

# Managing retirement

## Beyond the working life: Money matters retirees need to consider

WHEN planning for retirement, once a plan is in place, the next step is actually to manage it. While it's not a full-time job, there are certain things that need to be regularly taken care of in order to ensure one's retirement runs smoothly.

First, the age-old question of whether to rent or buy needs to be addressed. Many clients and fellow expats contemplate what to do in terms of housing. The first consideration is whether or not they still own a home back in their native country. Some will have decided to rent out their homes and use the rental income as part of their retirement earnings.

Others are unable to part with their homes because of sentimental value, or they still stay in it when visiting home. However, if there is a mortgage on the property, it's best to sell it. There's no room for a mortgage or debt in managing your retirement. Debt is a sure way to manage your retirement into the ground.

Here in Phuket, renting is recommended. For one, renting gives retirees the ability to determine if a unit or building is right for them. There are many horror stories of bars opening and the noise making for many unpleasant nights. Second, there are few, if any, management companies that care for properties like those in the US.

Renting provides the option of walking away from just a security deposit and one month's rent if it's a one-year contract. Search for rental property in the low season, as deals will be plentiful and there will be a broad selection of



Careful management of personal finances is crucial to keeping retirement on track. Photo: Walter Siegmund

units and buildings.

If a house is desired, renting is the way to go because foreigners cannot technically own land. There are many unscrupulous agents who will say that setting up a Thai company is the way to go. Tell that to the expat whose lawyer kept the 51% when he was supposed to just be the nominee. Retirees cannot afford to put themselves in a bad situation.

If the decision to buy is made, be sure to consult with a reputable



### Finance

By Don Freeman

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law firm that has experience working with foreigners and contracts, and take steps to ensure that if the investment goes wrong, it won't derail retirement plans. Always

have a contingency plan.

The second thing to address when managing one's retirement is life insurance. Life insurance is actually something probably not needed once retired. The only reason to keep a current life insurance policy is if large debts are held. Most retirees are better off cashing in their life insurance policy and investing it elsewhere.

Third, retirees should ensure their affairs are in order. All accounts should have designated

beneficiaries – this goes along with a will and ensures who gets what. All important documents should be easily accessible by family. This should include a will, trust documents, insurance policies, a detailed listing of assets – including account numbers and dollar amounts, and a durable power of attorney.

The fourth and final part of managing retirement is managing a portfolio. The two critical pieces to managing a portfolio are yearly portfolio adjustments and actually building on a portfolio. Even though retired, with the right Exchange-Traded Funds (ETFs) and stocks, retirees can actually grow their retirement portfolio with adequate planning.

Many retirees have been misguided and misinformed that stocks are too risky for them and bonds are the best investment, because they produce income. The reality is that a balance and diversified portfolio is what's important.

"Managing a portfolio also involves managing withdrawals and then re-balancing the portfolio after the withdrawals are made. A common question from clients is which account should they take their money from? That's why each retirement portfolio is unique and why a custom plan is necessary.

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## Appliance manufacturer makes move to Thailand

TURKEY-BASED Beko, the second-largest home-appliance player in Europe, is setting up in Thailand with an eye to making this country the brand's regional manufacturing hub in Asean.

"We are seriously considering investing in Thailand to manufacture major home appliances such as refrigerators, air conditioners and washing machines. The plant will cost about US\$100 million initially, and the decision will be made by the end of this year," Levent Cakiroglu, chief executive of Arcelik, the owner of the Beko brand, said last week.

The company is studying options for the region, he said.

It researched the Thai market for about three years before deciding it come here.

Thailand has many strengths as a potential manufacturing centre for Asean, including a central location, developed transport and infrastructure, established supporting industries, business-friendly environment and sizeable domestic market.

Thailand is also one of the most attractive

investment locations in the world, he said.

Beko operates about 14 factories in Europe, China and South Africa.

The brand's debut here would spearhead its regional ambition to become a favorite brand of consumers in the Asean Economic Community (AEC).

It aims to replicate in the AEC its phenomenal success throughout Europe, where its washing machines, refrigerators, dishwashers and cooking appliances have become market leaders.

"We also aim to achieve US\$500mn in sales in the Asean region in the next three years, of which 10-12% will be from Thailand."

Beko has been active in more than 100 countries. In Asean, its products are already available in Malaysia, Singapore, Cambodia, Sri Lanka and Thailand, as well as farther away in Australia, New Zealand and China.

It plans to market in other countries in Asean by next year, including Vietnam, Indonesia, Myanmar and the Philippines.

- The Nation