Financial Independence: Fundamentals for the Individual

|WINGS MoneyAct

- 1. Introduction
- 2. First Things First
- 3. Balance Sheet

- 4. Budgeting Basics
- 5. Life Stage Planning

- 6. Insurance Review
- 7. Investing 101

- 8. Writing My Will
- 9. Advance Medical Directive
- 10. Lasting power of Attorney

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High Impact

Wills

Budgeting

Moderate Impact

Bonding & Empowerment

Insurance

Low Impact

Investments

AMD & LPA

Balance Sheet

Budgeting: High Impact

Do budgeting/personal expense tracking after the program



85-90% continued to track personal expenses across MT & LT



100% saw need to keep track of expenses after program across ST, MT & LT

- Many participants had already been tracking expenses before the program (~58%)
- Some said they did not use WINGS' method to budget

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Insurance: Moderate Impact

Dropping of nonbeneficial insurance policies



Some participants dropped their non-beneficial policies. 35% across MT & LT

Reasons for low action:

Acquisition of new insurance policies



Mid-term: Few (14%)

insurance coverage

Sufficient

Old age

+

Long-term: Many (40%)

Possible time lag as time is needed to take action

Investment: Lower Impact

Development of investment strategy



Moderately low (29% across MT & LT)

Implementation of strategies/Improvem ent of existing strategies



Very low (6% across MT & LT)

Other benefits:

- Learnt not to invest in stocks that people recommended to be good
- Greater interest in and diligence in managing my financials

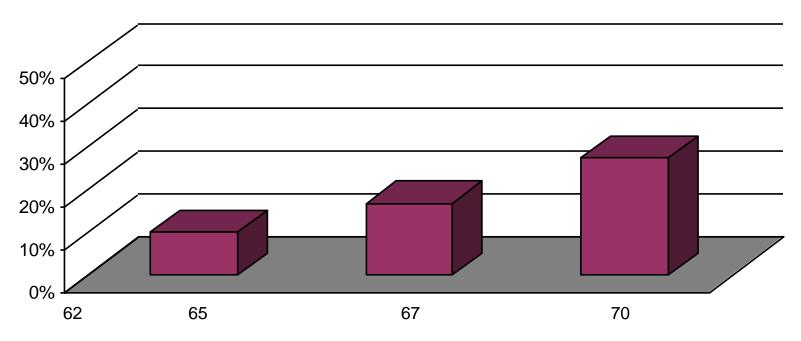
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|Building retirement assets

- When should I stop working?
- How should I manage withdrawals from my savings?
- How can my savings sustain withdrawals?

|Working Longer...

Effect on savings from working beyond 62



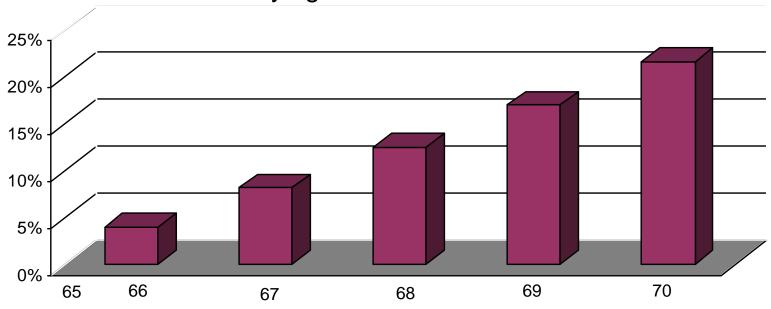
Assumes: Savings of S\$155,000 at 62;

Saves 20% of monthly income of \$1,500 per month;

Savings earns 1% per annum.

|Managing Withdrawals...

Effect of delaying withdrawals between 65 - 70



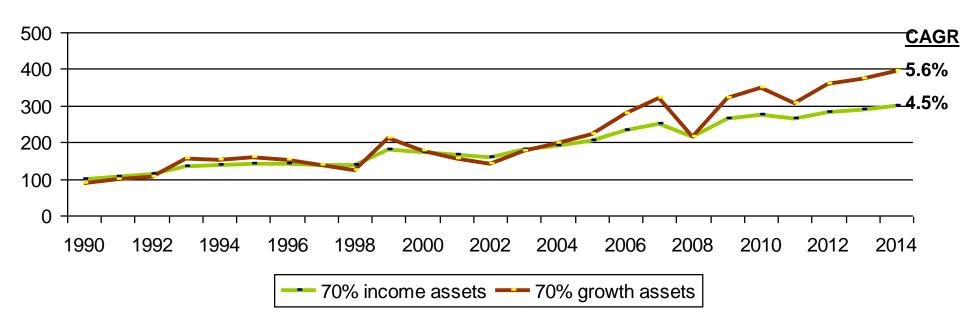
Assumes: Achieves savings of \$155,000 at 55;

Begins withdrawal at 65 of \$1,000 per month;

Withdraws lasts for 20 years Savings earns 4% per year

Sustaining savings...

Effect of asset distribution on withdrawals



Assumes: Portfolio is distributed between income and growth assets;

Returns from income assets are from 5-year Singapore government bonds;

Returns from growth assets are form a basket of Singapore stocks.

Key decisions

- When should I stop working?
- How should I manage withdrawals from my savings?
- How can my savings sustain withdrawals?

Thank you for your attendance