Balancing Cash Flow for Retirees
Comparing 3EDGE Conservative vs Bonds

3EDGE ASSET MANAGEMENT

As clients enter retirement, the investment objective shifts from accumulation to **delivering reliable cash flow while preserving capital**. With over 10,000 Americans reaching retirement age every day, advisors are increasingly tasked with building portfolios that can sustain income over multi-decade horizons—often in less predictable market conditions. In the distribution phase, outcomes are driven not just by return levels, but by the **path of returns**. Steep drawdowns paired with withdrawals can significantly impair a portfolio's ability to recover, increasing the risk of falling short of long-term income needs.

This reality challenges a traditional reliance on bond-heavy allocations. While bonds remain an important stabilizer, their return profile alone may be insufficient to meet both **income demands and longevity needs**, particularly amid evolving rate and inflation dynamics.

The 3EDGE Conservative Strategy is designed with these realities in mind.
Through an active, tactical investment process, the strategy dynamically allocates across a broad set of asset classes—seeking to balance risk management with return opportunity. The objective is to help advisors deliver more consistent outcomes for clients, supporting **ongoing cash flow needs while maintaining the potential for long-term portfolio resilience** across market cycles. The analysis that follows compares this approach with a bond-only portfolio, highlighting the implications for sustainable retirement income.

Seeking Smoother Return Paths for Sustainable Retirement Income*

Distribution Phase of a $1 Million Hypothetical Retirement Portfolio		3EDGE Conservative		S&P U.S. Aggregate Bond Index	
	Annual Withdrawal	Net Return	Ending Principal	Net Return	Ending Principal
2016	$50,000	4.0%	$990,491	2.3%	$973,255
2017	$51,000	6.6%	$1,005,291	3.3%	$954,368
2018	$52,020	-1.9%	$933,889	0.1%	$903,098
2019	$53,060	5.3%	$930,499	8.2%	$923,906
2020	$54,122	9.2%	$962,390	7.4%	$937,794
2021	$55,204	3.5%	$940,422	-1.4%	$869,475
2022	$56,308	-3.7%	$849,695	-12.0%	$708,589
2023	$57,434	5.4%	$837,726	5.8%	$692,029
2024	$58,583	4.3%	$815,520	1.8%	$646,019
2025	$59,755	11.1%	$845,897	7.1%	$631,923

Periods of declines can have a significant impact on the principal.

The table above illustrates a systematic retirement withdrawal program, comparing the 3EDGE Conservative Strategy versus the S&P US Aggregate Bond Index. It assumes an account starting with $1,000,000 with a $50,000 withdrawal in the first year and a 2% annual increase in withdrawals thereafter.

As the table shows, the 3EDGE Conservative Strategy ends with **~34% more remaining capital** than the S&P U.S. Aggregate Bond Index after an identical withdrawal schedule. Through a dynamic, multi-asset framework, 3EDGE seeks to provide more resilience and reduce portfolio drawdowns versus the all-bond portfolio which faces a higher risk of depleting the nest egg in this scenario.

*See Disclosures for additional information.

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About 3EDGE

3EDGE Asset Management is a multi-asset investment management firm serving institutional investors, the advisor marketplace and private clients. 3EDGE strategies act as tactical diversifiers, seeking to generate consistent, long-term investment returns, regardless of market conditions, while seeking to manage downside risks.

The primary investment vehicles utilized in portfolio construction are exchange traded vehicles. The investment research process is driven by the firm's proprietary global capital markets model. The model is tested over a wide variety of economic and market conditions and translates decades of research and investment experience into a system of causal rules and algorithms to describe global capital market behavior. 3EDGE offers a full suite of solutions that seek to meet investors' different objectives. Of course, investing involves risks and the potential loss of your investment.