Haas
Capital Management LLC
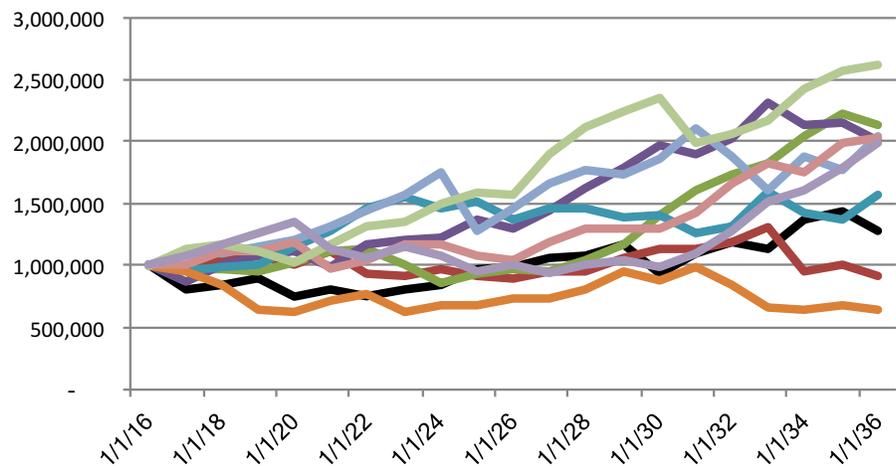
20 Year Cash Flow Forecast

The purpose of this forecast is to help you understand how different scenarios might play out. It's best used to compare one scenario to another, and is less useful in understanding how things might actually play out. Although each scenario generates a 20 year forecast, it's probably not terribly accurate beyond 5 years. Consequently, it is best updated every year or two.

This scenario is based on the following data				Asset Allocation	
Beginning assets at retirement:	1,000,000	Prepared for:	US Equity:		50%
Years before collecting Social Security:	5		Foreign Equity:		25%
Annual Social Security income:	15,000	Sample Client	Bonds:		25%
		Prepared on: December 9, 2016	Real Estate:		0%
Annual spending (all expenses, including tax):	40,000		Immediate Annuity:		0%

This graph shows the results of 10 separate randomized simulations, each having a different outcome. The worst outcomes show what might happen if markets make a turn for the worse, while the best outcomes reflect great markets. If necessary, you should adjust your spending and asset allocation so that the worst scenarios are still acceptable. Taxes are not considered separately in this analysis and should be included in annual spending.
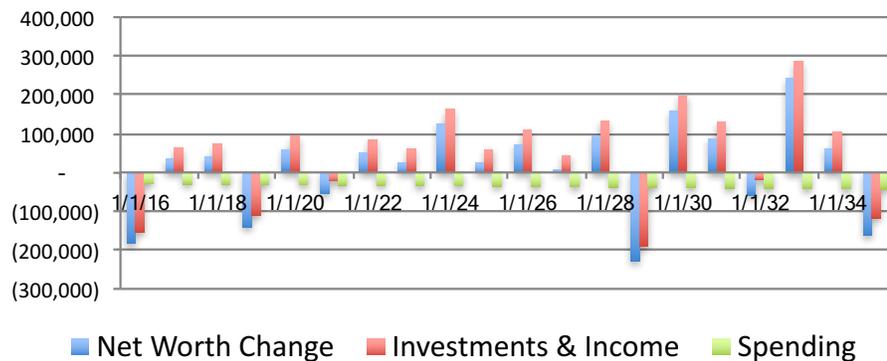
Average annual returns for worst scenario	
US Equity:	3%
Foreign Equity:	3%
Bonds:	4%
Real Estate:	3%

Annual Asset Balance (10 Scenarios - 20 Years)

Annual Cash Flow Simulation

■ Net Worth Change   ■ Investments & Income   ■ Spending

It's normal to have several years when your investments lose money. When these losses are combined with the withdraws required for your living expenses it results in a significant decrease in your net worth. It's impossible to predict when these down years will occur, but their magnitude and frequency can be simulated. This graph is an attempt to do so.

This graph corresponds to the black line in the graph above which has an ending balance of:

$1,293,000