

How to Calculate Snider Method Withdrawals

Because cash flow is one of the primary objectives of the Snider Investment Method®, most Snider Method investors take withdrawals for their accounts. Snider Advisors has created general guidelines to calculate withdrawals, which are outlined below.

Our withdrawal recommendations are based on account size. The maximum withdrawal we recommend for any portfolio is 10 percent. But keep in mind, not all portfolios will be able to support a 10 percent withdrawal rate. If you would like more personalized help, please call us. We are happy to help you determine an appropriate withdrawal rate for your portfolio.

WITHDRAWAL CALCULATIONS

If your Snider Method Stake is \$25,000 - \$100,000:

We assume the objective of accounts of this size is growth and that profit will be reinvested. We do not recommend taking regular monthly withdrawals. However, you can take the income as *positions close*.

If your Snider Method Stake is \$100,000 - \$200,000:

In accounts of this size, you can take monthly withdrawals. But you should have other sources of income to be able tolerate fluctuations in your income.

We recommend you withdrawal a max of 80% of your current monthly yield. This will leave 20% of income for future growth.

The following table will help you calculate your monthly withdrawal:

WITHDRAWAL CALCULATION STAKE \$100,000 - \$200,000				
CURRENT MONTHLY YIELD				MONTHLY WITHDRAWAL
	Times	80%	Equals	

If your Snider Method Stake is greater than \$200,000:

Typically, accounts of this size have had more consistent performance, which allows for consistent monthly withdrawals to be set up. Here are the guidelines for withdrawals in accounts \$200,000 and greater:

- In the first six months we recommend withholding 80% of your current monthly yield until a performance track record can be established.
- After six months you can set up a consistent withdrawal.
- We recommend 80% of the account's average monthly yield. We always recommend leaving at least 20% of income in the account for future growth.
- Every six months you will recalculate your new withdrawal amount.

The following calculation will help you determine your monthly withdrawal for the **first six months** in accounts greater than \$200,000:

FIRST SIX MONTHS WITHDRAWAL CALCULATION STAKE GREATER THAN \$200,000				
CURRENT MONTHLY YIELD				MONTHLY WITHDRAWAL
	Times	80%	Equals	

The following calculation will help you determine your monthly withdrawal **after the first six months** in accounts greater than \$200,000:

WITHDRAWAL CALCULATION STAKE GREATER THAN \$200,000				
TOTAL YIELD OF PREVIOUS 6 MONTHS				AVERAGE OF CURRENT MONTHLY YIELDS
	Divided by	6	Equals	

AVERAGE OF CURRENT MONTHLY YIELDS				WITHDRAWAL AMOUNT
	Times	80%	Equals	

WITHDRAWAL RULES FOR CHANGE IN STAKE

If you add additional funds or take a large distribution from your account, we recommend recalculating your withdrawal amount from the beginning. Any change in Stake greater than 10% will force new calculations.

WITHDRAWAL RATES SUMMARY

ACCOUNT SIZE	WITHDRAWAL RULES
\$25,000 - \$100,000	<ul style="list-style-type: none"> • Take the income as positions close
\$100,000 - \$200,000	<ul style="list-style-type: none"> • 80% of your current monthly yield
Accounts greater than \$200,000	<ul style="list-style-type: none"> • Set your distribution at 80% of your average monthly yield • Recalculate withdrawal amount every six months. • Recalculate withdrawal amount if Stake changes 10% or more.

Excessive Withdrawal Warning: Annual withdrawal rates should not exceed 10%. Aggressive withdrawals will harm your account's long-term income generation capabilities.

WITHDRAWAL EXAMPLE 1

This example covers accounts with a Stake of \$100,000 - \$200,000 and the first six months in accounts with a Stake greater than \$200,000.

MONTH	MONTHLY CURRENT YIELD				MONTHLY WITHDRAWAL
Jan. 2020	\$1,850	x	80%	=	\$1,480
Feb. 2020	\$1,923	x	80%	=	\$1,538
Mar. 2020	\$2,020	x	80%	=	\$1,616
Apr. 2020	\$2,444	x	80%	=	\$1,955
May 2020	\$1,765	x	80%	=	\$1,412
Jun. 2020	\$1,998	x	80%	=	\$1,598
TOTAL:	\$12,000				

WITHDRAWAL EXAMPLE 2

This example covers accounts with a Stake greater than \$200,000, after you've passed the six-month mark.

WITHDRAWAL CALCULATION STAKE \$200,000 AND GREATER				
TOTAL YIELD OF PREVIOUS 6 MONTHS				AVERAGE OF CURRENT MONTHLY YIELDS
\$12,000	Divided by	6	Equals	\$2,000

AVERAGE OF CURRENT MONTHLY YIELDS				WITHDRAWAL AMOUNT
\$2,000	Times	80%	Equals	\$1,600

THE FINE PRINT

The intent of this document is to help expand your financial education. Although the information included may be relevant to your particular situation, it is not meant to be personalized advice. When it comes to investing, insurance, and financial planning, it is important to speak to a professional and get advice that is tailored to your unique, individual situation. All investments involve risk including possible loss of principal. Investment objectives, risks, and other information are contained in the [Snider Investment Method Owner's Manual](#); read and consider them carefully before investing. More information can be found on our [website](#) or by calling 1-888-6SNIDER. Past performance is not indicative of future results.

Options involve risks and are not suitable for all investors. Before opening an option position, a person must receive a copy of Characteristics and Risks of Standardized Options. Copies of this document are available by calling 888-6SNIDER. Please read it carefully before investing.

If you have any questions, please contact Snider Advisors
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