

Guidelines for Unbreakable Retirement Portfolios

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www.7TwelvePortfolio.com

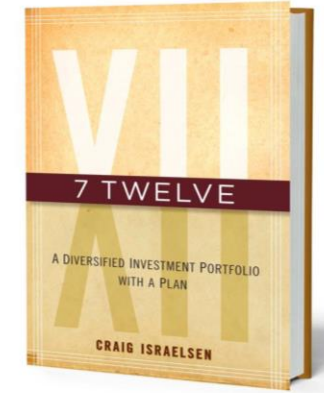


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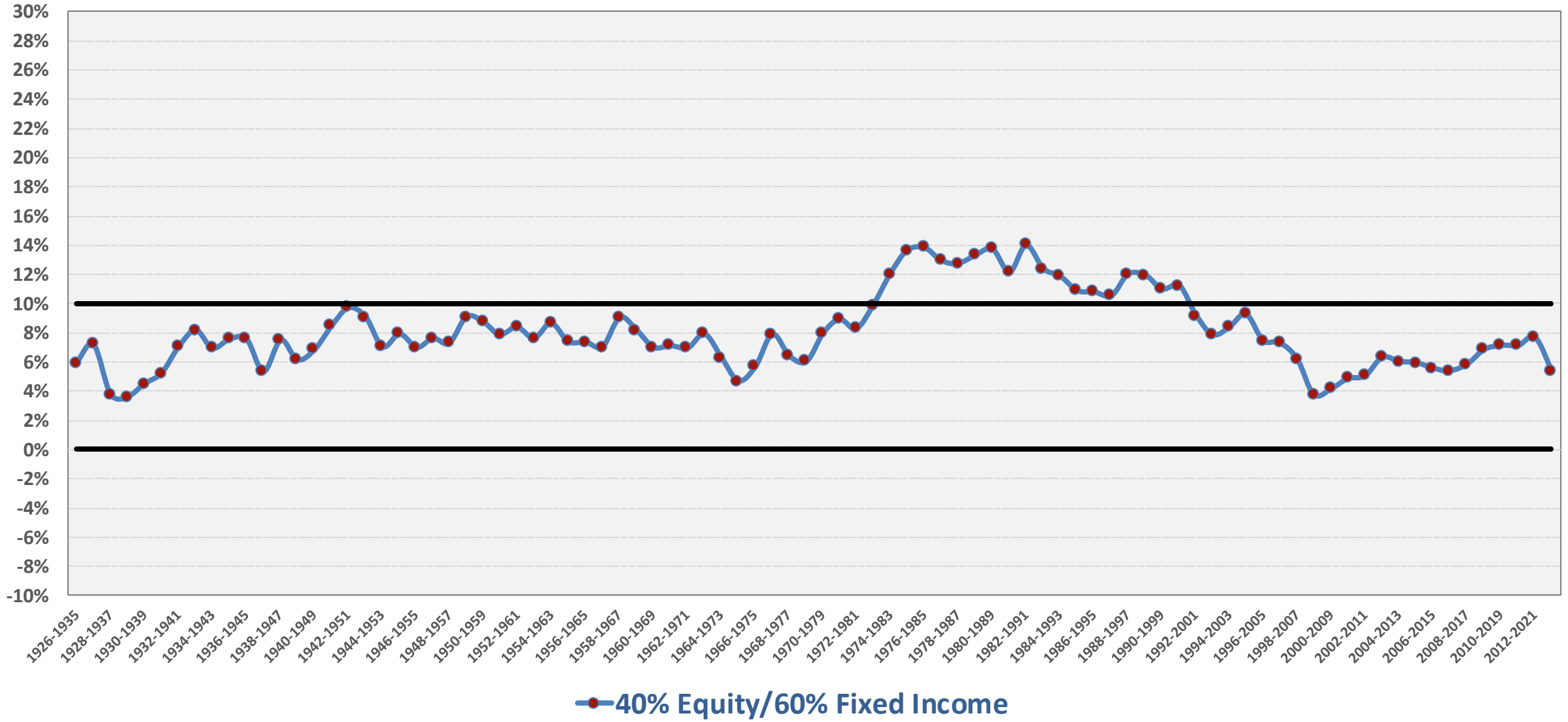
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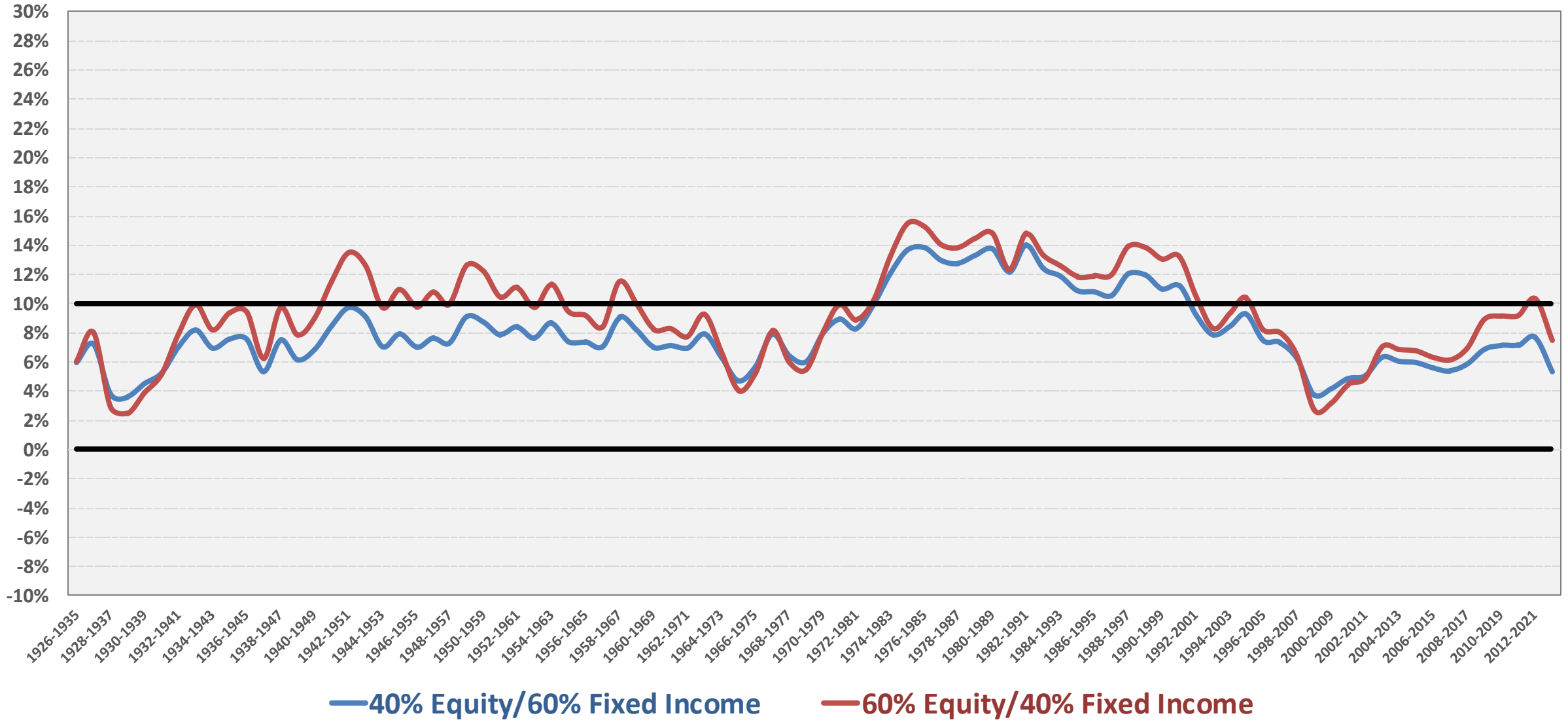
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- Developer of the **7Twelve**[®] Portfolio
- Executive-in-Residence in the Financial Planning Program at Utah Valley University (UVU) in Orem, Utah
- Researcher in the field of mutual fund analysis and investment portfolio design
- Writes for **Horseshmouth.com**, **Better Investing Magazine**, and the **AAll Journal**.
- Author of three books. His most recent book is titled "7Twelve: A Diversified Investment Portfolio with a Plan" (John Wiley & Sons, 2010)

Rolling 10-Year Returns from 1926 - 2022



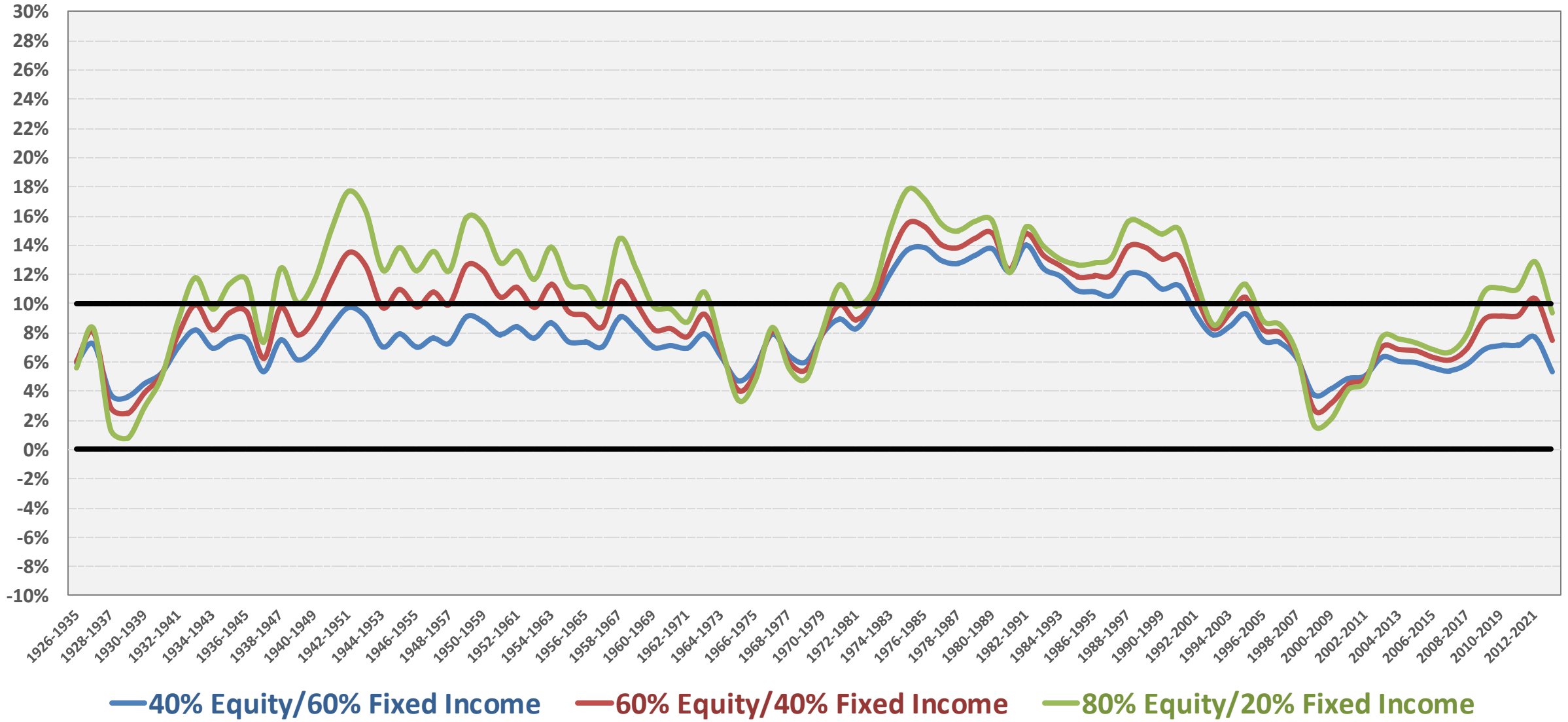
Rolling 10-Year Returns from 1926 - 2022



— 40% Equity/60% Fixed Income

— 60% Equity/40% Fixed Income

Rolling 10-Year Returns from 1926 - 2022



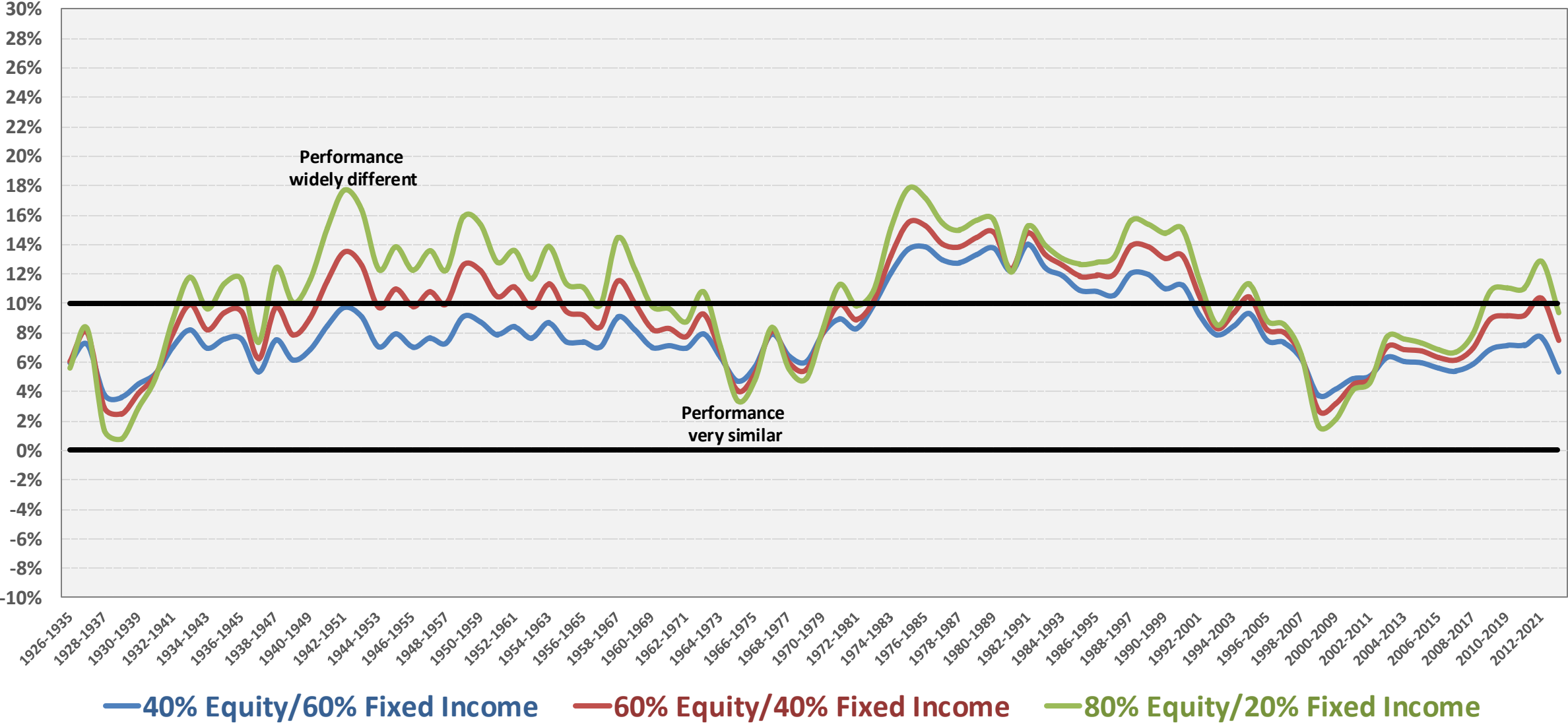
— 40% Equity/60% Fixed Income

— 60% Equity/40% Fixed Income

— 80% Equity/20% Fixed Income

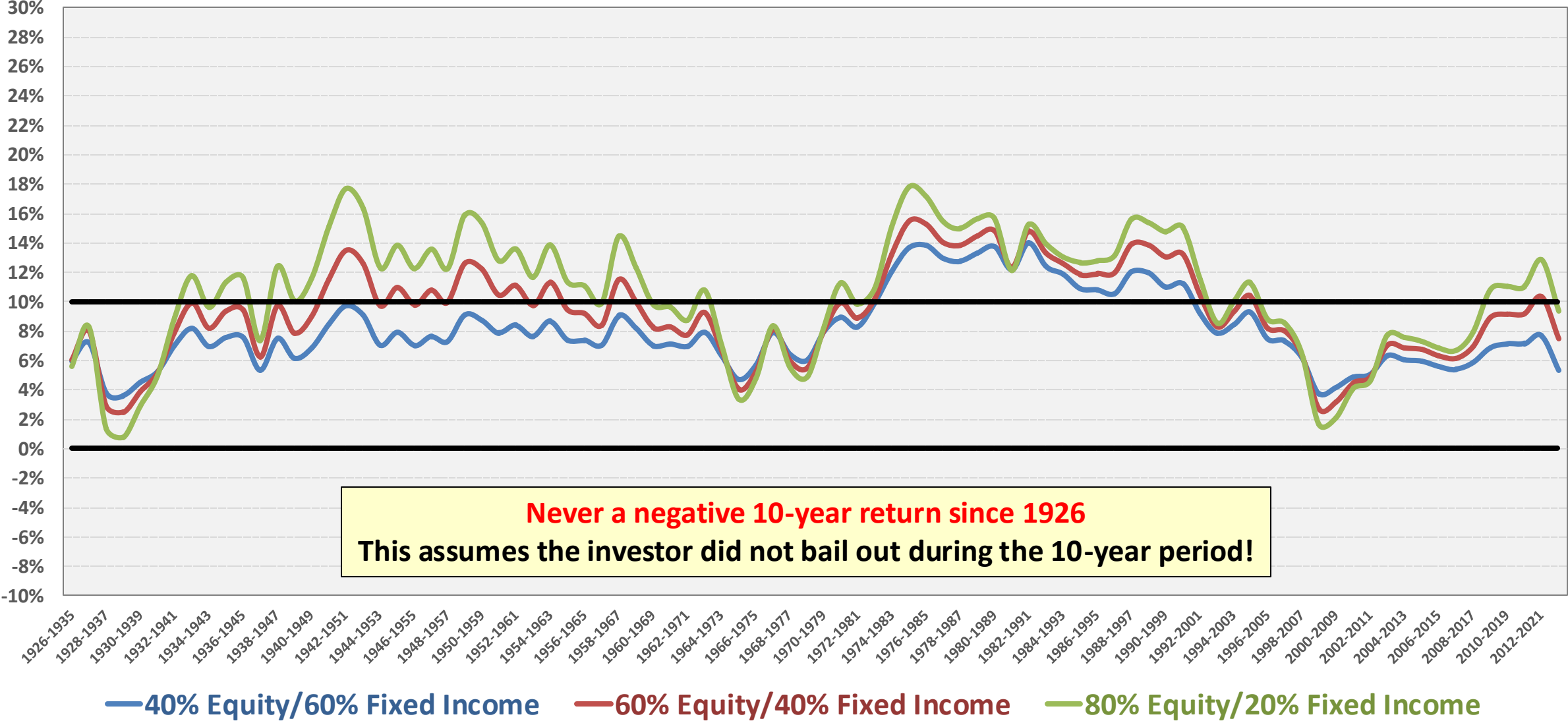
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Rolling 10-Year Returns from 1926 - 2022

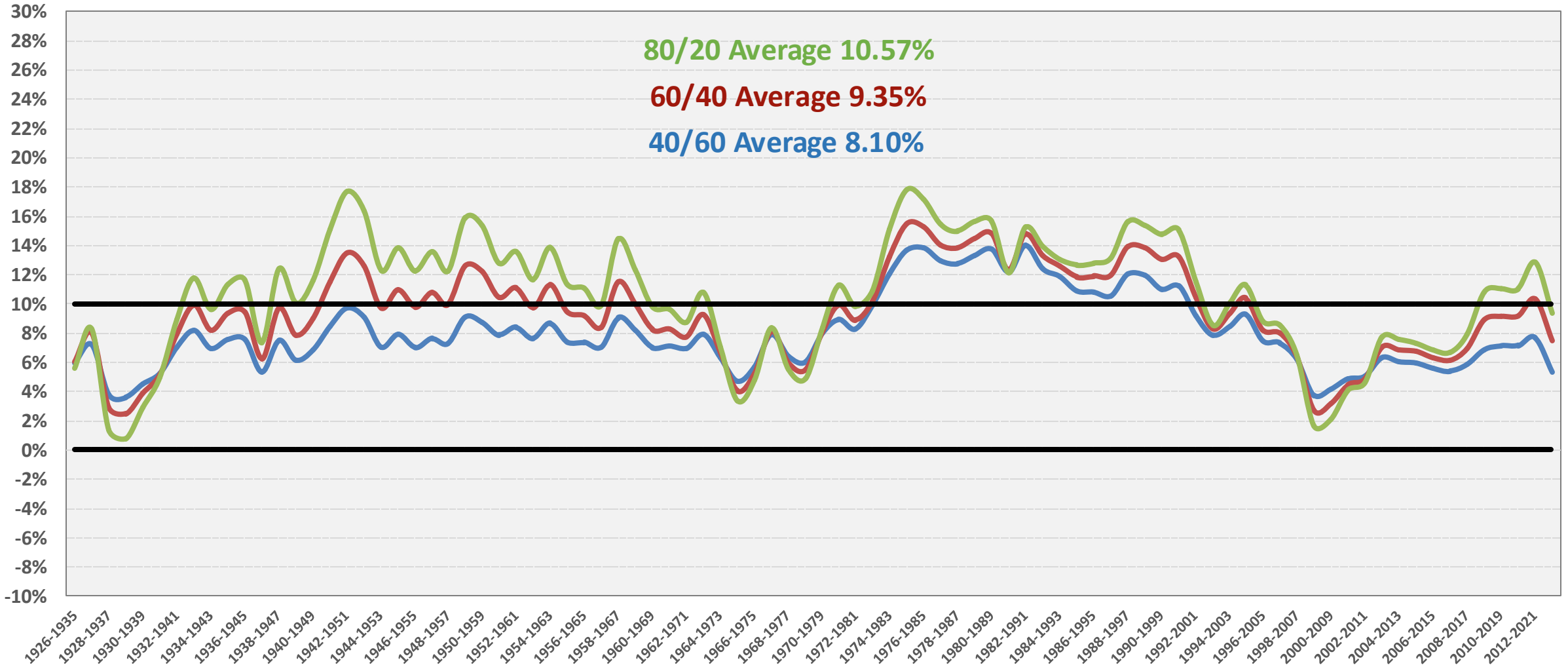


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Rolling 10-Year Returns from 1926 - 2022



Rolling 10-Year Returns from 1926 - 2022



80/20 Average 10.57%

60/40 Average 9.35%

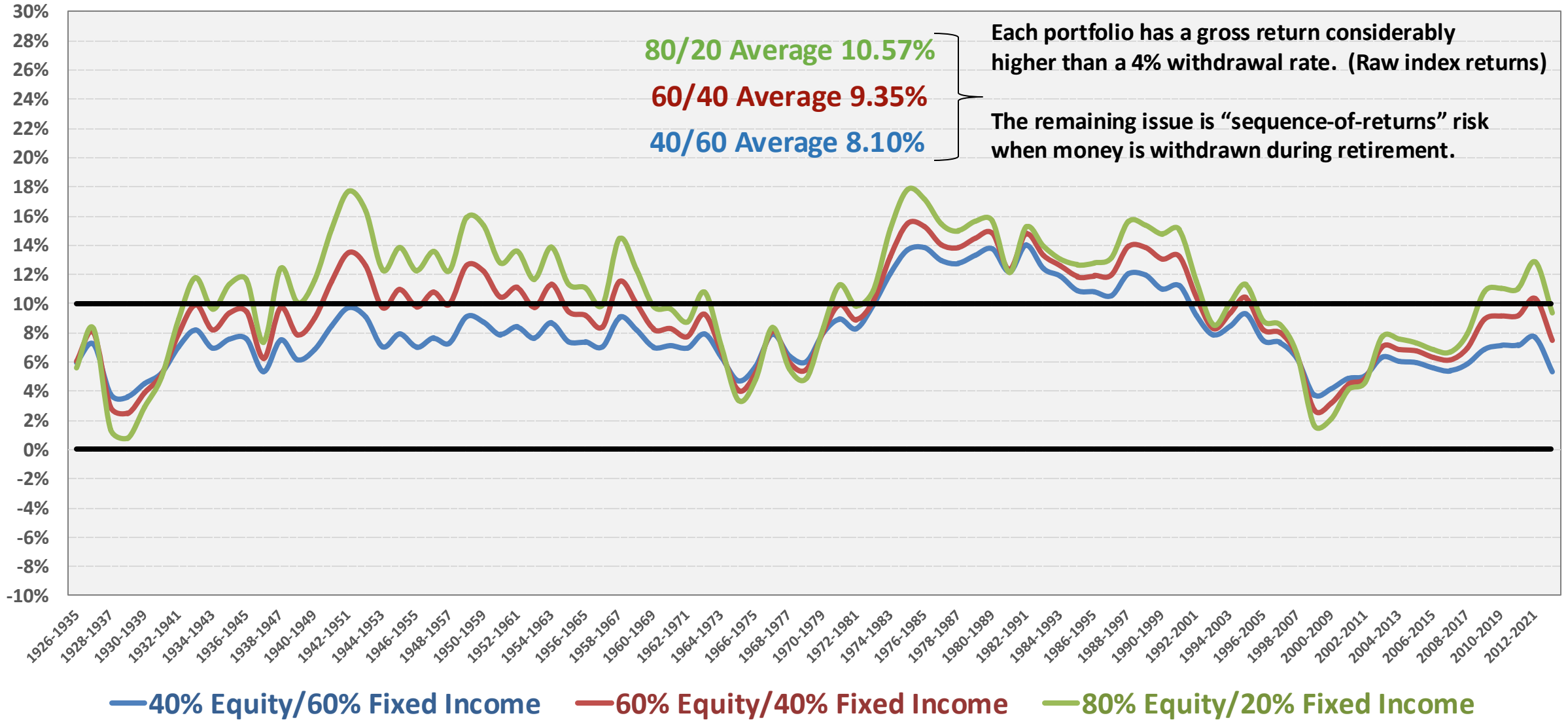
40/60 Average 8.10%

— 40% Equity/60% Fixed Income

— 60% Equity/40% Fixed Income

— 80% Equity/20% Fixed Income

Rolling 10-Year Returns from 1926 - 2022



**Will my portfolio balance decline
during retirement?**

**Will I run out of money
in retirement?**

From 1926 to 2022 there have been 73 rolling 25-year periods. The first 25-year period was 1926-1950, the second from 1927-1951, and so on.

Let's assume that each of those 25-year periods represents a 25-year retirement "window" for 73 different retirees from the age of 73 to 98. Each retiree annually withdraws money.

We are now analyzing sequence-of-returns risk by analyzing outcomes over 73 rolling 25-year periods.

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How often was a 60% equity/40% fixed income retirement portfolio larger at age 98 than the starting balance at age 73? Portfolio cost = 125 bps.

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How often was a 60% equity/40% fixed income retirement portfolio larger at age 98 than the starting balance at age 73? Portfolio cost = 125 bps.

RMD annual withdrawal: 71% of the time.

4% annual withdrawal: 100% of the time.

How Often Was a Retirement Portfolio Larger Than the Starting Balance After 25 Years of Withdrawals?

Overall Asset Allocation	Sub Allocations	RMD From age 73-97	4% Annual Withdrawal	5% Annual Withdrawal
40% Equity 60% Fixed	25% Large Stock 15% Small Stock 45% Bonds 15% Cash	33%	99%	93%

Analysis of 73 rolling 25-year periods from 1926 to 2022

Large-cap US stock was represented by the S&P 500 Index.

Small-cap US stock was represented by the Ibbotson Small Companies Index from 1926-1978 and the Russell 2000 Index from 1979-2022.

U.S. bond returns were represented by SBBI US Intermediate Government Bonds from 1926-1975 and the Bloomberg Aggregate Bond Index from 1976-2022.

Cash was represented by the annual returns of the 3-month US Treasury Bill from 1926-2022.

Assumed portfolio cost was 125 bps

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80% Equity 20% Fixed	50% Large Stock 30% Small Stock 15% Bonds 5% Cash	89%	100%	100%

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How Often Was a Retirement Portfolio Totally Depleted After 25 Years of Withdrawals?

Overall Asset Allocation	Sub Allocations	RMD From age 73-97
40% Equity 60% Fixed	25% Large Stock 15% Small Stock 45% Bonds 15% Cash	Never
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The Impact of Controlling Portfolio Expenses

How Often Was a Retirement Portfolio Larger Than the Starting Balance After 25 Years of RMD Withdrawals? (from age 73-98)

Overall Asset Allocation	Sub Allocations	125 bps Portfolio Cost	100 bps Portfolio Cost	75 bps Portfolio Cost	50 bps Portfolio Cost
40% Equity 60% Fixed	25% Large Stock 15% Small Stock 45% Bonds 15% Cash	33%	40%	44%	51%

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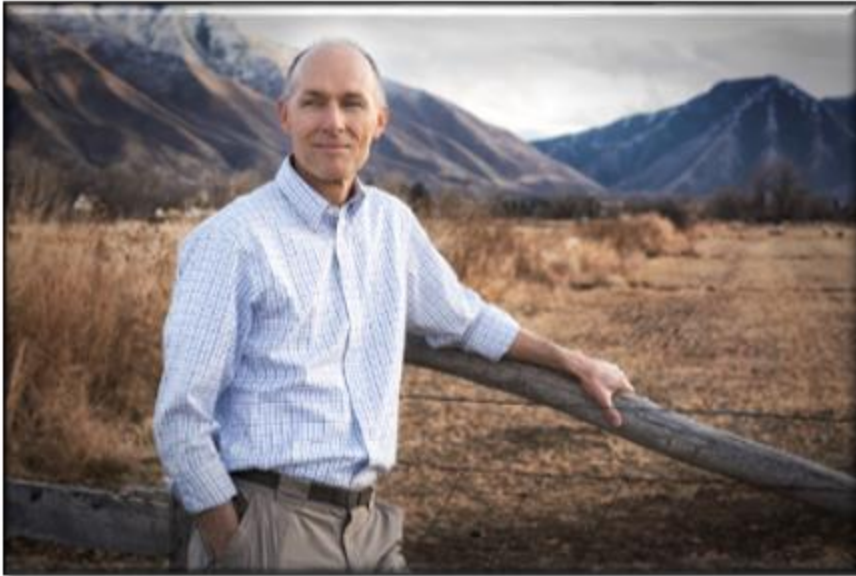
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