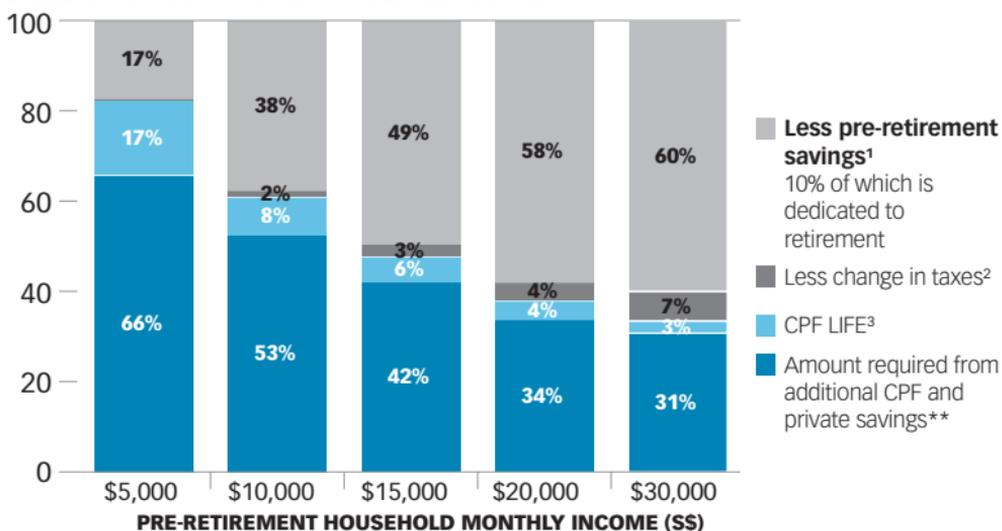


Planning for post-retirement

Income replacement rate methodology

BASED ON GROSS* MONTHLY HOUSEHOLD INCOME



Note: CPF Life: This is an estimate of the annuity payment from CPF based on the Basic Retirement Sum of S\$85,000 in 2018

*Gross monthly household income includes employer CPF contributions.

¹Based on average spending observed in Singapore households at these income levels.

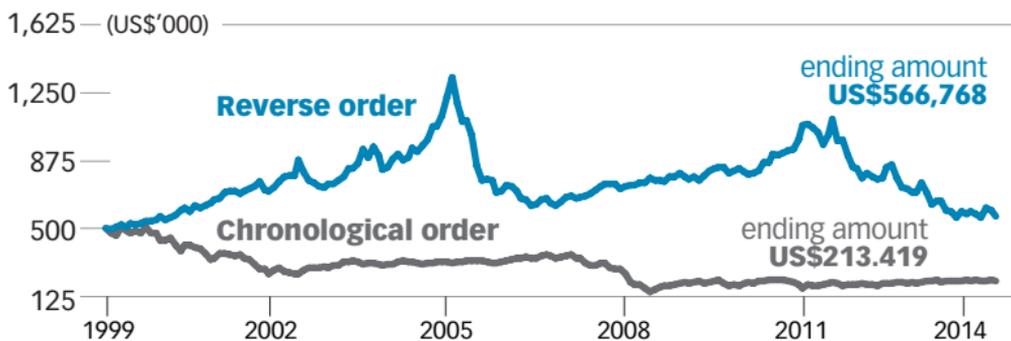
² Change in taxes assumes 90% reduction of average pre-retirement individual income tax for two taxpayers per household (based on Inland Revenue Authority of Singapore statistics, employment income is approximately 93% of individual chargeable income subject to tax).

³ CPF LIFE assumes Basic Retirement Sum (BRS) Escalating Payout Plan for two CPF member recipients per household (approximately SGD 400 per month per recipient).

** Amount required from additional CPF and private savings can include additional amounts from Full/Enhanced Retirement Sum, Ordinary and Special Accounts, and Medisave Account for healthcare

Source: Source: CPF, Iras, SingStat, JPAM

Impact of sequence of returns



Note: Reverse Order annualised return: 5.5%. Chronological Order annualised return: 1.5%. Based on a hypothetical initial investment of US\$500,000 in the S&P 500, with monthly withdrawals totalling US\$20,000 (4%), increasing 3% each year to account for inflation. The unmanaged S&P 500 is with dividends reinvested

Source: Capital Group