




CHARTING THE COURSE



Special Series of Briefs About Beacon's Client Services

Beacon's Financial Goal Plan (FGP) Forecasting Model What does FGP Simulate for our Clients?


BEACON'S Financial Goal Plan (FGP) simulation uses a Monte Carlo model that simulates 10,000 plausible paths of return for each asset class and for inflation and produces a probability distribution of outcomes. The simulation does not draw randomly from a set of historical returns to produce estimates for the future. Instead, the forecasts (1) are based on the building blocks of asset returns, such as inflation, yields, yield spreads, company earnings and stock price multiples; (2) incorporate the linkages (e.g. correlations etc.) that exist among the returns of various asset classes; (3) take into account market conditions at the beginning of the analysis; and (4) factor in a reasonable degree of randomness and unpredictability.



BEACON Financial Advisors Ltd.
Fee-Only Financial Planners & Investment Managers

Probability of Success:

Play Zone®




93%

Above Confidence Zone

\$4,502,000

[Details](#)

Recommended Scenario



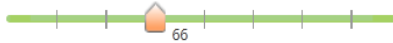











93%

Above Confidence Zone

\$4,502,000

[Details](#)

Total Spending: ?

	Select an Action	Select Comparison
<p>Goal(s)</p> <p>John - Retirement Age </p> <p>Needs</p> <ul style="list-style-type: none"> Health Care OOP - John  7,000 Health Care OOP - Lauren  7,000 Real Estate Taxes  9,000 Retirement - Living Expense  108,000 Car for at Home  40,000 Truck/Camper for Travel  40,000 Home Improvement / Maintenance  10,000 Post-Retirement Trip  15,000 <p>Wants</p> <ul style="list-style-type: none"> Travel  5,000 Utility Tractor  7,500 <p>Extra Savings  0</p>	<p>66</p> <p>\$ 7,000</p> <p>\$ 7,000</p> <p>\$ 9,000</p> <p>\$ 108,000</p> <p>\$ 40,000</p> <p>\$ 40,000</p> <p>\$ 10,000</p> <p>\$ 15,000</p> <p>\$ 5,000</p> <p>\$ 7,500</p> <p>\$ 0</p>	<p>66</p> <p>\$7,000</p> <p>\$7,000</p> <p>\$9,000</p> <p>\$108,000</p> <p>\$40,000</p> <p>\$40,000</p> <p>\$10,000</p> <p>\$15,000</p> <p>\$5,000</p> <p>\$7,500</p> <p>\$0</p>
<p>Portfolio(s)</p> <p>Before Retirement <input type="text" value="Total Return I"/></p> <p>After Retirement <input type="text" value="Balanced I"/></p>	<p>Total Return I : 6.97%</p> <p>Balanced I : 6.29%</p>	<p>Total Return I : 6.97%</p> <p>Balanced I : 6.29%</p>