How Investing Regularly Can Help You Hit a $1 Million Portfolio

By Dawn Cher, Founder of SG Budget Babe
6 March 2025

Disclosure: This post is brought to you in collaboration with Nikko Asset Management. All research and opinions are that of my own, and should not be taken as financial advice for your specific situation(s) as I know nothing about your individual financial circumstances, risk tolerance or investment objectives. I highly recommend that you use this as a starting point to understand more about the various ETFs offered by NikkoAM, and then click into the respective links above to retrieve the fund prospectus and performance so as to help you decide whether it fits into your investment objectives.

You may think having a $1M portfolio is a dream, but the truth is, this is more achievable than most people expect.

Similarly, when I first started investing, I did not imagine I'd arrive at 2025 with $1 million in my investment portfolio – but that's exactly how life panned out. By budgeting, growing my income and investing regularly, I managed to achieve a breakthrough that my younger self never imagined possible.

All that, while becoming pregnant twice and raising two young kids.

So even if you're busy juggling work and life – with no time to study or monitor the markets – I suggest that you can look into using passive investing strategies like dollar-cost averaging (DCA) or setting up a regular savings plan (RSP) to help you build your wealth.

The real secret to hitting $1 million

Most people think you need to be super smart or have exceptional investing skills in order to achieve a $1 million portfolio, but that's not necessary.

In the words of Warren Buffett, "The stock market is designed to transfer money from the Active to the Patient. Investing is not a game where the guy with the 160 IQ beats the guy with the 130 IQ."

In my opinion, the real secret to reaching the $1 million milestone is to stay invested (this requires discipline) and not let your emotions dictate your buy/sell decisions.

Consistency and discipline.

It is not about luck, or how well you can time the markets.

As long as you invest regularly, let compounding do its magic and stay clear of emotional trading, I trust that you'll eventually get there.

The earlier you start, the easier it is.

Focus on **earning more and investing passively**. Instead of trying to outsmart the market, let a simple strategy work for you while you focus on increasing your income.

Don't underestimate the power of investing regularly

Most people tend to invest during market highs and stay out when the markets are down. But I always believed that buying during times of greed and selling during times of fear is the wrong way to invest – you're literally buying high and selling low!

Certainly, not everyone has the time to pick stocks or analyse market trends. If you're focused on building your career, running a business, or raising a family, you might be tempted to put off investing for your future and let it take a backseat.

But what if I told you that you could still grow a million-dollar portfolio without spending hours on research?

Even if you do not have a lot of time to monitor the markets, using passive investing strategies can help you stay on track.

With **Dollar Cost Averaging (DCA)**, for instance, it takes the guesswork out of investing. You invest a fixed amount at regular intervals (e.g. monthly) regardless of market conditions. When prices are high, your investment buys you less shares or units. When prices fall, you get more for the same amount. This helps smoothen out market volatility and removes the stress of you trying to time the market.

Dollar Cost Averaging *- If an index ETF is trading near S$4.00 per unit, an investment of S$1,000 would buy 250 units for that month. However, if the price falls to S$2.00, the same S$1,000 would buy 500 units, whereas a gain to S$8.00 would see just 125 units bought with the same S$1,000. This approach sees the investor accumulate more units when prices are lower, helping investors to avoid the regret of poor timing decisions, stay disciplined and avoid overtrading market movements.*

An easy way to apply this strategy would be to set up a Regular Savings Plan (RSP). These are automated investment plans that you can create with almost any bank or brokerage in Singapore today, which then invests on your behalf into your selected ETFs, unit trusts, or blue-chip stocks each month.

At the start of last year, I taught a free beginners investing class to 300 of my readers and did an experiment where I set up a RSP on the spot for them to see how easy it could be. It took me 15 minutes and I specified a fixed amount to be withdrawn from my account to invest on my behalf every month.

The returns on my RSP has made me more than what a similar sum sitting in my high-yield savings bank account has gotten.

Not too bad for just 15 minutes of work and set-up.

The Path to $1 Million: How Much Should You Invest?

Here's a simple breakdown of how much you need to invest monthly to hit $1 million, assuming a 7% annual return (using a conservative historical average of the S&P 500):

Source: Author's own illustration. Purely for illustration purposes only. There can be no assurance the above returns can be achieved in your situation. Several factors including market downturns and your own actions can affect the outcome which can include a gain or loss in investments.

If you start in your 20s or 30s, hitting $1M before your retirement can be achievable – even if you start with a modest investment of just $500 each month.

When I first started investing, I was still earning a take-home pay of $2,000. But I still invested every month without fail. If I received any extra income or bonuses, it went into my investments. It didn't matter whether the markets were up or down – I invested through the 2016 oil crisis, the 2018 prolonged crypto winter, the 2020 COVID crash and especially during the 2022 tech meltdown.

After 10 years of investing diligently, I crossed the $1 million milestone last year in December.

RSPs: A Beginner Investor's Best Friend

Time is an investor's biggest ally. It is also possibly *the* biggest factor that will affect your wealth-building journey in the markets.

Most people really only have 4 decades to invest. Your 20s, 30s, 40s, and 50s. Every year that you decide to wait is another year gone where your money could have grown for you.

If you wait too long to invest, that is time that you will never be able to get back.

https://www.instagram.com/reel/DErc5LDznYP/

I started investing in my 20s and crossed the $1M milestone in my 30s. You can only imagine how my portfolio will look like in the next decade (psst, follow this blog and check back here to find out then!)

The good news is, you can decide to start investing your money and let compounding do the work for you, over time.

And even if you're too scared to pick individual stocks, then RSPs could very well be your best friend to help you invest without needing much effort from you every month – no need to screen or analyse individual stocks, and even if you're busy, your investments will still run on autopilot for you. However, like all investments, there are risk factors to be considered when investing in a certain sector or region. RSPs do not absolve one from the need to conduct the personal due diligence required before making any investment decisions. Dollar cost averaging into a bad investment doesn't make it a good investment.

As I've repeatedly preached over the last decade of running this blog, the biggest mistake you could make is to wait too long to start investing.

Even if you begin with just $100 or $200 a month, the key thing is to start so that your money gets put to work for you in the financial markets sooner rather than later.

For instance, if you prefer a balanced portfolio, you can check out the Nikko AM Singapore STI ETF and ABF Singapore Bond Index Fund for some ideas.

Or, if you're a fan of Real Estate Investment Trusts (REITs) for their dividends but don't know which REIT to pick, then the NikkoAM-StraitsTrading Asia ex Japan REIT ETF - which encompasses the top listed REITs in not only Singapore but also the rest of Asia ex Japan - could be a good place to start looking.

Important Information by Nikko Asset Management Asia Limited:

This document is purely for informational purposes only with no consideration given to the specific investment objective, financial situation and particular needs of any specific person. It should not be relied upon as financial advice. Any securities mentioned herein are for illustration purposes only and should not be construed as a recommendation for investment. **You should seek advice from a financial adviser before making any investment. In the event that you choose not to do so, you should consider whether the investment selected is suitable for you.** Investments in funds are not deposits in, obligations of, or guaranteed or insured by Nikko Asset Management Asia Limited ("Nikko AM Asia").

Past performance or any prediction, projection or forecast is not indicative of future performance. The Fund or any underlying fund may use or invest in financial derivative instruments. The value of units and income from them may fall or rise. **Investments in the Fund are subject to investment risks, including the possible loss of principal amount invested.** You should read the relevant prospectus (including the risk warnings) and product highlights sheet of the Fund, which are available and may be obtained from appointed distributors of Nikko AM Asia or our website (www.nikkoam.com.sg) before deciding whether to invest in the Fund.

The information contained herein may not be copied, reproduced or redistributed without the express consent of Nikko AM Asia. While reasonable care has been taken to ensure the accuracy of the information as at the date of publication, Nikko AM Asia does not give any warranty or representation, either express or implied, and expressly disclaims liability for any errors or omissions. Information may be subject to change without notice. Nikko AM Asia accepts no liability for any loss, indirect or consequential damages, arising from any use of or reliance on this document. This advertisement has not been reviewed by the Monetary Authority of Singapore.

The performance of the ETF's price on the Singapore Exchange Securities Trading Limited ("SGX-ST") may be different from the net asset value per unit of the ETF. The ETF may also be suspended or delisted from the SGX-ST. Listing of the units does not guarantee a liquid market for the units. Investors should note that the ETF differs from a typical unit trust and units may only be created or redeemed directly by a participating dealer in large creation or redemption units.

The Central Provident Fund ("CPF") Ordinary Account ("OA") interest rate is the legislated minimum 2.5% per annum, or the 3-month average of major local banks' interest rates, whichever is higher, reviewed quarterly. The interest rate for Special Account ("SA") is currently 4% per annum or the 12-month average yield of 10-year Singapore Government Securities plus 1%, whichever is higher, reviewed quarterly. Only monies in excess of $20,000 in OA and $40,000 in SA can be invested under the CPF Investment Scheme ("CPFIS"). Please refer to the website of the CPF Board for further information. Investors should note that the applicable interest rates for the CPF accounts and the terms of CPFIS may be varied by the CPF Board from time to time.

The units of Nikko AM Singapore STI ETF are not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE"), the London Stock Exchange Plc (the "Exchange"), The Financial Times Limited ("FT") SPH Data Services Pte Ltd ("SPH") or Singapore Press Holdings Ltd ("SGP") (collectively, the "Licensor Parties") and none of the Licensor Parties make any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the Straits Times Index ("Index") and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated by FTSE. None of the Licensor Parties shall be under any obligation to advise any person of any error therein. "FTSE®", "FT-SE®" are trade marks of the Exchange and the FT and are used by FTSE under license. "STI" and "Straits Times Index" are trade marks of SPH and are used by FTSE under licence. All intellectual property rights in the ST index vest in SPH and SGP.

The units of NikkoAM-StraitsTrading Asia ex Japan REIT ETF are not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE"), by the London Stock Exchange Group companies ("LSEG"), Euronext N.V. ("Euronext"), European Public Real Estate Association ("EPRA"), or the National Association of Real Estate Investment Trusts ("NAREIT") (together the "Licensor Parties") and none of the Licensor Parties make any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE EPRA/NAREIT Asia ex Japan Net Total Return REIT Index (the "Index") and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated by FTSE. However, none of the Licensor Parties shall be liable (whether in negligence or otherwise) to any person for any error in the Index and none of the Licensor Parties shall be under any obligation to advise any person of any error therein. "FTSE®" is a trade mark of LSEG, "NAREIT®" is a trade mark of the National Association of Real Estate Investment Trusts and "EPRA®" is a trade mark of EPRA and all are used by FTSE under licence."

Neither Markit, its Affiliates or any third party data provider makes any warranty, express or implied, as to the accuracy, completeness or timeliness of the data contained herewith nor as to the results to be obtained by recipients of the data. Neither Markit, its Affiliates nor any data provider shall in any way be liable to any recipient of the data for any inaccuracies, errors or omissions in the Markit data, regardless of cause, or for any damages (whether direct or indirect) resulting therefrom. Markit has no obligation to update, modify or amend the data or to otherwise notify a recipient thereof in the event that any matter stated herein changes or subsequently becomes inaccurate. Without limiting the foregoing, Markit, its Affiliates, or any third party data provider shall have no liability whatsoever to you, whether in contract (including under an indemnity), in tort (including negligence), under a warranty, under statute or otherwise, in respect of any loss or damage suffered by you as a result of or in connection with any opinions, recommendations, forecasts, judgments, or any other conclusions, or any course of action determined, by you or any third party, whether or not based on the content, information or materials contained herein.

The Markit iBoxx SGD Non-Sovereigns Large Cap Investment Grade Index are marks of Markit Indices Lmited and have been licensed for use by Nikko Asset Management Asia Limited. The Markit iBoxx SGD Non-Sovereigns Large Cap Investment Grade Index referenced herein is the property of Markit Indices Limited and is used under license. The Nikko AM SGD Investment Grade Corporate Bond ETF is not sponsored, endorsed, or promoted by Markit Indices Limited

Nikko Asset Management Asia Limited. Registration Number 198202562H.