

## David Tan (Aged 59)

## RETIREMENT INCOME OBJECTIVES

- Enjoy S\$10,000 per mth for first 5 years  
Reduce to S\$8,000 per mth next 10 years  
Finally to S\$6,000 per mth till age 83
- Inflation adjustment: 3%
- Income duration for 25 years
- Residual of draw-down assets of S\$1,000,000 (at end of 25th year)

## RISK PROFILE

- 'Moderate' risk tolerance#
- Safe retirement income floor: 40-50% (SRIF)

## RETIREMENT ASSETS

## 1 Draw-down assets

Cash	\$900,000
Shares	\$300,000
Managed investments	\$400,000
	<b>S\$1,600,000</b>

## 2 Income-paying assets

CPF Life: payout S\$1,000 per mth from age 65
Rental income: S\$2,000 per mth, 2% pa growth

## 3 Transfer-in assets

Insurance maturity (2019)	\$100,000
Insurance maturity (2023)	\$100,000
	<b>S\$200,000</b>

# A retiree risk profile is measured by his safe retirement income floor (SRIF) requirement. A SRIF of 50% means on average, a retiree requires 50% of his income requirement to be certain. The higher the SRIF, the more conservative the retiree is.

## Accumulation and withdrawal phases

	INCOME BUCKET	BUCKET 1	BUCKET 2	BUCKET 3	BUCKET 4	BUCKET 5	BUCKET 6	TOTAL
Bucket's purpose	Gives SRIF for life	Money needed for immediate drawdown for 5 years	Money needed in 5 years' time	Money needed in 10 years' time	Money needed in 15 years' time	Money needed in 20 years' time	Money for legacy or to hedge against longevity	
Allocation (\$\$)	340K	329K	184K	220K	104K	95K	207K	<b>\$1.479m</b>
Allocation (%)	23	22.3	12.4	14.9	7	6.4	14	<b>100</b>
Portfolio's expected returns (%pa)	S\$340K used to buy immediate annuity	1.5	3.5	5.5	6.5	6.5	6.5	
Years invested			5	10	15	20	25	

## How RetireWell works

