

# What is the ideal retirement portfolio for your 60s?

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*Karin Mizgala, MBA, CFP, is co-founder and CEO of Money Coaches Canada. We asked her to construct an ideal retirement portfolio for a Canadian in their 60s.*

If you're in your 60s, either at or near retirement, assuming average life expectancy, your investment time frame for the bulk of your investments is still long term. Unless you have sufficient assets to fund your retirement lifestyle needs with a rate of return in the 2- to 3-per-cent range, holding equities in your portfolio still makes sense, assuming your risk tolerance is moderate.

I recommend investing half of the equity portion of your portfolio in Canadian stocks and half in a mix of U.S. and international stocks. Canadian equities will limit your exposure to currency fluctuations and U.S. and international stocks will provide global diversification.

At retirement, keep a cash reserve equivalent to your cash flow needs for two to three years. Then, even if the markets fluctuate wildly or an increase in interest rates hurts your bond portfolio, it will be easier for you to resist the temptation to react emotionally because you know that some of your principal is protected. Don't expect great returns on this portion of the portfolio, but the peace of mind that comes with a secure investment is well worth it.

