THE CORE CONCEPT

What is life stage investing?

Lowering your portfolio's risk level as you age because of less time to recover from losses

Portfolio risk level

Growth — Higher risk, potentially higher return

Income — Lower risk, steady income

1 When you are younger

- Higher exposure to growth assets such as shares and diversified equity ETFs

If markets fall, you have decades to recover.

2 As retirement gets closer

- More exposure to income assets such as bonds and Singapore Savings Bonds

Less time means big losses may be harder to recover.

3 The logic at its core

A 30-year-old and a 65-year-old should not usually carry the same level of investment risk.

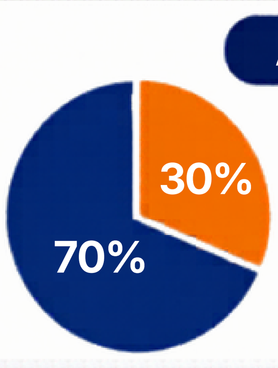
Life stage investing is about matching investment risk to time.

THE CLASSIC MODEL

The classic life stage model

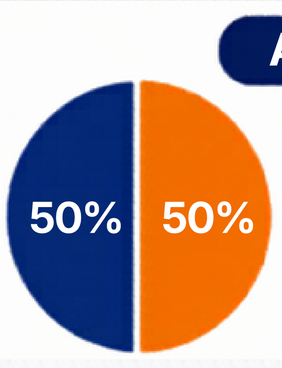
Equity allocation = 100 minus your age

Age 30



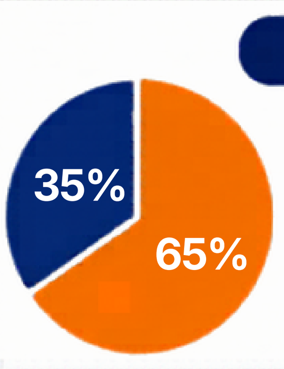
- 70% equities
- 30% bonds / cash

Age 50



- 50% equities
- 50% bonds / cash

Age 65



- 35% equities
- 65% bonds / cash

This is a simplified starting point, not a precise prescription.

Your right allocation also depends on:

- Income stability
- Cash and CPF savings
- Other assets
- Personal circumstances
- Risk appetite

HOW TO APPLY

Applying life stage investing in Singapore

Life stage investing can be automated, guided, or done by yourself

1 DIY rebalancing

Set a target allocation and rebalance once or twice a year

2 Robo-Advisors

Some use your age and retirement timeline to suggest and rebalance a portfolio

3 Target-date funds

Automatically adjust asset allocation as the target retirement year approaches.

Not yet widely available as retail products in Singapore.

Takeaway The method can differ. The principle is the same: adjust risk over time.

THE PERSONAL FIT

Age matters but is not the only factor

Life stage investing should reflect your age, income needs, CPF savings, and family situation.

Alternatives to a pure life stage approach

Risk-based allocation
Adjust based on your personal risk capacity, including income stability, liquidity needs

Income-based investing
Build a portfolio around dividends, bond coupons, and REITs for stable income stream

Goals-based allocation
Match each pool of savings to a specific goal, such as HDB purchase or children's education, and applying varying risk levels accordingly

CPF + Investment portfolio
Treat CPF savings and CPF LIFE as the conservative portion of your portfolio, while investing the rest separately

Practical life stage guide

1. **20s** — Start investing. Prioritise growth. Time is your greatest asset.
2. **30s–40s** — Stay growth-oriented, but hold more cash buffer as major commitments appear.
3. **50s** — Begin shifting toward lower-volatility assets. Start thinking about decumulation.
4. **60s** — Prioritise capital preservation and income generation.

KEY TAKEAWAYS + NEXT STEPS

Your next steps

Key takeaways

- Younger investors usually have more time to recover from downturns.
- Older investors usually need more stability and income.
- Age is only a starting point for determining your approach.
- CPF savings, income stability, family obligations, and risk tolerance matter too.

Watch out for below

- Do not treat the age-based rule as a prescription.
- Do not become too conservative too early.
- Do not treat life stage investing as a one-time decision.

What you can do

1. **Check your current allocation** — Calculate your equity-to-fixed income ratio.
2. **Check your CPF LIFE projection** — Estimate your guaranteed monthly income at retirement.
3. **Review your robo-advisor settings** — Confirm whether age-based rebalancing is available and correctly set.
4. **Review annually** — Set a reminder to review your asset allocation every year.

The goal is not to avoid risk.
The goal is to take the right risk for your stage of life.