



**AAFCPAs**  
**Wealth Management**

## **Personal Financial Planning Considerations for Nonprofit Executives**



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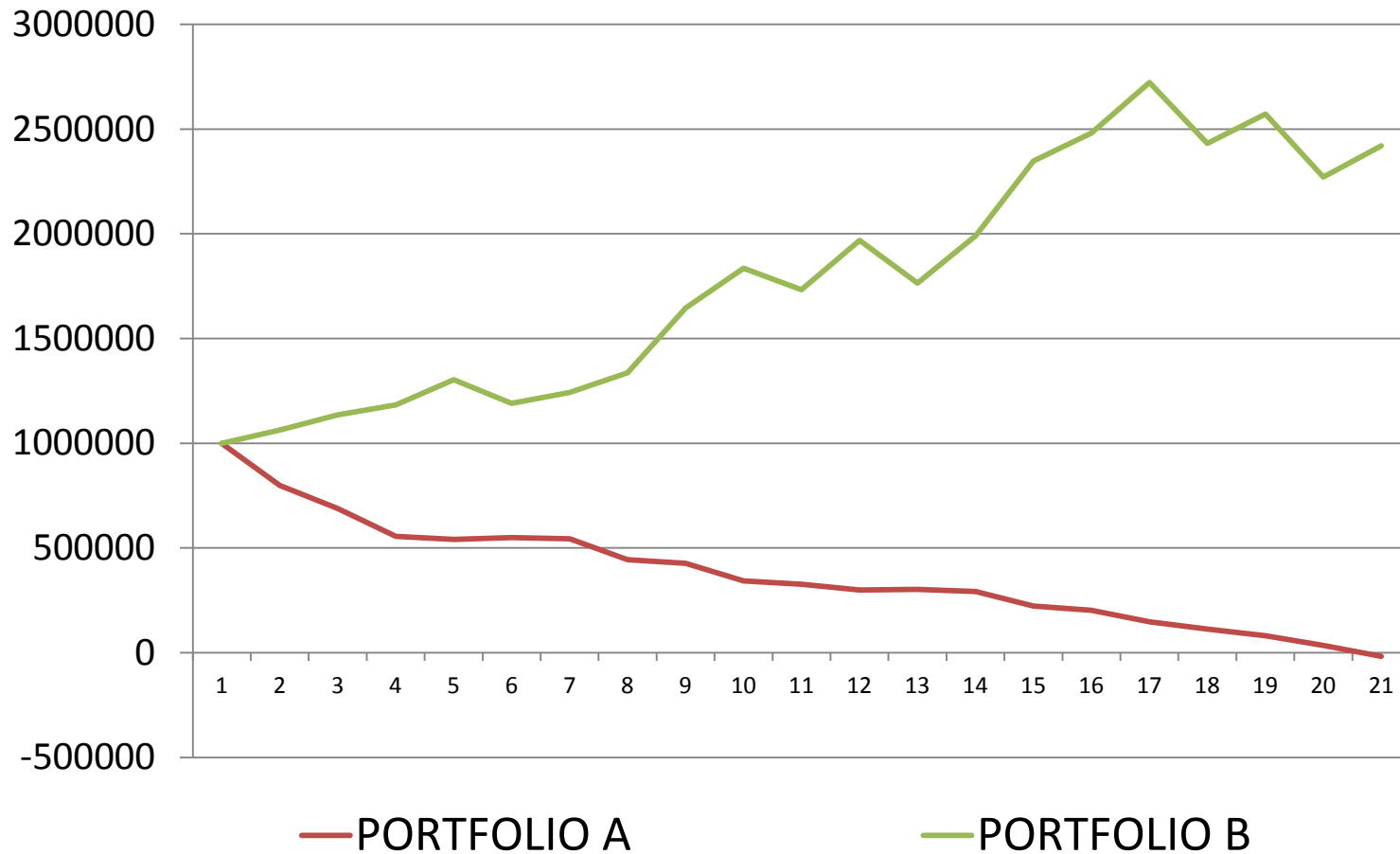
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Hypothetical Example:	PORTFOLIO A		PORTFOLIO B	
Year	Return	Balance	Return	Balance
0		\$1,000,000		\$1,000,000
1	-16%	\$798,000	12%	\$1,064,000.00
2	-8%	\$688,160	12%	\$1,135,680.00
3	-13%	\$555,199	9%	\$1,183,391.20
4	7%	\$540,563	15%	\$1,303,399.88
5	12%	\$549,431	-5%	\$1,190,729.89
6	9%	\$544,379	9%	\$1,243,395.58
7	-10%	\$444,942	12%	\$1,336,603.04
8	8%	\$426,537	28%	\$1,646,851.90
9	-9%	\$342,649	15%	\$1,836,379.68
10	12%	\$327,766	-3%	\$1,732,788.29
11	8%	\$299,988	17%	\$1,968,862.30
12	21%	\$302,485	-8%	\$1,765,353.32
13	16%	\$292,883	16%	\$1,989,809.85
14	-8%	\$223,452	21%	\$2,347,169.92
15	17%	\$202,939	8%	\$2,480,943.51
16	-3%	\$148,351	12%	\$2,722,656.73
17	15%	\$113,103	-9%	\$2,432,117.62
18	28%	\$80,772	8%	\$2,572,687.03
19	12%	\$34,465	-10%	\$2,270,418.33
20	9%	(\$16,933)	9%	\$2,420,255.98
21	-5%	(\$63,586)	12%	\$2,654,686.70
22	15%	(\$130,624)	7%	\$2,787,014.77
23	9%	(\$196,881)	-13%	\$2,381,202.85
24	12%	(\$276,506)	-8%	\$2,144,706.62
25	12%	(\$365,687)	-16%	\$1,759,553.56
Arithmetic Mean	6.0%		6.0%	
Standard Deviation	11.6%		11.6%	

## Sequence of Returns Risk

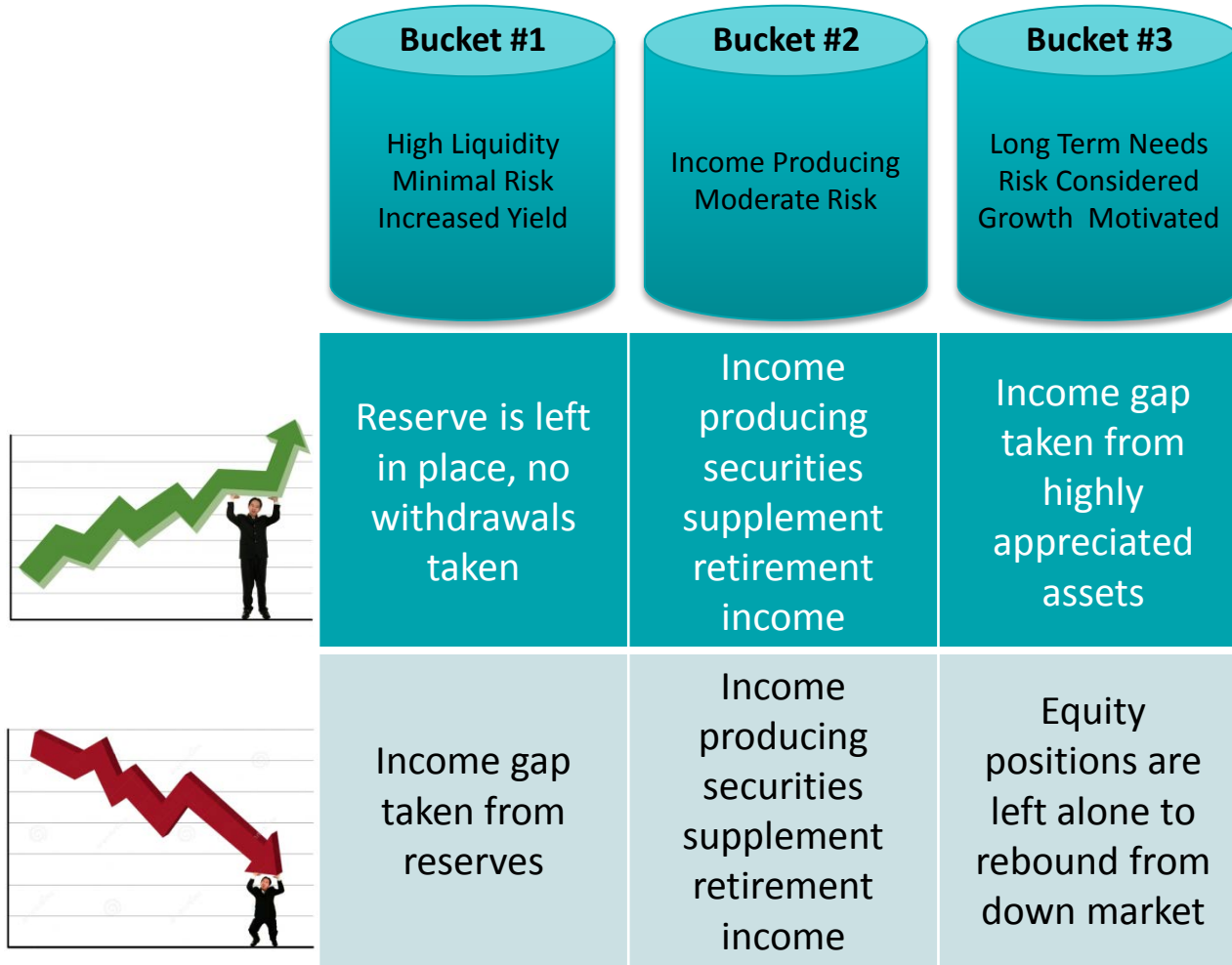
Sequence of returns risk revolves around the timing (or sequence) of a series of adverse investment returns. In this example, two portfolios each begin with \$1,000,000. Each aims to withdraw \$50,000 per year. Each experiences exactly the same returns over a 20-year period—only in inverse order—or “sequence.”

# Compare early negative returns versus late negative returns on a hypothetical retirement portfolio



# The Bucket Strategy:

## AAFCPAs Wealth Management's Retirement Protection & Spending Strategy



# Questions & Comments



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