

Sequence of returns risk

Accumulation phase (initial capital S\$200,000; monthly saving S\$2,000)

MR. TAN'S PORTFOLIO				MR. LEE'S PORTFOLIO			
AGE	RETURNS (%)	REGULAR SAVINGS PLAN (S\$) (YEARLY)	ENDING PORTFOLIO VALUE (S\$)	AGE	RETURNS (%)	REGULAR SAVINGS PLAN (S\$) (YEARLY)	ENDING PORTFOLIO VALUE (S\$)
41	-35.20	24,000	153,600	41	25.31	24,000	274,611
42	-26.34	24,000	137,137	42	21.16	24,000	356,721
43	-13.46	24,000	142,678	43	33.29	24,000	499,477
44	10.24	24,000	181,286	44	12.78	24,000	587,322
45	12.57	24,000	228,067	45	4.87	24,000	639,944
61	4.87	24,000	1,360,138	61	12.57	24,000	2,650,055
62	12.78	24,000	1,557,996	62	10.24	24,000	2,945,367
63	33.29	24,000	2,100,669	63	-13.46	24,000	2,572,915
64	21.16	24,000	2,569,186	64	-26.34	24,000	1,919,138
65	25.31	24,000	3,243,331	65	-35.20	24,000	1,267,598
Annualised return	5.00%	Total accumulated	S\$3,243,331	Annualised return	5.00%	Total accumulated	S\$1,267,598

Retirement phase (fixed withdrawal of S\$97,300 pa; adjusted for 2% inflation)

MR. TAN'S PORTFOLIO			MR. LEE'S PORTFOLIO		
AGE	RETURNS (%)	REMAINING PORTFOLIO VALUE (S\$)	AGE	RETURNS (%)	REMAINING PORTFOLIO VALUE (S\$)
65		3,243,331	65		1,267,598
66	-35.20	2,004,373	66	25.31	1,491,069
67	-26.34	1,377,119	67	21.16	1,707,345
68	-13.46	1,090,525	68	33.29	2,174,506
69	10.24	1,098,918	69	12.78	2,349,205
70	12.57	1,131,692	70	4.87	2,358,370
85	18.56	0	85	5.27	3,648,415
86	4.87	0	86	12.57	3,962,309
87	12.78	0	87	10.24	4,220,494
88	33.29	0	88	-13.46	3,501,983
89	21.16	0	89	-26.34	2,426,032
90	25.31	0	90	-35.20	1,415,563

Note: Intervening years age 46-60 in Table 1 and 71-84 in Table 2 are collapsed due to space constraints