

How to Test Retirement Decisions Before You Make Them

**AAll Webinar Series
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**Will my portfolio balance decline
during retirement?**

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

From 1926 to 2025 there have been 76 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 75 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 76 rolling 25-year periods.

From 1926 to 2025 there have been 76 rolling 25-year periods. The first 25-year period was 1926-1950, the second from 1927-1951, and so on.

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We are now analyzing sequence-of-returns risk by analyzing outcomes over 76 rolling 25-year periods.

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.

From 1926 to 2025 there have been 76 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 75 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 76 rolling 25-year periods.

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: 80.3% 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 73-98	4% Annual Withdrawal	5% Annual Withdrawal
60% Equity 40% Fixed	40% Large Stock 20% Small Stock 30% Bonds 10% Cash	80.3%	100%	94.7%

Analysis of 76 rolling 25-year periods from 1926 to 2025

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 1979-2025.

U.S. bond returns were represented by SBBI US Intermediate Government Bonds from 1926-1975 and the Bloomberg Aggregate Bond Index from 1976-2025.

Cash was represented by the annual returns of the 3-month US Treasury Bill from 1926-2025.

Assumed portfolio cost was 125 bps

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

Overall Asset Allocation	Sub Allocations	RMD From age 73-98	4% Annual Withdrawal	5% Annual Withdrawal
40% Equity 60% Fixed	25% Large Stock 15% Small Stock 45% Bonds 15% Cash	42.1%	98.7%	89.5%
60% Equity 40% Fixed	40% Large Stock 20% Small Stock 30% Bonds 10% Cash	80.3%	100%	94.7%

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60% Equity 40% Fixed	40% Large Stock 20% Small Stock 30% Bonds 10% Cash	80.3%	100%	94.7%
80% Equity 20% Fixed	50% Large Stock 30% Small Stock 15% Bonds 5% Cash	90.8%	100%	100%

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Point #1:

**If the RMD governs your withdrawals
AND
you want your portfolio to grow...**

**You will need to have a
large equity allocation.**

Analysis of 76 rolling 25-year periods from 1926 to 2025

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Assumed portfolio cost was 125 bps

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

Overall Asset Allocation	Sub Allocations	<u>Point #2</u> If you are using a 4% or 5% withdraw rate AND you want your portfolio to grow... The asset allocation is not as critical... meaning you can be more conservative without guilt!	4% Annual Withdrawal	5% Annual Withdrawal
40% Equity 60% Fixed	25% Large Stock 15% Small Stock 45% Bonds 15% Cash		98.7%	89.5%
60% Equity 40% Fixed	40% Large Stock 20% Small Stock 30% Bonds 10% Cash		100%	94.7%
80% Equity 20% Fixed	50% Large Stock 30% Small Stock 15% Bonds 5% Cash		100%	100%

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Assumed portfolio cost was 125 bps

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

Overall Asset Allocation	Sub Allocations	RMD From age 73-98	4% Annual Withdrawal	5% Annual Withdrawal
40% Equity 60% Fixed	25% Large Stock 15% Small Stock 45% Bonds 15% Cash	Never	Never	Never
60% Equity 40% Fixed	40% Large Stock 20% Small Stock 30% Bonds 10% Cash	Never	Never	Never
80% Equity 20% Fixed	50% Large Stock 30% Small Stock 15% Bonds 5% Cash	Never	Never	Never

Analysis of 76 rolling 25-year periods from 1926 to 2025

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

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Assumed portfolio cost was 125 bps

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

Overall Asset Allocation	Sub	RMD	4% Annual	5% Annual Withdrawal
40% Equity 60% Fixed	<u>Point #3:</u> Stop worrying about running out of money. If the portfolio is prudently built and rebalanced annually AND your withdrawals are reasonable... You won't deplete the portfolio within 25 years. And likely not within 35 years.			Never
60% Equity 40% Fixed				Never
80% Equity 20% Fixed				Never

Analysis of 76 rolling 25-year periods from 1926 to 2025

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Cash was represented by the annual returns of the 3-month US Treasury Bill from 1926-2025.

Assumed portfolio cost was 125 bps

Let's test drive your retirement portfolio!

Fire up the *Retirement Portfolio Analyzer* spreadsheet.

Analysis of 76 Rolling 25-Year Retirement Periods

by Craig L Israelsen, Ph.D.

www.7TwelvePortfolio.com

Retirement Portfolio Analyzer (RPA) --- January 2026 release date

ENTER YOUR DATA IN THE BRIGHT YELLOW CELLS

Current Year **2026**

Retirement Portfolio Account Balance **\$1,000,000**

Your Current Age **73**

Your Age When Portfolio Withdrawals Begin **73**

Portfolio Asset Allocation (% per asset)

During Retirement

Large US stock allocation **40.00%**

Small US stock allocation **20.00%**

US Bonds allocation **30.00%**

Cash allocation **10.00%**

Total Allocation **100.00%**

Guaranteed portfolio return? Y/N

N

Total Portfolio cost in basis points (as a Negative)
(Expense Ratio + Advisory Fee) such as -60, etc.

-125

Cell C22 below

Four Ways to Withdraw Money From Portfolio

Enter "% Number", "RMD", "CUSTOM", or a Zero "0"

RMD

Minimum RMD
age is 72

Information and ERROR Messages Below

Raw Index Returns 1926-2025	Raw Index Std Dev 1926-2025	Historical Performance Adjuster (bps)	Adjustment YOU entered
10.49%	19.58%	0.00	None
11.05%	30.39%	0.00	None
5.01%	5.82%	0.00	None
3.27%	2.98%	0.00	None

Enter in basis points

Four ANNUAL withdrawal options in cell C22:

% number or RMD or CUSTOM or 0

100-Year Retirement Portfolio Analyzer from 1926-2025

Your Portfolio Return (1926-2025)

(Minus portfolio costs & historical adjustments)

7.73%

Lowest 1-Year

Portfolio Return

-29.13%

Your Portfolio Standard Deviation (1926-2025)

(Std Dev of annual returns)

13.45%

The results BELOW are based on 76 rolling 25-year RETIREMENT periods between 1926-2025

Estimated Total Accumulated Capital after 25 Years **\$3,077,303** (Dependent on "BUDGET" data)

Average WITHDRAWAL from Portfolio (over 25 years)

Annual Average **\$109,722** **\$9,144** Monthly

How Often Annual Withdrawals Increased Year-over-Year?

71.2% Annual Increase

How Often Annual Withdrawals Kept Up with Inflation?

90.0% % of Time Beat Inflation

Average Retirement Portfolio BALANCE After 25 Withdrawals

\$1,506,670 After 25 Years

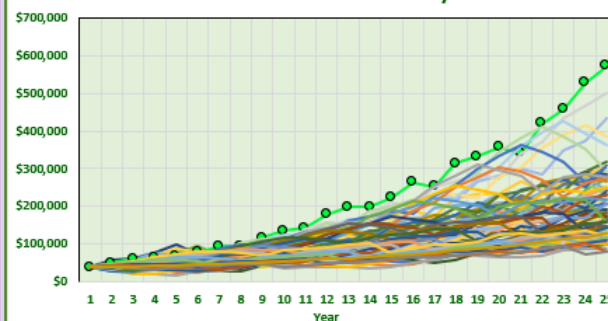
How Often the Balance Grew? (after 25 years of withdrawals)

80.3% % of Time Larger After 25 Years

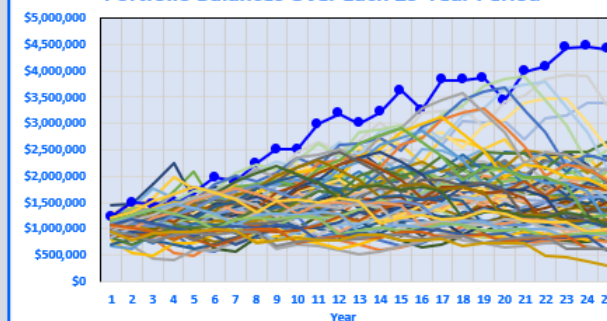
Success Rate (How often portfolio survived at least 25 years)

100.0% Success Rate (90% threshold)

Annual Withdrawals Over Each 25-year Period



Portfolio Balances Over Each 25-Year Period



Analysis of 76 Rolling 25-Year Retirement Periods

by Craig L Israelsen, Ph.D.

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Retirement Portfolio Analyzer (RPA) --- January 2026 release date

ENTER YOUR DATA IN THE BRIGHT YELLOW CELLS

Current Year	2026
Retirement Portfolio Account Balance	\$1,000,000
Your Current Age	73
Your Age When Portfolio Withdrawals Begin	73

Portfolio Asset Allocation (% per asset)	During Retirement
Large US stock allocation	40.00%
Small US stock allocation	20.00%
US Bonds allocation	30.00%
Cash allocation	10.00%
Total Allocation	100.00%

Guaranteed portfolio return? Y/N	N
Total Portfolio cost in basis points (as a Negative) (Expense Ratio + Advisory Fee) such as -60, etc.	-125

Cell C22 below

Four Ways to Withdraw Money From Portfolio Enter "% Number", "RMD", "CUSTOM", or a Zero "0"	4.00%
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Information and ERROR Messages Below

Raw Index Returns 1926-2025	Raw Index Std Dev 1926-2025	Historical Performance Adjuster (bps)	Adjustment YOU entered
10.49%	19.58%	0.00	None
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5.01%	5.82%	0.00	None
3.27%	2.98%	0.00	None

Enter in basis points

Four ANNUAL withdrawal options in cell C22:
% number or RMD or CUSTOM or 0

100-Year Retirement Portfolio Analyzer from 1926-2025

Your Portfolio Return (1926-2025)
(Minus portfolio costs & historical adjustments)

7.73%

Lowest 1-Year
Portfolio Return

-29.13%

Your Portfolio Standard Deviation (1926-2025)
(Std Dev of annual returns)

13.45%

The results BELOW are based on 76 rolling 25-year RETIREMENT periods between 1926-2025

Estimated Total Accumulated Capital after 25 Years **\$3,845,038** (Dependent on "BUDGET" data)

Average WITHDRAWAL from Portfolio (over 25 years)

Annual Average **\$76,642** **\$6,387** Monthly

How Often Annual Withdrawals Increased Year-over-Year?

63.7% Annual Increase

How Often Annual Withdrawals Kept Up with Inflation?

59.9% % of Time Beat Inflation

Average Retirement Portfolio BALANCE After 25 Withdrawals

\$2,894,654 After 25 Years

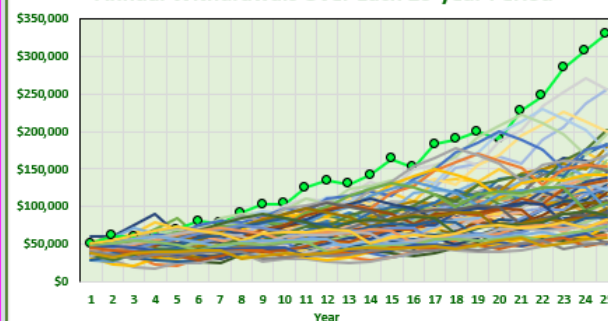
How Often the Balance Grew? (after 25 years of withdrawals)

100.0% % of Time Larger After 25 Years

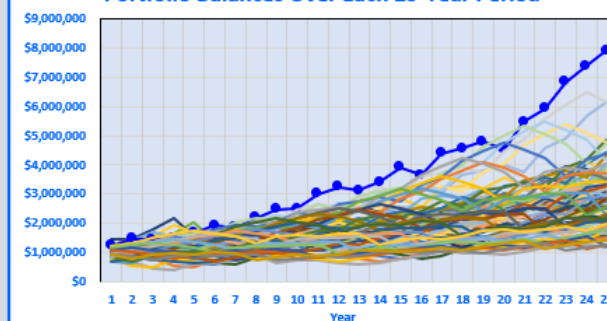
Success Rate (How often portfolio survived at least 25 years)

100.0% Success Rate (90% threshold)

Annual Withdrawals Over Each 25-year Period



Portfolio Balances Over Each 25-Year Period



Disclosures

Performance in the past is not a guarantee of performance in the future.

Raw data source: Steele Mutual Fund Expert

Calculations: Craig Israelsen, Ph.D.

Indexes used for performance calculations on the previous slides.

- **Large-cap US equity** represented by the S&P 500 Index from 1926-2025
- **Small-cap US equity** represented by the Ibbotson Small Companies Index from 1926-1978 and the Russell 2000 Index from 1979-2025.
- **U.S. Bonds** represented by SBBI US Intermediate Government Bonds from 1926-1975 and the Bloomberg Aggregate Bond Index from 1976-2025.
- **Cash** represented by 3-month Treasury Bills from 1926-2025.