



INVEST BETTER
with **BRENTHURST**
BUILDING WEALTH SINCE 2004

IN THIS ISSUE

Load shedding highlights the importance of true diversification. Investors should spread risk across asset classes, sectors, currencies and geographies, rather than simply using multiple managers or platforms, ensuring portfolios remain resilient when markets face pressure.

INVESTING WITH SA'S

LEADING BOUTIQUE WEALTH MANAGER

WINNER 2020 & 2017 | RUNNER-UP 2023 & 2018
TOP 3 2022 & 2021 | TOP 4 2025 & 2019

RANKED AMONGST THE TOP WEALTH MANAGERS FOR 9 CONSECUTIVE YEARS

JOHANNESBURG	+27 (0) 11 799 8100
SANDTON	+27 (0) 10 035 1391
PRETORIA	+27 (0) 12 347 8240
CPT GRANGER BAY	+27 (0) 21 418 1236
GEORGE	+27 (0) 44 050 6057
BELLVILLE	+27 (0) 21 914 9646
CLAREMONT	+27 (0) 21 100 3901
STELLENBOSCH	+27 (0) 21 882 8706
VAL DE VIE ESTATE	+27 (0) 21 100 3901
SOUTHERN PAARL	+27 (0) 21 141 4774
MAURITIUS NORTH	+230 260 1738
MAURITIUS SOUTH	+230 484 2175

WHAT LOAD SHEDDING TEACHES US ABOUT DIVERSIFYING RISK

MARIA SMIT | CERTIFIED FINANCIAL PLANNER®, BRENTHURST PRETORIA

Just as households need a mix of solar, batteries and generators to stay powered, investors need genuinely diversified assets to protect their portfolios when markets come under pressure.

A PROPERLY SPREAD PORTFOLIO, ACROSS ASSET CLASSES, SECTORS AND GEOGRAPHIES, IS WHAT KEEPS THE LIGHTS ON WHEN ONE PART OF THE MARKET HAS A BAD DAY, SAYS THE AUTHOR.

Whenever the next electricity supply crisis hits, South Africans are soon out looking for yet another backup system: solar, a battery, maybe a generator too. You wouldn't dream of relying on just one.

In investing, you should be doing the same thing: building in safeguards to prevent a total blackout should financial markets plummet. And the best way to do that is to build the same kind of backup mix in your portfolio.

KNOW WHAT AND HOW TO DIVERSIFY

Continuing the electricity analogy, I like to think of solar panels as the listed shares in your portfolio. Just like solar panels make their own power from something predictable – the sun's power – so shares grow your capital over time, powered by expanding economies.

Batteries, on the other hand, don't make power, they store it. That's your cash and money market investments. You need this close by for when things go wrong, but it's not going to grow your wealth on its own. And then, a generator gives you steady, reliable power for as long as you keep feeding it fuel. That's bonds and other income investments, which are known to be dependable when things get shaky.

But here's what a lot of people get wrong with backup power and with money: buying panels from three different installers or splitting your battery backup across three different suppliers might feel like you've spread the risk of them failing. But if all you own is solar, a cloudy week affects every panel you have, no matter which supplier installed it. Three invoices from three suppliers are not the same as three different sources of power. And that's a mistake some investors make too – believing that using different investment platforms or managers will help spread the risk.

Real backup, at home or in your portfolio, comes from mixing genuinely different sources. How much you hold in shares, cash and bonds should match your own goals and how much risk you can carry, not just repeat whatever worked last year.

QUANTITY VS QUALITY

Proper investment diversification comes from what you own, not from the number of platforms or managers you use. The real question you have to ask yourself is: will everything I own be hit by the same event, at the same time?

So, instead of counting the number of different accounts, funds or unit trusts you hold, look at the underlying sources of investment growth.

- Different asset classes, shares, bonds, property and cash, not just shares wearing different labels.
- Different sectors, to ensure that one industry's bad year doesn't take your whole portfolio down with it.
- Different currencies and geographies, so that a weak rand or a slow local economy isn't the only risk your money is exposed to.

A properly spread portfolio, across asset classes, sectors and geographies, is what keeps the lights on when one sector of the market has a bad day. That's worth checking this week. Not because your instincts about diversifying were wrong, but because the real work happens in what you own, not in how many places you've put it.

MARIA SMIT | CERTIFIED FINANCIAL PLANNER®, BRENTHURST WEALTH PRETORIA

PHONE: +27 (0) 12 347 8240 | **EMAIL:** maria@brenthurstwealth.co.za

**CONTACT ANY OF OUR HIGHLY QUALIFIED FINANCIAL ADVISORS AT OUR
NINE OFFICES COUNTRYWIDE TO DISCUSS YOUR INVESTMENT STRATEGY**

EMAIL US:
invest@brenthurstwealth.co.za

BRENTHURST OFFICES

Johannesburg	+27 (0) 11 799 8100	Claremont	+27 (0) 21 100 3901
Sandton	+27 (0) 10 035 1391	Stellenbosch	+27 (0) 21 882 8706
Pretoria	+27 (0) 12 347 8240	Val de Vie Estate	+27 (0) 21 100 3901
CPT Granger Bay	+27 (0) 21 418 1236	Southern Paarl	+27 (0) 21 141 4774
George	+27 (0) 44 050 6057	Mauritius North	+230 260 1738
Bellville	+27 (0) 21 914 9646	Mauritius South	+230 484 2175

SATELLITE OFFICES

LIMPOPO:	Ruan Breed +27 82 551 3299
FREE STATE:	Iniel Van Zyl +27 72 298 3212
NORTH WEST:	Maria Smit +27 79 696 6860
MPUMALANGA:	Marise Reinach +27 72 795 3604
KWAZULU-NATAL:	Arin Ruttenberg +27 84 582 8581

Brenthurst Wealth Management is an authorised financial services provider (Reg No: 2004/012998/07) FSP No.7833. This e-mail and any file attachments transmitted with it are intended solely for the addressee(s) and may be legally privileged and/or confidential. If you have received this e-mail in error please destroy it. If you are not the addressee you may not disclose, copy, distribute or take any action based on the contents hereof. Any unauthorised use or disclosure is prohibited and may be unlawful. The view and opinions expressed in this e-mail message may not necessarily be those of the management of Brenthurst Wealth Management (Pty) Limited.