

Find Your Behavior Gap: A 3-Step S3 Guide

Uncovering the Hidden Hurdle to Your Investment Success

Created by SafeSimpleSound Financial Planning *Financial Excellence • Educational Generosity*

Your S3 Behavior Gap Worksheet

Safe • Simple • Sound > Foundation-First Financial Wisdom

What You'll Discover:

- A safe way to explore how your actions impact your portfolio, free from judgment or blame.
 - A simple, three-step process to understand the difference between your fund's stated performance and your actual, personal results.
 - A sound, data-driven method to identify your "behavior gap" and turn it into your greatest opportunity for growth.
 - How to resolve the contradiction of "Is it my fault or the fund's?" and transform it into a collaborative tool for improvement.
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The S3 Behavior Gap Method

Foundation (Start Here): The Investment's Return

Why Foundation-First Matters: Before we can understand our own impact, we need a safe, objective baseline. This first step establishes the unbiased performance of the investment itself, separate from any individual's actions.

Step 1: Find the Time-Weighted Return (TWR)

- **Guidance:** Look up the official return of your investment fund for a specific period (e.g., last year). This number measures the performance of the investment itself, ignoring the timing of your personal contributions or withdrawals. You can usually find this on the fund's official website, factsheet, or your brokerage statement.
- **Why This Works:** It provides a pure, clean data point. It answers the question: "How did the investment vehicle perform on its own, in a vacuum?"
- **Common Mistake to Avoid:** Assuming this number is your number. It's just the starting point—a crucial piece of data, but only half the story.

Integration (Build Here): Your Personal Return

Why Simple Systems Work: This step makes the data personal. The goal is to get a simple, honest picture of your real-world outcome, which was influenced by the unique timing of your financial decisions.

Step 2: Find Your Dollar-Weighted Return (DWR)

- **Guidance:** Now, find your personal rate of return for the same time period. Many brokerage websites now calculate this for you automatically. It might be labeled "Personal Rate of Return," "Money-Weighted Return," or "Internal Rate of Return (IRR)."

- **Why This Works:** This number reflects your reality because it accounts for when you actually bought or sold shares.
- **Both/And Insight:** Instead of falling into the trap of blaming the investment or blaming yourself, a constitutional approach measures both. The investment's TWR is a valid data point, AND your personal DWR is a valid data point. Together, they tell a complete and powerful story.

Optimization (Thrive Here): The Behavior Gap

Why Sound Principles Endure: This final step is where true insight lives. Identifying this gap is a sound, time-tested way to move beyond guesswork and focus on the one variable you can control: your own behavior. This is the key to building a strategy that endures.

Step 3: Calculate Your Behavior Gap

- **Guidance:** The formula is simple: Step 1 (TWR) - Step 2 (DWR) = Your Behavior Gap.
- **S3 Differentiator:** Most of the financial world focuses only on Step 1. A constitutional approach centers on Step 3. This gap is not a "grade" on your performance; it is the single most valuable piece of coaching information you can possess. A positive number may indicate disciplined investing, while a negative number often reveals the cost of poorly timed emotional decisions.
- **Advantage:** Understanding this number transforms your perspective. It moves you from being a passive passenger in your investments to an empowered architect of your own outcomes.

Insights Summary

Key S3 Differentiator: Our primary value is not in trying to pick the "best" fund, but in providing the invaluable behavioral coaching required to help you close this gap. This human-centric approach is our un-replicable competitive advantage.

Educational Generosity Promise: Understanding the Behavior Gap is a profound insight that empowers you to focus on what you can control. This knowledge serves you for a lifetime, regardless of whether you ever become a client.

Stakeholder Synthesis: This guide gives you (the reader) powerful self-awareness, shows prospects our unique coaching value, and helps our community reject the blame-game narrative that harms investor outcomes.

Your Next Steps

Immediate Action (Next 7 days): Do the math for one of your investments. Calculate your behavior gap for the past year. Don't judge the number—just sit with the insight it provides.

Foundation Building (Next 30 days): Reflect on the moments last year when you felt anxious or euphoric about the market. How might those feelings have influenced your desire to buy or sell?

Professional Support: The Behavior Gap is not a problem to be solved alone; it's an opportunity to be explored with a coach. If you're ready to turn this insight into a strategy, we invite you to see how our constitutional process works.

About SafeSimpleSound Constitutional Financial Planning

Our Promise: We provide a proprietary system of thought that resolves the contradictions in your financial life, empowering you to build a plan that is aligned, resilient, and uniquely yours.

Educational Generosity Commitment: We believe that financial empowerment comes from education. We freely share our constitutional frameworks to help our community make better decisions and build stronger foundations.

Contact Us: www.safesimplesound.com/contact

Our Philosophy: www.safesimplesound.com/philosophy

This document embodies S3's constitutional commitment to educational generosity. Whether you become a client or not, this framework provides genuine value for your journey toward financial clarity.

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Educational Generosity Commitment:

This guide provides genuine value for your financial journey, whether you become a client or not. Our constitutional approach to financial planning serves all stakeholders through authentic excellence.