Six Steps to Securing Your Nest Egg:

The ultimate guide to retiring comfortably

Dear Reader,

Most of us look forward to a comfortable retirement, a time when we can calmly enjoy the fruits of our labor, doing the things we love with the people we love. We need an adequately-sized nest egg to achieve this goal.

By taking the right steps to build and secure your nest egg now, you will ensure you have enough money to enjoy a comfortable standard of living when you retire or reduce the number of hours you work.

This guide teaches the six steps needed to grow your nest egg from starting to save for retirement to staying steadfast towards your goal and everything in-between.

As you go to through the sections on constructing a diversified portfolio, selecting the right investments, and ensuring the portfolio composition is in line with your risk tolerance, you will see each step cumulatively raises your returns and reduces your risk.

The guide elaborates on each step to help you implement them by yourself.

The guide also describes how AlphaProfit's Premium Service helps you every step of the way.

The Premium Service adds significant value to your account by helping you with your asset allocation and by helping you invest in the best ETFs, mutual funds, and stocks for both growth and income.

Regardless of whether you are several decades away from retirement or currently retired, AlphaProfit can help you increase the size of your nest egg and make it last longer.

Kind regards,

Sam

Sam Subramanian

CEO of AlphaProfit, Twelve-time winner of Hulbert Financial Award, and Editor of multiple award-winning AlphaProfit services.

"The best way to secure your nest egg is by striking the right balance between protecting retirement savings and growing them."

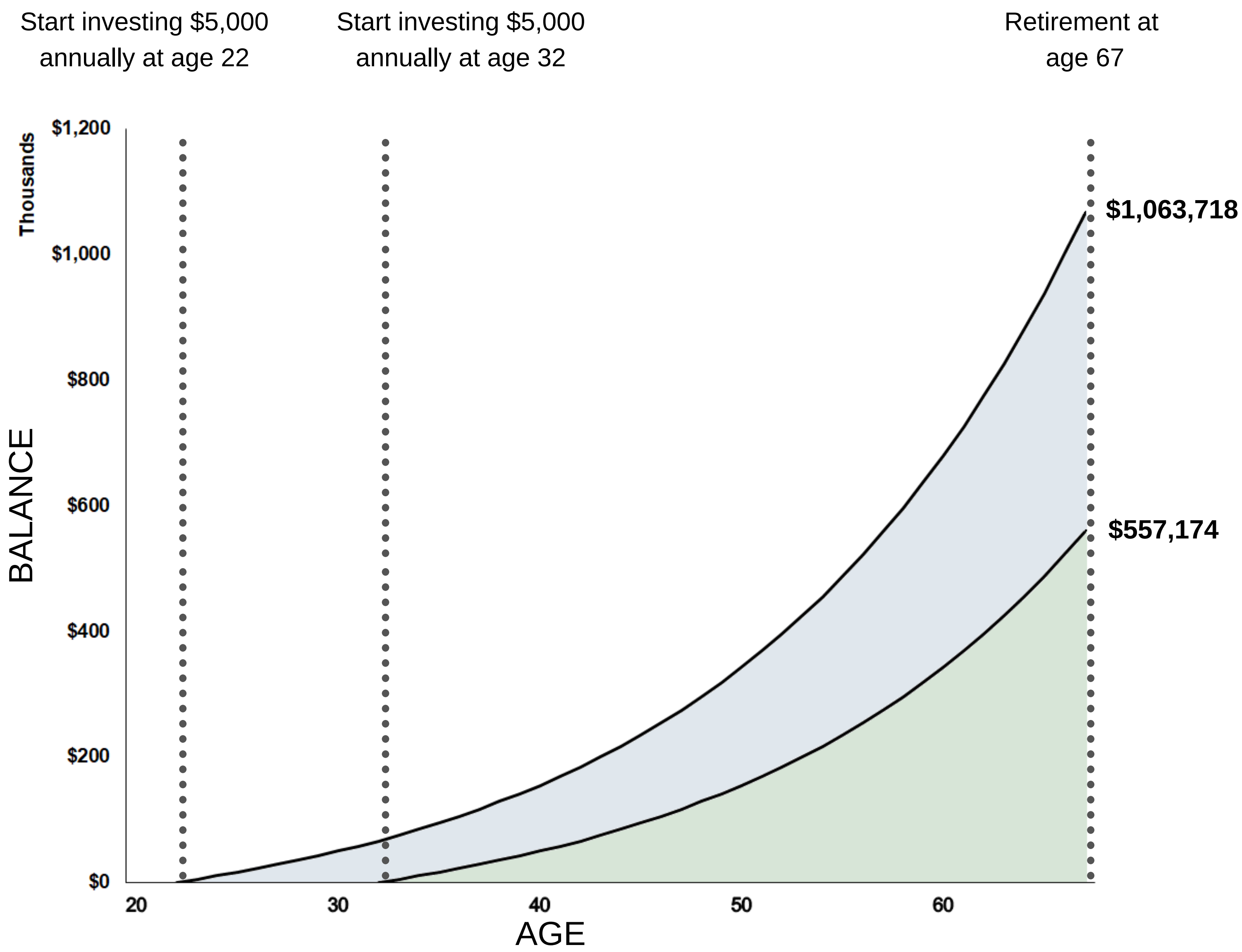
Sam Subramanian

To fully enjoy life and live comfortably in retirement, you need to be on the path that builds and secures your nest egg. The numbered parts below describe the six steps required to enter and stay on this path.

1. Start Saving and Investing Today

It is never too early to start saving for retirement! Ideally, retirement planning should begin as soon as you start on your first job. When you start on your first job, look at your 401(k) or your employer-sponsored retirement plan and start contributing as much as you can. If you have not done so, the best time is **now.**

Do not fall into the trap of waiting for the economy or market to recover to start saving for retirement. Tap into the power of compounding early. The sooner you start, the more time compounding can work for you, and the larger your nest egg will become.



If two people aged 22 and 32 save $5,000 each year and earn 6% annually on their savings, the person who started saving at age 22 will end up with nearly twice as much money as the person who starts at age 32. The early saver will have about $500,000 more at retirement.

Benefits of Using AlphaProfit:

AlphaProfit helps you accelerate the growth of your nest egg by investing in the best ETFs, funds, and stocks that earn high returns.

2. Build a Diversified Portfolio Based on Your Tolerance for Risk

You need to earn returns that outpace inflation to help maintain your purchasing power during retirement. Stocks, bonds, and cash are the most common asset classes investors use. These asset classes behave differently in different market environments.

By allocating assets among these asset classes judiciously, you can earn returns higher than the rate of inflation and, at the same time, lower the variability in returns. You effectively grow your nest egg without going through gut-wrenching declines that can take years to recover.

The longer the time between now and your retirement, the higher the level of risk your portfolio can withstand. If you have a few decades to retirement, you can allocate a sizeable chunk of your portfolio to stocks. As you grow older, more of your portfolio should be in bonds and cash for income and capital preservation.

One rule of thumb says 120 minus your age should equal your allocation to stocks. You can then adjust the result for expected returns from stocks, bonds, and cash.

As an example, a person aged 40 would allocate 80% (i.e., 120-40) of assets to stocks and 20% (i.e., 100-80) of assets to bonds and cash.

Benefits of Using AlphaProfit:

You receive asset allocation recommendations that help you diversify your portfolio based on expected returns from stocks, bonds, and cash. You can easily adjust these recommendations for your unique situation. By tactically allocating monies between stocks, bonds, and cash, you maximize your portfolio return while minimizing its risk.

3. Diversify Your Stock and Bond Holdings

In the previous section, you saw how asset allocation helps you minimize risk and maximize return. You have another opportunity to reduce risk and increase return when you select individual ETFs and funds within the stock and bond asset classes.

Stock ETFs and funds come in a variety of categories: domestic, foreign, large-cap, small-cap, sector-specific, theme-specific, foreign, region-specific, country-specific, and more. Likewise, bond ETFs and funds come in a variety of categories: short-term, long-term, government, corporate, and high-yield, to name a few.

Broadly diversified stock and bond investments tend to be more stable, while narrow-focused investments can offer higher return potential. You can lower your risk and enhance your return potential by appropriately selecting and weighting the right types of investments.

Benefits of Using AlphaProfit:

AlphaProfit takes out the guesswork of selecting stock and bond investments. AlphaProfit uses its proven sector rotation and style rotation processes to construct ETF model portfolios and mutual fund model portfolios. The model portfolios differ in the level of risk and cater to investors seeking aggressive growth, long-term growth, or global growth. You can implement the AlphaProfit model portfolios in your IRA and regular accounts at major brokerage firms.

4. Minimize Fees and Focus on Net Return

There is uncertainty in the returns your investments will earn. Fees are, however, fixed. It is, therefore, prudent to focus on net returns.

Off-late, index investing has become popular due to its lower cost compared to active investing. There are limitations to index investing. It would be incorrect to assume indexed investments are always the best. Index investing works well for certain asset classes in certain climates if you select the right indexed product.

Benefits of Using AlphaProfit:

AlphaProfit keeps your fees and expenses low. To do so, AlphaProfit avoids all load funds. Further, AlphaProfit's investing method avoids short-term redemption fees with no-load funds, allowing you to keep what you earn.

AlphaProfit takes a prudent approach when it comes to no-load funds with above-average expense ratios. While we do not avoid such funds totally, we recommend them only if we are confident of the manager's ability to deliver a higher net return compared to alternatives.

5. Rebalance Your Portfolio Regularly

Different assets you own in your portfolio will grow at different rates of return over time. The fraction of your portfolio invested in specific assets may become larger or smaller than you want.

For example, one stock or fund may earn high returns to eventually become a larger portion of your portfolio than you want. Portfolio rebalancing helps you address this issue.

Portfolio rebalancing, in simple terms, means adjusting your investments. When you rebalance, you change the asset allocation mix in your portfolio to the desired make-up. You rebalance your portfolio by selling some assets and buying others. Rebalancing forces you to sell high and buy low as you cut back on current leaders and add more into laggards.

Rebalancing, when done correctly, helps you not only to reduce your risk but also to increase your returns.

Benefits of Using AlphaProfit:

With AlphaProfit's periodic repositioning system, rebalancing is not an afterthought. It happens naturally. AlphaProfit combines the asset allocation changes with the repositioning of the mutual fund model portfolios and the ETF model portfolios to simplify the rebalancing process and cut the time you spend on trading.

6. Stay Informed but Ignore the Noise

I will start this part with a quote from Peter Lynch, the legendary manager of the Fidelity Magellan Fund: “In the stock market, the most important organ is the stomach. It is not the brain.”

Consuming financial media is beneficial, but a large chunk of what you may see, hear, or read in the media may have little or no impact on the trends underlying the long-term growth of the stock market. The focus on financial media can be detrimental to your long-term investment returns if it compels you to act in a panic.

Should you ignore the financial news then? No.

It just means to separate the news from the noise and ignore the noise. Recognize market volatility. Do not react in a panic and make hasty decisions in response to the noise. Do not allow your emotions to be performance killers.

Benefits of Using AlphaProfit:

By using AlphaProfit services, you will ignore the noise and not let your emotion make decisions. You will stay on top of the markets. You will proactively prepare for declines when times are good and take advantage of lower prices when times turn bad. By buying low and selling high at turning points, you make money in the market with low risk and low effort.

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