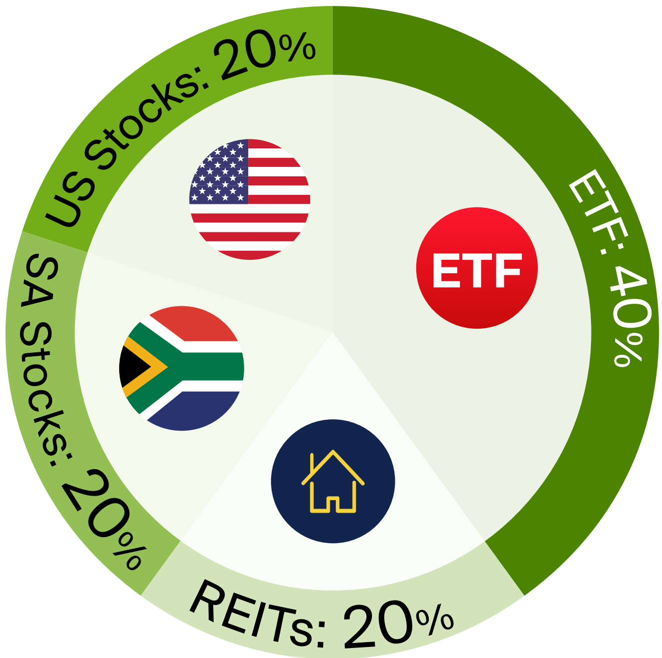
Your Retirement Guide from BROKSTOCK

Retirement planning is crucial for financial security and to ensure that individuals can enjoy their golden years without any financial stress. This article aims to guide investors to a well-diversified retirement portfolio.

STEP ONE:
Portfolio Weighting

A well-balanced retirement portfolio will include a diverse set of instruments. The following instruments add to your retirement plan:

- ETFs: **40%**
- US Stocks: **20%**
- SA Shares: **20%**
- REITs: **20%**



STEP TWO:
Optimal Portfolio Allocation

Creating an optimal retirement portfolio involves strategically distributing investments across various asset classes to maximize growth, manage risk, and ensure a steady income stream. Here's a detailed look at the suggested portfolio allocation and how investors can optimize their investments:

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1. ETFs (Exchange-Traded Funds): 40%

STX40 STX500 STXWDM STXRES STXGVI

Optimisation Strategies:

Select Diverse ETFs:

Choose a mix of **ETFs** that track different indices, such as the **Satrix S&P 500, Satrix 40, 1nvest Top 40 ETF** and the **Satrix MSCI**. This ensures exposure to both developed and developing markets.

Sector-Specific ETFs:

Include ETFs that focus on specific sectors. For instance, invest in technology and resources with the **iShares US Technology** and **Satrix RESI ETFs**, respectively, or consumer goods to capitalise on growth in these areas.

Bond ETFs:

Incorporate bond ETFs for stability and income, especially those that invest in the government, like the **Satrix GOVI**, and high-quality corporate bonds.

2. US Stocks: 20%

APPL MSFT JNJ TSLA AMZN KO PG

Optimisation Strategies:

Blue-Chip Stocks:

Invest in established, financially stable companies that have a history of strong performances like **Apple, Microsoft,** and **Johnson & Johnson.**

Growth Stocks:

Include high-growth potential companies such as **Tesla** and **Amazon** to benefit from rapid expansion.

Dividend Stocks:

Consider dividend-paying stocks like **Coca-Cola** and **Procter & Gamble** for regular income.

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3. JSE Shares: 20%

NPN FSR SHP SBK AGL SLM VOD CLS

Optimisation Strategies:

Large-Cap Companies:

Focus on large, well-established companies that dominate their sectors like **Naspers, FirstRand,** and **Shoprite**.

Diverse Sectors:

Diversify across different sectors to spread the risk. For instance, get into finance with **Standard Bank**, consumer goods with **Clicks,** and resources with **Anglo American**.

Dividend Stocks:

Include companies with a strong dividend history, like **Vodacom** and **Sanlam**, for steady income

4. REITs (Real Estate Investment Trusts): 20%

NPN FSR SHP SBK AGL SLM

Optimisation Strategies:

Diversified REITs:

Choose REITs that invest in different types of properties, including commercial, residential, and industrial real estate, like **Attacq Limited** and **Growthpoint Prop Ltd.**

Geographic Diversification:

Consider REITs with properties in various regions to mitigate location-specific risks, like **Hammerson PLC** and **Sirius Real Estate**.

Growth and Income:

Balance between REITs that focus on high dividend payouts and those with potential for capital appreciation, like **Equities Prop Fund LTD** and **Redefine**

STEP THREE:
Contribution & Discipline

A well-balanced retirement portfolio should be diversified across different asset classes and sectors to optimise growth potential while managing risk. By strategically allocating investments to ETFs, US stocks, JSE shares, and REITs, and regularly rebalancing and monitoring your portfolio, you can build a robust retirement plan that ensures financial security for your future.

Think of having a minimum of R1 000 to deposit every month for steady growth. This approach takes courage and discipline to stick to the investments for the long term. For example, investing R1 000 per month with a return of 10% per annum can add up significantly over time. Assuming monthly contributions over 30 years, compounded annually, this could grow to approximately R2 021 570.

Remember, this is not advice but rather a guide to help you fine-tune your strategy and achieve your retirement goals

** This article was prepared by BROKSTOCK analyst Maboko Seabi