

The RetireWell bucket approach

	Income bucket	Bucket 1	Bucket 2	Bucket 3	Bucket 4	Bucket 5	Bucket 6	Total
		Needed: immediate 5 years	Invested: 5 years	Invested: 10 years	Invested: 15 years	Invested: 20 years	Invested: 25 years	
Portfolio returns p.a.	CPF Life	1.5%	4%	5%	5.5%	6%	6.5%	
Allocated amount		\$394,539	\$411,957	\$383,615	\$344,113	\$291,354	\$207,138	\$2,032,716

NOTE: The RetireWell model allocates the Pngs' accumulated nest egg at age 65 into several retirement income "buckets" with different growth potential and across different time horizons. As each bucket nears the end of its investment horizon, the proceeds are transferred to bucket 1 (cash or near cash assets) for withdrawal. It allows the Pngs to have a "safety" retirement income floor of at least \$3,612 per month and total retirement income of \$10,837 per month, hedges against longevity risk and leaves a legacy.

Source: PROVIDEND
SUNDAY TIMES GRAPHICS