

Risk alignment stress test

What would a stated market decline mean in dollars?

Who this applies to

One uniform hypothetical market decline; no allocation or suitability score.

Why this matters

Expressing a selected decline in dollars helps frame a discussion about exposure and spending needs.

Does this illustration fit the question?

Fictional responses: 3 of 3 Yes. This is a scope check, not an eligibility or suitability finding.

1. Are you exploring a stress scenario rather than seeking an allocation recommendation?	Yes - example
2. Can you identify the unleveraged investment amount exposed?	Yes - example
3. Can you choose a decline scenario and distinguish it from a prediction?	Yes - example

Simple decision path

All answers Yes and inputs confirmed -> Run the limited illustration; review assumptions before interpreting it.

Any answer No -> Pause this illustration. Bring account holdings, near-term cash needs and the assumptions behind your chosen decline.

Any answer Unknown or a missing number -> Keep the item unknown; gather the relevant records. Do not replace an unknown with zero.

Fictional inputs used

Exposed investment amount	\$500,000
Assumed decline	20.00%
Monthly spending (0 omits comparison)	\$5,000

Educational & illustrative purposes only.
Not tax, legal or investment advice.

YOUR ILLUSTRATION / FICTIONAL EXAMPLE

The numbers and what they could mean

Illustrated loss	\$100,000
Remaining value	\$400,000
Loss expressed as months of spending	20



This shows the dollar impact of the decline you selected, not its likelihood or a recommended investment mix.

Assumptions and boundaries

- All prefilled figures are fictional examples, not client facts.
- All exposed investments experience the same decline at the same time.
- Spending is used only as a scale comparison, not a withdrawal plan.
- No correlations, borrowing, taxes, liquidity restrictions or recovery timing are modeled.
- A stress result does not establish what you should buy or sell.
- No expected recovery date is calculated.
- Spending-equivalent months describe scale only.

Your next step

Bring account holdings, near-term cash needs and the assumptions behind your chosen decline.

Review these results as part of a comprehensive review with a CEPA-credentialed, Q4-trained financial advisor, coordinating with relevant investment and retirement-income specialists.

Figures are rounded for display only. All calculations use the unchanged original engine. Every input and response in this report is fictional.

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