



REGAL

FINANCIAL GROUP

Integrity + Innovation + Independence

RETIREMENT SPENDING ANALYSIS

Report Prepared for:

This analysis is provided courtesy of Heather Christmann
Regal Financial Group
2687 44th Street SE
Kentwood, MI 49512
<http://regalfin.com>
-- |

Retirement Spending

Your Basic Data

Years in Retirement : years

Current Retirement Nest Egg Value : \$

Initial Withdrawal Amount : \$

Annual Cost of Living Adjustment %

Planned Increases/Decreases to withdrawal amount beyond inflation adjustments:

- No planned future adjustments to withdrawal amount.
- Allow for one future adjustment to my withdrawal amount.
- Allow for two future adjustments to my withdrawal amount.

Your Retirement Portfolio Details

Broad Asset Allocation

● Stocks

● Bonds

● Cash

Detailed Stock Allocation

● Large U.S. Stocks

● Mid & Small U.S. Stocks

● Foreign Stocks

Expected rate of return on bonds: %

Expected rate of return on cash %

Total expected investment expenses: %

RETIREMENT ACCUMULATION STRATEGY

- Constant Allocation with Annual Rebalancing - proportional withdrawal from each asset class.
- Stocks First Glidepath - Spend down the stocks first, then bonds, then cash
- Bonds/Cash First Glidepath - Spend down cash first, then bonds, then stocks.
- Guardrail Strategy - Do not spend down stocks following negative return years

SPENDING ANALYSIS RESULTS SUMMARY

How to Use Nest Egg Guru's Retirement Spending Calculator

Instead of focusing on a single probability of success (as most Monte Carlo simulation calculators do), Nest Egg Guru believes it is more instructive to present users with a full range of simulation results representing a broad spectrum of potential economic conditions. In keeping with the basic financial planning philosophy of "hope for the best, but prepare for the worst" users are encouraged to evaluate their preparedness by focusing on the bottom half of the simulation results (median-worst). In particular, the 1%, 5%, and 10% results may be considered the most valuable statistics for assessing the risk of each illustrated input scenario.

Presenting the remaining balance data in five year increments over the illustrated retirement time horizon is intended to enable users to quantify their risk of running out of money in a way that a single probability percentage cannot. Similarly, the inclusion of remaining balance data may allow users to tangibly quantify and balance the tradeoff between their planned annual withdrawal amount and the remaining balance that may be left for heirs. This is an important concept because it helps users see and understand how focusing too much on establishing a "safe withdrawal rate" (i.e., an inflation-adjusted withdrawal rate that will assure sustainability) may lead to a lower standard of living in retirement and too much money left on the table for heirs.

Users are especially encouraged to explore how changing different input values may impact their results.

Based upon the personal data you entered and the withdrawal elections you made, Nest Egg Guru ran 5,000 simulations using randomly sampled historical monthly index return data in percentages that match your specified retirement allocation. The results from these simulations are summarized as follows:

Out of 5,000 withdrawal simulations, your **year** withdrawal goal was %
successful this % of the time:

This is the percentage of simulations in which your Nest Egg lasted longer than you did.

At the top 20% result (80th percentile) of the 5,000 simulations, your remaining portfolio balance at the end of **years** was:

The top 20% results represent an extremely favorable (and, perhaps, unlikely) investment environment. While included for illustration purposes, users are encouraged to focus on the bottom half (worst 50%) of simulation results.

Out of 5,000 simulations, your retirement nest egg was depleted before %
years this percent of the time:

This percentage represents the failure rate of the 5,000 simulations.

At the worst result out of the 5,000 simulations, your remaining portfolio balance at the end of **years** was:

While this simulation result may represent investment conditions that are worse than anything in the historical record, it may be useful for establishing a baseline for evaluating one's preparedness in the event that future investment returns are far worse than the historical norm.

COMPLETE RETIREMENT NEST EGG SUSTAINABILITY SIMULATION RESULTS

Instead of focusing on a single probability of success (as most Monte Carlo simulation calculators do), Nest Egg Guru believes it is more instructive to present users with a full range of simulation results representing a broad spectrum of potential economic conditions. In keeping with the basic financial planning philosophy of "hope for the best, but prepare for the worst" users are encouraged to evaluate their preparedness by focusing on the bottom half of the simulation results (median-worst). In particular, the 1%, 5%, and 10% results may be considered the most valuable statistics for assessing the risk of each illustrated input scenario.

Presenting the remaining balance data in five year increments over the illustrated retirement time horizon is intended to enable users to quantify their risk of running out of money in a way that a single probability percentage cannot. Similarly, the inclusion of remaining balance data may allow users to tangibly quantify and balance the tradeoff between their planned annual withdrawal amount and the remaining balance that may be left for heirs. This is an important concept because it helps users see and understand how focusing too much on establishing a "safe withdrawal rate" (i.e., an inflation-adjusted withdrawal rate that will assure sustainability) may lead to a lower standard of living in retirement and too much money left on the table for heirs.

Users are especially encouraged to explore how changing different input values may impact their results.

The complete range of simulated remaining balances is presented below in five year increments for your **30 year** estimated retirement horizon. These detailed results are intended to help you quantify your risk of running out of money in retirement.

All users are encouraged to experiment with the calculator to see how changing the various inputs may impact the results.

Remaining Balance...

	80%
	60%
Simulation Percentile	Median
	40%
	20%
	10%
	5%
	1%
	Worst

IMPORTANT DISCLOSURES:

The simulation results produced by Nest Egg Guru's calculators are hypothetical in nature, do not reflect actual investment results, and provide no assurance of future returns. Instead, these calculators are intended as educational tools to help users generally assess their retirement planning preparedness and to help them understand how changing the various inputs that are within their control may impact the results. While Nest Egg Guru believes the information presented may be instructive in helping users plan for retirement, it is important to understand that no calculator is a crystal ball and that the calculators are not intended to predict future returns.

Similarly, it is important to understand the limitations of this or any other retirement calculator application. First, while considerable thought has gone into designing portfolio models that realistically represent individual investor experiences, the degree to which the index models used in Nest Egg Guru differ from the actual users' portfolios may affect the applicability of the results. Second, the choice of indices and the time periods from which the monthly index return data were sampled may have a significant effect on the outcomes and might produce different results if different indices and/or time periods were chosen. Third, because Nest Egg Guru's results are derived from random sampling of historical monthly returns data, there is an underlying assumption that future returns will at least be somewhat similar to what they have been in the recent past. Fourth, users should be aware that, as with all simulation-based calculators, results may vary from one simulation to the next and over time. Lastly, while Nest Egg Guru believes the methodology chosen in this calculator has certain advantages, other calculators using different methodologies may produce different results.

The 5,000 simulation results presented herein were produced using a sampling methodology called "bootstrapping". The simulations were generated from monthly equity index return data from 1970-2013. The S&P 500 Index is employed as the proxy for large cap U.S. Stocks, international stocks are represented by the MSCI EAFE Index, and small and mid-cap stocks are represented by the Russell 2000 Index. Nest Egg Guru also holds monthly index data for the Merrill Lynch U.S. Corporate Bond Index, 10-year treasuries, and one year treasuries. However, as noted on the inputs page, the option to include these indices has been intentionally suppressed in the current low interest rate environment.

The Nest Egg Guru calculators are made available to you as educational tools for your independent use and are not intended as a substitute for professional retirement planning guidance or advice. While it is hoped that these tools help you identify important factors to consider in planning your retirement, for specific portfolio guidance, users are encouraged to consult with a trusted financial planning professional.

Securities offered through Regulus Advisors, LLC. Member FINRA/SIPC. Investment advisory services offered through Regal Investment Advisors, LLC, an SEC Registered Investment Advisor. Regal Financial Group, Regulus Advisors, and Regal Investment Advisors are affiliated entities.