strategy

Robert is receiving a large lump sum for the first time after 40+ years of business ownership. Academic evidence supports immediate full deployment (lump-sum outperforms DCA ~67% of the time over longer horizons). However, given confirmed moderate willingness to bear risk, the following systematic deployment is recommended:

Phase 1 (Month 0): Establish \$360,000 cash reserve (24 months x \$15,000/month living expenses) in high-interest savings account or laddered 90-day GICs. Deploy 40% of investable assets immediately into the SAA model allocation.

Phase 2 (Months 1–6): Deploy remaining 60% in equal monthly installments of approximately \$900,000/month, maintaining the target SAA weights throughout.

Sector avoidance: Exclude automotive sector equity from all accounts.

Monitoring triggers: Rebalance when any asset class drifts +/-5% from target. Annual IPS review — first review at 12 months post-deployment. OAS clawback monitoring — flag if net income approaches \$90,997. Sector avoidance review — automotive sector exclusion to be revisited at Year 3.

Disclaimer: This IPS was produced by the Apex Invest AI CFA Skill for the fictional Robert Marchetti case study. It does not constitute specific investment advice or a managed portfolio. Requires review and sign-off by a CIRO-registered Portfolio Manager or Investment Advisor before delivery to any client.