A: Where You Are Now

Name		
August Lee		
Age		
45 Years Old		
Dependents		
Name	Age	Relationship
May	12	Child
June	9	Child

Your Financial Health Report

Like a physical health screening, a financial health check highlights potential issues that need your attention. You must be financially healthy before you can run the marathon of growing your wealth. Your MoneyOwl Client Adviser will discuss the ratios we have calculated below with you.

Emergency Fund

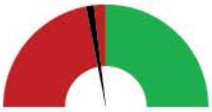
Healthy

> Your cash savings can last you up to
> **10.8 months**

An emergency fund helps meet daily living expenses if you lose your income or pays for special expenses you may unexpectedly face. We recommend an emergency fund of 6 - 12 months of your expenses. Less than 6 months may put you at risk of not being able to handle an unexpected situation, but more than 12 months may mean that you are not making your money work hard enough.

Savings Ratio

Unhealthy



> Your savings from your total income is
> **13.6%**

This ratio tells you how much of your income you are saving. The higher this ratio, the greater your ability to meet your long-term goals. We recommend saving at least 15% of your income.

Total Debt Servicing Ratio

Healthy

> Your total debt servicing ratio is
> **32.4%**

This ratio tells you how much of your total income you are using to service all your loans. The higher this ratio, the less you have for daily living and savings. We recommend keeping this below 40%.

Non-Mortgage Debt Servicing Ratio

Healthy

> Your non-mortgage debt servicing ratio is
> **0.0%**

This ratio tells you how much of your take-home income you are using to service loans other than mortgages. These debts are usually used to finance non-essential spending. We recommend keeping this below 15%.

Debt-to-Asset Ratio

Unhealthy

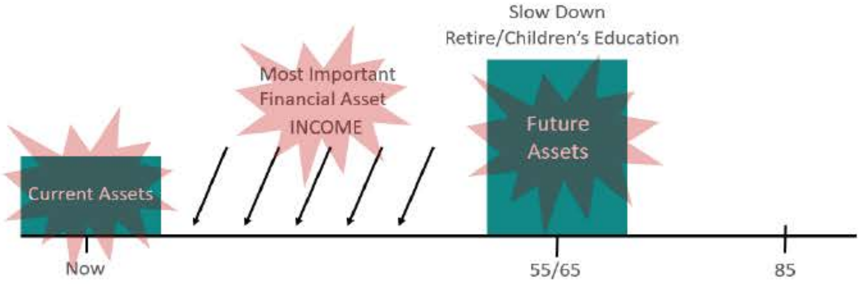
> Your debt-to-asset ratio is
> **57.6%**

This ratio tells you how much of your assets are funded by debt. The higher this ratio, the greater your risk of becoming insolvent in an economic downturn. We recommend keeping this below 50%.

B: Where You Want To Be

Risk-Proofing Your Journey

You know where you are now and where you want to be in the future. However, unfortunate events like death, disability and medical crises can cause your plan to fail.



Having the right insurance to replace your income in case you cannot work and to pick up large medical bills is essential. This helps you and/or your family to get life back to as normal as possible, as soon as possible.

Your Current Insurance Coverage

This is a summary of your current coverage versus what you need.

In the Event of Death

78% covered

If You Are Unable To Work Due to Disability

61% covered

If You Are Hospitalised

Well Covered

If You Suffer From A Major Illness

100% covered

If You Require Long Term Care

33% covered

Your Risk Proofing Analysis

In this section, we analyse your insurance needs and gaps.

In the Event of Death

Life insurance pays a benefit upon death. This helps your dependants avoid financial hardship by replacing the income you would have earned.

To provide for this, your assets (other than your residential home) that can monetised together with your life insurance coverage should be sufficient for your dependants' living expenses until they no longer need your support*, your children's university education expenses (if applicable) and all outstanding loans. Some people might also consider planning for their spouse's retirement if they are no longer around.

Your life insurance plan should cover you for as long as you have an income to replace and dependants to support. That is why for most people, term insurance that covers you up to your retirement age would suffice.

* We calculate the number of dependency years from now until your youngest dependant starts working. If you have adult dependants, the duration of financial support is from now until they are 85 years old (average life expectancy).

Required Life Protection Coverage:	$2,038,000
This is made up of:	
Living Expenses for dependants for 14 years	$1,218,000
Children's Education Needs	$247,000
Outstanding Loans	$960,000
Less: Total Assets excl. residential property	$ (387,000)

Current Life Protection Coverage (incl Home Protection & Dependants Protection Scheme, if applicable)	Additional Life Protection Needed
$1,596,000	$442,000

Make a will to simplify your estate
In addition to providing for your loved ones, leaving behind clear instructions on your estate will ensure a smoother transition and more timely distribution. It will also make the cost of probate less costly.

As a MoneyOwl client using our Comprehensive Financial Planning Service, you can use our online Will Writing service to draft a will that covers your assets in Singapore for free. To validate the will you have drafted, you will need to print out the completed will and sign it together with two witnesses in the presence of one another.

D: What You May Have

University For Your Kids - What You May Have

One of the most precious gifts parents can give their children is a good education. Our approach is to fund university first and then retirement, on the basis that retirement can be deferred, whereas you may not be able to delay your child's education.

We use your available cash and cash savings, projected at a suitable investment return, to fund the first child going to university fully, before moving to the next child. You can customise your plan according to your priorities when you meet with your MoneyOwl Client Adviser.

Here's what you are likely to be able to provide based on your share of the education costs:

1. May's Education Cost in 7 Year's Time

Funded $58,000 Shortfall $0

Your share (50%) is fully funded.

2. June's Education Cost in 10 Year's Time

Funded $65,000 Shortfall $0

Your share (50%) is fully funded.

Education costs are based on the average tuition fees across the main universities in the selected country and are projected to increase at 4% p.a. for tuition fees and 3% p.a. for living expenses.

E: MoneyOwl CPF Analyser

MoneyOwl CPF Analyser

A common challenge faced in planning for retirement in Singapore is not being able to get an estimate of one's CPF LIFE payouts based on one's current contributions and withdrawals. Understandably, this is difficult given the multitude of rules that govern the CPF system.

To address this, we have developed our very own MoneyOwl CPF Analyser that incorporates the major rules of the CPF scheme. This includes, but is not limited to, variations in contribution rates according to age, rules on how basic and extra interest are earned on your CPF savings, CPF housing withdrawal limits and the setup of the Retirement Account at age 55. In addition, we use actuarial and statistical models to estimate your CPF LIFE payout, depending on your desired retirement age.

Please note that these numbers and years are estimates, meant to give you an idea of what you might have and the years during which you might hit certain important limits. They are approximations based on your inputs and our model's assumptions, and may vary from your actual experience.

Your CPF Balances Before 55 Years Old

Assuming that there are no changes in your current income or the deductions for mortgage payments and insurance premiums, and that CPF interest rates remain the same, here's how your CPF balances may look like just before you turn 55 years old.

$280,000

Current Combined CPF Balances

(OA: $20,000, SA: $205,000, MA:$55,000)

→

$649,400

Projected Combined CPF Balances @ age 55

(OA: $150,400, SA: $419,000, MA:$80,000)

Your projected CPF balances at age 55 are derived by adding your projected inflows from mandatory work contributions and CPF interest; and deducting your projected outflows such as mortgage repayment and insurance premiums.

When you turn 55, a retirement sum will be set aside in your Retirement Account, using savings from your Special and Ordinary Accounts. We have defaulted this to the Enhanced Retirement Sum (ERS) where applicable. This retirement sum will provide you with a stream of lifelong income from age 65 through CPF LIFE.

$363,000

Retirement Sum set aside in RA @ age 55

(BRS: $121,000, FRS: $242,000, ERS: $363,000)

→

$2,848

CPF LIFE Monthly Payout from age 65 under Standard Plan