

David Tan (Aged 59)

RETIREMENT INCOME OBJECTIVES

- 1 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
- 2 Inflation adjustment: 3%
- 3 Income duration for 25 years
- 4 Residual of draw-down assets of S\$1,000,000 (at end of 25th year)

RISK PROFILE

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

RETIREMENT ASSETS

- 1 **Draw-down assets**
  - Cash \$900,000
  - Shares \$300,000
  - Managed investments \$400,000
  - S\$1,600,000**
- 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
  - S\$200,000**

# 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	\$1.479m
Allocation (%)	23	22.3	12.4	14.9	7	6.4	14	100
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

